



## State of Australian Cities 2013

### National Summary

#### Population and settlement

- Australia's population growth rate was one of the highest in the OECD between 2000 and 2010. Since capital cities grew faster than the national average, this suggests that our capital cities are some of the fastest growing in the developed world.
- Australia is the most urbanised country in the developed world aside from city states. Almost 40% of Australians live in the two largest cities – a very high proportion compared to most other developed countries.

#### Internal migration

- Australia also has one of the most mobile populations in the world, but rather than a mass movement of population from one place to another, it is better characterised as rivers of people flowing in well-defined beds. This movement forms well-structured social and economic connections across the country.
- Net migration leading to population gain in one city and loss in another is less than 2% of total population movements. The cities with the highest churn (people moving in and out) are often also the ones with rapid changes in net migration.
- Taking major cities as a whole, population growth was fastest in the north and west of the country between 2001 and 2011. However growth, though still high, slowed significantly in regional Queensland cities after 2006.
- Sydney and to a lesser extent Melbourne, lost significant numbers of their residential population between 2001 and 2011. However, these cities are also the major destination for international migrants that are arriving at a slightly faster rate than domestic or internal migrants. The city centres and some outer suburbs seem to be pivotal in this process.

#### International Migration

- Migration in Australia is changing from a mainly permanent settlement of people from overseas to include a rapid churn of temporary visa holders. 96% of the 29 million annual border crossings are short term movements. On any day, there are more than one million temporary visa holders in Australia (not including New Zealanders).
- Migrants under the skilled stream settle overwhelmingly in or near city centres, particularly Sydney and Melbourne, and work mostly in transaction industries such as financial and insurance services, and professional and real estate services. They are usually sojourners to whom Australia is a point on a journey rather than a place to settle, and are critical to the international connectedness of the Australian economy.
- Migrants in the family and refugee streams tend to settle at a distance from city centres. This group also lead increasingly transnational lives and are an important, if often unrecognised, component of Australia's international connectedness.

#### Productivity

- Economic value, and by extension high-paying jobs, are increasingly concentrated in city centres. Net private sector job growth is low in the outer suburbs of Australia's larger cities, which have been particularly affected by a fall in manufacturing jobs. A high proportion of the workforces in the outer

suburbs work in the construction sector and are consequently vulnerable to slowdowns in building activity.

- Reflecting this, education levels are higher in the cities' centres and get progressively lower towards their edges.
- Industry structure varies widely in the non-capital major cities, suggesting that they perform specialised functions in Australia's economic system.
- Labour force participation rates vary by nearly 15% between major cities, indicating that there is significant underutilised labour in some cities.
- While females are gaining undergraduate degree qualifications at higher rates than males, this is offset by their under-representation in trade qualifications. This, plus the lag effect of historical female education rates, means that female human capital is still lower than males – although the gap is closing. Females also tend to work in industries with lower wage rates (and also lower productivity growth), and have lower participation rates across all major cities.
- Areas with dense mass transit networks and residents with high income often coincide. Thus, those using rail and ferry services in particular have higher average incomes than those using other transport modes.

## Sustainability

- Measured by fatalities, heatwaves are the most dangerous natural disaster for Australian cities. Based on current trends, heatwave related deaths are predicted to increase, especially in Brisbane and Perth.
- Many cities are making significant progress in using vegetation to buffer the Urban Heat Island effect.
- Residential energy use accounts for 12% of national energy use. Potential gains in the energy efficiency of appliances have been offset by their increasing number. The increase in the number of air conditioners has been particularly marked, doubling between 1994 and 2004.
- Transport accounts for 40% of national energy use. Energy use in light passenger vehicles is relatively well documented. There is less publicly available information for average occupancy rates and vehicle energy use for mass transit systems and this makes it difficult to compare energy efficiency across modes. The potential energy efficiency savings of urban mass transit systems are considerable but better information in this area is needed to inform public policy decisions.

## Liveability

- Median household incomes in Australia's major cities have risen substantially in real terms, with particularly strong growth between 2003–04 and 2009–10. Growth was particularly strong in the top and bottom income brackets.
- Unemployment has halved since the 1990s. The fall in unemployment was particularly marked in those areas of cities where it had been very high. This has been an important factor in the increase in incomes at the bottom of the scale.
- Part-time work and underemployment have also increased. This has particularly affected women working in retailing and hospitality.
- Cities are stratified by house ownership. Renters predominate in most cities' centres, outright owners in the middle ring suburbs, and houses being purchased in the traditional mortgage belt in the outer suburbs. However, there is also a significant proportion of rented dwellings on the urban fringe.
- Cities are becoming increasingly stratified by age. There has been a pronounced shift of people aged 65 and over to the outer parts of cities.

## Governance

- A Cities Group has been established under the Transport and Infrastructure Senior Officials Committee to progress intergovernmental collaboration on cities through the COAG Standing Council on Transport and Infrastructure.