

**Submission from Ms Susan Altus  
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Submission Number: 231

Public Submission received by Person to Drought Policy Review 27/08/08:

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It is time the Government and Centrelink got their act together and re assessed the assets test for Farmers, who ~~only~~ apply for the old age pension. These old Farmers have lived their whole life on this land, so it is their HOME.

No such thing as a superannuation scheme or retirement fund for the 65 plus Farmers, they left school with no real education to work on the Family farm, no holiday or sick pay for them or flexie day off, No they just had to work very hard and pay big tax to the government, so in return for their effort for keeping Farming on Aust ~~soil~~ soil the Government are refusing them the old age pension, not even a health care card for them. The Government are saying thanks for your effort and support in keeping Aust going with the time you have put in on our land, but your on your own now, because you have land so we don't need to give you a pension.

Country Town Farmers are facing drought, decline in profits, etc Farming is not a good business venture these days, compared to the real estate business, our city cousins can live in a multi million dollar ~~home~~ house and call it home and get the old age pension, plus concessions on everything and a health care card.

Anything a 1,000 acres or less should be exempt from the assets test for old farmers to be able to get some help from the government and centrelink.

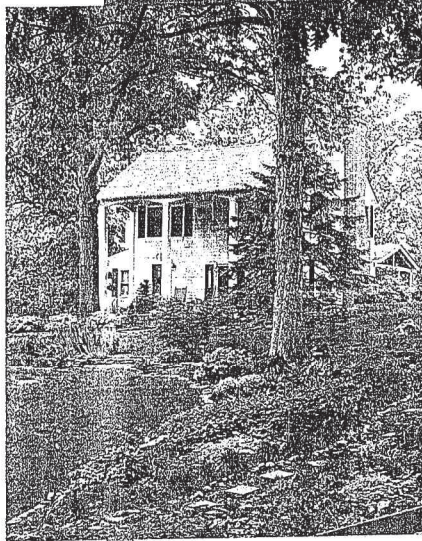
THE ASSETS TEST IS OUT OF DATE AND INSULTING TO THE PEOPLE WHO WORKED AUST LAND TO PUT AUST ON THE MAP.

The real estate business, you can own a million dollar house get a pension, so your investment is propped up by the tax payer, when you go your grandchildren can sell this piece of real estate you called home for a very tidy profit, a lot more than what a old farmer would get for his 1,000 acre farm house, Don't throw Aust Farmers on the scrap heap. Look after the people who look after you.

Farmers wives need to be given a generous pension, because 50% of their effort is keeping the farm going, and Farmers should be encouraged to stay on Aust soil.

Sussan Altus.

*Received by Gawler.*



## HOW TO FINANCE YOUR OLD AGE

**Y**our home is your castle. And it can also be your most valuable nest-egg when you decide to retire or wind back your working life.

Retiring with the most expensive family home you can afford solves two problems: you will have shelter, so will never have to fear being put out on the street, and you will also have an asset you can use to supplement the age pension or possibly paltry superannuation savings.

For many, the age pension will be our safety net when we retire. And the good news is you can get the pension even if you live in a multi-million dollar house. Not so if you own a measly house and an expensive investment property. All assets other than the family home reduce how much pension the government will hand over. It's also the only asset the government doesn't take a tax slug from when you sell.

So put all your spare cash on the house first. Only after you have paid it off and are home-free should you try to top up your super. Then salary sacrifice as much pre-tax money as you can to super. The government will only sting you 15 per cent tax on this, instead of grabbing as much as 47 per cent on your take-home pay.

The pension virtually guarantees you will not have to survive on a regular diet of dog food, but at \$12,711 a year for a single person, it's not going to extend to champagne and caviar.

To afford even a few of life's little luxuries, you will need extra money. And even though the government is pretty stingy, it does allow you to earn some money (up to about \$35,000 a year) and still get a part pension and keep some of the perks, such as lower healthcare costs.

This is where having a fully paid-off home can come in very handy.

If you love where you live, you can take a reverse mortgage over your house. A lender will advance you money against the security of your home and you will not have to pay back any principal or interest until the home is sold. You can take it as a lump sum or as a monthly pension.

How much you can borrow depends on the lender, but some advance you up to 40 per cent of the value of your home and up to \$1 million. Just make sure whichever product you select has a "no negative equity" guarantee, which means the borrowings can never exceed the value of your home.

If you'd like a move, you can also raise cash by trading down, moving to a smaller home in a cheaper area, outside major cities or interstate. Sell your Sydney home for \$1 million, buy the equivalent in Hobart for \$400,000, and you have a lot of spare change.

So forget about those pesky calculators telling you how much you need to save to retire comfortably. Remember, they are often being pushed by companies who want to make money from selling you investments.

Just make sure you pay off that family home pronto. And if it's not that grand, remind yourself that owning any home is better than owning none.

There are a few ways to speed things up. Divert every extra dollar you have to your mortgage and make your repayments fortnightly. For example, if you have a \$250,000 loan at 6.7 per cent over 25 years, pay an extra \$250 a month and you will knock it off in just 18 years – and pay \$80,000 less in interest. Take the same loan and make a lump sum payment of \$10,000 right at the start. You will polish it off in under 20 years and save \$34,000 interest.

– PAM WALKLEY  
Editor, *Money* magazine