

## Chapter 3 Population

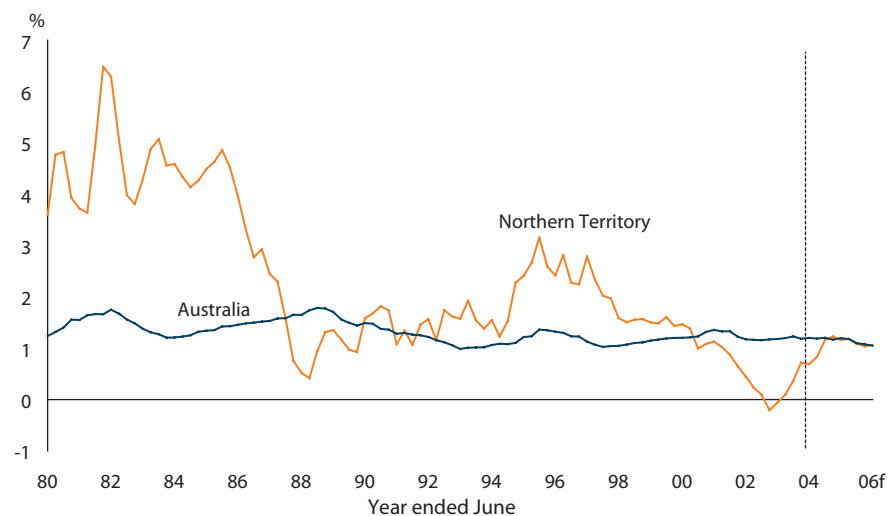
### Key Points

- Population growth is a key driver of Territory economic growth. Population growth occurs through natural increase and interstate and overseas migration.
- The Territory has a history of strong population growth, with 4 to 5 per cent annual growth in the early 1980s, 1 to 2 per cent in the late 1980s and early 1990s, and 2 per cent during the late 1990s.
- Except for the period during the defence relocation to the north, the Territory has typically experienced negative net interstate migration.
- Completion of the main defence force build up in the Top End saw growth decline to 0.9 per cent in 2001 and to 0.1 per cent in 2002, before beginning to recover in 2003.
- There was weak population growth of 0.4 per cent in 2003, the major influence being a net interstate migration outflow of 2895 people.
- In recent years, interstate migration patterns indicate that annual outflows have remained relatively stable at 17 000 to 18 000, with inflows declining steadily from 1997 to 2002, from a peak of more than 18 000 to less than 16 000. Inflows continued to recover in 2004.
- Treasury estimates that Territory population growth will continue to strengthen, with growth of 1.2 per cent in 2004, and forecasts 1.1 per cent growth in 2005, easing to around 1.0 per cent in 2006.
- As the Territory's population ages into the future, the proportion which is of working age (15-64 years) is likely to increase. Looking forward, nationally, the proportion of the population of working age is expected to decline.

### Weak Growth in Recent Years

Based on Australian Bureau of Statistics (ABS) preliminary estimates, Territory population growth increased by 0.4 per cent in 2003, following growth of 0.1 per cent in 2002 and 0.9 per cent in 2001. The Territory's estimated population growth has been below the national growth rate for four years. Population growth in the Territory is expected to continue to rise towards the national growth rate over the coming years.

Chart 3.1: Annual Population Growth Rates



e: estimate; f: forecast

Source: NT Treasury, ABS Cat. No. 3101.0

Table 3.1: Annual Population

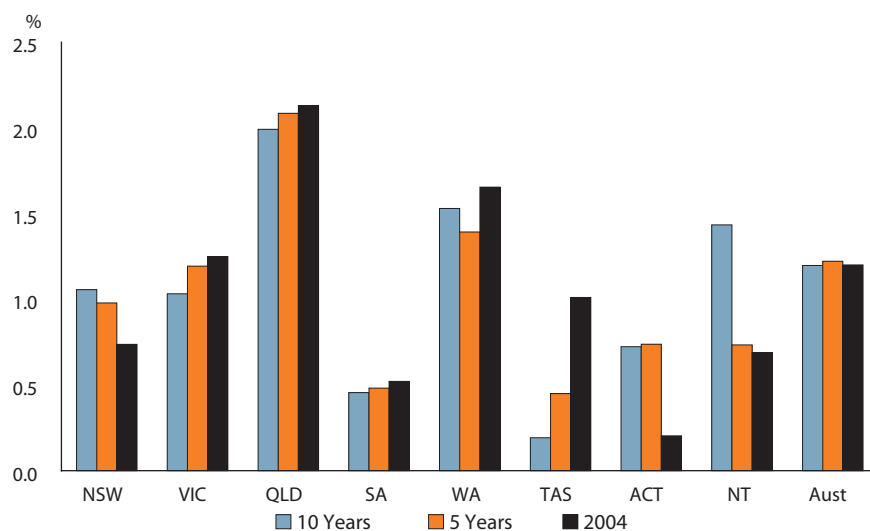
To December	Northern Territory		Australia	
	Population (000)	Annual % Change	Population (000)	Annual % Change
1986	156.6	2.8	16 138.8	1.5
1987	159.0	1.6	16 394.6	1.6
1988	160.5	0.9	16 687.1	1.8
1989	162.1	1.0	16 936.7	1.5
1990	165.0	1.8	17 169.8	1.4
1991	166.8	1.1	17 387.0	1.3
1992	169.7	1.7	17 581.3	1.1
1993	172.3	1.5	17 760.0	1.0
1994	175.0	1.5	17 951.5	1.1
1995	180.5	3.2	18 196.1	1.4
1996	184.6	2.3	18 420.3	1.2
1997	188.3	2.0	18 609.1	1.0
1998	191.3	1.6	18 814.3	1.1
1999	194.3	1.6	19 038.3	1.2
2000	196.3	1.0	19 272.6	1.2
2001	198.0	0.9	19 529.3	1.3
2002	198.2	0.1	19 754.8	1.2
2003	198.9	0.4	19 997.8	1.2
2004e	201.2	1.2	20 151.4	1.2
2005f	203.4	1.1	20 378.9	1.1
2006f	205.4	1.0	20 591.1	1.0

e: estimate; f: forecast

Source: NT Treasury, Access Economics, ABS Cat. No. 3101.0

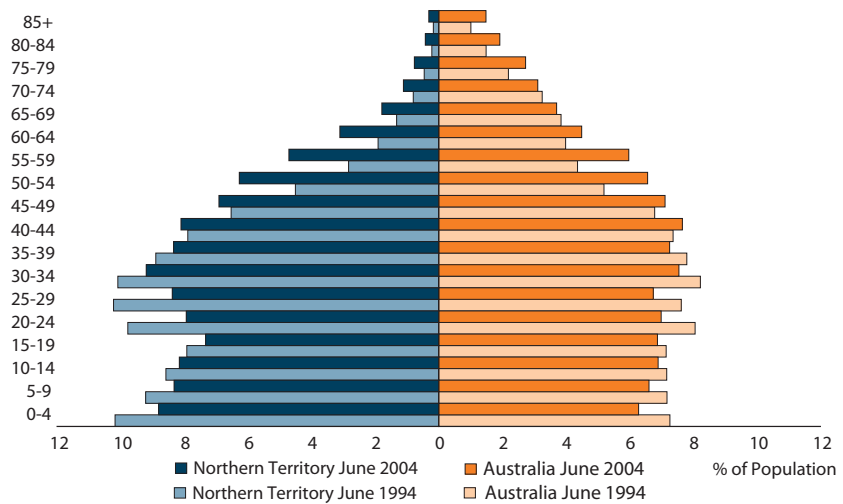
The Territory recorded the highest population growth of all jurisdictions over the five years to June 2000, primarily due to positive interstate migration as a result of the Army Presence in the North (APIN) defence expansion. The current period of strengthening population growth in the Territory follows a weak growth phase attributed to increased net interstate migration loss consistent with the lagged impact of the downturn in the Territory onshore economy in 1999-00 and 2000-01. Interstate migration outflows began to decline in 2004 and are expected to continue to do so in coming years. The Territory's population is expected to increase by 1.2 per cent in 2004.

Chart 3.2: State and Territory Population Growth Rates (average annual growth, 10 years, 5 years and the year to June 2004)



Source: ABS Cat. No. 3101.0

Chart 3.3: Age Distribution of Population



Source: ABS Cat. No. 3101.0

The Territory's population is the most youthful of any jurisdiction in Australia (see 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 2004, the median age of Territorians was estimated to be 30.6 years, the youngest of any jurisdiction, and almost six years below the national median age of 36.4 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 28.6 in 1999 to 30.6 in 2004, compared to an increase nationally from 34.9 to 36.4 over the same period. Chart 3.3 illustrates the different patterns of aging experienced by the Territory and Australian populations over the past 10 years.

Population Estimation

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

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 and 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 each state and territory's population are derived by ABS in a similar way to total Australian population estimates, except that additional adjustments are made to account for interstate migration. ABS estimates of interstate migration are based on address changes in Medicare registrations.

For some time the Northern Territory Treasury has had concerns about the accuracy of enumeration methods used by the ABS to estimate Territory population. Concerns have existed about the risk of significant underestimation of the Territory's population and relatively high levels of uncertainty attached to estimates. This has brought into question their 'fitness-for-purpose' for state revenue determination and other uses.

The Northern Territory has a extremely transient population relative to other states and territories and a significant proportion of the population lives a semi-traditional lifestyle in remote communities making enumeration tasks extremely difficult. For these reasons the Northern Territory Government and ABS are working in partnership to improve the enumeration associated with the 2006 census. These arrangements are briefly discussed at the end of this chapter.

Population estimates reported by the ABS are used throughout this chapter and this publication.

## Population Link to Budget

Estimates of population growth in the 2005-06 Budget refer to population growth in the year to December unless otherwise stated. This aligns with state and territory population estimates used by the Commonwealth Grants Commission to apportion GST revenues.

## 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, more than three-quarters of the Territory's population live in urban centres. As at 30 June 2004, the Darwin Region, comprising Darwin, Palmerston and Litchfield areas, accounted for around 55 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 per cent.

Between the 1991 Census and the 2001 Census, the Darwin Region experienced strong population growth, due largely to significant increases in Palmerston (up 164 per cent) and Litchfield (up 61 per cent) primarily as a result of the Army Presence in the North (APIN) defence expansion.

Other major centres in the Territory experienced mixed results. Alice Springs and Katherine grew by 9.4 per cent and 7.3 per cent respectively, while the population of Nhulunbuy, Tennant Creek and Jabiru fell by 5.5 per cent, 6.6 per cent and 18.8 per cent respectively. The population of the rest of the Territory increased by 25.6 per cent over the same period reflecting high rates of natural increase among residents of remote Indigenous communities.

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, growth in remote areas would have been higher.

### Palmerston Growth

According to 2004 ABS regional population estimates, Palmerston, with average annual growth of 7.6 per cent, accounted for more than half the Territory's population growth from 1996 to 2004. Palmerston contains the main urban land release areas within the Darwin Region and is adjacent to Robertson Barracks (largely constructed since 1996) in the Territory. The suburbs with the highest growth in Palmerston over the past eight years have been Bakewell, Durack and Gunn.

- Other Darwin Areas** Elsewhere in the Darwin Region, the Litchfield Shire gained an estimated 2615 persons over the eight years to June 2004, recording the second-highest Territory growth rate after Palmerston. Darwin City increased by 465 people over the eight 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 aging.
- Other Urban Centres** In the main centres outside Darwin, Alice Springs has grown by an estimated 1018 people or average annual growth of 0.5 per cent over the past eight years. By contrast, the populations of Katherine, Tennant Creek and Jabiru are estimated to have declined between 1996 and 2004 by about 1.4, 2.8 and 2.7 per cent per annum respectively. The significant decline in Tennant Creek's population reflects the closure of three mines and an abattoir in the area.
- Non-urban Growth** Since 1996, the population of the non-urban areas (predominantly Indigenous communities) of the Northern Territory increased by an average 1.5 per cent per annum over the eight-year period to 2004.
- Falling Household Size** 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. 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 high rates of overcrowding among Indigenous households, particularly in remote communities.
- Male-female Ratio** The Territory has significantly more males than females, with an estimated 111 males (52.6 per cent) for every 100 females (47.4 per cent) as at 30 June 2004. This contrasts with the national ratio of 99 males for every 100 females. The ratio becomes more extreme in older age groups, progressing from 108 males for every 100 females in 0-19 year olds, to 129 males to 100 females in 55-74 year olds. Corresponding national figures are 105 and 99 males for every 100 females for age groups 0-19 and 55-74 years respectively.

Table 3.2: Territory Population Estimates by Main Centre (as at June 30)

	1991		1996		2001		2004p	
		% of total		% of total		% of total		% of total
Darwin	68 188	41.2	68 889	37.9	68 710	34.7	69 354	34.7
Palmerston	8 557	5.2	13 343	7.3	22 559	11.4	23 912	12.0
Litchfield	9 670	5.8	13 597	7.5	15 573	7.9	16 212	8.1
<b>Darwin Region</b>	<b>86 415</b>	<b>52.2</b>	<b>95 829</b>	<b>52.7</b>	<b>106 842</b>	<b>54.0</b>	<b>109 478</b>	<b>54.8</b>
Jabiru	1 454	0.9	1 457	0.8	1 181	0.6	1 169	0.6
Katherine	8 347	5.0	9 443	5.2	8 956	4.5	8 437	4.2
Nhulunbuy	4 020	2.4	3 759	2.1	3 800	1.9	3 797	1.9
Tennant Creek	3 214	1.9	3 694	2.0	3 002	1.5	2 946	1.5
Alice Springs	24 250	14.7	25 040	13.8	26 520	13.4	26 058	13.0
Rest of Territory	37 793	22.8	42 621	23.4	47 467	24.0	48 028	24.0
<b>Total NT</b>	<b>165 493</b>		<b>181 843</b>		<b>197 768</b>		<b>199 913</b>	

p: ABS preliminary estimate  
Source: ABS Cat. No. 3218.0

**Indigenous People** Experimental estimates of Australia's resident Indigenous population have been produced by the 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. 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 (2.4 per cent of total population). Indigenous people were estimated to comprise 2.2 per cent of the Australian population in 1996 and 2.0 per cent in 1991.

The Indigenous population in the Territory as at 30 June 2004 (59 508 persons), is estimated to represent 29.8 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 accounted for 12.3 per cent of the national Indigenous population as at 30 June 2004.

**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 contributed, on average, 1.4 percentage points per annum to growth over the five year period to June 2004, declining from 1.5 per cent per annum over the five year period to June 2000.

Table 3.3: Population (as at June)

	1998	1999	2000	2001	2002	2003	2004
	Thousands						
<b>Northern Territory</b>	<b>189.9</b>	<b>192.7</b>	<b>195.6</b>	<b>197.8</b>	<b>198.7</b>	<b>198.4</b>	<b>199.9</b>
Natural Increase	2.8	2.8	2.7	2.9	2.8	2.8	2.9
Births	3.7	3.6	3.6	3.7	3.8	3.8	3.7
Death	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Overseas Migration	0.6	0.9	0.9	0.9	0.7	0.2	0.6
Net Interstate Migration	-0.5	-1.0	-0.9	-1.6	-2.6	-2.1	-2.1
New South Wales	6 339	6 411	6 486	6 575	6 634	6 687	6 731
Victoria	4 638	4 686	4 741	4 805	4 857	4 917	4 973
Queensland	3 448	3 501	3 562	3 629	3 711	3 797	3 882
South Australia	1 490	1 498	1 505	1 512	1 519	1 527	1 534
Western Australia	1 823	1 850	1 874	1 901	1 925	1 952	1 982
Tasmania	472	472	471	472	473	477	482
Australian Capital Territory	310	310	315	319	322	323	324
<b>Australia</b>	<b>18 711</b>	<b>18 926</b>	<b>19 153</b>	<b>19 413</b>	<b>19 641</b>	<b>19 881</b>	<b>20 111</b>
Natural Increase	120	122	121	119	117	115	121
Births	249	250	249	248	248	247	255
Death	129	128	128	129	130	132	134
Overseas Migration	79	96	107	136	111	125	118

N.B. Growth components do not equal population change due to inter-censal discrepancy, issues relating to the registration of births and deaths leads to discrepancies between births/deaths and natural increase in the Territory.  
Source: ABS Cat. No. 3101.0

**Fertility** The Territory is characterised by high fertility rates, particularly among the Indigenous population. Since 1986, total fertility for all Territory females has fluctuated around 2.3 (children per woman during lifetime), while nationally it has fallen from 1.9 to 1.8. In 2003, the total fertility for Indigenous women in the Territory was 2.8, while the total fertility for all Territory women was 2.4. For the same period, the Australian fertility rates were 2.1 and 1.8 respectively. The total fertility for Indigenous females in the Northern Territory remains the highest of all jurisdictions.

In 2003, 43.0 per cent of all births in the Northern Territory were Indigenous, compared to 44.2 per cent in 2001. Nationally, 4.6 per cent and 4.7 per cent of all births were Indigenous in 2001 and 2003 respectively.

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 in the Territory are twice the national Indigenous rate.

In 2003, 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 22 per cent nationally of births, while in the over 30 age group, Indigenous births accounted for only 23 per cent of total births.

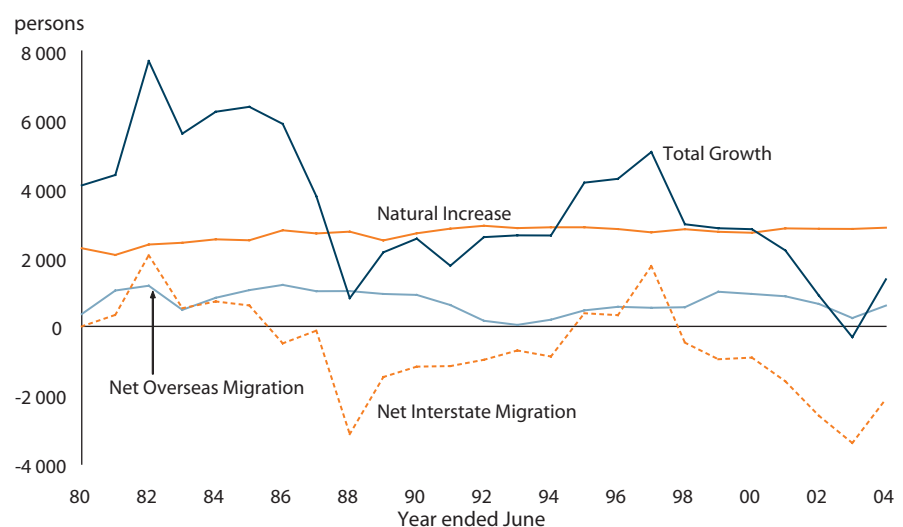
In Darwin, the 2003 total fertility rate was 2 per cent, compared to 2.7 for the balance of the Territory.

**Mortality Rates** Crude death rates (that is, deaths per 1000 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 an age 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 (6.4), and in particular for the Indigenous population.

In 2001, the standardised death rate for Indigenous persons in the Territory was 20.2 per 1000 persons, more than three times higher than that of the non-Indigenous rate of 6.0 per 1000 persons. The Territory's standardised death rates are significantly higher than nationally where the Indigenous standardised death rates are 13.4 per 1000 persons and the non-Indigenous standardised death rate was 5.3 per 1000 persons. In 2003, the infant mortality rate in the Territory for Indigenous persons was 14.8 per 1000 births, compared to 10.1 for non-Indigenous persons.

The Northern Territory recorded the highest standardised death rate in 2003, with nine deaths per 1000 standard population compared to 15.8 in 1983. The corresponding figures at the national level are 6.4 and 9.6 respectively.

Chart 3.4: Territory Population Growth by Component (persons)



Source: ABS Cat. No. 3101.0

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 2003 was 72.0 years for males and 77.3 for females, compared to Australian rates of 77.8 years for males and 82.8 years for females.

Life expectancy in Darwin in 2003 was 76.3 for males and 81.7 for females, significantly higher than those in the remainder of the Territory, where life expectancy is 68.2 and 73.6 years for males and females respectively.

**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 2003, the median age at death in the Territory was the lowest of all jurisdictions for Indigenous males and females at 46.3 and 52.8 years respectively, compared to 65.9 and 74.5 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 2004 its average contribution to growth was 0.4 of a percentage point per annum. The annual contribution to growth was relatively volatile over the past five years, ranging from 0.2 to 0.5 of a percentage point.

**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 3.4). The Territory is characterised by a high level of transience, with around 8 to 10 per cent of the population relocating interstate each year. Over the five years to June 2004, around 9 per cent of the population moved interstate each year. Nationally, around 2 per cent of the population move interstate each year. The Territory tends to attract young mobile interstate migrants; in 1999-2000 the average age of interstate migrants was the lowest of the jurisdictions, at 26 years of age.

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 2004, quarterly estimates of net interstate migration ranged from 83 in the December quarter 1999 to a loss of 1160 persons in the March quarter 2003. On average, net interstate migration subtracted one percentage point from annual growth over the five-year period to June 2004.

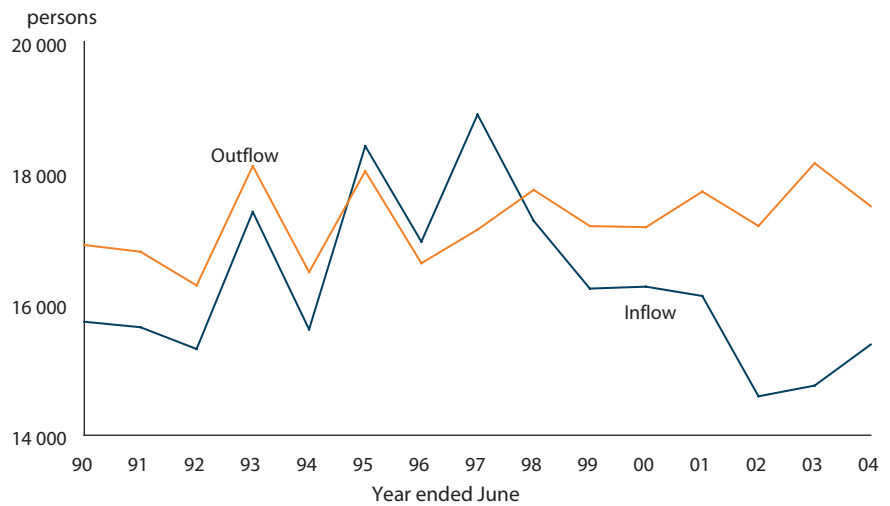
The pattern over the past 17 years has been of consistent net interstate migration outflows except for the period of the defence build up during 1995 to 1998. If the growth in defence personnel and family members over the past 12 years was excluded from the Territory's population figures, the Territory's average annual population growth rate since 1992 of 1.5 per cent would be approximately 0.3 of a percentage point lower at 1.2 per cent. Treasury estimates a net outflow of about 1425 people for the 2004-05 financial year.

Table 3.4: Estimated Proportion of 2001 Resident Population not Resident in the State (five years previously)

States	%
<b>Northern Territory</b>	<b>23.0</b>
Tasmania	6.8
Western Australia	8.8
South Australia	6.3
Queensland	11.3
Victoria	7.3
New South Wales	8.1
Australian Capital Territory	20.0

Source: ABS Cat. No. 2004.0

Chart 3.5: Territory Interstate Migration Flows



Source: ABS Cat. No. 3101.0

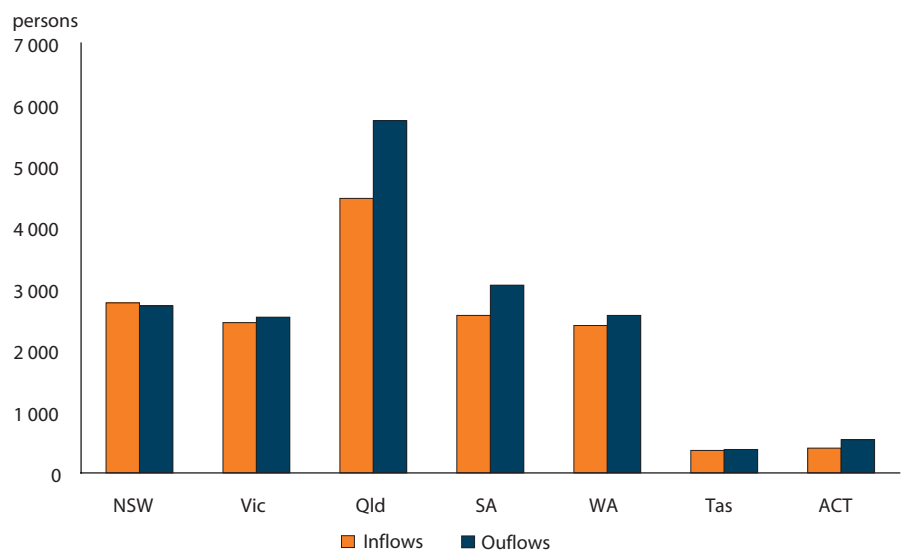
Over the past year there has been a significant turnaround in the Territory's net interstate migration outflows. Net interstate migration in the June quarter was the lowest in five years. This comes only a little more than a year after the largest net interstate migration outflow in the March quarter 2003 (1160).

The trend over the past few financial years is a widening gap between outflows and inflows (see Chart 3.5). Since the completion of the main defence build up in 1998, there has been a substantial decline in inflows while outflows have been relatively stable at between 17 000 and 18 000. Recent improvements in net outflows reflect the improving prospects for the Territory economy, particularly in construction and tourism.

Over the five years to June 2004, on average, 30 per cent of the population flow to and from the Territory was with Queensland (see Chart 3.6). 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 2004. Next to Queensland, the strongest inflow was from New South Wales.

In the past there has been a tendency for some older people to leave the Territory upon retirement. This has been a major factor in the Territory having the lowest crude death rate of any jurisdiction in Australia.

Chart 3.6: Territory Interstate Migration Flows, by Jurisdiction (annual average, 5 years to June 2004)



Source: ABS Cat. No. 3101.0

## Northern Territory Government Population Initiatives

The Northern Territory Government has released its *Building Our Population - A Framework for Economic and Social Growth through our People* policy. The policy provides an integrated approach to growing and developing the Territory's population.

The three key components of the *Building Our Population* framework include:

- Attracting more people. The challenge is for the Territory to maintain an economic and social environment that continues to attract young, skilled migrants who make a positive contribution to the labour force.
- Retaining our people. There are high rates of skilled migration away from the Territory. Fostering growth and creating sustainable employment opportunities are essential for the retention of skilled workers, complemented by lifestyle opportunities and high standards of living.
- Skilling our people. Appropriate skills development and educational opportunities will assist in attracting and retaining more people and providing the necessary expertise to grow the Territory's population.

In recognising that the attraction and retention of skilled migrants to the Territory is vital to its future prosperity, the Government has released a business and skilled migration strategy which aims to attract more skilled migrants to the Territory and broaden and diversify the business and employment skills base in the Territory. There has been a 70 per cent increase in the number of certifications and sponsorships for migration issued by the Territory Government in the year to March 2005.

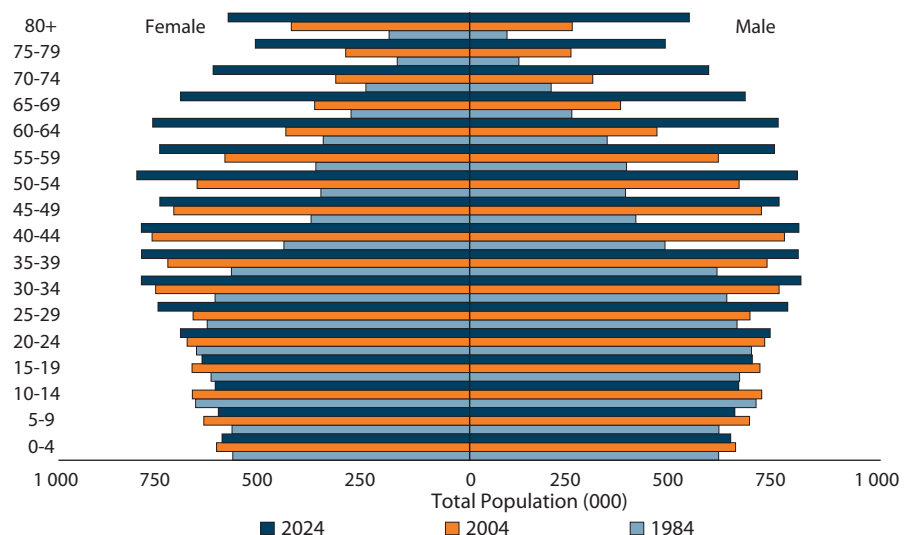
## Demographic Challenges

### Aging Australia

In April 2005 the Productivity Commission released its report *Economic Implications of an Aging Australia* which had been commissioned by the Council of Australian Governments. This report follows earlier research papers prepared by the Australian Treasury – *The Intergenerational Report (2003)* and *Australia's Demographic Challenges (2004)*. The Australian population is already aging rapidly (see Chart 3.7) despite increased levels of overseas migration. ABS population projections suggest further aging of the population into the future.

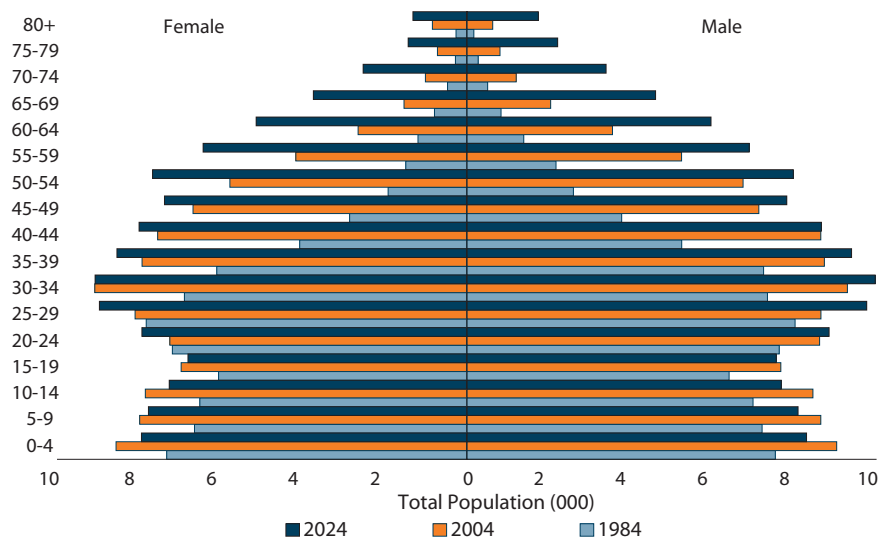
The Productivity Commission report is an important and useful advance in understanding the consequences of aging in the Northern Territory. For the first time, an attempt has been made to model the economic implications of the aging of the Territory population and it considers the Territory's Indigenous and non-Indigenous populations separately.

Chart 3.7: 1986, 2004 and 2024 Australian Population



Source: NT Treasury, ABS Cat. No. 3101.0, Productivity Commission

Chart 3.8: 1986, 2004 and 2024 Northern Territory Population



Source: NT Treasury, ABS Cat. No. 3101.0, Productivity Commission

Despite the many assumptions and approximations necessary in this type of work, the research has indicated that the Territory is at greater economic risk to aging than most Australian jurisdictions, although the Territory population has by far the youngest age distribution of all states and territories. Treasury will make use of the work undertaken by the Productivity Commission to develop models to allow ongoing monitoring of the growth and changing structure of the Territory population and the economic and fiscal consequences. The Productivity Commission's population projections form the basis of population forecasts used in the following section.

### The Northern Territory's Demographic Challenges

The impacts of aging in the Territory will be similar to in the rest of Australia. Nonetheless, some of the impacts will be more extreme. For example, the rise in health and age-care costs are expected to have a greater impact in the Territory than elsewhere in Australia because of the rapid rise in the Territory's aged 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. These two sets of age distributions are remarkably different, but both display evidence of aging. For this reason, the following analysis will treat the Territory population as two completely separate populations – Indigenous and non-Indigenous.

Unlike most states and territories in Australia, there is a relatively large degree of independence between these two groups in the Territory, with a majority of Indigenous children having two Indigenous parents and, similarly, most non-Indigenous children having two non-Indigenous parents.

### Indigenous Territory Population

The demographic challenges facing the Indigenous population in the Territory in the next 20 years are associated with natural increase (births less deaths) as a proportion of the population. The Indigenous population of the Territory is very young and, despite some decline in birth rates and associated aging, will continue to have a large proportion of the population within the working-aged (15-64 years) range of the population.

Chart 3.9: 1986, 2004 and 2024  
Northern Territory  
Indigenous Population



Source: NT Treasury, ABS Cat. No. 3101.0, Productivity Commission

Despite the difficulty in forecasting the Territory’s future Indigenous population, the number of Indigenous Territorians aged 65 and over is expected to grow substantially over the next 20 years. The large increase in the number of older Indigenous Territorians will create unprecedented demand for aged care and health services in the remote and regional areas of the Territory. Other challenges associated with the changing demography of the Territory’s Indigenous population will be the creation of employment and economic development opportunities for the fast-growing, working-aged (15-64 years) segment of the population, and the provision of education and housing for them and their dependants.

The economic consequences of demographic change within the Indigenous population will be divergent. The growing size of the younger sections of the population will continue to place higher demand for education services, while demand for health services will also increase as the older section of the population grows rapidly, a problem compounded by lower health status among the Indigenous population.

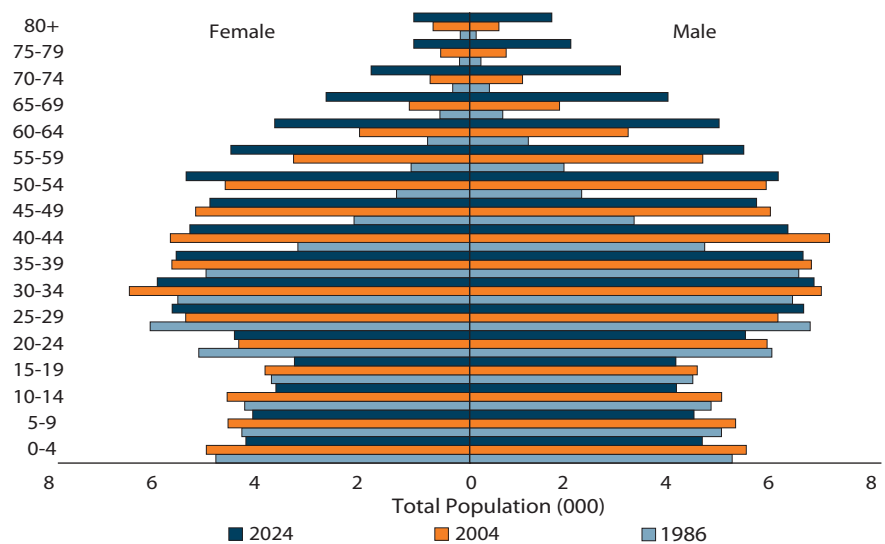
Much of the Indigenous population can also be thought of as essentially ‘intergenerational permanent residents’ of the Territory, where interstate and overseas migration are not major factors in this population. According to the ABS, about 80 per cent of the Indigenous usual resident population at Census 2001 were also resident in the Territory five years ago, compared to about 60 per cent of the non-Indigenous population (excluding usual residents ‘not stated’, those ‘not applicable’ and persons less than five years of age).

### Non-Indigenous Territory Population

The main demographic challenges with the non-Indigenous population in the Territory arise from interstate migration. Unlike the Indigenous population, natural increase (births less deaths) for the non-Indigenous section of the Territory population is likely to be similar to the aging pattern occurring at the Australian level.

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 2024 (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.

Chart 3.10: 1986, 2004 and 2024  
Northern Territory  
Non-Indigenous Population



Source: NT Treasury, ABS Cat. No. 3101.0, Productivity Commission

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.

The future challenges associated with these major demographic movements are 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

As a proportion of the national population, the working-age (15-64 years) section is expected to decline gradually between 2004 and 2024. In the Territory, this section of both the Indigenous and non-Indigenous Territory populations is expected to continue to increase over the same period. This likely future trend builds on the substantial increase in the proportion of working-aged people already seen between 1986 and 2004.

In the future, the Territory is likely to face an expanding rather than a contracting proportion of the population that is working age. This is unique amongst the jurisdictions in Australia. The expected growth in the Indigenous population has the potential to expand the Territory workforce which, if well educated and trained and given opportunities to fully participate in economic development, will provide the Territory with a competitive advantage compared with the rest of Australia.

Table 3.5: Percentage of Population  
in Different Age Groups

	% in different age groups								
	1986			2004			2024		
	0-14	15-64	65+	0-14	15-64	65+	0-14	15-64	65+
Australia	23.4	66.1	10.5	19.8	67.3	13.0	16.1	64.9	19.0
NT Total	29.5	68.0	2.5	25.3	70.3	4.4	20.7	70.0	9.3
NT Indigenous	39.8	57.5	2.7	35.0	62.4	2.6	28.2	67.0	4.9
NT Non-Indigenous	26.2	71.4	2.5	21.3	73.6	5.2	16.9	71.6	11.5

Source: NT Treasury, ABS Cat. No. 3101.0, Productivity Commission

## The Challenge of Population Measurement

The Territory, more than any other jurisdiction, faces one other demographic challenge unrelated to population aging. 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 fertility 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.

The ability to accurately monitor and forecast the size and distribution of the Northern Territory's population is vital for the Territory's future for a variety of reasons. Firstly, given the small size of the Territory's population, its unique demographics and the high cost associated with the provision of services to remote and isolated areas, the Territory is heavily dependent on the Commonwealth Government for its revenue sources, (particularly GST revenues). Currently GST revenues are apportioned to the states and territories via a model driven by population estimates. Therefore accurate estimation and forecasting of the Territory population is critical in ensuring the Territory gets its appropriate share of GST revenues. Secondly, reliable population forecasts are crucial for the development of an effective policy framework and to ensure the needs of the Territory's unique population are met.

In conjunction with Charles Darwin University, Treasury is developing a demographic research program which will explore improvements to population estimation methodologies and research, in part to better understand the factors underpinning the high levels of mobility demonstrated by many Territorians. This will assist the development of strategies to improve the Territory's ability to attract new 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 consultative processes to which ABS is committed for developing improved methodologies for all aspects of population estimation.

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

## Population Outlook

During 2004, population growth in the Territory is expected to gain momentum, with Treasury estimating growth of 1.2 per cent. Further out, continuing solid population growth is expected, as strengthening employment opportunities associated with investment for major projects underpin migration inflows to the Territory. Growth is expected to remain strong at around 1.1 per cent in 2005 and 1.0 per cent in 2006.

Uncertainty exists as to whether the short term (one or two years) interstate migration inflows directly associated with the major construction projects will be fully measured by current estimation methods.

Beyond 2006, prediction is difficult due to uncertainty surrounding the likelihood of major employment-creating projects proceeding. Population growth beyond this period will reflect prevailing economic conditions in the Territory.

A further source of uncertainty in predicting medium term population growth is the possibility of substantial drops in the currently high rates of fertility among Indigenous women within the Territory. Once fertility declines to lower levels, which is likely in the next decade, it is unlikely that Indigenous fertility would return again to the current high levels.

The Territory Government has released its *Building our Population* policy which outlines an integrated framework to support the growth and development of the Territory's population. This broad-ranging policy is aimed at boosting the Territory's population and addressing some of the demographic challenges facing the Territory. The Government has also announced the *Business and Skilled Migration Strategy* aimed at attracting and retaining skilled migrants to the Territory. The effectiveness of these programs in building the Territory's population will be pivotal to the Territory's future economic development.

