

Procreate and cherish: Australia's abrupt shift to explicit pronatalism

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2002-03 Budget

Over the last 30-40 years fertility rates have fallen in all advanced industrial societies and none of them has had success at a major turnaround. Boosting fertility rates actually reduces the proportion of the population of working age at least for a generation. It increases the dependant to worker ratio with a higher number of children. It has a negative effect for around 30 years before you get the pay off. Boosting fertility rates may [also] well reduce [female] participation rates ...
(Federal Treasurer Peter Costello, Luncheon address to Australian Financial Review Leaders, Sydney)

2004-05 Budget

You should have one for the father, one for the mother and one for the country. If you want to fix the ageing demographic, that's what you do
(Federal Treasurer Peter Costello, televised comments following the 2004 Federal Budget's announcement of the Maternity Allowance)

The issue of population ageing and its social, economic and political consequences is gathering momentum in Australia. The manifestation of this interest can be seen in the 2004 launching of the 'baby bonus' (Maternity Payment), in relation to which Treasurer Peter Costello urged Australians of reproductive age to have 'one for the father, one for the mother and one for the country' (Costello 2004).

Such an explicit exhortation to do one's patriotic duty by having children has not been seen in Australia for an entire century (McKinnon 2000; Rottier 2005); indeed it goes against the grain of Australia's long cherished *laissez faire* approach to anything resembling governmental intervention in the bedrooms of the nation (Cocks 1998; Caldwell, Caldwell and McDonald 2002: 11; Australian Government 2004: 19a). Nevertheless the context of the Treasurer's calls has also been made equally explicit: the structural ageing of the population and the inability of immigration to have a dramatic impact upon it. Placed in this context there is no escaping the conclusion that the Treasurer's 2004 comments were not mere budget-night adrenalin: he was SERIOUS!

This paper outlines the abrupt shift of Australian social policy from a long-term and determined resistance to anything resembling a fertility policy, to what is today arguably one of the most explicitly promulgated pro-natal policy regimes of any developed country. And it has all happened in the twinkle of an eye.

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Two key items are offered as evidence: the Treasurer's 2002-03 wholesale rejection of policy interventions to raise fertility, and his equally wholesale embracing of the same at the 2004 Budget. However to place this 'about-face' in context, we begin with the federal government's development of *The National Strategy for an Ageing Australia* (Department of Aged Care 1999a-c; Department of Health and Aged Care 2002). We also refer to a handful of background papers and other statements by a small number of academics, policy advisors and government agencies which can be identified as instrumental in guiding and consolidating government interest in the issue of population ageing over the 1990s and early 2000s.¹ Note that others (e.g. Heard 2006) appropriately locate what we refer to here as an abrupt shift, in this longer time frame, and pay more attention to its political and theoretical nuances.

The National Strategy for an Ageing Australia was first released as a series of three discussion papers under the carriage of the Commonwealth Department of Aged Care by the then-Minister Bronwyn Bishop in 1999.² The final version was released in February 2002 under the carriage of the Department's³ new Minister Kevin Andrews. Of significant import is that in neither case was the focus low fertility or the possible related needs of families and women, but rather, the impact of population ageing on the labour force,⁴ Australia's retirement system, and the ageing process of individuals, writ large⁵. Indeed, in the final *Strategy* there are only two brief mentions of the word 'fertility' (pages 5 and 16), while acknowledgement of the distinction between structural and numerical ageing⁶ which had appeared in the initial discussion papers (e.g. Department of Aged Care 1999a: 51) is missing. Instead, in the forward to the final report, Minister Kevin Andrews states that: 'As the Minister for Ageing, I intend to celebrate the contribution of older Australians, while also recognising that older people deserve to be supported across all areas of their lives' (Department of Health and Aged Care 2002: vii). His sentiments are echoed in the accompanying statement by the Prime Minister and the Executive Summary, both of which concentrate on the health, ageing, workforce and retirement issues of 'senior Australians'.

The invisibility the role of low fertility in driving structural population ageing—and indeed of any clear distinction between structural and numerical ageing—in the final release of the *National Strategy* is of import to this story. At the time population ageing was popularly perceived of as a growing increase in the numbers of elderly, and the document would have done little to alter this perception. At the same time, in the lead-up to the 2001 election, the issue of balancing work and family life had become a key platform of the Coalition party's election strategy—yet most pronouncements show that at this stage interest in the family was ostensibly unrelated to population ageing. Faced with a number of significant challenges relating to (among other things) its handling of the so-termed 'Tampa crisis', when a foreign ship carrying asylum seekers whose boat had sunk was refused entry to Australian waters, the Coalition focussed its election campaign on the combined need for 'stronger families and stronger communities' and 'border protection' (Howard 2001; Rottier 2005: 143). The manner in which these two platforms came together has been argued by several to have ideological and questionably racist undertones, but this is a story better left to another paper.⁷

At the centre of the Coalition's *stronger families, stronger communities* election campaign was the 'First Child Tax Refund', an incentive that would enable first time mothers to claim back some of the tax paid on their income earned in the year prior to

the birth of their child.⁸ The refund would be available on an annual basis across a five year period, provided that the woman did not re-enter the workforce during the time the bonus was claimed. That is, to get the full benefit of the tax refund, a woman needed to have been working and then stay out of the workplace entirely for five years. The Coalition retained government in November 2001, and the incentive—by then widely dubbed the ‘baby bonus’, was formally implemented at the 2002-03 Budget, presented in May 2002. At this budget, a special annexure, the first *Intergenerational Report* (IGR), was also unveiled. This pivotal report outlined the economic implications of projected demographic change until 2042, and has since been taken to represent the federal government’s first major acknowledgement of population ageing as a phenomenon requiring long-term and strategic governmental management.

Among topics singled out for attention in the 2002-03 Budget and its complementary IGR was Australia’s declining birth rate. However the associated baby bonus of that Budget was substantially different to that which would eventually be unveiled at the 2004-05 Budget. Indeed in 2002 the government was at pains to point out that the First Child Tax Refund was not a baby bonus *as such*—merely part of the government’s commitment to help families address the work-family conundrum. Speaking on the topic at an important luncheon address shortly after the release of the IGR, Costello (2002) emphatically rejected calls for policy interventions that would raise fertility rates. He was absolutely explicit:

A lot of attention has focussed recently on fertility rates as a way of rebuilding the working age population and decreasing the ratio of dependants to workers.

Let me make some brief points.

- 1. Over the last 30-40 years fertility rates have fallen in all advanced industrial societies and none of them has had success at a major turnaround.*
- 2. Boosting fertility rates actually reduces the proportion of the population of working age at least for a generation. It increases the dependant to worker ratio with a higher number of children. It has a negative effect for around 30 years before you get the pay off.*
- 3. Boosting fertility rates may well reduce participation rates because mothers stay out of the workforce if only for a time. What this means is that in the near term there are two factors likely to reduce GDP before the pay-off after a generation.*
- 4. If boosting the fertility rate is done by additional expenditures, it could have a negative effect if it required higher tax rates, or crowded out better alternative uses of public expenditures.*

Whilst the IGR has kicked off a great deal of interest in fertility rates, with maternity leave, divorce rates, abortion law changes, tax incentives to opt out of no-fault divorce all being raised, I would like to focus the debate on something that might actually have an achievable and practical effect. A positive development would be to encourage greater workforce participation by Australians in the 55-65 year old age bracket.

Costello also cited increased skilled immigration and increased productivity as other key solutions to 'the problem' of population ageing, but continually returned to the role of increased participation by older workers, which he stressed can be more readily influenced by governments and private sector employers than fertility rates:

Higher participation among the over 55s will have a much more immediate and direct impact than rising fertility rates. More flexible working arrangements, training and re-training, and raising the preservation age for superannuation would all be positive moves to address this issue.

So there is little doubt that at this stage, tweaking fertility was being eschewed in favour of other solutions. As 2002 unfolded, the government continued to reject arguments that the First Child Tax Refund was a policy aimed at raising fertility, although there were occasions when John Howard himself referred to it as a baby bonus (Prime Minister 2002):

I mean, we brought in a baby bonus which recognises that there's a huge loss of income when you have your first child and the baby bonus is designed to assist women who drop out of the workforce to have a child in that period when they lose that income.

However whatever its nomenclature, the issue was seldom out of the media because the policy was soon shown to be not only regressive in its effects, which gave greater returns to women who had been on higher incomes, but which also, in keeping mothers out of the workforce, reinforced the male breadwinner model of the family.⁹

Perhaps fortuitously watering down the latter aspects of the policy, the issue of paid maternity leave for working women was similarly seldom out of the media during 2002. In April 2002 the Sex Discrimination Commissioner Pru Goward released a discussion paper outlining the options and inviting submissions.¹⁰ In July, when referring to the related battle many people have in balancing work and family responsibilities, Prime Minister John Howard made his now-famous 'barbecue stopper' comment; the issue, he said is 'the biggest ongoing social debate of our time...a barbecue stopper.' (Howard 2002). Although he was referring to the balancing act itself being 'an issue of such importance that mention of it could halt the fun of a barbecue' (The Australian National Dictionary Centre¹¹) the comment was widely taken to refer to the possible introduction of paid maternity leave. The likely positive impact on Australia's declining birth rate of such a move was also widely commented upon in the media, and was never outrightly 'disowned' by either Costello or Howard. Nevertheless as history shows, the option [of paid maternity leave] was eventually soundly rejected by the government as imposing impossible costs on many businesses. There was no mention of the issue in the 2002-03 budget, and it quietly slipped from centre stage.

But not so the issue of low fertility and its relationship with population ageing *per se*. Across the remainder of 2002 and into 2003 both media commentary on and academic engagement with the topic grew. Several media articles criticised the government's stance in failing to develop a fertility-oriented population policy as short-sighted, directly urging the Treasurer to be more proactive in reversing low fertility (e.g. Kelly

2002: 13). Others reported the opinions of many of Australia's demographers, whose growing publications and pronouncements on the topic pointed out the economic and social implications of structural ageing, and the implications of delaying interventions that might arrest fertility decline and reduce the speed of future ageing. Editorials reiterated the main points.¹² Letters to the Editor weighed in with both support for and resistance to the idea of supporting the nation's children. Surveys canvassed opinion on the desire for and the acceptance of children.¹³ The then federal treasurer of the Liberal Party and chair of the Menzies Research Centre, Malcolm Turnbull, raged that the crisis was not population ageing, but low fertility per se, brought upon by the failing institution of marriage.¹⁴ Women were continually reminded of the dangers of 'leaving it too late'.¹⁵ There was seldom a week in which the issue did not appear in the media.

Behind the scenes the government also directly sought the advice of leading economic demographers like Britain's Katherine Hakim. In February 2003 Hakim presented to the Department of Family and Community Services (2003: 22-23). Her tri-typology of women's preferences as either home-centered, work-centred, or adaptive [to either of the other two positions, depending on the incentives] was later echoed in a number of statements by the Prime Minister and Treasurer. Importantly, Hakim pointed out that while these preferences should be accounted for in the development of any family and social policy, the best way of doing that was to develop policies that were 'neutral' and would appeal to all categories [of women], or be balanced to ensure that all categories would benefit in some way. At the same time the underlying message was that if the government could tweak the right buttons, at least some of Australia's adaptive women (estimated to be as high as 90 per cent)¹⁶ would respond with a baby, and presumably many of the home-centred women would do so as well.

Another key contributor to the debate during this period was Australia's Peter McDonald, whose work on low fertility has long pointed out the need for policy responses, and for those policies to be coordinated. In a visionary paper published in 2003 he challenged the government over its failure to make the substantial reforms implicitly promised in the Prime Minister's 'barbeque stopper' comment, and carefully laid out both the principles of the needed reforms, and a proposal as to where the money to pay for them would come from. In short he argued against the government's present 'bolt on' approach of constantly adding policies that have additional cost implications, proposing instead that the current 'mish-mash' of familial payments be scrapped and the money redirected at a broad agenda that centred around the age of a child and included measures such universal early childhood education (McDonald 2003a).

Despite this advice and activity in general there was only minor mention of fertility and the family in the 2003-04 Budget (delivered on May 13th 2003), its focus instead being tax cuts and the returning of the federal budget to surplus. Rottier (2005: 134-5) argues that this 'oversight' was possibly related to 2003 being a non-election year: her doctoral research had identified that in election years the federal budget is far more likely to contain a family angle than in non-election years.

Be that as it may it is now widely acknowledged that across 2002 and 2003 the Prime Minister's Department had its own 'work and family' task force engaging with the aforementioned literature and arguments, and considering alternatives to the ill-fated

First Child Tax Refund/Baby Bonus.¹⁷ According to Summers (2004), among options that the task force investigated was a universal (non means-tested) baby bonus of between \$3,000 and \$5,000 on the birth of a child, a recommendation apparently adopted by cabinet at a meeting in late 2003—and foreshadowed by the Prime Minister some months earlier at the Liberal Party's National Convention in Adelaide.

With deliberations over the possibility of a full-fledged Coalition baby bonus raging in the media throughout the remainder of 2003 and into the beginning of 2004, an election year, the then Labour Leader, Mark Latham, endeavoured to gazump the Prime Minister by announcing a non-means tested baby care payment of \$3,000 spread across the first 14 weeks of a new baby's life. From that point on the government also began to herald that its own baby bonus (officially a Maternity Payment) would be implemented at the 2004-05 Budget. Importantly this option would also resolve most of the government's previous problems with the now-rejected paid maternity leave option, the idea of which had proven so unpopular with the business sector. In both directions the baby bonus was a vote-catcher.

In February 2004 the government released another key document related to population ageing: *Australia's Demographic Challenges* (Australian Government 2004a). By contrast with the IGR, this document had much to say about Australia's low—and then still-falling—fertility rate. However its policy focus, like that of the IGR, remained on improving productivity and labour force participation as the key priorities in addressing population ageing: the three 'choices' presented at the end of the document list raising taxes, reducing government expenditure, or increasing the country's debt; not increasing fertility. Indeed the document's conclusions specifically re-stated Australia's long-held position, that 'the decision to have children is certainly an individual one — it is not (and should never be) the role of governments to tell citizens how many children they should have' (Australian Government 2004a: 19).¹⁸

Nevertheless just a few months later the Australian government did exactly that: specifically and unambiguously it prescribed a desired family size of three.¹⁹ Within a matter of months the Treasurer was taking responsibility for an upturn in birth numbers—some time before the policy itself could have had any effect—albeit perceptively attributing them to 'anticipation' of the policy, rather than the policy itself. Perhaps what most surprised the populace was the nation's leaders mischievously engaging in sexualized banter and responding to headlines such as 'the erection budget' (Howard 2004). Not only did the Treasurer take great delight in extending his call to duty to hundreds of assembled media: 'go home and perform your patriotic duty tonight' (Costello 2004), but the following day the Prime Minister echoed it with 'Come on, come on, your country needs you' (Farouque 2004).

The Maternity Payment (the 'new' Baby Bonus) replaced its predecessor the First Child Tax Refund and provided a \$3,000 grant for each new child (irrespective of the parity of the child), rising to \$4,000 in 2006-07 and \$5,000 in 2008-09. The intervention was accompanied by an increase in all levels of Family Tax Benefit (an intervention from 2000 associated with the introduction of the GST), bringing the base payment up to \$1,695 per year inclusive of a new, immediate lump-sum payment of \$600, and other elements of the package such as an additional 30,000 outside-school-hours childcare places and 1,500 family day care places (O'Neill 2004: 9 in Rottier 2005: 150).

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While ‘support of the family’ continues to be the general line espoused by the government (e.g. Howard 2006) there can be little argument that the interventions are indirect policies aimed at raising the birth rate—they target somewhat more broadly than simply making it easier for families to combine work and family,²⁰ and indeed are formalised in the Government’s own words on the matter (Table 1). They are also explicit policies in that both their means (one for the father, one for the mother, one for the country) and objective (to fix the ageing demographic) have been clearly articulated. While they are in no way the integrated and astute reforms espoused by McDonald in 2003a (see his comments in McDonald 2006), Australia can now be counted among those countries which have in place an explicit and indirect pro-natal fertility policy.²¹ Notably Australia is not alone in this endeavour: in 2005, 50 per cent of developed countries had in place policies to raise their birth rates, up from 33 per cent one decade ago (United Nations 2005: 44).

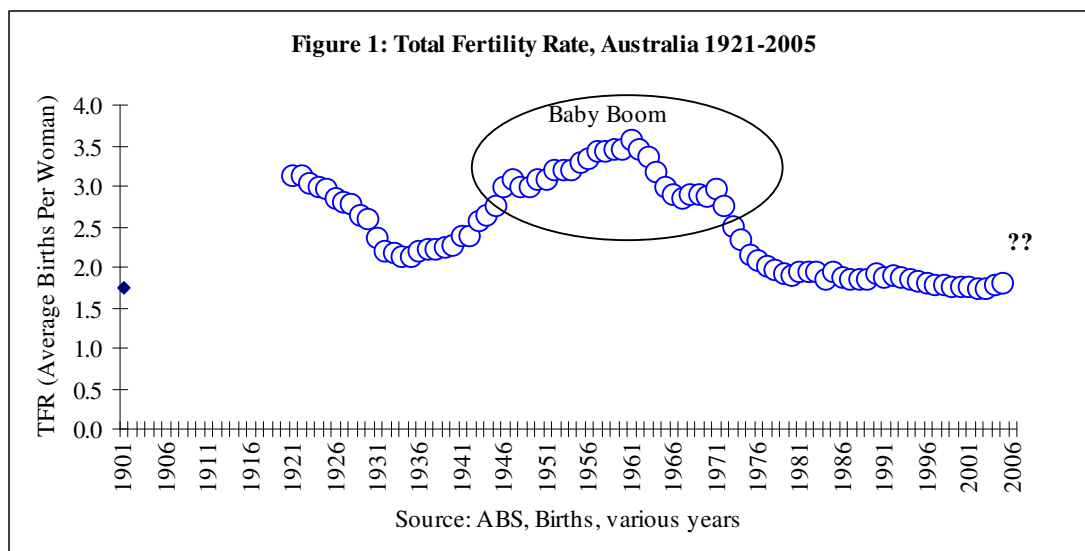
Table 1: Australian Government View and Policies on Fertility and Family Planning, 1976-2005

	1976	1986	1996	2005
View on fertility level	Satisfactory	Satisfactory	Satisfactory	Too Low
Policy	No intervention	No intervention	No intervention	Raise

Source: United Nations (2005)

The call to procreate has since been repeated on numerous occasions and the policy most recently referred to by the Treasurer as Australia’s shift from ‘populate or perish’ to ‘procreate and cherish’ (Costello 2006a, 2006b). The question is, is the policy having an impact on Australia’s fertility? In 2002-03, notably before the implementation of either ‘baby bonus’, the total fertility rate stopped falling at 1.727, and by 2004-05 it had increased to 1.780 (ABS 2006a).

As Figure 1 indicates, it is in fact still a little early to answer the question, but seven brief comments can be left as points to consider when attempting evaluation (see Jackson forthcoming)²².



First, the increase in birth numbers at the end of 2004 that were joyously claimed by Peter Costello as early proof that the policy, or at least anticipation of it, was working, were all conceived well before the policy’s implementation. In fact birth numbers had

been rising since 2001, at least in part reflecting a sizeable increase in the numbers of women at the key reproductive ages (30-39 years); these are the children of the baby boomers (the echo cohort), now at the key ages for having their own children.²³

Second, arguing against this position for the 2003-2004 period, both McDonald (2005) and the ABS (2005: 26) argue that the rise in (preliminary) birth numbers across the 2004 calendar year—around 3,418 births—was entirely due to more births per woman, that is, to a rise in the age specific birth rates for women aged 30 or more: in that single year there was no effect from the changing age structure (notably, as above, there was also no effect from the 2004-05 Baby Bonus - ABS 2005: 28).

A similar analysis for the 2004-05 year, during which an additional 5,300 births were recorded, indicates that approximately 12 per cent of the increase was due to an increase in the size of the reproductive cohort (which increased overall by 36,114 women, but included substantial declines in the 30-34 and 40-44 age groups).²⁴ The remaining 88 per cent was indeed due to an increase in the total fertility rate, which increased from 1.774 to 1.806 births per woman, and occurred for all age groups above age 25. However it remains the size of the cohort that primarily determines the number of births, and it is notable that the current 25-29 year age group (of females) is some 85,000 fewer in number than the 30-34 year age group. This means that as the former shift into their key childbearing years, and the latter into the substantially lower fertility rates of the 35-39 year group, birth rates at all ages will need to continue to increase to maintain the status quo.

The possibility that the presently large 30-44 year old population, which has previously delayed its childbearing, may now be completing (or compressing) its childbearing while the baby bonus is on offer cannot be rejected; but whether they will actually have more children than previously intended cannot be answered yet.

Third, the index at the centre of these deliberations, the period or total fertility rate, is a rather blunt measure of actual births per woman (see McDonald 2005: 4). As is well known to demographers, this cross-sectional synthetic measure²⁵ is highly sensitive to changes in the age at which women have children—an increase in the age of childbearing lowers the birth rate, and a decrease in the age of childbearing increases it. Both can occur and show up in the annual figure, but eventually the completed fertility rate (the average number of children women actually bear, which cannot be measured until women reach the end of their childbearing years) may show that there was no change in the actual number of births per woman. In the present case it may be that the increase in the median age at which Australian women are having children, which has been rising almost monotonically since 1971, is decelerating (see Goldstein, Lutz and Sherbov 2003 on the impact of changes in birth timing). Between 2003 and 2004 the increase was 0.3 per cent, compared with an average 0.55 per cent per year across the previous decade (ABS 2005: 47, Table 7.3 and *Births*, various years).

Similarly, fourth, if Australia's fertility rate is rising it may be because of a recent, albeit small, rise in the incidence of marriage, which is most pronounced at the key reproductive ages 30-39 years and appears for both males and females (ABS 2004b, Table 1).²⁶ Since marriage has become increasingly correlated with imminent childbearing (Winter and Stone 1999), there are several alternative explanations for an

increase in fertility other than the baby bonus, such as the role of the first home buyer's subsidy permitting an increase in family formation.

Importantly the relationship between partnering levels and fertility levels remains relatively unexplored in Australia (cf. Birrell and Rapson 1998), as does the *a-priori* relationship between partnering and economic trends (see also Oppenheimer 1997; Hourigan 2005), but it would seem that Australia's declining unemployment over the past few years is also a likely candidate (Hartnett 2006).

Fifth. In the modern world, what is 'low' fertility; what is 'high'? Even at its lowest, Australia's birth rate was in the top half of those for developed countries, above most of Europe (including Sweden, with its arguably high levels of gender equity), the U.K. and Canada, but below New Zealand and the United States (both of which have relatively large Indigenous/Black populations that are both more youthful and have slightly higher fertility than the non Indigenous/Black populations) (ABS 2004a: 15). In other words, among comparator countries, Australia's fertility is relatively high.

There may therefore be a problem in the way the gender equity argument is being pursued in Australia (e.g. McDonald 2000, 2002; see also a critique by Manne 2001). In brief the argument holds that the higher the gender equity (both between men and women within families, and between the family and other social institutions such as the labour market), the greater the ability of women to combine family and work. Where the gap is narrowest, fertility will be highest – at least among the 'low countries'.

Since Australia's female labour force participation is relatively low (that is, a little below the middle of the distribution for OECD countries²⁷), Australia's gender equity is argued to be relatively low, and these are seen as the reasons why Australia's fertility is 'low'. But there other ways of stating this problem. We could for example argue that Australia's fertility is relatively 'high', *because* Australia's gender equity is relatively low *and* Australia's female labour force participation is relatively low.

In other words, we can agree with McDonald that Australia's relatively low female labour force participation is probably a reflection of low gender equity. However if Australia's fertility has been mis-specified as *low*, when, for this day and age, it is actually quite high (among low countries), it may be that it is Australia's unique combination of low female labour force participation and low gender equity that is keeping it 'highish'.

An exploratory comparative analysis of fertility across Australia's states and Territories (Mitchell 2005)²⁸ for 1991-2001 supports this argument: in the Northern Territory and Tasmania, where Australia's fertility rates are highest and second highest, female labour force participation at age 15-49 is respectively lowest and second lowest (as is full-time employment). By contrast, the states/territories with the lowest fertility are those with the highest female labour force participation (and levels of full-time employment): the ACT and Victoria. Further supporting the low gender equity aspects of the argument are that in the Northern Territory and Tasmania, the proportion of women holding higher qualifications is also respectively lowest and second lowest in Australia, while they are highest and second highest in the low fertility ACT and Victoria. Undoubtedly related, in the Northern Territory and

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Tasmania the proportion of births to women aged less than 29 years is the highest and second highest, while in the ACT and Victoria it is the lowest and second lowest.

These findings indicate that if Australia wants to raise its fertility it may be more germane to look for answers closer to home than to countries like Sweden. They also suggest that in the absence of the coordinated family and work policy environment of the Scandinavian countries, poorly conceived 'bolt-on' attempts to resolve Australia's work and family conundrum could in fact cause fertility to plunge; the new workplace relations reforms,²⁹ for example, contain significant anti-natal elements. Assisting families to have the number of children they desire, and the levels of labour force participation that they desire, are essential for all sorts of reasons including the slowing of structural ageing, but, as McDonald (2003a) argues, unless this is done in a coordinated manner, the results could be disastrous.

Indeed, sixth, the extent to which the government has yet fully engaged with the driver of structural ageing—low fertility—must be questioned (e.g. McDonald 2006). The 2006-07 Budget paid minimal attention to the issue, instead returning to its earlier focus of tax cuts and reforms to superannuation and labour market policy. On the one hand these initiatives do address structural ageing, in that they aim to entice both older workers to delay retirement, and, via the government's 'welfare to work' agenda, people on income support benefits to enter or re-enter the workforce. On the other hand, as McDonald argues, the major beneficiaries of the initiatives will be Australia's present and soon-to-be senior citizens, and their 'losers', sole parents and young families. The welfare to work policy contradicts the government's position of supporting and strengthening families when they are at their most vulnerable and is certainly at odds with the desire to encourage as many women as possible to have children: the workforce implications of a possible relationship breakup would be more likely to deter than encourage childbearing. But then, 2006 was not an election year.

Seventh and finally, there appears to be some sort of mythical status attributed to a total fertility rate of 2.1, which is the figure needed to replace each generation when life expectancy is around its present level. The idea is premised on demographic transition theory and its associated stationary population theory, which holds that eventually the crude birth and death rates of a population will either converge to deliver zero growth, or stabilise to deliver unchanging proportions at each age. There is in fact no reason whatsoever that the fertility rate 'should' stop at—or return to—2.1, or *any* particular level, or that a population 'should' eventually attain stationarity or stability. For most of human history, births were high because deaths were high: when most of your children die there is little imperative to have fewer of them. Once these dynamics come under purposive control, that nexus is irrevocably broken (Longman 2004: 87). Whatever its underlying causes, and there are many of them, low fertility reflects an efficiency gain (MacInnes and Diaz 2005), freeing women from an extended period of childbearing and rearing to do other productive things, like working in the formal labour force and contributing to the economy (that incidentally will be needed to support the ageing population). If women's emancipation is one of the pillars of modernity, low fertility is its plinth. It is not an abstraction that can simply be tweaked to have one generation offset the behaviour of a previous generation that has 'failed to reproduce itself'. Let us not forget that those who have children create the future workforce and tax base, largely through their own private sacrifices, while those who do not have an equal call on those eventual resources. If

higher fertility is desired, initiatives that value the childbearing and rearing *women themselves*—not merely their reproductive products—must be also considered, such as (for example) income-splitting within families, fertility-linked state-funded superannuation, and *increased* support for sole parents, who have largely become such as the result of relationship breakdown. These are, of course, the elements of gender equity theory, which is undoubtedly correct in its general formulation, but which in Australia could generate pathological outcomes if mishandled by the state.

Summary and conclusion

Despite wholeheartedly rejecting the idea of a full-fledged baby bonus at the 2002-03 Budget, the Australian Government implemented exactly that just two years later, at the 2004-05 Budget. The shift to an explicit pro-natal policy not only represents an abrupt disjuncture with the past, but one that appears to have involved a re-evaluation of the view that low fertility itself was a factor previously constraining the hand of government.³⁰ The slowly dawning reality of what population ageing *means* has undoubtedly driven the Government's imperative to act, as has the growing throng of government voices and actions in comparator countries. However, the extent to which the phenomenon is yet really *understood* by the government is another question. On the one hand its structural dimensions are being met with pro-natalist policies, but on the other, it is its numerical dimensions, the absolute increase in the numbers of elderly—Australia's seniors—that are being most rewarded.

Nevertheless Australia's fertility rate has at this point stopped falling, and the government is loudly proclaiming the success of its policy, alongside acceptance of widely promulgated messages about 'leaving it too late.' This paper has briefly noted other mechanisms that may be implicated in a stalling/rising birth rate, such as a deceleration of the increase in the age at which women are having children, and/or a small increase in the marriage rate, both of which are extant in Australia. Overall, the paper suggests that there is no room for complacency. At this point, Australia's pro-natalism is just another *ad hoc* tack-on that is at odds with other recent policy interventions, such as workplace and welfare-to-work reforms. Until there is a more comprehensive engagement with the diverse institutional drivers of low fertility—in non-election, as well as election years—there is no reason to believe that Australia's fertility decline has been permanently halted.

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Notes

¹ Among these are: House of Representatives (1992) Young (1999); Barnes (2001); Australian Bureau of Statistics (2001), and the work of Peter McDonald, Rebecca Kippen, Graeme Hugo, Donald Rowland, and Robert Birrell passim.

² Notably another significant report was prepared for the government while Bishop was Minister for Aged Care. This report by Access Economics (2001) details the spending patterns of older Australians and concludes that population ageing would deliver as many positives and opportunities as negatives. The report does not contain the term 'fertility' but uses the term 'birth rate' on five occasions. Four of these occur together (pp. 34-35) in the context of an argument that increasing the birth rate would not begin to have a useful impact for at least 16 years (when the additional births would translate into additional labour supply).

³ Now known as the Department of Health and Aged Care

⁴ Structural ageing refers to the increasing proportion of the population at older ages, the primary cause of which is falling fertility which reduces the proportion at the younger ages.

⁵ A phenomenon demographers term 'numerical ageing'—the absolute increase in the numbers of elderly, the primary cause of which is increasing life expectancy.

⁶ See footnotes 2 and 3.

⁷ The issue of 'strengthening families' and low fertility soon became linked in government discourse. Among others, Rottier (2005: 144-5 and Chapter 9) draws attention to the implicit racism in the combination, which on the one hand rejects would-be migrants from Asian countries, and on the other, calls on Australian families to 'grow their own'. See also Manne (2001: 21) on a similar argument for Scandinavia.

⁸ The policy contained highly elitist elements, in that a minimum annual refund was set at \$500, and a maximum at \$2,500, being 20 per cent of the tax paid on an annual salary of \$52,666. Higher income mothers thus received a substantially greater bonus.

⁹ The male breadwinner model refers to a family type in which the male works and the female stays at home to manage the family and the housework.

¹⁰ It is sobering that she begins by explaining that 'in 1999 the Human Rights and Equal Opportunity Commission's (HREOC) Report of the National Pregnancy and Work Inquiry, Pregnant and Productive, recognised the importance of paid maternity leave to Australian women and recommended that the Federal Government commission economic modelling to assess the viability and consequences of such a scheme. This interim options paper has been developed in order to consult, inform the debate and examine the options for paid maternity leave in Australia. The economic modelling to support this debate has not yet been done'. http://www.hreoc.gov.au/sex_discrimination/pml/report/preface.html

¹¹ The Australian National Dictionary Centre is jointly funded by Oxford University Press Australia and the Australian National University to research all aspects of Australian English and to publish Australian dictionaries and other works.

¹² E.g. 'Maternity leave debate hots up', *The Sydney Morning Herald* 18/7/02, p.10; 'It still takes two, baby', *The Age* 8/1/03, p.10; 'Birthrate not just an issue of motherhood', *The Australian* 8/1/03, p. 10.

¹³ The 2003 Australian Survey of Social Attitudes (AuSSA) run by the ACSPRI Centre for Social Research sampled 4,270 people aged 18 years and over. Among the questions was the statement 'a life without children is not fully complete' (agree/disagree).

¹⁴ 'The crisis is fertility, not ageing', *The Age*, 16/7/02, p.11. Turnbull is now a government MP with much to say about Australia's fertility, including that low fertility countries 'are not ageing, they are dying' (Totaro 2005).

¹⁵ Later, in 2005 McDonald argued that the 'debate we have been having about waiting too long when you want to have children has had an effect [on the fertility rate]' (see Legge 2005: 19 and Marriner and Totaro 2005; also McDonald 2005: 5).

¹⁶ Data from the HILDA (Household, Income and Labour Dynamics in Australia) and Women's Health Australia presented at the Australian Institute of Family Studies (AIFS) conference (Department of Family and Community Services 2003: 23).

¹⁷ An interesting comparison with the eventual policy is Peter McDonald's (2003a) proposal for a flat \$6,500 payment to families with babies and toddlers, reducing to \$2,500 per year plus 20 hours per week free childcare/education for children aged 3 to 4 years. McDonald's proposal also included related budget costings, and called on the government to scrap its multitude of family tax and welfare benefits and to divert the funds as suggested, arguing that it would cost no more than the government was already paying.

¹⁸ When the document was released, written submissions were sought from the public. These were followed throughout May and early June (2004) by a series of public consultations. However neither the website inviting involvement <http://demographics.treasury.gov.au/content/default.asp> or the resulting outcomes had much to say about raising the birth rate. This may have been because the invitation to comment was accompanied by the explanation that 'to meet [the challenges of population ageing], we will need to consider issues like: how to improve workforce participation; how to keep the workforce healthy and skilled; who will be in the workforce; will current working arrangements suit workers in the future; and will current retirement arrangements continue to suit us'.

¹⁹ It takes little effort to locate the antecedents of these exhortations. In the 1940s Winston Churchill similarly called on Britons to have four children: 'one for mother, one for father, one for accidents and one for increase' (Legge 2005: 19). More recently the Swedish government had Bjorn Borg urge his fellow Swedes to 'fuck for the future' (Ananova 2001; Manne 2001: 6). In 1995 the Turkish Prime Minister argued for at least four children, and his successor reiterated his words, claiming 'Allah wants it'. (Longman 2004: 9).

²⁰ Indirect policies attempt to alter behaviour through indirect means, such as child allowances.

²¹ We have deliberately referred to these interventions as a fertility policy rather than a population policy, the latter having conventionally been taken to be directed at changing the size of a country's population or its rate of growth, rather than its composition (e.g. McDonald 2003b: 267). However this is rather splitting hairs, because the underlying reason for the government's fertility intervention is not the birth rate per se but the size of the working age population vis-à-vis the burgeoning number of elderly it will have to support, and the speed with which structural ageing is unfolding (in other words, the growth rate). If fertility remains below 2.1, structural ageing will ultimately lead to natural, and in all possibility, absolute decline.

²² When is a baby boom not a baby boom? Nine points of caution when interpreting fertility trends, *People and Place*, 14 (4): 11-13 (in press).

²³ The number of women aged 15-49 years increased from 4.93 million in 2001 to 5.01 million in 2004.

²⁴ Calculated by the author from Australian Bureau of Statistics (2006b) *Births 2005, Australia*, Catalogue 3301.0, pp. 30-33. See also Jackson 2006 forthcoming.

²⁵ The TFR is calculated on the basis of the age-specific rates occurring in any given year. It is taken as a proxy of the average number of children a woman would have across her lifetime IF she were to experience all of those age-specific rates across that lifetime. Since contemporary childbearing is typically completed within a few years, this will seldom ever be the case. Typically the completed fertility rate (which cannot be measured until a woman is aged 50) is lower than the highest TFR, and higher than the lowest TFR.

²⁶ The crude marriage rate has risen from 5.3 in 2001 to 5.5 in 2004. The trend is shared by both males and females and is being driven by increases at all ages above 30 years.

²⁷ F. Jaumotte, 2004, 'Labour force participation of women: empirical evidence on the role of policy and other determinants in OECD countries', *OECD Economic Studies*, vol. 37, no. 2.

<http://www.oecd.org/dataoecd/12/39/34562935.pdf>

²⁸ The analysis is based on women aged 15-49 years and uses census data for the years 1991, 1996, and 2001.

²⁹ The reforms remove many of the protections previously enjoyed by Australian workers, such being arbitrarily dismissed and rehired on a lower wage, and as the ready ability to appeal against unfair dismissal. See <https://www.workchoices.gov.au/> (18th September 2005)

³⁰ Australia's official submission to the 1994 Cairo conference on population and development, stated that 'Australia does not have an explicit or formal population policy directly aimed at influencing the level of the population ... the government decided that a formal population policy (particularly one which would specify population targets) would not be appropriate for Australia, given its low levels of fertility and diversity of community views as to the character and objectives of such a policy.' (National Committee 1994 cited in Cocks 1998: 23).