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Population Studies Group  
School for Social and Policy Research  
Charles Darwin University  
Northern Territory 0909  
[dean.carson@cdu.edu.au](mailto:dean.carson@cdu.edu.au)

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## RETIREMENT INTENTIONS AND THE NORTHERN TERRITORY

### KEY FINDINGS

- Staying in the Territory after retirement often reflects a long-term commitment to family, community and the region.
- Moving out of the Territory on retirement does not always signify dissatisfaction with the Territory but may continue the high level of residential mobility shown throughout an individual's life course.
- Moving into the Territory on retirement is often influenced by prior experience of the region through employment or holidays and can be facilitated by family and social networks.
- The Territory both benefits from and is disadvantaged by migration 'pull' factors such as climate, proximity to family and leisure opportunities for older people.
- The myth that "nobody retires to the Territory" establishes a self-perpetuating social norm.
- How can an appropriate proportion of post-retirement age residents be encouraged to remain in or move to the Northern Territory and contribute to the social and economic sustainability of the region?

### RESEARCH AIM

To understand the factors influencing retirement intentions of older Northern Territory residents and those who may consider moving to the Territory on retirement.

This Research Brief draws on data from in-depth interviews conducted as part of the Northern Territory Mobility Project. Funding for the research was provided by an ARC Linkage Grant.

This Research Brief was prepared by **Elizabeth Creed**.



## Background

Although many people do leave the Territory on retirement, others have expressed their intention to stay or 'age in place'. In March 2007, the Council on the Ageing (COTA) Northern Territory published a report which concluded that:

"...although a significant number of people still plan to leave the Northern Territory when they retire from the workforce, more people are now opting to remain here at that stage of their lives."

This is supported by census data which show that total number of non-Indigenous residents in the Northern Territory over the age of 45 has increased between 2001 and 2006 (see Table 1).

Whether an individual decides to retire in place or move elsewhere can be based on factors which fall into two major categories: push / pull amenity factors and interpersonal or social influences of family and friends (Schiamberg & McKinney 2003). Without the locational pull of a workplace, one move which retirees are known to make is an 'amenity move', which is more likely to be a long-distance move (Wiseman 1980) to a place with, for example, a better climate or easier to maintain housing (Serow, 1988) or to one in which they have already developed social networks through previous visits or chain migration.

Table 1: Number of non-Indigenous males and females over the age of 45 resident in the Northern Territory in 2001 and 2006

<b>Males</b>	<b>2001</b>	<b>2006</b>	<b>Change</b>
45 - 54	10,272	10,003	-269
55 - 64	5,616	7,350	+1,734
65+	2,770	3,704	+934
<b>Females</b>			
45 - 54	8,931	9,334	+403
55 - 64	4,016	5,658	+1,642
65+	2,275	2,999	+724
<b>Total</b>			
45 - 54	19,203	19,337	+134
55 - 64	9,632	13,008	+3,376
65+	5,045	6,703	+1,658

Source: ABS census data 2001, 2006

Impending retirement sets in motion a chain of other events. For people who plan to move to another location prior to or after retirement, there may be a period of daydreaming and informal planning before the move is made (Haas & serow 1997). In addition, potential retirees may begin to plan for their retirement by purchasing a suitable home and arranging their finances to accommodate withdrawal from the labour force well in advance of actual retirement. Those with children approaching adulthood may be contemplating an 'empty nest' which will remove the need to remain in an area for the educational and social benefit of their children and thus lead to a reconsideration of the values attached to moorings in that region (Stimson & Minnery 1998).

A 'retirement transition' has been identified (Bures 1997) in relation to residential mobility of those aged 55 to 64 years. Being established in their careers, this cohort may move in consideration of their approaching retirement but they are less likely to move for employment opportunities. At the height of their earning power, they have the accumulated wealth to move through choice rather than through necessity.

## Case studies

This Research Brief draws on data from the Northern Territory Mobility Project in-depth interviews with current and past residents in an attempt to begin to understand the intentions of older Northern Territory residents in relation to residential mobility around the time of retirement from the labour force. Brief case studies are presented to illustrate the variety of influences on an individual's decision whether to age in place or move elsewhere. Although the average age at which Australians aged 45 and over intend to retire is 63 years (ABS 2008), data from slightly younger people is also included in this research brief to provide an insight into pre-retirement planning.

## Retiring in the Northern Territory

### *Current residents*

Ruth and Reg are long-term Northern Territory residents, having moved to the Territory in the mid 1960s. Initially living in Alice Springs then moving to remote areas to run small businesses, they retired to Alice Springs in late 2005 from a large remote town where they had operated a business for 33 years. Close relatives live in Adelaide while their sons live in Darwin and south-west Western Australia so the choice of Alice Springs locates them "in the middle of everywhere".

Glenda is also a long-term Northern Territory resident but does not have definite plans for her retirement. As she owns her own house and will retire on Commonwealth Government superannuation, she is in the position to make choices not greatly hindered by financial constraints. With a son, daughter and grandchildren in Darwin, Glenda also has strong family ties to the Territory.

"I honestly don't know [what I'll do when I retire]. I wouldn't move down south, I'd stay up here, but go down south for extended visits, that would be different. I'd certainly think about doing that."

Glenda, 57-y-o, Darwin resident for 35 years

Edward retired from his government job in 1994 and he and his wife have a property in the rural area outside Darwin. They are supported by Edward's superannuation and his wife's government benefit. Edward is currently subdividing his property in order to buy into a retirement village.

"Oh yeah, there's long waiting lists [for the retirement villages]. We are on a waiting list because we don't have to take it when it comes. We have our name down because otherwise you never know, I could have a stroke or my wife could have a stroke. We just couldn't stay here [in the rural area]."

Edward, 75-y-o, married, Northern Territory resident for 46 years

### *Returns*

Colin and Elise are currently out-migrants but have not discounted the idea of returning to the Northern Territory on retirement. Colin had spent 20 years in the Territory before moving to an agricultural property in Queensland in early 2003, while

Elise and her family had spent four years in the Territory before returning to their home state of Queensland in 2000.

“[Returning to the Northern Territory] is our retirement plan. Along with a fair few other plans, but it’s one of the retirement plans.”

Elise, 47-y-o, married with two children, currently living in Queensland

“I think the things that would attract me back [to the Northern Territory] would be friends and the weather, I guess, friends and the lifestyle...going back where we’ve got friends from the past a bit as well, so social contacts”.

Colin, 63-y-o, married, currently living in Queensland

### ***In-migrants***

Lorna first came to the Northern Territory in 1988 just after she had retired. The attraction for Lorna was family reunion; her son lived in Darwin and, when Lorna moved, she also brought her disabled adult daughter with her. Currently aged 78, Lorna lives in her own unit but would like to move into supported accommodation if it was available.

Stephen and Marina also moved to Darwin when they retired from their public service jobs in South Australia five years ago. Unlike Lorna, they do not have any dependents and are financed through their superannuation, income from property and investments. Their choice of Darwin over Noosa, their other potential retirement destination, was made because of climate, lifestyle and the amenities available to them in a capital city. Currently renting, they will move into a high-rise city development when it is completed. European-born, they feel that the size of Darwin is just right and enjoy their life attending cultural and sporting activities as well as travelling within Australia and overseas.

Owen’s father had migrated to Australia before his son was born but reluctantly returned to England as his wife was homesick. Owen and his partner have been living in Darwin for five years and his father has spent annual holidays with them. A few weeks after Owen’s interview took place, he was expecting the arrival of his father who was planning to retire to Darwin.

“[My father] actually spent six months here last year, he went through the following build-up, wet season so he knows what he’s committed to.”

## **Moving out of the Northern Territory**

### ***Current residents***

Ned is a 41-year-old Alice Springs resident of 16 years. He has a successful business there and spoke about what he wanted to do in 15 years time when he retired. By this time, he will have less responsibility for his son and will be able to move "somewhere on the coast". Although Ned thinks of himself as a Territorian and the Territory is definitely home for him, he does not plan to retire in the Territory.

Rosa is a 45-year-old widow and Darwin rural area resident of almost 20 years. On the advice of her financial planner, Rosa has another four years of working in her government job in order to make her superannuation worthwhile. She plans to retire to the town in Queensland where her mother lives and they plan to buy a property together. Although Rosa describes herself as a reluctant leaver, she feels she has no reason to stay in the Northern Territory.

Diane mentioned thinking "about three or four years ago" of moving to Queensland pre-retirement so that she would still be able to find a job. She and her husband bought a block of land in Queensland three years ago and are in the process of having a house built on the land.

"One of the reasons we want to go at this stage is that I'm still young enough to be able to work when we get over there. I don't just want to be 'those people from Darwin on the hill'. I want to absolutely get involved in the community through community service or working or just how it will pan out."

Diane, 58-y-o, partnered with two adult sons, Darwin resident for 35 years

Although Diane has a married son living in Darwin, she also has close family in Queensland as well as an existing social network dating from primary school. Her Territory social network has become quite dispersed.

"A lot of our friends have left. There's only the one close lot of friends still here. Everybody else has gone somewhere. Some to Tassie, some to Queensland, some to NSW."

Diane, 58-y-o, partnered with two adult sons, Darwin resident for 35 years

### ***In-migrants becoming out-migrants***

Daphne, who has retired from Alice Springs to a Victorian coastal city, could not articulate why she and her husband had decided to leave the Northern Territory on retirement. She agreed that they had many reasons to stay: family, home ownership, social network, enjoyable leisure activities.

"For the last five or six years, I would say that when we talked of retiring, it was always, "We'll retire down south". It was never, "We will retire in Alice Springs. ... It was just a decision that we had made that when we retired, we would be coming down south. As I said, we hadn't at that stage decided whether it was going to be Victoria or Adelaide but Victoria won out."

Daphne, 65-y-o, married, 25 years in NT over a 40 year period

After 14 years in Darwin, Eileen returned to Victoria in the 1993 when her husband retired at the age of 60. Since they have a daughter living in Alice Springs, they had considered moving there but were dissuaded by the opinion of others.

"I didn't think [Darwin] was a place to retire to. Well I think it was a young person's place really, or it was in those days. The heat saps your energy and I think as you get older, it takes longer to replace that energy you know. ... To live in Alice Springs, you've really got to be working. If you're retired, you

notice all the social problems too much and they are getting worse there I think.”

Eileen, 73-y-o, married, currently living in retirement village in Victoria

From the time he was a young adult, Chas had led a very mobile life. An employment opportunity brought him to the Northern Territory in 1994 and he lived there until 2005 when he and his wife retired to Queensland. This was what they had intended to do as they found that the extremes of climate did not allow them to enjoy their retirement hobby of gardening.

## Comments

Many of the older in-depth interview participants who were questioned about their retirement intentions did not plan to spend their retirement years in the Northern Territory. This may have been because they had been in-migrants to the Territory at older ages and still had family connections in other states. However, interviews with current residents who planned to stay in the Northern Territory on retirement and out-migrants who planned to return to the Territory highlighted some of the reasons for their choices. Three interview participants had moved into the Territory on retirement, two others planned to do so and mention was also made of an overseas relative who intended to retire to Darwin.

For long-term Northern Territory residents, staying in the Northern Territory is a reflection of their commitment to the Territory as the place where they have lived the majority of their adult lives and contributed to the community through working and raising families. There may be intrastate movement from remote areas to more populated urban centres to enable easier accessibility to family networks but this is dependent on the availability of a range of suitable accommodation options.

Retirees may be attracted back to the Northern Territory by proximity to family or social networks as well as the lifestyle available to them once they are no longer in the labour force. For older in-migrants to the Territory, prior experience of the region through holidays or work visits seems to be more important than for younger people who will move into the Territory with no understanding of the place to which they are moving.

Moving out of the Northern Territory on retirement may be the natural conclusion for those who came to the Territory for employment; the intention to leave had always been maintained without lessening the satisfaction which people had gained from their time in the Territory. For others who may have led reasonably mobile lives, moving on may simply reflect the residential mobility they have shown throughout the course of their life. Temporary mobility through visits ‘down south’ to friends and family, especially grandchildren, highlights the seasonal nature of mobility undertaken by some older people.

‘Pull’ factors to elsewhere include the amenity of living in a coastal area after time spent in Central Australia and a more moderate climate to allow leisure pursuits. The ‘pull’ of family is strong, especially the desire to spend time with or assist ageing parents who may still live in the area of origin. Factors which ‘push’ older residents out of the Territory include changes in either the physical environment or the social

environment. For those whose social networks have dispersed as the cohort ages and have not been replenished, feelings of isolation encourage movement to areas where social networks have already been established or there is some familiarity through previous visits.

Impending retirement encourages some people to plan for their future, either by arranging their finances to provide suitable income once no longer in the labour force or by purchasing land or housing in the area where they plan to live after retirement. This period of planning may begin anywhere from 15 to a few years before actual retirement. However, this period of time is also when people can be influenced by the common wisdom that “nobody retires to the Northern Territory” and this forms the social norm underlying their decision to leave.

By providing an insight into the motivations of the people featured in these case studies, this Research Brief has highlighted the range of factors influencing the retirement intentions and decisions of older Northern Territory residents and those who may consider moving to the Territory on retirement. Further research focused particularly on long-term Territory residents in the age of ‘retirement transition’ would develop a greater understanding of why people choose to remain in the Territory on retirement.

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