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## Perth's ageing population - opportunities and challenges

While many West Australians will live longer than previous generations, there is a concern that longer life expectancies, combined with declining birth rates, will have a negative impact on future economic output, on society, and on government expenditure. The latest FACTBase report by the Committee for Perth, as part of its *Bigger and Better Beyond the Boom* research project, examines the age structure of our population, ageing trends, and the impact that this is having on the ratio of the working population to dependent population – the dependency ratio, and working population to the population over 65 – the older dependency ratio.

“Last year, 50% of West Australians were of working age, there were 29 children for every 100 people of working age, and 21 adults aged 65 for over for every 100 people of working age. The 2016 figures mirror what is happening nationally, but here in WA it is going to change quite quickly and we will find ourselves in a demographic environment that is entirely unfamiliar to us,” said Committee for Perth CEO, Marion Fulker.

“By 2060, it is predicted that 1 in 4 West Australians will be aged over 65. There is also expected to be very high growth rates among our ‘oldest old’ and by 2060 there will be 25 centenarians for every 100 children aged under one. By 2100, the total number of dependents in the population is projected to increase from 49 per 100 people of working age to 79.5 per 100 people of working age. This will put a lot of pressure on government revenue, with fewer people working and paying taxes and more people relying on the pension.”

Breaking it down into local government areas, the highest proportion of people aged over 65 are living in the Town of Claremont and the City of Mandurah, where over 65's make up more than 20% of the population. The highest densities of people aged 65 or over are in the Town of Claremont and City of Subiaco, where in 2016, there were more than 400 people aged over 65 per square kilometre. The most significant growth in the number and proportion of people aged over 65 between 2011-16 are in the Peel region and Joondalup. Joondalup experienced a 33% increase, while the Perth-Peel average was 16.39%.

“What we know is that most older people in Perth and Peel ‘age in place’ and, when they do move, it’s usually within their local area. What this means is that as outer suburban locations become more established, their populations will age. This could be a significant issue because urban design, transport systems and access to services in these locations tend to be less suitable for retirees. And the distance from major employment centres also adds an additional barrier for older people who would like to remain in the workforce,” added Mrs Fulker.

Traditionally, strategies for managing an ageing population focus on two goals, minimising the economic impacts of an ageing population and realising the potential economic benefits of an ageing population. Most policies have focused on the first aim but this FACTBase report examines options that maximise the economic and societal benefits of living longer.

“The strategies to address the impacts of ageing are complex and multi-faceted but a central tenant of delivering positive economic outcomes will be achieved by allowing older people to remain active and valued members of the workforce and the community,” said Mrs Fulker.

“Some strategies the report examined include introducing tax and financial incentives to encourage older people to remain in the workforce, providing financial incentives for employers to retain older workers, developing new and innovative businesses associated with health care products and services, encouraging entrepreneurship among older Australians, increasing and recognising volunteering and philanthropy among older Australians, reducing the cost of public service delivery and reducing the availability of the aged pension.

“The evidence is irrefutable, the Perth and Peel region is ageing at a relatively rapid rate and this will impact on our economy. It is critical that strategies and actions are put in place today to minimise the impacts of ageing on the economy tomorrow. There is no reason for policy and decision makers to reinvent the wheel, we can learn a lot from societies ageing at a faster pace than our own to see how they have managed. Japan is the perfect example, it has the fastest pace of ageing of any OECD member country where over 65’s made up 25% of the population in 2014.

“Crucial to the success of delivering positive economic outcomes for ageing West Australians is to innovate, adapt, maximise public sector efficiencies and take advantage of technology to reduce the financial impacts of ageing and capitalise on the opportunities offered by living longer, healthier lives.”

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