

**Australia's Ageing Population: Societal
Change and its Impacts**

Hal Kendig

**Research Professor of Ageing and Health
University of Sydney**

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Overview

1. Big Picture Challenges for the Future
2. Politics, Pensions, and Health – Big Tickets
3. Will Baby boomers Be Different?
4. Who is at Risk?

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**1a Challenges for the Future: to
2030 and to Mid Century**

Source: 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, 18-24

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**1b Challenges for the Future:
Economic and Fiscal and much more**

**The need to plan constructively but there
is no demographic doomsday ahead**

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

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1c Attitudinal challenges

**Recognising the recent emergence of the
new ‘third age’ in which people typically
have 10 to 20 years of healthy and
productive life after retirement and before
frailty**

**Attack and reject ‘ageist’ attitudes that do
not enable people to ‘be themselves’**

**Ensuring Inter-generational Equity (in the
context of rising real incomes and
increasing economic inequality)**

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1d Work and Welfare Challenges

**Building a broad consensus on the
value of continued employment into
later life**

**Needs and means-based policies
rather than age- based**

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1e Health Challenges for the future

Encourage healthy ways of living across the life span

Ensure that indigenous people have the health and medical treatment that will enable them to reach old age

The ongoing development and improvement of the aged care system

AND ALL of this takes time - need to start yesterday to achieve improvements and not fall with increasing population ageing

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2a Big Ticket Challenge: Politics

The 2007 Election – Minimal Age Politics (McLucas versus Pine debate)

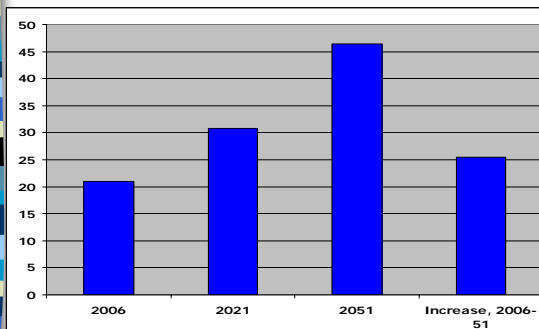
National Seniors Platform (and Peter Brady tomorrow)

- 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

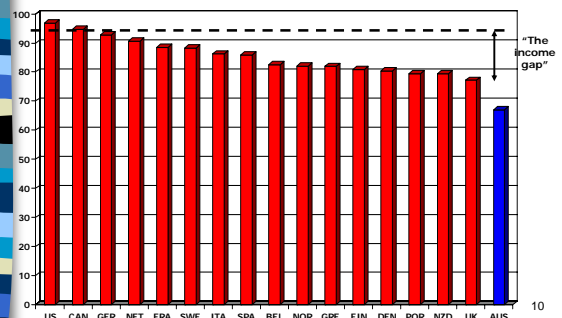
COTA/Over 50s (Ian Yates later today)

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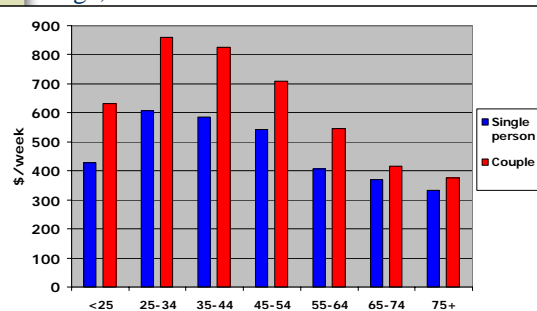
2b Electoral Politics: The Electorate (age 65+ as a % of age 18+) – from Peter Saunders SPRC



2c Incomes: International Comparison of Relative Aged Incomes (66-75 yrs as a % of overall mean; circa 2000) – Saunders SPRC



2d Mean Equivalised Disposable Incomes by Age, 2003-04 – Saunders SPRC



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2e Future Income Inequality Among Older People – Saunders SPRC

- Inequality between retirees will increase because:
 - (a) Maturing of the Superannuation Guarantee scheme - more older people onto part pension/ part superannuation
 - (b) Greater earnings inequality will eventually produce in increased inequality in superannuation benefit
 - (c) Reforms announced in 2006 Budget provide huge benefits to those with large superannuation entitlements
- These effects are likely to weaken political support for the pension, which may decline in relative terms, exacerbating the above effects

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2f. Diversity in Health

Kendig, Fisher and Yates 2007 (COTA SA)

- Less than 10% of people aged 65-74 have disabilities or are dependant
- 30% of those aged over 85 are dependent for personal care
- His and her issues and views
- Indigenous Australians can have geriatric health care needs from 45 years

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2g An Older Person's Perspective

- Striving to 'be oneself' to the end of life
- Value of Independence and not being a burden
- Imperative for Ageing in Place
- Health goals of feeling well, health as a resource, and quality as well as length of life
- A women aged 50 can expect to live 40 more years and never enter residential care
- Health professionals are making older people 'feel old' rather than 'normal ageing' (ageism)

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3a Will the babyboomers be different?

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.

Hamilton, M. & Hamilton, C. (2006). *Baby boomers and retirement: Dreams, fears and anxieties*. Discussion paper number 89. September 2006. Sydney: The Australia Institute.

NATSEM Publications on Income and Wealth Projections

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3b 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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3c 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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4 Who is at Risk?

- Accentuation of advantage and disadvantage over the life course
 - Low income private tenants
 - Ageing with a disability
 - Long term unemployed
 - Working class men (our retirement research)
 - Family estrangement/isolation
 - Multiple jeopardy – health, family, income
 - And???

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Some concluding comments

- The life course including later life is far more changeable (for better or worse) than we had previously thought
- Value of investing early in life while not neglecting older groups (moral failure)
- Intergenerational relations are strong
- The value of an age-friendly Australia for all ages –respecting difference and opportunities for all in the mainstream

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Some Further Reading

- A. Borowski, A., Encel, S. and Ozanne, E. *Longevity and Social Change in Australia*,. Sydney: University of New South Wales Press, 2007.
- Bridge, C., Phibbs, P., Kendig, H, Mathews, RM and Cooper, B. (forthcoming) *The costs and benefits of using private housing as the home base for care of older people*: Final Report for the Australian Housing and Urban Research Institute, Sydney (accepted September 2007)
- 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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