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Cost-of-Living Crisis Fuels Baby Recession in Australia's Major Cities

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Australia's largest cities are grappling with a deepening baby recession, as soaring living costs drive birth rates to near-record lows in 2024. Preliminary data from KPMG's analysis of Australian Bureau of Statistics (ABS) figures shows fertility rates plummeting in Sydney, Melbourne, and Brisbane, while regional areas see higher birth numbers. This article

explores the economic pressures behind this trend and questions the Labor government's response to the crisis.

KPMG's 2024 data reveals Australia's fertility rate, the average number of children born per woman, fell to 1.51, down from 1.8 a decade ago, with Melbourne's rate at a stark 1.4. Urban economist Terry Rawnsley, speaking to The Guardian, attributed the decline to economic uncertainty, noting, "We haven't seen such a sharp drop in births since the 1970s stagflation." Sydney saw an 8.6% drop in births since 2019, Melbourne 7.3%, and Brisbane 4.3%, while Canberra's stable economy bucked the trend. The Consumer Price Index (CPI), a measure of inflation, has hit families hard, with housing costs cited as a primary barrier. RMIT University's Ashton De Silva told The Guardian, "Secure housing is a prerequisite for starting a family, and the housing crisis is directly linked to declining fertility".

Inner-city suburbs, dominated by smaller apartments, report the lowest birth rates, while outer suburbs and regional areas like Geelong, with an 11% birth increase since 2019, fare better due to more affordable housing. University of Western Australia's Amanda Davies told ABC Radio Perth that inner-city infrastructure discourages larger families, pushing them to urban fringes. Posts on X reflect public frustration, with users like @9NewsAUS highlighting how financial pressures deter young couples from having children. The Labor government's policies, including migration-driven growth, are criticized for exacerbating housing shortages without addressing affordability, leaving families squeezed.

The baby recession signals deeper economic woes, with couples like Melbourne's Carina La Delfa and Daniel Rosenow, who told ABC News they can't afford kids despite running a business, emblematic of the struggle. Without bold reforms to ease housing and cost-of-living pressures, Australia's demographic future looks grim, and reliance on government handouts won't cut it.