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# LOW OVERSEAS MIGRATION: A QUICK GUIDE TO THE POTENTIAL IMPACTS ON LOCAL POPULATIONS

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*This quick guide explores the potential uneven impacts across geographic regions of the fall in overseas migration*

# Low overseas migration during COVID-19

## Background

Australia's international border restrictions have led to a sharp fall in overseas migration. For the first time since World War II, net overseas migration (NOM) was negative, with more people leaving Australia than arriving.

Historically, overseas migration to Australia has been a key driver of population growth. The net outflow of people due to COVID-19 is the primary cause of population growth slowing during 2019-20, 2020-21 and 2021-22. This effect is likely to be uneven across geographic regions, especially in the short-term.

## Scope of this quick guide

This quick guide explores the uneven contribution overseas migration has made to past population growth in Australian capital cities and rest-of-state areas. This helps to understand where the current slowing in overseas migration will have the greatest impact. The quick guide also presents

analysis of the 2019-20 Australian Bureau of Statistics' (ABS) Regional Population data release. This release includes information about the population impact on different locations in the early stages of the pandemic. The data for 2020-21 is expected to be released in late March 2022 and will allow for further analysis of the geographical impacts of the fall in overseas migration.

**Net overseas migration is expected to fall sharply due to COVID-19**

**97,000 net outflow in 2020-21**

## Key findings

- Reduced levels of overseas migration are expected to have a greater population impact in capital cities than in rest-of-state areas.
- Sydney, Melbourne and Adelaide could expect the greatest slowing of population growth due to the fall in overseas migration.
- Within capital cities, inner and middle ring suburbs are likely to experience the greatest slowing of population growth, with outer ring suburbs and rest-of-state areas likely to be less affected.

## Broader impacts and future work

Migrants bring a range of characteristics which contribute to the Australian population and economy. These include being, on average, younger than Australia's population which helps to offset challenges associated with Australia's ageing population. Migrants also possess skills and qualifications that contribute to our economy. The sharp fall in overseas migration, and the role this plays in slowing population growth, is expected to have broad and long-lasting impacts on the Australian population and economy. These impacts have been detailed in the [2021 Intergenerational Report](#) and will continue to be explored by the Centre for Population.

This quick guide also complements the Centre for Population [research series](#) that has been investigating the impact of COVID-19 on interstate migration, and migration between Australian capital cities and regions.

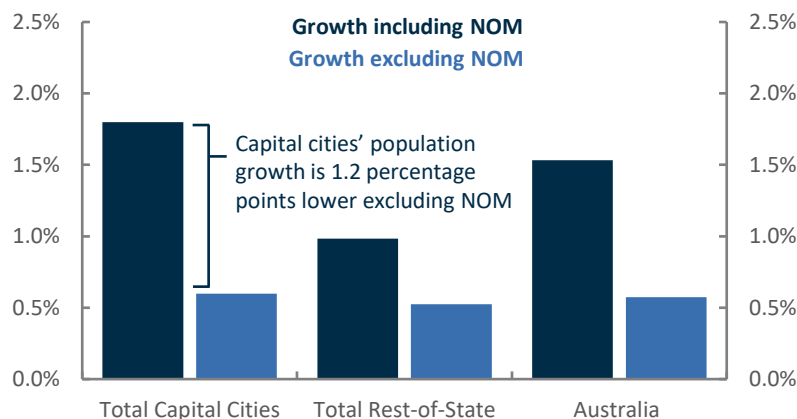
# Low overseas migration: capital cities & rest-of-states

*In 2018-19, more than 80 per cent of net overseas migration went to capital cities*

The full impacts of COVID-19 are not yet captured in detailed geographic population data. To get an early idea of these impacts, the Centre for Population has analysed the direct contribution overseas migration made to population growth in 2018-19. This helps to illustrate the potential loss of NOM that could occur across different parts of Australia due to COVID-19. However, it is important to note that there are also indirect contributions that overseas migration makes to population growth, including through natural increase (i.e. births minus deaths) and internal migration.

Reduced levels of overseas migration are expected to have a greater impact in capital cities than in rest-of-state areas. In 2018-19, more than 80 per cent of Australia's NOM went to capital cities. Total population growth within capital cities was 1.8 per cent compared to 1.0 per cent outside capital cities (Figure 1). Excluding NOM, the population growth rate would have been 0.6 per cent in the cities and 0.5 per cent in the rest-of-state areas.

**Figure 1: Population growth with and without NOM, 2018-19**

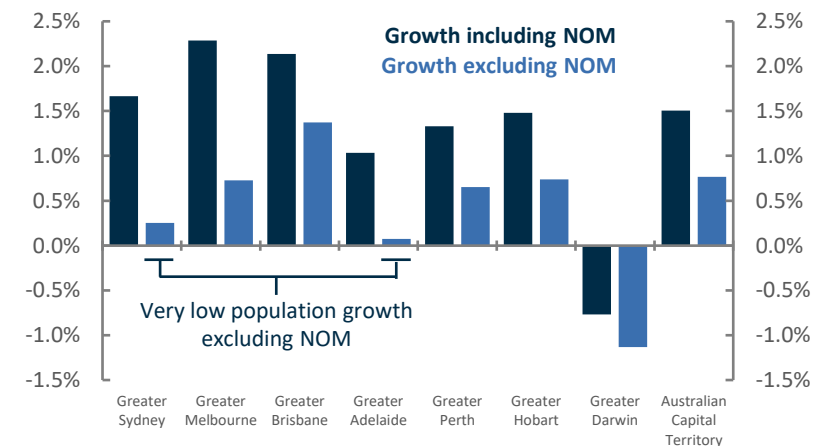


Source: ABS, *Regional Population, 2018-19*; Treasury analysis.

Sydney has historically received the greatest numbers of overseas migrants and would have experienced very little population growth excluding NOM in 2018-19 (0.3 per cent, Figure 2). Adelaide has also been very reliant on overseas migrants to offset residents moving to other Australian states and territories and would have experienced a sharp fall in population growth without NOM.

Melbourne's population growth would also have been significantly lower without NOM. However, it would not have been as low as Sydney's or Adelaide's, due to the role internal migration has had in supporting Melbourne's population growth in recent years. Even after excluding NOM, Brisbane would have still experienced relatively high population growth (1.4 per cent) as it historically relies less on overseas migration for population growth.

**Figure 2: Population growth by capital city with and without NOM, 2018-19**



Source: ABS, *Regional Population, 2018-19*; Treasury analysis.

*In 2018-19, the inner and middle rings of Australia's five largest capital cities would have seen no growth on average in the absence of net overseas migration*

## Low overseas migration: within capital cities

Looking at population growth within Australia's five largest capital cities, the inner and middle ring suburbs would be most impacted by a fall in overseas migration. These areas have historically attracted international students and migrants seeking proximity to a wide range of work opportunities and are also the location of many existing migrant communities.

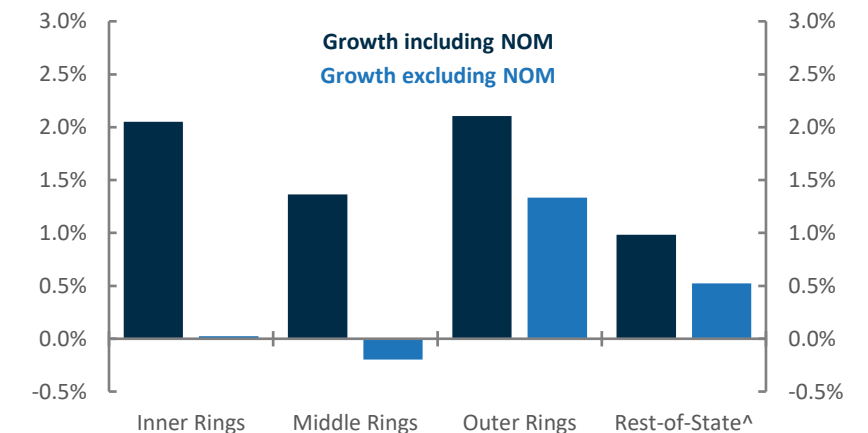
Inner rings have seen high population growth (2.1 per cent in 2018-19) largely due to NOM. Without NOM in 2018-19, the inner rings of Australia's five largest capital cities would, on average, have seen no population growth (Figure 3). The Melbourne and Sydney inner rings would have been the most affected.

Population growth in middle rings has also been supported by NOM. Without NOM in 2018-19, the population of these middle rings would, on average, have contracted slightly (-0.2 per cent). However, the detailed city maps for Sydney and Melbourne on Page 4 demonstrate that even within inner and middle rings the level of NOM varies significantly, indicating that the very low NOM during COVID-19 will weigh on population growth to different extents.

In contrast, population growth in outer rings and rest-of-state areas is much less reliant on overseas migration. While population growth for the outer rings of the five largest capital cities and all of Australia's rest-of-state areas would have been lower without NOM in 2018-19, this fall would have been significantly less than that seen in the inner and middle rings of the five largest capital cities.

These geographical differences mean that some areas are likely to see greater impacts from low NOM as a result of COVID-19. In capital cities, slower population growth in high migration areas could reduce demand for infrastructure and change requirements for the planning and delivery of services. In areas that generally depend on migrant workers, low NOM could contribute to localised labour shortages particularly in regional areas where accessing labour from nearby areas may be more difficult.

**Figure 3: Population growth of the five largest capital cities by city rings, and all rest-of-state areas, with and without NOM, 2018-19**

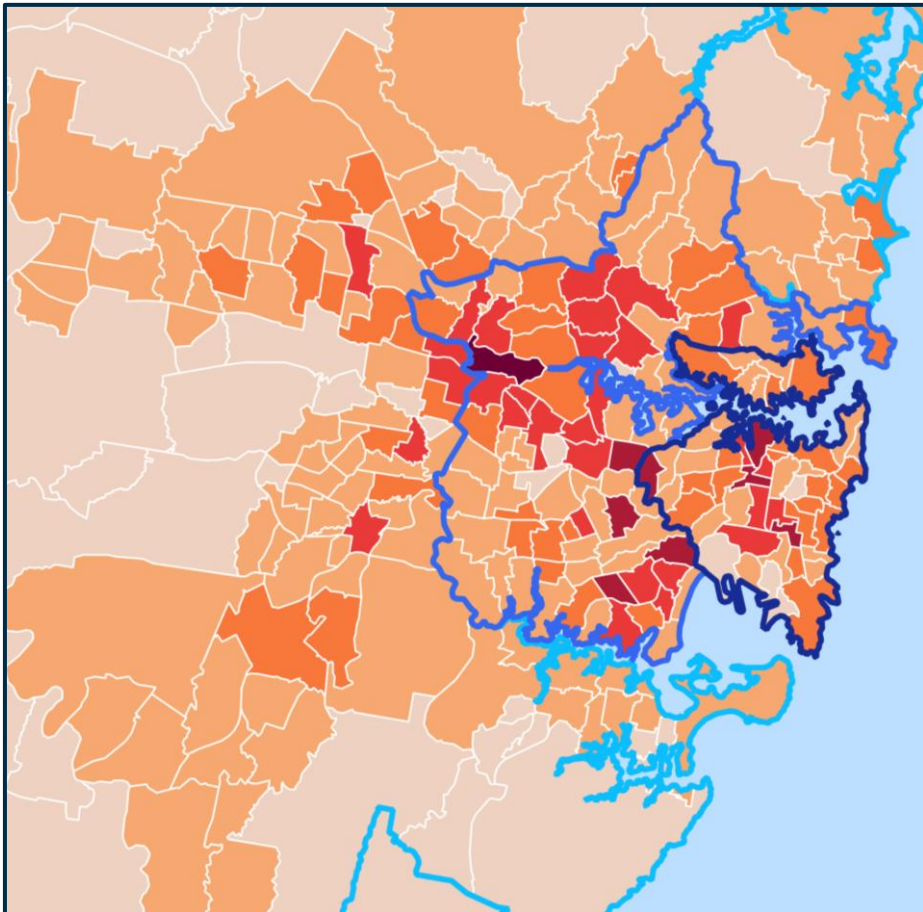


Source: ABS, *Regional Population, 2018-19*; Treasury analysis.

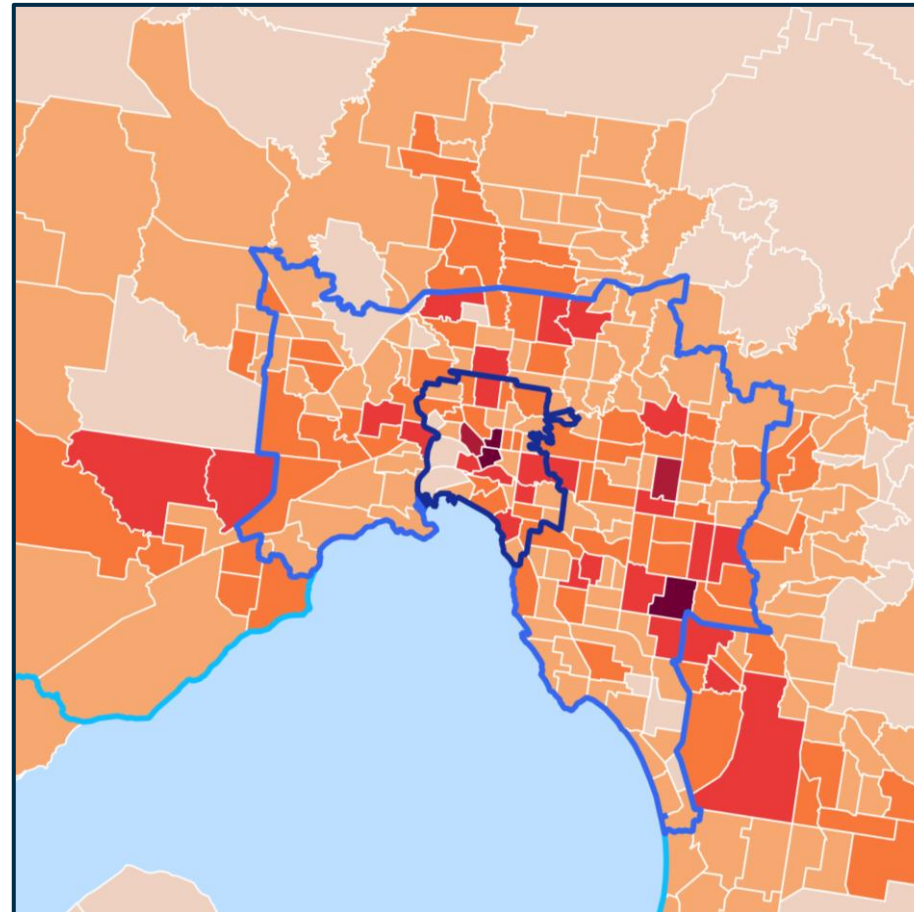
Note: Australia's five largest capital cities include Sydney, Melbourne, Brisbane, Perth and Adelaide. City rings classification as defined by the Bureau of Infrastructure and Transport Research Economics (BITRE). ^ Rest-of-state areas are based on ABS geographical classifications that are not directly comparable to the BITRE city region classifications.

# Overseas migration: Sydney and Melbourne

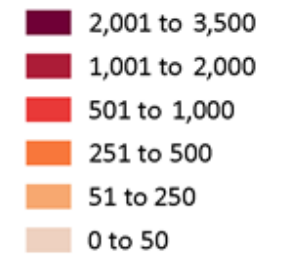
Map 1: NOM, Sydney, 2018-19



Map 2: NOM, Melbourne, 2018-19



## NOM (people)



## City ring classification



Source: ABS, *Regional Population, 2018-19*; Treasury analysis.

Note: City area classification as defined by the BITRE. It is based on the Statistical Areas Level 2 (SA2) classification, using 2016 geographies.

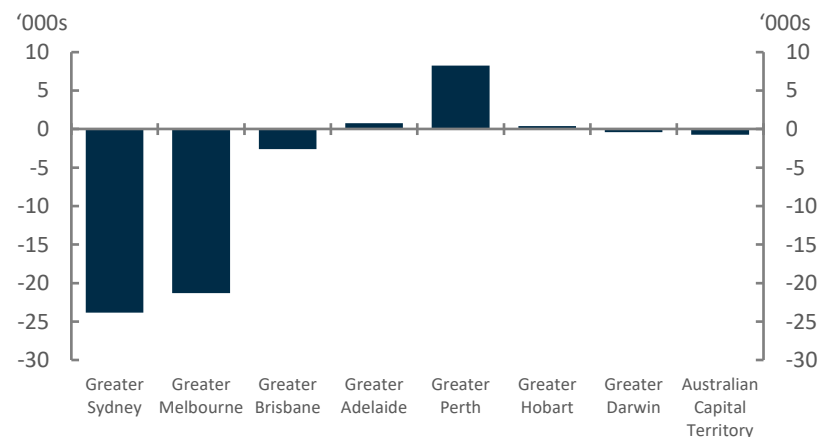
*During 2019-20, net overseas migration fell by 19 per cent*

# Early effects of COVID-19 on population growth

The 2019-20 Regional Population data from the ABS capture the first three months of the COVID-19 international border restrictions. In these data there are signs of the early effects of low NOM on population growth in capital cities and rest-of-state areas.

During 2019-20, NOM fell by 19 per cent to 194,411, with much of that fall occurring in the last three months of 2019-20. Greater Sydney and Greater Melbourne experienced the bulk of this fall (Figure 4). Greater Perth saw an increase in NOM, which over the first nine months of 2019-20 was driven by higher arrivals of Australian citizens and visitors (who likely subsequently transitioned to other visas), and over the last three months of 2019-20 was driven by lower departures of these cohorts.

**Figure 4: Changes in NOM in capital cities, 2018-19 to 2019-20**

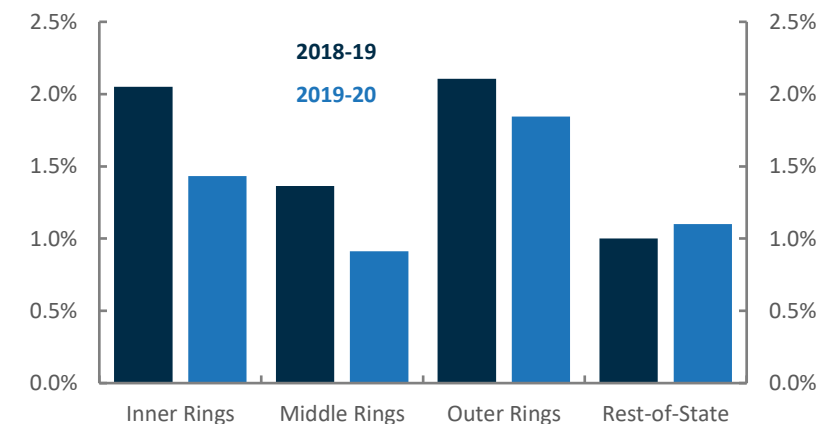


Source: ABS, *Regional Population, 2019-20*; Treasury analysis.  
 Note: The data in the ABS's *Regional Population* can differ from the data in other ABS publications, due to annual sub-state population data changes over time (from preliminary to revised to final) as new component data becomes available.

Within the largest capital cities, the patterns of slowing growth across the inner, middle and outer rings was consistent with the expected impacts of lower NOM. In the inner and middle rings population growth slowed by around a third, while the impact in the outer rings was much smaller (Figure 5). Population growth in rest-of-state areas increased slightly, as increased net internal migration offset decreases in NOM and natural increase in rest-of-state areas during this period.

Given the importance of overseas migration in driving changes in Australia's population, addressing skills and labour shortages, and helping to offset Australia's ageing population, the Centre for Population will continue to monitor and report on these topics.

**Figure 5: Population growth of the five largest capital cities by city rings, and all rest-of-state areas, 2018-19 and 2019-20**



Source: ABS, *Regional Population, 2019-20*; Treasury analysis.  
 Note: The data in the ABS's *Regional Population* can differ from the data in other ABS publications, due to annual sub-state population data changes over time (from preliminary to revised to final) as new component data becomes available.



# More information on migration

## The Centre for Population

Population change affects every aspect of Australians' lives. It is important to understand how Australia's population is changing and the implications of these changes. The Centre for Population strives to understand and communicate the nuances of population change.

The latest data, research and analysis on overseas migration can be found at [www.population.gov.au](http://www.population.gov.au).

## Relevant Centre for Population and ABS links

- [Interactive population dashboards](#) – The Centre for Population's interactive data dashboard series shows how the population has been changing, including at the local government area and SA2 levels.
- [National, state and territory population](#) – ABS statistics about the population and components of change (births, deaths, migration) for Australia and its states and territories.
- [Regional population](#) – ABS statistics about the population and components of change for Australia's capital cities and regions.



**Population Statement 2021**  
(to be released late 2021)



**Anticipating the impact of COVID-19 on internal migration**



**Why do people move?**  
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[www.population.gov.au](http://www.population.gov.au)

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