



# **The Australian Capital Territory in 2020 A Glimpse of the Future for Carers**

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## ***The ACT Population***

The ACT population has a number of unique factors when compared to other states and territories in Australia. The dominant contingent is aged between 18 and 65, which is most probably a reflection of the fact that the Federal Government remains a core employer in the region. Recent years have seen a sustained trend for retirement to other regions, most notably the 'sea-change' and 'tree-change' phenomena, which has also encouraged retirees to move away from the ACT.

<b>ACT Population Cohort Groups: Projected Comparison</b>					
	<b>Age Group</b>				
<b>Year</b>	<b>0-19</b>	<b>20-39</b>	<b>40-59</b>	<b>60-79</b>	<b>80+</b>
<b>2006<sup>1</sup></b>	85,274	102,203	90,153	37,213	8,211
<b>2020<sup>2</sup></b>	72,776 <sup>3</sup>	93,514	97,810	76,807	26,343 <sup>4</sup>

Transience of population is an issue affecting long-term planning, as a significant number of residents migrate interstate and overseas each year. Many such translocations result from annual deployment rounds in departments such as Defense, Foreign Affairs, and the Australian Federal Police. Despite the total number of movements, annual net interstate/overseas migration gain or loss remains volatile. For example, net gain between 2001 and 2005 was 810 persons, but net gain in 2006 alone was 1004 persons.<sup>5</sup> Improvement in migrant numbers is being actively sought by the ACT Government through the 'Live in Canberra' campaign being conducted interstate and overseas. Therefore it is not unreasonable to expect a slight increase in migration rates to continue.

The population is projected to continue growing by an average of 0.9% per annum. This level is below population replacement rate and may significantly impact on the local economy due to anticipated changes in the size of the available workforce. Population annual average growth rate for five years to 2006 was consistently lower than the national level of 1.3%.<sup>6</sup> Women in the ACT tend to have fewer babies than their interstate counterparts, and also tend to be several years older than the national average. Higher maternal age at birth is a recognized risk factor for disability. Despite

<sup>1</sup> ABS Census 2006 (Cat. No. 2001.0)

<sup>2</sup> Projected population cohorts calculated by Carers ACT based on assumption of minimum 0.9% annual growth and a standardized death rate (SDR) of 5.6 per 1000, as reported in ABS ACT in Focus 2007 (Cat No. 1307.8). No allowance made for annual interstate/overseas migration gain or loss due to extreme volatility in last 5 years figures.

<sup>3</sup> Based on assumption of drop of births to 0.9% of total population by 2020 (SDR = 5.6 per 1000)

<sup>4</sup> Based on population aged 80-93 in 2020 only with SDR of 5.6 per 1000, plus an estimated 5340 people aged 94+ (there is a 0.06% of ACT population aged 94+ in 2006; assuming a 25% cohort death rate means 1,758 people now alive and projected to be aged 94+ have been removed from 2020 calculation rates).

<sup>5</sup> ABS ACT in Focus 2007 (Cat No. 1307.8)

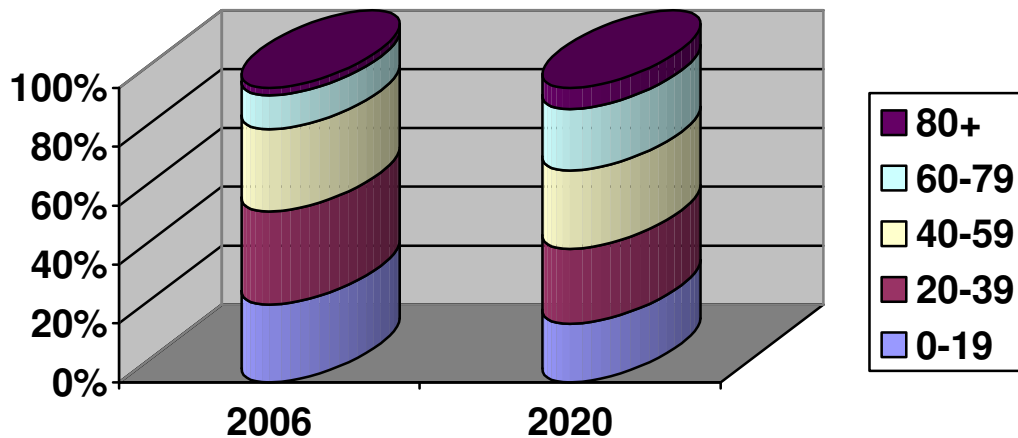
<sup>6</sup> ABS ACT in Focus 2007 (Cat No. 1307.8)

the increasing population rate, sociologist and demographer, Mark McCrindle projects that changing cohort ratios will actually lead to a decline in the national birth rate to 0.9% of total population as fewer people are aged in peak fertility years.<sup>7</sup>

Population and Births in the ACT: Projected Comparison		
	2006	2020
Population	323,956 <sup>8</sup>	367,250 <sup>9</sup>
Births per year	4,210 <sup>10</sup>	3305 <sup>11</sup>

The ageing of the Australian population is becoming a central issue of concern for all governments. By 2020, people aged 60-79 are expected to outnumber those aged 0-19, and there will be at least three times the number of people aged 80+.<sup>12</sup> The reduction of people available to participate in the workforce will be a critical factor impacting on both the local and national economies in 2020.

## ACT Population Cohort Projection 2006 to 2020



<sup>7</sup> Mark McCrindle (2008) Australia in 2020: A snapshot of the future. McCrindle Research ([www.mccrindle.com.au](http://www.mccrindle.com.au))

<sup>8</sup> ABS Census 2006 (Cat 2001.0)

<sup>9</sup> Carers ACT estimate, comparable to ABS estimated range of 330,100 to 402,100 (ABS Population Projections, Cat No. 3222.0)

<sup>10</sup> ABS ACT in Focus 2007 (Cat No. 1307.8)

<sup>11</sup> Based on Mark McCrindle's estimate that birth rate will drop to 0.9% of total population

<sup>12</sup> Figure is a conservative estimate, calculating an average death rate of 25% for the 80-93 cohort group, and 100% for 93+ to reflect the fact that less than 0.06% of population currently survive past 95.

## Disability and Caring in the ACT

In 2006, there was a comprehensive distribution of people needing assistance due to disability across the entire ACT geographical area as the following map from the Australian Bureau of Statistics illustrates:<sup>13</sup>



### Factors affecting rates of disability as a percentage of the population will converge to greatly increase care needs, with a critical impact on the wider community by 2020

- Profound or severe limitation is strongly age-related, affecting around 12% of 65-74 year olds and increasing to 58% of people aged 85 or older.<sup>14</sup>
- People with disabilities are living longer due to improvements in health technology and social care factors;
- Higher rates of maternal age at birth are associated with increased risk of disability;
- Current rates of childhood disability are 8.3% of all children (4.3% having severe or profound disability) 91% of Carers of children with disabilities are women of prime workforce participation age;<sup>15</sup>

A greater number of people requiring care will coincide with a reduction in the number of people available to provide care. At the same time, these Carers will be mostly aged 40-65, having the essential skills and experience that will be critically needed to supplement a shrinking workforce.

Family composition has been decreasing in size and cohesiveness for some time. In 2006 32% of ACT residents did not live within any kind of family unit, an increase from only 28% in 1996. The number of siblings available to share the care of elderly and disabled parents is also declining, as most baby boomers have commonly only had one or two children compared to the average of 4+ children per family born in preceding generations. The emergence of the 'sandwich generation' has seen many people now

<sup>13</sup> ABS (2006) Canberra: A Social Atlas Cat. No. 2030.8

<sup>14</sup> Australian Institute of Health and Welfare (2007) Australia's welfare 2007

<sup>15</sup> Australian Institute of Health and Welfare (2007) Australia's welfare 2007

providing care for ageing parents, and even grandparents, while also trying to raise children. Consider how much greater the demands of the caring role are for someone raising a child with special needs, as are 8.3% of the current ACT population.

### Situation 2020: Hypothetical One

Jack and Mary moved to the ACT four years ago. Jack is employed full-time and May works part-time at a local health centre. They both are actively involved with their child's primary school P & C committee and a soccer club. Jack's mum has been hospitalized after a recent fall. She needs long term help to rehabilitate and is unlikely to be able to continue to live independently. May's parents are both getting frail too. All parents live in Victoria and neither Jack or May have any brothers or sisters who are able to help out.

They are struggling with the decision of whether to relocate back to Victoria or to bring Jack's mum to live with them, and find May's parents places at an ACT supported retirement facility. They don't want to disrupt their child's schooling, sell their house, or have to give up their jobs. They ring around to find out about the local services available and are told that there is a four year waiting list for retirement accommodation, and a two year waiting list for minimal community care supports. They cannot afford private care due to the cost of their mortgage.

Reluctantly they decide to move back to Victoria and try to re-establish themselves again, while May gives up work entirely to be a full-time Carer to all three elderly parents, which makes her socially isolated and stressed. The loss of her income has a negative impact on their standard of living and affects their ability to obtain another mortgage.

The economy is a critical factor affecting families' ability to provide care. The current cost of living has significantly increased in recent years, and inflation is projected to accelerate as the fuel shortage and climate change factors impact upon commodity prices. The size of mortgages required for even a modest family home are now commonly requiring the contribution of two incomes per family. The high cost of rental accommodation in the ACT also places considerable stress on those families unable to afford their own home.

Carers are already being affected by the demands of providing care. Carers ACT believes that all Carers are entitled to the same rights, choices and opportunities as other Australians in order to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment and education. This aspiration falls far short of the reality for many Carers, who have the lowest wellbeing scores for any group in Australia, being far more likely to suffer chronic health conditions and depression<sup>16</sup> and who are at higher than average risk of poverty<sup>17</sup>

<sup>16</sup> Cummins, R., Hughes, J., Tomyn, A., Gibson, A., Woerner, J., Lai, L. (2007) *The wellbeing of Australians – Carer health and wellbeing*. Melbourne: Australian Centre on Quality of Life, Deakin University.

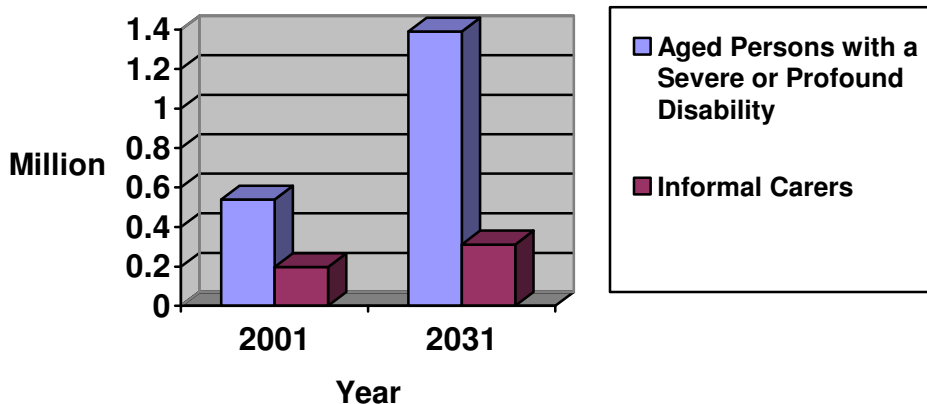
<sup>17</sup> Australian Bureau of Statistics (2003) *Disability, ageing and carers, Australia: Summary of findings*. (ABS Catalogue No. 4430.0)

### Situation 2020: Hypothetical Two

Alex has been caring for the last five years. He has a special needs child and also cares for his partner who has early-onset Dementia. He was formerly employed as a teacher. While he would love to return to work, even part-time work is impossible because there are no vacancies for day-program places in the ACT. It is also impossible to find suitable holiday care programs for his daughter. Alex and his family have been on an ACT priority housing list for four years. The family home was sold when Alex couldn't work anymore, and their landlord has just put up the rent again, leaving just \$80 per week in the family budget for all other expenses. Alex is depressed and has developed a chronic blood pressure problem from stress and poor diet. He feels that his only solution is to initiate a separation so his partner will qualify for emergency care and be given a temporary bed at the hospital.

It is vital that current Carers are properly supported so that they, and the people they care for, are not added to existing queues within an already overburdened health system. The number of people available to provide care will also greatly reduce by 2020, simply because there were not a sufficient number born in that population cohort. With time, current shortfalls in the Carer to care-recipient ratio will widen from a gap to a chasm, as the following chart based on data calculated by NATSEM<sup>18</sup> illustrates:

#### Projected Gap Between Aged People Requiring Care and Availability of Informal Carers



Research has consistently shown that Carers are already a group more vulnerable to the pressure of external social and economic factors than the majority of non-Carers in the population. Yet anyone can become a Carer, at any time, as we all have family, friends

<sup>18</sup> NATSEM (National Centre for Social and Economic Modelling) (2004) *Who's going to care? Informal care and the ageing population*. Canberra: Carers Australia.

or neighbours who may need our care at some time in their lifespan, due to accidents, chronic illness or simply from the increasing frailty of old age. Decisions on future supports for Carers, therefore, have a much wider reach than the current Carer population already resident in the ACT.

<b>Caring in the ACT: Already An Essential Part of the Community</b>			
Number of Carers currently in ACT:	<b>43,000<sup>a</sup></b>	Current number of Primary Carers <i>(percentage of total ACT Carer population):</i>	<b>8,600<sup>a</sup> (20%)</b>
Estimated current annual cost of replacing unpaid care with formal care in the ACT:	<b>\$524.6 million pa<sup>b</sup></b>	Estimated current annual opportunity cost to ACT economy from Carers' reduced participation in workforce	<b>\$88.9 million pa<sup>b</sup></b>
<i>Sources:</i> <sup>a</sup> Data extrapolated from ABS (2003) Survey of Disability, Ageing and Carers <sup>b</sup> Carers ACT, using model developed by Access Economics (2005) applied to SDAC data.			

Carers have an essential role in maintaining the health and social welfare system, which is reliant upon a foundation of unpaid care in the community. The work of Carers is already of substantial economic benefit to the ACT Government, currently saving a conservatively estimated \$524.6 million per annum in replacement formal care services. Just as governments have recognized the importance and good economic sense of promoting healthy lifestyle programs to communities, so they must recognize that investment in a comprehensive system of support for Carers is the only option to help them continue in their role and maintain their irreplaceable contribution to the wider community.

As greater numbers in the workforce are affected by age-related disability, or called upon to care for family members, it is essential that government, employers and the community sector work together on effective strategies to keep skilled Carers in the workforce, while also supporting and adequately compensating those Carers who undertake full-time caring commitments. Carers must also be provided with appropriate and affordable options for the quality care of their loved ones while they are working or studying.

The ACT Government cannot depend upon the existing model of community-based care to continue to work in 2020. It is already unsustainably propping up a health and social support system currently in crisis from systematic federal neglect over the last decade. Lack of investment in infrastructure has seen the erosion of services through loss of real dollar value in funding, a shortfall in training and development of staff, and the sustained inability to commit to a better foundation of technology, quality improvement and research activities.

There is a comprehensive shortage of workers in the community services sector, reflecting the lower wages offered under insufficient funding capacity. The sector also

struggles as skilled workers are lured into the public service by higher salaries, greater superannuation benefits, better office facilities and sufficient access to technology and staff support services.

The system of competitive tendering for very limited funding has also inhibited the development of strong cooperative networks within the community services sector and restricted options for development of jointly-managed projects. In other words, there is a demonstrable need for strategic reform which fosters the development of a cohesive and streamlined community service sector which continues to recognize diversity of need in the ACT population.

### ***The Solution for 2020 and Beyond***

Critical reforms are essential to maintain a viable workforce and a stable economy for the benefit of all ACT residents into and beyond 2020. Carers ACT calls on the ACT Government to establish:

#### **A Priority Working Group on Sustaining Future Care in the ACT**

This group would be made up of representatives from government, employer groups, Carer groups, community services, education sector and health care sector. Its aim would be to develop innovative and sustainable cross-portfolio solutions to meet the challenge of caring for an ageing population in the ACT while also maintaining a viable economy and workforce capability.

The following priority areas would need to be urgently addressed:

1. Workforce participation
2. Care facilities (day programs and overnight respite)
3. Supported accommodation
4. Community integration of services as opposed to the current oppositional system of competitive tendering
5. Sector funding to meet anticipated need

It is acknowledged that the national social inclusion reform agenda being led by the Council of Australian Governments will also provide impetus for sector reform, but it is anticipated that the above working group would complement and provide input to a national agenda, while also ensuring that reforms are suitable to the ACT's future needs.

## ***National Priorities:***

There are three key areas where the network of Carers Associations will be lobbying for Commonwealth reform for improved outcomes for family Carers by 2020:

1. A National Carers Recognition Act – legislation which recognizes and supports the role of informal Carers

It is vital that current Carers are properly supported so that they, and the people they care for, are not added to existing queues within an already overburdened health system. The number of people available to provide care will also greatly reduce by 2020, simply because there were not a sufficient number born in that population cohort. With time, current shortfalls in the Carer to care-recipient ratio will widen from a gap to a chasm<sup>19</sup>. Carers need services and support in their own right with an aim to improve their own health and wellbeing.

2. National legislation to give family Carers rights for more flexible work practices

As greater numbers in the workforce are affected by age-related disability, or called upon to care for family members, it is essential that government, employers and the community sector work together on effective strategies to keep skilled Carers in the workforce, while also supporting and adequately compensating those Carers who undertake full-time caring commitments. Carers must also be provided with appropriate and affordable options for the quality care of their loved ones while they are working or studying. Government also needs to formally engage with Corporate Australia to play a significantly greater role in supporting employed Carers in their workforce as well as supporting more choice for non employed Carers to participate in the workforce.

3. A national family tax benefit for caring families to help with significant costs of caring

The overall opportunity cost borne by Carers has been estimated to be \$4.9b a year in lost earnings. In addition, Carers must manage the extra financial costs related to caring such as medication, equipment, transport, therapies, continence products, electricity and alternative care. Tax relief can help reduce burden of caring costs that other Australians do not have to bear.

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<sup>19</sup> NATSEM (National Centre for Social and Economic Modelling) (2004) *Who's going to care? Informal care and the ageing population*. Canberra: Carers Australia.