



Australian Government
Centre for Population

Strong evidence. Deep insights. Collaborative approach.

RECENT IMPACTS ON AUSTRALIA'S POPULATION: A QUICK GUIDE



The impact of COVID-19 on Australia's population

-72,000

net overseas migration in 2020-21

1.61

babies per women in 2020-21

35

COVID-19 deaths per million

The population growth that Australia has come to expect will be almost halted as we deal with the social, health and economic impacts of the pandemic.

The Government has taken decisive action to manage the spread of the COVID-19 pandemic by closing international borders early. The domestic and global impacts of COVID-19 will lead to Australia's slowest population growth in over a century.

Population growth is expected to fall to 0.2 per cent in 2020-21 and 0.4 per cent in 2021-22 (Figure 1). Driving the fall in population growth is the sharp reduction in net overseas migration, which is expected to be negative for the first time in 75 years.

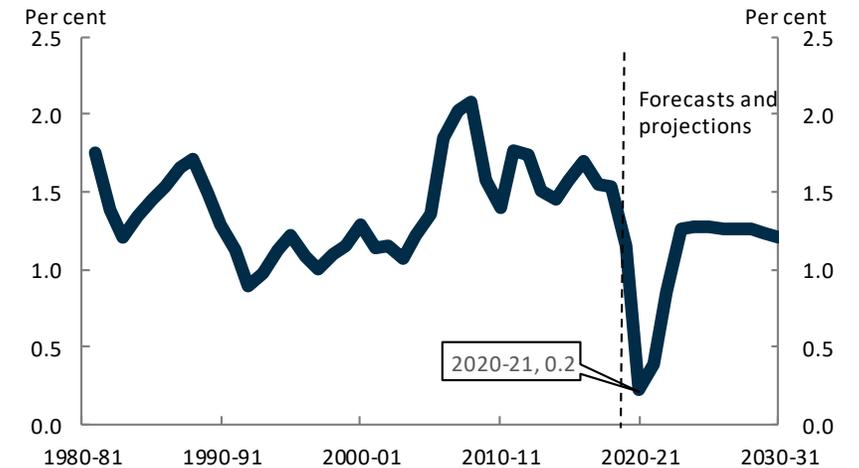
This is due to very low levels of arrivals as a result of the necessary international border closure, while departures of temporary residents and a small number of Australian citizens continue.

Future net overseas migration remains highly uncertain and is dependent upon the easing of measures taken to contain the spread of COVID-19 at home and abroad. Centre for Population forecasts for the 2020-21 Budget are based on the assumption that inbound and outbound international travel will remain low through the latter part of 2021.

A fall in the fertility rate will also influence long-term population growth. After an initial shock to the fertility rate due to COVID-19, fertility is expected to increase to pre-COVID levels before resuming its longer term trend decline.

At this stage, Australia has not experienced the same impact on mortality observed in other countries around the world. Australia's mortality rate has remained low with around 35 COVID-19 deaths per million, compared to over 660 per million in both the UK and the US, and are not significantly influencing our population trajectory.

Figure 1: Population growth, financial year ending 30 June



Sources: ABS, National, state and territory population, March 2020; Treasury modelling

Population growth will be the slowest it has been in over a century

0.2
per cent growth in 2020-21

Migration

Necessary travel restrictions have led to a sharp drop in overseas migration, which will have a large effect on Australia's population

The closure of Australia's international border has led to a sharp fall in migration.

The most important measure of Australia's migration is net overseas migration, or NOM. This measure reflects the number of people arriving in Australia minus those leaving.

NOM is projected to be an outflow for the next two years, at -72,000 in 2020-21 and -22,000 in 2021-22, down from an increase of 154,000 in 2019-20 (Figure 2). The fall in NOM is driven primarily by the expected departure of temporary migrants from Australia, with fewer people entering Australia due to travel and quarantine restrictions still being in place, along with less global mobility overall.

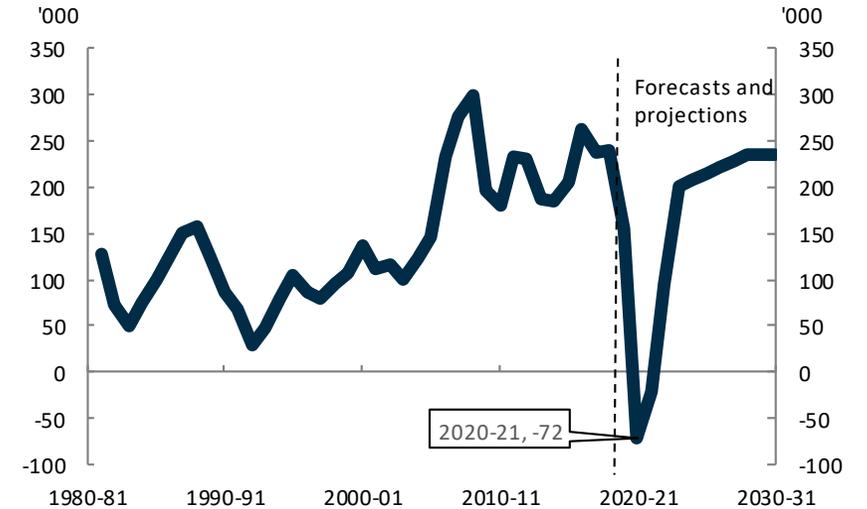
To highlight the historical context, 2020-21 is expected to be the first year Australia has experienced a net outflow of migration since the end of World War II. NOM is expected to increase toward pre-COVID levels within the next four years.

Net overseas migration is expected to fall sharply due to COVID-19

72,000
net outflow
in 2020-21

There are longer-term impacts that flow from this shock to migration. Because migrants tend to arrive in Australia at a relatively young age, they are generally in a position to have children. This means their arrival not only contributes to immediate population growth, but also future population growth through their children, once they have them.

Figure 2: Net overseas migration, financial year ending 30 June



Sources: ABS, National, state and territory population, March 2020; Treasury modelling

Fertility

Australia's fertility rate is forecast to dip due to COVID-19, before returning to pre-COVID levels early next decade

The number of babies born in Australia is an important component of population growth. Trends in our fertility rate have been captured in a new projection of Australia's fertility rate prepared by Prof. Peter McDonald for the Centre for Population. This new projection reflects a combination of short and long term factors:

- the age at which women have children has been increasing.
- the total number of children per family has been falling.

The social and economic impacts of the pandemic are expected to lead to a further temporary decline in Australia's total fertility rate.

In the near term, the total fertility rate is projected to decline from 1.69 babies per woman in 2019-20, to 1.61 in 2020-21, and 1.58 in 2021-22, as some families defer their decision to have children due to the uncertainties around COVID-19.

The decision to delay having children also usually translates into a decision to have fewer children for certain cohorts of the population. The trigger for this could be longer-term unemployment or the family getting older. This decision to have fewer children has a long lasting impact on Australia's fertility rate and population.

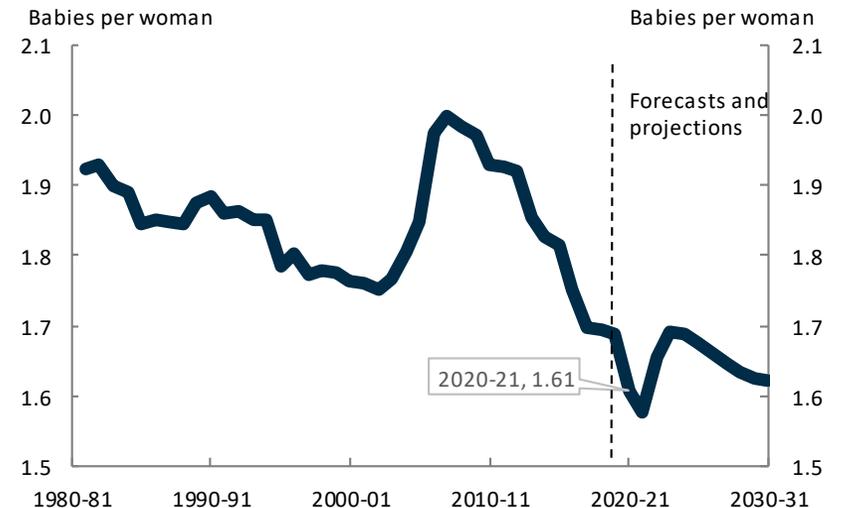
Families will defer their decision to have children due to COVID-19

1.61 babies per woman in 2020-21

While historical comparisons are difficult, our experience from past economic shocks shows a link between fertility rates and economic conditions. Figure 3 outlines the potential impact of COVID-19 on Australia's shorter-term fertility rate projections.

Expert analysis has been used to update the Government's long-term fertility assumption. It returns to a long-run rate of 1.62 babies per woman from 2030-31.

Figure 3: Total fertility rates scenarios, shorter-term projections



Sources: Based on analysis by Prof. Peter McDonald for the Centre for Population, September 2020; ABS, National, state and territory population, September 2019

Mortality

At this stage, Australia has not experienced the same impact on mortality observed in other countries around the world

With 35 deaths per million Australians, the mortality impacts from COVID-19 are not expected to significantly influence Australia's population trajectory. This is a positive outcome when compared to overseas experiences.

This may change and ongoing monitoring is needed to fully understand the longer-term health and mortality implications of COVID-19. For example, there could be longer term impacts due to the potential for future outbreaks, the uncertain impact of people deferring medical treatment due to the pandemic and long-term health impacts to survivors of the virus, which are still unknown.

Figure 5: A selection of causes of death in Australia, 2018

Rank	Cause of Death	Number
1	Coronary heart disease	17,533
2	Dementia, including Alzheimer disease	13,963
3	Cerebrovascular disease	9,972
4..	Lung cancer	8,586
7..	Diabetes	4,656
12	Influenza and pneumonia	3,102
13	Suicide	3,046
14	Breast cancer	3,034
15..	Accidental falls	2,952
20	Liver cancer	2,104
	COVID-19*	905

Sources: ABS, Provisional Mortality Statistics, Jan – June 2020. AIHW, Deaths in Australia, Table S3.1, August 2020. Department of Health, 23 September 2020. * COVID-19 deaths, as of 21 October 2020, Department of Health.

Australia's life expectancy at birth are some of the best in the world, at 84.9 years for women and 80.7 for men in 2016-18. This ranks 7th for women and 8th for men out of 37 OECD countries. Life expectancies are assumed to continue to improve over time but at a slower rate than assumed previously, reflecting the slower rate of improvement in the most recent five years.

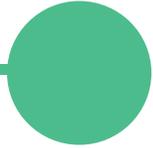
What if COVID had been more widespread...?

Scenario modelling, undertaken by the Australian Institute of Health and Wellbeing (AIHW), compared the health impact witnessed in Australia during the first four months of the pandemic to the potential impacts based on transmission and mortality rates seen in the UK, Sweden and Canada. The results of the scenario modelling show:

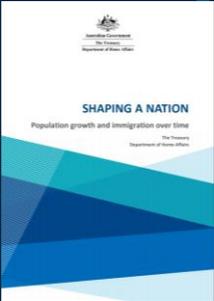
- cases in Australia would have been 8 – 14 times higher.
- subsequent deaths in Australia would have been 47 – 141 times higher.

The pandemic situation is still evolving and care needs to be taken drawing firm conclusions from this type of modelling. Despite this, the results of the AIHW work imply COVID-19 would have been the equal leading cause of death in Australia had our experience mirrored the early experience of the UK, Sweden and Canada. Figure 5 indicates this has not been the case.

Source: AIHW, 2020, Australia's health 2020: data insights. The pandemic situation is still evolving and care needs to be taken drawing firm conclusions from this type of scenario modelling.



Population Statement



Creating the evidence base on population change



Defining Australia's population policy settings



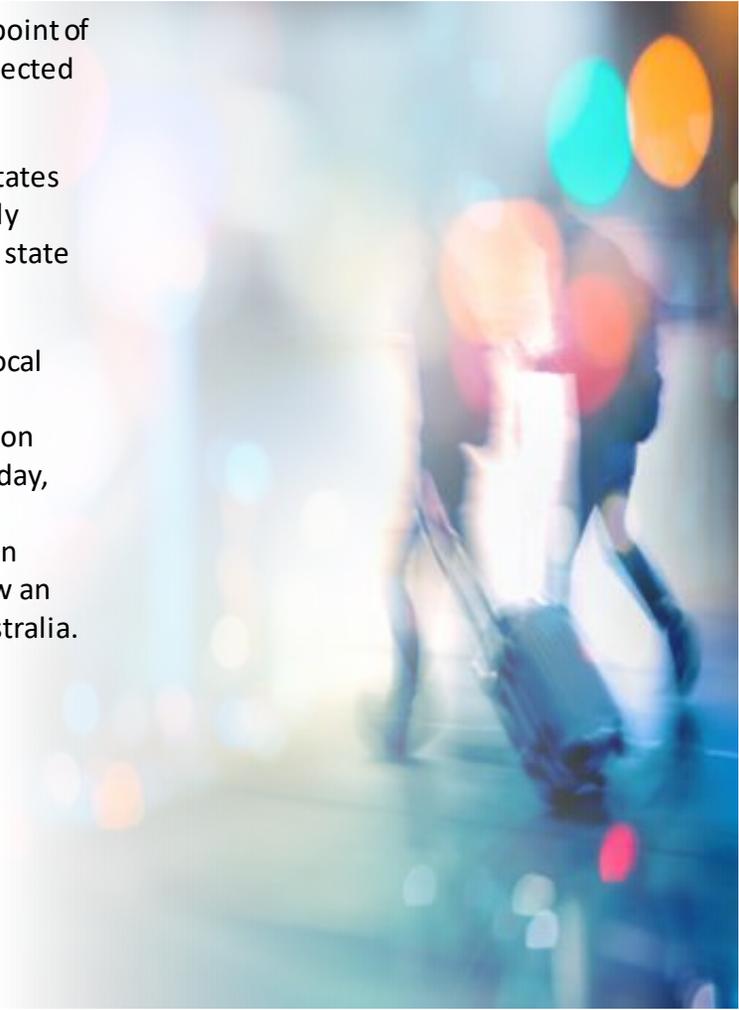
Early impact of COVID-19 on Australia's population

The Population Statement will provide Australia's first single point of analysis of how our population has changed and how it is expected to change into the future, including the impacts of COVID-19.

The Statement will include analysis across Australia and the states and territories. This includes a comprehensive set of nationally consistent and annually updated population projections, on a state by state, regional and capital city basis for Australia.

It will provide a key resource for federal, state, territory and local governments, as well as the private sector, to support better planning into the future. Importantly, this analysis of population trends will shed light on the questions facing governments today, including how population in regional Australia is likely to be impacted by the pandemic, what lower net overseas migration means for population in our capital cities and regions and how an aging population will change the demographic makeup of Australia.

The Population Statement will be developed in consultation with the states and territories, expert working groups and academics. This will deliver on the commitment made by the Prime Minister, state and territory First Ministers and the Australian Local Government Association, as a part of the National Population and Planning Framework.





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