

Box B: Interstate Migration

Over the past decade, there has been a divergence in population growth among the Australian states. Table B1 shows the sources of population growth in each of the states over the past decade. Over this period, the bulk of population growth in most states has been attributable to natural population increase. Overseas migration has tended to be an important source of population increase in NSW and Victoria – since these states are the main points of entry for migrants – and in Western Australia.

Interstate migration has been a significant driver of differences in population growth between the states. Since 1990, Queensland and, to a lesser extent, Western Australia have consistently recorded net inflows of residents from other states, contributing to above-average rates of population growth. NSW and Victoria have traditionally recorded a net outflow of residents to other states, which may partly reflect overseas immigrants who ultimately relocate in other states. In contrast, the net outflow of residents from South Australia and Tasmania has been associated with lower levels of population growth.

This pattern has been broadly stable over the past decade, though there have been some noteworthy developments in the past few years (Graph B1). For much of the

Graph B1

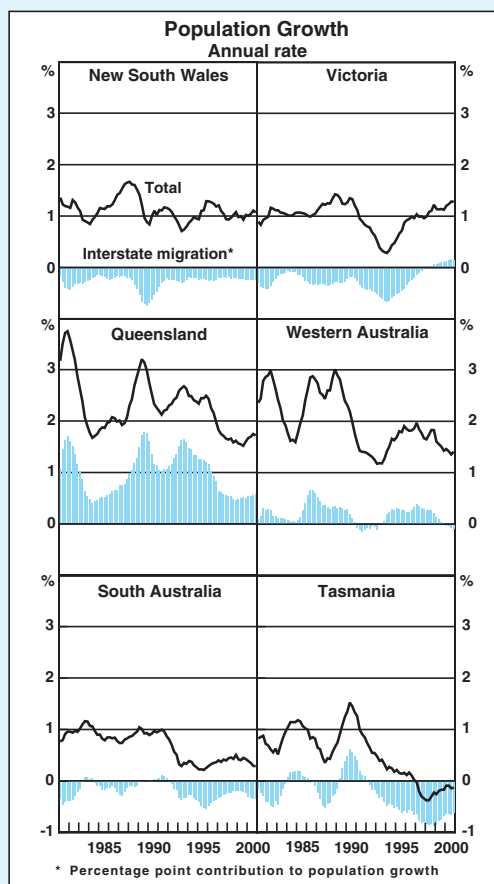


Table B1: State Population Increase and Contributions by Source
Average for 1990–2000; percentage points

	NSW	Victoria	Queensland	Western Australia	South Australia	Tasmania
Natural increase	0.7	0.7	0.8	0.9	0.5	0.6
Overseas migration	0.6	0.5	0.3	0.6	0.2	0.1
Interstate migration	-0.3	-0.2	1.0	0.1	-0.2	-0.4
Total	1.0	0.9	2.1	1.6	0.5	0.3

Source: *Australian Demographic Statistics*, ABS Cat No 3101.0, Table 2.

decade Victoria experienced a net outflow of interstate migrants, with a particularly large and protracted outflow occurring following the early-1990s recession. Since 1998, however, Victoria has been a net recipient of residents from interstate. This is the first time in nearly fifty years that such an inflow has occurred. Furthermore, in Queensland in the past few years, interstate migration has been making its smallest contribution to population growth for more than a decade.

While many non-economic factors influence migration flows, economic conditions are an important consideration in the decision to relocate. Consequently, differences in rates of interstate migration can be associated with differences in actual or expected economic conditions between states. In the current environment, net inflows of residents to Victoria are consistent with relatively favourable labour market conditions in that state and greater underlying strength in housing activity. ✕