Three recent reports reflect the ongoing debate about the future impact of ageing on the Australian economy and likely changes to government spending. The first report, released by the Commonwealth of Australia Federal Treasurer 2002 and entitled *Intergenerational Report 2002–03*, is a landmark publication as Australia’s first so-called ‘Intergenerational’ report. Its aim is to consider the Federal government’s fiscal outlook over the next 40 years, and to identify issues associated with an ageing population that will emerge. The focus is on ‘fiscal sustainability’ or, in other words, ensuring that future generations of taxpayers do not face an ‘unmanageable bill’ for government services provided to the current generation. The projections in the report suggest that if government revenue and spending policies are not adjusted (to increase revenue and reduce government spending growth), the current generation of taxpayers is likely to impose a higher tax burden (of about five per cent of GDP) on the next generation by 2041. The report points out that currently over half of all government spending is directed to health and aged care, and that these two areas will account for most of the projected rise in government spending over the next four decades. Although the report states that Australia is well placed to meet the ‘challenges’ of an ageing population, because of its targeted income support payments, a reasonably ‘efficient’ health system, and a superannuation system that encourages private saving for retirement, the general tone of this conservative government report is one of a pessimistic forewarning to future generations of increases in the fiscal burden.

The second report, by a State Labour-controlled government, is similarly about the long-term fiscal pressure resulting from an ageing population and its effects on regional government over 40 years. It is however, much more upbeat about the future, and places less ‘blame’ on the ageing population. With reference to future increases in health costs, for example, it does not see the cause as the changing age structure but rather as technological developments in pharmaceuticals, medical treatments and equipment. This report also examines the problems of achieving fiscal sustainability over the next 40 years, but argues that rather than increase tax or government spending, the solution is to increase economic activity – this will increase the wealth of future generations who will then have a greater capacity to pay or share in the costs of new or improved services. This report agrees that there could be a bigger tax burden on future generations, but
sees the solution as economic growth and increased productivity rather than increased government taxation or spending. The main argument is much more optimistic: it explicitly states that the Federal government’s *Intergenerational Report* overstates the ‘ageing crisis’.

While the third report under review is specifically on long-term care, like the preceding two reports it looks ahead, this time 20 years, to a reformed aged-care system, and also considers the issue of how to fund increased aged-care services. It was undertaken by *The Myer Foundation*, a private philanthropic organisation, and it argues for a much enhanced community-care sector. The vision is for easy access to high-quality aged care that is equitably distributed. To achieve this goal, reform is required in five areas: innovative and accessible housing; streamlined inter-governmental administration; well-trained and remunerated staff in the industry; and a funding model that will deliver expanded and innovative care. It is this latter point which engages with the two earlier reports, through its discussion of new ways of funding aged care that are fiscally sustainable. *2020 A Vision for Aged Care in Australia* examines various funding methods that directly and indirectly see either governments or individuals making a greater contribution to the cost of their care. One, for example, is a universal social insurance scheme for long-term care, while another is a pre-funding approach where a compulsory savings scheme is applied to all individuals. The report states that while there might be agreement on the need for policy change, appropriate models for change have not been developed in any commonly agreed form nor seriously developed.

An interesting observation on these three Australian reports is that whereas previously we had debated the extent to which any extra costs associated with an ageing population would arise, let alone be a burden, the debate now seems to have transformed to an acceptance that there will be disproportionate costs, and they will be a substantial burden. The more important issue now appears to be identifying how these extra costs will be funded and who will primarily bear that financial burden. Some local aged-care interest groups have argued in the Australian media that the aim of the recent Federal documents is not really to tackle future costs but to advance a neo-liberal ideological model which minimises the role of the government and transfers cost to individuals. They argue that the concept of the ‘ageing population’, rather than being about demographic shifts and consequent implications, has instead provided a very convenient vehicle through which to peddle ideological positions about individuals providing for themselves rather than this being the responsibility of governments. While it is difficult to prove the coincidence, it is an interesting argument.

The debate over cost responsibility is reminiscent of the recent UK *Royal Commission into Long Term Care (LTC)* whose remit was specifically to look at and develop a ‘sustainable’ system of funding for the LTC industry and to recommend how costs should be apportioned between the individual and public funds. The Commission’s findings and subsequent implementation illustrates that the costs of the LTC system in the future are a function of the model of care adopted. The fact that the English government rejected free personal care but accepted free nursing care and instituted greater means testing bears directly on cost apportionment and government financial responsibility. This seems to
be the real flaw in *Intergenerational Report 2002–03*, in which there is very little explicit consideration of what model of care we want. Considering, as the report does, only aggregate costs and responses such as raising or decreasing tax, government spending cannot be allowed to dictate the development of a care system for the future. Thus the key task for the sector in Australia now seems to be, as mentioned in *2020 A Vision for Aged Care in Australia*, to develop appropriate care models, including a clear funding base that reflects core underlying values such as access and equity. If the current aged-care system is further de-regulated with a focus just on enhanced user-pays requirements, which would accord with our pervasive neo-liberal approach to promoting public choice, then it is possible that our LTC system will become more about money, less about universal high quality care for all senior Australians, and possibly a two-class care system, differentiating those who can pay from those who cannot. Currently this differentiation is not apparent in our ageing services and that absence reflects an exemplary egalitarian ethos in the system. Judging from the ominous wording in these reports, however, the signs on the horizon are that this system may be under threat.

Currently in Australia there is yet another Federal government sponsored inquiry underway entitled *Review of Pricing Arrangements in Residential Aged Care* (Commonwealth of Australia, 2003). It is chaired by an Emeritus Professor of Economics, Warren Hogan. This review is in progress because the Federal government says that for nearly 50 years it has been funding aged-care and that it requires review to make sure that the system is flexible and sustainable for the future. It appears however that this inquiry will, like the reports considered above, be part of the push to transfer more costs to individuals. This can be seen in the review’s focused discussion of personal care cost issues, and indeed the very title of the inquiry. To date it has highlighted what it sees as intra-generational inequity in costs associated with the current aged-care system where community-based care is in some respects more expensive to recipients because they bear the burden of housing costs, whereas those in residential care receive a subsidy for this. So, we will undoubtedly see personal-care costs rise for those in residential care.

This intra-cohort competitive cost analysis approach, however, could work against existing age group solidarity and, conversely, feed into inter-generational conflict in a similar way where younger generations may start to believe the current older generations are, to use the American terminology, ‘greedy geezers’, whom they will resentfully have to pay for. Calling this recent report on ageing in Australia the *Intergenerational Report* seems paradoxically to be almost setting the nation up to engender generational conflict. There is nothing in this report that illustrates the complex and rich reciprocity in existing inter-generational relations that gerontologists have identified over many years. Rather the title can be seen as a mischievous way of generating ideological debate possibly at the expense of inter-generational relations. In conclusion these reports make it explicit that there will be future changes in funding of health and long-term care in Australia. While our system is obviously far from perfect, it would be a tragedy if the obsession with dollars leads to a fundamental degradation of the aged-care system and age-group solidarity for all Australians.
Reference


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In a climate where the focus is often on church growth and youth, it is refreshing to review a book that focuses on older women and the church. Although this is only a small book, it is packed with ‘easy to read’ and valuable information about the experiences of older women who were interviewed by Janet Eldred for her doctoral studies. It was a joy to read and I would strongly recommend it to parishes, and indeed all those involved in pastoral care. It also contains much to commend it to the helping professions and volunteers working with older people.

The book is not written from an academic stance, although the author makes excellent use of the available literature to substantiate her findings. Rather it is written from the viewpoint of older women of community connection and caring. Through their stories, it tells of the faith communities in which these women live and function. It tells of their sense of need for these communities and also, at times, of their experience of segregation from the community and their lack of recognition as individuals with past contributions made and gifts still to share. Eldred says that, in some churches at least, these older women feel that they are expected to fit into a limiting category of ‘older person’ that fails to affirm them and their past. She considers the difficulties facing older women who may move in later life: their split loyalties between the church community they used to belong to and the new one where they are unknown but into which they must now fit. And she includes the stories of women who find themselves left out when they cannot attend church regularly.

Connections are seen as being important to these older women. Eldred describes these as attachments which are essential to their wellbeing and, for those living alone, part of the strategies for spiritual wellbeing. She suggests that the main problems these older women experience are isolation and threats to their identity through the ageism and stereotyping they encounter – they feel labelled. She found a strong need for housebound and institutionalised older women to continue to engage with their church. She acknowledges the importance of a balance between ‘being’ and ‘doing’ for these women, noting that they are both carers and recipients of care. She suggests that there is a need to recognise the worth of being a recipient of care, as well as a giver. This she sees as an opportunity to realise the ‘grace of interrelatedness’ that subsequently empowers older women to care for others and to accept being cared for.