

7th November 2002

News release

Contact Clive Hamilton 02 6249 6221 0413 993 223

Naked economists – a horrible sight

“Economists who have compared the CSIRO’s new report on population to the Club of Rome should own up to the dismal record of their own models in predicting changes in the economy”, said the Executive Director of The Australia Institute, Dr Clive Hamilton.

The CSIRO report, *Future Dilemmas: Options to 2050 for Australia’s Population, Technology, Resources and Environment*, will be launched in Sydney today by Immigration Minister Philip Ruddock.

“Criticisms levelled at the CSIRO by three economists on the ABC’s *Four Corners* program seriously misrepresent the report”, said Dr Hamilton.

“The economists who dismissed the new study as ‘too narrow’ and ‘paying too little attention to the economy’ are themselves some of the narrowest in their profession. It is absurd to imagine that prices can be predicted 50 years into the future.

“The economic models used by policy makers in Australia take no account of the natural environment. There is nothing in the Murphy Model or Treasury’s TRYM model about water use, land use or air quality and this failure distorts their analysis. The scientists at CSIRO have shown that the economists have no clothes. No wonder they are upset.

“The economists have intoned the mantra that ‘market forces will fix everything’. Market forces have not fixed salinity, land clearing or greenhouse gases, which are all at record levels despite the fact that everyone has for years acknowledged that they are hurting Australia.

“Sensible economists know that we cannot keep wasting water and energy and dumping millions of tonnes of garbage into landfill each year. They know that a rapidly growing population can only add to the pressures.

“If Australia’s population is going to more than double, then we have to use less than half the amount of resources per person just to stay where we are.”

Dr Hamilton has served as a senior economist in the Australian Public Service and as an international adviser on environment and development. He has extensive experience in economic modelling and has published widely on economics and the environment.

www.tai.org.au