



*cutting through complexity™*

**AHIA**

**Demographic Outlook for Health  
Insurance in Australia in the 2010s**

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**10 November 2011**

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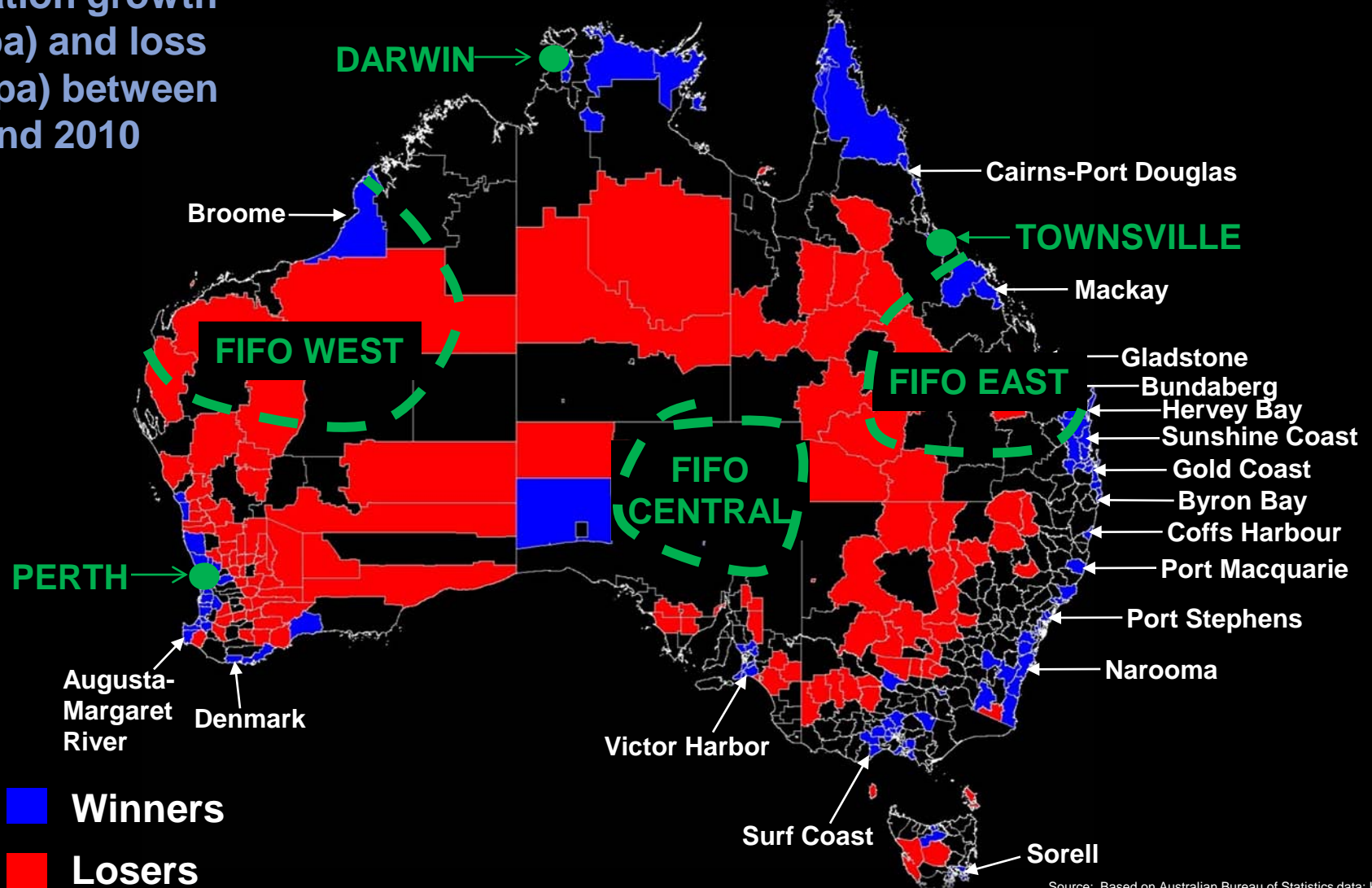
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# Australians are on the move ... to the coast

Areas of high population growth (>2% pa) and loss (<-1% pa) between 1986 and 2010



Source: Based on Australian Bureau of Statistics data; KPMG

# Australia is shifting from Mediterranean to Asian influences

<b>Growing</b>	<b>Extra</b>	<b>2010</b>
1. India	245,000	341,000
2. China	232,000	380,000
3. New Zealand	175,000	544,000
4. South Africa	75,000	156,000
5. Philippines	67,000	177,000

<b>Contracting</b>	<b>Loss</b>	<b>2010</b>
1. Italy	-26,000	216,000
2. Greece	-7,000	127,000
3. Poland	-7,000	58,000
4. Malta	-4,000	49,000
5. Netherlands	-3,000	89,000

- Most growth and loss by place of birth in Australia, 2000 - 2010

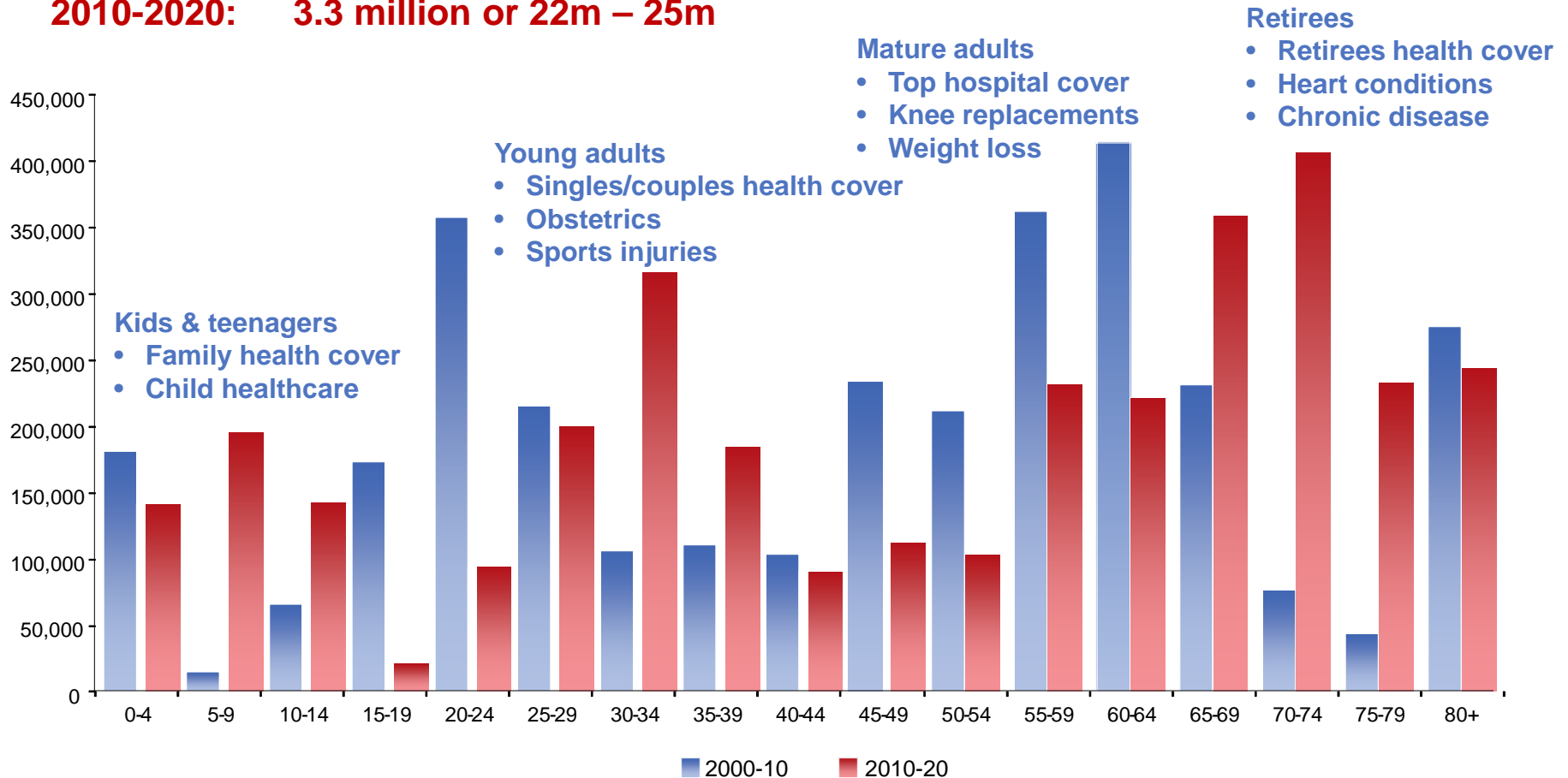
# Other tribes on the rise ...

- **Facebook ...**
- **PUMCINS ....**
- **NETTELS ...**
- **KIPPERS ...**
- **LOMBARDs ...**

# Anticipate demand around changes in the Australian demographic profile

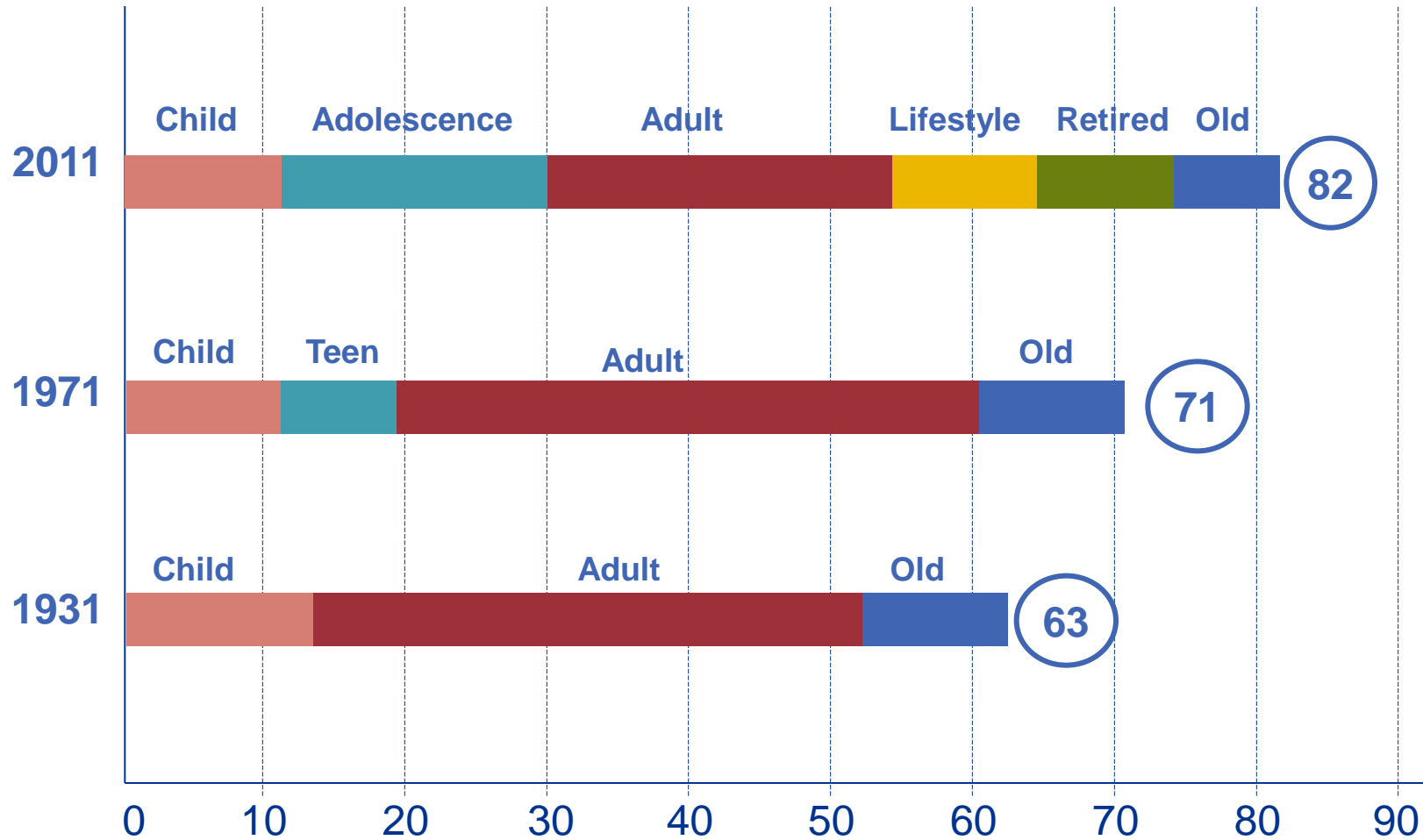
**2000-2010: 3.2 million or 19m – 22m**

**2010-2020: 3.3 million or 22m – 25m**



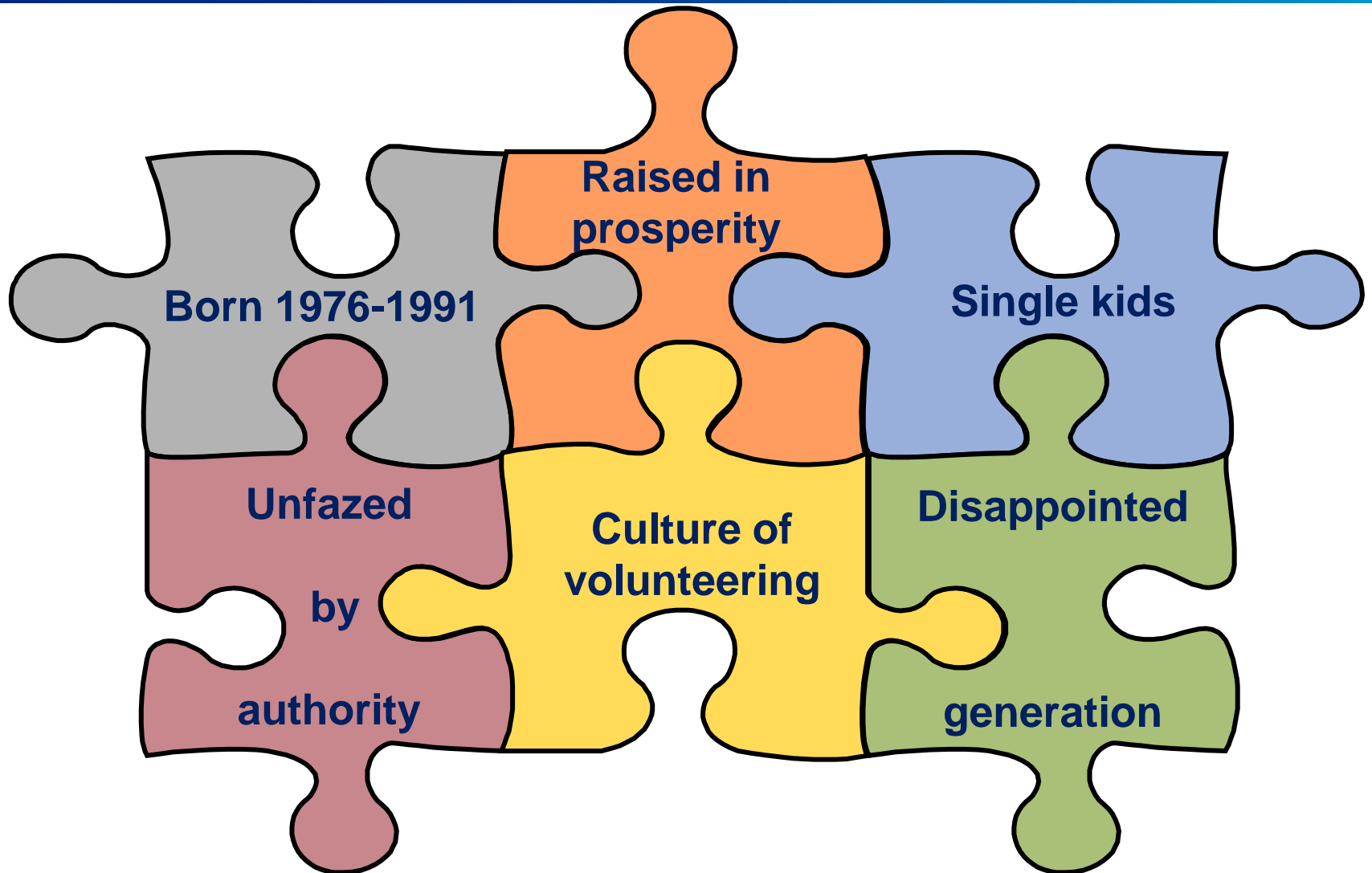
- Net change in Australian population by 5-year age group over 10 years to 2010 and 10 years to 2020

# Increasing life expectancy is creating new stages of the lifecycle and new markets for health insurance



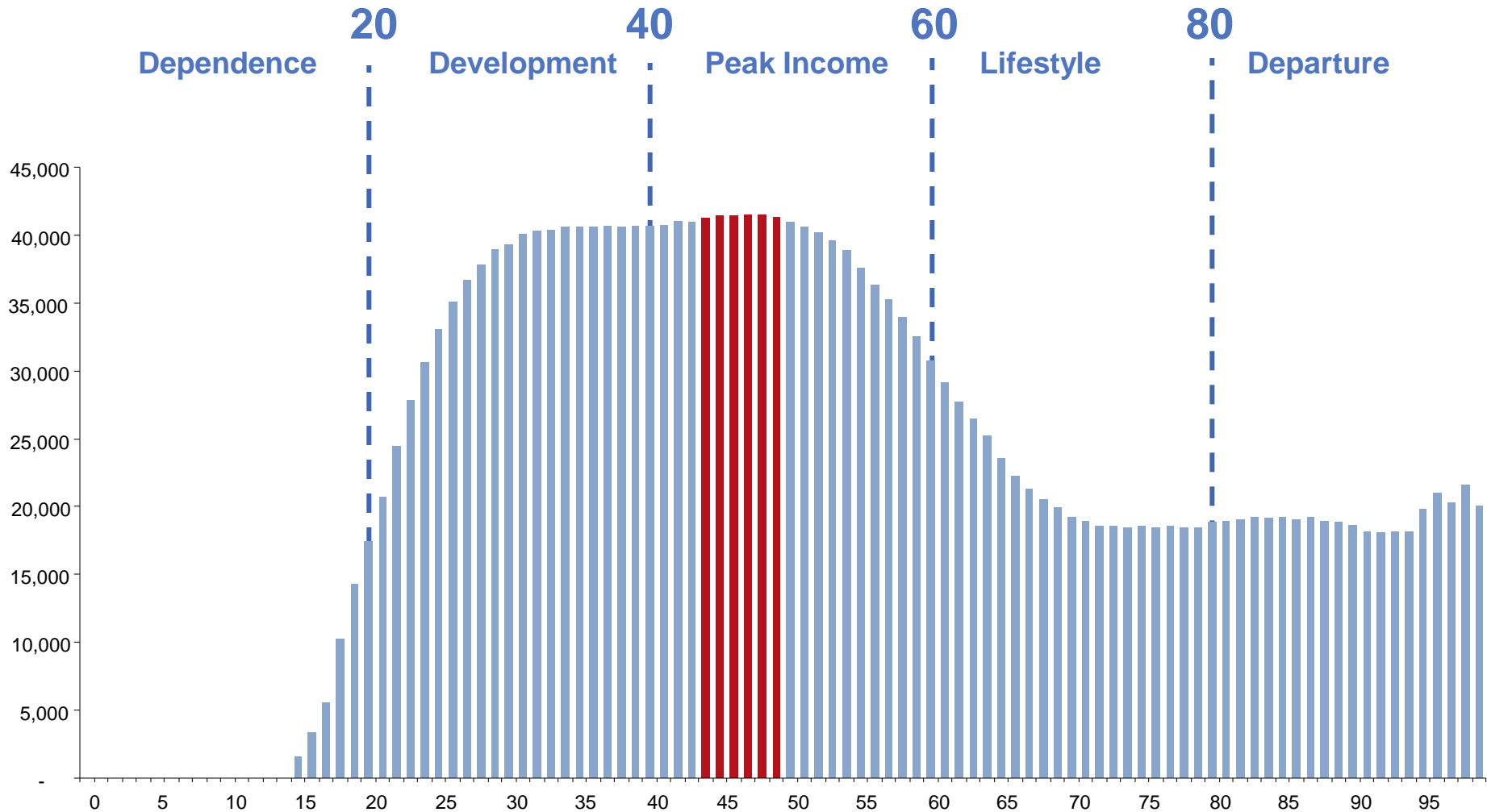
- Change in life expectancy over 80 years in Australia

# Who is ... what is ... Generation Y?



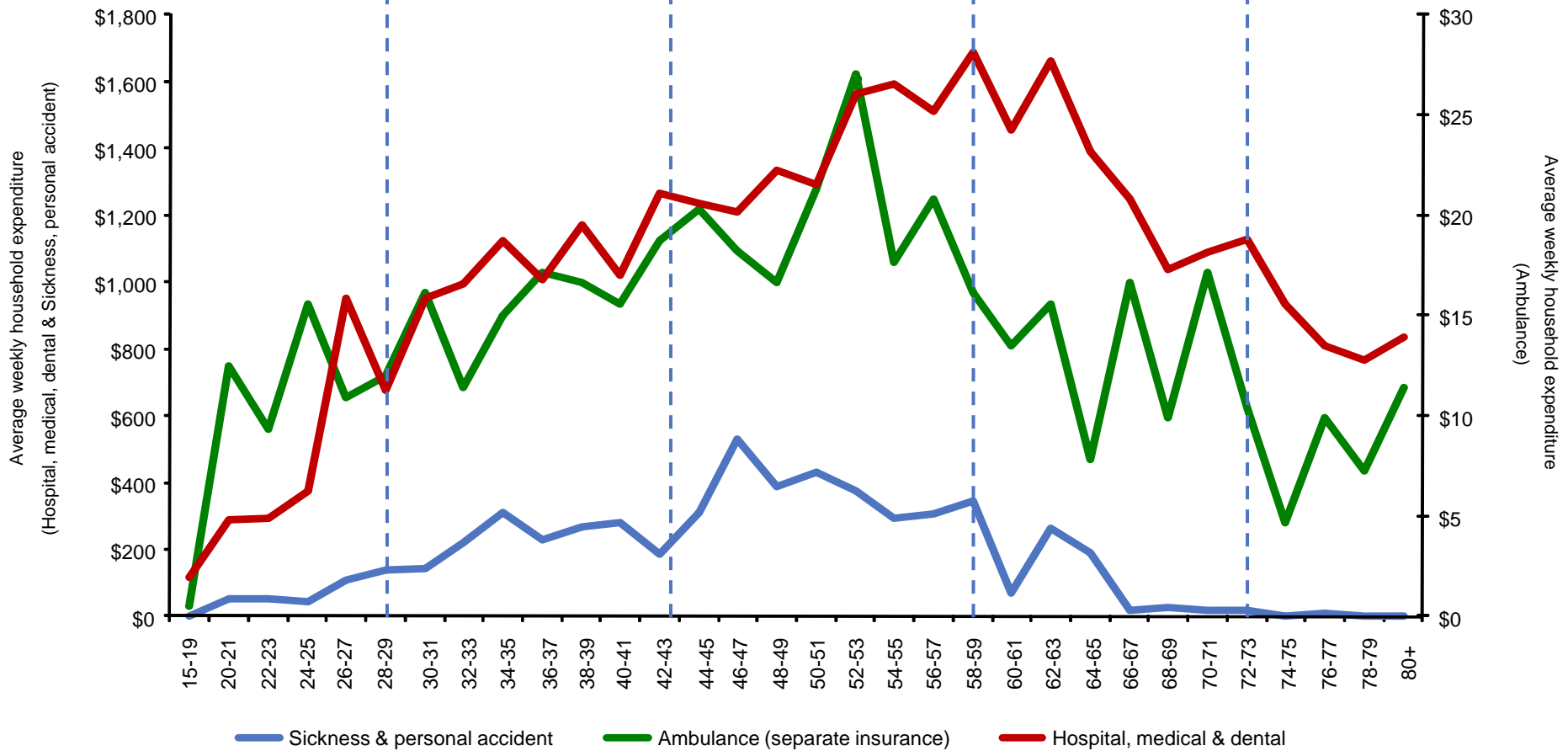


# Health insurance peaks in the 3<sup>rd</sup> quarter of life



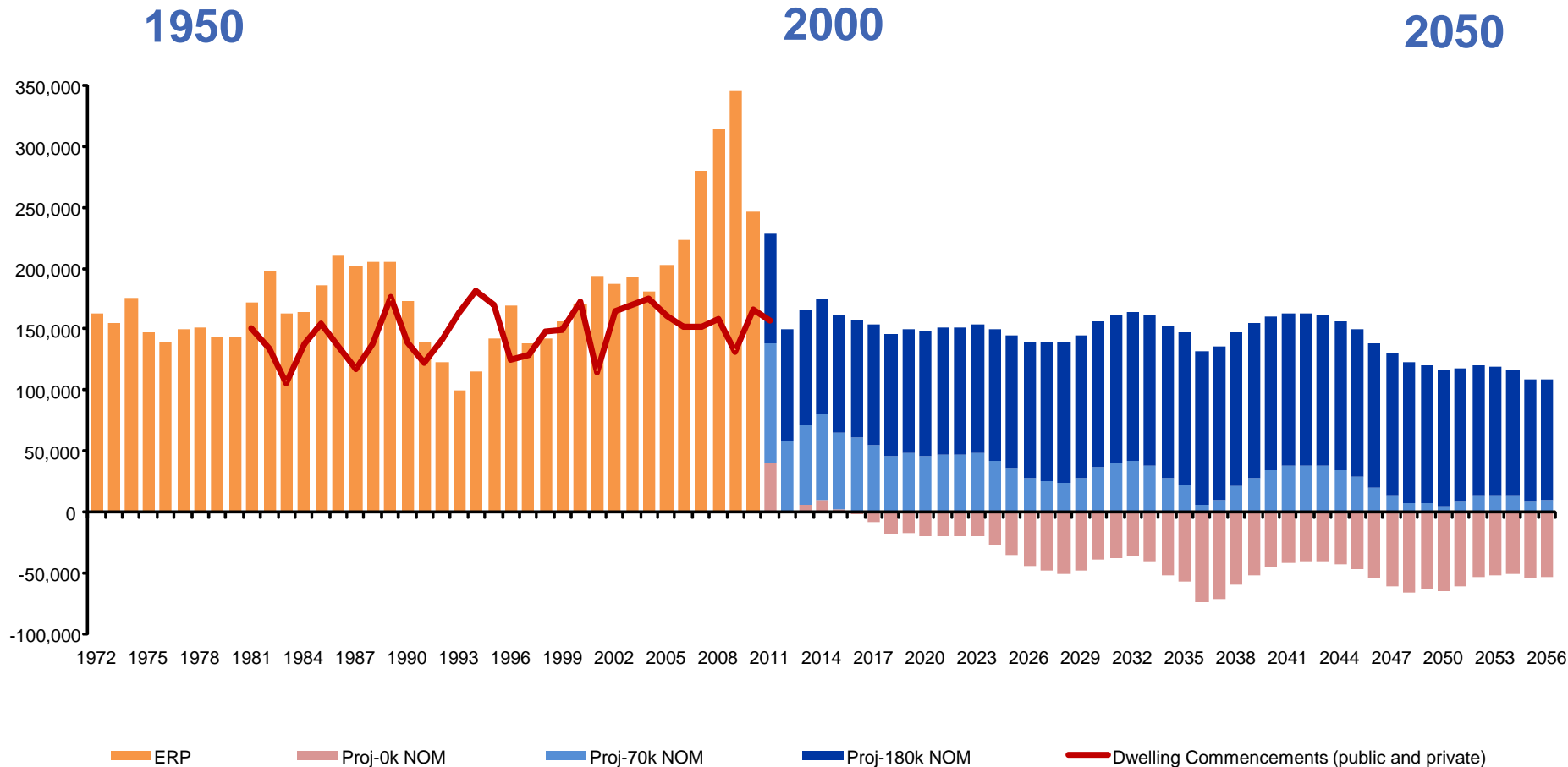
- Average annual income per income-earner by single year in 2006

# Boomer and pre-boomer households spend most on medical insurance in Australia



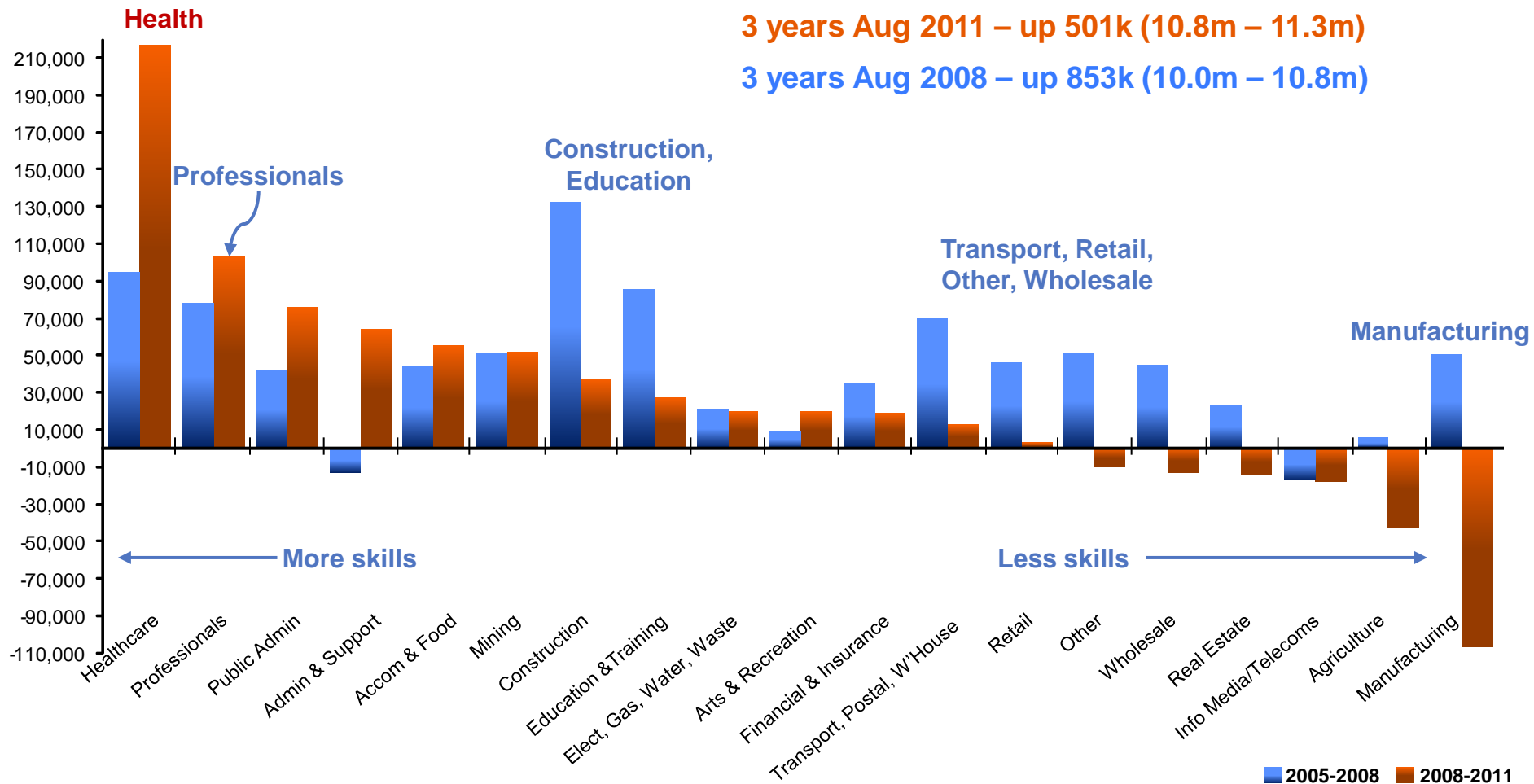
- Average weekly spend on health insurances in Australia, 2009 - 2010

# Australia is moving from baby boom to baby bust ... we need either more tax or more tax payers



- Net growth in working age population (15-64) over 100 years in Australia based on 2008 outlook with different annual migration assumptions

# There has been a structural shift in the Australian economy ... less low-skilled work ... more highly-skilled work



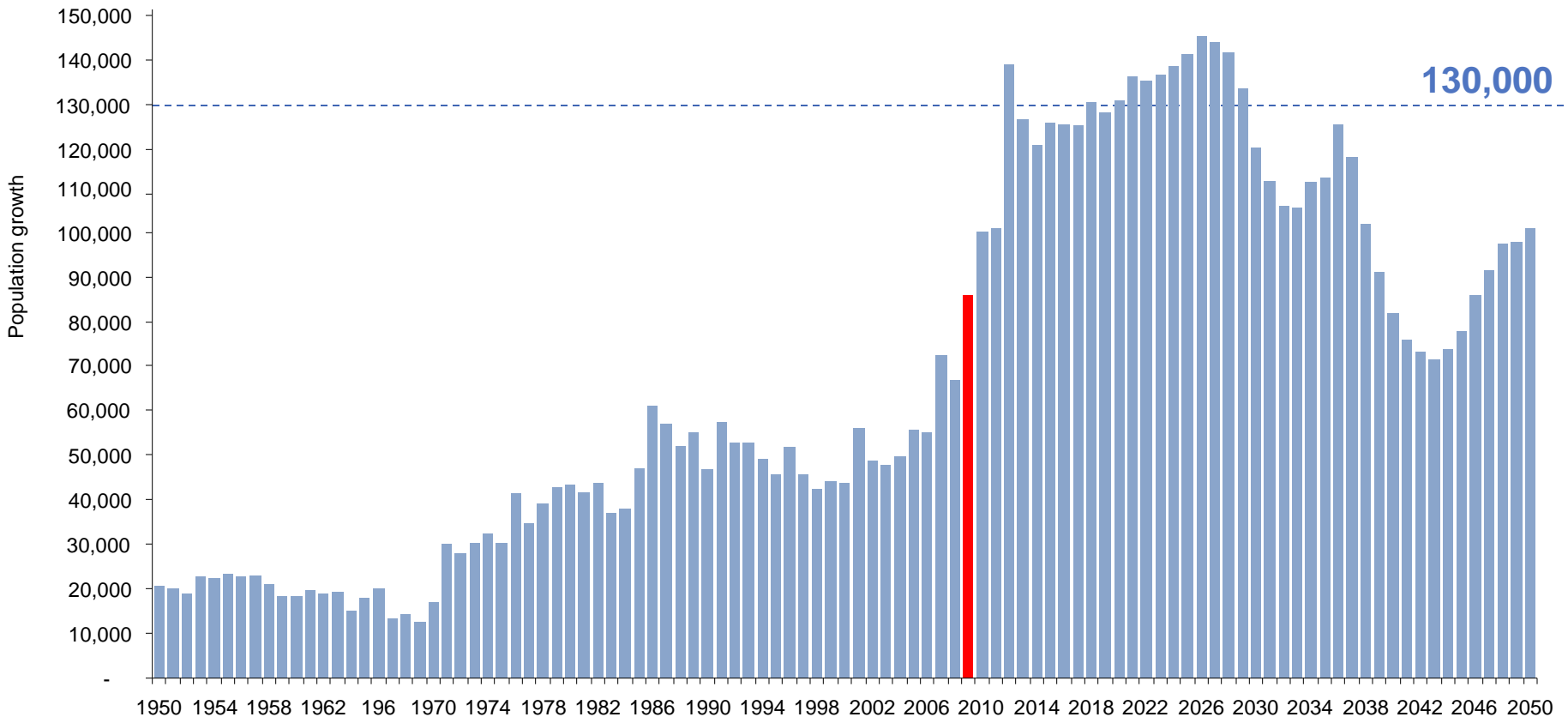
- Net change in total jobs in Australia over two successive three-year periods, August 2005 – August 2011

# Baby boomers will re-engineer retirement in the coming decade ... beware the rise of the grumpy retiree!

1950

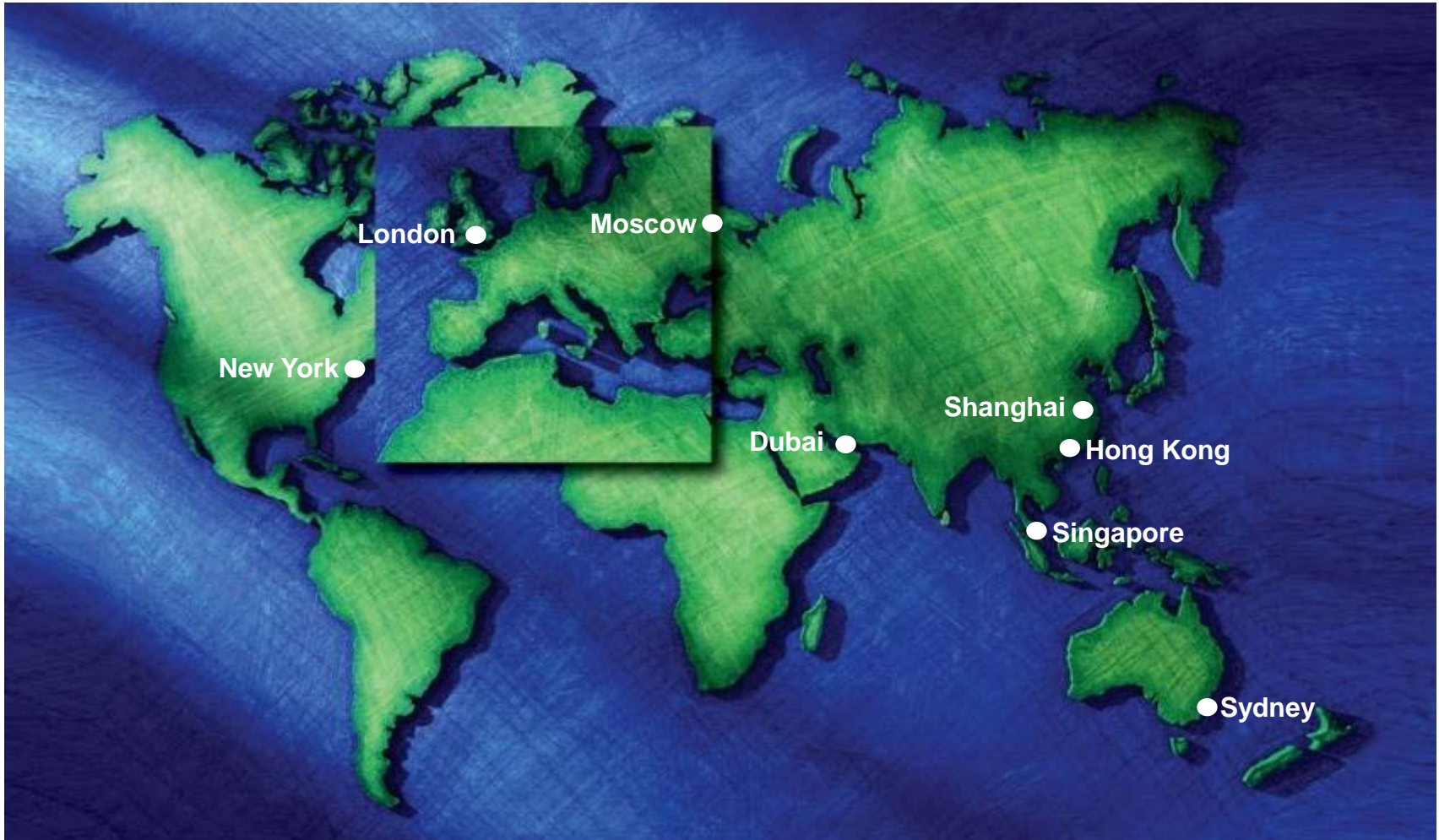
2000

2050



- Net growth in population (65+) over 100 years in Australia

# Australia will benefit from rise of “The Dubai Effect”



# The GFC has prompted the rise of the ‘moral consumer’

## Then 1997 - 2008

- Era of high consumerism ... and of ‘corporate high-flyers’
- ‘Live for the moment’ ... pay in the future
- Plasma TVs, McMansions, Manolo Blahnik shoes
- Easy credit ... rising house prices
- Celebration of the individual ... confidence in the future and in ourselves

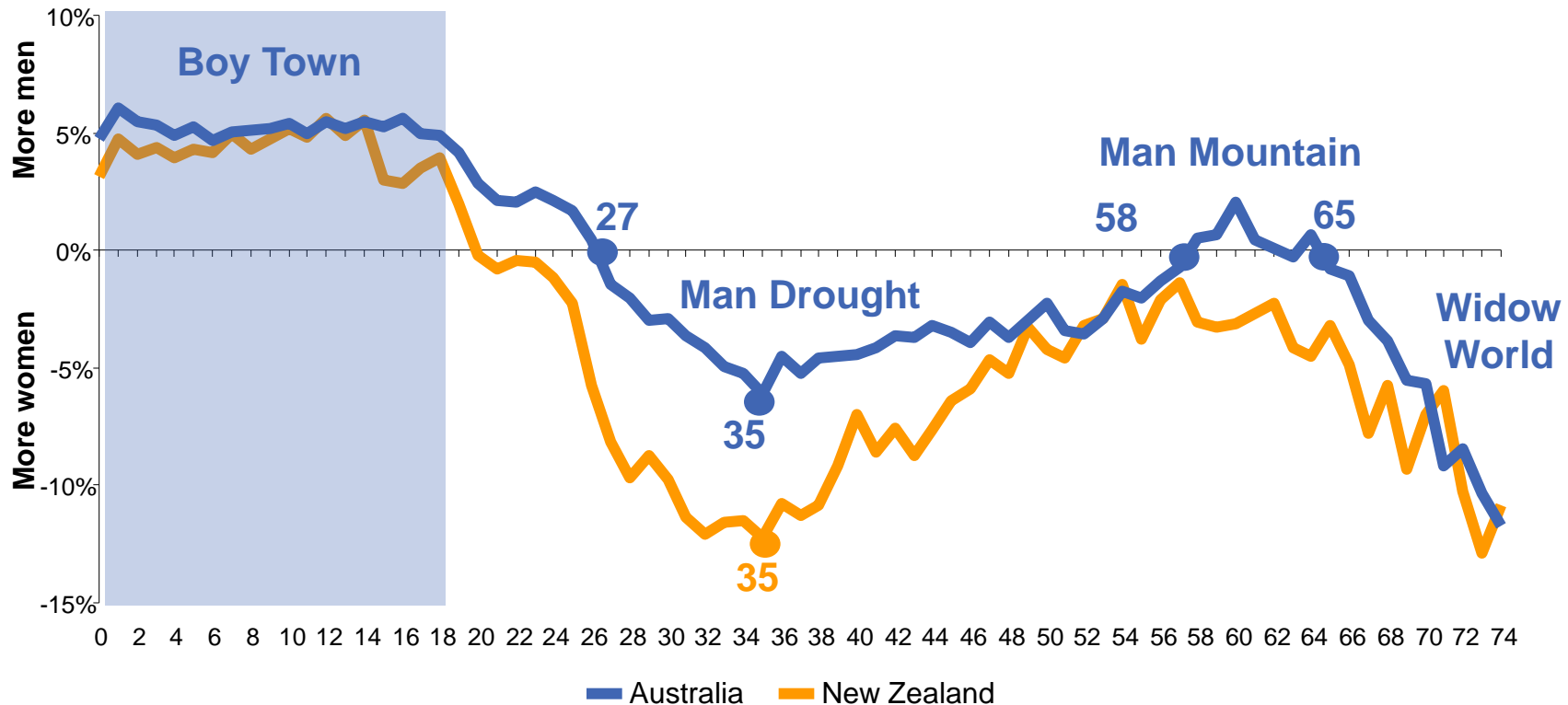
**Consumers driven by  
“Aspirationalism”**

## Recession

- Rise of the moral consumer ... the new Wowserism ... seeks value on internet
- Anti-drinking, smoking, speeding, gambling, junk-food (obesity) ... concern about corporate excess
- Rise of Green, ethical & traditional values ... celebrities
- Fear drives a retreat to the security of the herd, the tribe, the family, familiar brands?

**Consumers driven by a  
“New Morality”**

# The Great Australasian Man Drought ... Stage 3A restrictions now apply



- Percentage difference in the number of men and women in Australia and New Zealand by individual year in 2006



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