



Welcome to a big year in Population!

A warm welcome to all our members of the Australian Population Institute and supporters of responsible population growth.

This year we are trying a new format to communicate with you. As such you will receive a quarterly (or more frequently if possible) electronic newsletter. The reasons for doing this are simple – the Institute will save a significant sum in postage and printing costs.

The format of the electronic newsletter will be user friendly and as well as providing you with an update on the Institute's activities and the population debate in general, we hope to provide you with several informative but concise articles on topical demo-

graphic issues.

With this first edition Chris McNeill explores several demographic issues in a series of articles;

- the hot topic of fertility levels and how government policy may be employed to address the issue of Australia's below replacement level fertility rate;
- a short analysis of regional population trends in Victoria – specifically comparing the results of the 2001 census against population projections made only two years earlier – with some very



Chris McNeill

interesting results;

- how global demographic trends are likely to influence world power structures in the 21st century.

By Bert Dennis

Inside this issue:

<i>Apop South Australia</i>	2
<i>National & Regional Population Summits</i>	2
<i>The National Debate</i>	2
<i>Demography and the new world order</i>	3
<i>Regional Victoria—a growing chasm</i>	4
<i>Frequently asked questions</i>	5

Special points of interest:

- First Breakfast Meeting Friday 4th April with Hon. Kevin Andrews MP, Minister for Ageing
- Apop South Australia has been formed
- National Population Summit to be held in SA
- Keep abreast of relevant developments via our website www.apop.com.au

First Breakfast Meeting for 2003

The Institute was proud to present the Hon. Kevin Andrews MP, Minister for Ageing at a breakfast meeting on Friday 4th April at the Windsor Hotel in Melbourne.

Mr. Andrews spoke in de-

tail on the issue of ageing its impact on public policy.

The presentation attracted 85 guests and provided an opportunity to hear first hand some of the thoughts of the federal government as to the likely future

course of policy to meet the challenges of an ageing society.

A transcript of the minister's speech is available on our website.

Apop South Australia

The Institute is delighted to announce the formation of a South Australian branch. A well connected and motivated committee has been formed under the stewardship of Mr. Michael Hickinbotham. An official launch of the Australian Population Institute—South Australia is likely to take place in April.

Stay tuned for more!

National Population Summit

Plans for a follow up Summit to build on the success of the National Population Summit held in Melbourne in early 2002 have begun. While it is yet to be confirmed it is likely the next Summit will be held in Adelaide in October. Apart from reviewing the progress of the national population debate and its status a year or so on, a specific

theme will be built around the issue of an ageing society and the economic, social and cultural consequences of failing to appropriately address the most serious consequences of ageing. As Adelaide is likely to be the first mainland state of Australia to experience the impact of ageing it seems a most appropriate venue.

Regional Population Summit

Initial plans are also under way to ensure the momentum achieved at the National Regional Population Summit held in late November 2002 is continued. The 'Regional' Summit,

held in Albury, focused primarily on the issue of population distribution and was well attended by some of Australia's leading thinkers in the area of regional development and

demographic policies. A further and more detailed review will follow in the next email newsletter.

The National Debate—where is it at?

The population debate remains a topical and sometimes controversial issue in Australia. Through the course of 2002 the debate seemed to shift its focus at times moving from immigration early in the year to the question of fertility rates and then to the environment.

In October we saw the release of the CSIRO report 'Future Dilemmas', which assessed the impact on resources and the environment of three different population scenarios – low, medium and high growth options. The report, which attracted considerable and, at times, heated debate, addressed one key issue. It noted that all scenarios are feasible and that each re-

quire a number of trade offs. Put simply Future Dilemmas accepted that no resource or environmental impediment existed to the high growth option (which delivered a population of around 32 million in 2050 rising to 50 million by 2100).

Of note also in the latter stages of 2002 was an increasing interest in populating Australia's regions due primarily to growing unease in Sydney at the prospect of perceived overcrowding in the Sydney basin.

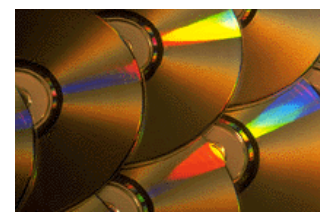
Needless to say the population debate has lost some momentum in the past couple of months due to international events. One of the

Institute's roles is to ensure that it does not become buried by other issues.

It appears increasingly likely that both the federal government and the opposition will seek to elevate the issue of family policy as a key to the next federal election. Whatever direction the parties decide to take we feel confident that both parties are taking the issue of our declining fertility rates seriously and will endeavour to structure policy accordingly. They must!



"..to build on the success of the National Population Summit held in Melbourne in early 2002"



Don't forget to visit
www.apop.com.au

Demography and the new world order

The German economy appears to be drowning in a sea of regulation and taxation. For Europe's largest economy the spectre of decline is likely to continue as a demographic nightmare begins to shape its future.

Germans can take heart in that they won't be alone as the winds of change blow through Europe. Across that continent the key factor in population outcomes, fertility, has fallen well below the replacement level figure of 2.1. For most nations immigration will not offset this impact.

Of course Europe's era of dominance has been slowly declining since the beginning of the 20th century. In the 21st century this decline may accelerate not as a result of war or devastation but simply as a consequence of a numerical decline in the number of Europeans.

In some cases the projected decline will be enormous. The population of Russia is around 144 million. The United States based Population Reference Bureau projects that by 2050 it will be 102 million. Russia's fertility rate of 1.3 coupled with significant out migration will wipe out almost 30 percent of the nation's manpower.

The trend is similar across much of eastern and central Europe. Germany's population is expected to fall from 82 to 67 million, Ukraine from 48 to 38 and Poland from 39 to 34. Decline such as this presents

serious difficulties on its own. Of even greater concern is the ageing of the remaining population producing additional social and economic problems.

The situation in Western Europe is mixed where some nations such as Italy and Portugal are expected to decline by 10 percent or more, while others such as the United Kingdom and France are expected to experience growth of modest proportions.

In stark contrast to Europe, the population of the United States is projected to increase by 44 percent to 414 million over the same period. Its age profile is expected to remain younger than any other large Western nation.

The United States is the only Western Nation with replacement level fertility.

In the 1980's the fertility rate suddenly and unexpectedly rose. The reason remains unclear. Some suggest the economic restructuring of the Reagan era proved to be a turning point by creating a mood of national optimism. Others point to high fertility rates among immigrants though even the rate amongst native born Americans remains higher than that of most European countries.

As a consequence the ageing of the population will be far less pronounced than in Europe. In 2050 the median age in the United States is projected to be 36. In Europe the figure will be almost 53.

If measurement by manpower provides any reasonable insight into the world's 21st century power structure the dominance of the United States looks set to continue unchallenged.

In Asia the picture is mixed. Japan's population is projected to decrease from a current 127 million to 101 million by 2050.

Most Asian nations are likely to increase. As their standard of living rises it can be expected their relative economic power will rise even more so as their population grows. Malaysia is expected to nearly double to 46 million by 2050. Indonesia is anticipated to rise by 46% to 316 million. To the west, India, Pakistan and the Middle East are expected to continue to grow quickly.

Strict family planning policies in China will mean the population is likely to be in decline by 2050. Nevertheless assuming the economy continues to grow China's 1.4 billion inhabitants should ensure it is an economic colossus.

Australia's current population of just under 20 million is expected to stabilise at around 25 million. Like Europe it will be a far older society than that which we know today. We will most likely be a small player in a very large pond.

Many will rightly point out that a nation's relative wealth cannot be judged on the size of its population. Nor does it reflect that country's moral fibre or the

esteem in which it is regarded in world affairs. However in predicting the world's future power structures the size and age profile of the population is critical.

None of this may prove terribly important in the long term. The relative power of nations has been rising and falling since the very concept of the sovereign state emerged. In the 21st century the rate of increase in the world's population is expected to slow and perhaps stabilise. In the meantime we can expect the European age to slowly pass. Attempts will be made to hold back the demographic tide by expanding the size of the European Union. Maybe a cultural shift will occur and Europe will reassert itself. Demographic predictions can sometimes prove awfully wrong.

It appears however that through the inexorable forces of demographic change the long awaited Pacific century may be soon be upon us.

By Chris McNeill

Regional Victoria—a growing chasm

The winners and losers in Victorian regional population growth

In 1999 Victoria's Department of Infrastructure released a series of reports, 'Victoria In Future', which contained population projections for Victoria.

The projections through to 2021 were for each Local Government Area and provided detailed commentary outlining the likely change by town and region. Victoria In Future was broken into two specific reports, one concentrating on the Greater Melbourne Metropolitan Area, the other focusing on Victoria's regions (Regional Victoria In Future).

These projections are the only comprehensive set of population predictions for Victoria. They were the result of five years research and based on the results of the 1996 census, the Australian Bureau of Statistics' 1998 national projection series and further analyses of key economic, social and demographic trends

occurring in Victoria.

Projections such as these are vital in providing a framework around which governments can plan future infrastructure requirements. They also provide valuable information upon which the private sector makes investment decisions.

Victoria's Department of Infrastructure completes research and analysis in this area to a high standard. Population projections are however exactly that – a projection, a prediction, an educated guess. As such they can prove wrong and usually do to some degree.

Reviewing Regional Victoria In Future several years on simply reinforces the fact that demographic trends, so closely linked to economic and cultural trends, are difficult to predict.

With the benefit of the 2001 census results a number of distinct variations to the projections have emerged.

Several regional cities such as Ballarat, Bendigo and Shepparton have grown at rates well above expectations to the extent that their population at 30 June 2001 was already ahead of the projection for 2006.

A number of areas within Melbourne's sphere of influence also exceeded the 2006 projected figures at the 2001 census date. As can be seen from the table below these included local government areas such as the Macedon Ranges Shire and Surf Coast Shire.

Other large regional centres also experienced stronger than expected growth with cities such as Mildura and Warrnambool recording results in 2001 approaching the projected 2006 figure.

A number of smaller regional centres have exceeded expectations as well though it should be noted that in many cases growth expectations were not high to begin with. For example Swan Hill was projected to

experience modest growth at best increasing from an estimated 21,077 in 1999 to 21,304 in 2006 to 21,434 in 2021. The 2001 revealed a population of 21,404, a round 100 ahead of the projected figure for 2006. Hardly stunning growth but nevertheless a positive trend for the prosperous Murray River township. A similar pattern emerged in Wangaratta.

In contrast the trend in many smaller municipalities in the western third of the state and in Gippsland was not so favourable. In these areas the rate of decline was more dramatic than had been projected with the population in 2001 already below that projected for 2006. Again in some cases the variance amounts to no more than a hundred or so. Nevertheless it appears a trend is emerging and for some small towns it appears ominous. If depopulation is exceeding expectations during a time of relative economic prosperity the outlook during any future recession is bleak.

Local Government Area	Total estimated resident population 1999	Actual 2001 Census	Total estimated resident population 2006	Total estimated resident population 2021
Ballarat	80,801	83,753	83,035	87,748
Greater Bendigo	86,318	90,502	89,459	98,370
Greater Shepparton	55,549	58,157	58,076	63,494
Macedon Ranges	35,221	37,830	37,098	42,927
Surf Coast	19,284	20,920	20,879	24,947
East Gippsland	40,215	39,467	41,571	44,491
Gannawarra	12,505	12,067	12,188	11,984
Hindmarsh	6,871	6,523	6,624	5,679
Northern Grampians	13,317	13,110	13,248	13,110
Wellington	42,398	41,376	42,161	40,689

Regional Victoria—a growing chasm (continued)

The important question is whether these variances represent long term ongoing trends.

Such variances may simply represent a temporary excursion from carefully constructed projections. It is possible that as the ageing of the population begins to impact over the next twenty years, population growth in the regions will adjust accordingly and be much in line with the Department of Infrastructure's earlier predictions.

On the other hand we may be witnessing a significant departure from projections completed as little as three years ago. Perhaps some of our regional cities are on course to grow beyond earlier expectations and become genuine medium sized cities.

Either way the challenges for governments are innumerable and by the time coherent strategies are developed new forces may be shaping the regions.

From around the mid 1990's it would appear that Victoria's larger regional cities along with most areas in a 100 kilometre radius of Melbourne rebounded from the recession of the early 1990's more strongly than many experts predicted.

Contrastingly some of Victoria's more remote rural areas, particularly in western Victoria but also those areas of Gippsland undergoing a reconfiguration of their industrial base contin-

ued to decline in population at a rate greater than many had projected.

Commentators frequently suggest that an economic and social gulf has developed between city and country. It would appear that beyond the boundaries of metropolitan Melbourne simple and 'one size fits all' descriptions are not always that simple.

By Chris McNeill

Frequently asked questions

Can government policies increase fertility rates?

Yes – but how substantially is open to question.

The long and steady decline in fertility rates began towards the end of the nineteenth century. It increased sharply following World War 2 before slowly decreasing again, dipped sharply in the period 1970 to 1975, and has been on a slow decline since.

What appears to be beyond dispute is that the financial costs of children impact significantly on a family's capacity and desire to have children. This applies in a historical context as well as contemporary. In the first half of the twentieth century during which time it could be said a 'male breadwinner' approach was predominant the basic wage was assumed to be at a sufficient level upon which to

rear a family. Whether this was in fact the case can be debated at length.

The depression of the 1930's significantly undermined the relative purchasing power of the basic wage and a sharp drop in the fertility rate followed.

In 1941 the Commonwealth Child Endowment Scheme was introduced. It is now suggested by some that Child Endowment may have had more to do with the temporary increase in fertility rates post war than any national wave of post war optimism.

Over the course of the 1960's and 1970's Child Endowment, which was not generally indexed to inflation, provided less financial support to families.

Needless to say in addition to financial considerations cultural and social factors have also impacted fertility

rates – the ongoing and significant decline in the mortality rate, an explosion in the use of birth control and an increasing desire by many women to pursue a career.

It is at this juncture that the approach forward becomes complex and in part political as it is largely driven by something of an ideological approach.

Two schools of thought have emerged. One is sometimes termed the Gender Equity model, the other – for the purposes of this discussion let's call the Diversity Model.

In broad terms, the Gender Equity model is based on an equal opportunity platform by seeking to ensure that no woman who seeks a career is disadvantaged in any way by having children. Suggested policy recommendations under this model include extended

paid maternity leave and heavily subsidized or free childcare.

The Diversity Model embraces policies for those who believe the Gender Equity Model is somewhat flawed. It has found favour recently through the findings of British Sociologist, Catherine Hakim, who suggests that the Gender Equity Model is too narrowly focused. The basis of her thesis is that women vary greatly in their approach to motherhood. While some are career focused (20%), others are home focused (20%) but a majority (60%) are defined as adaptive – that is they are neither completely career or home focused but choose instead to make compromises such as pursuing part time work, taking several years out of the workforce or a mixture of both. Many in the adaptive category resume full time employment at their con-

Frequently asked questions (continued)

venience, probably after a period of child rearing.

Policy development under a Diversity Model is typically delivered in the form of family support payments. The recipients are then at liberty to determine their own work/family arrangements and choose whether to accept a funded (or partly funded) child care place or an equivalent home care allowance.

Supporters of a Diversity Model claim Gender Equity Model targets only a minority of women, who happen to be the least likely to have more than one or two children in any case. They claim that as policy remedies are likely to be very costly, funding should be aimed at the greatest number of women possible.

Proponents of the Gender Equity Model point to the limitations placed on women who wish to pursue a full time career and the continued existence of a 'glass ceiling'. They also claim that with additional family friendly policies more women may move from the so called 'adaptive' grouping.

To ramp up government policy under either model such that it may impact on fertility levels will be very costly. The alternative however – do nothing – does not appear to be on the agenda of either major political party.

The remaining question seems to be which model is more effective?

Suffice to say – this cannot be answered easily either. Some analysis of international experience is instructive though it should be noted that international comparisons do not take account of different social and organizational attitudes prevalent in different cultures.

Sweden is perhaps the country that has followed the Gender Equity Model most closely – with a decline in the fertility rate from 1.7 in 1980 to 1.5 in 1999.

(Note: over the same period Australia's fertility rate declined from 1.92 to 1.76.)

France and Norway are often cited as examples of countries which have managed to lift their fertility rates by employing the Gender Equity Model. This appears to be true to a point as many aspects of the Gender Equity have been in place in these countries for some time. Of note however is that over the period 1980 to 1997 the fertility rate in France appears to have declined – 1.95 to 1.71 (suggesting the benefits of Gender Equity policies may be temporary). A recent return to direct family income support (Diversity Model) has

however resulted in a rapid rise to 1.77 in 1999 and 1.9 in 2001.

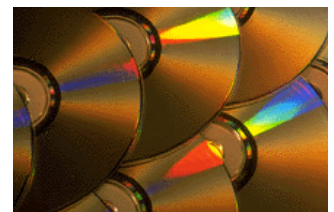
What can we make of all this?

The present debate in Australia seems to be heavily focused around the issue of paid maternity leave. On its own paid maternity leave may well be a worthy policy objective for a variety of reasons other than its impact on fertility rates however, while it may impact on fertility rates in a positive manner, it is unlikely to result in a material increase.

It is probable a mixed system will be adopted. Any real impact on the fertility rate is likely to occur only with policies implemented over a broad front. Whatever the final decision – which is likely to involve a considerable restructuring of family welfare – it is likely to be very costly and for that reason alone APop welcomes a 'steady as she goes' approach. Whatever policy mix is adopted must be one which will work to the benefit of Australia.

By Chris McNeill

"It is probable a mixed system will be adopted."



Don't forget to visit
www.apop.com.au