

In considering the economic effect of population growth it is important to also consider the nature of the particular economy. At about 11% of GDP Australia has the smallest manufacturing sector and highest dependence on manufactured imports of any OECD nation. Both trends are also worsening with little prospect for improvement in the foreseeable future. Australia also has the highest proportion of urbanization in the world and faces growing problems related to massive urban growth. Not the least of these is among the world's most expensive real estate.

The average house price here is six times average annual earnings or twice the level that collapsed the U.S. real estate bubble. This level now requires a dual income family indentured for most of their working life just to own a home. It also means that domestic savings are insufficient to provide the necessary mortgage lending and the banks must now depend upon ongoing overseas borrowing to sustain the bubble. Worse yet, the banks themselves have most of their assets based on inflated real estate and a collapse of the bubble would wipe them out. Any significant rise in global interest rates or downgrading of the credit rating of the Commonwealth Government (which guarantees overseas borrowing by the banks) will collapse inflated house prices. All this is exacerbated by high levels of immigration almost all of which settles in the cities.

On top of this is a chronic trade deficit set to increase dramatically with rapidly declining domestic oil production. The resulting foreign debt is already at 60% of GDP, among the highest of OECD countries.

The Australian economy is more heavily dependent on primary production than any other OECD nation. In other words we have a third world economy supporting a first world lifestyle. This is only possible because of a relatively small population. Rapid population growth is unlikely to rapidly expand primary production and if it did this would only result in accelerated depletion of the resource base. There is no indication that increasing population is making our manufacturing and service industries more competitive either. In fact our remaining competitive advantages in these sectors are in relative decline with increasing quality improvements in lower cost economies.

In UN and other quality of life surveys the top ratings are consistently held by nations with small total populations and/or low population densities. The economic benefits of increasing population flow to a decreasing portion of the total population. For most the result is only a decline in their standard of living.

Labour shortages mean a higher standard of living for millions of employees while a few owners have to suffer with only being rich instead of filthy rich.

This is indeed the lucky country. The high quality of life we enjoy is not because we are smarter, or more industrious, or morally superior to other less fortunate nations. Our overwhelming advantages are natural ones. There are no problems with adjoining neighbours, a mild climate, plenty of space and a wealth of resources. Perhaps most important of all, there is plenty to go around so everyone gets a generous share.

Doubling, tripling or quadrupling our population is unlikely to improve our quality of life. Almost certainly it will diminish it economically, environmentally, socially and with respect to freedom and opportunity.

Walter Starck