



## Aged Care in China

1. In 2014 212 million people in China were aged over 60.<sup>1</sup> The number is expected to rise to 480 million by 2050.<sup>2</sup>

2. In 2014 there were 34,000 aged care organisations in China. Within the total health care system 5.5 million beds were allocated to aged care.<sup>3</sup> This equates to 26 beds for every 1000 older people.<sup>4</sup> In comparison the Australian Government aims to allocate 125 beds for every 1000 older people in order to meet the needs of Australia's ageing population by 2022.<sup>5</sup>

3. China's nursing homes have an occupancy rate of 52 percent.<sup>6</sup> This compares with Australia's occupancy rate of 93 percent.<sup>7</sup> Reasons cited for the under use include the long-distances from urban centres and high cost for pensioners.<sup>9</sup>

4. China's middle-income earners find high-end aged care services too expensive and lower end services too basic. Ms Kong Wei from the China National Committee on Ageing said: "Many nursing homes built in recent years are aimed at the high-end market, because they charge more, recover their investment sooner and generate

profits more quickly". There is a gap in the market for middle-range, affordable aged care facilities.<sup>10</sup>

5. In 2014 China had 2.9 million registered nurses.<sup>11</sup> The number of nurses in China per capita is 1.8 per 1000 people. This compares with an average of 8.8 nurses for every 1000 people in OECD countries.<sup>12</sup>

6. On October 29 China abolished its 'One Child Policy' stating that: "The change of policy is intended to balance population development and address the challenge of an ageing population".<sup>13</sup> Experts quoted in *The New York Times* warned that the change in policy would be unlikely to address China's demographic concerns in the short to medium term.<sup>14</sup>

7. Under the Free Trade Agreement (FTA) Australia can establish wholly owned aged care institutions in China.<sup>15</sup> It is China's first FTA to include this provision. However on November 24 2014 China had announced that foreign investors could establish wholly owned, for-profit elderly care institutions in China, meaning the FTA provision does not give Australia a distinct advantage.<sup>16</sup>

<sup>1</sup> National Bureau of Statistics China, 2015, 'Statistical Communiqué of the People's Republic of China on the 2014 National Economic and Social Development', February 26

<sup>2</sup> China Daily, 2015, More elderly Chinese choose to live in nursing homes, October 8 2015 [http://www.chinadaily.com.cn/china/2015-10/08/content\\_22130227.htm](http://www.chinadaily.com.cn/china/2015-10/08/content_22130227.htm)

<sup>3</sup> National Bureau of Statistics China, 2015, 'Statistical Communiqué of the People's Republic of China on the 2014 National Economic and Social Development', February 26

<sup>4</sup> China Daily, 2015, More elderly Chinese choose to live in nursing homes, October 8

<sup>5</sup> Commonwealth Government, 2015 'Guide to Aged Care Law 4.22 allocation of places', November 9 2014 <http://guides.dss.gov.au/guide-aged-care-law/4/2/2>

<sup>6</sup> Ibid

<sup>7</sup> Harriet Alexander, 2015, 'Hundreds of elderly patients occupy NSW hospital beds in queue for aged care', *Sydney Morning Herald*, April 3 2015

<http://www.smh.com.au/nsw/hundreds-of-elderly-patients-occupy-nsw-hospital-beds-in-queue-for-aged-care-20150402-1mdr1q.html#ixzz3rhWZ5Ejx>

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<sup>9</sup> National Bureau of Statistics China, 2015, 'Statistical Communiqué of the People's Republic of China on the 2014 National Economic and Social Development', February 26

<sup>10</sup> Li Yang 2014, Nursing homes seek acceptance, *China Daily*, May 27

<sup>10</sup> Wang Xiaodong, 2015, Nursing home problems most severe for middle-income seniors, *China Daily*, July 17 2015

<sup>11</sup> National Bureau of Statistics China, 2015, 'Statistical Communiqué of the People's Republic of China on the 2014 National Economic and Social Development', February 26

<sup>12</sup> OECD 2014, 'Health statistics 2014 – how does China compare?' latest figures based on data from 2012, <http://www.oecd.org/els/health-systems/Briefing-Note-CHINA-2014.pdf>

<sup>13</sup> Xinhuanet, 2015, 'China Headlines: China to allow two children for all couples', October 29 2015, [http://news.xinhuanet.com/english/2015-10/29/c\\_134764064.htm](http://news.xinhuanet.com/english/2015-10/29/c_134764064.htm)

<sup>14</sup> Javier Hernandez, 2015, 'Experts Weigh Likely Impacts of China's 'One Child' Reversal', *The New York Times*, October 29 2015

<http://www.nytimes.com/2015/10/30/world/asia/experts-weigh-likely-impacts-of-chinas-one-child-reversal.html?ribbon-ad-idx=8&rref=world/asia&module=Ribbon&version=context&region=Header&action=click&contentCollection=Asia%20Pacific&pgtype=article>

<sup>15</sup> DFAT, 2015, 'China Australia FTA Factsheet: Trade in Services', updated August 26

<sup>16</sup> Chinese Ministry of Commerce and Ministry of Civil Affairs, 2014, 'Announcement on Matters Relating to Foreign Investors' Establishment of For-profit Elderly Care Institutions', November 24 2014