



FACT SHEET 1

An Ageing Australia JULY 2011

Past, present and future

65 years and over

During the 20th century the proportion of Australians aged 65 years and over grew from 4% in 1901 to 12.2% in 1999. By June 2010, 13.5% of the population was aged 65 years or over: approximately 3.05 million people (ABS 3201.0 *Population by aged and sex, Australian States and Territories, June 2010*).

The trend towards an ageing population is set to accelerate.

By 2041 the proportion of Australians aged 65 years and over is predicted to be between 21% and 23% of the nation's population. The proportion is expected to peak around 2081 and then stabilise with around one in every four Australians being aged 65 years or over (ABS 4102.0 *Australian Social Trends*, March 2011).

80 years and over

- In 2006, 3.6% of the total population was aged 80 and over. The proportion of people aged 80 and over will increase to 4.4% in 2016 and to 7.9% in 2036 (ABS 4102.0: *Australian Social Trends 2007: Table 1 Population: National Summary*).

85 years and over

The percentage of 'very old' Australians, in particular, is also on the rise. Those aged 85 years and over will increase at the fastest rate of all age cohorts.

- In 2001, persons 85 years and over represented 1.3% of the population. By 2010 this had increased to 1.8% of the population. (ABS 3201.0 *Population by aged and sex, Australian States and Territories, June 2010*).
- By 2036, it is predicted that around 1.1 million, or 4.2% of the national population will be aged 85 years or over (AIHW 2007: 5-6; ABS *Population Projections, Australia, 2006 to 2101* 3222.0).
- The actual number of people aged 85 years and over is projected to more than quadruple within the next 40 years (IGR2: xv).

Geographic factors

All states and territories experienced growth in the populations of persons aged 65 years and over in the twelve months year ended 30 June 2010. The Northern Territory (a 7.2% increase), the Australian Capital Territory (a 4.2% increase), Queensland (a 4.0% increase) and Western Australia (a 3.6% increase) experienced the largest increase in the numbers of persons aged 65 years and over (ABS 3201.0 *Population by aged and sex, Australian States and Territories, June 2010*).

Economics of an ageing population

Slower growth

- As the population ages, the rate of economic growth will slow. Pressures for government spending will increase, particularly in the health and aged care sectors, and in aged pensions.
 - The Intergenerational Report 2010 (IGR3) predicts that over the next 40 years, 'real GDP per capita' growth will slow to 1.5% per annum (down from 1.9% per annum for the last 40 years) (IGR3:ix)
 - The IGR3 argues that 'the ageing of the population is *the* major factor driving the slowing in [overall and per capita] economic growth' (IGR3:ix)

Aged-to-working-age balance

- In 2007, there were 5 people of working age to support every person aged 65 and over. By 2050, there will be only 2.7 people of working age to support each person aged 65 and over (IGR3: 1).

An ageing workforce

- There has been a recent lift in labour force participation by older workers. The fastest growing group of traditional working age people is that aged 55-64 years. More people aged 65 years and over are staying on at work. The number of workers aged 55 and above will rise by nearly 50% over the next forty years (IGR2: xi) driven particularly by the higher eligibility age for the aged pension (IGR3: 12).

Pensions

- The proportion of the population aged 65 and over who are *wholly* dependent on the aged pension will decrease from about 55% in 2007 to approximately 38% in 2047. The number of people dependent on a *full or part* aged pension will fall from 80% in 2007 to around 75% in 2047 (Saul Eslake, 2008)
- In 2009, around 89% of permanent residents in residential aged care facilities received a Centrelink or DVA pension (part of full) (AIHW Residential Aged Care in Australia 2008-09 [2010]: 44; Productivity Commission: *Trends in Aged Care Service: some implications*, September 2008).

Aged Care & Health Funding

- Age-related pensions and aged care costs are projected to rise from 2.7 per cent and 0.8 per cent of GDP to 3.9 per cent and 1.8 per cent respectively in 2049-50. As a proportion of GDP, spending on health is projected to rise from 4.0 per cent to 7.1 per cent in 2049-50. (IGR3: 4.1.2)

Why is Australia ageing?

There are a number of factors that are combining to produce our ageing population:

- The oldest 'Baby Boomers', so called because of the high post-World War 2 birth rate (which peaked at 3.6 babies per woman in 1961) will be 65 years of age in 2011; the youngest (those born in 1965) will turn 85 in 2050.
- Following the 'baby boom' there was a steady decline in fertility, reaching the lowest point in 2001 with a fertility rate of 1.73 (ABS *Australian Social Trends*, Cat. No. 4102.0). Fertility is now on the rise again but remains much lower than in the 1960s. Low birth rates in combination with an ageing baby boomer population pyramid 'bulge' means that the population, overall, is ageing.
- Very low infant and child mortality rates and high quality public and clinical health programs have seen Australia's life expectancy continued to increase. Life expectancy in 2011 was 79.3 years for men and 83.9 years for women (ABS 4102.0 *Australian Social Trends*, March 2011: Life Expectancy trends- Australia [based on 2007-9 figures]). It is projected that by 2047, life expectancy at birth will be 86.0 years for men and 89.8 years for women. Life expectancy for Australians is amongst the highest in the world. The gap between male and female life expectancy is closing (IGR2:13).
- The development of an ageing population is not confined to Australia. Other countries such as Japan, Germany, New Zealand and Canada will experience a doubling in the proportion of the population aged 65 and over in the next 50 years.

Older people from culturally and linguistic diverse backgrounds

At the 2006 census, people aged 65 and over from diverse linguistic and cultural backgrounds comprised one in three Australians aged 65 and over. The 2006 census recorded around 840,000 Australians aged 65 and over who were born overseas. (ABS *2006 Census Tables: 'Country of birth by age and sex, by usual residence'*, Cat. No. 2068.0).

- The proportions of the Australian population born overseas at the 2006 census were 34% for those aged 65-74 years, 30% for those aged 75-84 years, and 26% for those aged 85 years and over (ABS *2006 Census Tables: 'Country of birth by age and sex, by usual residence'*, Cat. No. 2068.0).

In June 2009 the ABS estimated that

- 1,036,448 Australian residents aged 65 years and over were overseas-born,
 - ie 35.5% of the 2,914,902 Australian residents aged 65 and over were born overseas (ABS 3412.0 *Migration, Australia, 2008-09: 'Major age groups and the overseas born'*).
- 17.8% of all overseas-born Australians are aged 65 years and over. (ABS 3412.0 *Migration, Australia, 2008-09: 'Major age groups and the overseas born'*).

Countries of origin

In June 2009,

- 55% of all Italian-born Australians were aged 65 years or over: the median age of Italian-born Australians is 67 years;
- 52% of all Greece-born Australians were aged 65 years or over: the median age of all Greece-born Australians is 65.6 years;
- 51% of all Hungary-born Australians were aged 65 years or over: the median age of all Hungary-born Australians is 65.4 years;
- 42% of all Austria-born Australians were aged 65 years or over: the median age of all Austria-born Australians is 62.6 years; and
- 41% of all Netherlands-born Australians were aged 65 years or over: the median age of all Netherlands-born Australians is 62.3 years (ABS 3412.0 *Migration, Australia, 2008-09: 'Major age groups and the overseas born'*; ABS 3412.0 *Migration, Australia, 2008-09: 'Australian-born and overseas-born'*).

These indicate the countries of origin of persons who came to Australia in the immediate post-war decades.

Australians born in Serbia, the UK, Macedonia, Egypt, Poland, Cyprus, Croatia, Germany and Malta all now have a median age above 50 years of age, indicating that these populations will be the next waves of overseas-born Australians requiring aged care services (ABS 3412.0 *Migration, Australia, 2008-09: 'Australian-born and overseas-born'*).

- Of people aged 65-74 years in 2006, the largest immigrant groups are from the UK (148,556), Italy (56,331), Greece (33,572), Germany (18,324), New Zealand (18,123), the Netherlands (15,518), China (14,262), Croatia (11,830), Malta (9305), India (8509) and Vietnam (6,800) (ABS 2006 *Census Tables: Country of Birth of person by age and sex* Cat No. 2068.0).
- Of those aged 75-84 years in 2006, the largest numbers of overseas born persons are from the UK (90,789), Italy (39,120), Greece (13,660), Germany (13,544), the Netherlands (10,872), Poland (10,307), New Zealand (8,444), China (8385), India (5091), Malta (4318), Ireland (4107) and Vietnam (3937).
- Of those aged 85 years and over at the 2006 census, the largest numbers of overseas born persons are from the UK (34,282), Italy (7823), Poland (3240), the Netherlands (3228), China (2691), Germany (2673), New Zealand (2672), Greece (2300).

Older Indigenous Australians

- Over 455,000 Australians were of Indigenous descent at the 2006 census (ABS 2006 Census Tables: Indigenous Status by Age, Cat No. 2068.0). This represents 2.3% of the Australian population.
- Australia's Indigenous population is projected to increase to between 713,000 and 721,000 by 2021.

Indigenous Australians have a much younger population profile than other Australians. For community and residential aged care funding purposes, Indigenous Australians are considered to move into the ranks of 'the aged' at 50 years of age.

- Just over 55,000 Indigenous Australians are aged 50 years and over. These 55,000 represent 12.1% of the Aboriginal population, a proportion which is comparable to the proportion of 'aged Australians 65 years and over' for the whole population (13.3%) (ABS 2006 Census Tables: Indigenous Status by Age, Cat No. 2068.0).
- Just over 15,000 Indigenous Australians were aged 65 years and over. This represented 3.3% of all indigenous Australians aged 65 years and over, compared to the 13.3% of the population as a whole who are aged 65 years and over (ABS 2006 Census Tables: Indigenous Status by Age, Cat No. 2068.0).
 - These 15,000 Indigenous Australians aged 65 years and over represent only 0.56% of all Australians aged 65 and over (ABS 2006 Census Tables: Indigenous Status by Age, Cat No. 2068.0).
- However, the number of older Indigenous people 55 years and over is projected to more than double, from 40,000 in 2006 to between 82,000 and 86,000 in 2021 (ABS 2009: Experimental Estimates and Projections, Aboriginal and Torres Straight Islander Australians, 1991 to 2010. Cat No 3238.0).

Indigenous Life Expectancy gap is closing

The Life expectancy 'gap' between Indigenous and non-Indigenous Australians is narrowing.

In 2001 the ABS calculated the life expectancy gap at 17 years with life expectancy for Indigenous men being 56.9 years and for Indigenous women, 61.7 years (ABS *Australian Social Trends 2000*, Cat. No. 4102.0; ABS *Yearbook 2008*, Cat No. 1301.0 [based on 2001 data]).

In 2011, the ABS calculates life expectancy at birth for Indigenous men at 67.2 years (11.2 years less than for non-Indigenous Australian men) and at 72.9 years for Indigenous women (9.7 years less than for non-Indigenous women) (ABS *Australian Social Trends*, March 2011: Life Expectancy Trends Australia, [based on ABS Experimental Life Tables for ATSI Australians 2005-2007]).

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