Australia's population is ageing, and its growth is slowing down due to remarkable advances in medicine, health care and birth control. These trends, coupled with increasing family and cultural diversity, create important challenges for society in general and for families in particular.

**Population growth and its components**

Australia’s population has increased more than fivefold since the beginning of the 20th century, from 3.77 million to 19.16 million in 2000. The highest population growth occurred after World War II and the lowest occurred in the 1930s, coinciding with the Great Depression (Table 1). According to Australian Bureau of Statistics projections based on combinations of assumptions concerning the total fertility rate, life expectancy at birth, and net immigration (ABS 2000a), the population will increase to between 24 million and 28 million in 50 years’ time, with the pace of growth beginning to fall in about ten years’ time (Figure 1). Most of this growth is projected to occur in the capital cities, where 64 per cent of the population currently reside.

Total fertility rate

The total fertility rate – 1.75 births per woman in 1999 – is now lower than at any other time in Australia’s history (ABS 2000b). At the beginning of the 20th century, the fertility rate was approximately 3.5 babies per woman, which was lower than in earlier years. After falling during the Depression years of...
table 1: components of population growth, Australia, 1900-2000

<table>
<thead>
<tr>
<th>Period</th>
<th>Population at end of period 000</th>
<th>Natural increase %</th>
<th>Net overseas migration %</th>
<th>Total population growth %</th>
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<td>0.84</td>
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Figure 1: Population in Australia, observed and projected

Changing demographic face of Australia

The three components of population growth — fertility, life expectancy and immigration — have had an important impact on the age structure, sex ratio and cultural diversity of Australia’s population. Each of these is outlined below.

Age structure

The fall in fertility rates and the significant improvement in life expectancy have inevitably resulted in an “ageing” of the population both in absolute and relative terms — a trend, according to ABS projections, that will continue. During the 20th century, the median age of the total population increased by 12 years, from 22.6 to 35.2 years in 2000. That is, half the people in Australia were older than 65 years in 1990 and 85 years and over, 1900-2101

Note: The numbers for year 2000 onwards represent ABS population projection Series II


Figure 3: Proportions of observed and projected population aged 0-14 years, 65 years and over, and 85 years and over, 1900-2101

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The improvements in life expectancy, particularly prior to the 1970s, can be largely explained by falls in the mortality rates of children — especially in the first year of life — and to a lesser extent, of mothers in childbirth. However, life expectancy of those over 50 years old did not improve very much until the 1970s and 1980s, when a reduction in deaths from heart disease occurred (Hugo 2001).

Immigration

While natural increase represents the main component of Australia’s growth rate, immigrants have played a significant role in terms of both absolute numbers and the number of children born to immigrants after their arrival.

Since the end of World War II, the proportion of the total population born overseas increased from 10 per cent to 24 per cent (ABS 2001a, 2001b). Of all western countries, Australia ranks second, behind Israel, in terms of the proportion of the population that is foreign-born (Jones 1997).

Life expectancy

Life expectancy has increased by slightly more than 20 years over the century. Boys and girls born at the beginning of the 20th century could expect to live for 55 and 59 years respectively, while those born today can expect to live for 76 and 82 years respectively. However, life expectancy is around 20 years lower for indigenous Australians than for the total population (ABS 2001b; Hugo 2001).

The picture for 1911 resembles a pyramid comprising relatively many children and relatively few elderly people. In 1961, there is a swell in the population aged under 16, representing most of the post-war
“baby boomers”, defined by the ABS (2001b) as those born between the years 1946–1966. By the end of 2000, this group was 34–54 years old. Despite their low fertility relative to their parents, they are such a large group that their offspring likewise represent a large group (Jackson 2001). The age–sex profile no longer resembles a pyramid and is projected to become even less like one by 2051.

An important question relating to these trends is whether or not there will remain a sufficient labour supply to support the elderly, taking into account the fact that the proportional representation of the other main dependent group (those too young to work) is shrinking. However, the ratio of the labour force to total dependents overshadows the issue. For instance, technological advances may improve labour productivity (McDonald and Kippen 1999), and even if they were the same size, one of the two main dependent groups – the elderly and the young – might put more pressure on the public purse than the other.

**Working age population**

The “working age” population is traditionally defined as 15–64 years, although in practice many of those aged 15–19 years remain in education, and workforce participation rates fall considerably after age 55. While the proportion of the population of working age is currently growing (61 per cent in 1901; 64 per cent in 1976, and 67 per cent in 2000), it is projected to begin shrinking between 2011 and 2021 and return to around 60 per cent by 2050 (ABS 2000a; Access Economics 2001).

**Dependent age population**

As the population ages, the relative size of the two groups traditionally seen as dependent changes in different directions (Figure 3). Although the number of children under 15 years increased during the 20th century (from 1.32 million to 3.92 million), their representation of the total population fell from 35 per cent in 1901 to 21 per cent in 2000, and is projected to fall to around 15 per cent by 2051 (ABS 2000a). Even if fertility stays at its present level of 1.75 births per woman, the growth in numbers of children aged under 15 years is projected to be slower than the overall population growth.

By contrast, the proportion of elderly people has increased much faster than the overall increase in the total population, with the representation of those aged 65 years and over increasing from 4.0 per cent in 1901 to 8.9 per cent in 1976, and reaching 12.3 per cent in 2000. By this stage, 1.3 per cent of the population was 85 years or over, compared with only 0.6 per cent in 1976.

The Australian Bureau of Statistics projects that by 2021 people aged 65 or over will have outnumbered those under 15, and by 2051 nearly one quarter of the population will be 65 years or older, and around 5 per cent will be 85 years or older. The nature of consumption demands can be expected to change accordingly, with health and aged care services increasing, and those geared towards children declining.

**Regional diversity**

According to ABS projections, the timing of “natural decline” (when deaths exceed births) and associated ageing of the population will vary markedly across the states and territories (ABS 2000a; Jackson 2001). Natural decline will be experienced first in Tasmania (between 2016 and 2026) and South Australia (between 2022 and 2026), but not within the next 50 years in the Northern Territory. By 2051, the proportions of Tasmania’s population aged 65 years and older will be around three times that of the Northern Territory (29–39 per cent compared with 10 per cent).

**Sex ratio**

In 1901 there were 111 men for every 100 women (Hugo 2001), whereas in 2000 there were 93 (ABS 2001b). Given their greater life expectancy, women outnumber men in the older age groups (Figure 2), although the gender difference in life expectancy has varied across the 20th century.

The difference in men’s and women’s life expectancy widened from 3.7 years at the beginning of the 20th century to 8.1 years in the 1960s, then narrowed to 5.6 years by the end of the century. According to Hugo (2001), around two years of this difference can be explained by genetic factors with the remainder resulting from different lifestyle patterns. The reduction in fatal heart disease, particularly among men, has contributed to the recent narrowing of the gap in men’s and women’s life expectancies (ABS 2001a).

According to Australian Bureau of Statistics projections, the proportion of men per 100 women aged 65 or more years will increase from around 79 in 2000 to 88 by 2051, while the proportion of men per 100 women aged 85 or more years will increase from 45 to 70 (ABS 2000a).

**Cultural diversity**

The Australian population has changed dramatically in terms of cultural background since Federation when the Immigration Restrictions Act (or the so-called “White Australia Policy”) was introduced to restrict immigration to those of European origin, and most particularly those of Anglo-Celtic background. The beginnings of ethnic diversity occurred after World War II, and since this period Australia has become one of the most ethnically diverse countries in the world.

Table 2 shows the proportions of migrants from different countries of origin who settled in Australia after the War, between 1947 and 1999. In total, 29 per cent were from Britain and Ireland, 22 per cent were from Eastern and Southern Europe, and 21 per cent were from Asia (Price 2000).

Regardless of when they arrived, the proportion of all overseas-born migrants from Asian regions increased from 9 per cent to 24 per cent between 1981 and 2000. Because they have settled in Australia over a shorter period of time than other immigrants, the Asian-born population tends to be younger than the total overseas-born population, and is largely concentrated in the 20–44 year age bracket (ABS 2001b). However, the median age of the overseas-born population as a whole (45 years) is higher than that of the Australian born (30.6 years) (Bridge 2001).

**Older Australians and their families**

In order to understand the implications of these trends for future older Australians and their families, we need to take into account the family-related experiences of those entering old age.

Australia’s changing population profile has taken place amidst a number of interacting changes occurring within the family unit itself. Since the 1970s, young adult children have increasingly remained...
dependent on their parents, couples are delaying marriage, and marriage rates have fallen while rates of divorce have risen. There has also been a rise in the proportion of adults living without partners, partly as a result of divorce, and, as noted earlier, increasing proportions of couples are having few if any children (Hugo 2001; McDonald 2000).

Work patterns have also changed over the last few decades. Women have increasingly remained in the workforce, although this trend has recently levelled out for those aged 20–45 years. By contrast, the labour force participation of men aged 50 or more years fell then levelled out (ABS, Labour Force, various years).

Furthermore, migrants have lower labour force participation rates for all age groups other than those aged 45–54 years, with those born outside the main English-speaking countries having persistently high unemployment rates (Bridge 2001). Nevertheless, the Commonwealth Government has placed increasing emphasis on targeting young skilled migrants with sound language skills, and the labour market outcomes of recently arrived migrants has improved (Bridge 2001; Ruddock 2000).

These trends indicate that future cohorts of older people will be characterised by considerable diversity in backgrounds, workforce experience, and opportunities for familial support. Some of these factors are likely to have conflicting effects on the financial viability and opportunities for support for future older Australians.

The following discussion outlines some of the implications of these trends for the financial wellbeing of the elderly, their living arrangements, opportunities for familial support, and likely contributions from them.

**Financial wellbeing: a mixed picture**

Whiteford and Bond (2000) point out that many competing factors will influence the financial circumstances of future older Australians. Trends suggesting a favourable financial outlook for future older Australians include higher real salaries, more widespread superannuation coverage, greater housing wealth, and increasing labour force participation of women.

Furthermore, according to Access Economics (2001), if increasing proportions of older people extend their work life to meet future labour supply needs, then personal financial risks linked with early retirement will be avoided.

On the other hand, Whiteford and Bond (2000) also note trends entailing adverse financial effects – for example, increasing wage inequalities, the large number of men who are already “early retirees”, and the increasing number of sole-parent families. These authors point out that:

- older women who are divorced, separated, or who have never married tend to have lower incomes and fewer assets after retirement than couples or men;
- the trend for families to have fewer children may be more than offset by the higher costs of supporting these children through tertiary education; while
- the trend for women to have babies later in life often disrupts their careers and delays the asset-building process (although it should be
noted that women who have had children at younger ages are also likely to have experienced associated career disruption and delays in asset building).

A relatively high proportion of people from non-English-speaking backgrounds will have limited financial resources given their relatively low labour force participation rates. However, their adult children appear to be more committed than other adult children to helping their parents financially, and may thus help to shoulder the burden if they can (Batrouney and Stone 1998).

Living arrangements

The proportion of older Australians living alone is likely to increase, given that those who are single through marriage or relationship breakdown will add to the widowed population (Jackson 1998). Furthermore, childlessness increases the chances of placement in institutional care in old age (Rowland 1998). Thus, the demand for institutional care will increase as a result of increasing numbers of elderly and their higher rate of childlessness compared with older people in earlier years.

On the other hand, ageing parents from non-English-speaking backgrounds are already more likely than other ageing parents to live with their children – a trend that is likely to continue if the stated intentions of children are realised (Batrouney and Stone 1998).

General support for the frail elderly

Families are by far the most significant sources of care for the elderly, with women in particular providing such care (Wolcott 1997). According to the Australian Institute of Health and Welfare, spouses at present predominate as the principal carers of the frail elderly (AIHW 2000), but trends for life expectancy and divorce suggest that those who are single through marriage or relationship breakdown will add to the widowed population (Jackson 1998). Furthermore, childlessness increases the chances of placement in institutional care in old age (Rowland 1998). Thus, the demand for institutional care will increase as a result of increasing numbers of elderly and their higher rate of childlessness compared with older people in earlier years.

If health permits, opportunities for continuing spousal support would increase given the narrowing of the gap between men’s and women’s life expectancies. However, many will enter old age without a spouse because they have divorced. Furthermore, divorced people, along with those who have remarried, will be less likely than other parents to receive any kind of support from their adult children – a trend that is particularly likely for fathers (Millward 1998).

Contributions of the elderly

Although older people are more likely to have disabilities than younger people (AIHW 2000), most who are in their 60s and early 70s appear to be in good health and to lead productive lives, providing more financial and practical support to their families than they receive (McDonald and Kippen 1999; Millward 1998). Thus for several years, the “baby boomers” who will begin to turn 65 in 2011 will represent a large group of “older” potential contributors to their families and communities. How they contribute to their families is likely to be influenced by whether or not they extend their work-related contribution.

Those in their 50s and 60s appear more likely than younger groups to be providing financial and/or practical support to both elderly parents and adult children, with the children receiving the greater amount of support (Millward 1998). With delays in childbearing and increased life expectancy of their parents, those most likely to be facing multigenerational responsibilities in the future may be older than the current cohort experiencing this situation – and perhaps be less able to provide practical assistance for health reasons or because of extended paid work commitments.

Those aged 75 or more years tend to receive more support than they provide (McDonald and Kippen 1999). These people will increase in absolute and relative terms when the “baby boomers” turn 75 (in 2021–2041), while there will be fewer children to share the caring load. Thus, the need for flexible work arrangements to enable workers to provide support for their elderly parents will increase.

AUSTRALIA’S POPULATION AT A GLANCE

The following key features and projections of Australia’s population at the start of the new millennium are derived from the Australian Bureau of Statistics. The projections are based on specific assumptions about fertility and mortality rates and overseas migration, and are revised periodically by the ABS.

- Australia’s population is around 19.2 million, with women slightly outnumbering men (50.2 per cent compared with 49.8 per cent). This will increase to between 24 and 28 million by 2051, but the pace of growth is slowing and will be close to zero and possibly negative by 2051 – even with overseas migration at its current level.
- Nearly one quarter (24 per cent) of the current population were born overseas, with a wide range of countries of origin represented.
- Around 64 per cent of the population live in capital cities, and most of the population’s future growth will occur in these cities.
- The median age of the total population is 35.2 years and will increase by 8–11 years by 2051. The Indigenous Australian population is markedly younger than the total population (median = 20.2 years), while the overseas-born population is older than the Australian-born population (medians = 45.0 compared with 30.6 years).
- The current “working age” population (15–64 years) will stop growing by the 2020s and the proportion of the population in this age group will fall from 67 per cent in 2000 to around 60 per cent in 2051.
- Over the next 50 years, the proportion of people aged 65 years or more will double (from 12 per cent to 24–27 per cent), while the proportion aged 85 years or more will increase from 1.3 per cent to around 5 per cent. In contrast, the proportion of the population under 15 years old will fall from 21 per cent to around 15 per cent.
- The proportion of men per 100 women aged 65 or more years will increase from around 79 in 2000 to 88 by 2051, while the proportion of men per 100 women aged 85 or more years will increase from 45 to 70.
Conclusion

The above-mentioned research into intergenerational exchange highlights the continuing importance of families as providers (and receivers) of support. The ability of families to play a pivotal role in enabling Australia to meet the challenges of its ageing population will require the development of strong partnerships between government, business, various levels of the community, and families.

Further insights into the nature and direction of intergenerational support and some of the conditions underpinning such support will be derived from a new study on “social capital” currently being undertaken by the Australian Institute of Family Studies.

Finally, as Mackay (2001) says: “We are beginning to acknowledge the implications of [the shift in the age distribution] for older people, but we seem reluctant to imagine what it will be like for the children born into a society where, by the middle of this century, 25 per cent of the population will be over the age of 65.” It is thus important that the needs of young families not be overlooked by policy makers as “grey power” increasingly occupies centre stage.

References


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Australia’s key source of research and information on families

AIFS demographic trends analysis

Family lives are lived in different ways. While much of the Institute’s work relates to the impact of policies and programs upon the quality of family life, this work cannot be achieved without a good understanding of the broad effects that social, economic and demographic changes have upon families, nor without an understanding of the changing shape of families. Analysis of demographic trends provides insight into patterns of family change and the broad context within which the Institute’s other research projects can be placed. The Institute acknowledges the contribution of the Australian Bureau of Statistics in providing key data on broad socio-demographic trends in Australia.

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