

POPULATION STUDIES RESEARCH BRIEF

ISSUE Number 2009037

© School for Social and Policy Research 2008

Population Studies Group
School for Social and Policy Research
Charles Darwin University
Northern Territory 0909
dean.carson@cdu.edu.au

The Economic Demography of Outback Australia – How does Regional Northern Territory Compare?

KEY FINDINGS

- The 'outback' is more male, more Indigenous, younger, less overseas born, less urbanised, and less visited than the rest of Australia. Both resident and visitor populations in the Outback have been declining in size for at least fifteen years;
- Australia's outback regions share challenges of distance, lack of infrastructure, and small local markets. Even so, there have been dramatic differences in the experiences of outback regions over the time period;
- Regional Northern Territory (excluding Darwin) experienced the most dramatic population decline (12%) and decline in tourist numbers (34%), the highest rate of ageing, and the lowest rates of labour force engagement;
- Some insights are provided as to why Regional Northern Territory may have performed differently to the rest of the outback. This inherited history is important in developing policy for future regional development.

RESEARCH AIM

To compare population growth, sources of growth, labour force engagement and sectors of employment between regional Northern Territory and other parts of 'outback' Australia.

This research brief draws on data from the 1996, 2001 and 2006 Census, and the International Visitor Survey and National Visitor Survey. The study is part of a program of demographic research funded in part by the Northern Territory Treasury.

The research has been conducted by Associate Professor Dean Carson.

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

Background

Australia's national identity is intrinsically linked to images of 'the outback'. The outback is romanticised as being where the real Australia lives, away from the cities and coast. In past times of economic wealth, the outback allowed Australia to 'ride the sheep's back' to prosperity. In the more recent boom of the mid and late 2000s, the outback's mineral resources have made Australia one of the world's fastest growing economies. There have been concerns raised that the increasing value of outback resources has not been converted into better economic conditions for outback residents.

In the Northern Territory, attention has turned to regional settlements (those 'out back' of Darwin) and their futures. This research brief takes a broad view of how economic demography has changed in outback NT compared with other parts of outback Australia as a way of setting the scene for understanding the challenges that face future development initiatives.

For the purposes of this research, 'economic demography' indicators include

- population growth (resident and tourist) as an indicator of access to human capital;
- age profiles – with particular focus on the proportion of the population of working age (15-64 years);
- labour force engagement, particularly by historically under-represented populations of women and Indigenous people; and
- industry of employment – with particular focus on the division of labour between productive (largely private sector) and non-productive (largely public sector) jobs.

There are well documented challenges to economic development in outback Australia, not the least of which is the precarious position of human settlements in many parts. Outback Australia is generally poorly serviced by transport and communications infrastructure. Distances between settlements are great, local markets are small, and production is influenced by seasonal extremes in weather. The outback also has a different population profile to the rest of Australia, including a younger age structure, higher residential mobility, and a higher proportion of Indigenous people. These and other demographic variables are extremely important in examining the prospects for economic growth.

There have been a number of papers and reports summarising aspects of the demographic conditions in outback Australia or parts thereof, but the links between the summaries provided and economic development prospects have largely been ignored. Much of the discussion about the viability of human settlements in rural and remote Australia occurred in the 1980s, and focused on either specific populations (students, Indigenous people, and women) or specific communities. Hudson's (1991) paper on population growth in northern Australia represents one of the few broader views. Hudson demonstrated, using 1981 and 1986 Census data, that there was substantial heterogeneity among northern regions, with some experiencing high rates of population growth and some

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

suffering population decline. Hudson drew some tentative links between economic activity and population growth, suggesting that tourism was emerging as an industry which could co-exist with longer term population growth, agricultural regions were most likely to experience decline, and mining regions were highly volatile. Hudson examined population size and dispersal only.

More recently, Brown, Taylor and Bell (2008) described the demography of desert Australia – the arid and semi-arid regions – in a project for the Desert Knowledge Cooperative Research Centre. Data for the research were from the 1996 and 2001 Census. The research was purely descriptive, noting the general trend towards population decline (with some exceptions in Western Australia), high rates of net out migration, the lack of growth in smaller population centres (below 500 people), and the increasing proportion of Indigenous people in the population.

This paper updates previous reports to include data from the 2006 Census, and focuses on economic demography variables. It focuses on comparing regional Northern Territory to other parts of the outback.

Methods

There is no accepted definition of what constitutes 'the outback'. The nearest attempt geography is that promoted by the various State Tourism Organisations, which attach the outback label to particular destinations. The situation in the Northern Territory is more complex, with the whole Territory marketed as 'the outback', and including nine statistical regions. Our definition excludes Darwin because it is a capital city and rapidly growing urban centre that nestles the coast. It is difficult to conceive of Darwin as meeting the image of the outback as a rural landscape. We have combined the other eight NT regions as 'outback NT' due to poor data availability at the smaller level. We have included 'Australia's North Coast' in outback Western Australia. While not carrying the outback label, it is clearly contiguous with the outback of Western Australia and the Outback of the Northern Territory (see Figure 1 – Tourism Region labels in capitals). The research ultimately refers to six outback regions – outback Northern Territory (all of NT excluding Darwin), outback Queensland, outback New South Wales, outback South Australia, and 'Australia's Golden Outback' and 'Australia's North Coast' in Western Australia. These regions correspond well with the set of statistical divisions (SDs) included in Figure 1.

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
 THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
 REGIONAL NORTHERN TERRITORY COMPARE?

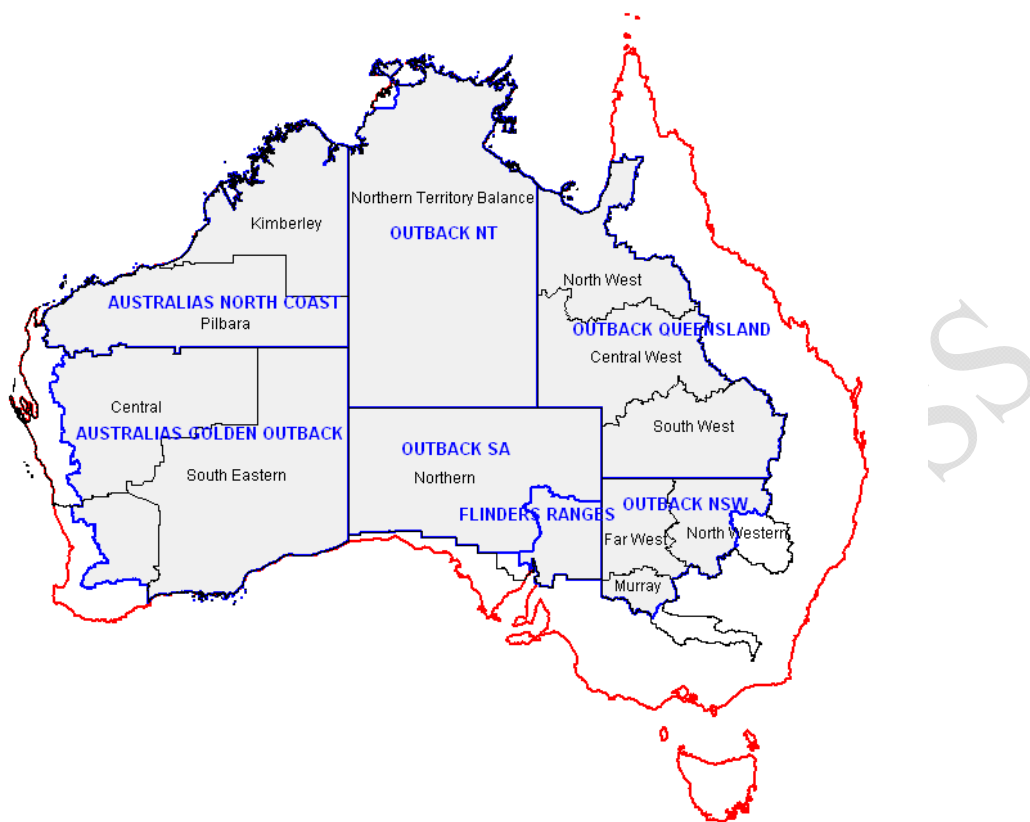


Figure 1: 'Outback' Tourism Regions (excluding individual regions in NT) and Statistical Divisions in Australia

Resident population data were drawn from the 1996, 2001 and 2006 Census. Some data about Indigenous people were only available from the 2001 and 2006 Census. Tourist population data were drawn from the National Visitor Survey (2000 – 2007) and International Visitor Survey (2002 – 2007), both managed by Tourism Research Australia. Census data included place of usual residence on Census night, age of person, sex of person, Indigenous status of person, birthplace of person (Australia or overseas), labour force status (in the labour force or not in the labour force) for those aged 15 years and over, and industry of employment.

Results

Between 1996 and 2006, the population of outback Australia declined by 3.7% from about 700 000 to about 690 000 people. At the same time, the population of Australia increased by nearly 12%. Outback Northern Territory had the largest decline in the period of 12%. Other substantial declines were in the Central West (11%) and North-West (11%) of Queensland. In contrast, the Kimberley (17%) and Pilbara (5%) regions of Western Australia experienced large population increases.

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

Outback Northern Territory had the youngest median age of all outback regions in 2006 (28 years compared to a total median of 35 years), and the outback NT population had not aged since 1996, whereas the total outback population had increased by seven years. As a result, outback NT had the highest young age dependency ratio with 27% of the population aged less than 15 years, and the lowest old age dependency ratio (just 4% of the population aged 65 years or over).

The sex ratio in outback NT was relatively high in national terms – 104 males for every 100 females compared with 97 males for every 100 females in Australia as a whole. The NT ratio was, however, quite low when compared with the rest of the outback, where only the three regions in New South Wales had lower sex ratios than the NT and the ratio in the Pilbara was more than 120 males for every 100 females.

Over 50% of the outback NT population in 2006 was Indigenous, and this had grown from about 40% in 1996. In comparison, the total outback region was 17% Indigenous, up from 15% in 1996.

Outback NT had lower rates of labour force participation by women (52% of women aged 15-64 were in the labour force) than all other outback regions except Far West NSW and Northern South Australia. The average for the outback was 54%. Female labour force participation had risen by 4% in outback NT between 1996 and 2006, but had risen by 7% across the outback as a whole.

Outback NT had the lowest rate of Indigenous labour force participation (37%), and was far below the total average of 45%. The South West and Central West regions of Queensland had Indigenous labour force participation rates above 60%.

A much higher proportion of the labour force in outback NT than for the outback as a whole were employed in public administration and defence (23% compared with 10%). Outback NT had proportionally lower employment in all key private sectors (mining, agriculture, manufacturing, construction, transport and retail) except in the accommodation and food services sector which employed 7% of the NT labour force in 2006 compared with 6.5% of the outback as a whole. Outback NT and the outback overall experienced declines in the proportion of the labour force employed in mining, agriculture, and retail services between 1996 and 2006. However, outback NT also experienced declines in construction and transport, while employment in these sectors increased across the outback as a whole. Table One summarises the data presented here.

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

Table One: Summary economic demography indicators for outback Northern Territory, outback Australia and Australia as a whole.

| Indicator | Outback Northern Territory | Total Outback | Australia |
|---|----------------------------|---------------|-----------|
| Population growth 1996 – 2006 (%) | -12.4 | -3.7 | 11.8 |
| Median age 2006 (years) | 28 | 35 | 37 |
| Change in median age 1996 – 2006 (% of 1996 median age) | 0.0 | 25.0 | 8.8 |
| Young dependency ratio 2006 (number of people aged 0-14 years for every 100 people aged 15-64 years) | 40.6 | 35.8 | 29.7 |
| Old dependency ratio 2006 (number of people aged 65+ years for every 100 people aged 15-64 years) | 6.0 | 16.8 | 19.9 |
| Total dependency ratio 2006 | 46.6 | 52.6 | 49.6 |
| Sex ratio 2006 (number of males for every 100 females) | 103 | 104 | 97 |
| Indigenous population 2006 (% of total population who were Indigenous) | 51.0 | 17.0 | 2.0 |
| Change in the Indigenous population 1996 – 2006 (%) | 25.7 | 13.7 | 0.0 |
| Not in the labour force 2006 (% of population aged 15-64 years) | 31.5 | 30.8 | 33.1 |
| Female labour force participation 2006 (% of females aged 15-64 years) | 52.0 | 54.0 | 54.0 |
| Change in female labour force participation 1996-2006 (%) | 4.3 | 7.0 | 5.5 |
| Indigenous labour force participation 2006 (% of Indigenous people aged 15-64 years) | 36.8 | 44.4 | 51.2 |
| Change in Indigenous labour force participation 1996-2006 (%) | 8.6 | 1.0 | 1.7 |
| Labour force employed in agriculture (% of total labour force) | 4.0 | 10.9 | 3.1 |
| Labour force employed in mining (% of total labour force) | 2.6 | 7.4 | 1.2 |
| Labour force employed in manufacturing (% of total labour force) | 4.0 | 6.8 | 10.5 |
| Labour force employed in construction (% of total labour force) | 5.6 | 6.7 | 7.8 |
| Labour force employed in retail (% of total labour force) | 7.9 | 10.1 | 11.3 |
| Labour force employed in accommodation and food services (% of total labour force) | 7.1 | 6.6 | 6.3 |
| Labour force employed in transport (% of total labour force) | 3.4 | 4.4 | 4.7 |
| Labour force employed in professional services (% of total labour force) | 3.4 | 2.7 | 6.6 |
| Labour force employed in public administration and defence (% of total labour force) | 22.6 | 9.5 | 6.7 |
| Labour force employed in education (% of total labour force) | 9.1 | 7.9 | 7.7 |
| Labour force employed in health services (% of total labour force) | 12.7 | 10.3 | 10.5 |
| Change in employment in agriculture 1996-2006 (% of total labour force) | -18.4 | -13.9 | -27.3 |
| Change in employment in mining 1996-2006 (% of total labour force) | -53.3 | -14.5 | 3.9 |
| Change in employment in manufacturing 1996-2006 (% of total labour force) | 4.5 | 0.6 | -17.3 |
| Change in employment in construction 1996-2006 (% of total labour force) | -16.0 | 2.4 | 23.0 |
| Change in employment in retail 1996-2006 (% of total labour force) | -16.5 | -10.2 | -16.4 |
| Change in employment in accommodation and food services 1996-2006 (% of total labour force) | 7.6 | 16.5 | 35.8 |
| Change in employment in transport 1996-2006 (% of total labour force) | -28.7 | 1.9 | 8.1 |
| Change in employment in public administration and defence 1996-2006 (% of total labour force) | 45.7 | 48.5 | 36.7 |
| Change in employment in education 1996-2006 (% of total labour force) | 21.4 | 14.4 | 8.4 |
| Change in employment in health services 1996-2006 (% of total labour force) | -0.4 | 8.3 | 10.6 |

Discussion

In general, outback Australia is disadvantaged in terms of its economic demography when compared with the rest of Australia. Not only does it have a small population, but the population is declining. It has a higher age dependency ratio, and lower engagement in the labour force by women and Indigenous people. The outback does have some advantages however; including a larger pool of young people who may become the labour force of the future as they can firstly be retained in the region and secondly

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

engaged in productive work. Recent changes in the labour force profile (industry of employment) across the outback raises concerns about whether the future labour force will continue to move away from productive (particularly private sector) jobs to non-productive ones.

In this general context, outback Northern Territory appears as an extreme case of disadvantage. Population decline has been more marked, the young dependency ratio is higher, labour force engagement for women and Indigenous people is lower, the trend away from private sector employment is more apparent. Conditions have generally been improving in the Northern Territory at a faster rate than elsewhere in the outback – but this is likely a function of the low starting point.

Explanations for the disparity between outback NT and the rest of outback Australia lie in the history of settlement and economic development. The NT still retains a very high proportion of Indigenous people, and experiments in non-Indigenous economic development have been relatively recent compared with most other parts of the outback, and have been largely on much smaller scales. The regions with similar histories include the North West of Queensland and the Kimberley and Pilbara regions of Western Australia. While not explicitly reported here, the conditions in North West Queensland most closely resemble those of outback NT. The conditions in northern Western Australia, however, are vastly different. Those regions have been highlighted as high population growth, high labour force engagement, and an increase in private sector employment activity. Particularly during the mining boom of the early 2000s, the Western Australian regions seem to have been more successful at retaining human capital in line with the growth in financial capital. It will be interesting to see whether the disparity between WA and NT continues during the global economic recession.

Ironically, the trend toward public sector employment, while providing minimal stimulus for continuing long term growth, may provide a short term buffer for the outback NT during expected rises in unemployment in 2009 and 2010. Public sector jobs (particularly those in defence) tend to be more secure at the early stages of recession. However, a loss of rents from mining, and the continuing effects of population decline are likely to lead to a reduction in government services investment in outback NT in the medium to long term.

Crafting an economic future for outback NT that engages its people as well as its abundant natural resources is likely to be more dependant on harnessing the human capital already in residence than attempting to encourage substantial immigration (a policy which has been largely unsuccessful over the past thirty years or more). The young age profile of outback NT means a relatively large cohort of people approaching workforce age. Retention of this group, and development of meaningful employment opportunities for them, must be the highest priority. Of greatest importance is to encourage a diversity of employment which suits men and women, Indigenous and non-Indigenous people, early career and late career workers.

References

Brown, D., Taylor, J. and Bell, M. (2008). The demography of desert Australia. *The Rangeland Journal*. 30: 29-43.

POPULATION STUDIES GROUP RESEARCH BRIEF ISSUE 2009037:
THE ECONOMIC DEMOGRAPHY OF OUTBACK AUSTRALIA – HOW DOES
REGIONAL NORTHERN TERRITORY COMPARE?

Hudson, P. (1991). Population growth in northern Australia. *Urban Policy and Research*.
9(1): 47-56.

WORK IN PROGRESS

