



Australia 2042

What will Australia's age profile look like in 2042? What implications does that have for us, and for future Australians? And how will we get there from here?

These are questions at the nub of the brief given to the new House of Representatives Committee on Ageing: *to develop long-term strategies to address the ageing of Australia's population over the next 40 years.*

In 2042 it is projected that Australia's population will be some 25 million people (around 30% greater than now). Importantly, the distribution of that population between age groups will change markedly from today.

Overall, there will be more older people and fewer younger people. This trend will be driven by two factors—lower fertility rates and lower mortality rates.

Since the mid-1970s, the number of births per woman has been well below the rate of

2.1 needed for a 'steady' population. It is expected to fall further (from 1.75 now to 1.6 by 2042). Meanwhile, mortality rates have fallen dramatically, due to better public health. That trend is also expected to continue (life expectancy for males born in 2042 is projected to be 82.5, up 5.3 years compared to those born today; for women it's 87.5, up an extra 4.9 years).

Despite being partially offset by net migration numbers, this combination will continue to contribute to the 'ageing' of the Australian population.

In short, the proportion of people aged 55-plus in the community is steadily rising. The total aged 55-plus is currently just over four million people (or about 21% of the

population). This is projected to increase to around 9.2 million, or around 36% of the total, by 2042.

All these projections were contained in the first *Intergenerational Report*, which was handed down by the Treasurer with the May 2002 federal budget (technically it's Budget Paper No 5). The *Intergenerational Report* focuses on the implications for the federal budget bottom line of these trends.

It shows three key areas likely to have escalating spending growth—health, aged care and aged pensions. It says that if tax revenues remain at the same proportion of GDP as now, the gap between revenue and expenditure could grow to five per cent of GDP by 2042—or an \$87 billion annual deficit in today's dollars.

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While these figures are important, and measures to address them are vital, the House Committee on Ageing will investigate a broader range of economic and social implications arising from the projections.

Issues to be tackled will include implications for workforce participation, changes to education requirements, and what it means for housing, tourism and recreation. And, obviously, there are those health and aged care issues, and the big question of the current and future adequacy of retirement incomes (including pensions, superannuation, and other forms of saving).

Committee Chair, Dr Andrew Southcott (Member for Boothby, SA), says the committee will build on the work done in the *Intergenerational Report*, and papers already issued as part of the government's strategy on ageing.

"The one thing we can be pretty well sure of is what the population will look like in 40 years time," Dr Southcott said. "Population structures tend to be a bit like aircraft carriers—it takes a long time for them to turn around.

"The ageing of the baby boomers means that the government now, and the community, have to take steps to plan for what we know is going to happen in the future.

"We're intending to build on those existing documents. Broadly we're looking at the same sorts of areas. Things like pensions and retirement incomes, and healthy ageing.

"But it's certainly not all about money. It's about a range of other things too.

"Community attitudes, issues such as life-long learning, workforce participation,

volunteering. Making sure people have a whole range of choices as they move into retirement or semi-retirement.

"For example, in an area like aged care we expect a lot more aged care will be done in the community, rather than in a residential aged care facility. How this is achieved, what sort of programs and facilities are required, is something we will be looking at.

"It's important to note that we are looking at a time-frame of up to the next 40 years. Many people's concerns will be in the immediate, and we'll be looking at those as well."

The committee has already begun a program of site visits, and will soon commence wider community consultation. Its first visit was to Melbourne.

"We had a look at a number of very innovative designs for hostels, nursing homes and community housing," Dr Southcott said.

"These were places which have won a number of awards, and really were a very good environment for healthy ageing and being part of a community. They really interested the committee."

The committee is planning to visit similar sites right around Australia. It also visited the University of the Third Age in Melbourne.

The issue of life-long learning—of adapting the education system to cater for ongoing skill development amongst working age and older people, to enable them to participate in the changing workforce and the community—is an issue which will be closely examined.

It is one of great interest to Deputy Chair, Jill Hall (Member for Shortland, NSW).

Ms Hall says it's important not to just view the issue of ageing through the prism of 'cost'.

"Older people are providing enormous services to our community," she says. "Look at volunteering. If a number of organisations in the community had to pay for the services provided by older people, it would cost an enormous amount of money.

"We'd all be a lot poorer for it too, because it's not just the money, but the inspiration of having people who are so dedicated. There's child care too. How many people rely on grandparents for child care? If that had to be paid for and supplied by government, that would be an enormous cost.

"So it's a two-way street. Recognising this, and valuing it, is an important aspect of dealing with 'ageing'. Ageing is not only a cost, older people provide enormous benefits to society as well."

The House Committee on Ageing is currently accepting submissions to its inquiry into long-term strategies to address the ageing of Australia's population over the next 40 years. ■

Links

House Committee on Ageing:
www.aph.gov.au/house/committee/ageing
Intergenerational Report:
www.budget.gov.au/2002-03/bp5/html/index.html

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