

KPMG – Sydney

26 July 2005

Australia seachange shift part of global trend

The great Australian seachange shift is a powerful trend that is here to stay. That's the key finding from KPMG's *Population Growth Report 2005* released today.

"The number of Australians pushing to the coast outside capital cities reached 66,000 or 1.8 per cent in the year to June 2004," said report author and partner in KPMG's Risk Advisory Services practice, Bernard Salt.

"Almost 20 per cent of the nation now lives on the provincial coast in fast growing cities like Queensland's Hervey Bay, New South Wales' Tweed Heads, Victoria's Bass Coast, South Australia's Victor Harbour, Tasmania's Latrobe and the West's Mandurah," Mr Salt said.

The report shows that the Aussie seachange shift is merely part of a wider global movement towards the sunbelt and lifestyle.

"Nineteen of the 20 fastest growing counties in the United States over the year to June 2004 were located across the deserts as well as along the coast of the sun states," Mr Salt said.

"New Zealanders on the other hand are gravitating towards the mountain retreat of Queenstown on the South Island.

"But Australians are different to both the Americans and to the New Zealanders: we are singularly focused on the coast; there are simply no other places that compare with beach cities to attract the Australian people," Mr Salt added.

Other key findings:

Sydney struggling: the number of people added to metropolitan Sydney has dropped from 60,000 in the Olympic year to 34,000 in the year to June 2004. This slow down in Sydney's rate of growth has resulted in population falls in many parts of the city: Fairfield, Penrith, Campbelltown, Canterbury and even the Blue Mountains; all of which are going backwards in terms of population levels. The reason is that adult kids are leaving the family home leading to household shrinkage. These areas are also running out of land for new housing.

Wheatbelt decline: There are 87 local government areas across the Australian wheatbelt that lost more than one per cent of their population base over the 12 months to June 2004. The most severely affected place was the West Australian locality of Cunderdin where the population dropped by 122 or 8.5 per cent over 12 months to reach a new and lower base of 1,308 at June 2004. The combined population of the declining wheatbelt communities was 314,000 at June 2004 down from 321,000 some 12 months earlier.

Sponge cities soak up the bush: The population of the New South Wales town of Dubbo increased by 63 per cent between 1976 and 2003. But over the same time the population of Warren 75 km north-west of Dubbo dropped by 27 per cent. However, while there was growth in the population in all age groups in Dubbo over this period, in sponge-city-affected Warren there was population loss in every age group between 0 and 34. It's almost as if sponge cities are sucking the youth out of smaller communities.

That's not urban sprawl ... this is urban sprawl: Melbourne's city of Casey southeast of Dandenong added 8,721 new residents over the year to June 2004 in a largely suburban setting. The Los Angeles county of Riverside, which is also located in a suburban setting, added 89,100 residents over the year to June 2004. The best, or worst, of Australian suburban sprawl is barely one-tenth of counterpart areas in the US.

The man drought: There were 54,000 more men than women aged 30-something in Australia in 1976. By 2004 there were 20,000 fewer men than women aged 30-something. The reason for the so-called "man drought" is that the globalisation of labour is now attracting young men in particular out of Australia to stronger economies in the northern hemisphere. The fact is that Generation X women have had access to fewer men from which to choose a partner than did baby boomer women 30 years ago.

Ride the subway of love: At the 2000 census there were 106,000 never-married men and 104,000 never-married women living on Manhattan Island. However in one Lower East Side neighbourhood there were 2.41 never-married young men per never-married young woman. Tell the girls from Sex and the City that this is Manhattan's bachelor hotspot. The bachelorette hotspot was a precinct in the Upper East Side where there were 2.45 bachelorettes per bachelor. The bachelorette hotspot is linked to the bachelor hotspot by the Bronx/Brooklyn Subway lines 4, 5 and 6. And so when you next visit New York perhaps you might like to ride this "subway of love."

Extreme boomers: Boomer bunker Byron Bay holds the unique distinction as the Australian town with the highest proportion of baby boomers (27 per cent as compared with a national average of 21 per cent). Boomers went there as 20-year olds in 1973 for the Nimbin Aquarius Festival ... and they haven't moved on. In the equivalent boomer bunker is Los Alamos (also 27 per cent) which is home to America's nuclear weapons research where they are no doubt tagged boom-boom boomers.

The Leaving of Loving: the West Australian wheatbelt town of Cunderdin lost 8.5 per cent of its population (or 122 residents) over the 12 months to June 2004 making this the biggest percentage loser of people across all Australian municipalities. In America the Texas County of Loving lost 11 people or 17.5 per cent of the local population leaving only 52 Lovers left in Loving. Population loss from Loving and Cunderdin results from farm aggregation and from the diminution of demand for local services.

The donut is back: The rationale behind the development of apartments in metropolitan Australia in the 1990s was that population levels were in decline in the city centre but were rising on the urban fringe, leading to what was known as the "donut effect". But the development of apartments pumped up population levels in the inner city and eliminated the donut. However new figures for the year to June 2004 show that population loss has returned to parts of the city. But this time the hole of the donut has surfaced over middle suburbia in places like Sydney's Fairfield (down 646) and Melbourne's Banyule (down 682). Perhaps planners will soon be looking to push apartments into the suburban heartland?

About the report

Population Growth Report 2005 is the signature annual demographics report prepared by KPMG for Australian business. This year's report covers Australia, New Zealand and the United States.



Media release

Note to editors

The report is available in electronic format. Please contact Anita Poppi on the details below if you would like a copy.

Further information

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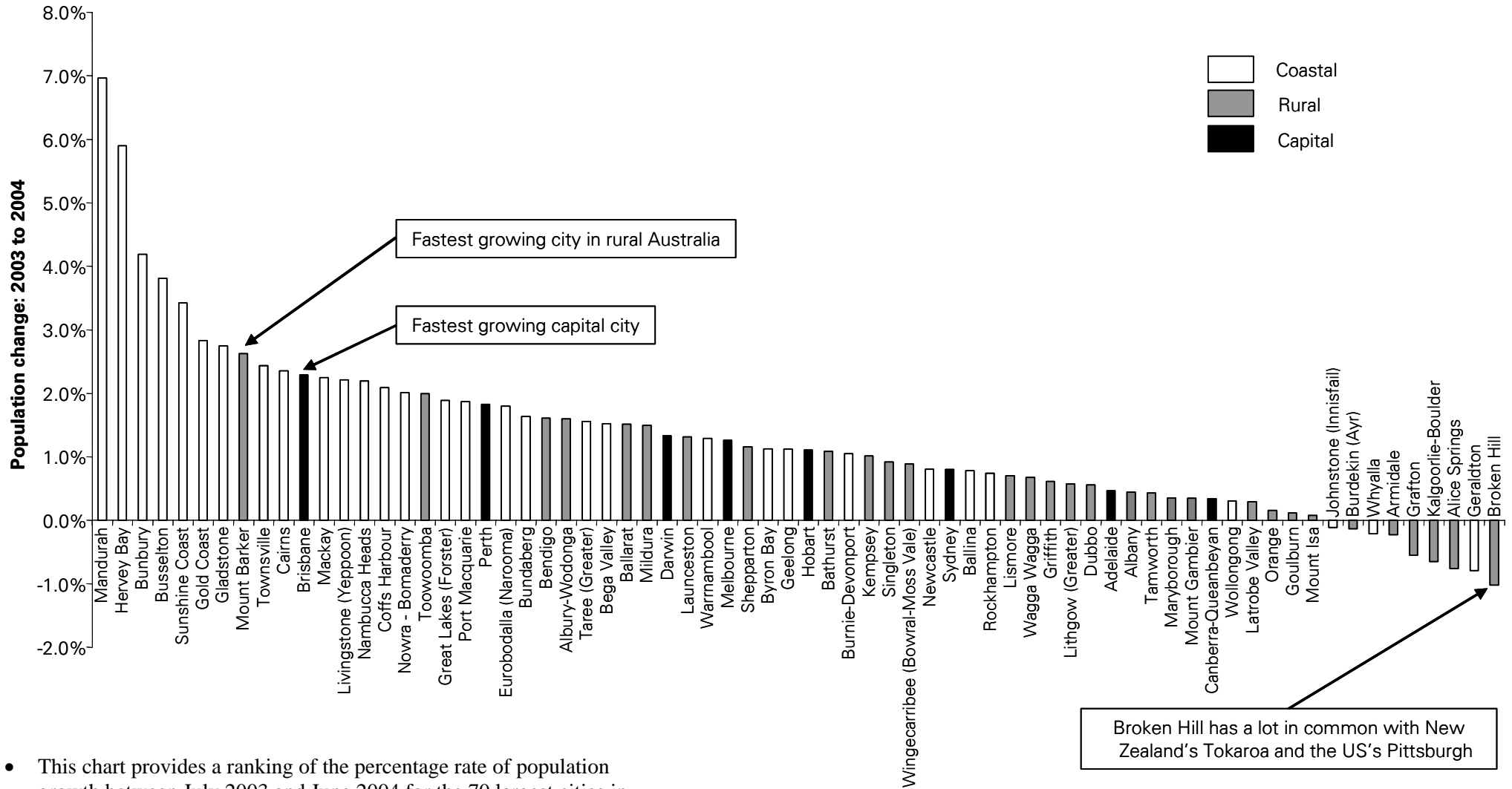
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Report availability and access to author

Population Growth Report 2005 is published by KPMG in Australia and is available for purchase at a cost of AUD595 including GST. This annual report is sold to business to assist with strategic planning. The report's author is KPMG Partner Bernard Salt. See also www.kpmg.com.au.

Media release

Extract from *Population Growth Report 2005*



- This chart provides a ranking of the percentage rate of population growth between July 2003 and June 2004 for the 70 largest cities in Australia.