

Australia racks up fastest population growth in 40 years

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Australia's population grew by 1.84% to 21,542,000 over the 12 months to September 2008 - the fastest pace in nearly four decades, according to the Australian Bureau of Statistics.

ABS records an increase of 389,000 people over the previous year and there were 295,000 babies born during the same period, which is 5.1% compared to a year ago.

Overseas migration accounted for the lion's share of the growth spurt, as a whopping 61% - or the equivalent of 235,900 people - landed on Australia's shores in the same period.

"The faster rate of population growth means that the economy can also grow at a faster pace," said Savanth Sebastian, economist, CommSec. "More people in Australia means greater demand for houses, roads, schools, hospitals and a raft of retail goods - and as such, it's providing a much needed stimulus in trying times for the global economy. It can't be stressed enough that Australia's migrant boom is a big deal, not just in boosting economic growth in the short-term but also in addressing the longer-term implications of Australia's ageing population."

Savanth said the strong growth in population puts more upward pressure on the demand for housing. "While the supply of housing remains far short of demand, we are seeing that the housing sector is slowly starting to build more homes. The rental market is the tightest it's been in 19 years, and it can't get much tighter. The strength in rental yields and a more uncertain outlook for the share market is likely to see more investment in housing over the coming months," he added.

Western Australia continued to notch up the fastest population growth at 2.9%, followed by Queensland (2.5%), the Northern Territory (2.2%), Victoria (1.8%), the Australian Capital Territory (1.4%), New South Wales (1.3%), South Australia (1.1%) and Tasmania (0.9%).

Queensland and Western Australia attracted the highest number of interstate migrants, gaining 22,700 and 5,600 people respectively from the other states and territories. The states that lost the most people to interstate migration were New South Wales (down 22,400), South Australia (down 4,700) and Victoria (down 2,400).