



FRAMEWORK FOR THE DEVELOPMENT OF AUSTRALIA'S POPULATION STRATEGY

**A step-by-step guide to help all Australians
weigh up choices for the future**

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ABOUT THIS PAPER

This framework is drawn from detailed analysis contained in the *Framework for the Development of Australia's Population Strategy: Research Paper*, available at bca.com.au.

CONTEXT

Before the end of the year, the federal government will release a public issues paper to generate community discussion about Australia's first sustainable population strategy.

The issues paper will draw on advice provided to federal Minister Tony Burke by three panels, each of which has been asked to approach their task from a different perspective – focused on 'productivity and prosperity', 'demographic change and liveability' and 'sustainable development' considerations.

With diverse recommendations from the advisory panels being likely, the minister faces a real challenge in helping the community to make sense of it all.

The key, we believe, is to provide Australians with a clearly laid-out framework for weighing up information and using it to make choices about Australia's future.

Following a period of confused, politically charged debate about the size and composition of our population, the need to plot this kind of decision-making pathway is all the more evident.

The Business Council of Australia (BCA) has been involved in the population debate since the organisation was established almost 30 years ago. Our role has been to help explain the links between a larger population, a stronger economy and greater community prosperity.

The BCA's consistent position has been, and remains, that Australia will benefit from well-planned population growth. But at this stage, we believe our primary responsibility is to encourage a considered process in developing the population strategy. The kind of careful, thorough process people know they should undertake in making important decisions in their own lives.

The purpose of this paper and the research that sits behind it is to put forward a framework to help guide the development of a population strategy that aligns with the aspirations Australians hold for national and individual quality of life in a changing world.

FRAMEWORK FOR A NATIONAL POPULATION STRATEGY

This framework outlines the essential, but not exhaustive, elements of each stage.

1.

ESTABLISH COMMON NATIONAL GOALS

Establish long-term goals for our prosperity, security, liveability, sustainability and overall way of life

Get agreement across all levels of government

Set timeframes for achieving the goals, e.g. 2015, 2030, 2050

2.

LAY THE FACTS ON THE TABLE

Set out and analyse the facts

- Historical population growth in Australia
- Projections for Australia's population growth due to birth rates, life expectancy, and people who come to Australia for short periods and/or to settle permanently
- Projections for global and regional population growth

3.

ASSESS THE FUTURE CONTEXT

Identify and assess – through consultation, professional advice and scenario analysis – all relevant issues

- Economic opportunities and challenges from growth in the Asia-Pacific region
- Australia's influence and security in a changing world
- Natural environment, including water and land management, and reducing greenhouse gas emissions
- Our quality of life, including transport, housing, health and ageing, and community cohesion

4.

FORMULATE A POPULATION STRATEGY

Decide the population strategy that will give us the best chance to meet our goals

Three key elements to a population strategy:

1. A long-term path for Australia's population
2. All the interrelated population policies including migration, family support, etc.
3. Planning and investing for population change

5.

COMMUNICATE, IMPLEMENT AND MONITOR

Communicate the strategy clearly to the community and paint a picture of success

Promote community and business understanding and support

All governments to implement systems to manage population change

Monitor and communicate progress in achieving common national goals

Regular review and, where necessary, adjustment of the strategy

THE POPULATION STRATEGY will have an impact right across Australia's economy and communities. That's why we need to start this process by deciding on common, national goals for Australia's future.

The reality is that Australia's first national population strategy will need to do three things:

- Set out a long-range vision for Australia's population.
- Put in place mechanisms to set and vary annual migration to help us meet and keep to the vision.
- Establish a comprehensive policy package across all levels of government that ensures Australia plans for and addresses whichever population scenario we choose.

Each of these three elements requires Australians to first take part in a well-informed, well-structured conversation that considers all the economic, global and security, social and environmental factors involved.

The Business Council of Australia suggests the following framework for guiding what is a rare opportunity to have constructive community involvement in fundamental policy design.

1.

STAGE 1: ESTABLISH COMMON NATIONAL GOALS

Deciding what's important

The first step in developing any strategy must be to identify and articulate the goals it is designed to meet.

The goals for Australia's population strategy should reflect our common aspirations for Australia and the lifestyle we want for ourselves and our children. These goals need to cover what we aspire to for our future prosperity, the liveability and level of service we expect in our communities, and our international standing and engagement.

They will reflect what is important to us and how we would like to see our nation building on its advantages. Things we will want to consider include how Australians in the future are able to:

- contribute to, and enjoy, a confident, secure and prosperous nation
- live healthy lives with access to quality health and aged care
- get a good education
- be able to afford a home
- have clean air and water, and the opportunity to enjoy our natural environment
- balance family, work and leisure time.

2.

STAGE 2: LAY THE FACTS ON THE TABLE

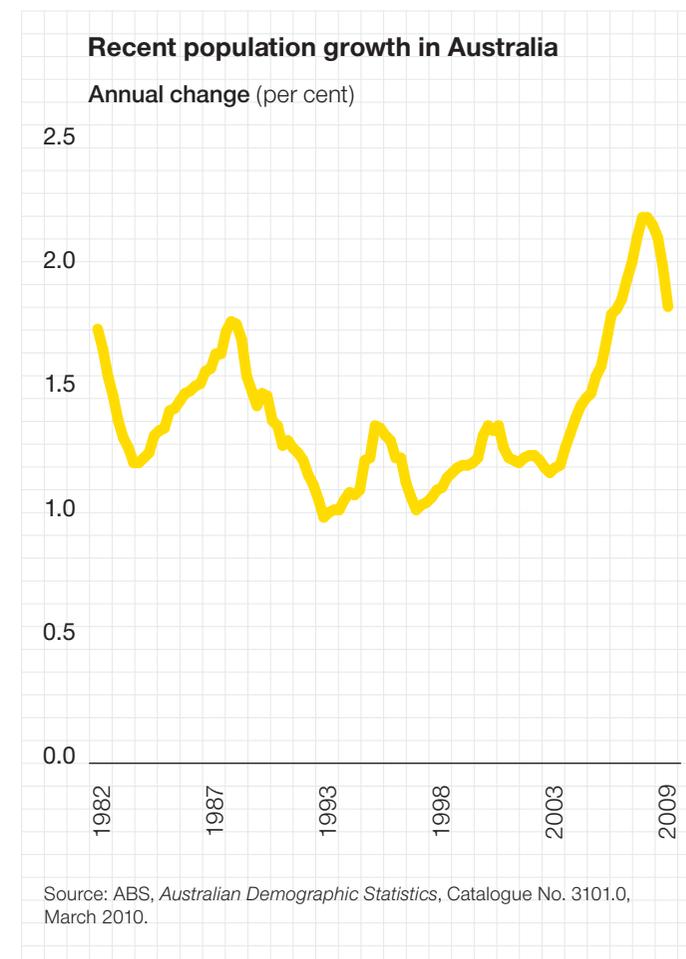
Seeing the full picture

If Australians are to contribute to the development of the national population strategy, they need tools and information. Community leaders in politics, business and the media need to explain the story behind population numbers.

Our population is growing, and it is important to clarify the difference between figures that represent a projection of what the numbers are likely to look like in 10, 20 or 50 years, and what we mean when we talk about determining a population target.

Laying the facts on the table will also provide the community with:

- an understanding that population growth is determined by how many children Australians are having, increasing life expectancy, as well as how many people are coming to Australia for short periods and/or to settle permanently
- a sense of how Australia has managed and benefited from population growth throughout its history
- different categories of migrants and how they affect the size of our population, and the reasons for the recent spike in temporary migration
- demographic data about the ageing of the baby boomer generation
- global and regional population trends that must be taken into account in determining Australia's long-term approach.



3.

STAGE 3: ASSESS THE FUTURE CONTEXT

Considering different choices

This stage of the framework involves weighing up all the relevant economic, global and security, social and environmental factors we consider important, and how decisions we take now will affect our lifestyle in the future.

This is an important step in the strategy development process, where we analyse Australia's strengths and weaknesses, and the opportunities and threats we face in achieving our goals. It's a time to ask ourselves many relevant questions about how population policy is likely to affect the Australian way of life:

- What are the policies we need to deal with the ageing of our population?
- What are the implications of the rapid growth in the Asia-Pacific region for Australia's population strategy?
- Is there a connection between population policy and the increasing tendency for Australians to travel for work, study, personal and professional relationships, and life experience?
- As the population ages, how would a smaller taxpayer base affect governments' capacity to fund the services we need?
- What would a larger population mean for Australia's greenhouse gas emissions?
- What are the implications of a larger population on our natural environment and people's access to it?
- Would a larger population make housing more or less affordable?

ASSESSING THE FUTURE CONTEXT

Looking ahead to Australia's future, what factors need to be considered in planning our population?



EXPLORING THE SCENARIOS: SCENARIO ONE

Higher population growth could deliver:

- a larger, more diverse economy
- better-funded retirement, including aged care
- more international connections
- more revenue for governments to pay for services like health and education.

Higher population growth will require:

- cooperation between governments
- better planning of cities and towns, with more expertise and resources
- large-scale private and public investment in infrastructure, including transport, water, energy and housing
- reducing greenhouse gas emissions.

The risks of higher population growth include:

- greater congestion, affecting productivity and participation
- poor housing affordability
- environmental degradation
- a breakdown in social cohesion.

A useful exercise is to think through the implications of different choices about Australia's population.

EXPLORING THE SCENARIOS: SCENARIO TWO

Lower population growth could deliver:

- more focus on productivity and competitiveness
- greater specialisation
- more manageable environmental impact
- better preventative health initiatives.

Lower population growth will require:

- greater workforce participation, for example by raising the retirement age
- a major boost to productivity
- more volunteering to reduce demand for government services
- a highly competitive and flexible economy
- tough decisions in the face of rising health and aged care costs
- reducing greenhouse gas emissions.

The risks of lower population growth include:

- loss of economic confidence, and brain drain
- a marginalised society with weaker international connections
- lower funding of services because of the smaller tax base
- less international influence and greater vulnerability to bigger economic powers
- financial pressures from fiscal deficits and servicing our net foreign debt.

4.

STAGE 4: FORMULATE A POPULATION STRATEGY

Decision time

A well-considered population strategy, designed to achieve clear national goals, should set out the long-term population path for Australia. It should include mechanisms for determining annual migration levels, and plans for responding to population change that advance the long-term goals we've identified.

While the federal government is responsible for most policies that determine population, it is important that the strategy is agreed to by state and territory governments and the Council of Australian Governments so governments are working and planning in parallel.

5.

STAGE 5: COMMUNICATE, IMPLEMENT AND MONITOR

Following through

Communicate

Once the strategy is developed, it is important that governments and other community leaders promote and explain it. Painting a picture of likely scenarios and giving people confidence that any change will be properly planned will help build community support.

Implement

The population strategy will influence, and must be reflected in, many parts of the government's overall policy agenda, including:

- immigration
- infrastructure
- skills/training
- workforce participation
- environmental sustainability.

Monitor

A set of indicators should be identified upfront so that the strategy can be assessed and reviewed regularly in line with its stated national goals. These indicators might include:

- quality-of-life measures
- GDP per capita
- better cities
- an environmental stocktake
- community attitudes.

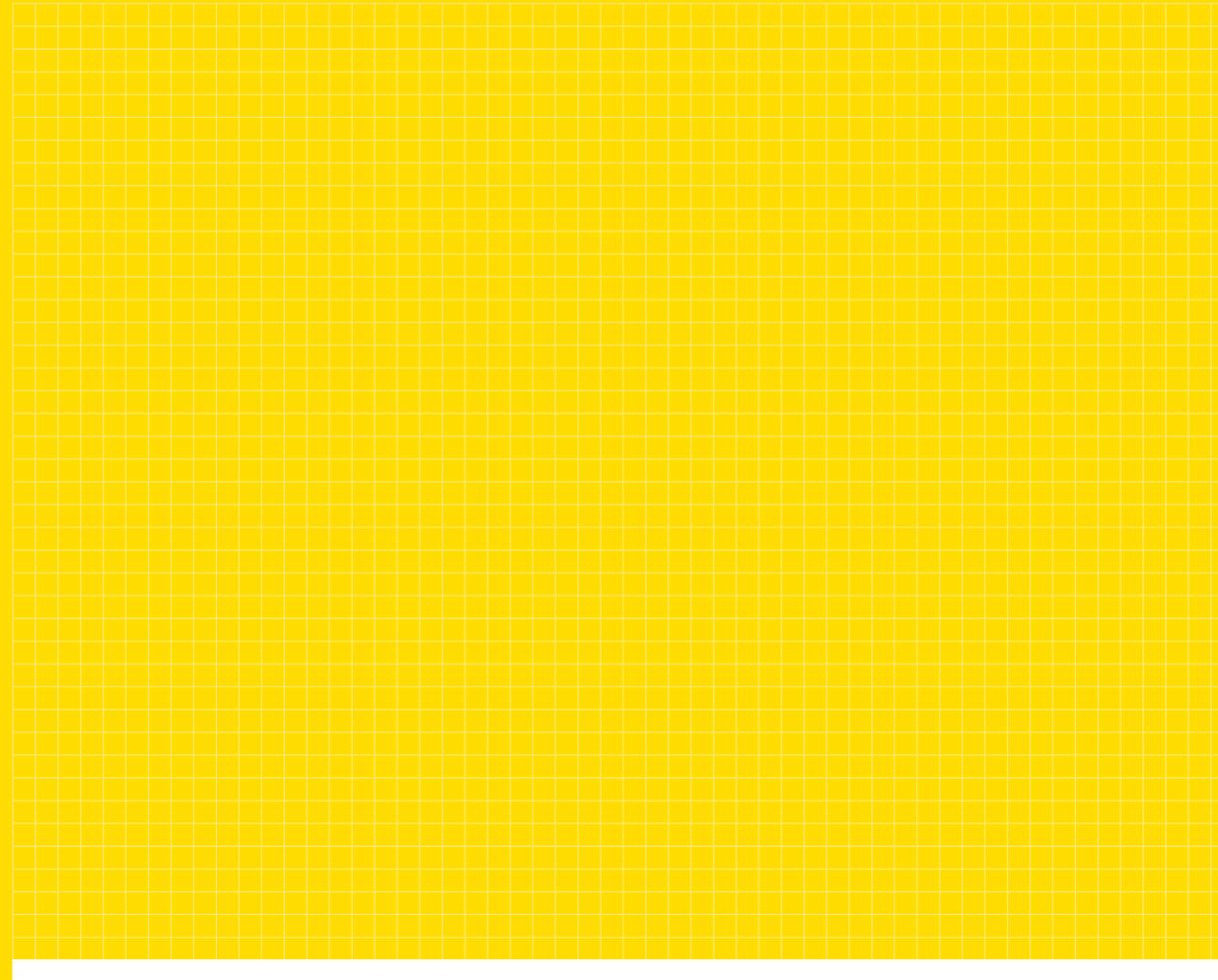
THE BEST PLACE IN THE WORLD

If Australia is going to realise its potential as the best place in the world in which to live, learn, work and do business, we need to find and build common ground in charting the way forward.

While we have yet to find common ground on the ideal size and composition of the population, Australians' good sense and shared national commitment will ensure we get there.

As long as Australians are given the tools and information they need to contribute to the development of our first population strategy, the BCA is confident that together we will make the right decisions in our long-term national interest.

The framework outlined in this paper, accompanied by detailed research and analysis, offers a structured path towards achieving that carefully considered consensus.



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