

Recent trends in Australian fertility

Few processes will play a greater role in Australia's future prosperity than fertility. In 2005, Australian women of childbearing age were having around 1.81 children* on average by the time they had completed their fertility.

Although this is the highest level of fertility recorded in Australia since 1995, it was only half the fertility which Australia recorded at the peak of the postwar baby boom in 1961 (3.5 babies per woman) as is indicated in Figure 1, which shows the trajectory of national fertility over the last century.

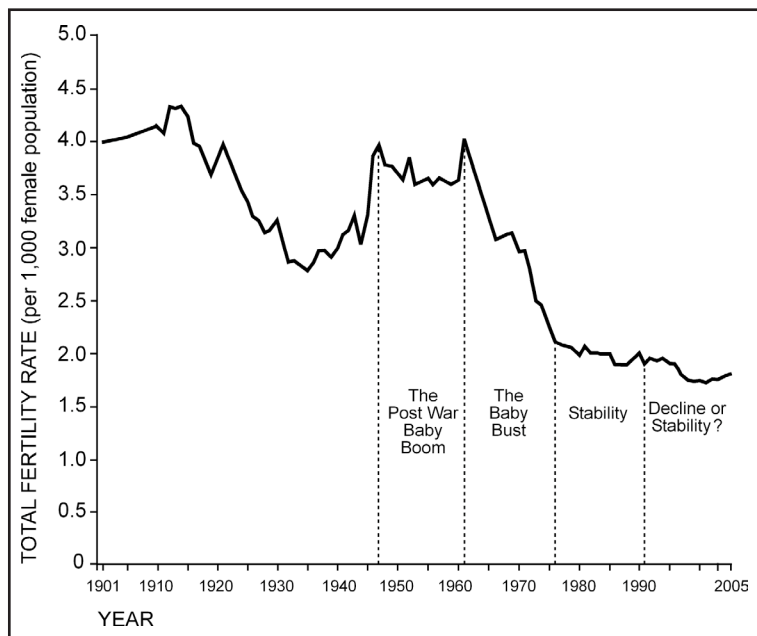


Figure 1 – Australia: Total fertility rate**, 1901-2005
Source: CBCS Demography¹ and ABS Births Australia,² various issues

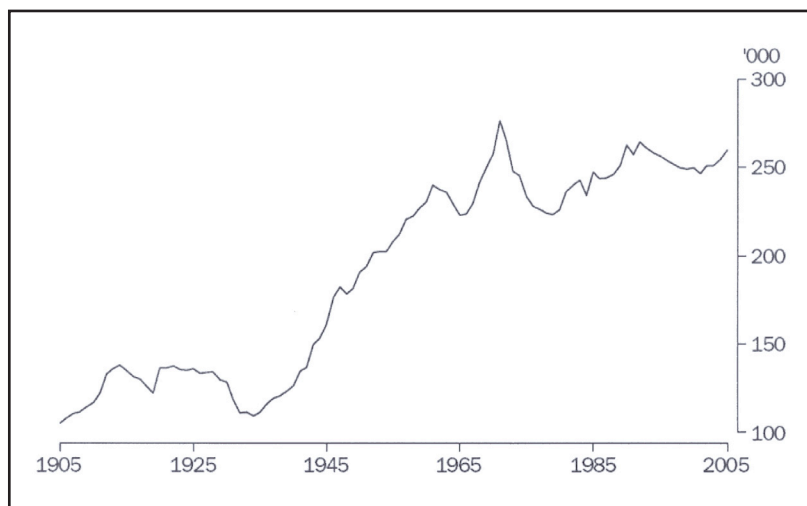


Figure 2 – Australia: Registered Births, 1905-2005
Source: ABS 2006³

As measured by the Total Fertility Rate (TFR)** (Figure 1), Australian fertility has increased from a low of 1.73 in 2001 to 1.81 in 2005.

While this measure of fertility controls for overall age distribution of the population, it is influenced by the age distribution of women in the childbearing age groups which does change. Hence it is not a completely true indication of the underlying intrinsic level of fertility.

Accordingly, some argued that the recent increase in the TFR was merely a function of a shift of a greater proportion of women of childbearing age into the peak childbearing ages. However, recent analyses^{3,4} have confirmed there has been an independent increase in fertility. Nevertheless, this does not translate into a reversal of a longstanding falling trend in fertility in Australia. This is because the fall in TFR in the 1990s and early 2000s was significantly impacted by an increase in the level of non- and delayed registration of birth.^{3,4} It is therefore not appropriate to argue that Australia's fertility has entered a new increasing phase. Certainly it has stopped falling, but much of the fall of the last decade was a function of non- and late registration of births rather than of actual fertility. The most reasonable interpretation of the recent trend is that there is a degree of stability around 1.8 births per women.

The number of births occurring in Australia in recent years is depicted in Figure 2. It reached a peak in 1971 of 276,400, another peak of 264,200 in 1992 but fell to 246,000 in 2001. Since then it has increased to 259,800 – an increase of 2.2 per cent over the previous year.³ The numbers of births in a given year is a function of:

- the number of women in the childbearing age groups; and
- the number of babies that women in those age groups have (the age specific fertility rate).

However, in recent years, a third factor has had an influence on the numbers of births – the extent to which people register the births of their children and the delays between birth and registration. Undoubtedly, the latter factor was influential in the decline in births after 1992 and improvements in registration and adjustments have been a factor in the increase after 2001.



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The level of fertility required for a population to replace itself in the long term is around 2.1, so in Australia in around 25 years, deaths will outnumber births. Australian fertility is in fact at a crucial stage and where it goes from here will be a major influence on Australia's economy and society, as well as its demography. Of the large number of possible fertility futures over the next two decades for Australia, three will be considered here and they are depicted in Figure 3.**

The first scenario sees a steady decline in fertility toward a TFR of 1.5 in 2018. This would see Australia follow what has happened in much of Europe, Japan and parts of other Asian countries, with TFR falling substantially. Figure 4 shows that Australian fertility is substantially higher in several European nations and Japan. Indeed in 1999, Shanghai China was reported to have a TFR of 0.87, one of the lowest levels ever recorded.⁷

Secondly, the fertility could stabilise around its current level (it has fluctuated between 1.73 and 1.81 since 1997) and fall slightly to 1.7 in 2018.

The third scenario would see a small but steady rise in TFR in response to government attempts to increase fertility. This would see the TFR not going as high as replacement level but reach 1.9 in 2018.

In all cases, it is assumed fertility levels off after 2018.

If it is assumed that mortality continues to improve steadily and immigration stays at the same level, Table 1 shows the impact that the varying fertility levels will have on the Australian population in 2026. It is apparent that fertility levels have a massive effect on the future population. Indeed, its effect is substantially greater than is the case for feasible change in other demographic processes – mortality and migration. It is not only with respect to population size that the level of fertility has an important impact. It will be noted that the proportion of the population aged over 65 in 2026 varies from 21.7 per cent, with the lowest level of fertility and 20.3 per cent for the TFR of 1.9. In the flurry of national discussion on ageing, such as in a recent Productivity Commission Report,⁸ however, little if any attention is given to fertility which will be the most significant demographic influence on the extent of ageing in Australia. Moreover, it is important to realise that the level of fertility is subject to policy influence.

What of the future numbers of births? With respect to accuracy of registration, this seems to be improving, perhaps due to the tying of the baby bonus and receipt of other child-related benefits to registration. The numbers of women in the childbearing ages is the second element and Figure 5 shows that the numbers of women in the key childbearing ages of 25-34 years will fluctuate in the next three decades. It will decline in the next few years but then increase up to around 2015, when it will begin declining again. Hence, as the ABS³ points out:

'Increased fertility rates in future years will become even more important for sustaining the number of births each year to compensate for the slowing growth in the population of women in reproductive ages.'

What will the level of Australian fertility be like in 2026? It is difficult to predict although the level is likely to fall within the bounds of the assumptions of the ABS projections considered

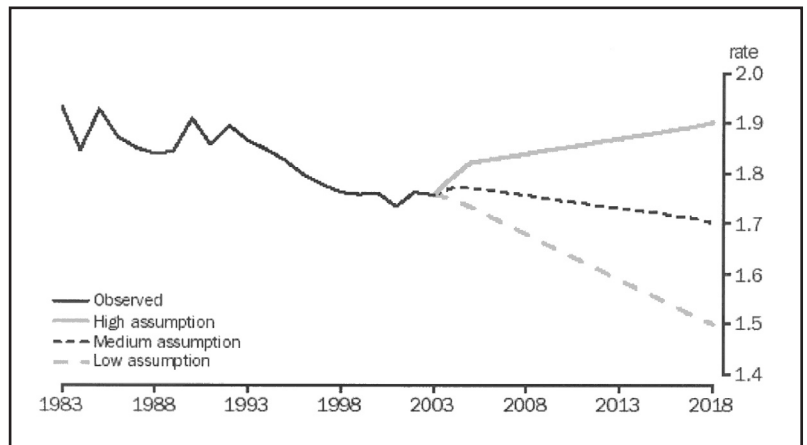


Figure 3 – Australia: Total fertility rate – observed and assumed, 1983-2018
Source: ABS 2005⁵

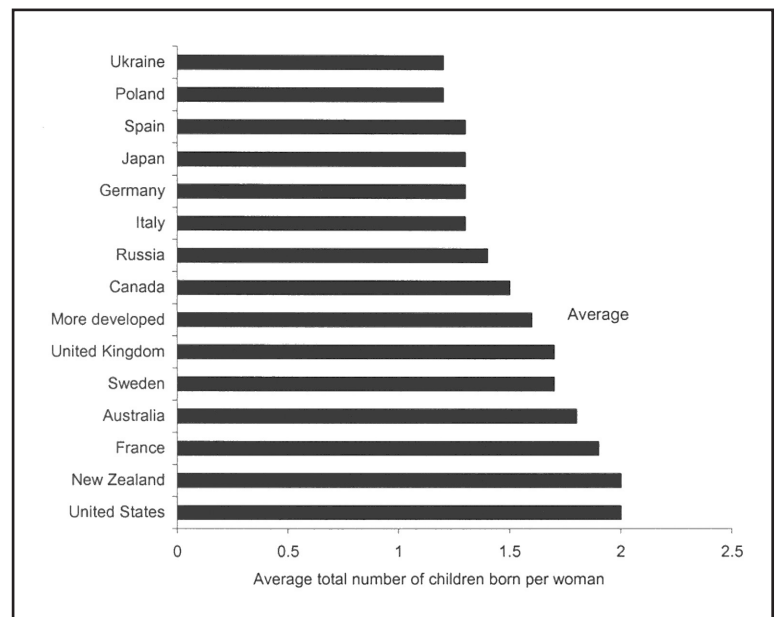


Figure 4 – Total fertility rates in the United States and selected more developed countries, 2005
Source: Population Reference Bureau, 2005⁶



Figure 5 – Australia: Women in Reproductive Ages, Projected Annual Growth Rates, 2005-2055
Source: ABS 2006³

Table 1 – Australia: Projected Population, 2026

	Assumption		
	High (TFR 1.9)	Medium (TFR 1.7)	Low (TFR 1.5)
Total Population	26,365,003	24,873,272	23,636,778
Per cent aged <15	17.9	16.5	14.8
Per cent aged >65	20.3	20.7	21.7

Source: ABS Population Projections Australia, 2004 to 2101⁵

above. However, it is possible to make a few informed speculations about the pattern of fertility in 20 years time:

- Firstly, it would seem likely that in 2026 Australian woman would want to have an average of around two children. This is because there has been a remarkable consistency in the preferences for having an average of around two children over the last two decades in Australia.
- Secondly, it is likely that the pattern of having children later in the childbearing period will continue. The median age of all mothers at birth has increased from 25.4 years in 1971 to 30.7 years in 2005. Most of the recent increase in fertility was among women aged 30-39.
- Currently it is estimated that around 2.3 per cent of all births are the result of in-vitro fertilisation and this is likely to increase.⁹

Whether or not Australian women will have the average of two children that they prefer will be shaped by many factors but policy influences will be important among them. The case seems to be that people would be more likely to have the number of children they want if couples found it easier and less expensive to raise children. Kent and Haub¹⁰ show that there is an increasing realisation among governments that a more comprehensive approach is needed to achieve this than the initiation of single initiatives, such as a one-off baby bonus. The suggestion is that fiscal policies, such as allowances, taxes and bonuses, need to be combined with policies that allow parents to combine work and family life, like flexible work policies and provision of quality, affordable childcare. McDonald⁴ has argued that recent policy changes, such as increases in family payment in 2004, and decisions in the Australian Industrial Relations Commission in Family Relations Provisions, as well as recent widespread basic discussion of the risk of working too long, are very likely to maintain Australian fertility at around 1.8 over the next decade. It would seem that a maintenance of Australian fertility at around its current level in the foreseeable future is the most likely prospect.

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Endnotes

- * These are the scenarios included in the Australian Bureau of Statistics projections (ABS, 2005).
- ** This is the Total Fertility Rate (TFR) which can be defined as the sum of age-specific fertility rates (live births at each age of mother per female population of that age). It represents the number of children a woman would bear during her lifetime if she experienced current age-specific fertility rates at each age of her reproductive life.



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