

**THE RESURGENCE OF MARVELLOUS MELBOURNE —
TRENDS IN POPULATION DISTRIBUTION IN VICTORIA, 1991 TO 1996**

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Between 1991 and 1996 the population of Melbourne grew faster than that of Regional Victoria. During the same period the population of Sydney grew faster than that of Regional New South Wales. Both these developments were unexpected. They occurred during a period of declining net overseas migration. Both developments can be partly explained by fewer people leaving Melbourne and Sydney and moving to the regional areas of their respective states. In Victoria, this development can also be partly explained by an increase in the number of people migrating interstate from Regional Victoria.

INTRODUCTION

During the 1970s and 1980s the population of Regional Victoria generally grew at a faster rate than that of Melbourne. Also, in each inter-censal period from 1966-71 to 1986-91 net migration loss from Melbourne to Regional Victoria increased. In the most recent inter-censal period 1991-96 this situation was reversed with the population of Melbourne growing at a faster rate than that of regional Victoria and net migration loss from Melbourne to Regional Victoria decreasing.

In *People and Place*, vol. 6, no. 4, Shane Nugent reported similar findings for New South Wales. According to Nugent ‘the release of population estimates based on the 1996 Census showed a surprising result for New South Wales — Sydney’s share of the State’s population increased, reversing the trend of the late 1980s’.¹ Further, Nugent found that ‘the main reason for Sydney’s continued population growth in the 1991 to 1996 period was fewer people leaving Sydney for other parts of the State’.²

As will be shown in this paper, the Victorian experience in the 1991 to 1996 period in many ways was similar to that reported by Nugent for New South Wales over the same period. This may suggest that some of the reasons for the results reported above may reside in explanations that cross state borders.

**POPULATION CHANGE IN
VICTORIA 1991 TO 1996**

Population growth in Victoria declined in the early 1990s (refer Figure 1). From a growth rate of 1.35 per cent in 1989-90, the rate of population increase declined successively for the next four years to be 0.34 per cent in 1993-94.

The reasons for this decline in population growth rates were a fall in overseas migration and an increase in net interstate migration loss from Victoria to the other States and territories. Net overseas migration to Australia peaked in 1988-89 at 157,400 persons and declined to a low of 30,500 in 1992-93. Net interstate migration loss from Victoria has historically been between 5,000 and 15,000 persons per annum, but this increased from a net loss of 7,800 in 1989-90 to 29,200 in 1993-94. As illustrated in Figure 2, the contribution of natural increase to total population increase was relatively steady at about 30,000 persons per annum.

The poor performance of the Victorian economy during the early 1990s resulted in public and corporate-sector job shedding with one result being net interstate migration from Victoria to the rest of Australia increasing from a 7,800 loss in 1989-90 to a peak loss of almost 30,000 in 1993-94.³

The Independent Review of Victoria’s Public Sectors Finances (the Nicholls’

Figure 1: Annual population growth rates, Victoria, 1982-83 to 1997-98



Source: Australian Bureau of Statistics, *Australian Demographic Statistics*, Cat. No. 3101.0, various editions

Report) pointed out that 'the tightening of monetary policy by the Commonwealth in the late 1980s, which increased interest rates to record levels, has had a greater and longer lasting impact on economic activity than expected. Although the economy slowed in all states, the 1990-91 recession hit Victoria earlier and harder than other states'.⁴

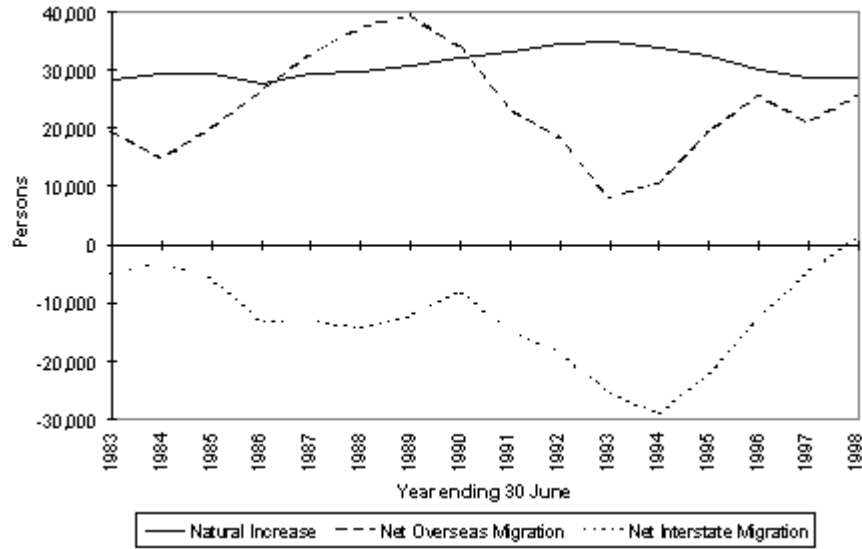
It should be noted that the decline in the performance of the Victorian economy relative to that of other states occurred prior to the 1991 Census. For example, major historical reference points that impacted on consumer sentiment within Victoria were the resignation of the Board of the State Bank of Victoria in February 1990 and the collapse of the Farrow group of building societies in June 1990. However, the major demographic impact of these economic influences occurred after the 1991 Census.

Interstate migration from Victoria to other states increased as people left Victoria to seek employment elsewhere. Because Victoria was perceived as a state with poor economic prospects interstate migration to Victoria from other states declined.

However, with the improvement in the Victorian economy since the mid 1990s this situation has been reversed with Victoria recording positive net interstate migration in 1997-98. The significance of this turn around can be seen in that this was the first time Victoria has recorded positive net interstate migration since the Australian Bureau of Statistics commenced publishing such statistics in the early 1970s.

Population growth rates in New South Wales also declined in the early 1990s. However, the decline in New South Wales was due to lower net overseas

Figure 2: Components of annual population growth, Victoria, 1982-83 to 1997-98



Source: See Figure 1.

migration. Unlike Victoria, net interstate migration loss from New South Wales fell in the 1991-96 period compared with the 1986-91 period.

POPULATION CHANGE, MELBOURNE AND REGIONAL VICTORIA, 1991 TO 1996

What was similar in the 1991-96 period between New South Wales and Victoria was the performance of Sydney relative to Regional New South Wales and Melbourne relative to Regional Victoria.

In the most recent inter-censal period, 1991-96, the population of Melbourne grew at a faster rate than that of regional Victoria reversing the trend of the 1970s and 1980s (refer Figure 3). In these previous inter-censal periods the population of regional Victoria had generally grown faster than that of Melbourne. In each financial year since and including 1990-91, Melbourne's population has grown at

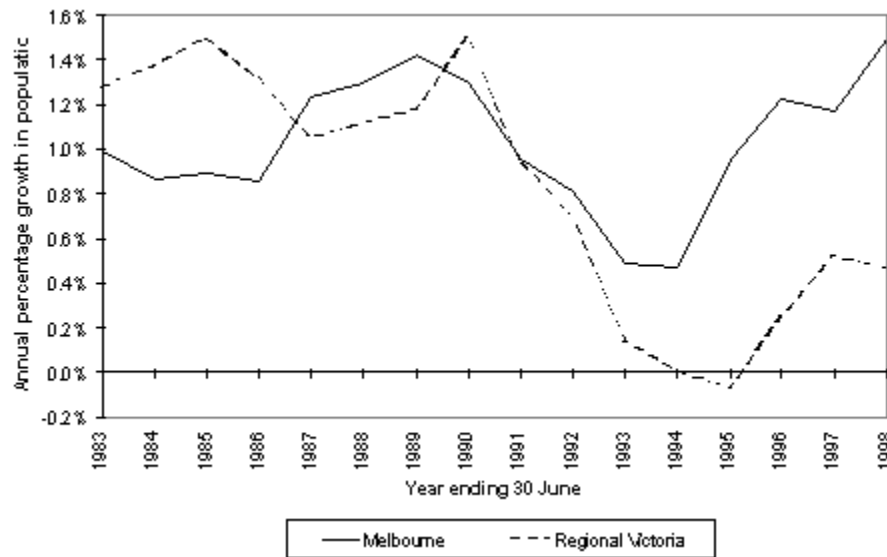
a faster rate than that of Regional Victoria. In 1994-95, according to the Australian Bureau of Statistic's inter-censal population estimates, the population of regional Victoria actually declined in absolute terms.

As noted earlier, Nugent reported a similar result for New South Wales for the 1991-96 period, namely that Sydney's share of the State's population increased, reversing the trend of the late 1980s.

Nugent also found that the main reason for Sydney's continued population growth in the 1991 to 1996 period was fewer people leaving Sydney for other parts of New South Wales.

A similar explanation exists for Victoria. In each inter-censal period from 1966-71 to 1986-91 net migration loss from Melbourne to Regional Victoria increased. In the inter-censal period 1991-96 net migration loss from Melbourne to Regional Victoria decreased (refer Figure 4).

Figure 3: Annual population growth rates, Melbourne and Regional Victoria, 1992-83 to 1997-98



Source: Australian Bureau of Statistics, *Regional Population Growth*, Cat. No. 3218.0, 1999 and Australian Demographic Statistics, Cat No. 3101.0, various editions

A closer observation of the 1996 Census results shows that this decline in net intrastate migration loss from Melbourne to Regional Victoria was not due to an increase in persons moving from Regional Victoria to Melbourne, but rather a decrease in the number of people moving from Melbourne to Regional Victoria.

In terms of the age distribution of intrastate migration, Regional Victoria loses population to Melbourne in the young adult age groups (15-19, 20-24 and 25-29) and gains population from Melbourne in all other age groups. This is similar to the finding of Nugent for New South Wales and is illustrated in Nugent's Figure 6.⁵

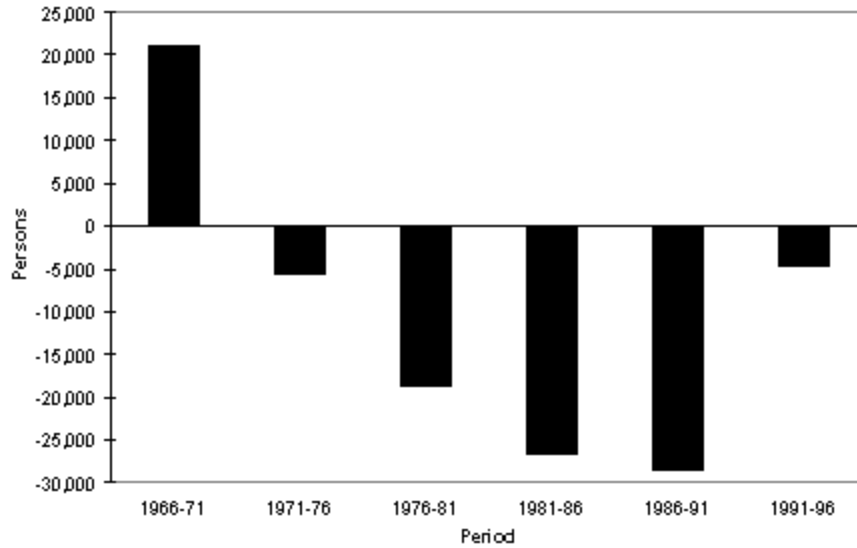
In particular, migration from Regional Victoria to Melbourne is dominated by school leavers (the age groups, 17, 18 and 19). Again, this is similar to the finding of Nugent for New South Wales.⁶

It is estimated that in the twelve months preceding the 1996 Census approximately one third of 18 year olds living in Regional Victoria at the start of the period moved to Melbourne.

The major destination within Melbourne of persons moving from Regional Victoria is the inner city areas. This is consistent with migration from Regional Victoria to Melbourne being predominantly young adults moving for further education or to seek work. The major source of migrants within Regional Victoria is the major provincial centres, such as Geelong, Ballarat and Bendigo.

Migration from Melbourne to Regional Victoria shows a different pattern. The main source within Melbourne of intrastate migrants is the middle and outer distance suburbs, especially to the West and North. The main destination of these movers is the peri-urban areas to the West and North of Melbourne and to

Figure 4: Intra-state migration, Victoria (Net migration from Regional Victoria to Melbourne)



Source: Department of Infrastructure (based on unpublished Census data from the Australian Bureau of Statistics)

a lesser extent the retirement areas in the Shire of Bass (Phillip Island) and the Shire of Campaspe (Echuca). Thus, one impact of the decline in migration from Melbourne to Regional Victoria in the 1991-96 period when compared with the 1986-91 period was to slow down population growth in the peri-urban areas of Melbourne.

INTERSTATE MIGRATION

As previously mentioned, one difference between New South Wales and Victoria in 1991-96 as compared with 1986-91 was that net interstate migration loss in New South Wales fell in this period, whereas it increased in Victoria.

As shown in Table 1, interstate arrivals to Victoria fell and interstate departures from Victoria rose in the 1991-96 period compared with the 1986-91 period.

While the increase in net interstate migration loss for Melbourne and Regional Victoria was of the same magnitude (between 16,500 and 17,000 persons) most of the increased net interstate migration loss in Regional Victoria came from an increase in the number of migrants from Regional Victoria to interstate. However, for Melbourne, the increase in net migration loss was split fairly evenly between a decline in migration to Melbourne from interstate and an increase in migration from Melbourne to interstate.

In summary, for Melbourne the 1991-96 period has three main characteristics. There was a decrease in the number of people coming to Melbourne from interstate and an increase in the number of people moving from Melbourne to interstate. However, this increase in interstate departures was partly offset by a reduction in the number of people

Table 1: Migration between Victoria and interstate, 1986-91 and 1991-96

	Migration to Victoria			Migration from Victoria		
	1986-91	1991-96	Change	1986-91	1991-96	Change
Melbourne	79,881	71,764	-8,117	109,637	118,375	8,738
Regional Victoria	42,007	38,736	-3,271	57,602	70,995	13,393
Victoria	121,888	110,500	-11,388	167,239	189,370	22,131

Source: Department of Infrastructure (based on unpublished Census data from the Australian Bureau of Statistics); M. Bell *Internal Migration in Australia 1986-9: Overview Report*, Bureau of Immigration, Multicultural and Population Research, 1995

moving from Melbourne to Regional Victoria.

The situation in Regional Victoria also had three main characteristics. There was an increase in migration from Regional Victoria to interstate, but little increase in migration from Regional Victoria to Melbourne. Also, there was a decline in migration to Regional Victoria from Melbourne.

IMPLICATIONS

The above analysis has provided some information about the faster growth of Melbourne's population compared with that of Regional Victoria during the 1991-96 period and has compared the changes that occurred in Victoria with those that occurred in New South Wales.

In the broader national debate regarding population policy, it is clear that more cognisance needs to be given to other factors in the debate than the appropriate level of net overseas migration. A slowing of overseas migration to Australia, does not necessarily result in a slowing in the population growth of the major capital cities such as Sydney and Melbourne. Changes in interstate and intrastate migration and the reasons for these changes need to be brought into the wider population debate.

However, the real conundrum, which

this paper and that of Nugent have raised, is the significance of the faster population growth of Melbourne relative to Regional Victoria and Sydney relative to Regional New South Wales. Will this trend continue into the new millennium? Based on population estimates for 1997 and 1998 produced by the Australian Bureau of Statistics,⁷ the evidence supports the view that Melbourne and Sydney will grow faster than the non-metropolitan areas of their respective States.

Note

The views expressed in this article are those of the author and do not necessarily reflect those of the Department of Infrastructure nor the Government of Victoria.

References

- ¹ S. Nugent, 'Why Sydney keeps growing — trends in population distribution in New South Wales, 1991 to 1996', *People and Place*, vol. 6, no. 4, 1998, p. 24
- ² *ibid.*, p. 31
- ³ Australian Bureau of Statistics, *Australian Demographic Statistics*, Cat. No. 3101.0, various issues
- ⁴ Independent Review of Victoria's Public Sector Finances, *State Finance Victoria*, September 1992, p. 4
- ⁵ Nugent, *op. cit.*, p. 31
- ⁶ *ibid.*, pp. 30-31
- ⁷ Australian Bureau of Statistics, *Regional Population Growth, 1997-98*, Cat. No. 3218.0, 1999