

RESEARCH MATTERS
News from the Department of Infrastructure's
Research Unit

Issue 20

December 2001

Interstate migration: myths and realities

Myth 1. The first myth is along the lines of, 'Victoria loses large numbers of people interstate, particularly to Queensland.'

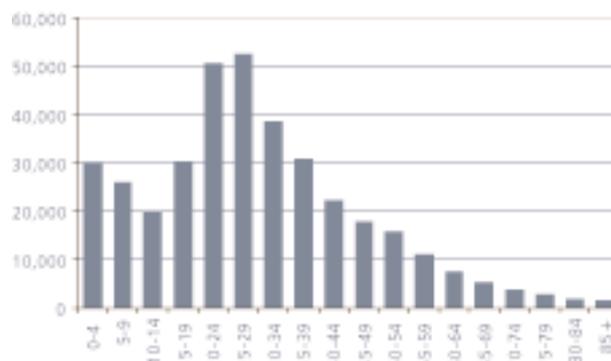
Reality. The reality is that net interstate migration has been positive for Victoria for the past three years and based on ABS year to date figures, continues to increase. Victoria has clearly been experiencing an investment boom for some time. The 'place to leave' image has long since gone and become 'the place to be'.

Myth 2. As the Victorian population ages there will be a bigger pool of retirees who will move to Queensland and this will have a dramatic impact on Victoria's overall migration. One commentator was reported in the *Australian Financial Review* earlier this year as saying that the drift from Victoria to Queensland will increase as the baby boomers retire.

Reality. At any geographical scale – local, international or interstate – it is the young, not the old, who move most. For example, in 1999–2000 more than four times as many 20–29 year olds moved interstate compared to 50–59 year olds (the age range at which most people formally retire).

Assuming that all age-specific migration rates remained constant, Victorian net interstate migration gain would indeed drop as a result of ageing. However, based on this assumption, net interstate migration gain would fall from 6,713 in 1999–2000 to 6,676 in 2020–21, a net change of just 37 people. It is clear that factors other than age have a much greater impact on interstate migration.

Interstate movers by age, Australia, 1999–2000



I N S I D E

EDUCATION AND INCOME IN VICTORIA 2

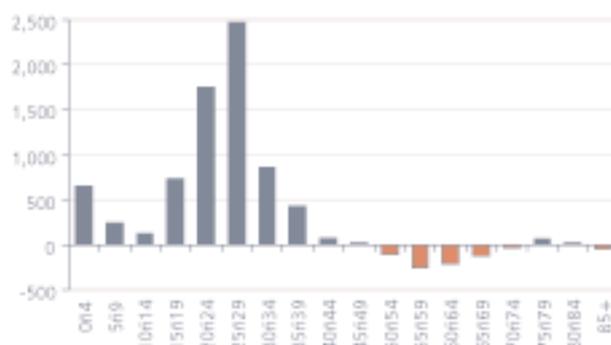
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Over the past 10 years there has been a remarkable turnaround in Victoria's interstate migration. In the early 1990s the Victorian economy was in the depths of recession. In 1994, this loss peaked, with a net loss of nearly 30,000 people from Victoria. Since then, year by year, net interstate migration has improved to the point that by 1997–98 it became positive for the first time since regular records began in the early 1970s. Victoria has become progressively more attractive to young people and, one suspects, the main attractions have been educational and job opportunities, and the vibrant economy and lifestyle of Melbourne.

Net interstate migration by age, Victoria 1999–2000



Education and income in Victoria

When Lord Melbourne remarked to Queen Victoria, 'I don't know, Ma'am, why they make all this fuss about education; none of the Pagets can read or write, and they get on well enough', he could hardly have anticipated a world in which prosperity increasingly goes hand in hand with educational qualifications.

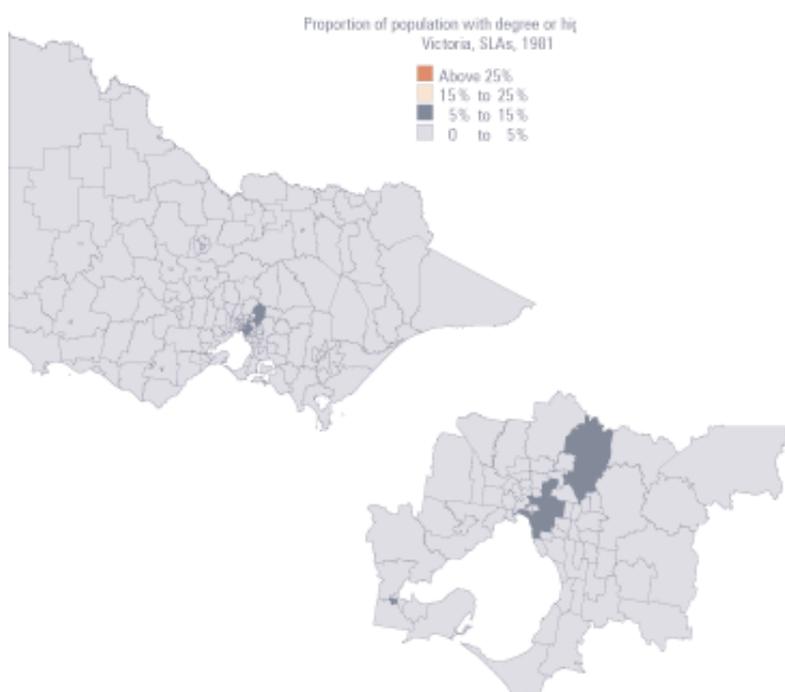
In Victoria, levels of educational attainment, as measured by the proportion of individuals with one or more university degrees, have changed significantly. In 1981, less than 5 per cent of the population in most of Victoria had a university degree. The exceptions were in a narrow corridor running from Bayside to Nillumbik in Melbourne, and even here in only three SLAs did more than 10 per cent of the population have degrees. By 1996 the proportion of persons in Victoria with degrees had increased, but mainly within a 150 km radius of Melbourne (the high proportion in Alpine can be attributed to the skiers who were holidaying in this region at the time of the census).

The most dramatic change, however, is to be found in Melbourne. By 1996 the proportion of degree holders had risen markedly in

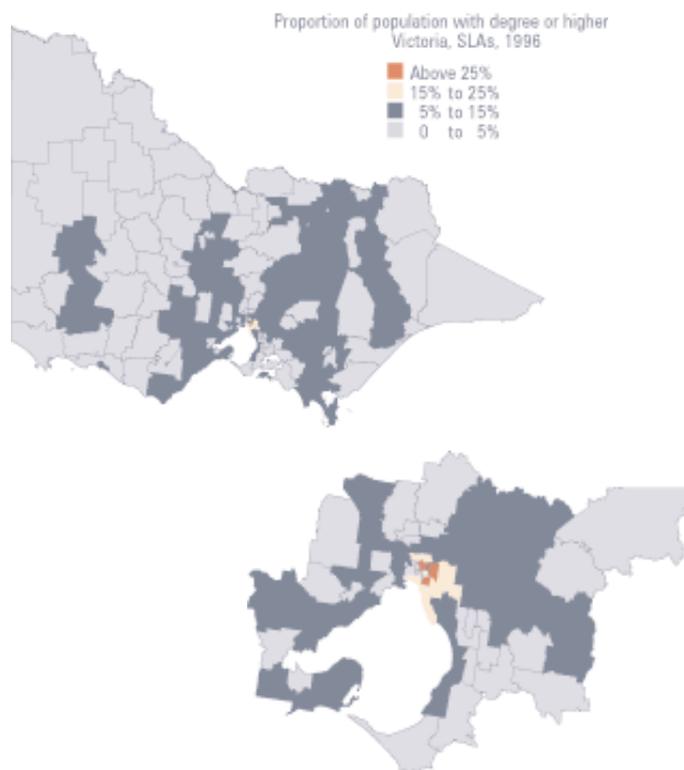
areas to the immediate east of the CBD, and in some parts of Stonnington, Boroondara, and Yarra more than 25 per cent of residents had university degrees. Overall, Victoria has become more polarised in educational terms, with Melbourne and its environs having increased their lead over the rest of Victoria in the educational stakes between 1981 and 1996.

This change has been driven by the growing realisation that education is increasingly a passport to a well-paid career, reflected in the rise in retention rates for secondary and tertiary education over this period. Highly educated people are mobile, and there has been a drift of young, educated people from the remoter parts of Victoria to Melbourne or to nearby regions, leaving behind a largely less educated, ageing population. There has also been a movement of educated people within Melbourne. The movement of young professionals into St Kilda, for example, has raised the proportion of individuals with degrees from 5 per cent in 1981 to more than 23 per cent 15 years later. St Kilda has been transformed from a suburb noted for its ageing population and

Proportion of people with degree or higher 1981



Proportion of people with degree or higher, 1996



boarding houses, to a sought-after residential area for young professionals and business people. Similar changes have occurred in Northcote, Caulfield, Richmond, Prahran and other inner suburbs of Melbourne.

It is no coincidence that the majority of SLAs with high educational attainment in 1996 are those with high incomes. The highest

proportion of people with degrees are to be found in a quadrant north-east of the CBD, and it is also here that incomes move well above the State median, both for individuals and households. It is clear that, at least in Victoria, education is an increasingly important determinant of how well off households and individuals are.

Natural decrease – the hidden factor in population decline

Many people assume that population decline in regional areas is caused by out-migration alone. Yet there is a more complex interplay of demographic factors at work. One of these is natural increase – the difference between numbers of births and numbers of deaths in a given population.

Historically, regional Victoria has relied on natural increase for much of its population growth. Fertility rates (the average number of children that a woman can expect to have over her life) have been relatively high in regional areas and thus have made an important contribution to population increase overall. However, while fertility rates remain higher in regional Victoria than Melbourne, they are declining at a similar rate in both locations.

Changing age structure also has important implications for natural increase because, as Victoria’s population ages, there will be fewer women of child-bearing age. The ageing trend tends to be stronger in regional areas because they have a net gain of older (retiree) populations and a net loss of younger people.

A decrease in numbers of women of child-bearing age will amplify the effect of lower fertility. Not only will women be having fewer

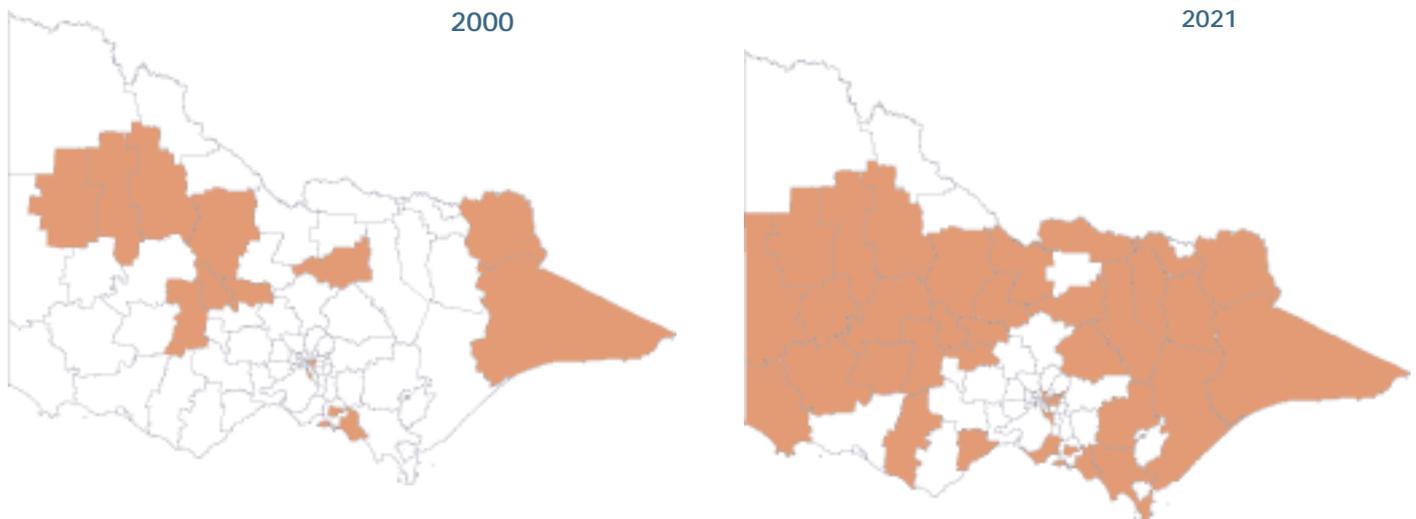
children, but there will also be a smaller number of women of child-bearing age within the population. This will lead to a decline in the number of babies born in Victoria.

The ageing population also has implication for numbers of deaths. Despite the fact that, on average, people are living longer than in the past, there are more people in the oldest age groups. This means that over the coming decades the numbers of deaths will increase, and this too will affect rates of natural increase. By 2021, many municipalities are projected to have higher numbers of deaths than births – natural increase will, therefore, become natural decrease.

Natural decrease does not necessarily mean population decline because the population may still grow if gains through net migration are greater than losses through natural decrease. This highlights the fact that migration (from overseas, interstate and within State) becomes a more important component of population growth as rates of natural increase fall.

More information on these issues can be found in *Regional Matters: An Atlas of Regional Victoria*, available on our website: www.doi.vic.gov.au, and follow the ‘Research’ link to Urban, Regional and Population Research.

Local government areas in which projected deaths outnumber projected births



Department of Infrastructure website

The DOI web site, www.doi.vic.gov.au, has been redesigned with a cleaner and more attractive interface. We encourage you to visit the site to catch up on the latest news and information from DOI.

Research Unit web site

Following the DOI web site update, we are now in the process of redesigning the Research Unit page. We would like your input to help us best serve our users' needs. If you have had any difficulties using our site in the past, or you have suggestions for content or the design, please let us know. Please e-mail any comments or suggestions to christina.inbakaran@doi.vic.gov.au

Know Your Area

Know Your Area is now online and we would like to thank everyone who has provided us with feedback already. Know Your Area provides a range of information about a particular local area in one web location. It will be developed over time to enable people to get a broader picture of an area than can be obtained through singular documents relating to a limited range of themes.

Local Government Research Network web site

The Local Government Research Network (LGRN) has also designed a web page for local government users and other LGRN members. This page has Local Connections useful research links and the most up-to-date information on seminars and workshops coordinated by the working group. For further information on Know Your Area or the LGRN, please contact Christina Inbakaran, tel. (03) 9655 6054 or Christine Kilmartin, tel. (03) 9655 6934 or email christina.inkbaran@doi.vic.gov.au or christine.kilmartin@doi.voc.gov.au

Growing Victoria Together

Growing Victoria Together is the Victorian State Government's vision for our future. It sets out the government's long-term thinking about the issues that are important to Victorians. It is an initial step on a longer path – a signpost rather than a road map. This vision is set out in a booklet, which outlines the important issues for our community and the ways Victorians can understand the Government's plans.

It sets out:

- the most important outcomes we are working towards in Victoria
- key actions we need to take to get there
- how we should measure and report progress.

The issues important to Victoria include:

- valuing and investing in lifelong education
- high-quality, accessible health and community services
- sound financial management
- safe streets, homes and workplaces
- growing and linking all of Victoria
- promoting sustainable development;

- more jobs and thriving, innovative industries across Victoria
- building cohesive communities and reducing inequalities
- protecting the environment for future generations
- promoting rights and respecting diversity
- government that listens and leads.

These are the issues important for Victorians; issues for which the Government will be held accountable.

The booklet is being widely distributed to businesses and community groups as well as to libraries and local governments. It is also available from the Department of Premier and Cabinet web site www.dpc.vic.gov.au The web site provides for downloads of the booklet and links to relevant departmental and policy sites. Copies of the booklet can be obtained from Information Victoria outlets.

Further information is available from Fiona Graham, Policy Analyst at the Department of Premier and Cabinet, tel. (03) 9651 2632.

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