

Australia faces challenge of ageing population

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Singapore, July 04, 2012: The growing elderly population and its associated disease burden add to the economic challenges faced by the Australian government, according to a new report by healthcare experts GlobalData.

The new report states that the Australian healthcare market is driven by universal healthcare coverage and good access to facilities such as government-subsidized medicines. However, the growing elderly population and its associated disease burden are set to challenge Australia's ability to maintain this level of care.

Universal healthcare coverage, good access to healthcare facilities and subsidized essential drugs are the distinguishing features of the Australian healthcare system. Medicare offers universal access to healthcare and covers the entire population through programs such as the Pharmaceutical Benefits Scheme (PBS), the Australian Childhood Immunization Register, and the Australian Organ Donor Register. Medicare ensures access to free or low-cost medical and hospital care, and a government subsidy for drugs dispensed under PBS is available.

However, the government is implementing major PBS reforms in order to reduce its healthcare expenditure; such reforms include a payment of \$1.40 to pharmacies for substitutable and premium-free PBS-subsidized drugs, introduced in July 2010.

Australia boasted a population of approximately 22.4 million in 2010, and the population aged 65 years and older is projected to account for approximately 18.3 percent of the population by 2020. This is due to a longer life expectancy, improved healthcare facilities, and strong financial and healthcare support by the government. The government has a high level of financial and policy responsibility for health services, such as hospitals, public health, and drug availability. As the elderly population increases, so does the Australian government's cost burden, which is due to overwhelm state finances in the not too distant future.

The pharmaceutical market in Australia was valued at approximately \$14.9 billion in 2010 and is projected to reach approximately \$30.5 billion in 2020, at a compound annual growth rate (CAGR) of 7.4 percent.