POPULATION AGEING
AND AUSTRALIA’S FUTURE
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EDITED BY HAL KENDIG, PETER MCDONALD AND JOHN PIGGOTT
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Appendix 1: International perspectives and global benchmarking

Hal Kendig and Lisa Cannon

New ways of thinking about ageing are emerging in international directions on ageing:

The United Nations, while long preoccupied with children’s and women’s issues in developing countries, is developing more of a balanced life-span perspective. In Transforming our World: The 2030 Agenda for Sustainable Development, Goal 3 is to ‘Ensure healthy lives and promote well-being for all at all ages’ (UN 2015). It also is leading action to establish a Convention on the Human Rights of Older People.

The World Health Organization, which pioneered the Active Ageing and Age Friendly Cities initiatives, released a comprehensive World Report on Ageing and Health (WHO 2015), setting further initiatives in healthy ageing and wellbeing along with references to a substantial evidence base. WHO defines ‘active ageing’ as ‘the process of optimising opportunities for health, participation, and security in order to enhance quality of life as people age’ (WHO 2002: 12).

The World Bank, which a generation ago launched its pessimistic and influential report Averting the Old Age Crisis (1994), has more recently viewed health as an important investment (not just expenditure) for national investment. Its European office has commented that pension reform in Europe is moving towards sustainability in most nations.
Non-government organisations—notably HelpAge International, the International Longevity Centre, and the International Association of Gerontology—are providing advocacy and leadership in progressing positive approaches to ageing including important initiatives in the Asia-Pacific region (e.g. Kendig and Lucas 2014).

Another important contribution by international organisations is to ‘benchmark’ progress being made by member countries and to support evidence-based reforms. The United Nations and the International Labour Organization, for example, provide ongoing, robust, and comparable data on population and employment respectively. To complement these contributions HelpAge International with the support of Manchester University, has produced the annual Global AgeWatch (2015) report of country rankings on older people for wellbeing outcomes. These include income security, health status, capability (including employment and education), and enabling environments (including social connections, safety, and perceived freedom).

Table A.1 provides the AgeWatch population dimensions and wellbeing outcomes for Australia and comparator countries of the UK, USA, and New Zealand as well as China and Japan in our Asian region (Chapter 4). Poland is also included as a European comparator country (Chapter 6), which has a history of strong migration links with Australia. Before interpreting the tables, it is important to caution that anomalies of definition nonetheless remain and the results should be interpreted cautiously. The ranking of countries are shown because this is arguable more useful than trying to make sense of absolute measures and their technical definitions. The rankings are shown out of 96 countries for which data is available.
These findings can be summarised as follows:

- Japan has a much older population, while the other countries are broadly comparable, and China is slightly younger. However, by mid-century, China and Poland are projected to approach Japan’s level of population ageing, while Australia and the other Western countries are projected to have a slower pace of ageing.

- Life expectancy and healthy life expectancy at age 60 are comparably high across the developed countries, with China six years behind the leaders.

- On the global measure of health status, Australia and New Zealand approach Japan as the world leader, while the UK and USA lag appreciably, and China and Poland are near the middle of the world rankings.

- In terms of income security, Australia surprisingly rates barely better than China, towards the middle of the world rankings, far below the other developed countries. These measures of economic standings relative to others in the population reflect a pension system based on poverty alleviation rather than replacement of pre-retirement earnings. Another factor is that these measures do not take account of the low housing outlays in Australia attributable to the high rates of home ownership. Australia’s GNI per capita was second only to the USA (at least in terms of the exchange rates at the time of measurement).

- Australia rates highly in terms of ‘capability’ at the time as indicated by workforce participation rates in late-middle age and by the proportions of older people having at least a high school education.

- Finally, in terms of the overall global rankings Australian rates highly at 17 out of the 96 countries but this level is slightly below that of the other developed Western countries.

Data on other countries is easily obtained directly from the Global AgeWatch website.
### Table A.1 Global AgeWatch Rankings (2015) for Australia and selected countries

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>China</th>
<th>Japan</th>
<th>Poland</th>
<th>NZ</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall global rank</td>
<td>17</td>
<td>52</td>
<td>8</td>
<td>32</td>
<td>12</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of People over 60 (year 2015)</td>
<td>4.9 million</td>
<td>209.2 million</td>
<td>41.9 million</td>
<td>8.8 million</td>
<td>0.9 million</td>
<td>14.9 million</td>
<td>66.5 million</td>
</tr>
<tr>
<td>% of the population over 60 (year 2015)</td>
<td>20%</td>
<td>15%</td>
<td>33%</td>
<td>23%</td>
<td>20%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>% of the population over 60 (year 2050)</td>
<td>28%</td>
<td>37%</td>
<td>43%</td>
<td>39%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Health status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global rank</td>
<td>5</td>
<td>58</td>
<td>1</td>
<td>48</td>
<td>9</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>Life expectancy at age 60</td>
<td>25</td>
<td>19</td>
<td>26</td>
<td>21</td>
<td>25</td>
<td>24</td>
<td>23</td>
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<td>Healthy life expectancy at age 60</td>
<td>19</td>
<td>17</td>
<td>20</td>
<td>16</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Income security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global rank</td>
<td>62</td>
<td>75</td>
<td>33</td>
<td>26</td>
<td>23</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>Pension income coverage (65+)</td>
<td>83</td>
<td>74</td>
<td>98</td>
<td>97</td>
<td>98</td>
<td>100</td>
<td>93</td>
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<tr>
<td>Poverty rate (age 60+)</td>
<td>33</td>
<td>24</td>
<td>19</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Relative welfare (age 60+)</td>
<td>65</td>
<td>50</td>
<td>88</td>
<td>89</td>
<td>86</td>
<td>91</td>
<td>92</td>
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<tr>
<td>GNI per capita ($US)</td>
<td>$41,242</td>
<td>$10,727</td>
<td>$36,093</td>
<td>$21,294</td>
<td>$30,886</td>
<td>$37,053</td>
<td>$51,484</td>
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<tr>
<td><strong>Capability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global rank</td>
<td>8</td>
<td>39</td>
<td>7</td>
<td>52</td>
<td>14</td>
<td>20</td>
<td>4</td>
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<tr>
<td>Employment rate (55–64 year olds)</td>
<td>62</td>
<td>60</td>
<td>67</td>
<td>41</td>
<td>74</td>
<td>60</td>
<td>61</td>
</tr>
<tr>
<td>Educational attainment (aged 60+)</td>
<td>85</td>
<td>30</td>
<td>74</td>
<td>60</td>
<td>53</td>
<td>66</td>
<td>96</td>
</tr>
</tbody>
</table>

Source: Global AgeWatch (2015).
Global rank: Countries are ranked from 1 to 96, with 1 being the highest mark;  

1 Pension income coverage (65+): This indicator measures the existence and coverage of the pension system in a country and is what is commonly known as ‘beneficiaries coverage rate’;  

2 Poverty rate (age 60+): This indicator measures the poverty of older people, using the relative poverty definition. It reports the proportion of people aged 60-plus living in households where the equivalised income/consumption is below the poverty line threshold of 50 per cent of the national equivalised median income/consumption (equivalising factor is the square root of household size);  

3 Relative welfare (age 60+): This indicator measures the income/consumption situation of older (60+) people in relation to the rest of the population;  

4 GNI per capita ($US): Gross National Income (GNI) expresses the income accrued to residents of a country, including international flows such as remittances and aid, and excluding income generated in the country but retained abroad;  

5 Employment Rate (55–64 year olds): The labour market engagement of older people. This indicator measures older people’s access to the labour market (both formal and informal) and therefore their ability to supplement pension income with wages, and their access to work-related support networks;  

6 Educational attainment (aged 60+): Proportion of the population aged 60+ with secondary or higher education.

References


