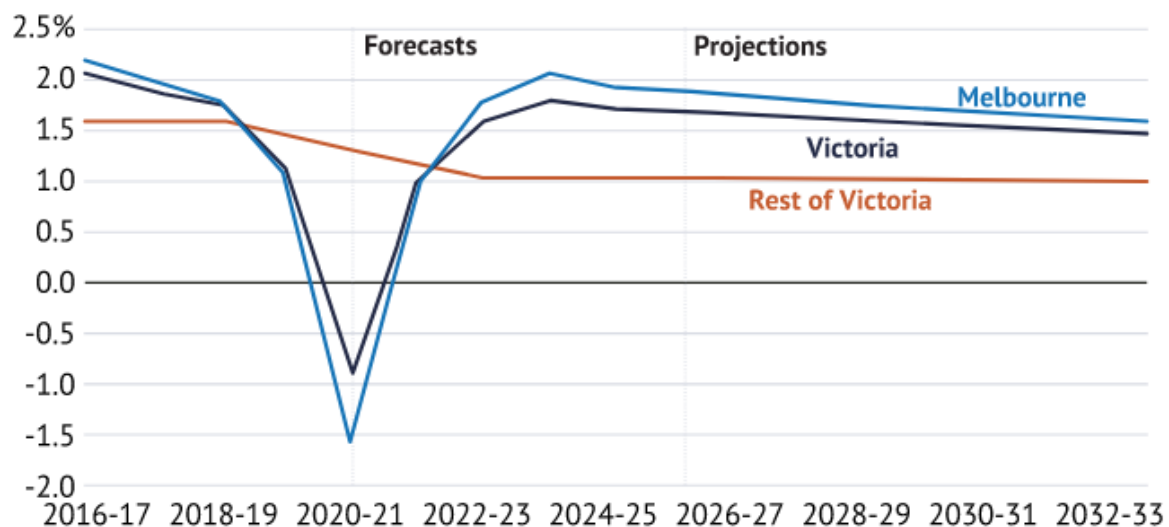


Melbourne to overtake Sydney as Australia's largest city by 2031

After a sharp pandemic-induced exodus, Melbourne's population is set to swell by an average of almost 2000 people a week to overtake Sydney as Australia's largest city in nine years.

The official prediction, from the federal government's Centre for Population, suggests that Melbourne is back on track to claim the title, with the population expected to balloon from about 5 million in June last year to 6 million by mid-2031 – rising to 6.1 million the following year.

Population growth in Victoria, Greater Melbourne and the rest of Victoria



Source: ABS (National, state and territory population, March 2022 & Regional population 2022), Centre for Population projections

Sydney's population is also expected to continue to grow, just more slowly.

The centre's 2022 population statement, to be released on Friday, also showed that Melbourne was hit harder than any other major Australian city during the pandemic.

After soaring growth for a decade, its population slumped 1.6 per cent over the year to June 2021, with the loss of 78,700 people as a series of crippling lockdowns, a deep economic malaise, and border closures triggered an overseas and interstate exodus.

But the report suggests that was a historic aberration. It predicts population growth of 1.8 per cent over the year to June 30, 2023, followed by 2.1 per cent the year after that, slowing to an annual pace of 1.6 per cent by June 2032.



Treasurer Jim Chalmers said the government welcomed the rebound in overseas migration. DOMINIC LORRIMER

Treasurer Jim Chalmers said the expected population turnaround was a testament to the Melbourne's appeal, hailing the recovery as a "great coup" for the city.

"We often see Melbourne voted one of the most liveable cities in the world, so it's no surprise to see population growth rebound," Chalmers said.

"Given everything Victorians went through during the pandemic, this is a great coup for Melbourne and the people that make the place so special."

Briton Alex Read, 29, decided to move to Melbourne in 2020, but Australia's pandemic-induced border closures delayed his relocation. On New Year's Day in 2022, he finally set foot on Victorian soil.



"Melbourne just sort of fits me like a glove": Briton Alex Read moved to the city on New Year's Day in 2022. WAYNE TAYLOR

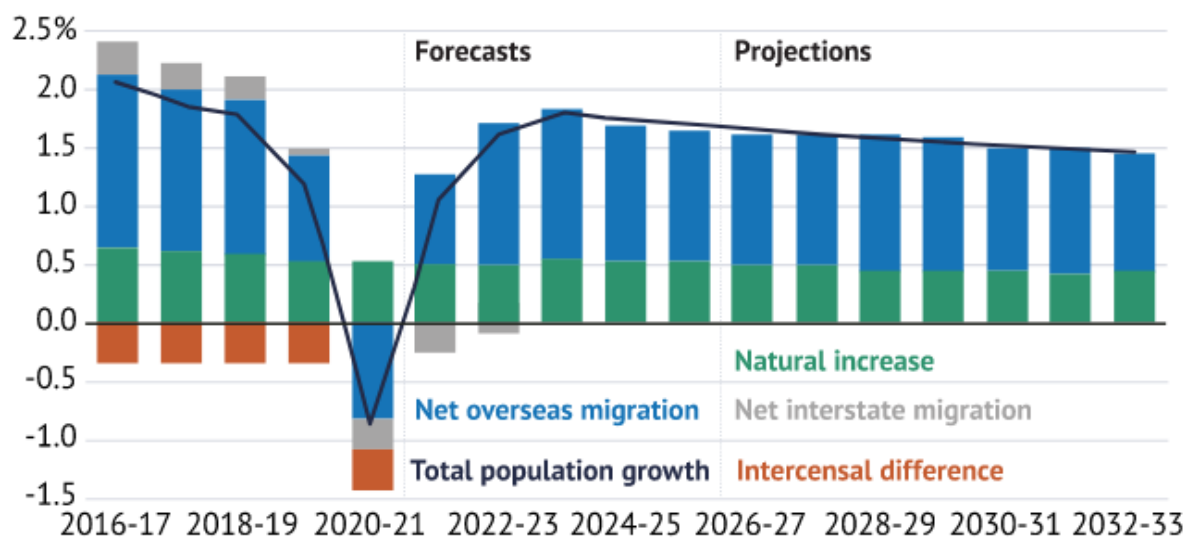
He said Melbourne offered a "home away from home", a place similar enough to his native London to be comfortable but with exciting points of differences.

"I'm definitely a city boy," Read said. "There's always something to do here, there's always somewhere to go, and there's always something to see.

"But migrating to Victoria so soon after COVID-19 restrictions were lifted wasn't seamless. Melburnians were still wary of the virus, which made making new friends difficult, and jobs outside of hospitality and retail for expats were scarce."

The report also suggests Melbourne may not be so appealing to people already living in Australia, with much of the city's population gains over the next decade expected to come from strong overseas arrivals.

Population growth and components, Victoria



Source: ABS (National, state and territory population, March 2022), Centre for Population projections

After losing a total of 62,400 people to regional areas or other Australian jurisdictions over the past two financial years, Melbourne is expected to lose another 15,100 people to “internal migration” over the year to June 30, 2023.

The report suggests that the trend will roll on, with Melbourne still tipped to be losing 11,000 people to internal migration in 2032-33.

But booming net overseas migration will more than make up any losses. The city expected to gain 73,100 foreign migrants this financial year, followed 74,500 in the next and more than 71,000 each year after that.

The report said that Victoria, which accounts for about a quarter of Australia’s population, would claim a disproportionately large 34 per cent share of Australia’s annual average overseas migration intake over the next decade.

This, coupled with a steady “natural increase”, with births expected to exceed deaths, will push Melbourne’s population up by an average of 1901 people a week for the next decade. Like Melbourne, Sydney is expected to continue to lose residents to regional areas or other states for the foreseeable future, with these losses more than offset by tens of thousands of overseas migrants each year.

Chalmers warned that as the economy recovered from the worst of the pandemic, crippling skills and labour shortages were holding businesses and the economy back.

“Migration is part of the solution, but it’s not the only answer,” he said.

KPMG urban economist Terry Rawnsley said Sydney had been consistently losing people to other parts of the country for many years because of declining housing affordability, whereas Melbourne’s experience had been more volatile.

The Victorian capital famously lost thousands of its residents to other jurisdictions during the recession of the 1990s, but then gained people attracted by the strong jobs market in the decade leading up to the pandemic.

“Then we had the great COVID shock, and Melbourne lost a lot of people to the regions,” Rawnsley said.

The trend has been exacerbated by declining housing affordability, Rawnsley said.

“What we are seeing is a net outflow to places like Geelong, and also there has been an interstate flow from Melbourne to Queensland because of cheaper housing that was super-charged by COVID.”

A major backlog of working holiday visa applications during the lockdowns meant processing times blew out, forcing migrants including Read to wait up to two years for any sign of progress.

“There was still a lot of uncertainty around whether Australia would stay open,” he said. “Even when I flew in, there was uncertainty around if I had to quarantine.”

Despite the hurdles, Read said there was nowhere else in Australia he’d rather be.

“I had some friends on the Gold Coast that I knew [but] that’s one of the places that’s always on your list to go visit but never really an option to live in.

“Melbourne just sort of fits me like a glove.”

Source : <https://www.theage.com.au/national/victoria/melbourne-to-overtake-sydney-as-australias-largest-city-by-2031-20230104-p5cab6.html>