

Appendix A: IGR 2010 projections summary

Table A1: Economic and fiscal projections

	2009-10	2019-20	2029-30	2039-40	2049-50
Economic projections					
Real GDP growth (%)	1.6	2.7	2.6	2.5	2.3
Real GDP per person growth (%)	-0.1	1.3	1.4	1.5	1.4
Total participation rate 15+ (%)	65.1	65.1	63.1	61.8	60.6
Male					
15+	72.4	72.0	69.7	68.1	66.8
25-54	90.4	92.2	92.5	92.6	92.7
55-69	58.5	60.6	60.5	61.0	61.0
Female					
15+	58.0	58.4	56.7	55.4	54.4
25-54	74.7	77.6	78.8	79.5	79.7
55-69	40.9	44.7	44.8	45.1	45.1
Fiscal projections (% of GDP)					
Primary balance	-4.2	1.5	0.2	-1.2	-2.7
Underlying cash balance	-4.5	1.0	0.4	-1.2	-3.8
Net debt	3.5	2.4	-6.6	-1.4	20.2
Net financial worth	-9.6	-2.5	10.2	7.6	-12.3
Net worth	-1.8	4.2	16.6	13.8	-6.2

Source: Treasury projections.

Table A2: Demographic projections

	2010	2020	2030	2040	2050
Population projections					
Population (millions)	22.2	25.7	29.2	32.6	35.9
0-14	4.2	4.9	5.4	5.7	6.2
15-64	15.0	16.6	18.2	20.0	21.6
65-84	2.6	3.7	4.8	5.6	6.3
85 and over	0.4	0.5	0.8	1.3	1.8
Life expectancy at birth					
Male	80.1	82.5	84.5	86.1	87.7
Female	84.4	86.2	87.8	89.2	90.5
Total fertility rate	1.95	1.9	1.9	1.9	1.9
Dependency ratios					
Aged to working-age ratio	20.0	25.3	31.0	34.7	37.6
Child to working-age ratio	28.3	29.3	29.4	28.4	28.5
Net migration to population ratio	0.9	0.7	0.6	0.6	0.5

Source: Treasury projections.

Table A3: Projections of major components of Australian government spending in IGR 2010 (per cent of GDP)

	2009-10	2014-15	2019-20	2029-30	2039-40	2049-50
Health(a)						
Hospitals	1.0	1.0	1.1	na	na	na
Medical Benefits Schedule	1.2	1.2	1.2	na	na	na
Pharmaceutical Benefits Scheme	0.7	0.7	0.7	na	na	na
Private Health Insurance	0.4	0.3	0.4	na	na	na
Other	0.7	0.6	0.6	na	na	na
Total health	4.0	3.9	4.1	4.8	5.9	7.1
Aged care						
Residential care	0.6	0.6	0.7	0.9	1.2	1.4
Community care	0.2	0.2	0.3	0.3	0.4	0.4
Total aged care	0.8	0.8	0.9	1.2	1.6	1.8
Payments to individuals						
Aged and Service Pensions	2.7	2.7	2.8	3.3	3.7	3.9
Disability Support Pension	0.9	0.9	0.9	1.0	1.0	1.0
Family payments						
Family Tax Benefit	1.3	1.1	1.1	0.9	0.8	0.7
Child Care Benefit and Rebate	0.2	0.2	0.2	0.2	0.1	0.1
Baby Bonus & Paid Parental Leave	0.1	0.1	0.1	0.1	0.1	0.1
Parenting Payment Single	0.3	0.3	0.3	0.3	0.3	0.3
Unemployment Allowances and						
Parenting Payment Partnered	0.7	0.5	0.5	0.5	0.4	0.4
Youth Allowance and Austudy	0.2	0.2	0.2	0.1	0.1	0.1
Carer Payment/Allowance						
and Wife Pension	0.3	0.4	0.4	0.4	0.4	0.4
Total payments to individuals	6.9	6.5	6.6	6.8	6.9	6.9
Education						
Schools	1.7	1.0	1.0	1.1	1.1	1.1
Higher Education	0.6	0.5	0.5	0.5	0.5	0.5
Vocational education and training	0.3	0.2	0.2	0.3	0.3	0.3
Total education	2.6	1.7	1.8	1.9	1.9	1.9
Public sector superannuation(b)	0.4	0.4	0.4	0.3	0.2	0.2
Total modelled payments (excluding defence)(c)	14.6	13.3	13.7	15.0	16.4	17.9
Total payments (excluding interest)	26.0	22.6	23.0	24.2	25.6	27.1

(a) Health system components are projected individually over the medium term, out to 2022–23. From 2023–24 onwards, total health spending is projected using an aggregate model.

(b) Refers to the Government's superannuation spending associated with the public sector defined benefit schemes. The projections of public sector superannuation payments are from the 2009 Long Term Cost Report. The Report relies on economic assumptions which differ slightly from those underpinning the IGR 2010. The impact of this inconsistency on the above proportions is not considered to be material.

(c) Excludes Defence funding. Additional information on Defence funding and the Defence White Paper commitment can be found in the 2009–10 Portfolio Budget Statements for the Department of Defence.

Figures may not add due to rounding.

Source: Treasury projections.

Table A4: Projections of major components of Australian government spending in IGR 2010 (real spending per person, 2009–10 dollars)

	2009-10	2014-15	2019-20	2029-30	2039-40	2049-50
Health(a)						
Hospitals	560	630	730	na	na	na
Medical Benefits Schedule	720	770	850	na	na	na
Pharmaceutical Benefits Scheme	410	460	500	na	na	na
Private Health Insurance	210	210	270	na	na	na
Other	400	410	410	na	na	na
Total health	2,290	2,480	2,760	3,630	5,130	7,210
Aged care						
Residential care	340	380	470	690	1,050	1,440
Community care	120	140	180	240	320	390
Total aged care	460	530	640	930	1,370	1,840
Payments to individuals						
Aged and Service Pensions	1,570	1,760	1,930	2,490	3,200	3,890
Disability Support Pension	530	570	640	750	860	1,000
Family payments						
Family Tax Benefit	780	730	730	700	670	660
Child Care Benefit and Rebate	140	140	140	140	130	130
Baby Bonus & Paid Parental Leave	60	90	90	90	100	110
Parenting Payment Single	190	180	190	210	230	270
Unemployment Allowances and Parenting Payment Partnered	390	350	360	360	360	360
Youth Allowance and Austudy	120	120	110	110	110	110
Carer Payment/Allowance and Wife Pension	180	240	270	310	350	410
Total payments to individuals	3,960	4,180	4,460	5,170	6,020	6,950
Education						
Schools	970	610	680	820	950	1,130
Higher Education	330	340	350	410	470	540
Vocational education and training	190	160	170	190	220	250
Total education	1,490	1,110	1,190	1,420	1,650	1,920
Public sector superannuation(b)	250	240	240	230	210	170
Total modelled payments (excluding defence)(c)	8,500	8,500	9,300	11,400	14,400	18,100
Total payments (excluding interest)	15,000	14,500	15,600	18,300	22,400	27,400

(a) Health system components are projected individually over the medium term, out to 2022–23. From 2023–24 onwards, total health spending is projected using an aggregate model.

(b) Refers to the Government's superannuation spending associated with the public sector defined benefit schemes.

(c) Excludes Defence funding. Additional information on Defence funding and the Defence White Paper commitment can be found in the 2009–10 Portfolio Budget Statements for the Department of Defence.

Figures may not add due to rounding.

Source: Treasury projections.

