

Implications of an Ageing Australia

The Productivity Commission has released yesterday its final report on the *Economic Implications of an Ageing Australia*.

Key aspects to the report include:

- Ageing pressures are about to accelerate as the baby boomer generation retires;
- Ageing will reduce economic growth at the same time that it intensifies demands for public services, such as health, aged care and the aged pension.
- Workforce will shrink as a proportion of the population;
- Raising labour force participation can partly offset ageing's impacts and highlights the importance of productivity growth to future prosperity;
- Limited scope for population policies to offset the demographic trends. Increasing migration was not a realistic solution, though greater emphasis on skilled migration could play a useful role. Slight rise in fertility rates but they are greatly outweighed by improvements in life expectancy.
- The actions of governments today will determine how well Australia copes with ageing pressures in the future;
- Policy responses are required at all levels of government. Coordinated reforms would be needed in key human service areas such as health and aged care

A couple of other key points mentioned in the report include:

- Proportion of people aged over 80 is to triple to nearly one-tenth of the population by 2044-45. This group constitutes the main users of aged care services.
- Currently there are 170,000 people diagnosed with dementia. Half the people live in the community and half live in residential care. Alzheimers Australia projects by 2050 this will rise to 730,000. This assumes that there is no breakthrough in preventing or treating this condition.

Extract from the briefing - for further information please contact us

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Contact: Ross Humphreys
Pacific Bridge Pty Ltd
Tel: +61 7 3391 3866
Mobile 0419 773248
Email: rosshumphreys@pacificbridge.com.au

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