

University of Tasmania Inglis Clark Denison Debate
Tasmania's population: on the cusp, 19 August 2014

Speech by Lisa Denny

Tonight I am going to set the scene by telling you a story.

It's the story about why Tasmania's population is on the cusp of decline.

It's a story not unlike many other ageing populations around the world, however, in Tasmania's case, the story differs slightly, thanks largely to its regional and island status.

The story starts in Australia in the mid 1940s as young men returned home from the armed forces to civilian life, employment and to the comfort of their wives or partners. The proceeding years were characterised by high marriage rates and high fertility rates, resulting in what we now refer to as the baby boom period. In addition, large scale post war immigration added substantially to Australia's population both in terms of the number of women of reproductive age and also multicultural diversity. But despite the pivotal role women played during the war, they relinquished their wartime occupations in agriculture and industry and returned to the more traditional role of wife, mother and homemaker.

However, as industrialisation really took hold and strong economic growth prevailed in the post war years requiring higher levels of education and skill, young women also became better educated and more likely to pursue a career than their mothers generation. Even so, it wasn't until the 1970s that changes in attitudes to women's

status and roles within the family, education, the labour market, politics and society started to influence and impact upon the capacity of Australia's population to grow.

As a result of greater participation in education and then the workforce, women started marrying later, having children later and having less children than previous generations. The introduction of the sex discrimination act, equal pay (or at least the progress towards it) and readily available contraception enabled women more control over the decision of whether or not to have children, when to have children, how many children to have and to plan appropriately for those children.

As the economy strengthened from the multipliers attached to increasing female labour force participation, so too did the cost of living – interest rates, inflation, housing, health and education. Couples were caught between two paradigms in the decision to have children – the economic cost and the opportunity cost, particularly for women. As a result, from the 1970s, the fertility rate dropped to below the population replacement rate of around 2.1 births per woman in her lifetime, and it has remained below that rate ever since.

It is this below replacement level fertility coupled with the very large baby boomer and subsequent baby bust cohorts living longer which is making Australia's population age. Below-replacement level fertility results in each successive cohort being smaller in size than its predecessor and increases the potential economic and social burden of future cohorts. In the absence of migration, this will eventually

result in a population entering a period of decline as there will be more deaths than births.

However, in Tasmania's case, the population is ageing for an additional reason. This is having a detrimental impact on our age structure.

In Tasmania, while the economy initially strengthened during the 1950s and early 60s from investment in hydroelectricity and manufacturing, as well as more men and women pursuing higher education, the baby boomer children started reaching labour market entry age at a time in which the Tasmanian economy was becoming increasingly volatile. The rapid growth of the labour force placed enormous strains on the economy to find employment for the increasingly educated men and women. As a result, Tasmania started experiencing an increase in the number of people leaving the state, particularly those of prime working and reproducing age, taking not only their educated selves but their future children with them. More often than not, it was those who had achieved higher levels of education who left Tasmania to better their prospects elsewhere.

This trend continues today.

At the end of each year, there are more school leavers and graduates of tertiary or vocational education than there are available or appropriate jobs in Tasmania. The Tasmanian economy as it stands can not absorb the demand for employment, regardless of age of job seeker.

As a result, on average, more people leave Tasmania to live interstate than move here every year. Furthermore, the impact on the age structure is exacerbated by the age profile of these inward and outward movements. Every year Tasmania experiences a net loss in the 15 to 29 year age groups. This loss can be extended to other age groups depending on the economic performance of the state at the time. Every year, Tasmania experiences a net gain in the 50 plus age group. The age profile of these inward and outward migration movements means that Tasmania's population is ageing more rapidly than the rest of the country and brings forward the point of population decline. Eventually the increasing number of deaths resulting from population ageing will surpass the number of births in the state.

It is for these reasons that Tasmania is the only state in Australia whose population is projected to decline in the latest population projections released by the ABS last year.

Under the most likely scenario, without any strategic intervention, Tasmania's population will enter absolute decline by the year 2047, having reached a population of around 563,000, somewhat short of the population target of 650,000 by around the same time.

By 2032, natural decline will start this process - meaning there will be more deaths than births in Tasmania within 18 years. This loss will only be offset by net inward migration until 2047, at which point migration will no longer be sufficient to replace the population.

The reason I tell you this story is that in order to grow our population through the development of appropriate policies and strategic interventions we need to understand why we are on the cusp of decline in the first place.

The capacity to grow a population comes from the age structure of the population – that is the distribution of the population by gender and by age. The two primary correlates for population growth are economic performance and the size of the prime reproductive cohort – that is the number and proportion of women aged 20 to 39

So in summary, Tasmania's population is on the cusp of decline because it is ageing at an accelerating rate due to a declining number of children being born and the age profile of inward and outward migration movements. The potential implications of structural ageing and a population in decline is the inability to provide essential services to the population nor maintain an adequate standard of living, further widening the gap between Tasmania and Australia.

In order to change the course of history and shift the Tasmanian population from being on the cusp of decline to one on the cusp of growth, a disruptive strategy is required.

Carpe Diem. Seize the Day.