Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Bureau of Communications, Arts and Regional Research

Snapshot of cities and regions

Population

- For the first time since 1981, the population in regional Australia grew more than the capital cities, due to changing migration patterns during the pandemic.
- In 2021, net internal migration from the capital cities to regional Australia was larger than the combined previous two years.
- Population in capital cities is expected to grow more rapidly than regional Australia over the next 12 years.

Employment

- Employment in general has grown faster in the capital cities than in regional Australia over the last five years.
- Service industries will drive employment growth both in capital cities and in regional Australia over the five years to November 2025.

Housing

- Inner regional, Outer regional and Remote areas experienced strong growth in their dwelling approvals from 2016 to 2021.
- In May 2022, house prices fell nationally for the first time in nearly two years.

Liveability

- Rental affordability has declined in many regional areas, particularly in New South Wales, Victoria and Queensland.
- Capital cities have better access to health and education services and greater walkability.
- Access to arts and cultural infrastructure, community and sporting infrastructure, and public open space vary among cities.

Note: Regional Australia is defined as areas that are located outside of the capital cities based on the Australian Bureau of Statistics (ABS) Australian Statistical Geography Standard (ASGS) Greater Capital City Statistical Area (GCCSA) classification.

Population

For the first time since 1981, Australia's regional population grew more than the capital cities, due to changing migration patterns during the pandemic.

Capital city components of population change 2020–21

Regional Australia components of population change 2020–21

Source: BCARR analysis of ABS 2022, Regional Population, 2020-21 financial year, 29/03/2022 release

Capital cities' population was **17.4 million,** with a decline of **-0.1 per cent (-25,990)** from June 2020.

Regional Australia's population was **8.4 million**, with a growth rate of **0.9 per cent (70,860)** from June 2020.

In 2020–21, Sydney recorded the first year of negative population growth since 1953 (-0.1 per cent) and Melbourne declined for the first time since the Great Depression (1930 to 1932) (-1.2 per cent).

Population growth was less affected in regional areas, as falls in overseas migration were offset by gains in internal migration.

Population

Net internal migration to regional Australia in 2021 was larger than the combined previous two years.

Net internal migration between capital cities and regional Australia, 2017 to 2021

Source: ABS 2022, Regional Population, 2020-21 financial year, 29/03/2022 release

During the pandemic, net internal migration from the capitals to the regions was stronger than ever. (**49,180** – higher than the previous two years combined).

The loss in capital cities net internal migration was primarily driven by Melbourne and Sydney with a loss of -34,850 and -33,500 people respectively.

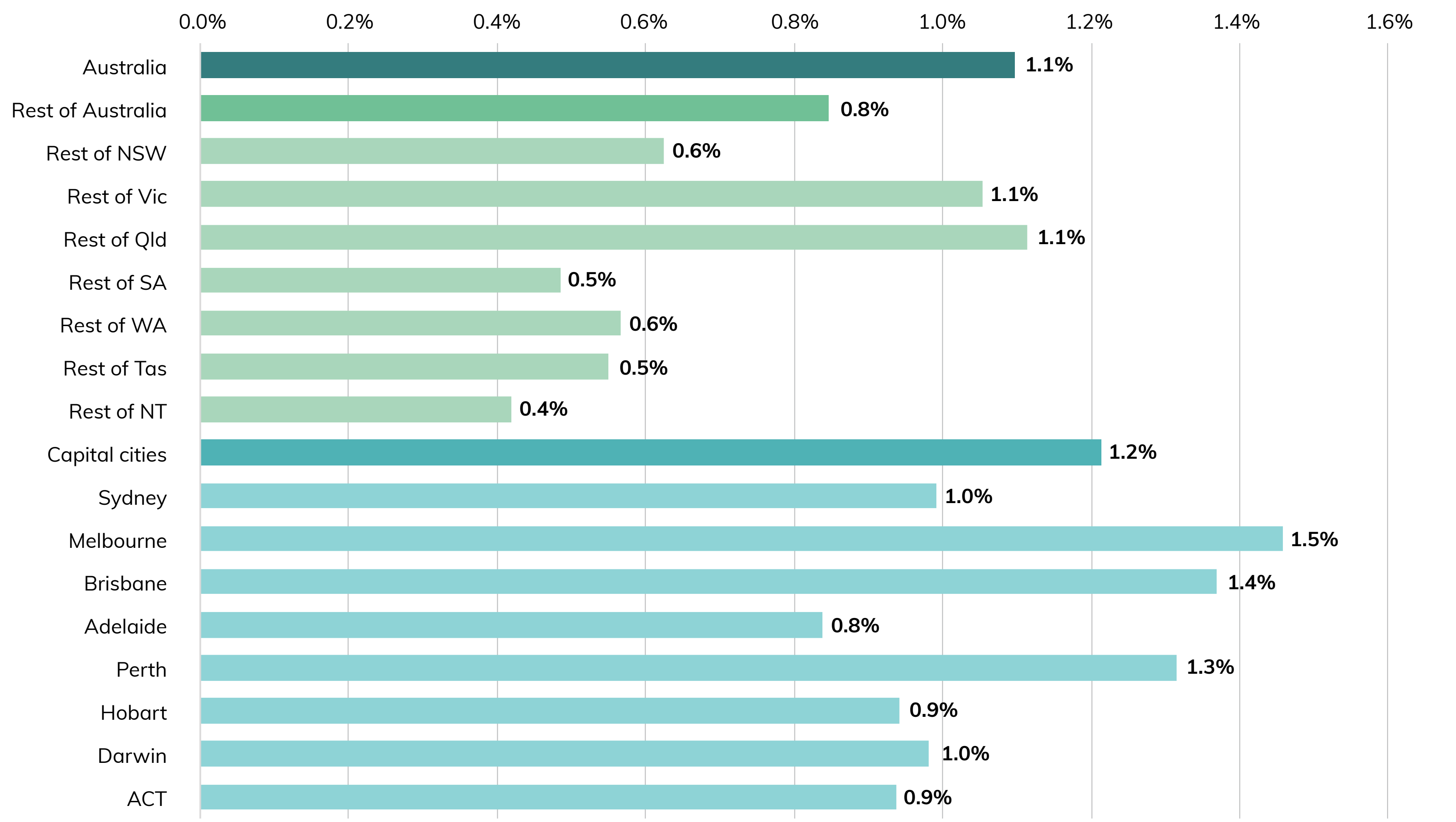
Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Bureau of Communications, Arts and Regional Research

Population

Capital cities are expected to grow more rapidly than regional Australia over the next 12 years.

Projected average annual growth between 30 June 2020 and 30 June 2032 by Greater Capital City Statistical Areas



Note: * The base year for this projection is 2019-20.
Source: BCARR analysis of Centre for Population, Capital city and rest-of-state projections, 2020–21 to 2031–32, 20/12/2021 release

Australia's population is estimated to increase from 25.7 million in 2019–20* to **29.3 million** by 2031–32.

The combined capital city population is projected to increase from 17.4 million in 2019–20 to **20.1 million** in 2031–32.

Regional Australia's population is projected to increase from 8.3 million in 2019–20 to **9.2 million** in 2031–32.

The population of capital cities is projected to grow by 1.2 per cent per annum over the 12 year period, compared to 0.8 per cent per annum for regional Australia.

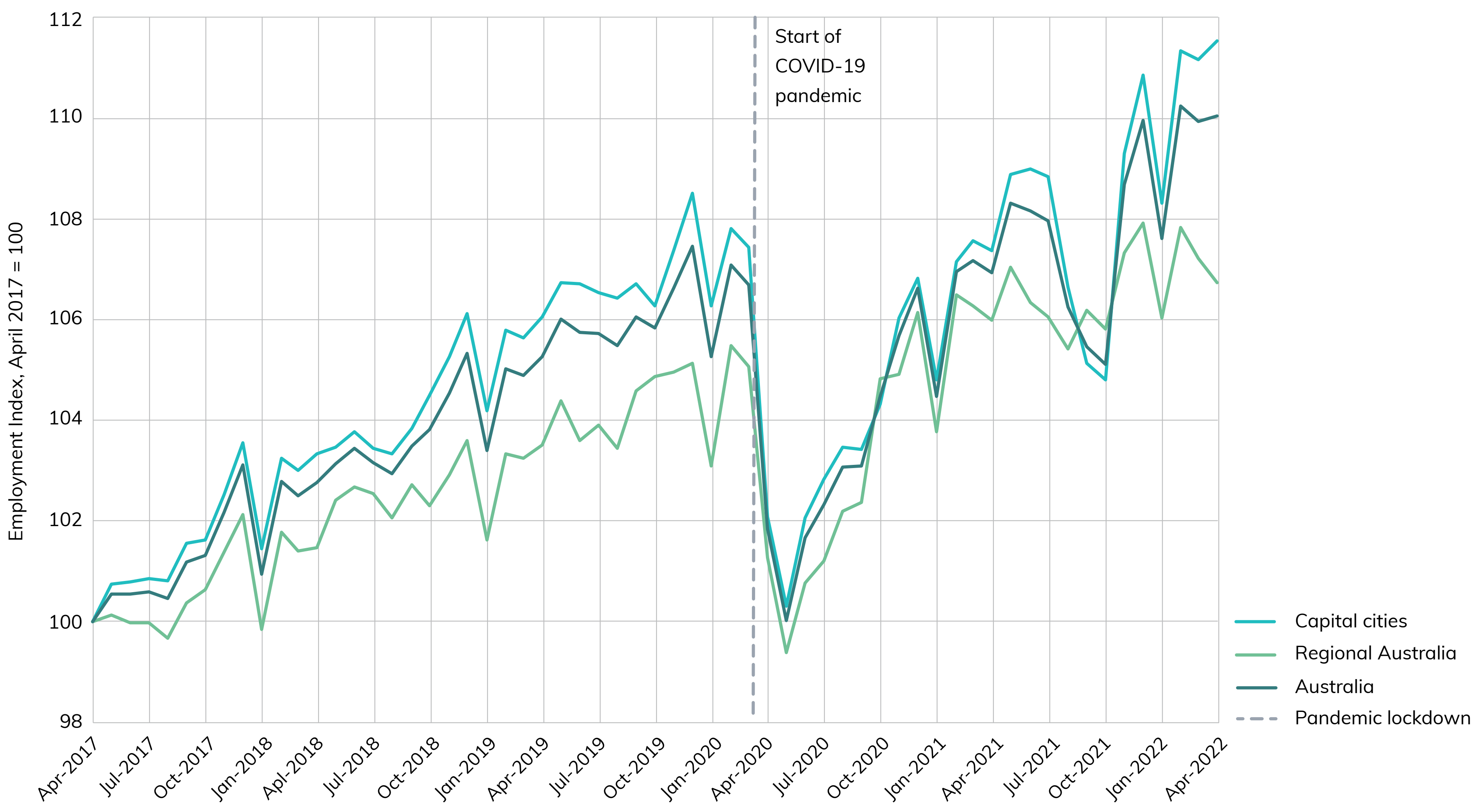
Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Bureau of Communications, Arts and Regional Research

Employment

Employment in general has grown faster in the capital cities than in regional Australia over the last five years.

Employment index, capital cities and regional Australia – April 2017 to April 2022



Source: BCARR analysis of ABS 2022, Labour Force, Australia, Detailed, April 2022, 26/05/2022 release

The impact of the COVID-19 pandemic is clearly evident from March 2020, with a **dramatic decline** in employment, but has since recovered.

Total employment increased by **4.5 per cent** for Australia between April 2019 (pre-COVID benchmark) and April 2022, when it reached 13.4 million.

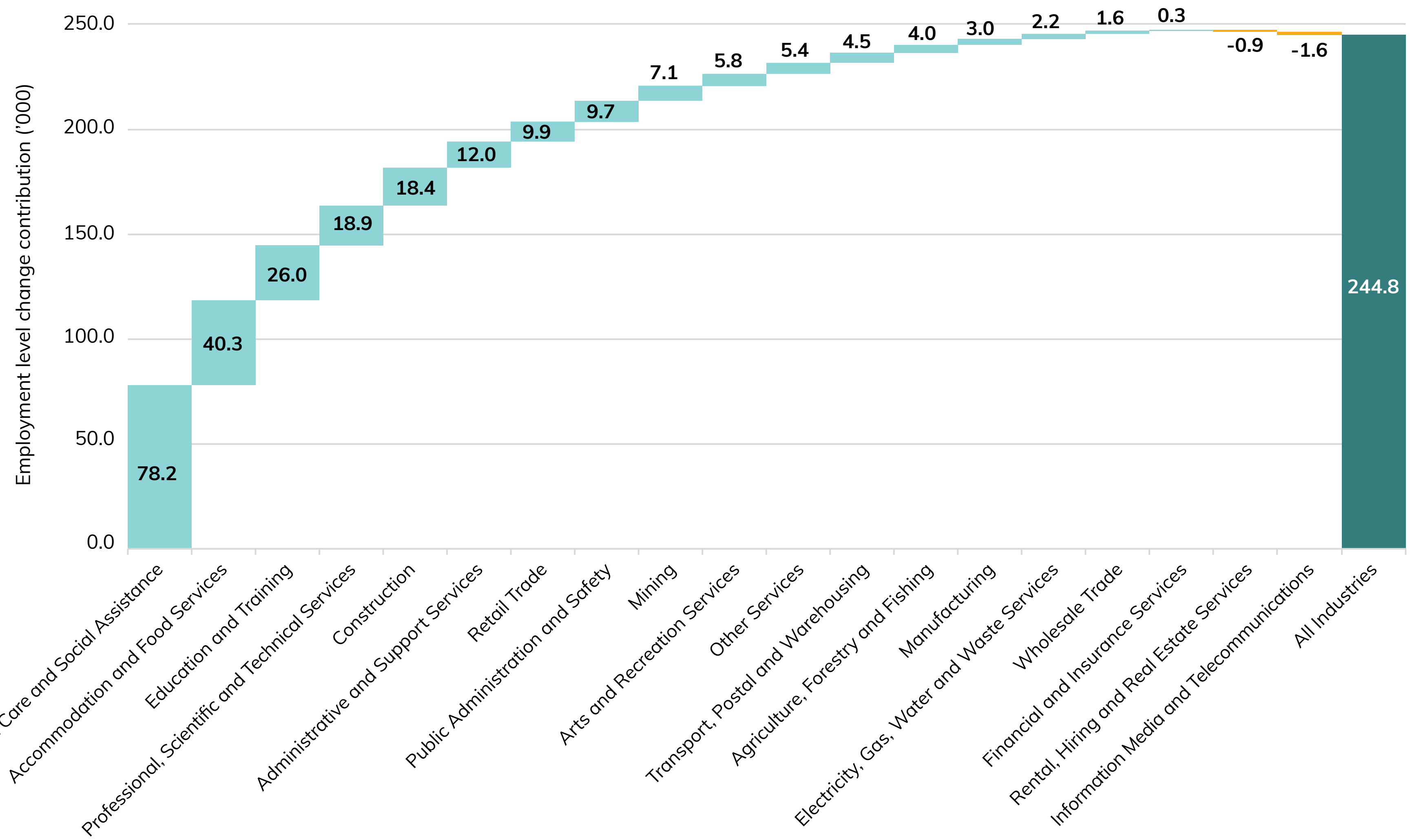
In the capital cities, employment increased by 5.4 per cent during the same period, reaching 9.4 million in April 2022 (69.8 per cent of employment in Australia).

Employment in regional Australia increased by 3.3 per cent and reached 4.0 million (30.2 per cent of employment in Australia).

Employment

Service industries will drive employment growth both in capital cities and regional Australia.

Industry contribution to projected employment growth in regional areas – Five years to November 2025



Source: BCARR Analysis of National Skills Commission 2021, Employment Outlook to November 2025

The **Health care and social assistance industry** is the largest driver of growth in capital cities and regional Australia (**23 and 32 per cent** of the total growth, respectively).

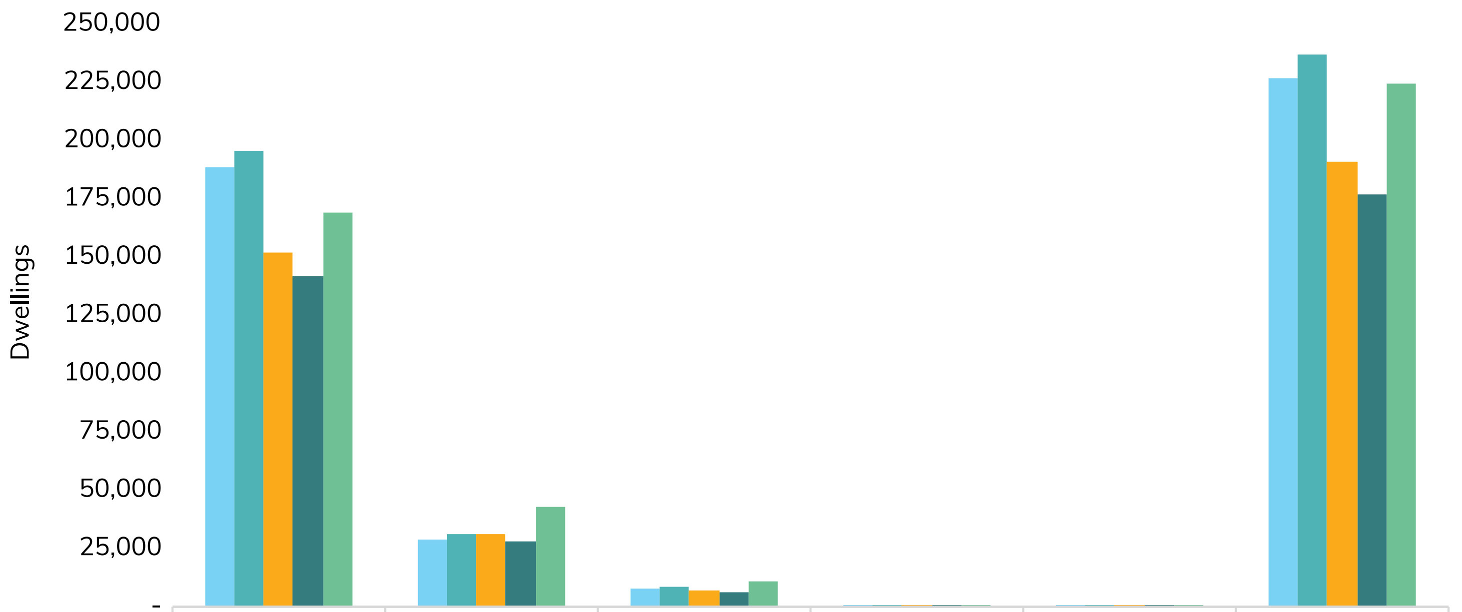
Employment in capital cities is projected to grow faster (**8.4 per cent** over the five years to November 2025) than regional Australia (**6.2 per cent**).

While capital cities employment is growing faster, the ratio of a nearly 70 per cent/30 per cent split in employment between capital cities and regional areas remains.

Housing

Inner regional, Outer regional and Remote areas had strong growth in dwelling approvals from 2016 to 2021.

Dwelling approvals by remoteness area, 2016–2021



	Major cities	Inner regional	Outer regional	Remote	Very remote	Australia
2016–17	183,964	28,291	7,419	724	509	220,907
2017–18	190,856	30,691	8,271	649	469	230,936
2018–19	147,763	30,776	6,836	591	278	186,247
2019–20	138,254	27,372	6,242	525	284	172,677
2020–21	164,461	41,822	10,666	997	410	218,356
2016–21 change (%)	**-11**	**48**	**44**	**38**	**-19**	**-1**

Source: BCARR, Progress in Australian Regions and Cities Dashboard, 21/12/2021 release

Inner regional, Outer regional and Remote areas experienced strong dwelling approval growth between 2016 and 2021. As the figure shows, their 2016–2021 changes are all over **38 per cent.**

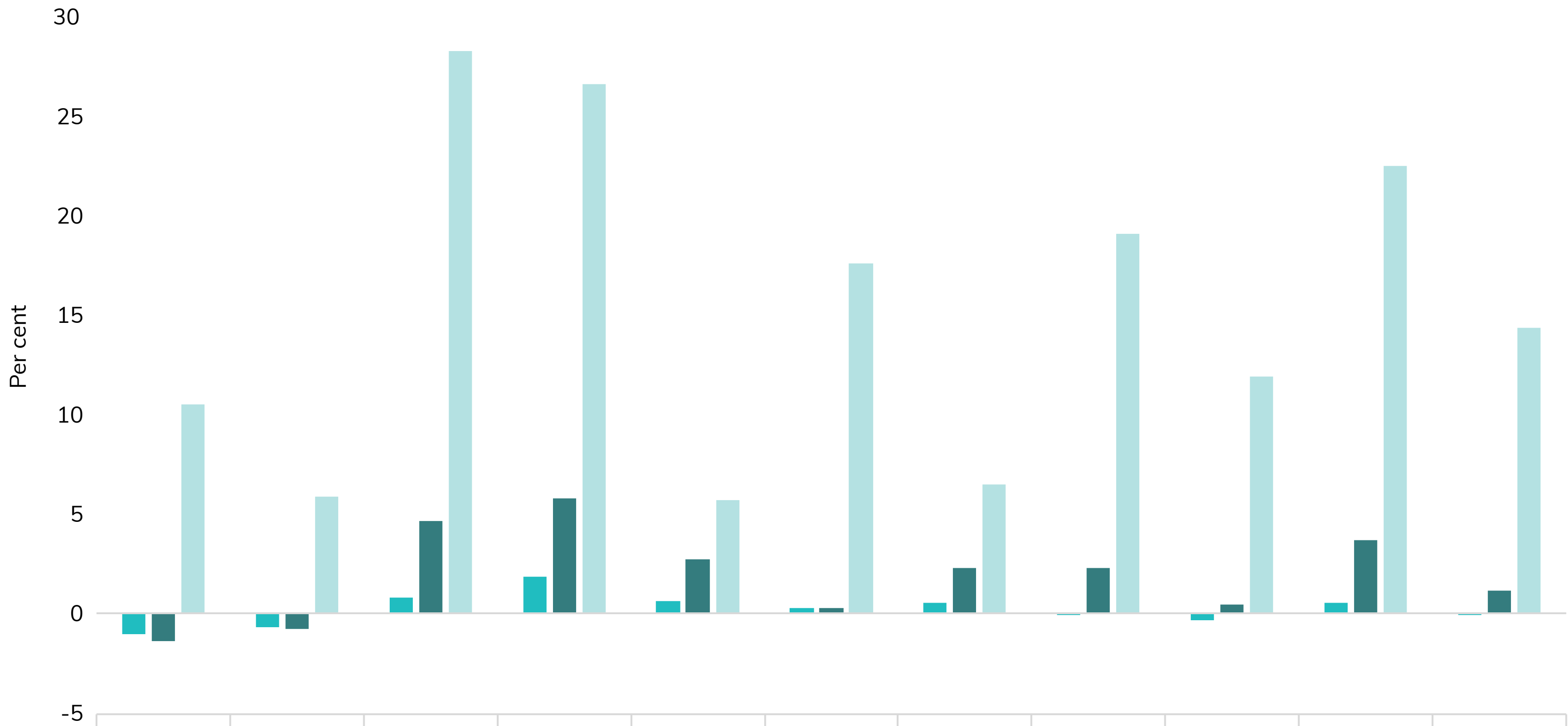
Building approvals for the Major Cities and Very remote areas declined by over **10 per cent** from 2016 to 2021.

There were 220,907 dwelling approvals for Australia in 2016–2017 and 218,356 approvals in 2020–2021. This 1 per cent national reduction is driven by a decrease from the biggest contributor in the country – Major Cities.

Housing

In May 2022, house prices fell nationally for the first time in nearly two years.

House price growth, percentage – May 2022



	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Combined captials	Combined regional	National
Monthly change	-1.0	-0.7	0.8	1.8	0.6	0.3	0.5	-0.1	-0.3	0.5	-0.1
Quarterly change	-1.4	-0.8	4.6	5.7	2.7	0.3	2.2	2.2	0.4	3.6	1.1
Annual change	10.3	5.8	27.8	26.1	5.6	17.3	6.4	18.7	11.7	22.1	14.1

Source: CoreLogic 2022, National Home Value Index, May 2022

In May 2022, housing markets in some capital cities are contracting, such as Sydney (**-1.0 per cent**), Melbourne (**-0.7 per cent**) and Canberra (**-0.1 per cent**). However, their annual growth remained strong at 10.3 per cent, 5.8 per cent and 18.7 per cent, respectively.

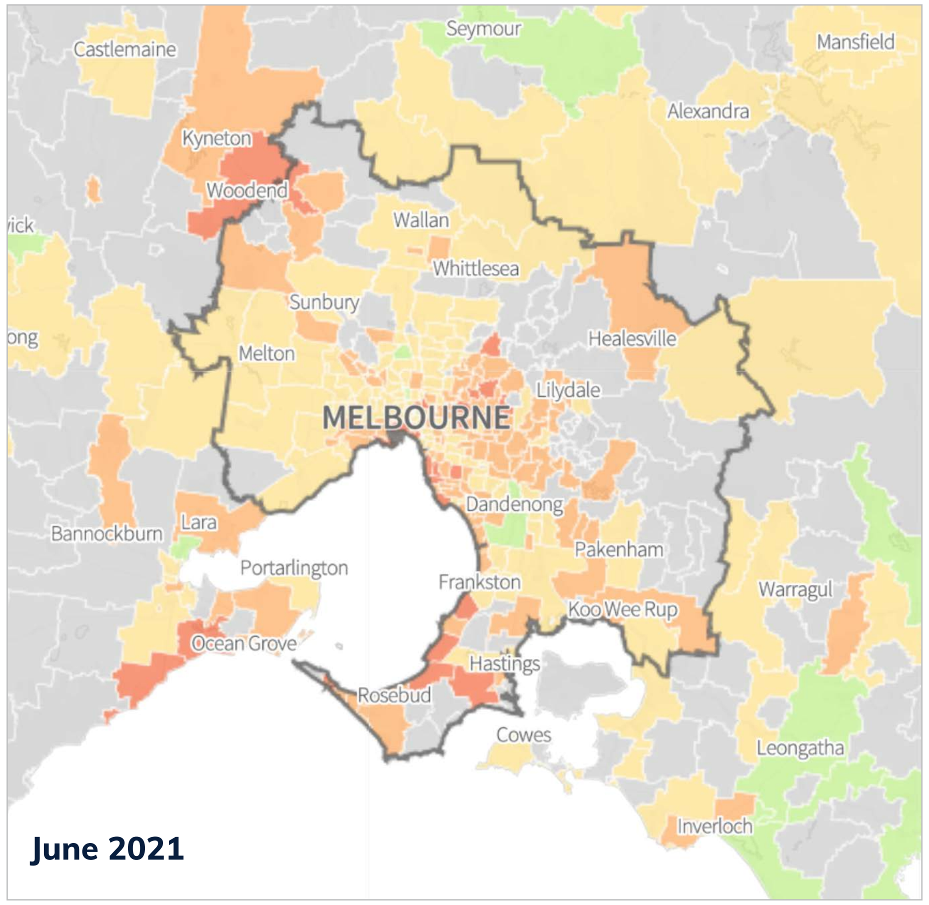
Brisbane, Adelaide and Hobart continued to be the cities with the strongest annual house price growth, at **27.8 per cent**, **26.1 per cent** and **17.3 per cent**, respectively.

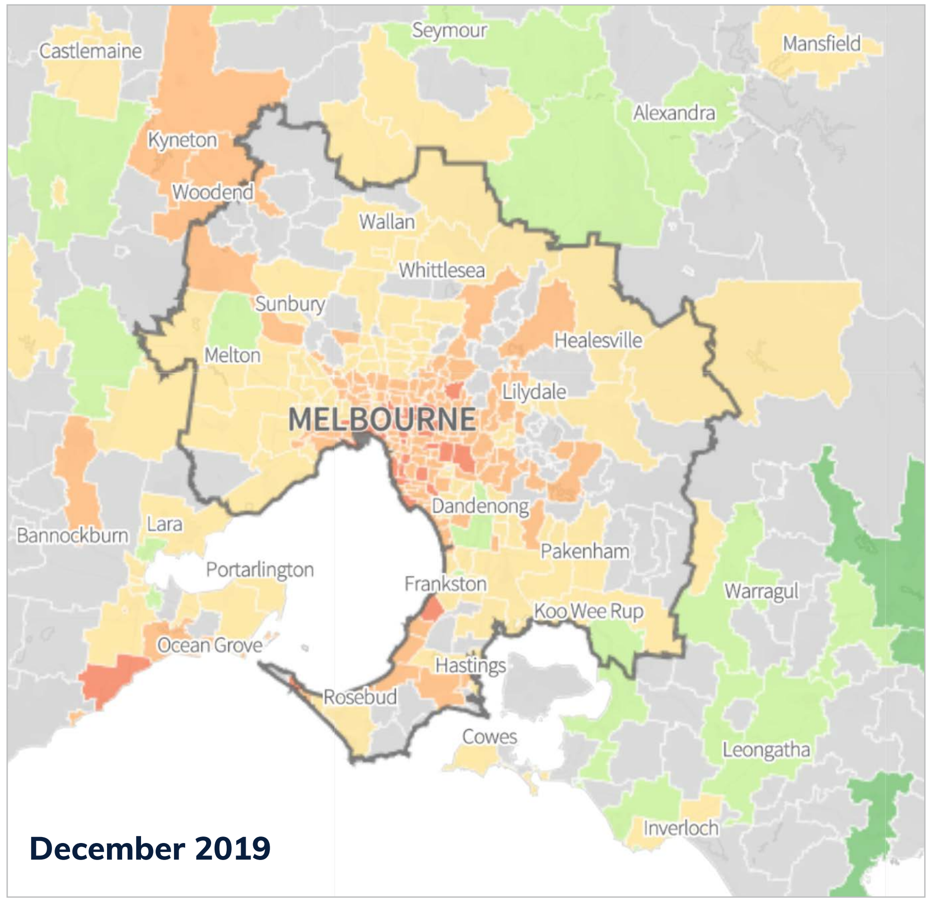
Monthly growth in regional Australia was larger than in the whole nation (0.5 per cent vs -0.1 per cent). Annual growth in the regions was also larger than Australia-wide (14.1 per cent vs 22.1 per cent).

Liveability

Rental affordability has declined in many parts of regional Australia, including regional Victoria.

Evolution of rental affordability index across regional Victoria through the pandemic





RENTAL AFFORDABILITY INDEX

Very affordable	200 or above	Severely unaffordable	50 to 80
Affordable	150 to 200	Extremely unaffordable	50 or less
Acceptable	120 to 150	Data not available	N/A
Moderately unaffordable	100 to 120		
Unaffordable	80 to 100	Metropolitan Areas	

Source: SGS Economics and Planning 2021, Rental Affordability Index, November 2021

RENT

Recent results depict a trend of **declining rental affordability** in regional Australia, particularly in New South Wales, Victoria and Queensland. One predicted driver for this trend is the relocation of city-dwellers to the regions in response to the COVID-19 pandemic.

RENT

These maps highlight the **impact of the pandemic** on rental affordability in Greater Melbourne and surrounding regions in 2021 by comparing it with 2019.

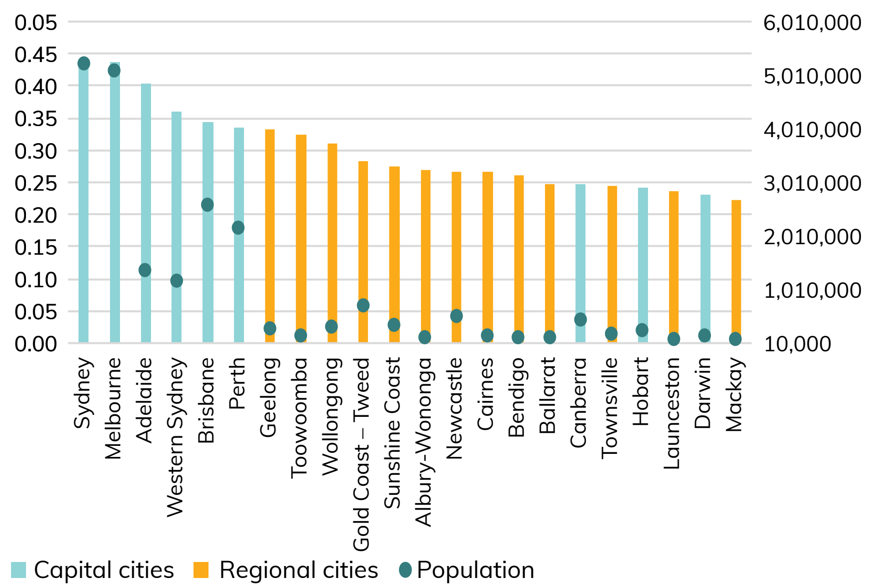
RENT

Barwon Heads, Woodend and Mount Martha are now severely unaffordable for those households earning $70,000 per annum. Inverloch, Healesville and Lara are following a similar pattern, falling from moderately unaffordable to unaffordable since the start of 2020.

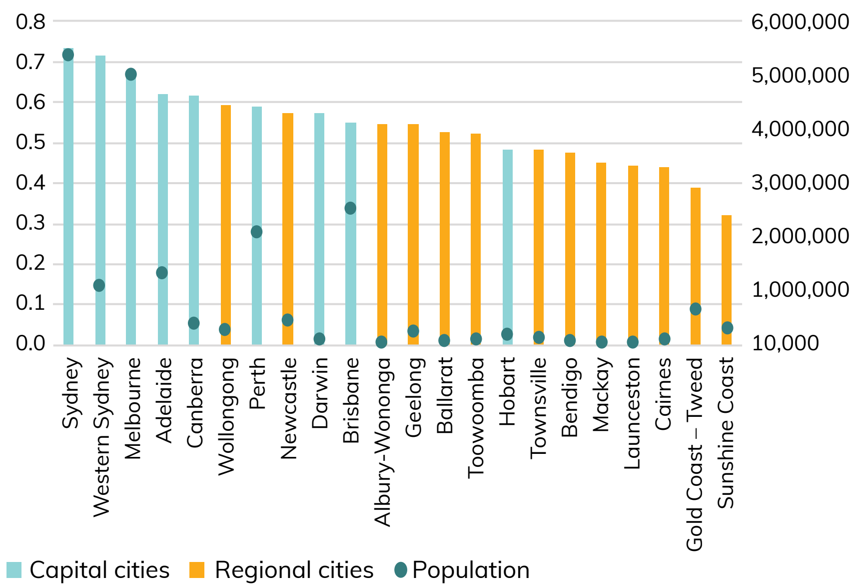
Liveability

Liveability refers to the qualities and characteristics of a city that allow people to live and thrive.

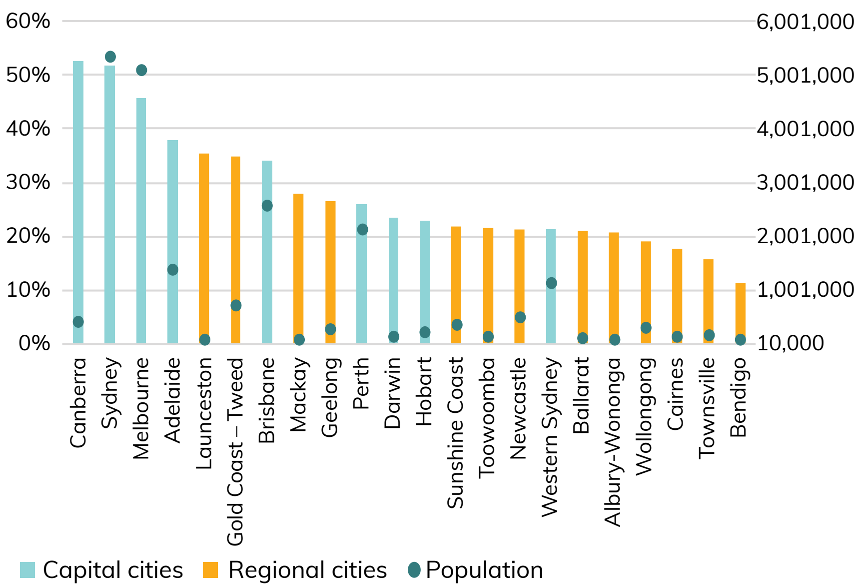
Access to health infrastructure



Access to education infrastructure



Walkability



These charts provide information on different indicators of liveability in Australian major cities:

With regards to access to **health infrastructure** (e.g. dentist, GP, pharmacy), the **top *six*** scoring cities are **capital cities.**

A similar pattern can be observed in relation to access to **education infrastructure** (e.g. government primary or secondary schools, childcare) where the **top five** cities are all **capital cities**.

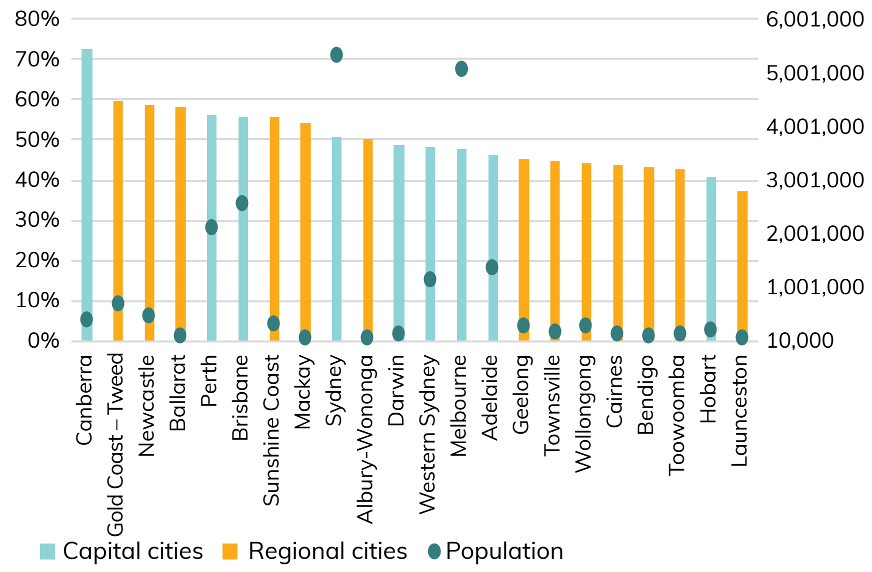
Capital cities are more likely than regional cities to score highly on the walkability measure with Canberra, Sydney, Melbourne and Adelaide in the top five. The walkability measure is the proportion of dwellings within walkable neighbourhoods based on street connectivity, dwelling density and daily living score (a public transport stop, a supermarket or a convenient location).

Source: Australian Urban Observatory 2018, Customised data for liveability indicators

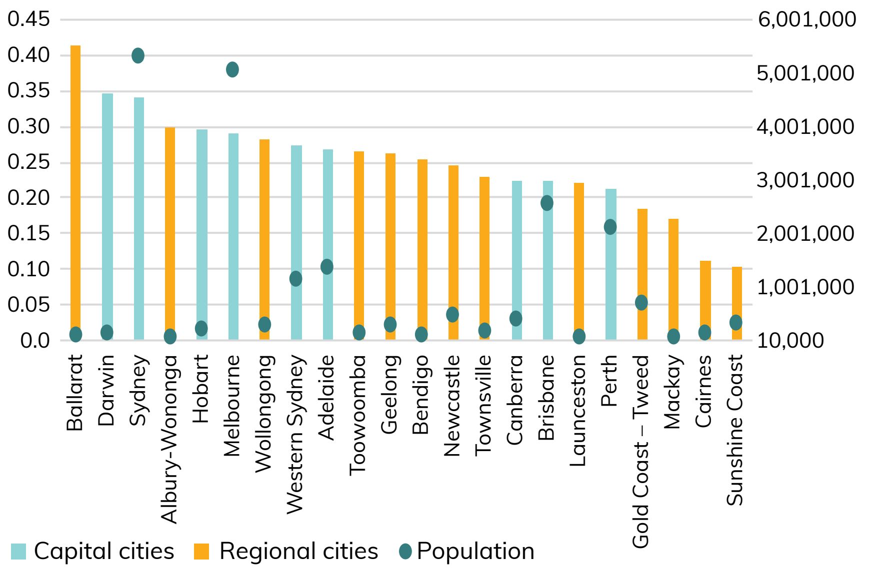
Liveability

Liveability varies across cities and regions.

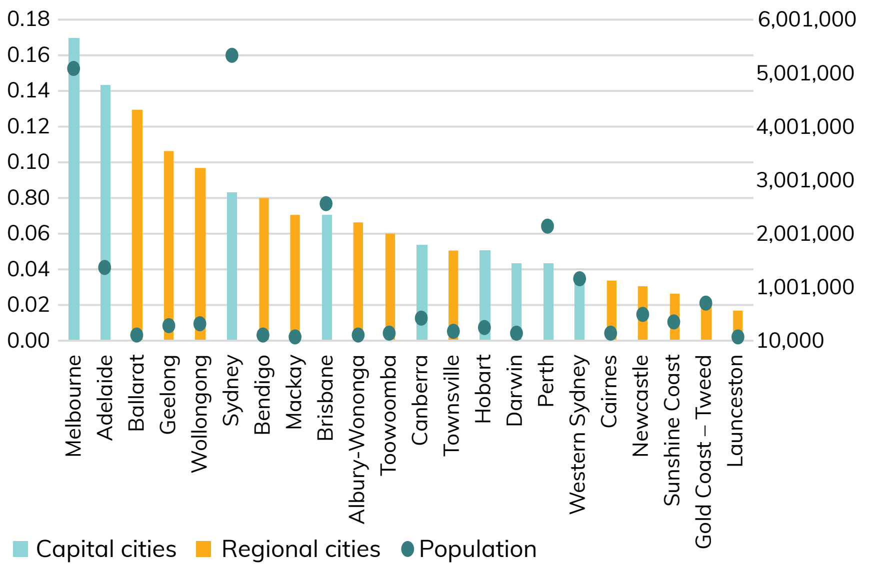
Access to public open space



Access to arts infrastructure



Access to sports infrastructure



Canberra has the highest score in terms of access to **public open space**. The regional cities with the highest access to public open spaces are Gold Coast-Tweed, Newcastle and Ballarat. This indicator's score measures the percentage of dwellings within 400m of public open space greater than 1.5 hectares.

For access to arts and cultural infrastructure and community and sporting infrastructure, there is no clear pattern in terms of city type or size.

Ballarat scores highest on the arts and culture index (e.g. museum/art gallery, cinema/theatre, library), followed by Darwin.

For access to community and sporting infrastructure (e.g. community centre, public swimming pool, sports facility), Melbourne has the highest score, followed by Adelaide. Ballarat has also scored highly on this index.

Source: Australian Urban Observatory 2018, Customised data for liveability indicators

INFRA5198_020822