

# Food and health economics in the 21st century

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People are living longer and with more pain-free and comfortable lives as we begin the 21st century in 2001. Life expectancy was just 53 years (for males) in the beginning of the 20th century and is now 78 years. One in four children born in 2000 are expected to live beyond 100 years. There are many reasons for such advancement: fewer accidents, particularly work and travel related; better diets; and more and better health care. Australia's health spending is around 8.4% of gross domestic product, ranking eighth in the Organization for Economic Cooperation and Development, and has arguably one of the best value-for-money programs in the world. However, the make-up of the \$50 billion expenditure in 2000 is reflecting changes from the past. We are moving away from institutional health care, embracing preventative care and 'alternative' approaches via fitness, diets, well-being programs and more natural remedies. Few, however, would suggest that pharmacology and surgery (including less invasive) are not important; they are. Food continues to play a vital role in our healthy lives. In 2000 we will expend approximately \$90 billion on food and liquor prepared and consumed at home, or prepared and/or eaten out of the home. The latter is increasing as we outsource more and more of our meals (currently one in five). Our diet is changing. We are consuming more poultry, seafood, fruit and fruit products (including juices), vegetables, grain products and wine. We are consuming less red meat and meat products, eggs, oils and fats, sugars and beer. Our lifestyles are changing dramatically as we leave the Industrial Age further and further behind. The New Age began around 1965 (and should itself be displaced around 2040). Included in these changes are working wives, outsourcing of more and more household chores, embracing the Internet and electronic 'guardian angels' and much more. It promises to be an exciting, healthier and longer living new century.

**Key words:** health economics.

## Longer living population

People are living longer and with more pain-free and comfortable lives as we begin the 21st century. Life expectancy in Australia was just 53 years for males at the beginning of the 20th century, and it is now 78 years (Table 1). Indeed one in four children born in 2000 are expected to live beyond 100 years.

It is interesting to note that at age 65 in 1800 you were dead 27 years ago; in 1900, you were dead 12 years ago; in 2000 you will have 12–15 years to go; and in 2100 you will be only half-way through your life.

As a result of this we need to be very careful about what an 'ageing society' or the 'greying of Australia' really means.

**Table 1.** Life expectancy of males around the world in 2000

		Life expectancy (years)			
		Highest	Lowest		
1	Japan	80.0	1	Sierra Leone	37.5
2	Iceland	79.3	2	Malawi	40.7
3	Canada	78.9	3	Uganda	41.7
4	France	78.8	4	Rwanda	42.1
5	Hong Kong	78.8	5	Zambia	43.0
6	Switzerland	78.6	6	Guinea-Bissau	43.8
7	Sweden	78.5	7	Afghanistan	45.5
8	Australia	78.3	8	Burkina Faso	46.0
9	Italy	78.3	9	Angola	46.5
10	Greece	78.1	10	Guinea	46.5

Source: The Economist Pocket World in Figures, 1999, John Wiley & Sons.

We should not assume all 'ancients and oldies' are in retirement villages or nursing homes. Rather we should assume they are probably still working (albeit part-time) and that most are probably fit and healthy. Whereas earlier in the 21st century there used to be just three generations alive at any one time there are now five, ranging from younger than 1 year old to those who are over 75 years old.

Reasons for such advancements include fewer accidents, particularly those related to work and travel, better diets, and more accessible and better health care.

## Health economics

Australia's health spending is around 8.4% of gross domestic product, ranking eighth in the Organization for Economic Cooperation and Development (OECD), and has arguably one of the best value-for-money programmes in the world.

However, the make-up of the \$50 billion expenditure in 2000 is reflecting changes from the past. We are moving away from institutional health care and are embracing many industries that are involved in preventive health care and 'alternative' approaches through fitness, diets, well-being programmes and more natural remedies (Table 2). Few, however, would suggest that pharmacology and surgery (including non-invasive) are not important; they are.

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**Table 2.** Industries involved in health care

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Agriculture
Drugs growing
Manufacturing
Medicinal and pharmaceutical products
Ophthalmic articles manufacturing
Medical and surgical equipment manufacturing
Utilities
Water supply
Sewerage and drainage
Wholesaling
Medical and surgical equipment manufacturing
Medicinal and pharmaceutical products
Ophthalmic articles manufacturing
Retailing
Pharmacies
Finance and insurance
Health insurance
Business services
Scientific research (health)
Government administration
Medicare
Health departments
Education
Higher education (medical courses)
TAFE (health-care courses)
Recreational services
Health and fitness centres

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TAFE, Technical and Further Education.

### Food economics

Food continues to play a vital role in our healthy lives. In 2000 we will expend around \$90 billion on food and liquor — either prepared and consumed at home or prepared and/or eaten out of the home. The latter is increasing as we outsource more and more of our meals, which currently stands at one in five. In 1999 Australia's population of 19 million consumed 20.8 billion meals (plus snacks) or 21.1 billion meals, which includes those consumed by overseas tourists. Of the meals eaten by Australians and incoming tourists, 80% were prepared at home while 20% were outsourced.

The total market for meals (food and alcohol) either prepared in the home or outsourced in 1999 for Australians was \$87 billion. This excluded an imputed service cost of \$43 billion for household labour in meals and clean-up (at half the average hourly earnings of \$19 per hour). The breakdown of this for the nation's 7.3 million households spent was: \$54 billion on food (excluding service); \$15 billion on alcohol (excluding service); and \$19 billion on service (food and alcohol hospitality service component).

The spending by households on food and alcohol purchased for preparation and consumption at home in 1999 was \$58 billion (\$47 billion for food and \$11 billion for alcohol), while the spending on food and alcohol prepared and/or con-

sumed away from home (including service) was \$29 billion. Of this figure food accounted for around \$18 billion.

### Changing lifestyles

Lifestyles in Australia in the first half of the 20th century differed significantly from those we now experience in the Infotronics Age.

#### *Changing lifestyles in Australia during the 20th century*

In the Industrial Age (1898–1964), Australian lifestyles were manifest in home ownership and the quarter acre block dream; dad at work and mum at home (with 3–6 kids); high street shopping (grocer, butcher, etc.); the corner pub (weekdays), sport (Saturday arvo), and church and the midday roast (Sundays); beating the Poms (at anything); cinema ('the flicks'), radio (AM) and television (black and white) as entertainment; holidays (Christmas) by staying with relatives; electricity, the telephone, washing machines, household gadgets, mum's sewing room, dad's shed and the barbeque.

#### *Lifestyles in the Infotronics Age*

In the New Age (1965–2040), we are heading for home leasing (especially apartments, town houses, etc.); dad and mum at work, with 1–3 kids somewhere (thank God for mobiles); outsourcing household services and chores; shopping at huge complexes and on the Internet; sport all the time (including television) and new gambling options; modern clubs, pubs, hotels, casinos and entertainment; beating the Poms, All Blacks and any other comers; the Internet, television (including pay TV), radio (FM); frequent holidays (especially short breaks) and lots of overseas travel; mobile telephones (world fastest uptake), electronic gadgets, electronic payment and EFTPOS (electronic transfer of funds at point of sale), electronic guardian angels, etc.

### Changing food consumption patterns

Over the past several decades our diet has changed considerably and we are now consuming what would generally be regarded as a more healthy diet. We are consuming more poultry, seafood, fruit and fruit products (including juices), vegetables, grain products and wine. We are consuming less red meat and meat products, eggs, oils and fats, sugars and beer.

### Conclusion

Our lifestyles are changing dramatically as we leave the Industrial Age further and further behind. The New Age began around 1965 and should itself be displaced around 2040. Included in these changes are working wives, outsourcing of more and more household chores, embracing the Internet and electronic 'guardian angels' and much more. It promises to be an exciting, healthier and longer-living new century.