

Chapter 3 Population

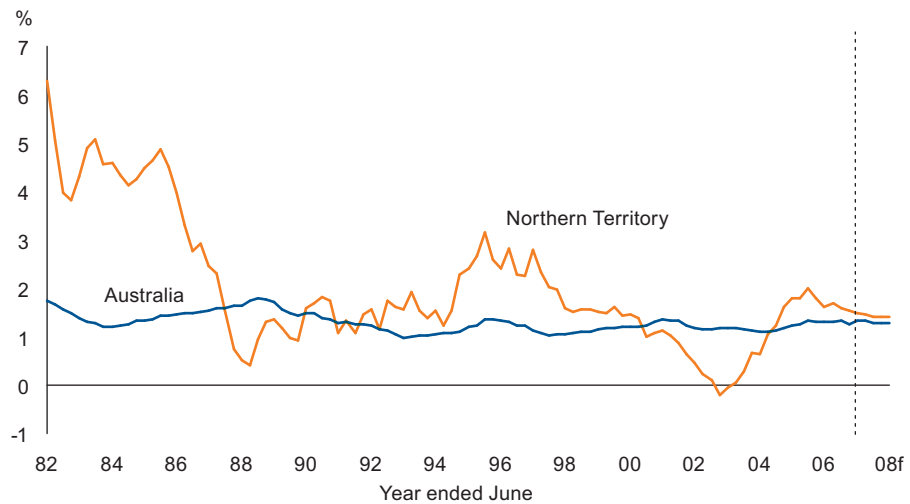
Key Points

- » The Northern Territory is sparsely settled, with a relatively young and highly urbanised population. A far higher proportion of the Territory's population is Indigenous (29 per cent) than in other jurisdictions.
- » Natural increase (births minus deaths) contributes more to total growth in the Territory than in other jurisdictions in part due to high rates of Indigenous fertility.
- » Interstate migration is the most variable component of population growth. After contributing strongly to population growth in 2005, quarterly interstate migration returned to more volatile patterns in 2006-07.
- » Population growth weakened slightly in 2006, although still strong, to an estimated 1.6 per cent, after stronger than expected 2005 growth of 2 per cent.
- » Population growth of 1.4 per cent per annum is forecast for 2007 and 2008.

In many ways, the characteristics of the Territory's population and population growth are different to those of other Australian states and territories. The Territory's population has a larger proportion of both young and Indigenous people, more volatile interstate migration and a large 'population churn' amongst the non-Indigenous population. As both the supply of labour and source of demand for goods and services, population may either drive or be partially driven by economic growth. Net interstate migration, for example, often responds to economic growth. It is important to note, however, that significant economic growth can still occur in the absence of increases in the resident population due to the increasing reliance on fly-in fly-out workers as a source of labour for major projects in the Territory. In addition, capital-intensive major projects, such as those related to mining, do not demand high levels of labour but contribute significantly to the economy. An awareness of the Territory's population change is important to understand the likely demands on future essential services and the associated costs, as well as the broader implications for the Territory economy. This chapter provides a general overview of the Territory's population and growth compared to other jurisdictions. A more detailed analysis of Territory population's ageing is provided in *Budget Paper No. 2*.

The accurate estimation of population is of critical importance to the Territory, as population estimates produced by the Australian Bureau of Statistics (ABS) are used by the Australian Government to apportion goods and services tax (GST) revenues which comprise a substantial proportion of Territory total revenue. Mobility in the Territory is far higher than any other jurisdiction. Because of this, the Northern Territory Treasury has had concerns about the reliability of the enumeration methods used by the ABS to estimate the Territory's very mobile population. These concerns relate to the probable underestimation and the relatively high levels of uncertainty attached to the estimates. The Northern Territory Government and the ABS are working in partnership to improve the reliability of population estimates. During 2006, Northern Territory Government agencies collaborated closely on the Census of Population and Housing (the Census) with the aim of increasing both public awareness of, and enumeration levels from, the Census.

Chart 3.1: Annual Population Growth



f: forecast

Source: Northern Territory Treasury, ABS Cat. No. 3101.0

Recent Population Growth

Territory population growth is volatile (Chart 3.1). Periods of strong or weak population growth are largely due to variations in interstate migration. The post-Cyclone Tracy reconstruction of the 1980s and the expanded defence presence in the Territory during the mid-1990s were associated with strong population growth. The lagged effect of the downturn of the Territory onshore economy in 1999-2000 and 2000-01 was associated with higher net interstate migration losses and low population growth. More recently, population growth has strengthened. Based on ABS estimated resident population (ERP), Territory annual population growth increased to 2.0 per cent in 2005, following growth of 1.2 per cent in 2004 and 0.3 per cent in 2003 (Table 3.1). In 2005-06, Territory estimated population growth was 1.6 per cent, the third consecutive year where the Territory population growth rate exceeded the national growth rate. Population growth in the Territory is forecast to remain at 1.6 per cent to December 2006 and is expected to ease slightly to 1.4 per cent, but remain above national growth in 2007 and 2008.

Table 3.1: Annual Population

To December	Northern Territory		Australia	
	Population (000)	Annual % Change	Population (000)	Annual % Change
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	198.7	0.3	19 982.5	1.2
2004	201.2	1.2	20 206.4	1.1
2005	205.2	2.0	20 476.2	1.3
2006	208.5	1.6	20 747.0	1.3
2007e	211.4	1.4	21 011.0	1.3
2008f	214.4	1.4	21 278.0	1.3

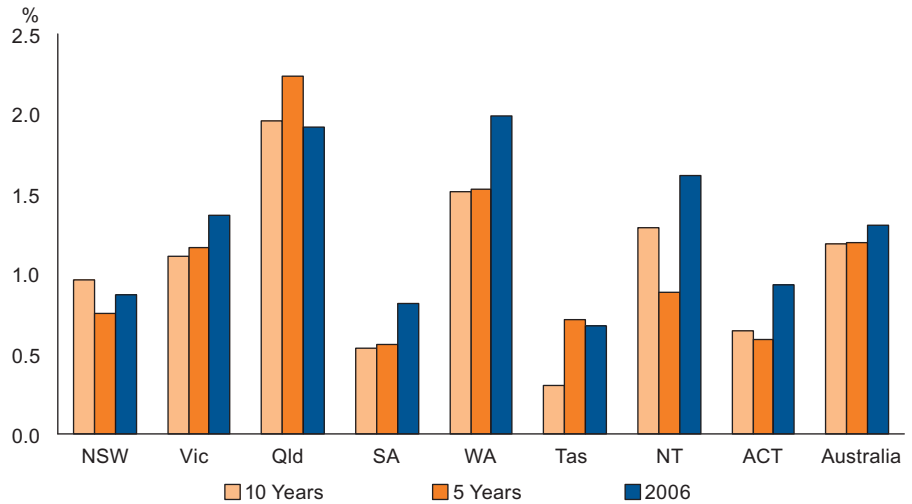
e: estimate f: forecast

Source: Northern Territory Treasury, ABS Cat No. 3101.0

Interstate Comparison

Over the past 10 years, the Northern Territory had the third highest population growth rate of the jurisdictions (1.3 per cent), behind Queensland and Western Australia (Chart 3.2). National growth averaged 1.2 per cent over the same period. However, the Territory's average population growth over the past five years (0.9 per cent) was well below the national rate of 1.2 per cent, largely due to more than two years of interstate migration outflows resulting from the slowing onshore economy. In 2005-06, population growth in the Territory returned to stronger levels and, at 1.6 per cent, was the third highest growth rate of the jurisdictions, behind Western Australia and Queensland.

Chart 3.2: State and Territory Population Growth Rates, to June 2006



Source: ABS Cat. No. 3101.0

Regional Growth

Knowing the size and distribution of population in cities and towns, and how this changes over time, informs government, business and service deliverers of future infrastructure and service needs, including schools, roads, housing and policing, in communities across the Territory. Regional population data below has been presented for Census years only, because Treasury and ABS share concerns about the existing ABS methodology for estimating regional population figures in inter-censal years. Because of the unavailability of accurate births, deaths and migration information relating to remote areas, the inter-censal methodology assumes that no growth has occurred in some remote areas since the Census year, and attributes the increase in the total Territory population to Darwin and other regional towns. This most likely results in an underestimated population in some remote areas, and overestimated population growth in urban and regional centres. Regional population data based on the 2006 Census will be presented in future Budget Papers. Treasury will continue to work with the ABS to identify alternative methods of estimating regional population growth for the inter-censal period 2006 to 2011.

Between 1991 and 2001 there was a steady increase in the proportion of the Territory's population living in the greater Darwin area and a small decrease in the population of the Territory's five main towns of Jabiru, Katherine, Nhulunbuy, Tennant Creek and Alice Springs (Table 3.2). The population residing in all remaining parts of the Territory (the balance) increased as a proportion of the total population.

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

	1991		1996		2001	
	Population	%	Population	%	Population	%
Darwin	68 188	41.2	68 889	37.9	68 710	34.7
Palmerston	8 557	5.2	13 343	7.3	22 559	11.4
Litchfield	9 670	5.8	13 597	7.5	15 573	7.9
Darwin Region	86 415	52.2	95 829	52.7	106 842	54.0
Jabiru	1 454	0.9	1 457	0.8	1 181	0.6
Katherine	8 347	5.0	9 443	5.2	8 956	4.5
Nhulunbuy	4 020	2.4	3 759	2.1	3 800	1.9
Tennant Creek	3 238	2.0	3 694	2.0	3 002	1.5
Alice Springs	24 250	14.7	25 040	13.8	26 520	13.4
Rest of Territory	37 769	22.8	42 621	23.4	47 467	24.0
Total NT	165 493	100.0	181 843	100.0	197 768	100.0

Source: ABS Cat. No. 3218.0.55.001

Population Characteristics

Population figures can be measured in a variety of ways. The concept of population used in this chapter is estimated resident population (ERP), which is the official population figure as measured by the ABS. It includes all people who usually live in a place. To measure ERP, the ABS needs information about the number of usual residents as well as information about the numbers of births and deaths and interstate and overseas migrants. ERP does not include fly-in fly-out workers, temporary visitors or holiday makers.

There are a number of other population concepts that can be of interest, for example, population counts from the ABS Census of Population and Housing. These can be based on place of enumeration (where people are actually counted on Census night) or place of usual residence (the place where people have lived or intend to reside for at least six months). Service providers and planners may be interested in service populations. However, service populations are not easily defined and measured, as they may include tourists and other visitors.

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 density of 2.6 people per square kilometre.

Highly Urbanised

Despite the low overall population density, more than three-quarters of the Territory's population live in the main town centres. At the 2001 Census, the Darwin region accounted for around 54 per cent of the Territory's population and Alice Springs for 13 per cent, while the other regional town centres (Katherine, Nhulunbuy, Tennant Creek and Jabiru) accounted for about 9 per cent in total (Table 3.2). This pattern of settlement, particularly for non-Indigenous people, is related to employment opportunities such as in government administration, defence and construction in Darwin, hospitality and other service industries around Alice Springs, and mining and service industries in the other towns.

Urban Drift

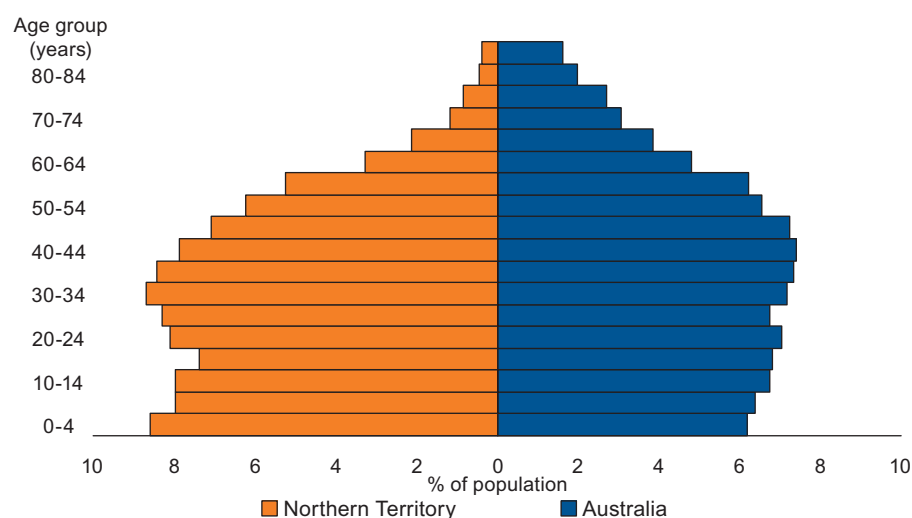
Urban drift, the trend over time for people to move from rural and regional areas to urban centres and their environs, is becoming a much discussed feature of population movement both in the Territory and interstate. However, it is unclear to what extent this occurs in the Territory. For example, between the 1996 and 2001 Censuses, there was a small increase in the proportion of the population living in the Darwin region, and a similar growth in the proportion living in remote areas. Work by Wilson and Barnes¹ provides some evidence for the movement of the non-Indigenous population towards Palmerston and Litchfield in the Darwin region and for the movement away from all other areas of the Territory.

Taylor² conducted analyses of Census data and found that there has been a net migration gain of Indigenous people in the Darwin region from 1996 to 2001 while most remote areas of the Territory have suffered a net migration loss of Indigenous people. However, even with a migration loss, remote areas continue to experience population growth because of strong natural increase. Urban migration among the Indigenous population is probably driven by the need to access health and other services as well as better employment opportunities. Little is known about the scale and trend of this movement within the Territory because of the lack of adequate and relevant data, as well as data quality problems that complicate interpretation of the results. The Census, which is the major source of data, does not capture the patterns of short-term and circular movement that are often said to characterise Indigenous mobility. As the remote Indigenous population grows, it will become increasingly important to understand more about these demographic shifts.

Young Population

The Territory's population is the most youthful of any jurisdiction in Australia (Chart 3.3). It consistently has the largest proportion of people under 15 years of age and the smallest proportion aged 65 and over of any state or territory. The proportion of the Territory's population under the age of 15, for example, is 25 per cent, compared to 19 per cent nationally, reflecting the younger age profile of Indigenous Territorians and higher birth rate. The Territory also has a small proportion of people aged 65 years and over, at 5 per cent, compared to 13 per cent in Australia, due to lower life expectancy of Indigenous Territorians and out-migration of non-Indigenous Territorians at middle and older ages. The Territory has a higher proportion (71 per cent) of its population in the typical working age group of 15-64 years, compared to the Australian population (67 per cent). Refer to *Budget Paper No. 2* for more information about population ageing.

Chart 3.3: Age Distribution of Territory Population, June 2006



Source: ABS Cat. No. 3201.0

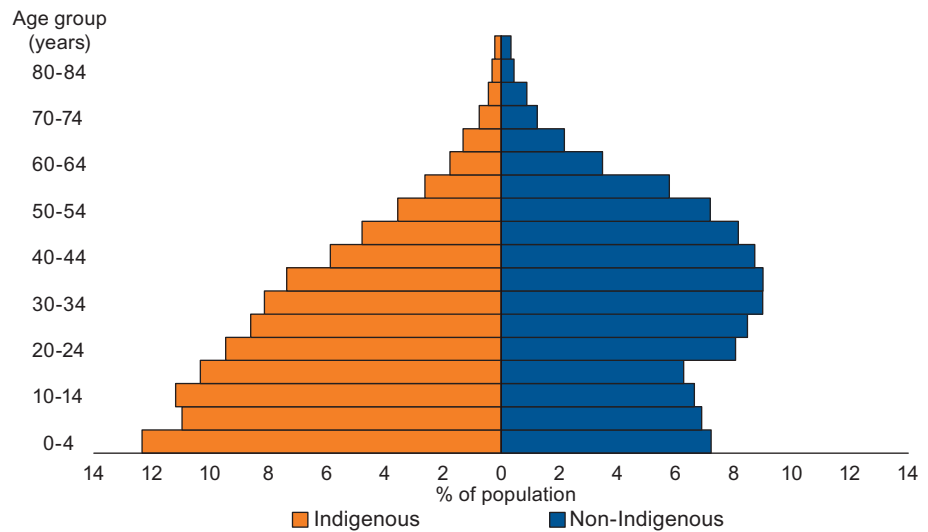
As at 30 June 2006, the median age of Territorians was estimated by the ABS at 31.0 years. This is the youngest of any jurisdiction and almost six years below the national median age of 36.9 years. However, over the past five years, the Territory's population has aged markedly faster than the national population. The median age in the Territory rose from 29.6 years in 2001 to 31.0 years in 2006, compared to an increase nationally from 35.7 years to 36.9 years over the same period.

Indigenous Population

The Indigenous population constitutes 29 per cent of the Territory's total population, a far larger proportion than any other jurisdiction, according to ABS experimental estimates of the Indigenous population for 2001. The Territory Indigenous population is much younger than the non-Indigenous population, with a median age of 21.8 years at June 2001 compared with 32.4 years for the non-Indigenous population.

The ABS experimental estimates are based on the 2001 Census usual residence counts and take into account instances in which Indigenous status is not stated, the extent to which the ABS estimates that Indigenous people are undercounted and a number of other minor demographic adjustments. At 30 June 2001, the Indigenous population in the Territory was estimated to be 56 875 persons, accounting for 12 per cent of the national Indigenous population of 458 520, which was 2.4 per cent of Australia's total population. Between 1991 and 2001, the Territory's Indigenous population had average annual growth of 2 per cent compared to 1.7 per cent for the non-Indigenous population. Chart 3.4 shows projections for the Indigenous population. The Indigenous population is projected to grow to 62 500 by 30 June 2006. See *Budget Paper No. 2* for more information on these projections.

Chart 3.4: Age Distribution of Territory Population, June 2006



Source: Northern Territory Government-Charles Darwin University population projections (unpublished)

Household Size

Between June 1996 and June 2001, the number of resident households in the Territory was estimated by ABS to have increased by 11 per cent (based on 1996 and 2001 Census data). Household growth was significantly faster than population growth of 9 per cent based on equivalent data, and is associated with a drop in the average number of people per household from 3.1 to 3.0. Although this seems a small decrease, the potential impact on housing demand is substantial. The ongoing decline in the average size of Territory households reflects an ageing population, a declining birth rate and an increasing proportion of single person households, consistent with national trends. Despite the decline, household size in the Territory remains the largest of all jurisdictions, partly reflecting high rates of overcrowding among Indigenous households as well as larger families, particularly in remote communities.

Male to Female Ratio The Territory has significantly more males than females, with an estimated 112 males (56 per cent) for every 100 females (44 per cent) as at 30 June 2006. This contrasts with the national ratio of 99 males for every 100 females. The ratio becomes more extreme in older age groups until 75 years and over, progressing from 107 males for every 100 females in 0-19 year olds, to 126 males to 100 females in 55-74 year olds. Corresponding national figures are 105 males for every 100 females aged 0-19 years and 99 males for every 100 females aged 55-74 years.

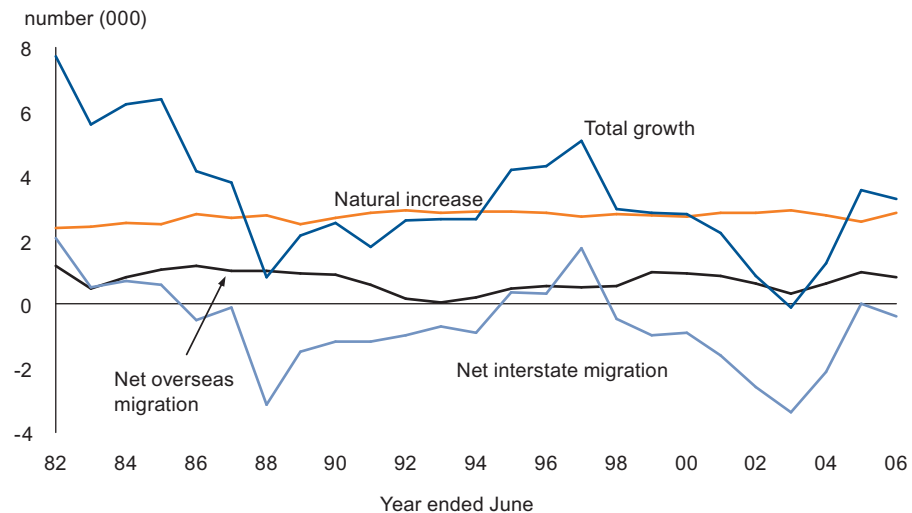
Overseas Born 2001 Census results show that 22 per cent of the enumerated Territory resident population was born overseas, with many from non-English speaking backgrounds. This is similar to the proportion of overseas-born people recorded in both the 1991 and 1996 Censuses (21 per cent), and is similar 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).

Population Ageing Population ageing is a trend being experienced in developed nations around the world. By 2045, one in four Australian residents will be aged over 65, compared with about one in eight currently. The Territory's population is also ageing rapidly, faster even than the national rate, although the actual numbers of population in older age groups will be small compared to other jurisdictions. Northern Territory Government and Charles Darwin University (CDU) projections show that the proportion of the non-Indigenous population aged 65 years and over will increase from about 5 per cent in 2007 to almost 9 per cent in 2027, and 10 per cent in 2045. For the Indigenous population a more significant rate of ageing will occur in the outer years between 2027 and 2045, with the proportion of the Indigenous population over 65 increasing from 3 per cent to 5 per cent between 2007 and 2027 and then to about 8 per cent in 2045. In the absence of significant policy change, the implications of ageing are lower labour force participation, potentially reduced labour productivity and increased government expenditure on services such as health care. A recent Productivity Commission report³ suggests Australia could increase its workforce participation and productivity by changing workforce incentives and increasing the health and education levels of the population. For a more detailed discussion on ageing and the economic implications of ageing in the Territory, refer to the population chapter in *Budget Paper No. 2*.

Components of Population Growth

There are two components to population growth – natural increase, which is the excess of births over deaths, and migration. At the Australian level, migration consists of net overseas migration while at the state and territory level, interstate migration must also be taken into account. The components of Territory population growth and total population growth are shown in Chart 3.5.

Chart 3.5: Territory Population Growth by Component



Source: ABS Cat. No. 3101.0

Natural Increase

Chart 3.5 shows the strong and relatively stable contribution that natural increase makes to total Territory population growth. Over the past five years, natural increase has contributed 1.4 percentage points to total annual growth, consisting of around 3700 births and 900 deaths each year (Table 3.3). This is much higher than the Australian average of 0.6 percentage points per annum. Natural increase in the Territory's Indigenous population accounts for about 40 per cent of the total contribution of natural increase to Territory population growth.

Table 3.3: Population Components, as at 30 June

	1999	2000	2001	2002	2003	2004	2005	2006
	(000)							
Northern Territory	192.7	195.6	197.8	198.7	198.5	199.8	203.4	206.7
Natural Increase	2.7	2.7	2.9	2.8	2.9	2.8	2.6	2.8
Births	3.6	3.6	3.7	3.8	3.8	3.7	3.5	3.8
Death	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0
Overseas Migration	1.0	0.9	0.9	0.7	0.3	0.6	1.0	0.8
Net Interstate Migration	-1.0	-0.9	-1.6	-2.6	-3.4	-2.1	0.0	-0.4
New South Wales	6 411	6 486	6 575	6 634	6 682	6 721	6 769	6 828
Victoria	4 686	4 741	4 805	4 857	4 911	4 963	5 023	5 092
Queensland	3 501	3 562	3 629	3 711	3 801	3 888	3 977	4 053
South Australia	1 498	1 505	1 512	1 519	1 526	1 533	1 542	1 555
Western Australia	1 850	1 874	1 901	1 925	1 950	1 978	2 011	2 051
Tasmania	471	471	472	473	477	482	486	489
Australian Capital Territory	312	315	319	322	323	324	326	329
Australia	18 926	19 153	19 413	19 641	19 873	20 092	20 340	20 606

Source: ABS Cat. No. 3101.0

Births

The Territory's total fertility rate (TFR, the number of children per woman during lifetime) in 2005 was 2.3 babies per woman, the highest of any state or territory. Over the past 20 years, the Territory's TFR has remained around this level while Australia has experienced a small decline in the TFR over the same period from 1.9 to 1.7 before an increase over the past year to 1.8. The Australian Government's 'baby bonus' policy and changes to the family tax benefits scheme may see this rise further. Such policies are aimed at reversing Australia's falling fertility rate which is below replacement level (the level of fertility at which a cohort of women are just replacing themselves with daughters – in Australia a TFR of about 2 is required).

The Territory's high TFR is strongly influenced by high fertility rates among Indigenous women. In 2005, there were 1485 births registered as Indigenous, 41 per cent of total births (3659) in the Territory. Nationally, Indigenous births made up nearly 5 per cent of all births. The TFR for Territory Indigenous women in 2005 was 2.5. Indigenous women tend to be younger when they give birth, with a median age of 23.6 years compared with 27.9 years for all Territory mothers. Age-specific fertility rates are higher among younger women, particularly Indigenous women, in the Territory than they are elsewhere. The age-specific fertility rate for 15 to 19 year old Indigenous women in the Territory in 2005 was four times that of non-Indigenous Territory women and seven times higher than that of Australian women aged 15 to 19.

Half the Territory's births in 2005 were to women living outside the Darwin region. The TFR for the Darwin region was 2.1 compared with 2.5 for the rest of the Territory. This reflects the high proportion of Indigenous people living in regional and remote areas of the Territory.

Deaths

In 2005, 985 deaths were registered in the Territory. The Territory's younger age structure means that it has a lower crude (unadjusted) death rate than other states and territories. In 2005, the Territory's crude death rate was 4.8 per 1000 population compared with 6.4 for Australia. The median age at death in the Territory was 56.7 years compared with 79.8 years for Australia.

The crude death rate conceals important aspects of mortality in the Territory such as the high death rate of Indigenous people. Once adjusted by the ABS for differences in the age structure of the Territory and Australia, the Territory's death rate rises to 8.6 per 1000 compared with 6.0 for Australia. Although, the age-standardised death rate has dropped from 13.2 per 1000 to 8.6 over a 20-year period, the Territory's rate remains the highest of all the jurisdictions.

While about one in three Territorians is Indigenous, deaths registered as Indigenous accounted for nearly half of all deaths in 2005. This partly reflects the tendency of older non-Indigenous Territorians to leave the Territory on retirement, however high mortality rates at young ages among Indigenous people explain most of this over-representation in the death statistics. For the period 2001 to 2003, Indigenous males in the Territory died at 2.7 times the rates of all Australian males. The ratio for Indigenous females was slightly lower at 2.6. The greatest differential lay in the 30 to 44 year old age group where Indigenous males and females died at up to 11 times the rate of their Australian counterparts.

Non-Indigenous male and female death rates in the Territory were similar to those of all Australian males and females. Reflecting deaths at younger ages, the median age at death for Territory Indigenous males was 45.8 years compared with 63.7 for non-Indigenous males, and 50.4 years for Indigenous females compared with 70.5 for non-Indigenous females. Cardiovascular disease is the leading cause of death for Indigenous males and females while cancer is the leading cause of death among non-Indigenous Territorians.

Life Expectancy

The higher death rates of Indigenous people and at earlier ages result in lower life expectancy. For 2001-03, estimated life expectancy at birth (the number of years a baby born in the period could expect to live if no changes in future death rates occur) in the Territory was 59.4 years for Indigenous males and 78.6 years for non-Indigenous males compared with 79.2 years for all Australian males. The corresponding figures for females are 67.9 years for Indigenous females, 84.3 years for non-Indigenous females and 84.8 years for all Australian females.

A recent Charles Darwin University (CDU) study has shown that there may have been greater improvements in life expectancy for Indigenous Territorians than previously thought. The study showed that Indigenous life expectancy in the Territory increased by 8 years for males and 14 years for females between 1967 and 2004. The improvements are a combination of lower infant mortality and lower mortality at older ages. Despite the improvements, the gap between Indigenous and non-Indigenous life expectancy has not closed at all for males and only somewhat for females. This is partly because non-Indigenous life expectancy has also increased over time, and also because Indigenous mortality rates remain high. Future gain in life expectancy will occur mainly through reduced mortality over the middle ages of 40 to 60 years⁴.

Overseas Migration

On a net basis, the Territory has gained about 700 overseas migrants each year for the last five years, a contribution of 0.35 percentage points per annum to total population growth. Although the contribution to growth is small, it can be volatile from year to year (ranging from 0.2 to 0.5 of a percentage point per annum during the last five years). However, the Territory's share of the total Australian migrant intake (on average 0.5 per cent) is less than its share of the Australian population (1 per cent).

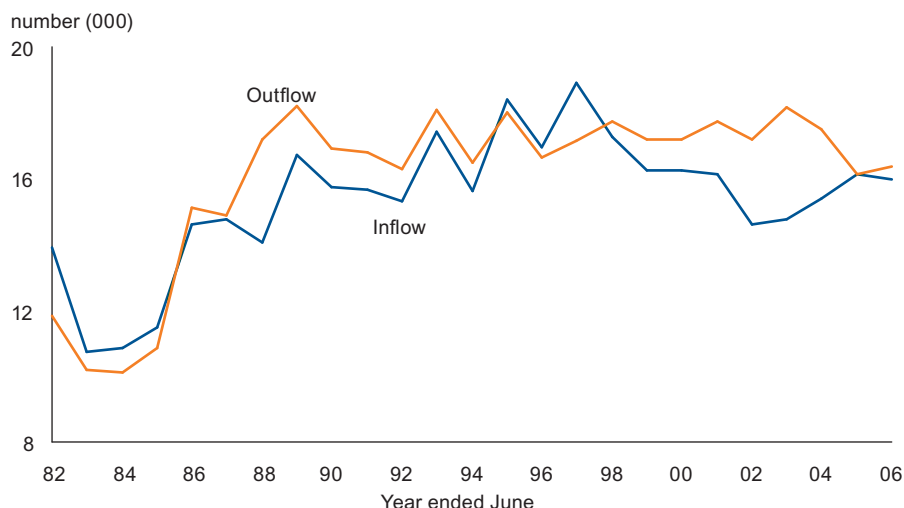
Recent times have seen an increase in the numbers of skilled migrants to the Territory, as a result of new Australian Government programs and policies as well as the need for the Territory to meet employment demand within Australia's skill shortage climate. Between 2004-05 and 2005-06, the number of skilled entrants grew by nearly 80 per cent from 154 to 274 (Department of Immigration and Multicultural Affairs (DIMA) statistics). The Territory also takes about 100 humanitarian entrants each year. In recent years, skilled and humanitarian migrants have increased as a proportion of total migrants, while the proportion of family migrants has decreased.

The ABS has developed a new methodology for estimating net overseas migration and the first results based on the new method will be reported in June 2007.

Interstate Migration

Interstate migration remains the 'wildcard' of Territory population growth. Net interstate migration (NIM), as measured by the ABS, has fluctuated from negative 3400 per annum to positive 1700 per annum over the last 20 years, however it most commonly takes the form of a loss to the Territory. Over the past five years, net interstate migration has subtracted on average 0.9 percentage points from annual growth, an average net loss of around 1700 people each year. Periods of positive net inflows occurred in the mid-1990s during the defence force build up and more recently, in 2005, there was a period of small positive inflow with the influence of major employment-creating projects such as the Wickham Point liquefied natural gas (LNG) plant and the Alcan G3 refinery expansion (Chart 3.6).

Chart 3.6: Territory Interstate Migration Flows



Source: ABS Cat. No. 3101.0

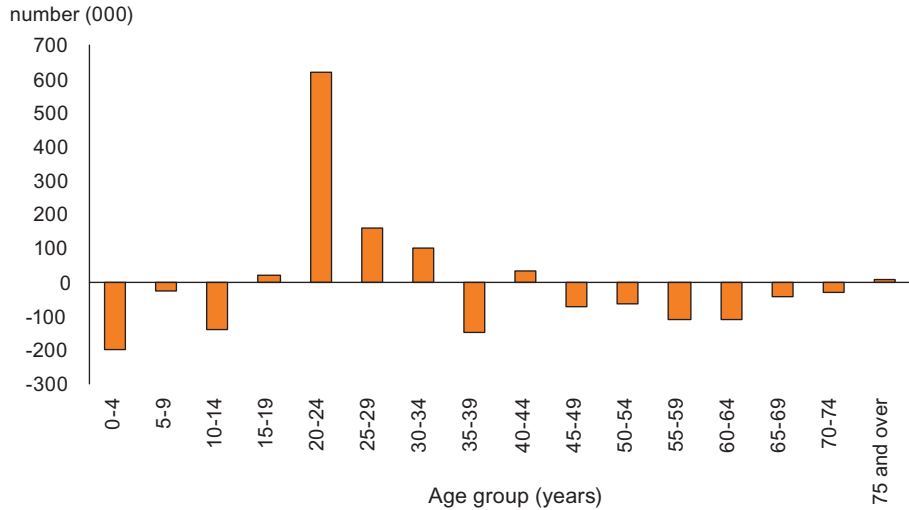
A recent telephone survey (the Territory Mobility Survey) of 1500 Territory residents aged 18 and over provided the first evidence-based look at who migrates to the Territory and why, as well as who stays. The survey was part of demographic research being conducted in partnership between the Territory Government, CDU and the ABS.

The results confirmed the transient nature of the Territory's population but they also showed that about 60 per cent of Territory residents born outside the Territory had lived here for 10 years or more, and 25 per cent had lived here 20 years or more. In terms of future intentions, 37 per cent of respondents who were living in the Territory said they would move away from the Territory at some point and 55 per cent indicated they would stay permanently.

The survey results show that the most common reasons for moving to the Territory are work-related, although lifestyle and social connections also rank highly. Reasons for leaving the Territory are being explored through other surveys conducted as part of the Territory Government-CDU partnership. Results will be available later in the year.

Although movement to and from the Territory occurs at all ages, most Territory 'in' migrants are young people. The median age of Territory interstate 'in' migrants in 2004-05 was 27 years, equal lowest with the Australian Capital Territory. Chart 3.7 shows a typical age profile of net interstate migration for the Territory, with a net inflow of people in their 20s and early 30s. With few exceptions, more people aged below 20 and over 35 years tend to leave the Territory than come to it.

Chart 3.7: Age of Territory Net Interstate Migrants, 2004-05

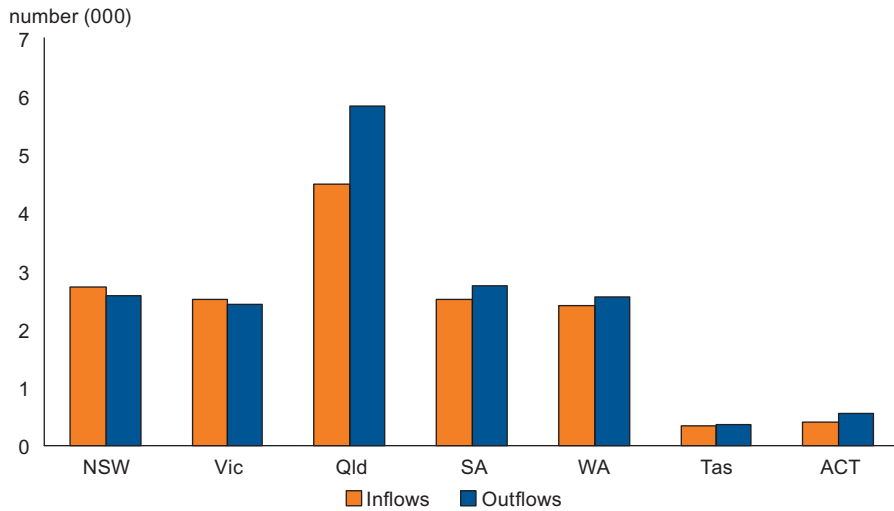


Source: ABS Cat No. 3412.0

Interstate mobility is more significant in the Territory than in other jurisdictions. About 21 per cent of Territory residents in 2001 were not living in the Territory five years earlier. Although the Australian Capital Territory had a similar rate to the Territory, the figure ranged from 6 per cent to 11 per cent for the states. Over the five years to June 2006, about 9 per cent of the population left the Territory each year for interstate destinations while nationally, only about 2 per cent of the population moved interstate.

More of the Territory exchange is with Queensland than other states. In the five years to June 2006, 29 per cent of the combined population flows were with Queensland, while the other large states accounted for most of the remainder (Chart 3.8). About one-third of respondents in the Territory Mobility Survey said Queensland was their preferred destination should they leave the Territory in the future.

Chart 3.8: Territory Interstate Migration Flows by Jurisdiction, 2001-02 to 2005-06 (annual average)



Source: ABS Cat no. 3101.0

Population Outlook

Territory population growth has remained strong during 2005-06 with growth for the year being 1.6 per cent and similar growth estimated for the year to December. Population growth weakened slightly from the 2 per cent annual growth recorded for the year to December 2005, however it remained strong and above the national average. Major employment creating projects are the key drivers of change in population growth in the Territory, however with the completion of the Wickham Point LNG plant, and anticipated completion of the Alcan G3 expansion project in mid-2007, and few other major projects on the horizon, it is possible that population growth will continue to moderate. Net interstate migration losses are likely to return to their long-run average of around -1000 per annum. Residential construction is strong, as evidenced by the many rapidly rising apartment blocks in the CBD, and this should continue in the short term. Vacancy rates are low and continue to maintain residential construction activity, however some of the demand may be investor driven rather than driven by population growth. The Darwin Waterfront Development Stage 1 will provide significant employment opportunities during 2007 and 2008, while the Blacktip pipeline set to commence in mid-2008 will provide limited short-term employment. However, based on current knowledge, the most significant future project for the Territory would be Train 2 of the LNG plant, possibly commencing in early 2009. If employment prospects for this project are the same as, or better than, for Train 1, this should provide a substantial boost to population growth.

Net overseas migration should remain strong in the mid-term as the skill shortage continues and access to regional skilled migration visas is facilitated. However, the skill shortage also means demand for workers is strong in other parts of Australia such as Western Australia and Queensland, and the Territory has to remain competitive to attract and keep both interstate and overseas workers here.

For the remainder of the decade, population growth is forecast to average around 1.4 per cent. Beyond 2007-08, forecasting is difficult because of the uncertainty surrounding future major employment creating projects.

Endnotes

¹ Wilson, T and Barnes, T 2006, *The spatial patterns of Northern Territory non-Indigenous internal migration, 1996-2001*, Working Paper, School for Social and Policy Research, Charles Darwin University, Darwin.

² Taylor, J 2006, *Population and Diversity: Policy Implications of Emerging Indigenous Demographic Trends*, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.

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