

Submission addressing the discussion paper Australia's Demographic Challenges.

To: Australia's Demographic Challenges  
Social Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Email Address; [demographics@treasury.gov.au](mailto:demographics@treasury.gov.au)

From: Loris Erik Kent Hemlof

Questions in the discussion paper;

How should we involve industry in assisting people off welfare into work? Industry could be required to pay 5% of payroll towards their choice of 10,000 channels of digital vector graphics text to speech cable interactive television. Matched by a commonwealth student allowance paid relative to the number of answers for each 10 minute segment the student answers correctly, open to all subscribers. Also 5% of payroll for practical skills also matched by a commonwealth student allowance. I don't believe we should draw a barrier between welfare and work, otherwise we would be paid not to work. The best way to assist people off welfare into work is for welfare to be continued to be paid when people enter work by assets testing rather than income testing, it may take longer and require asset rich people be excluded from welfare but the result is more productivity and so in the long term result in more independence from welfare.

While people are in work what actions can they take to achieve their retirement goals? Talk of retirement when you should be talking about assistance in lean times. Superannuation could be accessed when having low incomes but we should not require that people loaf around to get it.

Is it fair to allow those with some superannuation assets to retire earlier then later call on the pension to fund the major part of their retirement? Of course it is fair for a person to access their savings when in need, it is their money, but we should not have required that they retire. If we have mutual obligation with positive incentive to work for able persons which is only possible if we abolish income tax and income testing, they would have used it to get a job. Subsequently I think it is fair for the commonwealth to have paid the genuine working poor in retirement such as if injured or living a very long time.

Should we consider having longer working lives and reducing regulation on employment so employers seek to employ more people? Unfair dismissal laws have caused employers to not employ persons in the first place.

Could we take other action to increase opportunities for mature age workers? I welcome the emphasis being shifted from income testing to assets testing. But if for the average citizen welfare will continue to be subject to > 90% income test and < 10% assets tested welfare will continue to be paid to asset rich loafers, instead of income rich working poor. The average retiree is wealthier than the average working age person. The big challenge is the intergenerational transfer of wealth from asset rich income poor retiree loafers to the income rich working asset poor. The average citizen should be over 90% affected by the assets test and less than 10% affected by the income test to encourage persons of all ages to

participate in the work force. Consequently the main personal home and assets should be included in the assets test, investment and savings should also be included from the assets test but deemed at .2 of the value of personal actual personal lifestyle wealth to encourage the earning of income, investment, and the intergenerational transfer of wealth. Rather than paying people to retire the working poor should be subsidized when in mutual obligation paid employment. For aged persons the asset-less should be paid welfare with work voluntary but paid in addition to income earned to have incentive maintained. First 50% of persons in need including ~~retired~~ aged citizens should be first paid An assets tested welfare payment tapering from \$300 to \$10 per week. That topped up with a cap-less small percentage of low income accessed superannuation. Both topped up with a loan from the commonwealth against home equity to bring all income up to \$300 [ indexed against GDP ] per week. Incomes freed of income tax liability and hassels would encourage people to work. This revenue could be replaced with a 5% wealth tax on personal including rented housing wealth over the average house wealth [ \$150,000 ] paid by the tenant for rented property so investment property freed of wealth tax and not increase rents for the working poor. Also profit taxes abolished and replaced with a 2% wealth tax on deposits and companies; equivalent to a 20% profit tax on a 10% profit.

How can we encourage mature age workers to take a broader view as to the type of employment that they could undertake? We would need a broader range of work available. Tariffs should be inversely proportional to the countries minimum wage. I support free trade with the USA, but putting a 500% tariff on goods from China would allow local manufacturers to compete in the domestic market which is 4x larger than the actual export market.

What can employers do to provide greater flexibility and employment opportunities to meet peoples needs? A wage subsidy could be paid relative to the percentage of days unemployed in the previous 5 years.