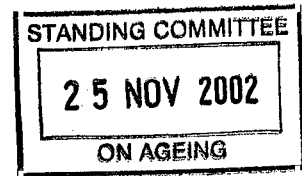


SUSTAINABLE POPULATION AUSTRALIA
Canberra Region

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20 November 2002

Mr Adam Cunningham
Inquiry Secretary
Standing Committee on Ageing
Department of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Cunningham

Inquiry into ageing

Introduction

Sustainable Population Australia (Canberra Region) welcomes the opportunity to make a contribution to the Committee's inquiry into long term strategies to address the ageing of the Australian population over the next 40 years.

Our organisation's vision is of:

"A relationship between humans and the natural environment which ensures the integrity and sustainability of the Earth's life support systems, the ongoing evolution of natural living systems and the well-being of every person in a sustainable population".

In pursuit of our aim to increase public awareness of the limits to Australia's population growth from ecological and social viewpoints, we take a strong interest in demographic trends. This encompasses in particular longer term trends in fertility and mortality rates and their impact on population size and age structure, and the influence of immigration on population growth.

Objective

Our key concern in this submission can be simply stated. It is to stress that what is needed is *not* policies that attempt to change future population age profiles. The inevitable outcome of such policies would be even more growth in population numbers than is already projected, with potentially disastrous consequences for ecological sustainability. Instead, the need is for policies which will enable Australia to adapt to, and take advantage of, changing age structures.

Population size, ecological sustainability and the ageing issue

The Committee will be aware that, birthrate trends notwithstanding, Australia's population is projected to grow substantially in the first half of this century, even with comparatively modest levels of net migration¹. This reflects, of course, past rapid growth through the so-called baby boom. In his media release of 7 May 2002 announcing this year's Migration Program the Minister, Mr Ruddock, noted that annual programs of around 105,000 - the planned 2002-03 level - would see the mid-century population reach up to 27 million².

Does Australia have the resources to sustain a population of this size? There is a large and growing body of scientific evidence to support a view that, on the basis of our present way of life, Australia is already overpopulated.

We live in a land of naturally poor soils, which have been further degraded through ignorance and over-exploitation. One of these problems alone - increasing salinity, particularly in Western Australia and the Murray Darling basin - provides a major threat to the productivity of much of the country's agricultural lands and to regional social assets such as roads and buildings.

The continuing growth of major population centres is already causing significant problems. The Premier of New South Wales, Mr Carr, has put on the record on a number of occasions his concern at the prospect of further substantial expansion in Sydney's population. In Victoria, the State Government recently released a 30-year blueprint for Melbourne that envisages, in order to accommodate a further million people without a worsening of the existing urban sprawl, an increase of 50 per cent in the number of dwellings per hectare³. Only a few days earlier, the Queensland press carried the news that the State Government plans to set population targets for southeast Queensland "to stop it from bursting at the seams". More than a quarter of Australia's growth over the next 20 years is expected to be concentrated in that State's southeast, with its population predicted to reach 3.4 million by 2021. Problems envisaged include a traffic crisis for the region and more pressure on endangered ecosystems, with a bleak picture of the health of the region's waterways⁴.

Nor are other major population areas faring better, notably in relation to water. On present trends, within a quarter of a century Adelaide's water will not meet WHO standards on two days in five⁵. In Perth, the level of the aquifer which supplies much of its water is sinking at an alarming rate, and a recent study has found that Perth will run out of sustainable natural water resources by 2015 if nothing is done to slow usage rates⁶.

¹ The current annual growth rate is over 200,000 a year.

² See Attachment C to the Minister's press release. It is not known to us, incidentally, how the projections have taken into account possible future migration levels from New Zealand, which is not included in annual Migration Program figures.

³ Reported in *The Age*, 9 October 2002

⁴ *Courier Mail*, 6 October 2002

⁵ Finding of a recent salinity audit by the Murray-Darling Basin Commission.

⁶ "Perth water crisis looms": ABC Science announcement of 27 August 2002, on website.

Biodiversity is being seriously diminished by the pressures of development, in which population growth is a substantial factor. Then there is the strengthening prospect of substantial climate change as a consequence of nature or human activities - also likely, on the basis of scientific studies, to have adverse impacts on rural productivity.

Other things being equal, the more people Australia adds to its population, the more it adds to the emerging and present problems in providing for them. And the more that our resources are taken up in meeting the needs of our own people, the less we will be able to continue to help feeding and clothing the rest of the world - and, of course, to pay for our import needs.

Thus policies which would seek to address the ageing issue by increasing birthrates or boosting the overall level of the migration program would only serve to create greater problems than they might solve.

Such policies - as has already been acknowledged by the Government - are also likely to be costly and ineffective. In the course of the recent debate about paid maternity leave, the Prime Minister has pointed out that governments cannot expect to have much influence on the decisions of individuals about the number of children (if any) that they will have. The Minister for Immigration and his Department have commented publicly that extensive research has shown that immigration is an inefficient means of reducing ageing and that, for immigration to have any significant impact on age structures, migration program levels would have to be massively increased⁷. And the Treasurer has noted that a baby boom would worsen the economic effects of the ageing population for a generation⁸.

Finally on this subject, we note two comments about the CSIRO's recently released report *Future Dilemmas: Options to 2050 for Australia's population, technology, resources and environment*. This report, commissioned by the Department of Immigration and Multicultural and Indigenous Affairs, identified the resource implications of three potential levels of population in the year 2050, resulting from three different levels of net overseas migration. In his press release of 7 November on the public release of the report the Minister, Mr Ruddock - not one in the most likely position to question what presently passes, by default, for a population policy - commented, inter alia, that "the report gives little comfort to those who argue for a significantly larger population than currently projected (around 26 million in 2050). It challenges those advocates to present credible proposals for reducing the environmental impact of a much larger population"⁹. And, as reported in *The Age*¹⁰, Mr Barney Foran, leader of CSIRO's Long Term Futures project which produced the report, was reported as saying he was aghast at some media reports suggesting Australia could handle a population of 50 million. To quote from the *Age* article:

"We think at the moment we're flat out handling 20 (million)," Mr Foran said. To change those trajectories is going to require massive changes in how we all do everything." Australia needed to become more energy efficient and

⁷ See, for example, the Department's discussion paper *2002-2003 Migration and Humanitarian programs*, pp8-9.

⁸ Reported in the *Sydney Morning Herald* of 8 August 2002.

⁹ "Report identifies population dilemmas", Ministerial press release of 7 November 2002.

¹⁰ "Stark warning about Australia's future", *The Age*, 4 November 2002

reinvest in urban infrastructure forests, water catchment and rivers and estuaries, he said.

Policy options

Since measures that would result in higher population growth are so clearly against Australia's long term interests, strategies need to be founded in an acceptance of population ageing as a fact.

This presents much less of a challenge than might be thought. In relation to health, for example, there is substantial research to suggest that the additional health costs of ageing are concentrated in the last few years of life. In other words, it matters little how old you are, but how close you are to the last journey¹¹.

While it is beyond our organisation's role and our capabilities to develop specific policy proposals for addressing the ageing issue, it does seem to us that there are certain broad directions for long term strategies that should be pursued. These would be centred around:

- the development of a work rather than a leisure culture, with encouragement for people to stay longer in the employment market; and
- social policies which make it more attractive to postpone, rather than bring forward, retirement.

It has been one of the contradictions of the last few decades that, while general standards of health have improved and life expectancies have increased, there has also been a marked trend towards earlier retirement. In consequence, a significant number and a growing proportion of people are spending more and more of their lifetimes out of the labour force. While some may be able to find enjoyment in the leisured life, for many it proves to be a time of financial restriction, frustration, and loss of sense of worth. From the viewpoint of society as a whole, it is both wasteful and costly.

An era in which the numbers entering the labour force for the first time will be declining in relative, and possibly also absolute, terms, will provide the ideal opportunity to start correcting this trend. Long term strategies to assist in the transition may need to include a much augmented emphasis on retraining, and encouragement for the development of a "second careers" labour market for older workers who no longer wish, nor need, to continue to work at the same level of responsibility and intensity as before.

Accompanying this should be changes in retirement policies which provide incentives for people to continue working. Work should not be seen - as quite a few now seem to see it - as the interregnum that must be endured between dependency on parents and dependency on the state.

¹¹ See, for example, the Australia Institute's discussion paper *Population Ageing: Crisis or Transition?*, December 2001, pp 18 e.s.

Long term strategies for this could include a gradual increase in the age at which full pension entitlements become payable. The present age of 65 was picked at a time when comparatively few workers lived much beyond that age, and it is now clearly out of date.

Which leads us, finally, to suggest a small reform which should be quite easy to bring in, and which should send out a very useful signal about the way things need to go from now on. It is for the Commonwealth to bring to an end the curious situation where its public servants are, in effect, encouraged by the present superannuation arrangements to retire before their 55th birthday.

We would be happy, should the Committee so desire, to appear before it in any program of public hearings in Canberra.

Yours sincerely

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