Victoria in Future 2023

Population and household projections to 2051

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VICTORIA State Government | Department of Transport and Planning

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Introduction

What is Victoria in Future 2023?

Victoria in Future 2023 (VIF2023) is the official state government projection of population and households. Projections are used by decision makers in government, business, and the community to understand the growing and changing population.

Population projections are estimates of the future size, distribution, and composition of the population. They are based on trends and assumptions for population change, household formation and housing development across all of Victoria. Projections should not be interpreted as exact predictions or forecasts of the future, nor are they targets.

Uncertainty about the future increases over longer projection horizons and with smaller geographic areas. Different policy settings and changes in the economy could result in changes to the expected size, distribution, and composition of the population.

Data sources and presentation

VIF2023 makes projections based on the Estimated Resident Population (ERP). This is the official population estimate released by the Australian Bureau of Statistics (ABS) at least once per year. The latest data used here are the numbers for 30 June 2022. Household and dwelling data are based on the results of 2021 Census.

State level projections are published for every individual year and include detailed demographic data from 2011 through to 2051. Projections for sub-state areas are published for every fifth year from the most recent Census (2021) and extend to 2051 for major regions and to 2036 for Local Government Areas. (Any sub-state estimates based on 2023 figures are derived from an interpolation between 2021 and 2026.)

For the most detailed view of the projections download the data files online.

Population in Victoria 2023-2051

Housing in Victoria 2023-2051

+1.5m
Additional households

+1.6m
Additional dwellings

Highlights: Victoria

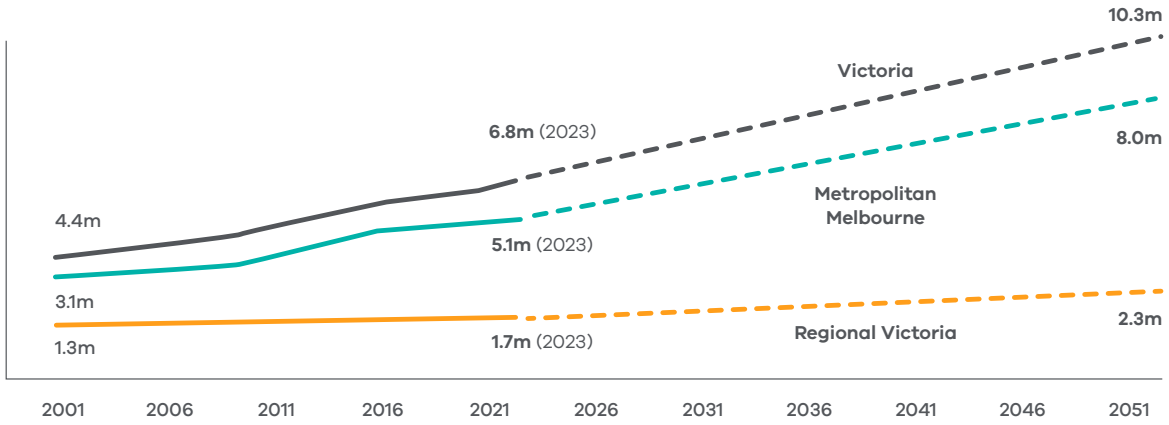

Figure 1 – Past and projected population by major regions 2001 to 2051.

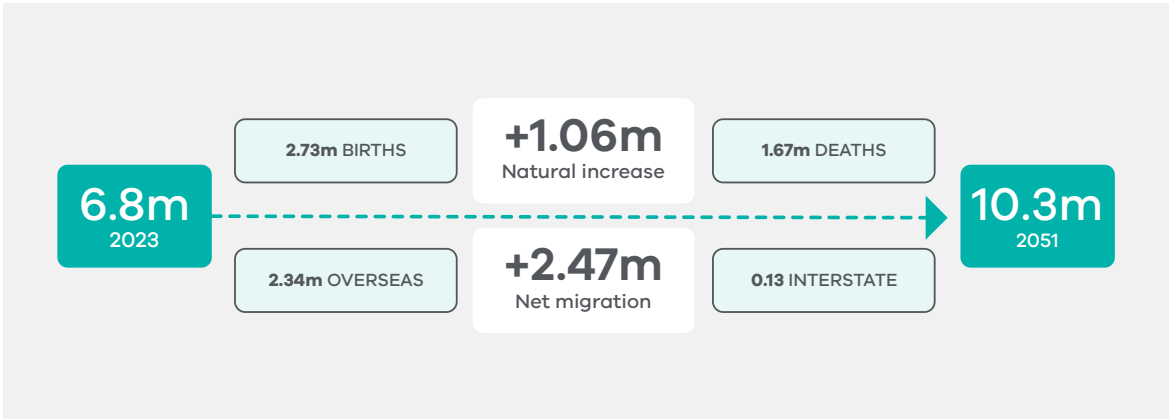

Figure 2 – Components of population change, Victoria 2023 to 2051.

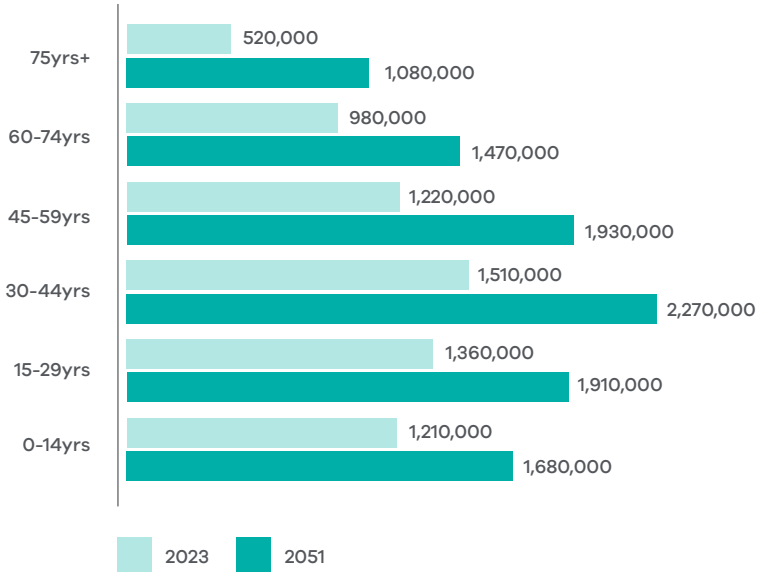

Figure 3 – Population by age group, Victoria 2023 and 2051.

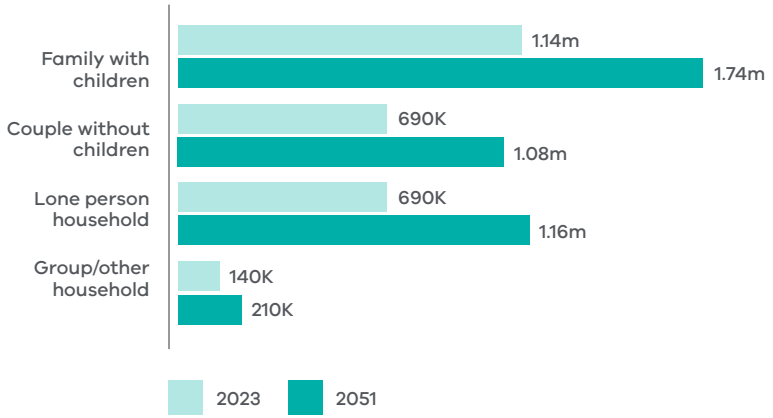

Figure 4 – Households by type, Victoria 2023 and 2051.

Highlights: Local Government Areas

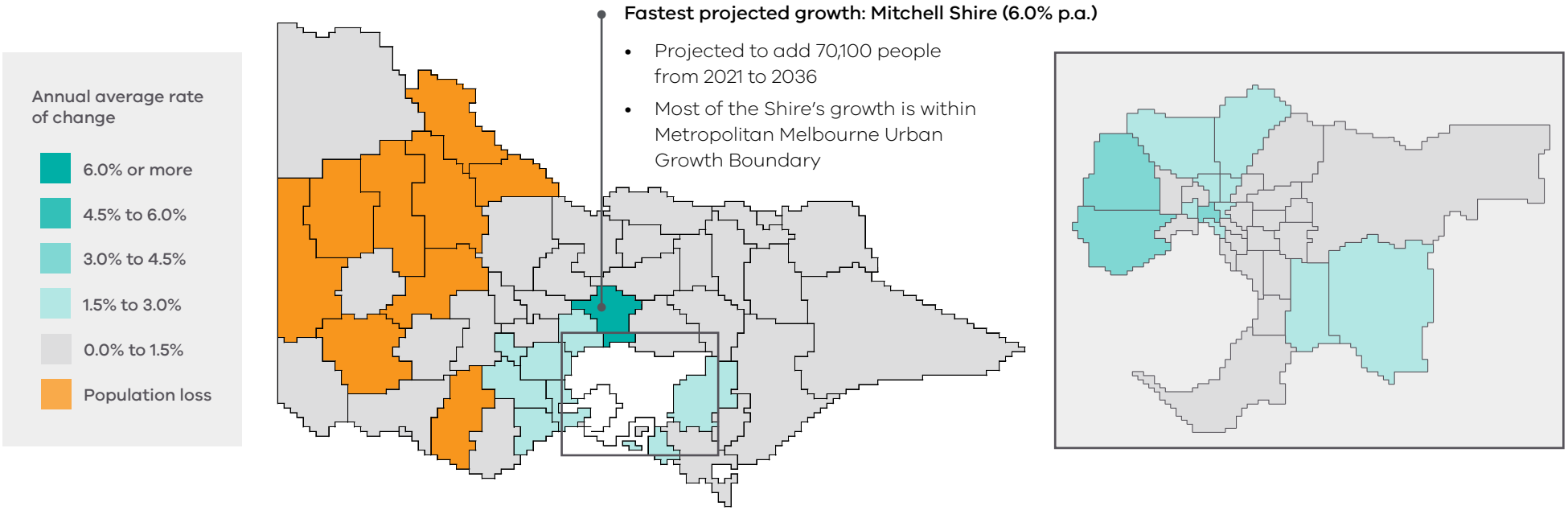

Figure 5 – Annual average rate of population change, Metropolitan and Regional Local Government Areas 2021 to 2036.

Figure 6 – Top five population growth, 2021 to 2036, Metropolitan and Regional Local Government Areas.

Projections overview

Demographic assumptions: components of population change

Population projections rely on the 'cohort component model' to understand population change. This is driven by assumptions regarding the components of population change: Net Overseas Migration (NOM); Net Interstate Migration (NIM); Natural Increase (the difference between the number of births and deaths). See Figure 7 for historic and projected levels.

Net Overseas Migration was Victoria's strongest driver of population change in recent years, accounting for around 60 per cent of state growth for most of the 2010s. Permanent migrants arrived under the skilled, family and humanitarian streams of the Commonwealth Migration Programme. Temporary migrants come under visa categories including students and temporary business migrants.

However, patterns of migration were disrupted during the COVID pandemic. Victoria lost population through both overseas and interstate migration. The rapid return of overseas migration sees two years of elevated overseas arrivals and very strong NOM, followed by a smaller than average NOM in 2024/25 due to an expected elevated level of departures (following the post-COVID wave of temporary arrivals).

Figure 7 – Components of population change, Victoria 2001 to 2051.

Over the longer term, however, patterns are expected to resemble the pre-COVID period with NOM adding between 82,000 and 84,000 people to the population each year.

Victoria's NIM is expected to return to positive and gradually increase before settling at an ongoing level of 5,100 per annum from 2028 onwards.

Natural Increase is dependent on three key factors – fertility rates (number of children per woman), mortality rates and the number of people of different ages in the population (the age structure).

VIF2023 assumes Victorian women will have, on average, 1.5 children over their lifetime. As the population increases so does the number of births in each year. The number of births per annum in Victoria is projected to increase from 78,000 in 2023 to 112,000 in 2051. Despite increases in average life expectancy in the future, the number of deaths is also expected to increase. Life expectancy at birth is projected to increase from 82 to 86 for males and from 86 to 89 for females, yet the number of deaths increases from 46,000 in 2023 to 74,000 in 2051. Natural increase is projected to be between 32,000 and 39,000 for most of the projection period.

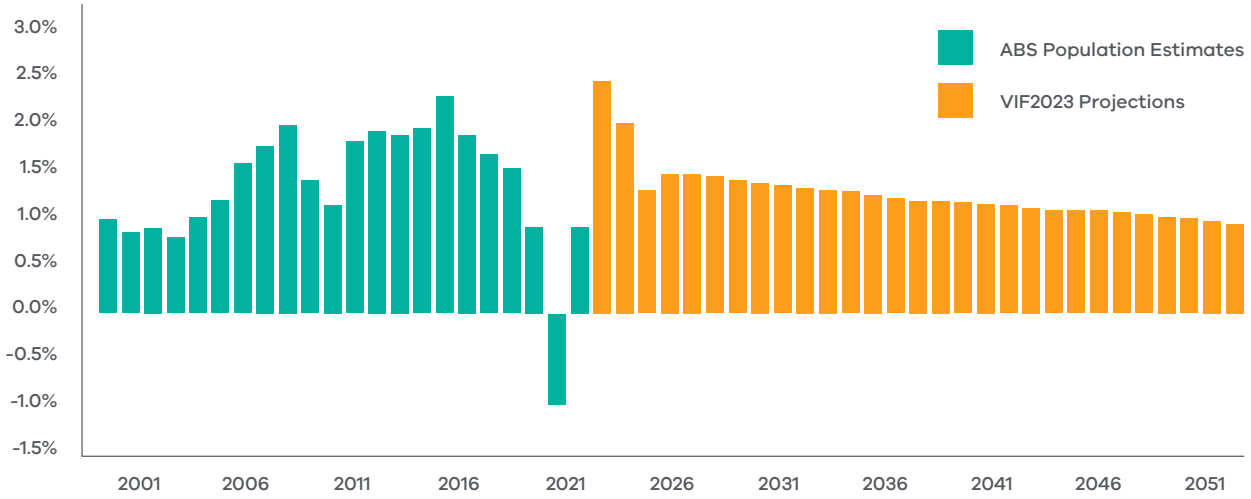

Figure 8 – Annual population growth rate, Victoria 2001 to 2051.

Population growth

With a population of approximately 6.8 million at 30 June 2023, Victoria has the second largest population of Australia's six states (New South Wales population is around 8.3 million). Victoria's population represents a fraction over 25 per cent of the national population. Despite losses during the COVID period, Victoria accounted for over 30 per cent of Australia's population growth over the previous decade.

Victoria added around one million people over this period, while New South Wales added around 900,000.

In the most recent financial year, 2022/23, Victoria's population is estimated to have increased by 175,000 people, or 2.6 per cent, representing the largest annual growth of any state or territory in Australia's history (see Figure 8).

Over the next decade Victoria's population is projected to increase by an average of around 125,000 per year, adding 1.25 million people at an annual growth rate of 1.7 per cent. The projected growth rate slows gradually over time. The level of growth is relatively consistent, but the total population is increasing. By the end of the projection period the projected annual growth rate is 1.2 per cent as Victoria's population reaches 10.3 million.

As the official state projection, Victoria in Future presents a single series representing likely future growth, informed by current trends. This approach is considered the most useful for developing a common view to guide service and infrastructure planning. Conditions and trends may change in the future, however, and if other assumptions were used, different growth levels would result.

Population composition

The composition, or characteristics, of the population can be just as important as the size or the growth rate. Places with the same population size may require different services and infrastructure depending on the mix of ages and household types.

Victoria's population will age over time due to the current composition of the population and expected future events. Individuals age every year, but the population ages when the balance changes between older people and younger people. Figure 9, shows a Victorian population which will age over time, even though there are increases across all age groups.

The median age in Victoria is 37 – young by standards in the developed world. Over 60 per cent of Victoria's population is within the key working ages of 18 to 64 years, while around one of every six Victorians is aged 65 years or over.

By 2051 the population will have aged by proportion, particularly as the large 'baby boomer' cohort moves into the oldest age group. The median age is projected to have reached 40 by this stage, with almost one fifth of the population aged 65 years or older. The number aged 65 years and over almost doubles over the period (to 2 million people) and the number aged 85 years and over almost triples to 400,000 people.

The absolute numbers in the younger age categories are still expected to increase strongly. An additional 380,000 people are expected at school ages (5 to 17) by 2051, though this will represent a smaller proportion of the total population than this group did in 2023.

The population of Victoria consists of many millions of individuals, but when these people occupy dwellings, they do so as a household. A household may be just one person (a lone person household) or may be made up of more than one person, living together as a family or other living arrangement. The most common living arrangement in Victoria in 2023 is the family with children (with one or two parents). There are almost 1.2 million of these households in Victoria, or around 43 per cent of the total.

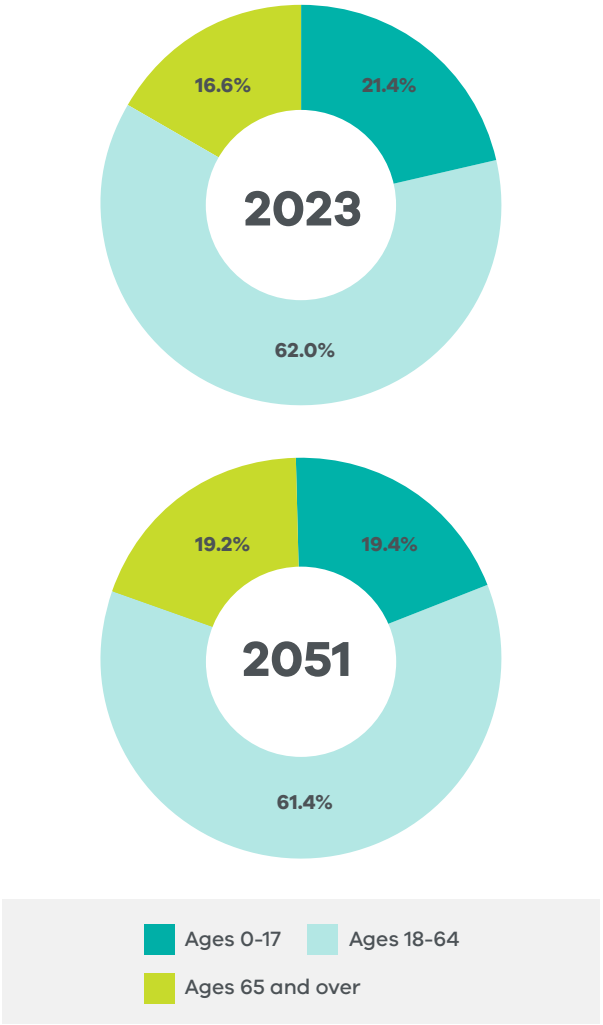

Figure 9 – Population by age group, Victoria 2023 and 2051.

As the population grows in the future there will be increases in the number of all household types, with the family with children remaining the largest in number and proportion (see Figure 10). Lone person households are expected to increase at the fastest rate in the future, as an older population will likely mean more people living on their own later in life. This household type represents 26 per cent of households in 2023 and will represent 28 per cent of households in 2051.

The total number of households in Victoria is expected to increase by approximately 1.5 million over the 28 years to 2051. Over this time many new households will form, and many people will change their living arrangements. The result of all those individual decisions as the population grows – the net increase in the number of households – is the key driver of the need for additional future housing.

The rate of household increase is accelerated when households are expected to be smaller. Older Victorians are more likely to live in a one – or two-person household than a larger household so, as the population ages, both the number and the proportion of these households increase. The average size of a household therefore decreases from 2.52 persons per household in Victoria in 2023 to 2.43 in 2051.

As the number of households increases so must the number of dwellings required to house them. From 2023 to 2051 Victoria will require more than 1.6 million additional dwellings to house the extra population: around 1.3 million in Metropolitan Melbourne and over 300,000 in Regional Victoria.

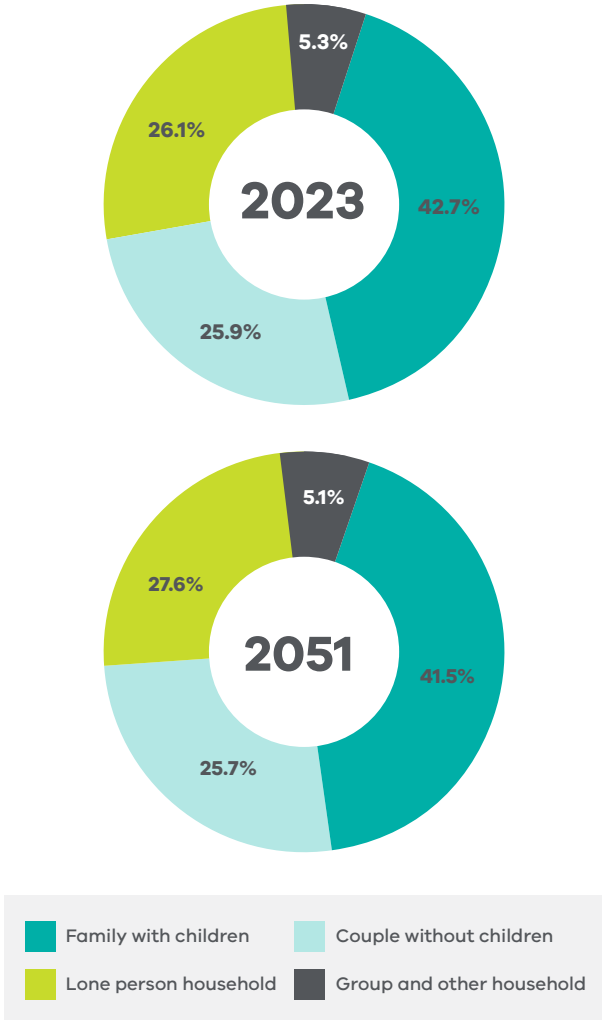

Figure 10 – Household by type, Victoria 2023 and 2051.

Population distribution

Population growth is not evenly distributed across Victoria. Patterns of urban and regional population change reflect the likelihood of individual places to attract population growth and their capacity to absorb extra population. Victoria in Future takes account of these factors to project the levels and rates of growth for Victoria's major regions and Local Government Areas (LGA).

Metropolitan Melbourne accounts for approximately 75 per cent of Victoria's population, with the remainder in Regional Victoria. During the COVID pandemic Melbourne's population decreased as people left for overseas, interstate, and other parts of Victoria. Regional Victoria's population growth patterns were relatively unchanged throughout this period. Some places in Regional Victoria grew faster than usual due to extra migration out of Melbourne.

Over the medium- and long-term future, however, Metropolitan Melbourne will resume its former growth patterns and account for around 80 per cent of all future growth in Victoria. Metropolitan Melbourne is projected to increase its population from 5.1 million in 2023 to 8.0 million in 2051. Regional Victoria is expected to increase from 1.7 million to 2.3 million over the same period.

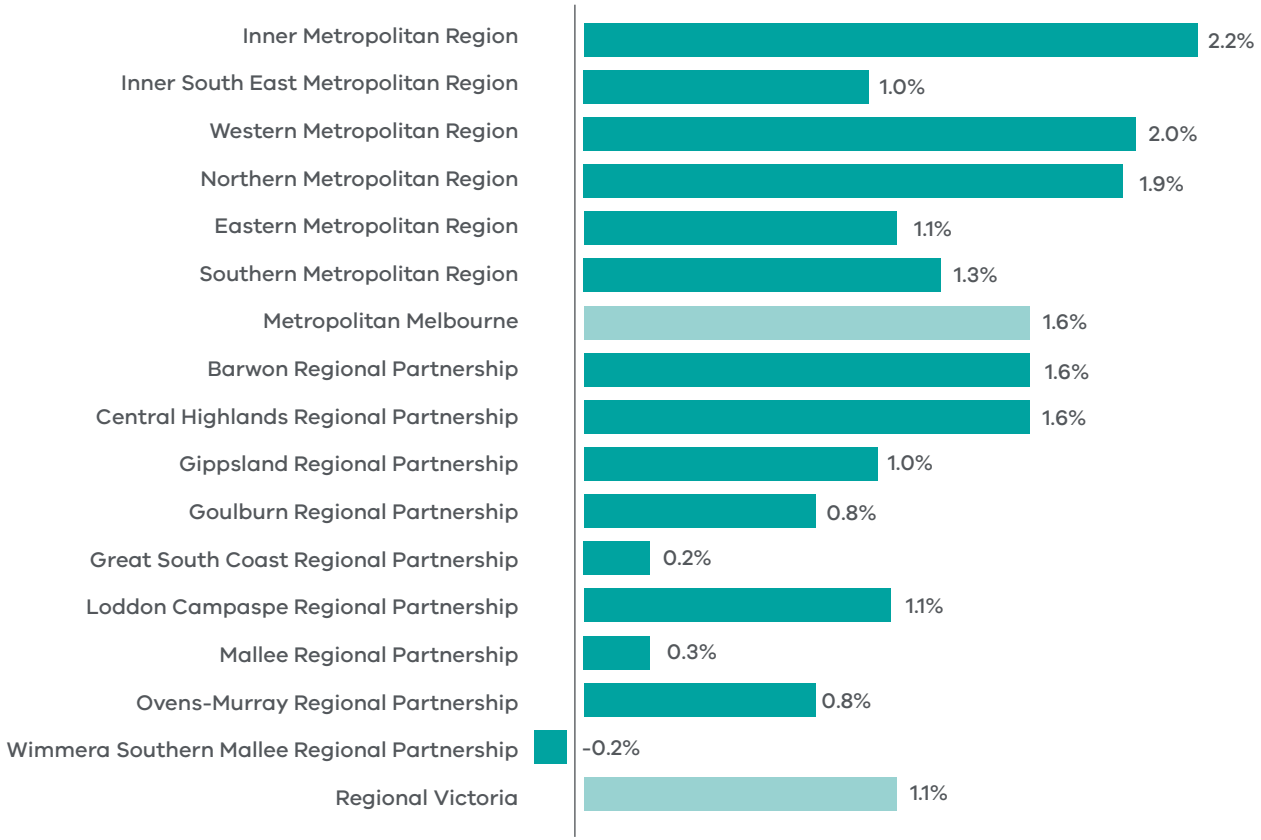

Figure 11 – Annual average rates of population change, regions of Victoria 2021 to 2051.

Regional Victoria is expected to grow at an annual average rate of 1.1 per cent between 2023 and 2051, while Metropolitan Melbourne is expected to grow at 1.6 per cent per annum. Within these two larger regions VIF2023 makes projections to 2051 for the six Metropolitan Regions and nine Regional Partnerships (see Figure 11 on page 10).

Within Melbourne the fastest growth to 2051 is found in the Inner Metropolitan Region. The Western and Northern regions will also see strong growth as they contain most of the outer suburban Growth Areas – where there is considerable capacity to accommodate extra population. In Regional Victoria the strongest growth is expected where the two fastest-growing major regional centres can be found: Greater Geelong in Barwon and Ballarat in Central Highlands.

Two Regional Partnerships can expect slow growth and one (Wimmera Southern Mallee) is projected to lose population by 2051. These regions contain many areas with ageing populations and long-term trends of migration losses.

LGA populations are reported in these projections from 2021 to 2036. The 2021 population estimate is used as the base as it accords with the information from the most recent Census. Projections are completed for the population at the end of every fifth year due to the uncertainty of the drivers of growth for any individual LGA in any individual year.

The populations of Victoria's 79 LGAs vary considerably, in size, composition and in their level and rate of growth. As at 2021 the largest LGA in Victoria was the City of Casey in south-east Melbourne, home to around 370,000 people at that point. The smallest LGA by population was the Borough of Queenscliffe on the Bellarine Peninsula, home to just 3,200 people.

The fastest growing group of LGAs is the Metropolitan Growth Areas. The Shire of Mitchell is the fastest growing of all LGAs. It can expect to increase by an average of 6.0 per cent per annum, as its population more than doubles by 2036. Melbourne's Inner LGAs (Cities of Melbourne, Port Phillip, and Yarra) are also expected to grow strongly as they provide additional housing through major urban renewal projects (e.g. Fishermans Bend). The remainder of Melbourne's LGAs are expected to grow more slowly through regeneration and redevelopment throughout the suburbs.

In Regional Victoria the fastest growing LGAs are in the peri-urban area surrounding Melbourne. These LGAs attract strong migration from Melbourne. The peri-urban Shire of Moorabool is the fastest growing regional LGA and can expect to increase by an average of 2.7 per cent each year to 2036. There is a wide variation of growth rates among the 10 Regional City LGAs from 2021 to 2036, ranging from the fast-growing Greater Geelong (2.1 per cent per annum) to the slow growth of Horsham. The remaining regional LGAs also vary considerably in growth rates, including nine rural LGAs which can expect to lose population by 2036.

Detailed data tables

Victoria

Table 1 – Components of population change, Victoria.

	2023-31	2031-41	2041-51	2021-51
Population change	1,002,000	1,255,000	1,270,000	3,781,000
Births	678,000	960,000	1,089,000	2,879,000
Deaths	386,000	585,000	700,000	1,762,000
Natural Increase	292,000	375,000	389,000	1,118,000
Net Overseas Migration	683,000	830,000	830,000	2,553,000
Net Interstate Migration	27,000	51,000	51,000	110,000
Annual average growth rate	2.22%	1.50%	1.32%	1.64%

Table 2 – Population by age group, Victoria.

	2023-31	2031-41	2041-51	2021-51
Ages 0 to 14	1,209,000	1,295,000	1,479,000	1,677,000
Ages 15 to 29	1,358,000	1,606,000	1,766,000	1,910,000
Ages 30 to 44	1,510,000	1,737,000	2,011,000	2,274,000
Ages 45 to 59	1,220,000	1,371,000	1,691,000	1,927,000
Ages 60 to 74	982,000	1,101,000	1,209,000	1,465,000
Ages 75+	522,000	692,000	902,000	1,075,000
Education Ages				
Ages 3 to 4 (Kindergarten)	156,000	176,000	201,000	227,000
Ages 5 to 11 (Primary School)	575,000	597,000	682,000	786,000
Ages 12 to 17 (Secondary School)	490,000	535,000	584,000	656,000

Major Regions

Table 3 – Total population, 2021 to 2051 Metropolitan Regions.

Metropolitan Region	2021	2031	2041	2051
Inner Metropolitan Region	348,100	466,600	576,000	700,200
Inner South East Metropolitan Region	528,900	590,400	646,400	724,900
Western Metropolitan Region	975,900	1,280,800	1,568,900	1,824,100
Northern Metropolitan Region	1,016,300	1,265,200	1,554,600	1,834,300
Eastern Metropolitan Region	923,800	1,023,100	1,131,200	1,292,800
Southern Metropolitan Region	1,120,000	1,327,300	1,510,900	1,667,400
Metropolitan Melbourne	4,913,100	5,953,400	6,987,900	8,043,700

Table 4 – Total population, 2021 to 2051 Regional Partnerships.

Regional Partnership	2021	2031	2041	2051
Barwon Regional Partnership	334,100	406,900	478,500	547,500
Central Highlands Regional Partnership	212,200	252,300	297,700	343,300
Gippsland Regional Partnership	299,700	338,100	376,100	413,100
Goulburn Regional Partnership	152,200	166,900	181,500	195,300
Great South Coast Regional Partnership	105,300	107,800	110,500	112,600
Loddon Campaspe Regional Partnership	252,600	283,400	317,300	351,300
Mallee Regional Partnership	95,100	98,000	101,000	103,100
Ovens-Murray Regional Partnership	134,100	147,100	159,600	171,500
Wimmera Southern Mallee Regional Partnership	48,400	47,600	46,900	45,800
Regional Victoria*	1,634,800	1,849,100	2,070,100	2,284,600

Note: Regional Victoria includes Unincorporated Victoria which consists of areas outside of LGA partnerships

Local Government Areas

Table 5 – Population and population change, 2021 to 2036 Local Government Areas.

Local Government Area	2021	2036	2021-2036	Avg. Rate p.a.
Alpine	13,170	13,960	790	0.4%
Ararat	11,830	12,160	330	0.2%
Ballarat	113,500	144,730	31,230	1.6%
Banyule	127,370	148,860	21,490	1.0%
Bass Coast	40,680	50,960	10,290	1.5%
Baw Baw	57,620	79,130	21,510	2.1%
Bayside	102,330	114,600	12,270	0.8%
Benalla	14,440	15,110	670	0.3%
Boroondara	169,790	195,610	25,820	0.9%
Brimbank	196,630	221,990	25,360	0.8%
Buloke	6,130	5,720	-410	-0.5%
Campaspe	38,560	40,820	2,260	0.4%
Cardinia	119,570	178,610	59,040	2.7%
Casey	369,560	527,480	157,920	2.4%
Central Goldfields	13,390	14,400	1,010	0.5%
Colac-Otway	22,310	23,910	1,600	0.5%
Corangamite	16,030	15,380	-650	-0.3%
Darebin	150,300	189,180	38,880	1.5%

Local Government Area	2021	2036	2021-2036	Avg. Rate p.a.
East Gippsland	48,480	56,300	7,830	1.0%
Frankston	140,820	156,100	15,280	0.7%
Gannawarra	10,620	10,180	-440	-0.3%
Glen Eira	150,640	174,890	24,250	1.0%
Glenelg	20,060	20,170	110	0.0%
Golden Plains	24,890	34,040	9,140	2.1%
Greater Bendigo	121,270	149,490	28,220	1.4%
Greater Dandenong	160,100	189,890	29,790	1.1%
Greater Geelong	270,930	367,670	96,730	2.1%
Greater Shepparton	68,530	78,730	10,210	0.9%
Hepburn	16,490	18,710	2,230	0.8%
Hindmarsh	5,660	5,100	-550	-0.7%
Hobsons Bay	92,270	107,720	15,450	1.0%
Horsham	20,380	21,080	700	0.2%
Hume	246,920	356,000	109,080	2.5%
Indigo	17,250	19,540	2,290	0.8%
Kingston	159,550	183,580	24,020	0.9%
Knox	160,480	177,300	16,820	0.7%

Local Government Area	2021	2036	2021-2036	Avg. Rate p.a.
Latrobe	77,120	84,780	7,660	0.6%
Loddon	7,700	7,890	190	0.2%
Macedon Ranges	51,600	64,950	13,350	1.5%
Manningham	125,820	144,120	18,300	0.9%
Mansfield	10,120	12,590	2,470	1.5%
Maribyrnong	86,390	124,810	38,430	2.5%
Maroondah	116,080	133,570	17,490	0.9%
Melbourne	153,110	242,090	88,980	3.1%
Melton	181,350	349,390	168,040	4.5%
Merri-bek	173,500	221,750	48,250	1.6%
Mildura	56,970	62,990	6,020	0.7%
Mitchell	49,710	119,830	70,120	6.0%
Moira	30,370	32,840	2,470	0.5%
Monash	192,890	234,020	41,120	1.3%
Moonee Valley	122,950	150,690	27,740	1.4%
Moorabool	37,910	56,750	18,840	2.7%
Mornington Peninsula	170,440	187,540	17,100	0.6%
Mount Alexander	20,110	22,780	2,670	0.8%
Moyne	17,300	19,120	1,820	0.7%
Murrindindi	15,140	17,450	2,320	1.0%
Nillumbik	63,450	67,420	3,970	0.4%
Northern Grampians	11,890	11,570	-310	-0.2%

Local Government Area	2021	2036	2021-2036	Avg. Rate p.a.
Port Phillip	103,440	147,020	43,580	2.4%
Pyrenees	7,620	8,240	620	0.5%
Queenscliffe	3,240	3,590	350	0.7%
South Gippsland	30,390	35,100	4,710	1.0%
Southern Grampians	16,490	16,020	-470	-0.2%
Stonnington	106,190	132,140	25,950	1.5%
Strathbogie	11,370	13,410	2,040	1.1%
Surf Coast	37,650	48,010	10,360	1.6%
Swan Hill	21,380	20,660	-720	-0.2%
Towong	6,190	6,340	150	0.2%
Wangaratta	29,750	32,260	2,510	0.5%
Warrnambool	35,430	38,580	3,150	0.6%
Wellington	45,470	51,070	5,600	0.8%
West Wimmera	3,980	3,600	-380	-0.7%
Whitehorse	171,080	208,290	37,210	1.3%
Whittlesea	231,830	335,370	103,540	2.5%
Wodonga	43,210	53,670	10,460	1.5%
Wyndham	296,320	472,120	175,800	3.2%
Yarra	91,520	130,130	38,610	2.4%
Yarra Ranges	157,420	176,510	19,090	0.8%
Yarriambiack	6,510	5,920	-590	-0.6%
Unincorporated Victoria	950	1,020	80	0.5%

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