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Australia Faces Critical Population Decline Amid Falling Birth Rates

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Australia is now confronting a pivotal demographic challenge as the number of deaths surpasses births, signaling a potential “human catastrophe,” according to recent analysis. Despite a slight increase in births in 2024 compared to 2023, fertility rates remain perilously low, well below pre-pandemic levels and the replacement threshold needed to sustain the population without relying heavily on immigration.

New data from financial services firm KPMG highlights Australia’s total fertility rate (TFR). The average number of children born per woman fell to a record low of 1.51 in 2024, far

below the replacement rate of 2.1. The Australian Bureau of Statistics (ABS) recorded around 292,500 births last year, a modest rise from 285,000 in 2023 but still below the 300,000-plus births seen annually between 2013 and 2019. This demographic shift raises serious concerns about the country's future workforce and economic stability.

Economists and demographers point to a combination of factors driving this decline, including the escalating cost of living, unaffordable housing, and general uncertainty about economic prospects. KPMG urban economist Terry Rawnsley noted that high rents, mortgage payments, and childcare expenses, particularly in metropolitan areas, are discouraging Australians from starting or expanding families. In contrast, regional areas, where housing is more affordable, continue to attract people seeking to raise children, underscoring a growing urban-rural divide.

This troubling trend in Australia reflects a broader global phenomenon. Fertility rates worldwide have been steadily decreasing since the mid-20th century, a pattern documented in studies published by *The Lancet* medical journal and data from Birth Gauge. The United States, for example, reported a TFR of 1.58 in 2025, down from 1.84 in 2015. Many countries in Eastern Europe and parts of Asia face even sharper population declines, increasingly depending on immigration to maintain their numbers.

Australian National University (ANU) demographer Liz Allen warned, "We've essentially hit rock bottom, and trying to come back from that is going to be incredibly difficult. It will be a task that requires enormous policy and political intervention." Allen's caution highlights the urgency for policymakers to develop strategies that promote economic stability and address the underlying causes of declining birth rates.

Internationally, the United Nations Population Fund (UNFPA) has labelled the falling global birth rate a "crisis," emphasizing its threat to economic growth and social cohesion. UNFPA Executive Director Dr. Natalia Kanem stressed the need for policies that safeguard reproductive rights, gender equality, and financial security. Similarly, U.S. Vice President JD Vance has called for renewed societal focus on increasing birth rates to ensure generational continuity.

Looking ahead, Australia faces difficult choices. Without substantial reforms to improve housing affordability, childcare support, and job security, the nation risks shrinking workforces and an aging population that could strain social welfare systems and tax revenues. As migration policies remain contentious, reliance on immigration alone cannot

fully compensate for the demographic shortfall. The country stands at a crossroads where decisive action is necessary to secure long-term prosperity and social stability.