Writing in the early part of the 20th century, the British thinker Aldous Huxley prophesied a brave new world, in which science and “human engineering” would re-shape world society, albeit at a terrible price to humanity.

We are now at the beginning of a new, highly technical, century, where Huxley’s concerns of two generations ago are starting to develop an eerie resonance. Particularly with regard to declining birth rates in the Western world and the likely effect this will have on society and the world economy.

For several years past, I have publicly expressed my fears that Australia cannot hope to hold this island continent with only 19 million people. To the north, we have gigantic Asian neighbours. Some have had limited success in curbing their birth rate and several have no desire to do so.

In Australia, we have a land mass roughly equal to that of the USA, minus Alaska; admittedly up to two-thirds of this desert or semi-desert. But we have an entire population, which is less than the number of Catholics in Mexico City. And we still have a few voices calling for a reduction in Australia’s population!

The reason for this seems to be a national consensus, formed over the past century, that Australia has limited resources, which cannot support increased population growth.

Professor Anthony Chisholm of La Trobe University recently observed that resource deficiencies need not set population limits in economies that are open to change and technology. That, I submit, is an accurate description of the current Australian economy.

In a paper for the Business Council of Australia, Professor Chisholm says: “Estimates made in 1975 by CSIRO scientists are based on present per capita consumption trends. Assuming that proven technology in 1975 is used, they estimate that Australia could feed 60 million people (82 million today) at existing per capita food protein energy consumption levels, without excessive risk of agricultural instability or undue environmental risk.”

Taking its cue, the Business Council of Australia recently stated that it is in our national interest to reverse the steady decline in our population growth rate.

The Council has now developed a program to stimulate national debate on population and has set, as one of its priority policy issues, the development of a Population...
The pattern of our Brave New World is fast emerging – couples are having fewer children later in life and many women are choosing to remain childless, sacrificing family for their careers. And as fertility rates are falling, the populations of many countries are rapidly ageing. Consider the example of Oshima Island.

Oshima is a small Japanese island, 32 kilometres long, cradled between the long island of Honshu, Shikoku and Kyushu. There we can confront the future. We might price this the price of our success, perhaps even the wages of sin. The local Buddhist minister, Reverend Niiyama, sees it differently. “It is not a wolf which is attacking us. It is what we always wanted. By that measure, this Island has the most advanced society in Japan. This is the life that all Japan will have in the future.”

Whatever our verdict, Reverend Niiyama is correct on the long-term trends and their consequences. In Germany, Japan has the most quickly ageing population in the world, because the Japanese are living longer and having fewer children. Their fertility rate has fallen to 1.39, a rate of 2.1 children per woman is necessary to keep the population stable. Oshima is the Island of the Old, with the oldest population in the country, with the most aged population of all. The barber with the cutthroat razor is 84 years of age, as is the paper girl. The taxi driver is only 83 years old and the policeman a sprightly 60 year old.

In the town of Towa, at the eastern end of the island, octogenarians outnumber teenagers by more than three to one, septuagenarians by seven to one, half the population is over 65. Towa had a population of 20,600 in 1945; fifty-five years later the population is 5,500.

In 1996, the United Nations forecast zero population growth for the world as a whole by 2040 with population peaking at 7.7 billion, an increase of less than two billion people on the current world population of 6.5 billion.

Thereafter, population will decline by 25 percent in each successive generation, giving an expected world population in 2100 of 5.6 billion. This anticipated decline in population does not factor in the results of war, famine, environmental disaster or epidemics such as AIDS.1 It is a product of a declining population in fertility which will unfold, use the language of the UN document, “under conditions of orderly progress.”

This dramatic fall in fertility is occurring in the context where people are living longer and a corollary of the “health explosion” modern people are so fortunate to enjoy. The combination of low fertility and longer lives has had the effect of lowering the growth rate of the human population – a shift whose magnitude would be without historical precedent.2

In 1900, the global median age was about 20 years, not much more than the median age in all other areas. By 2040 it will be over 42 years. Germany and Japan have the oldest populations in the world today with a median age just under 40. By 2050 however, the population of the developed world will have a median age of 41.

Fashionable concerns with over-population elsewhere (it is always easier to be concerned about distant moral problems, far from home) have obscured the darker side of population – the decline that has already started in the Western world. Population growth in the developed world will peak by 2013 and then begin a rapid and steady decline, so that by the end of the twenty-first century the population in Western Europe and Japan will be half its present size.3 Russia is already a case in point, the population there falling 800,000 in 1999 alone.

In 1950 the developed world accounted for 24 percent of the world’s population. In 2050 it will account for no more than 30 percent.4 In that year, not a single European state, including Russia, will match the Philippines in total population. In 2100 it will account for no more than 10 percent.

In summary, the size and longevity of the baby boom cohort will ultimately give rise to “an unprecedented grand-parent boom.”5 It is important to bear in mind when considering these data that population decline and global ageing are not hypotheses. They are trends that are currently underway and the predictions that are made based on them are “about as close as social science ever comes to a certain forecast.”6 Unless a dramatic and unexpected change in current patterns occurs, these predictions will become reality.7 “Demographers know of nothing that is likely to reverse [this] long-term fertility decline” which, with the exception of the post-war baby boom in the West, has “been underway for well over a century.”8 However, such unexpected developments do occur. For example, demographers in the 1930s entirely missed the post-war baby boom. Likewise, in the late 1950s, the entire “baby bust” of the 1960s and 1970s. Both cases led them to predict precisely the opposite of what actually occurred.

Some are optimistic about the developed world’s capacity to cope with the changes I have highlighted. They suggest that the problems created in these areas are unlikely to be insuperable. Demographic fears, they say, may be no more than a secondary factor in overall economic performance. After the Second World War, for example, West Germany flouredished economically despite having, between 1945 and 1960, fifteen per cent of its population in concentration camps.10 By comparison, to this dramatic kind of demographic shock, the challenges posed by a population gradually ageing, then declining, may seem hardly worth worrying about.

Some economists even contend that declining fertility rates actually have the effect of lowering investment needs and increasing living standards.
Recent work by historians considering the impact of the massive fall in population in Europe in the wake of the Black Death captures an important aspect of this question. By one estimate, the population of Europe was reduced by two-thirds in the period from 1320 to 1420. The rapidity and scale of the decline is such that it is argued, freed Europe from the "suffocating pressure of population" – which is alleged to be the cause of the "indeterminate stagnation" that commenced at this time in Asia and continued into the late nineteenth century – and set the continent on a course of development and expansion that has not reached its end. More important than immediate purpose, it also had the effect of creating a labour shortage among the survivors; bringing about both higher wages and a powerful stimulus to technological development.

Diets improved, social mobility increased, and ownership of land became easier. In short, the fall in the "supply" of people also brought about a rise in their "price" or value. Extrapolating from this, Joel E Cohen has speculated that a similar result may follow the emergence of negative population growth. "When it can no longer be so easily assumed that there will be plenty more people to come, then assuring [sic] that people have the political and economic capacities sufficient for food, education, health and a meaningful life may take on greater urgency."

There can be no doubt that for most Westerners at least, low fertility, and for many a long life represent a major change. This is exactly how many want things to be. As Germaine Greer - who was educated in Catholic schools in Melbourne - the author of The Female Eunuch, has pointed out, the western world does not like children. "Historically, human societies have been pro-child; modern society is quickly in that it is profoundly hostile to children. We in the west do not refrain from childbirth because we are concerned about the population explosion which we may want in a depleting world." Already in mainland China, where the one-child policy, there is concern over the long-term behaviour of the "little princes"; the pampered single sons. It is important to remember that Western population decline is not a "strange historical accident", but the product of the "affluence, individualism and secular progress that the vast majority of the world's population seems to welcome."18

It is certainly connected with the changes in thinking and living produced by feminism (in Australia more women have permission to begin to approach the limits of social atomisation which may await us in a depleting world.) Already in mainland China, where the one-child policy, there is concern over the long-term behaviour of the "little princes"; the pampered single sons. It is important to remember that Western population decline is not a "strange historical accident", but the product of the "affluence, individualism and secular progress that the vast majority of the world's population seems to welcome."18

The nuclear family is sometimes criticised for its failings compared to earlier forms of family arrangement, but "Contrary to popular perception, it may encourage us to approach the limits of social atomisation which may await us in a depleting world."19

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According to Professor Hugo, both government and industry need to launch a number of initiatives which should aim at giving women what men now enjoy - the choice of having both children and a full-time career. I believe this is how having your cake and eating it. Children will need time and love, especially in the years before school, but also for many years afterwards. Finally, I would like to point out the very real link between children and hope. For in children and hope lies the future of any nation.

In his UN report, Jean-Claude Chausnes highlights a hitherto neglected element in demography, "the ratio between pessimism and hope experienced by populations." He argues that fertility will continue to decline until "there is a change of mood, ... a shift from present pessimism to a state of mind which could be compared to that of the 'baby-boom' era."20

Chausnes argues "the trivial interpretation of the baby-boom as a response to economic growth does not hold; the real crucial change was the change in the state of mind, from mourning to hope." This was certainly true of Cambodia in the early 1990s after the fall of Pol Pot, a country I visited three times. The economy improved very slowly, but Phnom Penh was teeming with smiling children. However, when we reflect on other conditions of our situation - conditions which Chausnes himself notes, such as "the decline of Puritanism and the victory of materialism (hedonism, cult of consumption, American way of life)" – it is clear that a change of mood from pessimism to optimism will continue to face formidable obstacles. Christians are people of hope, champions of life for today and tomorrow, but none of us can choose the time when we will live and die. Apparently, a Chinese curse is that one should live in interesting times. We are on the brink of even more interesting times in the struggle for freedom and the struggle in the mighty forces of social, indeed global change, which are largely beyond our control.

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In recent months the issue of Australia’s population has become a topic of debate again and the need for us to have a population policy is being argued. Both sides of politics have acknowledged the importance of the issue and their respective spokesperson have contributed articles to this volume.

**A**ustralia currently has a high population growth rate (1.3% in 1998-99) compared with most developed nations. Our growth rate is higher than that of any of the European Union nations. For example, in 1997, the UK rate was 0.3%, France was 0.4%, Greece was 0.2%, and Sweden was 0.04%. Our population growth rate is significantly more rapid than Japan which has a growth rate close to zero. It is about the same as that of Canada and higher than that of New Zealand and the United States. On the basis of current projections, our population growth rate is likely to remain one of the highest in the developed world for many years to come.

Because of the demographic transition to below replacement rates of fertility that all developed nations are experiencing, the population growth rates of all developed nations are projected to decline over the next 50 years. The population of many European Union nations and Japan is projected to decline in absolute terms over the next 10 to 20 years. The populations of Germany and Italy are projected to be possibly 10% to 20% less in 50 years compared to today.

By contrast, Australia’s population will continue to grow for at least another 50 years. If our fertility rate declines to around 1.65 children per woman by the end of this decade (currently around 1.75), our population growth rate continues to rise gradually, and net overseas migration averages around 70,000 per annum through each economic cycle (in 1998-99, it was over 100,000 and is projected to be around the same in 1999-00 and 2000-01), we are likely to see our population reach at least 23-24 million during the second half of this century.

By the second half of this century, the size and structure of our population will have stabilised. I prefer the term stabilise to stagnate as all populations must, from an ecological perspective, eventually seek to reach stability. There is no evidence that a stable population means stagnation from an economic, social or cultural perspective. Given our below replacement fertility rate, a stable population for Australia, indeed for every developed nation, will require a significant level of immigration and interaction with the rest of the world. Australia is of course well placed with our long-standing formal immigration programs and policies. Many developed nations are already seeking to learn from our approach both to the management of immigration programs and associated settlement policies.

Many environmental groups consider that Australia’s current high rate of population growth is not ecologically sustainable. They have suggested we should seek to reach population stability more quickly. This is a serious issue and it is for that reason that I have commissioned the CSIRO to examine the environmental impact of population growth. Nevertheless, it is not an issue that we should be alarmed about, partly because we are on the path to reaching population stability and partly because of our increasingly sensitive approach to environmental matters that continue to evolve. It is also important to recognise that seeking to drive down our current immigration program would involve very significant economic and social costs.

In contrast to the views of most environmentalists, business groups have indicated concern about the prospect that our population growth rate will begin to slow during this century and that our population will become much older. These are also serious issues and ones that we must continue to research so that we can make sure we have the right policies to manage the consequences. I say manage the consequences because the slowing of our population growth rate and the aging of our population is inevitable. There is little prospect of fertility rates returning to above replacement levels although we must continue to pursue family friendly policies that help to minimise any further declines in fertility. Demographers have clearly demonstrated that there is no practical level of immigration that can prevent aging of the population.

**Long-term Prospects for Australia’s Immigration Program**

A strong immigration program will remain as critical to our long-term future as it has been to our past. However, it must be a program that is delivered with the highest levels of integrity and consistency of approach if it is to gain community support. This has been a cornerstone of my approach to immigration.

The Government has maintained a generous A strong Skilled Stream is of course critical to making the changes that have been made to the general points test used to select most skilled migrants has been significantly overhauled. The new test clearly delivers young migrants who have strong English language skills and with qualifications recognised by the relevant professional bodies in Australia. The new test is highly...
Australia's birth rate is now at an historic low and is projected to fall further in the near future. Without some measures to improve our national birth rate, it is projected to fall from 1.78 in 1997 to 1.65 in 2006.

- a higher population which takes account of environmental pressures and constraints can help us achieve a higher sustainable level of economic growth;
- it provides the wherewithal benefits in employment and a higher standard of living;
- if combined with well focused regional policies, a larger working-age population can help us build, revitalise and sustain our cities; and
- a larger population of people with a mix of cultures improves the quality of life for all Australians. It also improves our ties with the rest of the world, and strengthens our leadership role in the international community;
- most importantly, a larger working-age population can help us to afford the extra costs of an aging population.

We understand that the best approach to achieving a higher population is a balanced one - one that looks both to immigration, and to family-friendly policies designed to boost our national birth rate.

**Immigration**

I believe that higher immigration has a major role to play in our population policy.

- Positive net immigration will contribute to total population growth;
- It provides an opportunity to address two constant issues confronting Australia:
  - Workers in short supply in specific industries and technical skills; and
  - The attraction of new investment, new entrepreneurs and new skilled workers into rural and regional Australia.

Of course, use of immigrants to plug the gaps in skills is just one component of our longer-term strategy. It is important to choose the right mix and system to get the most cost-effective result. Labor has already flagged some of the family policies that could become components of our population policy.

1. **Family income**

Our plan, which we took to the 1998 Election, for tax credits for working families, would ensure that Australian parents are rewarded for working and acknowledges the extra costs facing working families.

2. **Family support services**

Labor is studying early childhood and parenting centres, linked to child care centres, to provide a place in the community where parents and children can learn family and parenting skills together.

3. **The workplace**

Unlike the current Government, Labor is committed to making Australian workplaces more family-friendly.

In summary, developing a population policy is an ambitious plan but one that is vital for Australia in the 21st Century.

I believe that improving Australia's birth rate is about strengthening Australia's families. It is about family friendly policies which can help people manage the social and economic changes.

The best way to make it easier for families to have and raise children is to give them improved choice and flexibility in balancing work and family responsibilities.

The choice between a career and a family is not a win-lose one. A modern, responsive government will help Australians to move between both throughout their lives.

Combination of work, study, family and leisure will be increasingly important as we see an expansion in part-time employment, new forms of community sector employment and the need for retraining between jobs.

- Countries - such as France, Sweden and Norway - that ease the transitions into and out of the workforce, and allow people to maintain their careers, have higher birth rates.

On the other hand, the countries with the lowest birth rates (such as Italy and Spain) are those in which government policies and social norms reinforce outdated notions of the traditional family.

It is important to choose the right mix of policies and the most cost-effective. Labor has already flagged some of the family policies that could become components of our population policy.

Labor is examining options to introduce more flexibility in payment of family allowances, so that one parent can afford to stay at home during the early years of a child's life.

Labor is studying early childhood and parenting centres, linked to child care centres, to provide a place in the community where parents and children can learn family and parenting skills together.

One of the motivations for a population policy must be to lessen the impact of an aging population. And Australia needs to move quickly.

Today, there is one Australian of retirement age for about every 5 Australians of working age. As the current levels of net migration continue in the future, in the year 2021, there will be one for every 3 Australians. And by 2051, the ratio will be one for every 2 Australians.

While these trends are daunting, we must not be too alarmist; higher productivity makes it easier to support an aging population. However, our birth rate is perhaps the most powerful instrument we have to slow and eventually reverse the decline.

Labor needs a long-term population strategy. And that is why Labor is developing such a plan.

**Australia needs a long-term population strategy.**

I have been advocating a population policy for a long time because I believe it is a vital element in preparing Australia for the 21st Century. So I welcome any public debate on these issues.

In advocating this debate I have sometimes felt like a lone voice. Sadly, debate on population issues has been a victim of the short-termism and narrowness that has characterized Australian political debate these last four years.

As Labor Leader I want to re-establish a national consensus around investment in public goods and good policy in this country. Australia needs to continually invest for its future. And it needs to invest in the policies and infrastructure which secure and enhance our future.

My goal is to build Australia into a Knowledge Nation. It is about investing now, for the future. A population policy, based on the medium to long term and on community consensus, is such an investment.

So also are sound economic policies; acknowledgment of education as a public good; a strong public health system; decent income support; and strong national defence arrangements.

An Australian population plan demands strong national leadership if it is to be a success. Such a plan must be a set of policies which addresses a wide range of issues.

Labor's population policy will focus on the following:

- recent and future trends in our birth rate;
- size and composition of our migrant intake, and where they live on arrival;
- workplaces that enable real choices and flexibility for families;
- investing in our people and places, through education and training, and regional development policies.

Too often governments have been reticent to publish comprehensive population plans because of the perceived potential for controversy.

But Labor are developing such a plan because we firmly believe that Australia will benefit from a larger population which is part of a well coordinated strategy.
POPULATE OR STAGNATE
IS A REAL CHOICE FOR AUSTRALIA

Yet there appears no particular reason we should allow this to happen. We inhabit a continent with abundant natural assets – mineral and agricultural – and our nation has a healthy stock of intellectual capital, particularly in the areas of science and commerce.

By all reasoning we should do more with these assets and create the growth that can support a larger population base.

The desire to make better use of Australia’s these assets has certainly driven many schemes over the past century to boost our population.

During the 20th Century, the Pilbara was mined and the Kimberley’s Ord River was dammed. Much earlier, the Snowy Mountains Scheme generated electric power and redirected irrigation water to the Riverina. Whole towns blossomed with a resources boom. Mt Isa with copper, Kalgoorlie with nickel, Mt Tom Price with iron ore. The exploitation of offshore oil and gas reserves had an “amnesic effect” on nearby coastal settlements. Victoria’s Snowy River services Bass Strait, and the Western Australia’s Karratha services the North West Shelf.

By the latter decades of the 19th Century, the wheatbelt had advanced to the margins of the Outback, and especially in the northern reaches of South Australia. By the middle of the 20th Century, these wheatbelt towns and others in the Murray-Darling Basin and in the better-watered coastal strip, burgeoned with people brought in by Soldier Settlement Programs.

However, the inland of Australia and vast tracts of our coastline have so far resisted all attempts to develop them into areas that can support large populations. In fact, much of the territory carved from inland Australia is now being yielded by a later generation. A process of demographic erosion has occurred across the Australian wheatbelt since the 1970s, brought on by the combined pressures for economies of scale (where one farmer buys out the neighbour) and the demands of youth for higher education and training and broader job prospects.

The trend is clearly documented in the latest KPMG Population Growth Report, prepared every year by Bernard Salt. It cites the example of the Australian wheatbelt – from inland Australia is now being yielded by a later generation. A process of demographic erosion has occurred across the Australian wheatbelt since the 1970s, brought on by the combined pressures for economies of scale (where one farmer buys out the neighbour) and the demands of youth for higher education and training and broader job prospects.

The debate about Australia’s future population levels has, in the past, attracted the best arm wavers and short term pundits that the nation can muster. We in ... of all persuasions change views rapidly as campaign funds for the next election are promised, or withheld.

As if pushed and pulled around the continent by the land itself, Australians have more recently advanced along the length of the eastern seaboard creating settlements based on the new concepts of leisure, lifestyle and retirement. Hervey Bay located 120 km north of Noosa in Queensland has quadrupled in population since 1976, as indeed has the coastal township of Mandurah 80 km south of Perth. The harsh interior of our continent has effectively allowed only minimal and/or temporal settlements designed to tap unique resources, such as Roxby Downs in South Australia.

The net effect is that the modest number of Australians is “manoeuvred” from one part of the continent to another. Not quite in the seasonal nomadic sense of the original inhabitants, but nevertheless nomadic by the measure of our predominantly European values. It’s almost as if we are adrift within the island continent, being buffeted from one corner to the other. Perhaps it is the very nature of the Australian continent.

The need for greater population growth in Australia can also be viewed from an external perspective. By that, I mean we have an obligation to rest of the world – not just to ourselves – to make more effective use of the abundant resources of our vast continent.

Consider these forecasts. By 2050, our share of global population is projected to reduce by around one third, based on the average level of immigration through the 1990s.

The Australian Bureau of Statistics estimates that by 2050 the Australian continent will contain somewhere between 23 million and 28 million, depending upon immigration levels. Medium assumptions of around 80,000 immigrants per year, combined with falling birth rates (and death rates), result in a forecast population of 26 million by mid century. This will represent 0.2% of the expected global population of 12 billion in 2051, as forecast by the US Census Bureau.

During the 1990s, the average level of immigration to Australia was 75,000 per year. If Australia was to add the same number in the second-half of the 21st Century as forecast in the first-half, then our number will stand at about 31 million by 2100. The world total at that time will be 18 billion, with Australians comprising 0.17%.

While a smaller share of the global population is not necessarily a negative development for Australia, the sheer size of the shrinkage is a matter for concern. It seems inevitable Australia would have a diminished place in the world if current trends continue. Furthermore, it will occur at a time when the pressures of population growth among our near neighbours will become acute.

This will undoubtedly lead to questions about the effective management of our use of the natural assets we have in such abundance.

Viewed from any perspective, I believe Australia is faced with the very real choice to either populate or stagnate as we enter the 21st Century.

continued overleaf...
There is probably no more compelling policy area on which we should take a long-term view than population policy.

It is difficult for Australian Governments to concentrate on the long term. Federal elections are held on average every two and a half years and the proponents of the Australian Local Government elections mean that there are at least annual political popularity contests which tend to focus our political leaders minds on the immediate rather than future challenges. But it is vital to the health of Australia that the challenges posed by our population issues are confronted in the present. Waiting and seeing is simply not an option. There are a number of crucial issues facing Australia and the rest of the world over the next 50 years which need to be confronted now. In Australia’s case these include the influence of our demographics on our ability to maintain and improve our high standard of living; to increase our economic growth; care for an aging population; capitalise on our rich cultural diversity and ensure future development is sustainable whilst correcting our environmental mistakes.

The first three of these issues are intrinsically linked. It goes without saying that the maintenance of our high standard of living will only be possible through continued economic growth. I have referred to these issues separately because population issues impact them individually as well as collectively. For instance, the composition of our population as between dependant and supporting members will have a direct bearing on our economic growth.

Any road will take you there...
Demographers refer to fertility as one of the three inputs to population along with mortality and immigration. As mortality rates are expected to improve and immigration has only a limited impact on our population, fertility is the most important factor in the population paradigm. Australia’s fertility rate has declined in every year since 1972. Our fertility rate is half that of the baby boomer generation. At a minimum it is imperative that we halt this declining trend. By increasing our fertility rate we can achieve the goal of increasing our population whilst decreasing our dependency ratio.

Whilst the suggestions of some political leaders to the options of increasing family support such as child-care and practical before and after school care. The reality of both parents working is here to stay. Such assistance must recognise this.

Comparative studies of family assistance policies and fertility rates of advanced countries show that where government policy discourages women from participating in the workforce or through taxation measures encourage women to stay at home and rear children rather than work, the fertility rate is actually likely to decline. Policies to encourage fertility must focus on today’s families, not target mothers. Measures in some advanced countries that present women with one of two choices – a career or motherhood. Business must also play its role by providing family friendly and flexible work arrangements to both carers.

Policies required include a combination of increased immigration and practical support measures which make it less difficult to raise families thus encouraging an increase in fertility rates. I will digress here on the subject of increased immigration to endorse an argument of the Business Council of Australia supporting the expansion of the family reunion component of our immigration policies. While there is undoubtedly a need to increase the number of skilled migrants, as the BCA have shown there is doubt over whether a skill points system as applied in Australia is the right tool to secure a higher proportion of skilled migrants.

Comparison with the United States, which relies almost entirely on family reunion policies, is not supportive of the current Australian approach. On average Asian migrants to the U.S. have 18 months more education than those to Australia.

Certainly we need to ensure our migrant intake is well skilled and we are in a buyers market – at least currently – with over one million applications to migrate received annually. However migrants with family support are more likely to settle successfully and a stronger emphasis on family reunion policies would benefit Australia in the long term.

Having digressed into immigration policy I would like to return to the issue I believe lies at the core of our future population policies; fertility.

Governments must look at the hard and expensive options of increasing family support such as child-care and practical before and after school care. The reality of both parents working is here to stay. Such assistance must recognise this.

Australia along with the other “immigration” countries, Canada and the United States, is in a better position than the rest of the OECD in respect of dependency. However, we cannot afford to wait until we reach the projected levels of Italy (30.4% in 2010 and 36.4% in 2020) and Japan (32.3% in 2010 and 42.0% in 2020) before taking action to at least retain our current proportion of workers.

Despite the shift towards self funded retirement through superannuation the burgeoning aged population over the next 50 years and the demands it will place on the continuous growth of our dependence on younger generations to pay for the next generation of seniors is inevitable.

Measures required include a combination of increased immigration and practical support measures which make it less difficult to raise families thus encouraging an increase in fertility rates. Looming ominously over these issues is our graying population. The baby boomer generation, so much the engine of economic growth of industrial societies for the past half century, will with age, be the greatest single drain on the wealth of those societies over the next fifty years. This will be both because of the impact of their leaving us and thereby reducing the available workforce as well as the extensively documented demands of dependency.

Data published by the Business Council of Australia shows old age dependency ratios – the ratio of those aged over 65 to those aged 15 to 64 – will rise from 19% in 2010 to 24.6% in 2020. Medical advances, increased affluence and healthier lifestyles mean life expectancy continues to rise. The Department of Immigration’s published mortality assumptions are based on life expectancy rises over 100 years of 81.6 to 89.7 years for females and 75.9 to 84.5 years for males.

Australia’s need for a population policy has economic, social and global dimensions. The demographic forces behind population change are very strong, however they are not beyond the influence of government through its administration of migration in particular. The consequences of restricting migration levels would be felt throughout the next century.

Richard Hein
Chairman and Managing Director
P&O Australia Limited

Australia’s need for a population policy is to focus on the changes we can predict and seek to achieve the most desirable outcomes for Australia as a market and a society by adjusting our policies in a pro-active way.

The forces that change our population are natural increase and migration. The natural increase is the outcome of the balance of births and deaths. A total fertility rate of 2.2 would be required for the population to replace itself. The Australian fertility rate is 1.8 children per woman. Australia has had replacement fertility rates for more than twenty years, and this shows no sign of turnaround. The infusion of youth into our population structure has been declining for some time. The capacity of natural increase to sustain population increase is collapsing. Mortality has also been declining.
Since the Second World War average life expectancy has increased by a year for every five calendar years. The average life expectancy has risen from 75.6 to 78 in the last ten years. Improved living conditions and medical knowledge indicate that this trend to increased longevity will continue.

The mortality pattern has two implications. As the baby-boomers reach the end of their (extended) lives, population growth will decrease. At the same time both the present and future population will be an ageing one. The size and age of the population is also affected by migration.

Since 1981 the annual inflow of migrants has varied from a low of 68,800 in 1984 to a high of 145,000 in 1988. The outflow peaked at 31,000 in 1991, with a low of 18,100 in 1986.

Migrants tend to be younger than the resident population, with a median age about five years lower than the general population. Migration has therefore helped to retard population ageing for Australia. Migration as a proportion of the population has been reducing over the past decade, and thus its contribution toward increasing the total population and reducing its demographic ageing. This is because inflow numbers have not kept pace with base population increases.

**Future Projections?**

If we held birth and death rates at present levels, zero net migration would generate a population of 20.5 million by 2031, thereafter remaining stable. By contrast, a net migration scenario of 100,000 (compared to the ‘90s average of 75,000) would generate a peak population of 25.5 million by 2031, thereafter remaining about that level for the rest of the 21st century. But even with net migration at 100,000, the under-25 population of Australia would decline from 24% to 22% of the population in the 1980s to under 30% by 2031.

A ... target ... of 30 million, could be achieved by fixing a constant net migration rate of a little more than 1/3 of the population which translates to a current base of 100,000 growing gradually over time.

**Economic Benefits**

The potential economic benefits from sustained or enhanced population growth are substantial. Immigration-driven population change can:

• drive expansion of output;

• increase demand for goods and services;

• improve the skills and flexibility of the workforce;

• foster entrepreneurship;

• encourage innovation and technological change;

• develop trade linkages and international integration;

• support change and challenge rigidities;

• improve the value and return on capital;

• expand business and job opportunities;

• spread the costs of overhead requirements;

• through a growing economy, encourage the purchase of modern, technologically advanced equipment.

A more buoyant, expansive and outward-looking economy brings widespread economic benefits.

Without the migrants and children of migrants over the post-war period, our GDP would be more like $260 billion than $530 billion today. Migrants and their children have doubled almost every five years of the post-war growth in the Australian workforce.

Migration influences per capita income in a range of ways. It can increase the average skill level of the workforce and increase economies of scale. It can enhance the average skill level of the workforce and increase economies of scale. It can foster innovation and flexibility because migrants are characteristically entrepreneurial, especially in small business, as they face the need to set up in a new society.

It is worth remembering that the average Australian under present trends:

- ... the population aged 65 and over will increase by 4.5 million by 2031, thereafter remaining stable.

- ... the population share aged 65 and over will rise from 12% in 1997 to 22% by 2031.

- The prospects for these age shares can add up to far more implications for public outlays, budget deficits or tax rates, and hence for shares of GDP relevant to support of older Australians, for tax and expenditure burdens for future generations.

The evidence given above indicates that immigration (both level and composition) can reduce age dependency costs substantially. Immigration can only be one part of a more comprehensive policy for population ageing, especially for retirement incomes, health care and family support.

**Global and regional positioning**

**a) Trade and Innovation.** Since the late 1970s business and industry have been able to take advantage of the skills and networks of a diversified community when building trade and investment links with global and regional markets.

Based on a longitudinal sample of 1497 business migrant firms, a recent comparative Australian business data from the ABS, Access Economics found that:

Business migrant firms have a consistently better rate of exporting, with very small firms, in particular, exporting 10 times the value of the equivalent sized Australian firms; Business migrant firms tend to be larger employers within each size category than their Australian counterparts, rising to an average of 80% more in retailing; Business migrant firms have a considerably higher average net worth per unit 100 employees (10 times in manufacturing)

and 15 times in professional and business services), higher turnover and lower average annual exit rates (5.6% v. 7.7%).

Technological development is also supported by population growth and, in particular, the renewal afforded by immigration. “Critical mass” in the national population size is an important though under-researched issue in mapping needs for technological skills formation within Australia.

**b) Strategic and defence considerations.** However, the scale of industry, communications and transport infrastructure able to support the defence effort will be affected by the size of the population. Population size will affect the nation’s ability to spread the costs of an increasingly expensive, technologically advanced defence effort for the continent across a larger number of contributing taxpayers.

**c) “Good international citizen” benefits.** The mass movements of surplus or displaced populations present major strategic problems for many countries, including those in our region. To date, the pressures they have experienced have not generally been redirected to Australia.

Immigration policy, along with other international policy stances, is vital to Australia’s capacity to maintain its independent position on these issues. Attributes of our “good international citizen” role include:

• being seen to be open to immigration and to have in place a considered and realistic regime for permitting temporary entry for purposes other than work;

• maintaining a positive and constructive approach to any selection system on race, religious or national grounds;

• maintaining a responsive and generous stance in response to Australia’s adoption of internationally respected policies in the immigration and temporary entry areas also provides reciprocal benefits to Australians in their ability to move relatively freely around the world.

As Australia faces its global future, it makes abundant sense to construct a population policy that serves the nation well for the emerging challenges ahead.
improvements in transport and communication bring markets ever closer together, the relative importance of a 'home market' has decreased. And, in any case, a market of 50 million people would still be dwarfed by the size of the European Community and countries encompassed by the North American Free Trade Agreement. This is not to say that a population of 50 million people would not provide greater critical mass – however from an economic growth perspective, it should be seen as a 'nice to have' rather than as an essential ingredient.

A declining (and therefore ageing) population does, however, have other implications. The vitality of the community; the requirement for aged care as opposed to child care services; the need for hospitals dealing with hip replacement surgery as opposed to maternity hospitals; the ability of the country to expand itself; these are but some examples. Would a declining population lead to social stagnation. And should these concerns lead the push for higher levels of immigration? But before this country can even consider embracing a policy designed to significantly boost Australia's population it must address the very serious long term environmental issues facing this, the driest of continents.

To solve these problems will require considerable political will and the development of a consensus on both sides of politics and throughout the community to place these issues at the top of the priority list. The battle over the Snowy River highlights the political difficulties – each State has its own constituency to please and within each State there will be the competing interests between city and country. It will require legislation and regulation in all States; it will require significant amounts of money for water recycling at all levels of government; and it will require a very long term view, something which Australian governments are traditionally not very good at doing.

It is only once these issues are being successfully tackled that Australia should seriously consider whether it could support a population of 50 million or more. In the meantime it will be sensible to increase the levels of immigration over time to at least counterbalance the effect of the decline in the birth rate. The period since the Second World War has shown the social and economic benefits of a sustained immigration programme at a level which allows the immigrants to be absorbed into the workforce within a reasonable timeframe and to establish themselves in society without disruption to the social fabric of society. So the real question we should be focussing on is not 'Populate or Stagnate' but whether we can start to reverse the dramatic decline in our environment and to conserve our scarce water resources so that we are still able to support our current population level.

There is no doubt that the issue of a population policy is likely to become of increasing importance for Australia over the coming decades. Can Australia continue to grow economically at a rate which delivers a high standard of living to its people without population growth of at least 1.5%? Does Australia need a population of 50 million or more to create a sufficient home market? Will Australia from either a moral point of view or a defence point of view be able to 'hold onto this large land mass' with a population of only 20-25 million?

In my view the key factors in achieving a high rate of sustained economic growth do not depend on the size of our population. Far more important are:

• An outward looking economy and an export culture;
• An intelligent and highly educated workforce;
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There is a reason and that reason is that our fertility rate is now only half the level it was in the two decades after the Second World War. If natural growth is negatively imaged and a fertility rate of 1.65 births per woman is maintained, then only way we can grow a half times in 50 years is through massive immigration. As fertility falls in Australia, increasingly higher levels of annual net migration are required to maintain a target of even zero population growth. Based on the present likely trends in fertility and mortality, a net migration level of 80,000 per annum is now required to achieve long-term zero growth of the Australian population. Traditional immigrant receiving countries, especially those like Australia and Canada with relatively small populations sizes, are in the favourable situation that they can employ immigration in this way, that is, as a policy mechanism to avoid falling numbers in the working ages as the numbers in the retirement ages increase. Countries with large populations and very low fertility, such as Japan, Italy and Germany, face major falls in their supply of labour and very rapid ageing of their populations. Impossibly high levels of immigration would be required in these countries to put them in the relatively more favourable demographic positions of Australia and Canada. While it may be argued that falling labour supply can be compensated by productivity improvement or that economies can adjust to long periods of negative growth, it is more likely that the orientation towards economic growth will continue because labour supply in the United States, the world’s economic engine, is projected to continue to rise steadily. Capital, as it has done in the past, will continue to have demonstrated that a reversal of the trend towards early retirement over the past 30 years and continued increases in labour force participation are sensible policy approaches for countries facing major falls in their labour supply. Another feature of the work that we have done is to indicate that when we are talking about population policy and ageing of the population, we need to consider very long time frames. A simple indication of why this is necessary is to remember that the rapid ageing of the Australian population in the third and fourth decades of this century is the result primarily of fertility rates in past 50 years. We have also demonstrated that the outcomes of quite different demographic scenarios can look much the same after 50 years but, soon afterwards, diverge dramatically. The more dramatic effects of sustained very low fertility are manifested only after 50 years. The issue here is that the orientation of economic planning is very short-term. The eyes of economists glaze over when demographic talk of 50 years time and, indeed, a great deal of unimagined change will occur in the next half century. Nevertheless, it is a certainty of demographic accounting that very low fertility today will have an impact on the age structure of the population well into the coming century. Finally, the view is often expressed that immigration can keep our population young. Our modelling work shows that, provided Australia’s fertility rate is sustained around 1.65 births per woman, net migration levels of around 80-90,000 per annum make a small but worthwhile contribution to slowing down the ageing of the population. Higher levels of immigration than this make very little difference to ageing. In the end, substantial ageing of Australia’s population is absolutely inevitable; it is the product of events that have already occurred.

Knowledge was the key resource accounting for the substantial productivity increases in global and Australian agriculture from the 1950s onwards. The large increase in agricultural output over the past 40-50 years were accompanied by only a modest expansion in the quantities of land and water devoted to agricultural production. Indeed, the area of land devoted to agricultural production has grown two and a half times since 1945. There is no reason at all why we could not grow two and a half times again by the middle of the next century.

Determination of Australia’s maximum (and optimal) sustainable human “carrying capacity”, on the basis of the country’s natural resource endowments, has been a controversial issue for much of our post-Federation history. The Report of the National Population Inquiry to the Federal Government (1974) … succinctly drew together attempts to estimate the carrying capacity of Australia … The rate of increase in output per unit of land over the three decades to 1990 was higher than for any other OECD country.

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With the major exception of oil, it is of some policy interest to know that Australia could be self-sufficient with a much larger population (of the order of at least 50 million, with respect to supplies of food, water, energy and minerals. But this misses the point that in a technologically changing and open economy such as Australia, relative resource deficiencies do not set population limits. Suggestions that the quantity of a country’s productive natural resources defines an upper limit to its population assumes that substitutes cannot be found for ‘deficient’ natural resources or that technology cannot increase their effective availability, or that ‘surplus’ resources cannot be used to acquire ‘deficient’ resources through trade. Many prosperous and secure trade-based countries exist (e.g. Singapore) which are highly ‘deficient’ in farmland and other natural resources.

Land degradation and food supply
Land degradation is a matter of serious concern. How can we instructive to review briefly the trend of Australian farm output over time. Whether or not there has been a net improvement in the quality of Australia’s farmland, the common claim that increases in Australia’s population and associated increases in domestic consumption of agricultural commodities lead to increasing land degradation and other adverse environmental impacts is without foundation.

Environment and population
There is considerable potential for improving the efficiency of resource and environmental management in Australia. It has to be acknowledged that the social costs associated with urban and coastal pollution also deserve careful consideration in the context of discussions about the more liberal immigration policies. However, the general point advanced here is that Australians will be better off using environmental management policies that are directly targeted to deal with specific resource and environmental concerns rather than modifying immigration policies. The latter is an extraordinarily blunt instrument. It is possible to demonstrate that the land and water degradation attributable to farming activities is not linked to Australia’s population level

We were self-sufficient on food, wool, sugar and tobacco. Australia’s supplies of farmland, forest land, water and non-renewable mineral and energy resources (with the exception of oil) are sufficiently abundant to allow Australia to be self-sufficient with a much larger population. For a small trading country like Australia, however, the most relevant measure of resource scarcity for internationally traded resources and commodities is world prices. Measures of resource scarcity based on simple projections of present consumption levels and known reserves of resources are notoriously unreliable. With the exception of crowding and the associated rationing of prime landscape resources, it is difficult to identify any environmental impacts that are unequivocally attributable to population growth.

The reason for non-existent or weak links between population, growth per se and environmental degradation is the potential for societies to respond to environmental concerns with more appropriate forms of social organisation and technology.

Beady’s talk was titled ‘Nation Building: towards a population policy for Australia’. The Business Council claimed that ‘Australia is defined as a nation by its population’. The term ‘nation building’ also appears in The Australian’s report on Howard’s statement. He hopes to develop ‘nation building in its broadest sense’, and ‘nation building in terms of knowledge and skills’. This is a theme which readers of BHERT News will recognize - the need to build our knowledge skills and create a framework for dealing with the global changes of the information economy. Yet ‘nation building’ can be a loaded term. As well as signifying increasing numbers and stronger conceptions of nationalism, xenophobia even, particularly when linked to the question of immigration and asylum seeking. It hints at the question of who is, is, or is not, part of our nation. Inevitably then population debate is sensitive, requiring a broad range of perspectives. Linking knowledge and skills to issues of population and immigration marks a new development in government policy, at least in recent decades. As demographer Geoffrey MNicholl has pointed out, coherent population policies that express preferences for certain types and timing of demographic futures are virtually nonexistent in industrialised countries with slow rates of population growth. Australia is a case in point. Australian governments in the past three decades have resisted calls for a national policy on population. This is partly due to the compartmentalisation of political interests related to population growth so that, for example, debates about reproduction are unrelated to debates about immigration or environment (MNicholl, 1985).

Despite occasional acknowledgment that population size is important, modern democratic states find it virtually impossible to engage in discussions about long-rage population policy objectives because the immediate policy implications have the potential to restrict the freedom of individuals and groups. Australia, for instance, is already facing the political burden of the White Australia Policy over the last two decades and is reluctant to reawaken the ghosts of that past. There is much more that can be done.

So what has changed? And why have all parties begun to engage in the difficult and politically fraught task of mapping a population policy? And why has the business community...
mention the discriminatory aspects. Unless policies change in this area fertility rates are likely to decline further and population overall will eventually decline unless very large numbers of immigrants are welcomed. This is a key opportunity for Australian business to lead the way with family-friendly policies, as some companies already have. While universities have also modelled best practice in this area in the past, constant underfunding has undermined many equity goals. Stability in refugee numbers is important. Demographer Peter Mcdonald argues, as continuing decline will necessitate large compensatory limits of immigration. For instance, should the fertility rate fall to 1.5, net migration needs to be 120,000 per annum to prevent population decline.

If we choose to increase our numbers through immigration, as we all certainly will, where will the immigrants come from? Increasingly they will come from areas of economic and political conflict, seeking, as they always have, better opportunities for themselves and their children. According to UN sources there are more than 100 million people are on the move around the world. How many of these will satisfy our criteria for skilled migrants? Will our educational institutions and our business be able to accommodate a more culturally mixed group and their linguistic and cultural diversity?

We need to build both our human and educational resources in language and cross-cultural studies, if we are to build a population which is socially cohesive. We must also abandon the approaches which reinforce perceptions of Anglo-conformity. We must provide syllabi which foster tolerance, conflict resolution and global understanding while advancing knowledge of Australia. One of the impediments to reflect population change in composition and language diversity at all levels — including senior management. Look around your business and notice the scarcity of women and minorities.

It is a curious paradox that while much of the developed world insists on moving towards ‘free trade’, on the removal of barriers to trade, barriers to movement of labour are being erected. The numbers of people leaving the developed world are increasing. Boundary controls are the order of the day in Fort Knox. We can claim to be different? Australians will need to deal with these complex issues if we are to avoid our former unthinking reputation as exclusive and restrictive. It is timely that the debate about population policies has begun.

References


Unfortunately, debates over world population have sometimes polarised, and official Catholic views are often tangled in debates over contraception and abortion. The classic Catholic statement on population came in Pope Paul VI’s 1967 encyclical, Development as Freedom, that there is ‘no significant crisis in world food production at this time’. Indeed, ‘Famines are, in fact, so easy to prevent that it is amazing that they are allowed to occur at all’ (Oxford University Press, 1999, 206, 175).

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A CATHOLIC VIEW ON POPULATION

In recent years, the strong consensus in Australia that the nation needed a larger population has broken down, causing major problems for governments in determining immigration policy, especially.

Among the factors undermining the consensus about the need for a growing population are:

- the prolonged unemployment over the last few decades, giving rise to a mistaken belief that immigrants take jobs from Australians.
- fears that increasing numbers of Asians coming through immigration would permanently alter the ethnic and cultural balance, causing racial tensions and damaging social cohesion; and
- claims that Australia has too many people already, as evidenced by perceptions of overcrowding in the cities.

Debate about Australia’s population policy needs to consider the wider context of global population growth and widespread misunderstanding of problems of internal development. Most people are aware of the continuing desperate plight of many millions of people in developing countries. But few Australians seem to realise that we have the resources and technology to eliminate the worst forms of hunger and poverty within a generation, as the 1997 UN Human Development Report (p. iii) insisted. What is lacking is the political will to marshal our energies against poverty.

Indeed, there are startling good news stories on many fronts, including improvements in food production, life expectancies and education levels. The Nobel Prize winner, Amartya Sen, wrote in Development as Freedom (p. 13) that ‘starvation is an evil we can prevent and an evil we have prevented in the past’. What is lacking is the political will to marshal our energies against poverty.

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environmental factors prohibit further population growth in Australia. As some authors have shown, alarm about world population growth developed in the early twenty-first century out of eugenic theories of Social Darwinism, and fear that the ‘white race’ was not breeding as quickly as colonised or ‘coloured’ peoples. When these racist assumptions became unacceptable after the Second World War, advocates against population growth adopted Malthusian arguments that the earth could not support too many people. But as food production continued greatly to outstrip population growth, it became evident that one could not argue that lack of food demanded drastic restrictions on population growth. Instead, the reason for limiting population shifted; many believed that increasing population hampered economic development and the lifting of living standards. This argument, too, was found deficient and was increasingly abandoned as development specialists could not find any necessary causal link between development and population. More recently, the population lobbies have turned to the environmental movement to support their views. Moreover, through environmental mechanisms or migration, population growth in developing countries is now portrayed as a threat even to the developed world.

If Australians are to debate adequately their population policy, it is particularly important that the media improve their reporting and commentary on population issues, and especially the global picture. The visual media are especially vulnerable to over-simplifying matters. Graphic images of starving Africans crowding into food deserts readily give the impression that the problem stems from too many people. How can television news also communicate that such emotive images often occur in a sparsely populated countryside and that the reasons for these tragedies often have little to do with lack of resources? Africa is immensely rich and with improved management is capable of supporting a vastly increased population. Even much of the quality print media offer very little good analysis of progress and problems in world development and population. Sometimes sensational claims by population agencies are reported without any critical evaluation. For instance, Lester Brown of the Worldwatch Institute regularly issues his apocalyptic prognostications, which are dutifully reported, partly because they are so sensational. But how is an ordinary reader to know that many development experts and economists do not regard them as unlikely or even quite extravagant? Wouldn’t it be interesting to evaluate how accurate have been Worldwatch’s predictions over the years? Some of the population agencies rely on public funding and need to accentuate crises to maintain their funding streams. To remedy such distortions, the media could locate well-regarded specialists in development and population studies who can evaluate sensational claims. In addition, it would help greatly if media networks could promote their own specialists in these complex and contested areas. To argue that Australia is facing its population limits seems to fly in the face of common sense. With one of the largest landmasses on the planet, Australia is sparsely populated, with the overwhelming majority of its people concentrated into a few narrow coastal strips, comprising about 3.5% of its land area. As any traveller knows, the rest of the continent is largely empty. If one moves west from Adelaide around the coast, there is only one substantial city, Perth, and a few provincial towns, including Darwin, in the thousands of kilometres before reaching Cairns and Townsville. It seems quite unreasonable to assume that major new cities and industries cannot be developed in these regions, or in the millions of square kilometres of our inland.

In addition, many of our country towns are dying for want of population, and Tasmania, Western Australia, South Australia and the Northern Territory are all searching for further population. This is not to deny that immigration has contributed to Australia’s growth in the past. It would give Australia a greater profile in regional affairs, increase its economic strength and enhance its defence capabilities. In coming years, population movements will continue throughout the Asian-Pacific region, and it will be in Australia’s interests that such movements accord with our own priorities, and are not forced upon us. Whatever we can do to increase our links with the region and consolidate goodwill can only redound to our long-term advantage.

Australians need to recover a new consensus on the benefits of population growth, • by clarifying that immigration does not cost Australians their jobs; • that our future lies in becoming a more cosmopolitan nation, embracing ethnic and cultural diversity founded on the strong foundations of social equity and opportunities for all; and • by tackling the perception of overcrowding in major cities with resolute new efforts to decentralise our population. It would give Australia a greater profile in regional affairs, increase its economic strength and enhance its defence capabilities. In coming years, population movements will continue throughout the Asian-Pacific region, and it will be in Australia’s interests that such movements accord with our own priorities, and are not forced upon us. Whatever we can do to increase our links with the region and consolidate goodwill can only redound to our long-term advantage.

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TOWARDS AN AUSTRALIAN POPULATION POLICY

Australia’s long-term social, cultural and economic development are inextricably linked to the size and makeup of the nation’s population. And that’s an area over which governments, particularly through their immigration policies, exercise considerable influence.

The Business Council of Australia considers that population policy and the level of immigration that is appropriate for Australia should be the subject of a thorough and well-informed debate in the Australian community, and it is working to promote such a debate. The contribution made by migrants to Australia’s growth as a nation is unmistakable, and extends well beyond an economic impact.

In 1947, Australia was a nation of 7.6 million people, mostly of Anglo-Celtic descent. Its economy was overwhelmingly based on rural exports, with limited protected manufacturing. Its infrastructure was poor, and it had few links in the region.

The tide of post-war immigration had a big influence on all aspects of Australia’s economic and social development. Infrastructure has been built and the economy has been transformed into one that is open and vibrant, with a strong services sector and greatly improved health and education facilities.

This is not the direct product of immigration, but migrants played a big role in every part of that transformation. Today, with a population of almost 23 million, Australia still stands among nations, but it has sufficient gravity to gain a voice and respect in international forums.

Refugees account for a significant proportion of Australia’s migrant intake, confirming the nation’s commitment to humanitarian values. This commitment should remain an important signal of our willingness to meet our obligations as a good international citizen; a humane and generous country. The cultural diversity that immigration produces is a tribute to Australia’s tolerance.

Immigration rates have been declining since the early 1980s. Before that, immigration typically contributed more than 1 per cent to Australia’s population each year. It is now less than half that. This trend is taking place at the same time as the birth rate of the non-immigrant population is declining.

To remedy such distortions, the media could locate well-regarded specialists in development and population studies who can evaluate sensational claims. In addition, it would help greatly if media networks could promote their own specialists in these complex and contested areas. To argue that Australia is facing its population limits would give Australia a greater profile in regional affairs, increase its economic strength and enhance its defence capabilities. In coming years, population movements will continue throughout the Asian-Pacific region, and it will be in Australia’s interests that such movements accord with our own priorities, and are not forced upon us. Whatever we can do to increase our links with the region and consolidate goodwill can only redound to our long-term advantage.

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The above are extracts from a paper by Leigh Clifford, Chief Executive, Energy Group, Rio Tinto which appears on the web site of the Business Council of Australia, www.bca.com.au
INFLUENCING THE NATURAL RATE OF POPULATION GROWTH

Natural population increase has a greater effect on the total population growth than does immigration. Although attempts to devise policies to encourage higher rates of fertility have had little sustained success, there is some evidence that indirect policies which make it easier for people to combine work and family can be effective.

I

the post-war period ... net migration gains have accounted for less than half (39.9%) of national population growth over that period. Moreover, moderate increases in immigration levels over the next two decades will have less effect on population growth than shifts in the level of fertility. If Australian levels of fertility fall to those of some contemporary European nations it will hasten the onset of a situation where deaths outnumber births and increase the ageing of the population. Alternatively, small increases in fertility will delay these processes considerably.

The concentration on immigration and neglect of fertility in the contemporary population debate is partly a function of a lack of understanding of the role of natural increase. There is also a widespread feeling that fertility levels are not able to be influenced by policy in a liberal democracy while immigration can. This was not always the case. In the pre-war period ... fertility was seen as an area amenable to policy and population growth.

Fertility trends in Australia

Australian post-war fertility can be divided into three phases. These include:

- The post-war baby boom in which the Total Fertility Rate (TFR) rose from 2.75 in 1945 to a high of 3.55 in 1961;
- A period of steep decline in fertility to below replacement level in 1976 and down to 1.895 in 1982; and
- A subsequent period of relative stability up to 1995 when the TFR fluctuated between 1.84 and 1.94. There has been a pattern of continuous decline between 1992 and 1997, with the TFR falling from 1.89 to 1.78 (a decline of 5.8%).

... it is clear that:
- Australian women are having fewer children on average than two decades ago;
- On average they are having them later; and
- An increasing proportion of Australian women are remaining childless.

Fertility policies

Many countries experiencing low fertility have a range of policy interventions seeking to increase fertility. It is in Europe that there has been the greatest contemporary concern expressed about low fertility and some major attempts have been made to develop policies aimed at increasing fertility. These can be divided into two broad types of intervention:

- Direct Pro-natalist Policies. These involve direct attempts to influence fertility through offering incentives to those who have children and disincentives to those who choose to have no children. These types of policies involve cash payments for each child, privileges to access state housing, medical or education services, taxation incentives/disincentives related to children, etc.; and
- Indirect Pro-natalist Policies. These policies involve interventions that seek to change the environment in which decisions by couples about the number of children they intend to have are made. These are sometimes referred to as “family friendly” policies.

Indirect pro-natalist policies

A quite different approach to influencing fertility does not involve the institution of policies and programs directly attached to the number of children that women have but seeks to change the environment in which couples and women make the decision about how many children they have. In particular, the focus is on policies that facilitate the participation of mothers in the paid workforce outside of the home and promote gender equality in the workplace, home and in society generally. Faced with the choice between an uninterrupted career or having a child and withdrawing from the workforce for an extended period, women in those countries often make the decision not to have the child. In short, where countries continue to support or promote the male breadwinner model of the family, fertility falls to very low levels.

Lessons for Australia

The evidence regarding the effects of pro-natalist interventions in low-fertility situations is that the impacts in increasing fertility are limited. On the other hand, in those countries with so-called “family friendly” policies, there are indications that fertility decline has not been as great as it has in countries where there are low levels of gender equity in the labor market and other institutions, and where there is limited support for women who chose to have children as well as have substantial work careers.

There would seem to be a strong case that where governments and industry pursue policies and practices that make having children and working outside the home a real option ... through wide availability of child care, significant maternity and parental leave arrangements, preservation of seniority and promotion prospects during such leaves, etc. - fertility levels are likely to stabilise at TFRs between 1.5 and 2. They certainly contribute to the strengthening of the two-child family size norm in those societies.

... policies and activities that support women combining work and family should be instigated from the perspectives of improving equity and productivity in Australia. Australian women wishing to work outside the home in present circumstances are faced with the following choices:

- Have children and withdraw from the workforce for at least a substantial period and lose their income and seniority; or
- Concentrate fully on career and maximise income and promotion possibilities and not have children.

Pro-natalist policies

Although such interventions may be desirable from a social welfare perspective, to assist couples in meeting the costs of rearing a child, there is little evidence that they induce couples to have more children.

While women must have the choice of withdrawing from the workforce to bear and raise children, they must also have the choice which men have, that is to have both a full career outside the home and having children. For this to occur there are a number of initiatives that are needed in government, in industry as well as in the family (sharing of household tasks between partners, etc.). If this were to occur it almost certainly would lead to at least a stabilisation of Australian fertility at a level higher than that among many European countries and thereby reduce the overall ageing of the population and allow a less disruptive transition to a demographically stable population. Whatever fertility policy Australia has it must be one based on an equitable distribution of costs between the richer and poorer, the childless and the child-bearers and between men and women.
This stands in strong contrast to the major waves of immigration in the 1880s, 1910s and 1920s. The government policy directly linked immigration and population to the nation’s economic development. It was an integral part of Australia’s vision for the future. The 1880s were marked by the Victorian Governor, Sir James Gobbo, who said it was “to create a fundamental change in public attitude that immigration is good for Australia economically.”

The Australian public did not follow the details of these issues. For the most part, it believed in Australia’s long-term potential to absorb population – as long as our immigrants were white and British.

The early 1970s brought the end of large-scale immigration. Since then, both Labor and Coalition governments have run a “stop-go” policy around lower average targets. … the less, even with average numbers significantly down on those of earlier decades, immigration continues to excite debate.

… as far back as the 1920s, economists doubted the veracity of a number beyond that which maximised per capita income, and that this would vary with technology. Later ideas of the optimum population have been based on the realisation that the direct estimation of scale economies, typically find a positive relation (Nevile, 1990). Recent work by Murphy (1998) indicates that the benefits of labour income from reductions in immigration, but these have been substantially offset by a more highly skilled intake – offsetting gains to average Australians, suggesting the importance of the composition of arrivals. Earlier Pope and Withers (1995), using a neoclassical model extended to include human capital effects, found migrant skills to be a major contributor to economic growth in Australia over the last 120 years, albeit with a diminution of this effect in the 1950s and 1960s – probably due to the lower transferability of skills, including language.

Optimum population again

… these spaces were “almost useless”, and the development of the Northern Territory was simply a “white elephant”…

The popular view was that a fuller utilisation of our resources and a larger population spread over Australia was the best card to play against the Japanese and Chinese threat. Why was there so much open but empty land? … these spaces were “almost useless”, and the development of the Northern Territory was simply a “white elephant”…

The unemployment question, which is without doubt the strongest economic issue in the minds of the Australian public, was discussed in terms of dispositional changes, with an emphasis on independent and skilled entrants. None the less, even with average numbers significantly down on those of earlier decades, immigration continues to excite debate.

THE ROLE OF IMMIGRATION IN OUR ECONOMIC DEVELOPMENT

Australia owes a major part of its past population and labour force growth to immigration. Over the last 130 years, much of this growth has been encouraged by government policy and supported by the public.

Since the 1970s, immigration has been restrained, largely by the mistaken fear that immigrants add to the pool of our unemployed. Immigration no longer forms part of an outlook of Australia’s national development.

The 1880s

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The following are extracts from an address entitled “The Australian-American Alliance Where to From Here”, by Her Excellency Mrs Genta Hawkins Holmes, U.S. Ambassador to Australia, given at a Distinguished Speaker Dinner on Thursday, 6 April 2000, at the Sydney Hilton, Sydney

After serving three years as the American Ambassador to Australia, I know the pitfalls of trying to oversimplify our relationship. Trying to summarize our relationship in a brief speech is a bit like trying to paint a moving object.

At what moment do you try to freeze the motion. What angle, what aspect do you choose to portray?

Our relationship has many defining moments and aspects. This evening I would like to focus on three core elements:

- our alliance of beliefs,
- our alliance of interests, and
- our alliance of people.

The first of these is fundamental, an immediate and concrete expression of our mutually held beliefs. Security and defense cooperation, traditionally the nucleus of our alliance, remains today at the very heart of our overall relationship.


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In 1998 BHERT introduced a Distinguished Speaker series of addresses each year featuring eminent “thought leaders” speaking on topics of interest to both the business community and academia.

We are delighted to announce the following Distinguished Speaker for 2000, as follows:

Mr Donald McDonald AO, Chairman of the Australian Broadcasting Corporation since 1996, will deliver a lunch address entitled “Putting Quality First” in Sydney, on Wednesday, 9 August 2000 at the ANA Hotel, The Rocks, Sydney.

Mr McDonald has been involved in the administration of arts enterprises for over 30 years, including Sydney Theatre Company, Musica Viva Australia and Vogue Publications. He was General Manager of The Australian Opera for ten years until his retirement in December 1996.

Mr McDonald is a Board member of the Sydney Organising Committee for the Olympic Games and Chairman of the Constitutional Centenary Foundation. He is Chairman of The Really Useful Company (Australia) Pty Ltd, the University of New South Wales Foundation and Focus Publishing Pty Ltd. Mr McDonald recently resigned from the Boards of the Welsh National Opera, Opera Capital Fund and the Federation International Festival. He was Chairman of the State Opera Ring Corporation in South Australia for two years to December 1998.

Members are asked to note this date in their diaries. Further information will be given in due course.

AN ALLIANCE OF BELIEFS

Our political and security alliance is the concrete expression of our mutually held beliefs. Security and defense cooperation, traditionally the nucleus of our alliance, remains today at the very heart of our overall relationship. We do not face the same threats as we did in World War Two or during the Cold War, but our world is still a very dangerous place.

Today’s threats are more varied and less overt, but they are real enough. Their consequences affect the lives of millions of people around the globe – from Kosovo, to Iraq, to the Congo, to East Timor.

In the face of these threats, America and Australia will need to maintain our military and intelligence establishments capable of working together.

We cannot know exactly where or when the next crisis will erupt, vigilance and preparedness are essential aspects of our alliance. So too is a common vision of a world where freedom, democracy, the rule of law, respect for human rights and economic opportunity are the norm, not the exception.

These are the shared touchstones of our societies, the ideas from which our views, our values and our actions derive. They underpin our alliance because they are values worth defending and promoting.

I cannot imagine that our nations’ commitment to these basic principles would ever change. As pluralistic democracies we may disagree from time to time on how to secure these benefits for the world, but not on the need to do so.

Indeed, extending to others these blessings is one of the core challenges we face in the 21st century. We may work at different speeds or with different methods, but the U.S. and Australia will
almost certainly be pulling together towards common
goals, just as we did in East Timor.

Australia led, and led well. "Boots on the ground" were
plentiful in Timor-Leste thanks to Australia's one-track
building. The United States provided unique
capabilities - transport, logistics and intelligence
available nowhere else - that made INTERFET's
mission less arduous and less dangerous. This
correspondence reflected perfectly the years of joint
planning and exercising our forces have engaged in.

From this same alliance of beliefs have come our efforts
to restrain a restive and menacing North Korea and to
mutually assure its peaceful use of nuclear power. Our
alliance of beliefs is also the source of our mutual
support for Indonesia in its ongoing transition to robust
democratic governance.

Similarly, as we look forward to a peaceful evolution
of China and Taiwan's relationship, Australia and
America share with others in the region a responsibility
to urge restraint and flexibility.

More broadly, we will continue to work together to
ensure that regional operators, such as APEC and the
ASEAN Regional Forum remain viable centers of the
Asia-Pacific dialogue.

Americans value Australia's strong regional
engagement, and we accept that Australia looks to the
United States to help secure its interests in the region.

For its part, Australia has a great deal riding on
competent American management of tensions and
crises in the Asia-East Pacific. You have the right to
expect America to be prudent and responsible in
discharging its regional and global obligations.

For our part, we will go on taking that obligation very
seriously.

AN ALLIANCE OF INTERESTS

A second element of our bilateral relationship is what I
called an alliance of interests. It is a dynamic
element, and in its very dynamism, more prone to
friction.

As two of the world's premier natural competitors in
agricultural goods, we are foreordained to suffer
occasional collisions. And so we must regularly agree to
disagree.

These bilateral irritants should not be allowed to
obscure our very close cooperation in a variety of
multilateral organizations. In APEC, at the WTO, the
OECD, the IMF, the World Bank; and a dozen others,
we are veteran collaborators, working together with
other like-minded countries toward shared goals.

From its beginnings, the United States and Australia
have joined together in support of a more equitable,
rules-based world trading system under the World
Trade Organization.

In the run-up to the recent ill-fated launch of a new
round of WTO negotiations in Seattle, the U.S.
Secretary of Agriculture sought out the Australian-led
Cairns Group to voice our strong support for
agricultural trade liberalization. In Seattle, in the face of
strong resistance by the Europeans and the Japanese,
Australia and America joined with others to make
significant progress on a draft text that would have
provided the framework for our common negotiating
agenda.

The suspension of the ministerial has put that text in
limbo. Nonetheless, it remains the U.S. position that
agricultural reform has to be far reaching and central to
the next round.

Despite Seattle, we are proceeding as if the round had,
in fact, been launched.

America has not abandoned its leadership role on trade
liberalization. To the contrary, we're pressing initiatives
that we want to see the world community in
creating a fairer and more efficient trading system.

We believe that the global trading system, in addition to
being economically sound and supportive of free and
fair commerce, must also be built on a solid ethical and
political foundation. Trade does not take place in a
vacuum.

President Clinton has called on U.S. negotiators to heed
complaints about the WTO and to strive to give it what
he termed "a human face." We would hope that
Australia shares that view and will work with us and
others to achieve those goals and other reform goals
such as increasing transparency and accountability, and
expanding access to other commercial markets.

These are all goals worthy of an Australian-American
alliance of interests and beliefs.

Closer to home in APEC, Australia and the United
States are working to revitalize our regional agenda, to
provide APEC with its own internal momentum and to
coordinate its initiatives with work undertaken in
the WTO and elsewhere.

Increasingly, we join together not just bilaterally but also
with other like-minded countries within a wide
range of multilateral organizations.

To cite just a few:

- Following the agreement on the Kyoto Protocol, we
  have successfully joined together within the so-called
  Umbrella Group of industrialized countries to make
certain that measures to reduce greenhouse gases are
  fair, cost effective and don't cripple the world's
economy;

- here in Sydney next month we will gather with others
  in critical negotiations to begin to reverse the
  explosive expansion of the world's fishing fleet,
  which today threatens to empty our seas within a few
generations;

- we recently supported an agreement to regulate
global trade in biotechnology products, setting up
rules that will protect the world's biodiversity while
creating a framework for our scientists and farmers
to pursue important opportunities in promising
new technologies;

- Australian support was instrumental in the passage of
a U.S. initiative within the OECD that is helping to
level the international business playing field by
promoting the employment of foreign public officials.

The challenges facing the world today require, if not
unanimous, at least collective responses. Australia and
America have proven themselves able partners in
building the sorts of multilateral coalitions that are
essential in an age of globalization. As globalization
continues, we can expect to find ourselves allies in ever
more areas of interest. As the breadth of our mutual
interests grows, our participation in this process.

Building on the strength of that alliance, we can also
foster the participation of new allies.

This brings me to my third characteristic of the
Australian-American alliance.

AN ALLIANCE OF PEOPLE

Together, day in and day out, Americans and
Australians sit down at negotiating tables, link up
across the Internet, engage in scholarly debate, look
into the far reaches of space, line up shoulder to
shoulder awaiting a starting gun. Across the globe,

President Clinton has called on U.S. negotiators to heed
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MAJOR SPONSOR

BHERT is delighted to announce the 2000 Awards for Outstanding Achievement in Collaborative R&D and Awards for Outstanding Achievement in Collaboration and Education and Training

Criteria for Assessment

1. **Innovation** - has the project or program produced new products or services; how innovative is it in its concept or idea, design, delivery or content; what new barriers has it surmounted; what new challenges has it identified?

2. **Strength of Relationship** - (a) what is the extent of involvement of the partners? (b) how has this grown over the life of the project or program? (c) how do the partners work together in a productive partnership? (d) are there obstacles and barriers the partners have had to overcome to make the collaboration work? (e) what other spin-offs have there been from the project or program for participating organisations?

3. **Outreach Inclusion** - has the project or program attracted new participants since its inception; has it become a model for other projects or programs?

4. **National Benefits** - are there economic, financial, social, educational or community benefits may include for example, growth in exports, creation of new jobs and so on.

5. **Cultural Impact** - what impact has the project or program had on the cultures of the participating organisations? What changes have occurred in what is done and the way it is done in the participating organisations; what changes have there been in attitudes, behaviour or values in the participants?

**PLEASE DESCRIBE HOW THE PROJECT OR PROGRAM MEETS EACH OF THE FIVE CRITERIA (ONE PAGE FOR EACH CRITERION)**

**Process**

1. Applications for 2000 are now being sought from all members of BHERT.

2. **Deadline for applications is 31 July 2000.**

3. **Judging panel is:**
   - Professor Leon Mann, Pratt Family Chair in Leadership & Decision-Making, Melbourne Business School (Chairman);
   - Dr Bob Frater, AO, Vice-President for Innovation, RMIT Limited;
   - Ms Lesley Johnson, Director of Strategic Initiatives Australian National Training Authority;
   - Mr Peter Laver, Chairman, Ceramic Fuel Cells Limited;
   - Dr Jane Munro, Principal & CEO, Firbank Grammar School;
   - Professor Vicki Sara, Chair, Australian Research Council;
   - Dr Peter Scaife, Director, Centre for Sustainable Technology, University of Newcastle.

4. **Evaluations will be completed by 2 October 2000.**

5. **Awards will be presented at the BHERT Awards and 10th Anniversary Dinner on 16 November 2000 in Melbourne.**

6. Submissions to be no more than one page on each of the above criteria.

7. **Completed submissions to be sent to the Business/Higher Education Round Table at the following address:**
   - L. S. J. Smith, 1 Spring Street Melbourne Vic 3000
   - Ph: 03 9654 8824 Fax: 03 9654 8835
   - Email: bhert@ozemail.com.au

APPLICATION FORMS CAN BE OBTAINED BY CONTACTING THE SECRETARIAT OR DOWNLOADING FROM THE BHERT WEBSITE ON WWW.BHERT.UTS.EDU.AU

GOVERNMENT SUPPORTS AWARDS

BHERT is delighted to announce again this year that the major sponsor of the 2000 Awards is AusIndustry and the Industry Research and Development (IR&D) Board.

**The IR&D Board is an independent statutory body whose purpose is to administer specific Federal Government programs in support of industry-based innovation, and to provide advice to government on national industry-based R&D strategies and priorities. Its broad mission is to increase the level and commercial success of industry-based R&D in Australia.**

AusIndustry, the Federal Government’s program delivery agency, aims to encourage research and development and innovation within Australia.

See the following pages for details on the 2000 Awards.
LEADERSHIP IN INNOVATION COURSE

One of the most exciting initiatives BHERT is involved in is the unique Leadership in Innovation program.

The program is an intensive three-module live-in training course for prospective R&D managers developed by the CSIRO and the Business/Higher Education Round Table (a forum of business leaders and university vice-chancellors) with significant input into the program from BHP, FH Faulding, and the University of Melbourne.

The Achievement Through Teams - Leadership in Innovation program involves three residential periods of five days duration (commencing on a Sunday afternoon and finishing Friday lunch time). Module 1 is about Self-Management; Module 2, Team Building and Module 3, Organisation Culture and the Future of R&D.

The residential courses are held at small, quality conference centres close to capital cities. The course design is specific to the needs of R&D technical project leaders; brings together participants from across organisations and functions; encourages integration of professional behaviour with personal goals; and encourages leadership through trust, respect for others and generating enthusiasm for a project.

The program is highly responsive to individual and group needs and provides an environment where participants form a strong learning community and ongoing networks.

The cost of the course is $10,000, which includes accommodation and meals, all training, course materials and coaching between modules.

The Federal Minister for Education, Training and Youth Affairs has provided a 50% subsidy, amounting to $240,000, for 48 university participants to attend the program over the next two financial years.

Dates for Achievement Through Teams Courses for 2000/2001 are as follows:

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<thead>
<tr>
<th>Module</th>
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<tbody>
<tr>
<td>ATT 14</td>
<td>Module 1 15-20 October 2000</td>
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<td>ATT 15</td>
<td>Module 1 11-16 February 2001</td>
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<td>ATT 16</td>
<td>Module 1 21-26 March 2001</td>
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<td>ATT 17</td>
<td>Module 1 22-27 March 2001</td>
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<td>ATT 18</td>
<td>Module 1 28-3 March 2001</td>
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<td>ATT 19</td>
<td>Module 1 29 July – 3 August 2001</td>
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<td>ATT 20</td>
<td>Module 1 29 July – 3 August 2001</td>
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</tbody>
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SIFE's mission is "To provide university students the best opportunity to make a difference and to develop leadership, teamwork and communication skills through learning, practicing and teaching the principles of enterprise and innovation in a market economy."

In a nutshell, SIFE involves students from a university conducting projects in the community which will assist in promoting economic understanding. Students may then enter their project in a national competition which is judged by invited CEOs. The winning team then competes in the international competition in the United States.

Sponsorship is used to provide training for university mentors, prizes for national winners and runners up, and 5 tickets for the winning team to attend the international competition.

This highly successful program operates in over 500 universities globally and involves some 2000 faculty advisers and 25,000 students, and has the support of over 200 major corporations in the US. It is now operating in Australia.

The program is being strongly supported in Australia by a number of businesses including Woolworths, Arthur Andersen, KPMG, Arnott's Biscuits, Qantas, GE Capital, Kinko's, and The Reject Shop.

It is also supported by BHERT (the Executive Director, Professor Ashley Goldsworthy is also Chairman and CEO of SIFE Australia Ltd), the Australian Chamber of Commerce and Industry, and the Australian Retailers Association.

There are now 11 universities participating and many others have indicated they will be joining the program.

Roger Corbett, CEO Woolworths Limited

"Innovation and enterprise are catch cries in the new economy. SIFE is an organisation which fosters these ideals, providing young people with the opportunity to channel their energy and enthusiasm for the benefit of the community, free enterprise, and their own career development."

John Elliott, Australia Ltd

"Australia needs a more enterprising and innovative economy. We need a society that is creative and entrepreneurial. The leadership, teamwork, communication and management skills practiced in SIFE will stand students in good stead in whatever they do in later life. Australia will benefit because many more will have experienced the benefits of free enterprise."

Professor Ashley Goldsworthy AO OBE, Executive Director, BHERT and Chairman and CEO of SIFE Australia Ltd

"KPMG in the United States has supported SIFE for a number of years and KPMG is now working with SIFE in a number of countries including Australia. We see it as an outstanding opportunity for students to come in contact with the business community while still at university, while at the same time undertaking projects which will really benefit the community."

Doug Jukes, Partner KPMG Australia

"Arnott's has a long history of helping young Australians get a head-start in their careers. And that's exactly what SIFE is about. It provides young people with a terrific opportunity to develop their entrepreneurial skills through working with businesses and the community."

John Doumani, Managing Director, Arnott's
The meeting was very successful and feedback from those participating was extremely positive, as was the Minister himself.

The real success will be in the outcomes that flow from the meeting. The meeting itself was useful as the commencement of a regular dialogue between BHERT and the Minister. It also highlighted a number of issues that needed to be addressed by various stakeholders in higher education.

Another benefit was that the Minister indicated quite clearly that he welcomed advice from a variety of sources, and he saw BHERT as being a valuable potential source of advice.

This opens up some new opportunities for BHERT, and it would be remiss of us if we did not grasp the moment.

As a consequence we sought volunteers from our membership to establish Task Forces on some key issues. The objective of a Task Force is to examine an issue and produce a Position Paper for the Minister that gives him an option or perhaps several alternative options for addressing that issue.

The response was overwhelming. Below is a list of the Task Forces that have been established and their membership.

If anyone from a member organisation wishes to participate in any of these Task Forces, would they please contact the co-ordinator (first person mentioned) of the Task Force they are interested in.
BHERT Policy Statements & Papers

As a unique group of leaders in Australian business, higher education and research organisations, the Business/Higher Education Round Table (BHERT) sees as part of its responsibility the need to articulate its views on matters of importance germane to its Mission.

In recent times it has issued several Policy Statements & Papers - copies of which are available from the BHERT Secretariat.


BHERT has identified the necessary key features of the higher education sector in this country - the prerequisites for Australian universities to compete effectively at the highest international level.

Position Paper No. 2 (October 1998) - The Development of Cooperative Research Centres

CRCs were established in Australia in 1991 to foster ties between universities, industry and government departments and research organisations, in order to bring research closer to commercial realities and provide education and training opportunities. The program was established to address a number of specific issues, among which were:

1. The need to ensure that advances in science and technology were linked to applications in various sectors of the economy.
2. Related to this was the need to improve international competitiveness. The need to ensure that Australia's undergraduate and graduate programs in science and technology were of world class, specifically involving researchers from outside the higher education sector to ensure better quality and performance.

The CRC Program was to play an important role in ensuring that Australia benefited from the strength of its science and technology internationally. It would help ensure that Australian research and research training remained at the forefront in those areas of specific global, regional and local importance as a whole.

There are 67 Centres currently operating in six industrial areas:

A. manufacturing technology;
B. information and communication technology;
C. mining and energy;
D. agriculture and rural based manufacturing;
E. environment; and
F. medical science and technology.

Overall the program has resulted in a strongly positive effect on Australian spending on research and development by government departments, CRCs, CSIRO and other public R&D agencies and industry.

Position Paper No. 3 (April 1999) - The Case for Additional Investment in Basic Research in Australia

In the latter half of this decade many OECD governments, including the US, Japan, Germany, UK and Canada, have recognised public investment in basic research as essential for economic development. Emerging economies, despite the setbacks of the recent financial crisis, are maintaining high public investment in R&D including basic research. All these countries have provided additional funding for basic research despite competing budget priorities.

Much of the economic growth in this decade is attributable to the growth of knowledge based industries particularly those associated with information technology and biotechnology.

Returns on investment in basic research over the next decade are expected to be even greater than in the 1990s. Completion of the sequencing of the human genome scheduled for 2003, for example, will provide unprecedented opportunities for growth in biotechnology industries for countries and companies that are able and willing to position themselves. Australia is one of only eight to ten countries that have this capability. Continuing rapid advances in information and communications technologies provide immense opportunities for nations prepared to exploit them.

As in the case of the UK, where substantial funding increases for research were provided within the context of a Competitiveness White Paper, Australia needs to ensure that additional funding is provided within a broader policy framework. Such a framework should ensure maximum return from this investment through developing knowledge to industry and community, improving the skills level of the workforce, encouraging organisational culture change and collaboration, and promoting competition.

Summary

Due to its exponential approach the course has had a lasting and positive impact on all participants. Without exception all participants realised significant personal outcomes from the course - both in their professional and private lives.

BHERT Paper No. 2 (August 1999) - The Knowledge-Based Economy: - some Facts and Figures

Issue No. 5 (June 1999) of BHERT NEWS focused on “The Knowledge Economy of Tomorrow”. This BHERT Paper extracts a number of statistical indicators from a document published in June 1999 by the Organisation for Economic Co-operation and Development (OECD), and provides some useful and interesting comparative data on Australia’s relative global position within the context of the knowledge-based economy.

BHERT Paper No. 3 (September 1999) - BHERT: Survey of Benefits from Commonwealth Government Business Programs

In recent times there has been considerable debate on the level of R&D undertaken by business in Australia, how we compare with other developed nations, and the trend of business expenditure over recent years.

Government programs designed to promote and encourage R&D innovation obviously play a significant role in this context. Raw statistics, whilst helping to measure and track levels of expenditure, do little to explain the underlying reasons for changes or trends in levels of expenditure.

BHERT recognises the fundamental importance of R&D as the main driver of innovation, and the critical role government policy plays in building a supportive infrastructure for R&D.

In this context BHERT decided to conduct a survey across a range of Commonwealth Government Programs to better understand the reasons behind the statistics and the impact various Commonwealth Government programs were having on business R&D expenditure.

The Report identifies what the respondents saw as the critical issues in R&D support and provides a series of compelling short case studies highlighting the experience of the business community with various government business programs in support of R&D.
The purpose of the Business/Higher Education Round Table (BHERT) is to pursue initiatives that will advance the goals and improve the performance of both business and higher education for the benefit of Australian society.

It is a forum where leaders of Australia’s business, research and academic communities can examine important issues of mutual interest, to improve the interaction between Australian business and higher education institutions, and to guide the future directions of higher education.

In pursuing this mission BHERT aims to influence public opinion and both government and non-government policy on selected issues of importance.

BHERT believes that a prerequisite for a more prosperous and equitable society in Australia is a more highly-educated community. In material terms it fosters economic growth and improved living standards - through improved productivity and competitiveness with other countries. In terms of equity, individual Australians should have the opportunity to realise their full social, cultural, political and economic potential.

The membership of BHERT comprises, by invitation, the chief executives of major Australian corporations and research organisations, and the vice-chancellors of Australian universities.

BHERT pursues a number of activities through its Working Groups, State Chapters and active alliances with relevant organisations both domestically and internationally. It publishes a regular newsletter (BHERT NEWS), reporting on its activities and current issues of concern relevant to its Mission.
This study, by the Institute for Research into International Competitiveness at Curtin University of Technology in Perth, commissioned by the Business Higher Education Round Table (BHERT), quantifies for the first time the enormous contribution made by the university sector to the national economy.

The study measures the economic impact of the university sector in three ways:
1. The income and employment generated by teaching and research;
2. The enhancement of the nation’s human capital through its education of university graduates; and
3. The creation of wealth through the spillover effects of its R&D activities.

The Report quantifies each of these impacts separately. It shows that the government gets a positive payback in a number of ways.

It is interesting to note that less than half the total economic impact of the university sector comes from the direct expenditure of universities. Of more significance is the estimate that the total impact is some $22 billion per year.

The Report provides a unique insight into the information and methodologies utilised in the study. It underlines the importance of higher education as an “economic good.”

In his Foreword to the Report Dr. David Kemp, Minister for Education, Training and Youth Affairs says:

“…it provides a foundation from which to consider the crucial issues of public and private funding of higher education.”

And further “…note(s) how valuable the information it contains will be for everyone interested in higher education issues.”
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