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The Commission's position paper on *Economic Impacts of Migration and Population Growth* is a highly important contribution to the debate about the role of migration and population growth in Australian public policy. It is a debate too often tainted by special interest and characterised by lack of balance or supporting evidence, and the dispassionate analysis of the position paper is a welcome and much needed antidote.

It is therefore regrettable that, in one highly important respect, the paper pulls its punches.

Section 6.2 of the report contains a useful, but rather theoretical, discussion of the relationships between migration, natural resources, and what the report defines as environmental externalities. It recognises (page 112) that natural resource constraints and environmental externalities are likely to impose a drag on productivity and living standards, and that population growth through migration could increase this drag. It also notes, however, that information necessary to quantify the impact of such factors was not available.

We fully appreciate that quantification of such things is not practicable for the purposes of the Commission's modelling. But this difficulty adds to the importance of ensuring that the Paper contains a sufficient description of the very real natural resource constraints and environmental externalities that are going to have a highly important bearing on Australia's economic future.

A key point we made in our submission (no. 10) on your Issues Paper was that emerging realities, such as the prospective peak and subsequent decline in world oil production, and the impact of climate change, have immense economic implications. Yet neither rates a mention in section 6.2. How can that be justified, when it is surely beyond reasonable doubt that these two developments alone will present enormous challenges for the world's economies over the next two decades, which is the timeframe for the Commission's modelling?

One need not look far for evidence that the world's demand for oil is already closing in on production capacity, and that the prospects for adequate substitute sources of energy (not to mention all the other vital oil-based products) in sufficient quantity and reasonable price are, to say the least, problematic. Climate change, already sufficiently upon us to be a major item on the agendas of world leaders, is expected to have significant adverse effects on agriculture and water supply in Australia. Nor need one look far for evidence of other problems in the area of resource constraints and adverse impacts of environmental externalities. Front page feature articles in major metropolitan dailies about growing traffic congestion and water supply issues, reports of decisions to cut fishing fleets because of threats to long term viability of fisheries - such things are already a commonplace.

Against such a background, it requires quite a remarkable degree of confidence in the possibilities for technological breakthrough and substitution on a scale and at levels of cost that would see present levels of economic activity being sustained much longer, let alone the achievement of per capita growth for an increasing population.

We argue that the real prospect is that resource constraints and adverse environmental externalities are likely to have a much greater adverse impact on economic activity than can be read into the Commission's report. In such circumstances, higher population growth could be expected to have a depressing effect on per capita incomes - not even the very modest increases shown by the Commission's modelling.

We therefore urge the Commission to expand its discussion of resource and environmental issues in section 6.2 to give better recognition to the real world constraints that are pressing on us. Failure to do so, we have to say, would only vitiate the value of the Commission's work as a predictive tool; and that would be a pity.

Yours sincerely

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Secretary, Canberra Region

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