

# Australia's Population Growth – Current Trends

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## Key Points:

- **Following 18 consecutive quarterly increases, annual population growth reached a peak in the December 2008 quarter.**
- **Australia's strong population growth in recent years 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 December 2008 quarter. This was after 18 consecutive quarters of rising population growth. This strong ascendancy was primarily driven by a rapid expansion in the level NOM.

However, since then there has been clear deceleration in annual population growth occurring in Australia. In the year to June 2011, an estimated 320,779 persons were added to the Australian population. That is 27,260 fewer persons than were added in the year to June 2010 (which in itself was 105,157 fewer persons added in the year to June 2009). While the number of persons being added to the Australian population on an annual basis is shrinking, the volume added in the year to June 2011 is still up on typical historical levels, and higher than any 12 months period prior to September 2006.

## Net Overseas Migration

In annualised terms, NOM reached a peak in the December 2008 quarter, coinciding with the peak in population growth. A very large 73,031 overseas migrants were added to the Australian population in that single quarter alone. This contributed to an overall addition of 467,314 persons to the Australian population in the year to December 2008.

Since the March 2009 quarter, annual population growth has slowed in Australia – growth levels have declined for nine consecutive quarters. 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 previous high level of NOM has been driven by temporary/student migrants staying in the country for a longer period.<sup>1</sup> There is a lag in migrant Visas issued, therefore current NOM levels are a result of 2008/09 issued Visas.



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<sup>1</sup> 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>

HIA Economics remains of the view that the growth experienced between 2007 and 2009 was a one-off boost to population growth, and as those heightened levels of temporary arrivals depart, Australia’s population growth should retreat to more ‘normal’ rates. Data since the peak has confirmed this trend is emerging, however the levelling out of growth in recent quarters has been slightly up on historic levels. NOM accounted for an additional 170,279 migrants to the Australian population in the year to June 2011, in contrast with an additional 198,316 in the year to June 2010.

**Natural Increase**

During the period of rapid growth in NOM, the natural population increase also started to gather momentum, although clearly not to the same degree. In annual terms, the natural population increase peaked in the year ending September 2009 wherein the natural increase contributed 155,082. The subsequent slowing in natural increase saw growth of only 149,723 persons in the June 2010 quarter. The most recent data shows a natural increase of 150,500 in the year to June 2011 – 0.5 per cent up on the previous year’s level.

Australia's Population Growth by Component - Moving Annual Total

Source: ABS 3101.0

