

Australia's population growth 30+ years ahead of schedule



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In 1998, the Australian Bureau of Statistics (ABS) predicted that Australia's population would grow to at least 23.5 million people in 2051.

In reality, we reached that milestone back in July 2014 – that was the 'low-growth' prediction.

At most, the ABS predicted, that our population would grow to 26.4 million people by 2051.

But in 2017, our population already sits at 24.7 million people, meaning we'll hit that upper-end forecast as early as 2021 – about 30 years earlier than the ABS predicted.

According to current growth patterns Australia is set to reach a population of about 38 million by 2051, around 12 million more people than even the highest forecast from 1998.

Population growth drivers

Social researcher and demographer Mark McCrindle says that this isn't because the calculations were wrong, but that "migration policy changes, longevity increases and a solid birth rate have defied the trends that were evident 20 years ago."

Net Migration

 = 10,000 people

1998 Prediction for 2051

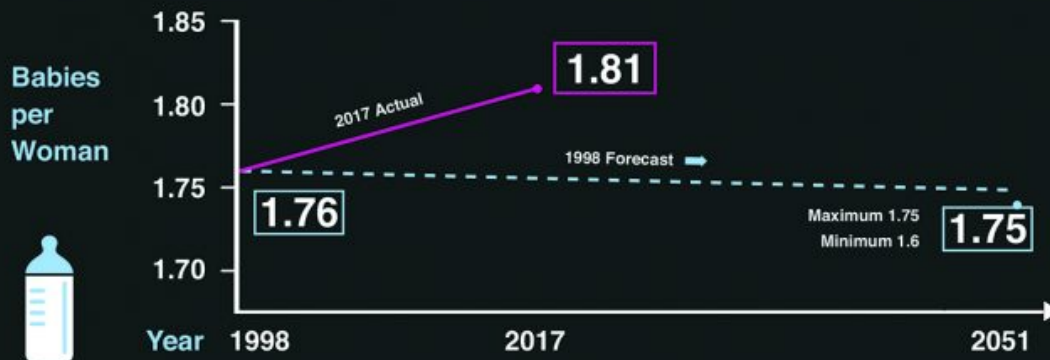


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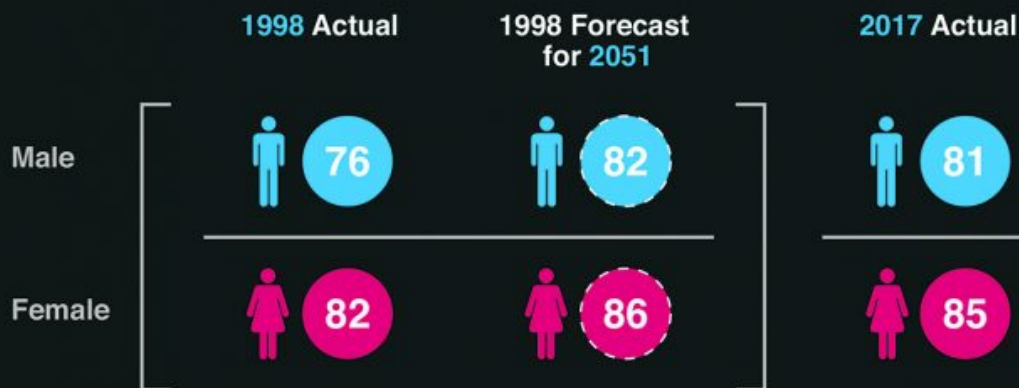
What's already happening in 2017



Fertility Rate



Life Expectancy



Back then, they assumed that women would have fewer babies and the fertility rate (the number of babies a woman would have in her lifetime) would continue to drop to a minimum of 1.6 babies and a maximum of 1.75 babies. However, the fertility rate didn't decrease, it increased, and now sits at 1.81: a figure which is above even the higher forecast from 1998.

In 1998, life expectancy at birth was 76.6 for and 82 for women. The 1998 prediction for 2051 was that life expectancy would hit a high of 82 for men and 86 for women. However, current life expectancy is already nearly 81 for males and 85 for females and will reach this 2051 target decades early.

“However,” McCrindle says, “the biggest growth factor that has blown out previous population modelling has been the rise and rise of Australia’s net overseas migration.

“In 1998 it was thought that it would grow our population annually by around 70,000, or at the most, 90,000 people. In the last 12 months, Australia has added 231,900 through net migration which is more than 2.5 times even the high-forecast of two decades ago.”

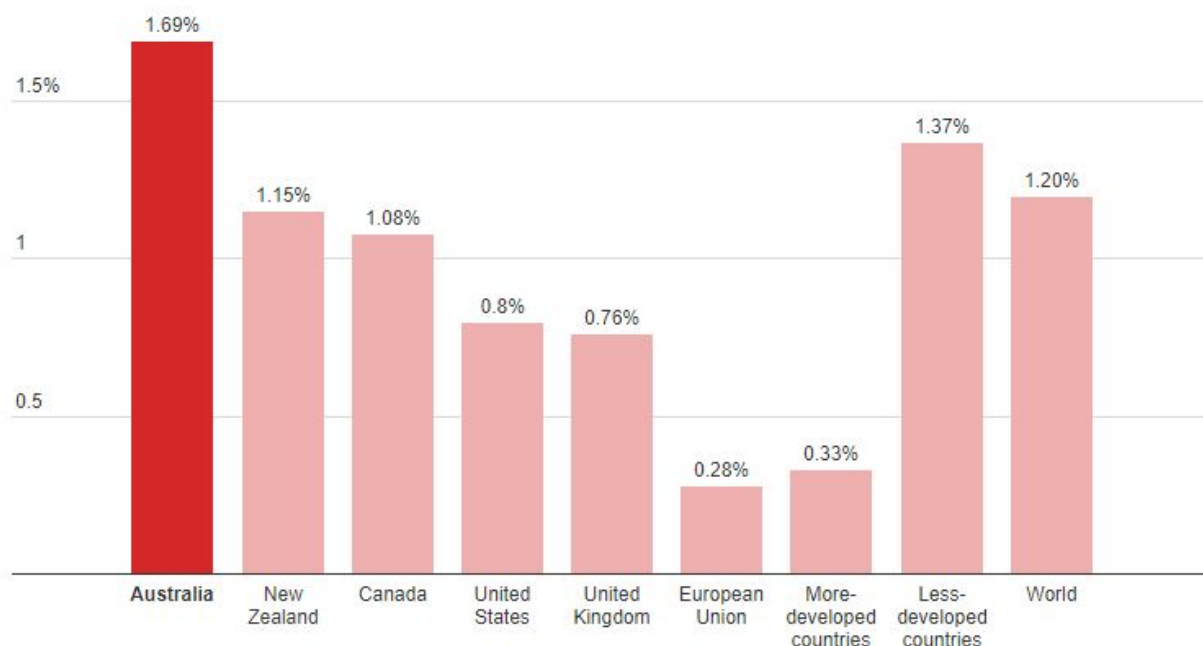
Global leader in growth

In the decade to 2016, Australia’s population growth rate was 1.69%, outpacing many other developed countries including other English speaking countries, such as the US, Canada and New Zealand. In fact, Sydney alone is now home to more people than the whole country of New Zealand.

The world’s more developed countries in aggregate grew by an annual average of 0.3%. The world’s population as a whole increased by an average of 1.2% per year.

According to the UN Population Division, the only developed countries that had a faster rate of population growth were Singapore, Luxembourg and Israel.

Average annual population growth rates, 2006 to 2016



Growth rates cover the period mid-2006 to mid-2016 except for the European Union, which is for 2005 to 2015.

Source: ABS; other national statistical offices; Eurostat; United Nations Population Division

Source: Tom Wilson, Principal Research Fellow, Charles Darwin University, writing for [The Conversation](#)

The states compared

Queensland, NSW and Victoria are all outperforming the nation as a whole, with population growth rates of 1.85%, 1.87% and 2.4% respectively.

Back in 1998, Melbourne's population was expected to reach between 3.6 and 4.5 million by 2051. It's already surpassed this range, with a current population of 4.8 million people. Sydney was predicted to reach between 4.7 and 6.2 million. It has a current population of 5.1 million and set to reach the higher forecast within the next 10 years. Melbourne is also now tipped to overtake Sydney as the most populous Australian city in the next 20 years.

While overseas migration has been a primary driver of this growth, according to Principal Research Fellow at Charles Darwin University, Tom Wilson, even if migration policy changes take place in future, the population will still grow significantly.

"In particular," Wilson notes, "relatively large numbers of people are in the peak childbearing ages. This means that even if migration fell immediately to zero the population would still increase. Demographers call this age structure effect "population momentum"."

How does population growth affect property prices and where to invest in property in 2018?

Essentially, this comes down to a simple question of supply and demand; when the number of people grows faster than the number of new properties on the market in those key growth areas, then the shortfall will place pressure on prices.

"Of course, this is only one piece of the puzzle for property investors," says Ironfish National Apartments Manager, Will Mitchell. "Our property and research team looks at the overall picture and considers a number of factors such as infrastructure and government spending, transport and employment options to select areas and properties set to outperform the wider market.

"However, the fact that Australia's population has surpassed all forecasts from 1998 is truly remarkable and should not be taken lightly.

"One of the most common questions I am asked by people looking to buy investment property is whether now is the right time. My response to that is simple: property investment is a long-term investment, and in 10, 20 or 30 years, do you think property will be in more or less demand in Australia?"

“Our unprecedented international migration reflects how unique our country is, and the lifestyle that it offers – we have stunning scenery, world-class healthcare, education, retail and dining and we are ranked as one of the [safest countries](#) in the world.

“I think it’s an amazing country, and that’s why so many people want to move here,” he said.

According to McCrindle, the lessons to be learned from this rapid growth in Australia’s population is that urban planners and governments alike need to keep a close eye on population forecasts and plan early for growth.

“And when in doubt,” McCrindle adds, “assume the higher growth forecasts not the lower ones. I’m yet to see an Australian population forecast that needs adjusting down.”