Insight Six: Positive signs, but how can we make it last? Tasmania’s changing population dynamics

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Overview

If we want to encourage more people to come to Tasmania, we first need to understand who is already coming here and why. Then we need to plan for their arrival.

Since 2013 the Tasmanian Liberal Party has had an objective to grow the Tasmanian population to 650,000 by the year 2050, an aim affirmed when the Liberals won government in 2014.

Five years on from the announcement of the population target, and with the release of updated Australian Bureau of Statistics (ABS) population projections, now is a crucial time to reassess the state’s Population Growth Strategy. This report highlights the need for the strategy to be updated in light of what we know – and, just as importantly, what we don’t know – about how Tasmania’s population is changing.

For all the talk of Tasmania’s population growth, very little is known about who is moving here and why. This knowledge gap, and the related lack of planning, puts at risk Tasmania’s ability to provide the infrastructure and services required to meet the needs of a growing and changing population.

It also means the state is less able to sustain and build on the current momentum, particularly if increased population growth impacts on the state’s liveability.

What we do know is that since 2015, there has been a shift in the age structure of the population, which has slowed Tasmania’s rate of ageing and, in turn, delayed the point at which Tasmania’s population is likely to start shrinking. The driver of this has been a change in Tasmania’s migration patterns, particularly from a strong increase in the prime working ages. Although the state is still experiencing a net loss of people aged 15 to 24, this leakage has slowed. Not only is the state attracting more people in younger age groups, it is also losing fewer people in those groups.

What we do not know is who these younger arrivals are, their reasons for coming to Tasmania, or how long they plan to stay. Nor do we understand why fewer younger people are leaving and whether we can rely on this continuing.

A failure to understand the causes of these trends, be they temporary factors such as job availability and the economy or more profound, long-term changes around social values and family structures, poses a risk to any population strategy.

Attempts to slow Tasmania’s rate of ageing are important, but let’s not put our heads in the sand.

Despite Tasmania’s growing reputation as a sea change destination, the structural change in Tasmania’s population thus far has not been sufficient to prevent the state from entering population decline in the long run. Tasmania’s population continues to age at a faster rate than any other state, apart from Western Australia, while New South Wales and Victoria are getting younger (median ages of 37.5 years and 36.8 years respectively).

To prevent eventual population decline and achieve a trajectory for long-term growth, Tasmania would need to achieve a self-sustaining population. In other words, a balance between working and non-working age groups and a population that can replace itself through reproduction.

Working toward such a goal is important, but policy makers and the wider community cannot be complacent and should not assume that recent population growth will address our long-term demographic challenges. The state needs a realistic population strategy that both strives for sustainability, aided by a greater understanding of current trends, and plans for, adapts to and captures the many opportunities associated with an ageing population.

Key findings

- Tasmania’s population is growing at its strongest rate since 2009, 1.0 per cent. However, it has not reached the level of population projected by the ABS in 2013, falling short by around 3000 people.
- Since 2015, there has been a shift in the age structure of the population, which has slowed Tasmania’s rate of ageing.
- This shift has not yet been sufficient to prevent eventual population decline caused by an ageing population.

- In 2017 Tasmania experienced a substantial shift in the composition of interstate migration, away from the traditional net influx of older age groups to a more even distribution by age group.
- The most notable change was a substantial increase in the arrivals of 25 to 29-year-olds to the state.
- A lack of understanding of the drivers of this trend, and whether it is simply a short-term one-off, inhibits effective planning and encourages policy complacency.
- New Australian Bureau of Statistics population projections confirm Tasmania’s population growth will become more reliant on migration in coming decades as natural increase (balance of births and deaths) declines.
- The challenges (housing availability and affordability, congestion and service provision) Hobart is already experiencing as a result of increased migration to the state are likely to continue or worsen in the absence of longer term planning and investment.

Recommendations

- Tasmania needs a population strategy that is both bold in its attempts to slow population ageing and realistic in its acceptance of an ageing population.
- Such a strategy must be aided by a greater understanding of current population trends and must plan for, adapt to, and embrace the many opportunities of ageing.
- Policy makers should undertake research to better understand the drivers of Tasmania’s current migration pattern changes, particularly how these motivations differ for people moving to and from the state.
- In the immediate term, population policy needs to address housing and schooling provision as well as traffic congestion and health services.
- Over the short to medium term, a comprehensive settlement plan needs to be developed encompassing all aspects of infrastructure and service provision at the local area level, with the objective of enhancing liveability.
- Encourage the Tasmanian government to use Tasmanian Planning Policies to develop a settlement plan which will promote livability and sustainable population growth.
Section 1: The origins of Tasmania’s population strategy

In March 2013, then Opposition Leader Will Hodgman set a target of growing the Tasmanian population to 650,000 by the year 2050. In the announcement he stated “A Big Tasmania is essential for a prosperous Tasmania. If we want to stand tall and proud as a state, we need a bigger population base to generate the wealth, the jobs and opportunities to grow our economy and increase standards of living”\(^1\). Mr Hodgman recognised “the demographic time bomb facing Tasmania is one of the biggest challenges facing our state”. He also acknowledged that “this is an ambitious but achievable target above the medium growth projections of both the Demographic Change Advisory Council and the ABS”.\(^2\)

As newly elected Premier in March 2014, Will Hodgman reaffirmed the Tasmanian Liberals’ policy objective to increase the Tasmanian population to 650,000 by 2050 as a response to the challenges presented by an ageing population.

In September 2015, the Liberal Government released the Tasmanian Population Growth Strategy. The Strategy, based on the vision that “Tasmania is the best place in the country to live, work, invest and raise a family”, includes 50 actions, focussed on three key areas:

- supporting job creation and workforce development;
- supporting interstate and overseas migration; and
- building on and promoting Tasmania’s liveability.

How is the population tracking?

Since the release of the Population Growth Strategy, Tasmania’s population has increased by 10,966 to 526,663 to March 2018\(^3\), tracking slightly below the “most likely” growth scenario projected by the Australian Bureau of Statistics (ABS) in 2013. The population at June 2017 was 3,057 people fewer than projected (see Figure 1).

Tasmania’s median age of 42.23, as of 30 June 2017, is one and a half months older than projected by the ABS in 2013 for 2017 and considerably higher than Australia’s median age of 37.25 years (which has decreased since 2015). Tasmania’s population continues to age at a faster rate than any other state, apart from Western Australia, while New South Wales and Victoria have been getting younger (median ages of 37.49 years and 36.77 years respectively).

While the state’s rate of ageing slowed in the period since the release of the population growth strategy, the balance between the non-working and working age groups has shifted further to that of an older population.

In 2017, compared with the 2013 ABS projections, the proportion of the population aged under 15 declined more than was projected, while the proportion of the population aged 65 or older increased more than was projected. The proportion of the population aged 85 or older increased as projected to 2.3 per cent of the population.

Critically, Tasmania experienced Australia’s first ever period of natural decline for the 2017 September quarter; 68 more deaths than births. Combined with the decline in the number of births in Tasmania for 2017\(^5\) and the continual decline in the total fertility rate (TFR), now 1.82, this signals the onset of natural decline in Tasmania and an increasing reliance on migration as the primary source of population growth into the future.

However, on a positive note, in 2017 the proportion of the population of working age (15 to 64 years) did not decline to the level projected in 2013.

![Figure 1. Projected and actual population, Tasmania, 2013 to 2018](image-url)

Source: ABS, Population Projections, Australia, 2017 – 2066, Cat. No. 3222.0; Population Projections, Australia, 2012 – 2061, Cat No. 3222.0; Australian Demographic Statistics, March, 2018, Cat. No. 3101.0

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3. Most recent ABS demographic data
4. Population projections reveal the size, structure and distribution of the future population under various assumptions of future levels of fertility, mortality and migration. These assumptions are based on long and short-term trends and future scenarios dictated by research in Australia and elsewhere. For simplicity, most analysis is limited to three selected series which cover three sets of possible future population change outcomes: higher (series A), medium (series B) and lower (series C), where Series B is considered to be the most likely scenario.
5. ABS, Births, 2017, Cat. No. 3301.0
Section 2: Tasmania’s population projections to 2066

The 2018 ABS population projections, released in November 2018, vary little from the 2013 projections (see Figure 2), as the assumptions used to develop the projections are informed by both short and long-term trends.

The 2018 projections predict a decline in natural population increase from 2032 under Series B, with migration growth only just staving-off overall population decline until 2066, although there will be almost no growth (less than 0.01%) from 2044 (see Figure 3).

Figure 2. Projected and actual population, Tasmania, 2013 to 2066
Source: ABS, Population Projections, Australia, 2017 – 2066, Cat. No. 3222.0; Population Projections, Australia, 2012 – 2061, Cat No. 3222.0

The 2018 projections predict a decline in natural population increase from 2032 under Series B, with migration growth only just staving-off overall population decline until 2066, although there will be almost no growth (less than 0.01%) from 2044 (see Figure 3).

Figure 3. Components of population change, projected 2018 to 2066, Series B, Tasmania
Source: ABS, Population Projections, Australia, 2017 – 2066, Cat. No. 3222.0
For Tasmania to find itself on a trajectory of sustained population growth, the recent shift in the age profile of inward and outward migrants would need to be maintained.

To prevent eventual population decline, the age profile of migrants and the resulting structural shift would need to be enough to achieve a stable population age structure. This is one that can replace itself through reproduction (a Total Fertility Rate (TFR) of around 2.1 births), that has a balance between the working and non-working age groups and that avoids large fluctuations between age groups.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2014 (a)</th>
<th>2017 (a)</th>
<th>2017 (p2013)</th>
<th>2050 (p2013)</th>
<th>2050 (p2018)</th>
<th>2066 (p2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15</td>
<td>18.1</td>
<td>17.9</td>
<td>18.2</td>
<td>16.1</td>
<td>16.4</td>
<td>16.2</td>
</tr>
<tr>
<td>15 to 64</td>
<td>63.6</td>
<td>62.9</td>
<td>62.6</td>
<td>56.1</td>
<td>58.2</td>
<td>56.8</td>
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<tr>
<td>65 and older</td>
<td>18.3</td>
<td>19.3</td>
<td>19.2</td>
<td>27.8</td>
<td>25.5</td>
<td>27.1</td>
</tr>
<tr>
<td>85 and older</td>
<td>2.2</td>
<td>2.3</td>
<td>2.3</td>
<td>6.0</td>
<td>5.0</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Table 1. Proportion of the population by select age group, actual and projected, selected years

Source: ABS, Population Projections, Australia, 2017 – 2066, Cat. No. 3222.0; Population Projections, Australia, 2012 – 2061, Cat No. 3222.0; Australian Demographic Statistics, March, 2018, Cat. No. 3101.0

What are the chances of Tasmania defying eventual population decline?

For Tasmania to find itself on a trajectory of sustained population growth, the recent shift in the age profile of inward and outward migrants would need to be maintained.

To prevent eventual population decline, the age profile of migrants and the resulting structural shift would need to be enough to achieve a stable population age structure. This is one that can replace itself through reproduction (a Total Fertility Rate (TFR) of around 2.1 births), that has a balance between the working and non-working age groups and that avoids large fluctuations between age groups.

To realise long-term, sustainable population growth the state should aim to achieve a:

- a stable (or increasing) proportion of the population aged under 15
- a stable (or decreasing) proportion of the population aged over 65
- an increased proportion of the population of working age (15 to 64-year-olds)
- a balance between working age and non-working age groups
- positive natural increase (more births than deaths)
- a low proportion of population growth reliant on migration.
Section 3: What do we know about Tasmania's recent population growth?

Tasmania’s population is growing at its strongest rate in almost a decade; 1.0 per cent for the year ended March 2018. Since 2009, the driver of Tasmania’s population growth has shifted from natural increase (53.0 per cent of growth in 2009) to that of interstate migration (38.6 per cent) and overseas migration (44.3 per cent) in 2017 (see Tasmanian Housing Update, August 2018).

Historically, the state has received net gains in older age groups and net losses in younger age groups, predominantly the post-schooling and workforce entry ages. However, in recent years Tasmania has not experienced such a pronounced net loss of teenagers and young adults. In 2017, compared with 2004, a period of similar economic performance, the age profile of net interstate migration was distributed more evenly across the age groups.

While there was still a net loss of 15 to 24-year-olds in 2017, as a proportion of total migration it was smaller than in other periods. The most notable change was the substantial increase in the arrivals of 25 to 29-year-olds to the state (see Figure 5).

In Tasmania in 2017:
- The 35 to 39-year age group made the second largest contribution to net interstate migration (280 extra people), closely followed by those aged 25 to 29 years (250 extra people)
- The largest net gain was in those aged 55 to 59 (300 extra people)
- There were relatively smaller net losses of those aged 20 to 24 (350 fewer people) and 15 to 19 years (280 fewer people), compared with the 20-year average and 2004.

Figure 4. Components of Tasmania’s Population Growth, 2003 to 2017
Source: ABS, Australian Demographic Statistics, March, 2018, Cat. No. 3101.0

Figure 5. Proportionate contribution to net interstate migration, 5-year age groups, 2017, 20-year average and 2004
Source: ABS, Migration, Australia, 2016-2017, Cat. No. 3412.0

6 From 1997 to 2017 the age group with the largest net gain was those aged 55 to 59 years, closely followed by those aged 60 to 64 years.
Section 4: What don’t we know about how Tasmania’s population is changing?

Commentary around the population of Tasmania focuses on whether interstate migration is negative or positive and its subsequent relationship with the respective population growth rate. Little discussion, however, is afforded to population flows - movements in and out of areas, who they are and why they move. This lack of insight and consideration inhibits sound policy making and planning.

The volume of arrivals and departures has the greater impact on population age structure and the prospect for future growth, something that can be hidden if the focus is only on overall net increases. This lack of focus on the volumes of people moving into and out of the state compromises effective planning.

While interstate migration contributed to a net gain of 1,880 people in 2017, this was the result of both an increase in the number of people coming to the state (13,600 arrivals) and a decrease in those leaving (11,700 departures). This trend of declining numbers in interstate migration movements to and from Tasmania provide evidence of a decrease in mobility over the past 20 years, particularly when considered as a proportion of the total population.

A failure to understand the reasons behind this decreased mobility, which was particularly evident among the 15 to 19 age group in 2017, impedes good planning.

Factors influencing the reduction in mobility of those people aged 30 to 54 could possibly be explained by factors such as the increased reliance on dual-incomes by families, a lack of willingness to interrupt the schooling of children and an increase in blended-families (former partners staying within proximity for the sake of children). In addition, the most commonly reported reason for staying-put is existing social networks (Denny, L 2014).

Likely drivers of the increase in interstate migrants include returning Tasmanians, particularly those with children, who are often motivated by a sense of nostalgia for their formative years, along with the benefits of being closer to family (Denny, L 2014).

For ‘lifestyle migrants’, climate and climate change and associated extreme weather events as well as increasing heat, are repeatedly being suggested as motivating factors to relocate to Tasmania (Burke 2018; Johnston 2018). So too is the increasing precariousness associated with larger cities, due to the cost of living and associated erosion of the Great Australian Dream of home-ownership, population growth and related traffic congestion and infrastructure pressures, along with the rising problem of insecure work (Carney & Stanford 2018).

Employment opportunities in Tasmania are expanding, as is the ability to work remotely from the state due to continually improving technological and digital infrastructure, enabling greater mobility to and within the state.

Better understanding of the motivations to relocate to Tasmania would help address the critical missing link in the Population Growth Strategy: a comprehensive plan for addressing the likely infrastructure and social service needs of a growing and changing population. Based on ensuring the state has the capacity to appropriately service its population, the plan should also aim to enhance Tasmania’s urban and natural environment. The Tasmanian Government started scoping work on developing Tasmanian Planning Policies, with an initial focus on settlement, liveable communities and infrastructure. This commitment is an important first step in the planning process. In the immediate term, population policy needs to address housing and schooling provision as well as traffic congestion and health services. However, policy makers should also analyse the drivers of Tasmania’s current migration pattern changes, particularly how these motivations differ for people moving to and from the state.

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Figure 6. Arrivals to, and departures from, interstate migration, Tasmania, 1998 to 2017, trend

Source: ABS, Migration, Australia, 2016-2017, Cat. No. 3412.0

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7 Although these interstate arrivals are lower than in 2004, when Tasmania experienced 14,260 net arrivals, they are higher than the 20-year average (12,546).
Section 5: Conclusion

Refining population policy

The focus on Tasmania’s population needs to shift from a growth target, to one focussed on planning for a growing, ageing and changing population.

This plan needs to ensure that population growth is sustainable by planning for and investing in the physical and social infrastructure needs of Tasmania’s future population. A proactive approach to planning and investment will enable Tasmanians to enjoy the economic and social dividends of population growth without the costs of migration-driven congestion and overcrowding.

Given the shift in the driver of population growth to interstate migration and the additional shift within the compositional structure of interstate migrants, greater understanding of lifestyle aspirations and intentions of potential relocators is paramount to informing such a plan.

The current constraints on the servicing capacity of the state mean that in the immediate term, population policy needs to address housing and schooling provision as well as traffic congestion and health services. Over the short to medium term, a comprehensive settlement plan needs to be developed encompassing all aspects of infrastructure and service provision at the local area level with the objective to enhance the urban and natural environment for Tasmanians.

References


