Intergenerational Report avoids hard policy decisions

“The just-released third Commonwealth Intergenerational Report that is supposed to provide a ‘comprehensive analysis’ for managing Australia’s ageing population is a big disappointment,” Professor Scott Prasser, Executive Director of the Public Policy Institute at the Australian Catholic University, said today.

“It is neither comprehensive nor does it provide much analysis,” Professor Prasser said.

“It tells us what we already know, repackages existing polices to tackle completely different policy problems and takes no hard policy decisions let alone develops any options for real debate about how to handle Australia’s ageing population,” Professor Prasser said.

“We have long known our population is ageing, but in reality the change is not as fast or as significant as in other countries in Europe or Asia such as Japan, and thus needs a more measured policy response,” Professor Prasser said.

Some key points where the latest Intergenerational Report misses the mark include:

- the revenue shortfall not being as great as previously estimated by Treasury, raising the issue as to whether there has been an over-reaction to the problem

- many of the policies listed as dealing with the ageing policy simply being relabelling of existing programs and policies that were designed for different problems. Examples include:
  - Increased spending on schools and school buildings which were part of existing policies to address the global financial crisis
  - Water policies which were originally developed to address the drought policy
  - Energy policies/clean energy which were developed to address global warming.

“The latest Intergenerational Report does not discuss the hard policy issues that may have to be confronted as Australia’s population ages: how to ration health services to the aged; retirement age and pension eligibility; whether taxes will have to be increased given the present government’s inability to keeps pending promises in line,” Professor Prasser said.