

The Treasurer's Intergenerational Report: Comments from an Ageing and Health Perspective

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Overview

1. Contextual Comments on the IGR
2. New housing dimensions
3. Ageing and Productivity (briefly)
4. Ageing and Health Issues
5. Research Directions
6. Ageing Advocates

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1a Contextual Observations

- The value of transparent long term planning
- Long term projections, short term fiscal imperatives, and future uncertainties
- The rising real standards of living (1.75% projected)
- Older People and Ageing Populations

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1b Babyboomers

- The importance of Cohorts
 - The size of the baby boom cohort
 - Ongoing Attitudes and expectations
 - Mid-life accumulation of resources
- The Periods of history in which new cohorts will be growing older
 - Relative labour shortages ahead
 - More age-friendly attitudes?

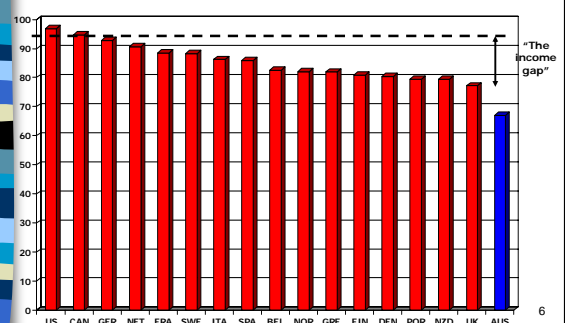
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1c Some features of Babyboomers

- The public myths contrasted with their diversity (especially by social class)
- Relatively better off financially but few have enough retirement savings apart from their homes (fear)
- Relatively better educated and more women have had careers
- Problematic and mixed health trajectories
- more mobile, fewer children, fewer married
- Likely expectation gaps

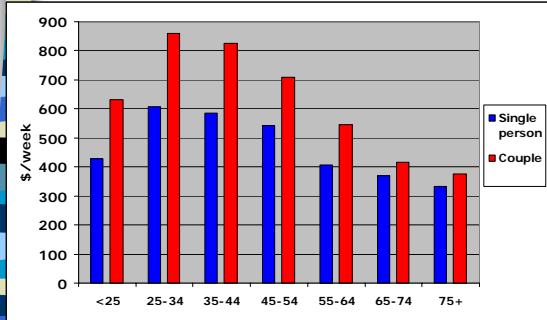
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1d Incomes: International Comparison of Relative Aged Incomes (66-75 yrs as a % of overall mean; circa 2000) – from Peter Saunders SPRC UNSW



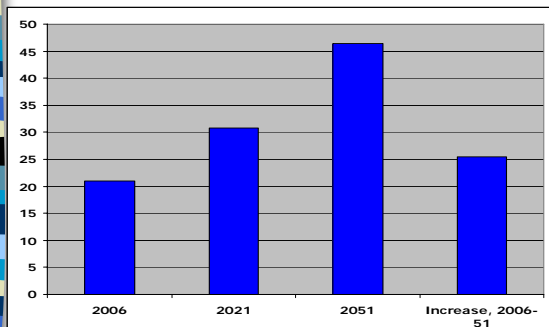
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1e Mean Equivalised Disposable Incomes by Age, 2003-04 – Saunders SPRC



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If Electoral Politics: The Electorate (age 65+ as a % of age 18+) – from Peter Saunders SPRC

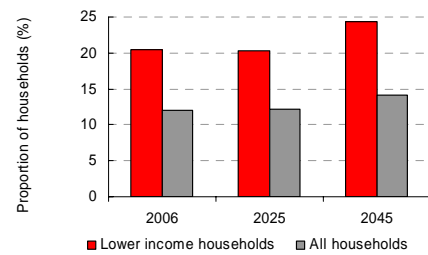


2a The IGR and the Missing Housing Chapter

- Yates, J., Kendig, H, Phillips, B., Milligan, V. and Tanton, R. *Sustaining fair shares: The Australian System and intergenerational sustainability* Final Report for the Australian Housing and Urban Research Institute, Sydney, February 2008.
- A joint effort by the University of Sydney and NATSEM at the University of Canberra

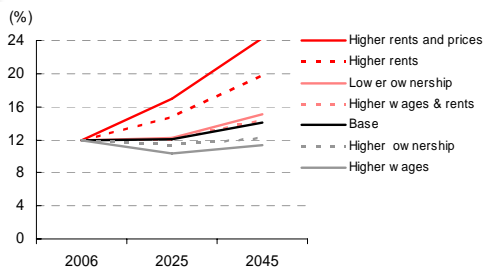
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2b Projected Population in Housing Stress



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2c Rates of housing stress under different scenarios



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2d Housing and Future IGRs?

Housing as part of an IGR for Australia (going beyond fiscal matters for the Australian Government)?

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3. Older People and Productivity

- Working Longer in line with living longer and labour shortage?
- Valuing voluntary contributions- more than enabling others to work
- More from Deborah Schofield later in this session

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4a Older People and Health Expenditure

- IGR projected increase on health expenditure from 3.8 % of GDP in 2006-07 to 7.3 % in 2046-47
- State Governments crucial too (health as 100% of NSW budget in 2030s?)

And are older people under-served and over-blamed?

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4b Productivity Commission and Ageing

"While the potential fiscal and economic consequences are great, population ageing does not currently represent a crisis" (Productivity Commission, 2005)

Cost Projections (not predictions)

- By 2044-45 Age-Related Fiscal Gap of 7% of GDP
- Health expenditure: 5.7 to 10.8% GDP
 - a third due to population ageing
 - 2/3rds rising demand and technology
- Aged care expenditure: .5% to 2%
 - mainly residential care
- 1% annual real income growth given modest productivity rises

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4c Productivity Commission (continuing)

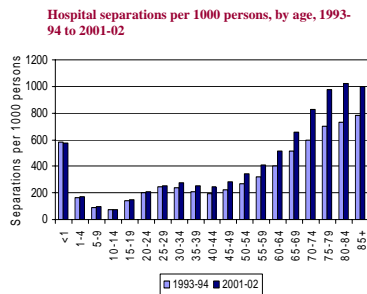
- Demand and new technologies [not ageing] have contributed to majority of increase in health expenditure in past 20 years [Productivity Commission 2005]
- 'Improvements in the efficiency, effectiveness, and productivity of Australia's health system would ameliorate the major source of fiscal pressure at its origin'
- Equity concerns for vulnerable older people

Productivity Commission 2005

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4d. Ageing and Older People are Central to Mainstream Health

- Nationally and internationally older people are the major health care users
- Complex and chronic diagnoses: cardio vascular diabetes, pneumonia, bones, teeth, dementia, delirium



Productivity Commission 2005

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4e. Where to from here ... ?

- Consensus between State & Federal Governments? (overcome blame games)
- Investment in lifestyle and prevention, and in continued support for wellbeing post acute care
- Continued investment in acute care while investing 'up' and 'down' stream
- Real investment in person centred care; eg UK expert patient program (Beasley)
- Fighting Ageism in the health system (Philps)

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5. Big Picture Research Directions

- An Australian Health and Retirement Survey
- Understanding later life health trajectories and health and care services (linking surveys and agency data)

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6 Ageing Advocates Agendas

- The 2007 Election – Minimal Age Politics (McLucas versus Pine debate in the National Press Club on aged care ratios)

National Seniors Platform

- Commonwealth State Relations (and IGR)
- Financial Security (protection and safety nets)
- Health Care (Pharmaceuticals and Dental)
- Ageing at Home (Care and social isolation)
- Residential Aged Care; Elder Abuse; Superannuation
- Raise the single pension from 60 to 66% couple rate
- Grandparent Support; National Transport concessions Community Connection; Employment; Broadband; Environmental Legacies
- Employment Incentives

COTA/Over 50s

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Some Further Reading

- A. Borowski, A., Enkel, S. and Ozanne, E. *Longevity and Social Change in Australia*. Sydney: University of New South Wales Press, 2007.
- Hamilton, M. & Hamilton, C. (2006). *Baby boomers and retirement: Dreams, fears and anxieties*. Discussion paper number 89, September 2006. Sydney: The Australia Institute.
- Kendig, H., Gibson, D., Harding, A., Hugo, G., Richardson, S., Saunders, P. and Telford, B. (2004) The ageing of Australian society: Economic, fiscal, and societal implications. In *Future summit 2004: Report of the first annual future summit*, Sydney, 16-24
- Kendig, H., Fisher, J. and Yates, A. :The Ageing Tsunami: Implications for Health Care Financing and Care Models' paper presented to Australia's Ageing Population Summit, Financial Review, Brisbane, August, 2007.
- Philip I 2007 A Recipe for Aged Care, Redesigning Healthcare for Older Australians, IQPC, 22-23 August 2007
- Productivity Commission Research Report 24 March 2005 "Economic Implications of an Ageing Australia
- Quine, S., Bernard, D. & Kendig, H. (2006). Understanding baby boomers' expectations and plans for their retirement: findings from a qualitative study. *Australasian Journal on Ageing*, 25(3), 145-150.
- Yates, J., Kendig, H., Phillips, B., Milligan, V. and Tanton, R. *Sustaining fair shares: The Australian System and intergenerational sustainability* Final Report for the Australian Housing and Urban Research Institute, Sydney, February 2008.

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