



Canberra Region
PO Box 3851
Weston ACT 2611

Migration and Population Study
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

This submission is made in response to the Issues Paper that the Commission has published for this very important study.

Sustainable Population Australia (SPA) is a national environmental organisation whose central concern is that issues of population size and growth are frequently left aside in any debate on public policy issues. More information is available on our website, www.population.org.au.

The terms of reference which the Treasurer has provided for the study observe that "there is value in identifying the ways in which population growth and the human capital aspects of migration can affect productivity". It is well past the time for an objective study of this issue to be undertaken. In Australia, population growth has long been seen as a major driving force in the development of the economy, but whether there really is scope for continued population growth is a matter of considerable contention.

The terms of reference set out a number of specific matters to be encompassed in the Commission's report, including the nature of recent international migration flows, migration's impact on skill levels, and the relationship between migration and population growth and productivity. They also require the Commission to consider "the impact of migration and population growth on labour force participation and economic growth more broadly", and our comments are addressed to this aspect.

Because factors affecting population growth, such as changes in the size of the migration program or incentives for having children, have very long-term demographic implications, it will be particularly important that the Commission's studies take a long term perspective in considering the economic impacts.

In a world facing a number of unprecedented and critical challenges, past experience will be a much less reliable guide to the future. For present purposes it will suffice to

refer briefly to two of these challenges: the impending prospect of world demand for oil outstripping supply, and climate change.

Both have immense economic implications. The modern world economy has been built on the ready availability of cheap oil, and that era is gradually but inexorably coming to an end. For Australia, already meeting a declining proportion of its oil needs from its own production, the inevitable trend is for substantial increases in the bill for oil imports. Climate change is expected to have a significant adverse impact, particularly across southern and eastern Australia, on the availability of water for households, industry and agriculture, which will also be adversely affected by increases in average temperatures.

For the Commission's study, the implications are clear. With the availability of vital resources dwindling (or, at the least, under stress), increases in the number of people calling on those resources are likely have adverse impact on productivity. Equally clear is that, to the extent that the study may fail to take adequate account of such factors, its value as a guide to future policy would be compromised.

Simon Troman
President, Canberra Region
Sustainable Population Australia Inc
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Mr Troman's contact details are: (02)62530196, scttroman@bigpond.com