

AUSTRALIANS OLD, LET US REJOICE

Australia is transforming its national identity, attitudes and institutions from a young country to an ageing society. The phenomenon raises major challenges but also opens many opportunities to re-shape our lives and Australian society, according to highlights from a 2004 Task Force report chaired by Professor Hal Kendig.

AUSTRALIA is undergoing an historic transition to an ageing society. As with other developed countries, population ageing has resulted largely from the extension of life and control of fertility, both of which are significant social achievements. As the National Strategy of an Ageing Australia has emphasised, population ageing is not a crisis but it requires constructive planning to improve outcomes for people of all ages.

We need positive responses to the challenges. We must recognise population ageing and appreciate diversity in old age. We must foster positive attitudes to ageing and set high and achievable goals for older people. We need to ensure adequate retirement incomes and employment opportunities. We must enable social participation and value contributions in 'age-friendly' communities. And we must work to improve health and independence and provide quality care in old age.

Australia's response to an ageing society will require value choices and positive action by individuals, governments, employers, communities, and virtually all areas of society.

Outcomes for people in later life are not fixed by biology and they can be improved. Their lives are heavily influenced by life-long experiences, their relationships with younger age groups, and the broader environments in which they grow older. The Australian experience of societal ageing will be inextricably related to concurrent developments in the economy, technology, politics, social attitudes and behaviour, and other drivers of change.

Recognising population ageing and diversity in old age

WE'VE LONG seen ourselves as a young nation but we have had a relatively mature population for some time. Notwithstanding increasing life expectancy, the pace of population ageing over the last 50 years has been moderated by the immigration of younger adults and the post-war baby boom. People aged 65 years or over now make up 13% of the population as compared to 8% in 1971. In the future this figure will increase from one out of every eight Australians at present to a projected one in four in 2051.

Australia will be ageing more rapidly as the large baby boom cohort begins to reach old age over the coming decades. At the same time, the numbers of younger adults and children will be growing slowly if at all, mainly as a result of declining birth rates since the 1960s. However, not until 2021 will the population aged 60 years and over reach the level of population ageing (18%) now found in Sweden and other European countries. The proportions of the population aged 80 years and over, when people are most likely to require care, will not be rising significantly until 2030 and beyond.

The economic impact of an ageing population is indicated by the aged dependency ratio. This is defined as the population aged 65 years and over divided by those of likely working age (15 to 64 years). By this rough measure the age dependency ratio is expected to increase only moderately from 17% in 2000 to 19% in 2010. By comparison the 2010 figures are expected to be

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slightly higher for the USA and much higher for the UK, Germany, and Japan. Looking farther ahead the old age dependency ratios in Australia are projected to rise sharply to 25% in 2020 and 33% in 2030. The economic costs of increasing numbers of older people may be offset partially by declining numbers of dependent children.

Diversity in Ageing

PEOPLE in older age reflect the wide range of socio-economic, ethnic, geographical and other dimensions of diversity. As people grow older they increasingly diverge in terms of their life experiences and views, health circumstances, and economic advantage or disadvantage. They also begin life with a range of characteristics (including sex and race) and in a variety of circumstances. Gender is a particularly important factor given the varying 'his' and 'her' experiences throughout life. Notwithstanding this diversity, the central insight into older people is that they seek to maintain their identity and their independence while entering retirement and moving through the transitions of later life.

The most significant change has been the increasing extension of healthy life. At age 60 years most Australians have retired from paid work but women can expect another 25 years of life (including only 4.5 years with disabilities) and men can expect another 17 years (4 years with disability). The latest projections suggest that a woman now aged 50 years can expect to reach her 90th birthday. These changes have been conceptualised as the emergence of the Third Age, comprised of the 'young old' who after retirement are notable for their capacities and opportuni-

ties; for them social factors are crucial. This is followed by a relatively shorter Fourth Age ('old old') characterised by vulnerabilities and biological limitations that are increasingly reached from age 80 years onwards.

The massive baby boom will profoundly change the older population over coming decades and the first post WWII babies turn 60 years in 2005. As compared to those now in old age, the baby boomers will have substantially more resources, be better educated and have higher expectations;

'GENERATION X ... WILL BE TAXED FOR PUBLIC SUPPORT OF AGEING BABY BOOMERS IN THE FUTURE.'

they are unlikely to evince the stoicism and low expectations typical of the Depression cohort. However, improvement of standards of living may not continue to increase as much in the future, and baby boomers may spend more and leave less inheritance than their parents. There is the unprecedented possibility that many people in the next cohort of older people could have better life-long economic prospects than their children will have.

Fostering positive attitudes towards ageing and goals for older people

POSITIVE attitudes towards ageing have a major bearing on people's capacities to plan constructively and make provision for a good old age. Conversely, negative attitudes undermine preparation for later life and limit opportunities for older people. Negative attitudes are largely contrary to the facts of ageing but they can reflect deep-seated fears of dependency and death which can be diffi-

cult to dispel. Further, older people can be depicted in negative ways through various forms of 'scapegoating', for example, by blaming older people for the economic costs of population ageing.

Positive attitudes towards older people will inevitably improve as the social, economic, and political power of older people increases over the coming decades. They also can be improved by promulgating research-based facts that contradict negative stereotypes. For example, contrary to popular belief, life satisfaction is typically higher for older than for younger people. The process of improving attitudes can be hastened and enhanced through leadership by business and communities as well as by setting national goals.

Ensuring fiscal sustainability and generational equity

THE IMPACT of population ageing on the economy provides the essential context in which to consider appropriate employment and fiscal policies. A 2001 report by Access Economics pointed out that increasing numbers of older people would serve as 'a drag on our growth potential and standards of living' unless overall productivity is improved and/or unless more older people remain in paid employment. Over the 1980s the labour force participation of older men fell moderately, with stability in the 1990s; participation by mature women has been rising. At the same time economic productivity and growth has risen substantially.

Inter-generational Equity

THE UNDERLYING issues of inter-generational equity are not easily assessed. On the one hand, the younger Generation X (people now in their late 20s to early 40s) face barriers gaining access to the escalating home ownership market, and the economic disparities among them are increasing; they will be taxed for

public support of ageing baby boomers in the future. On the other hand, baby boomers are paying taxes for their parents' support and also contributing more to the costs of their own old age, thus paying twice in the 'inter-generational contract'. Economic projections forecast continuing increases in real standards of living and it is not clear why older people, particularly those of modest means, should not share through public transfers of some of these societal gains.

The balance and level of public and private support for ageing individuals will be a matter of vigorous public debate and there are no formulaic resolutions.

Ensuring adequacy of retirement incomes and employment opportunities

INCREASING life expectancy combined with earlier ages of retirement has significantly increased requirements for income support in old age.

What can be done to increase retirement incomes for the baby boomers? The options can be considered in terms of the three pillars of current policy – the government pension, the government mandated superannuation guarantee, and voluntary private savings.

The most likely way for baby boomers to increase their retirement income is to work longer, broadly commensurate with recent increases in life expectancy. Each additional year of employment can retain a taxpayer, add to superannuation contributions and savings, and decrease the duration of need for retirement income. Further, more workers will be needed in the economy.

Enabling social participation and contributions in 'age-friendly' communities

OLDER PEOPLE generally remain well-integrated into their families and communities and they continue their personal development. Continued social participation and making contributions to others are important for maintaining reciprocity and well being.

After retirement from paid work many continue to contribute actively to society through voluntary work and caring for family and friends. People aged 55 years and over provide more than one third of the volunteer hours worked in Australia. In this sense the ageing of the population over the next two to three decades will increase the potential for volunteer work. Volunteer work is provided by a third of the 55 to 74 year age group and by almost a fifth of those 75 years and over. Further, 21% of the carers



PHOTO: WWW.LORRIE GRAHAM.COM



Top: *Homeshare*, a program operated by The Benevolent Society and supported by SVA, connects elderly people like Muriel Joye, who just need a little extra help around the house and some company, with people like Daniëlle van Dijk, who are looking for affordable accommodation. Above: Basil Sellers AM, philanthropist and SVA social investor, and Sue Pieters-Hawke, whose mother has participated in the program, are advocates for *Homeshare*.

THE THIRTEEN CHALLENGES FOR AN AGEING AUSTRALIA

CHALLENGE 1
to recognise that a significant degree of population ageing will occur between 2015 and 2030. While there is no 'demographic doomsday' ahead, it is important to begin planning and advance action to set Australia on a constructive trajectory through the population ageing anticipated to mid century.

CHALLENGE 2
to recognise the need for older people to be treated as individuals having their own preferences and their particular circumstances including their cultural and linguistic diversity.

CHALLENGE 3
to recognise the recent emergence of the Third Age in which people can have an unprecedented period of long and healthy life. Policymakers and the general public must appreciate the continuing capacities as most people grow older and the breakdown of any assumptions that old age necessarily equates to dependency and need.

CHALLENGE 4
to foster realistic and positive attitudes, promulgate a progressive vision of later life, and in these ways to raise and realise the aspirations and potential of ageing and older people.

CHALLENGE 5
to maintain a high level of economic productivity to ensure high standards of living and the resources necessary for supporting vulnerable people of all ages.

CHALLENGE 6
to maintain fiscal sustainability, meet priority needs of all age groups, and ensure equity of taxation and expenditure according to financial means rather than age.

CHALLENGE 7
to develop improved financial instruments and regulation that will enable people to more efficiently and effectively save and invest with confidence and safety for (and during) their retirement.

CHALLENGE 8
to build a broad consensus among ageing workers, employers, and the public concerning the value of continued employment into later life. This will require a major review and improvement of the wide range of expenditure, tax, and regulatory measures that influence employment.

CHALLENGE 9
to recognise the social needs and contributions of older people, providing a full range of environmental opportunities and supports that reflect the wide variety of their capacities and vulnerabilities.



PHOTO: ISTOCK PHOTOS

Improving health and providing quality care

FOR OLDER people good health is a major resource that enables the independence, continuing participation, and well-being that are so highly valued by them. For government it is a major policy and expenditure area to which the electorate is highly sensitive. It also is a significant industry involving substantial economic interests and a large labour force. With the overall improvement of population health and extension of life, the health of older people is becoming the major focus of health services.

The first major health issue for an ageing society concerns the epidemiological revolution and the potential for preventing health problems.

The second major health issue for an ageing society concerns the cost of good quality health care. It is important to recognise that rising health care costs are attrib-

to maintain their independence. The main source of support for older people in the community continues to be family carers (especially daughters and spouses). While there is much speculation to the contrary, there does not yet appear to have been any major reduction in the availability of family carers. Nonetheless, family care-giving can be very difficult and carer availability may be reduced in future particularly for baby boomers who do not have spouses or children.

The demographic outlook shows that there is some time to prepare before the numbers of very old people begin to grow massively in the 2020s.

Arguably the most significant way to advance aged care would be to effect major structural change in which either the Commonwealth or State governments would take full responsibility. If such deep structural change is not possible, there are intermediate approaches such as pooling and managing aged care funds at the regional level. ○

'DEMENTIA IS NOW THE SECOND LARGEST CAUSE OF DISABILITY BURDEN AFTER DEPRESSION AND BY 2016 IT WILL BE THE LARGEST SOURCE.'

of people with disabilities are aged 65 years and over; almost two-thirds of them are women. Older people make up nearly 40% of those who are caring for older people with disabilities.

Freed from many of the time and other commitments of mid life, older people can have more opportunity for self fulfilment as well as more risk of social problems.

A priority is to develop and maintain more 'age-friendly' communities and built environments. Carefully planned residences and neighbourhoods, together with good public transport, can enable vulnerable older people to maintain their social connections and independence. Dwelling design and urban planning need to be recognised as key elements in the long term structural adjustments to build an 'age friendly' Australia.

utable more to higher utilisation rates and more expensive technology than to population ageing.

A third and most difficult health issue for an ageing society concerns the management of complex illness and care at the end of life. Most of the expensive and difficult medical treatment and health care is provided in the last few years of life at whatever age this may occur.

The appalling health status of indigenous people must be seen as an ageing issue. With a life expectancy now at approximately 60 years, indigenous people suffer from many of the acute illnesses and other health problems more typical of people in developing countries.

Quality care will be required by a minority of older people who are no longer able

The full report can be viewed at www.futuresummit.org/documents/Future_Summit_2004_Report.pdf

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Task Force Members: Professor Hal Kendig, *Dean, Faculty of Health Sciences, University of Sydney*. Dr Diane Gibson, *Head, Welfare Division, Australian Institute of Health and Welfare*. Professor Ann Harding, *Director, National Centre for Social and Economic Modelling, The University of Canberra*. Professor Graeme Hugo, *Director of the National Centre for Social Applications of GIS, Department of Geographical and Environmental Studies, the University of Adelaide*. Professor Sue Richardson, *Director, National Institute of Labour Studies, Flinders University*. Professor Peter Saunders, *Director, Social Policy Research Centre, the University of New South Wales*. Mr Barry Telford, *Principal Adviser, Rehabilitation, Department of Veterans' Affairs*.

CHALLENGE **10**
to encourage healthy ways of living across the entire life span. This involves concerted action to motivate and encourage self help and also community action, for example, to enable physical activity and to make healthy food widely available.

CHALLENGE **11**
to ensure that the entire health care system and financing arrangements are appropriate and efficient for the older people who will be the main recipients of treatment and care in the future. This also will require major improvements in the training of health care professionals and in the design and delivery of health services.

CHALLENGE **12**
to ensure that indigenous people have the population health and medical treatment that will enable them to reach old age and to enjoy its opportunities rather than die decades prematurely.

CHALLENGE **13**
to continue the ongoing development and improvement of the aged care system, ensuring that a high quality, cost-effective, and equitable system is funded and in place well before the massive growth of old old people. Given the long lead times this work needs to be intensified in the near future.