

Planning for an Ageing Hastings

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April 2005

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Introduction

The Productivity Commission released its research report *Economic Implications of an Ageing Australia*¹ on Tuesday 12th April. The study found that 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 age pension. With present policy settings, age-related spending will exceed the growth of tax revenue. This will open a fiscal gap equal to around 6½ per cent of GDP by 2044/45.

The Australian Government's Intergenerational Report (IGR) projects that over the next 40 years, the proportion of the population aged over 65 years will almost double to around 25 per cent. At the same time, growth in the

¹ <http://www.pc.gov.au/study/ageing/finalreport/index.html>

population of traditional workforce age —15 to 64 — is expected to slow to almost zero.²

Baby boomers will be the main driver of the increased number of people 65 years and over. Their numbers will increase the over 65 age group by 50 per cent over the next 10-15 years. Improved life expectancy will also see the numbers of people aged 80 years and over double during the next two decades.³

In *The National Strategy for an Ageing Australia*, the Prime Minister states:
The ageing of the Australian population is something that will touch all facets of our personal and community lives. The challenges flowing from this inevitable demographic change will have significant implications for all sectors of our nation.⁴

The ABS has a number of useful background documents relevant to ageing. A starting point would be the ABS ageing theme page⁵. Another useful resource is *Australian Social Trends 2004*⁶. There are several relevant chapters:

- **Seachange: new residents in coastal areas** - presents a case study based on a selection of fast-growing coastal areas.
- **Scenarios for Australia's ageing population** - presents scenarios for Australia's future population structure using the latest population projections.
- **Mature age workers** - looks at the characteristics of mature age workers and their employment across industries and occupations.

Another background report is *Older People, NSW, 2004*⁷. This is a joint publication by the Australian Bureau of Statistics (ABS) and the NSW Department of Disability, Ageing and Home Care (DADHC). It is the third in a series of publications on older people, following *Older People in NSW: A Profile, 1995* and *Older People, NSW, 2000*. The publication draws on data from ABS and non-ABS surveys and collections, presenting a snapshot of the social and economic position of people aged 65 years and over in New South Wales. This publication provides a rich source of information on key issues relating to community participation; health and wellbeing; living arrangements; financial security; and mobility. The picture emerging is one of older people

² Commonwealth of Australia. 2004. *Australia's Demographic Challenges*.

<http://demographics.treasury.gov.au/content/discussion.asp>

³ Commonwealth Government. *The National Strategy for an Ageing Australia*.

<http://www.health.gov.au/internet/wcms/Publishing.nsf/Content/ageing-foa-agepolicy-nsaa-nsaabk2.htm>

⁴ Prime Ministerial Statement. *The National Strategy for an Ageing Australia*.

⁵ ABS Ageing Theme Page

<http://www.abs.gov.au/Websitedbs/c311215.nsf/20564c23f3183fdaca25672100813ef1/4cc1922b3bc5ccb7ca256cae0004f5c1!OpenDocument>

⁶ Published by the ABS, *Australian Social Trends 2004* is the 11th edition of an annual series that presents information on contemporary social issues and areas of public policy concern.

<http://www.abs.gov.au/Ausstats/abs@.nsf/e8ae5488b598839cca25682000131612/a710d1074fb9c136ca2568a90013938b!OpenDocument>

⁷ ABS. *Older People, NSW, 2004*.

<http://www.abs.gov.au/Ausstats/abs@.nsf/95553f4ed9b60a374a2568030012e707/ea0310f174ae4634ca2568b7001b4590!OpenDocument>

engaged with life, actively pursuing their interests, and contributing to the social capital on which the whole community depends.

The NSW Parliamentary Library Research Service produced Ageing in Australia Briefing Paper No 12/04 by Talina Drabsch. This is a useful background document.

Ageing is an inevitable part of life. For individuals, it invokes considerations of retirement, housing, health and lifestyle. The circumstances in which people age can vary greatly in terms of financial security and quality of health. Some older Australians may require care and assistance with daily living, many others provide care for spouses, parents, children and grandchildren. Governments have introduced initiatives to encourage healthy ageing, so the number of years of good health and independence enjoyed by an individual lengthens, not just years of life. The ageing of Australia's population is an issue that is increasingly attracting attention, particularly at a governmental level, as the appropriate preparations for its impact are determined. This paper has attempted to highlight some of the likely economic and social impacts of the ageing of Australia's population. Ageing is not always viewed positively. Some view the ageing of Australia's population as placing a heavy burden on younger taxpayers. However, there are many ways in which older people contribute to society including as mature members of the workforce, in the form of unpaid work, and as consumers. Some older persons experience discrimination on the basis of their age. Attempts are being made to remedy the perception some members of the community have of older people.⁸

Ageing is an issue that, while not urgent, will have far-reaching consequences for the Hastings if not addressed in a concerted strategic manner.

Australia will experience an unprecedented ageing of the population in the first half of the twenty-first century. Significant changes will flow for all aspects of social and economic life, as the proportion of older people in the community increases. The sheer magnitude of the demographic change requires a pro-active approach in order to ensure quality of life for older people, harmony between the generations and positive outcomes for the whole population.⁹

Causes and Consequences

Age and Employment Demographics

The problem is caused by a combination of age and employment demographics. In *Demography and the New Economy*, John Quiggin from The Australian National University predicts an "ageing crisis".

The term 'New Economy' is used to refer to two distinct developments. The first is the increasing importance of pure services, particularly

⁸ Drabsch, T. 2004. *Ageing in Australia*. Briefing Paper No 12/04. NSW Parliamentary Library Research Service.

⁹ Commonwealth Government. *The National Strategy for an Ageing Australia*.

those related to information, and the corresponding decline in the importance of the goods-producing sector. The second is the liberalization of product and labour markets and the resulting decline of institutions like lifetime full employment. This development has been particularly evident in Australia and other English-speaking countries. Although there are connections between these two developments, their demographic implications are quite different. An information-based economy implies long periods of education, late childbearing and a reversal of the trend towards early retirement. Labour market liberalization implies extensive use of redundancy as a tool for labour force flexibility and an accentuation of the trend for workers over 50 to withdraw from the labour market. This trend has been sustainable so far because the baby boom has resulted in an increase in the proportion of the population aged 25 to 54. Within the next decade, this proportion will start to decline. If current institutions are maintained, an economic 'ageing crisis' will arrive at least a decade earlier than would be suggested by an examination of traditional dependency ratios.¹⁰

Coastal Migration

This is exacerbated for coastal areas in NSW, with net migration from Sydney skewing the demographics towards an older population. In *Change, Continuity or Cycles: The Population Turnaround in New South Wales*, I.H. Burnley and P.A. Murphy from the University of New South Wales explain that while older people have been moving to the coast from the city and other regions since the early 70s, there has not been a trend to move back to the city, as evidenced in some areas in the USA.

This study examines population flows from Sydney and other regions to perimetropolitan and coastal areas of New South Wales, the two main foci of the population turnaround since 1971. It uses census internal migration statistics for the five intercensal periods between 1971 and 1996, and estimated resident population statistics between 1997 and 2000. Fluctuating trends are described with respect to variations in age structures of migration flows and net migration gains by SLAs in coastal areas over time. Evidence of fluctuating trends is evaluated in relation to population structure change and local socio-economic multipliers in turnaround areas. The turnaround is far more than a net migration gain from large metropolitan areas; it is also associated with interregional migration which avoids metropolitan areas, and which is at least in part environment-and amenity-related. The experience of some other countries, such as the USA where net migration reversals in population turnaround regions have occurred, has not been replicated in Australia. While elements of explanation for the complex cumulative causation process of the population turnaround in Australia are discussed, including the issues of fluctuating or cyclical trends, much more

¹⁰ Quiggin, J. 2001 Demography and the New Economy. *Journal of Population Research*. Volume 18 Number 2, November 2001.

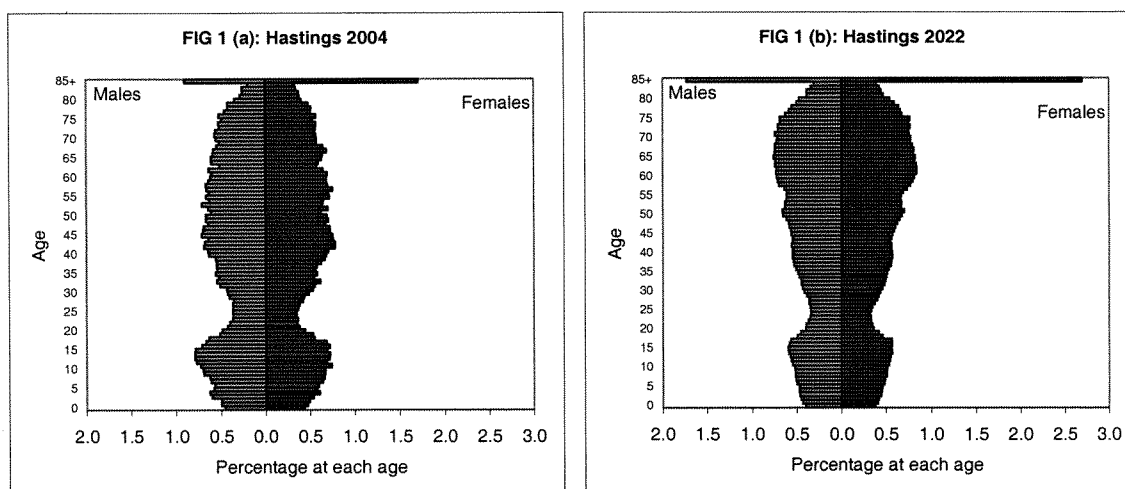
understanding of the economic and social factors involved is required.¹¹

In 2002, the Statistical Divisions with the highest percentage of older persons were the Mid-North Coast (18%), Richmond-Tweed (17%) and the Far West (17%)¹². This trend is prominent in the Hastings, with this LGA having the fourth highest growth rate in NSW outside Sydney. A significant proportion of this is attributable to retirees from Sydney.

Hastings

Out of 153 Councils, Hastings is NSW's 3rd oldest LGA, with 22.3 per cent currently aged 65+ years. By 2022 it will be its 4th oldest. The average percentage point increase in 65+ population per year is 0.42, compared with 0.33 for Total NSW, 0.28 Sydney and 0.43 NSW Balance.¹³

Figure 1 shows the current (2004) and projected (2022) age-sex structures for Hastings. In addition to conventional structural and numerical ageing these structures provide a profound indication of 'premature ageing', which is typically caused by the migration-related loss of young working age people (and/or gain at older ages).¹⁴



Between 2004 and 2022 the population of Hastings is projected to increase in size, from its current 69,473 to around 86,674 (25 per cent). As Figure 2 indicates, most of its youth and working age populations are also projected to grow, while as elsewhere the elderly population will grow substantially.¹⁵

¹¹ Burnley I.H. and Murphy P.A. 2002. Change, Continuity or Cycles: The Population Turnaround in New South Wales. *Journal of Population Research*. Volume 19 Number 2, November 2002.

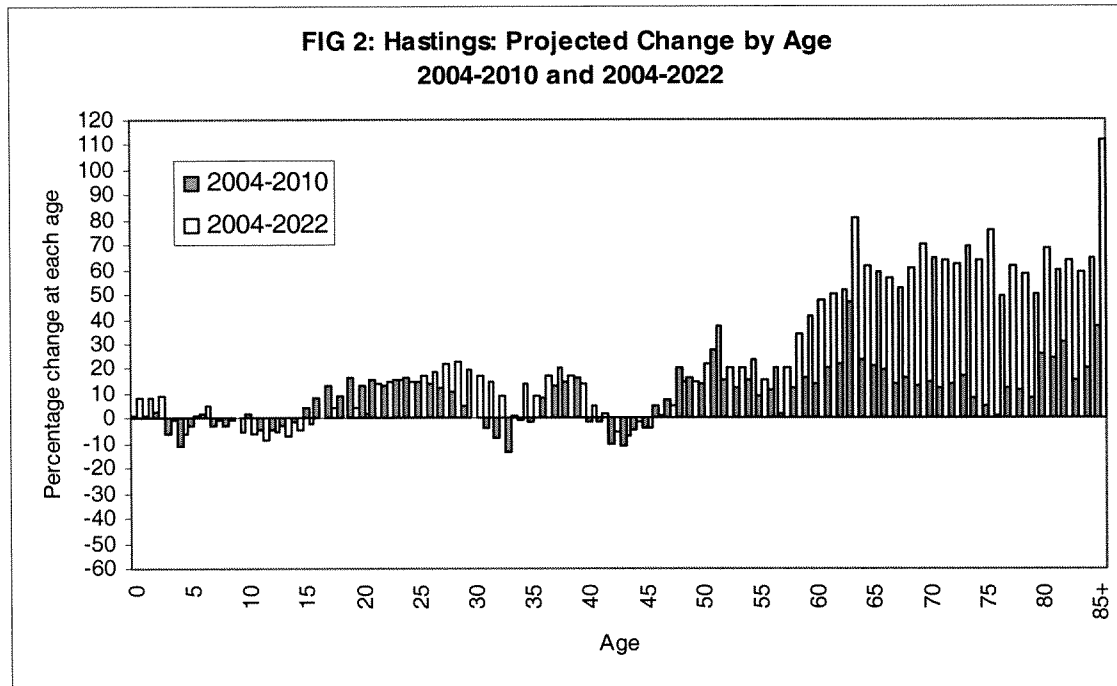
¹² ABS. *Older People, NSW, 2004*.

¹³ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. Local Government and Shires Associations.

<http://www.lgsa.org.au/docs/policy/community/Demographic%20Reports/Hastings.doc>

¹⁴ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

¹⁵ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.



Hastings's 65+ population is projected to grow from its current 15,510 to around 25,951 by 2022 (67 per cent). At 85+ years the increase will be from 1,807 to approximately 3,385 (112 per cent).¹⁶

Approximately 22.3 per cent of the Hastings population is currently aged 65+ years, and this is projected to grow to 29.9 per cent by 2022 (see Table 1). At an average increase of 0.42 percentage points per year, this 'force of ageing' is somewhat faster than for Total NSW (0.33) but essentially the same as for NSW Balance (0.43). Hastings's 85+ population is projected to increase in proportion from 2.6 to 4.4 per cent of the population.¹⁷

Currently Hastings has an 'elderly to child ratio' of 1.2, meaning that it has around twelve elderly (65+ years) for every ten children (aged 0-14 years). This ratio will increase markedly over the projection period, to 2.0, or 20 elderly for every ten children by 2022. The crossover (to more elderly than children) has already occurred (see Figure 3). This compares with 2009 for NSW Balance, 2015 for Total NSW, and 2019 for Greater Sydney.¹⁸

¹⁶ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

¹⁷ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

¹⁸ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

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Table 1a: Hastings : Summary Statistics 2004-2022 (Raw data)

	0-14	15-24	25-39	40-54	55-64	65-74	75-84	85+	TOTAL	15-64	65+
2004	13,068	7,261	10,273	14,311	9,050	8,060	5,643	1,807	69,473	40,895	15,510
2005	13,052	7,474	10,342	14,542	9,283	8,175	5,800	1,923	70,591	41,641	15,898
2006	12,991	7,673	10,421	14,674	9,648	8,255	5,926	2,041	71,629	42,416	16,222
2007	12,947	7,813	10,528	14,790	9,898	8,466	6,069	2,147	72,658	43,029	16,682
2008	12,872	7,946	10,632	14,970	10,094	8,699	6,216	2,242	73,671	43,642	17,157
2009	12,816	8,042	10,703	15,108	10,342	8,966	6,359	2,342	74,678	44,195	17,667
2010	12,767	8,107	10,790	15,225	10,593	9,287	6,417	2,485	75,671	44,715	18,189
2011	12,750	8,114	10,794	15,433	10,822	9,577	6,555	2,609	76,654	45,163	18,741
2012	12,726	8,127	10,815	15,569	10,997	9,932	6,736	2,722	77,624	45,508	19,390
2013	12,727	8,103	10,876	15,642	11,222	10,279	6,861	2,875	78,585	45,843	20,015
2014	12,708	8,092	10,958	15,652	11,468	10,650	7,017	2,992	79,537	46,170	20,659
2015	12,666	8,090	11,076	15,650	11,720	10,985	7,175	3,115	80,477	46,536	21,275
2016	12,625	8,071	11,220	15,587	11,964	11,400	7,315	3,222	81,404	46,842	21,937
2017	12,660	7,990	11,364	15,507	12,211	11,728	7,536	3,325	82,321	47,072	22,589
2018	12,689	7,912	11,500	15,467	12,443	12,016	7,779	3,415	83,221	47,322	23,210
2019	12,719	7,829	11,629	15,442	12,605	12,317	8,063	3,506	84,110	47,505	23,886
2020	12,751	7,754	11,734	15,475	12,701	12,607	8,381	3,580	84,983	47,664	24,568
2021	12,789	7,696	11,792	15,559	12,751	12,874	8,681	3,695	85,837	47,798	25,250
2022	12,829	7,645	11,817	15,664	12,768	13,054	9,062	3,835	86,674	47,894	25,951
Change (%)	-1.8	5.3	15.0	9.5	41.1	62.0	60.6	112.2	24.8	17.1	67.3

Table 1b: Hastings : Summary Statistics 2004-2022

	0-14 %	15-64 %	65+ %	85+ %	65+ / 0-14 elderly/child	15-24 / 55-64 entrant/exit	Reproductive Age 25-39 %
2004	18.8	58.9	22.3	2.6	1.2	0.8	14.8
2005	18.5	59.0	22.5	2.7	1.2	0.8	14.7
2006	18.1	59.2	22.6	2.8	1.2	0.8	14.5
2007	17.8	59.2	23.0	3.0	1.3	0.8	14.5
2008	17.5	59.2	23.3	3.0	1.3	0.8	14.4
2009	17.2	59.2	23.7	3.1	1.4	0.8	14.3
2010	16.9	59.1	24.0	3.3	1.4	0.8	14.3
2011	16.6	58.9	24.4	3.4	1.5	0.7	14.1
2012	16.4	58.6	25.0	3.5	1.5	0.7	13.9
2013	16.2	58.3	25.5	3.7	1.6	0.7	13.8
2014	16.0	58.0	26.0	3.8	1.6	0.7	13.8
2015	15.7	57.8	26.4	3.9	1.7	0.7	13.8
2016	15.5	57.5	26.9	4.0	1.7	0.7	13.8
2017	15.4	57.2	27.4	4.0	1.8	0.7	13.8
2018	15.2	56.9	27.9	4.1	1.8	0.6	13.8
2019	15.1	56.5	28.4	4.2	1.9	0.6	13.8
2020	15.0	56.1	28.9	4.2	1.9	0.6	13.8
2021	14.9	55.7	29.4	4.3	2.0	0.6	13.7
2022	14.8	55.3	29.9	4.4	2.0	0.6	13.6
Change %	-21.3	-6.1	34.1	70.1	-7.8
Force			0.42				

Implications

According to *The National Strategy for an Ageing Australia*, as the population ages there will be broad areas of change and a wide range of issues to be addressed. These include:

- an ageing workforce and the need for action as the supply of younger entrants drops dramatically but the demand for economic growth persists and competition in a global economy continues to increase;
- the need for adequate levels of, and sustainable sources of, retirement incomes to support retirement living;
- the need for positive individual and community attitudes to ageing;
- the need for age-friendly infrastructure and community support (including housing, transport and communications), to enable greater numbers of older Australians to participate in and remain connected to society;
- the importance of healthy ageing to enable a greater number of older people to remain healthy and independent for as long as possible; and

- a growing demand for accessible, appropriate and high quality health and aged care services.¹⁹

Distribution of Wealth

As certain States and areas within States simultaneously contribute less tax and have higher health, accommodation and social service needs, without a corresponding redistribution of taxation spending, areas with an older population will struggle to pay for the burden of their older population. In *As the Population Clock Winds Down: Indicative Effects of Population Ageing in Australia's States and Territories*, Natalie Jackson and Bruce Felmingham from the University of Tasmania predict that areas experiencing the demographic shift to an older population will also have less wealth relative to other areas.

Among the more profound features of population ageing is its regionality. This regionality is particularly marked in Australia, where the timing and speed of ageing are occurring at substantially different rates by state and territory. The shift to natural decline is expected to create many social, economic and political predicaments where it is first experienced. In Australia, Tasmania will be the first to enter natural decline, followed soon thereafter by South Australia, but not for several years by the youngest states and territories. These diverging demographic forces will have many implications for the complex mixture of federal, state and local government that currently adjudicates over policy-making and implementation, especially concerning the collection of taxes, the distribution of the goods and services of the Welfare State, and a large element of fiscal redistribution. This paper provides an overview of demographic characteristics and dynamics by region, and examines their projected effects on three socio-economic indicators: educational demand, the labour market, and demand for Age Pensions. The changing demography will have both beneficial and adverse affects, and unless the profound regionality is soon understood and engaged with, currently older and younger states are likely to encounter not only diverging demographic forces, but also diverging fortunes.²⁰

However, according to The National Strategy for an Ageing Australia, "Australia's strong record of economic growth and sound economic fundamentals means that an older population is not expected to be a burden on the community".

Our sound retirement incomes system, projected growth of superannuation assets and accumulation of private savings will ensure that adequate retirement incomes and quality health and aged care services will continue to be affordable in the future. Nevertheless, a broadly based strategic framework to address emerging issues associated with an ageing population is necessary to protect and

¹⁹ Commonwealth Government. *The National Strategy for an Ageing Australia*.

²⁰ Jackson N. and Felmingham B. 2002. *As the Population Clock Winds Down: Indicative Effects of Population Ageing in Australia's States and Territories*. *Journal of Population Research*. Volume 19 Number 2, November 2002.

enhance our position in this important policy area. Policies that support continued economic and social contributions by older people will be essential. Short to medium term action will be required by government(s), business, community organisations and individuals to improve outcomes.²¹

Council can play an advocacy role to ensure that there is adequate State and Commonwealth funding for services in greater demand due to the ageing local population. A classic example is the lack of nursing homes and other aged care facilities means that hospital emergency ward beds are crowded with people that should be in a nursing home. While the recent increase in the minimum wage for aged care nurses is a positive move, there needs to be a corresponding increasing in the Commonwealth budgeted for aged care if facilities are to afford to engage the additional staff required.

Solutions

Short of a massive immigration programme, little can be done to stop the structural ageing of Australia's population. Even the effects of a reversal of current fertility trends would lag one generation. In the meantime, all levels of government need to prepare to deal with the consequences of an ageing demographic.

According to the National Ageing Statistical Unit (NASU) within the Australian Bureau of Statistics (ABS), we need to ensure adequate retirement incomes, labour force participation, healthy ageing, and provision of community support, health services and aged care.²²

John Howard projects a positive image of the Commonwealth's response to the challenge ageing presents. In *The National Strategy for an Ageing Australia*, the Prime Minister states:

The National Strategy for an Ageing Australia has been developed to provide a coordinated national response to issues surrounding population ageing. It will serve as a strategic framework to underpin the Government's leadership role in encouraging the development of appropriate economic and social policies.

Good economic management and strategic long-term thinking have positioned Australia well to both meet the challenges and take advantage of the opportunities of an older Australia. Our retirement income system is sound. The reforms of our taxation system have provided a strong revenue base to support an ageing population. Our health reforms have enabled millions more Australians to take responsibility for their own health and medical care and eased the growing pressure on the public system.

²¹ Commonwealth Government. *The National Strategy for an Ageing Australia*.

²² ABS, Newsletters - Age Matters - Issue Number 10, December 2004.

<http://www.abs.gov.au/websitedbs/D3110129.NSF/f128006d2d1e7c10ca2566fd0081ba4b/15a8d0ce6c7ed747ca256f69000f05!OpenDocument>

While governments should play a leadership role in preparing the country for an older population, the responsibility for putting policies into action is of necessity broader. Business, community organisations and individuals must all play a part. Their choices regarding employment, retirement planning, attitudes, lifestyles and participation will all help mould the future shape of our society.

The National Strategy provides us with a long-term strategic framework while setting realistic directions for short to medium term action. We intend to use it as a blueprint for our actions and decisions with respect to population ageing.

My Government has always given priority to recognising the contributions of senior Australians. Policies that encourage and support the participation of older Australians in all aspects of our society will continue to be high on our agenda. Together we can ensure that the ageing of our population is a positive experience.²³

On February 25 2004, the Treasurer released the discussion paper *Australia's Demographic Challenges*²⁴. It identifies improving productivity and labour force participation as key priorities in addressing ageing.

The discussion paper focuses on three complementary policy areas:

- Improvements in the capacity for work, through better education and health;
- Better incentives for work; and
- Improved flexibility in the workplace.

Better Financial Planning

If people are going to live for decades on savings or investments in order to have a higher quality of life afforded by the pension, then long-term financial planning will be critical.

Financial planning and the need to raise awareness of the value of savings will be a key issue for greater numbers of Australians. People will require an adequate retirement income for a longer period of time. This highlights the importance of a better balance between the safety net of the age pension and the self provision possible through adequate superannuation and/or other savings. It will be important to have effective mechanisms in place to secure the billions of dollars accumulating to support retirement living. The centrality of home ownership to financial security particularly in older age will remain. In addition to financial planning it will become increasingly important for people to plan how they spend their extended retirement period.²⁵

²³ Prime Ministerial Statement. *The National Strategy for an Ageing Australia*.

²⁴ <http://demographics.treasury.gov.au/content/discussion.asp>

²⁵ Commonwealth Government. *The National Strategy for an Ageing Australia*.

Council could play a role in facilitating financial planning and retirement planning training. This could be a cost-neutral exercise, or even revenue positive.

Mature Age Workers

Part of the solution is for people to stay in the workforce longer. People at the traditional retirement age are healthier than ever, and still have a valuable contribution to make. If people are going to maintain the lifestyle they expect, indeed they may need to continue working longer to afford it. The key here is for businesses to recognise the value of experienced workers.

The workforce will age along with the population. The need for and value of better utilising skilled mature age workers will increase as the supply of younger workers declines. Ongoing engagement of mature age workers will be important to achieve sustained economic growth as the population ages. While targeted programs to encourage young skilled migrants to come to Australia may have some impact on the size of the workforce, increased large scale immigration is not the answer to Australia's ageing society. Attitudinal and structural forces will continue to impact on the willingness of employers to employ mature age workers, and the willingness and capacity of mature age workers to stay in the workforce. Improved opportunities for ongoing training and professional development of mature age workers as well as more flexible working conditions to facilitate gradual transition from work to retirement will need to be accommodated as the workforce ages.

Mature age workers displaced from the workforce will continue to need to be supported through the employment and income support systems.²⁶

One of a series of discussion papers associated with the National Strategy for an Ageing Australia dealt specifically with mature aged workers.²⁷ This is a useful reference on the topic.

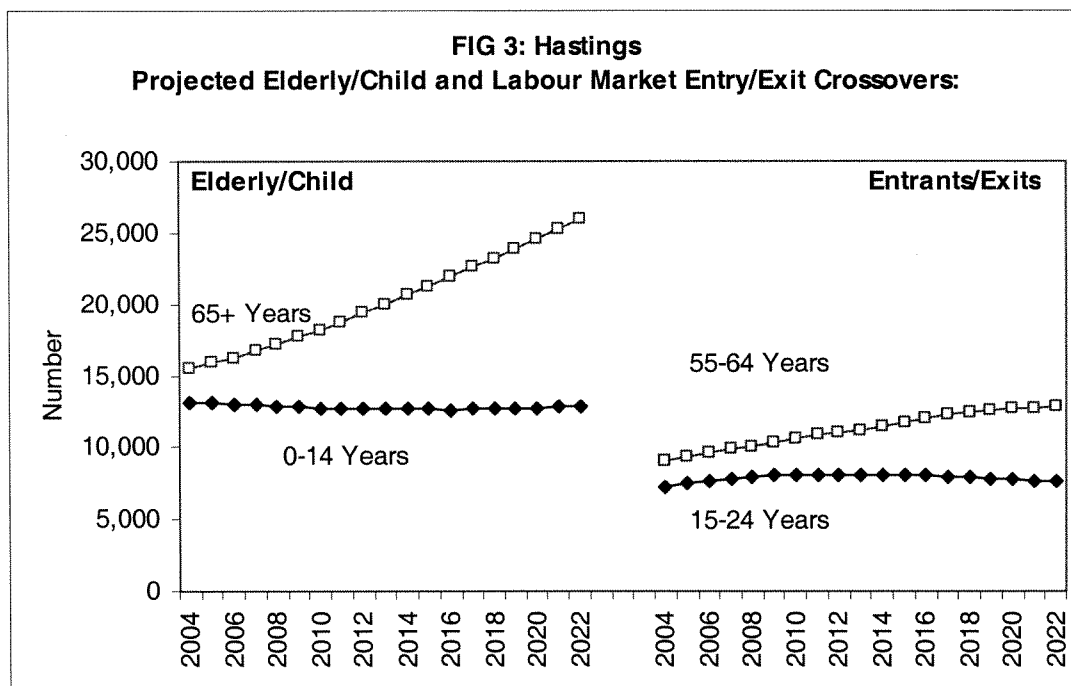
Currently Hastings has a labour market 'entry:exit ratio' of 0.8, meaning that it has around eight people at labour market entry age (15-24 years) to every ten approaching retirement age (55-64 years). This ratio is already negative (more exits than entrants) and will decline further to around 0.6 (six entrants per ten exits) by 2022. By comparison the entry/exit ratio for Total NSW is currently 1.3 and will decline to 0.9, the crossover to more exits than entrants not expected until around 2018. Figure 3 illustrates the trend for Hastings by plotting the underlying numbers of 15-24 and 55-64 year olds separately; the already greater numbers of people at labour market exit rather than entry age is clear.²⁸

²⁶ Commonwealth Government. *The National Strategy for an Ageing Australia*.

²⁷ The Hon. Bronwyn Bishop MP. 1999. Employment for Mature Age Workers Issues Paper. [http://www.health.gov.au/internet/wcms/publishing.nsf/content/ageing-fofa-research-datanssa.htm/\\$file/employ.rtf](http://www.health.gov.au/internet/wcms/publishing.nsf/content/ageing-fofa-research-datanssa.htm/$file/employ.rtf)

²⁸ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

Hastings's total working age population (15-64 years) is projected to fall from its current 59 per cent of the population, to around 55 per cent by 2022, but to increase in size from its current 40,895 to around 47,894 (17 per cent).²⁹



Businesses in the Hastings could be encouraged to engage mature aged workers. Also, older people could be encouraged to take up work in their areas of experience. Local businesses could certainly benefit from the wealth of experience represented by the older people who move here.

Community Development

It is important to both individual well-being and to the health of the community that older people remain socially engaged with the broader community.

Positive and informed attitudes to and by older Australians are fundamental to a successful ageing nation. Artificial and real barriers to older people's participation in economic and social life need to be removed.³⁰

The ageing population has implications for Council's community development role. Council already play a community development role for seniors, with a dedicated Seniors Development Officer. This is an important role and Council should ensure that this programme is adequately funded to be effective.

Seniors are also a valuable source of volunteers. The wealth of experience senior volunteers bring to the non-government sector is a significant contribution to building social capital. Council can play a role in encouraging and recognising the contribution of seniors to volunteering in the Hastings.

²⁹ Jackson, N.O. 2004. NSW Local Government Population Ageing Project. LGSA.

³⁰ Commonwealth Government. *The National Strategy for an Ageing Australia*.

Planning

There are also implications for planning, which is largely Council's jurisdiction. Designing functional communities that adequately provide for the needs of the older population is one of the central principles of Council's strategic planning.

This will require a different mind set about new infrastructure eg housing design, location and availability, transport services, communications technology, etc that is age friendly for all members of society. Some rethinking of the suitability of existing facilities to meet the changing needs of a greater number of older people will also be required.³¹

Planning for Areas 13 and 14 will need to give consideration to the impact of urban design on older people in the community. Proximity of residential areas to shopping and community facilities will be important, as will ensuring there is a diverse housing mix.

Education

With time and a need for stimulation, older people will have an interest in both tertiary education and general interest courses. Seniors will also be a valuable source of tutors and trainers.

An older Australia in the coming decades will be the best educated generation(s) in our history. There is likely to be continued interest in learning opportunities which if taken up will provide increased economic and social benefits to the community.³²

U3A and the three Community Colleges in the Hastings provide an opportunity for the sharing of knowledge and skills as well as providing a valuable social venue.

Health and Aged Care

The stress on our local public hospital is currently compromising the effectiveness of emergency response because there are so many people that should be in aged care facilities. There is also a great need for health promotion.

The health and aged care needs of older people will remain an important matter of community interest. Healthy ageing across the life course is a key element to continued good health. Diet, exercise, and smoking and drinking habits can influence outcomes along with biology and genetics, education, incomes and social status. As we live longer, we are likely to see an increasing proportion of people with neuro-degenerative disorders. Depression and overall mental health will also require ongoing attention. The health and aged care system as well as families, carers and the wider community will need to respond.³³

³¹ Commonwealth Government. *The National Strategy for an Ageing Australia*.

³² Commonwealth Government. *The National Strategy for an Ageing Australia*.

³³ Commonwealth Government. *The National Strategy for an Ageing Australia*.

Council can play an advocacy role in ensuring that aged care facilities are adequately funded and that the health needs of seniors are met by other levels of government.

Implications for Business

The ageing population in the Hastings presents an opportunity for business, which will require a reorientation of services to meet the needs of people 65 years and older.

The baby boomer generation will enter older age with different aspirations and expectations. They are likely to demand a greater range and higher quality services and experiment with ways of experiencing older age. The increasing resources, expectations and needs of future generations of older people will have implications for the business sector.³⁴

Council could play a role in communicating to businesses the implications and opportunities represented by the ageing local population. Demand for a variety of aged-related products and services will continue to increase, and both the local population and local economy will be better off if that demand can be met by local businesses.

Developing a Local Strategic Response

Ageing and Local Government

The Australian Local Government Association has launched a new website to help local government plan for an ageing population³⁵. The website showcases the latest news, research, data, information and innovative practice. There is also an email discussion list³⁶ to exchange ideas and information. The website is an initiative of the Australian Local Government Population Ageing Action Plan³⁷. The plan is the first step in a four-year partnership between ALGA and the Federal Department of Health and Ageing³⁸ to engage local government in a planned and coordinated approach to population ageing issues.

The President of the Local Government Association, Cr Genia McCaffery, recently warned the Productivity Commission's report "acknowledged the growing cost of pensioner rate rebates – especially in NSW – where local government bears half the funding cost... We need more Commonwealth funding, and improved models of funding, so that local government can play a strategic role in identifying needs of the aged"³⁹. The President of the Shires Association, Cr Phyllis Miller, said the Productivity Commission case only

³⁴ Commonwealth Government. *The National Strategy for an Ageing Australia*.

³⁵ <http://www.alga.asn.au/ageing>

³⁶ <http://www.alga.asn.au/policy/social/ageing/network/>

³⁷ <http://www.alga.asn.au/policy/social/ageing/plan/>

³⁸ <http://www.health.gov.au/internet/wcms/Publishing.nsf/Content/Home>

³⁹ Local Government and Shires Associations. November 2004. Media Release. *Productivity Report Underlines Council Concern with Aging*.
<http://www.lgsa.org.au/docs/NewsAndInfo/MediaReleases/2004/November/agedproductivity.doc>

strengthened local government demands for a fairer share of Federal taxation funds.

In the course of 2004 the Local Government Association of NSW and the Shires Association of NSW have undertaken a major strategic project on ageing. The resulting research revealed that population ageing will affect each of the state's 152 local government areas in profoundly different ways. The Associations have produced *Planning the Local Government Response to Ageing and Place*. This paper is intended to offer a framework to assist councils begin to plan for the population ageing unique to their area by:

- providing information on what is happening with general population trends and access to population projection information for each local government area (see next paragraph)
- providing information on the existing and likely diversity amongst older people
- providing evidence on what population ageing means for all roles that councils performs
- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts, to identify what roles they may need to change and when

The Associations encourage councils to use the paper to assist in your local planning. The Executive Summary is included in Appendix One. The full document (86 pages) is an invaluable resource.

Policy Context

Any local strategy to deal with the ageing demographic must be seen in the context of broader State and Federal efforts. A local strategy will need to build upon and apply State and Commonwealth ageing policies and adapted these to local needs and circumstances.

This discussion paper has very deliberately drawn heavily on *The National Strategy for an Ageing Australia* for this very reason.

The responsibility for meeting the challenges of population ageing lies not only with the Commonwealth Government but with other levels of government, with business, with communities and with individuals. Responsibility for action will vary with the issue and over time. The National Strategy is intended to provide a framework for action for all these groups as we seek to respond to the changes that population ageing will bring. The National Strategy recognises the breadth and complexity of issues of an ageing society, and the importance of effective and coordinated action in making the necessary adjustments. It is designed to encourage organisations and people to continue to do the things they do best, and to be a framework to support cooperation between all elements of society.⁴⁰

⁴⁰ Commonwealth Government. *The National Strategy for an Ageing Australia*.

Strategy Principles

There are established strategy principles that are a starting point for building a local strategy.

It is important for the nation to respond to the ageing of the population in line with sound principles to guide our attitudes and actions. The following principles reflect the fact that the Strategy is not just about older people, but about providing opportunities for, and removing barriers to, people's participation in society and access to services across their lifespan.⁴¹

The following National Strategy Principles should form the basis of a local ageing strategy.

- The ageing of the Australian population is a significant common element to be addressed by governments, business and the community.
- All Australians, regardless of age, should have access to appropriate employment, training, learning, housing, transport, cultural and recreational opportunities and care services that are appropriate to their diverse needs, to enable them to optimise their quality of life over their entire lifespan.
- Opportunities should exist for Australians to make a life-long contribution to society and the economy.
- Both public and private contributions are required to meet the needs and aspirations of an older Australia.
- Public programs should supplement rather than supplant the role of individuals, their families and communities.
- A strong evidence base should inform the policy responses to population ageing.
- The delivery of services and pensions for our ageing population is affordable so long as we have a well managed economy and growth.

Public Participation

In addition to close liaison with relevant government departments, extensive public participation in the development of a local strategy will be essential to its success. Broad consultation and the involvement of older people in developing the strategy will be important to ensure that it is relevant to their needs. The work being done for the Social Plan is an excellent starting point.

A central strategy is likely to be partnerships with private industry. A collaborative approach with key local businesses will be critical to the effective execution of the action plan.

Monitoring and Review

It is unlikely we will get it right first time. Clear outcomes and indicators should be established up front, against which progress will be assessed over time.

⁴¹ Commonwealth Government. *The National Strategy for an Ageing Australia*.

Periodic reviews, perhaps annually, should evaluate the outcomes and check the progress of implementation of the Action Plan.

Conclusion

It is beyond the responsibility and capacity of Hastings Council to fund the various programmes that are required to adequately respond to the challenge an ageing demographic presents. However, there is a role for Council to identify what the local needs are and to play a leadership role in collaboration with the State and Commonwealth Governments and local stakeholders to develop a strategic response to this challenge.

The ageing of the population should be seen as a transition not a crisis, with opportunities as well as challenges in society's response to the ageing question. The main challenge is to promote healthy and productive ageing and to adjust societal practices and structures to include older people as contributors to society.⁴²

A first step would be to convene a series of local forums to review the current situation and projected scenarios and to explore possible proactive responses to the challenge that an ageing demographic represents. This could lead towards a coordinated, multi-agency action plan. This "Ageing Hastings Action Plan" would provide strategic direction for an integrated local response.

This local strategy will be set solidly in the context of State and Commonwealth ageing policy, and adapted to be applicable to local circumstances. There is no reason to reinvent the wheel; we just need to put on the tread for this terrain.

We do not always have the luxury of forewarning of major challenges. Population demography has provided us with sufficient advanced warning to respond if we are proactive now. In five or ten years time we cannot say that we did not have the opportunity to plan for an ageing Hastings.

⁴² Healy J, *The benefits of an ageing population*, Discussion Paper No 63, Australia Institute, March 2004.

Appendix 1: Executive Summary of Planning the Local Government Response to Ageing and Place

Local Government Association of NSW and Shires Association of NSW

Population ageing is everyone's business

Planning the local government response to ageing and place is intended to offer a framework to assist councils begin to plan for the population ageing unique to their area by:

- providing information on what is happening with general population trends
- providing population projection information for each local government area
- providing information on the existing and likely diversity amongst older people
- providing evidence on what population ageing means for all roles that councils performs
- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts, to identify what roles they may need to change and when

The Associations hope the paper will lead to heightened awareness amongst councillors and staff that population ageing is everyone's business. In local government population ageing effects strategic and statutory planners, infrastructure providers from traffic engineers to water engineers to parks managers, community care services staff, library staff, rates clerks, environmental health officers engaged in regulatory health protection, recreation staff, and human resource managers to name a few.

The Associations hope the paper will assist councils to plan appropriate changes to activities and services at a rate that matches the increase in the numbers or proportions of older people in the council populations. As the impacts of population ageing range across nearly every role councils perform, there is a significant opportunity to give meaning to the idea of 'whole-of-council' planning.

Section 2 covers *the population background*. This section gives information on the demographics, long term trends, and different speeds of population ageing amongst different nations, states and local government areas.

At the beginning of the nineteenth century 4 percent of the Australian population were aged over 65. By 2004 this percentage has risen to 13% and is projected to rise substantially further.

It is clear that there will be a significant increase in the proportion of older Australians in the Australian population. It is also clear that Australian demographic regional and sub-regional differences will be marked, with population drivers changing and gaps accelerating and with the speed of ageing varying. There will be significant growth in some regions and decline in others.

Like the rest of Australia, the population of NSW is ageing. NSW is ageing *numerically*, as improvements in life expectancy bring about an increase in the numbers at old age.

NSW is ageing *structurally*, as the declining birth rate brings about a decrease in the proportion of the population that is young and an increase in the proportion that is aged.

As elsewhere, these two dimensions will soon come together, as the Baby Boomers contribute to both the numbers and proportions at old age. If the birth rate remains low or continues to fall, the population will shift from a long-term experience of *natural increase* (where births exceed deaths) to *natural decline* (where deaths exceed births). This is expected to occur in Australia sometime during the 2030s.

At national level (and in some states), increased migration levels may postpone this outcome for a short while, but will not change the situation in the longer term. The numbers required are simply too great and there will be increasing global competition for skilled migrants.

These changes are ushering in unprecedented challenges for all spheres of Australian Government. There will be no overall 'net' effect - they will bring with them both positive and negative effects, and different institutions will experience these effects quite differently.

It is of major significance for Australia's councils that the phenomenon is unfolding at markedly different rates across local government areas. Data profiles for individual NSW councils will be found at www.lgsa.org.au.

In 2004 the number of people in Greater Sydney is 4,246,081 and the percentage 65 years and over is 12% whilst the number of people outside Greater Sydney (NSW Balance) is 2,506,006 and the percentage 65 years and over is 15.8%.

By 2022 the number of people in Greater Sydney will be 4,947,332 and the percentage 65 years and over will be 17.1%. The number of people outside Greater Sydney (NSW Balance) will be 2,736,661 while the percentage 65 years and over will be 23.6%.

By 2051 number of people in Greater Sydney will be 5,652,500 and the percentage 65 years and over will be 24.3%. The number of people outside Greater Sydney (NSW Balance) will be 2,703,100 while the percentage 65 years and over will be 32.2%.

When we look at current and projected age structures in 2022 for Greater Sydney and NSW Balance differences are clear. The age structures for Greater Sydney look similar to those for total NSW but those for NSW Balance differ greatly. While both show conventional structural ageing, those for NSW.

Balance show a visible net migration-related loss at the younger working ages whereas those for Greater Sydney show evidence of net migration gain over these ages.

When we look at structural ageing in terms of the ratio of older people to children, and the ratio of those at labour market 'entry age' (15-24 years) to those at labour market 'exit age' (55-64 years) there is reason for forward planning. From around 2016, NSW will have a greater number of older people than children, and more labour market exits than entrants.

These unprecedented crossovers will occur somewhat earlier in NSW Balance (around 2010-2012) and a little later in Greater Sydney (around 2020-2022).

Section 3 covers *the people context*. This section gives basic information on ageing people emphasising 'diversity' from sociological, psychological and cultural perspectives.

Older generations Centenarians are the nation's fastest growing age group, with an apparent 40-fold increase over the 20th Century that is led by men who have improved their survival rate between the ages of 80 and 100 years. Those born in the first and second decades of the 20th Century were largely born in Australia, UK and Ireland, received primary education, and were effected by the First World War, the Depression and the Second World War. They managed to become homeowners. The older group saw the men retiring at traditional retirement age in the 1970s, with couples staying on in their post-war homes. For the slightly younger group the men retired, many before the official retirement age due technological and workplace change in the 1980s.

There has been a tendency for women's husbands to predecease them. *Lucky Generation* Those born in the third decade or the 1920s are deemed the Lucky Generation.

Whilst their childhood and adolescence were effected by the Depression and the Second World War they regard themselves as luckier than their parents' generation. They were spared the challenges of their parents and believe enduring the hardships of the Depression was a good preparation for their subsequent more comfortable existence. They are joined to an extent by the Silent Generation born in the period 1931-46. Many left education at 15, although a higher percentage than previous groups continued to tertiary education. The Australian born tended to be better educated than their immigrant peers. They all entered a buoyant labour market after the Second World War and many married and bought homes in the 1960s. Both groups are seen as a having jobs and marriages for life and practiced thrift over long periods that has provided many of them with reasonable retirement incomes.

The Baby Boomers were born in the period after World War 2 until the 1960s. Boomers had a start full of the promise of an endless prosperity, followed by turbulence and hardship in their middle years. The baby boom was the product of two other booms – the marriage boom and the economic boom that

ran from the late 1940s to the early 1960s. They were also the children of the Cold War.

This gave rise to two contradictory beliefs: the belief in a rosy future and the concurrent belief in the possibility of no future at all. The Baby Boomers are often characterised as being the first generation to challenge established mores and actually change them.

Generation X was born in the period from the 1960s until the mid-1970s. These are partly the 'Options' Generation. On the whole Generation X is seen to have been the first generation to experience fairly widespread broken homes, job insecurity and user-pays higher education. Many of Generation X have had a series of short-term relationships, a series of short-term jobs, carry significant HECS debts, and are excluded from the home ownership market.

They are often seen as the most cynical generation. But Generation X has become more adaptable and resourceful than the Boomer generation. Whatever generation people fit within it needs to be recognised their needs aspirations, values and life experiences will differ if they are Aboriginal people, Torres Strait Islanders or migrants.

Section 4 covers *the policy context*. This section summarises information on Commonwealth and State frameworks that relate to population ageing in general.

There is information on the following:

- National Strategy for an Ageing Australia
- The Intergenerational Report 2002-03
- Australia's Demographic Challenges
- NSW Healthy Ageing Framework 2004-2009
- Work of other Local Government Associations
- 'Transition not crisis': benefits of an ageing population

Section 5 covers *dealing with the changing ageing populations*.

This section invites council to look forward and use

- the population projections to examine and understand their own unique speed of ageing and when ageing and young population percentages converge
- the ALGA's *LGA population-ageing input assessment tool (Local government, self completion diagnosis)* to see if they are in trouble or not.
- use the projections in conjunction with an ageing population impact assessment framework to look at impacts on all revenue, service, planning and regulatory and other functions at say 5 or 10 year stops into the future. This is called: "*Assessing social, environmental and economic impacts of ageing populations for councils*"

The framework for assessing social, environmental and economic impacts of ageing for councils covers:

- Revenue raising functions – the way councils raise their finances
- Service (or non-regulatory) functions – the direct infrastructure, facilities and services that councils provide to people

- Statutory Planning and Regulatory functions – the way councils plan for and regulate their localities
- Council as an employer – the employment that councils offer

For each functional area there is information on likely impacts and the sources from which the Associations have drawn this information.

For revenue raising functions, conventional and/or emerging wisdom says the impacts on local government functions may involve:

- possible reductions to local government financial assistance from Commonwealth and State
- inappropriate rates of FAGS due to Local Government Grants Commission funding formula
- possible inadequate or no growth to local government specific purpose funding
- reductions to rate revenue due to increases in pensioner rate rebates, pensioner rate and charges supplements or rate deferrals
- reductions to user charges revenue due to asset rich cash poor long term retirees

In Service (or non-regulatory) functions, conventional and/or emerging wisdom says the impacts on local government functions will be:

- increased demand for more and possibly qualitatively different community care services, for integrated service planning and co-ordination of community care services, and for more and possibly qualitatively different seniors centres and other seniors services
- increased need at population level for health promotion programs and activities to prevent noncommunicable diseases
- increased demand for different public library facilities, collections, technologies and programs
- increased demand for different cultural facilities, services, technologies, programs and activities
- increased demand for modifications to sporting, recreational and entertainment facilities
- increased demand for heightened environment conservation, protection and improvement
- increased demand for modifications to household waste collection, to cope with mobility and frailty issues
- increased demand for modifications to transport facilities and services
- increased demand for modifications to pedestrian facilities
- increased demand for modifications to road design and road safety programs
- increased demand for ageing sensitive policies and practices in water management
- increased demand for more and possibly qualitatively different residential aged care facilities and self care units
- demand to assess industry development and assistance strategies and services for impact of competing pressures
- increased opportunities for attracting older tourists
- increased demand for ageing-friendly tourist facilities and services

In Statutory Planning and Regulatory functions, conventional and/or emerging wisdom says the impacts on local government functions will be:

- increased need for State and local Housing planning policies directed towards ensuring inclusive balanced communities
 - increased need for State and local Housing planning policies directed towards ensuring ageing people can shift to more suitable conventional housing within their existing community/neighbourhood.
 - increased need for State and local Housing planning policies that provide for sufficient levels of general housing that is adaptable (meets AS4299), accessible (meets AS 1428), safe in terms of minimising slips and falls (meets any emerging standard that is introduced) and ecologically sustainable
 - increased need for State and local Housing planning policies directed towards appropriate provision for retirement villages.
 - increased need for State and local Housing planning policies directed towards appropriate provision to sustain residential care facilities.
 - increased need for State and local Housing planning policies that provide for sufficient levels of affordable housing
 - increased need for local planning policies that provide heightened or renewed attention to land use planning and design to promote active ageing/walkability
 - increased need for local planning policies that provide heightened or renewed attention to Crime Prevention through Environmental Design (CPTED) to deal with older people's generally heightened fear of crime in general and older people's fear of crime discouraging walking
 - increased need for State and local Housing planning policies that take account of and/or promote the *National Indigenous Housing Guide*
 - increased need for State and local Housing planning policies that deal with the phenomenon of ageing populations in mobile home parks
 - increased need to engage older people and their communities in housing and wider planning processes
 - increased need to engage a wide variety of older people in preparing - and heightened attention paid to ageing issues in - social or community plans under the Local Government regulation.
 - increased care in assessing the need for heightened attention to regulatory activities such as food safety surveillance, other public health protection activities or environmental regulatory activities.
- In the council employment function, conventional and/or emerging wisdom says the impacts on local government functions will be:
- increased need for retaining more mature staff
 - increased need for creating opportunities for ageing staff to work part-time
 - increased need for Human Resource Management strategies on attitudes of employers, of employees, and relations between generations in the workplace, to recognize and realize the benefits of age diversity in the work place
 - more widely initiatives are needed to address systemic age discrimination within the Australian workforce and wider community.