

Pittwater Council

Residential role and function analysis

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1 Residential role and function analysis - Introduction

This document examines the residential role and function of the Pittwater Council area and the suburbs within it. Understanding the demographic processes at work in Pittwater provides a framework for understanding the role and function of the LGA, and therefore guides what policy responses may be appropriate to support service delivery to the population in the future.

A sustainable community is based on the relationship between the socio-demographic characteristics of the community and the level of access that a community has to services and facilities such as housing, employment, education, health, public transport, and the opportunity to establish and maintain social networks. Generally speaking, sustainable communities are diverse in terms of age structure and household type (and to some extent income), as this diversity can support a range of services, in turn continuing to attract a diverse population and creating a virtuous circle.

The concept of sustainable communities is important to local government because they play a key role as gatekeepers to development, and provide (and advocate for) key services and facilities. Local government plays an important role in influencing key social sustainability factors such as:

- maintaining sufficient dwelling supply to provide choice and affordability;
- ensuring appropriate levels of services and facilities to meet the community's needs; and
- facilitating suitable commercial development to provide employment and promote sustainable population growth.

The focus of this paper is the residential role and function of Pittwater and selected districts within it; how that is changing; and what the consequent policy challenges are for the future.

The paper is comprised primarily of three parts:

1. An analysis of recent demographic trends across New South Wales, and how they affect Pittwater.
2. Analysis of demographic characteristics of Pittwater in the context of the role and function of the area within Greater Sydney.
3. Summary of likely impacts of wider demographic trends on the future of Pittwater including service delivery.

1.1 Data Sources

Much of the information presented is publically available from Pittwater Council's online demographic websites:

- Community profile – www.id.com.au/profile/pittwater
- Community atlas – www.id.com.au/atlas/pittwater

Primary data sources used in this report:

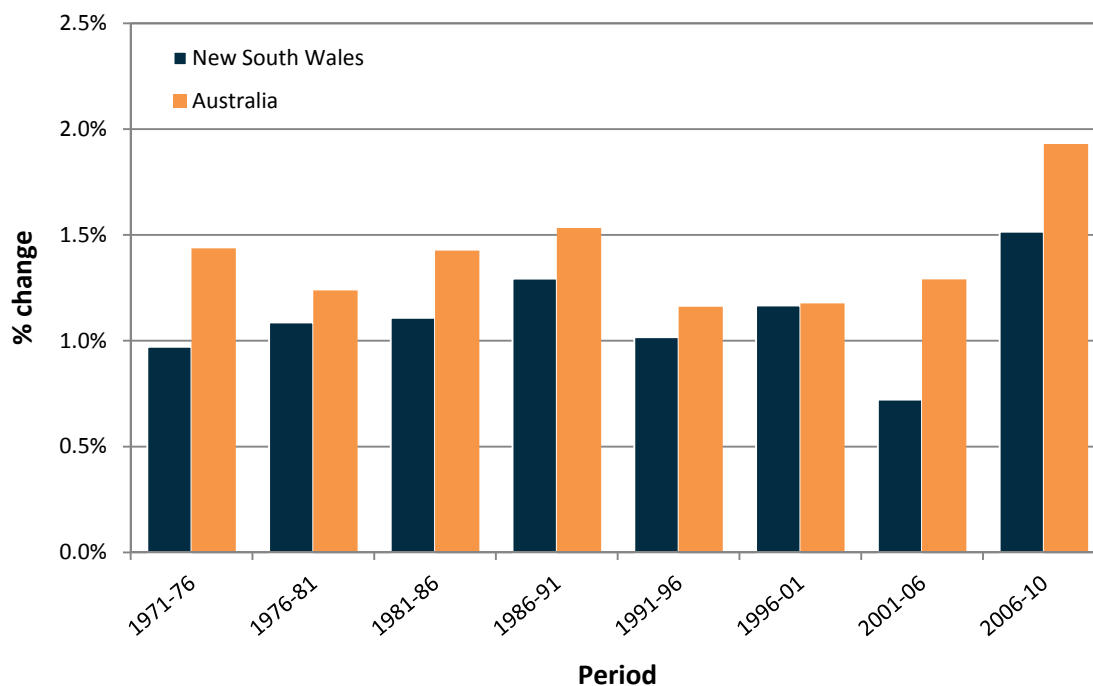
- 2006, 2001 and 1996 Census of Population and Housing - published and unpublished data from the Australian Bureau of Statistics (mostly accessible through .id's community profile and atlas, but also some additional data provided in the accompanying spreadsheets).
- Department of Workplace Relations – Small Area Labour Markets unemployment data, produced quarterly for Statistical Local Areas.
<http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/SmallAreaLabourMarkets-Australia.htm>
- .idforecasts –macro and micro-level population and household forecasts produced by .id (informed decisions) – last published March 2011.

2 New South Wales Demographic Trends

Australia has been through a period of record population growth, since the 2006 Census. While the 2011 Census will shed some light on the characteristics of that population change, there is some interim data which gives an idea of where this growth is coming from and what affect it is having on local populations.

Australia's population growth has been consistently between 1.5% and 2.1% p.a. since 2006. The largest growth was in the 2008-09 financial year, when the population rose by 456,000 people. New South Wales population growth was consistently lower than the Australian average, but still high over the past 4 years in historical terms.

New South Wales and Australia, average annual population growth in 5 year intervals, 1971 to 2010



Source: ABS, Australian Demographic Statistics (3101.0)

This very strong population growth has three main causes:

1. An increasing birth rate
2. Record levels of overseas migration
3. A turnaround in previously high rates of interstate migration loss.

2.1 Birth rates

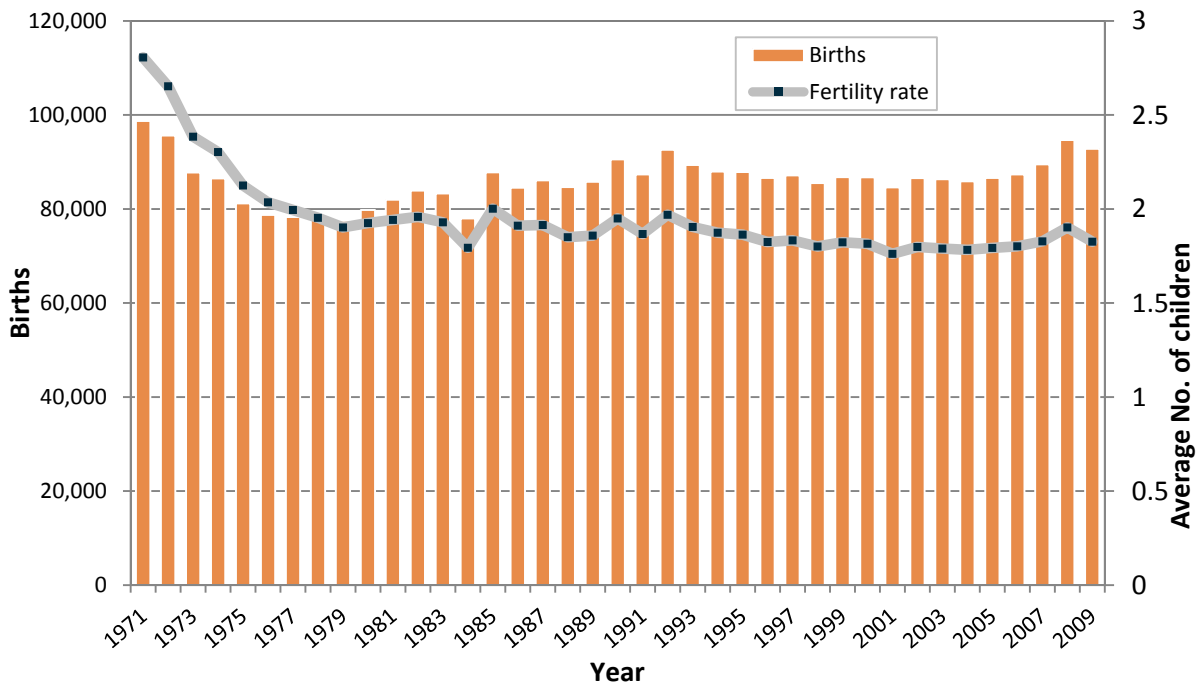
Australia has just been through a period of increasing birth rates. The fertility rate increased from a low of 1.73 in 2001 to peak at 1.96 in 2008 before declining slightly to 1.90 in 2009. In New South Wales it went from 1.76 in 2001 up to 1.90 in 2008.

The cause of this increase is unknown but is likely to be to do with a generation of mothers delaying childbirth through the 1990s, while younger women in the 2000s did not delay any further, causing two cohorts to have children around the same time. Certainly, most of the increase in fertility over the last 30 years, and particularly the last 10, has been among women aged 30+.

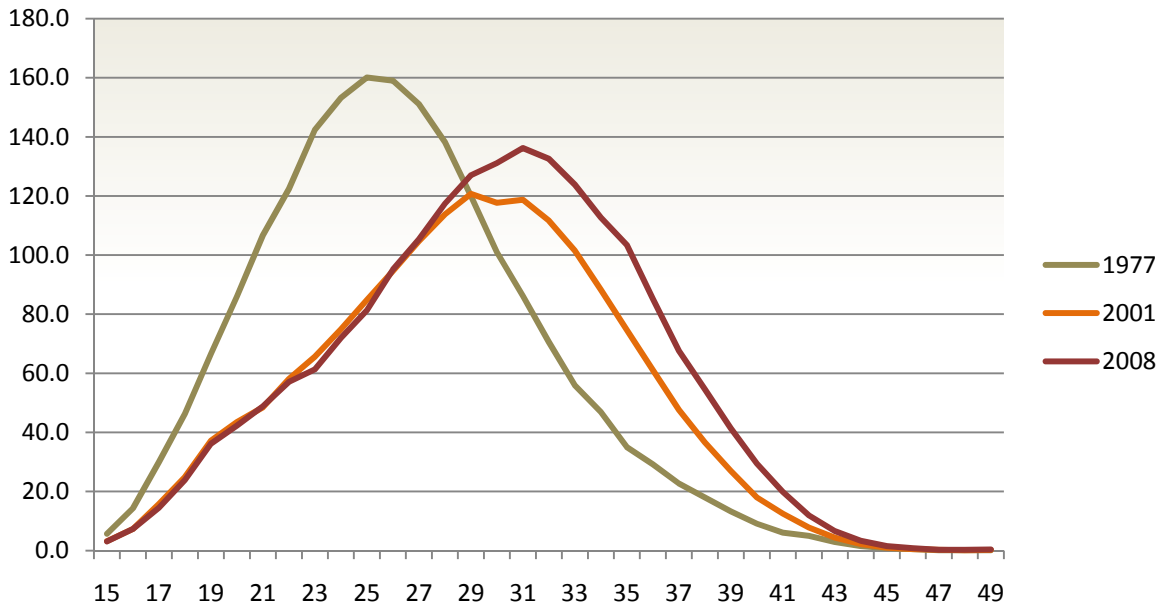
Please see .id's blog "[Is the baby bonus responsible for the high birth rate in Australia?](#)" for more information on this trend.

In New South Wales, the increase in fertility has not been as dramatic as nationwide, but there has still been a significant upswing in the number of births in the state.

Births and Fertility rate, NSW, 1971 to 2009



National fertility rate by age of mother, 1977, 2001 and 2008

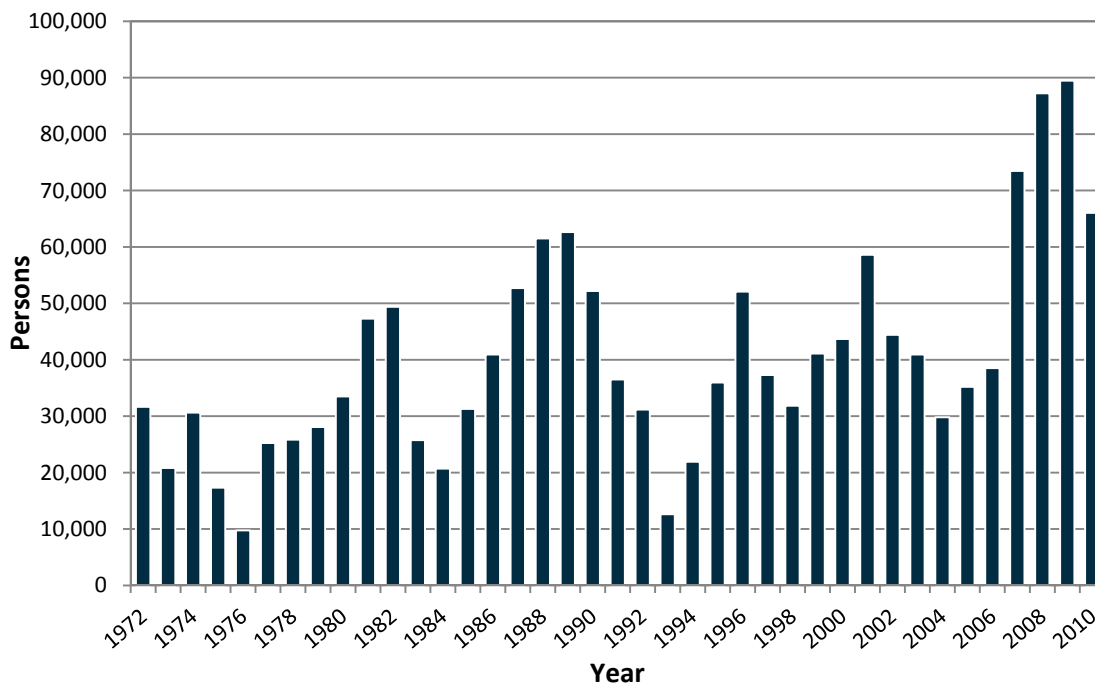


Source: ABS, Births, Australia, 2009 (Cat. No. 3301.0)

2.2 Overseas migration

Overseas migration between 2007 and 2009 was at record levels. In 2009, net migration gain to Australia was just over 300,000 people (that is the excess of immigration over emigration). The NSW share of this is shown on the chart below. While immigration has fluctuated over the years, the levels seen in the last 4 years are higher than any year since the 1960s.

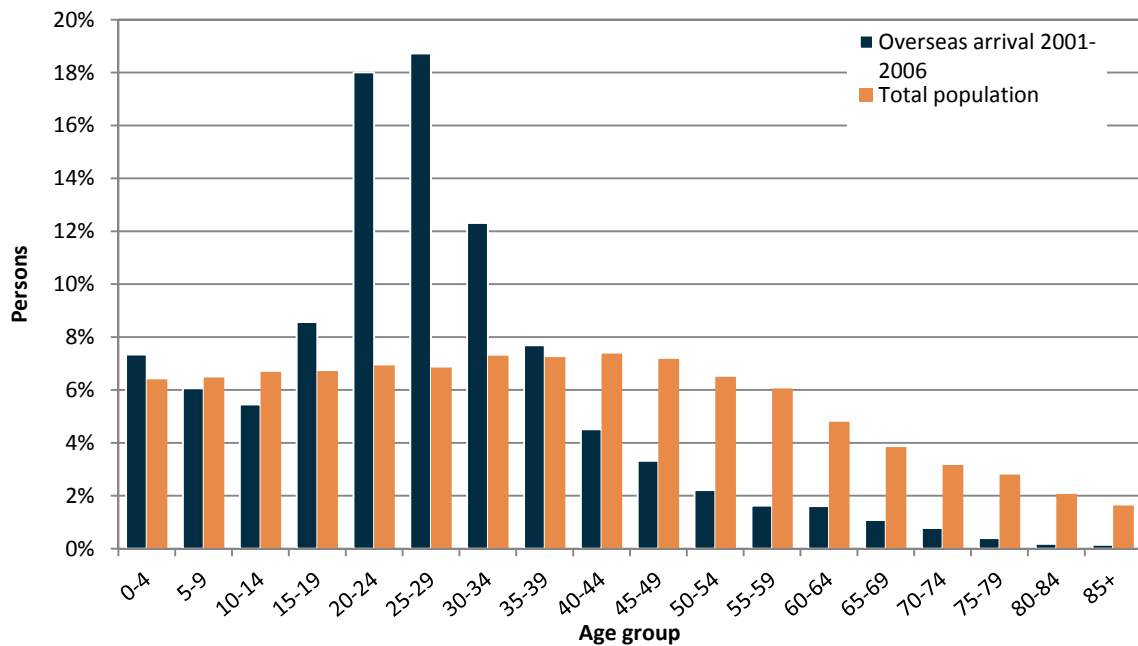
Net overseas migration, New South Wales, 1972 to 2010



Source: ABS, Australian Demographic Statistics (3101.0)

The age structure of these most recent migrants is unknown until the next Census, however, an analysis of the most recent arrivals at the 2006 Census shows that migrants are predominantly young adults, some of whom have young children. A higher rate of migration keeps the population young and contributes to the higher birth rate as well.

Age structure of overseas migrants in the 2001-2006 period, compared to total population, New South Wales, 2006 Census



Source: 2006 Census of population and housing

2.3 Interstate migration

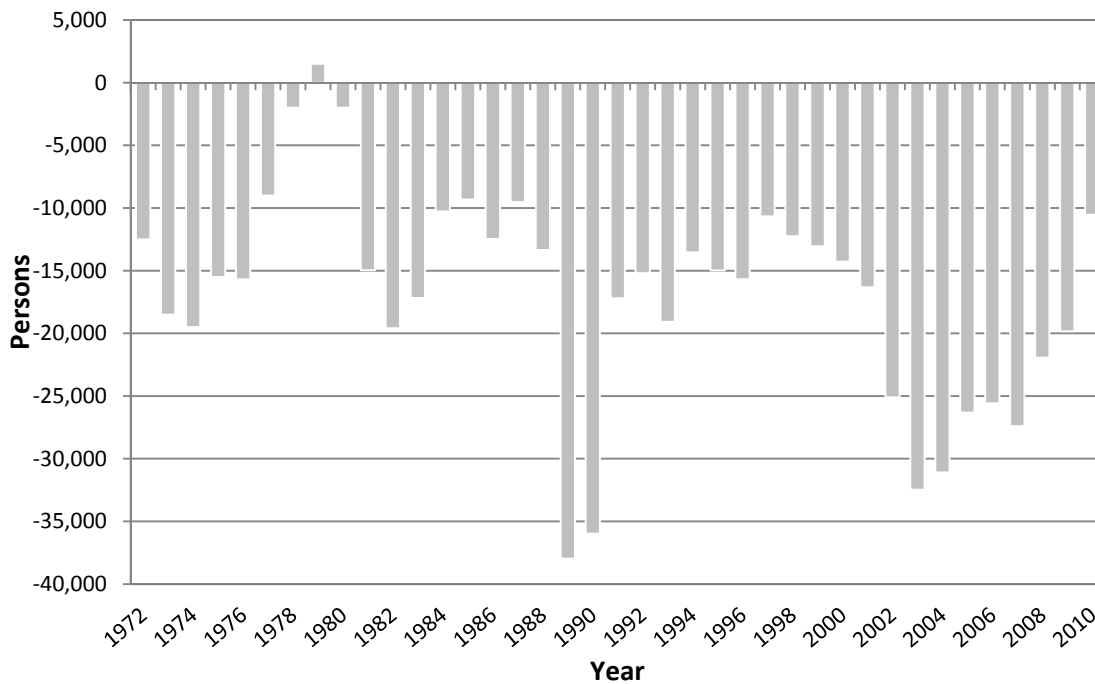
New South Wales has traditionally lost population to interstate migration. It is the oldest, most settled and largest population state, and is also the first port of call for international migrants. People arrive in NSW and then move throughout Australia. So it is natural that interstate migration would mostly be negative (population loss) in NSW.

Over many years, the main state of destination has been Queensland, particularly the growth areas of South East Queensland, including the Gold Coast. Between 2001 and 2006, the Gold Coast alone had a net gain of 21,000 people from NSW, and was the number one area of net population loss from many Sydney LGAs, including Pittwater.

Since 2007, however, according to ABS demographic statistics ([Catalogue number 3101.0, published quarterly](#)), net interstate migration loss in NSW has declined significantly.

In 2006 and 2007, NSW had a net loss of over 25,000 people each year interstate. By 2010, this had reduced to a loss of only around 10,000 people. This may be due to an economic downturn in Queensland, but the figures are still subject to review and will be confirmed or revised after the next Census.

Net interstate migration, New South Wales, 1972 to 2010



Source: ABS, Australian Demographic Statistics (3101.0)

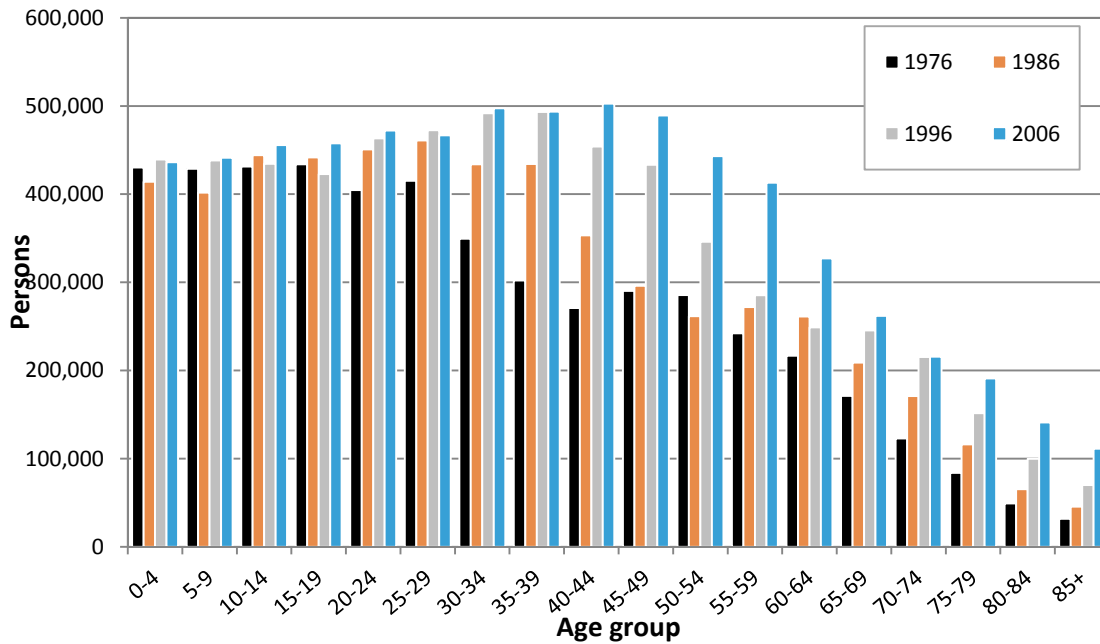
2.4 Forecasts

The combination of higher birth rates, high overseas migration and a lower net interstate migration loss are leading to very high population growth in many NSW Local Government Areas. This also has an impact on the age structure of the population.

In the 30 years to 2006, the main age groups of population growth in NSW were associated with the baby boomers and older groups. Baby boomers were born between 1946 and 1961 and in 2006 were between 45 and 60 years of age. The largest increase of any age cohort between 2001 and 2006 was 55-59 year olds, the lead cohort of the baby boomers, representing the very large increase in the birth rate immediately after World War II.

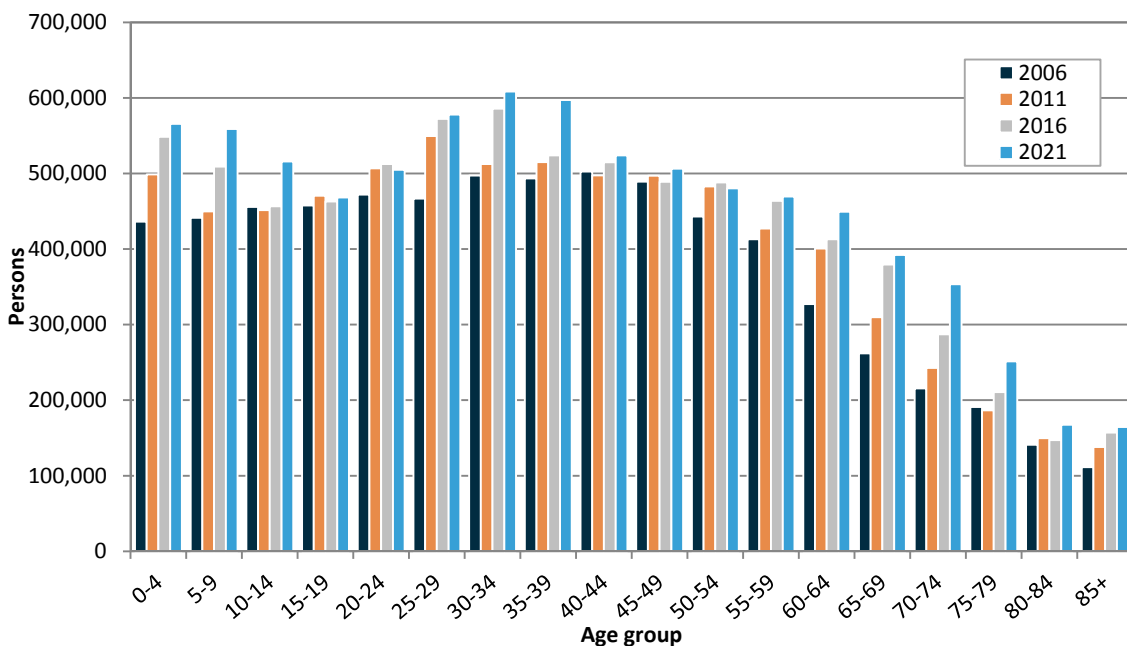
At the same time, the population of children remained relatively stable in number (and therefore declined in percentage terms). Communities across Australia (and indeed across the Western World) have been planning for an ageing population for some time now.

Age structure of the population, New South Wales, 1976 to 2006 Census years



id’s population forecasts for NSW show that, while the ageing of the baby boomers will still be a factor, councils also have to plan for the impacts of the most recent fertility rate and migration increases. These demographic influences produce a large increase initially in young children, then school age children and young adults, as the cohorts move through the population. The chart below shows these effects from 2006 to 2021.

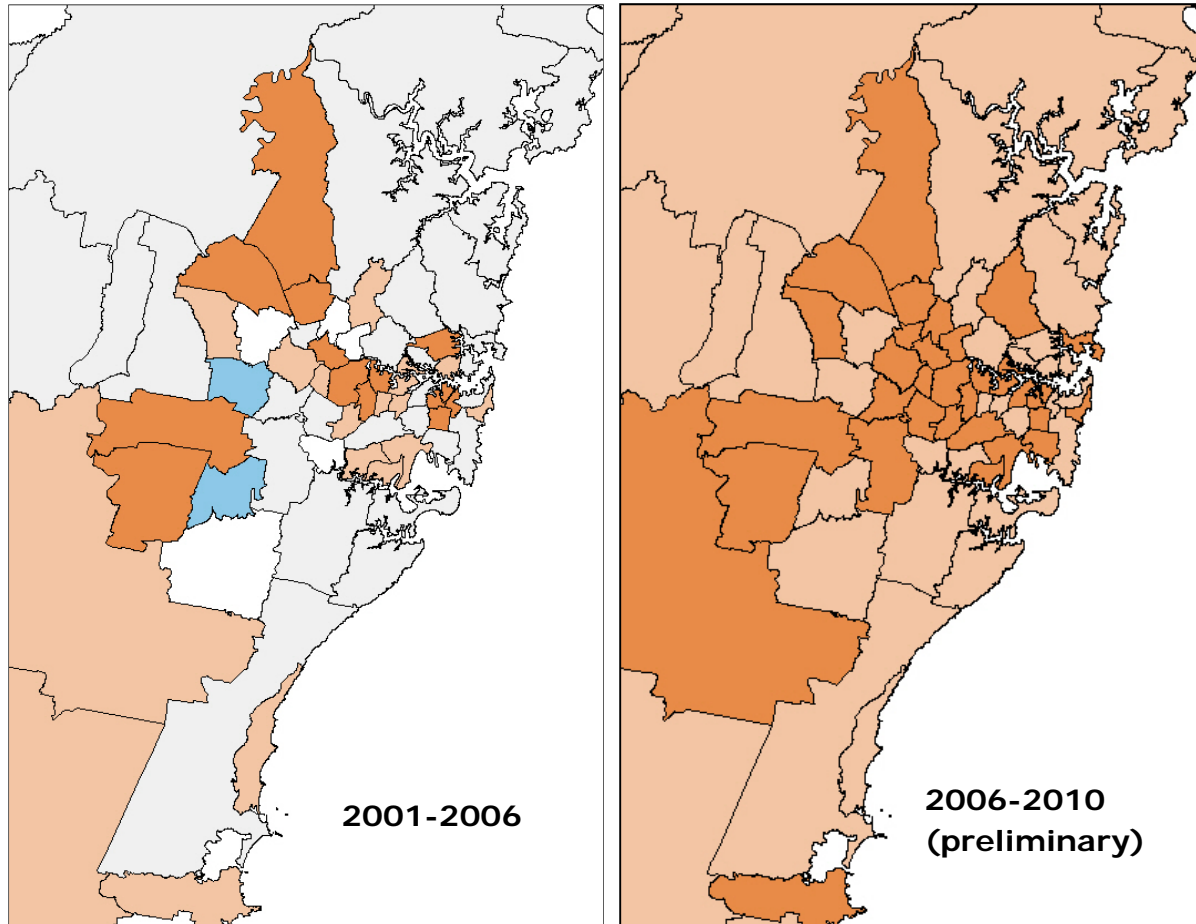
Forecast age structure of the population, New South Wales, 2006 to 2021 Census years



Many councils are already feeling the effects of this, with record enrolments in pre-schools and demand for child care. This will shortly translate into demand for school places, youth services etc.

Of course the effects of these trends are not uniform across all areas. Between 2001 and 2006, most areas in coastal NSW increased in population, while rural and remote areas declined. The Pittwater Council had stable population, along with most of Sydney's north shore.

Population growth and decline, Sydney and surrounds by SLA, 2001-2006, and 2006-2010

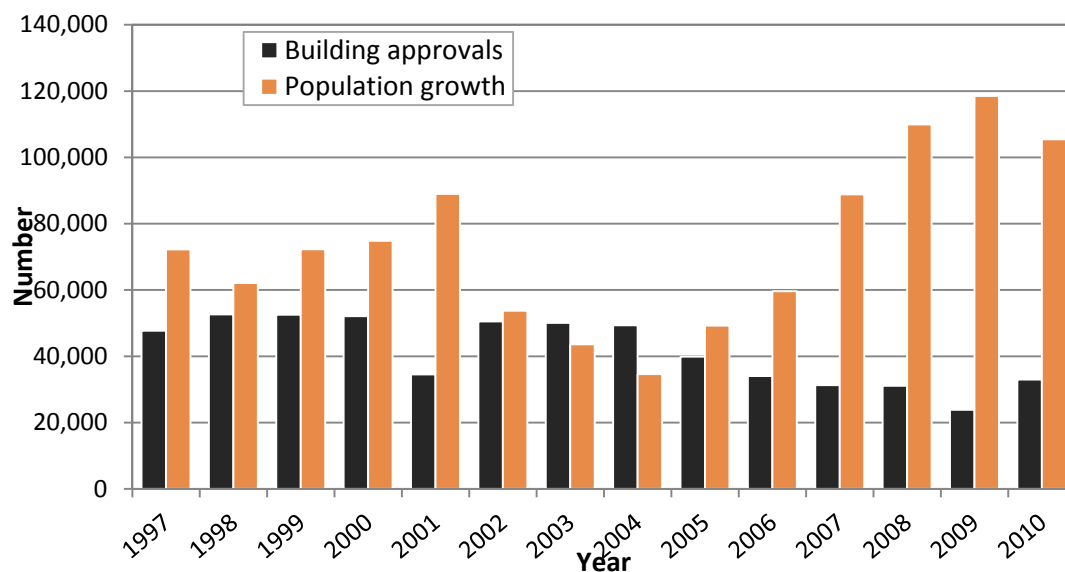


Since 2006 (estimates still subject to review after the 2011 Census), most NSW areas have shown strong population growth, particularly in Sydney and coastal areas, as well as larger regional centres. Only the remote far west still shows population decline. Every Statistical Local Area in Sydney had a population increase over 4 years. Pittwater's growth has been particularly high in the past two years (2009 and 2010), probably due to the effect of lower interstate migration loss, which the 2006-based community profiles shows had the largest impact on the population change over the 5 years before that.

2.5 Housing supply

In New South Wales, there has been an apparent disconnect between population growth and new building activity, to a greater extent than any other state. The chart above shows this quite clearly. In the early 2000s, about 50,000 new dwellings were being built each year in NSW, while the population was increasing by only about 40,000-50,000 people per year, about one person per dwelling. Suddenly, after 2006, the population growth increased enormously, to over 100,000 persons per annum, but building approvals actually declined a little, to only around 20,000-30,000 new dwellings per annum. This equates to approximately 3-4 new residents for every dwelling being built.

Population growth and building approvals, New South Wales, 1997 to 2010



Source: ABS, Australian Demographic Statistics (3101.0), and Building Approvals, Australia (8701.0)

2.6 Summary

Since 2006, there are many indications of a significant change in the demographics of NSW. A high level of overseas migration, lower interstate migration loss and a higher birth rate are leading to population growth even in areas which were previously stable or declining. These trends are also leading to an increase in children and a younger overall population age structure.

Dwelling approvals have not kept pace with this influx of population, with the result that it is likely the next Census will show increasing household size, reversing a trend to smaller households which has been present in most areas for 30 years. Higher birth rates, extended families moving from overseas, and children living with their parents for longer are all trends which can increase household sizes.

Each Local Government Area has a slightly different role and function – some areas mainly house young families, others retirees, others professional singles and couples. The differing roles mean that these broad population trends will affect different areas in different ways. The following sections of this report use predominantly Census data to examine the role and function of Pittwater, and therefore how these population trends are likely to affect the local area.

3 An introduction to Pittwater Council

Pittwater is an outer suburban area within the Sydney Metropolitan Area, located in the northern beaches area around 25-30km from the Sydney GPO. Nearly half of Pittwater's area is national park, with most of the population living on the Pittwater Peninsula and just south of it around Mona Vale and Warriewood. Pittwater features 18km of Pacific coastline, including many beaches. The area is predominantly residential, with some commercial and light industrial areas. Non-residential areas are mainly in the north and west.

Pittwater is an affluent, outer suburban area comprising mainly family homes, with some higher density housing along the coast. In summer, it is also a minor holiday destination, with a caravan park and holiday houses and apartments a feature of the landscape. Mona Vale is the main commercial centre with smaller centres in each suburb.

Geographically, Pittwater is somewhat isolated from other parts of Sydney, separated from the rest of the urban area by national park, coastline and the Narrabeen Lakes. There are no railway lines in Pittwater, with most residents using private cars to travel. The main form of public transport is buses. There are some limited ferry services that run from the western foreshores and the central coast.

Unlike the neighbouring area of Warringah, Pittwater is not a major employment destination and the majority of residents leave the area to work.

Pittwater forms part of the Shore Regional Organisation of Councils, which also includes Warringah, Manly and Mosman.

3.1 Historical development

The original inhabitants of the Pittwater Council area were the Aboriginal people now known collectively as the Guringai. The area was explored in 1788 by Captain Phillip. European settlement in the Pittwater LGA dates from 1796, after Governor Hunter surveyed Broken Bay. Development was slow, due largely to the area being relatively isolated and access being only by ship. Land grants occurred from 1810, with land used mainly for timber-getting and farming. Some growth occurred in the 1880s, spurred by improved access. Land continued to be used mainly for farming, grazing and orcharding, with some fishing, boat building and timber-cutting industries. The Pittwater Council area became a popular holiday destination, with many guesthouses and holiday homes built in the early 1900s and the interwar period.

Significant residential development occurred from the 1950s, aided by the construction of bridges and roads. Much of the housing in the area dates from a period of rapid growth which took place in the 1960s and 1970s, as Sydney expanded beyond the pre-war railway network with increasing car ownership.

Pittwater was originally part of Waringah Council, and seceded in 1991 with a provisional Council Council being established, then proclaimed in 1992. This followed a twenty-five year campaign. ('Pittwater Rising' Local Studies Unit Pittwater Council) This made Pittwater the 'first new council in NSW for 100 years'.

The population was relatively stable over the 15 years to 2006, increasing just slightly from 49,500 in 1991 to about 52,700 in 2006.

3.2 Summary of current characteristics

- Pittwater had a stable population for about 10 years, but appears to have resumed significant growth between 2008-10. The 2011 Census will confirm whether this is the case.
- Pittwater is attractive to families consisting of mainly older parents with children of all ages.
- Most families moving into Pittwater are upgraders, rather than first home buyers.
- There is also a significant elderly population living mainly in family homes, but also in retirement villages.
- The main migration trend was out of the area, particularly retirees to the coast, and young people to Queensland and the inner city.
- Very little cultural diversity – migrants mainly from English speaking countries.
- Pittwater is a high income area, though not exceptionally so, and incomes increasing over time, relative to the Sydney average.
- Pittwater has a very low unemployment rate and occupations concentrated among the more skilled categories, but including a mix of white collar Managers & Professionals, and large numbers of Tradespersons. The construction industry is a major employer in Pittwater.
- A relatively educated population, dominated by a mix of tertiary qualified and vocational (trade) qualified people.
- A relatively low proportion of people attending higher education (TAFE or University), and the number attending has declined over 5 years.
- A high proportion of full home ownership.
- For those who don't fully own, there are high mortgages, and relatively even higher rents.
- There is a significant proportion of lifestyle rental in Pittwater – people choosing to rent in a desirable location and paying a premium to do so. Average rental payments are extremely high relative to Sydney's average – more so than mortgages.

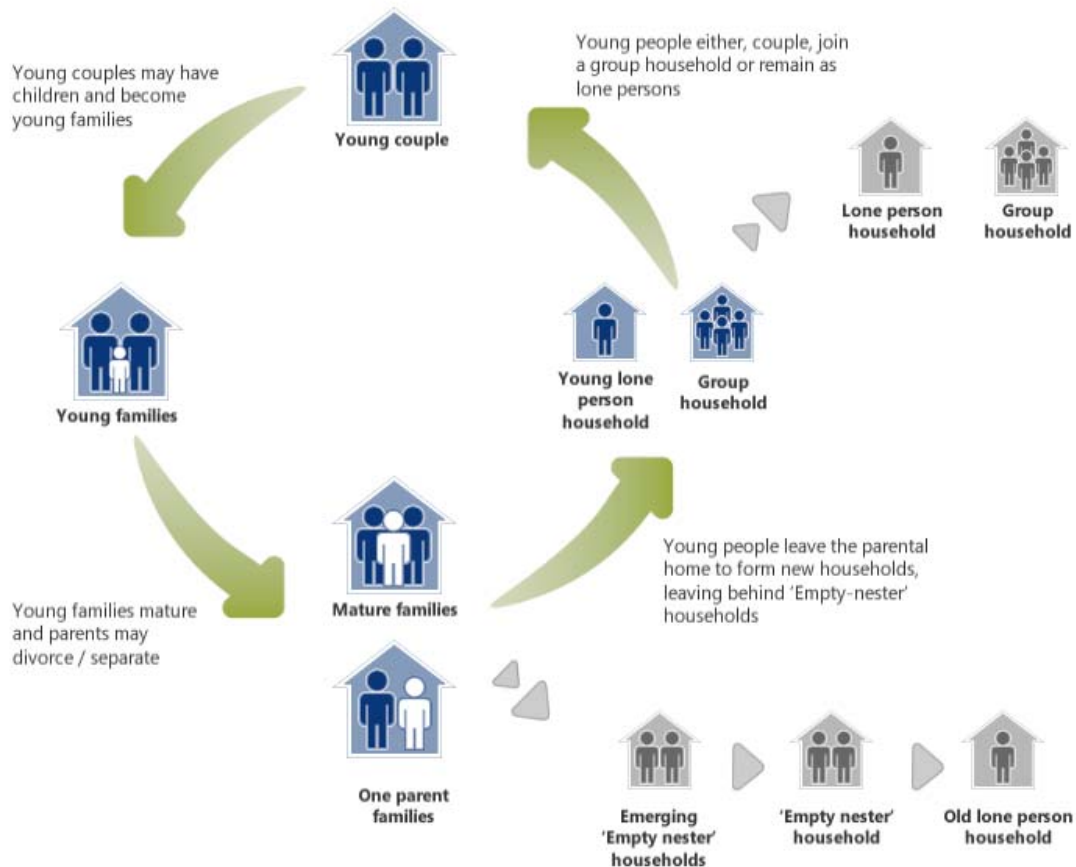
- Pittwater has a low proportion of low income housing stress, but a relatively high proportion of middle income renters paying a large proportion of their income on rent – “marginal rental stress”.
- In future, Pittwater can expect more young children with older (late 30s and 40s) parents, continuing issues with housing affordability and gentrification.

3.3 Key indicators for Pittwater Council and Sydney Statistical Division, 2006 (unless year stated)

Indicator	Pittwater	Sydney Statistical Division
Population in June 2009 (ERP)	59,847	4,575,532
Population in June 2006 (ERP)	56,595	4,281,988
Census count in 2006 (UR)	54,157	4,119,189
Population change 2001-2010 (ERP)	6.1%	8.3%
Forecast population in 2031 (Planning NSW)	66,600	5,688,600
Median age	41 years	35 years
Overseas-born	21.4%	31.8%
Language other than English	6.8%	29.3%
Indigenous	0.3%	1.1%
Couples with children (% of all families)	50.4%	49.3%
Single parent families (% of all families)	12.1%	15.6%
Median weekly individual income	\$653	\$518
Median weekly household income	\$1,486	\$1,154
Median weekly mortgage payment	\$500	\$415
Median weekly rent	\$370	\$250

4 Sustainable communities and the suburb lifecycle

Before examining the Pittwater LGA in detail, this section provides a framework for understanding sustainability in local communities. The diagram below provides a theoretical look at how suburbs and towns transition through lifecycles.



Source: .id population forecasts, supporting information

New areas are typically settled by young households (young couples and young families, perhaps some mature families). After initial rapid development, most households "age in place", with slowly shifting demand for services, facilities and dwelling types. For example, as the household type of a newly developed area ages from predominantly young family to mature family households, demand for preschool facilities drops and such service may close, which makes the area less likely to attract young family households in future.

As households age further and children leave home, the average household size falls, resulting in more empty nester (two person) households living in three or four bedroom dwellings. This is one of several points when households may look for alternative housing opportunities, such as smaller or more convenient dwellings. If such dwellings are available locally to move into, this enables elderly people to stay in the area they have connections to, and encourages younger families back into the area by freeing up larger format family dwellings.

The loop in the diagram represents the process of sustainability of an LGA or suburb. In an established area like Pittwater some suburbs are in their second cycle while others are late in their first. The challenges in such an area are to provide a mix of accommodation for an ageing population but also to retain families, especially in the face of high housing costs. If housing policy and economic development can attract a range of households at different life stages and income levels, then an area becomes more sustainable:

- early life facilities and services (including child care, schools and recreation facilities) can be maintained and fully utilised;
- a broader and more diverse range of services and facilities is available;
- housing choices are maximised for local residents as they move through different life stages, without having to leave the area;
- employment opportunities in service industries are maximised, supporting a diverse range of age groups.
- locals can maintain their social networks while ageing in place; and
- the population becomes more representative of the wider population and less prone to become an enclave.

5 Current residential role and function

This section provides specific detail about Pittwater, locating the LGA and component suburbs in the suburb life cycle, analysing current demographic characteristics and reviewing forecast changes in population and households.

5.1 Population and age

The 2006 Census counted 54,156 usual residents of Pittwater LGA, an increase of just 569 people between 2001 and 2006.

Pittwater's population plateaued in the 1990s, and has been very stable since then. The growth of 569 people counted in the Census represents just 1.1% population growth over five years. The official population estimates from the ABS (factoring in Census undercount and people overseas at Census time) show even less growth, with population decline in 2003 and 2004, and an increase of just 205 people over 5 years, a very stable population.

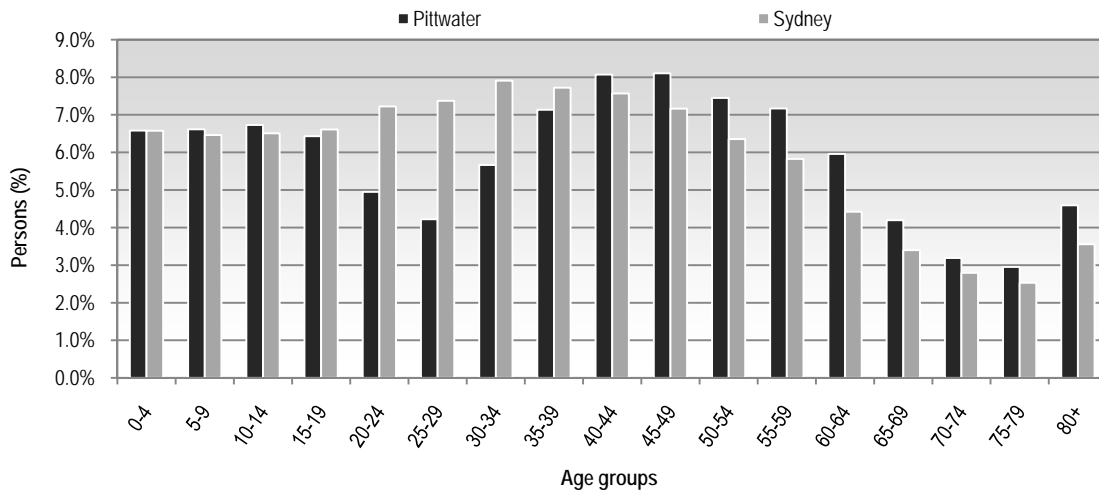
Since 2006, in line with national and state trends described in part 2, above, the population has expanded at a rate not seen in this area for decades. According to the ABS preliminary population estimates, between 2008 and 2010, the population increased by 2,600 people, almost as much as the entire growth between 1991 and 2006!

The disparity between population growth and dwelling growth is apparent in Pittwater, with building approvals for 837 dwellings supporting population growth of 3,250 people since the 2006 Census, around 4 people per dwelling. This is compared to an average household size in 2006 of 2.65 people per dwelling, so it is quite high. Between 2001 and 2006, however the average household size did increase just slightly, so perhaps this trend was already starting. It could indicate a significantly increased birth rate and perhaps children of the baby boomer population leaving home later than they did in previous decades.

The chart below shows the relative age structures of Pittwater LGA and the Sydney Statistical Division in 2006. The age structure is typical of an affluent family area, with large numbers of parents in their 40s and 50s, as well as slightly above average proportions of children in all age groups. There are very few people in their 20s, as the area is neither affordable for first home buyers looking at starting a family, nor in a convenient location for renting for singles/couples looking to live near education. It is an area attractive primarily to older families looking to upgrade their homes.

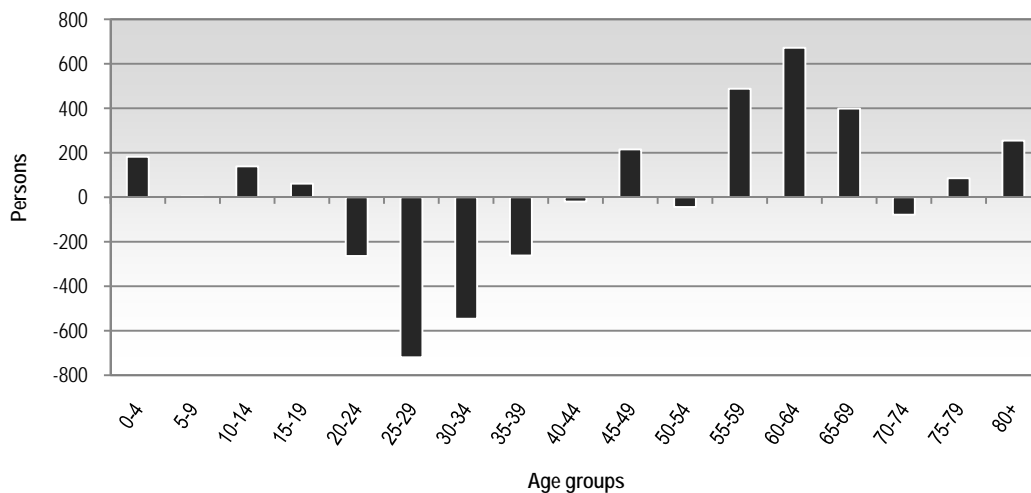
There are also large proportions of population in their 60s, and aged 80+. These are likely to be older residents who have lived in the area since the population boom of the 1960s. Population aged 80+ is a driver of, but also a result of, the significant aged care facilities in the area.

Age Structure – Pittwater Council and Sydney Statistical Division, 2006 Census



The change in age structure chart, below, shows a significant loss among people in their 20s between 2001 and 2006. This is likely to be because of housing affordability issues, and partly due to declines in birth rate through the 1970s. The largest increases were among the baby boomers (aged 50-59) and the pre-boomers (aged 60+), indicating ageing in place of existing residents as the main trend. One interesting trend, though small in number, is the increase in young children (0-4 year olds). This probably indicates the beginning of the post-2001 baby boom, and is likely to have increased since 2006 as well. The likely parents of these children are older mothers in their late 30s-early 40s (see part 2, above, for an explanation of this national phenomenon).

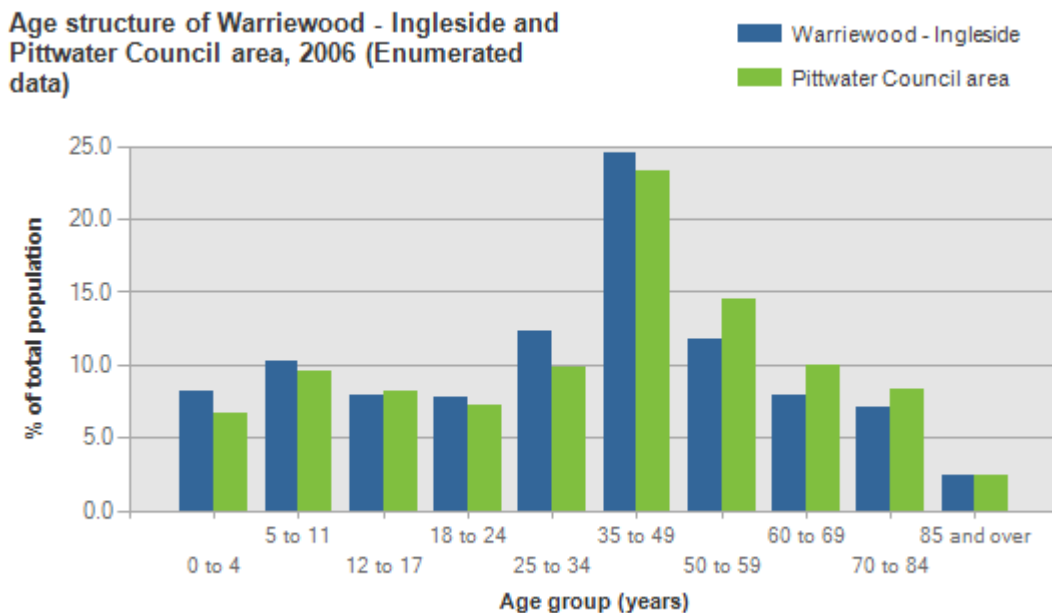
Change in Age Structure of Pittwater Council, 2001-2006



Interestingly, 35-44 year olds didn't increase at all, and younger groups who are likely to be parents actually decreased, so the increase in 0-4 year olds is almost certainly due to existing residents having children, and probably quite late in life. Generally, higher socio-economic areas have lower birth rates and mothers of a higher average age. However Pittwater's fertility rate was well above the NSW average, reaching 2.08 in 2009, an increase from 2008 in a year in which the state-wide figure decreased. So the 2011 Census should certainly show a significant increase in young children in the area.

Different suburbs within Pittwater have different age profiles. Bayview has a very elderly population, due to the provision of retirement villages and aged care in the area. In contrast, Warriewood attracts younger families to a greater extent than other parts of Pittwater, due to some new housing growth in this suburb.

Age Structure (service age groups) – Warriewood and Pittwater Council, 2006 Census

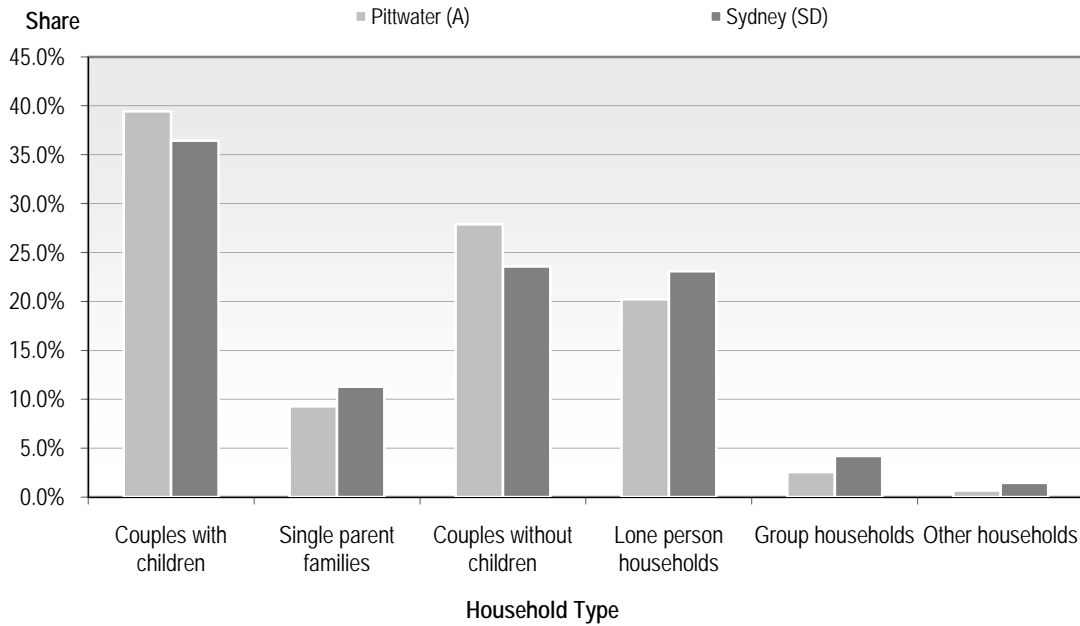


Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

5.2 Households and dwellings

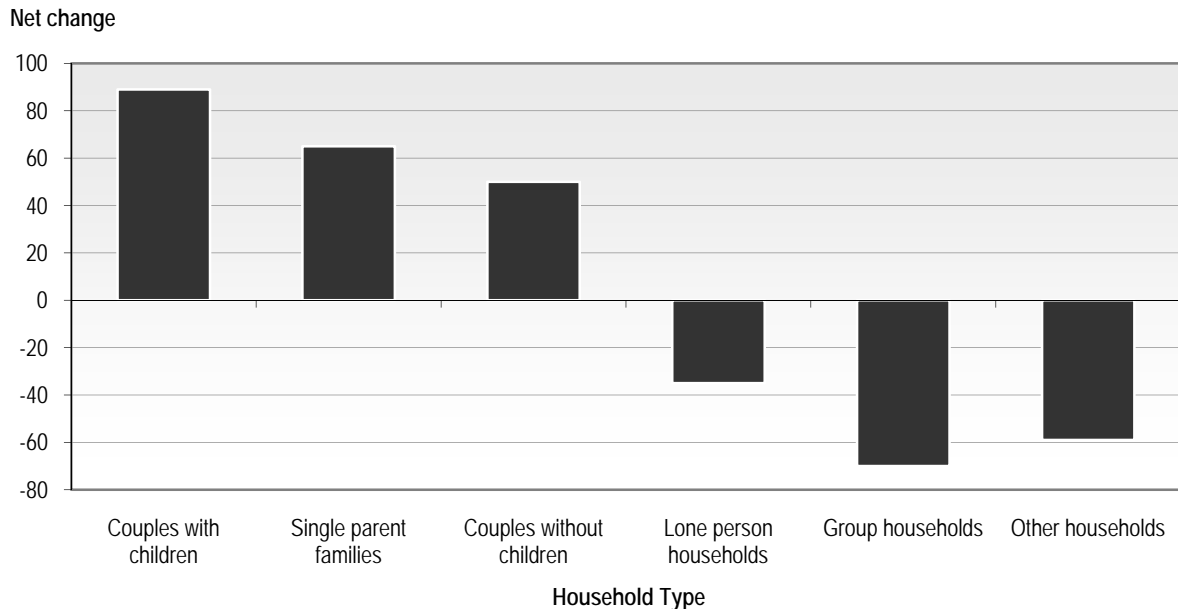
Looking at household types in Pittwater reinforces the view of the LGA given in the previous section looking at age structure. The profile of household types at the broad level is very similar to the Sydney Statistical Division, with generally a higher proportion of couples, both with and without children, and less lone person households and one person families.

Household and family type (primary family in household) Pittwater and Sydney SD 2006



The change between 2001 and 2006 shows the largest increase in couples with children, consistent with the growth in 0-4 year olds shown in section 5.1. There has been a minor turnaround (not large numbers) in Pittwater – from 1996 to 2001, the smaller household types increased, but from 2001-2006 it was mainly an increase in families, indicating regeneration and fringe growth.

Net change in households by broad household/family type, Pittwater, 2001-2006



Delving a little deeper, we can have a look at the life stage of each of the types of households. For the purposes of this analysis, the following household life stage definitions have been applied:

Couple and one parent families

- ‘Young’ – Only children under 15 present
- ‘Maturing’ – At least one child under 15 and one over 15 present
- ‘Older’ – All children aged 15+

Couple without children families

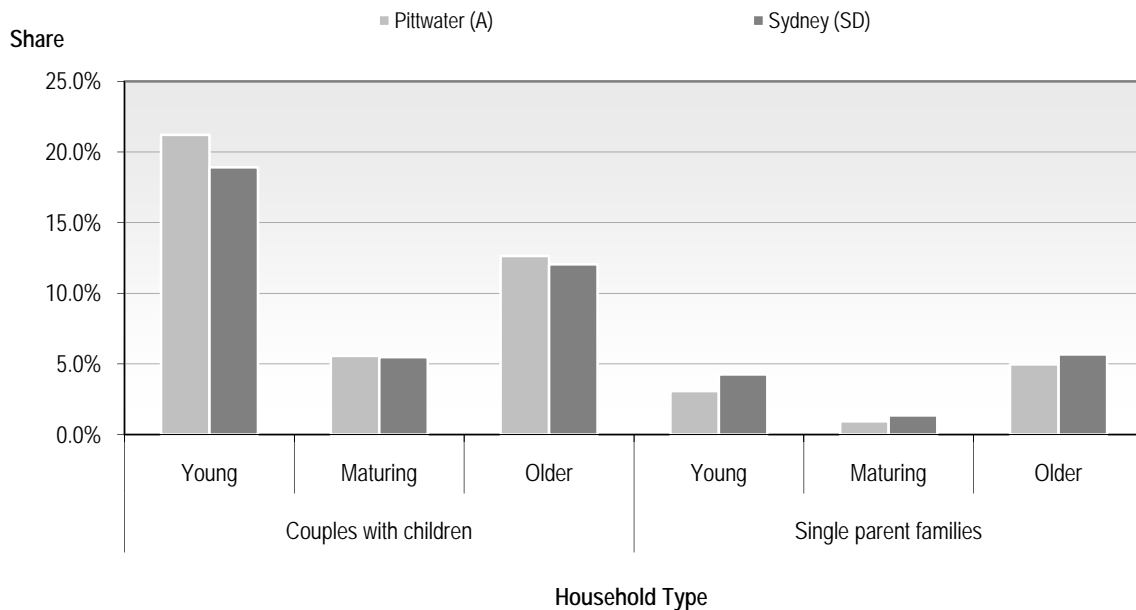
- ‘Young’ – Family reference person aged 15-44 inclusive
- ‘Maturing’ – Family reference person aged 45-64 inclusive
- ‘Older’ – Family reference person aged 65+

Lone person households

- ‘Young’ – Lone person aged 15-44 inclusive
- ‘Maturing’ – Lone person aged 45-64 inclusive
- ‘Older’ – Lone person aged 65+

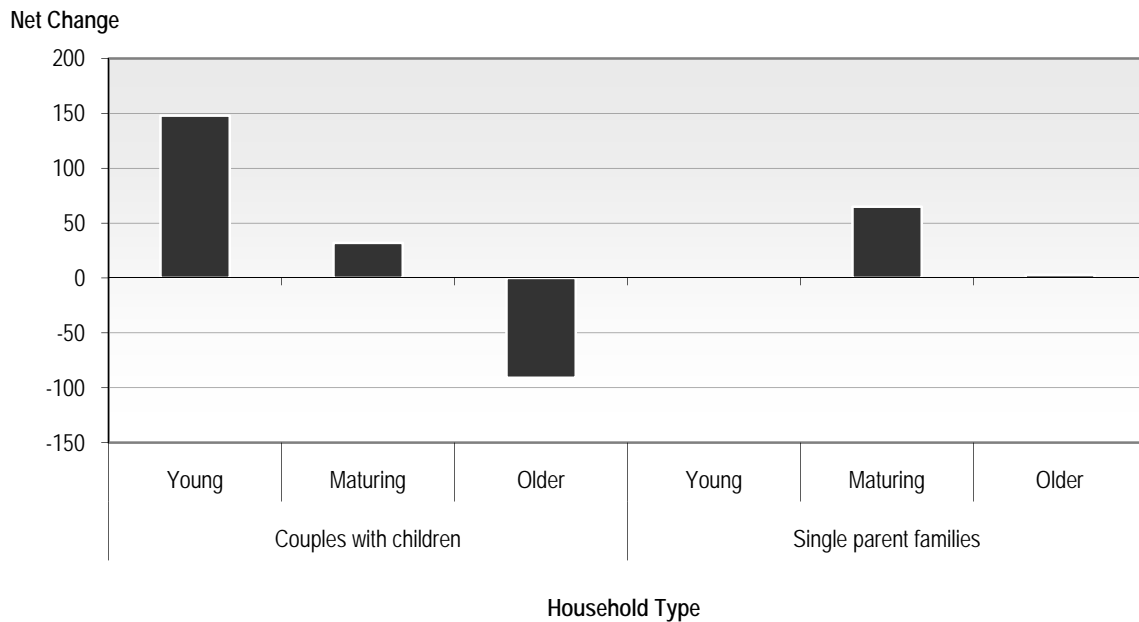
Households with children in Pittwater are significantly more likely to be couples than single parents, and there are a particularly high proportion of couples with younger children.

Households with children by life stage – Pittwater and Sydney SD, 2006



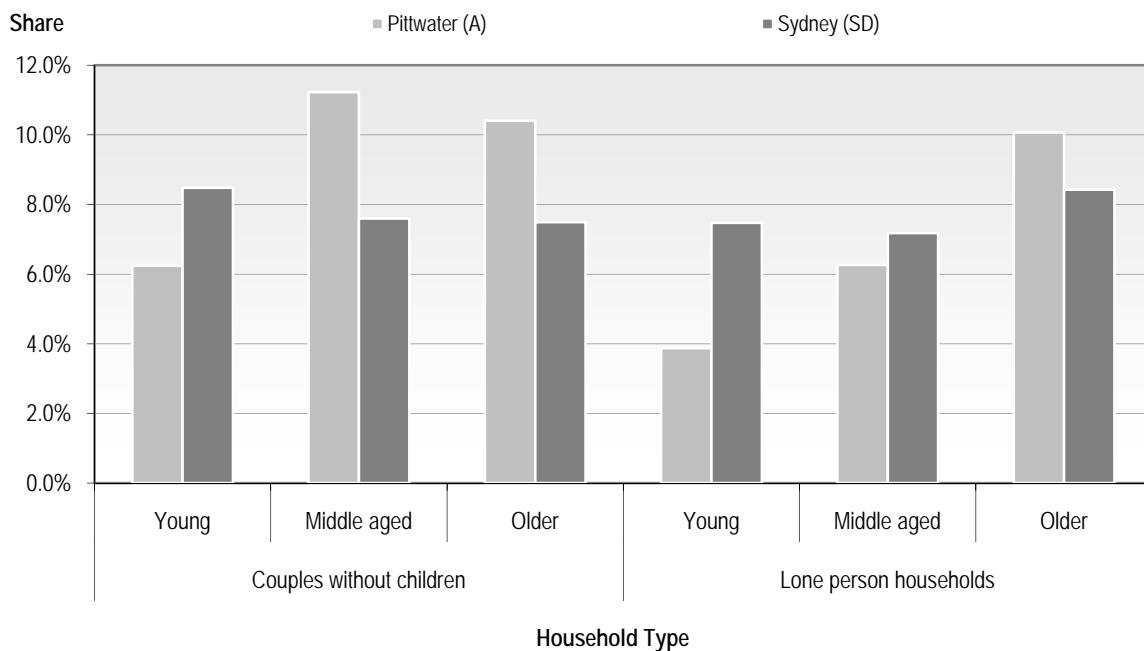
Most importantly, couples with young children were on the increase, while those with older children decreased, and single parent families were largely static (with a small increase among “maturing” families with children of mixed ages). This indicates a clear regeneration trend, with new housing and housing vacated by older couples downsizing now being occupied by couples with children again.

Net change in households with children by life stage – Pittwater, 2001-2006



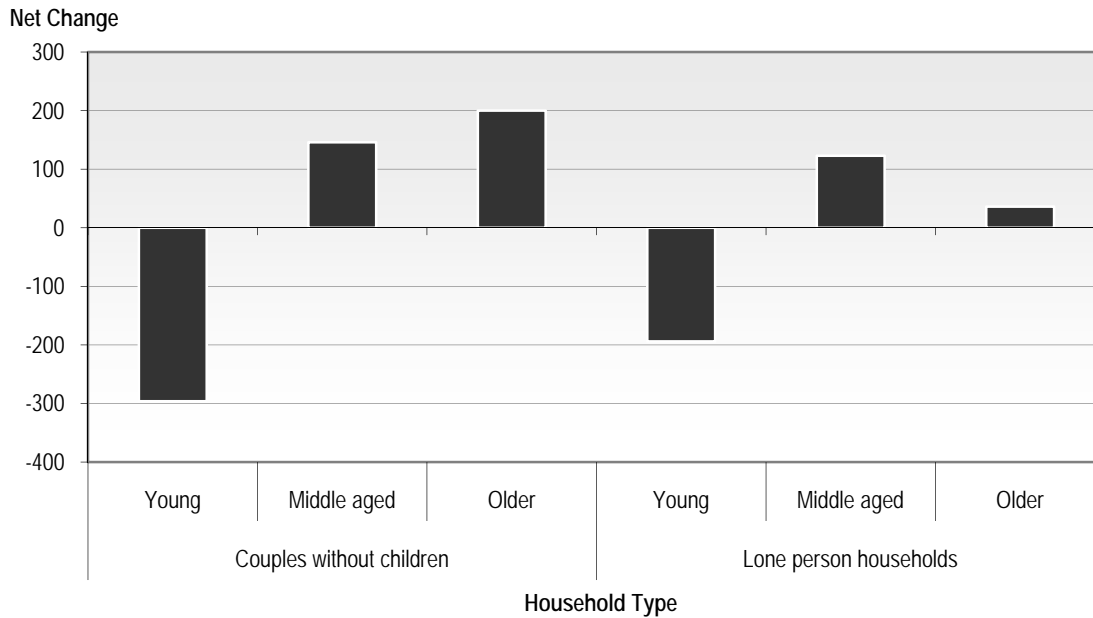
There are larger differences between Pittwater and the Sydney SD when looking at households without children. It is not an area favoured by young couples without children – the majority of couples are maturing (45-64) and older (65+) couples. A similar story is apparent with lone persons – while overall there were less lone persons than the Sydney average, there were actually more in the 65+ age group and only about half the proportion of under 45s.

Households without children by life stage – Pittwater and Sydney SD, 2006



Between 2001 and 2006, there was a significant decline in young couples with children (perhaps partly explained by those couples having children while still living in Pittwater), and young lone person households, with small increases in the older groups.

Net change in households without children by life stage – Pittwater, 2001-2006



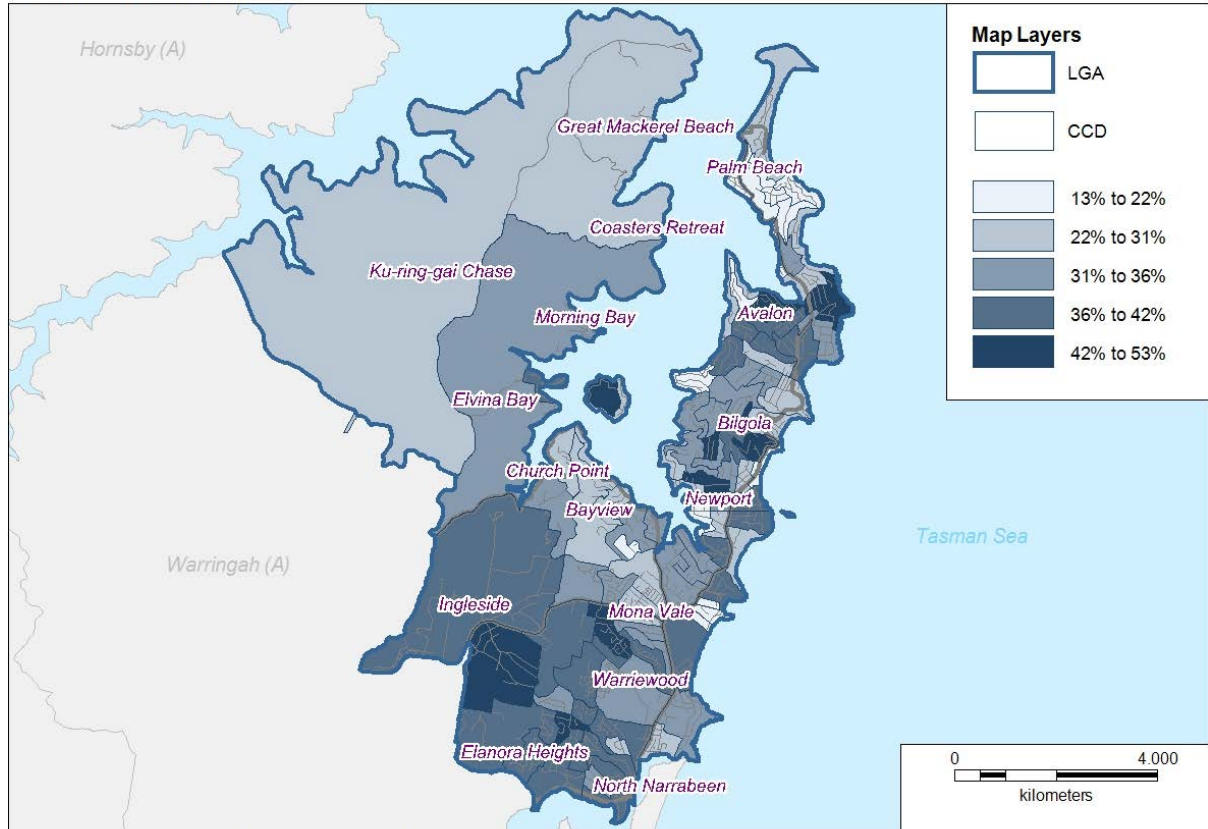
All this paints a picture of an area attractive to mature families, but increasingly with parents in their 30s moving in as couples and having young children in the area. As the elderly population of the area downsize into retirement accommodation, or leave the area, families are regenerating the area. However it is not an area that is attractive to smaller young households (couples and lone persons without children), as it doesn't have the urban nature of places closer to Sydney, which these groups tend to be attracted to.

For the same reason, "Group Households", house/flat sharing arrangements between unrelated individuals, are relatively uncommon in Pittwater. For the most part it is an area for young families with relatively older parents, perhaps seeking to upgrade their housing, or moving in for lifestyle reasons.

The map below shows the distribution of couples with young children in Pittwater in 2006. There are some correlations with the location of detached housing, with the highest concentrations in Avalon, Newport and the newer areas of Warriewood.

Couple families with children under 15 years, Pittwater Council area 2006

(As a percentage of total families)

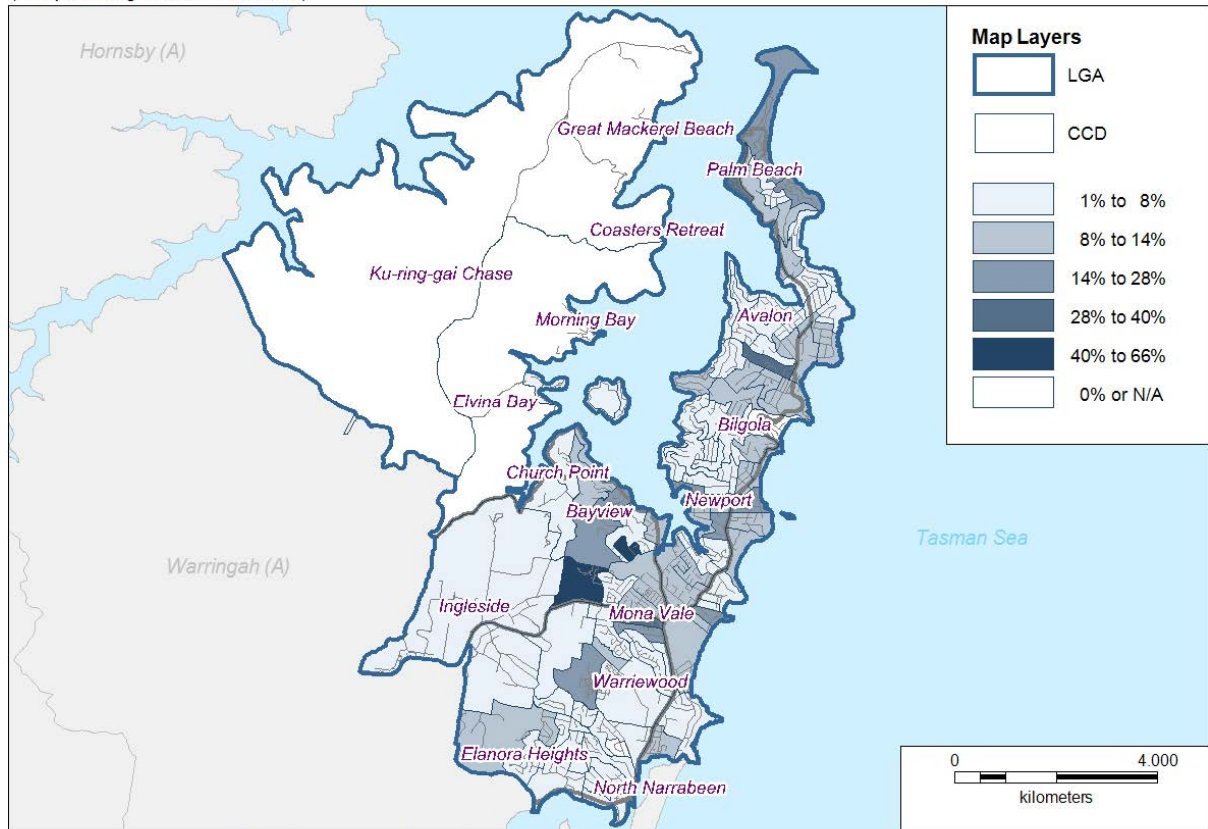


Source: Australian Bureau of Statistics, Census of Population and Housing 2006

Older couples without children are concentrated at the north end of the peninsula around Palm Beach. These are likely to be relatively high income. There are also high concentrations of older couples without children in Bayview, who are likely to be lower income.

Older (65 years and over) lone person households, Pittwater Council area 2006

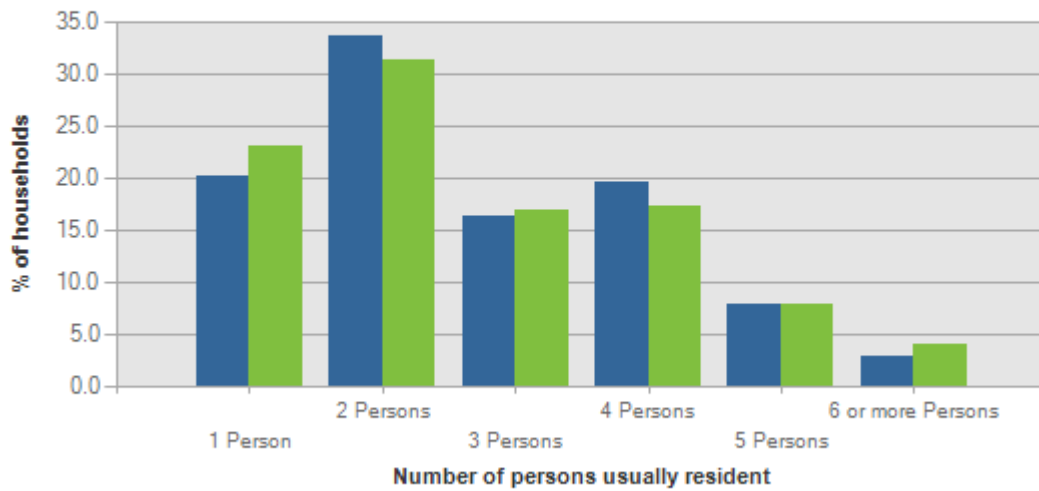
(As a percentage of total households)



Source: Australian Bureau of Statistics, Census of Population and Housing 2006

As well as household type, the number of persons resident in each household is a strong indicator of the type of area and where it is located in the suburb life cycle. This chart shows that Pittwater is a mixture, with a larger proportion of 4 person households (probably couples with two children) and also 2 person households (probably older couples without children).

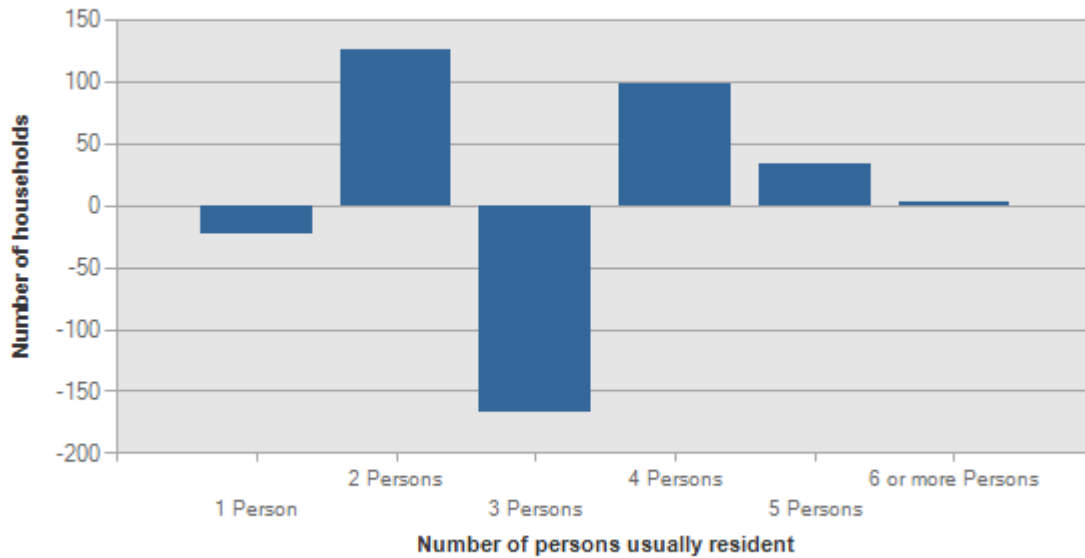
Household size, Pittwater Council area and Sydney Statistical Division, 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

Both these two categories increased between the 2001 and 2006 Census.

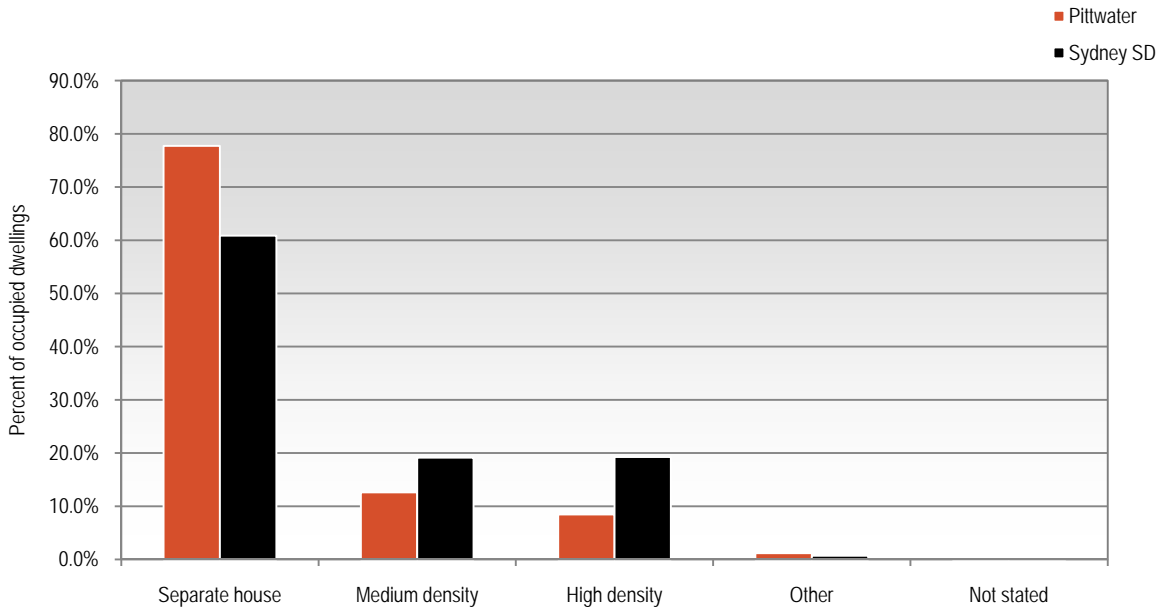
Change in household size, Pittwater Council area, 2001 to 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Enumerated)

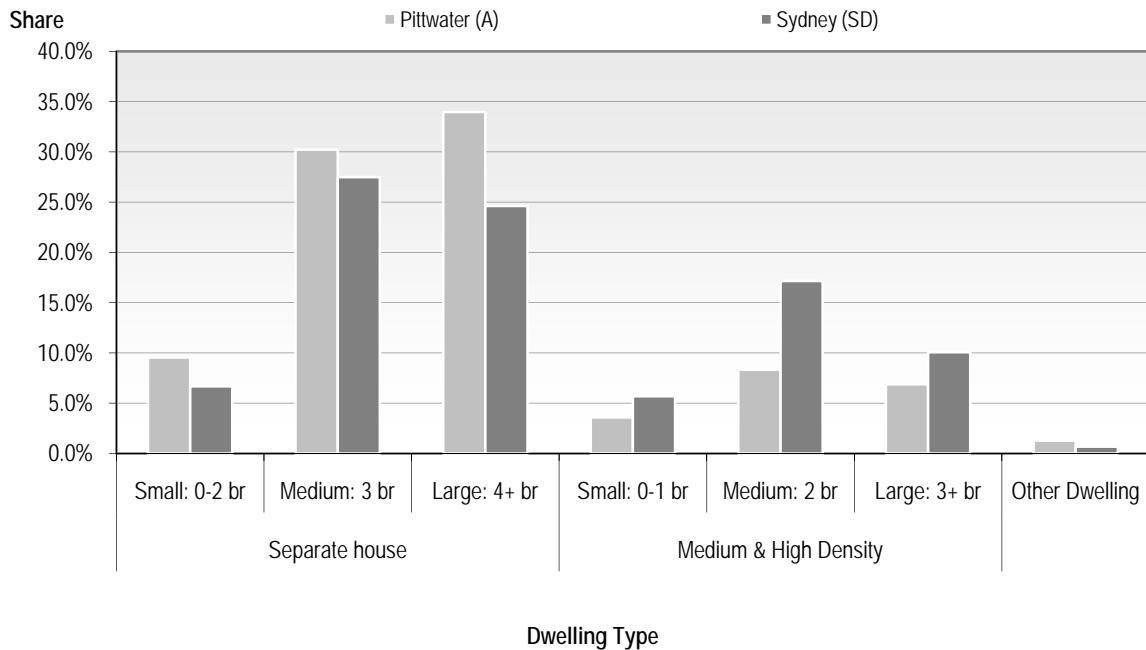
The types of dwellings which are available in an area are important determinants of the type of households who will live there. Smaller, higher density dwellings are likely to attract young adults as well as the elderly, in smaller household types; while larger, detached or separate dwellings are more likely to house families or prospective families (adults in their 30s and 40s with children aged 0-14). Pittwater predominantly comprises family housing, with 78% of all dwellings in 2006 being separate houses. There is some medium and high density housing, but it is present at about half the rate of the Sydney average. However, high density housing (flats in 3+ storey blocks) increased more than any other category of housing between the 2001 and 2006 Census.

Dwelling structure of all dwellings, Pittwater (A) and Sydney SD, 2006 Census



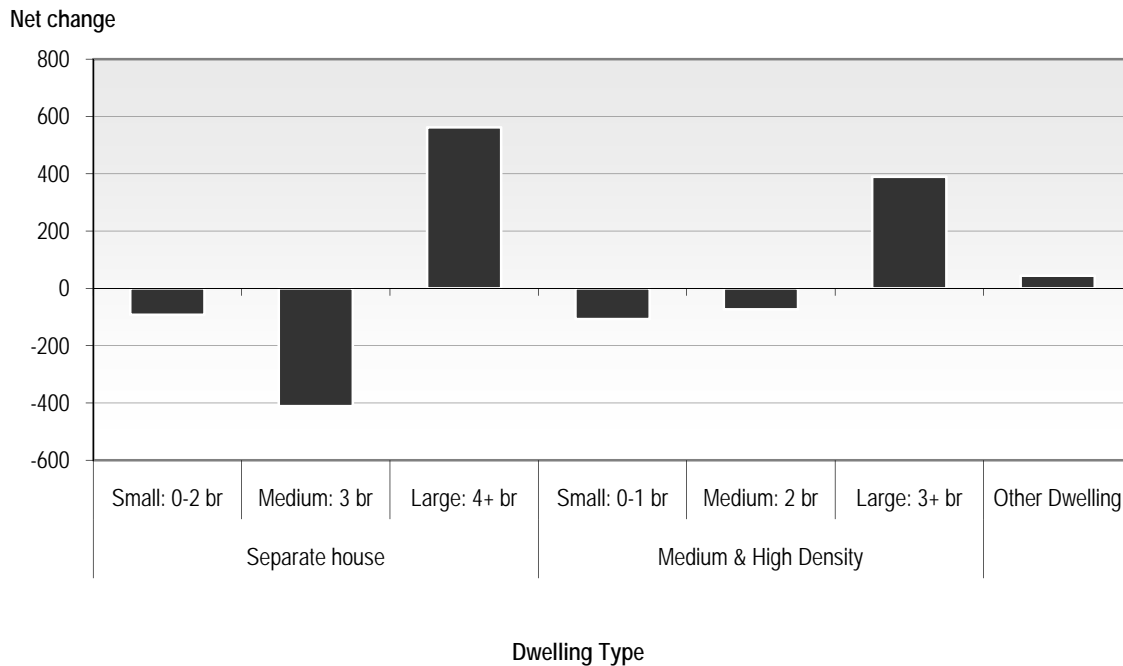
With the large amount of family housing in the area, it is perhaps not surprising that when the older inhabitants of these leave the area or downsize, they are being taken up again by families. The chart below shows that compared to Sydney, separate houses are particularly large in Pittwater, with 4+ bedroom houses the norm. Even the higher density stock is skewed a little to the 3+ bedroom end of the size range.

Dwelling type and size, Pittwater and Sydney SD, 2006



From 1996 to 2006 there was a consistent increase in the number of bedrooms in Pittwater dwellings, as new housing builds were larger, and residents renovated existing housing, adding bedrooms and living areas.

Change in dwelling type and size, Pittwater, 2001-2006



Source: 2006 and 1996 Census of Population and Housing

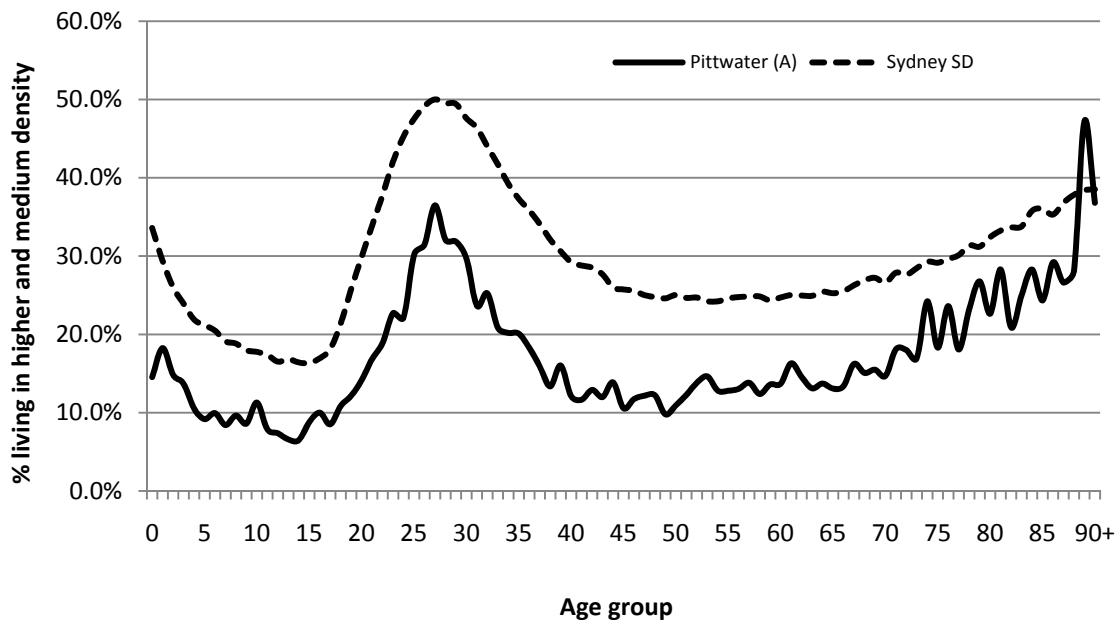
Generally, across Australia, and particularly in Sydney, medium and higher density housing is favoured by younger, smaller households. Pittwater doesn't have a lot of these, perhaps in part due to location, and in part due to the dwelling types in the area. The main smaller households in the area are older couples and lone persons, both in retirement villages and outside, but the migration trend shows that increasingly people are leaving the area in retirement.

The chart below shows the propensity to live in medium/higher density dwellings by age for Pittwater compared to Sydney SD.

The chart below shows that, while the shape of the age distribution of people living in medium/higher density dwellings in Pittwater is the same as it is for Sydney, the propensity is lower for all age groups, except for the very elderly, aged 90+. The existence of the peak in the early 20s in Pittwater indicates that there is still a preference for higher density accommodation among this age group, and it is likely that if such accommodation is built, it will attract younger groups to the area.

Interestingly, this peak for the young is primarily comprised of high density dwellings (3+ storey flats and apartments) whereas the high propensity among older people is mainly medium density (townhouses and small blocks of flats). This indicates that the higher propensity among the older population may be mainly retirement villages, and there are still a lot of the older population living in larger family homes.

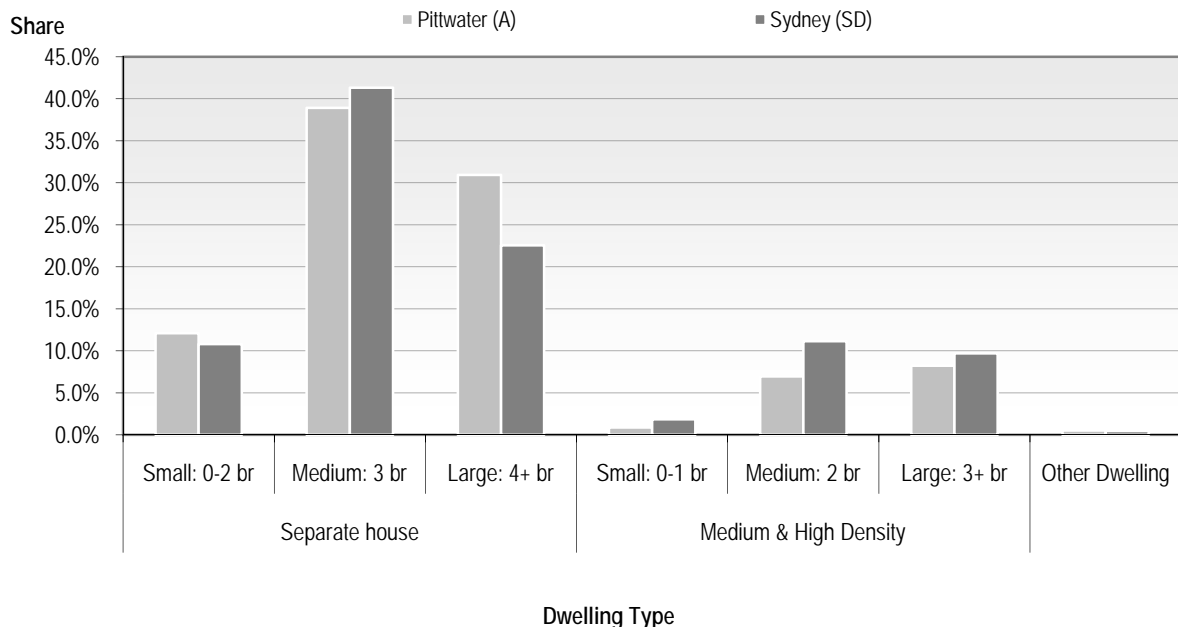
Propensity to live in medium/high density dwellings by age, Pittwater and Sydney SD, 2006



Source: 2006 Census of Population and Housing, unpublished data

Indeed the data shows that Pittwater has a much higher proportion of older couples and lone persons in larger format separate dwellings than the Sydney average, and almost all the increase in these households over the 1996-2006 period was housed in these dwellings.

Dwelling types and sizes occupied by older couples without children, Pittwater and Sydney SD



There is retirement out of the area, and this may indicate perhaps a lack of suitable accommodation for downsizing within the area. The recent influx of families does indicate that when those family homes are freed up families with children will move into them.

So it seems there is a likely need for a more diverse mix of housing in Pittwater, both to allow the older population to downsize and free up family homes, and attract young people back into the area. In an affluent area such as Pittwater, however, making this housing affordable to a wide range of households is the key difficulty.

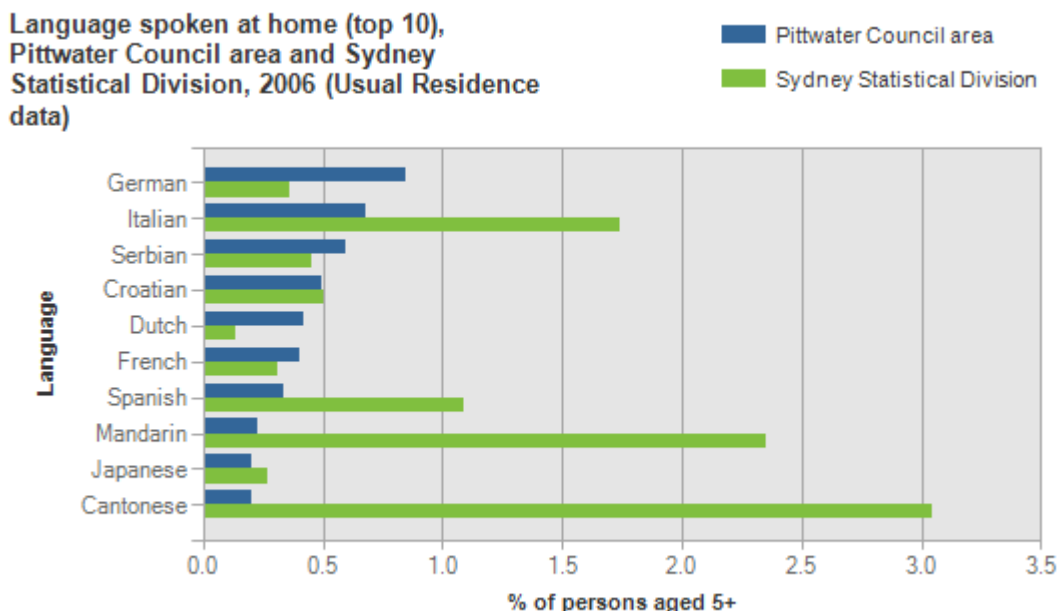
5.3 Migration and cultural diversity

Migration analysis helps us understand the residential role and function of an area. It reflects economic, social, demographic and market drivers such as the cost of housing, employment opportunities, market preferences, familiarity with an area, social ties and the availability of services.

In terms of total non-English speaking population, Pittwater is one of the less diverse areas in Sydney. A high proportion of the population were either born in Australia, or one of the main English-speaking countries – in fact the top 4 overseas countries of birth area all English Speaking – the UK (8.9%), New Zealand (2.0%), USA (0.9%) and South Africa (0.9%).

Other countries of birth mainly represent the older wave of post WWII migration, such as Germany, The Netherlands, Italy, Serbia and Croatia. At 2006, most of these countries of birth had declining populations, due to the age of the population, death and retirement out of the area.

In 2006, only 6.7% of the population of Pittwater spoke a language other than English at home, less than a quarter of the Sydney average of 29.3%. This is one of the lowest proportions of any LGA in Greater Sydney. Emerging groups of German and Chinese speakers were apparent, but the numbers were very small. Pittwater is clearly not a first port of call for migrants, and the cultural mix reflects the affluent nature of the area and its function as mainly an upgrader area for those born in Australia, and migrants from English speaking countries.



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Usual Residence)

All suburbs in Pittwater had lower language diversity than the Sydney average, but the highest proportions were in Warriewood-Ingleside (10.2%) and Mona Vale (9.2%). The lowest proportion was in Palm Beach-Whale Beach (4.4%).

Local migration (within Australia) is measured from the Census question which asks where a person lived 5 years before. This enables us to calculate a net migration figure. Overall, in 2006, 35.6% of Pittwater's population (aged 5+) had moved in the 5 years prior to Census, and 20.7% had moved from outside Pittwater. While this is relatively low compared to some LGAs, it does indicate that over one-fifth of the population were new residents in the area.

Pittwater in 2006 lost people to migration within Australia in all age groups. However for the age groups 35-54 (parents) and 5-14 (children) the gains almost offset the losses, for a net migration of almost zero. All other age groups showed significant loss. The largest loss was among 25-34 year olds, who left the area far more frequently than they came in. This is likely to be due to housing affordability – the area is expensive and this age group prefers to rent close to employment and education hubs, or purchase more affordable housing as first-home buyers.

The table below shows the locations of largest gain and loss of migration within Australia for 2001-2006. The presence of Gosford, Wyong and the Gold Coast in the top 3 losses show the impact of the lack of affordable housing in Pittwater. feature prominently. In addition to these areas, those aged 25-34 moved to the Cities of Sydney and North Sydney, likely to be urban renters.

Population gain and loss by Local Government Area, Pittwater (A), 2006

Top 10 LGAs ranked by net gain to Pittwater Council				Top 10 LGAs ranked by net loss to Pittwater Council			
LGA	In	Out	Net	LGA	In	Out	Net
Ku-ring-gai (A)	516	189	327	Gold Coast (C)	51	423	-372
Warringah (A)	2,741	2,509	232	Gosford (C)	123	384	-261
Hornsby (A)	341	199	142	Wyong (A)	63	283	-220
Waverley (A)	146	48	98	Hastings (A)	13	164	-151
Baulkham Hills (A)	209	113	96	Tweed (A)	5	147	-142
Manly (A)	442	376	66	Maroochy (S)	20	142	-122
Randwick (C)	120	55	65	Noosa (S)	12	127	-115
Willoughby (C)	179	120	59	Great Lakes (A)	13	119	-106
Woollahra (A)	126	67	59	Byron (A)	19	124	-105
Leichhardt (A)	136	81	55	Lake Macquarie (C)	23	125	-102

Across all age groups, the Gold Coast was the largest attractor of population from Pittwater. As shown in part 2, the Gold Coast successfully attracted people from all over NSW in the 2001-06 period. It is commonly thought of as mainly a retirement destination, but for the over 65s, the Gold Coast was only the 5th largest are of population loss from Pittwater, after Warringah, Gosford-Wyong and Port Macquarie. Other coastal retirement destinations also feature for this age group, such as Tweed, Shoalhaven and Great Lakes.

The 35-54 age range are more likely to be relatively affluent upgraders, attracted to Pittwater for the lifestyle and large housing. They moved in mainly from other parts of northern and inner Sydney, but population losses were still mainly to the Gold Coast and central coast.

For more detail, see the migration by age tables on Pittwater's community profile:

<http://profile.id.com.au/Default.aspx?id=244&pg=305&gid=10&type=enum>

So, overall, Pittwater loses people in all age groups, but particularly young adults and retirees, while being attractive to mature families looking to upgrade. There is a lot of population exchange with nearby Warringah, a net gain of mature families from there, but a loss of young people and retirees. Gold Coast is the number one destination for Pittwater residents, followed by the Central Coast, both probably on the basis of more affordable housing. Cultural diversity is low, as the area is not a destination for migrants, except some from English speaking countries, such as the UK, USA and South Africa.

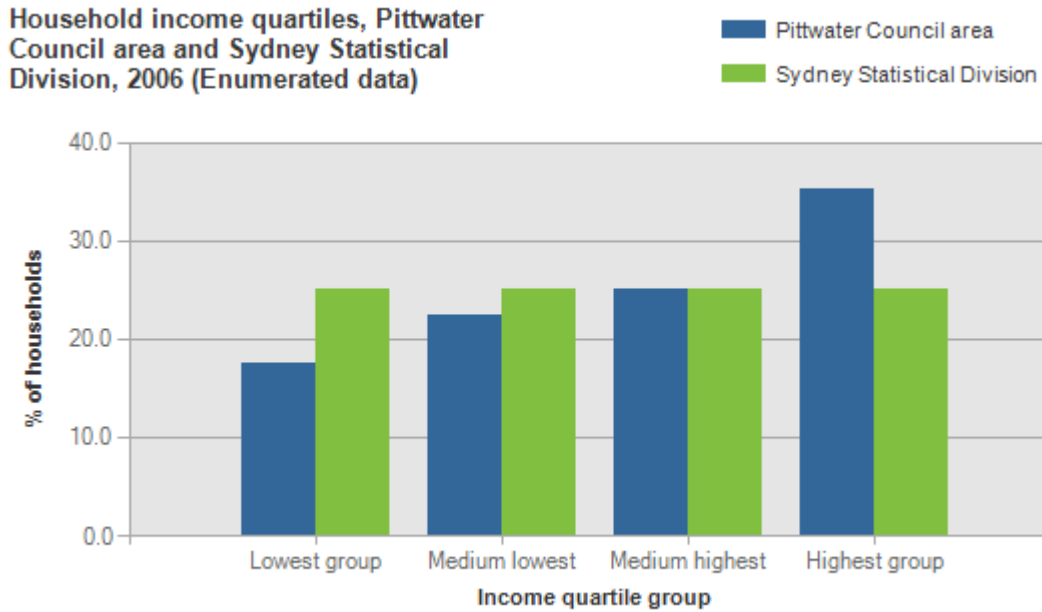
5.4 Income

Income is one of the most important socio-economic indicators. The amount of income a household generates is linked to several factors such as the number of employed workers, the type of jobs held and the number of people on government benefits.

The median *individual* income in Pittwater at the 2006 Census was \$653 per week, above the Sydney average of \$518, but not exceptionally so. Individual income is affected by the number of elderly people on pensions (there is no account taken of wealth tied up in housing), and also by families where there is one high income earner while the spouse has no or limited income.

Looking at *household* income, the median was \$1,486 per week, well above the Sydney average of \$1,154.

Household income is generally a better measure of the economic resources available to households, as low income individuals in households may be supported by others. Medians can be misleading, however, and it is worthwhile looking at a more detailed income breakdown as well.



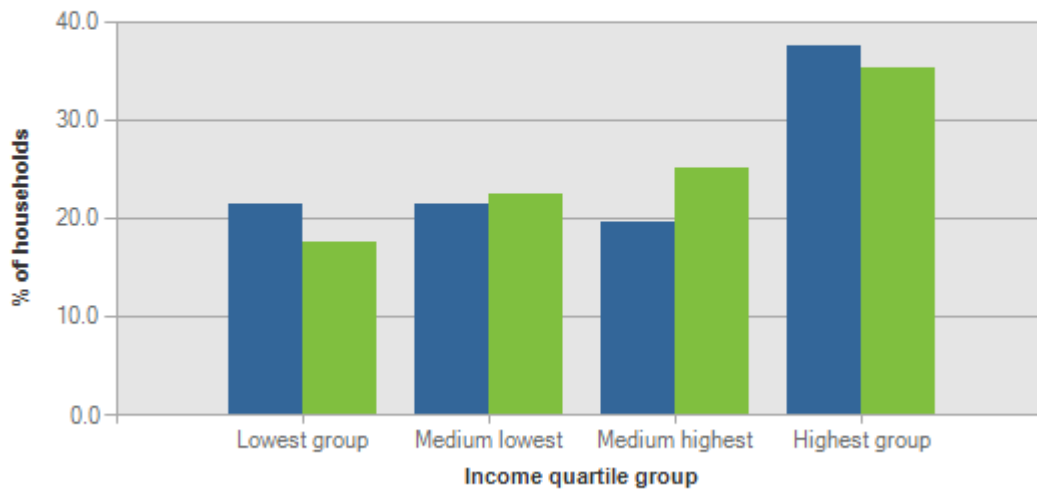
Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

The chart above shows that Pittwater’s household incomes are skewed toward the top end of the Sydney Statistical Division, with 35.2% falling in the top quartile (25% of Sydney). However this is not an extreme income distribution (Ku-Ring-Gai for example has 51.2% in the top quartile). Pittwater still has 17.5% of households in the bottom income quartile for Sydney. However, the growth in households between 2001 and 2006 was mainly concentrated at the top end of the income distribution (the quartile method automatically adjusts for inflation and wages growth).

This pattern shows that Pittwater, while a relatively affluent area, has incomes only a little above average. It may be due to the older population. As mentioned, measuring income alone doesn’t account for people who fully own their home but may be living on the pension.

Suburbs within Pittwater all had higher proportions of high income households and lower proportions of low income households than the Sydney average but nevertheless showed variation. The highest proportion of top income quartile households was in Church Point – Scotland Island – West Pittwater with 42.5%, followed by Bilgola with 40.6%. The highest proportion of low income households was in Bayview with 21.5% (but down from 23% in 2001), which also had a relatively high proportion of high income households (37.6%). This is called income polarisation and appears in the chart below.

Household income quartiles, Bayview and Pittwater Council area, 2006 (Enumerated data)

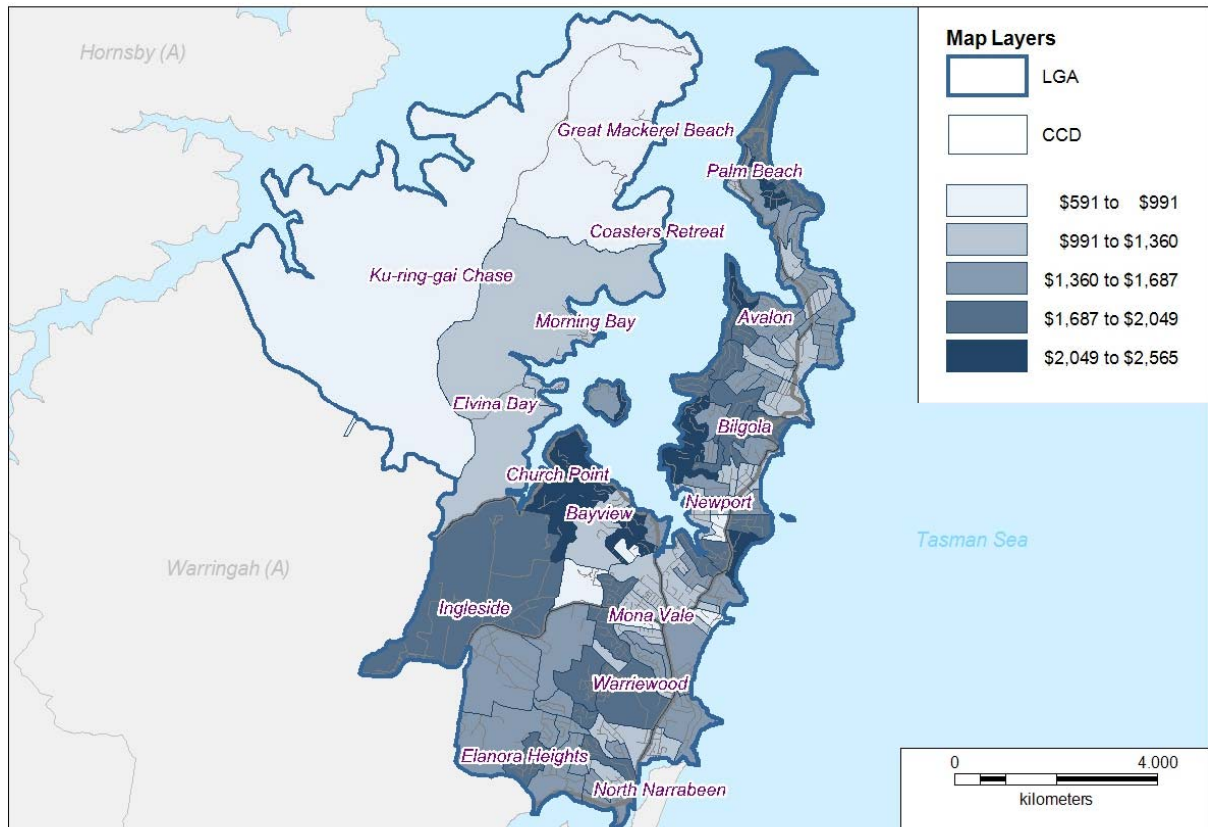


Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

The income polarisation of Bayview is most likely due to the very elderly population in the area.

The map below shows the median income distribution across Pittwater. Areas with views over the Pittwater (such as Church Point) are very high income, but there are several pockets of quite low incomes, associated with public housing and an elderly population.

Median weekly household income, Pittwater Council area 2006



Source: Australian Bureau of Statistics, Census of Population and Housing 2006

5.5 Employment

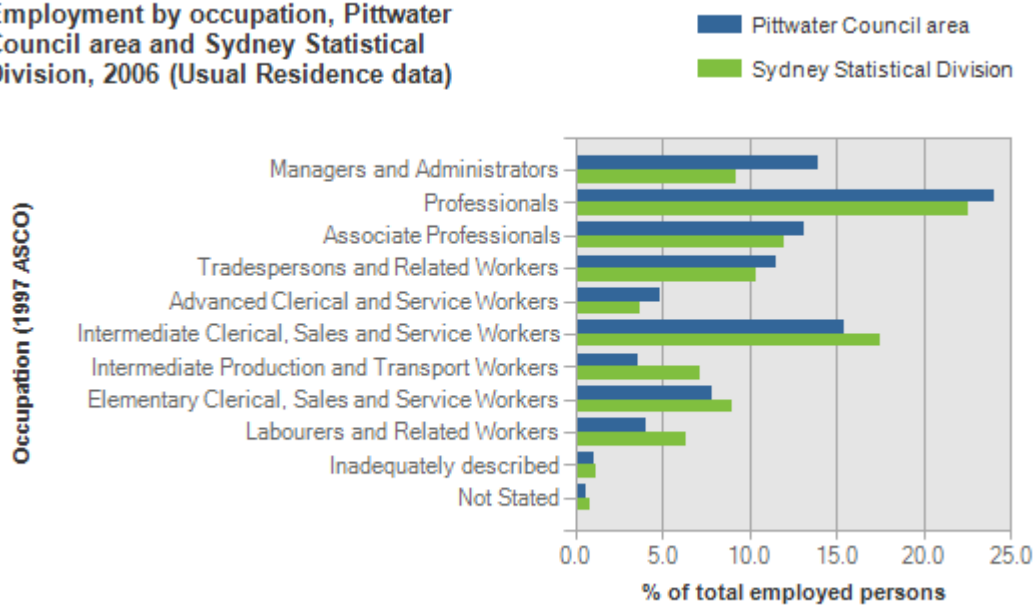
The unemployment rate in Pittwater in 2006 was just 2.7%, around half the Sydney average of 5.3%. It had decreased slightly from 3.1% in 2001.

The participation rate, which is the proportion of the population who are in the labour force (employed or unemployed), was higher than the Sydney average, at 64.8% (compared to 60.7%). This is surprising for an area with an older population, and perhaps indicates a higher proportion of dual-income couple families in the area, or people working at least part-time after retirement age. However, with the ageing of the population, the number of people employed and in the labour force declined between 2001 and 2006.

According to the Department of Employment and Workplace Relations Small Area Labour Market estimates, the unemployment rate was 3.4% in December 2010, down from 4.0% a year before.

Residents of Pittwater mainly worked in the higher skilled occupations, including Professionals, Managers, and Tradespersons. These were all present in higher proportion than the Sydney average, while there were relatively few Production & Transport workers or Labourers. With the decline in employed population, only Managers and Professionals increased in number between 2001 and 2006, all other occupation categories declined. This is in line with a further gentrification of the area, and narrowing of the resident base to affluent, high income, high education level residents.

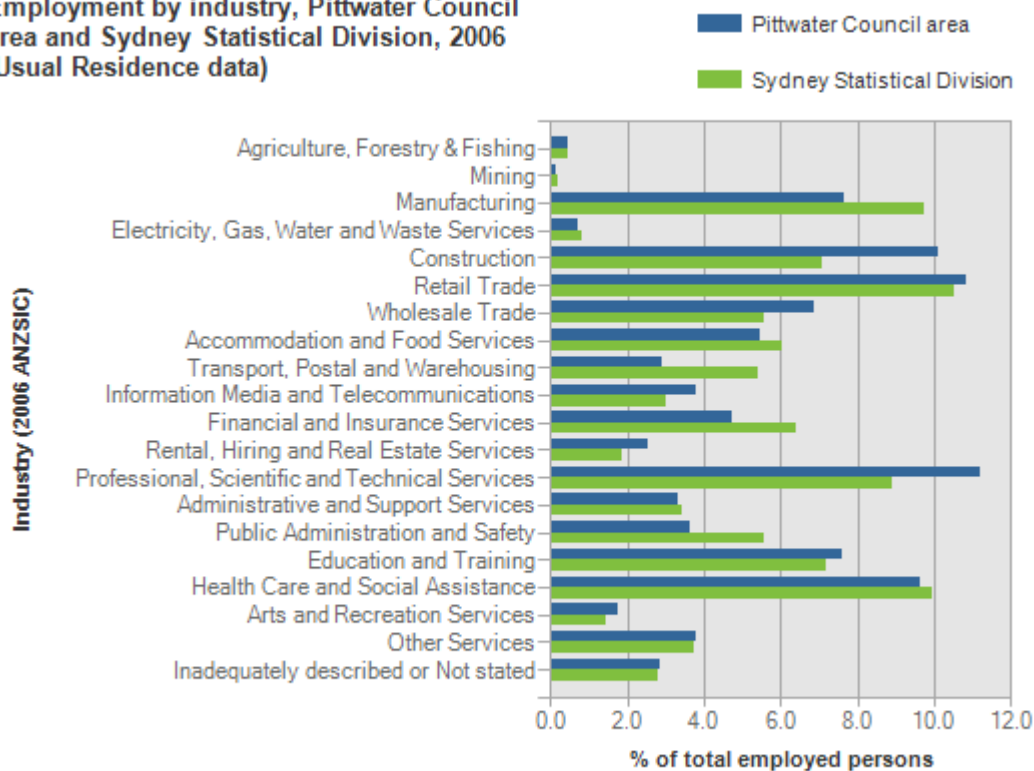
Employment by occupation, Pittwater Council area and Sydney Statistical Division, 2006 (Usual Residence data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Usual Residence)

Pittwater in 2006 had a large proportion of residents employed in the Construction industry, as well as Property & Business Services. There were relatively few people employed in Transport or Government Administration, and Manufacturing was lower than the Sydney average but still significant.

Employment by industry, Pittwater Council area and Sydney Statistical Division, 2006 (Usual Residence data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Usual Residence)

So the employment profile of residents shows a mix of white-collar and blue-collar industries and occupations, with Tradespersons working in Construction quite a large category, alongside white collar professionals in Business Services.

In 2006, there were 27,278 employed residents of Pittwater, and the majority of them worked outside Pittwater. While 38.9% of residents worked in Pittwater, another 17.4% went to nearby Warringah, and the next largest work destination was the City of Sydney, with 9.6%.

A total of 16,611 people worked in Pittwater in 2006, of which nearly two-thirds (63.9%) lived within the LGA. A further 21.4% came from Warringah, which was the only other significant source of employees. So Warringah and Pittwater between them account for over 85% of Pittwater’s workforce, making it very localised (far more so than the residents, many of whom commute out).

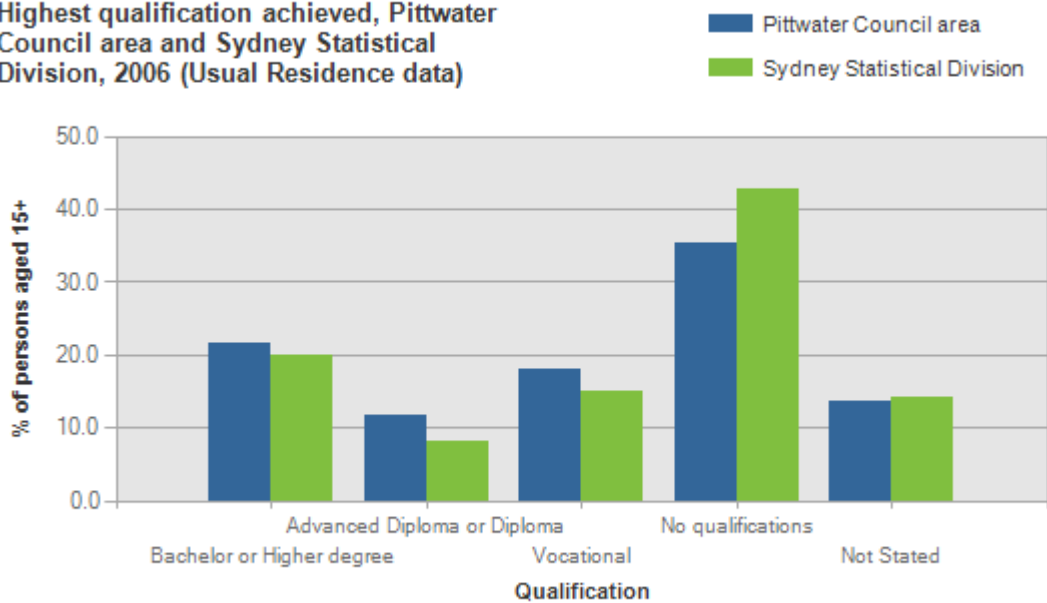
Though it is not a major employment destination within Greater Sydney, Pittwater’s workers worked in a range of industries, particularly Retail Trade, Construction, Health Care and Manufacturing.

So in terms of economic role and function, Pittwater is more of a residential source of workers within the region, and commuting to Sydney, but there are some industries in the area.

5.6 Education

The education profile of Pittwater shows a greater proportion of the population with qualifications than the Sydney average in all categories. However, university degree level qualifications are only slightly higher than the Sydney average (21.5%, compared to 20.0%). Both diploma level and trade qualifications are significantly higher than the Sydney average, though, which matches this occupation profile. Pittwater has a mix of degree qualifications and trade qualifications, but a low proportion of those with no qualifications. The highest proportion of university qualifications is in Church Point-Scotland Island (31.7%), while trade qualifications are concentrated in the south of Pittwater, including North Narrabeen (21.5%) and Elanora Heights (20.4%).

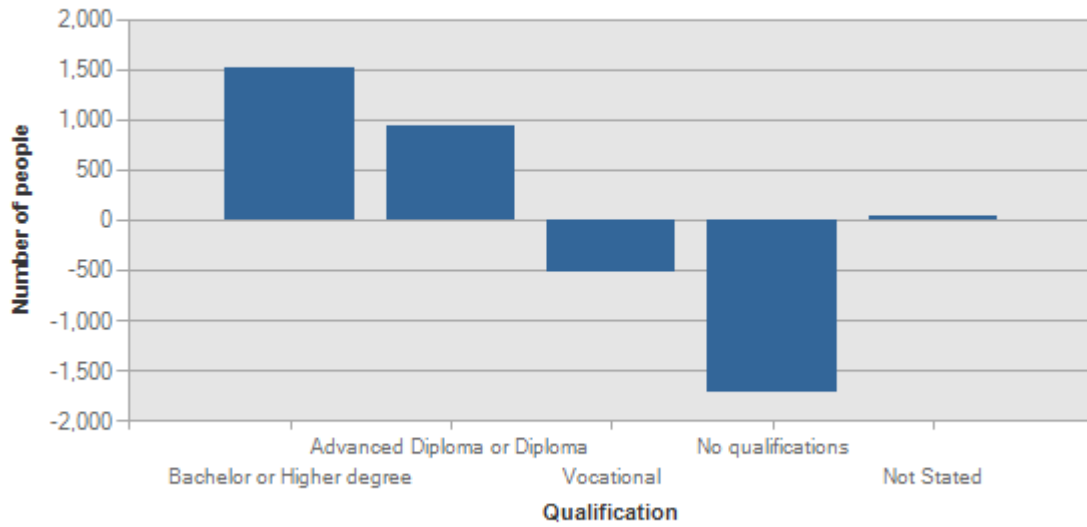
Highest qualification achieved, Pittwater Council area and Sydney Statistical Division, 2006 (Usual Residence data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Usual Residence)

Between 2001 and 2006, in line with a national trend, the number of people with university qualifications increased substantially, while there was a small drop in those with vocational qualifications and a larger drop in those with no qualification at all. This indicates the continuing gentrification of the area, and perhaps the increasing lack of affordability for middle income households.

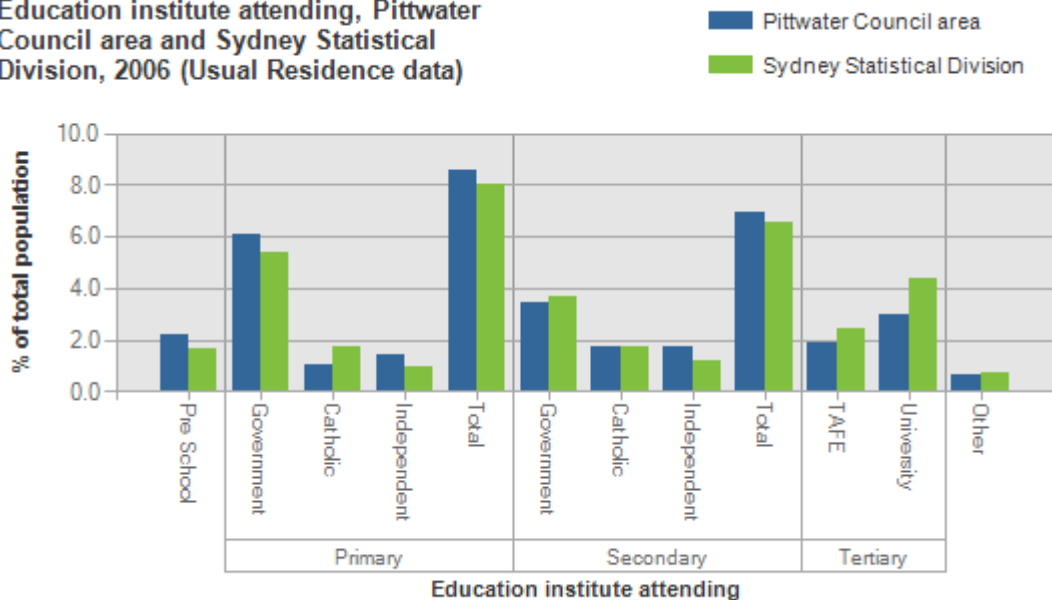
Change in highest qualification achieved, Pittwater Council area, 2001 to 2006 (Usual Residence data)



Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Usual Residence)

Though the population is more educated than the Sydney average, attendance at both University and TAFE facilities is significantly lower in Pittwater, possibly due to distance and isolation from such facilities in the metropolitan area. In 2006, only 2.9% of Pittwater residents were attending university (4.4% for Sydney metro), and another 1.9% were at TAFE (2.5%). There were higher proportions attending primary and secondary schools, an indication of the main age groups (families with school age children) catered for in the area.

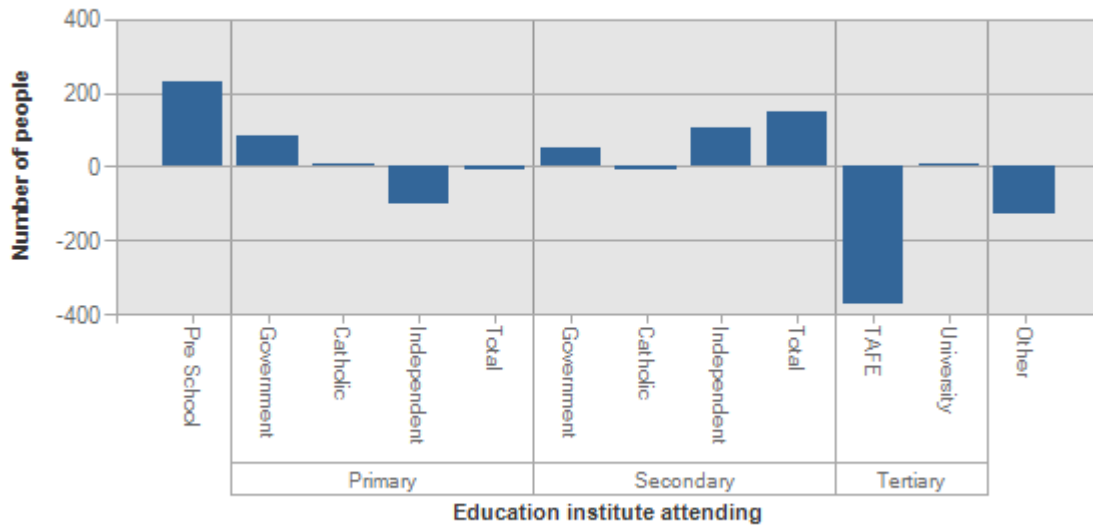
Education institute attending, Pittwater Council area and Sydney Statistical Division, 2006 (Usual Residence data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Usual Residence)

Between 2001 and 2006, university attendance was stable, but there was a large drop in TAFE attendance, while pre-school attendance was up, corresponding to a large increase in 0-4 year olds. It is likely that pre-schools currently (2011) are having trouble keeping up with demand, as the areas regenerate and the higher birth rate in recent years has an effect.

Change in education institute attending, Pittwater Council area, 2001 to 2006 (Usual Residence data)

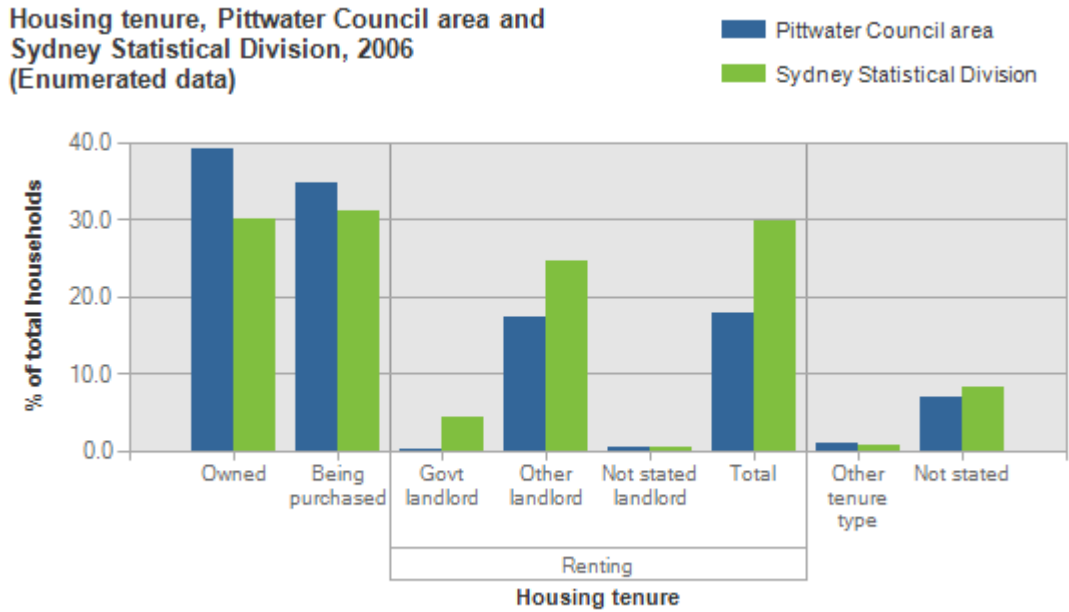


Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Usual Residence)

5.7 Housing tenure and affordability

Pittwater is an area dominated by home ownership. While there is a rental market, it is small compared to the proportion of people who fully own their homes or have a mortgage. This is due to the age structure and the role of the area in providing home upgrading opportunities to relatively affluent, established families.

In 2006, 39.1% of all households in Pittwater fully owned their dwellings (30.1% across Sydney), and another 34.8% had a mortgage (31.1% across Sydney). A total of 17.9% of households were renting 29.7% across Sydney. While public housing makes up 4.5% of all Sydney households, there was virtually no public housing in Pittwater at all.

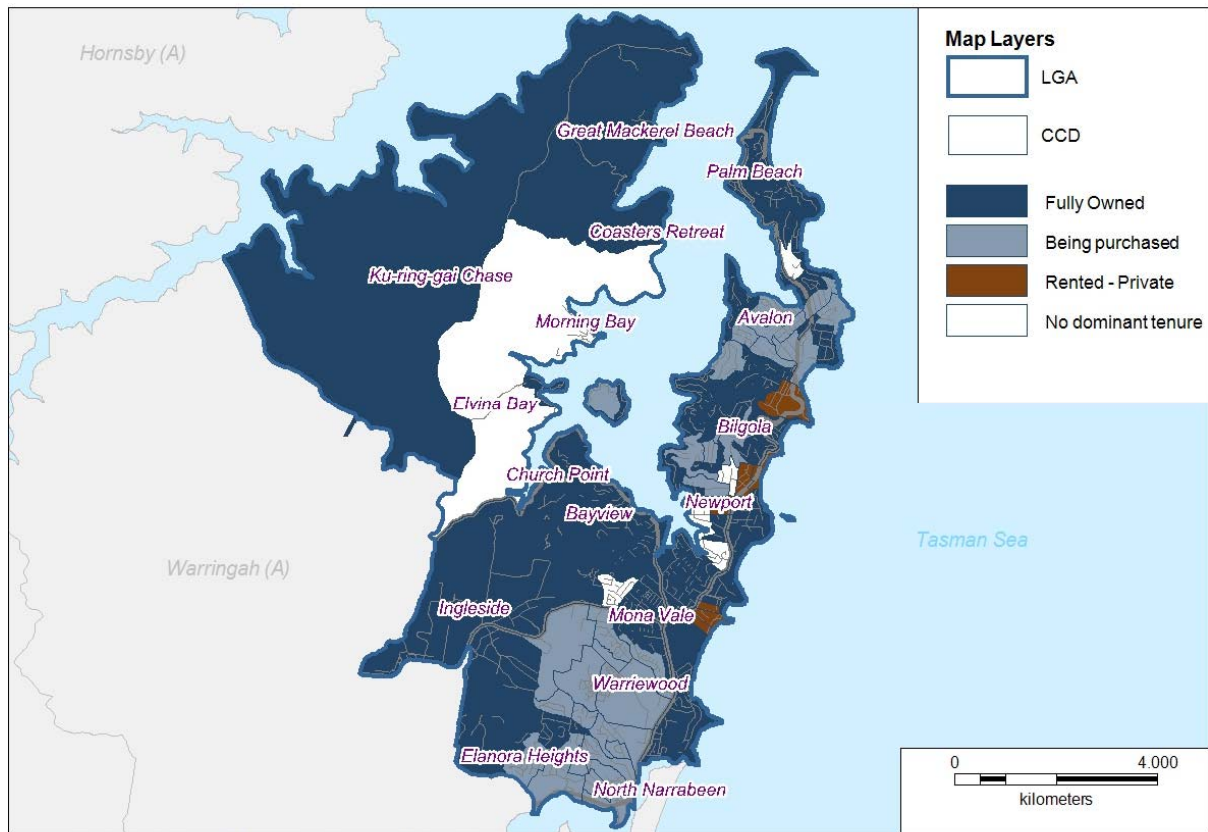


This mix also reflects the dwelling density, which is dominated by separate family homes, which are mainly owner occupied.

The following map shows the dominant tenure type (the tenure with the greatest proportion of households in the area) by Census Collection District across Pittwater. It shows a strong spatial pattern, with full home ownership being dominant in Palm Beach and most areas near the Pittwater, while mortgages are dominant at the southern end of the LGA, particularly Warriewood and North Narrabeen. There are also pockets of private rental, mainly in the high density areas along the coast, in Newport and Mona Vale.

The dominance of home ownership leads to a fairly stable population, and in Pittwater, only one-third (33.3%) of residents moved between the 2001 and 2006 Census. This is lower than the national average of 37.6%.

Dominant tenure type, Pittwater Council area 2006

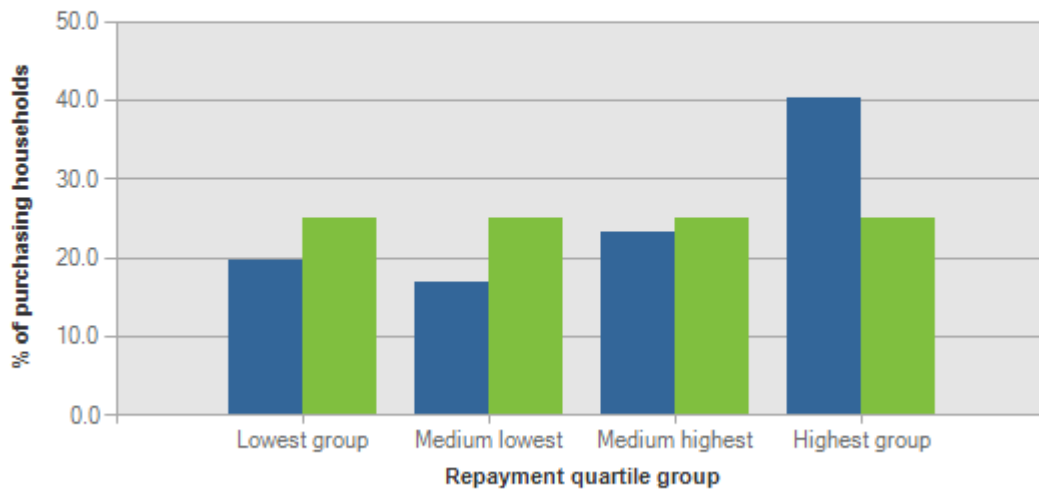


Source: Australian Bureau of Statistics, Census of Population and Housing 2006

So, predominantly, Pittwater is an area of stable population where an older population fully own their homes, perhaps downsizing and allowing an upgrading opportunity for mature families who are already home owners elsewhere. Increasingly, those families are having young children in the area too.

Home loan repayments, for those with a mortgage in Pittwater, are well above the Sydney average. In 2006, 40.1% of households were paying a top quartile mortgage payment (25% across Sydney as defined), and 53.7% were paying more than \$2,000 per month (40.4% across Sydney). This is more skewed to the high end than overall incomes are, and probably reflects the fact that it is higher income families who are buying homes in the area, while the lower income elderly population are full home owners.

Housing loan repayment quartiles, Pittwater Council area and Sydney Statistical Division, 2006 (Enumerated data)

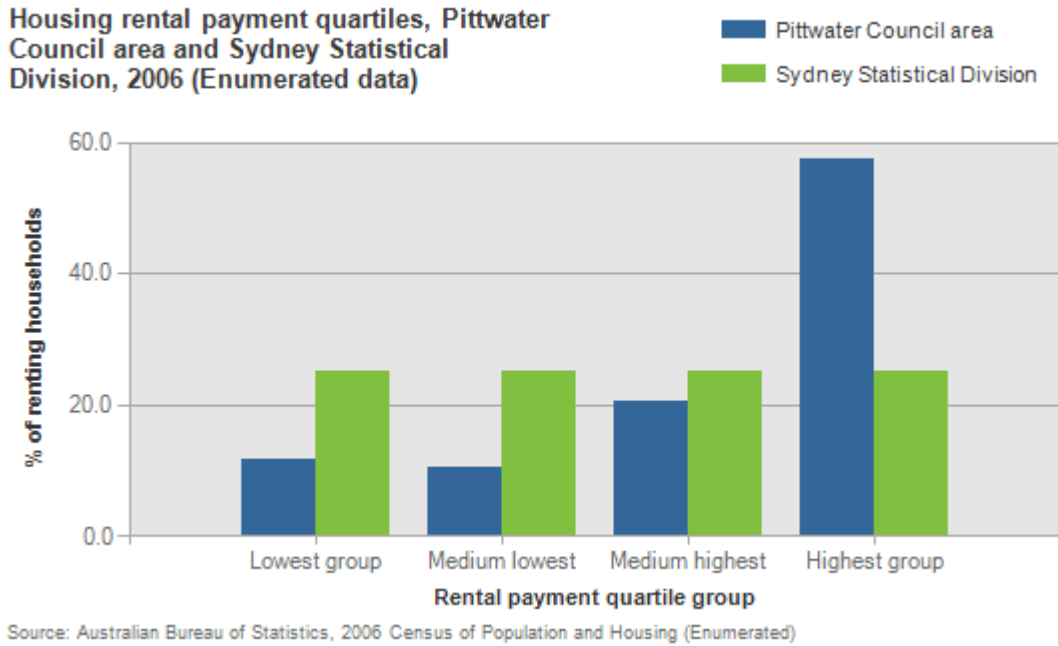


Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

Renting, while a minority tenure type in Pittwater, often provides an opportunity for different demographic groups to live in an area they could not afford to buy in. Areas such as Mona Vale and North Narrabeen have a significant rental market, mainly in medium and higher density housing. Interestingly, rents in Pittwater are even more skewed towards the higher end of the price range than mortgages. In 2006, 57.6% of renters were paying top quartile (25%) rents for Sydney. This seems to indicate that there is a significant element of lifestyle choice to renting in Pittwater. The distribution across Sydney is skewed towards lower rents in areas where renting is a low income choice, and also by significant amounts of rent-controlled public housing, which doesn't exist in Pittwater.

While mortgages tend to be lower for people who bought in some time ago, or with equity from elsewhere, rent is more a reflection of the "true cost" of housing, as most households will be paying the current market value of rents. In this respect it shows that people are willing to pay a premium to live in Pittwater.

Interestingly, however, there was a small increase in those paying low quartile rents between 2001 and 2006. This may indicate an increase in rents in other parts of Sydney, rather than any change in Pittwater itself.



Housing stress is defined by the NATSEM model as households with incomes in the lowest 40% of all incomes (when adjusted for household composition) who are spending more than 30% of their income on housing costs. Pittwater doesn't have a large number of households with low equivalised incomes (only around 20% of Pittwater households fall into the lowest 40% of the nation). So under the NATSEM model, housing stress is relatively low. The inclusion of middle income households tells a different story, with a significant proportion paying high housing costs relative to income.

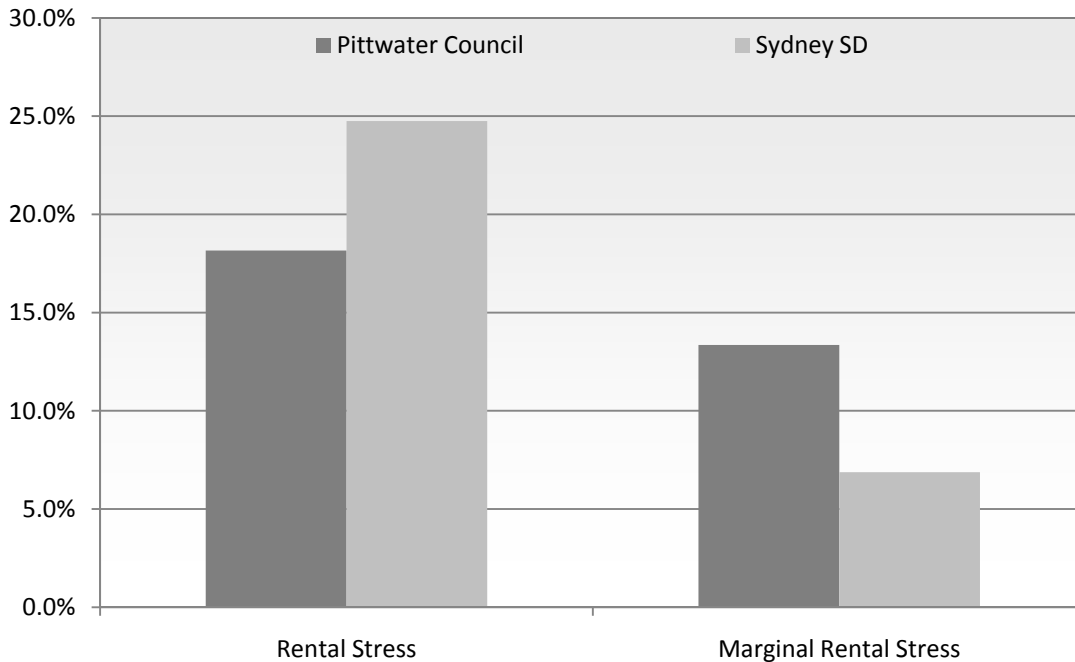
In 2006, a total of 5.4% of Pittwater households were classified as being in housing stress (1,012 households), around half the Sydney average of 11.0%. Mortgage stress accounted for 411 households, or 6.0% of those with a mortgage (10.3% average for Sydney), while rental stress was 601 households, 18.2% of renting households (24.7% for Sydney).

While this level of low-income housing stress is relatively small, it only applies to those low income households who actually live in the area. Most low income households in the Pittwater area are elderly residents who fully own their own homes, so they are not subject to housing stress under the official definition. Also, it makes no measure of the people who don't live in Pittwater because they can't afford to. The age structure of the area shows that there are very few people in their 20s in the area, probably for this reason.

An interesting point is “marginal rental stress”. This refers to middle income households (40th to 60th percentile nationwide) who are paying more than 30% of their income on rent. This figure is 13.4%, representing 442 households in Pittwater- almost twice the Sydney average. As previously shown, there are many people making a choice to rent in Pittwater, and paying a premium to do so. This figure makes it clear that renting in Pittwater is expensive, and in order to encourage more young people into the area, affordable housing may be needed. This would diversify the population from the current role of serving mature parents with young children, and elderly long-term residents.

In total, 798 Pittwater households were in mortgage stress (411) or marginal mortgage stress (387) in 2006, while another 1,043 households were in rental stress (601) or marginal rental stress (442), close to one-third of all renters. The percentage of renters in rental stress increased significantly between 2001 and 2006, despite the total number of renters in Pittwater declining.

Rental stress and marginal rental stress, Pittwater and Sydney SD, 2006



So rents in Pittwater are set by the market at a level which causes virtually all low income renters and a majority of middle income renters to be in housing stress. This discourages diversity in population and, while there might be an element of choice for those who rent in the area (they could go elsewhere to find cheaper rents), encouraging a diverse mix of housing including affordable housing would increase the social sustainability of the area over time.

For more details on housing stress in Pittwater, please see the calculations in the accompanying spreadsheets.

6 Suburb typology

Referring back to Section 3, the suburb life cycle was introduced. This section pinpoints Pittwater overall in the suburb life cycle and presents a typology of each suburb, with its position in the life cycle and a description of the area.

6.1 Role and function summary

Pittwater has a mixed role and function housing:

- Older parents with younger and school aged children, increasing numbers of young children as families regenerate some suburbs.
- Older people, retirees and elderly who have lived in the area for some time.
- A few younger renters in coastal parts, attracted to the beach lifestyle.

Looking at Pittwater overall, it is clearly in the lower part of the diagram, with a mature families and empty nesters. However different suburbs within Pittwater are at different stages in their suburb life cycles.

NOTE ON LIFE CYCLE STAGES

Household types are defined by the presence or absence of children in the household, the number of adults present, and the relationship between the adults. The life stage of households are defined by the age of children where the household has children, and the age of the lone person or couple where there are no children present, according to the following table (these definitions were also used in section 4.2):

Households without children at home:

Young = 15-44 years,

Middle = 45-64 years,

Older = 65 years and over

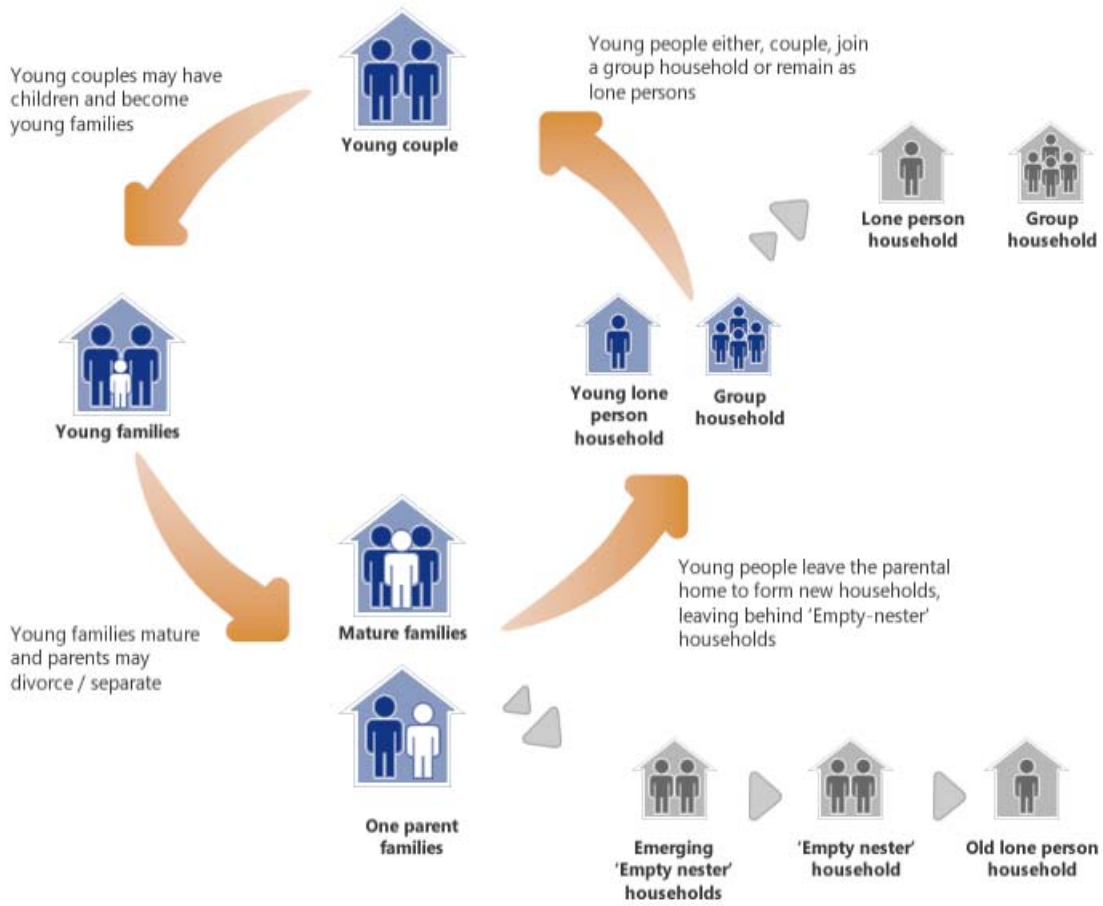
Households with children at home:

Young families = parents of any age with children only under 15 years

Older families = parents of any age with children exclusively over 15 years

Maturing families = parents of any age with a mix of children under and over 15 years

Note that as we use the age of the children to define the household's life stage, many households in Pittwater come up as young households, though the age of the parents is older than average for Sydney.



For the purposes of making qualitative statements about the types of households an area is attractive to, it is not necessary to be as prescriptive as this with the age groups. And of course, most areas will have a mix of household types and ages, these descriptions just state what the dominant groups are likely to be.

The following is a summary of Pittwater’s suburbs and roughly where they sit within the suburb life cycle. There are naturally some differences between some suburbs which have been grouped together, but they share broad similarities in demographics, built form and age of housing.

Suburbs	Description of suburbs	Dominant suburb life cycle phase 2006	Likely future trends
Palm Beach- Whale Beach Church Point – Scotland Island	Very high socio-economic areas, with an elderly, empty nester population living mainly in large separate houses (note that Scotland Island has lower proportions over 70 due to accessibility). Bayview is slightly lowe	Empty nesters	Empty nesters Old lone persons
Bilgola Avalon Elanora Heights	Very high socio-economic areas with a mature family age profile (parents in their 40s and 50s, with school age children). Some regeneration of the area as families move in to housing vacated by empty nesters.	Mature families Emerging empty nesters	Empty nesters
Bayview	Moderate-high socio-economic areas with a very elderly population, predominantly living in family homes.	Empty nesters Old lone persons	Old lone persons
Warriewood – Ingleside North Narrabeen	Moderate- high socio-economic areas catering to young families with somewhat more affordable housing. Some new development in the area increasing population.	Young families	Maturing families
Mona Vale Newport	Coastal suburbs with a more diverse mix of housing and larger rental market. Slightly younger population, of families and singles increasing.	Young families Young lone persons Old lone persons	Maturing families Young lone persons Old lone persons

7 Future trends in Pittwater and impacts on council services

So far we have seen what has happened in the Pittwater historically, with a few conjectures about the future. This section looks at what is likely to happen in the future.

One source for population growth is the projections produced by the NSW department of Planning.

These projections, produced in April 2010, show modest population growth in Pittwater. The current population is estimated at 60,000, which coincides with the ABS Estimated Resident Population. The population is expected to rise to approximately 66,600 by 2031, a minimal growth rate of around 0.5% p.a. The ageing population will be the main trend, with increases in all groups over 60, as the baby boomers continue to age. Numbers of families are expected to be retained, though, with small increases in teenagers and young adults.

Pittwater is not an area which is expecting a large amount of change. However, some of the statewide trends shown in part 2, along with the local characteristics in this document, lead to some conclusions about likely impacts in future.

1. Pittwater can expect more young children, particularly in the short-term future.

The increase in fertility rate experienced nationally between 2001 and 2008 was primarily among older women, with the average age of childbirth now 32 years. Older women are over-represented in Pittwater, and between 2001 and 2006 there was a small increase in 0-4 year olds. It is quite reasonable to expect this to have continued, with likely further increases in 5-11 year olds as well. While older families are still the main demographic in Pittwater, increasingly it is older parents with younger children who are the demographic the council will need to plan for.

This will undoubtedly have impacts which are already being felt on pre-school programs. Also there will be a high demand for child-care, particularly given the high rate of labour force participation in the area – families locating to this area generally need two incomes to afford the cost of housing, and so a higher proportion than average will probably need child care.

As these children move through the age cohorts, this will create demand for school and youth services. If the profile of the area continues into the future, most will not stay in Pittwater once they leave their parents homes. The age at which this happens is becoming later, particularly in more affluent areas, where in many cases a majority of those in their 20s are still living at home with their parents.

2. Pittwater can expect an ageing population of baby boomers to have a significant impact.

Eventually the children in the area will leave (and they don't tend to remain in Pittwater), leaving behind empty-nesters, though given the older age profile of parents in the area, they may not become empty nesters until their late 60s or 70s.

Many of the parents in the area now are baby boomers, who were aged between 45 and 60 in 2006. The first of the baby boomers turn 65 this year (2011), meaning that over the coming decades, more people will be leaving the workforce each year than entering it.

Pittwater already has an elderly population for a metropolitan area, and in the absence of major housing growth, a large urban destination, or a university, the balance is unlikely to be tipped in favour of young people, and the population profile will be skewed towards the elderly.

Some of the older population are leaving the area, moving to retirement destinations such as the Central Coast, Shoalhaven, Great Lakes and Queensland, but between 2001 and 2006, younger people were leaving in larger numbers, so the largest growth was among those aged 60+.

The ageing population presents a challenge, for those who remain are likely to be living in the large family homes prevalent in the area. Allowing these households to downsize their housing frees up the existing family housing for families to move back in (subject to the considerable issue of affordability).

The ageing of the population will have impacts on community services such as aged care, in-home care, mobility and open space design. If large numbers of elderly are living in large homes, this creates access issues due to the hilly nature of much of the area, and there may be problems for those people in maintaining their homes.

Most of the workforce in Pittwater comes from Pittwater or Warringah, so if an increasing share of the population are retired, attracting people into those jobs could be an issue, particularly if the area remains unaffordable to most.

3. Pittwater can expect to remain relatively isolated from the rest of Sydney.

The geographic isolation of the area is unusual in a metropolitan context and is obviously not going to go away. With only one way in and out of the Pittwater peninsula, and a few access points for the rest of the LGA, public transport is likely to remain limited to buses for the foreseeable future.

Note that Pittwater is only isolated in a metropolitan sense (not compared to rural or outback areas). The relative isolation means that people who move to the area are probably doing so for lifestyle reasons, and the attraction of this lifestyle is mainly limited to mature families and empty nesters.

The geographic nature of the area means that attraction of young people will be limited in the foreseeable future, except perhaps around the southern edge of the LGA, in Mona Vale and North Narrabeen, which are more connected to areas of Warringah.

4. Pittwater can expect gentrification to continue, as housing affordability restricts access to the area to people with higher incomes.

A key trend between 1996 and 2006 was the gentrification of the area. Not that Pittwater has ever really not been gentrified, but its relative affordability in the past compared to other parts of the northern beaches have attracted middle income earners and blue collar workers as well as the professionals and high income earners who dominate other parts of the region.

Increasing housing unaffordability, both in home purchase and rental, means that only high income people can afford to move in. There is a substantial inertia in this trend, because those home owners who bought in before the rises are insulated against it (and particularly those 40% who now fully own their homes).

The trend, however is clear, and it can be seen when looking at incomes, education levels and occupations. What it means is that the workforce will increasingly work from home or commute out, and there will be difficulty in getting people to work in the area, as they can't afford to live nearby and the area isn't easy to get to due to geographic isolation (see point 3).

5. Pittwater may experience more renters in the area, as many families are priced out of home purchase.

This trend was not evident between 2001 and 2006 – in fact there was a small decline in the number of renters. Renters in Pittwater are mainly lifestyle renters, paying a premium for the location. It is possible that as less people can afford to buy in the area, more will rent, though this is far from certain. Renters are concentrated in those parts of the LGA which have medium and higher density housing, so if further housing of this type is developed, it is likely that there will be more renters.

In conclusion, the main challenge for Pittwater is providing affordable housing so it does not continue down the path to being a wealth enclave in which the only people who can afford to live are the elderly who moved in many years ago, or wealthy families with a great deal of capital behind them. This trend has been apparent for at least the last 10 years, and, while the number of children are increasing, the diversity of the population has been decreasing alongside, as only well off families can afford to move in once the elderly vacate their family homes.

So, while the population growth in the area is forecast to be fairly small, it does not mean that there won't be change. A combination of more young children and more elderly will affect the area, but geographic isolation and unaffordability as well as lack of public transport options means that Pittwater will always struggle to attract young people.

For further information, please refer to .id's online information tools:

profile.id – <http://www.id.com.au/profile/pittwater>

atlas.id – <http://www.id.com.au/atlas/pittwater>

economy.id for the SHOROC region – <http://www.id.com.au/economy/shoroc>