

## Australia's population future?

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The Australian Bureau of Statistics (ABS) released national population projections earlier this week. The data looks at the projected growth in the national population from 2012 through to 2101 and the data provides a fascinating insight into the potential future of Australia over the coming years and decades.

The projections look at three different scenarios which can be read about [here](#). For the purposes of this blog post we are utilising 'Series B' or the medium level projections. Based on this series, Australia's population was estimated to be 22,721,995 persons in 2012, by 2101 the population is projected to be 136% higher at 53,564,333 persons. Under this scenario we would see the national population from 2012 having doubled by 2071. Keep in mind Australia was first settled by Europeans in 1788 so it took 224 years to get to the 2012 population and it projected to double in just 59 years.

Projections are also provided at a state and capital city level from 2012 through to 2061, at which time the national population is projected to be 41,513,375.

### State-by-state population statistics and projections

State	2012	% of national	2061	% of national	Avg annual growth
NSW	7,305,882	32.2%	11,475,527	27.6%	0.9%
Vic	5,630,855	24.8%	10,305,516	24.8%	1.2%
Qld	4,568,414	20.1%	9,259,341	22.3%	1.5%
SA	1,656,454	7.3%	2,308,149	5.6%	0.7%
WA	2,434,738	10.7%	6,402,253	15.4%	2.0%
Tas	512,199	2.3%	565,710	1.4%	0.2%
NT	235,233	1.0%	453,024	1.1%	1.3%
ACT	375,076	1.7%	740,903	1.8%	1.4%

Source: ABS, RP Data

The above table details the estimated population as at June 2012 and the percentage of the national population across each state and compares it to the same projected data for 2061 as well as showing the average annual growth rate over the period. At a state level, the proportion of the national population is projected to fall in New South Wales, South Australia, Tasmania and Northern Territory. The proportion is projected to remain static in Victoria and rise across Queensland, Western Australia and the Australian Capital Territory. Western Australia (2.0%), Queensland (1.5%) and the Australian Capital Territory (1.4%) are projected to record the greatest average annual rate of population growth while Tasmania (0.2%), South Australia (0.7%) and New South Wales (0.9%) are projected to record the lowest growth rate.

Of course these are just population projections and are no way set in stone however, it does seem inevitable that the population of the country will expand substantially (even based on the low series of assumptions) over time. The big question remains where and how will we house all of these additional citizens? Based on the data provided in the release it seems that a significant majority of the population will continue to live within our capital cities.

### Capital city-by-capital city population statistics and projections

Capital city	2012	% of state	2061	% of state	Avg annual growth
Sydney	4,672,619	64.0%	8,493,740	74.0%	1.2%
Melbourne	4,248,344	75.4%	8,580,556	83.3%	1.4%
Brisbane	2,192,065	48.0%	4,787,996	51.7%	1.6%
Adelaide	1,278,432	77.2%	1,920,727	83.2%	0.8%
Perth	1,899,999	78.0%	5,451,406	85.1%	2.2%
Hobart	216,981	42.4%	270,655	47.8%	0.5%
Darwin	131,938	56.1%	225,873	49.9%	1.1%
Canberra*	375,076	na	740,903	1.8%	1.4%
<b>Combined capitals</b>	<b>15,015,454</b>	<b>66.1%</b>	<b>30,471,856</b>	<b>73.4%</b>	<b>1.5%</b>

Source: ABS, RP Data

The above table details the estimated population as at June 2012 and the percentage of each state's population across each capital city and compares it to the same projected data for 2061 as well as showing the average annual growth rate over the period.

There are quite a few interesting points to take from these long-term projections. Firstly, by 2061 Sydney will no longer be the nation's most populous city and Brisbane will no longer be the nation's third most populous city. Melbourne will overtake Sydney as the most populous city in 2053 and Perth will overtake Brisbane as the third most populous city in 2028.

The proportion of Australian's living within a capital city is already quite high at 66.1% however, this is projected to increase to 73.4% by 2061. Think about that, out of a projected population of 41.5 million, almost three out of every four Australians will live in a capital city. If we focus on the four most populous capital cities, 57.3% of Australians currently live in Sydney, Melbourne, Brisbane or Perth. Based on the population projections, by 2061 65.8% of the total national population will live in Sydney, Melbourne, Brisbane and Perth.

Should this scenario actually come to fruition it will create significant challenges for each of these cities. Obviously housing is a challenge which immediately comes to mind, how and where these people can be housed and what it would mean for property values. Over time the capital city areas do expand however, for a city such as Sydney that is surrounded by water and national parks the scope to expand is quite limited. No wonder the inner city areas are undergoing such rapid densification. Elsewhere you can continue to grow the urban sprawl but there must be a consideration around how people travel around the city and commute to their jobs. Transport infrastructure is typically already insufficient, without appropriate investment levels how much worse would it be by 2061? Of course, for some, purchasing a home in a capital city is already out of reach; how do Governments ensure that

a greater number and proportion of capital city residents doesn't just lead to further escalation of property values?

Of course these figures are in no way set in stone however, it does appear that the country's population will continue to grow which will pose myriad challenges. In my opinion the greatest concern is the projection of a greater centralisation of the population to our capital cities and more pointedly the four most populous cities. As mentioned, in each of these cities there are already affordability barriers for certain home buyer cohorts and investment in transport infrastructure has not been sufficient. In my opinion we should be looking to a decentralisation of the population rather than encouraging more and more people to the capital city. Not only do regional markets tend to have lower house values, in many instances they offer a superior lifestyle than that which is available within our major capital cities. The biggest challenge of course is employment in regional areas however, with the advent of high speed internet and major infrastructure projects such as the National Broadband Network (NBN) we will hopefully see the nature of work change with more telecommuting taking place and less focus on physically being located within an office. Alternatively, many businesses do not necessarily need to be located within a major capital city. Perhaps Governments could incentivise major businesses to locate their headquarters or major offices outside of Sydney, Melbourne, Brisbane or Perth.

Let me know what you think is this the population future you want and how should our population look by 2061?