

# Victoria in Future 2008



Victorian State Government Population  
and Household Projections 2006–2036

Second Release: September 2009



## Population projections inform us

Projecting the future population of a city or state is essential for planning. Projections tell us about the dynamics of our society and the economy and how these are reflected in changing patterns of where people live and work.

The population projections in *Victoria in Future 2008* will assist in decision-making across the public and private sector.

Government policy makers, planners, businesses, community service organisations and infrastructure providers and operators all need information about our population in the future to make informed decisions.

They help us understand where new investment and services may be needed, and identify the challenges we face in maintaining a liveable and vibrant society.

## What is Victoria in Future 2008?

*Victoria in Future 2008* is the Victorian Government's official population and household projections. Information is provided for state-wide, regional and metropolitan areas as well as local government areas.

*Victoria in Future 2008* projections cover the period 2006 to 2056 for the state, regional Victoria and Melbourne; for 2006 to 2036 for the Statistical Divisions in regional Victoria; and for 2006 to 2026 for local government areas and statistical local areas. The data are available in a variety of easy-to-use formats so they can be interpreted by everyone from first time users to demographic experts.

The first release of data was in December 2008. More detailed projections have been progressively published during 2009.

## Strong population and household growth demands careful planning

In 2008, both Australia and Victoria recorded their highest ever levels of population growth. Victoria's population grew by more than 100,000 due to:

- record numbers of babies (71,175) being born – the second-highest number of births since 1971;
- comparatively low levels of population movement to other states; and
- overseas migration.

*Victoria in Future 2008* projects that Victoria's population will increase from 5.13 million in 2006 to 7.40 million by 2036, an increase of 2.27 million, or 44.2 per cent.

As household size continues to decline, mainly due to an ageing population, household growth is expected to grow even faster – by 54.6 per cent between 2006 and 2036.

It is critical to understand the assumptions that the projections are based on, which relate to the levels of natural increase and migration. These assumptions are that:

- fertility will stabilise at a higher level than previously assumed and natural increase in Victoria is now expected to remain positive for at least 50 years;
- net overseas migration to Australia will be 180,000 per annum (the same number used by the Australian Bureau of Statistics in its medium level projections); and
- 26.5 per cent or 48,000 of Australia's overseas migrants will settle in Victoria each year. Overseas migration is the greatest contributor to Victoria's future growth.

Victoria's continued high future growth will generate challenges for all Victorians. A growing population requires more dwellings and urban land, more water, transport, police and emergency services, health services, education as well as consumer goods and services.

# Victoria in Future 2008

## Our ageing population will mean major changes

Australia's ageing population affects us all. The age structure of our community influences the demand on many goods and services, such as infant welfare services, health services, schools and universities as well as retirement homes.

The ageing of our population is not new. The median age of the population has been rising for 40 years, owing to a long term decrease in fertility. The leading edge of the baby boomers, born in 1946, reached the age of 62 in 2008 and they are either already retired or will retire soon. Over the next 20 years many more baby boomers will reach retirement age.

At the same time our population aged 65-84 will increase, as will our population of people aged 85 and over, who have an increased reliance on care and support services.

Between 2006 and 2036, Victoria's population is projected to increase by 2.27 million. The change will be different for different age groups. The number of people aged less than 15 will increase by 250,000, 15-24 year olds by 160,000, 25-34 year olds by 212,000, 35-64 by 735,000 and people aged 65 and over by 910,000.

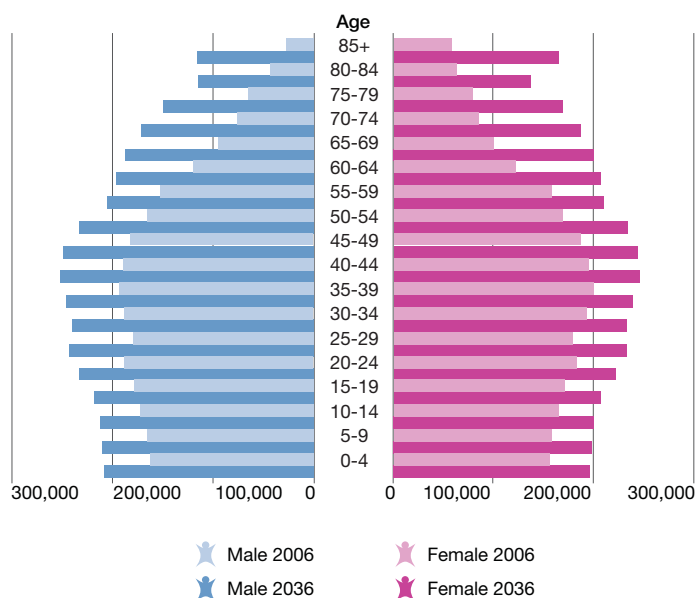
## Population growth will not be even across geographical areas

Population change does not occur in a geographically even way. As the economy and society change, some areas are favoured more than others, creating new areas of opportunity. Some people take advantage of this by moving to these areas.

Government and businesses need an acute awareness of this geography of change because the demographic prospects and needs of one region may be totally different from those of a neighbouring region.

In Victoria, between the 2001 and 2006 censuses, a high proportion of the state's population growth was in Melbourne. In regional Victoria almost half the growth was in three local government areas: the City of Greater Geelong, the City of Ballarat and the City of Greater Bendigo. At the same time, there are rural areas which have a long history of population decreases, most noticeably dry land farming areas in parts of Western Victoria.

## Age by Sex, Victoria, 2006 and 2036





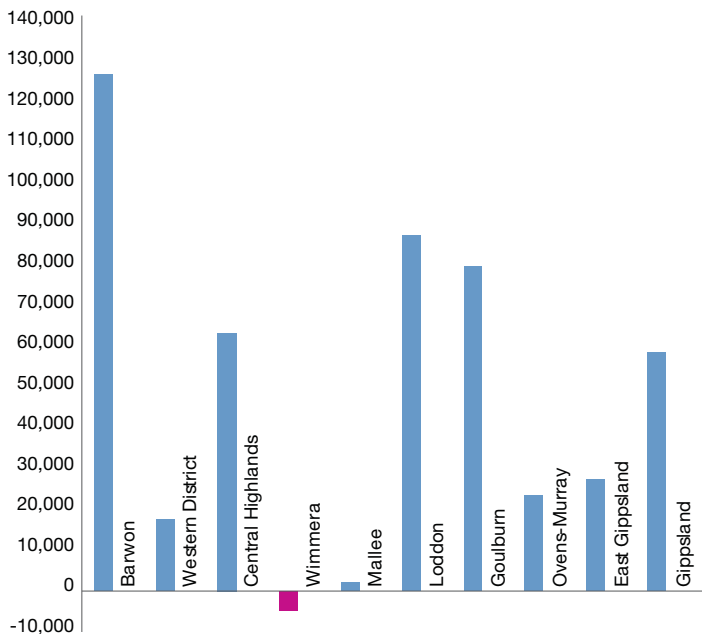
### Growth in regional Victoria

Overall, regional Victoria is projected to grow by 477,000 people in the next 30 years, compared with 320,000 in the previous 30 years. Most of this growth is projected to come from net migration from Melbourne.

Strong population growth can be expected in:

- regional centres, which have diverse employment opportunities and services;
- coastal areas, which are popular locations for sea-changers such as young families and retirees; and
- tree change and other ‘lifestyle’ locations such as rural areas around Melbourne and the regional centres as well as the Alpine areas and the Murray River.

### Projected population change, regions (statistical divisions), 2006 – 2036



### Growth in metropolitan Melbourne

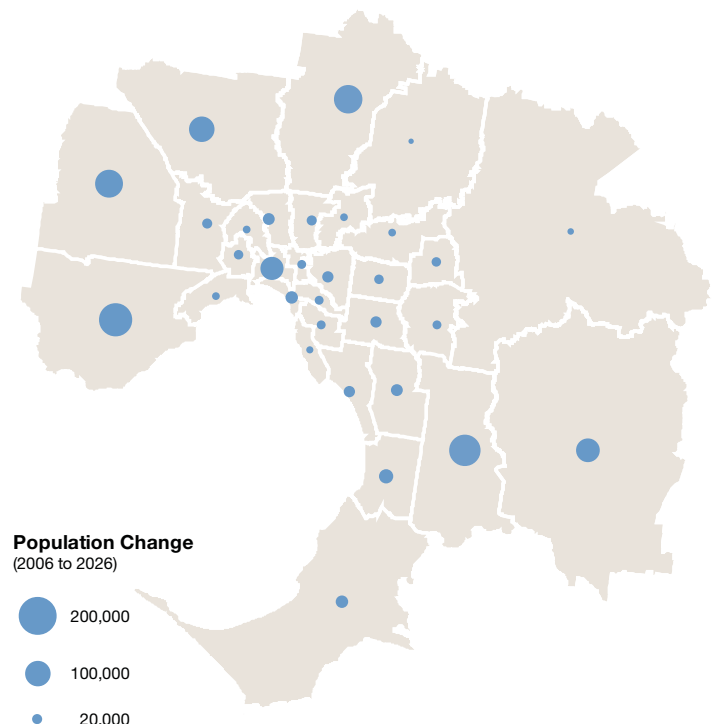
Melbourne is projected to grow by 1.8 million persons between 2006 and 2036. Melbourne is projected to receive more than 90 per cent of Victoria’s overseas migrants.

Different parts of Melbourne will experience different population growth patterns:

- The six growth area councils will continue to grow strongly as affordable greenfield land attracts a rapidly growing metropolitan population.
- Middle suburbs will experience moderate rates of growth through land use changes to residential and through residential infill developments.
- The inner city will continue the trend of many world cities in recent years by remaining attractive to young people, as well as knowledge and specialised service workers.

### Projected population growth, Melbourne LGAs, 2006 – 2026

While the population projections for Victoria and its regions cover a 30 year period, the population projections for local government areas (LGAs) and statistical local areas (SLAs) are only for 20 years.



# Victoria in Future

## 2008

### Migration and population growth

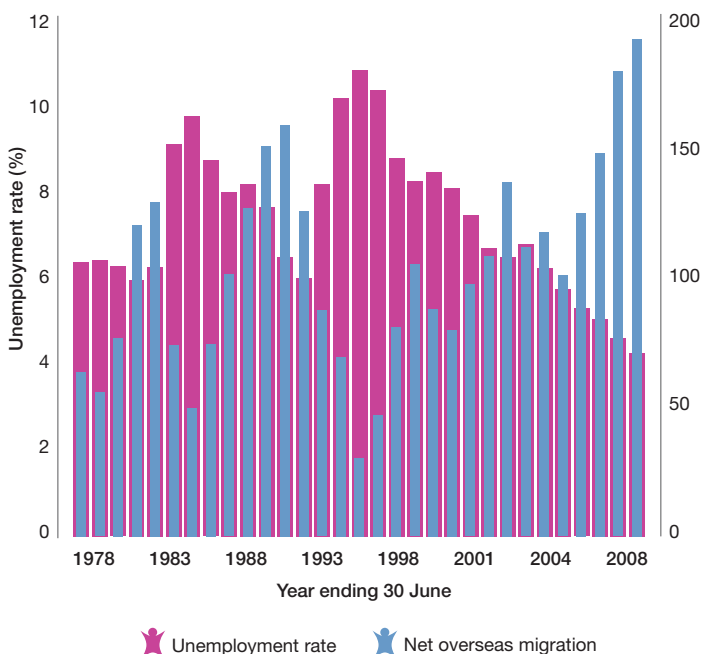
To sustain moderate growth in Australia's labour force, as many Australians age into retirement, overseas migration will need to be at high levels into the future. There is a strong link between labour force conditions in Australia and overseas migration. Overseas migration will continue to help fill skill shortages.

In the future, as we experience business cycles, migrant numbers will vary from year to year as they have in the past. Taking a long term perspective three things stand out.

Firstly, as our population ages, we will need the labour force to expand to support continued economic growth. A knowledge economy generates labour intensive consumer and business services and the retirement of workers will need to be supplemented by younger workers.

Secondly, we cannot rely on labour force growth only from within Australia. Between 1970 and 2000, two per cent annual labour force growth was sustained as baby boomers, both men and women, entered the workforce. That will not occur in the future.

### Unemployment and net overseas migration, Australia, 1978 – 2008



Thirdly, an assumption of overseas migration at 180,000 is not high compared with when Australia experienced serious labour shortages after World War II. At that time overseas migration frequently exceeded one per cent of the Australian population, equivalent to 220,000 in present day terms.

In 2009, the future looks particularly uncertain. A long period of rapid economic growth is now being interrupted by a global financial crisis with many economies slowing down or going into recession. These changes will affect national and local population change in ways no one can yet foresee.

While the current economic prospects suggest overseas migration may slow in the near future, over the long term the Australian Bureau of Statistics assumption of net overseas migration of 180,000 annually provides the best basis for planning.

### Interstate migration

Movements of people between states causes significant impacts on the population size and structure of each state. In the 1980s and early 1990s, Victoria's economy was widely perceived to be struggling and many Victorians decided to head north in search of a better life. In 1993–94 these flows peaked as Victoria lost 30,000 to other parts of Australia. During the last 15 years Victoria has clearly changed and prospered. There are still many people who move between states but, in the last year, the numbers were almost balanced – 65,000 left Victoria and 64,000 moved to Victoria. The shift to a knowledge economy has been strong in Victoria. Many new jobs have been created and more people have been attracted to Victoria from interstate and overseas. Meanwhile Victoria has planned for this change: Melbourne's house prices are significantly lower than Sydney's or Brisbane's. Regional Victoria has grown on the back of major investments in new infrastructure and services.

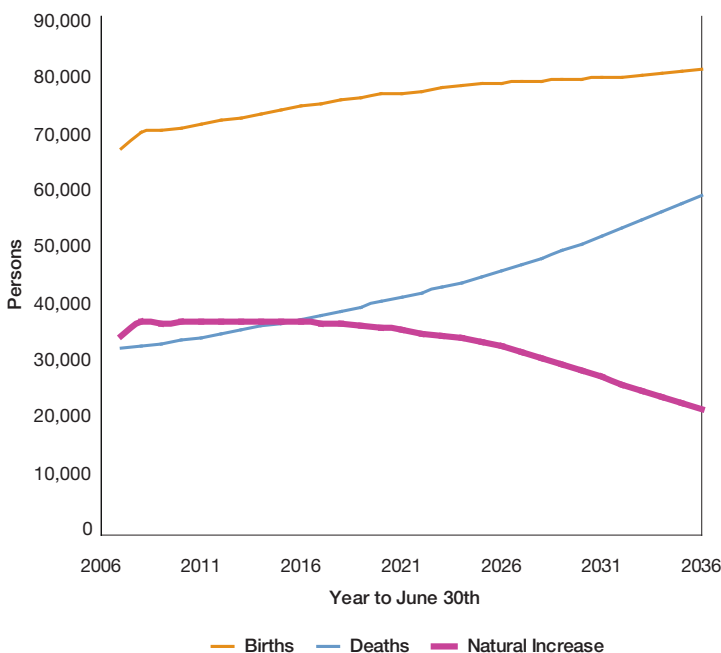


## Natural increase

Natural increase – births minus deaths – is the forgotten factor of population change. In 2007, the number of births was the highest since 1971. Since the turn of the millennium, birth rates have increased, mainly because more women aged in their 30s have decided to have children. Consequently, the ABS’s long term fertility rate assumptions have been revised upwards, from 1.6 to 1.8. This may sound like a minor change, but it has a significant impact in the long term on the size and shape of our population. For instance, by 2046, the number of births in Victoria is projected to be 86,757, compared to 57,637 under the old assumption.

Improved health has been making significant increases in average life expectancy – an increase of 20 years over the last century in Victoria. While life expectancy is assumed to increase in the future, the number of deaths will grow. This is due to more people being in ages with high mortality rates. The older age of the population in regional Victoria means that deaths are projected to exceed births by the early 2030s, a situation that already exists in many rural areas.

### Births, Deaths and Natural Increase, Victoria, 2006 – 2036



## How are projections prepared?

The Department of Planning and Community Development compiles population projections for all 79 local government areas for the period 2006 to 2026 and for regions for 2006 to 2036. The projections are based on Australian Bureau of Statistics population estimates derived from the 2006 census and other recent demographic trends.

To develop the projections in *Victoria in Future 2008* the department analyses:

- demographic data and housing development information;
- Victoria’s economic, social and demographic trends; and
- detailed local knowledge gained through consultation with local governments, regional service providers, peers and stakeholders.

*Victoria in Future 2008* projections are not predictions of the future. Nor are they targets. They analyse changing economic and social structures and other drivers of demographic trends to indicate possible future populations if present identified demographic and social trends continue.

As mentioned earlier, assumptions are critical to projections. In deriving assumptions the department obtains advice from experts – in particular the Australian Bureau of Statistics, Australia’s official statistical agency. Projections for Victoria use very similar assumptions to the Australian Bureau of Statistics Series B projections published in September 2008.

The assumptions behind *Victoria in Future* are regularly monitored. If necessary, the assumptions and the projections they generate will be revised. It should be borne in mind that business cycles cannot be projected or predicted. The *Victoria in Future* projections are mainly used for long term planning by business and government. So, they are about expected average annual rates of long term population growth and its geography.

# Victoria in Future 2008

## Sample profile page

Available for all Victorian LGAs

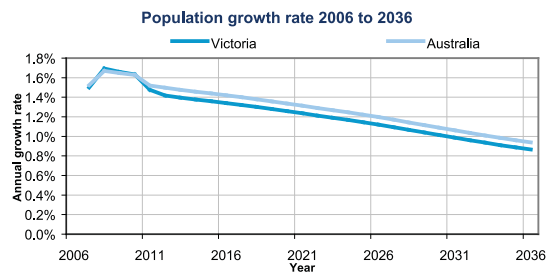
### Victoria



Victoria is the smallest mainland State of Australia, but the second most populous. The diverse economy ranges from primary industry and manufacturing to high-order services, such as information technology and knowledge-based industries.

Location: South-eastern Australia  
Area: 227,590 km<sup>2</sup>  
Pop. Density: 22.5 persons per km<sup>2</sup>  
Major Centres: Melbourne; Geelong; Ballarat; Bendigo

Victoria's population is projected to grow at the same rate as Australia's over the next 30 years. Victoria's and Australia's rates will fall slightly over this period, due to changes in natural increase. The major demographic change that will occur over the next 30 years in both Australia and Victoria will be the large increases in the numbers of older persons, i.e. the ageing of the population.



### Population and households

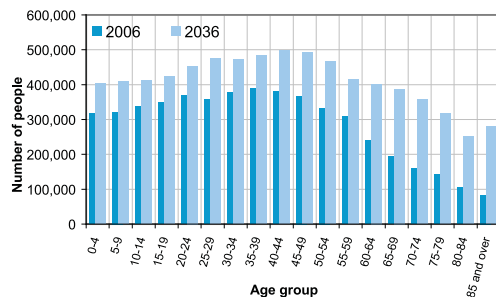
	2006	2011	2016	2021	2026	2036
Total Population	5,128,310	5,549,810	5,942,911	6,332,776	6,711,190	7,395,871
Pop. in private dwellings	5,047,595	5,458,179	5,841,761	6,223,099	6,591,403	7,238,336
Households	1,983,897	2,177,350	2,367,746	2,555,391	2,736,797	3,066,825
Average household size	2.544	2.507	2.467	2.435	2.408	2.360

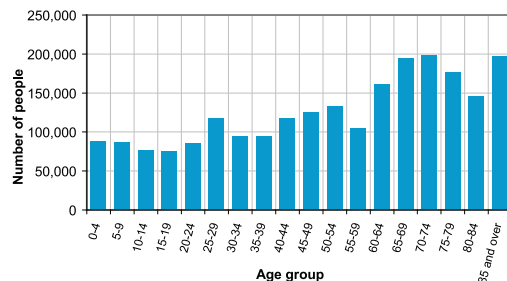
	2006-2036	2006-11	2011-16	2016-21	2021-26	2026-36
<b>Change in population</b>						
Net	2,267,561	421,500	393,101	389,865	378,414	684,681
Average annual	1.2%	1.6%	1.4%	1.3%	1.2%	1.0%
<b>Change in households</b>						
Net	1,082,928	193,453	190,396	187,645	181,406	330,028
Average annual	1.5%	1.9%	1.7%	1.5%	1.4%	1.1%

### Age structures

Population by five-year age group, 2006 and 2036



Population change by five-year age group, 2006 to 2036



Age Group	2006		2011		2016		2021		2026		2036	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0-4	316,130	6.2	352,623	6.4	368,939	6.2	383,073	6.0	392,520	5.8	403,715	5.5
5-14	658,042	12.8	663,484	12.0	702,549	11.8	751,591	11.9	781,840	11.6	820,327	11.1
15-24	716,649	14.0	756,951	13.6	758,911	12.8	759,959	12.0	797,799	11.9	876,593	11.9
25-34	734,173	14.3	800,716	14.4	875,151	14.7	906,111	14.3	909,868	13.6	946,386	12.8
35-49	1,136,659	22.2	1,183,450	21.3	1,215,720	20.5	1,280,249	20.2	1,362,286	20.3	1,472,282	19.9
50-59	642,218	12.5	697,873	12.6	748,942	12.6	785,374	12.4	808,945	12.1	880,247	11.9
60-69	434,065	8.5	538,154	9.7	623,464	10.5	678,983	10.7	730,092	10.9	789,456	10.7
70-84	407,185	7.9	444,924	8.0	512,960	8.6	635,079	10.0	750,785	11.2	926,643	12.5
85+	83,189	1.6	111,634	2.0	136,277	2.3	152,358	2.4	177,054	2.6	280,221	3.8
<b>Total</b>	<b>5,128,310</b>	<b>100.0</b>	<b>5,549,810</b>	<b>100.0</b>	<b>5,942,911</b>	<b>100.0</b>	<b>6,332,776</b>	<b>100.0</b>	<b>6,711,190</b>	<b>100.0</b>	<b>7,395,871</b>	<b>100.0</b>

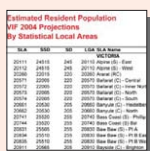
## Where can I get more information

### Detailed State, regional, metropolitan and LGA data:



#### One page profile

Key demographic profiles for Victoria, regional Victoria, Melbourne, sub-regions within regional Victoria and Melbourne, including tables, graphs and brief analysis. (See previous page for example for Victoria)



SA	Year	ER	SA	Year	ER
20000	2004	184	20000	2004	184
20001	2004	205	20001	2004	205
20002	2004	205	20002	2004	205
20003	2004	205	20003	2004	205
20004	2004	205	20004	2004	205
20005	2004	205	20005	2004	205
20006	2004	205	20006	2004	205
20007	2004	205	20007	2004	205
20008	2004	205	20008	2004	205
20009	2004	205	20009	2004	205
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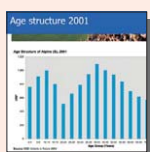
#### Detailed data

- Detailed tables of key data covering population, households and age structures
- Historical (1996 to 2006) and projected (2006 to 2056) estimated resident populations, households and age structures by single year of age for each year, for Victoria, regional Victoria and the Melbourne Statistical Division.
- Projected (2006 to 2036) components of population change for Victoria, regional Victoria and the Melbourne Statistical Division.
- Historical (1996 to 2006) and projected (2006 to 2036) estimated resident populations and age structures at five-year intervals for statistical divisions in regional Victoria.
- Historical (1996 to 2006) and projected (2006 to 2026) estimated resident populations and households for each year, for local government areas and statistical local areas.
- Historical (1996 to 2006) and projected (2006 to 2026) age structures at five-year intervals, for local government areas and statistical local areas.
- Historical (1996 to 2006) and projected (2006 to 2026) household types at five-year intervals for statistical divisions in regional Victoria and for statistical subdivisions in the Melbourne Statistical Division.



#### Background reports:

- Background reports analysing contemporary demographic trends have been prepared on overseas migration, on migration within Victoria and Australia and on fertility rates.
- Regional information reports for each of the 13 regional forums being held between September and November, 2009.



#### Presentations:

- Sets of powerpoint slide shows covering demographic trends and prospects for each of the regional forums.
- Copies of presentations delivered by the Demographic Research team.