

Australia's Population Growth – Current Trends

July 2010

Key Points:

- **Following nineteen consecutive quarterly increases, annual population growth reached a peak in the March 2009 quarter.**
- **Australia's strong population growth has primarily been driven by high levels of net overseas migration (NOM).**
- **In line with a slowdown in NOM, Australia's rate of annual population growth has eased since the March 2009 quarter.**

Total Population Growth

Australia's annual population growth peaked in the March 2009 quarter. This was after nineteen consecutive quarterly increases in the rate of population growth. This strong ascendancy was primarily driven by a rapid expansion in the level of net overseas migration (NOM).

However, there is now a clear deceleration in annual population growth occurring in Australia. In the year to December 2009, a total of 432,619 persons were added to the Australian population. That is 21,249 fewer persons than were added in the year to December 2008. While the number of persons being added to the Australian population on an annual basis is shrinking, the volume added in the year to December 2009 is still comparatively high by historical standards.

Net Overseas Migration

NOM reached a peak in the March 2009 quarter, in line with overall annual population growth. A very large 98,000 overseas migrants were added to the Australian population in that single quarter alone. This contributed to an overall addition of 466,622 persons to the Australian population in the year to March 2009.

Since the March 2009 quarter, annual population growth has slowed in Australia. This is a by-product of a slowdown in the rate of growth sourced from NOM, which is in line with the HIA Economics Group's assessment in 2009 that (NOM) would start to return to a level more representative of the longer term average. The recently high level of NOM has been driven by temporary/student migrants staying in the country for a longer period.¹ There is a lag in migrant Visas issued, therefore current NOM levels are a result of 2008/09 issued Visas.

HIA Economics remains of the view that Australia is seeing a one-off boost to population growth, and as these recently heightened levels of temporary arrivals depart, Australia's population growth should retreat to more 'normal' rates. Recent data confirms this trend is emerging. NOM accounted for an additional 277,700 migrants to the Australian population in the year to December 2009, in contrast with an additional 301,200 in the year to December 2008.



¹ For further insight into Australia's recent overseas migration policy, trends and measurement; see HIA Economics Research Note "Australia's Population Growth" at <http://economics.hia.com.au/Factsheets.aspx>

Natural Increase

During the period of rapid growth in NOM, the natural increase in the population also started to gather momentum, although clearly not to the same degree. The rate of natural increase has also begun to slow since a peak in the March 2009 quarter. The annual growth rate of natural increase in the March 2009 quarter was 15.2%, in contrast with an annual growth rate of 1.5% in the December 2009 quarter.

Australia's Population Growth by Component - Moving Annual Total

Source: ABS 3101.0

