Victoria in Future 2019

Population Projections 2016 to 2056 July 2019



Planning Group



Environment, Land, Water and Planning



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Victoria in Future 2019 Population and household projections to 2056

Victoria in Future 2019 (VIF2019) is the official state government projection of population and households. Projections are used by decision makers in government, business and the community to understand the growing and changing population.

Population projections are estimates of the future size, distribution and composition of the population. They are developed using mathematical models and expert knowledge, relying on trend analysis and assumptions about future change. They should not be interpreted as exact predictions or forecasts of the future.

Uncertainty about the future increases over longer projection horizons and with smaller geographic areas. Different policy settings and changes in the economy could result in changes to the expected size, distribution and composition of the population.







Note on data sources and presentation

Estimated Resident Population data are based on the latest available estimates from the Australian Bureau of Statistics (ABS) for 30 June 2018. Household data are based on the results of 2016 Census and are only presented in detail for the base year 2016. In this document summary household figures may be quoted for 2018 and population figures may be based from 2016 for consistency with household numbers.

HIGHLIGHTS: Victoria

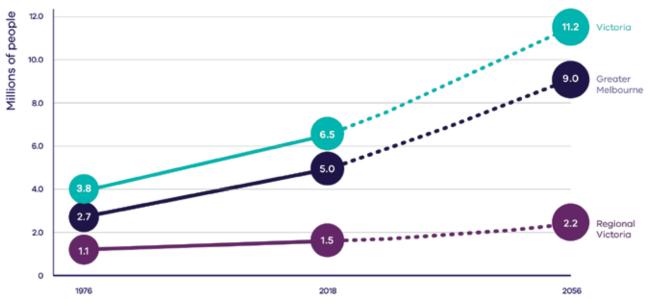


Figure 1 – Past and projected population by major regions, 1976 to 2056



Figure 2 – Components of population change, Victoria 2018 to 2056



Figure 3 – Population by age group, Victoria 2018 and 2056

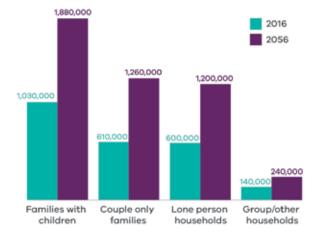
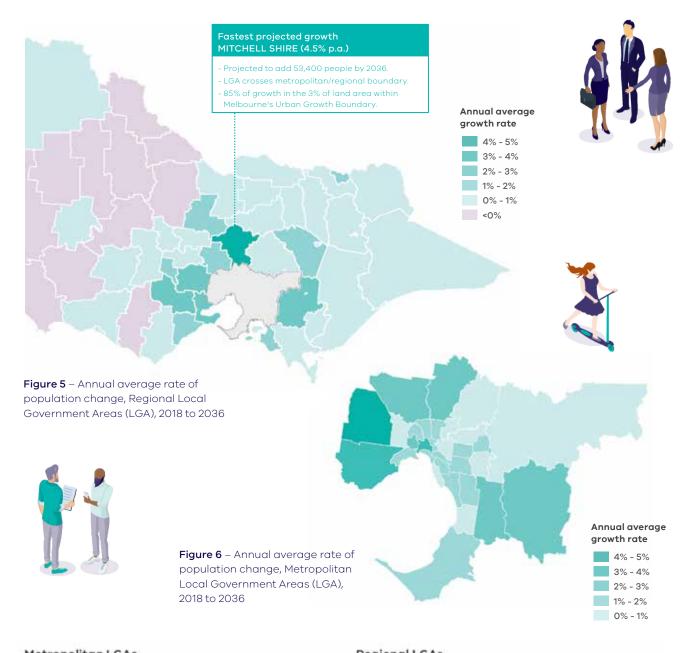


Figure 4 – Households by type, Victoria 2016 and 2056

HIGHLIGHTS: Local Government Areas



Metropolitan LGAs		Regional LGAs	
WYNDHAM	203,900		108,000 GREATER GEELONG
CASEY	181,800	38,600	BALLARAT
MELTON	175,300	37,700	GREATER BENDIGO
WHITTLESEA	141,100	23,800	BAW BAW
MELBOURNE	122,700	17,500	WODONGA

Figure 7 – Top five population growth, 2018 to 2036, Metropolitan and Regional LGAs

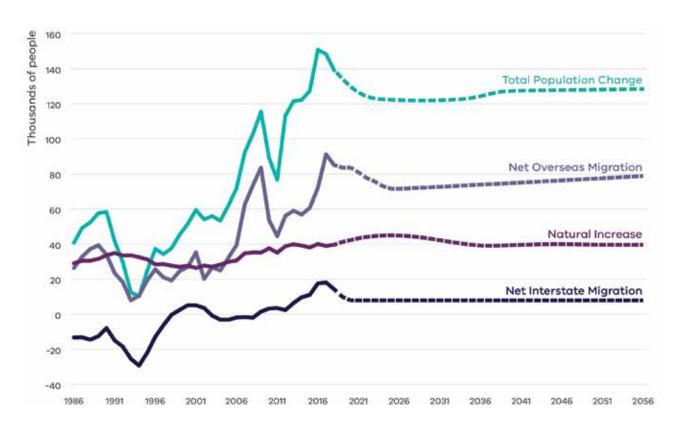


Figure 8 - Components of population change, Victoria 1986 to 2056

Demographic assumptions

Population projections rely on the 'cohort component model'. This is driven by assumptions regarding the components of population change: Net Overseas Migration; Net Interstate Migration; Natural Increase (the difference between the number of births and deaths). See Figure 8 for historic and projected levels.

Net Overseas Migration has been Victoria's strongest driver of population change in recent years, accounting for around 60 per cent of state growth. Permanent migrants arrive under the skilled, family and humanitarian streams of the Commonwealth Migration Programme. Temporary migrants come under a number of visa categories including students and temporary business migrants.

VIF2019 projections assume continuing strong migration from overseas as Victoria remains attractive due to strong economic performance combined with education and lifestyle opportunities. Net Overseas Migration is expected to add between 70,000 and 80,000 people to Victoria's population in each future year. Victoria has been gaining migrants, in net terms, from all other states and territories of Australia in recent years. The level of Net Interstate Migration peaked at almost 20,000 in 2016-17. VIF2019 assumes more interstate migrants will come to Victoria than leave in the future. Net Interstate Migration is expected to account for growth of 8,000 people per annum.

Natural Increase is dependent on three key factors — fertility rates (number of children per woman), mortality rates and the number of people of different ages in the population (the age structure).

VIF2019 assumes Victorian women will have, on average, 1.6 children over their lifetime. As the population increases so does the number of births in each year. The number of deaths increases as the population increases and ages, even though average Life Expectancy at birth is assumed to increase from 82 to 87 years by 2056 for males and from 85 to 88 for females. Natural Increase is expected to contribute around 40,000 people per annum to Victoria's future growth.

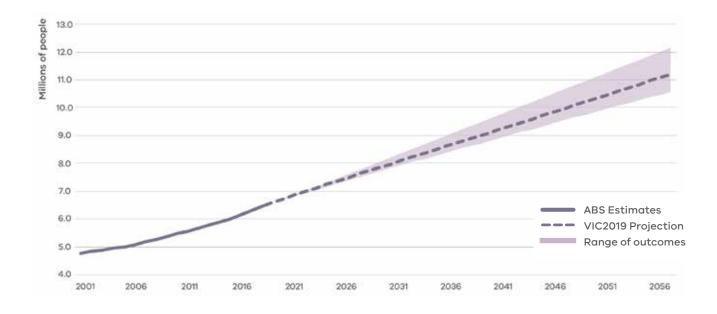


Figure 9 - Projected population, Victoria: range of outcomes

Population Growth

Victoria's population was 6.5 million at 30 June 2018. It is the second largest state in Australia by population, but has been growing by more than any other state or territory at up to 150,000 per annum (and at the highest rate of up to 2.5 per cent per annum). Victoria has grown by a million people since 2011 and is expected to add another million by 2026.

As the official state projection, Victoria in Future presents a single series representing likely future growth, informed by current trends. This approach is considered the most useful for developing a common view to guide service and infrastructure planning.

Under the VIF2019 assumptions Victoria is projected to add 4.7 million people from 2018 to 2056, reaching a population of 11.2 million. This represents annual average growth of 125,000 people, at a rate of 1.5 per cent per annum.

Conditions and trends may change in the future, however, and if other assumptions were used, different growth levels would result. Migration levels are more sensitive to changes in policy or economic conditions than births or deaths. Figure 9 shows population growth outcomes with different migration assumptions, illustrating average annual growth in each scenario, not the volatility of growth in individual years.

This range of future populations does not represent alternative Victoria in Future projection series. It is presented to demonstrate that while projections are sensitive to variations in migration assumptions, under a range of likely scenarios, growth is expected to be very strong, within a range of 4.1 and 5.6 million additional people by 2056.

The official projection assumes average net migration (overseas and interstate) of 84,000 per annum. This leads to a total net migration of 3.2 million over 38 years. Should Victoria prove more attractive to migrants, with net migration averaging 102,000 per annum, the population could grow to 12.1 million by 2056 at an annual average rate of 1.7 per cent. This represents the higher end of the range in the chart. If average net migration were as low as 71,000 per annum, Victoria would grow at 1.3 per cent per annum, leading to a population of 10.6 million by 2056 (the lower end of the range).

Population Composition

The composition, or characteristics, of the population can be just as important as the size or the growth rate. Places with the same population size may require different services and infrastructure depending on the mix of ages and household types.

The median age in Victoria is 36 – young by standards in the developed world. Almost twothirds of Victoria's population is within the key working ages of 18 to 64 years, while fewer than one of every six Victorians is aged 65 years or over. (See Figure 10)

By 2056 the population will have aged significantly by proportions, particularly as the large 'baby boomer' cohort moves into the oldest age group. The absolute numbers in the younger age categories are still expected to increase strongly. An additional 560,000 people are expected at school ages (5 to 17) by 2056, though this represents a smaller proportion of the total population than this group did in 2018.

Population at older ages, however, will increase greatly in both number and share. The number aged 65 years and over triples over the period and the number aged 85 years and over almost quadruples. By 2056 median age is projected to increase to 41.



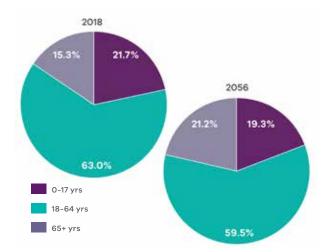
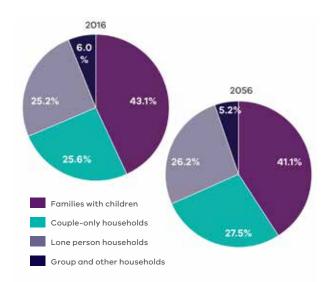


Figure 11 – Households by type, Victoria 2016 and 2056



The number of households in Victoria is projected to almost double from 2.4 to 4.6 million from 2016 to 2056, but households are expected to be smaller. Older Victorians are more likely to live in a one- or two-person household than a larger household so, as the population ages, both the number and the proportion of these households increase. The average size of a household therefore decreases: from 2.54 persons per household in Victoria in 2016 to 2.40 in 2056.

Nonetheless, VIF2019 projects increasing numbers of households of all types in Victoria. The proportion of families with children decreases over time, but the number increases by 82 per cent or almost 850,000. The numbers of couple only and lone person households are expected to double while their share of all households increases slightly (see Figure 11).

As the number of households increases so must the number of dwellings required to house them. From 2016 to 2056 Victoria will require an additional 2.3 million dwellings to house the extra population: almost 1.9 million in Greater Melbourne and over 400,000 in Victoria's regions.

Population Distribution

Population growth is not evenly distributed across Victoria. Patterns of urban and regional population change reflect the likelihood of individual places to attract population growth and their capacity to absorb extra population. Victoria in Future takes account of these factors to project the levels and rates of growth for Victoria's major regions, Local Government Areas (LGA) and smaller statistical areas (Statistical Area Level 2, or SA2).

The Greater Melbourne Capital City Statistical Area accounts for approximately 77 per cent of Victoria's population and over 85 per cent of recent growth. This balance of growth is projected to continue. Greater Melbourne is projected to grow by approximately 4.0 million people, increasing from 5.0 million in 2018 to 9.0 million in 2056. Over the same period Victoria's regions are expected to grow by just over 700,000 from 1.5 million to 2.2 million.

Victoria in Future makes projections for smaller areas as far as 2036. Within Victoria's regions the strongest growth is expected in the three major Regional Centre LGAs. The Cities of Greater Geelong, Ballarat and Bendigo are projected to account for around half of all regional growth. Greater Geelong in particular is projected to grow by over 100,000 people by 2036.

A number of peri-urban LGAs – such as Surf Coast, Moorabool and Baw Baw Shires – are projected to grow by rates as fast or faster than Greater Geelong, though by smaller absolute amounts. Eleven regional LGAs are projected to decrease in population due to structural ageing (natural decrease) and either low net migration or an assumed net outflow of people over time. Melbourne is expected to continue to grow strongly across its seven designated Growth Area LGAs, as long-term growth corridor plans are implemented via individual Precinct Structure Plans for new suburbs. The largest amounts of growth from 2018 to 2036 are expected in the Cities of Wyndham (adding 204,000 people) and Casey (182,000). The fastest rates of growth are expected in the City of Melton (4.3 per cent) and in Mitchell Shire (4.5 per cent – mostly within the metropolitan Urban Growth Boundary).

Inner Melbourne is projected to grow strongly. Within the City of Melbourne dwelling additions, mostly high-rise apartments, are concentrated in the Central Business District (Melbourne SA2) and the nearby SA2s of Docklands and Southbank, leading to projected LGA growth of 123,000 people by 2036. This is the strongest growth of any non-Growth Area LGA.

Growth levels and rates are expected to vary across the remainder of Melbourne's Established LGAs. Strong growth in these areas can be linked to apartment construction in key activity centres, such as Box Hill SA2 in the City of Whitehorse, which is expected to grow by 14,000 people over 18 years. Other areas grow more slowly, with the regeneration of suburbs leading to incremental redevelopment.

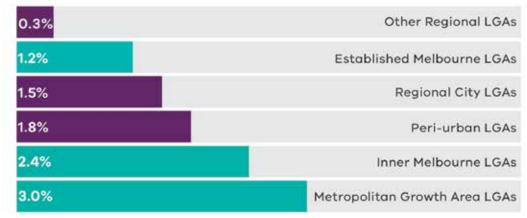


Figure 12 – Annual average population growth rate by section of Victoria, 2018 to 2036

Detailed Victorian Results

Table 1 - Estimated Resident Population and households, Victoria, 2016 to 2056

Key projections of	data	2	016	202	6	2036		2046	20	056	
Estimated Resid Population	lent	6,17	3,200	7,495,2	200	8,722,80	0	9,951,900	11,20	6,800	
Total Household	ls	2,39	4,000	2,942,5	500	3,474,60	0	4,017,400	4,56	7,400	
Average Househ	nold Size	2	.54	2.5	1	2.47		2.43	2.	40	
Change in popul	ation	201	6-56	2016-	26	2026-36		2036-46	204	6-56	
Net (population)			3,600	1,322,0		1,227,600		1,229,200		4,900	
Average annual	rate	1.	5%	2.0%	6	1.5%		1.3%	1.	2%	
Change in house	holds	201	6-56	2016-	26	2026-36	;	2036-46	204	6-56	
Net (households	5)	2,173	3,400	548,5	3,500 532,100			542,800	550	550,000	
Average annual	rate	1.	6%	2.1%	ó	1.7%		1.5%	1.5	3%	
Components of o	change	201	6-56	2016-	26	2026-36	5	2036-46	204	6-56	
Natural increase		1,64	2,300	429,3	00	419,100		396,500	397	397,400	
Net migration		3,39	1,200	892,7	00	808,400)	832,600	857,500		
	201	6	202	26	20	36		2046	205	56	
Age Structure	Number	Share %	Number	Share %	Number	Share %	Numbe	Sharo	Number	Share %	
0 to 14	1,140,100	% 18.5	1,346,300	% 18.0	1,484,800	% 17.0	1,622,20		1,795,300	% 16.0	
15 to 29	1,306,800	21.2	1,491,100	19.9	1,721,500	19.7	1,888,90		2,039,900	18.2	
30 to 44	1,309,700	21.2	1,708,000	22.8	1,874,200	21.5	2,074,20		2,292,900	20.5	
45 to 59	1,164,200	18.9	1,301,700	17.4	1,602,900	18.4	1,907,30		2,056,600	18.4	

Household	201	2016		2026		2036		2046		2056	
Types	Number	Share %									
Families with children	1,031,800	43.1	1,248,500	42.4	1,467,500	42.2	1,681,100	41.8	1,876,800	41.1	
Couple-only households	613,200	25.6	772,800	26.3	916,500	26.4	1,075,100	26.8	1,255,500	27.5	
Lone person households	604,500	25.2	750,400	25.5	897,700	25.8	1,046,400	26.0	1,197,600	26.2	
Other households	144,500	6.0	170,800	5.8	192,900	5.6	214,800	5.3	237,500	5.2	
Total households	2,394,000	100.0	2,942,500	100.0	3,474,600	100.0	4,017,400	100.0	4,567,400	100.0	

837,200

8,722,800

9.6

100.0

1,064,100

9,951,900

10.7

100.0

1,269,900

11,206,800

11.3

100.0

412,500

6,173,200

75 and over Total 6.7

100.0

600,400

7,495,200

8.0

100.0

Region		Estimat	Change 2016-2056					
	2016	2026	2036	2046	2056	Number	Avg rate	
Greater Melbourne	4,714,400	5,843,300	6,884,100	7,931,600	9,001,300	4,286,900	1.6%	
Rest of Victoria	1,458,800	1,651,800	1,838,600	2,020,300	2,205,500	746,700	1.0%	
Statistical Areas (SA4) in Victoria's regions:								
Ballarat	160,000	185,000	210,000	234,500	259,500	99,500	1.2%	
Bendigo	155,500	180,200	204,200	228,200	253,200	97,700	1.2%	
Geelong	286,400	361,600	431,700	500,200	569,400	283,000	1.7%	
Hume	172,600	193,600	213,700	233,000	252,700	80,100	1.0%	
Latrobe Gippsland	275,800	310,800	346,200	379,800	413,700	137,900	1.0%	
North West	151,900	153,000	153,700	154,500	155,800	3,900	0.1%	
Shepparton	132,100	140,000	149,100	158,400	167,800	35,700	0.6%	
Warrnambool and South West	124,500	127,600	130,000	131,700	133,400	8,900	0.2%	

Table 2 - Estimated Resident Population by major region of Victoria, 2016 to 2056









Local Government Area Results

Table 3 - Estimated Resident Population by Local Government Area, 2018 to 2036

	Рор	ulation	Change 2018 - 2036		
	2018	2036	Number	Avg Rate	
Inner Metropolitan Melbourne	<u>,</u>				
Melbourne (C)	169,960	292,630	122,670	3.1%	
Port Phillip (C)	113,200	159,450	46,250	1.9%	
Yarra (C)	98,520	136,450	37,930	1.8%	
Inner South East Melbourne					
Bayside (C)	105,720	122,710	16,990	0.8%	
Boroondara (C)	181,290	213,840	32,550	0.9%	
Glen Eira (C)	153,860	188,210	34,350	1.1%	
Stonnington (C)	116,210	146,890	30,680	1.3%	
Eastern Melbourne					
Knox (C)	163,200	191,530	28,330	0.9%	
Manningham (C)	125,510	148,410	22,900	0.9%	
Maroondah (C)	117,500	143,790	26,300	1.1%	
Monash (C)	200,080	248,930	48,850	1.2%	
Whitehorse (C)	176,200	220,250	44,050	1.2%	
Yarra Ranges (S)	158,170	183,820	25,650	0.8%	
Northern Melbourne					
Banyule (C)	130,240	150,760	20,520	0.8%	
Darebin (C)	161,610	210,650	49,040	1.5%	
Hume (C)	224,390	343,990	119,600	2.4%	
Moreland (C)	181,730	241,540	59,820	1.6%	
Nillumbik (S)	64,940	70,310	5,370	0.4%	
Whittlesea (C)	223,320	364,450	141,130	2.8%	

Southern Melbourne				
Cardinia (S)	107,120	177,870	70,750	2.9%
Casey (C)	340,420	522,250	181,830	2.4%
Frankston (C)	141,850	165,790	23,940	0.9%
Greater Dandenong (C)	166,090	218,560	52,470	1.5%
Kingston (C) (Vic.)	163,430	201,090	37,660	1.2%
Mornington Peninsula (S)	165,820	200,360	34,540	1.1%

Table 3 - Continued

	Population		Change 2018 - 2036		
	2018	2036	Number	Avg Rate	
Western Melbourne					
Brimbank (C)	208,710	244,500	35,790	0.9%	
Hobsons Bay (C)	96,470	120,600	24,130	1.2%	
Maribyrnong (C)	91,390	147,460	56,080	2.7%	
Melton (C)	156,710	332,050	175,340	4.3%	
Moonee Valley (C)	127,880	167,780	39,900	1.5%	
Wyndham (C)	255,320	459,220	203,890	3.3%	
Central Highlands Region					
Ararat (RC)	11,800	11,870	70	0.0%	
Ballarat (C)	107,330	145,930	38,600	1.7%	
Golden Plains (S)	23,120	33,070	9,950	2.0%	
Hepburn (S)	15,810	17,700	1,890	0.6%	
Moorabool (S)	34,160	49,940	15,780	2.1%	
Pyrenees (S)	7,350	7,710	360	0.3%	
G21 Region					
Colac-Otway (S)	21,500	22,330	830	0.2%	
Greater Geelong (C)	252,220	360,250	108,030	2.0%	
Queenscliffe (B)	2,980	3,170	190	0.3%	
Surf Coast (S)	32,250	45,440	13,190	1.9%	
Gippsland Region					
Bass Coast (S)	35,330	48,140	12,820	1.7%	
Baw Baw (S)	52,020	75,820	23,800	2.1%	
East Gippsland (S)	46,820	55,960	9,140	1.0%	
Latrobe (C) (Vic.)	75,210	83,190	7,980	0.6%	
South Gippsland (S)	29,580	33,930	4,350	0.8%	
Wellington (S)	44,020	49,060	5,040	0.6%	
Great South Coast Region					
Corangamite (S)	16,140	14,890	-1,250	-0.4%	
Glenelg (S)	19,670	18,760	-910	-0.3%	
Moyne (S)	16,890	19,030	2,140	0.7%	
Southern Grampians (S)	16,140	15,030	-1,110	-0.4%	
Warrnambool (C)	34,860	39,930	5,070	0.8%	

Table 3 - Continued

	Popul	lation	Change 2018 - 2036		
	2018	2036	Number	Avg Rate	
Hume Region					
Alpine (S)	12,730	13,510	780	0.3%	
Benalla (RC)	14,020	14,660	640	0.2%	
Greater Shepparton (C)	66,010	77,690	11,690	0.9%	
Indigo (S)	16,490	18,520	2,030	0.6%	
Mansfield (S)	8,980	10,970	1,990	1.1%	
Mitchell (S)	44,300	97,690	53,390	4.5%	
Moira (S)	29,800	32,380	2,590	0.5%	
Murrindindi (S)	14,480	17,020	2,540	0.9%	
Strathbogie (S)	10,650	12,010	1,360	0.7%	
Towong (S)	6,050	6,250	190	0.2%	
Wangaratta (RC)	29,090	32,160	3,080	0.6%	
Wodonga (C)	41,430	58,900	17,470	2.0%	
Loddon Mallee North Region					
Buloke (S)	6,180	5,020	-1,170	-1.2%	
Campaspe (S)	37,590	39,080	1,490	0.2%	
Gannawarra (S)	10,550	9,930	-620	-0.3%	
Mildura (RC)	55,520	62,550	7,040	0.7%	
Swan Hill (RC)	20,760	20,520	-240	-0.1%	
Loddon Mallos South Dogion					
Loddon Mallee South Region Central Goldfields (S)	13,210	14,130	920	0.4%	
		153,760		1.6%	
Greater Bendigo (C) Loddon (S)	116,050 7,510	7,350	37,710 -170	-0.1%	
Macedon Ranges (S)	49,390	64,640	15,260	1.5%	
Mount Alexander (S)	19,510	21,810	2,300	0.6%	
	10,010	21/010	2,000	0.070	
Wimmera South Mallee Region					
Hindmarsh (S)	5,650	4,560	-1,090	-1.2%	
Horsham (RC)	19,880	20,600	720	0.2%	
Northern Grampians (S)	11,430	10,210	-1,220	-0.6%	
West Wimmera (S)	3,860	3,040	-820	-1.3%	
Yarriambiack (S)	6,660	5,570	-1,090	-1.0%	
Unincorporated					
Unincorporated Vic	890	970	80	0.5%	



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