

Research Matters

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Victoria in Future 2004 is here



Minister for Planning Mary Delahunty recently released the population and household projections titled *Victoria in Future 2004*. The population projections make available the official State Government projections for the years 2001 to 2051 for Victoria, regional Victoria and Melbourne, and 2001 to 2031 for regions, Local Government Areas (LGAs) and Statistical Local Areas (SLAs). Data are available for population by age and sex for a range of geographies and has been summarised at the Victoria, regional Victoria, Melbourne and LGA levels into 1-page profiles and 2-page text summaries. Background information in the form of MS PowerPoint slides, is also available for LGAs. The area based profiles and detailed data files are all available at the *Victoria in Future 2004* website: www.dse.vic.gov.au/victoriainfuture

VIF 2004 Competition – Win a \$50 gift voucher

Answer the following question correctly and you will be in the draw to win a \$50 gift voucher from the DSE Information Centre.

Question: What is the projected estimated resident population for Warrnambool City (LGA) in 2031?
Hint: Look at the *Victoria in Future* website at www.dse.vic.gov.au/victoriainfuture

Please email your answer, with the subject heading 'VIF 2004 competition' to urbanregional.research@dse.vic.gov.au. Entries close 28th November 2004. Competition winners will be published in the next edition of *Research Matters*. Editor's decision is final. Current employees of SIR are ineligible to enter.

Coming soon



Victoria in Future 2004: Your Questions Answered will take readers through a range of detailed questions and answers relating to historical and projected population growth in Victoria, Melbourne and regional Victoria and will cover issues relating to migration, ageing, households and a range of other general questions. This report is due to be available on the website in early October.



Victoria in Future 2004: Overview Report will cover Victoria's historical population growth in more detail, focussing on the components and drivers of population change in Victoria both in the past and into the future. The report will cover the key issues arising from the projections, particularly the influences demographic change will have on society and the key difficulties in producing projections in an ever-changing world. It will also include analysis of key data from the projections, and a description of the methodology and assumptions. Finally it will include a section analysing some 'what if' scenarios where we vary our assumptions about the drivers of population growth in Victoria.

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The sources of household growth in Melbourne

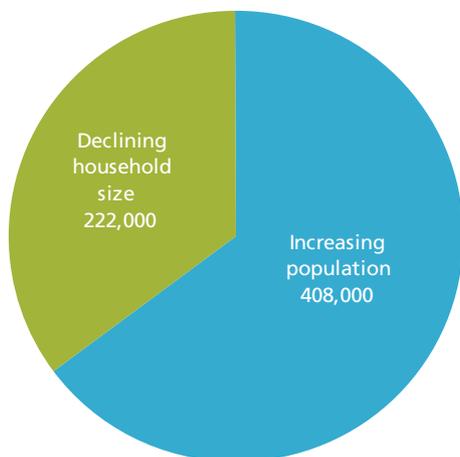
Victoria in Future 2004 projects an additional 627,000 households for Melbourne over the 2001-2031 period. It is an important number; it represents the size of the development challenge, and is a baseline number used by land use planners, the housing development industry and infrastructure providers. And because it is important it needs to be questioned, unpacked and explained. To do this, requires us to delve into the dynamics of household change.

At the outset it is necessary to emphasise that these are 627,000 *additional* households, not new households. 627,000 is the net difference between the number of households in 2001 and the number of households projected for 2031. It is the net result of a dynamic process occurring over a thirty year period that sees constant change in the make up and number of households in Melbourne. 'Old' households are being reconstituted into 'new' households as groups of people split up or come together. In some cases, households disappear altogether as the last surviving member dies or a whole household migrates out of Melbourne.

Household change is driven by:

- population growth resulting from natural increase or net migration
- structural changes in our population such as ageing, and
- changing social processes or lifestyle choices that result in people organising themselves into households in new and different ways

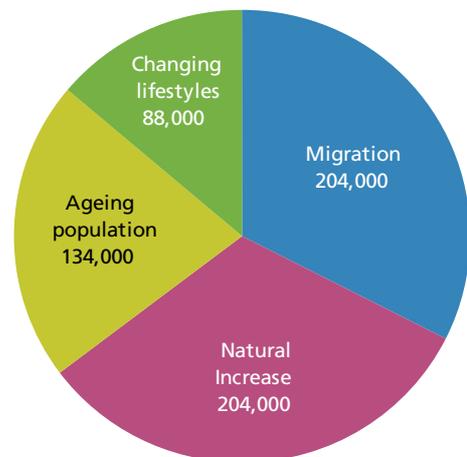
We are often asked the question, 'How much of the projected growth is attributable to each of these factors?'



The following is an attempt to answer this question in an open way. However, simplifications have to be made as, over a thirty year period, individuals may change their household arrangements in all of these ways. Also, for the purposes of the following exercise, the methodology used is approximate, thus numbers have been rounded and therefore may not sum exactly to other totals.

Of the additional households in Melbourne in 2031 compared to 2001 (rounded to 630,000), approximately 408,000 will be due to various increases in the population and 222,000 will be due simply to declining average household size. That is, if average household size were to remain the same, there would only be 408,000 additional households.

Declining household size occurs through population ageing and changing lifestyle choices. Ageing reduces average household size as large numbers of people pass out of the family age groups into the smaller households that are characteristic of older people. It is possible to isolate the effect of ageing by assuming the relationship between age and household size remains constant. If we do this we find that ageing accounts for an extra 134,000 households over the next 30 years.



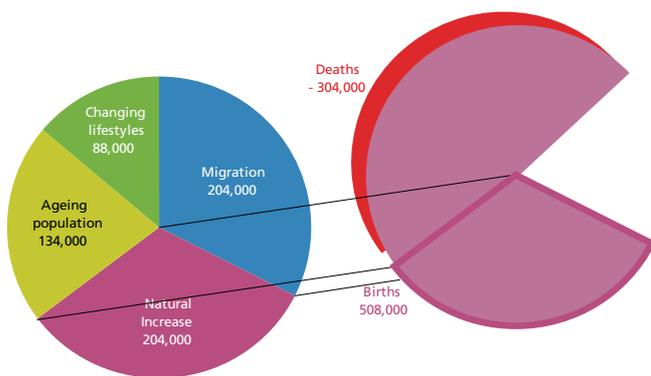
Changing lifestyles are leading to smaller families, more adults remaining childless and more people living alone, regardless of the effects of ageing. These changing preferences will account for an additional 88,000 households between 2001 and 2031.

When we look at the impact of the increasing population on the total number of additional households in Melbourne, we can see that the relative contribution of net migration and natural increase are equal at around 204,000 additional households each.

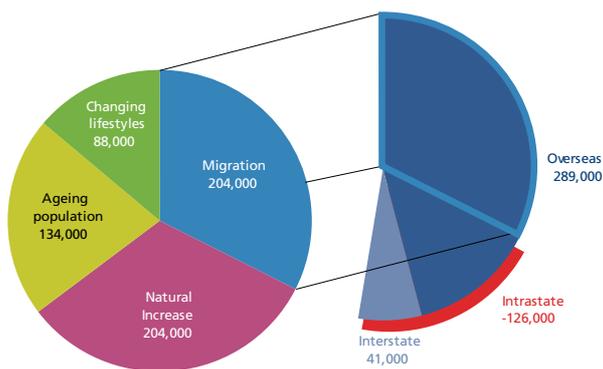
The effects of natural increase (births minus deaths) and net migration on that total number of households are difficult to quantify. Both are subject to the influences of ageing and lifestyle changes occurring over the next thirty

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years. The approach taken here is to consider them simply as total numbers which are added to the population, that they create households at the same rate as the rest of the population and are subject to the same influences as the remainder of the population



Looking at natural increase, there will be over 500,000 'new' households due to additional to population from births and over 300,000 households 'lost' due to deaths in the population. This results in a net contribution of around 204,000 of the 630,000 additional households between 2001 and 2031.



Finally we can consider the impact of migration on the total number of additional households in Melbourne over the next 30 years. Looking at three key types of migration we can see that overseas migration will add 289,000 households and interstate migration 41,000 households to Melbourne, while intrastate migration – net movements of people from Melbourne to regional Victoria – will 'take away' 126,000 households from Melbourne.

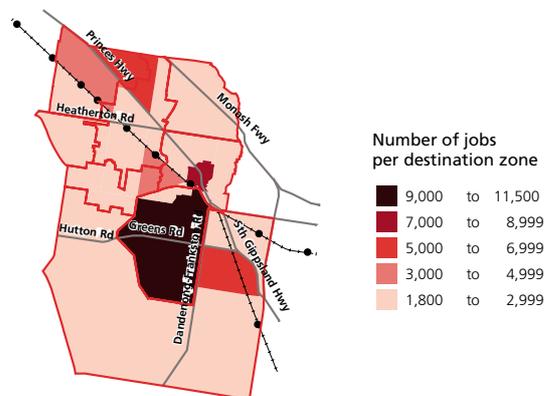
This analysis belies the changes occurring behind these numbers – for instance, once overseas migrants settle in Melbourne they have children and those children form new households and the net loss of households to regional Victoria hides huge flows of young people into Melbourne and families and older people out to regional Victoria.

As always we would be interested to hear your views about this analysis and how it can be progressed.

Journey to Work Analysis

The Sustainability Analysis Team is busy preparing a series of reports showing Journey to Work data for every municipality in Victoria. The report uses regional Victorian Census data available for the first time in 2001 and covers travel patterns and mode use in addition to a range of socio-economic factors including age, sex, occupation, industry of employment and equivalised household income. An example map from the City of Greater Dandenong report is pictured below. The reports will be available in PDF format on the DSE website late in 2004. For further information please email carol.ramm@dse.vic.gov.au

Density of jobs in Greater Dandenong (C) by destination zone



Source: ABS, Census 2001



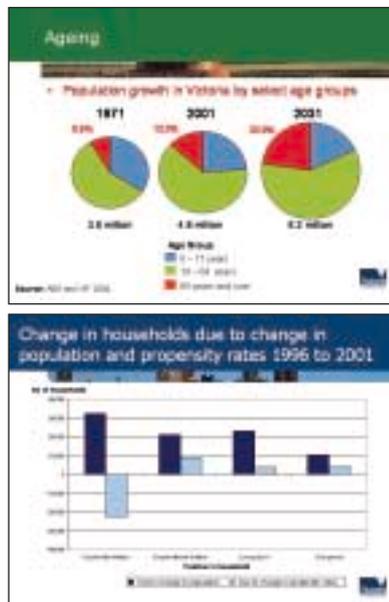
A Demographic Event: The Australian Population Association Conference

The twelfth biennial conference of the Australian Population Association was recently held in Canberra. Senior Demographer John O'Leary shares some observations from the Conference.

The opening address at the Conference was given by Associate Professor Barbara Pocock from the School of Social Sciences at the University of Adelaide. Barbara's address was based partly on her current research into the implications of the changing work/life patterns and preferences of Australians and their impact on households and communities. The issues being pursued in this study include: how are relations between workplaces, households and communities being redefined; how are these changes being experienced by individuals; and what causes certain labour/family/household/community outcomes? In her address Barbara also made reference to another study she has been involved in which examines the views of young Australians about their parents' work.

Three overseas demographers were invited to give papers at the plenary sessions of the conference. Professor Ron Lesthaeghe from the Vrije Universiteit in Brussels discussed the contrasts between the first and second demographic transitions in terms of their respective demographic, structural and cultural dimensions. In his paper Professor Lesthaeghe argued that the second demographic transition macro-demographic features are rapidly spreading in Central and parts of Southern Europe, and are also moving in Eastern Europe and the Eastern Mediterranean.

On a related theme, Professor Gavin Jones from the National University of Singapore spoke about the demographic transition in Asia arguing that East Asia, Southeast Asia and South Asia are located along a continuum divided roughly into the mature, intermediate and earlier stages of the demographic transition, but they are moving, seemingly inexorably, towards the mature end. According to Professor Jones, even South Asia has large areas of below-replacement fertility (mostly in India), Pakistan finally appears to be moving rapidly toward lower fertility levels and projections indicate



Example slides from DSE presentations

population decline in Japan and the Republic of Korea in the near future.

The third invited overseas visitor was Professor Frank D. Bean from University of California, Irvine whose paper examined demographic, economic, social and public policy trends in the United States and Latin America in the post-World War II era, focusing on key time points when emerging imbalances have led to new policy emphases and trends, which in turn have set the stage for the development of new imbalances.

Over 100 other papers were also presented at the Conference with staff from the Department of Sustainability and Environment presenting three papers. Anne Barlow, Jeremy Reynolds and Chris Wight presented a paper titled "Ageing in the Bush: A Perspective from Victoria", "Recent trends in household formation in Melbourne" was the title of the

paper given by John O'Leary, Chris Wight and Anne Barlow, and John O'Leary gave a paper on the modelling of household formation via a microsimulation model.

Further information regarding the conference can be obtained from the Conference web site acsr.anu.edu.au/APA2004/ Copies of the papers presented by Strategic Information and Research Members will be available on the DSE website at www.dse.vic.gov.au/research and by following the links to 'Population' and 'Presentations'.

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