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Australia's population growth stabilises, while Victoria surges – Australian Demographic Trends Q2 2016

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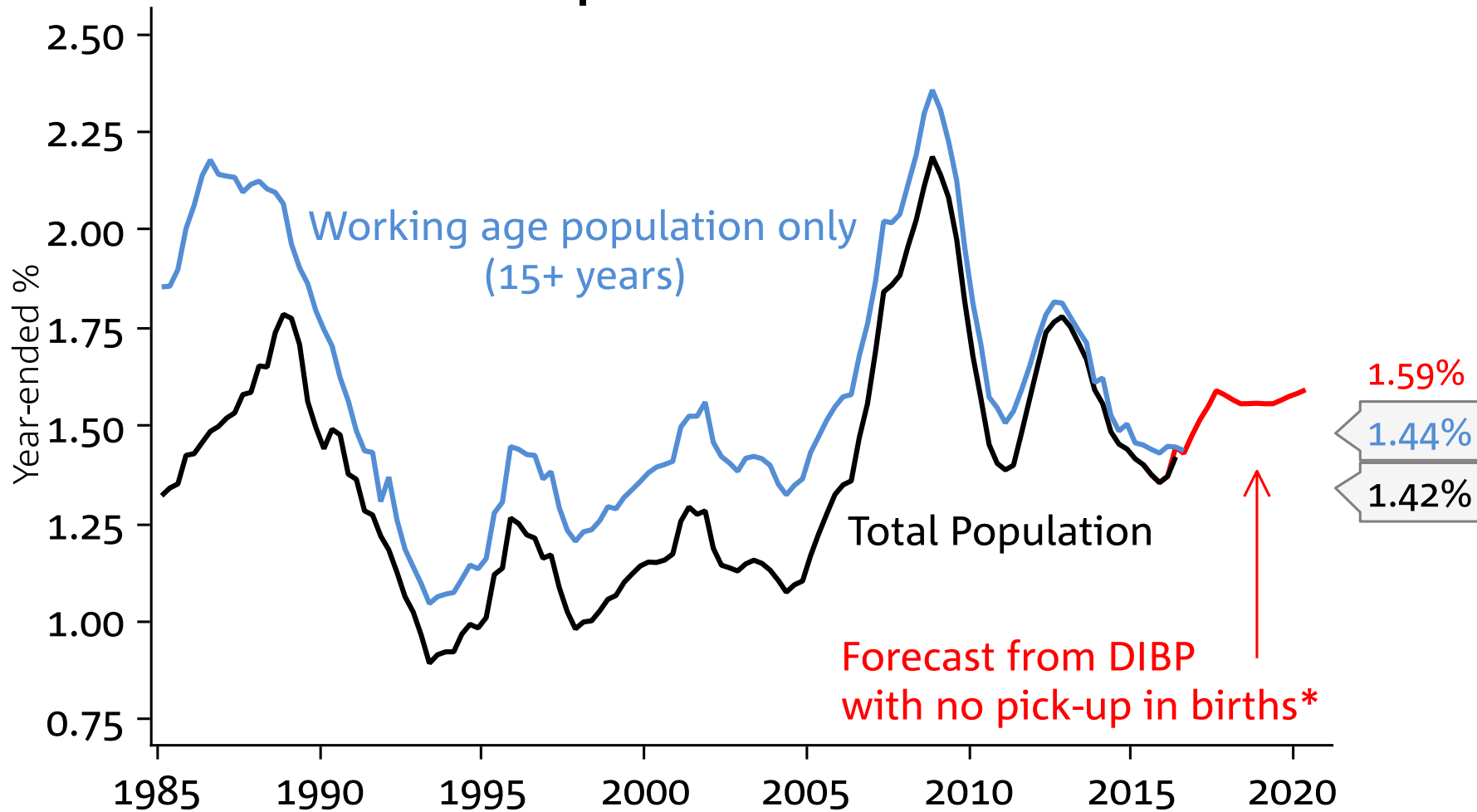


Australia's population growth stable at 1.4% y/y

- Australia's population grew 1.4% y/y to Q2 2016, around the same rate of growth it has been averaging for the past few quarters. This lower rate is still a very high rate of growth by historical (and international) standards. This provides a solid underpinning to GDP growth.
- Population growth is strongest in the non-mining states of NSW and Vic with population growth in Vic surging to its highest rate since 2009 (2.1% y/y). Strong population growth in Vic and NSW is underpinned by net overseas migration. Interstate migration has also picked up to Vic, while migration out of NSW to other states may be picking up once again after a period of fewer persons leaving NSW with most likely moving to Vic or QLD. This may well again reflect house price differentials, though labour markets are also a factor.
- At the state level, population growth has slowed significantly back to more normal rates in the more mining-oriented states of WA, QLD and the NT. Overseas and net interstate migration to these regions has slowed –7.7k more people left WA for other states than arrived (most to likely to Victoria).
- Strong population growth rates in NSW and Vic will continue to underpin housing demand in those states, while slowing population growth in WA, will likely extend the time for a turn around in the housing market in that state.

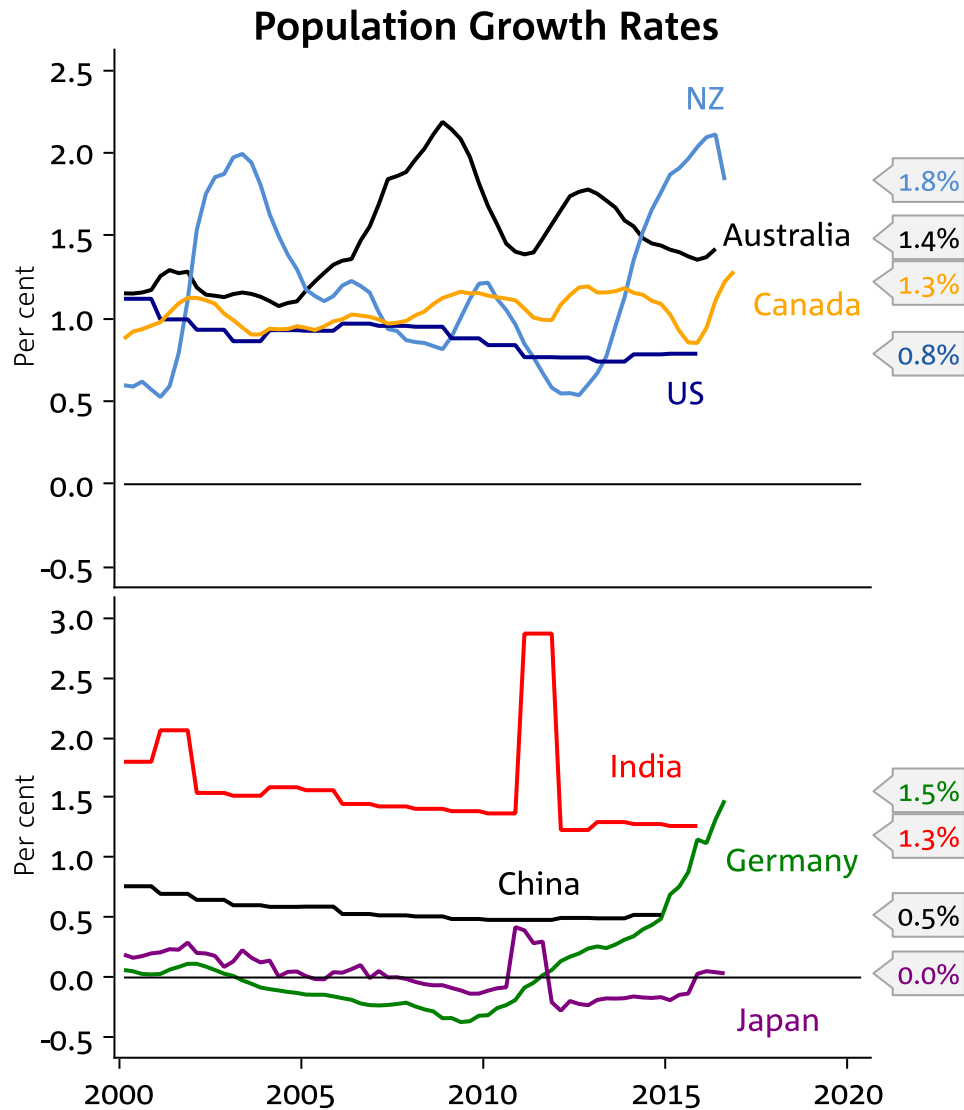
Australia's population growth has stabilised at around 1.4% y/y after having declined sharply from its mining boom growth rates. Incorporating upgraded net migration forecasts from the Department of Immigration and Border Protection suggests population growth may tick back up to around 1.6% y/y.

Population Growth

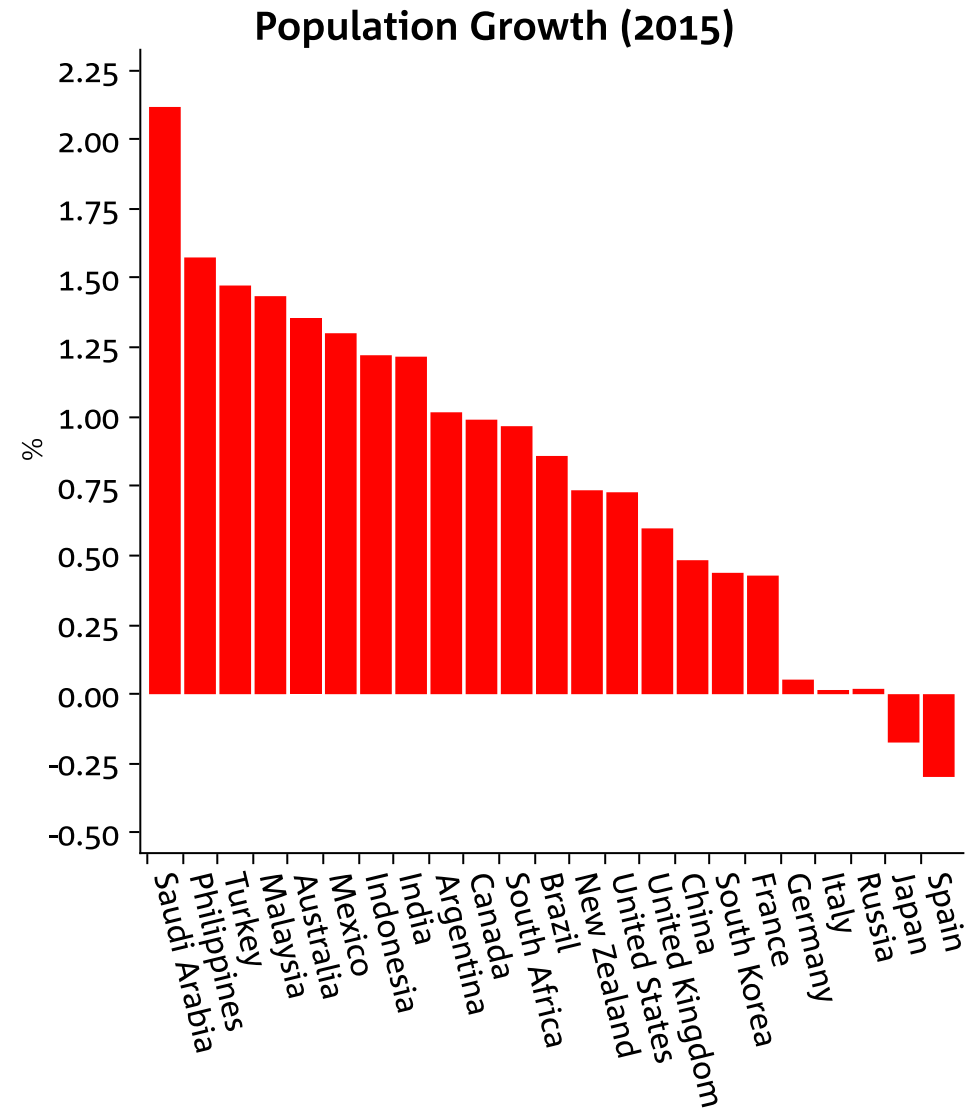


* Incorporates net migration forecasts from the Department of Immigration and Border Protection
Source: National Australia Bank, ABS

Although Australia's population growth has slowed, it remains very high relative to the rest of the world; Germany's population growth rate has recently picked up strongly due to immigration and growth remains extremely strong in NZ.

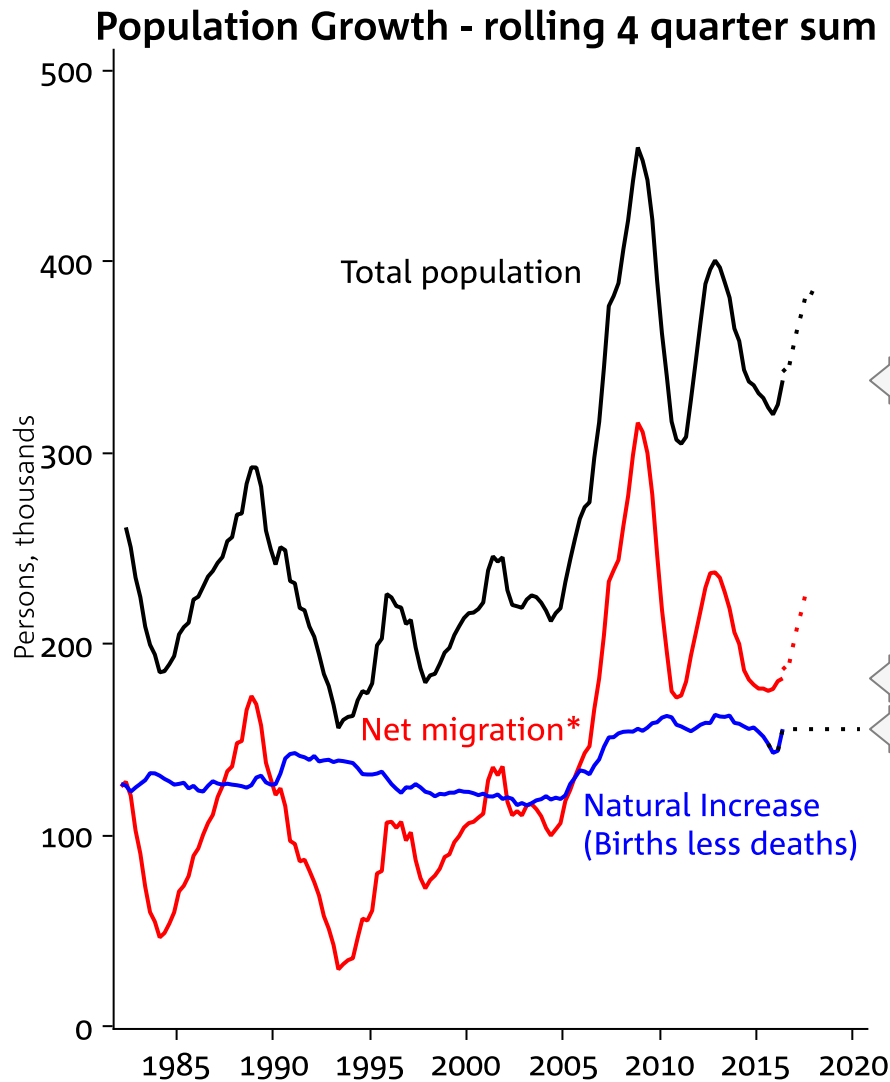


Source: National Australia Bank, ABS

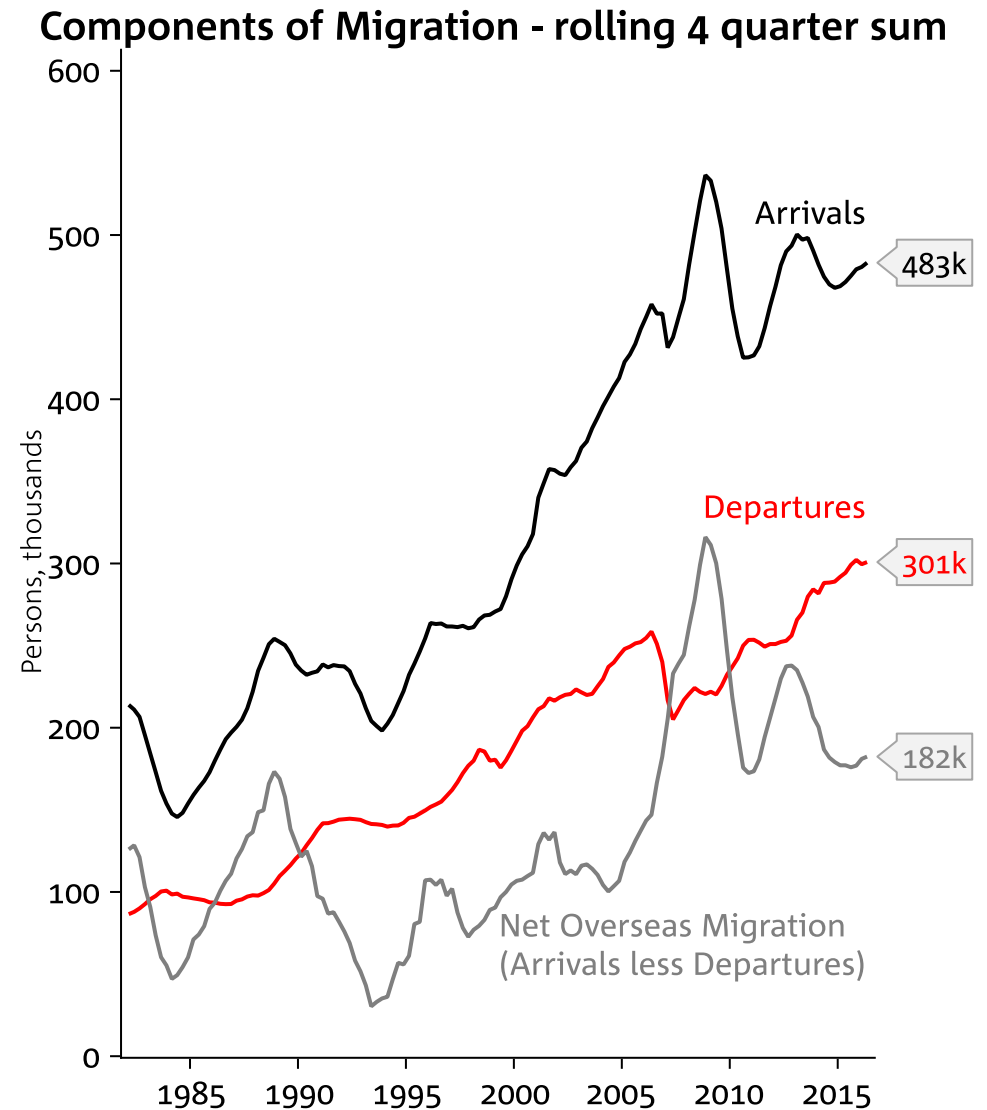


Source: National Australia Bank, World Bank

Stabilisation in population growth driven by a pick-up in Arrivals to Australia, while Departures which had increased appear to have moderated slightly. DIBP forecasts suggest population growth will reaccelerate to around 400k a year by 2020.

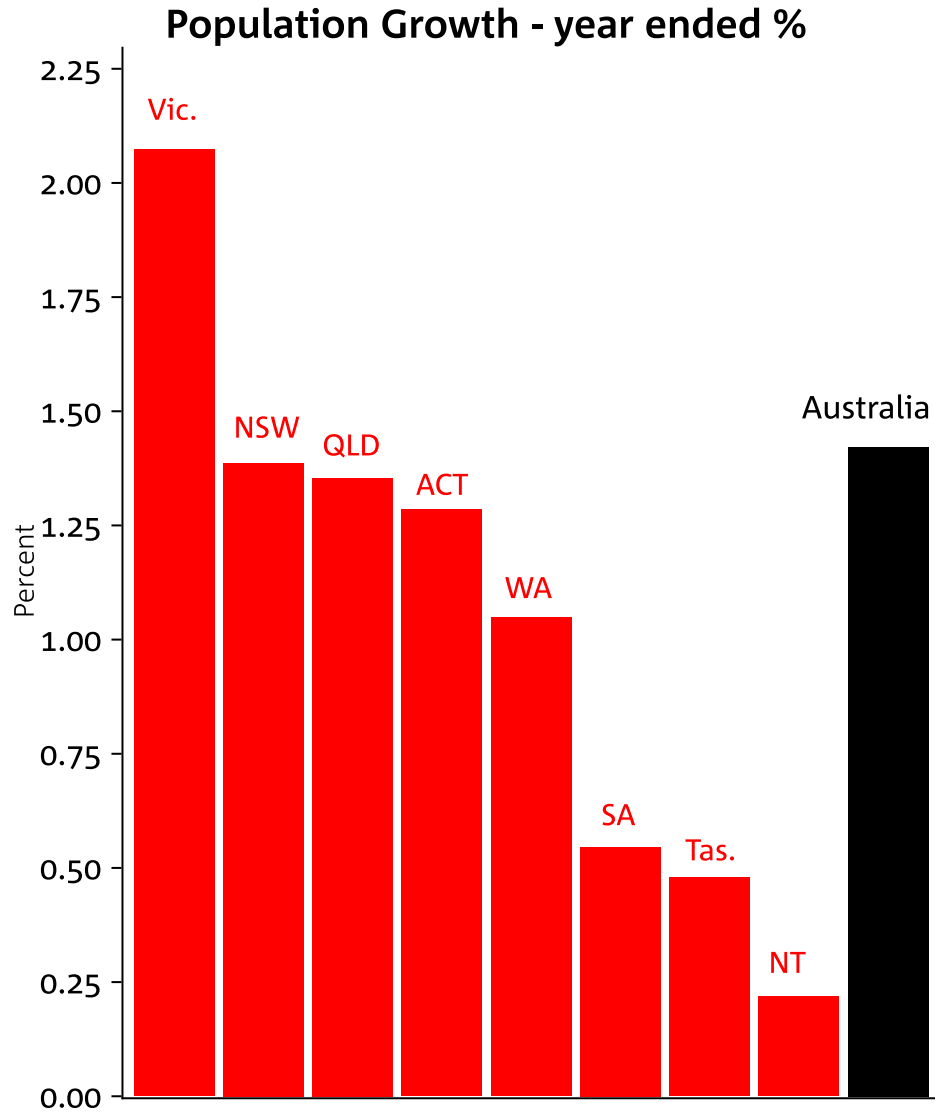


* Forecast is from the Department of Immigration and Border Protection
 Source: National Australia Bank, ABS

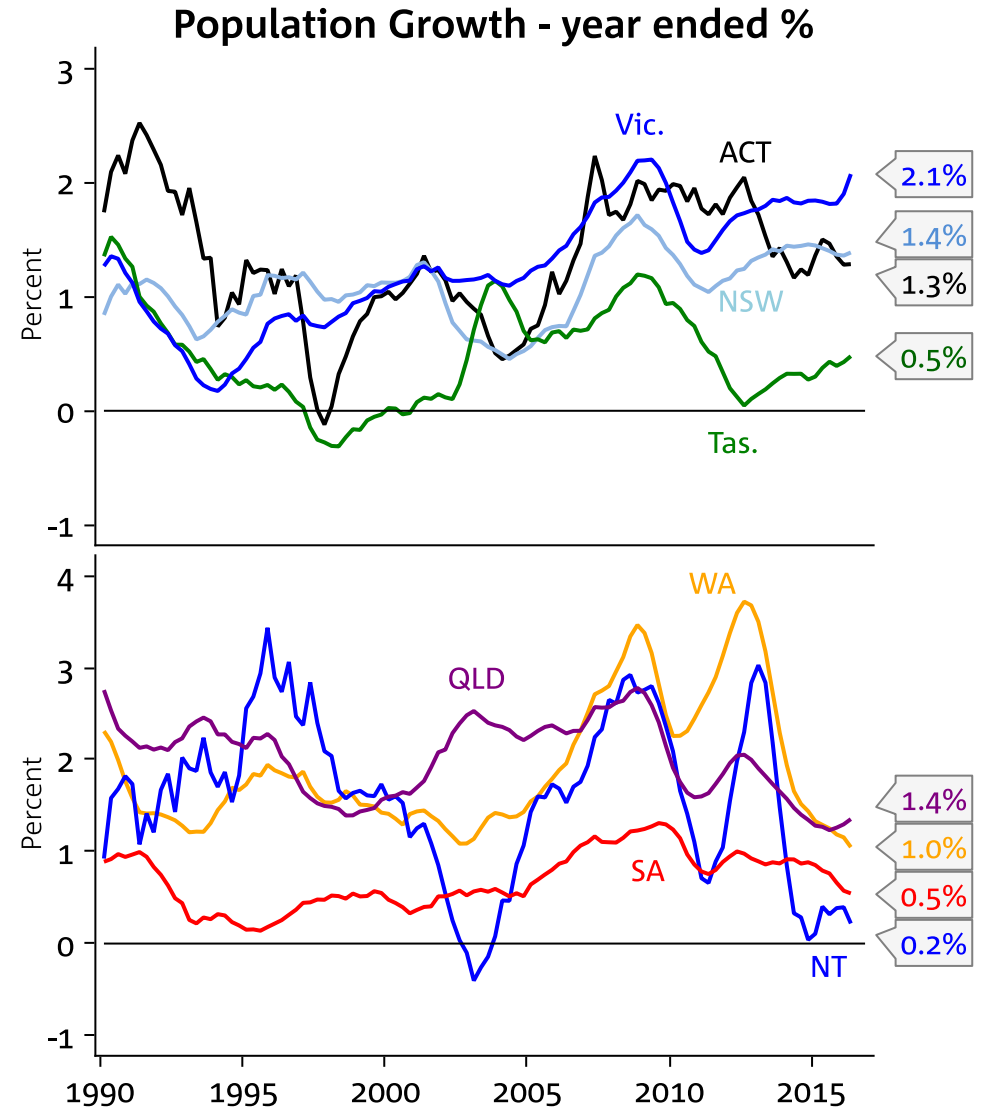


Source: National Australia Bank, ABS

Population growth is strongest in the non-mining states of NSW and Vic, while population growth has eased sharply in QLD, WA and the NT (the mining states). Among the smaller states, population growth continues to ease in SA but has steadily increased in Tas (although remains at a slow rate).

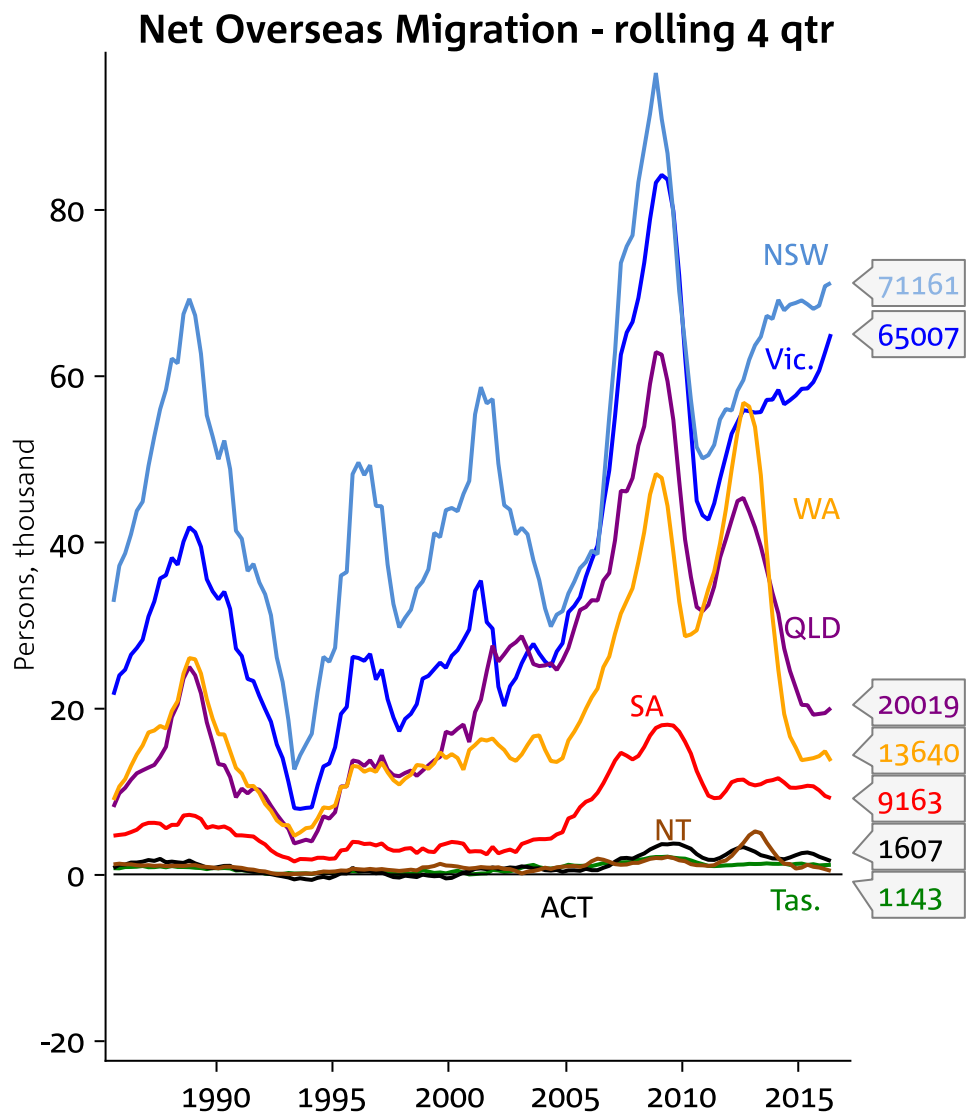


Source: National Australia Bank, ABS

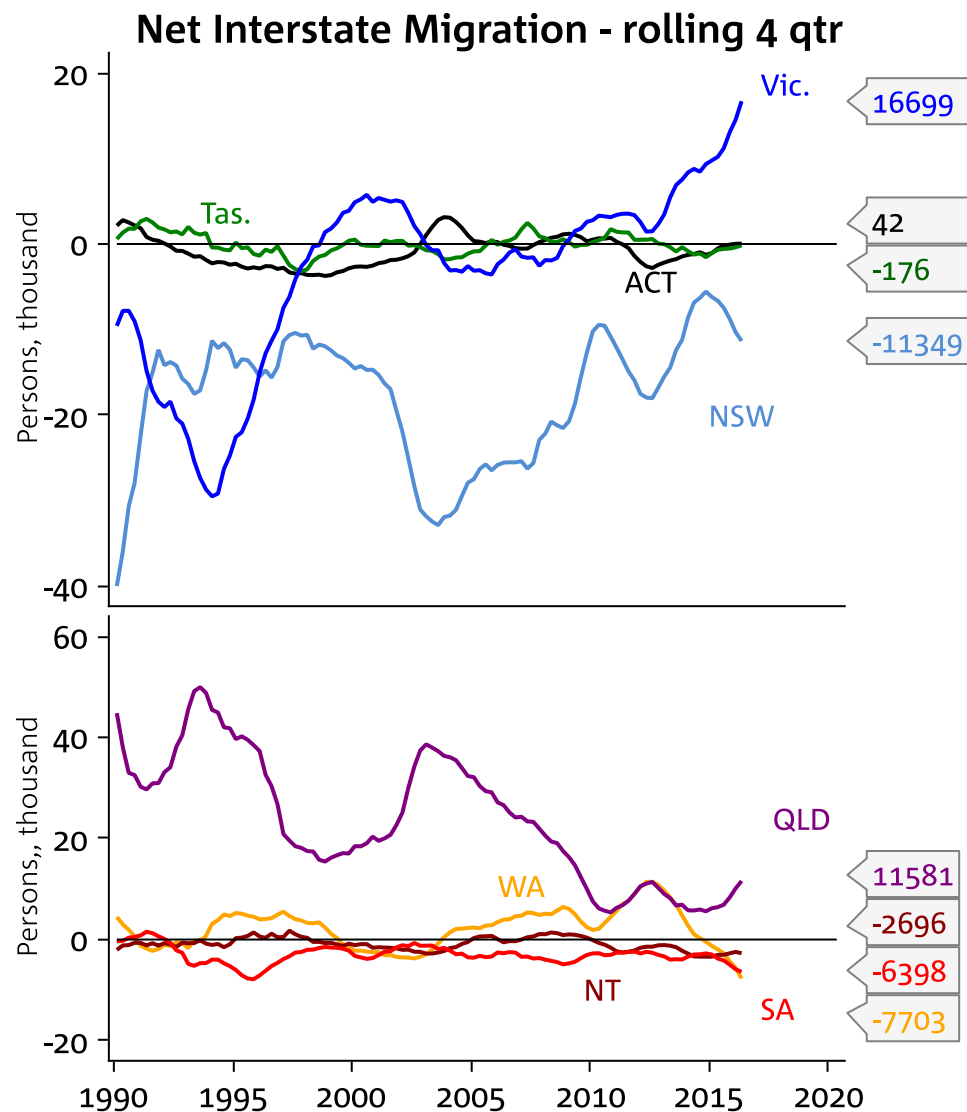


Source: National Australia Bank, ABS

Slowing in population growth in WA and QLD driven by lower net overseas migration, though appears to be recovering in QLD. In contrast, net overseas migration still strong in NSW and is accelerating in Vic. While less people are leaving NSW on a net basis, this has reversed in recent quarters with trends suggesting some are leaving NSW to Vic and QLD.



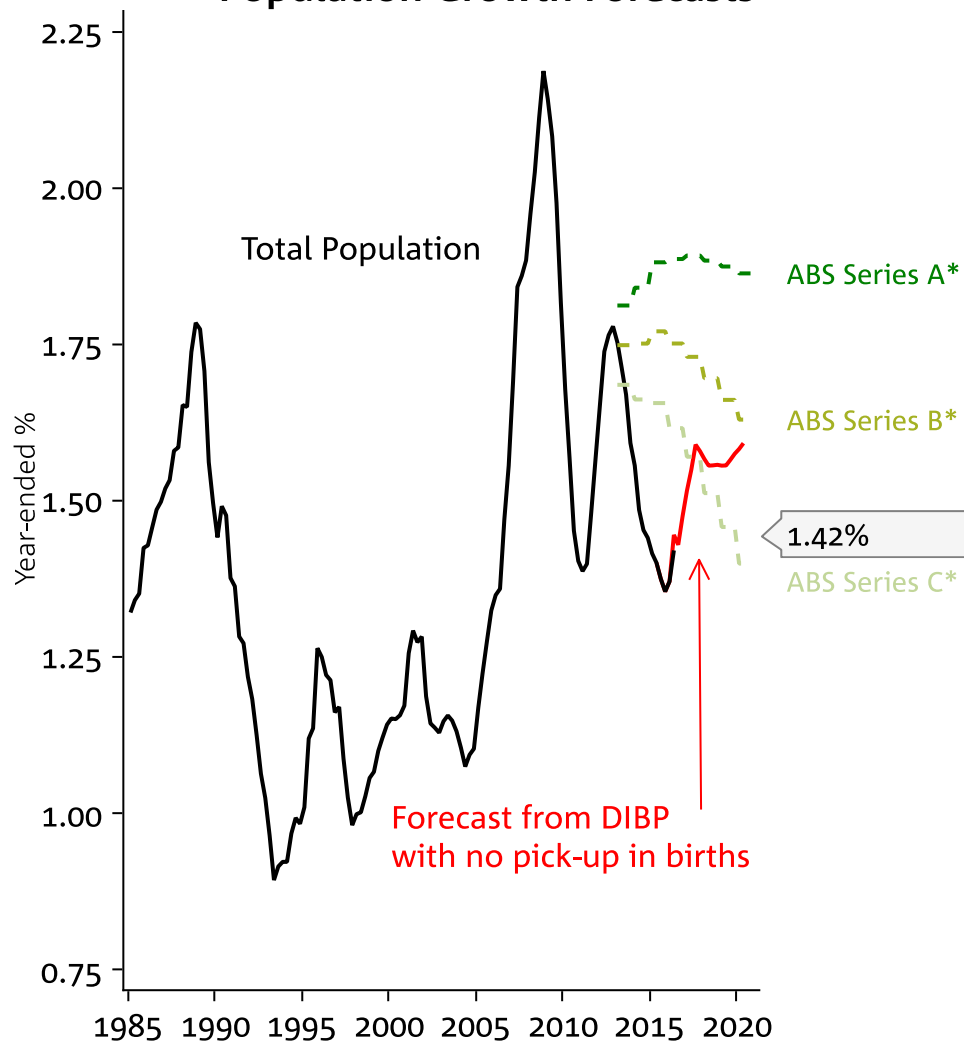
Source: National Australia Bank, ABS



Source: National Australia Bank, Macrobond

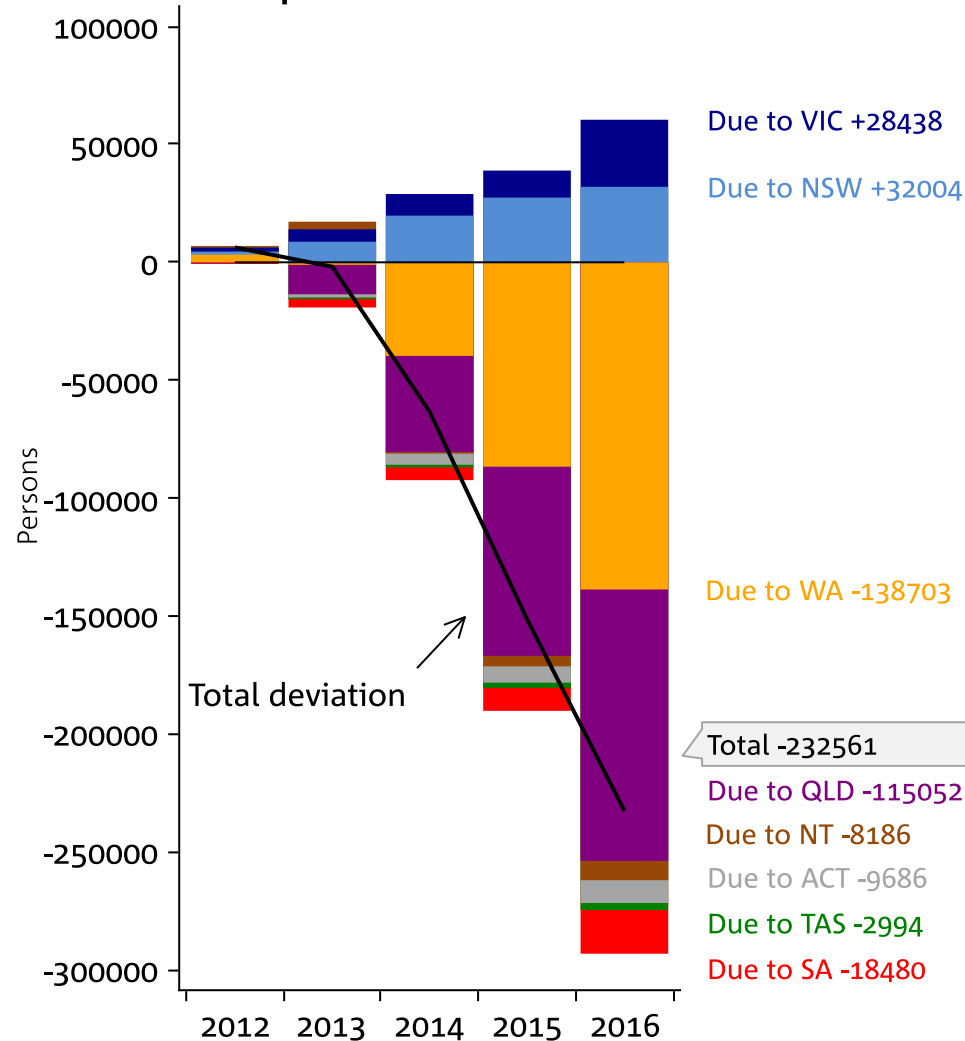
The slowing in WA and QLD population growth was the biggest surprise relative to official ABS projections. NSW and Vic are surprising to the upside.

Population Growth Forecasts



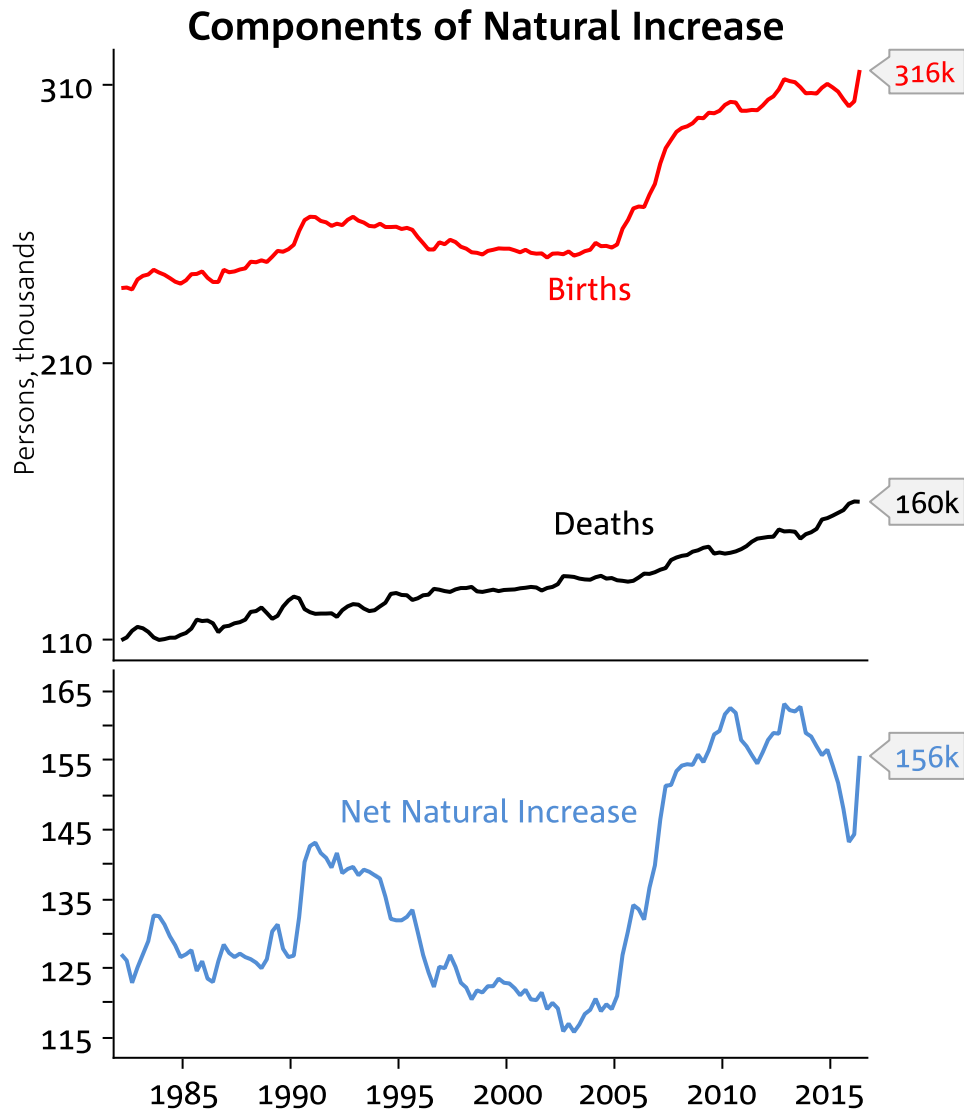
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Cumulative Population Deviation from 2011 Forecast*

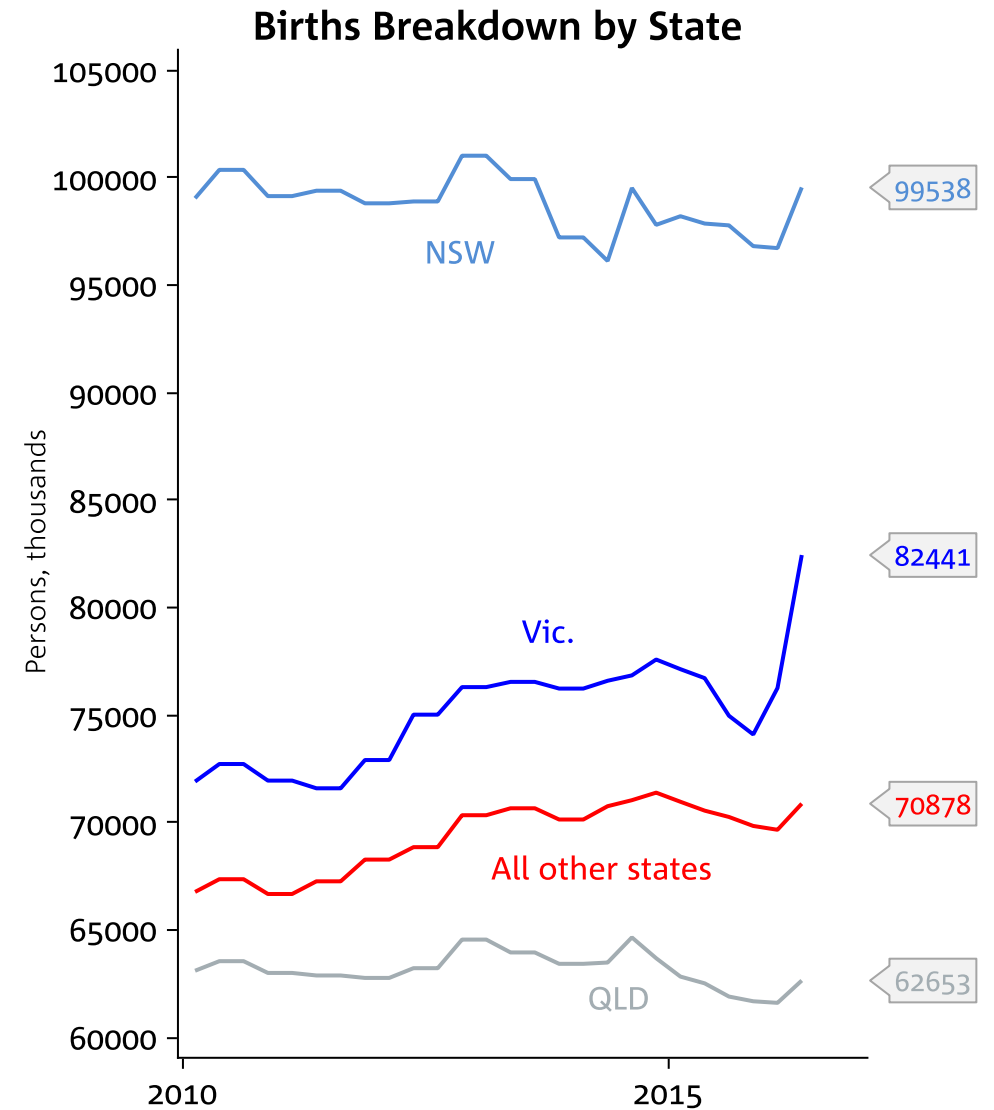


* To the ABS Series B forecast
Source: National Australia Bank, ABS

Births are starting to pick up again after having declined a little from 2014. Births pick-up primarily driven by NSW and Vic – though recent Vic increase looks suspiciously large.



Source: National Australia Bank, ABS

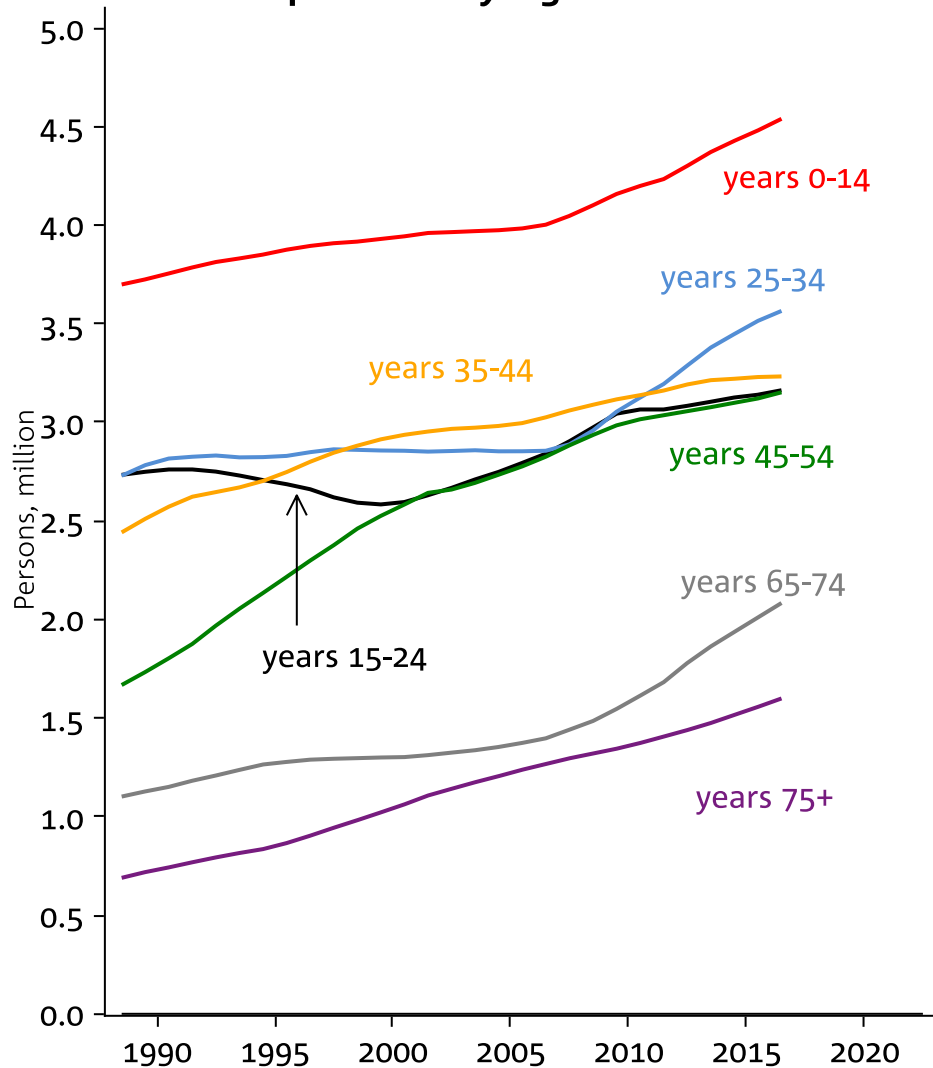


Source: National Australia Bank, ABS



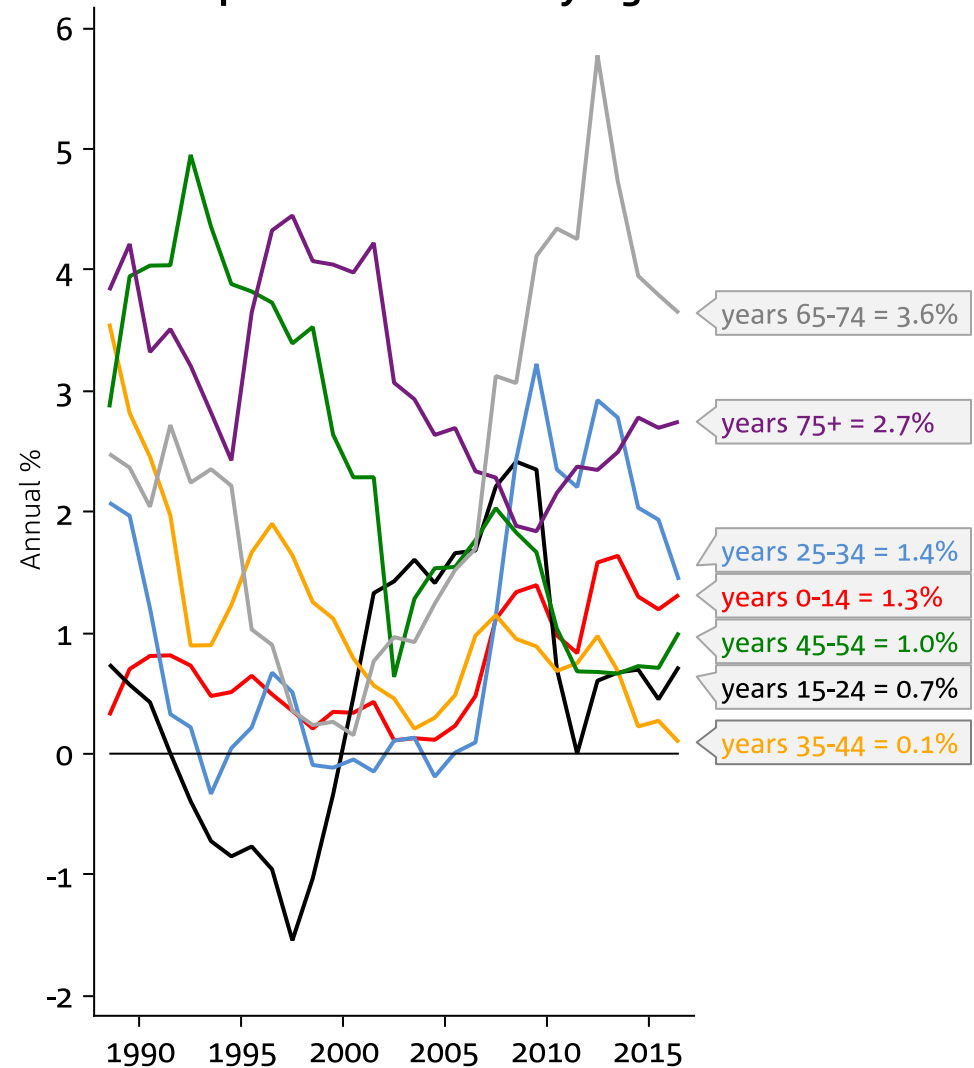
Population ageing starting to accelerate, but still strong growth in the key 25-34 year age bracket and also in the 0-14 age bracket.

Population by Age Bracket



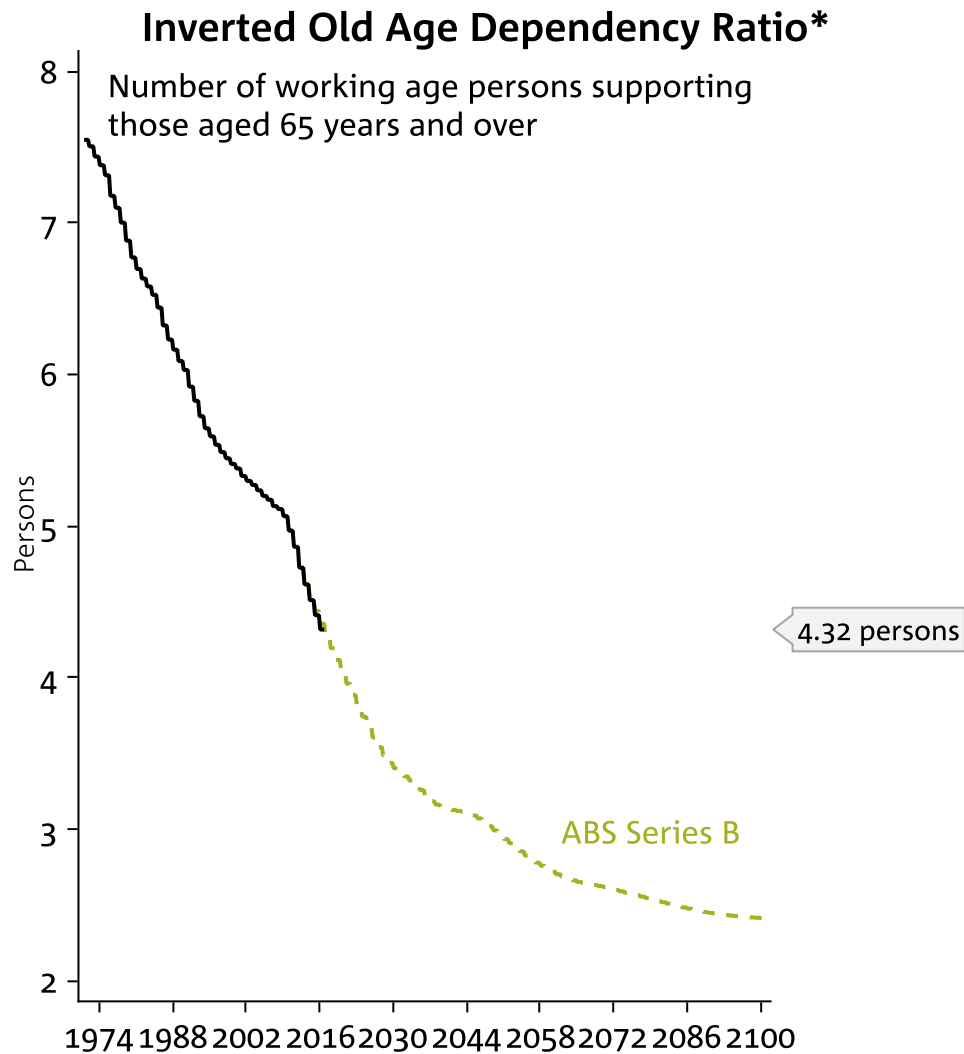
Source: National Australia Bank, ABS

Population Growth by Age Bracket

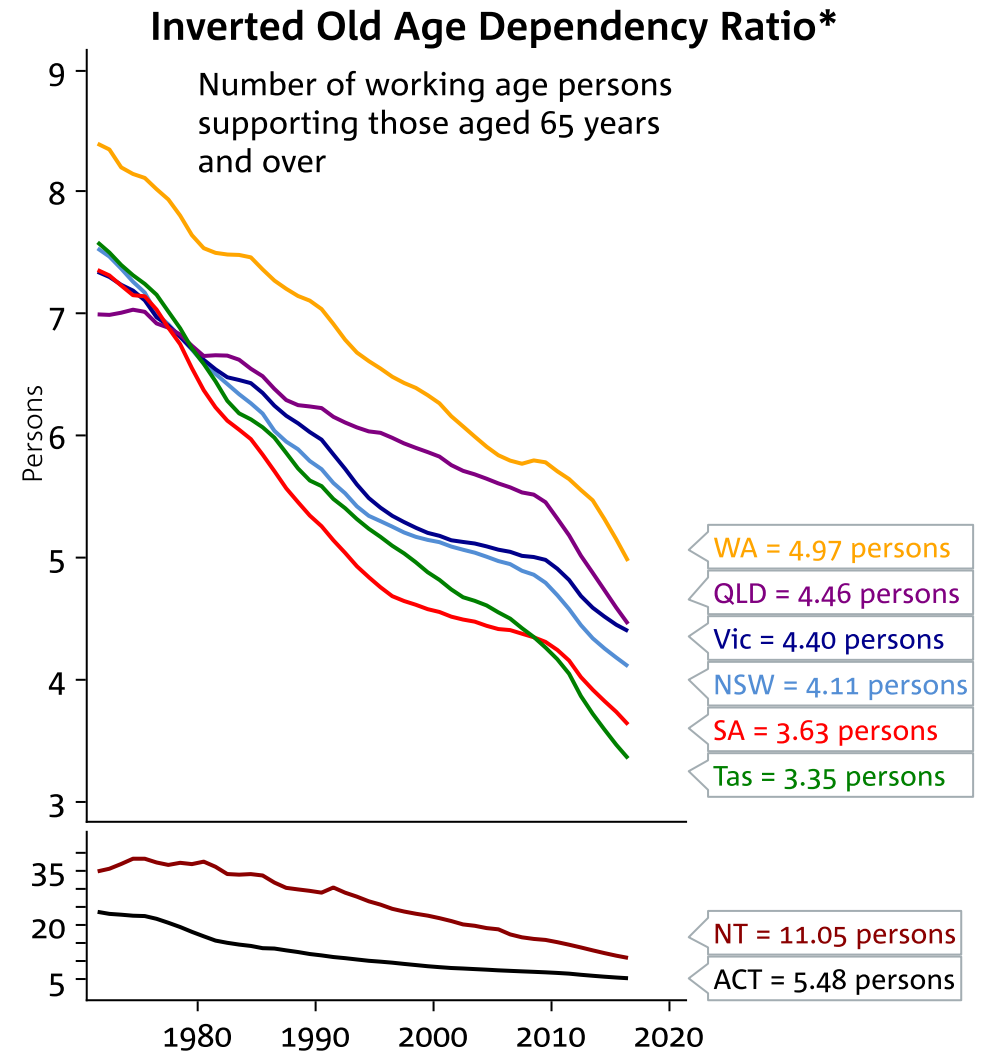


Source: National Australia Bank, ABS

Population ageing is proceeding as forecast. It is more pronounced in Tas and SA while less of an issue in WA. Strong immigration flows only partially slow population aging.

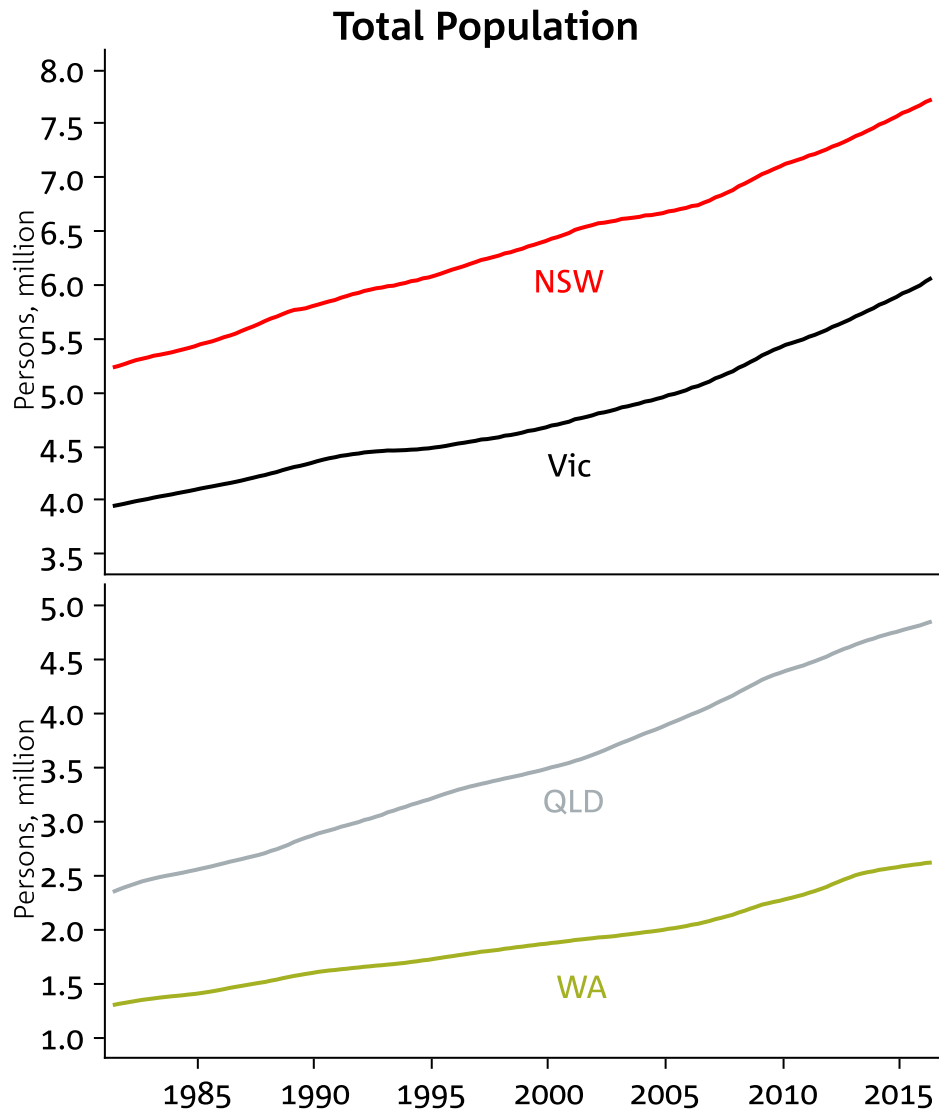


* Those aged 15-64 over those aged 65 years plus. It is the inverse of the old-age dependency ratio
 Source: National Australia Bank, ABS

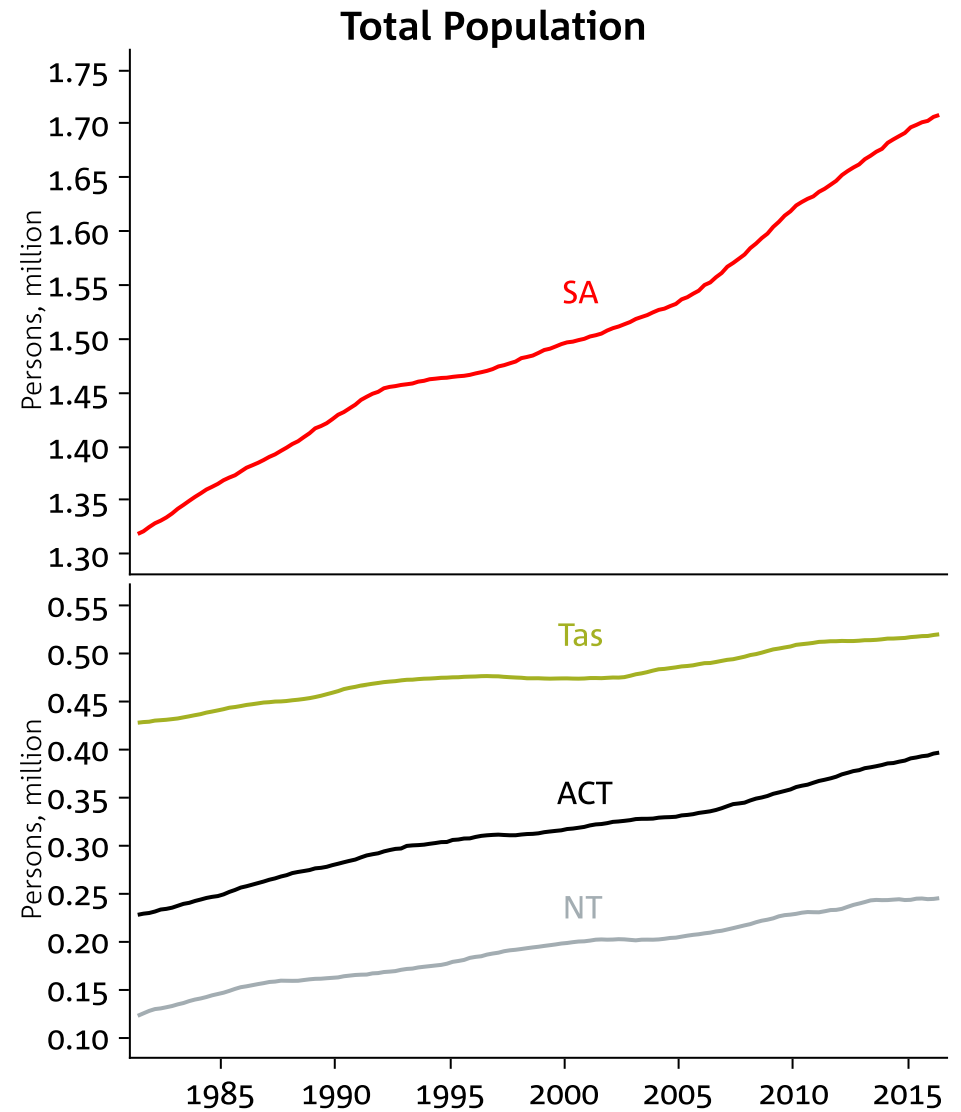


Those aged 15-64 over those aged 65 years plus. It is the inverse of the old-age dependency ratio
 Source: National Australia Bank, ABS

NSW and Vic the most populous states

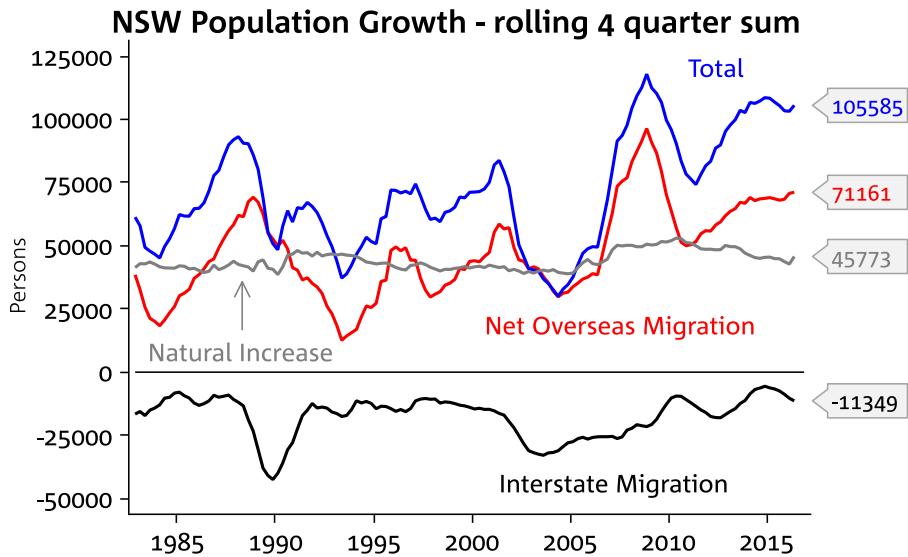


Source: National Australia Bank, ABS

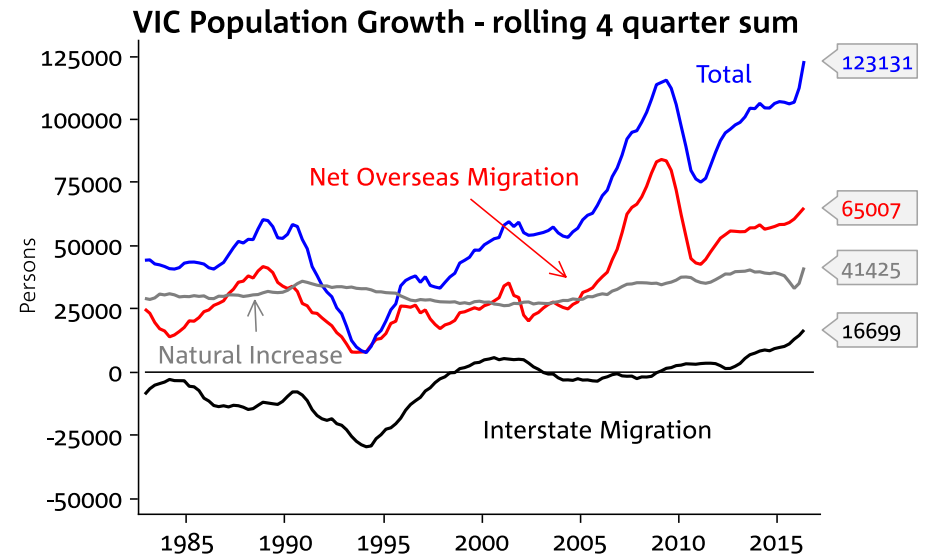


Source: National Australia Bank, ABS

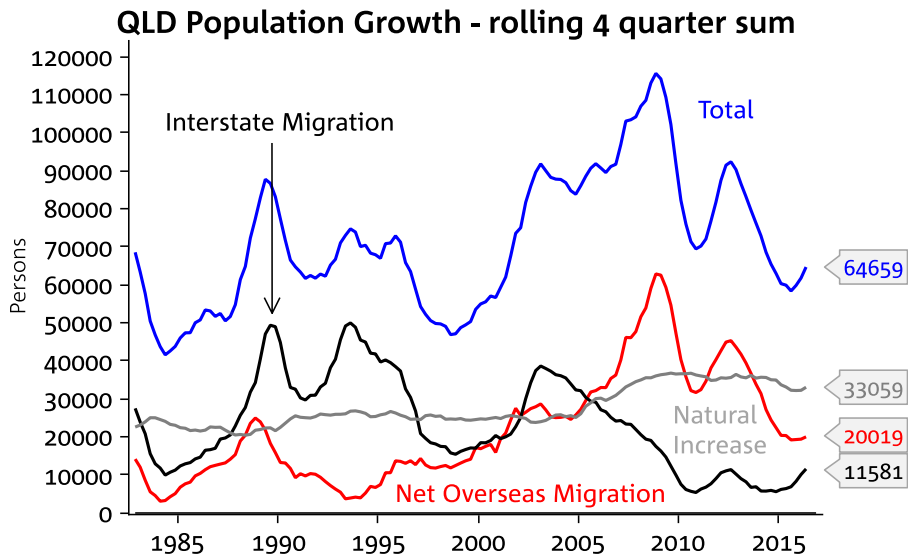
State population trends – components of population growth. Migration drives population growth in the major states, while growing interstate migration to Vic is also starting to contribute more strongly to population growth.



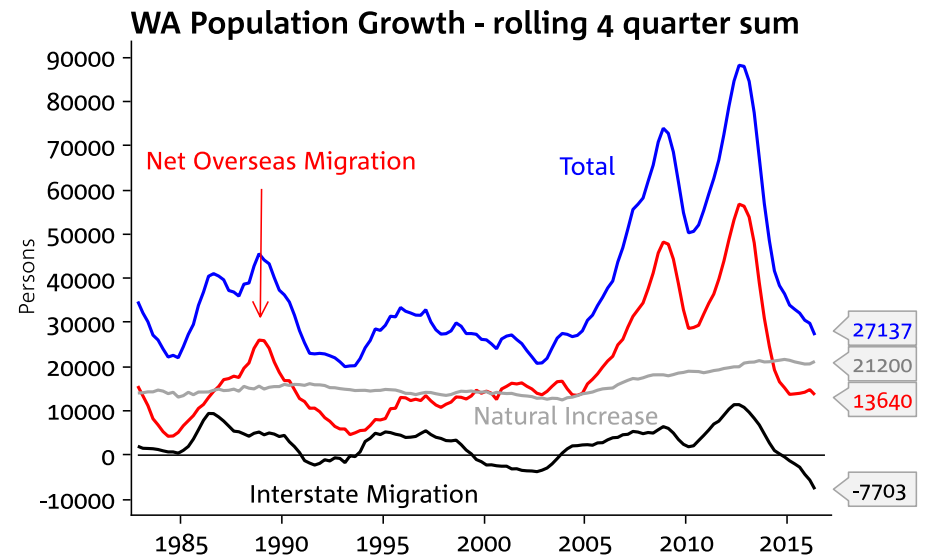
Source: National Australia Bank, ABS



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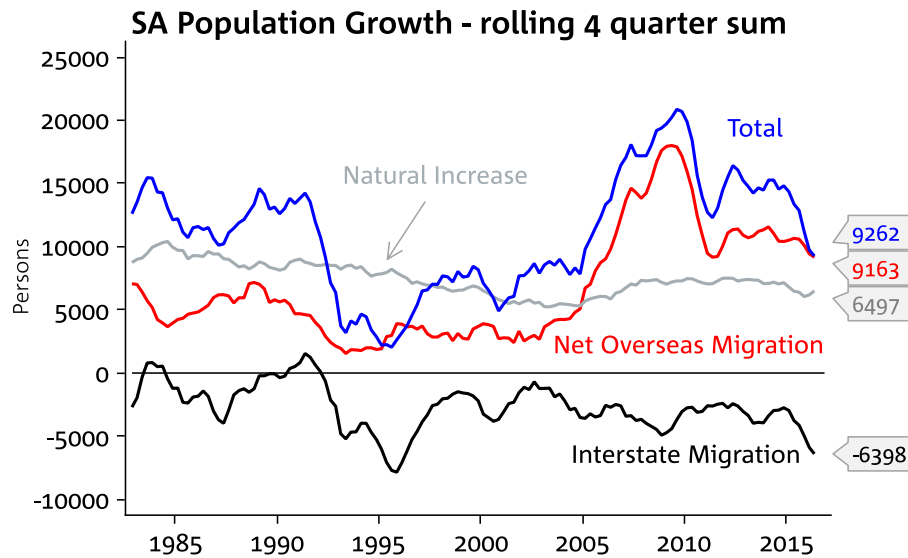


Source: National Australia Bank, ABS

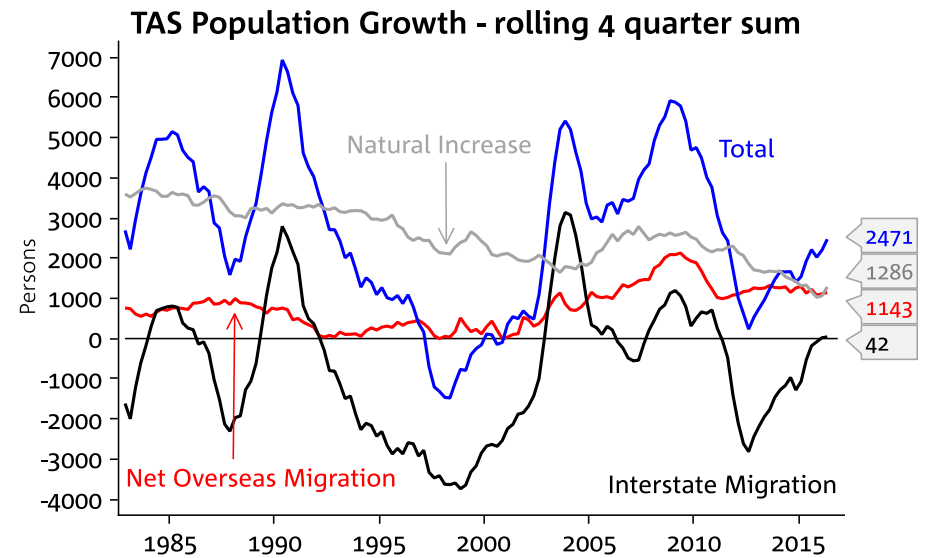


Source: National Australia Bank, ABS

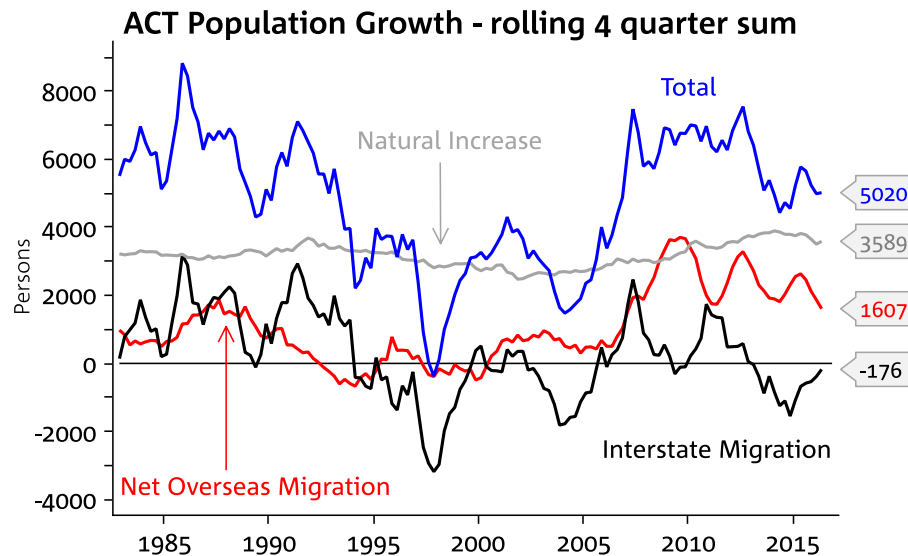
State population trends – components of population growth. Net interstate migration tends to drive population growth cycles in the smaller states.



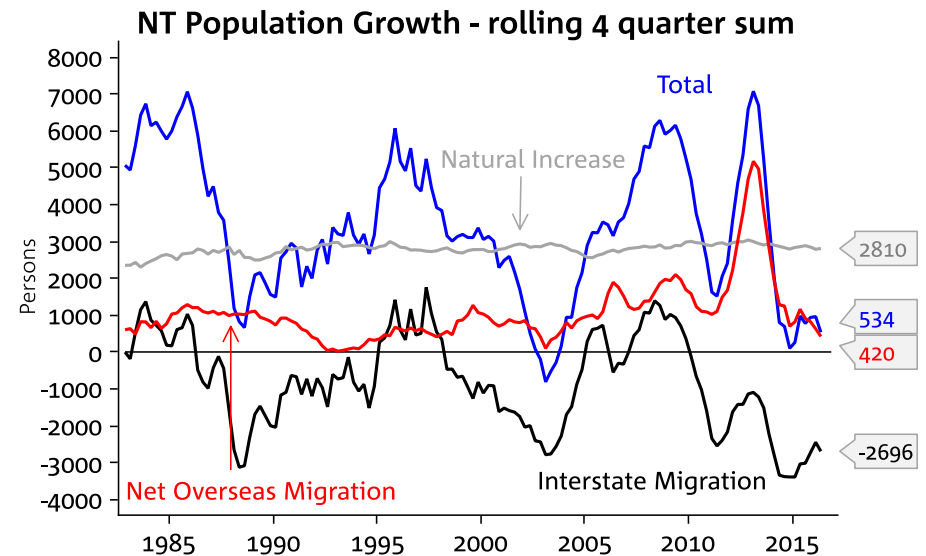
Source: National Australia Bank, ABS



Source: National Australia Bank, ABS



Source: National Australia Bank, ABS



Source: National Australia Bank, ABS

Regional Analysis

Regional Population – fastest growing population areas. Areas more associated with mining are experiencing slowing population growth. Population growth remains strong in regional sea/tree change areas.

Population Growth - Regional Urban Areas - Top Population Growth*					
State	Area	Population Current	Population Growth		
			2014-15	Three year Average	Decade Average
WA	Ellenbrook	41,681	7.4	7.9	10.1
VIC	Melton	59,500	4.6	4.7	5.0
VIC	Torquay	18,227	3.9	3.8	4.9
QLD	Gladstone - Tannum Sands	49,248	2.6	3.4	2.7
VIC	Bacchus Marsh	19,934	2.5	3.4	2.7
WA	Busselton	36,285	2.8	3.3	3.4
VIC	Ocean Grove - Point Lonsdale	25,230	2.8	2.7	1.9
VIC	Drysdale - Clifton Springs	12,882	3.9	2.6	1.6
WA	Bunbury	75,628	2.1	2.5	3.2
WA	Karratha	19,235	-0.2	2.4	3.6
VIC	Warragul - Drouin	33,386	2.1	2.3	2.8
QLD	Highfields	18,771	1.9	2.2	3.9
WA	Perth	1,958,912	1.4	2.1	2.7
VIC	Melbourne	4,353,514	2.0	2.1	2.0
NSW	Cessnock	22,596	1.9	2.1	1.7
QLD	Yeppoon	18,543	1.8	2.1	3.0
QLD	Emerald	15,225	0.2	2.1	3.0
WA	Broome	14,776	0.4	2.0	2.1
NT	Darwin	123,396	1.6	2.0	2.2
NSW	Morisset - Cooranbong	24,127	1.9	1.8	1.3
QLD	Sunshine Coast	302,122	1.6	1.8	2.1
QLD	Gold Coast - Tweed Heads	624,918	1.8	1.8	2.3
NSW	Sydney	4,526,479	1.7	1.8	1.6
WA	Geraldton	39,825	0.6	1.7	1.8
NSW	Bathurst	36,013	1.8	1.7	1.5
QLD	Brisbane	2,209,453	1.5	1.7	2.1
VIC	Gisborne - Macedon	19,888	2.0	1.6	1.7
QLD	Townsville	180,333	1.0	1.6	2.3
VIC	Bairnsdale	14,271	2.5	1.6	1.4
VIC	Ballarat	99,841	1.4	1.6	1.7
WA	Albany	33,970	1.1	1.6	1.3
NSW	Albury - Wodonga	88,949	1.3	1.5	1.1
VIC	Bendigo	92,888	1.2	1.5	1.5
VIC	Geelong	187,417	1.8	1.5	1.2
NSW	St Georges Basin - Sanctuary Point	13,745	0.7	1.4	1.4
SA	Victor Harbor - Goolwa	25,877	1.4	1.4	2.0
QLD	Mackay	85,455	0.5	1.4	2.2
NSW	Nelson Bay - Corlette	27,527	1.5	1.4	1.6
QLD	Cairns	147,993	0.9	1.4	2.4
NSW	Orange	40,075	0.8	1.3	1.4

* Red highlight indicates sharply slowing population growth. Blue highlight indicates sharply rising growth.

Regions of strong population as at 2014-15 include:

- NSW

- Morisset–Cooranbong (1.9%)
- Cessnock (1.9%)
- Bathurst (1.8%)
- Nowra-Bomaderry (1.6%)
- Nelson Bay-Corlette (1.5%)
- Albury-Wodonga (1.3%)

- Vic

- Melton (4.6%)
- Torquay (3.9%)
- Drysdale-Clifton Springs (3.9%)
- Ocean Grove–Point Lonsdale (2.8%)
- Bairnsdale (2.5%)
- Bacchus Marsh (2.5%)
- Warragul-Drouin (2.1%)
- Gisborne-Macedon (2.0%)
- Geelong (1.8%)
- Ballarat (1.4%)

- QLD

- Gladstone-Tannum Sands (2.6%)
- Highfields (1.9%)
- Yeppoon (1.8%)
- Gold Coast – Tweed Heads (1.8%)
- Sunshine Coast (1.6%)

- WA

- Ellenbrook (7.4%)
- Busselton (2.9%)
- Bunbury (1.4%)

- SA

- Victor Harbor–Goolwa (1.4%)
- Murray Bridge (1.3%)

Regional Population – slowest growing population areas.

Population Growth - Regional Urban Areas - Slowest Population Growth*

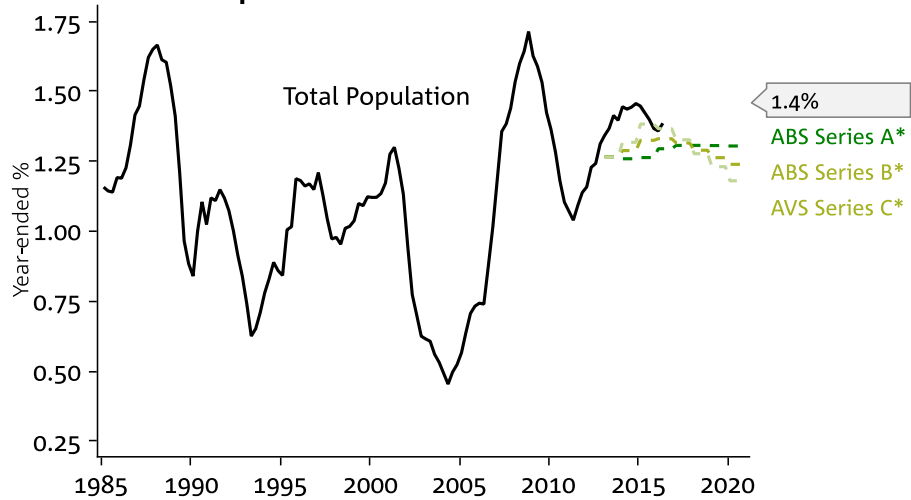
State	Area	Population Current	Population Growth		
			2014-15	Three year Average	Decade Average
VIC	Mildura - Wentworth	50,011	0.4	0.8	0.8
QLD	Maryborough	27,846	0.6	0.7	0.8
NSW	Goulburn	23,005	0.5	0.7	0.9
QLD	Gympie	20,810	0.2	0.7	1.9
QLD	Warwick	15,505	-0.2	0.7	1.1
VIC	Warrnambool	33,979	0.4	0.6	0.9
NSW	Ulladulla	15,152	0.7	0.6	0.5
NSW	Kurri Kurri - Weston	17,325	0.5	0.6	1.1
TAS	Hobart	209,254	0.8	0.6	0.8
NSW	Parkes	11,613	1.1	0.6	0.8
NSW	Lithgow	13,035	0.4	0.6	0.4
NSW	Batemans Bay	16,680	0.6	0.6	1.0
SA	Mount Gambier	28,929	0.4	0.5	0.7
VIC	Horsham	16,451	0.8	0.5	0.9
NSW	Camden Haven	16,449	1.0	0.4	0.8
VIC	Sale	14,716	0.1	0.4	0.6
QLD	Bundaberg	70,588	0.1	0.3	1.2
VIC	Wangaratta	18,158	0.3	0.2	0.5
TAS	Launceston	86,633	0.3	0.2	0.6
SA	Port Augusta	14,214	-0.2	0.2	0.4
SA	Whyalla	22,654	0.0	0.2	0.3
NSW	Armidale	23,674	0.0	0.1	0.6
QLD	Mount Isa	21,821	-0.8	0.1	1.1
WA	Kalgoorlie - Boulder	32,797	-0.4	0.1	1.0
TAS	Devonport	30,497	0.1	0.1	0.5
NSW	Singleton	16,921	0.2	0.1	0.6
NSW	Lismore	29,413	0.1	0.0	0.3
NSW	Taree	26,390	-0.2	0.0	0.2
TAS	Ulverstone	14,726	-0.4	-0.1	0.6
VIC	Traralgon - Morwell	40,816	0.0	-0.1	0.9
SA	Port Pirie	14,247	-0.7	-0.1	0.0
TAS	Burnie - Wynyard	27,699	-0.1	-0.4	0.3
NSW	Broken Hill	18,856	-1.0	-0.5	-0.5
VIC	Colac	11,817	-1.0	-0.5	0.2
NT	Alice Springs	27,972	-1.0	-0.7	0.5
NSW	Grafton	18,689	0.0	-0.7	0.2
VIC	Moe - Newborough	16,253	-1.0	-1.0	-0.4

* Red highlight indicates sharply slowing population growth. Blue highlight indicates sharply rising growth.

Other charts of interest

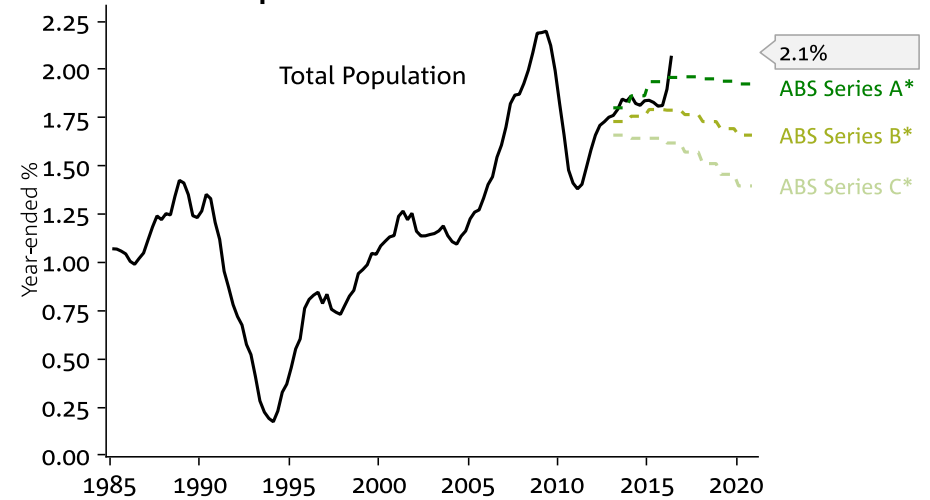
State population trends – NSW and Vic outperforming official forecasts, QLD and WA well below

Population Growth Forecasts - NSW



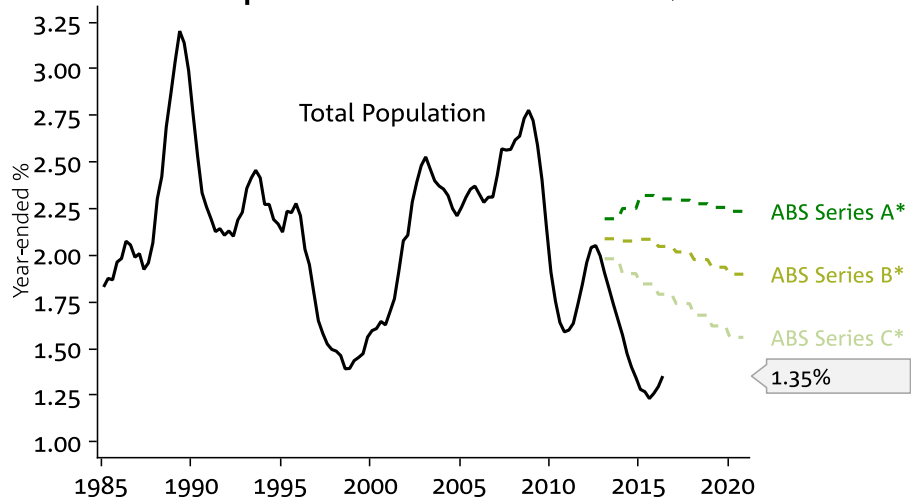
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - VIC



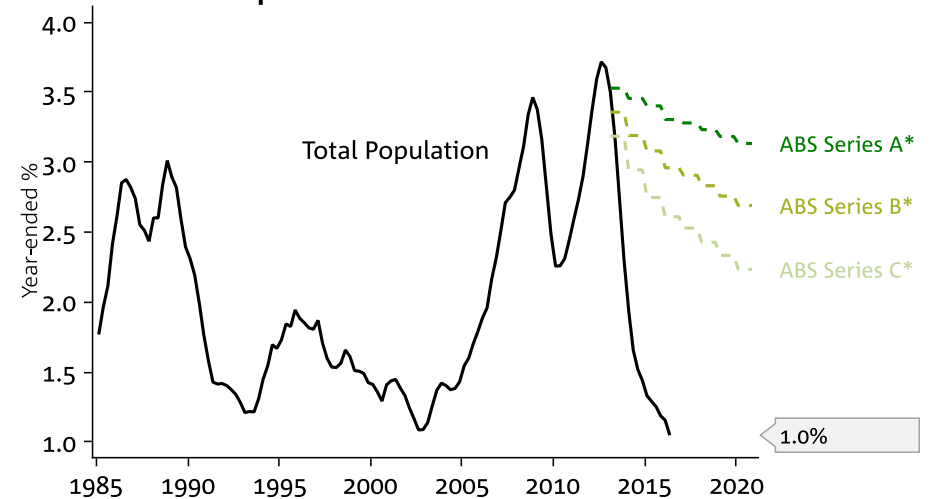
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - QLD



* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - WA

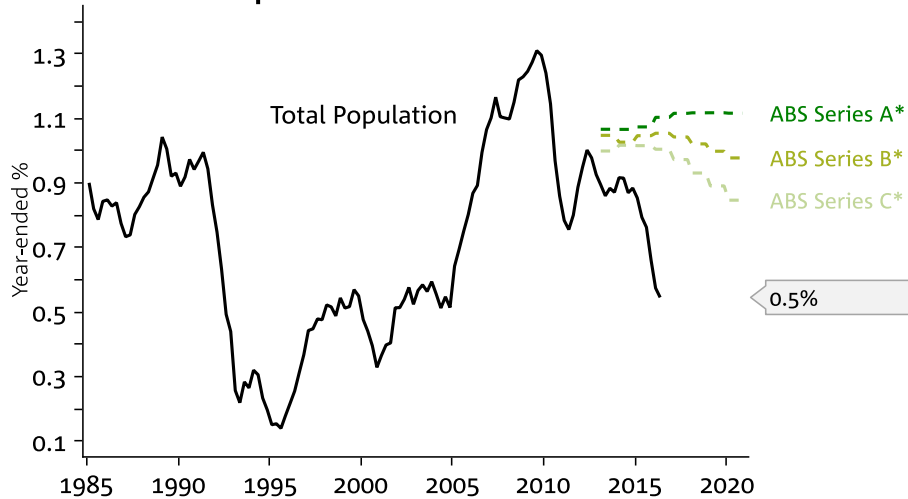


* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS



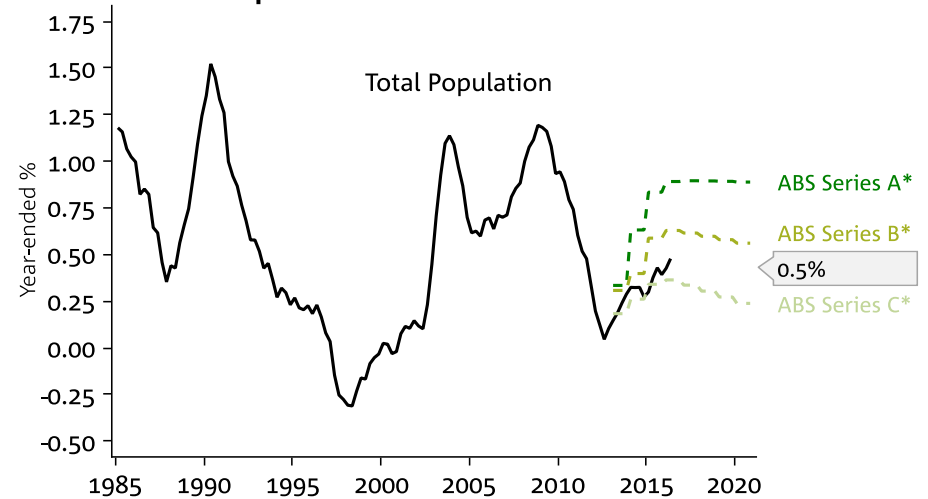
State population trends – most smaller states undershooting prior forecasts

Population Growth Forecasts - SA



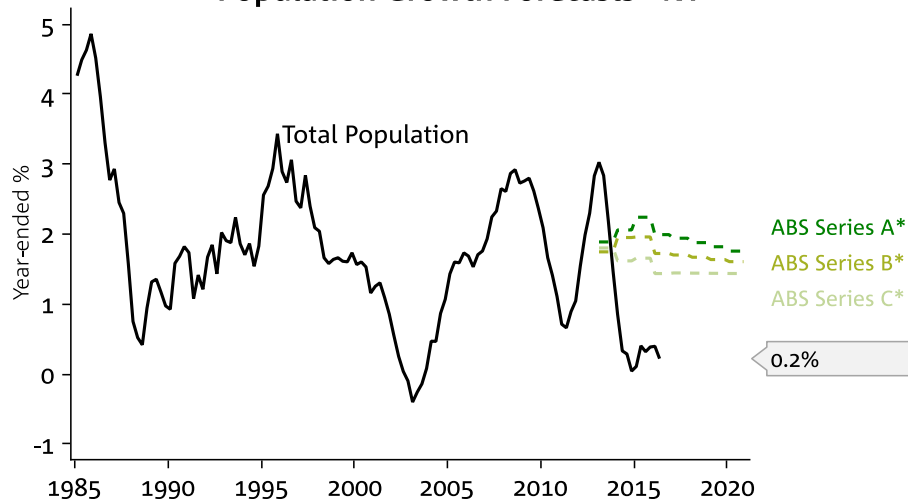
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - TAS



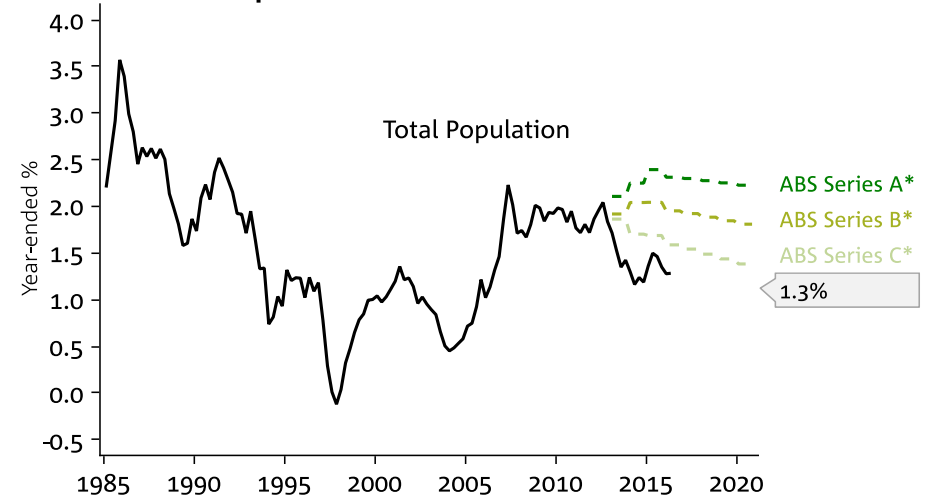
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - NT



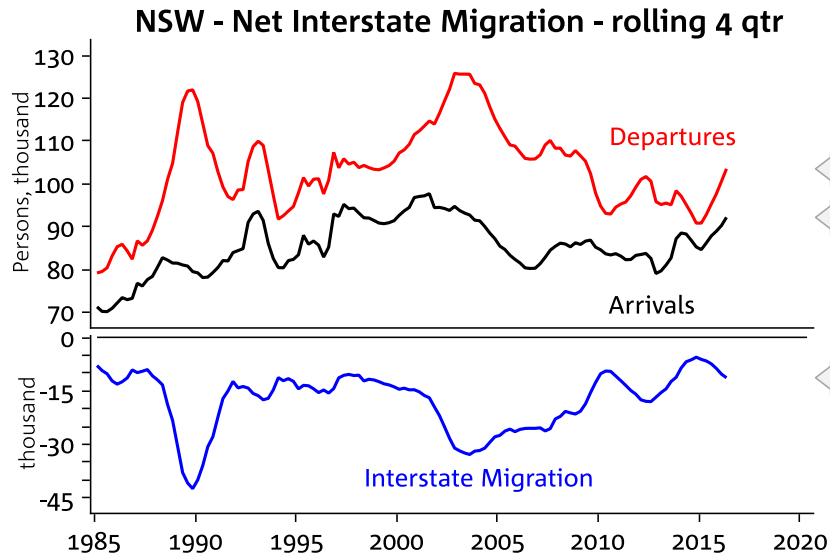
* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

Population Growth Forecasts - ACT

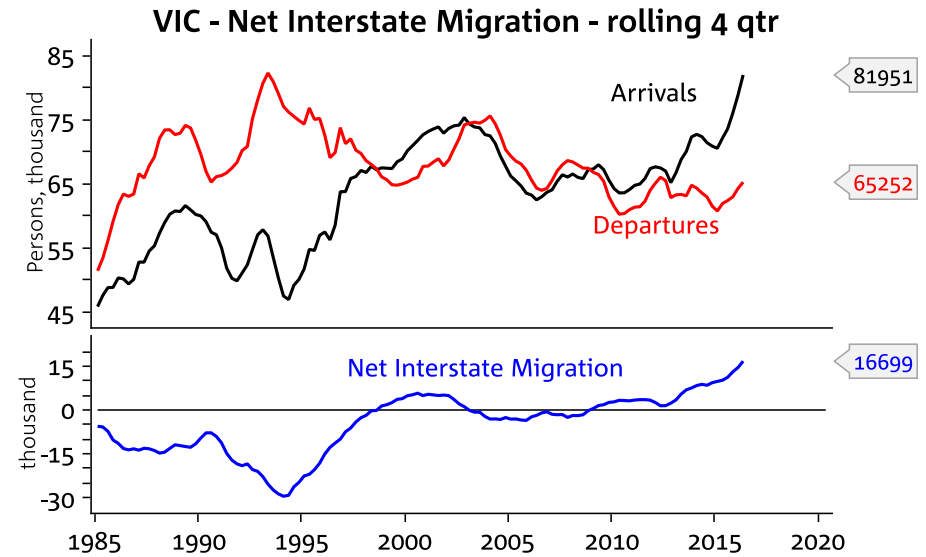


* ABS Forecasts were released in November 2013
Source: National Australia Bank, ABS

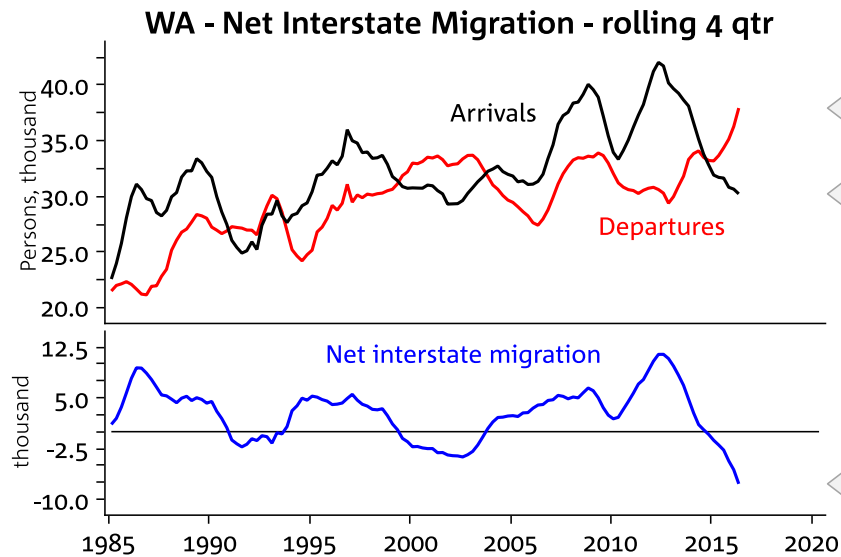
State population trends – components of net interstate migration. Interstate migration to Vic picking up driven by a substantial increase in Arrivals.



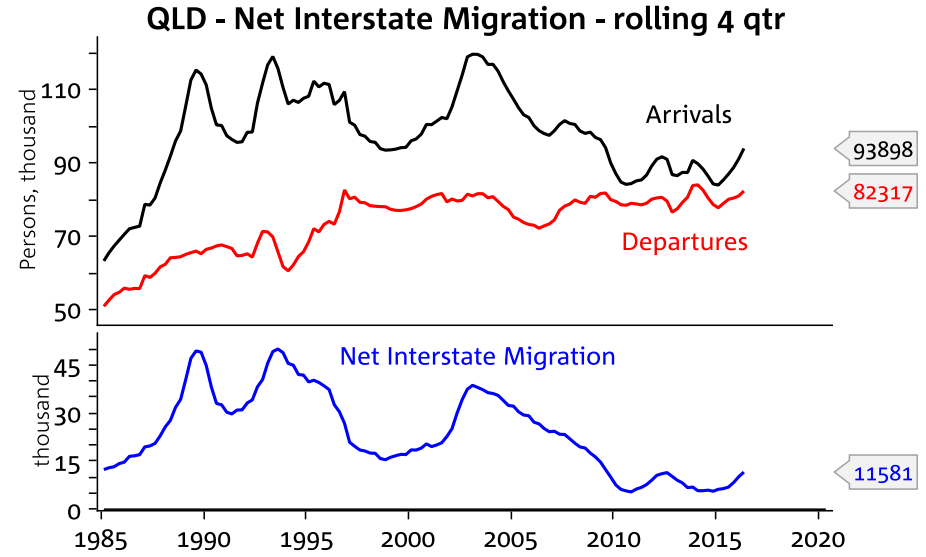
Source: National Australia Bank, ABS



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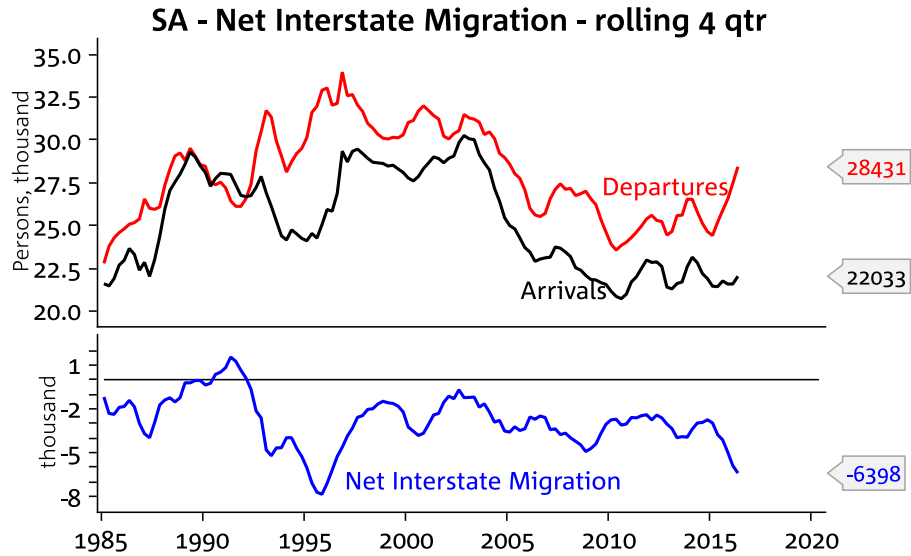
Source: National Australia Bank, ABS



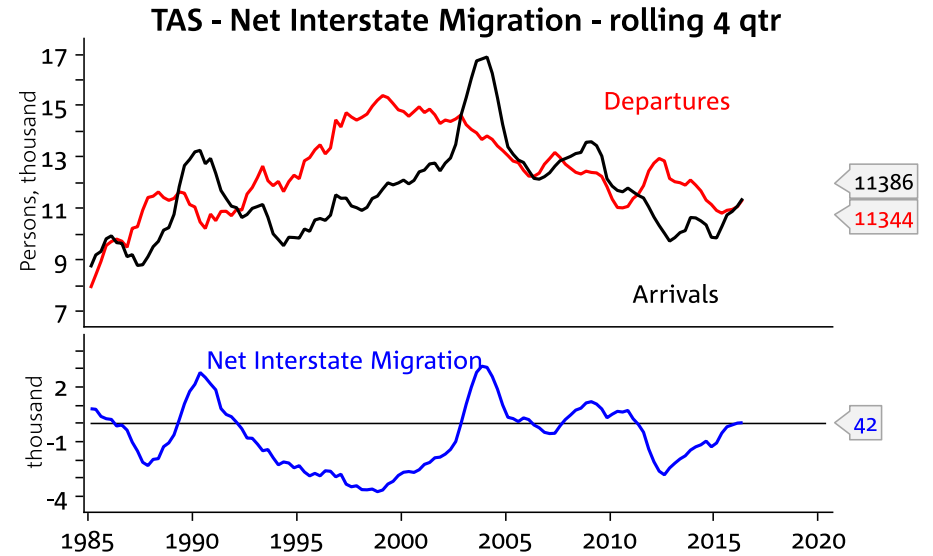
Source: National Australia Bank, ABS



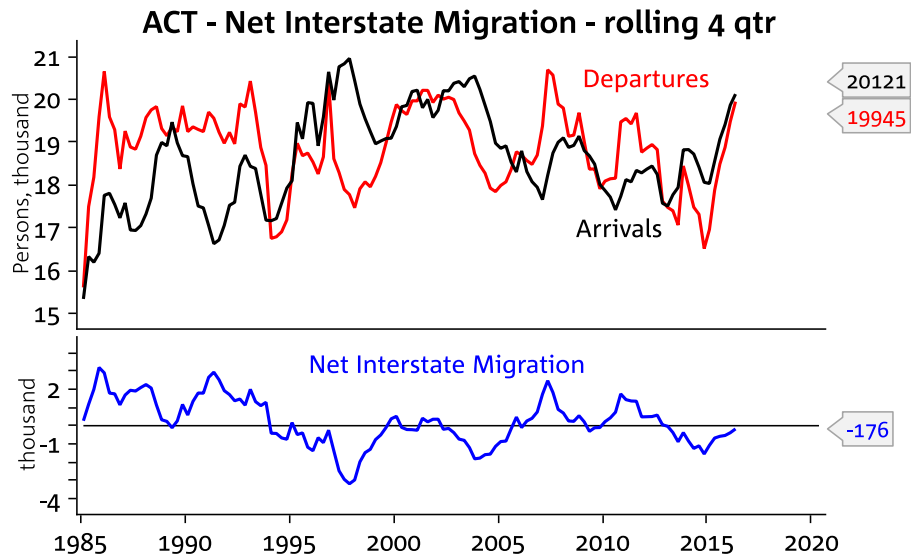
State population trends – components of net interstate migration



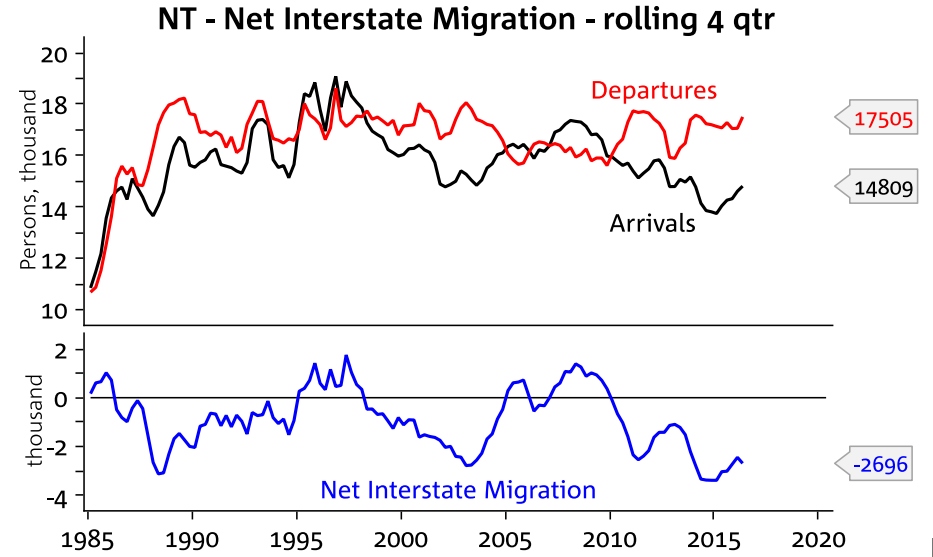
Source: National Australia Bank, ABS



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