

I would like to make a personal submission regarding the growing problem of retirees who receive a part pension but still are paying a home mortgage. This is a growing problem, with more and more people retiring with an unpaid mortgage (link below to recent ABC item on this topic). But although the Age Pension pays a subsidy for pensioners paying rent, there is no concession for those trying to keep up mortgage payments.

Please let me outline my own situation as an example. I am 72 years old, worked as a special education teacher, and raised an (adopted) disabled child on my own. I joined the State Super Fund at about 30, and paid in as much as I could afford until I retired. Unfortunately, paying super and supporting a disabled child prior to NDIS meant I was never able to pay off my mortgage. I have never had any outside financial support, nor any inheritance to assist with the mortgage. I have downsized to a one-bedroom apartment but still have a substantial mortgage, which costs about half of my superannuation pension.

When I retired a few years ago, I briefly received an Age Pension of about \$370 a fortnight, which allowed me to manage if I was careful. Within about three months, the formula for assessing super income for pensions changed and my pension was slashed to \$102 a fortnight (it is currently \$120pf). I can only survive by doing casual exam marking, which is very unreliable - not much else is available to a 72 year old!

In hindsight, I would have been wiser to pay down my mortgage and not put my money into my super. I would be mortgage-free (or nearly so) and receive a full pension. I know of many retirees who own valuable homes outright, have considerable money in the bank and still receive nearly a full pension because they have limited super. My super fund does not by law allow me to withdraw any money to pay my mortgage, even if the alternative is losing my home.

I am in an untenable situation, and I'm sure I'm not the only one. While the Age Pension continues to be calculated on the fictional basis that if you're not paying rent, you must own your home outright, then people like me will continue to live very precarious lives. Some allowance in the way the pension is calculated to assist with mortgage payments could make all the difference in our lives. Even the small allowance given to pensioners who are renting would help. Otherwise, what happens when someone in their mid-seventies can no longer work? Will our properties be repossessed when we fall behind in our mortgage? It's not a happy future.

I'm but one of a growing number of retirees in financial stress because of an outdated pension model, and we urgently need action by our government.

<https://www.abc.net.au/news/2019-08-27/mortgage-debt-causing-older-australians-distress-study-finds/11450958>

Name withheld
(see attached confidentiality request)