

POPULATION & TOURISM STUDIES RESEARCH BRIEF

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Will they stay or will they go? Economic characteristics of older arrivers, leavers and stayers in the Northern Territory.

KEY FINDINGS

- Between the 2001 and 2006 Censuses, 4,457 people aged 55 years and over left the Territory to live somewhere else in Australia. Over the same period, 3,241 people in the same age group settled in the Territory from elsewhere in Australia or overseas.
- The majority of arrivers were in the younger (55-64) age bracket and a large proportion of these were still in the labour force. They also had higher income than stayers or leavers.
- Leavers were much less likely than stayers and arrivers to still be in the workforce. They were also less likely to be employed, and if employed, less likely to be in full-time employment.
- There were comparatively more leavers in the private sector and more stayers and arrivers working for the public sector.
- There was a higher percentage of arrivers and stayers working in the public administration and safety industries than leavers.
- Looking at the characteristics of arrivers, stayers and leavers, we see that migration patterns to and from the NT tend to reinforce the existing population composition.

RESEARCH AIM

To examine the economic characteristics of older population churn in the NT.

This research brief looks at the economic characteristics of older arrivers, stayers and leavers in the Northern Territory. It examines their labour force engagement and socio-economic characteristics to gain a better understanding of their impact on the size and make up of the NT senior population. This research brief draws on data from the 2006 Census provided by the Australian Bureau of Statistics.

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Background

Patterns of ageing in the Northern Territory

The Territory has reached a stage unprecedented in its history where the proportion of pre-retirement and retirement age people is increasing rapidly. Though they are expected to remain well below the proportion of older people in Australia overall, people aged 55 years and older in the Territory have grown from 10.4% of the population at the 2001 Census to 13.6% at the 2006 Census, and are projected to reach 19.8% by 2036 (Northern Territory Treasury, 2009).

Historical patterns of outmigration, however, tend to fuel perceptions that nobody retires in the Territory and that the Territory can't cater for the needs of the older population. A survey conducted by the Council Of The Ageing (COTA) in 2007 concluded that less people were leaving than in the past but also identified a need to further change views of the Territory as an inadequate place to retire if we don't want these perceptions to become self-fulfilling prophecies. A change in attitudes had already been identified in 2003 by Jim MacLean of the National Seniors Association on ABC News when he said that there was "a growing need for seniors accommodation, because more families are wanting to stay in the Territory long-term." (ABC 2003), and the issue was also raised in late 2007 by the then Chief Minister, Clare Martin, who declared: "We need to be providing the kinds of accommodation options and services that will keep senior Territorians here." (ABC 2007). In 2010, the planning and construction of senior villages has started in several locations.

Current trends nonetheless suggest that a significant proportion of older people will leave the Territory when they retire. Data from the last Census (2006) shows higher rates of out-migration than in-migration in these age groups. Additionally, results from COTA's Northern Territory Seniors Survey (COTA, 2007) indicate that 23% of respondents aged 55 years and over were planning to leave the Territory in the coming years, the majority of whom were in the younger age group (<65) and in the higher income bracket (>\$40,000 p.a.). There are differences, therefore, between the anticipation of a greater numbers of retirees growing the size of the senior population (and consequently increasing the demand for aged services and infrastructure), and past behaviour which shows a net outflow of retirees. Given that leaving retirees have been found to be younger, more healthy and wealthy, there may be a disproportionate drain on the financial and social capital of the NT. Those staying in the Territory are less likely to be self-funded through retirement and therefore more likely to be reliant on supported assistance, at a greater cost to the social welfare system.

What's driving the growth in older Territorians?

The projected increase in the aged population in absolute and relative terms over the next 25 years in the Territory is mostly due to the large cohort of workers who came to Darwin in the years following cyclone Tracy 'growing' through the age pyramid. Most are now in their mid to late 50s and, though they haven't entered retirement yet, are expected to do so in the next 10-15 years. This 'bubble' is particularly visible within the NT Public Service, the Territory's biggest employer, and to an even greater extent for males, of whom (in the NT public service) 46% were aged 45 years and over in 2006 compared to 39% of females (Figure 1).

Figure 1 – Age-sex distribution for NT Public Service vs NT Labour Force, 2006



The issue for the workforce is that, not only might this situation lead to a shortage of workers, but the skills drain will mainly affect senior level positions currently filled by pre-retirees. In the public sector especially, the retirement of workers currently in their 50s without a balancing influx of younger workers to replace them, will create an acute shortage of workers. A report on succession management for the Office of the Commissioner for Public Employment in 2004 highlighted the changing age demographics in the NT Public Service and in particular the potential workforce shortages for executive positions, given the age profile of senior management levels (OCPE 2004). Also preoccupying were exit rates amongst NTPS employees. 2004 exit rates across the NT Public Service suggested that 45% of 51-55 year old employees would retire within 5 years. For executive level positions, the rate was possibly as high as 60 to 70%, emphasising the need to plan into the future. It might therefore be desirable to retain the ‘young olds’, not only for their spending power and participation in the economy, but also as a knowledge resource to alleviate some of the labour shortages and impart knowledge on to younger generations (as semi-retired consultants to organisations and departments for example).

Part of the answers to questions about the retirement intentions and subsequent impacts for the Territory’s older population lay in the characteristics of the older people who have chosen to come, stay or go, and in the factors which might have influenced their choices. The aim of this research brief is to look at the characteristics of the older population, including labour force engagement and socio-economic characteristics of older arrivers, leavers and stayers. This will form a basis for more informed discussion about possible economic impacts and the service and infrastructure demands to be anticipated from the ageing population.

Methods

We use age-specific data from the 2006 Census, based on place of usual residence five years ago and compared to current residence at Census time, to look at older arrivers, stayers and leavers in the Territory. We examine different sets of variables to identify their economic characteristics and potential impacts on the Territory’s population into the future. We focus the comparisons on specific age groups depending on the variable of interest. Additional data used for commentary are the Northern Territory Senior Survey from the Council Of The Ageing (COTA, 2007) and the Northern Territory Population Projections (Northern Territory Treasury, 2009).

One of the limitations of this brief is that the data for leavers reflects their situation at the 2006 Census (e.g. employment, occupation, income) which may be different from their situation when they were living in the Territory. Additionally, the brief does not account for multiple movements to and from the Territory within the five years between the two censuses, nor does it provide data on the number of returning residents to the Territory.

Economic characteristics

Labour force participation

In all groups (arrivers, stayers and leavers) in 2006, a majority of the 55-64 year olds were still in the workforce, while most people aged 65 years and over were retired. In all three groups and across the age groups, a higher proportion of males than females were in the labour force.

The most striking difference in economic characteristics was in the labour force status of arrivers and stayers compared to leavers, with a much lower level of labour force engagement for the latter group. Indeed, 51.9% of leavers aged 55-64 were in the labour force, as opposed to 64.7% of arrivers and 64.4% of stayers. In the 65-74 age group, 12.9% of leavers were still in the labour force, compared to 21.9% and 23.5% for arrivers and stayers respectively. Numbers were quite low in the 75+ age group but it is nonetheless interesting to note the relatively high percentage of male arrivers who were still in the workforce (14.3% compared to 8.0% for stayers and 8.8% for leavers).

Although not as noticeable for arrivers or leavers, due to the low proportion of Indigenous people in these migration groups (3% for both), a gap in labour force participation for Indigenous and non-Indigenous people was noticeable. 18.6% of stayers were Indigenous and if we compare the labour force status of non-Indigenous only, stayers rated slightly higher than arrivers in both the 55-64 and 65-74 age groups (See figures 2a and 2b).

Figure 2a – Labour force participation, total population, 2006

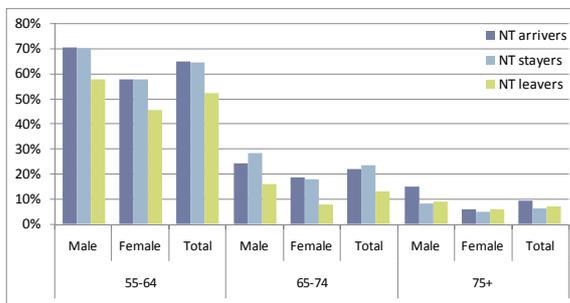
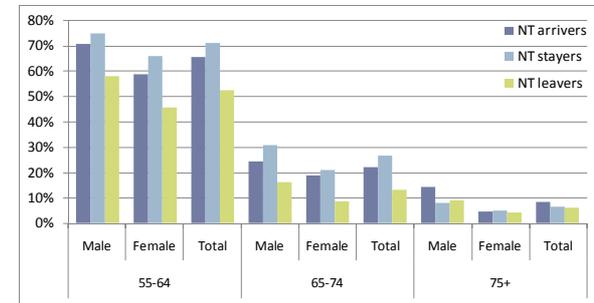


Figure 2b – Labour force participation, non-Indigenous population, 2006



Source: ABS Census of Population and Housing, 2006

Employment

Taking a closer look at the employment status of people still in the labour force, an overwhelming majority (>90% in all cases) were employed. However, there was a higher percentage (9.94%) of leavers who were unemployed and looking for work than arrivers or stayers (Table 1). In particular, 12% of male leavers aged 55-64 were unemployed and looking for work. Female employment was higher than male employment for all three groups but only marginally so.

Table 1 – Un/employed persons (55+) as a percentage of labour force, 2006

	Arrivers	Stayers	Leavers
Employed	94.63%	97.05%	90.06%
Unemployed looking for work	5.37%	2.95%	9.94%

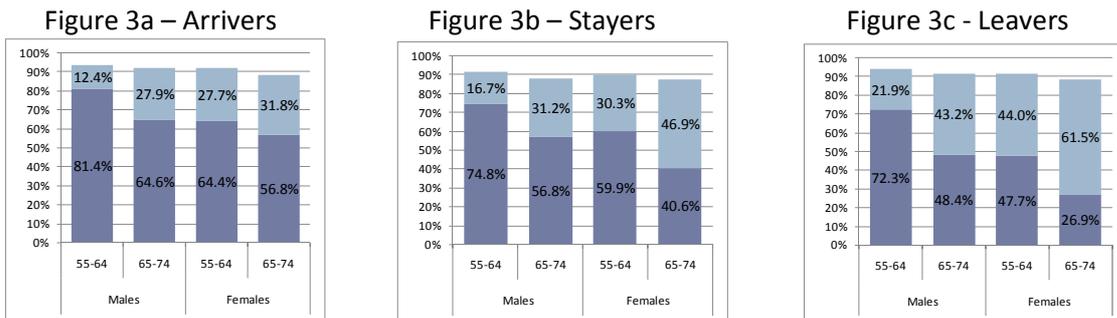
Source: ABS Census of Population and Housing, 2006

Arrivers, stayers and leavers – economic characteristics of older in- and out-migrants in the Territory.

The proportion of full-time versus part-time employment decreased with age for arrivers, stayers and leavers and, while most men worked full time (72.3% of leavers, 74.8% of stayers and 81.4% of arrivers in the 55-64 age bracket), the part-timers were mainly women for all groups.

The data also showed that, across all age groups and both sexes, the percentage of full-time as opposed to part-time workers was highest for arrivers, followed by stayers and then leavers (Figures 3a, 3b & 3c).

Figure 3 – Full-time & part-time employment by sex by age group (percentage of employed), 2006.



Source: ABS Census of Population and Housing, 2006

Note – People aged 75+ were excluded from the tables as their numbers in the arrivers and leavers groups were too low to be representative.

Income

Comparing the incomes of arrivers, stayers and leavers in the 55-64 age group, we found that there was a higher percentage of leavers in the lower income brackets (less than \$600 gross weekly income), a greater percentage of stayers in medium income brackets (\$600 to \$999), and a greater proportion of arrivers in higher incomes (\$1,000 or more), particularly in the very high incomes (\$2,000 or more) (Figure 4). This is partly a direct consequence of the higher level of employment amongst arrivers, but the differences between arrivers, stayers and leavers were even more accentuated when looking only at those in the labour force in 2006 which highlights the salary difference between the three groups.

Figure 4 – Percentage of arrivers/stayers/leavers (55-64) by individual income (gross weekly)



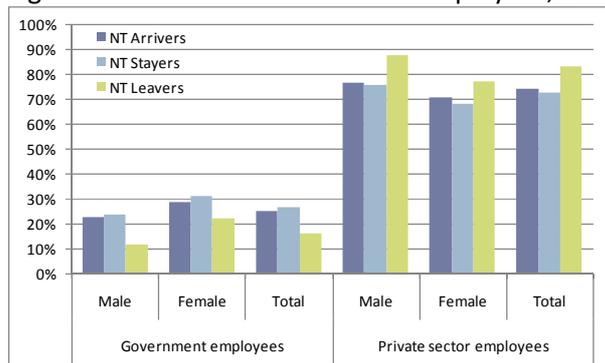
Source: ABS Census of Population and Housing, 2006

In contrast, in the 65 years and over group, the median income was higher for arrivers than the other groups but only very slightly, and incomes for retirees were generally low for all groups at between \$150 and \$399 per week.

Public vs Private sector

There were substantially more government employees amongst arrivers and stayers (respectively 25.5% and 26.9% of all people currently employed) than amongst leavers (16.4%), and more leavers in private sector (83.6%) than arrivers or stayers (respectively 74.5% and 73.1%). This is also a reflection of the high level of government employment in the Territory compared to Australia as leavers’ proportions of private vs government employees were closer to the Australian averages for people aged 55 years and over (14.7% government vs 85.3% private). In all groups, there were more females than males in government employment and more males than females in private employment (Figure 5).

Figure 5 – Public vs Private Sector employees, 2006.



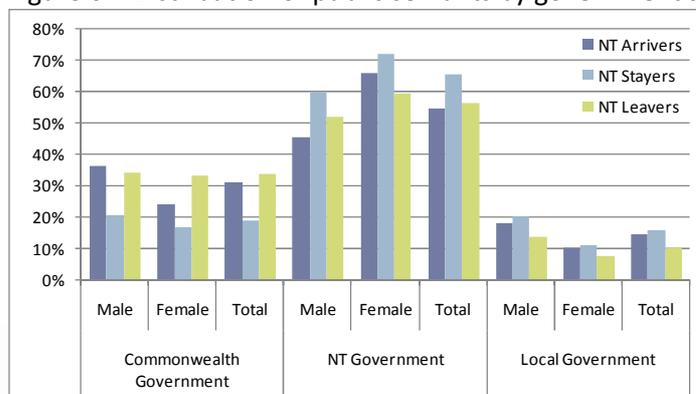
Source: ABS Census of Population and Housing, 2006

If we look at the total numbers of arrivers and leavers, we notice that, while net migration was positive at all levels of government for people aged 55 years and over, the private sector registered a largely negative net migration, mainly in the 55-64 age group.

There were comparatively less stayers working for the Australian government (18.6% of all government employees) than arrivers and leavers (respectively 30.9% and 33.6% of all government employees). In contrast there was a higher proportion of stayers working for the NT Government (65.6% of all government employees) than either arrivers or leavers (respectively 54.7% and 56.3%).

Females were also less represented than males in Australian and Local governments while there was a higher proportion of females in NT government positions (Figure 6).

Figure 6 – Distribution of public servants by government sector, 2006.



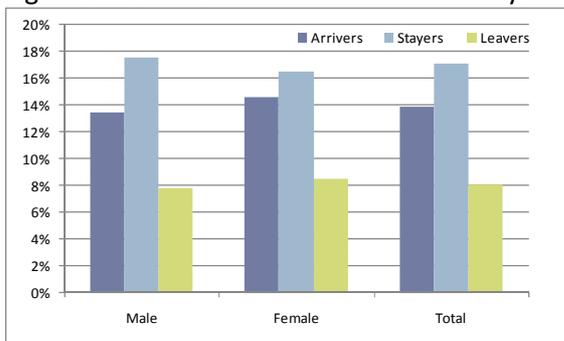
Source: ABS Census of Population and Housing, 2006

Occupation and Industry

Of the people working at the time of the 2006 Census, the largest proportion (43% of arrivers, 36.6% of stayers, and 38% of leavers) of both males and females were in either managerial roles (larger proportion of males) or professional roles (larger proportion of females). The proportions of females in these occupations were similar across arrivers, stayers and leavers but the proportion of males was higher for arrivers (45.1%) than stayers (36.6%) or leavers (38%). It is also worth noting that, while a high proportion of males were employed as technicians, tradesmen, machinery operators, and labourers, this was less so for arrivers (38.4% of males) than stayers or leavers (respectively 43.2% and 43.7%). Females on the other hand had high levels of representation in community and personal service, as well as clerical and administrative roles in similar proportions for all groups.

The main industries of employment for arrivers of both sexes were Public Administration and Safety (13.5% of working males and 14.6% of working females) and Education and Training (13.4% of working males and 16.7% of working females), with also a high percentage of females working in Healthcare and Social Assistance (23.4%) and males in Construction (9.8%). The major difference between arrivers and stayers on the one hand, and leavers on the other hand was in the proportion employed in Public Administration and Safety, with 13.9% of arrivers and 17.2% of stayers, but only 8.1% of the people who had left the Territory working in these industries (Figure 7). We cannot determine the industry of employment of leavers during their time in the NT. Nevertheless, Public Administration and Safety is likely to have contributed to migration patterns as there were more arrivers and leavers working for Defence (respectively 15.3% and 14.8% of all Public Administration and Safety employees) than stayers (6.5%), reflecting the high mobility of defence force personnel.

Figure 7 – Public Administration and Safety employees as percentage of all employees, 2006.



Source: ABS Census of Population and Housing, 2006

While Public Administration and Safety, and Education and Training recorded the highest positive net migration in these age groups, the highest negative net migration rates were experienced by the Manufacturing industries and Professional, Scientific and Technical Services.

Discussion

The economic characteristics of older arrivers, stayers and leavers differed in a number of respects. Arrivers and stayers were more likely to be in the labour force than leavers. This could be due to one of two factors. If they were not in the labour force prior to leaving the Territory, the leavers data results could be an indication that existing patterns (namely high workforce participation in the Territory compared to the rest of Australia) are reinforced by population turnover. That is, our very low rates of unemployment are in part derived from the out migration of unemployed people. If they were in the labour force when they left the Territory,

Arrivers, stayers and leavers – economic characteristics of older in- and out-migrants in the Territory.

leavers are indicative of the perception that people do not retire in the Territory. This also indicates that those arrivers aged 55-64 years are attracted by work opportunities. Leavers were also less likely than arrivers or stayers to be employed and to be in full-time employment. Again, this trend seems to suggest that arrivers reinforce existing patterns of high employment in the Northern Territory.

From the census data, the high level of public service employment in the Territory was also apparent for the 55 years and over ages with high percentages of government employees. The high rate for arrivers and stayers highlights the issue of the impending retirement of a large cohort of public servants mentioned in our introduction. The finding that, amongst Australian Government public servants, the proportion of stayers was lower than arrivers and leavers suggests perhaps a higher turnover amongst these compared to the other levels of government, possibly linked to attractive superannuation packages for pre-retirees.

Net migration figures must be treated with caution given that there is no data on whether people have changed sector of employment upon leaving the Territory, but the results here do indicate that the Territory is more attractive to people working in the public service than in the private sector and that there is a drain of private sector experience and expertise. As expected with the high proportions of public servants, large numbers of both arrivers and stayers were working in the Public Administration and Safety, and Education and Training sectors.

People in the Territory at Census time earned more than people who had left, with arrivers earning more than stayers in general. However, individual income data only leads to limited commentary as income is generally low for people who have left the labour force. As such, income analysis only really applies to the young-olds who are still in the labour force. For retired people, other indicators of wealth would be needed to assess differences between the three groups. Looking at housing tenure could yield interesting results by comparing what proportions of people in each group own their own home as opposed to people who have a mortgage or are renting. Data on housing tenure could not be obtained with the tools available but could be the object of future research. Additionally, data on sources of income (self-funded retirees versus pensioners) and assets, rather than mere dollar figures, could provide useful information on wealth.

Looking at all the people aged 55 years and over who came to, stayed in or left the Territory between 2001 and 2006, data from the 2006 Census suggests that, amongst the older age groups, the young olds are the most mobile. They come to the Territory for work opportunities, particularly public servants, in professional and managerial roles, and in high paying jobs. If this is the case it would seem that migration patterns to and from the Territory reinforce the existing population composition.

This research highlights a number of questions that require investigation beyond the scope of this brief.

- If work is an important drawcard for people to come to the Territory it would seem necessary to examine whether they consider their move a short- or long-term plan. If they are coming to the Territory as a last career step or an opportunity to earn a larger income before retirement, they may only be temporary gains to the population.
- Looking at the economic behaviour of arrivers in terms of investments and possibly housing (renting or buying) could also give us an indication of whether they consider their move a permanent or temporary one. If they are either not buying (because they have property elsewhere in Australia) or buying property as investment only, they are most likely not going to stay long-term. Additionally, short-term investments in the booming

Darwin housing market by people on high incomes might contribute to price inflation and concerns over rental and purchase costs.

- Though their numbers are small, it would also be interesting to find out what factors have attracted people to the Territory in the older age groups (65 years and older), particularly if they are no longer working. This could in turn give us insights in to what might influence the young olds currently living in the Territory to remain here post-retirement.
- Finally, in the context of general workforce ageing and the ‘bubble’ of post cyclone Tracy and post self-government workers getting closer to retirement age, changes in trends should be carefully monitored to determine whether there is a point at which the older population reaches critical mass and patterns of leaving on retirement start to change (see our research brief on retirement and PLUs (People Like Us), Carson, 2009).

A better understanding of the characteristics of the older population helps to inform population projections for the Territory. Additional data such as the surveys by COTA are important because they provide information on preferences, perceptions and influential factors in people’s choices. Given the projected size of the senior population in the Northern Territory, understanding how migration trends will influence population size and composition is crucial to efficient housing and infrastructure planning. The current model of economic growth supports and is supported by high churn amongst the workforce. The sustainability of this model is however questionable given the overall ageing of the population and the impending retirement of a large cohort of workers within the next decade. Alternative models which pay attention to retaining older residents and attracting a variety of younger workers from elsewhere may be required.

Arrivers, stayers and leavers – economic characteristics of older in- and out-migrants in the Territory.

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