

ACT Economic notes 2010

ACT population growth outstrips employment growth

The total number of persons employed in the ACT grew by 1.3 per cent over 2009 lower than the longer term average of 2.2 per cent (1980 to 2009). However, it was still positive.

Table 1: ACT Labour Force components 2008 and 2009

Component	2008 Number 000s	2009 Number 000s	Percentage change
Males full time	84.6	85.6	1.2
Females full time	59.1	60.9	3.1
Total full time	143.6	146.5	2.0
Total part time	48.1	47.7	-0.8
Total Employed	191.7	194.2	1.3
Unemployed	5.3	6.7	25.2
Labour Force	197.1	200.9	1.9
Not in Labour Force	73.9	78.1	5.6
Population 15+	271.0	278.9	2.9
	Per cent	Per cent	Change
Unemployment rate	2.7	3.3	0.6
Participation rate	72.7	72.0	-0.7
Part time as proportion of Total	25.1	24.6	-0.5

Source: ABS Labour Force 6202.0

Therefore, the ACT came out the global financial crisis relatively unscathed. Although, unemployment did increase by 1,400 persons leading to an increase in the unemployment rate of 0.6. As well the numbers not in the labour force increased substantially.

Over 2009 Employment growth in the ACT at 1.3 per cent was less than that of the Labour force (1.9 per cent) and Civilian population 15+, 2.9 per cent. The highest population increase since 1988. As a consequence unemployment rose, the rise being due to a more rapid rate of population increase rather than the global financial crisis.

The rise in unemployment would have been worse if the participation rate had not decreased by 0.7 over the year 2009. If that decline had not occurred the numbers unemployed would have risen to 8,500 giving an unemployment rate of 4.2 per cent.

It is not clear what is driving the increase in numbers of not in the labour force. From 1980 to 2009 this group grew by an average 1.2 per cent a year; but in 2009 it grew by 5.6 per cent. There are a number of possibilities:

- ◆ Retirement of the so called baby boomers (those born in the years 1946 to 1964)-are now, especially the earlier cohorts, reaching the retirement ages of 55 to 65
- ◆ Discouraged workers- persons who having heard of the economic crisis have decided that jobs are scarce and decide to no longer seek work
- ◆ More incentive to stay at school/tertiary education-more places and a desire to get better qualifications could be leading to persons choosing to go to or stay in full time education

If the increase in population growth continues the ACT could find itself confronted by higher unemployment in the years to come unless employment growth is increased.

ACT Population growth booming in recent years

The ACT, and Queanbeyan's, population has increased at a more rapid rate in recent times. In Table 2 (below) the ACT's annual population rate of growth since the 2006 Census was 3.4 per

Table 2: Population changes by community

Community	Population (Census 2006)	Estimated resident population 2008⁽¹⁾	Percentage change
Belconnen	84,382	89,769	6.38
Gungahlin	31,656	37,969	19.94
North Canberra	42,113	45,991	9.21
South Canberra	23,668	25,617	8.23
Tuggeranong	87,120	89,480	2.71
Woden	31,991	33,426	4.49
Weston Creek	22,126	23,005	3.97
Total ACT	325,062	347,265	6.83
Queanbeyan	42,069	49,869	18.54
Total	368,125	397,134	7.88

1. ABS 3218.0 Regional population growth

cent. Queanbeyan's was even higher at 8.8 per cent. It was not that long ago that the ACT was experiencing negative net migration.

ABS media release June 20 2006-ACT population

"The number of people moving to the Australian Capital Territory (ACT) from interstate has exceeded those relocating in the opposite direction for the first time in seven years, according to Australian Bureau of Statistics (ABS).

According to the most recent population estimates released by the ABS, the population of the ACT was 326,700 as at 31 December 2005. This represents an increase of 2,800 people (0.8%) from the previous year."

A higher rate of population growth has important implications for the ACT Economy. It can stimulate economic activity and employment growth, especially in those sectors that service population (retail, construction, cultural and recreation services).

It can also place extra demands on infrastructure, housing prices and affordability.

Beyond the ACT - population

Prime Minister Kevin Rudd has been criticized for wanting a population of 36 million by 2050. Actually this was a projection by the Australian Bureau of Statistics (ABS). It was based on a number of assumptions in respect of fertility rates and net gains from migration.

If the population did increase by that number over the next 40 years it leads to an average annual increase of 1.3 per cent. However, the annual average increase for the past 40 years was also 1.3 per cent, so it does not represent an increase over past trends.

If estimates of an indigenous population of 700,000 in 1788 are correct (and there is some dispute) then the average annual increase in population since European settlement has been 1.6 per cent.

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