



Australian Government
Centre for Population

2023 POPULATION STATEMENT

CENTRE FOR POPULATION

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ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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FROM THE TREASURER



The Hon Dr Jim Chalmers MP

Treasurer

The Albanese Government's economic plan is all about ensuring Australians are beneficiaries not victims of the shifts shaping our economy.

An important part of this is understanding the big trends and transitions in our population. This is vital to building an inclusive and dynamic labour force, laying the foundations for growth and ensuring governments can deliver policies and services that benefit communities right across Australia.

The 2023 Population Statement provides evidence and analysis which helps us prepare for the changes and challenges ahead. It examines how the different components of population growth interact, and tells us how the population is expected to grow over the next decade – at the national, state, capital city and regional levels. The Statement also provides a picture of how the composition of the population is expected to change and age over time.

Following the COVID-19 pandemic, recent growth in population growth has been driven by higher levels of migration after the re-opening of international borders. Net overseas migration is expected to decline back to around pre-pandemic levels over the next couple of years. Over the medium term, population ageing continues to be a significant economic and fiscal challenge for Australia.

The Albanese Government has a significant policy agenda that responds to these trends in our population, to help improve living standards and build a stronger, more sustainable and more inclusive economy.

Consistent with our recently released Migration Strategy, the Government is acting to ensure we have a carefully calibrated migration system that works in our national economic interest. We are working to improve the liveability and sustainability of our cities, suburbs and regions including through historic investments to boost housing supply, our efforts to improve the infrastructure pipeline to ensure it is delivering value for money, and our significant investments in Medicare and essential services.

The Government will draw on the 2023 Population Statement to inform future policy work so we can continue to build a better future for Australia.

A handwritten signature in black ink, appearing to read 'J. Chalmers', written in a cursive style.



Natalie Horvat

Executive Director

Centre for Population

Understanding Australia’s changing population allows the private sector and all levels of government to deliver services and design policies that meet community needs.

The Centre for Population has been building the evidence base on population trends and informing public discussion since 2019. It does this in a collaborative way, working with state and territory governments, as well as academics and other population experts. In the past year, the Centre has contributed to the 2023 Intergenerational Report and published papers on the drivers of internal migration, future fertility, and pathways from temporary visas to permanent residency.

The 2023 Population Statement is the fourth edition of the Centre’s flagship annual publication. It provides insights on how the population has changed and projects future population changes over the next decade. This year’s edition explores Australia’s population recovery following the COVID-19 pandemic.

The Population Statement has 3 parts. Part 1 explores the national population and the Centre’s projections. This includes a detailed look at the drivers of population change – overseas migration, fertility and mortality. Part 2 delves into state, territory, capital city and rest-of-state projections, including the role of internal migration. Finally, Part 3 details the assumptions behind the projections in this Statement and compares the Centre’s projections to other projections and actual outcomes.

For the first time, this edition also explores the diversity of our people, including summary statistics for First Nations Australians and country of birth. Other new features include additional 2021 Census data insights and comparisons to the Australian Bureau of Statistics’ population projections.

Disruptions to data and population trends due to the COVID-19 pandemic continue to make it difficult to confidently project future population growth. While the Centre has used its best judgement in preparing these projections, uncertainty about the future and substantial but unavoidable lags in net overseas migration data make revisions likely going forward.

A handwritten signature in black ink that reads "N. Horvat". The signature is written in a cursive, flowing style.

KEY POINTS

Annual population growth is forecast to increase from 1.3 per cent in 2021–22 to 2.4 per cent in 2022–23 and 1.9 per cent in 2023–24. Growth is then projected to gradually ease, reaching 1.2 per cent by 2033–34.

Australia's estimated resident population is expected to grow from 26.0 million on 30 June 2022 to 30.9 million by 30 June 2034.

Ageing will continue to present a demographic challenge for Australia, with the median age projected to increase from 38.5 years in 2021–22 to 39.8 years by 2033–34.

Net overseas migration is still expected to be 185,000 lower over the period 2019–20 to 2022–23 than was forecast in the 2019–20 MYEFO. This is due to the COVID-19 pandemic, but is recovering with net overseas migration forecast to be 510,000 people in 2022–23 and to return to pre-pandemic levels by 2024–25. Policy directions identified in the Migration Strategy are expected to reduce net overseas migration, and get migration working to deliver a prosperous and secure Australia.

Fertility rates have been slowly declining over the past 60 years and this trend is expected to continue. The total fertility rate is projected to decline from 1.66 babies per woman in 2022–23 to 1.62 babies by 2030–31. In recent decades, Australian women are having children later in life and having fewer children, which has led to smaller families.

As COVID-19 infection rates increased from the beginning of 2022, deaths from COVID-19 and other causes rose. In 2023, deaths remain elevated primarily reflecting COVID-19 still impacting older Australians, although at a lower level than in 2022. Although uncertainty about the medium and long term effects of COVID-19 on mortality rates remain, mortality is not expected to return to its pre-pandemic trend until 2026–27.

The COVID-19 pandemic is expected to result in a short term impact on life expectancy between 2021–22 and 2025–26. While Australia has the third highest life expectancy in the world, some people experience significantly lower life expectancies than the national average. Life expectancy for Aboriginal and Torres Strait Islander people is over 8 years lower than for the non-Indigenous population.

States and territories are projected to return to well-established population growth patterns experienced pre-pandemic. Capital cities and regional areas are likewise projected to return to familiar patterns of population growth in the coming years and return to their long-run population trends by 2025–26.

Melbourne is projected to overtake Sydney as Australia's largest city in 2031–32. Brisbane's population is projected to overtake the population of the rest of Queensland in 2027–28. Most capital cities, except for Hobart and Adelaide, are expected to grow faster than the national average because capital cities tend to experience higher levels of net overseas migration than rest-of-state areas.

Adelaide and all rest-of-state areas are expected to grow more slowly than the rest of the country. This is due to factors such as their older age profiles and relatively lower rates of migration.

1. NATIONAL POPULATION

1.1 OVERVIEW

Australia's population grew by 1.3 per cent in 2021–22 to reach 26.0 million people on 30 June 2022. With high net overseas migration following the COVID-19 pandemic, Australia's population is expected to have grown by 2.4 per cent in 2022–23 to be around 26.6 million on 30 June 2023 (Table 1).

Net overseas migration is forecast to contribute 81 per cent of the population growth in 2022–23 but is forecast to decline over time (Section 1.2). The growth in 2022–23 primarily reflects a catch-up of migration lost over the pandemic. Over the 8 years from the onset of the pandemic in 2019–20 to the end of the forecasts in 2026–27, net overseas migration is forecast to average 240,000 persons per year, in line with the 241,000 in 2018–19, prior to the pandemic. Net overseas migration is forecast to return to pre-pandemic levels from 2024–25, as pandemic-related factors wane and policy directions identified in the Migration Strategy take effect. Policy decisions taken in MYEFO 2023–24, including those from the Migration Strategy, are expected to reduce net overseas migration by 180,000 over the 4 years to 2026–27 through both fewer arrivals and more departures.

Annual population growth is expected to slow to 1.9 per cent in 2023–24. Population growth is then expected to slow further to 1.4 per cent in 2024–25 and 1.2 per cent by 2033–34 (Table 1). The main driver of the forecast slowing population growth is a decline in annual net overseas migration from a forecast of 510,000 in 2022–23, associated with the catch-up from the pandemic, to 235,000 by 2026–27, which is around the pre-pandemic level. A declining total fertility rate, from 1.66 babies per woman in 2022–23 to 1.62 by 2030–31, will also slow growth in the population (Section 1.3). Increased deaths due to the COVID-19 pandemic and other causes will also slow population growth through to 2025–26 (Section 1.4). This will lead to natural increase (births minus deaths) falling more than usual in the short term before returning to the pre-pandemic trend in 2026–27 (Chart 2).

Australia's population is expected to reach 29.8 million by 2030–31 and 30.9 million by 2033–34 and, in the longer term, 40.6 million by 2062–63. For 2030–31, the expected population is 0.1 million (0.4 per cent) above what was projected in the 2023–24 Budget (29.7 million), but 0.6 million people (2.1 per cent) below what was projected prior to the onset of the pandemic in the 2019–20 MYEFO.¹ Australia's ageing population presents a significant long term demographic challenge, as discussed in Chapter 2 of the 2023 Intergenerational Report. The median age of the population is expected to increase by 1.4 years between 2022–23 and 2033–34 reflecting long-running trends of declining fertility and increasing life expectancies (Table 1). As new migrants to Australia tend to be relatively young, the recent catch up in net overseas migration will moderate population ageing in the short term.

The Australian population is diverse. The proportion of the Australian population born overseas was 29.5 per cent in 2022, with those born in England, India, China and New Zealand the largest overseas-born groups.² The First Nations population was 3.8 per cent of the total Australian population at 30 June 2021, with 984,000 Aboriginal and Torres Strait Islander people.³ One-third of Aboriginal and Torres Strait Islander people were aged under 15 years, 15.2 per cent higher than the proportion of non-Indigenous people in the same age group.

1 The analysis focuses on 2030–31, as this was the final year of the projection period in the final set of pre-pandemic projections (2019–20 MYEFO).

2 ABS, Australia's Population by Country of Birth, 2022.

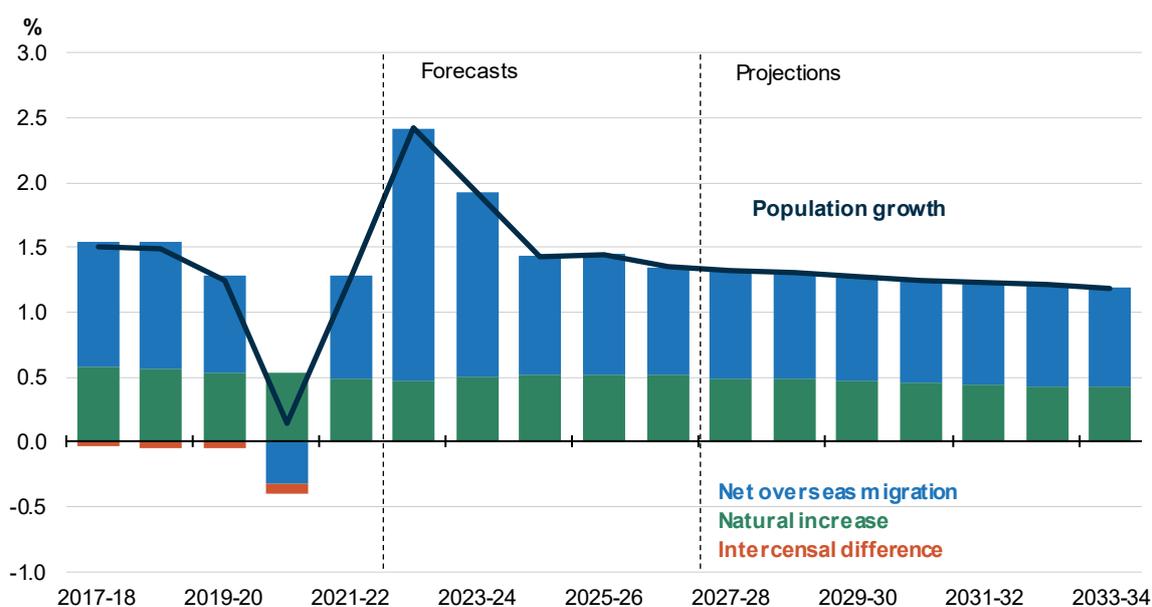
3 ABS, Estimates of Aboriginal and Torres Strait Islander Australians, 2021.

Table 1. POPULATION OUTCOMES AND PROJECTIONS, AUSTRALIA

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population at 30 June (millions)	26.0	26.6	27.2	27.5	27.9	30.9
Population growth (per cent)	1.3	2.4	1.9	1.4	1.4	1.2
Population growth (thousands)	328	629	510	388	399	362
Natural increase (thousands)	125	122	133	140	142	127
<i>Births</i>	309	310	318	322	325	345
<i>Deaths</i>	183	189	184	182	182	218
Net overseas migration (thousands)	202	510	375	250	255	235
<i>Overseas arrivals</i>	426	725	660	580	590	575
<i>Overseas departures</i>	224	215	285	335	330	340
Median age (years)	38.5	38.4	38.4	38.6	38.7	39.8

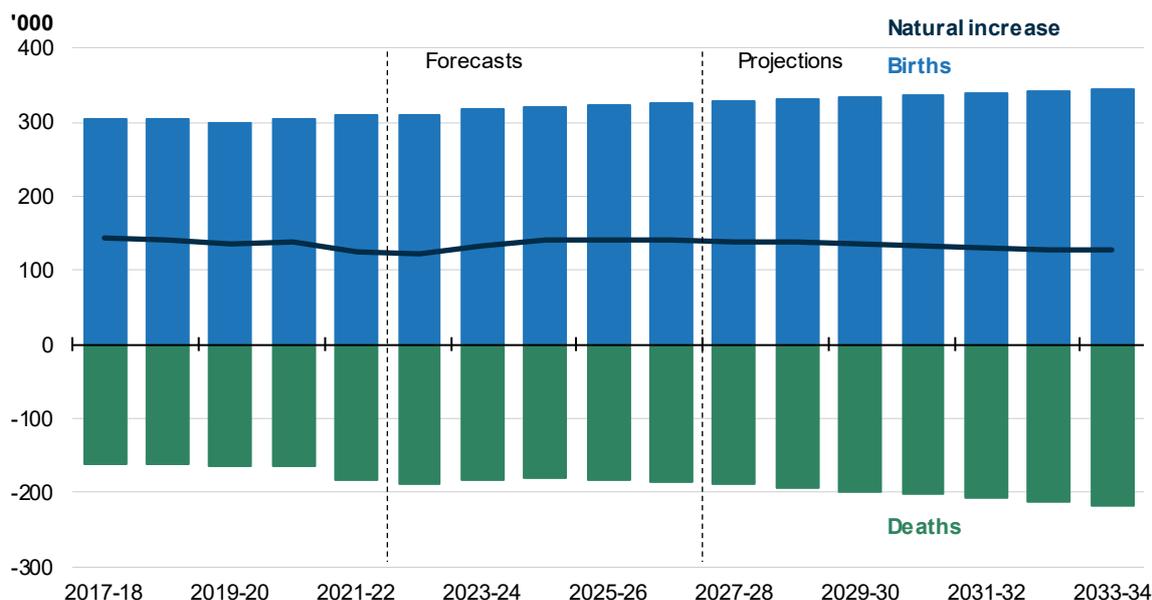
Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Chart 1. POPULATION GROWTH AND COMPONENTS, AUSTRALIA



Note: Intercensal difference refers to the difference between the estimated resident population after incorporating the results of the 2021 Census and previously published estimates.

Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Chart 2. NATURAL INCREASE AND COMPONENTS, AUSTRALIA

Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

1.2 NET OVERSEAS MIGRATION

OVERVIEW

Net overseas migration has continued to recover from record low levels observed during the COVID-19 pandemic, primarily driven by a recovery in international students and other temporary migrants like working holiday makers (Chart 3). While net overseas migration is forecast to have reached 510,000 in 2022-23, it is still expected to be 185,000 lower over the period 2019-20 to 2022-23 than was forecast in the MYEFO 2019-20. Much of the higher net overseas migration reflects a catchup of low, and at times negative, migration over the pandemic, as well as a surge in global demand for international study and a strong domestic labour market. Over the 8 years from the onset of the pandemic in 2019-20 to the end of the forecasts in 2026-27, net overseas migration is forecast to average 240,000 persons per year, in line with 238,000 in 2017-18 and 241,000 in 2018-19.

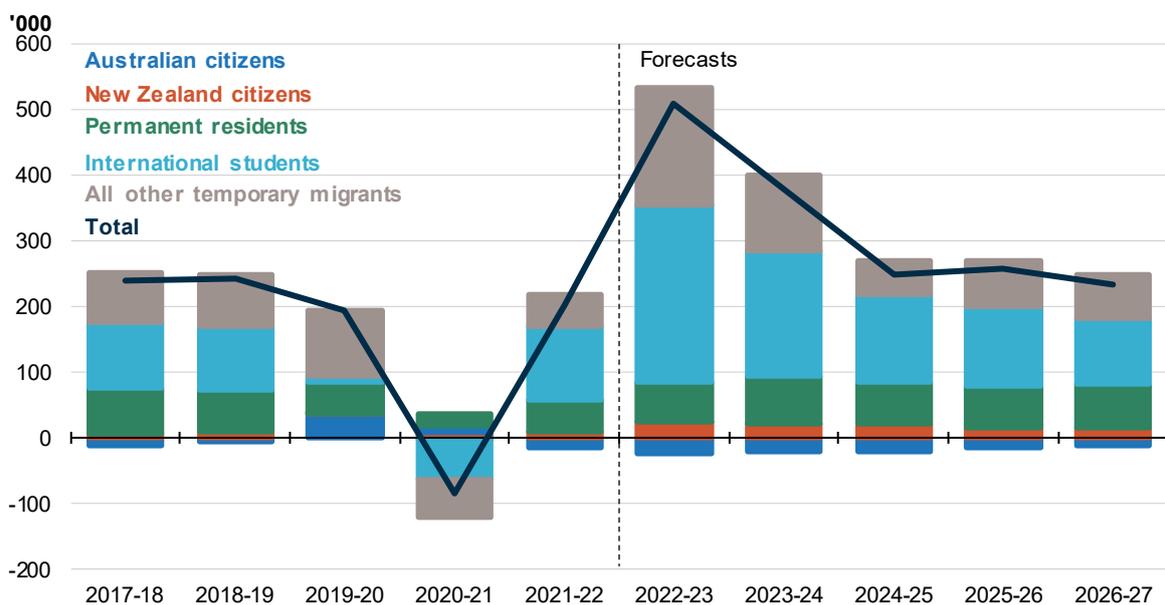
Net overseas migration is forecast to return to pre-pandemic levels from 2024-25, as pandemic-related factors wane and policy directions identified in the Migration Strategy take effect. Policy decisions taken in MYEFO 2023-24, including those from the Migration Strategy, are expected to reduce net overseas migration by 180,000 over the 4 years to 2026-27 through both fewer arrivals and more departures. These actions include closing COVID-19 concessions such as the Pandemic Event visa, improving the integrity of the international education sector by limiting onshore applications for student visas, and better targeting temporary skilled migration by indexing the Temporary Skilled Migration Income Threshold.

Table 2. NET OVERSEAS MIGRATION FORECASTS BY VISA GROUP

	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27
Australian citizens	-15,000	-25,000	-20,000	-20,000	-15,000	-15,000
New Zealand citizens	9,000	25,000	20,000	20,000	15,000	15,000
Permanent residents	47,000	60,000	75,000	65,000	65,000	65,000
International students	115,000	270,000	190,000	130,000	120,000	100,000
All other temporary migrants	47,000	180,000	115,000	50,000	70,000	65,000
Total	202,000	510,000	375,000	250,000	255,000	235,000

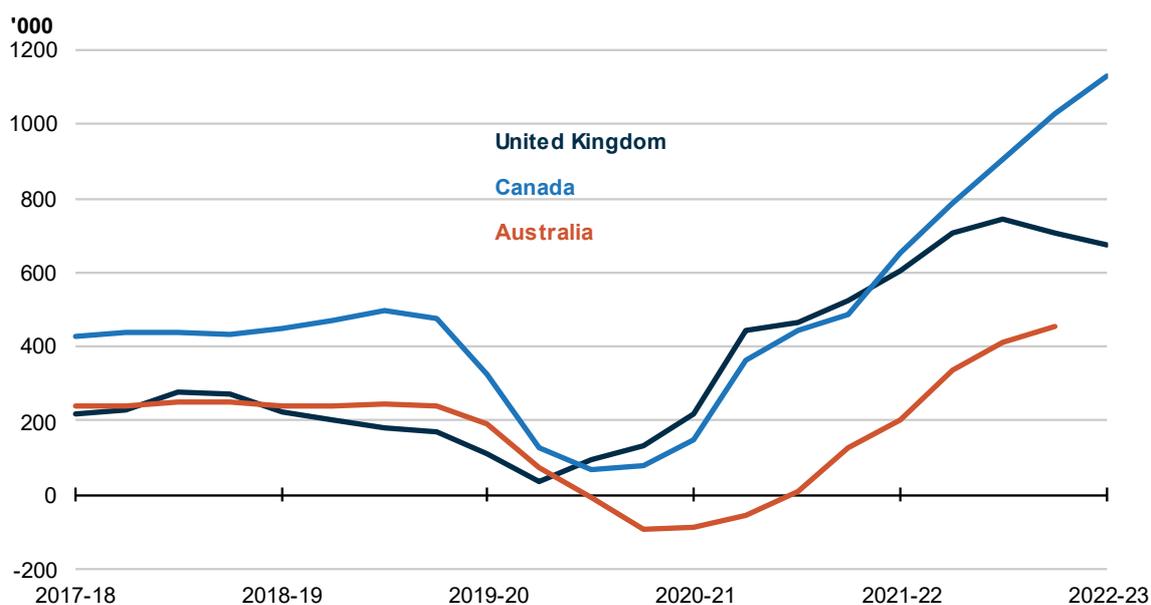
Source: ABS, customised data consultancy and Centre for Population projections.

Chart 3. NET OVERSEAS MIGRATION FORECASTS BY VISA GROUP



Source: ABS, customised data consultancy and Centre for Population projections.

The migration rebound following the pandemic has not been unique to Australia. For the United Kingdom and Canada, net international migration is more than double 2019 levels (Chart 4). Like Australia, these increases were primarily driven by non-permanent residents, especially international students and temporary workers. Unlike Australia, the United Kingdom has also experienced a significant increase in humanitarian migrants, especially from Ukraine, while policy changes in Canada have contributed to a significant increase in permanent visa holders.

Chart 4. NET INTERNATIONAL MIGRATION, YEAR-ENDING, SELECTED COUNTRIES

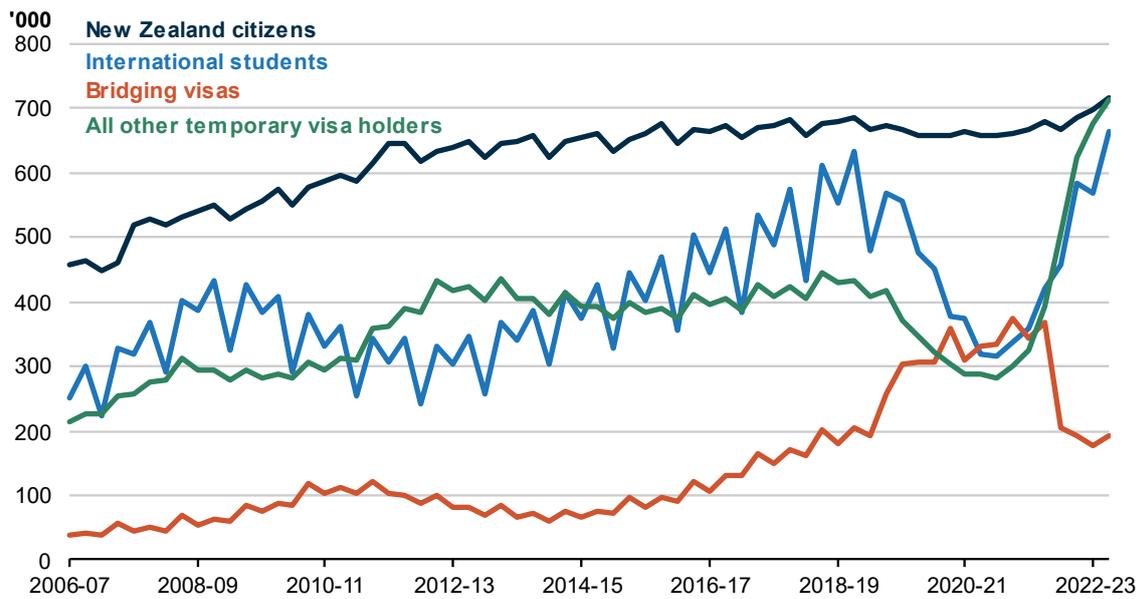
Source: ABS, United Kingdom Office for National Statistics and Statistics Canada.

TEMPORARY MIGRANTS

The most significant increase in temporary migration since late 2021 has been in international students.⁴ International students comprise around 30 per cent of temporary visa holders in Australia, the second largest component behind New Zealand citizens. In addition to being one of the largest categories, international students were, proportionally, the second-most affected by the pandemic behind working holiday makers. The number of international students in Australia fell from a peak of 634,000 on 30 September 2019 to a low of 316,000 on 31 December 2021 (Chart 5). Not all these students left Australia, however, as many were granted bridging visas during the pandemic, resulting in them instead being counted as part of that visa group. Net overseas migration by students fell from a peak of 107,000 over the year to March 2019 to a net outflow of 62,000 over the year to March 2021.

⁴ International students also consist of secondary visa holders, generally family members of those completing their studies.

Chart 5. NUMBER OF TEMPORARY VISA HOLDERS IN AUSTRALIA, BY CATEGORY



Note: Excludes people on Visitor, Crew and Transit visas.

Source: Department of Home Affairs, Temporary visa holders in Australia, September 2023.

An easing of border restrictions in late 2021, which coincided with the peak time of year for student arrivals, saw new student migrant arrivals to Australia rise steeply. The increase was compounded by arrivals of existing students who had previously been granted a student visa but had been unable to enter Australia while border restrictions were in place. This process looks to have been largely completed by the end of the March 2023 quarter, as students from China arrived in Australia after being informed their course accreditation would no longer be recognised if gained through online study.

With more student arrivals and fewer student departures, net overseas migration from students rose to 249,000 over the year to March 2023. Over 2022–23, 370,000 student visas were granted to individuals outside Australia, recovering from a low of just 67,000 over the year to February 2021 and 48 per cent above the pre-pandemic peak of 249,000 over the year to April 2019.

Net overseas migration by all other temporary visa holders (that is, excluding students) fell significantly from 79,000 pre-pandemic (over the year to June 2019) to –59,000 during the pandemic (over the year to June 2021).⁵ All other temporary migration has recovered beyond pre-pandemic levels reaching 163,000 over the year to March 2023. The strong recovery has been most pronounced in working holiday makers, visitors, and skilled temporary migrants.

PERMANENT MIGRANTS, NEW ZEALAND AND AUSTRALIAN CITIZENS

Permanent migration is expected to remain broadly stable (Table 2). Typically, permanent visas are granted to temporary visa holders already onshore, who have previously been counted as a migrant.

Net migration by New Zealand citizens fell from 8,000 over the year to June 2019 to –2,000 over the year to June 2021. As with other categories of migration, net overseas migration from New Zealand citizens is recovering and is forecast to peak in 2022–23 at 25,000 persons, before falling over the forward estimates. Net overseas migration by New Zealand citizens is also expected to be supported by the new direct pathway to

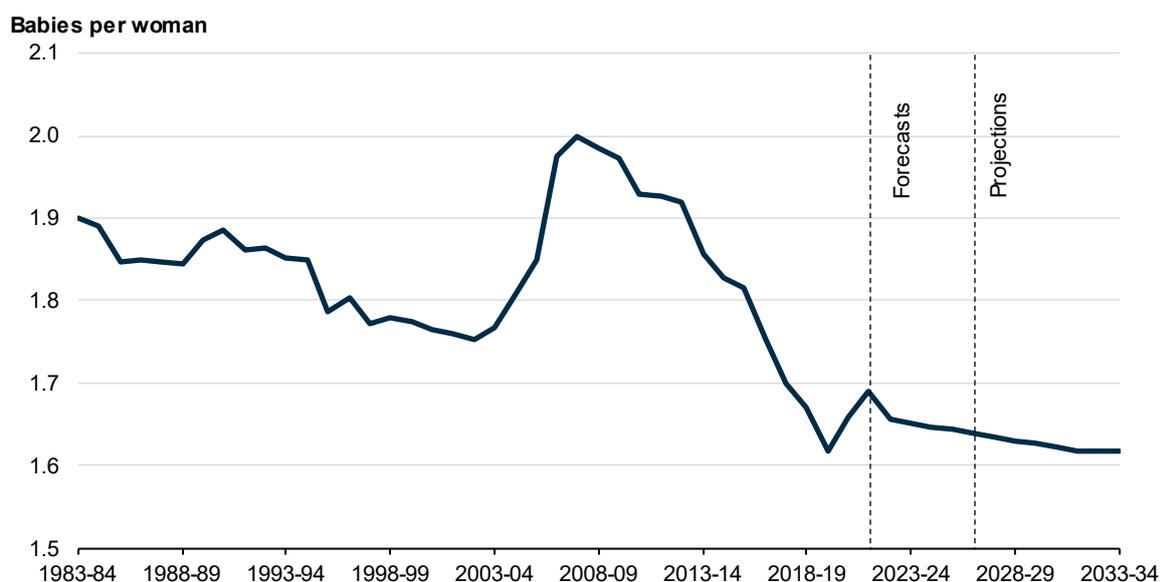
5 Including skilled temporary migrants, visitor visa holders, working holiday makers, other temporary visa holders such as temporary graduates and unclassified visa holders.

Australian citizenship for New Zealand citizens. Net migration by Australian citizens is returning to long term trends after the easing of border restrictions. Typically, more Australian citizens emigrate than immigrate: over a long enough time, arrivals will naturally be lower than departures because some departing Australian citizens never return. This temporarily reversed during the pandemic, with more arrivals than departures of Australian citizens. With the relaxation of border restrictions from late 2021, this has begun to unwind, in a process analogous to the catch-up in temporary migration, but in reverse. Reflecting the continuation of this process, migration by Australian citizens is forecast to be lower than average over the next few years before returning to pre-pandemic trends.

1.3 BIRTHS

In 2021–22, the total fertility rate was 1.69 babies per woman, slightly higher than the rate recorded in 2020–21 (1.66). Australia’s total fertility rate is expected to gradually decline from 1.66 babies per woman in 2022–23 to 1.62 babies per woman by 2030–31, before stabilising (Chart 6). This reflects a long running trend of Australian women having children later in life and having fewer children (Box 1 provides further information). Despite this, births are forecast to increase from 310,000 in 2022–23 to 327,000 in 2026–27, and again to 345,000 by 2033–34 due to there being more potential parents as the population increases.

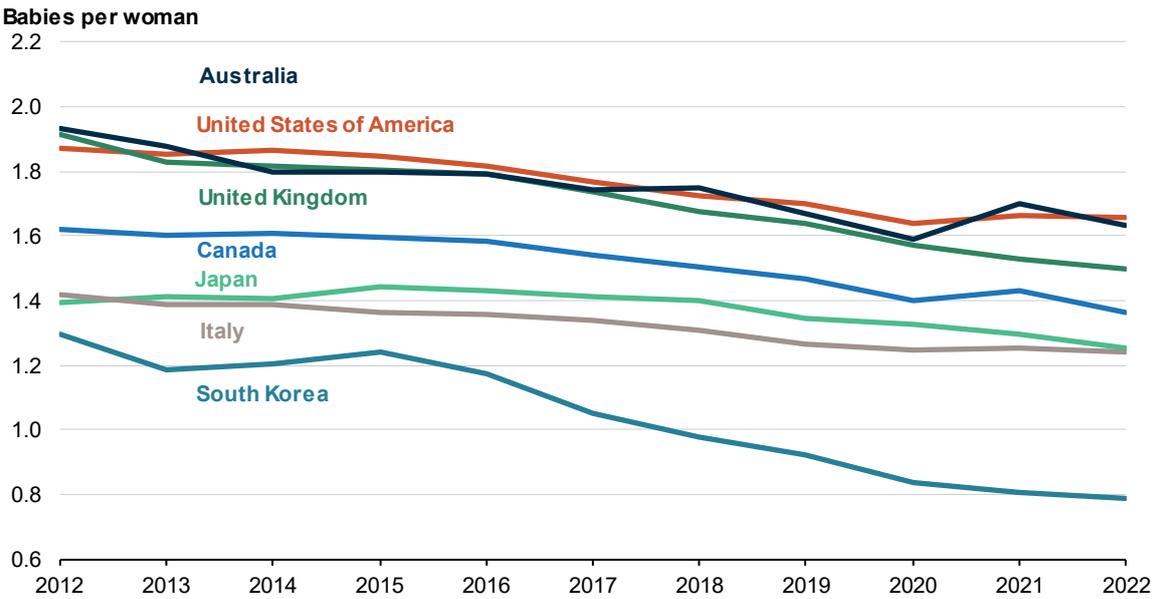
Chart 6. TOTAL FERTILITY RATE



Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

The impact of the pandemic on Australia’s fertility appears to have been relatively short-lived. There was a small drop in 2020 and subsequent rebound in births in 2021 as people quickly caught up on delayed childbearing plans, before fertility returned to the pre-pandemic trend. Comparable high-income countries, such as Canada and the United States, also experienced short term fluctuations in fertility rates before returning to long term downward trends (Chart 7).

Chart 7. TOTAL FERTILITY RATES, SELECTED COUNTRIES



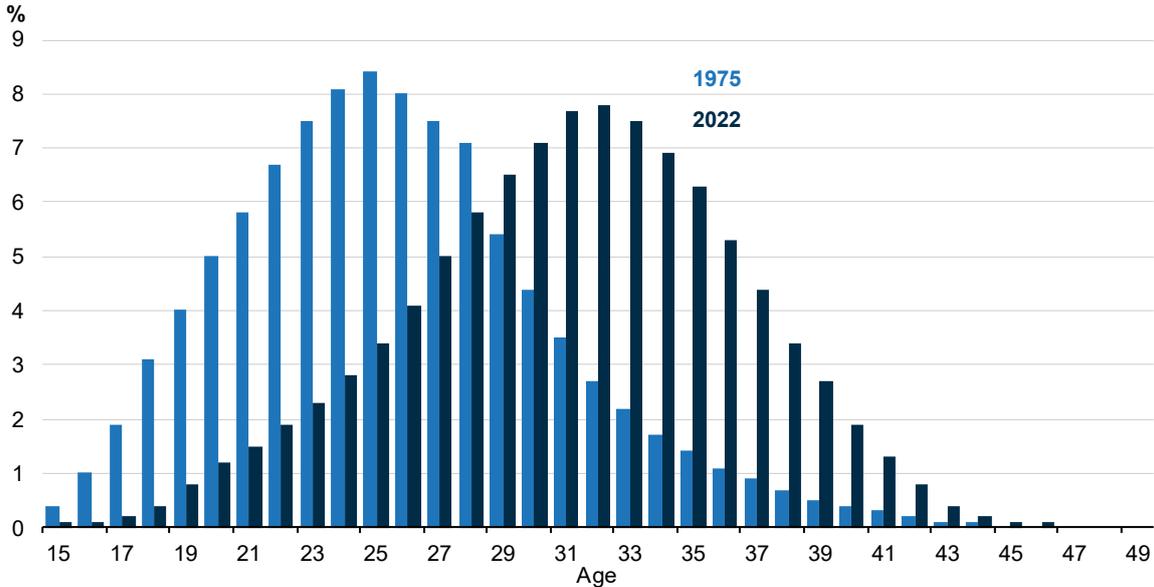
Note: Total fertility rates in this chart are presented on a calendar year basis and differ from the Centre’s projections which are on a financial year basis.
 Source: Human Fertility Database, Short Term Fertility Fluctuations 2023 and ABS, Births, Australia 2022.

Fertility varies depending on people’s background. Between 2020 and 2022, overseas-born women had lower fertility rates than Australian-born women (1.51 babies per woman compared to 1.70).⁶ However, this varies by the mother’s age. Under the age of 35 years, overseas-born women have lower age-specific fertility rates than Australian-born women, while those 35 and over have higher fertility rates. This is likely due to temporary migrants, such as international students, who have low fertility rates.⁷ The total fertility rate for Aboriginal and Torres Strait Islander women was 2.35 babies per woman in the 2022 calendar year, higher than for all Australian women (1.63) and the replacement rate (2.1).^{8,9}

In recent decades, women have been having children later in life. For births registered in the 2022 calendar year, the median age of mothers was 31.9 years, compared to 25.8 years in 1975 (Chart 8). This reflects declining fertility rates among women under 30 and rising fertility rates for women aged 30 and over. Women aged 20 to 24 have seen the largest fertility decrease, falling from 133.9 babies per 1,000 women in 1975 to 36.7 babies per 1,000 women in 2022. Women aged 35 to 39 have seen the largest increase in fertility, increasing from 26.0 to 69.3 babies per 1000 women over the same period. Women aged 30 to 34 years (who had the highest fertility rate in 2022) also had a substantial increase in fertility, increasing from 74.1 to 114.9 babies per 1000 women.

6 ABS, Births, Australia, 2022.
 7 McDonald, P., A Projection of Australia’s Future Fertility Rates, 2020.
 8 The replacement rate, or replacement level fertility, which is around 2.1 births per woman, is the level required for a generation to replace itself, assuming no net overseas migration and no mortality improvement.
 9 ABS, Births, Australia, 2022.

Chart 8. PROPORTION OF MOTHERS AGED 15 TO 49 AT BIRTH OF CHILD



Source: ABS, Births, Australia 2022.

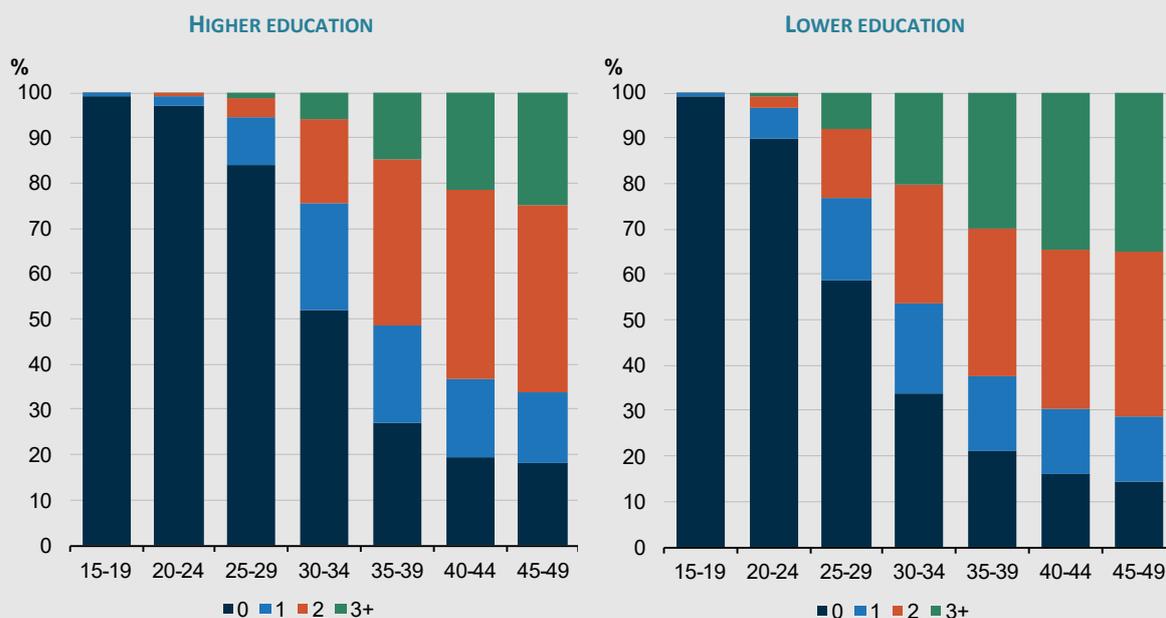
Box 1. FAMILY SIZE: INSIGHTS FROM THE ABS CENSUS 2021

Australian families have become smaller with women having fewer children. There has been a significant decrease in the proportion of women who, over their lifetime, have 3 or more children compared to 40 years ago, falling from 55 per cent in 1986 to 30 per cent in 2021.¹⁰ The number of women having one child has increased from 8 per cent in 1986 to 15 per cent in 2021. There are also more women without children over their lifetime (increasing from 9 per cent to 16 per cent).

Women with higher educational attainment are more likely to delay having children, have fewer children overall and are less likely to have children. They are more likely to postpone the timing of their first birth due to the time taken to complete education, develop careers and achieve financial security. Data from 2021 shows 84 per cent of women with higher education aged 25 to 29 years, do not have children, compared to 59 per cent of women with lower levels of educational attainment (Chart 9).¹¹ By age 34, 48 per cent of women with higher education had become mothers, reaching 73 per cent by age 39 (compared to 66 per cent and 79 per cent for people with lower education). This gap becomes smaller by the time women reach their 40s.

Compared to other occupational groups, school teachers and healthcare workers are more likely to have children, and tend to have more children.^{12 13} In contrast, university teachers are less likely to have children and have fewer children.

Chart 9. NUMBER OF CHILDREN BORN TO A WOMAN BY EDUCATIONAL ATTAINMENT BY AGE GROUP



Source: ABS, Census of Population and Housing, 2021.

10 Australian Institute of Family Studies, Births in Australia: Facts and Figures 2023 and ABS Census of Population and Housing (1986–2021).

11 Higher education refers to having tertiary-level education, which include diplomas, advanced diplomas, bachelor's degrees and above. The remainder refers to lower levels of education. For those aged 30-34 in

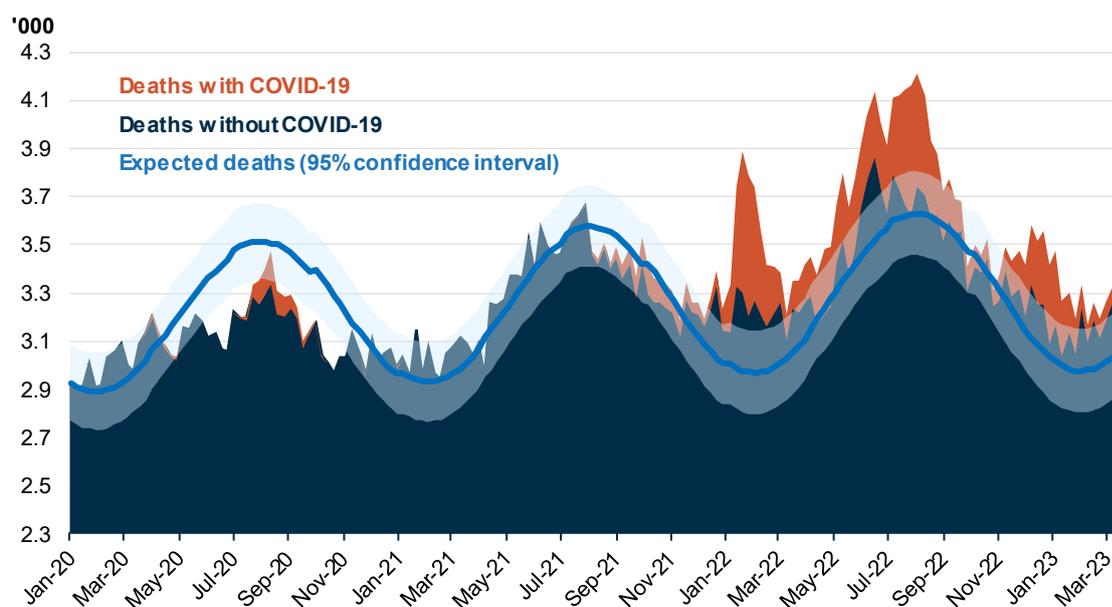
1.4 DEATHS

The COVID-19 pandemic is projected to continue to affect mortality rates in Australia over the next few years. Although deaths in 2023 have been lower than in 2022, they remain above the pre-pandemic trend, due to COVID-19 and other causes.

Excess mortality, the difference between the number of actual and expected deaths in a specific period, provides a measure of whether deaths are above their normal level. For the first quarter of 2023 (latest available data), the ABS estimates excess mortality was 9.1 per cent, equivalent to 3,300 excess deaths.¹⁴ This has moderated since a quarterly high in the same period in 2022 (16.6 per cent). On an annual basis, excess mortality peaked in 2022 (10.9 per cent or 18,600 deaths above expected), at a higher rate than in any year since at least 2013 (the start of the data series). For the previous 2 years of the pandemic, deaths were 3.1 per cent (5,200) lower than expected in 2020, and were 1.4 per cent (2,400) higher than expected in 2021.

COVID-19 has been a major factor in excess mortality in 2022 and 2023. The Omicron wave saw COVID-19 become the main contributor to excess mortality in 2022 (considering people who died from or with COVID-19), accounting for 70.7 per cent of excess deaths. While there have been fewer deaths with COVID-19 in 2023 compared to 2022, it remained a significant contributor to increased mortality in the first quarter of 2023, accounting for 46.3 per cent of excess deaths (Chart 10). Box 2 has further information on COVID-19.

Chart 10. WEEKLY DEATHS, WITH AND WITHOUT COVID-19



Source: ABS, Measuring Australia's excess mortality during the COVID-19 pandemic until the first quarter 2023.

Increased mortality has largely been driven by more deaths among older Australians. For persons aged 65 and over, deaths have been above the historical average in 2023 (although below the same period in 2022) while for those under 65, deaths are around the historical average. However, the historical average is a different

2021, around 65 per cent of Australian women had higher education. The remaining 35 percent of women were defined as having lower education.

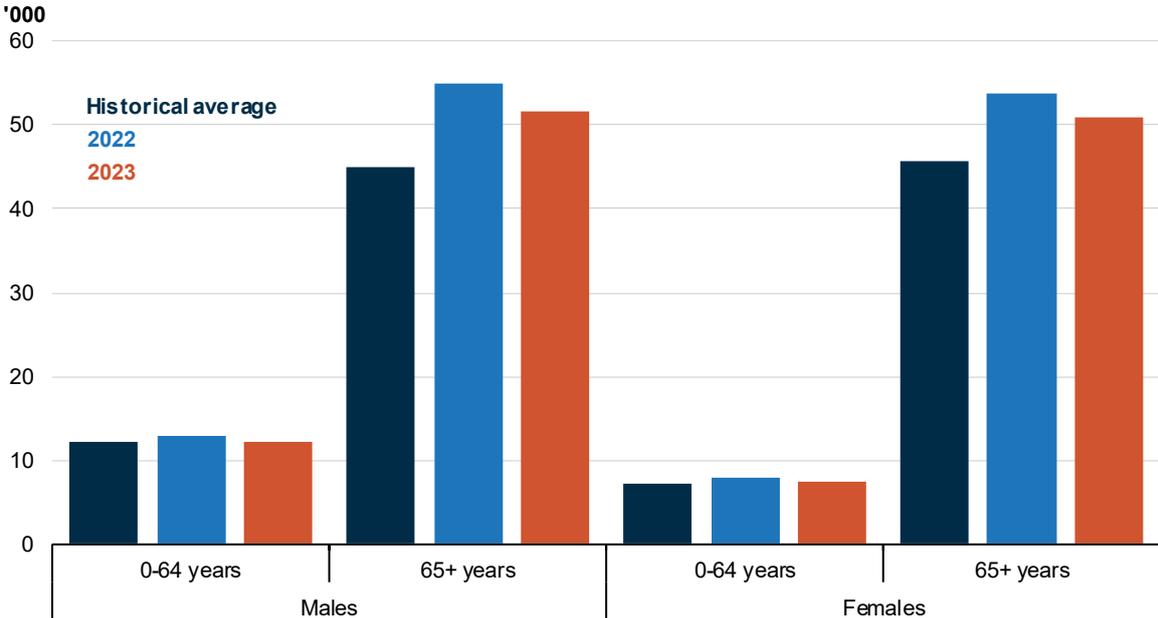
12 School teachers includes preschool, primary and secondary school teachers.

13 Health care professionals includes persons in the health care and social assistance industry.

14 ABS, Measuring Australia's excess mortality during the COVID-19 pandemic until the first quarter 2023.

measure to excess deaths and, unlike excess deaths, does not account for changes in the size and age structure of the population or expected improvements in mortality rates over time.

Chart 11. DEATHS BY AGE AND SEX, FOR THE 8 MONTHS TO AUGUST



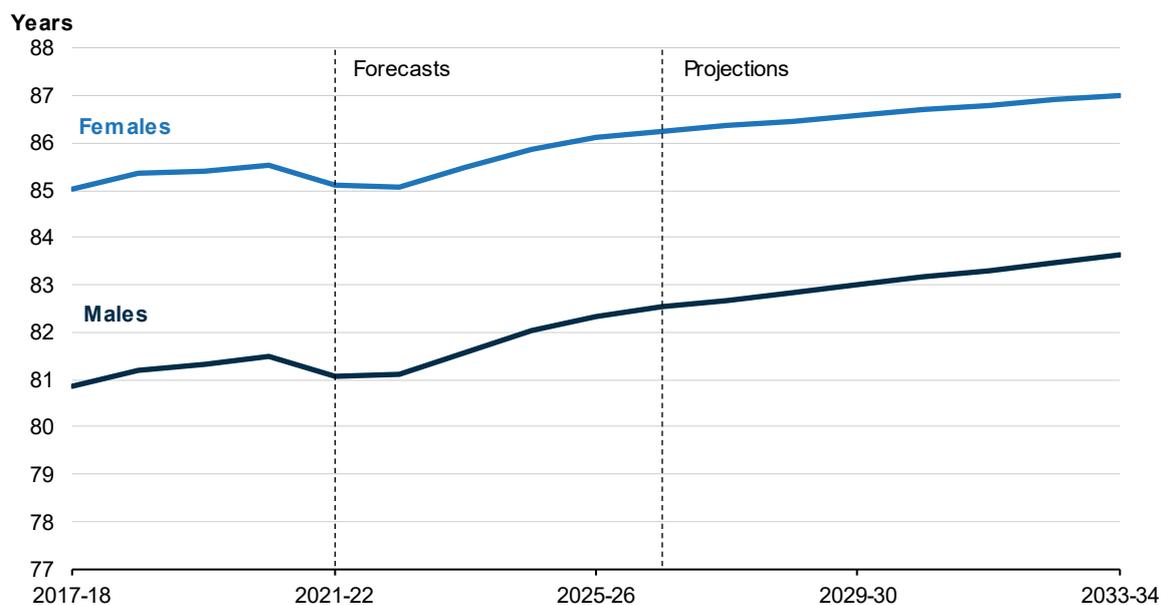
Note: Historical average is calculated as the average number of deaths over the same period during 2017–2019 and 2021.
 Source: ABS, Provisional Mortality Statistics, January – August 2023.

As mortality declines following the pandemic, deaths are forecast to fall from a high of 189,000 in 2022–23 to 182,000 in 2024–25, then gradually rise to 218,000 by 2033–34 reflecting the growing and ageing population. Given the ongoing excess mortality in 2023, higher mortality is forecast to continue over 2023–24 to 2025–26, returning to the ‘pre-pandemic’ trend from 2026–27 (rather than 2023–24 as assumed in the 2023–24 Budget). However, considerable uncertainty remains over the longer-term impacts of the COVID-19 pandemic on mortality rates.

Although Australia has the third highest life expectancy in the world (behind Monaco and Japan), continued excess mortality has temporarily lowered life expectancy. In 2020–2022, Australia recorded a decline in life expectancy for the first time since the early 1990s. Compared to 2020–21, life expectancy at birth is projected to increase by 0.1 years for males and fall by 0.1 years for females by 2023–24. By 2024–25, life expectancy at birth for both males and females is projected to be above 2020–21 levels and return to pre-pandemic trends by 2026–27. For the Aboriginal and Torres Strait Islander population, life expectancy was 71.9 for males and 75.6 for females for the period between 2020 and 2022, which was over 8 years lower than the non-Indigenous population.^{15 16}

15 ABS, Life expectancy, 2020–2022 and ABS, Aboriginal and Torres Strait Islander life expectancy, 2020–2022.

16 This analysis does not include comparisons with previous estimates of Aboriginal and Torres Strait Islander life expectancy. The ABS notes that, ‘the significant increase in the Aboriginal and Torres Strait Islander population between the 2016 and 2021 Censuses, and improvements to identification of Indigenous status in death records, have contributed to changes in the estimates and these are indistinguishable from genuine change in the health of the population.’

Chart 12. HISTORICAL AND PROJECTED LIFE EXPECTANCIES

Source: ABS, Life tables 2019–2021; Australian Government Actuary and Centre for Population projections.

Box 2. COVID-19 MORTALITY IN AUSTRALIA¹⁷

COVID-19 has contributed significantly to mortality in 2022 and 2023, becoming the third leading cause of death in 2022.¹⁸ Of the 16,000 people who have died due to COVID-19, 900 deaths occurred in 2020, 1,400 in 2021, 10,300 in 2022 and 3,400 in 2023 (up to August).¹⁹ The 3,400 registered deaths directly due to COVID-19 in the first 8 months of 2023 is less than half those for the same period in 2022 (8,200).

In 2023, the vast majority (85.2 per cent) of deaths due to COVID-19 have been reported with other pre-existing chronic conditions listed on the death certificate.²⁰ Chronic cardiac conditions, dementia including Alzheimer's, chronic respiratory conditions, cancer and diabetes are among the most commonly reported pre-existing chronic conditions that increase the risk of developing severe illness and dying from COVID-19 in Australia. Pneumonia was the most common acute disease outcome and was present in 38.9 per cent of COVID-19 deaths in 2023.

COVID-19 mortality in Australia has been below rates experienced in many other advanced economies. Since the start of the COVID-19 pandemic, Australia has experienced 76.9 COVID-19 deaths per 100,000 people – the United Kingdom, the United States and Canada experienced 325.1, 341.1 and 135.2 COVID-19 deaths per 100,000 people respectively.²¹ New Zealand experienced fewer COVID-19 deaths than Australia, with 52.9 deaths per 100,000 people.

17 The data in this box relates to people who have died due to COVID-19. This differs from the excess mortality, which also includes people who died with COVID-19.

18 ABS, Causes of Deaths, Australia, 2022.

19 ABS, Provisional Mortality Statistics, January – August 2023.

20 ABS, COVID-19 Mortality in Australia: Deaths registered until 30 September 2023.

21 Johns Hopkins University, Mortality analyses, 2023.

2. SUB-NATIONAL POPULATIONS

2.1 SUMMARY

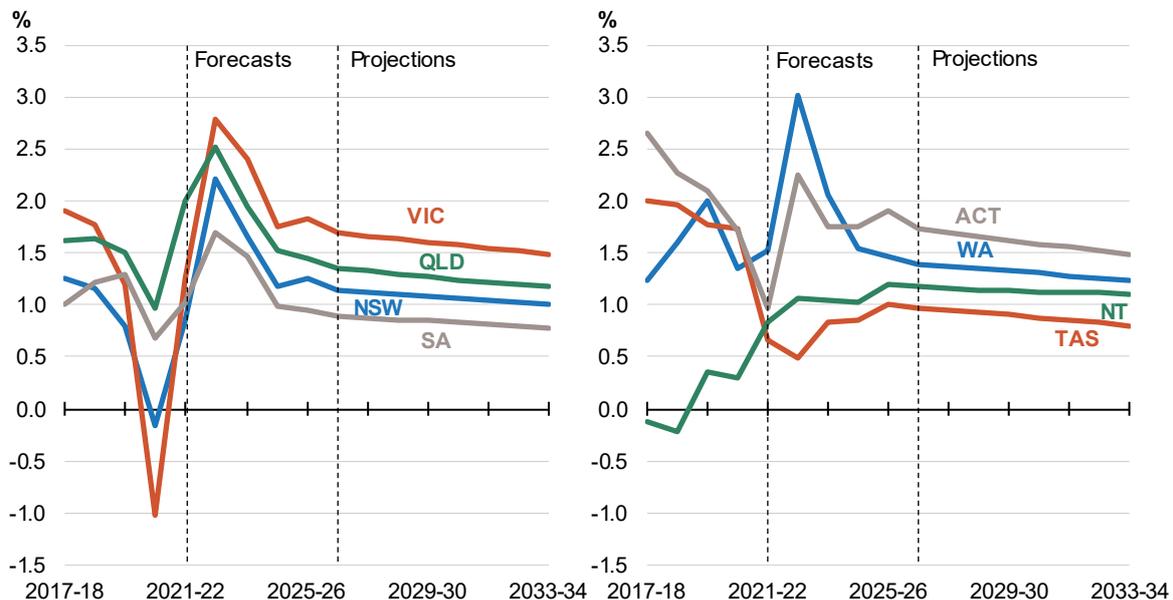
STATES AND TERRITORIES

States and territories are also recovering from the impacts of the COVID-19 pandemic and are forecast to return to long-run population growth trends by 2025–26. This is largely due to the faster than expected recovery of net overseas migration, which will contribute to all states' population growth over the forecast period.

In 2022–23, Western Australia is forecast to have the highest population growth rate (3 per cent), with elevated net overseas migration. Tasmania is forecast to have the lowest population growth rate, at 0.5 per cent in 2022–23, mostly due to its relatively low share of net overseas migration.

The Australian Capital Territory is projected to be the fastest growing jurisdiction by 2025–26 at 1.9 per cent, partially driven by relatively higher rates of births and lower rates of deaths compared to most other states, due to its younger age profile. New South Wales is projected to grow more slowly than the other mainland eastern states but remain Australia's largest state with a population of 9.5 million and 30.7 per cent of the national population in 2033–34. Tasmania and South Australia are the slowest growing states over the projection period with little natural increase (due to the population's age structure) and little or negative interstate migration.

Chart 13. POPULATION GROWTH, STATES AND TERRITORIES



Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Demographics vary significantly by state. In 2021, Western Australia had the highest proportion of its population born overseas (34 per cent) while Tasmania had the lowest (16 per cent). New South Wales has the largest Aboriginal and Torres Strait Islander population (340,000 or 4.2 per cent of the state's population), while the Northern Territory has the highest proportion of Aboriginal and Torres Strait Islander people relative to its total population (30.8 per cent, or 76,500 people).

INTERSTATE MIGRATION

Interstate migration can be a large driver of population change at the state and territory level. Factors driving moves are complex, often relating to employment opportunities and proximity to support networks (Box 3).

Interstate moves (as a share of population) have been declining for much of the past 2 decades (Chart 14). National interstate moves are forecast to be 384,000 in 2022–23, equivalent to 1.4 per cent of the population. This level of moves is 3 per cent higher than forecast at the 2023–24 Budget (372,000), but 19 per cent below the 2018–19 levels (476,000). National moves are projected to recover to around 450,000 in 2025–26 (1.6 per cent of the population) before increasing in line with population growth.

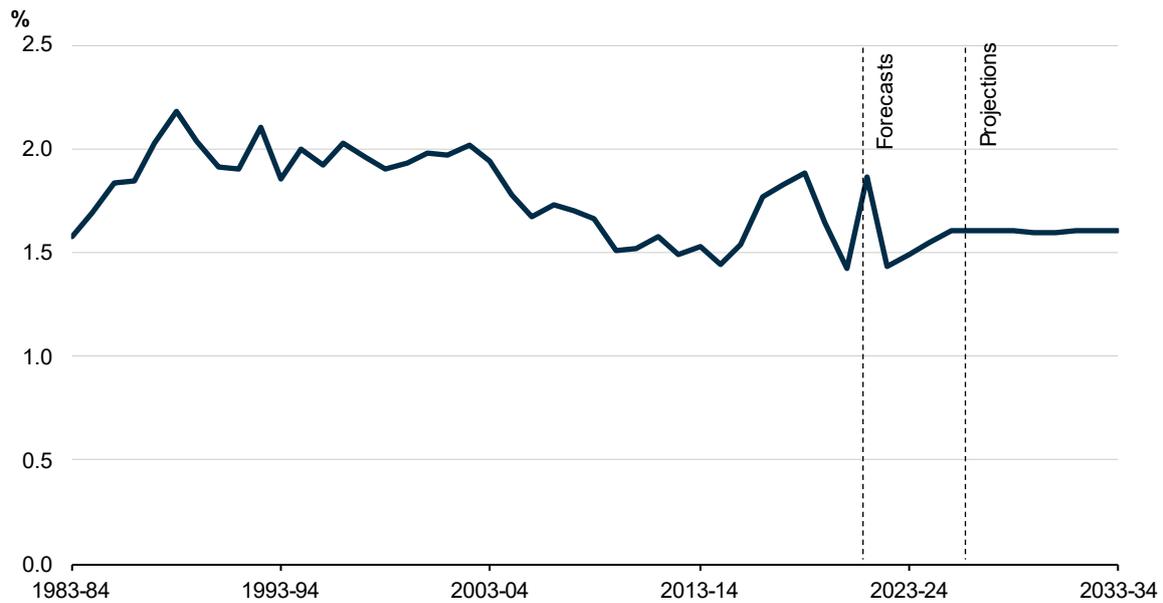
Box 3. INTERNAL MIGRATION²²

The Centre for Population commissioned the Centre for International Economics (CIE) to analyse the drivers of internal migration within Australia and examine the impact of government policy on internal migration.

Based on survey findings by CIE, the most important trigger for people migrating internally, and from overseas, was to take up a job (cited by over 35 per cent of respondents), followed by the desire to be near family and friends (27 per cent of respondents) and housing availability and affordability (17 per cent). Empirical modelling suggests the availability and quality of services such as healthcare, education and transport were found to be important, but smaller, determinants of movement decisions.

Policy decisions alone are not key triggers for migration decisions. The report finds the overall effectiveness of government policy appears to be higher when it removes barriers to people migrating in a way that responds to the ‘bundle’ of factors that drives their migration choices (namely employment and being close to family and friends), rather than trying to drive migration outcomes directly.

22 The Centre for International Economics, Internal migration in Australia and the impact of government levers, 2023.

Chart 14. INTERSTATE MOVES BY SHARE OF POPULATION

Note: The high level of interstate migration in 2021–22 is the artificial result of large numbers of Medicare address changes during the COVID-19 vaccination rollout (pages 23–24 of the 2022 Population Statement provide further details).

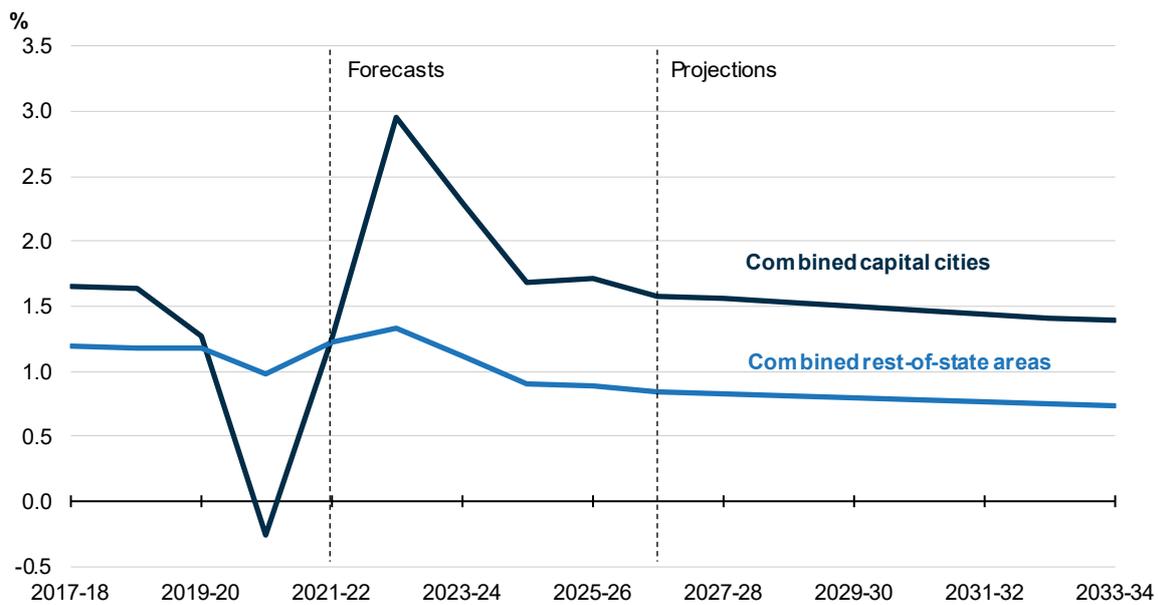
Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

CAPITAL CITIES AND REST-OF-STATE AREAS

Reflecting the changing nature of Australia’s economy, the population has become increasingly concentrated in capital cities over the past century. In 1911, the 8 capital cities were home to less than 40 per cent of the population. By 2021, just over two-thirds of the nation’s population resided in capital cities.

The COVID-19 pandemic disrupted this pattern. With border closures and lockdowns, the combined capital city population shrunk by 0.3 per cent and fell behind rest-of-state growth (which grew by 1.0 per cent) for the first time since 1993–94. The reopening of borders saw capital city growth narrowly outpace rest-of-state growth in 2021–22. Elevated net overseas migration is expected to contribute to a further rebound in capital city growth, with combined population in capital cities is projected to grow by 3.0 per cent in 2022–23, compared to 1.3 per cent for rest-of-state areas.

Chart 15. POPULATION GROWTH IN CAPITAL CITIES AND REST-OF-STATE AREAS



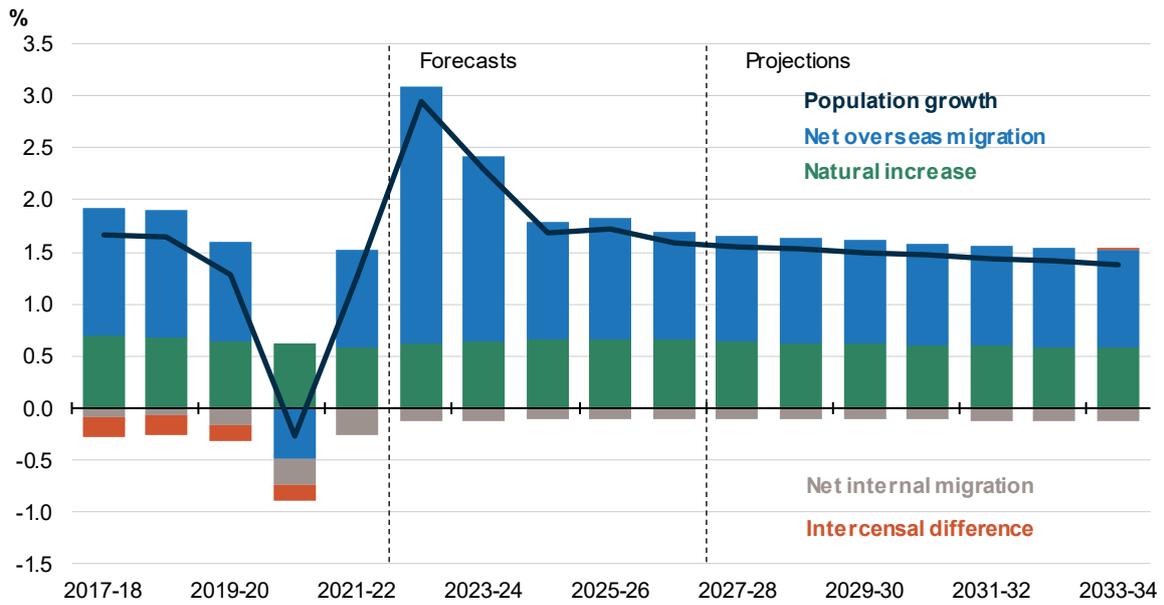
Source: ABS, Regional population 2021–22 and Centre for Population projections.

Consistent with historical trends, the combined population of capital cities is projected to continue to grow faster than rest-of-state areas over the projection period. The population of the combined capital cities is projected to grow from 17.5 million in 2021–22 to 21.4 million in 2033–34, an increase of 23 per cent. Over the same period, the population of the combined rest-of-state areas is projected to grow from 8.5 million to 9.5 million, an increase of 11 per cent.

Capital city population growth is higher primarily because overseas migrants tend to settle in cities and the younger age structure of cities also results in greater natural increase (Chart 16 and Chart 17). Partially offsetting this is the net flow of internal migration from capital cities to rest-of-state areas. This was heightened during the pandemic, with fewer departures from rest-of-state areas, but has declined to back around pre-pandemic levels.

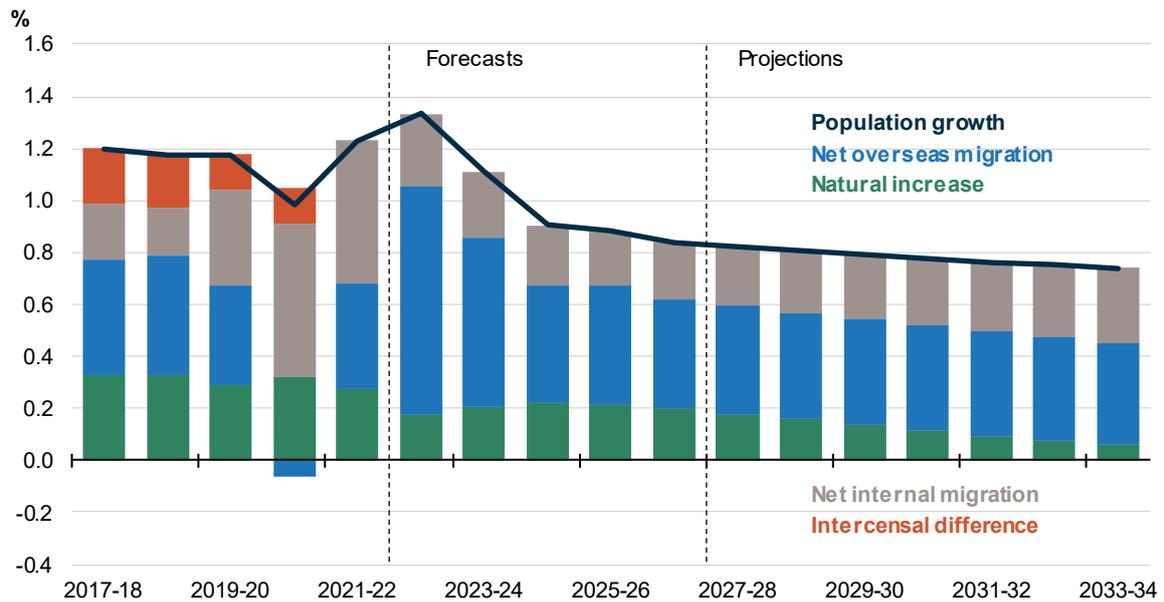
Despite being lower than in capital cities, net overseas migration is still a significant driver of growth in rest-of-state areas and is projected to be the largest contributor to population growth over the projection period. Levels of natural increase are projected to decline as the population ages, reaching negative levels for the rest-of-state areas in New South Wales, Victoria, South Australia and Tasmania.

Chart 16. POPULATION GROWTH AND COMPONENTS, CAPITAL CITIES



Source: ABS, Regional population 2021–22 and Centre for Population projections.

Chart 17. POPULATION GROWTH AND COMPONENTS, REST-OF-STATE AREAS



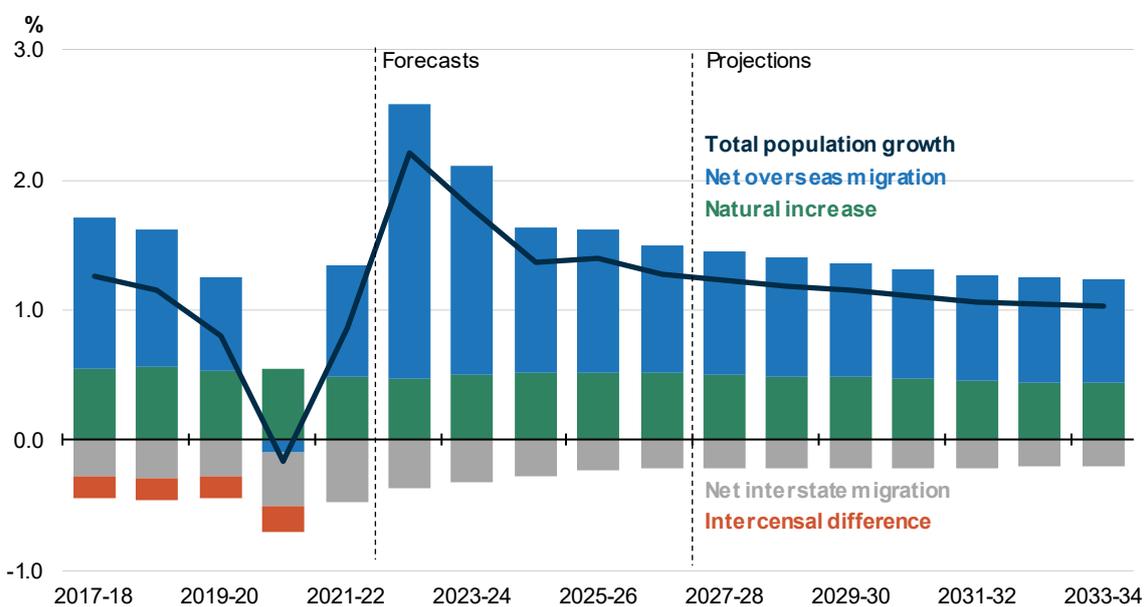
Source: ABS, Regional population 2021–22 and Centre for Population projections.

2.2 NEW SOUTH WALES

New South Wales is Australia's most populous state and is projected to remain so over the next decade, growing from 8.2 million people on 30 June 2022 to 9.5 million by 2033–34. Population growth is expected to rebound from the impact of the pandemic in the first year of projections, at 2.2 per cent in 2022–23. Population growth in New South Wales is driven by net overseas migration, which contributes 2.1 percentage points to growth in 2022–23. Population growth is then projected to decline to 1.2 per cent in 2024–25 in line with pre-pandemic levels as net overseas migration moderates.

Although a key destination for overseas migration, New South Wales has generally experienced high net interstate departures. This reached a relatively high outflow of 40,000 in 2021–22 coinciding with an extended COVID-19 lockdown in the second half of 2021.²³ Net interstate migration in New South Wales is projected to return to its long term trend by 2025–26.

Chart 18. POPULATION GROWTH AND COMPONENTS, NEW SOUTH WALES



Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

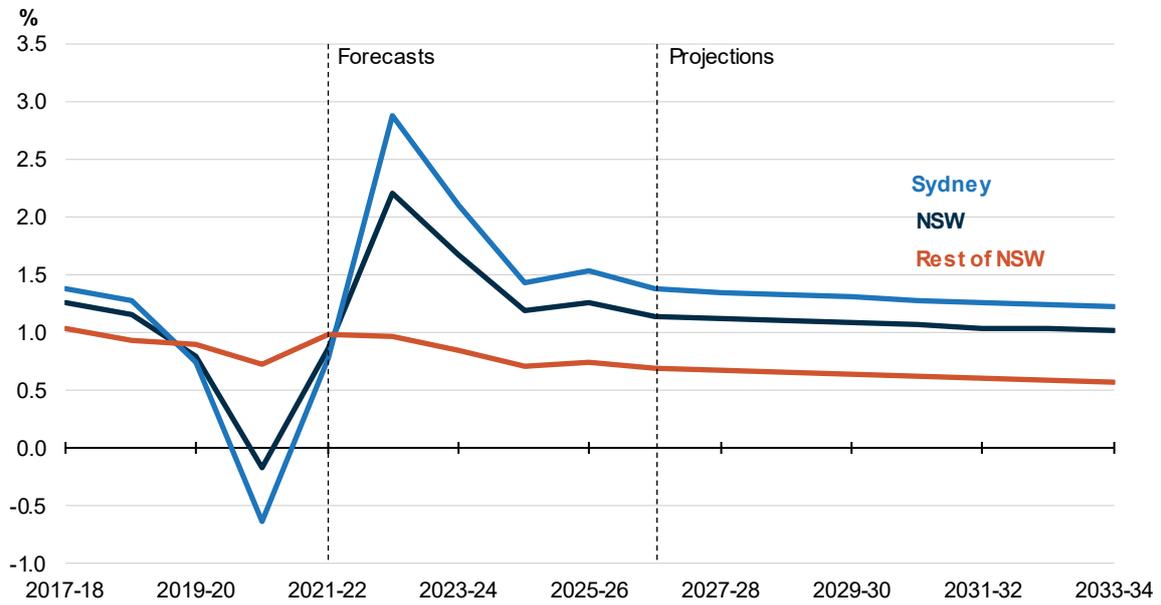
The population of **Greater Sydney** was 5.3 million on 30 June 2022, making it Australia's largest city with 65 per cent of the New South Wales population. In 2021–22, Sydney's population growth began recovering from the impact of the pandemic related restrictions on travel. Population growth for Sydney is expected to increase from 0.8 per cent in 2021–22 to 2.9 per cent in 2022–23. Population growth is projected to decrease to 1.4 per cent by 2024–25, before slowing further to 1.2 per cent in 2033–34. Sydney's population is projected to be 6.4 million in 2033–34.

Population growth in the **rest of New South Wales** is also recovering from the impact of the pandemic, which saw low net overseas migration largely offset by an increase in net internal migration. Population growth in the rest of New South Wales is expected to remain stable at 1.0 per cent in 2022–23, as higher net overseas migration is offset by lower net internal migration inflows. Population growth is expected to decline to 0.6 per cent by the end of the projection period, and the rest of New South Wales is expected to experience

²³ This data (as opposed to the actual number of moves) was affected by the vaccination roll-out, as explained by the note under Chart 14.

natural decrease from 2031–32. The rest of New South Wales population is projected to be 3.1 million in 2033–34.

Chart 19. POPULATION GROWTH IN NEW SOUTH WALES, SYDNEY AND THE REST OF NEW SOUTH WALES



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 3. POPULATION PROJECTIONS, NEW SOUTH WALES

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
New South Wales	8,167	8,347	8,485	8,586	8,694	9,471
<i>Greater Sydney</i>	5,303	5,456	5,570	5,650	5,737	6,360
<i>Rest of New South Wales</i>	2,863	2,891	2,915	2,936	2,958	3,111
Population growth (per cent)						
New South Wales	0.9	2.2	1.7	1.2	1.3	1.0
<i>Greater Sydney</i>	0.8	2.9	2.1	1.4	1.5	1.2
<i>Rest of New South Wales</i>	1.0	1.0	0.8	0.7	0.7	0.6
Population growth ('000)						
New South Wales	69.5	180.0	138.9	100.8	108.0	94.8
<i>Greater Sydney</i>	40.9	152.3	114.6	80.0	86.3	77.0
<i>Rest of New South Wales</i>	27.7	27.7	24.3	20.7	21.7	17.9
Natural increase ('000)						
New South Wales	39.9	38.1	41.7	43.9	44.4	39.3
<i>Greater Sydney</i>	34.2	35.8	38.4	40.0	40.6	40.6
<i>Rest of New South Wales</i>	6.2	2.3	3.3	3.9	3.8	-1.4
Net overseas migration ('000)						
New South Wales	68.9	172.5	124.0	80.0	82.9	74.8
<i>Greater Sydney</i>	56.6	150.4	107.1	67.9	70.5	63.3
<i>Rest of New South Wales</i>	11.1	22.1	17.0	12.1	12.5	11.6
Net internal migration ('000)						
New South Wales	-39.3	-30.6	-26.9	-23.1	-19.4	-19.3
<i>Greater Sydney</i>	-49.8	-33.9	-30.9	-27.8	-24.8	-26.9
<i>Rest of New South Wales</i>	10.5	3.3	4.0	4.7	5.4	7.6
Median age (years)						
New South Wales	37.7	37.5	37.5	37.6	37.7	38.8
<i>Greater Sydney</i>	36.1	35.9	35.8	35.9	35.9	36.5
<i>Rest of New South Wales</i>	41.5	41.5	41.6	41.8	42.1	44.2

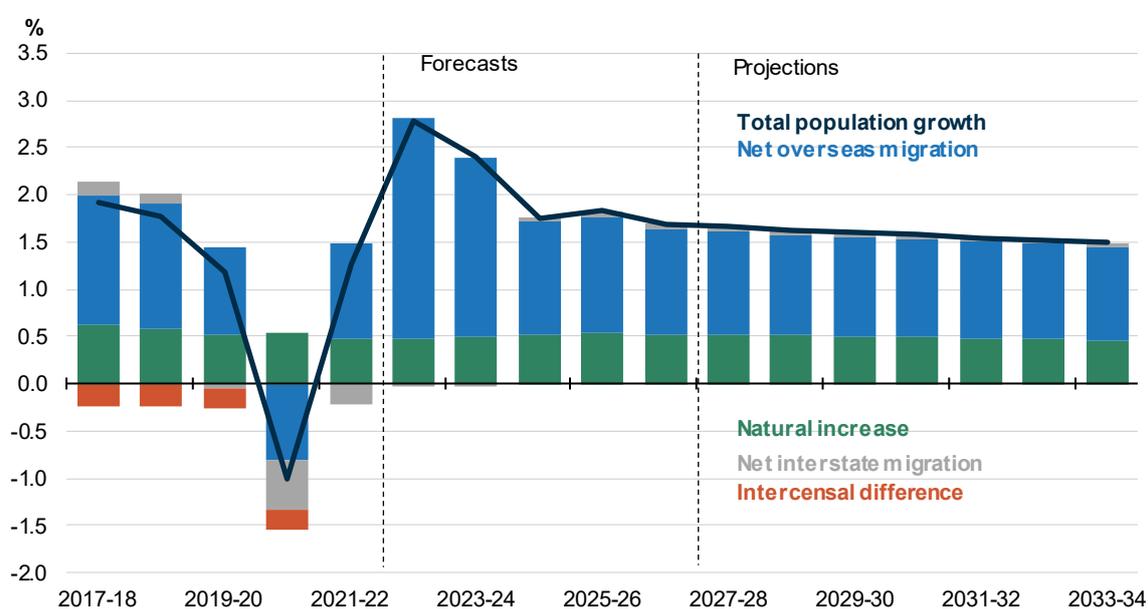
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.3 VICTORIA

Victoria had a population of 6.6 million on 30 June 2022 and is projected to reach 8.2 million by 2033–34. The pandemic affected Victoria's population growth more than any other state due to large falls in both net overseas migration and interstate migration. Population growth has started to recover, with 1.3 per cent recorded in 2021–22 and 2.8 per cent projected for 2022–23. Victoria's population is projected to grow 1.8 per cent in 2024–25, before declining to a growth rate of 1.5 per cent by 2033–34 (Chart 20).

Net overseas migration to Victoria was 66,000 in 2021–22. It is projected to increase to 156,000 in 2022–23, driven by the return of international students. Net overseas migration is forecast to contribute 2.3 percentage points to Victoria's population growth in 2022–23, compared to detracting 0.8 in 2020–21 during the height of the pandemic. Net interstate migration is also recovering, although it is not expected to return to positive levels until 2024–25.

Chart 20. POPULATION GROWTH AND COMPONENTS, VICTORIA

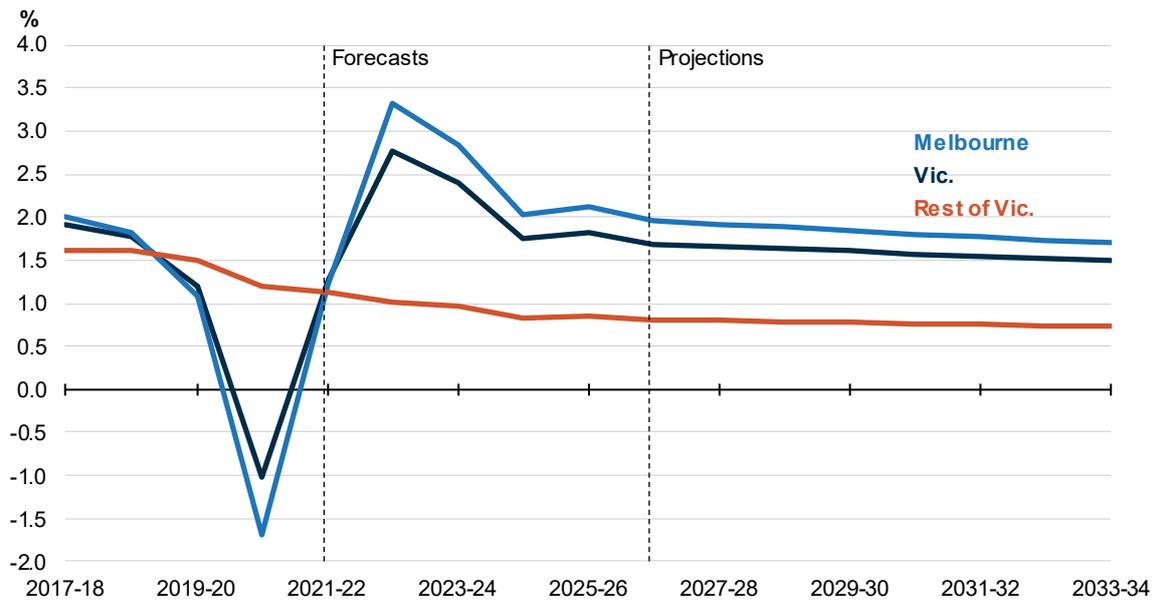


Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Greater Melbourne had 5.0 million residents on 30 June 2022, accounting for 76 per cent of Victoria's population. Population growth in Melbourne is projected to be 3.3 per cent in 2022–23, well above the pre-pandemic rate of 1.8 per cent recorded in 2018–19. Population growth will then decline to 1.7 per cent in 2033–34, with Melbourne projected to be the fastest growing capital city from 2023–24. Due to strong internal and overseas migration, Melbourne is projected to overtake Sydney to become the largest city in Australia in 2031–32, with a population of 6.2 million, and then grow to 6.4 million in 2033–34.

The **rest of Victoria** had a population of 1.6 million on 30 June 2022. Population growth in the rest of Victoria was supported by strong internal migration in the early stages of the pandemic, which helped offset the decline in overseas migration. This trend is expected to reverse as overseas migration recovers and levels of internal migration decline, with population growth falling slightly to 1.0 per cent in 2022–23. The rest of Victoria is expected to be the second fastest growing rest-of-state area from 2023–24 behind the rest of Queensland. This is driven by relatively high contributions from internal migration, but it is expected to experience natural decrease from 2030–31. In 2033–34, the population of the rest of Victoria is projected to be 1.8 million.

Chart 21. POPULATION GROWTH AND COMPONENTS, VICTORIA



Source: ABS, Regional population 2021–22, ABS National, state and territory population, March 2023, and Centre for Population projections.

Table 4. POPULATION PROJECTIONS, VICTORIA

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
Victoria	6,630	6,815	6,978	7,101	7,230	8,204
<i>Greater Melbourne</i>	5,036	5,207	5,355	5,464	5,580	6,449
<i>Rest of Victoria</i>	1,590	1,608	1,623	1,637	1,651	1,755
Population growth (per cent)						
Victoria	1.3	2.8	2.4	1.8	1.8	1.5
<i>Greater Melbourne</i>	1.2	3.3	2.8	2.0	2.1	1.7
<i>Rest of Victoria</i>	1.1	1.0	1.0	0.8	0.9	0.7
Population growth ('000)						
Victoria	82.4	184.3	163.7	122.6	129.7	120.8
<i>Greater Melbourne</i>	60.4	168.0	148.0	109.2	115.8	108.1
<i>Rest of Victoria</i>	17.7	16.3	15.7	13.3	13.9	12.7
Natural increase ('000)						
Victoria	31.6	31.0	34.4	36.8	37.8	37.4
<i>Greater Melbourne</i>	27.0	30.2	33.1	35.2	36.2	38.8
<i>Rest of Victoria</i>	2.0	0.8	1.3	1.6	1.5	-1.4
Net overseas migration ('000)						
Victoria	65.7	155.6	129.3	83.6	87.4	80.0
<i>Greater Melbourne</i>	57.9	143.8	119.0	76.3	79.9	72.9
<i>Rest of Victoria</i>	6.1	11.8	10.3	7.3	7.5	7.0
Net internal migration ('000)						
Victoria	-14.9	-2.3	-0.1	2.2	4.5	3.4
<i>Greater Melbourne</i>	-24.5	-6.0	-4.2	-2.3	-0.4	-3.6
<i>Rest of Victoria</i>	9.6	3.7	4.1	4.5	4.9	7.0
Median age (years)						
Victoria	37.0	36.9	36.9	37.0	37.1	38.1
<i>Greater Melbourne</i>	35.9	35.7	35.6	35.7	35.8	36.5
<i>Rest of Victoria</i>	42.2	42.3	42.5	42.7	43.0	45.2

Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

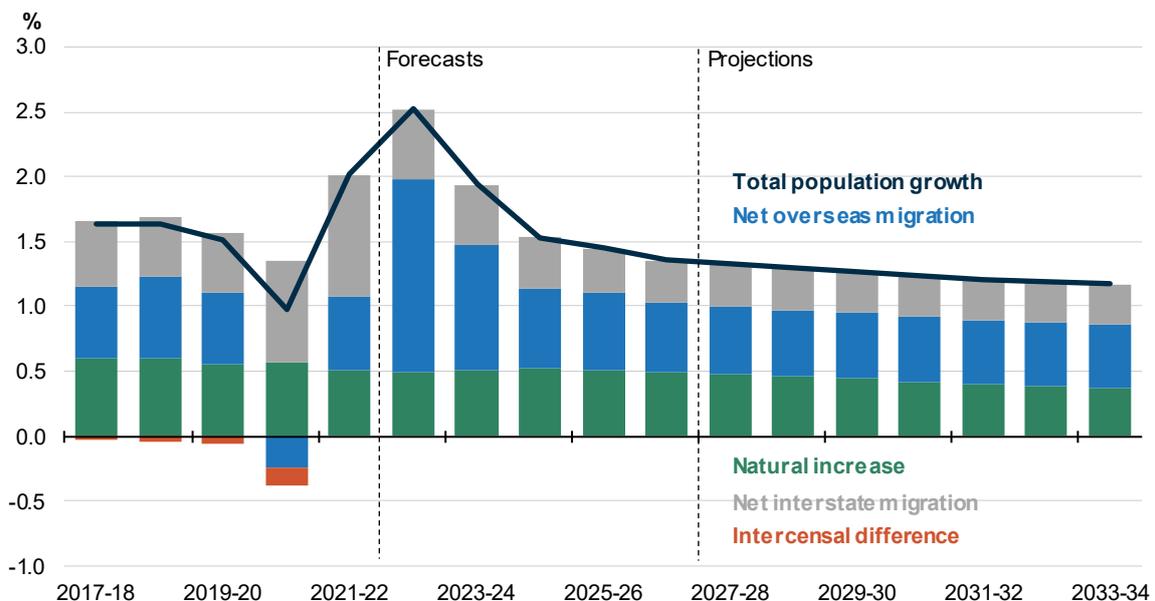
2.4 QUEENSLAND

Queensland's population was 5.3 million on 30 June 2022 and is projected to reach 6.3 million by 2033–34. Population growth continues to recover from the pandemic impacted rate of 1 per cent in 2020–21. Growth was 2.0 per cent in 2021–22 and is forecast to continue recovering to 2.5 per cent by 2022–23, before declining to 1.2 per cent in 2033–34 (Chart 22).

Net overseas migration to Queensland is forecast to recover from 13,000 net departures in 2020–21 to 79,000 net arrivals in 2022–23. This will be driven by the return of temporary migrants, especially international students and Working Holiday Makers. Net overseas migration is forecast to contribute 1.5 percentage points to Queensland's population growth rate in 2022–23, up from -0.2 in 2020–21. Over the next decade, Queensland is expected to retain a 13 per cent share of national net overseas migration, consistent with its pre-pandemic share.

Net interstate migration is projected to be 29,000 in 2022–23, before declining to its long term trend of 19,000 in 2025–26. Over the projection period, Queensland is expected to continue to have the highest interstate migration of any state or territory.

Chart 22. POPULATION GROWTH AND COMPONENTS, QUEENSLAND



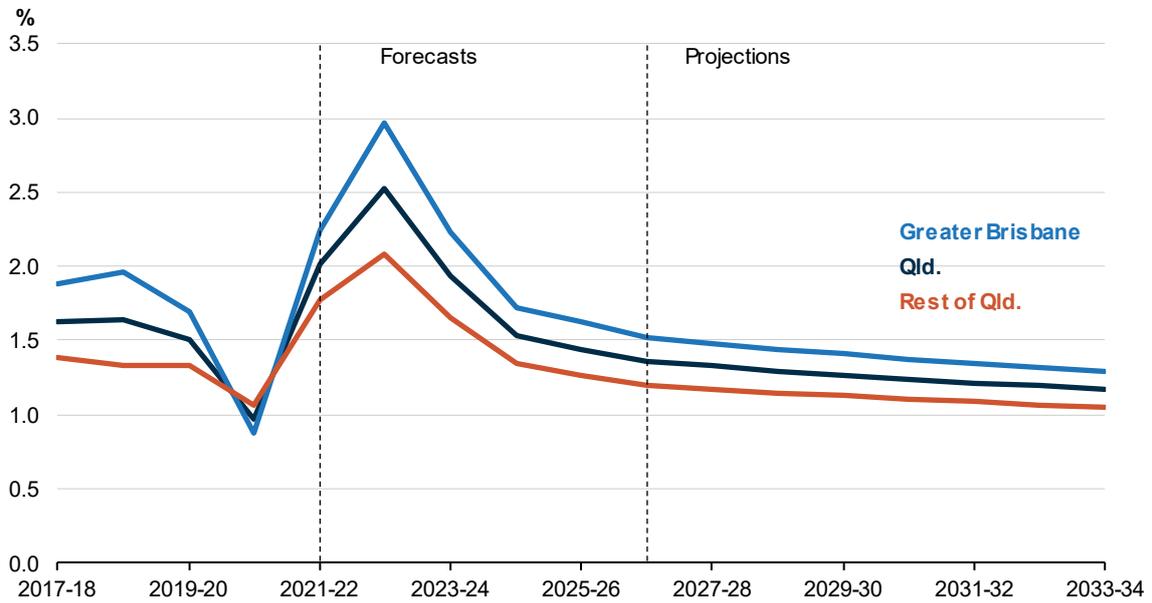
Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

The population of **Greater Brisbane** was 2.6 million on 30 June 2022, representing 49 per cent of Queensland's population. Population growth in Brisbane was 2.2 per cent in 2021–22 and is forecast to increase to 3.0 per cent by 2022–23, slowing to 1.3 per cent by 2033–34. Greater Brisbane is projected to continue attracting the highest level of internal migrants of any capital city, but net overseas migration is nonetheless expected to be the largest source of its population growth. Brisbane's population is projected to be 3.2 million in 2033–34. The population of Brisbane is projected to overtake to the population of rest of Queensland in 2027–28, which would be the first time since 1978 that Greater Brisbane has had a larger population than the rest of Queensland.

The population of the **rest of Queensland** on 30 June 2022 was 2.7 million. Strong flows of internal migration contributed to relatively strong population growth of 1.8 per cent in 2021–22. The rest of Queensland will be the strongest growing rest-of-state area over the projection period. As with all areas, strong overseas migration is projected to be a major driver of growth. However, unlike many other rest-of-state areas, natural increase

and internal migration will also add strongly to population growth in the rest of Queensland. The population of the rest of Queensland is projected to be 3.1 million in 2033–34 and to be just below half of the state’s population.

Chart 23. POPULATION GROWTH IN QUEENSLAND, GREATER BRISBANE AND THE REST OF QUEENSLAND



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 5. POPULATION PROJECTIONS, QUEENSLAND

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
Queensland	5,321	5,455	5,561	5,646	5,727	6,330
<i>Greater Brisbane</i>	2,625	2,703	2,764	2,811	2,857	3,192
<i>Rest of Queensland</i>	2,695	2,751	2,797	2,835	2,870	3,138
Population growth (per cent)						
Queensland	2.0	2.5	1.9	1.5	1.4	1.2
<i>Greater Brisbane</i>	2.2	3.0	2.2	1.7	1.6	1.3
<i>Rest of Queensland</i>	1.8	2.1	1.7	1.3	1.3	1.1
Population growth ('000)						
Queensland	104.9	134.1	105.9	85.2	81.5	73.4
<i>Greater Brisbane</i>	57.6	77.9	60.4	47.6	45.7	40.6
<i>Rest of Queensland</i>	47.1	56.2	45.5	37.6	35.8	32.7
Natural increase ('000)						
Queensland	26.7	26.0	28.0	29.1	29.2	23.7
<i>Greater Brisbane</i>	16.3	16.8	17.9	18.5	18.6	16.6
<i>Rest of Queensland</i>	11.3	9.2	10.1	10.6	10.6	7.1
Net overseas migration ('000)						
Queensland	29.4	79.1	52.3	33.9	33.5	30.1
<i>Greater Brisbane</i>	16.1	48.3	31.5	19.9	19.6	17.5
<i>Rest of Queensland</i>	12.1	30.8	20.8	14.0	13.8	12.6
Net internal migration ('000)						
Queensland	48.8	29.0	25.6	22.2	18.9	19.6
<i>Greater Brisbane</i>	25.2	12.8	11.0	9.2	7.4	6.5
<i>Rest of Queensland</i>	23.6	16.2	14.6	13.0	11.4	13.0
Median age (years)						
Queensland	37.6	37.5	37.6	37.7	37.9	39.3
<i>Greater Brisbane</i>	35.7	35.6	35.6	35.7	35.9	37.3
<i>Rest of Queensland</i>	39.7	39.8	39.8	40.0	40.2	41.7

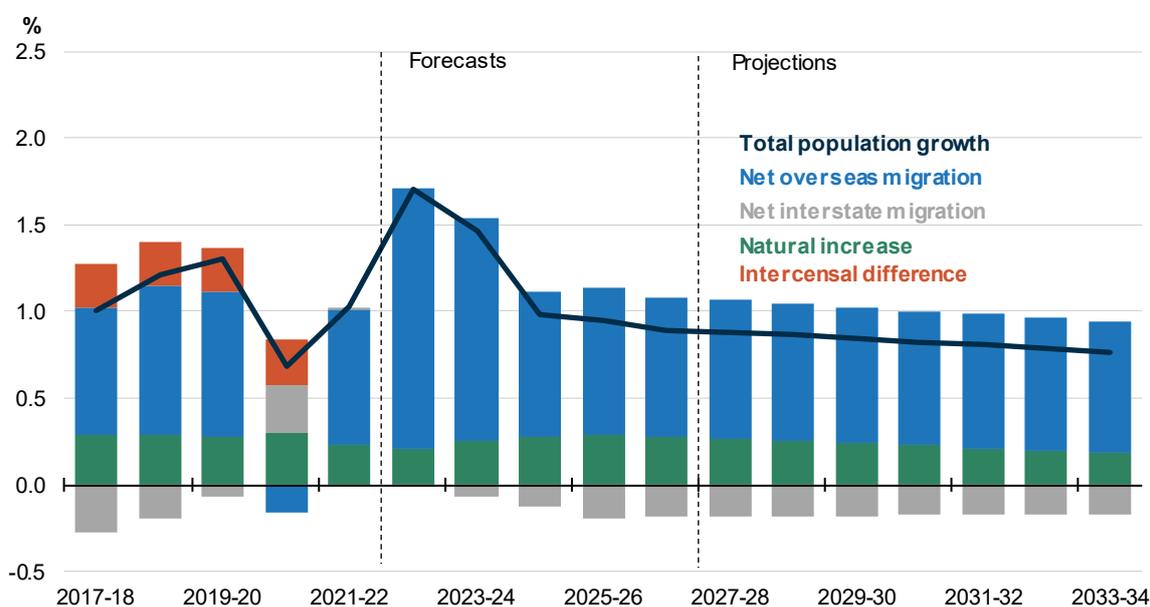
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.5 SOUTH AUSTRALIA

South Australia's population was 1.8 million on 30 June 2022 and is projected to reach 2.0 million by 2033–34. Population growth was 1.0 per cent in 2021–22 and is forecast to increase to 1.7 per cent in 2022–23, driven by high net overseas migration. South Australia is projected to be the slowest growing state or territory from 2025–26, with growth declining to 0.8 per cent in 2033–34 (Chart 24).

Over the projection period, net overseas migration is forecast to be the primary driver of population growth in South Australia, contributing over 90 per cent of the growth between 2022–23 and 2033–34. Natural increase will contribute to South Australia's growth, but it is expected to be the second weakest contribution of any state or territory after Tasmania. Net interstate migration is expected to detract around 0.2 percentage points from growth in each of the projection years.

Chart 24. POPULATION GROWTH AND COMPONENTS, SOUTH AUSTRALIA

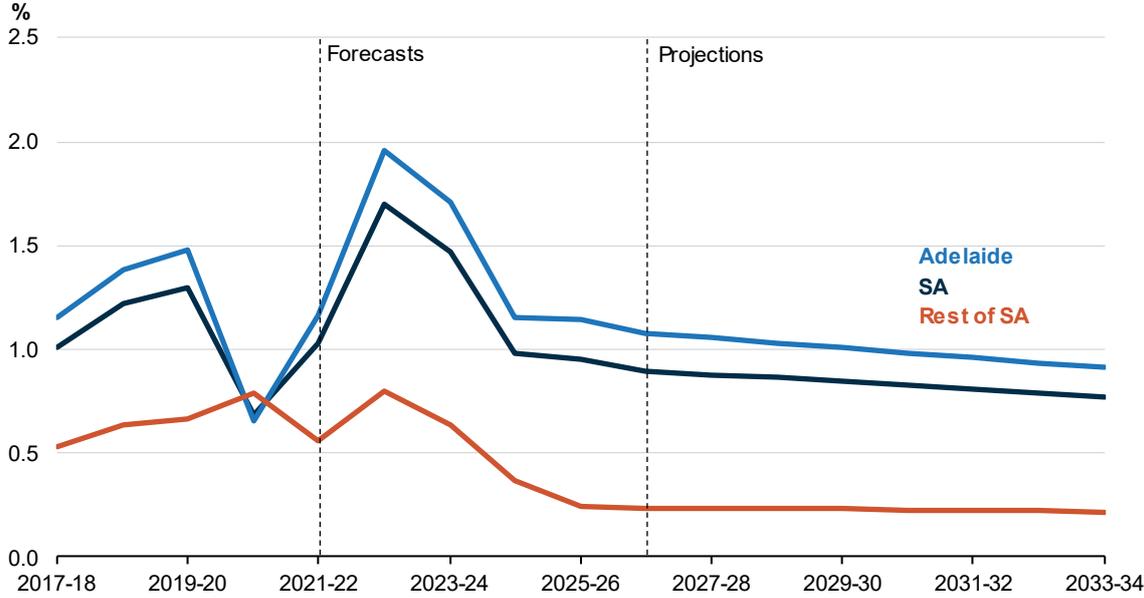


Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Greater Adelaide's population on 30 June 2022 was 1.4 million, representing 78 per cent of South Australia's population. Population growth in Adelaide was 1.2 per cent in 2021–22 and is forecast to increase to 2.0 per cent by 2022–23, slowing to 0.9 per cent by 2033–34. Similar to the state-level projections, the majority of growth is expected to come from net overseas migration, with positive natural increase largely offset by internal migration outflows. Adelaide's population is projected to be 1.6 million in 2033–34.

The population of the **rest of South Australia** on 30 June 2022 was 403,000. Population growth was 0.6 per cent in 2021–22, driven by overseas and internal migration. These will continue into 2022–23, with growth forecast to be 0.8 per cent. The rest of South Australia is projected to experience natural decrease in each projection year, reflecting the ageing population. Population growth is projected to be the slowest of any rest-of-state area from 2025–26 onwards, falling to 0.2 per cent by 2033–34. The rest of South Australia's population is projected to be 420,000 in 2033–34.

Chart 25. POPULATION GROWTH IN SOUTH AUSTRALIA, GREATER ADELAIDE AND THE REST OF SOUTH AUSTRALIA



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 6. POPULATION PROJECTIONS, SOUTH AUSTRALIA

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
South Australia	1,821	1,852	1,879	1,898	1,916	2,048
Greater Adelaide	1,418	1,446	1,471	1,488	1,505	1,629
Rest of South Australia	403	406	409	410	411	419
Population growth (per cent)						
South Australia	1.0	1.7	1.5	1.0	0.9	0.8
Greater Adelaide	1.2	2.0	1.7	1.2	1.1	0.9
Rest of South Australia	0.6	0.8	0.6	0.4	0.2	0.2
Population growth ('000)						
South Australia	18.5	31.0	27.2	18.5	18.0	15.6
Greater Adelaide	16.4	27.8	24.7	17.0	17.0	14.7
Rest of South Australia	2.2	3.2	2.6	1.5	1.0	0.9
Natural increase ('000)						
South Australia	4.1	3.8	4.7	5.2	5.4	3.7
Greater Adelaide	4.6	4.3	5.1	5.5	5.7	4.7
Rest of South Australia	-0.1	-0.5	-0.4	-0.3	-0.3	-1.0
Net overseas migration ('000)						
South Australia	14.2	27.4	23.9	15.7	16.2	15.5
Greater Adelaide	12.5	25.2	21.9	14.4	14.9	14.1
Rest of South Australia	1.3	2.2	1.9	1.3	1.4	1.3
Net internal migration ('000)						
South Australia	0.2	-0.1	-1.3	-2.5	-3.6	-3.6
Greater Adelaide	-0.7	-1.7	-2.3	-2.9	-3.6	-4.2
Rest of South Australia	1.0	1.6	1.0	0.5	-0.1	0.6
Median age (years)						
South Australia	39.7	39.6	39.6	39.7	39.9	41.0
Greater Adelaide	38.4	38.3	38.2	38.4	38.5	39.4
Rest of South Australia	45.8	45.9	46.0	46.2	46.5	48.5

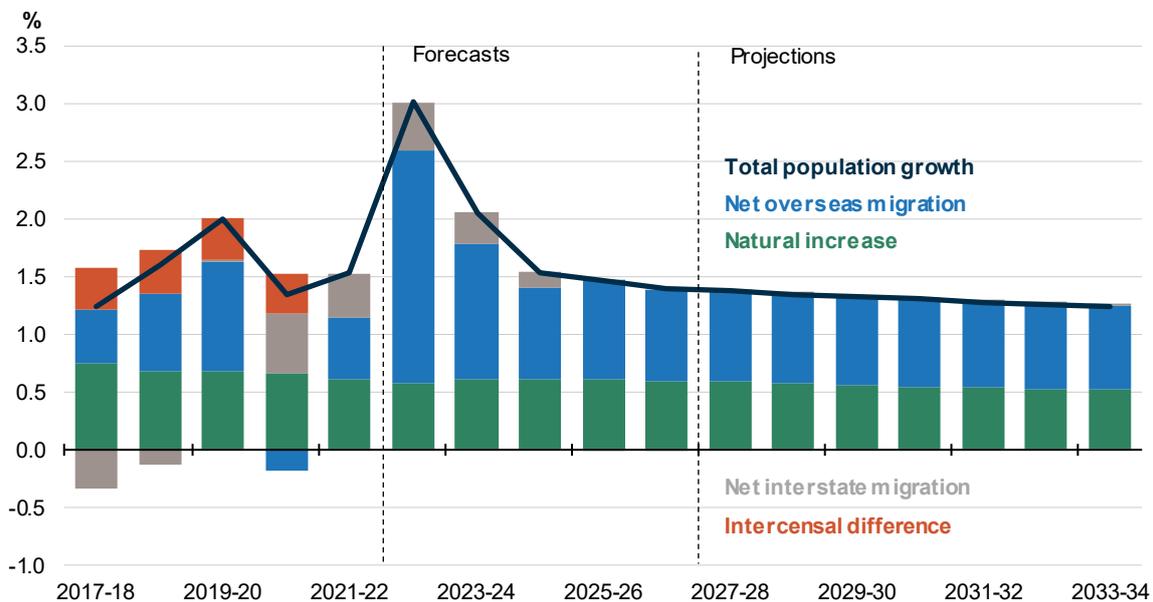
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.6 WESTERN AUSTRALIA

Western Australia’s population was 2.8 million on 30 June 2022 and is projected to reach 3.4 million by 2033–34. Western Australia is forecast to be the fastest growing state or territory in 2022–23 with growth of 3.0 per cent. This is driven by elevated net overseas migration, with student migrant arrivals expected to be more than double pre-pandemic levels. Western Australia has also recorded positive net interstate migration over the past 3 years after recording net departures over 2013–14 to 2018–19. Western Australia is projected to grow at a rate similar to national growth from 2025–26, as net overseas and interstate migration return to their trend levels.

Over the projection period, net overseas migration is forecast to be the primary driver of population growth in Western Australia, contributing 60 per cent of the growth between 2022–23 and 2033–34. Natural increase is projected to make the third strongest percentage point contribution to growth of any state or territory, behind the Northern Territory and the Australian Capital Territory. Western Australia is expected to experience little or no net interstate migration from 2025–26.

Chart 26. POPULATION GROWTH AND COMPONENTS, WESTERN AUSTRALIA

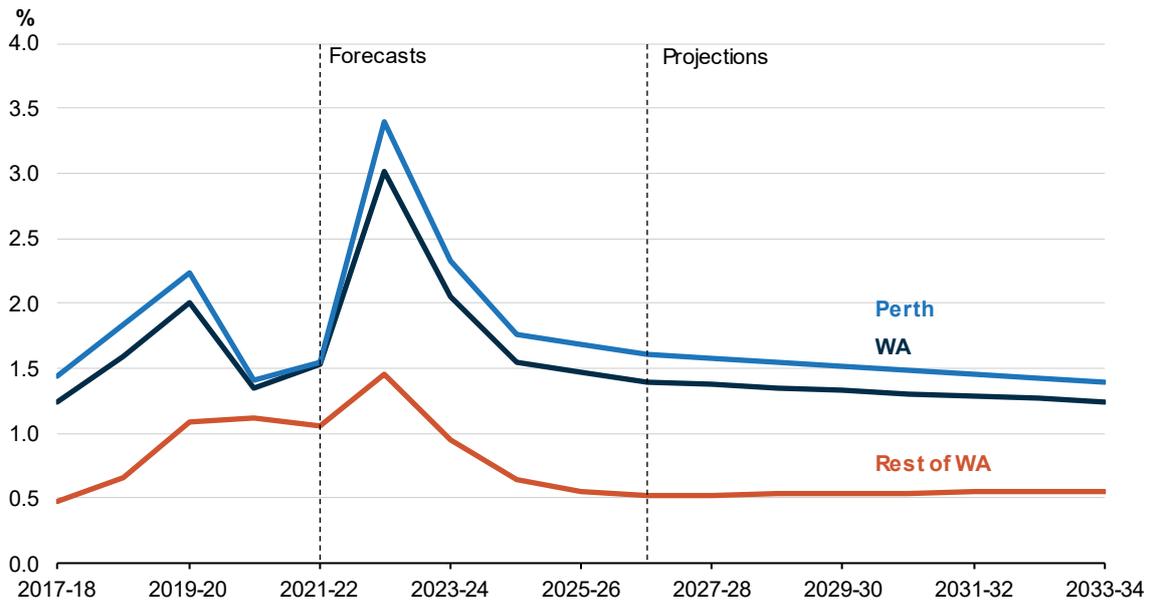


Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Greater Perth’s population on 30 June 2022 was 2.2 million, representing 80 per cent of Western Australia’s population. Population growth in Perth was 1.5 per cent in 2021–22 and is forecast to increase to 3.4 per cent in 2022–23, the highest of any capital city. Growth is projected to slow to 1.4 per cent by 2033–34. Growth is expected to mainly come from net overseas migration, with a strong contribution from natural increase, and net internal migration expected to be slightly positive. Perth’s population is projected to be 2.7 million in 2033–34.

The population of the **rest of Western Australia** on 30 June 2022 was 563,000. Population growth was 1.1 per cent in 2021–22 and is forecast to be 1.5 per cent in 2022–23, driven by net overseas migration. As with many regions, net overseas migration is projected to contribute the most to population growth. However, natural increase will also contribute more to growth over the projection period than in most other rest-of-state areas. Although most rest-of-state area populations benefit from positive internal migration, net internal migration to rest of Western Australia is negative in every year of the projections (except for 2022–23). The rest of Western Australia’s population is projected to be 610,000 in 2033–34.

Chart 27. POPULATION GROWTH IN WESTERN AUSTRALIA, GREATER PERTH AND THE REST OF WESTERN AUSTRALIA



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 7. POPULATION PROJECTIONS, WESTERN AUSTRALIA

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
Western Australia	2,791	2,876	2,935	2,980	3,023	3,357
<i>Greater Perth</i>	2,226	2,303	2,357	2,399	2,439	2,747
<i>Rest of Western Australia</i>	563	572	578	581	584	610
Population growth (per cent)						
Western Australia	1.5	3.0	2.1	1.5	1.5	1.2
<i>Greater Perth</i>	1.5	3.4	2.3	1.8	1.7	1.4
<i>Rest of Western Australia</i>	1.1	1.5	0.9	0.6	0.5	0.6
Population growth ('000)						
Western Australia	42.1	84.1	59.1	45.2	43.7	41.3
<i>Greater Perth</i>	33.9	75.9	53.7	41.5	40.5	37.9
<i>Rest of Western Australia</i>	5.9	8.2	5.4	3.7	3.2	3.4
Natural increase ('000)						
Western Australia	16.8	16.2	17.5	18.1	18.3	17.2
<i>Greater Perth</i>	13.4	13.9	15.0	15.6	15.8	15.5
<i>Rest of Western Australia</i>	2.8	2.3	2.4	2.5	2.4	1.7
Net overseas migration ('000)						
Western Australia	15.0	56.3	34.0	23.2	25.4	24.0
<i>Greater Perth</i>	11.6	50.6	30.5	20.8	22.8	21.6
<i>Rest of Western Australia</i>	1.6	5.7	3.5	2.4	2.6	2.5
Net internal migration ('000)						
Western Australia	10.3	11.5	7.6	3.8	0.0	0.0
<i>Greater Perth</i>	8.8	11.3	8.1	5.0	1.9	0.9
<i>Rest of Western Australia</i>	1.5	0.2	-0.5	-1.2	-1.9	-0.8
Median age (years)						
Western Australia	37.3	37.2	37.2	37.4	37.6	38.8
<i>Greater Perth</i>	36.8	36.7	36.7	36.8	37.0	38.0
<i>Rest of Western Australia</i>	39.3	39.5	39.7	40.1	40.4	42.7

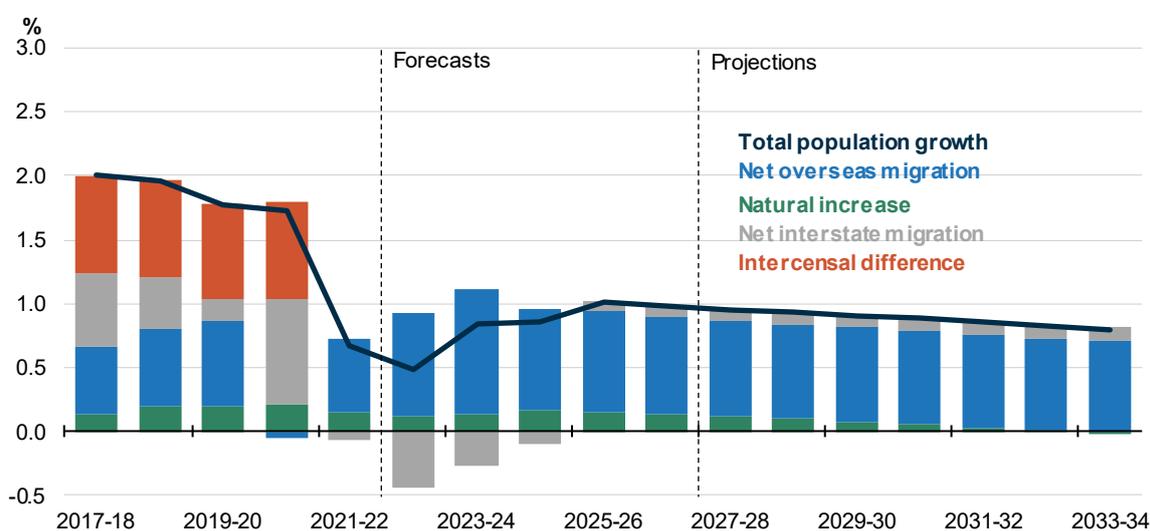
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.7 TASMANIA

Tasmania's population was 571,000 on 30 June 2022 and is projected to reach 633,000 by 2033–34. Tasmania is forecast to be the slowest growing state or territory in 2022–23 with growth of 0.5 per cent. It has the lowest contribution of any state or territory from both natural increase and net overseas migration. Tasmania is also expected to have net interstate outflows in 2022–23, a reversal of the positive interstate migration recorded in each of the 7 years to 2020–21. Tasmania will remain the slowest growing state in 2023–24, then is projected to be the second slowest growing state or territory from 2025–26, as interstate migration returns to net arrivals.

Over the projection period, net overseas migration is forecast to be the primary driver of population growth in Tasmania, contributing almost 90 per cent of the growth between 2022–23 and 2033–34. Tasmania's slow growth in the projection years is largely because of the state's ageing population leading to low and declining natural increase. Tasmania is projected to experience natural decrease in 2033–34, which would be the first time this had happened in any state or territory since the 1930s.

Chart 28. POPULATION GROWTH AND COMPONENTS, TASMANIA

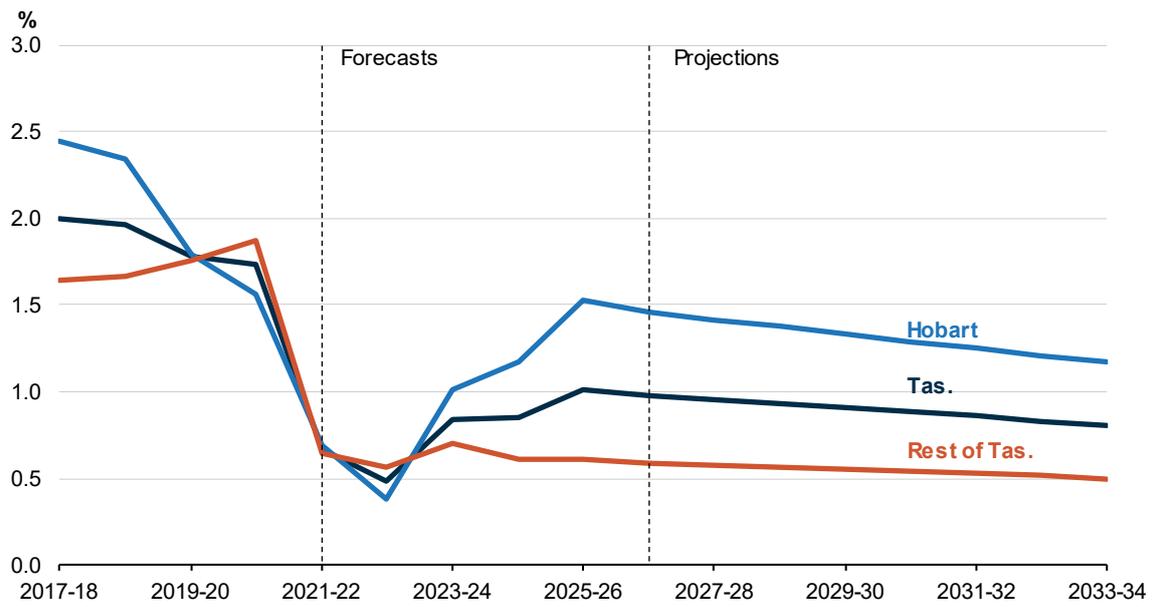


Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Greater Hobart's population on 30 June 2022 was 252,000, representing 44 per cent of Tasmania's population. Population growth in Hobart was 0.7 per cent in 2021–22 and is forecast to decrease to 0.4 per cent in 2022–23, the lowest of any capital city. Growth is projected to pick up as net internal migration recovers, reaching 1.5 per cent in 2025–26. Growth then slows to 1.2 per cent by 2033–34. The majority of growth is expected to come from net overseas migration, with natural increase and net internal migration expected to be positive. Hobart's population is projected to be 292,000 in 2033–34.

The population of the **rest of Tasmania** on 30 June 2022 was 319,000, the largest rest-of-state population share of any state or territory at 56 per cent. Population growth is forecast to be 0.6 per cent in 2022–23, as the increase in net overseas migration from 2021–22 is offset by weaker internal migration inflows and more natural decrease. Net overseas migration is projected to contribute the overwhelming majority to population growth over the projection period. Net internal migration is expected to contribute an average of 0.1 percentage points to growth from 2025–26, but this is largely offset by natural decrease. The rest of Tasmania's population is projected to be 341,000 in 2033–34.

Chart 29. POPULATION GROWTH IN TASMANIA, GREATER HOBART AND THE REST OF TASMANIA



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 8. POPULATION PROJECTIONS, TASMANIA

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
Tasmania	571	574	579	584	589	633
<i>Greater Hobart</i>	252	253	256	259	263	292
<i>Rest of Tasmania</i>	319	320	323	325	327	341
Population growth (per cent)						
Tasmania	0.7	0.5	0.8	0.9	1.0	0.8
<i>Greater Hobart</i>	0.7	0.4	1.0	1.2	1.5	1.2
<i>Rest of Tasmania</i>	0.6	0.6	0.7	0.6	0.6	0.5
Population growth ('000)						
Tasmania	3.8	2.8	4.8	5.0	5.9	5.0
<i>Greater Hobart</i>	1.7	1.0	2.6	3.0	4.0	3.4
<i>Rest of Tasmania</i>	2.0	1.8	2.2	2.0	2.0	1.7
Natural increase ('000)						
Tasmania	0.8	0.7	0.8	0.9	0.9	-0.1
<i>Greater Hobart</i>	0.8	0.8	0.9	0.9	0.9	0.5
<i>Rest of Tasmania</i>	0.1	-0.2	-0.1	0.0	0.0	-0.6
Net overseas migration ('000)						
Tasmania	3.3	4.6	5.5	4.6	4.6	4.5
<i>Greater Hobart</i>	1.8	2.8	3.4	2.8	2.8	2.7
<i>Rest of Tasmania</i>	1.4	1.8	2.2	1.8	1.8	1.8
Net internal migration ('000)						
Tasmania	-0.4	-2.5	-1.5	-0.6	0.4	0.7
<i>Greater Hobart</i>	-0.9	-2.7	-1.7	-0.7	0.3	0.2
<i>Rest of Tasmania</i>	0.5	0.2	0.2	0.2	0.2	0.5
Median age (years)						
Tasmania	40.7	41.0	41.2	41.5	41.7	43.9
<i>Greater Hobart</i>	37.7	38.1	38.4	38.7	39.0	41.5
<i>Rest of Tasmania</i>	43.6	43.9	44.0	44.2	44.4	46.5

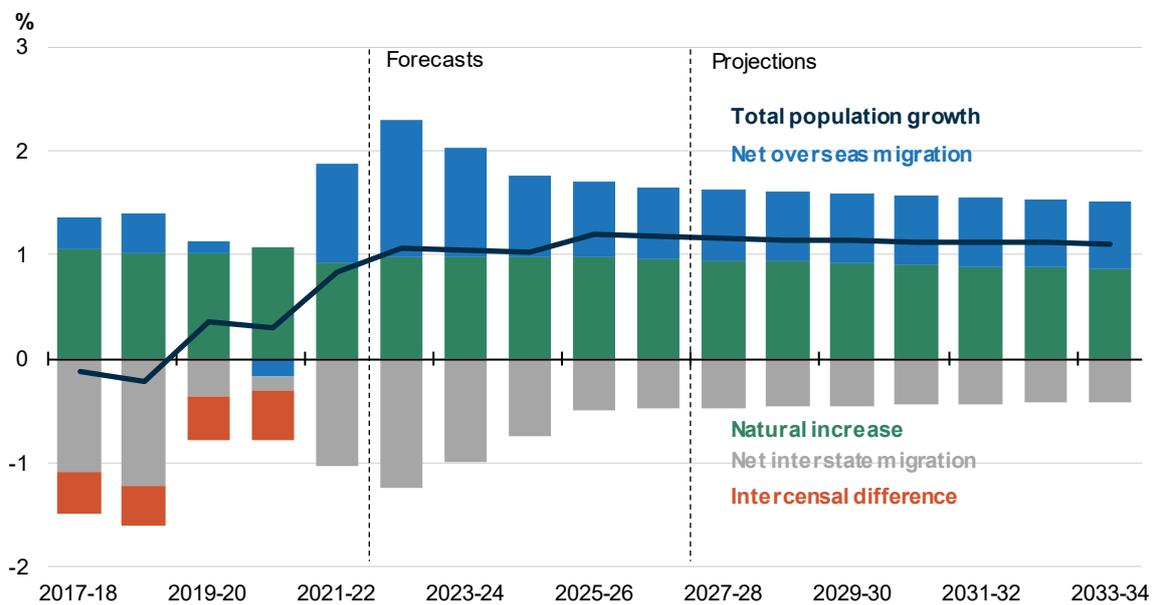
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.8 NORTHERN TERRITORY

The population of the Northern Territory was 250,000 on 30 June 2022. Over 2021–22, the Northern Territory’s population grew by 0.8 per cent, increasing from the low growth rates experienced during the pandemic. Population growth is forecast to increase to 1.1 per cent in 2022–23, before peaking at 1.2 per cent in 2025–26. Population growth is then projected to slowly decline to 1.1 per cent in 2033–34, when the Northern Territory’s population is expected to reach 286,000.

Natural increase is expected to continue to make the largest contribution to the Northern Territory’s population growth over the projection period, reflecting its high fertility rate and younger population. However, the Northern Territory has experienced net interstate migration outflows over the past 10 years. This is projected to continue, with outflows expected over the whole projection period, but moderating from 3,100 in 2022–23 to 1,200 in 2033–34.

Chart 30. POPULATION GROWTH AND COMPONENTS, NORTHERN TERRITORY

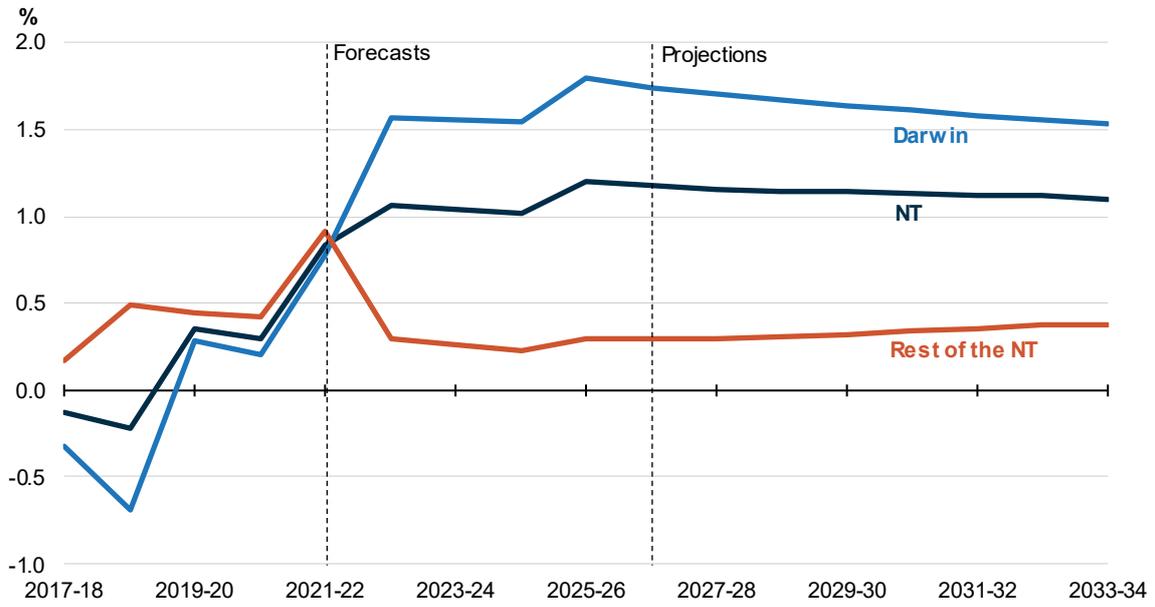


Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Greater Darwin’s population on 30 June 2022 was 149,000, representing 60 per cent of the Northern Territory’s population. Population growth in Darwin was 0.8 per cent in 2021–22 and is forecast to increase to 1.6 per cent in 2022–23 and 1.5 per cent in 2033–34. As net overseas migration returns to trend levels, natural increase is projected to become the largest driver of population growth – the highest contribution to growth for any city or region. Net internal migration is assumed to return to its long term average by 2025–26, and decline further each year. Darwin’s population is projected to be 181,000 in 2033–34.

The population of **the rest of the Northern Territory** on 30 June 2022 was 101,000. Population growth was 0.9 per cent in 2021–22, driven by natural increase. Net internal migration is expected to detract from growth in 2022–23, with population growth forecast to be 0.3 per cent. Despite having the highest natural increase contribution of any rest-of-state area, the rest of the Northern Territory is projected to be the second slowest growing rest-of-state area over most of the projection period. This is because, unlike most rest-of-state areas which benefit significantly from net internal migration, internal migration outflows will detract from population growth in the rest of the Northern Territory. The rest of the Northern Territory’s population is projected to be 105,000 in 2033–34.

Chart 31. POPULATION GROWTH IN THE NORTHERN TERRITORY, GREATER DARWIN AND THE REST OF THE NORTHERN TERRITORY



Source: ABS, Regional population 2021–22, ABS, National, state and territory population, March 2023, and Centre for Population projections.

Table 9. POPULATION PROJECTIONS, NORTHERN TERRITORY

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)						
Northern Territory	250	253	256	258	261	286
<i>Greater Darwin</i>	149	151	154	156	159	181
<i>Rest of Northern Territory</i>	101	101	102	102	102	105
Population growth (per cent)						
Northern Territory	0.8	1.1	1.0	1.0	1.2	1.1
<i>Greater Darwin</i>	0.8	1.6	1.6	1.5	1.8	1.5
<i>Rest of Northern Territory</i>	0.9	0.3	0.3	0.2	0.3	0.4
Population growth ('000)						
Northern Territory	2.1	2.6	2.6	2.6	3.1	3.1
<i>Greater Darwin</i>	1.2	2.3	2.4	2.4	2.8	2.7
<i>Rest of Northern Territory</i>	0.9	0.3	0.3	0.2	0.3	0.4
Natural increase ('000)						
Northern Territory	2.3	2.4	2.5	2.5	2.5	2.5
<i>Greater Darwin</i>	1.5	1.5	1.5	1.5	1.5	1.6
<i>Rest of Northern Territory</i>	0.9	1.0	1.0	1.0	1.0	0.9
Net overseas migration ('000)						
Northern Territory	2.3	3.3	2.7	2.0	1.9	1.8
<i>Greater Darwin</i>	1.6	2.5	2.0	1.5	1.4	1.4
<i>Rest of Northern Territory</i>	0.6	0.8	0.6	0.5	0.4	0.4
Net internal migration ('000)						
Northern Territory	-2.6	-3.1	-2.5	-1.9	-1.3	-1.2
<i>Greater Darwin</i>	-2.0	-1.7	-1.2	-0.7	-0.2	-0.3
<i>Rest of Northern Territory</i>	-0.6	-1.5	-1.3	-1.2	-1.1	-0.9
Median age (years)						
Northern Territory	32.5	32.7	33.0	33.2	33.4	34.6
<i>Greater Darwin</i>	33.5	33.7	33.9	34.2	34.4	35.6
<i>Rest of Northern Territory</i>	31.1	31.3	31.6	31.8	32.0	33.0

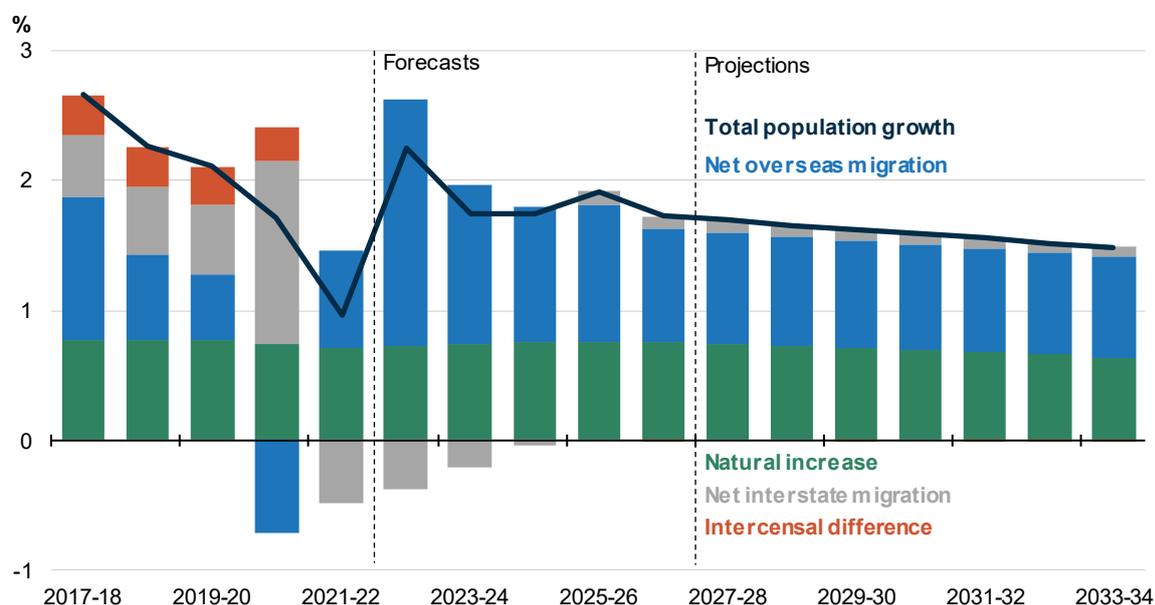
Source: ABS, National, state and territory population, March 2023, ABS, Regional population 2021–22, and Centre for Population projections.

2.9 AUSTRALIAN CAPITAL TERRITORY

The population of the Australian Capital Territory was 457,000 on 30 June 2022. After recording the fastest growth of any state or territory in the 5 years to June 2021, at 2.3 per cent per year, the Australian Capital Territory's population growth declined to 1.0 per cent in 2021–22. Population growth is forecast to recover to 2.3 per cent in 2022–23, declining to 1.9 per cent by 2025–26. Population growth in the Australian Capital Territory is then expected to slowly decline to 1.5 per cent by 2033–34.

Over the projection period, net overseas migration is forecast to be the primary driver of population growth in the Australian Capital Territory, contributing around 60 per cent of the growth between 2022–23 and 2033–34. Natural increase is expected to contribute the remaining 40 per cent of growth over this period. The high level of natural increase in the Territory reflects its younger age structure. Net interstate migration is forecast to increase from an outflow of 1,700 in 2022–23 to a small inflow of 500 by 2025–26 and remain around that level until 2033–34.

Chart 32. POPULATION GROWTH AND COMPONENTS, AUSTRALIAN CAPITAL TERRITORY



Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Table 10. POPULATION PROJECTIONS, AUSTRALIAN CAPITAL TERRITORY

	2021–22	2022–23	2023–24	2024–25	2025–26	2033–34
Population ('000)	457	467	475	484	493	560
Population growth (per cent)	1.0	2.3	1.8	1.8	1.9	1.5
Population growth ('000)	4.4	10.3	8.2	8.3	9.3	8.2
Natural increase ('000)	3.2	3.3	3.5	3.6	3.7	3.5
Net overseas migration ('000)	3.4	8.7	5.7	4.9	5.1	4.3
Net internal migration ('000)	-2.2	-1.7	-1.0	-0.2	0.5	0.4
Median age (years)	34.6	34.6	34.8	34.9	35.1	36.3

Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

3. TECHNICAL APPENDIX

The Centre typically produces projections biannually for the Australian Government's Budget and Mid-Year Economic and Fiscal Outlook (MYEFO). The 2023 Population Statement is consistent with the Government's MYEFO 2023–24 projections.

Population projections for this Statement have been developed at the national, state, and Greater Capital City Statistical Area classification (GCCSA). Data for the projections used in the Statement can be found at population.gov.au.

3.1 ASSUMPTIONS

The Centre projects the future population using the 'cohort component' method, where the components of population change (births, deaths and migration) are calculated using cohort-specific (age and sex) assumptions about future fertility, mortality and migration. These components are added to the population at the start of a period to calculate the size and composition of the population at the end of the period. This process is repeated until the end of the projection period.

For consistency across the projections at different geographic levels, components of population change at the GCCSA level are constrained to components at the state level which, in turn, have been constrained to components of change at the national level.

3.1.1 NET OVERSEAS MIGRATION

The Government's forecasts of net overseas migration are developed by the Centre for Population. They begin with ABS estimates of quarterly overseas migrant arrivals and departures by visa group and by state. The ABS provides preliminary estimates of overseas migration 6 months after the reference period and final estimates a further 12 months later. The Centre analyses more timely ABS data including overseas arrivals and departures, and data from the Department of Home Affairs on the number of temporary visa holders in Australia and offshore visa grants. The Centre also accounts for Government policy and its expected future impact on overseas migration.

Based on a historical average, the long-run assumption of NOM is 235,000 per year, as assumed in the 2023 Intergenerational Report's 40-year projection. This long-run assumption amounts to an average contribution by NOM of 0.7 percentage points to annual population growth over the next IGR time horizon, consistent with the average contribution over the past 40 years. The age profiles of migrant arrivals and departures are assumed to be in line with a historical average from 2015–16 to 2017–18.

State net overseas migration figures account for information contained in the 2021 Census which showed population growth in the intercensal period was different from that previously reported. A portion of this intercensal difference may be attributable to net overseas migration accruing to states differently than initially estimated by the ABS.

3.1.2 FERTILITY

Future fertility rate assumptions are based on analysis undertaken and commissioned by the Centre for Population.

The total fertility rate in 2022–23 is likely to be similar to the past few years. The ABS recently reported a total fertility rate of 1.69 babies per woman for the 2021–22 financial year. However, as the single year measurement tends to be volatile, a 3-year average total fertility rate (2019–20, 2020–21 and 2021–22) of 1.66 babies per woman has been used as a reference point for fertility projections to account for the volatility in the yearly total fertility rate.

The total fertility rate is assumed to gradually decline from 1.66 babies per woman in 2022–23 to 1.62 babies per woman by 2030–31, and then remain stable at this level in accordance with analysis from *A Projection of Australia's Future Fertility Rates*.²⁴ This is consistent with the long running trend of families having children later in life and having fewer children when they do.

The long-run total fertility rate is expected to stabilise at 1.62 babies per woman. This is because the recuperation in Australia has been relatively strong and the proportion of women without children has not increased significantly.²⁵ This compares with the trend in some OECD countries, such as South Korea, Japan, Italy, Spain, Austria and the UK (England and Wales), where a higher proportion (20 to 30 per cent) of women have no children. This contributes to low and declining fertility rates in these countries.

The same approach has been used at the state level, with state relativities to the national total fertility rate assumed to remain constant. At the capital city and rest-of-state level, the recent ratios (2014–15 to 2019–20) of location-specific fertility rates to the state total fertility rate are assumed to remain constant. The fertility rates for these areas are also constrained to state fertility rates.

3.1.3 MORTALITY

Assumptions about future mortality rates are based on life tables produced by the Australian Government Actuary and the ABS.²⁶

For national mortality, the mortality rates from the ABS's 2019–21 national life tables (by single year of age and sex) have been used, allowing for future improvement by applying mortality improvement factors from the Australian Government Actuary.²⁷ The same approach has been used at the state level. The 2022 Population Statement Technical Appendix provides more information on mortality improvement factors.

The Australian Government Actuary's projections of mortality rates have been adjusted in 2022–23 to account for the increase in mortality observed in 2022 and 2023. The assumed mortality rates for those aged 50 and above were adjusted upwards. Further, given the continuing (albeit moderating) excess mortality in 2023, the Centre is now assuming a gradual return to the pre-pandemic level of mortality over the 3 years from 2023–24 to 2025–26, rather than a return to the 'pre-pandemic' level in 2023–24 as previously assumed in the 2023–24 Budget. As the risk of future COVID-19 waves and variants is unclear, the long term impacts of COVID-19 on mortality and life expectancy remain highly uncertain.

At the capital city and rest-of-state level, abridged life tables were constructed based on the ABS's deaths and estimated resident population data from financial years 2002–03 to 2020–21. The approach for future capital city and rest-of-state mortality rates assumes that average ratios of capital city/rest-of-state to state mortality rates over 2016–17 to 2020–21 apply from 2025–26 onwards. For the period up to 2025–26, the ratios are smoothed from recent values to the 5-year average. Projected mortality rates for capital cities and rest-of-state areas are then calculated by multiplying projected state mortality rates prepared by the Australian Government Actuary by the capital city/rest-of state to state mortality ratios.

24 McDonald, P., *A Projection of Australia's Future Fertility Rates*, 2020.

25 Recuperation refers to an increase in births at older ages that compensates for a delay in childbearing at younger ages.

26 ABS, *Life tables, 2019–2021*.

27 The 2020–22 life tables released by the ABS on 8 November 2023 were not able to be considered in producing the Statement.

3.1.4 NET INTERNAL MIGRATION

Assumptions for internal migration at the state and capital city/rest-of-state levels were developed for the 3 main dimensions of internal migration:

- level – how many people move
- patterns – where people move to and from
- composition – who is moving (including their basic demographic characteristics such as age and sex).

LEVEL

Based on recent internal migration estimates and statistical modelling, there are expected to be 384,000 interstate moves in 2022–23. It is then assumed there will be 450,000 moves in 2025–26, closer to pre-pandemic levels. From that point, national interstate moves are assumed to increase in line with population growth, reaching 497,000 moves in 2033–34.

The national level of intrastate moves follows a similar trajectory, increasing from 242,000 moves in 2022–23 to 318,000 moves in 2025–26 and reaching 351,000 moves by 2033–34.

PATTERNS

The assumed future patterns of net internal migration rely on historical averages and recent data. Internal migration patterns are driven by a variety of social and economic factors, and vary year-to-year. While some patterns are well established (for example, outflows from Sydney, inflows to Queensland), most regions have experienced both net gains and net losses to internal migration during the last 2 decades.²⁸

Assumptions about the patterns of internal migration for 2022–23 are based on recent internal migration estimates and statistical modelling. Net internal migration patterns are then assumed to return to a pre-pandemic long term average by 2025–26 (19-year average for states and territories, 18-year average for capital cities and rest-of-state areas because of data availability).

COMPOSITION

It is assumed that the composition of net internal migration – the age and sex distribution of people who move – will remain stable during the projection period. Young adults generally migrate to the capital cities and older Australians generally move out of the capital cities. Compositional assumptions are still based upon the 2016 Census because the pandemic lockdowns significantly affected the 2021 Census movement data.

3.2 COMPARING PAST PROJECTIONS TO OUTCOMES

Population forecasts and projections will differ from subsequent observed outcomes for many reasons. This includes, but is not limited to, events turning out differently to assumptions, changes in behaviour, changes in government policy and data revisions.

²⁸ The Centre for International Economics, Internal migration in Australia and the impact of government levers, 2023.

3.2.1 NATIONAL FORECASTS

Table 11 compares the forecasts and projections from recent Population Statements, Intergenerational Reports, and the ABS, to the latest national population estimates. Relatively low population growth from 2017–18 to 2020–21, compared with preceding years, resulted in overestimates of population across all selected projections. Projections prepared during the pandemic underestimated the rate of growth in 2021–22.

Table 11. DIFFERENCE (%) BETWEEN POPULATION PROJECTIONS AND OUTCOMES, AUSTRALIA, ON 30 JUNE

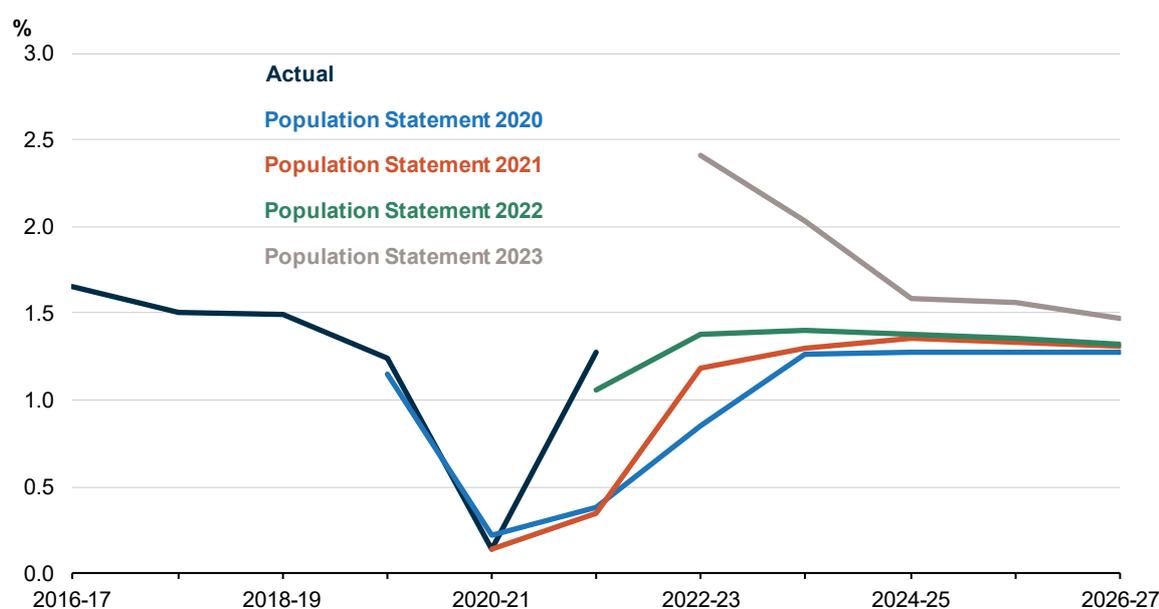
Projection	2016	2017	2018	2019	2020	2021	2022
Intergenerational Report, 2015	-0.5	-0.6	-0.8	-0.9	-1.2	-2.7	-2.9
ABS projection high series, 2018	-	-	-0.3	-0.6	-1.1	-2.8	-3.3
ABS projection medium series, 2018	-	-	-0.2	-0.4	-0.9	-2.4	-2.7
ABS projection low series, 2018	-	-	-0.2	-0.3	-0.6	-2.0	-2.2
Population Statement 2020	-	-	-	-	0.0	-0.1	0.8
Intergenerational Report, 2021	-	-	-	-	-	-0.2	0.9
Population Statement 2021	-	-	-	-	-	-0.2	0.8
Population Statement 2022	-	-	-	-	-	-	0.2

Note: Positive numbers indicate an underestimation while negative numbers indicate an overestimation.

Source: ABS, National, state and territory population, March 2023, ABS, Population Projections, 2017 (base) – 2066, the Commonwealth of Australia, 2021 Intergenerational Report and Centre for Population projections.

Previous Population Statements have accurately captured national growth in the first forecast year but have consistently underestimated post-pandemic growth (Chart 33). The latest Statement forecasts stronger population growth over the forecast period.

Chart 33. ACTUAL AND FORECASTED ANNUAL POPULATION GROWTH RATES, AUSTRALIA



Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

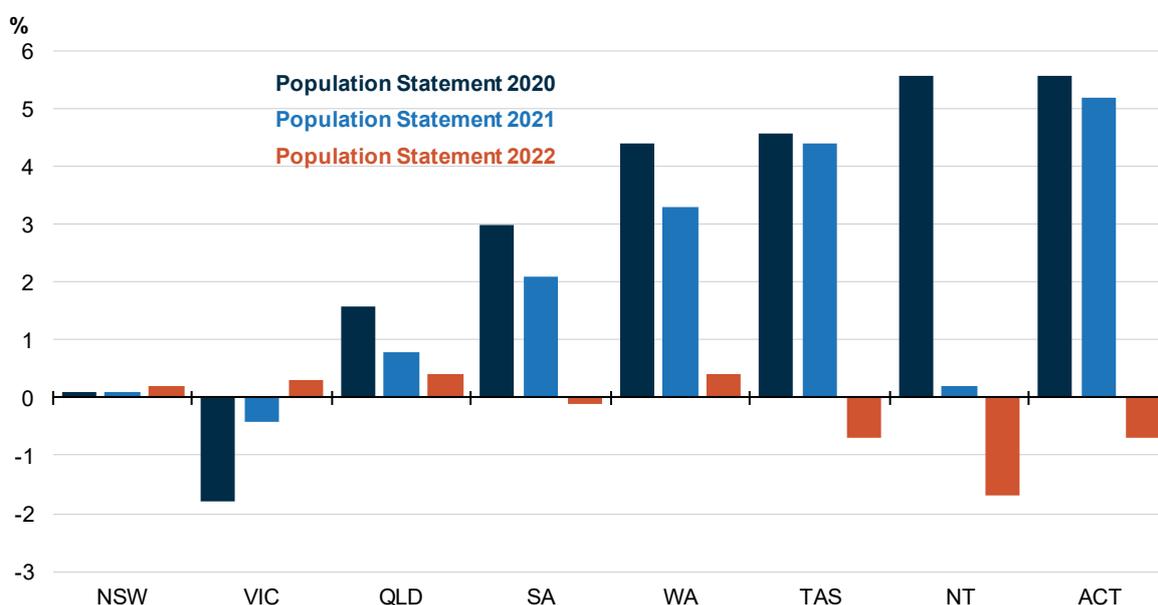
3.2.2 STATE AND TERRITORY FORECASTS

The largest difference between state level population forecasts and outcomes have tended to be for the states and territories with smaller populations (Chart 34).

In the 2022 Population Statement, the largest forecast errors in per cent terms are mostly attributable to differences between the forecast and actual data for net interstate migration, which were impacted by the COVID-19 mass vaccination program (pages 23–24 and 53–54 of the 2022 Population Statement). Higher than expected net overseas migration was the largest contributor to the forecast errors for Queensland and Western Australia.

The 2021 Census revision of outcomes included major revisions to the base estimates used in the 2021 Population Statement, which resulted in large forecast errors for most states.

Chart 34. DIFFERENCE BETWEEN POPULATION FORECASTS AND OUTCOME, BY STATE, 30 JUNE 2022



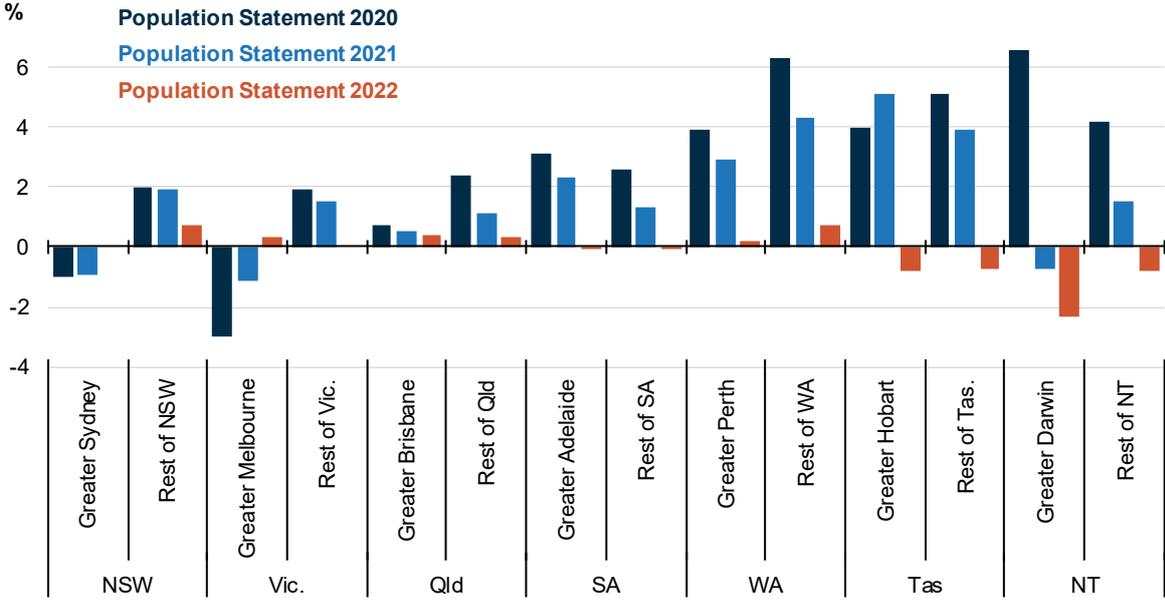
Note: Positive numbers indicate an underestimation while negative numbers indicate an overestimation.

Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

3.2.3 CAPITAL CITY AND REST-OF-STATE FORECASTS

Forecasts in the 2020 and 2021 Population Statements overestimated the 2 most populous greater capital city areas in 2021–22 (Chart 35), while almost all other regions were underestimated. In the 2022 Population Statement, forecast errors at the GCCSA level largely mirrored state-level errors. The population of Darwin was overestimated by a larger percentage than the remainder of the Northern Territory, while rest-of-state areas for New South Wales and Western Australia were underestimated by more than the respective capital cities.

Chart 35. DIFFERENCE BETWEEN POPULATION FORECASTS AND OUTCOMES, BY GREATER CAPITAL STATISTICAL AREAS, 30 JUNE 2022



Note: Positive numbers indicate an underestimation while negative numbers indicate an overestimation.

Source: ABS, Regional population, 2021–22 and Centre for Population projections.

3.2.4 FORECAST COMPONENTS

Net overseas migration has historically been the most volatile component of national population growth and consequently the most difficult to forecast. Net overseas migration was the largest source of forecast error in 2021–22 population growth as published in the 2022 Population Statement, at the national level and for the larger-population states (Table 12). The disruption of overseas migration during the pandemic has made forecasting more difficult, with most of the error being concentrated in temporary migrant arrivals (Chart 36).

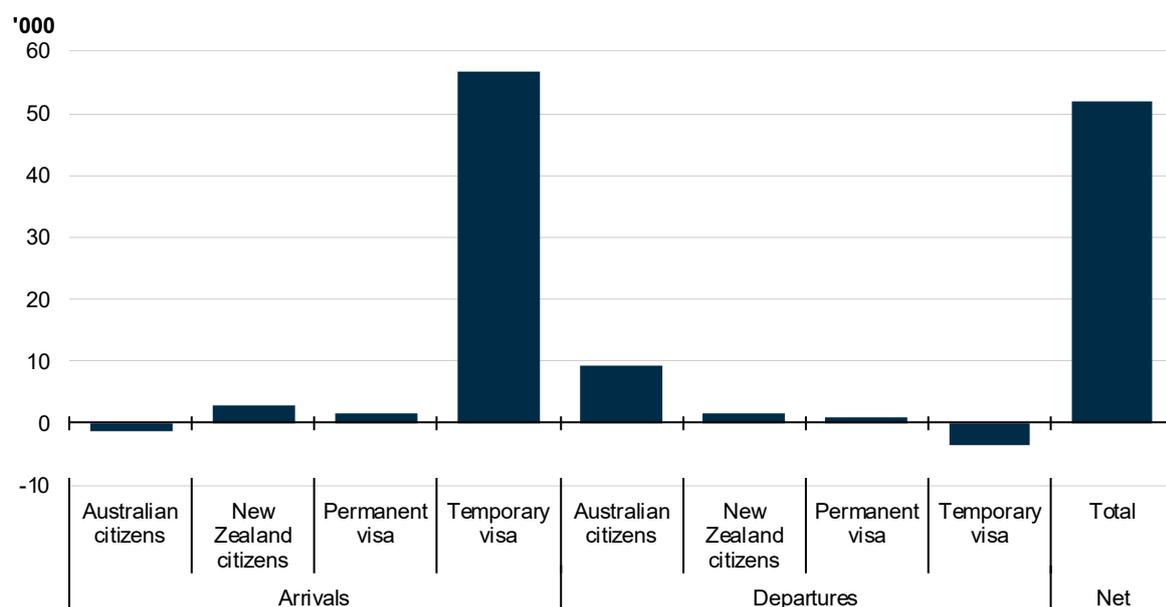
Net interstate migration was the main driver of error for South Australia, Tasmania, the Northern Territory and the Australian Capital Territory. Births and deaths tended to be underestimated in the larger-population states and overestimated in the smaller-population states.

Table 12. DIFFERENCE BETWEEN 2022 POPULATION STATEMENT COMPONENT FORECASTS AND OUTCOME, BY STATE, 2021–22

	BIRTHS		DEATHS		NET OVERSEAS MIGRATION	NET INTERSTATE MIGRATION
	no.	%	no.	%	no.	no.
Australia	4,352	1.4	1,595	0.9	51,870	–
New South Wales	3,701	3.7	982	1.6	11,207	779
Victoria	335	0.4	1,596	3.5	16,453	1,726
Queensland	1,095	1.7	68	0.2	11,475	8,427
South Australia	35	0.2	-176	-1.1	3,272	-4,193
Western Australia	-215	-0.6	-760	-4.6	8,407	2,893
Tasmania	-258	-4.4	-67	-1.3	-179	-3,081
Northern Territory	-147	-4.1	39	3.0	422	-3,519
Australian Capital Territory	-175	-3.1	-83	-3.5	741	-3,032

Note: Positive numbers indicate an underestimation while negative numbers indicate an overestimation.

Source: ABS, National, state and territory population, March 2023 and Centre for Population projections.

Chart 36. DIFFERENCE BETWEEN 2022 POPULATION STATEMENT OVERSEAS MIGRATION FORECAST AND OUTCOME, 2021–22


Note: Positive numbers indicate an underestimation while negative numbers indicate an overestimation.

Source: ABS, Customised data consultancy and Centre for Population projections.

3.3 COMPARISON TO THE ABS POPULATION PROJECTIONS

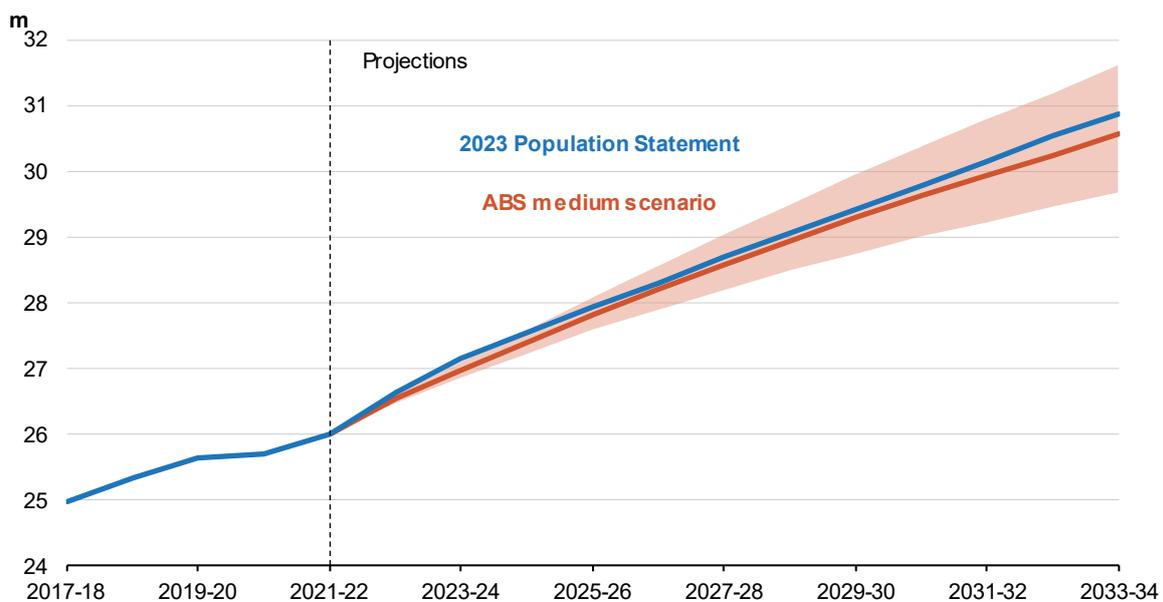
Every 5 years the ABS publishes a set of long-run projections of Australia’s population at the national, state and GCCSA levels out 50 years. The latest projections were released on 23 November 2023. They present what would happen to Australia’s population if assumed levels of the components of population change (births, deaths and migration) were to occur between 2022 and 2071.

The ABS’s assumptions are formulated based on past demographic trends and, unlike the Centre’s, do not allow for non-demographic factors such as government policy, economic factors or significant health treatment improvements. In total the ABS produces 54 scenarios (72 including the zero net overseas migration scenarios). These are intended to illustrate a range of possible future outcomes.

3.3.1 NATIONAL

The 2023 Population Statement’s projected population for 2033–34 (30.9 million) is within the range of the ABS projections of between 29.7 and 31.6 million, although is 331,000 (1.1 per cent) higher than the ABS’s medium growth scenario (Chart 37). This difference is driven by the different age structure of the population, with the 2023 Population Statement having a lower median age, more births, and fewer deaths (Chart 38).

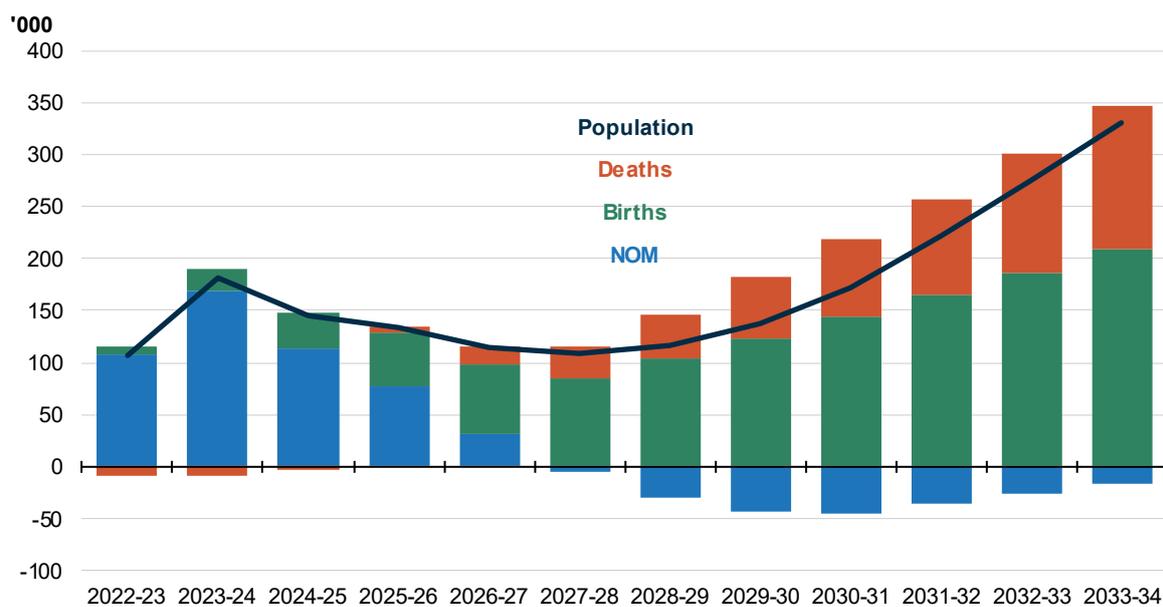
Chart 37. NATIONAL POPULATION, COMPARISON TO ABS PROJECTIONS



Note: The shaded area shows the range of high and low scenarios.

Source: ABS, Population Projections, 2022 (base) – 2071 and Centre for Population projections.

Chart 38. DIFFERENCE IN POPULATION, 2023 POPULATION STATEMENT LESS ABS MEDIUM SCENARIO, BY CUMULATIVE COMPONENT CONTRIBUTION



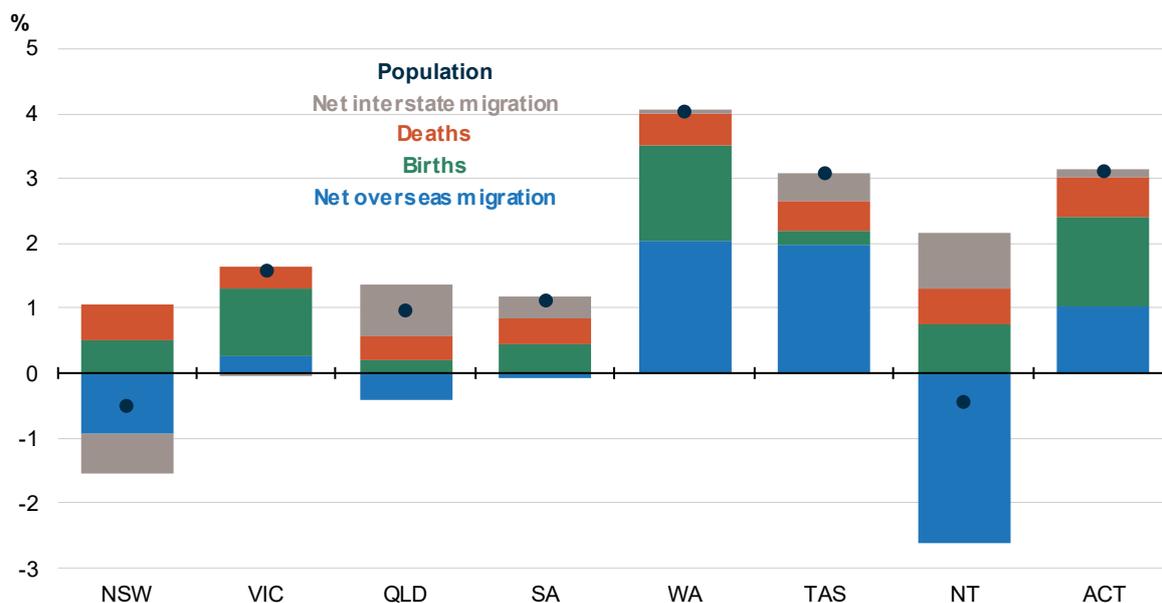
Note: Positive 'Deaths' bar indicates lower deaths in the 2023 Population Statement projections

Source: ABS, Population Projections, 2022 (base) – 2071 and Centre for Population projections.

3.3.2 STATE

The largest difference between the Centre’s state population forecasts for 2033–34, and the ABS medium growth scenario, are for Western Australia (4.1 per cent higher than the ABS), the Australian Capital Territory (3.1 per cent higher) and Tasmania (3.1 per cent higher). These reflect the Centre assuming higher net overseas migration, with more births also contributing to the difference for Western Australia and the Australian Capital Territory (Chart 39). New South Wales and the Northern Territory are the only states or territories where the 2023 Population Statement projects a lower 2033–34 population than the ABS (0.5 per cent and 0.4 per cent lower respectively, driven by lower net overseas migration, and more negative net interstate migration for New South Wales).

Chart 39. DIFFERENCE IN POPULATION, 2023 POPULATION STATEMENT LESS ABS MEDIUM SCENARIO, BY CUMULATIVE COMPONENT CONTRIBUTION, 30 JUNE 2034



Note: Positive 'Deaths' bar indicates lower deaths in the 2023 Population Statement projections.

Source: ABS, Population Projections, 2022 (base) – 2071 and Centre for Population projections.

3.3.3 CAPITAL CITY AND REST-OF-STATE AREAS

The 2023 Population Statement projections have higher growth for combined capital cities and lower growth for combined rest-of-state areas compared to the ABS medium growth scenario (although both show combined capitals growing faster than combined rest-of-state areas through to 2023–24). As at 2033–34, the difference is due to the Centre projecting higher births and lower deaths for combined capital city growth, and lower births and higher deaths for combined rest-of-state areas, compared to the ABS.

NOTES

References to years are on a financial year basis (1 July to 30 June) unless otherwise stated. Population totals for a year refer to population as at 30 June of that year (for example, 'Australia's population was 25.7 million in 2019–20' means that Australia's population was 25.7 million as at 30 June 2020). Population flows for a year refer to flows during the financial year (for example, 'Australia's natural increase was 135,000 in 2019–20' means the natural increase in Australia's population from 1 July 2019 to 30 June 2020 was 135,000).

References to the 'states' or 'each state' include the Northern Territory and the Australian Capital Territory.

Figures in tables and in the text have been rounded. Transformations (for example, shares or rates of change) are calculated using unrounded numbers. Discrepancies between totals and the sum of components are due to rounding. In general, the rounding conventions used include:

- most rates are rounded to one decimal place
- estimates over 10,000 are rounded to the nearest thousand
- estimates between 100 and 9,999 are rounded to the nearest 100
- estimates midway between rounding points are rounded up.

Estimates of future population and components of change are either forecasts or projections.

- **Forecasts** are predictions about what may happen in the near term based on analysis and modelling in relation to current circumstances.
- **Projections** are based on analysis and modelling of long term trends when rates or levels are stable. Projections may also include a transition from the last forecast to the assumed stable level or rate.

GLOSSARY

Estimated resident population

The **estimated resident population** is the official measure of Australia's population based on the concept of usual residence. It refers to all people, regardless of nationality or citizenship, who usually live in Australia, except foreign diplomatic personnel and their families. It includes usual residents who are overseas for less than 12 months. It excludes overseas visitors who are in Australia for less than 12 months (see 'net overseas migration' definition).²⁹

Excess mortality

Excess mortality is defined as the difference between the actual number, and the expected numbers, of deaths from all causes in a specific period. Excess mortality provides a measure of additional deaths due to: COVID-19, potentially misclassified or undiagnosed COVID-19 deaths, and other mortality that may be indirectly related to the pandemic (e.g. relating to social isolation or changed access to health care).

Greater Capital City Statistical Areas

Greater Capital City Statistical Areas (GCCSA) represent the socio-economic extent of the capital cities as defined by the ABS. GCCSAs are derived from Statistical Areas Level 4 (SA4).³⁰

Intercensal difference

Intercensal difference is caused by differences in population estimates between successive Censuses, and the administrative data sources used for quarterly updates which cannot be attributed to a particular source.³¹

Internal migration – internal, interstate, intrastate

Internal migration refers to the movement of people across a specified boundary within Australia involving a change in place of usual residence. Net internal migration is the difference between arrivals and departures and can be either positive or negative.

Interstate migration refers to the movement of people over a state boundary involving a change in place of usual residence. Net interstate migration is the difference between arrivals and departures and can be either positive or negative.

Intrastate migration refers to the movement of people across a specified boundary within a state.³²

Life expectancy

Life expectancy measures how long a person is expected to live if the rest of their life follows the age and sex-specific mortality rates applicable to their respective year of birth. This is the expectation of the average years that a person lives at a specific age. In the Population Statement, 'life expectancy' usually refers to 'life expectancy at birth' unless otherwise specified.

29 ABS, National, state and territory population methodology, March 2023.

30 ABS, Australian Statistical Geography Standard Edition 3, 2021.

31 ABS, Census of Population and Housing, 2021.

32 ABS, Regional population, 2021–22.

Overseas migrant – permanent resident

For population purposes, an **Australian permanent resident** is a non-citizen who holds an Australian permanent visa and usually resides in Australia (see ‘net overseas migration’ definition below). Generally, permanent residents can live, work and study with fewer restrictions than temporary visa holders in Australia.

Overseas migrant – temporary resident

A **temporary resident** is a non-citizen who holds a temporary visa that grants authority for travel to and from Australia within a specific period for a specific purpose (such as work or study) and usually resides in Australia (see ‘net overseas migration’ definition below). Temporary visa holders may have other conditions tied to their stay in Australia. Not all temporary visa holders are considered residents as they may not meet the ‘usually resident in Australia’ criterion.

Net overseas migration

Net overseas migration (NOM) is the net gain or loss of population through immigration to, and emigration from, Australia. It is measured by counting people who stay in Australia for 12 months or more over a 16-month period. This includes individuals on both permanent and temporary visas, as well as returning and departing Australian citizens.

Replacement rate

The **replacement rate** (or replacement-level fertility) is the number of babies a woman would need to have over her reproductive life span to replace herself and her partner. Given not all babies survive to reproductive age and babies are more likely to be male, replacement fertility is around 2.1 babies per woman in most advanced economies.

Rest-of-state area

Within each state, the area not defined as being part of the Greater Capital City is classified as a **rest-of-state area**.³³

Total fertility rate

The **total fertility rate** estimates the number of children a woman would have during her lifetime if she experienced the age-specific fertility rates for a given year at each age of her reproductive life.

33 ABS, Australian Statistical Geography Standard Edition 3, 2021.

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