

Reflections on a revolution: Auckland's population, 2013-2033

During the year ended March 2017 there was a net gain to New Zealand's population from permanent and long-term (PLT) migration that exceeded 70,000 for the first time since the early 1870s. The net migration gain is the balance of arrivals over departures. In most years New Zealand has a positive balance (more PLT arrivals than departures) but there have been times as recently as 2012 when the numbers leaving exceed the arrivals.

There were just under 130,000 PLT arrivals in the year ended March 2017. 38,000 were New Zealand citizens returning after an absence of 12 months or more, plus some Australian citizens who can enter without a visa. The great majority (81 percent) of the remaining 91,800 arrivals, who were citizens of countries other than Australia and New Zealand, and who were intending to stay for 12 months or more, were on temporary visas for work and study. Only 18,800 (20 percent) of the PLT arrivals, who were not NZ or Australian citizens, were "immigrants" who had residence visas and were intending to stay in New Zealand.

Thus, most of what we call PLT net migration today is made up of migrants on temporary visas – a very different situation from the early 1870s when we last had a 70,000 net migration gain. At that time virtually all PLT arrivals were "immigrants" intending to settle. PLT migration in 2017 is not a good measure of "immigration"; it is a measure of people coming to spend at least 12 months in New Zealand, but not mainly of people coming to stay. This has implications for how we view the contribution that "immigration" makes to population growth in Auckland and New Zealand more generally.

The contribution of PLT net migration to population growth in New Zealand now exceeds the contribution made by natural increase (the balance of births over deaths). The pre-eminence of migration as a driver of population growth was common in the early decades of colonial domination and settlement in New Zealand, but natural increase has been the main driver of this growth in most years since 1900. The current situation is atypical and it should not be assumed that the contributions that net migration and natural increase are making to population growth at present will continue.

A key question in the second half of the second decade of the 21st century is: will international migration become a much more significant driver of population change during the next 20 years than it has been over the past 20 years? This question has particular significance for Auckland, home to around a third of the country's population in 2017 and the destination for around 60 percent of the annual net migration gain from permanent and long-term migration.

Permanent and long-term migration is just one component of the flows of people into and out of Auckland, however. The total number of arrivals and departures from Auckland airport now exceeds 18 million a year according to billboards at the airport, and the aim is to grow this to over 40 million over the next 30 years.

While these numbers relate to trips, and not to people per se (some people make many trips through the airport each year), it is clear that there are very large numbers of people

passing through Auckland airport and they comprise an increasingly significant component of the population that actually uses the city's services and facilities. These highly transient people are part of what we might call the "effective" population of Auckland – the population that we see in the street, on the buses, in the shops, on the motorways and using accommodation facilities. This is the population that is visible in the city and that should be included in the count of numbers making use of or seeking access to the city's services, facilities and infrastructure.

Projections of population growth in Auckland and other parts of New Zealand were updated in February 2017. In this update, Statistics New Zealand added between 41,000 (low projection variant) and 66,000 (high projection variant) to the estimates of Auckland's population in June 2018 that they had made in their earlier projections in November 2014. This adjustment was made to take account of the persistence of high net migration gains over the past three years. When these adjustments are fed into their estimates of Auckland's population by 2033, the median projection variant rises by 101,500 and the high variant by 151,500.

By 2033 both the median and the high projection variants have Auckland's population exceeding 2 million. A key assumption underpinning these projections is that gains from permanent and long-term migration will not be sustained at the current high levels indefinitely.

While this is a very realistic assumption based on historical experience, what Aucklanders should not expect to see is any decrease in the growth of people drawing on the city's infrastructure and services, especially if the drive to grow numbers of tourists visiting New Zealand remains a strong Government and industry priority. Changes in policy relating to residence and temporary work visas that the Government has already introduced or has foreshadowed for implementation in August this year, will result in a reduction in PLT migration but these will not, of themselves, reduce the numbers of people coming into Auckland.

Auckland is experiencing a revolution in its demographic development and we need to accept that the city's population in 2033 is going to be very different from its population in 2017. Much larger numbers of residents will be an obvious change but equally if not more significant changes will be in the composition of the population and the impact that transient groups (visitors, students, workers) have on the city's society, economy and environment. In 21st century "gateway" cities attention must be given to the "effective" as well as the "usually resident" populations that are the subject of projections.

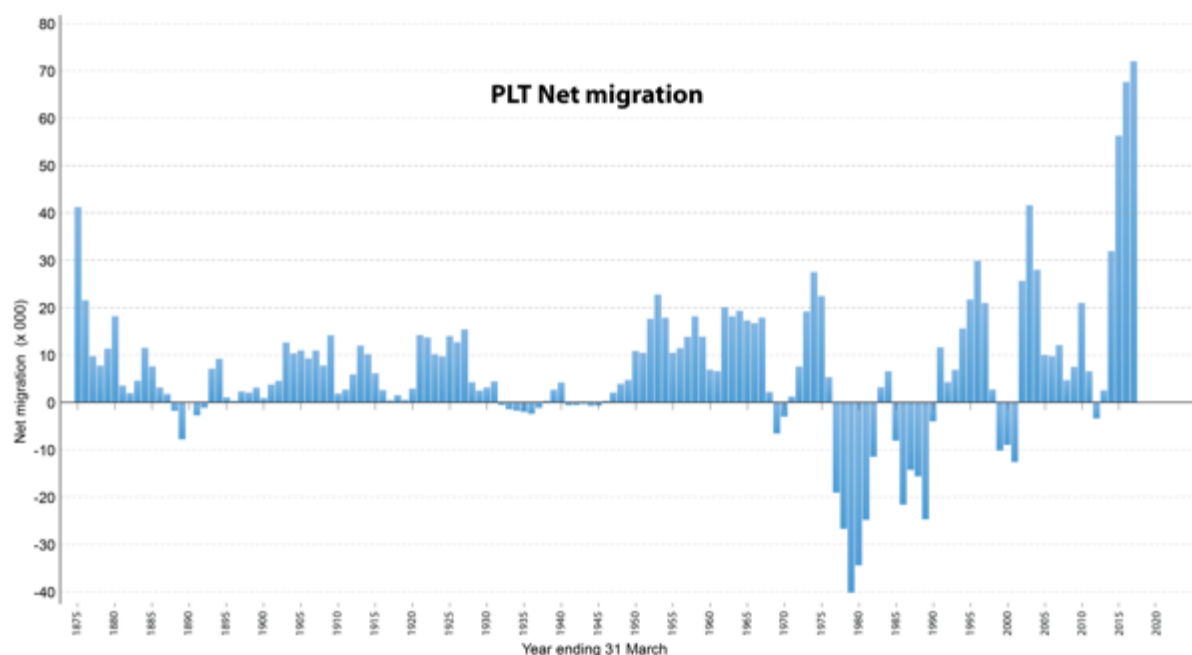
Postscript

Just before the RIMU symposium Statistics New Zealand released some new projections for Auckland's population based on "alternative" migration assumptions. In the February 2017 sub-national population projections referred to above the 'medium' and 'high' scenarios had net migration levels for each five year period after 2018 at 42,500 (medium, 8,500 per year) and 72,500 (high, 14,500 per year) respectively. These are considerably lower than current net migration levels, but consistent with medium and high migration assumptions for most projections in recent years.

The “alternative” migration assumptions include two new levels – the ‘higher’ and the ‘very high’ migration assumptions. In numerical terms the ‘higher’ and the ‘very high’ respectively equate to five year average net migration gains of 125,000 (25,000 per year) and 175,000 (35,000 per year) after 2018. These levels of sustained net migration have no historical precedent in New Zealand’s colonial and post-colonial history. In my view they are very unlikely to materialize as persistent contributions from PLT migration unless successive New Zealand governments decide that very high levels of net migration are a necessary condition for the country’s development. Comments by leaders of all political parties in the run-up to the election suggest this is not the view of any party.

The ‘higher’ and ‘very high’ alternative net migration assumptions for Auckland produce populations of around 2.4 and 2.6 million in 2033. These compare with ‘medium’ and ‘high’ projections of 2.11 and 2.28 million respectively. In my view the 2.4 and 2.6 million are unlikely to be achieved because of the very significant volatility of net migration gains and losses over the past 40 years (see graph below). Only five years ago New Zealand experienced a net migration loss.

There have been very few periods in New Zealand’s history when net migration at very high levels has been sustained. Since the late 1960s net migration has followed a cyclical pattern with peaks and troughs in pretty well every decade. I see little economic or political reason for this pattern to change radically over the next 20 years.



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