

Summary of the 2015 Intergenerational Report Australia in 2055 Summary of key points

At least every five years, the Australian Government produces an Intergenerational Report that assesses the long-term sustainability of current Government policies and how changes to Australia's population size and age profile may impact on economic growth, workforce and public finances over the next 40 years. The first report was released in 2002. **Summary of Key Points:**

- **Population:** Assuming a growth rate of 1.3%, our population will grow to be 39.7 million in 2055 from about 23 million now.
- **Life expectancy:** 95.1 years for men and 96.6 years for women.
- **Those aged 100 or more:** About 40,000 people. In 1974-75, there were 122 Australian centenarians.
- **Young people supporting those aged 65 and older:** There will be 2.7 people aged between 15 and 64 for every person aged 65 and over. In 1974-75, there were 7.3 and there are 4.5 today.
- **Aged pensions:** In today's dollars, spending per head of population to increase from almost \$2,000 in 2014-15 to around \$3,200. Age pensions are about 2.9% of GDP now and could grow to be 3.6% of GDP. Currently, 70% of people of Age pension age are receiving the pension.
- **Superannuation:** Assets, now worth about \$1.84 trillion, could grow to \$9 trillion by 2040.
- **Those in the work force:** Expected to fall to 62.4% from the current 64.6%.
- **Economic Growth:** GDP will be positive, without a recession, to 2055, averaging 2.8% per year. It averaged 3.1% over the past 40 years
- **Annual average income:** Will rise to \$117,300 from about \$66,400 today.
- **Health spending:** To grow to \$6,460 per person in 2055, in today's dollars, from \$2,800 per head now. Overall spending to increase to 5.5% of GDP from 4.2%.
- **Aged care spending:** Federal spending is projected to rise from 0.9% of GDP to 1.7% of GDP in 2054-55 or about \$80 billion in today's dollars.

Source: www.treasury.gov.au



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