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Abstract:

Good News on Ageing: Healthy and Productive Ageing

Policy makers have seized upon population ageing as the rationale for introducing cost constraints and for shifting from inter-generational to intra-generational funding. Despite the consensus that OECD countries, including Australia, can manage the ageing of their populations given prudent policies, the public is being persuaded that a social and economic crisis is approaching. In particular, older people are often blamed unfairly for rising health costs. With increasing life expectancy, however, the challenge will be to maintain positive trends in health risk factors. How will positive and negative trends in health-related behaviours play out over time? Will our modern 'obesogenic' environment (motor cars, calorie-laden foods) produce in the future more non-communicable disease such as cardiovascular disease and diabetes? Or will a fitter, more active, more prosperous and better-educated population stave off the effects of ageing with less disease and disability in old age than in previous generations?

Transcript:

I am going to talk about the good news in relation to population ageing because we hear enough of the bad news. The many gloomy predictions for Australia suggest that our ageing population threatens a social and economic crisis. For example, the Treasurer Peter Costello's intergenerational report put out in the 2002 Budget papers projected large rises in the cost of public expenditure and in part attributed, or appeared to attribute, this to population ageing - in other words the social burden due to the ageing population.

This crisis scenario persists despite more moderate views put, for example, in the United Nations World Assembly on Ageing in Madrid. Or by the Minister for Ageing, Senator Kay Patterson, in the 2002 national strategy for an ageing Australia. These forums argue that there won't be a crisis if we pursue prudent policies. Thus the Minister for Ageing argued that an older population is not expected to be a burden on the community. I think we can put it more positively and argue that older people in fact do contribute to society.

David de Vaus, from the Australian Institute of Family Studies, published a paper where he argued that a focus on financial costs has led to an unduly negative problem-oriented view of population ageing that neglects the contribution of older citizens to the social and economic well-being of the nation.

So I want to point out some positive aspects of the ageing population, the good news rather than the bad news. This was my motivation for writing a discussion paper for The Australia Institute 'The Benefits of an Ageing Population' published in 2004.

I want to address four issues in this talk. First of all I ask the question 'Will our Extra Years of Life be Healthy, Happy and Productive?' Then I'll argue that older people are an important source of social capital and we ought to recognise this. I'll argue that ageing is not the main driver of health costs and end by asking the question 'How responsive are health services to older people?'

But just a reminder about our demographic future because Australia is going to experience rapid ageing over the next half century until the large baby boom generation passes out of the population pyramid (in other words, dies).

The baby boom generation is the result of high fertility and migration after the Second World War. The Australian Bureau of Statistics defines baby boomers as those born between 1946 and 1965, about 5.5 million Australian residents.

Longevity is usually a matter for congratulations, not gloom. The World Health Organisation identifies long life expectancy as a key indicator of a successful society and a successful health care system. So, on those grounds, Australia has some reason for self-congratulation because whether by good luck or by good management we're among the longest living nations in the world.

The current life expectancy at birth is 77 years for men and 83 years for women. The number of Australians aged 65 and over is currently about 12.7 per cent of the population. It's projected to double over the next 20 years.

As well as the people on an ageing life trajectory we expect people to live longer. This is still a matter of debate. Life expectancy is still increasing but is there any end in sight or are we all going to be living into our eighties or nineties? Some argue that the ABS has got it wrong and is under-estimating the number of people who are going to survive into old age. For example, Heather Booth at the Australian National University uses another method of projecting ahead that comes out with larger numbers of people in old age than the ABS.

The Australian Capital Territory's Chief Health Officer's report pointed out that the ACT can expect the biggest increase between now and the year 2011 in the older age group. People over 65 are going to increase from 8.8 per cent to 11.8 per cent of the population. This is a change for the ACT because it has traditionally thought of itself as a territory with young families. Policies and services have been geared to maternal and child health. But the ACT population's becoming middle aged. The median age is 33 years at the moment and greying fast. Services over the next 20 years will need to change - for example, more geriatricians and fewer obstetricians.

As the population ages it will be important to counter the negative stereotypes. I rather like the picture that the Queensland Department of Health put out - showing a sporty elderly couple in a red sports car and a very staid middle aged couple in their sedan car alongside. The caption reads 'people are worried about adding years to their life, they should try adding life to their years'. This was a booklet that the Queensland Department of Health put out to the media to counter the negative doom and gloom views that the newspapers and television persist in putting out.

The language of government reports has become a lot more positive. For example, 'positive ageing' was the title of the Victorian Parliamentary Enquiry and the Australian Minister for Ageing talks about 'healthy ageing'.

I think negative images in the future are going to lessen because the older population will be healthier. They will also be more prosperous judging by the University of Canberra's National

Centre for Social and Economic Modelling reports by Anne Harding, and maybe this is particularly so in the ACT.

If we can expect eight years of extra life, living on into our seventies and eighties, will those extra years of life be happy years and contrary to the stereotype of sad and isolated old age?

Older people in Australia are generally pretty satisfied with their life. This graph taken from the Australian Unity Well-Being Index, that conducts regular telephone interviews with people, shows that older people rated themselves satisfied with life. More than three-quarters of people in the age groups 56 to 65 and 66 to 75 - and even 76 plus - were pretty happy with life. The index averages the scores on a number of aspects – overall satisfaction with life, standard of living, health, achievements in life, personal relationships, how safe you feel, whether you feel part of the community, financial security.

Of particular note is that older people scored consistently higher than other age groups on satisfaction with relationships with family and friends. That is important because family correlates most strongly with the overall index of satisfaction with life.

If we look at self-assessed health status, taken from the Australian Institute of Health and Welfare 2004 report on Australia's health, the greater majority of older Australians are active and healthy and view their health positively.

People's perception of their own health correlates well with more objective measures. Even among those aged 85 and over, about 72 per cent of men and 60 per cent of women report having very good or excellent health. About one-third say their health is fair or poor. But are we looking at the glass half empty or half full? Let's take a more positive view and note that the majority of older people rate their health pretty well.

But what of the future? Can we expect the compression of morbidity as predicted by Fries in 1983? The optimistic view was that people will live into old age with disability and illness only occurring just prior to death. In other words, we will live on into our eighties and drop dead with the least fuss and bother to everyone. The pessimistic view is that these extra years of life will be marred by illness and disability, that there will be an expansion of morbidity and that longer life expectancy will allow late acting deleterious genes to take effect. So what's going to happen?

There is a debate over the Australian figures on disability and old age which don't agree with the rest of the world where the OECD and United States statistics suggest some improvement in disability over subsequent surveys. The Australian figures do not bear that out, but maybe the people from the Australian Institute of Health and Welfare have got something to say about that later. We do not really know to what extent people are living into old age, but with more disability. So the question is, are we going to live longer, but enjoy it less? Are these extra years going to be healthy years?

What are the trends for health risk factors among older people? We can put up a list of positives and a list of negatives. Among the positives, with successive older cohorts there has been less smoking, we tend to drink less to excess, more fruit and vegetables are being eaten and there is declining blood pressure.

But on the negative side there is more obesity - and being overweight or obese is an underlying risk factor for many conditions. Stan Bennett put out a paper recently looking at the older population. He found that around 60 per cent of older Australians are overweight or obese with a

dramatic gain in weight levels over the last decade or so. So we are gaining weight as we gain years.

We have a modern obese genetic environment – motor cars and high calorie foods produce more non-communicable disease such as cardio-vascular disease and diabetes. However, will a fitter and better educated population stave off such effects with less disease and less disability?

Many age-related diseases can be prevented or at least delayed. There are also opportunities to reduce the burden of disease and perhaps reduce its cost. There is considerable evidence that we can make gains in healthy ageing by reducing risk factors. While looking on the bright side, this is not to dismiss the physical frailties that descend upon us with age, including sensory loss.

Active ageing - the message is that the ‘use it or lose it’ saying is true. There is a lot of research evidence now that people who continue to undertake mentally challenging activities, in other words, use their brains, are less likely to decline in cognitive performance. There are also similar conclusions in relation to exercise and health - if we keep active we will stay physically more healthy.

There is also interesting research that suggests that those with a positive view of ageing are also likely to live longer. The Adelaide longitudinal study of ageing looked at psycho-social measures in relation to life expectancy - this was a study that followed people over about 20 years. People with higher scores on psycho-social sorts of measures live longer. A US study that followed older people over many decades also found that people who had positive views about ageing twenty years previously lived longer than those with low expectations – this study included controls for socio-economic factors.

So positive views might be important. Therefore policies that promote positive ageing may well have an effect on life expectancy and hence are important not just for individuals but also for societies. Productive ageing and positive ageing are important, but what are we doing?

We have seen a reduction in people in the workforce. For example, half of men are out of the workforce by the age of 60 years. That is currently a policy concern in many OECD countries that are looking at a shrinking workforce and trying to retain people for longer. Thus the Treasurer put out a report recently, with fairly alarmist media reports that maintained that the Treasurer wanted us all to work until we drop.

The National Strategy for an Ageing Australia pointed out that increasing work force participation by only 10 per cent by Australians aged 55 to 70 years would largely cancel out any extra cost for an ageing population. We are certainly seeing an increase in women in the workforce in later years as the group who moved into the workforce 20 or 30 years ago are ageing in place. We need to look at policies to try and retain more men in the workforce. There is considerable research that people do in fact want to stay in the workforce Access Economics reported that three out of five older workers who had been made redundant, in fact, wanted to continue. Sol Encel in New South Wales has published papers pointing out the extent of age discrimination that goes on in the workforce.

But people do retire. Does this mean they are a drain on society? The argument here is that, okay, people might have retired from the paid workforce, but they are contributing a great deal in unpaid work, both inside the household and outside the household.

A report by David De Vaus from the Australian Institute of Family Studies pointed out that Australians over 55 contribute \$74.5 billion in unpaid work, the equivalent in 1997 values to

around 13 per cent of GDP. A South Australian study also looked at the value of voluntary work by older people to others outside the household, which was about equivalent to the cost in South Australia of the aged care budget.

Older Australians are contributing a great deal. A lot is family help so people into old age are net contributors of help to their adult children. They are providing not only financial help, but a great deal of child care and practical help - with a net flow from older people to adult children right until people are in their seventies.

Although the peak age of volunteering for people is in their thirties, because that is when people have children at school and might referee a netball team. But older Australians are a very important source of volunteer labour. People aged 65 to 74 are providing, on average, two and a half hours a week in volunteer work to the community.

This is important because volunteerism is one of the ways in which we measure social capital, which is said to be the glue that holds society together. On that measure older people are contributing a lot to society in terms of gluing it together or making it work and the research shows that subsequent cohorts of older people are continuing to volunteer just as much as earlier cohorts.

Moving to health costs. We are seeing rising health costs but ageing is not the main driver. The report by Derek Wanless in the United Kingdom on the National Health Service argues that technology is one of the most important drivers of health spending. Health expenditure in the future will be driven more by supply side factors, such as the increasing availability of technology and by the higher expectations of the population. The Treasurer acknowledged this in the Intergenerational Report. The ageing of the population accounted for 13 per cent of the increase in Commonwealth health spending, but other factors such as technology, rising demand and salaries were much more important.

The main reason is that health costs are incurred mostly at the beginning and end of life. The Wanless Report showed that over one-quarter of lifetime health costs occur in the last year of life. The argument here is that, since we all must die, the effect of an ageing population is to postpone, not to increase, health costs.

Research in the UK, the US and Canada shows that the health cost of the last year of life does not rise with age; if anything, it appears to fall. The reason for is that older people are treated less intensively than younger people. Is that humane or is it discriminatory?

I want to end with this question. How responsive are our health services to older people? Overseas research suggests that there is discrimination going on in health services. What is the story in Australia? The UK has tried to counter discrimination by putting out a National Service Framework that sets up standards against which health services can be held accountable. This was in response to many complaints about levels of both indirect and direct discrimination that were occurring.

Age limits were being set on some treatments in the UK, like renal dialysis, and research showed less active treatment for people with coronary care and cancer. There was also indirect discrimination in busy hospitals with busy staff having less time to provide the personal care that older people need in hospital. I will end by saying we should look at what is happening in Australia, and the ACT, on whether there is any age discrimination in health care.