

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 3053

Topic: Intergenerational Report – Growth Rate (ABS)

Written: 26 February 2014

Senator DASTYARI asked:

3053. Senator DASTYARI: Thank you. I have two other brief points on this before we talk about something else. Again, take these on notice. There is really no data on this, for understandable reasons, but what would happen to our demographic profile if there was no net overseas migration and what would happen to our median age and labour market participation? Obviously, that is an extreme scenario.

Ms van Halderen: We currently do not produce demographic profiles that do not take into account that component of our population growth or decline, so our population estimates are based on stocktake that comes from the census plus births, less deaths, plus net overseas migration. There is not a series produced by the ABS that does not take into account net overseas migration.

Senator DASTYARI: Yes. Just for the benefit of the ABS, the reason I am interested in this information is that I hold the view that we are growing, we are growing at a faster rate than perhaps the Intergenerational Report indicates—

CHAIR: Senator, do you have a question?

Senator DASTYARI: My question is: is it fair to say that we are growing and that we are growing at a rate faster than what is outlined in the Intergenerational Report? Is that a fair assumption?

Ms van Halderen: I cannot make that assumption. What we can do is provide you some population projections out to 2050 based on a series of assumptions that we would produce and make available in that population projections assumption.

Senator DASTYARI: I will word that a tiny bit differently: is it fair to say that the three projections, including a lowest and a highest projection, that were produced by the ABS at the end of last year, all indicated a higher, faster growth rate than that which was indicated in the Intergenerational report?

Mr Palmer: We will have to take that on notice and look at the Intergenerational report. We do not have the answer to that.

Senator Dastyari: Okay.

Answer:

3053. The 2010 Intergenerational Report produced by the Australian Government Department of Treasury stated that "Australia's population is projected to grow from around 22 million people currently to 35.9 million people in 2050." (IGR 2010 p31). This compares with the ABS medium (B) scenario of 37.6 million by 2050.

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Treasury's base year is 2009 and the ABS' base year is 2012. The average annual growth rate illustrated by the ABS medium (B) projection is 1.3% compared with the IGR's average annual growth rate of 1.2% out to 2050. For the high scenario ABS projection (A), the growth rate is 1.6% average annual out to 2050. For the low scenario projection (C), the average annual growth rate out to 2050 is 1.1%.