

## Who's afraid of an aging demographic?

- the need to broaden Australia's population debate

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for the Rationalists, Brisbane Chapter, 13 February 2008

## The Ecological Perspective

Two fundamental requirements for sustainability:

1. A balance between resource supply and resource demand.
2. A system of feedback mechanisms to maintain the balance.

**Stable, Sustainable Population**

Demand=Population x Consumption

**Real Progress Indicators**

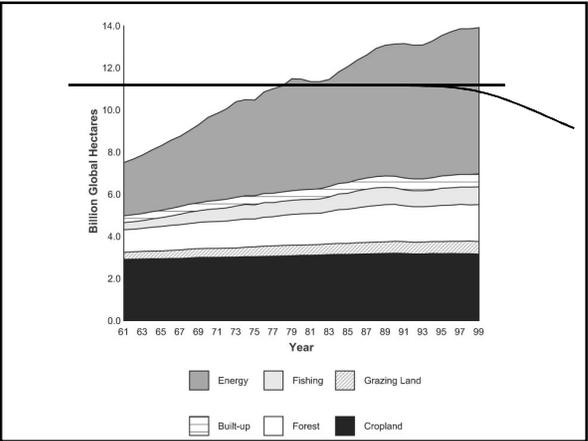
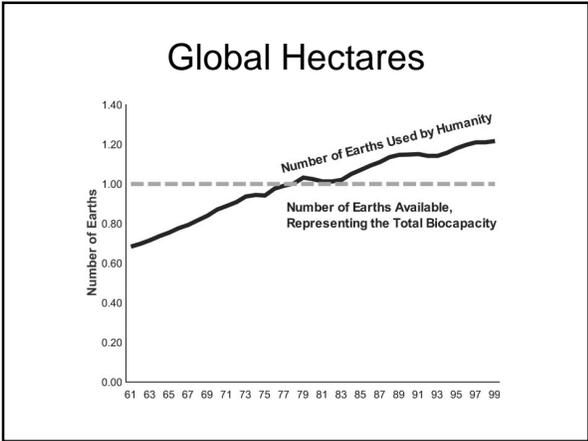
(Abandon GDP)

## What's a sustainable population?

- What quality of life is considered adequate?
- What technologies are employed to harness energy and process wastes?
- How much of the biosphere is reserved for other species?
- What changes can we expect in our resource base in the future (due to climate change)?

## Global Carrying Capacity

- Wackernagel et al. (2002)  
"Sustainability requires living within the regenerative capacity of the biosphere. ...Our accounts indicate that human demand may well have exceeded the biosphere's regenerative capacity since the 1980's. ...humanity's load corresponded to 70% of the capacity of the global biosphere in 1961, and grew to 120% in 1999.
- Optimum Population Trust (UK)  
Compare carrying capacity for each country under different scenarios.



## Is Australia over- or under-populated?

- Australia is going backwards on nearly every major indicator of environmental health.
- Many impacts are directly related to population growth and spread along the coast.
- Per capita, Australians generate more greenhouse gases and clear more land than any other wealthy nation.
- Global warming will adversely affect Australia more than most other countries.

► **Even current population must greatly reduce fossil fuel use and land degradation per capita.**

## The case for 50 Million Australians

- We need a larger domestic market to support a wide range of industries.
- We need a more diversified economy, less dependent on rural and resources sectors.
- We would have more international clout.
- We would be less vulnerable to invasion.
- We need more workers to compensate for the increasing old-age population.

## The Models

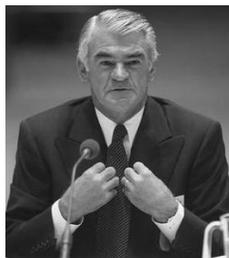
- CSIRO "Future Dilemmas" Report 2003
  - compared 3 scenarios: no immigration, business-as-usual, high immigration.
  - concluded there was no physical constraint on Australia supporting 50 Million by 2100.
  - highlighted many trade-offs including lifestyle constraints and reduced per capita physical resources.
  - provided fodder for the pro-growth lobby.

## Scanlon Foundation

- *The Scanlon Foundation is committed to the belief that Australia needs to continue to grow and that this growth will require a substantial and increasing role for migration. As a consequence we see social cohesion as critical to both migration and Australia's growth.*
- *"underpinned by the hypothesis that a larger population is needed to support sustained economic growth in a rapidly aging Australian society."*

## The Backer

- Peter Scanlon
  - Ex partner of John Elliot in Elders in the alleged fraud in 1988.
  - Charged by the NCSC in 1994 for fraudulent foreign exchange dealings.
  - CEO of Langs and largest shareholder in Patrick during wharfie sackings in 1998.
  - Foundation chairman of ATSE



Peter Scanlon  
Photo: Andrew Mearns

## Scanlon-sponsored projects

- ATSE Report "Population Futures" 2000.
- Australian Institute for Demographic Research (ANU) "Population and settlement in Australia: the next 50 years"
- ANU Demography and Sociology Program – positive immigration strategies to achieve the 30/50 target.
- Monash Institute for the Study of Global Movements with Australian Multicultural Foundation – major social cohesion research program.
- ATSE Report "30/50" 2007.
- Australian Population Institute (APop)

## Australian Population Institute

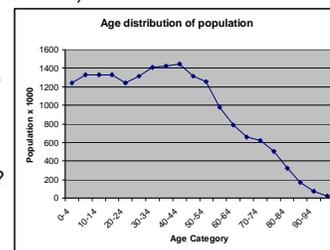
“From its inception, The Australian Population Institute has encouraged a broad based debate about Australia’s demographic future. That Debate is now happening. The outcome must be A VISION OF A GREATER AUSTRALIA

“Environmental awareness has created a worthy desire to repair and protect our fragile land. APop Institute supports this desire, but it can only be delivered and funded through prosperity not population reduction.”

“Ageing of the population over the next five decades is set to create staggering numbers of State dependant retirees and unsustainable health care costs.”

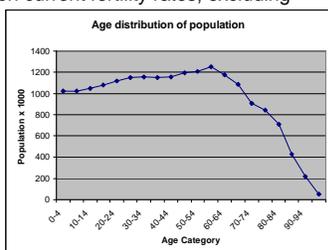
## The demographic profile

- 2001 (based on census data)
  - 18.8 Million
  - 12.7% over 65
  - Dependency Ratio (0-15 and 65 up:working age) 50%
  - Real Dependency? (0-20 and 70 up) 59%



## The demographic profile

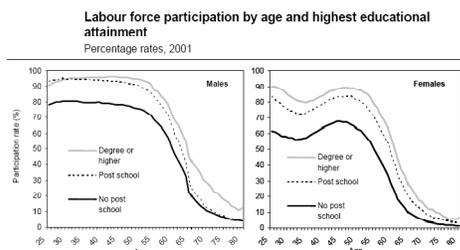
- 2051 (extrapolated on current fertility rates, excluding immigration)
  - 19.0 Million
  - 22.4% over 65
  - Dependency Ratio (0-15 and 65 up: working age) 63%
  - Real Dependency? (0-20 and 70 up) 63%



## What growth can do for the demographic profile

- The CSIRO scenarios found over-65s would stabilize at
  - 20% with high growth (dependent on continuing high immigration)
  - 26% with business as usual
  - 29% with zero immigration
- None would keep our current ratio.
- Effect could be compensated by
  - 3-4 years increase in retirement age, OR
  - a modest increase in workforce participation.

## Participation in Employment



Data source: ABS 2001 Population Census data provided by the Australian Government Department of the Treasury.

## The economic counter-arguments

- An increase in GDP generally results from an increase in population but does not necessarily translate into better GDP per capita, nor an increase in quality of life, nor is it equally distributed.
- In 2004, 14 of the 16 wealthiest nations, based on GDP per capita, had populations and population growth rates lower than Australia’s.
- Providing infrastructure and housing for an ever-growing population diverts money from investment in education, research and development, and in hi-tech industries that lead to real development.
- Housing affordability can only get worse in a growing population.

### “Remedies” for Aging

- Increasing birth rates will not reduce dependency ratio for over 20 years. In the mean time it will increase it.
- Skilled immigration program is unethical:
  - poaching trained people from poorer countries
  - distracts from neglect of our education system, neglect of our youth.
  - creates opportunities to exploit vulnerable workers.

### Howard Govt Response

- No debate or explicit population policy.
- Promotion of fertility has increased rates from 1.72 to 1.85 births per woman in 4 years.
- Increased immigration from 70,000pa to over 170,000pa (higher than the CSIRO high-growth model).
- Population growth rate is now 1.5%pa (global rate is 1.2%).

### Enter Climate Change and Peak Oil

- More expensive energy means more expensive food, transport, infrastructure.
- Responsible emissions likely to be 10% of current Australian per-capita rate.
- Environmental indicators show we're not performing sustainably at current living standards.
- Land resources diverted for alternative energy needs.
- Accommodation needed for climate refugees.

### Responsible Population Policy

- Stabilize population as soon as possible.
- Immigration focussed on migrant needs.
- Remove incentives for having more than one child.
- Invest in education and training.
- Provide better support to retain professionals.
- Internationally promote population control as an environmental and equity issue.
- Support female education and economic opportunities, family planning and energy transition.