

SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY ON THE IMPLEMENTATION OF ECOLOGICALLY SUSTAINABLE DEVELOPMENT BY COMMONWEALTH DEPARTMENTS AND AGENCIES

BY

THE DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

INTRODUCTION

This submission discusses Australia's population current trends and future prospects namely present and projected population size growth rates distribution and age structure since these have an impact on the achievement of ecologically sustainable development (ESD). This is followed by an overview of the Government's immigration policies and initiatives that are relevant in the context of this inquiry. The submission ends with a brief discussion of issues related to the Inquiry's Terms of Reference from a population perspective and then some concluding remarks:

Our understanding is that the terms of reference of the Inquiry are:

- a. evaluate how those Commonwealth Government departments and agencies with significant policy or program management responsibilities related to ESD, or which undertake activities which directly impact on the achievement of ESD, have incorporated ESD into their policy formulation, decision-making processes and programs;
- b. review existing mechanisms to monitor and evaluate ESD outcomes and report on the effectiveness of Commonwealth policies and programs in changing community or corporate behaviours in ways which promote ESD outcomes;
- c. analyse the policy and economic implications of these Commonwealth departments and agencies incorporating environmental considerations into their economic and social decision-making processes, and provide case studies in priority areas;
- d. develop conceptual frameworks and evaluation mechanisms for incorporating ESD into government decision-making processes;
- e. develop priorities among Commonwealth Government departments and agencies and their programs and activities for the further implementation of ESD; and

- f. recommend improved frameworks and processes for reporting monitoring and evaluating the implementation of ESD.

Australia's Current Population Size, Growth and distribution

The estimated resident population of Australia at 31 March 1998 was 18.7 million, an increase of 221,900 persons since March 1997. The national growth rate in the 12 months to March 1998 was 1.2% compared to a growth rate of 1.3% for the preceding 12 months period.

Australia's population growth rate is affected by two components; natural increase (births minus deaths) and net overseas migration. Natural increase declined by 1% to 121,700 in the year ended 31 March 1998 (55% of total growth) compared to 123,000 in the previous 12 months. In the year ended 31 March 1998, the net gain from overseas migration was 100,200 or 45% of total growth.

Australia's fertility rate has declined steadily during the 1990s at a yearly rate around 0.02 children per woman. In 1995 it reached a post-war low of 1.894 children per woman and in 1996, it was lower still at 1.797. In 1997, the rate fell again to 1.772.

The spatial distribution pattern of the population is a key consideration in respect of planning and development, and has important socio-economic implications. Australia is one of the most highly urbanised countries in the world; with about 85% of the population living in urban areas. The population is concentrated in two widely separated coastal regions; and within these two regions the population is located mainly in capital cities and other large urban centres. In 1996 11.8 million people or 63% of Australia's population lived in the State and Territory capital cities.

Future Prospects of Australia's population

While currently Australia's population growth rate is one of the faster rates of growth in the OECD, it is projected to decline significantly over the next 50 years. Over the past 50 years, Australia's population has been growing at between 1% and 2% per annum. For the next 50 years, however, Australia's rate of population growth will slow down considerably and may reach zero population growth by around the middle of next century if current population trends continue. This slowing in the rate of Australia's population growth rate is due to a number of factors including;

- . Australia's below replacement fertility rate - Australia's fertility ratio has been declining steadily, particularly over the past 5 years. In 1997, it reached its lowest level on record at 1.772 births per woman. Indications are that this downward trend will continue;
- . Australia's ageing population particularly as a larger portion of women born during the baby boom years move beyond child bearing age. The total number of deaths over the next 50 years is projected to rise steadily. The total number of deaths could exceed the total number of births in around 35 years time; and
- . relatively low levels of net permanent migration

State/Territory and Capital Cities Projected populations

State/Territory

Under high (Series 1), medium (Series 11), and low (Series 111) net migration assumptions the ABS projections for the States and Territories at Attachment A (see Table 1) show that:

- the highest rates of growth between 1997 and 2051 are projected to occur in the Northern Territory (between 84% and 154%), Queensland (between 76% and 90%) and Western Australia (between 67° and 74%);
- Queensland is projected to replace Victoria as the second most populous state between 2022 and 2448, while the population of the Australian Capital Territory would overtake that of Tasmania between 2037 and 2043. The Northern Territory would overtake the population of both Tasmania and the Australian Capital Territory between 2039 and 2041;
- South Australia's population is projected to increase by up to 5%, or decline by up to 19%, depending on the projection series used; and
- Tasmania's population is projected to decline under each series. The population of Tasmania is projected to decline by between 20% and 58% from 474,000 in 1997 to between 198,000 and 381,000 in 2051.

Capital Cities

The ABS projections for the capital cities at Attachment A (see Table 1) show that:

- the population of most capital cities is projected to increase over the projection period with the largest proportionate increases in Darwin (between 53% and 179%) Brisbane (between 80% and 90%) and Perth (between 70% and 78%);
- the population of Darwin may overtake the population of Hobart by between 2025 and 2030;
- the population of Hobart is projected to decline under high, medium and low assumptions. Under the assumption of high fertility and low overseas net migration for example, Hobart's population could drop by 36% over the projection period; and

- Darwin under all series, is projected to overtake Hobart by the year 2051, leaving Hobart as Australia's least populated capital city.

Government immigration Policy

The Government is committed to an immigration program that does not discriminate on the grounds of race, religion, ethnic origin or nationality. The primary objective of the Government's immigration policy is to:

“ensure that immigration is unequivocally in Australia's national interest by achieving a proper balance between the economic, social, environmental and humanitarian objectives”

The Government has reduced the size of the Migration and Humanitarian Programs since 1995-96 by around 20% . The Migration Program has been reduced from approximately 82,500 places in 1995-96 to a planned 68,000 in 1998-99. Over the same period the Humanitarian Program has been reduced from 15,000 off-shore places plus around 2,000 places for people who obtain refugee status after entering Australia to 12,000 places overall including persons who obtain refugee status after entry. Both programs will be maintained at the same levels in 1998-99.

This significant reduction in immigration has led to a lower net gain from overseas migration than would otherwise have occurred, and hence a lower contribution to overall population growth. Population growth rates may affect the achievement of ESD. It should be noted, however, that achievement of ESD will depend on many other pivotal considerations, such as population distribution and mobility, consumption pattern, productivity, technology, public sector pricing policies, waste management and disposal, lifestyle choices and land management practices.

Population Distribution

The location choices of new settler arrivals to Australia tend to be skewed towards existing concentrations of their birthplace groups, which is predominantly in capital cities.

Immigration to cities may positively contribute to either maintaining the urban population or contribute to overall growth by invigorating urban economies. However, population concentration in a few cities inevitably raises questions about urban environmental and infrastructure impacts and may increase the fiscal pressures of maintaining/expanding this infrastructure as well as the cost of providing social services.

In order to assist in achieving a better dispersal of the immigration intake, the Government has developed a range of mechanisms that

State/Territory and Local Governments can use to influence the level of skilled migration to their jurisdictions. The initiatives were developed jointly by the Commonwealth and State governments:

- they give State and Territory governments a diverse range of selection mechanisms which they can use selectively to complement their individual regional development strategies; and
- in recognition of differing needs of the States and Territories, the mechanisms provide more opportunity for their governments to influence the volume and profile of skilled and business migrants settling in their respective jurisdictions. Details of these initiatives are provided at Attachment B .

The Ministerial Council of Immigration and Multicultural Affairs agreed at its March 1998 meeting to establish a Commonwealth/States Working Party on Long-term Options for Skilled Migration. The Working Party “*will investigate the development of Long-term Options for skilled migration which look at increasing the number of skilled migrants to State/Territories and regional areas with particular reference to the impact of growth rates generated by such migration on infrastructure, employment and sustainable economic development*”. The Working Party will present its report to the next Ministerial Council meeting in 1999.

Temporary Entry

Temporary entrants, particularly tourists that visit Australia every year also have an impact on the environment. From 1980 to 1990, Australia experienced a large growth in the number of short stay visitors (which are mostly tourists) from 905,000 to more than 2.2 million. ABS figures show that the numbers of international tourists has risen from about 3.73 million in 1995 and 4.16 million in 1996, to 4.32 million in 1997. This figure is projected to rise to 7.6 million in 2007, with an annual growth rate of 5.9 per cent.

DISCUSSION

The environmental and economic impact of population have been examined in the recent past by two inquiries: the 1991 report of the National Population Council entitled *Population Issues and Australia's Future* and the House of Representatives Standing Committee for Long Term Strategies report of 1994 entitled *Australia's Population Carrying Capacity* (the Jones Report). Both reports focused on the relationship between population, the environment and ESD, and the question of population carrying capacity.

The inquiries found that population carrying capacity, or an optimum population target is a complex issue and depends on a range of factors including economic well-being, environmental management practices, technological change, community attitudes and

considerations about the quality of life. Both inquiries recommended that an optimum population target is not appropriate for Australia.

Nevertheless both inquiries highlighted the impact of population on the economy and the environment and long-term sustainability as critical issues.

From an economic perspective, Chris Murphy in his report “The Economic Impact of Changes in the Migration Program between 1995-96 and 1997-8” found that the changes implemented over that period will lead to a population loss of about 1.24% a younger population, a higher labour force participation rate (up 0.04%) and an increase in the skill level of the workforce (up 0.10%). The changes are also estimated to result in an increase of 0.44% or \$9 per annum in annual living standards per head by 2007-2008. Further changes to be implemented in 1998-99 are expected to improve these findings.

From an environmental perspective, more research is needed (and the Government is addressing this), however, the OECD has found that:

“there is a positive link between countries’ environmental performance and rising per capita income levels....”.

Regarding the spatial distribution of the population there are, as noted earlier, opportunities for State, Territory, and Local governments to influence skilled migration levels to their jurisdictions.

REFERENCES

Chris Murphy *The Economic Impact of Changes in the Migration Program between 1995-96 and 1997-98*, March 1998.

The National Population Council Report, 1991, *Population issues and Australia's Future*.

The House of Representatives Standing Committee for Long-Term Strategies Report 1994, *Australia's Population Carrying Capacity, One Nation, Two Ecologies, 1994*.

* Note: Attachments A & B are difficult to scan and have therefore not been included. Copies are available at the Commission's Melbourne and Canberra libraries.