



Australian Government
Centre for Population

Strong evidence. Deep insights. Collaborative approach.

WHY DO PEOPLE MOVE?

Understanding
internal migration
in Australia



Why do people move?

Nearly 40 per cent of Australia's population changes address every five years. The average Australian moves 13 times during their lifetime.¹

The importance of understanding why people move

Moving is always an interesting topic of conversation. The population in an area can grow as more people choose to move or stay there, while other areas experience population decline. Population growth and decline impact local residents and have important social, economic and policy implications.

The topic of moving has become even more prominent in 2020, the year of COVID-19. Stories abound of people who are relocating from cities to regional areas. Other stories tell of plans to move interstate that have been disrupted by travel restrictions.

With such an interest in how COVID-19 will change the patterns of how, and *where*, we live and work, it is timely to discuss the individual drivers that cause people to relocate. Each individual decision to relocate contributes to the broader migration patterns that will help shape our regions, cities, states and territories in the future.

Work undertaken by the Centre for Population shows that there is a consistent set of demographic factors, motivating factors and life events that can explain migration within Australia. These factors are expected to broadly remain dominant, despite the disruptions caused by COVID-19. This paper starts at the individual level, seeking to understand what influences a person's decision to move. It then broadens out to examine some of the economic factors that influence the overall levels, and direction of internal migration.

Key findings

The key findings of the work by the Centre for Population include:

- Australia's population is mobile, but there are longer-term forces, such as the ageing of the population, which are reducing this mobility.
- Age, and key life events associated with a person's age, are very important in understanding when and why people move.
- Economic drivers also influence the short-term levels and direction of migration between states and territories. These drivers include economic growth, relative unemployment rates and relative house prices.

Further work

This paper is part of a broader suite of research the Centre for Population is undertaking on internal migration patterns. Other work includes detailed analysis and scenarios associated with the impact of economic shocks on people's decisions to move. Work is also underway to monitor the impacts of COVID-19 on interstate migration and population movements between cities and regions. This work, along with the latest migration data can be found at www.population.gov.au.

¹ Bell, *Internal migration and development: comparing migration intensities around the world*, 2015; Bell, *How often do Australians move? Alternate measures of population mobility*, 1996.

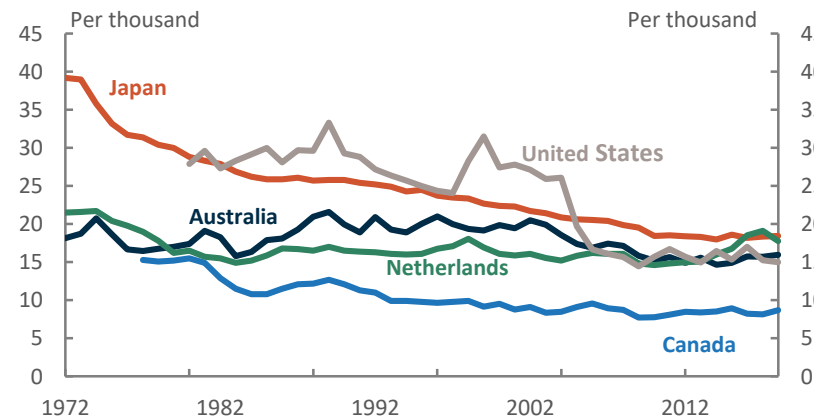
Historical trends and the role of age in moving

Over 95 per cent of young adults aged 15-24 have moved in the last five years, with almost 20 per cent of this group having moved five or more times.²

Australia is a mobile country, with one of the highest levels of internal migration in the world. However, both in Australia and internationally, this rate is in decline (Figure 1). Research indicates this is likely due to behavioural changes such as people choosing to stay, or being stuck in place.

The concentration of Australia's population in capital cities and coastal areas has been increasing. This has been driven in part due to a pattern of migration away from inland regional areas. Among the capital cities, Sydney has historically seen a net loss in internal migration, with people choosing to relocate to other areas around Australia. Conversely, Melbourne and Brisbane have seen strong net gains in internal migration in recent years.

Figure 1: Declining interstate migration rates, 1972–2018



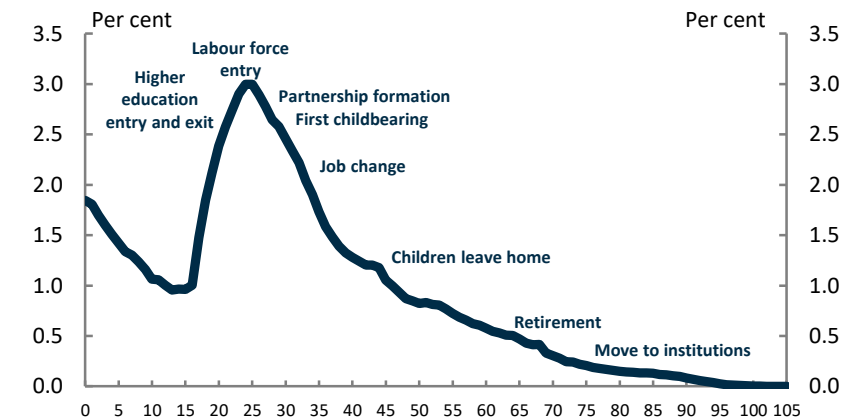
Source: Alvarez, M., Bernard, A., & Lieske, S. N. (forthcoming). *Understanding internal migration trends in OECD countries*.

² ABS, *Survey of Income and Housing*, 2013-14.

Australia's internal migration follows a well established pattern of peaking at young adult ages and declining thereafter (Figure 2). This pattern coincides with a number of significant life events. Young adults commence higher education, enter into the labour force, and start a family – all events which influence the likelihood to move.

A small spike in the later age groups, peaking around age 65, is often associated with retirement and exiting the labour force. Subsequent moves are usually associated with relocating for health and personal care purposes.

Figure 2: Age distribution and typical life events of people who lived at a different usual address in Australia one year ago



Source: ABS, *Census*, 2016; Bernard, *Life-course transitions and the age profile of migration*, 2014.

Motivations for moving

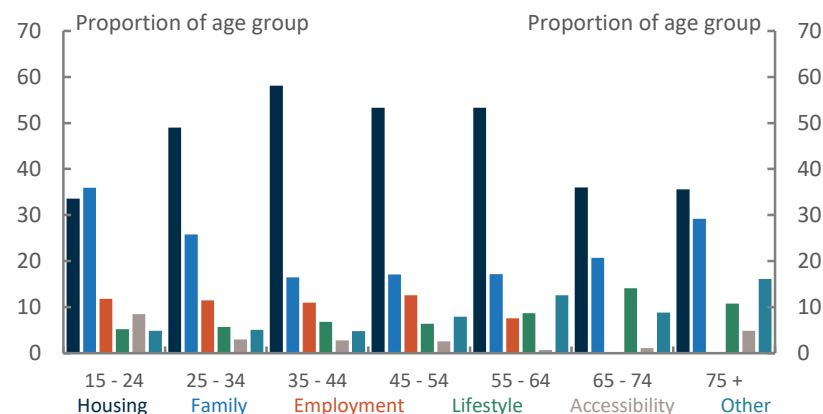
Family and employment reasons are the most commonly reported drivers for interstate moves.⁵

A number of surveys track people's motives for moving. While these motives can be related to age and life-events, the survey responses demonstrate the range of socio-economic and personal reasons that influence a decision to move.

Housing is the most commonly reported reason for moving, accounting for approximately 51 per cent of total reported moves.³ Examples include moving to a bigger house, downsizing or the end of a rental lease. However, these moves usually occur within a city or region, as opposed to between cities, regions, states or territories.

Family reasons are the second most reported driver behind moving, accounting for 22 per cent of total reported moves.⁴ Examples include the end of a relationship or moving to be closer to family.

Figure 3: Reasons people move, by age group



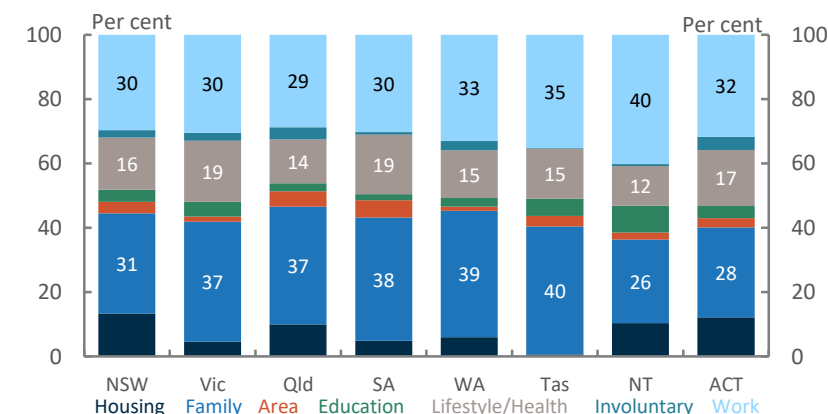
Source: ABS, Survey of Income and Housing, 2013-2014.

³ ABS, Survey of Income and Housing, 2013-14. ⁴ ABS, Survey of Income and Housing, 2013-14.

Moving for employment reasons becomes much more important when understanding moves over longer distances or interstate. When examining interstate migration, the top reported drivers behind a move are family reasons (approximately 35 per cent), followed closely by employment reasons (approximately 30 per cent).⁵

Different push and pull factors motivate people to move to different states and territories (Figure 4). Family reasons and employment opportunities account for roughly the same number of people moving to New South Wales. For the Northern Territory, employment opportunities account for a much larger proportion of moves, while for Tasmania, family reasons dominate.

Figure 4: Reasons for interstate migration, by destination



Source: University of Queensland, HILDA data averaged results from 2002-2018.

⁵ Melbourne Institute, Household, Income and Labour Dynamics in Australia (HILDA).

Economic drivers of migration

A 5 per cent increase in a state's relative unemployment rate leads to a 0.8 per cent decrease in their net migration rate.⁶

In addition to the mix of individual, and less quantifiable factors, that motivate a person to move, a range of more quantifiable economic and demographic factors can be used to help model internal migration flows.

National drivers of migration

In the long-term, as a country gets wealthier (i.e. Gross Domestic Product (GDP) per capita increases), the overall rate of interstate migration appears to fall (Figure 1).

In the short-term, the opposite is true. A one per cent increase in Australia's GDP per capita results in a 1.5 per cent increase in the total rate of interstate migration. A fall in GDP per capita will drive interstate migration down. This is because increasing wealth creates localised opportunities for which people will move.

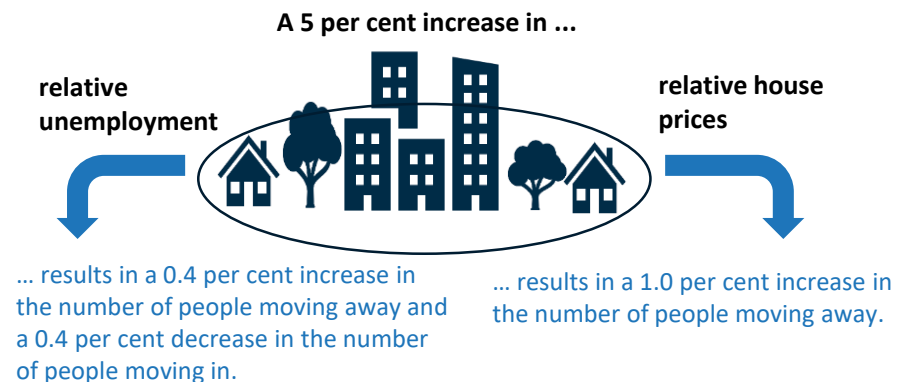
At a national level, the other key determinant of interstate migration is the share of the population aged between 20 – 40. The younger the population, the greater the level of internal migration. This makes sense given the relationship between age and likelihood of moving. This also means that Australia's ageing population will place downward pressure on future interstate migration levels.

Driving movement between states and territories

Research by the University of Queensland highlights two key drivers that help explain the patterns of movement between states and territories. Short-term disparities in unemployment rates are one of these drivers. A five per cent increase in a state's relative unemployment rate will lead to a 0.4 per cent increase in people moving out of that state, and to a 0.4 per cent decrease in the rate of people moving into that state. The total effect is a 0.8 per cent decline in net migration. This aligns with the employment motives people reported as leading to their interstate moves.

Relative property prices in states and territories appear to have a greater influence than relative unemployment rates on interstate migration. A five per cent increase in property prices will increase the number of people migrating out of that state by 1.0 per cent.

Figure 5: Factors that lead to people moving away from a location



⁶ University of Queensland, *Anticipating the impacts of COVID-19 on internal migration*, December 2020.

More information on internal migration

The following resources provide more information on migration within Australia.

The Centre for Population

Population change affects every aspect of Australians' lives. It is important to understand how Australia's population is changing and the implications of these changes. The Centre for Population strives to understand and communicate the nuances of population change.

The latest data, research and analysis on internal migration can be found at www.population.gov.au

Primary migration data sources

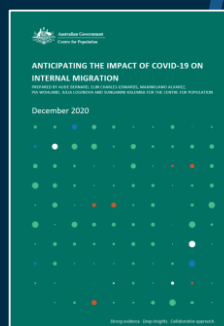
Primary sources of migration data include:

- ABS, *Census*.
- ABS, *Australian Census Longitudinal Dataset, (ACL)*.
- ABS, *Survey of Income and Housing*. Note that the collection of housing mobility data occurs in every second survey.
- ABS, *National, state and territory population*.
- ABS, *Regional population growth, Australia*.
- ABS, *Regional internal migration estimates, provisional*.
- Melbourne Institute, *Household, Income and Labour Dynamics in Australia (HILDA)*.

www.population.gov.au



Population Statement 2020



Anticipating the impact of COVID-19 on internal migration (2020)



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