

Chapter 3 Population

Key Points

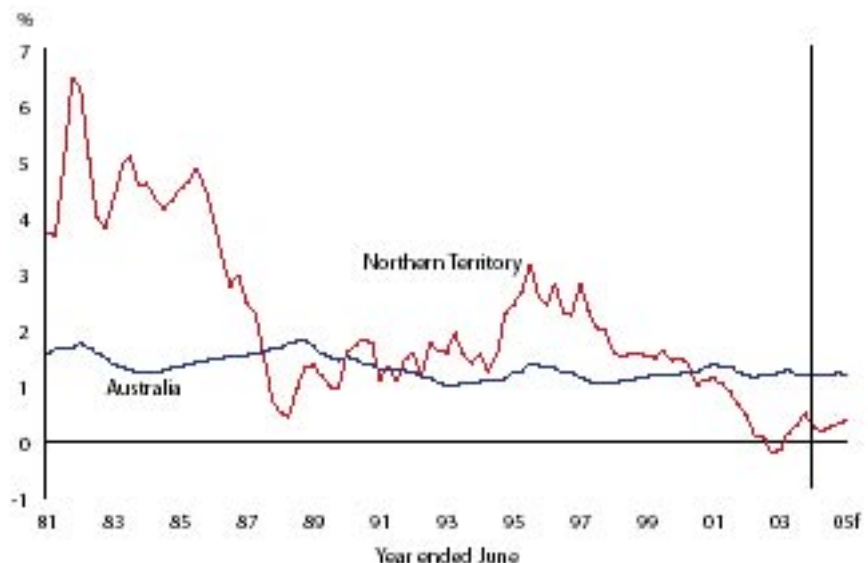
- Population growth, through natural increase and both interstate and overseas migration, is a key driver of Territory economic growth.
- Despite significant net average annual migration outflows, the Territory has a recent history of strong population growth: 4 to 5 per cent annually in the early 1980s, 1 to 2 per cent in the late 1980s and early 1990s, and 2 per cent annually during the late 1990s.
- Completion of the main defence force build up in the Top End saw growth decline to 1.1 per cent in 2000-01 and 0.5 per cent in 2001-02.
- A net interstate migration outflow of 3 389 people, associated with weaker economic growth, was the major contributor to the 0.2 per cent population decline in 2002-03 to 198 351. Latest available data show an increase to 198 617 as at September 2003.
- Changes in interstate migration patterns in recent years indicate annual outflows have remained relatively stable at 17 000 to 18 000 but inflows have declined steadily since 1997 from a peak of over 18 000 to less than 15 000.
- Treasury estimates modest population growth of 0.3 per cent for 2003-04, and forecasts 0.3 per cent for 2004-05, and 0.5 per cent for both 2005-06 and 2006-07.
- As the Territory's population ages into the future, the proportion which is of working age (15-64 years) is likely to increase rather than decline, as is the situation in the rest of Australia.

Population

Continuing Growth Decline

Based on Australian Bureau of Statistics (ABS) preliminary estimates, Territory population growth is estimated to have decreased by 0.2 per cent in 2002-03, following growth of 1.1 per cent and 0.5 per cent in 2000-01 and 2001-02 respectively. This is the third consecutive year that Territory population growth is estimated to be below the national growth rate, and the first annual decrease recorded in the Northern Territory since 1974-75, when the population declined by more than 10 000 people due to large net migration losses following Cyclone Tracy in December 1974.

Chart 3.1: Annual Population Growth Rates, Australia and the Northern Territory



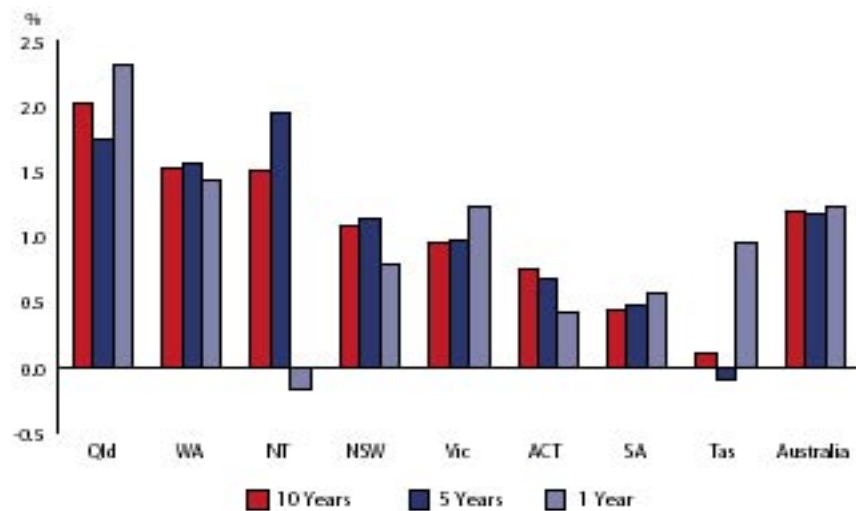
Source: NT Treasury, ABS Cat. No. 3101.0

The Territory recorded the highest population growth of all jurisdictions over the five years to June 2000 (primarily due to positive interstate migration as a result of the Army Presence in the North (APIN) defence expansion). However, the recent weak growth phase is attributed to net interstate migration loss, which is consistent with the lagged impact of the downturn in the Territory onshore economy in 1999-00 and 2000-01 and the more recent setbacks experienced in the labour-intensive tourism sector.

Slow Pick Up Expected

The Territory's population growth rate is expected to show a small increase of 0.3 per cent during 2003-04, although it will remain relatively weak in historical terms.

Chart 3.2: State and Territory Population Growth Rates (average annual growth, ten years, five years and the year to June 2003)



Source: NT Treasury, ABS Cat. No. 3101.0

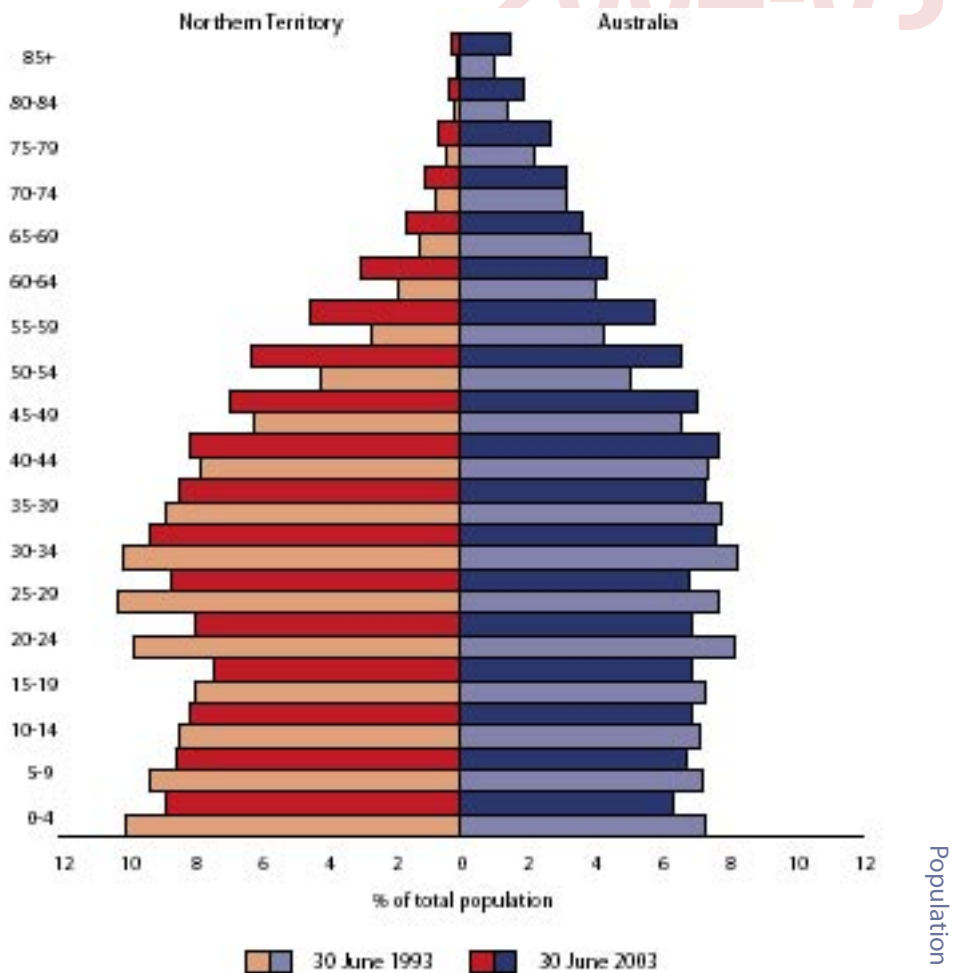
Population

Age Distribution

The Territory's population is the most youthful of any jurisdiction in Australia (Chart 3.3). It consistently has the largest proportion under 15 years of age and the smallest proportion aged 65 and over of any State or Territory. The Territory has a higher proportion (70 per cent) of its population in the typical working age group of 15-64 years, compared to the Australian population (67 per cent).

As at 30 June 2003, the median age of Territorians was estimated to be 30.3 years, the youngest of any jurisdiction, and almost six years below the national median age of 36.1 years. However, over the past five years, the Territory population aged markedly faster than the national population. The median age in the Territory rose from 28.4 in 1998 to 30.3 in 2003, compared to an increase nationally from 34.8 to 36.1 over the same period. Chart 3.3 illustrates the different patterns of ageing experienced by the Territory and Australian populations over the past 10 years.

Chart 3.3: Age Distribution of Population



Source: NT Treasury, ABS Cat. No. 3201.0

Population Estimation

The ABS conducts a Census of Population and Housing every five years, the latest being 2001. There are two main types of Census counts used to calculate population numbers – Census counts based on place of enumeration and census counts based on place of usual residence. Census place of enumeration counts aim to count every person in Australia once by counting where people were on census night, whereas census usual residence counts aim to record every person on the basis of where they usually live.

The Census of Population and Housing is conducted by asking people to record where they were on the night of the Census, that is, the place of enumeration. In addition, people are asked to record on the Census form where they usually live. This information is used to derive counts by usual residence.

Census counts provide a base from which the ABS derives estimates of Australia’s resident population. The Census usual residence count of the population is adjusted for visitors from overseas, Australian residents temporarily overseas on Census night, an estimate of the number of people missed in the Census and those counted more than once. To obtain estimated resident population figures for dates between each Census, further adjustments are made for births, deaths and net overseas migration.

Estimates of the Northern Territory’s population, and of other states and territories, are derived by ABS in a similar way to total Australia population estimates, except that additional adjustments are made to account for interstate migration. ABS estimates of interstate migration are based on address changes in a person’s Medicare registration.

Enumeration and estimation methods used by ABS to estimate population numbers for the Northern Territory continue to raise concerns within Northern Territory Treasury and other Northern Territory agencies and lead to doubts about the accuracy of population estimates derived by ABS for the Northern Territory. Concerns exist about the risk of significant underestimation of the Territory's population and relatively high levels of uncertainty attached to estimates. This brings into question their 'fitness-for-purpose' for state revenue determination and other purposes.

Despite these concerns, it is acknowledged that ABS is the nationally recognised authority for the derivation and dissemination of population data for Australia. ABS population estimates are therefore used throughout this chapter and this publication although doubts exist about their reliability for the Territory. Northern Territory Treasury is working closely with the ABS to develop procedures which will assist the production of improved population estimates in the future. These arrangements are briefly discussed at the end of this chapter.

Population Characteristics

Small Population,
Large Land Area

The Territory is sparsely populated, with a density of 0.15 persons per square kilometre, lower than any other jurisdiction and well below the national rate of 2.6 people per square kilometre.

Highly Urbanised

Despite the low overall density, over three-quarters of the Territory's population live in urban centres. As at 30 June 2003, the Darwin Region, comprising Darwin, Palmerston and Litchfield areas, accounted for an estimated 54 per cent of the Territory's population. Alice Springs accounted for a further 13 per cent, while the other main administrative centres (Katherine, Nhulunbuy, Tennant Creek and Jabiru) accounted for about 8.0 per cent. Over the past decade, the Darwin Region has experienced the greatest rate of population increase in the Northern Territory, primarily as a result of the Army Presence in the North (APIN) defence expansion. According to the 1991 Census, the Darwin Region accounted for an estimated 52 per cent of the Territory's population and Alice Springs accounted for 15 per cent, while the other main administrative centres accounted for around 10 per cent.

The increasing population concentration in the Darwin region mirrors national trends for greater population concentration in state capitals. The underlying causes of higher population density in urban areas include better employment prospects, higher standards of living, improved amenities and services, and changing social values. Specifically, in the Territory, it also reflects a pattern of Indigenous urban drift which is driven in part by the need to access health services and other social and employment opportunities. Without this drift, the growth in remote areas would have been higher.

Table 3.1: Territory Population Estimates by Main Centre (as at 30 June)

	1991		1996		2001		2003*	
	Total number	% of total	Total number	% of total	Total number	% of total	Total number	% of total
Darwin	68 188	41.2	68 889	37.9	68 710	34.7	68 516	34.5
Palmerston	8 557	5.2	13 343	7.3	22 559	11.4	23 518	11.9
Litchfield	9 670	5.8	13 597	7.5	15 573	7.9	15 888	8.0
Darwin Region	86 415	52.2	95 829	52.7	106 842	54.0	107 922	54.4
Jabiru	1 454	0.9	1 457	0.8	1 181	0.6	1 164	0.6
Katherine	8 347	5.0	9 443	5.2	8 956	4.5	8 610	4.3
Nhulunbuy	4 020	2.4	3 759	2.1	3 800	1.9	3 768	1.9
Tennant Creek	3 214	1.9	3 694	2.0	3 002	1.5	2 983	1.5
Alice Springs	24 250	14.7	25 040	13.8	26 520	13.4	26 229	13.2
Rest of Territory	37 793	22.8	42 621	23.4	47 467	24.0	47 675	24.0
Total NT	165 493	100.0	181 843	100.0	197 768	100.0	198 351	100.0

*preliminary data

Source: NT Treasury, ABS Cat. No. 3218.0

Palmerston Growth	<p>According to 2004 ABS regional population estimates, Palmerston, with an average annual growth of 8.4 per cent, accounted for more than half the Territory's population growth from 1996 to 2003. Palmerston contains the main urban land release areas within the Darwin Region and is adjacent to the main defence base (largely constructed since 1996) in the Territory. The suburbs with the highest growth in Palmerston over the past seven years have been Bakewell, Durack and Gunn.</p>
Other Darwin Areas	<p>Elsewhere in the Darwin Region, Litchfield Shire gained an estimated 2 291 persons over the seven years to June 2003, recording the second-highest Territory growth rate after Palmerston. Darwin City decreased by 373 people over the seven year period. Within the Darwin Region, positive growth was concentrated in the inner city areas, while many of the northern suburbs recorded slight falls in line with expected reductions in household size as a consequence of population ageing.</p>
Other Urban Centres	<p>In the main centres outside Darwin, Alice Springs has grown by an estimated 1 189 people or an average annual growth of 0.7 per cent over the past seven years. In contrast, the populations of Katherine, Tennant Creek and Jabiru are estimated to have declined between 1996 and 2003 by about 1.3, 3.0 and 3.2 per cent per annum respectively. The significant decline in Tennant Creek reflects the closure of three mines and an abattoir in the area.</p> <p>Since 1996, the population of the non-urban areas (predominantly Indigenous communities) of the Northern Territory increased by an average 1.6 per annum over the seven-year period to 2003.</p>
Falling Household Size	<p>In the five year period between June 1996 and June 2001, the number of resident households in the Territory increased by an estimated 11.2 per cent (based on 1996 and 2001 Census data). This was significantly faster than population growth of 8.0 per cent based on 1996 and 2001 Census data, and is associated with a drop in the number of people per household from 3.1 to 3.0.</p> <p>The ongoing falls in the average size of Territory households reflect a falling fertility rate and an increasing proportion of single-person households, which is consistent with national trends. Despite the decline, household size in the Territory remains the largest of all jurisdictions, reflecting the very high rates of overcrowding among Indigenous households, particularly in remote communities.</p>
Male-female Ratio	<p>The Territory has significantly more males than females, with an estimated 111 males (52.5 per cent) for every 100 females (47.5 per cent) as at 30 June 2003. This contrasts with the national ratio of 99 males for every 100 females. The ratio becomes more extreme in older age groups, progressing from 107 males for every 100 females in 0-19 year olds, to 130 males to 100 females in 55-74 year olds. Corresponding national figures are 105 and 98 males for every 100 females for age groups 0-19 and 55-74 years respectively.</p>
Indigenous People	<p>Experimental estimates of Australia's resident Indigenous population were produced by ABS for all years since 1986. These estimates are based on the Census usual residence counts and take into account instances in which Indigenous status is unstated, Indigenous people are undercounted and a number of other demographic adjustments.</p> <p>The latest available ABS experimental estimate of Australia's resident Indigenous population (based on responses to the Indigenous identification question in the 2001 Census) is 458 520 persons at 30 June 2001 (2.3 per cent of total population). Indigenous people were estimated to comprise 2.1 per cent of the Australian population in 1996 and 2.0 per cent in 1991.</p>

The Indigenous population in the Territory as at 30 June 2001 (56 875 persons), is estimated to represent 28.7 per cent of the total population (based on the experimental estimates using 2001 Census counts) and is proportionately far larger than in any other jurisdiction, with more than one in four people in the Territory estimated to be of Indigenous origin. The proportions of Territorians estimated to be Indigenous at June 1996 and June 1991 respectively were 28.1 per cent and 28.3 per cent. Indigenous Territorians account for 12.4 per cent of the national Indigenous population as at 30 June 2001.

Other Cultures

2001 Census results show that 22 per cent of the enumerated Territory resident population was born overseas, with many from non-English speaking backgrounds. This is similar to the 21 per cent recorded in both the 1996 and 1991 Censuses, and is similar to the total Australian proportion. In the Territory, of those born overseas, the main countries of birth were the United Kingdom (17.7 per cent), New Zealand (8.2 per cent), the Philippines (3.9 per cent), the United States (2.8 per cent), Germany (2.4 per cent) and Greece (2.4 per cent).

Components of Population Growth

Natural Increase

Natural increase (births less deaths) is the main contributor to growth in the Territory. Natural increase averaged 1.4 percentage points per annum contribution to growth over the five year period to June 2003, declining from 1.6 per cent per annum over the five year period to June 2001.

Fertility

The Territory population is characterised by high fertility rates, particularly among the Indigenous population. Since 1986, total fertility for all Territory females has fluctuated around 2.2, while nationally it has fallen from 1.9 to 1.7. Over the year to June 2001, the total fertility for Indigenous women in the Territory was 3.0 (children per woman during lifetime), while the total fertility for all Territory women was 2.3. For the same period, the Australian fertility rates were 2.1 and 1.7 respectively. In 2002 (the latest available data), the total fertility for Indigenous females in the Northern Territory declined slightly to 2.8, but remained the highest of all jurisdictions.

In 2002, 41.3 per cent of all births in the Northern Territory were Indigenous births, compared to 44.2 per cent in 2001. Nationally, 4.6 per cent of all births were Indigenous births in both 2001 and 2002.

One of the most striking differences between the Indigenous and non-Indigenous sections of the Territory population is in the 19 years and under age group, where the age-specific fertility rates of Indigenous women are four times the national rate. In 2002, almost 85 per cent of births in the 19 years and under age group in the Territory were recorded as Indigenous births, compared to about 20 per cent nationally.

In Darwin, the average fertility rate was 1.8 between 2000 and 2002, compared to 2.7 for the balance of the Territory.

Mortality Rates

Crude death rates (that is deaths per 1 000 people with no adjustment for age profiles) in the Territory are the lowest of all jurisdictions, reflecting the younger age profile of the population. On a standardised basis, which takes into account the age structure of the population, mortality rates are significantly higher in the Territory (9.0) than in any other jurisdiction and nationally (6.7), and in particular for the Indigenous population.

In 2001, the indirect standardised death rate for Indigenous persons in the Territory was 20.2 per 1 000 persons compared to 6.0 for non-Indigenous persons. The corresponding Australian rates are estimated by ABS to be 13.4 and 5.2 respectively. The infant mortality rate in the Territory for Indigenous persons was 16.0 per 1 000 births, compared to 6.6 for non-Indigenous persons.

Mortality rates have decreased significantly over the past 20 years for all states and territories. The Northern Territory recorded the highest standardised death rate in 2002, with nine deaths per 1 000 standard population compared to 13.3 in 1982. The corresponding figures at the national level are 6.7 and 10.3 respectively.

Reflecting higher standardised mortality rates, particularly in the Indigenous population, life expectancy in the Territory is below the Australian level and is the lowest of all jurisdictions. Life expectancy for Territorians born in 2000-02 was 71.3 years for males and 76.7 for females, compared to Australian rates of 77.4 years for males and 82.6 years for females.

Median Age at Death

The median age at death in the Northern Territory is well below the Australian median age. This is a result of a young population, in combination with high mortality in the Indigenous population. In 2002, the median age at death in the Territory was the lowest of all jurisdictions for Indigenous males and females at 47.1 and 50 years respectively, compared to 63 and 70.5 for non-Indigenous males and females.

Overseas Migration

Overseas migration has typically made a positive contribution to Territory population growth, and in the five years to June 2003 its average contribution to growth was 0.4 of a percentage point per annum. The annual contribution to growth was relatively stable over the past five years, ranging from 0.3 to 0.5 of a percentage point. However, overseas migration contributed only 0.1 of a percentage point to population growth in 2002-03.

In the year to June 2003, the Territory experienced historically low overseas migration of 242 people, with the September quarter 2002, an unseasonal net outflow of 58 people. Historically, there is a seasonal pattern in overseas migration, with December quarters tending to record outflows, and March and September quarters recording inflows. The seasonal outflows in December are thought to reflect workers and students relocating overseas at the end of the calendar year.

Interstate Migration

The Territory's population shows greater interstate mobility than any other jurisdiction, with an estimated 23 per cent of the Territory's population in 2001 not living in the Territory five years previously (see Table 3.2). The Territory is characterised by a high level of transience, with around 8.0 to 10 per cent of the population relocating interstate each year. Over the five years to June 2003, around 9 per cent of the population moved interstate each year. Nationally, around 2 per cent of the population move interstate each year. This reflects a pattern identified by Bell (Bell, Martin: Internal Migration in Australia 1986-1991: Overview Report, Bureau of Immigration, Multicultural and Population Research, 1995) that the Territory tends to attract mobile interstate migrants.

Given the relatively stable nature of natural increase and overseas migration, change in Territory population growth is largely determined by movements in interstate migration. Over the five years to June 2003, quarterly estimates of net interstate migration ranged from positive 744 in the June quarter 1997 to negative 1 160 persons in the March quarter 2003. On average, net interstate migration has subtracted 1.0 percentage point over the five-year period to June 2003.

2004-05

Table 3.2: Estimated Proportion of 2001 Resident Population not Resident in the State five years ago

States	%
Northern Territory	23.03
Tasmania	6.83
Western Australia	8.83
South Australia	6.28
Queensland	11.33
Victoria	7.34
New South Wales	8.07
Australian Capital Territory	20.02

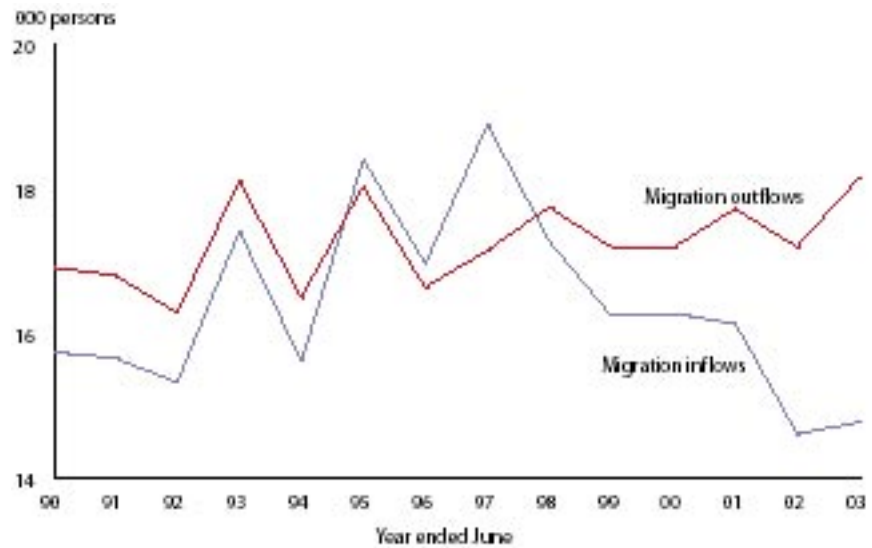
Source: NT Treasury, based on ABS Cat. No. 2004.0

The historical pattern over the past 17 years has a consistent pattern of net interstate migration outflows except for the period of the defence build up during 1995-98. If the growth in defence personnel and family members over the 12 years were to be excluded from the Territory's population figures, it is estimated that the Territory's average annual population growth rate since 1992 of 1.5 per cent would instead be approximately 0.3 of a percentage point lower at 1.2 per cent. Treasury estimates a net outflow of about 2 500 people for the 2003-04 financial year.

The largest quarterly net interstate migration outflow occurred in the March quarter 2003, with a net outflow of 1 160. The trend over the past few financial years is a widening gap between outflows and inflows (see Chart 3.4). Since the completion of the main defence build up in 1998, there has been a substantial decline in inflows while outflows have been at historically high levels.

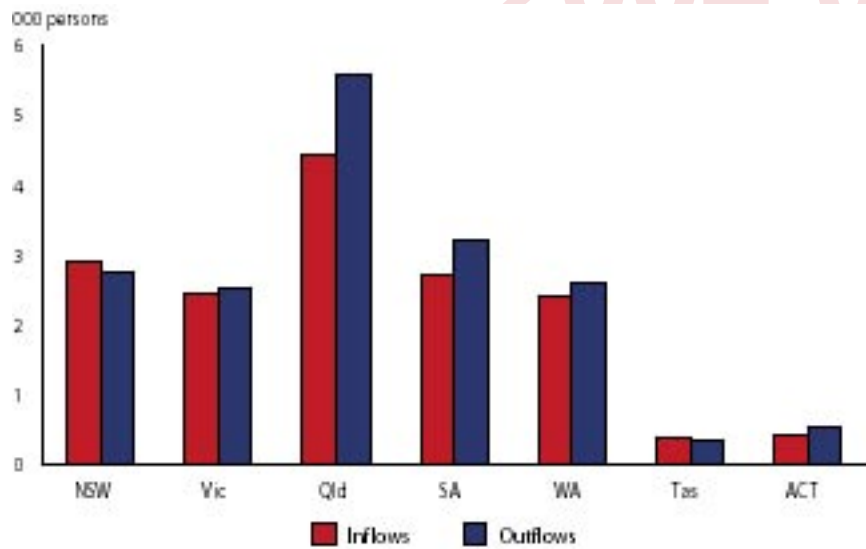
Population

Chart 3.4: Annual Territory Interstate Migration Flows (thousands)



Source: NT Treasury, ABS Cat. No. 3101.0

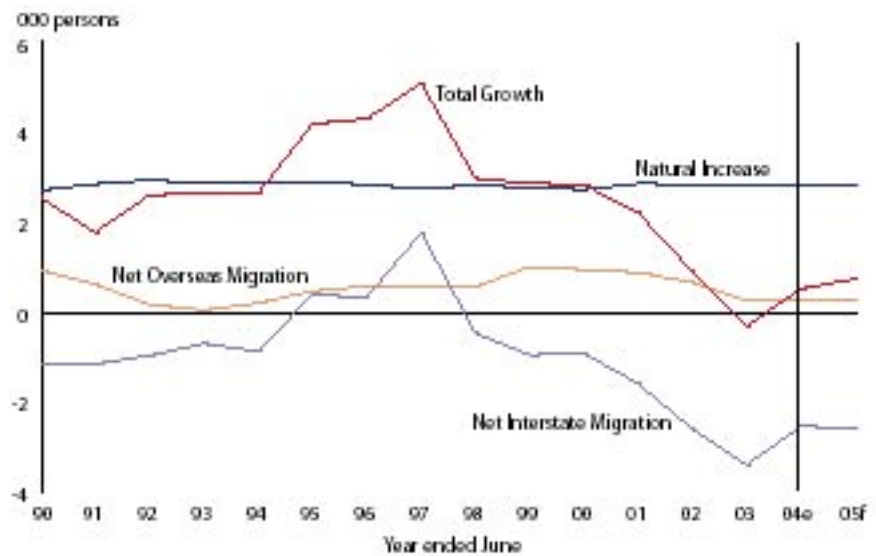
Chart 3.5: Territory Interstate Migration Flows, by Jurisdiction (annual average, five years to June 2003)



Source: NT Treasury, ABS Cat. No. 3101.0 data cube

Over the five years to June 2003, on average, 30 per cent of the population flow to and from the Territory was with Queensland (see Chart 3.5). New South Wales, Victoria, South Australia and Western Australia account for the majority of the remainder. In net terms, strong outflows were recorded to Queensland, South Australia and Western Australia over the five years to June 2003. Next to Queensland, the strongest inflow was from New South Wales.

Chart 3.6: Territory Population Growth by Component (persons)



Source: NT Treasury, ABS Cat. No. 3101.0

Population

Table 3.3: Population
(thousands, as at June)

	1996	1997	1998	1999	2000	2001	2002	2003
	Thousands							
Northern Territory	181.8	186.9	189.9	192.7	195.6	197.8	198.7	198.4
Natural Increase	2.8	2.7	2.8	2.7	2.7	2.9	2.8	2.8
Overseas Migration	0.6	0.5	0.6	1.0	0.9	0.9	0.7	0.2
Net Interstate Migration	0.3	1.8	-0.5	-1.0	-0.9	-1.6	-2.6	-3.4
New South Wales	6 205	6 277	6 339	6 411	6 486	6 575	6 634	6 687
Victoria	4 560	4 597	4 638	4 686	4 741	4 805	4 857	4 917
Queensland	3 339	3 395	3 448	3 501	3 562	3 629	3 711	3 797
South Australia	1 474	1 481	1 490	1 498	1 505	1 512	1 519	1 527
Western Australia	1 765	1 795	1 823	1 850	1 874	1 901	1 925	1 952
Tasmania	474	474	472	471	471	472	473	477
Australian Capital Territory	308	309	310	312	315	319	322	323
Australia	18 311	18 518	18 711	18 926	19 153	19 413	19 641	19 881
Natural Increase	124	126	120	122	121	119	117	115
Overseas Migration	104	87	79	96	107	136	111	125

N.B: Growth components may not equal population change due to intercensal discrepancies

Source: NT Treasury, ABS Cat. No. 3101.0

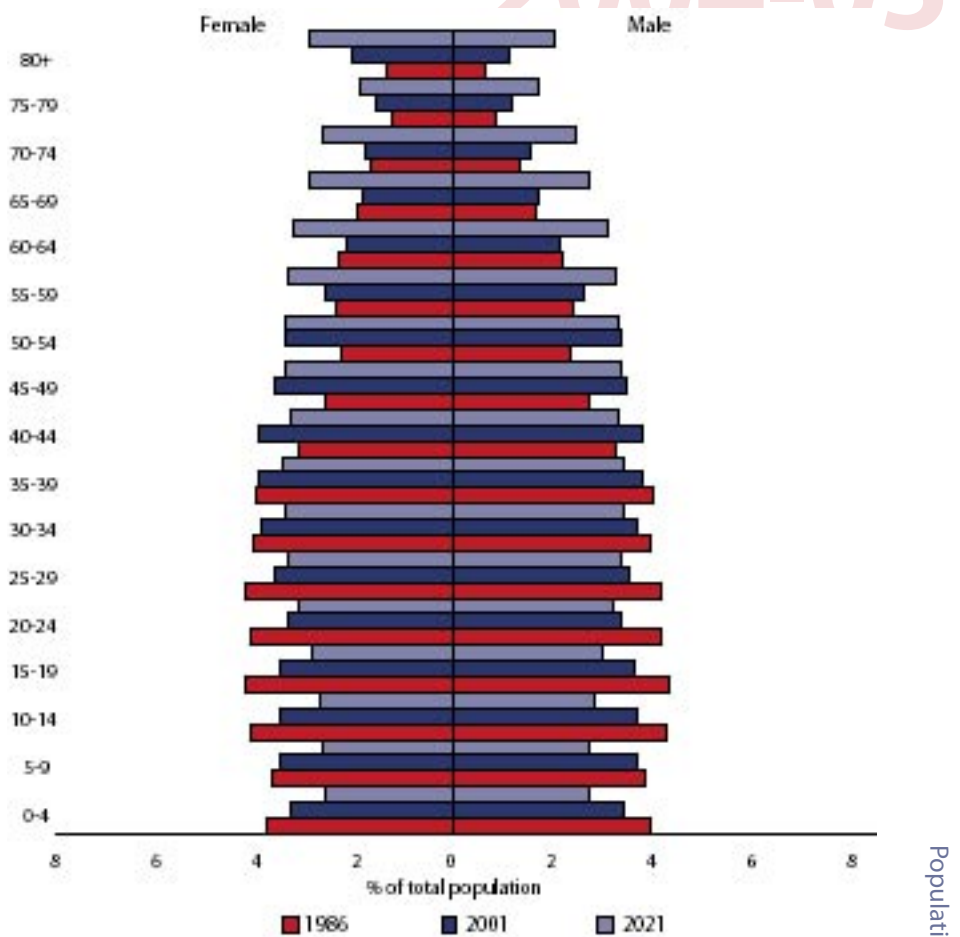
Demographic challenges

Ageing Australia

The Australian Government recently released an important discussion document, Australia's Demographic Challenges, which outlined the way in which the Australian population is expected to age over the next generation or two. The document also explored the likely social and economic consequences of an ageing Australia.

In brief, the demographic challenges for Australia are similar to those faced by nearly all developed countries, though probably less severe because of solid continuing overseas migration to Australia. An ageing population, with fewer young people and many more older people, will strain existing social services and act to constrain economic growth because of the diminishing workforce. A particularly important challenge will be how to fund the longer retirement years of the increasing number of longer living senior citizens. The Australian population is already ageing fast (see Chart 3.7) despite increased levels of overseas migration. ABS population projections demonstrate that further ageing of the population in the future is inevitable.

Chart 3.7: 1986, 2001 and 2021 Australian Population (male and female)



Source: Estimates and projections from ABS Cat. No. 2004.0, 3222.0 and unpublished data from 1986 Census of Population and Housing.

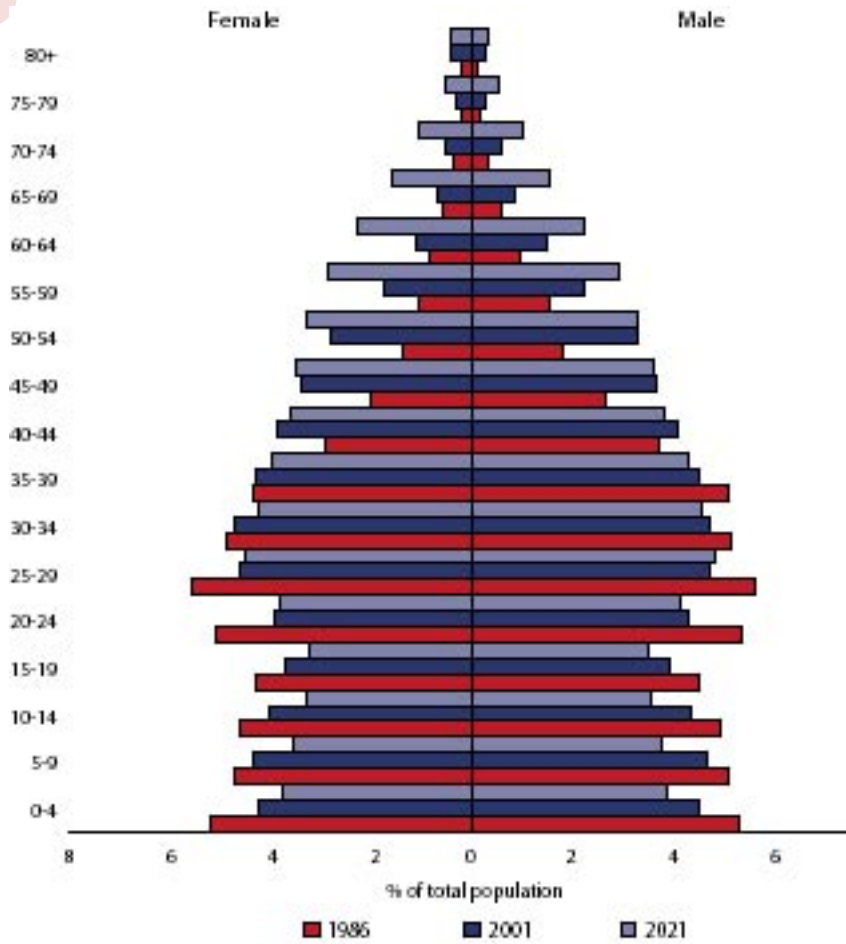
Northern Territory's Demographic Challenges

Throughout the Territory's post-colonisation history, the main demographic challenge has been one of absolute numbers – how to attract and retain residents. In this respect, the Territory is similar to almost all sparsely populated parts of the world that aim for sustained economic growth. However, the Territory also faces demographic challenges associated with ageing but which, unlike the rest of Australia, are not simply the direct consequence of a large and rapidly growing aged (65 years and over) section of the population.

Recent increases in the median age of the population demonstrate that the Territory's population has been ageing at least as fast as the rest of Australia (see above). However, Chart 3.8 shows that ageing has not yet produced a large aged (65 years and over) section in the Territory population, and indicates that this is not expected before 2021. Although a clear pattern of ageing is apparent, the most significant demographic challenges for the Territory are not easily demonstrated in a single chart of the Territory's whole population.

The main demographic challenges for the Territory are best illustrated when the past, present and possible future age distributions of the Territory's Indigenous and non-Indigenous residents are displayed separately (see Charts 3.9 and 3.10). These two sets of age distributions are remarkably different but both display evidence of ageing.

Chart 3.8: 1986, 2001 and 2021 Northern Territory Population (male and female)



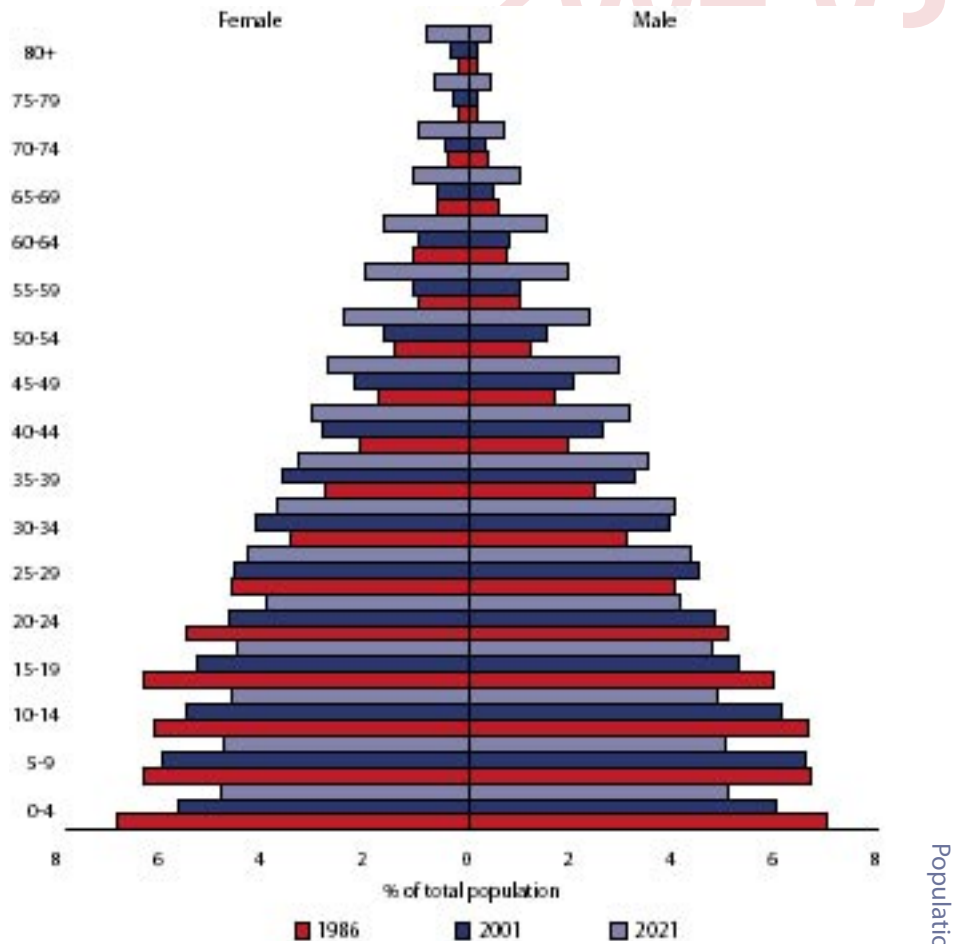
Source: Estimates and projections from ABS Cat. No. 2004.0, 3222.7 and unpublished data from 1986 Census of Population and Housing.

Population

Indigenous Territory Population

The age distributions for Indigenous Territorians show a population developing from a classic third-world, high-fertility, high-mortality distribution to one in which at least fertility has declined substantially between 1986 and 2001. Despite the difficulty of estimating the Territory's future Indigenous population, it seems unlikely that even in 20 years or so that there will be many Indigenous Territorians aged 65 or over. Besides continuing demand for high levels of education and health services, the main challenges associated with the changing demography of the Territory's Indigenous population will be for the creation of employment and economic development opportunities for the fast-growing working-aged segment of the population.

Chart 3.9: 1986, 2001 and 2021 Northern Territory Indigenous Population



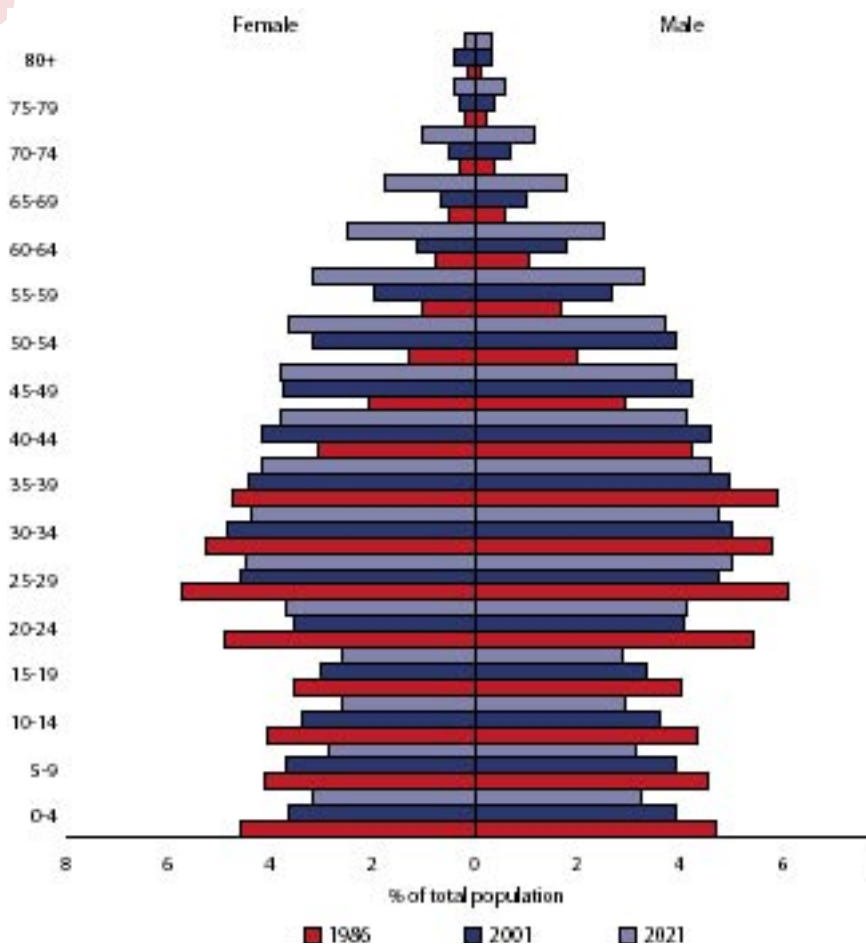
Source: Estimates from ABS Cat. No. 2004.0 and unpublished data from 1986 Census of Population and Housing. Projections for 2021 developed by NT Treasury.
 Note: 2021 projections must be considered approximate

Non-Indigenous Territory Population

The age pyramid of the non-Indigenous section of the Territory’s population has an extraordinary bulge in the young adult years, spreading to later years of age in 2021 (see Chart 3.10). This arises from high levels of net migration of young adults to the Territory from interstate. This net migration comprises exceptionally high levels of migration both to and from the Territory which, during the young adult years, typically results in net migration inflows but, at most other ages, usually results in net migration outflows.

In the past, many Territorians, particularly women, have left the Territory on retiring from employment or reaching middle age. This produces the rapidly shrinking age pyramid at middle-age years and predominant male gender balance in this age range. It is not clear whether this pattern will continue to the same extent in the future. What is clear, is that older age migration has had, and may continue to have, a major impact on the age composition of the Territory’s resident population.

Chart 3.10: 1986, 2001 and 2021 Northern Territory Non-Indigenous Population



Source: Difference between Chart 3.8 and Chart 3.9
 Note: 2021 projections must be considered approximate

The future challenges associated with these volatile demographic movements is to maintain an economic and social environment that continues to attract young adult Australians, almost certainly in the face of growing competition from other states and territories for the diminishing number of young working-aged Australians. The Territory also faces a challenge to further develop its economic and social environment in an effort to control, and preferably reverse, the long-standing trend of older age groups migrating away from the Territory.

Working Age Populations

The Australian population shows an expected gradual decline in the working-age (15-64 years) section of the population between 2001 and 2021, whereas both the Indigenous and non-Indigenous Territory populations are expected to show a continuing increasing portion of the population within the working-age range. This likely future trend builds on the substantial increase in the proportion of working-aged people already seen between 1986 and 2001. Thus, far from expecting a drop in the proportion of working-aged people as is expected for Australia, the Territory can expect the working-aged to increase as a proportion of the population over the next generation.

Table 3.4: Percentage of Population in Different Age Groups

	% in different age groups								
	1986			2001			2021		
	0-14	15-64	65+	0-14	15-64	65+	0-14	15-64	65+
Australia	23.4	66.1	10.5	20.8	66.5	12.6	16.1	64.9	19.0
NT Total	29.5	68.0	2.5	25.8	70.3	3.9	21.5	71.6	6.9
NT Indigenous	39.8	57.5	2.7	36.0	61.1	2.9	29.3	64.5	6.1
NT Non-Indigenous	26.2	71.4	2.5	22.1	73.7	4.3	17.9	74.9	7.2

N.B. 2021 projections must be considered approximate

Source: NT Treasury, ABS Cat. No.2004.0, 3222.0, 3222.7 and unpublished data from 1986 Census of Population and Housing.

Population Estimate Challenge

The Territory, more than any other state, faces one other demographic challenge unrelated to population ageing. This is the technical challenge of counting, estimating and predicting the size and composition of its population. The geographical size and isolation of parts of the Territory, the cultural diversity of its population, the sparse density of the resident population but relatively large numbers of visitors and short-term residents, and associated high local, interstate and overseas mobility, all combine to make counting and estimating the population far more challenging than for other parts of Australia.

Furthermore, the current relatively high but possibly changing future and mortality of the Indigenous population makes predicting the size and composition of this section of the Territory's population particularly difficult. Most difficult of all is the prediction of likely future movement patterns of people to and from the Territory and other parts of Australia.

In conjunction with Charles Darwin University, Treasury is developing a demographic research program, in part to explore improvements to population estimation methodologies and in part to better understand the factors underpinning the high levels of mobility demonstrated by many Territorians. This will assist the development of effective strategies and programs to improve our ability to attract potential Territory residents and retain existing residents for longer periods.

Treasury is also working with ABS to develop more effective mechanisms for Northern Territory Government agencies (and other Territory-based organisations) to better assist ABS conduct census field activities for the 2006 Census of Population and Housing.

During the years leading up to the 2006 Census, Treasury will also be developing greater expertise in the estimation and projection methodologies appropriate to developing Territory population figures. With greater expertise in these areas, Treasury will be well placed to contribute constructively and proactively to the ongoing comprehensive consultative processes to which ABS is committed for developing improved methodologies for all aspects of population estimation.

Treasury and other Territory agencies continue to work closely with the ABS to assist with the gathering of local intelligence about population movements which may impact on inter-censal population estimates.

Population Outlook

Notwithstanding the possibility that some sections of the Territory's population may not be fully counted, short-term population predictions made for the Territory in recent years have proven to be over optimistic. This fact was recognised in developing current population forecasts.

During 2004-05, growth is expected to remain weak at 0.3 per cent and further out, a return to slightly stronger population growth is expected, with strengthening employment opportunities acting to bring to a close the large interstate outflows in recent years. For the years 2005-06 and 2006-07, although stronger than the immediate past, growth is still expected to be about 0.5 per cent per annum, below average levels for the past decade. Growth beyond this period will be in line with prevailing future development of the Territory economy.

Beyond this timeframe, prediction is difficult due to uncertainty surrounding the likelihood of future major employment-creating projects which will be major determinants of net migration to the Territory.

Over the years 2004-07, the employment-creating construction phases of major projects such as onshore gas developments, further defence expansion and other building infrastructure will underpin migration inflows to the Territory, although it is uncertain whether the short term (one or two years) interstate migration inflows directly associated with these major construction projects will be fully measured by current estimation methods.

It is also possible that effective population attraction and retention policies may be developed and implemented during the coming years and may begin to impact positively on interstate migration.

A further source of uncertainty in predicting future Territory populations is the possibility of further substantial drops in the currently quite high rates of fertility among Indigenous women within the Territory. Once fertility declines to lower levels, which is likely to some significant extent in the next decade, it is unlikely that Indigenous fertility would return again to the current relatively high levels.