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Dear Frank,

I write to you regarding your committee on ageing Australians.

I do not know the agenda of this committee but I suspect it is to find ways of not having to pay to look after the elderly in the future, although the Government will not admit so. Nevertheless I feel I should point out that other than making sure that the elderly live the rest of their lives painlessly and in relative peace & quiet there is nothing else anyone can do other than encourage young Australians to have families earlier and to have more children.

Perhaps we should look elsewhere for evidence on their treatment of the aged; say Sweden or Japan, where the elderly are honourably revered. Swedish social welfare has been extensive, ensuring that all citizens receive old-age pensions, health insurance, and workers' compensation disability benefits. An unemployment-insurance plan is subsidised by the government but administered by the trade unions. There are provisions to include subsidies to families who are raising children, maternity benefits, and government-subsidised low-rent housing. However, it is true that due to the recession of the early 1990s, Sweden has instituted reductions in the level and range of social-welfare programs, which are now re-assessed and adjusted according to current needs. Their population growth is only 0.02% pa.

Japan on the other hand has a well-developed social welfare system designed to protect the quality of life against a broad range of social and economic risks. The system has four principal components. First, through public assistance it provides a basic income for people to earn enough on their own for subsistence. Second, it provides citizens with social insurance in the form of health and medical coverage, unemployment compensation, and public pensions.. Most social insurance programs are funded by contributions from employers and employees, as well as by subsidies from government funds. Third, and most important for our purpose here, the system provides social services to address special needs of the aged, the disabled and children. Fourth, it provides public health maintenance.

The recession of the 1990s, has posed major challenges for Japan's welfare system and with the country's rapidly ageing population, providing for the needs of the elderly is becoming harder for the Government. Subsidised nursing homes, regular health examinations, low cost medical care, home care, and recreational activities at community centres are services for the elderly that prove difficult to provide because the time-honoured tradition of family members taking care of aged relatives is declining, due to the very low birth rate in Japan, @ 0.17% pa. So you see, other countries face similar problems to ours, and explore new methods to finance the care of the world's older per soon to number one billion.

In some parts of the world, 16 to 18 percent of the population is already age 65 or older. By the year 2025, Japan is expected to have twice as many old people as

children. Also by that time, there will be more than one billion older people worldwide. This increase expectancy is the result of better public health measures improvement in living conditions, and advances in medical care. A reduction in mortality rates has also contributed to increased life expectancy.

Aging populations are expected to have deep effects on the way society cares for the elderly. With a larger proportion of the population over age 65, medical care must be able to deal with the diseases of the elderly. All health carers should have special training in geriatrics. As the percentage of older people in the population exceeds the percentage of working people, traditional methods for caring for the elderly will need to be re-examined.

Workers pay taxes throughout their careers so that when they retire they can receive money from the government to survive. Social Security may be in jeopardy as the percentage of retired people increases, placing unreasonable demands on the smaller number of people working and supporting them. In Greece there was a salaries regime where the single person without a family would be paid less for the same job, than a married person with children, and with more children salaries were increased. Here in Australia I realise that this can only be achieved through the taxation system and not through the employers who would then only employ single persons, not to mention the union opposition. In Greece this was possible as there was greater community coherence than there is in Australia where individualism is prevalent.

I also see that the Government, and I am sorry to say, even a Labor Government, will be meeting their *mutual obligation* by giving less than they give now. I feel that the aged and the infirm are the only ones who will be obligated to do things they cannot do in this one-sided mutuality. We surely already met our obligations during our working lives, have we not? And if we have not, then neither will the new generations. Doesn't this suggest that there should be enough taxation set aside to look after the upcoming older people? Now that the tax rate for the million-dollar income earners is the same as the \$50K or \$60K per annum earners, (or is it less?) the problems will not go away. In early 1991 the Swedish tax system was reformed, with income-tax reductions for all *but the most highly paid*. Here we went the other way by introducing the GST and reducing tax for the most highly paid. What do you expect now other than a reduction of expenditure for the elderly if you do not go back in taxing the very high-income earners?

I hope that this is of some interest to your committee and of help to you in particular.

Sincere regards,

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(References: Encarta Encyclopaedia)