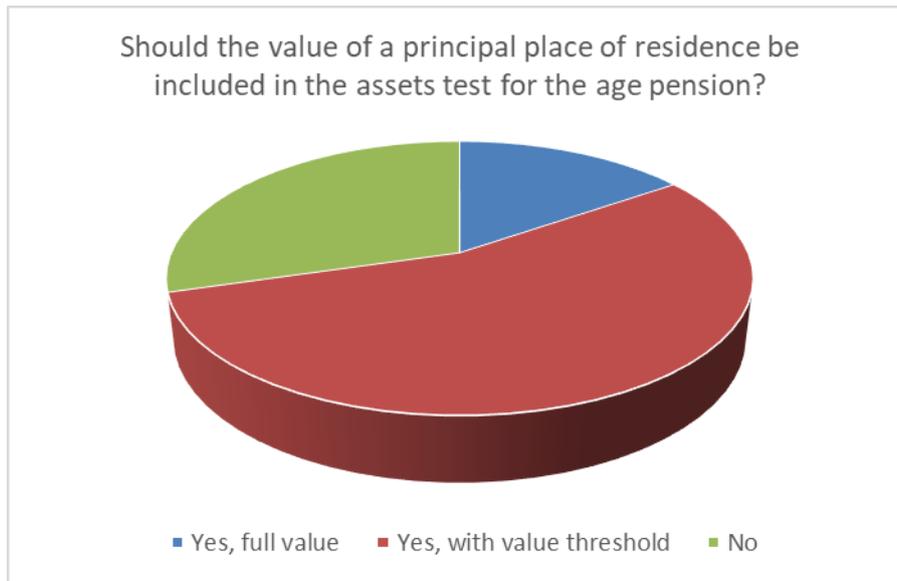


Firstlinks poll: Age pension eligibility for homeowners

Should the value of a principal place of residence be included in the assets test for the age pension?

Yes, for the full value	15.34%
Yes, subject to a significant value threshold	55.09%
No	29.58%



Comments, including suggestions on a threshold

I believe \$1.8m would be a reasonable threshold
no threshold but a very low interest rate, maybe zero or CPI, Akin to HECs
Median price plus 10% max 1M.
In principal yes, however loan rates and potential value increased may work against many people in the long run
People have worked hard all their life for what they have and where they live. It's selfish [!!] like you that want to try and take it away. When I started working part of my tax was to be put away buy the Government for the aged. As an "ENTITLEMENT" Not a handout.
The principal place of residence will be needed to buy aged care when the oldies are not able to handle that time of their life with outside supplied services.
All Aus citizens should receive an age pension
Threshold to be no more than the median house price.
Mine is to be passed to my children as I believe they have no hope of being able to purchase their own house in the near future.
huge so it does not catch working couples
A figure based on the median value across all the states
I think it depends on the age of the occupants. It would be heartless to ask a 90 year old to sell up and relocate , probably kill them. However, it is quite fair to ask a 70 year old to move considering the lifespan that the pension would be payable

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Perhaps link the value threshold to the median value in each State. Whilst this would present administrative difficulty, the huge difference in residential property prices say between Sydney and Adelaide would result in a fairer outcome.

Threshold would need to be specific to the location of the property ... say \$1 million or the median value in that particular postcode, whichever is the greater. People should not be discriminated against because they have lived all their lives in Sydney, instead of in a regional town. When down-sizing or going into retirement homes people will generally want to stay close to their community / family ... and this will be more expensive for people in Sydney / Melbourne. Care needs to be taken when establishing thresholds / reverse mortgages that they don't leave the home owner unable to down-size / retire in their own neighborhood.

Above the \$2 million mark and phased in

\$1.5m indexed

the threshold needs to take account of location prices. A 1 million dollar home in Sydney does not compare with a 1 million dollar home in Cairns. The threshold could be say 1.5x or 2 times the suburb median

Say at around 2x the median price of homes in that city/area

everyone needs a roof.....if you have gone to the trouble and sacrifice to buy a roof, then an oldie should not be forced to sell and move elsewhere.

All the arguments about it being a 'home' not an investment are erroneous. Why have we for decades encouraged people to borrow to buy a house? As Paul Keating used to say, it's the best way to encourage people to save, by getting them into a mortgage. But if that's ALL you save and you retire with most of your wealth in your house instead of having enough to live on from super and other financial investments, then you need to draw down some of that saving in your retirement. How you access it should be freedom of choice, but at some point everyone has to be responsible for how they live in retirement and the pension made available only to those who genuinely did not earn enough through their lifetime to fund more than their house.

Let's also address the emotional aspect of moving. That's exactly why reverse mortgages etc have been invented! But let's make sure that the products that are sold to retired folk are genuine, ethically structured, fair and reasonable. I hate those emotional ads on TV with the dancer who feared she'd lose her house, etc - that's unethical advertising playing on fear at a time of vulnerability. Those ads should be banned and the products subjected to ASIC scrutiny. That would be a much better use of ASIC's resources than some of the other nonsense they get up to.

Subject to post code

but let's be realistic here. No major political party is going to advocate for change until they are backed into a corner i.e. we have an economic crisis. Pensioners have been paid an energy supplement for > 10 years now which was meant to offset the carbon tax that they never collected \$1 for - they can't even "take this away". At the next election neither Labor nor Liberal will be looking at cutting access to Age Pension. or touching the sacrosanct family home. I'm not saying this is right, but it is the way it is. Otherwise you will have little old ladies on the front pages of newspapers and TV programs saying the government is pushing me out of my own home

So you made Rules 40 years ago, people upheld your rules, now all the people that followed your stupid rules are penalized to help the IDIOTS that didn't follow the rules. Only low life Politicians would screw our old age.

Cost of water electricity rates insurance food petrol. Any changes will cause homelessness for aged within Australia and further dependants on charities. Which of course the government already supports many. It is best to leave pensioners alone let them manage the under \$500 a week payment and retain their dignity. The way I read this article asset rich or medium it is suggesting pensioners should access funds from their home to live out their life and leave very little inheritance to the family. No not fair leave them alone. We are all born on earth in the same clothes but we choose to wear our own design for our future.

\$1,500,000

30% above the median in the LGA of residence. Older Australians should not have to leave their local social networks because their locality has increased in value more than others. Forcing them to move to a cheaper area where they may have no social support would be cruel and counter-productive.

No I don't believe it should. These people have worked hard all their lives to pay for their home and yes have paid their taxes

Threshold of say \$1.5m subject to indexation.

Firstlinks poll: Age pension eligibility for homeowners

Anything above 1.5 million should be assessed in some way.
Regional areas values are lower so they will benefit by higher threshold. If we sell our property to live off proceeds or borrow against it, that will reduce inheritance to our children. The profit from sales some people receive are just passed on debt to their own children or someone else, s.
But there should also be greater recognition of needs for those who rent
Median house price
Real estate goes up and down .age Pensions shouldn't be means tested at all. They should just pay tax
The threshold must consider the location of the PPR. It is inequitable to treat the pension eligibility for someone in a capital city the same as our country cousins.
1 million
Over \$500,000
The variation in housing cost around the country presents an unworkable and biased system. Housing is a fundamental element to living in retirement for most retirees
1500000
Tackle adults and their children getting pensions and benefits who have hidden their properties in family trusts. Why this is never discussed shows whose interest these economists are preserving
Not in the absence of a far-reaching thorough and systematic overhaul of tax concessions for superannuation and property investment. Major structural reforms are needed, not piecemeal tinkering, to encourage rational capital allocation and utilization and overall fairness
Threshold of home value to be relative to the Capital City of the State in which the property is located (due to large median house price discrepancies between cities).
When you have been in your home as we have for 38 years and paid for it with interest rates quite high at times and you have gone without to pay for it and raised a family it should be a time when you are able to enjoy the spoils of your labor. Having started work at 15 years and no avocado on toast or sitting around in cafes like m9st under 40's. We have done our job now let them do theirs, or go without when they are old.
People as they age need more support physically, they need to be close to services. People who have lived in their home for 2-3 decades (as we have) develop these close community relationships, know where to go for assistance and usually feel safe in their environment.
For a young married couple who will never be able to own and will be renting for life... Our pension (assuming we'll live long enough to get one) its only fair pensions go to those who need it. Besides, the pension isn't even enough to cover the rent. Non home owners need significantly more support than they get.
Threshold of \$1M, not indexed over time. Allow an accumulated debt to Government to build until sale/transfer of dwelling to avoid forced downsizing.
Median rate in the capital city
People who pay taxes all their working lives should be entitled to a basic pension no matter what their assets are.
Buying the house was a personal choice. They could have done something else like buy a smaller house or rent and invest in an alternative asset.
Current Government policy and Tax structure have created the huge housing price bubble. Pensioners have not benefited from this bubble only Developers. Changing the asset test for the pension will not fix these problems and will only create a huge amount of worry and angst in the older population of our country.
50% of appreciation value over the preceding decade.
1000000.00
Over \$1 000 000
Being an independent retiree, I see my friends and acquaintances over the years divided into two groups, one worked and saved, the other had a good time and spent everything. The ones who saved and bought a house

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<p>should have some reward for all their work and going without over their lifetime, so I think a significant value threshold is fair.</p>
<p>You can't include the present day value of your house to be included in the asset test.</p>
<p>If full value asset's test should be raised significantly</p>
<p>I have difficulty with the 'significant' value threshold. I'd prefer to see 'reasonable'. Somewhere around \$1m is what I view as reasonable.</p>
<p>People have paid their full share of Tax and gone without in order to purchase their home. Why should they be punished for their efforts.</p>
<p>\$1million</p>
<p>if you have lived in a suburb for 50 years why would you require elderly people to move far from medical , hospitals and friends . Even if you borrow on the home what happens when you need to go to a nursing home or require home care , will the government then step up and pay</p>
<p>It has to be considered that they work so hard and use their money wisely by investing on the roof of their head not like the others that they enjoy their life to the fullest with out thinking the days ahead .if it could not be avoided set a threshold line with the current market also include all loans that seniors have such as line of credit , loans against the primary residence and card facilities</p>
<p>What has Hand got against baby boomers. Why does he want decent hard working people to have a miserable retirement. If the government wants more money stop wasting it on; tearing up submarine contracts; paying job keeper to companies & people who did not need it</p>
<p>1.7m - pegged to the Super Pension cal.</p>
<p>Floor valuations above \$1.25MILLION</p>
<p>Say a couple decided to tighten the belt 30 years ago and lived a frugal life to pay off their house. Their neighbours opted to rent and enjoyed a good life for 30 years and spent their money on expensive cars and overseas holidays. Now, should the first couple borrow to finance their retirement while the second couple get a full pension as a reward for their indulgence?</p>
<p>Aged pensions should be available to those who have suffered adversity in life due to no real fault of their own making; not others!</p>
<p>Or reintroduce death duties on pensioner owned oroperties</p>
<p>Above 1.5 million and indexed to inflation.</p>
<p>Higher house prices are a result of government policies such as negative gearing and reduced capital gain. Introduce a death tax to stop wealth transfer for the real rich.</p>
<p>HOWEVER, it is easier said than done - what value are we talking about? Market value, fair value, realisable value? Who's going to determine the value? Professional valuer may be but isn't it more art than science? If the value can be determined fairly (a BIG question), then the full value should be included with any cost concern on accommodation needs be addressed by the then determined threshold. Another entire different approach is requiring the homeowner to write a call option to the government, exercisable on death of the last beneficiary resident, on that assessed value, in return for the pension payment calculated on the base of the residence as an exempted assets...</p>
<p>median value in the area</p>
<p>1.3m in WA. Other states would vary.</p>
<p>Use the average of the median value of homes in Sydney and Melbourne.</p>
<p>K500 threshold</p>
<p>To be equitable the family home should be deemed as an asset the same as other assets are deemed for someone who does not have a house. The same non-home owning part-pension threshold of \$1,100,500 should apply to home owners - made up of other assets and the value of their house. Why should house owners be able to 'hide' their assets in their houses - we all know that is what the 'finance advisors' tell them to do in a timely fashion before retiring so people can maximise their government pensions. It would ensure equitable distribution of the welfare tax dollar and be a reduced burden on the young as they</p>

Firstlinks poll: Age pension eligibility for homeowners

<p>are the ones subsidising the old age pension. Hell - it might even make housing more affordable - but I am sure governments will move heaven and earth to make sure that does not happen!</p>
<p>PREFERABLY A THRESHOLD OVER \$2M AND HAVE SOME ANNUAL PERCENTAGE INCREASE TO ALLOW FOR FUTURE HOUSE PRICE INCREASES.</p>
<p>1.7 million just like super. Indexed</p>
<p>Perhaps 1.5x average house price - to demonstrate that this is for those sitting on a significant asset, beyond a home that is needed by a couple in retirement. In some respects, the principle is more important. Adjustments could be made for the small number of retirees with genuine caring responsibilities.</p>
<p>The system should include a Grandfather clause for those who who retired say after the GFC.</p>
<p>These people are part of a community and most of their friends live there. They are accidentally wealthy but may have only modest incomes. They do not want to move away. When they die and their children inherit the proceeds they will spend it and pay GST in doing so, even if they invest it in income earning assets. Do not force them to move from their comfort zone.</p>
<p>2 Million</p>
<p>Political suicide!</p>
<p>\$1mil threshold</p>
<p>\$1m threshold or no threshold and adjust other limits - key to gradual introduction over say a 10 year period</p>
<p>Threshold should be \$750,000. Not a lot of people outside the metropolitan areas would have million dollar homes.</p>
<p>It's people who are facing increasing rents that need most help. Owning a modest property avoids rent!</p>
<p>I paid my tax whilst paying a Mortgage of 17%. Now the government can return some of my Tax in the form of pension. How about doing away with negative gearing of multiple rental properties.</p>
<p>The problem is downsizing to release equity. I would love to downsize but it is hard to find smaller properties near your support networks.</p>
<p>Thresholds to be based on median house prices in state</p>
<p>After a certain age, say 75, the value of the home be considered in the assets test and pension reduced accordingly. if the pensioner wishes to stay AND receive full pension then the "extra" pension paid be considered against the property with a deemed interest rate to be paid at estate time.</p>
<p>Age pensions should only be paid upon the level of INCOME earned not the HOME PROPERTY ASSET which are non-income relevant even if sold (because upon sale they need replacement at market cost)</p>
<p>Only suggesting a threshold to make it politically possible. A one-off significant increase to the assets test could be used with a full value assessment.</p>
<p>Where do you suggest these So called rich pensioners live when they sell their very modest houses - they've paid their way in our society. Leave them in peace</p>
<p>Use median house price.</p>
<p>Australia needs to adopt a universal pension. scheme like the UK</p>
<p>Although I support including the full value, to be politically acceptable I'd suggest a threshold of say \$800,000</p>
<p>1. A threshold could be like Centrelink's asset test for Residential Aged Care. 2. However, there is no longer any single "silver bullet" type initiative that will pass the pub test.</p>
<p>Voted no, because valuations ignores the real value of a property, and the fact that we have paid ~3-4 times of the purchase price for our home.</p>
<p>30% home value included in pension assets test.</p>
<p>Superannuation belongs to people. Shouldn't be touched or taken in any way or by government .should not have to pay tax on it either because tax paid on it before it's put in there .</p>

Firstlinks poll: Age pension eligibility for homeowners

It's OK to try and take ordinary tax paying people's money. How about looking at the over sized public service and their very large salaries and benefits, non of this is looked at because these are the people who want to take your house.

The threshold needs to be high enough so as to retain value in the home which is equivalent to an entry deposit for a nursing home later in life

we should be fair to younger generation struggling to get their first home

Perhaps the national threshold could be the median value of a Sydney home set on June 30 and indexed annually.

These are the people who have spent their whole life planning now YOU want to destroy them.

\$2500000 reducing \$20000 each year for 10 years

Threshold needs to be different for Melbourne/Sydney versus regional Vic/NSW etc. Minefield in finding happy values though!! And politically dangerous ie Franking credits and impact on Labor at last fed election.

The gov't has created the impression that, for foreigners, owning property is a path to Australian residency. Such an impression both de facto and de jure must be destroyed and house prices lowered.

The principal residence has become commoditised; its a risk free non taxable , tradable asset and hence a source of wealth which needs to be reflected in pensions . Threshold is the big question given value differentials across the nation but \$500,000 seems a good starting point .

The danger is people will use all the equity in their home to fund retirement leaving no capital to fund aged care. Aged care places for a couple will require \$600k to \$1m in capital to secure. This is usually funded by selling the family home. The outcome will be the government will have to fund a large increase in aged care places at the cost probably in the billions of taxpayers money.

\$3.5million.

A persons house is their home. They should not be forced to move to release equity in their property which could mean having to move from an area in which they have lived for decades. Also they mau have to move away from friends and family.

There needs to be an incentive of reduced stamp duty to those downsizing after the age of 60

If can't get income from home, then test penalises (would be) pensioner.
Any test HAS to distinguish between high Sydney/Melbourne prices and other geographies.
If (would be pensioner) is forced to sell home to fund living requirements, where are they supposed to live? It costs to buy an alternative residence. There is no real gain for pensioner.
If pensioner needs to fund retirement nursing costs, these are about a minimum of \$500,000 in Sydney, often more. Plus fortnightly/ monthly ongoing fees of around \$100 per week. Selling family home is often the only way to fund this.
The issue is not the pensioner- it really is the beneficiaries of the estate. All this argument is about the politics of envy; beneficiaries getting large amounts when the family home is sold upon death. Maybe impose estate duties again; BUT again MUST distinguish between high cost Sydney/Melbourne home prices. Anecdotally, in my experience a lot of beneficiaries use the money to help grandchildren of deceased buy homes in Sydney/Melbourne- the only way of lot of them are going to be able to afford their own home.

Need some flash algorithms to allow for differing values between states, or pensioners will all be moving to SA

I'd suggest a \$2m threshold, with some form of indexation to property prices (including downwards)

Although we are past pension age, we keep working because we don't trust the ageism threats to our self sufficiency planning for our old age - as this article alludes to. We also enjoy our work and feel part of general society by working. A part of our financial plan is to be able to use 2 x \$600,000 for age care facility bonds if necessary based on the value of our home. Another part is to only become eligible for a full pension if necessary. Talk about "inheritance" value of our home should be tempered with "self reliance" provisions as we get older which was the reason for our superannuation scheme. We have structured our "self reliance" wealth planning on saving, working well past 65 years of age and in turn have paid considerable tax. Changing the goal posts is discriminatory against older Australians who have worked using the current goal posts as a guide to their well being in old age.

Starts to at least bring an equilibrium to the pension debate

Threshold at median home value in Australia

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Absolutely no ...worked hard and went without to secure a home in old age not to be penalised for doing so unlike some that enjoyed holidays expensive clothes spent their money like there was no tomorrow ..we live by the choices we make ..leave our homes alone and leave us in peace with the little time we have left

The tax & pension incentives for keeping wealth in the principal residence may mean that less money is invested in productive uses.

Its all about cash flow.

Median house price maybe?

Valuation based on House Only and excluding Land Value. Exempt old run-down homes in prime locations. Pensioners want to stay in their home with memories.

Plenty of situations where the wealth is an illusion as it cannot be realised, why make a complex system more complex.

As someone ages their need for security often increases. A million dollar house is often a sign of previous sacrifices made. Why change the equation just because the house rose in value. Perhaps the purchase date should be taken into account?

\$ 1,750,000.

Say \$1.5m. A well designed reverse mortgage to provide income and maybe capital.

Threshold of \$2M

I don't think it should be a dollar value threshold but tied to say the median house price. This ensures people still have a roof over their heads in 20 years time after the policy comes into effect. Even 1.5 million won't buy you a basic home by then...

As noted in the article, the politics are horrendous and therefore bi partisan support needed

The home should be included in the assets test. The current assett test threshold should remain. However, there has to be some reverse mortgage system in place , or assett rich, cash poor aged pensioners will end up homeless. You don't get very much pension when your close to the current cut-off threshold!

When you are very old it's difficult to make financial decisions.

Difficult to determine for Australia as a whole when market values are highest in capital cities, esp Sydney and Melbourne unless it is determined on a regional basis

THEY HAVE WORKED HARD ALL THEIR LIVES

\$2million & that is being generous.

Inequitable for home owners to be sitting on multi million dollar homes and still getting part or full pensions.

Land value was probably very low when humble dwelling was bought. Hospitals, schools, transport and shops have grown into the area plus friends of 40 years. Why would a 80 yo want to leave?

Guarantee us aged care assistance with accommodation in a good level of aged care for as long as we should require it DONT strip our only buffer away

A threshold somewhere around \$750k to \$1M would be justified, so long as care is taken not to disadvantage those from lower value areas whose homes and lifestyles might be somewhat more modest.

Property values fluctuate,at what point is the value determined e.g.where I live values are notoriously volatile up to hundreds of thousands

Twenty times average wages adjusted annually so around a current \$1.6 mio

Council rates, stamp duty, real estate agents, advertising agencies, emergency service levies and water rates are a continuous wealth tax and fund society as a spin off from people who bought a home, It would appear a few jealous socialist prats now want everything from those who those who took a risk to buy there own home, in doing so they also paid banks interest and fees, paid insurace companies ever increasing policies and paid ongoing maintenance costs to keep a list of contractors in work, and all this just because they followed the Australian dream and bought a house. Who would buy a house if no gain was expected and the dream became a nightmare. Their would be just public housing and a ongoing expense to society forever.

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We should pay our way in life ... our whole life ... if we can. The social security nets should be for people in real need. And as we come out of the pandemic with \$1t debt then this wealthy generation should be making a serious contribution and not simply pass it on to future generations.
Median house price for the particular LGA
2.000000
Fraught with difficulty as it would only be fair if that threshold was differed according to postcode
Obviously this may be very disruptive for some very vulnerable people, so there needs to be fair and reasonable means of obtaining some income (such as reverse mortgages or the PLS).
The PLS aspect of this is vital: it would take incredible public education to make the politics possible
Not less than \$1.5m to start with but of course don't index it. So over time a greater proportion of housing values would effectively be means tested.
The current policies favour "baby boomers", policies must consider the next generation. The current mindset is geared to housing, have a look at Germany, they are geared toward business, then housing. There must be a balance of the two.
The threshold should be \$2.5million
\$1 mill
Do not agree. Due to fomo and property market sentiment the suggestion that I should reduce pension is egregious.
Reverse mortgage at 2.5% pa would be attractive to many with houses valued at more than \$2 mill.
\$2m
Twice the modal sale price for the last year for that suburb.
If all the businesses actually paid their fair share of tax instead of the individual would be a whole lot fairer. Stop paying royalties to wealthy billionaires / companies passed on by inheritance. Wow a lot of extra dollars for all to enjoy. Our resources are being raped by only a few. Put up royalties paid to government instead off wealthy internationals reaping all the dollars.
Why because we worked hard 2 jobs to pay the house off plus we did not have 2 new cars 4 TV's expensive furniture and when we pass away did kids and inherited the house they will not get the pension or benefits When we bought our house interest rates where 18 percent
Many, many ppl who bought their houses/land 40 years ago don't have an alternative income when they retire ie: superannuation. We would have to sell our house to live if not for the age pension.
\$2 m
Lots of couple pensioners are getting more than \$40k p.a. Including their added benefits, like medicine, hospital and other concession. Lots of ppl are working hard, not on a pension, paying off their houses not concessions or incentive from working. Lots of pensioners live overseas in their old country, having a good life and comes back to Australia every six months. Some pensioners sells their homes, give the money to their children. Children extends their homes, parents rent to their children to get the rent subsidy and help their children get their asset. Lots of couple pensioners are having a better lifestyle that ppl who are working. They always go on holidays, owns two cars, and gambling in the casinos. Mist
Threshold of \$1,000,00.
1.5 - 2 million
Threshold of say \$2million...rising by CPI every year
The aged pension cost to the nation is a baby boomer bulge/demographics. Generation X will be largely self funded having had compulsory superannuation for all their working lives and they will inherit boomer wealth. Reform capital gains tax and tax consumption via an increase in GST.
Never
1.5 million

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Median market price ... or if that's too hard \$1M
Too much middle class welfare is going on. If having a threshold is to be the compromise position then \$1.2 million is a more politically pragmatic one than \$1 million. If the pension is not deemed an entitlement but a welfare payment then it makes sense to give it to those who need it
2,500,000
Median value for city
,500'000
1.5 times each State's median price. Similar amount should be the cap on the CGT exemption
Threshold set at median price at the time the pension is granted.
It's going to anyway because Governments don't have enough money to look after everyone, and the boomer's attitude of "eeeh, I paid taxes all me life, I should get a pension" is NOTHING special, we ALL paid taxes, including Gen X, Y and Z.
\$1.5M is a reasonable threshold in capital cities. It should be modified for regional areas to a percentage of the median So if the \$1.5M for Syd/Mel is say 50% above the median then a similar % should apply elsewhere
Use the full value of UCV (Unimproved Capital Value) of the land occupied and then allow owners to take a PLS up to 150% of current age pension, repayable on death.
These people have worked and saved all their working life to pay for their home. To now include the value in the pension test is insanity. What are they supposed to do, chew on some bricks???
\$400,000
We have rented for many years mainly because our child was born with a disability and my wife has been his carer so with only one wage put us off buying our own house but over those many years it would have been possible i just think it very important to have safeguards for people who have struggled through life with many obstacles to overcome like being moved from place to place but then have saved just enough to buy a home but would need some pension.I definitely think someone with plenty of money should not get a pension but everyone should be treated on their circumstances
Completely agree with the items posited in this article - as a financial planner and homeowner with a home valued at >\$1.5m in regional NSW
It would be more equitable to include all assets equally.
I've never understood why so much attention & dollars has been given to the housing industry. Sure, a home is essential but current rules skew over investment in "shelter" which is the essential bit. Why the government sees the need to "support" the housing industry is beyond me (apart from securing the votes)
The current government policy always favours the ones don't work hard and rely on government support. The government should look at the taxes paid by the individuals over their working life! Those paid taxes deserve the pension post their retirement age, they shouldn't be punished for having worked so hard and contributed to the country's welfare for so many years!
500000 threshold indexed to inflation
Surely it should be universal. Are we such an divisive society where if you are lucky enough to work harder, then we declined support when we are older?
Some allowance may need to be made for the vastly different average price of a home in different parts of Australia.
What a great article, and yes, 100% correct. The PPR (Principal Place of Residence) should be included in the Asset Test with a threshold of say \$760,000, so anyone with a house worth more than that shouldn't get any age pension benefits, but can draw their own pension from that asset, at an amount of \$38,000 PA (same as the age pension), and even if they have a house worth say \$2.0 million, they would still get the same. This can be a reverse mortgage or the Pension Loan Scheme. With a house worth less than \$760,000, they would be eligible for a part pension, based on the percentage value of the house compared to the \$760,000 figure. So if for example, they owned a house worth say \$380,000 (50% of the \$760,000), they would be entitled to 50% of the age pension benefit (about \$19,000), and if they wanted to, they could draw an extra \$19,000 from the pension loan scheme. So if they had a tiny old house out in the bush somewhere, they would get most of the pension benefit, but could still draw extra pension up to the \$38,000 limit under the pension loan scheme. So in

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simple terms, anyone with a house worth either \$100,000 or even \$3.0 million, could still get \$38,000 PA pension, with part of that drawn from the pension loan scheme.

We bought our PPR 35 years ago for \$168,000, and it is now worth at least \$1.6 million (but I get no pension benefits because of my superannuation assets), but if I had no money, I would currently qualify for the full age pension. (Ridiculous). We are contemplating downsizing, but if we were on full pension benefits, we would probably stay in the house, so as to preserve the full pension benefit. Look at 3 actual cases and reasons why the government hasn't done anything about this absurd situation:

1. I know a couple who live in a \$3.0 million house, but still get a part pension.
2. I know a fellow who is age 75, still working as the age pension isn't satisfactory, and naturally he still pays taxes, which is helping the couple in Point 1 (with the \$3.0 M house) to get a part pension benefit.
3. The age pension system needs to be completely reviewed, but the Government won't do it for one simple reason: it will cost the government dearly at the next election, because a huge portion of our population rely on pension benefits, and would almost certainly vote against the current government. The only way to bring a change about, is for the 2 major parties to agree on necessary reforms, and post the election, whoever wins the election will proceed with those reforms.

The higher house prices do not reflect the median. Changing the policy would be populist not rational. There is a difference between income as drawn from super, savings or pension whilst a house in it self does not generate an income. Wrong solution to the wrong problem.

The whole issue of house price increases is the sole responsibility of government incentives and policies introduced at the beginning and till this present day.

What did they think create a problem and then blame hard working people who mostly struggled with high interest payments and now have to correct incompenant government policies, favourable negative gearing policies, halving the capital gains tax, turning a blind eye to corrupt banking practices and the latest classic job keeper wasted billions its so easy to blame the little guy for your incoptance

No, is it the aged pensioners fault that their homes have risen in value when our Government allowed and allowing overseas Investors to buy and push house prices through the roof. Many older people went without to pay there homes of for retirement and now the Government want to take away their pensions. Leave the boomers alone , they built this country and deserve their pensions.

People have worked and sacrificed the whole of life. To be on Aged Pension at the end of life is trying enough. Why are you looking at doke bludgers many who use benifits to feed addictions instead ?

Only fair to all, with a threshold of (say) \$500,000

At say 1.5 to 2.0 times the median house price which is currently approx \$1m.

I have worked and gone without to pay for the house. Why should I have to sell it to eat

Houses were bought were people could afford to buy. They are areas were they generally have decent public transport, access to service that are required.

A single person's house value above say \$750,000 and a couple's \$1,000,000 should be included.

1.5 million threshold (indexed)

only we would want to be careful that people aren't reverse mortgaging their homes at huge (ripoff) interest rates , for example.

Excluding the family home from the asset test effectively has taxpayers funding peoples' retirement expenses so that their beneficiaries may enjoy a larger inheritance. Its quite ridiculous. Further , exclusion of the family home from the asset test contributes to pensioners' reluctance to "downsize" as a less valuable family home may result in them losing pension eligibility. Also ridiculous. Threshold should start at \$500,000 and full exclusion from pension entitlement at \$800,000. Even that is generous. Taxpayers should not be funding inheritances.

One million dollars

But the threshold should be raised to at least \$2.5 million for a couple. It's WRONG that people who accept modest accommodation and invest for income are punished and those who buy a lavish home to reduce their assets are rewarded.

And removal of the CGT exemptions for property

If Government reduced or removed the high tax when moving from larger home to a smaller one would encourage Pensioners to switch.

Single home owners get less but have overhead property expenses equal to couples This needs consideration.

Firstlinks poll: Age pension eligibility for homeowners

Threshold of \$1m indexed quarterly from 1Jan 2022
Minimum of \$2,000,000 threshold.
The threshold should be set at a very high level - at the crazy end of values (particularly in Sydney)
Problem if home has risen in value when sold what do people buy. Secondly old people don't want the stress of selling and moving
The principal place of residence as long ago become more than shelter for Australians and the exemptions surrounding it are the biggest distorting feature of our tax and welfare system. Some threshold is reasonable and probably necessary for political reasons but it should not be excessive and be relevant to where pensions cease for non home owners.
With indexation
Greed causes house prices to rise not the pensioners fault!
Threshold one million
Of course not people worked hard to pay off their house
What will happen to those properties that they are at the moment within reach of the average income person when the pensioner forced to sell and buy cheaper property, those cheap properties going to be hard to get for Aussie dreamer who wants to buy. For long run the Aussie home dreamer for young generation will be gone if not already.
Not relevant each case is an individual who has worked hard with 2 or 3 jobs for years to raise children on their own and pay a mortgage when husband's abscond from providing for family. Ill health then impacts a person financially and not all homes are worth millions and generally need major repairs people cannot afford. Take care what you wish for economists as one day you too will get old.
Value threshold 2 times average house price for city of residence of pensioner. Rather than a pension loan scheme pensioners should be able to use a small amount of home equity interest free annually to increase their retirement income. The idea of paying interest on a personal asset is unfair.
From about \$800000.
30% above 3 year rolling average of home prices across Australia, use council GRV * % to get to home value otherwise to many disputes.
Increase the threshold for the assets test to take into account housing being included in the threshold
But only, and Only if the same exact policy applies to free flowing pension payment to the hord of Govt workers.
Threshold of \$2,000,000 but indexed against inflation.
1 million
Threshold set at Median house price of the prvious financial year
When polling get the same then look at it
I do not like the concept of caps. If the home value were to be included all the other thresholds would need to be evaluated especially for non home owners whose threshold for exempt assets would need to be increased significantly
Value should be indexed...say yearly
But it cannot be retrospective. You cannot change the rules that people have abided by and used to plan and set up their retirement. Phase something in over the next 5-20 years with some sort of sliding scale so that it does not disadvantage those anybody. That way those that hit retirement in 20 years will have been able to plan appropriately to a set of rules that will affect them at that time.
It seems that if someone makes a good decision to buy any commodity and makes a profit over a long period of time they should be penalized because of their good fortune at the end result. However there is no consideration that these investments were made at a time without any form of superannuation. With extravagant interest rates over most of their working life and generally in a generation of lower education and work prospects and an expectation that at the end of their working life that they would receive a meager pension to exist in retired life.

Firstlinks poll: Age pension eligibility for homeowners

<p>Who has profited out of these people during their working life - Governments, Banks, service industries and the financial industry. Now the financial industry wants to force these hard working people into debt for the rest of their lives so the financial industry can pick up a large swag of the capital gains and the thing is the financial industry will always be there to pick up the cheque at the end of the day. Secondly with the large disparity in house prices throughout Australia how can it be assessed who is better off and does not need the pension</p>
<p>The major issue is the differences in house prices Australia wide. \$3 to \$4M buys you a high end riverside property in Perth v a run down house - 1 bath with a 50 year old kitchen in Sydney. Somehow the disparity in market values has to be taken into account. If the median price for each capital city/state were to be used this is very cumbersome.</p>
<p>No threshold.</p>
<p>If this initiative is adopted, stamp duty on a trading down purchase should be waived.</p>
<p>Over 1.2 Million</p>
<p>1.5m</p>
<p>Many aged persons have had their houses for years and their area increased hugely no fault of theirs . They are often cash poor but do not want to move from where friends family and doctors live.</p>
<p>Full Value may seem severe but the threshold of the Assets Test could be adjusted accordingly. Home owners and no-homeowners would then be on a level playing field.</p>
<p>We live in an age where owning your principal place of residence is a privilege. Those privileged enough to do so should deplete their wealth before even being considered for welfare</p>
<p>\$1m indexed to CPI</p>
<p>The threshold should be the median house price in the city/region.</p>
<p>Whatever rules would be applied, would these be reversed when house prices do fall? My experience with Centrelink tells me NO. As of January 2017 the asset rules were changed and applied across the board to all then existing pensioners. Instead of only applying the change to future pensioners, more than 90,000 lost their payments! Some were 20 years into their retirement, with a stroke of the pen they lost their lifestyle, and unable because of age to go and get a job! Living on self funded \$64,000 a year for a couple not qualifying for a part pension borders on genteel poverty. But the govt thinks it is OK to squander 3 billion dollars on a cancelled submarine contract. Why, instead, don't you go after the politicians instead of finding ways to squeeze more out of people who have completed their working lives and don't need any financial turmoil by rules changing constantly. Just imagine how much aged care, hospitals, child care, education, hospitals etc. would benefit from an injection of 3 billion dollars.</p>
<p>Threshold of \$1.5 million and a government loan scheme to supplement pension payments by using the home equity,</p>
<p>People who work hard all their working life and scrimp to buy a house should not be penalised those however on good wages who don't bother to purchase a home and spend their money on travel and grog and gambling should not be able to access public housing</p>
<p>- agree that the principal place of residence should be included in the age pension assets test - BUT once a 'reasonably calculated threshold' has been determined, it MUST be indexed.</p>
<p>Above \$1million value.</p>
<p>1.5 million</p>
<p>\$1,200,000 threshold</p>
<p>\$1000000 indexed</p>
<p>Once it exceeds a significant value threshold it should invoke a sliding scale increase as the asset value increases, not a 100% \$ for \$ loss of pension.</p>
<p>\$1,000,000</p>
<p>5 million</p>
<p>set at One Million.</p>

Firstlinks poll: Age pension eligibility for homeowners

People who make good choices, live within their means (without borrowing against the property value and living off it), who pay off their properties by denying themselves holidays and cars should be REWARDED, not punished.
Bricks don't pay bills or food
The age pension was a right until the polling changed it to asset and income based. Those who pay tax are still paying into that fund. In the UK if you paid tax then an age pension is an entitlement.
500 to 700 k. Young taxpayers should not be subsidising the inheritance of those whose relatives have substantial equity in a valuable home.
Having large amounts of money tied up in the same principal place of residence for 30 or 40 years may not be in the best interests of growing the Australian economy. Maybe it would be better to have some of that home equity invested in Australian listed equities to help build local businesses.
Threshold \$1.500000
Tthey already very wrongly count super as an asset .Leave the princpal home alone
Having the top quartile of property values included in the assets test seems to be reasonable. I would also consider doing it at a state level as well, so it could potentially redistribute wealth in property across states.
Thresholds should vary depending on location
Value of a principal place of residence should be based on average price of a house in dearest capital city.
If the home value is over 2 million yes Because if you own a house over 2 million and you can afford to live there you have other income coming in
Access to PLS is more than equitable.
Threshold should be location dependant, i.e. higher in Melbourne and Sydney than in regional areas, say a set proportion (150%?) of the average price in that location
I fin d it difficult to understand how you could come up with a threshold figure which would be an appropriate number to cover the whole of Australia. A very good house in Tasmania may have a value of say \$750,000 whereas a poor quality house in the suburbs of Sydney could still be worth say \$1.5million. If you attempted to have different rules for each State, or for that matter City, the system would be shambolic. The rules applicable to the Age Pension are already far too complex. There are many people out there who just happen to reside in a high value house. This does not necessarily make them wealthy. Asset rich perhaps but in many instance cash poor. If the Federal Government started to crack the whip on home ownership you would force some very elderly people to sell up and move into cheaper accommodation. The only way out of this is to scarp the current system totally and start again.
Make the threshold equal to or a percentage above average house value in an area.
The issue is that a large number of pensioners bought there houses decades ago and they have built their lives in that place. The interest rate on reverse mortgages and similar needs go be lower or at RBA rate. Not well above what you earn on deposits.
Over1.500 m
A generous threshold would be \$1.25M
The home value is to cover aged care in later years At 110k/ year per person then already forced sales are negatively impacting 2nd person in same residence & ability for them to be cared for how they would wish
as said- access to reverse mortgage facilities will make a difference
If houses in same area worth 2m then by cashing in then locked to that house forever?
Potentially base it on life expectancy x annual cost to live comfortably + buffer for unknown unknowns
If folk in aged care have to declare their RAD as an asset why shouldn't homes also be counted as an asset
Sounds like a Labor/union policy
Subject to Grandfathering

Firstlinks poll: Age pension eligibility for homeowners

Anything above \$1.5 million for a principal place of residence should be included in the asset test for the age pension. This amount should be indexed with inflation annually.
A home is a man's Castle if owned it is no ones business except the Owner ,& his goods & chatters
\$750,000
Home-owners have been prudent and they should be encouraged. They have contributed to society and now make less demands on it in retirement. Those without houses of their own get rental subsidies and the like as well as the pension and actually consume more of the Welfare Budget. They also seem to require more assistance from medical services etc.
1m
Threshold say \$500,000
\$1.5 million and over. Even if a couple down sized to a smaller property, this does not necessarily mean that the new property purchased will be much cheaper than the one they owned before.
Vary by state - \$1.2m in WA
Av Sydney house price
\$1M in Sydney; less elsewhere based on an area code.
Age pension means test to include home value over \$2,500,000.
1million
House values are where they are for 2 simple reasons. Low interest rates and negative gearing pushing values up not pensioners getting "rich and wealthy" from them. The PLS charges 4.5%, the government lends that to the big banks at .01%, they lend it to speculators and young people at 1.5% who believe that this will be the case forever and who keep borrowing more with liar loans well above there ability to service with even a 1% interest rate rise and the market keeps going berserk on this ridiculous situation. When the crap hits the fan eventually when rates rise 2-3 % and the market goes back 30-40% do you reckon the government would adjust your pension proportionately as quickly as the market retreats if the age pension was tied to house values. They did not move quickly with the deeming rates when you got nothing on your bank account or TD's. If they want people to use the PLS more then the interst rate on the PLS should be the RBA loan rate not screwing you at 4% over that rate.
Above the medium house price for the LGA.
Threshold equivalent to the median property value of the state of residence
the total value of all assets held by an individual should be included in the asset test. An appropriate threshold for the total value of all assets held should be established, indexed, so no arbitrage of assets held happens.
\$2-3m
Is it fair to change the rules after people have left the workforce and cannot re-plan their best strategy? Try it on the young who are already sick to the teeth of politicians, public 'servants' and 'endless think tanks'
I don't support this unless it is part of a comprehensive change to corporate and individual taxation. Even then I would say any such system would need to be gradually phased in and the threshold would need to be significant. Importantly, the interest charged on any reverse mortgage type of arrangement needs to be very low. It's ridiculous that people can borrow at less than 2% for speculative investment while reverse mortgagees face interest rates from 4.5% to 7%. These interest rates very quickly elevate the amount borrowed, and if they aren't capped and inflation takes off it can lead to significant escalation of the debt. Perhaps most importantly, people need the value in their home to enable aged care. The cost of residential care is huge and I can guarantee that Govt will not come running to the rescue to provide it. Just look at the debacle in the UK and the constantly broken promises. We need to stop tinkering at the edges. If this sacred cow need to be on the plate, there are lots of others that need to on the plate too.
A home is a home. Most pensioners have lived in their home for decades. The fact that the house has gained in value does not increase the disposable income of the resident. If it is included in the consideration for eligibility for the pension many pensioners would be forced to leave a home they have lived in for decades and to purchase a new residence with all the attendant costs such as stamp duty. There is not circumstance where this could be considered equitable or reasonable.

Firstlinks poll: Age pension eligibility for homeowners

Some of us have struggled to own our homes all our lives. We have gone without luxuries, paid high mortgages, lived without holidays, etc. Why should we then have our pensions reduced just because our house value has risen? We still have to live and we have no other incomes.

Threshold of \$1,500,000 is about right.

Self funded retirees who need income support when their incomes fall to pension level should not be forced to sell their homes. This sort of disruption in their 80s 90s 100s is cruel and unconscionable.

The major problem is the large variation in average cost of housing in each state. While 1,500,000 in Melbourne and Sydney in WA, SA and Queensland it is closer to 500,000. So 400,000 may be an appropriate level in some states in others it would have to be around 1,200,000.

\$2000000

Perhaps the pension asset test could also be increased

Better to have a universal age pension funded by broad based wealth taxes

Great article - but what is the core guiding objective here?

\$500k

Why should pensioners have to move house because they bought inner city properties a long time ago. Most have paid taxes for about 50 years so perhaps it's time to leave them in peace.

Based on median prices in city/LGA if there is a threshold

The threshold should be the median price of a house in the capital city of your State.

Leave it alone.

Most pensioners will need to sell their home to pay for their aged care RAD. Two modest rooms can easily cost \$1,000,000 in our secondary cities like Newcastle and Gold Coast.

The next generations should not have to fund our lifestyles.

Living in your home worth twice the median price in your capital city, plus taking a full pension is very unfair on the younger Australians who are paying their pension - yet can't afford their own home! You don't need the taxpayers' money when your home is worth 2 or 3 times more than the median price. We all work hard and we all deserve to have our own home. My children are in their early 30s and I provided \$100,000 to each of them for a deposit. I am very fortunate. I live in a home that is 20% above the median price. However, it is grossly unfair for people to take the pension whilst they live in homes worth millions of dollars and still take Centrelink via aged pension.

In addition to the very sound arguments presented, there is a related element to be considered in the context of this issue. Why is residential housing in Australia so expensive? The short answer: because we have designed the tax and transfer system to drive this outcome. See state stamp duty and the tax lurks for 'investment' in residential real estate, which, otherwise would never get past first base on any rational investment analysis, not to mention the misallocation of capital to unproductive purposes. These give rise to terrible inter-generational inequity and these barriers to rational action and social good must cease.

I write the above as a middle aged owner of a mortgaged but valuable home (modest LVR, falling by the week) in a desirable suburb of Melbourne who will one day inherit further unearned and untaxed wealth from an inheritance - mostly residential property. Will I take the windfall benefit? Sure. But I don't need it or deserve it. Neither does anyone else like me.

Asset rich pensioners should not be forced out of their long term home at a time when they are most vulnerable. People who lose their pension from this may have to move from their lifetime suburb and social network because they cannot buy again in the area. The community must be patient. The pensioners may need significant key money to gain access to an aged home. These houses return to the market quickly enough. Uncertainty about pensions and a place to live can be very stressful for the aged even when capitale rich.

\$1m for couples-\$750k for singles

Let's be fair and reasonable about the threshold and appropriately indexed

Alternatively make the age pension universal and apply taxation more judiciously
Dial back super tax concessions also, e.g.

Firstlinks poll: Age pension eligibility for homeowners

15% Tax on earnings in pension phase Maximum balance in accumulation
\$2.5m
\$1.5 million
Can't change the rules now or there will be anarchy!
Those with high value homes have provided the effort required to accomplish the end result.
yes if interest i could earn was reasonable
In principle no one should be forced to sell their home or the reverse mortgage when through no fault or their own that the value has increased. Its all about interest rates pure and simple. For me the family home is not a financial investment as you have to live some where.
Like everyone else, I think the threshold should be just above the value of my house! Seriously, since values vary wildly with location, should the threshold vary accordingly?
not income producing
Sounds fair. \$1,500,000
Doesn't sound unreasonable to me. \$1,500,000 seems fair
What happens to the old couple living their last years in Redfern. Force them into outer suburbs or aged care before needed.
Double the median national house value. People living in, for example, Sydney or Melbourne should not get a higher threshold.
One million
\$5m threshold. Like it or not, the Government is going to need to increase taxes. Let's look for relatively painless ways, and also cut wasteful spending.
here we go again wasn't this litigated at the last election in some form (franking credits) who in their right mind would touch the politics of this. Unfortunately people have been building retirement wealth and income strategies based on a set of rules which are now inconvenient due to a rise in nominal house values in certain post codes. If you only own one house the value is irrelevant, it's value is relative to any other similar house and it doesn't matter if it's 1960 or 2030.
At today's prices I think that the Rice Warner recommendation is about right for the property but the current cap for assets outside of the principal residence (\$884 000) wrt qualifying for a part pension is more suitable than the \$500 000 mentioned (in 2015). Of course, there'd be an uproar from homeowners who reside predominantly in Sydney and Melbourne saying it's dsicriminatory.
Problem with thresholds is that they wither away unless tied to an index of some sort. Also Sydney residents would need a higher threshold to be fair to those unfortunate people (i.e.to live in Sydney).
Privatre dwellings should be considered an asset for determing age pension eligibility if the value of the principal dwelling exceeds \$1.5 million
How do you assess the market value of each property for pension threshold purposes? Land value is already available. Why not use that? I suggest a land value threshold of 1.5m to be reviewed every 5yrs. As land values gradually increase,wealthy pensioners would have an incentive to move to a lower value property and spend the money...they would then still receive some pensioner benefits.
Threshold above 2.5 million dollars.
Stop taxing up until you die. I have a friend that earned more than I did all his working life and spent it all. Now he receives a full age pension! Where's the incentive to save and look after yourself! No wonder people are saying stuff it, live for today because the politicians will only take it from you and give it to the non Achieves
Threshold should probably be the median value of houses sold in the previous 12 months. Something needs to be done to stop the proliferation of McMansions in the suburbs.

Firstlinks poll: Age pension eligibility for homeowners

Living in country SA. The house prices here are not in the same stratosphere as Sydney, Melbourne & the rest of Australia
But only if there was an equitable scheme allowing borrowing against the property at comparable rates to current home loan rates. Important that older people who may have lived in the house for the greater part of their lives are not forced to sell.
The threshold could be set at a percentage of median house price, which is indexed quarterly
1.5m
all good in theory but our place, a 70 year old 2 storey colonial style solid house, in a large rural town in sa is worth \$350,000. in a capital city it would be probably \$1.5 million. in my town to downsize i would have to spend a minimum of \$330,000 - no real saving. To downsize in a city would probably still be \$700,000 plus. the threshold would need to reflect this. we invested in a house for the long haul, to enjoy a garden, space and familiarity of surroundings. not to have to be forced by govt to downsize into a small 2 room retirement village home. which in our town is \$300,000.
In the present situation with massive debts which our children and grandchildren will be asked to pay we should introduce a reasonable threshold for the value of the principal residence above which pension should be tapered off.
\$500,000
The cost of age pensions is going DOWN every year due to SG contributions to super, your graphs also show this. There are far more important things to fix in Australia than this as it will take care of itself as superannuation balances increase.
Threshold be a fair increase over the location's medium value.
Threshold suggestion is set at 150% of the median residential premise value for the capital city in the relevant city based on the state/territory of the recipient.
400,000
The threshold value should be adjusted for local medians to ensure that people who, for example, live in a humble home in Sydney are not penalised as against those in other locations where house values are not as elevated.
1.5+ million
If value of a principal place of residence is included in the asset test it will disadvantage the residents of larger cities due to higher house prices compared to regional areas.
20 % above the median price in the local area
The government charges an unreasonable interest rate for the pension loans scheme.
The full value should be included and those without who have inadequate cash income should be able to obtain the pension they would have received, ignoring the value of the family home. The pension paid would be a loan on similar terms to the HECS system, but repayable on death(which I understand HECS is not). This would be fair to ALL as it does not discriminate as to how one accumulates their assets.
If the government charged only reasonable interest for the pension loans scheme, it might be acceptable to include a portion of the house in the assets test. But they charge a rip-off rate, so no.
If a pensioner's house value goes up they should not lose or have to sell their house to make up the loss in their old age pension because of the so called low thresh hold. People on pensions in Europe don't own houses - they rent. You can't eat a house! Pensioners in Australia can not afford to rent. Tell the OECD to go and [!!] them selves.
The value is difficult. Base it on 150% of the median price, per region (or LGA?), escalated/reduced 6-monthly.
Its time Australia stopped bringing the rest of the world's problems into Australia, which is what burdens the Welfare system. Uplift all , not bring down those who have made an effort.....
\$2m threshold
The owners paid their stamp duty & assorted other fees and levy's to have the right to live in that particular location however long ago it was,its not their fault or doing that their location is now a "desirable"place to live with prices to match.

Firstlinks poll: Age pension eligibility for homeowners

Any consideration of value must be considered against the average in the relevant area eg. Sydney against rural NSW
One million dollars threshold
1.5 times median house price for a state
Very difficult. However a non wealthy occupant in a high value home might struggle with maintenance costs etc. and would have to downsize anyway. Worth a try.
Threshold \$1,000,000 then 25% above counted as an asset
Adjusted median value, if only one threshold used for the whole of Australia - Sydney median vs (e.g) Birdsville median.
Too general, simple a question. Don't think too many Party's would say yes.
Threshold should be quite high in recognition that many pensioners' home values are simply due to gentrification of many areas and simply time. Say, around \$2.5 million.
Needs provision of no cost reverse mortgages to go with it
It's a complex question, because it's not the fault of the person that their house prices are gone up, and they like their neighbourhood and their house. The issue is that if say their house is now worth say \$3m and the threshold is \$2m, and they are forced / induced to get a reverse mortgage, what happens if the housing market collapses and their house value drops to say \$1.5 M ? Which is might do in 20 years
\$500 000
Threshold of \$1.5 million which may need to be indexed every 5 Yrs by CPI averaged over the same 5 yr period
Somewhere between \$750000 and \$1000000 so as not to disadvantage those in regional Australia.
\$1M
Some Centrelink Age pension recipient that are in borderline poverty could be living a reasonable lifestyle
There is a point in which the principal place of residence becomes an asset to be passed as inheritance. Similar to how we object to superannuation being used for such a purpose
1million
Any amounts in excess of most recent Australian Median House prices as notified by the ABS. Further more full superannuation balance at retirement needs to be considered to prevent retirees cashing in their super to and spending it to qualify for the pension.
It should not be included at all .
Not full value inclusion, but not too generous exemption either. Keep some incentive "nudge" into home ownership for other advantages of home ownership that might not otherwise be appreciated. But not high enough to see tax exemption flow along with a windfall lurk. I.e, unlink the property windfall from the tax lurk.
Note that as super balances get bigger the numbers of retirees receiving the age pension will drop - this is already happening eg at 2001 75% of people over 65 received a aged pension but by June 2021 this was down to around 60%.
Maybe 1 million
Including the full value provides equity with renters. The threshold for the assets test could be raised significantly and we could abolish the income test to simplify the means testing.
We've screwed the next few generations with climate change and increasing inequity. It has to go the other way at some point. Hand on heart, what feels right? Not the current situation. Govts too weak and short-termist to make the necessary long term structural changes required to tax and benefits system to reduce inequality and improve the futures of those born since 2000...
The threshold should be the Transfer Balance Cap for SMSF plus 10%. The thought of selling up my home & moving into Aged care fills me with dread..

Firstlinks poll: Age pension eligibility for homeowners

Average house price by State
Median house price of the postcode you live in.
Threshold of \$750,000
If this does not happen it: Makes social welfare inequitable. It increases inequality since the value of the principal place of residence, is then passed on by inheritance. perhaps death duties would ease the inherent inequality.
With an allowed value there is still the issue of country/rural pensioners. \$1M house plus \$450,000 in other assets in Syd/Melb gets you a full pension. \$450,000 house in a rural area and \$1M in other assets gets no pension and yet both have the same assets.
\$2.5 m indexed annually
The value of family homes varies significantly from state to state, as did the original purchase price. To set one median figure for Australia is to penalise those who live in Sydney and parts of Melbourne. 50 yrs ago friends in Adelaide bought a better house in Unley for 12,000. less than we paid for a small 3bed house in Strathfield West. Both properties increased in value, but alterations to ours has significantly Improved its value over land value increases, but it cost a lot to do it. No account is made for this under a median house value
threshold \$1M allowing draw down of \$500K
\$1,500,000
Seniors need to be encouraged to borrow against the equity in their home to supplement any pension received to meet living costs.
By the time interest is added on when repaying a home loan, Rates notices etc, repairs and maintenance... A home's final cost is high!! Most families paying off a mortgage miss out on holidays and outings as the mortgage has to be paid. My argument - choose an employee with a mortgage. They'll do almost anything, compromise, take a cut in pay etc, to make that mortgage payment. Usually both parents work.... There is sacrifice in buying your home.
\$1m capital cities, \$500k regional - if this comes in might see more gifting of properties to kids 5 years before pension age
These properties have been bought out of after tax revenues. There have also been interest payments made throughout the life of the mortgage. It's the only SAFE HAVEN for older citizens
Difficult across geographies. Sydney is expensive compared to a country town
At some point people with property of very high value should be weaned from the fiscal teat. Make them realize some income subject to everyone being allowed an upset price a reasonable market value.
Based on current system treating age pension as welfare. I'd prefer a taxable universal age pension linked with taxable superannuation payments and restoration of full deductibility of contributions and earnings during super accumulation
The entire housing market is skewed by long term taxation and capital gains benefits available to investors outside of principle residences. Fix this tax benefit issue as part of any adjustment to pension benefits for owners of valuable homes.
The policy could be similar to but a bit higher than the Aged Care asset assessment that has a threshold. \$500k would be a reasonable amount.
Suggested threshold \$1M
\$2m, but only applying to new pensioners from a future date.
Total assets over \$1.5m (incl. home & super) should form part of the threshold.
As a self funded retiree, I'm appalled and annoyed that somebody with a primary residence valued higher than my SMSF is able to receive a full pension. Personally I'd think that a threshold should be set around \$1.5m and indexed to the increase in National Median house prices.
2 million
Any residence over 1.0 million is assessed as an asset.

Firstlinks poll: Age pension eligibility for homeowners

\$2.5M
Certainly not less than \$5 million - in a few years, that will no longer seem excessive.
Indexed against CPI and for Pension purposes only. No changes to inheritance rules and outstanding loans comes off the nominal value of the dwelling used for capital gains tax for the beneficiary, if applicable.
If the govt wishes to persist with tax-effective incentives for houses, the CGT should also be on the agenda.
House prices vary greatly across Australia. Some pensioners may not be able to sustain their income as they get older yet have a house worth relatively little to fall back on (eg. in the inland regions). Therefore we must have a threshold. There are certainly cases of people living in valuable houses in Sydney yet getting full pension. In one particular case, on the couple's death the harbourside house was sold for \$5+m and the beneficiaries of their estate received the money. A threshold would force them to downsize and access the CGT free value of their house rather than the taxpayer for their living expenses. Such behaviour is clearly bad for the economy. People invest into their principal place of residence (which is essentially dead money for the economy) rather than save and invest. It also takes a given house off the market for an extended period, pushes house prices up and acts against first home buyers getting into the market.
subject to some adjustment for the differing cost of housing in different areas.
needs to be related to the location
The threshold should be set according to postcode or region. Otherwise start a figure such as \$1 Mill and index it.
I suggest a A\$500,000 threshold (to indexed annually) so that any value in excess will be treated as part of the taxpayer's investment asset.
\$1,500,000 pro tem with an annual inflationary revision and relevant prevailing market & economic conditions
I would suggest a threshold around \$750K.
This would punish those living in Sydney or Melbourne. The owners of a modest house in these cities would be hit, while those owning more substantial homes elsewhere might not be impacted.
A threshold is difficult but maybe something like 50% above the median value in a suburb. However, I think that pensions should be paid to all retirees without a means test and all income should be subject to taxation. Maybe the tax would be at a lower rate. It would be interesting to know if the total cost of running the Centrelink compliance system for eligibility actually costs more than allowing pensions to all with taxation on all.
Threshold of \$750,000 indexed to CPI.
The threshold could be tied to average prices in the LGA you live in. Also look at length of ownership.
Only count value above \$1million.
Significant value has a different meaning in different markets. Thus the threshold should be based on a the medium house value in a given geographic location. This means more work, but would ultimately be fairer.
Very hard to place a figure on assess value when your family home has increased over the years from \$18K To \$2m and you are penalized for being a saver and buying a home in your struggling years
Presumably, this exercise is to get people to live off the equity in their home using reverse mortgages etc. In principle, that is good if one is actuarially successful at estimating life expectancy. Since that generally is not the case, the full value of a residence may diminish government pensions to sub poverty levels. Excluding the value of the residence entirely is, frankly, a racket to pass on wealth to children (who probably can't afford to buy a new home until you die). So a significant value threshold seems a good compromise. Possibly, \$500,000, indexed to house prices?
If a pensioner bought his house decades ago and it's gone way up in value, why should he be penalized? He could be forced to sell his house to have money to live on.
Government cannot afford to do anything else. Too many well-off "takers" living off welfare.
Maybe something like: Up to \$500,000 exempt; \$501k to \$2m 50% of value assessed (would mean a \$750k asset test inclusion if home worth \$2m.

Firstlinks poll: Age pension eligibility for homeowners

<p>+\$2m 100%. (Above assumes no value deemed for the income test, it is simply an asset test asset.) The concept of the home being sacrosanct needs to be unwound. It is time for families (next gen who inherit) to start to examine this objectively. More and more we are seeing the mad scramble to release equity from the home when the parent needs residential aged care. The Centrelink asset test exemption contributes to the reluctance to forward plan.</p>
\$2 Million
double the median value based on postcode
\$3 million?
Including the full value keeps it simple and avoids arguments over what is an appropriate threshold in each suburb all around the country. However it should be complimented by a modified pension loans scheme so that the couple who bought where they could afford and have well established support networks in their community are not forced to move just because someone else now wants their patch of land and is willing to pay ridiculous sums for it.
Include 50% of the rental value of the property in the Pension Income Test.
Asset testing the home is way too simplistic a supposed 'solution' to the problems of the current systems.
The threshold must be relevant - e.g. Sydney medium prices different from country median prices. Even calculated on median prices of suburbs
\$1 million should be the threshold - it takes into account value increases over the years and anything over that threshold could be accessed via a Pension Loan Scheme arrangement
Include the value of your home above the average price of a 3 bedroom townhouse/unit in your LGA or the average price for a house in your state, whichever is higher.
I would only include at say age 80 when it would not be unreasonable to move effectively out of wealth accumulation to wealth amortisation.
Based on average house price in Aus
\$1.5 million
I would suggest a threshold that is multiples of the median house price in a particular city say 30 years ago..
I believe that there should be a formula for determining the threshold. The formula should consider elements such as median income, the cost of living Index, and the rate-able value of the property in question.
Threshold being the median house price on a per regional basis
Perhaps to make the politics less toxic - have a (say) five year implementation date to reduce the political capital to implement it and the time for people to adjust.
Threshold should be set at the median house price on 1 January each year. This enable authorities to adjust pensions, etc fro the start of next financial year.
2.0 x national median
\$2 million
\$1.5 million
I would suggest that a homeowner with a home worth over \$2 million should not be eligible for a pension; part or otherwise. The social welfare system needs a major overhaul but I doubt any Govt; will touch it.
threshold should be determined on a postcode by postcode basis
The problem with having a threshold is that you would need hundreds of them - one for Sydney, one for Brisbane, one for Widgiemooltha etc etc. Because the value of a person's home has increased doesn't mean they are wealthy. As your article states, a person who has worked manually all their lives and lived in a working class suburb which has experienced huge price rises, may have very few other assets.
Will never happen, no Govt would be brave enough!
Remove the Homeowner and Non-homeowner assets tests and have a single assets test threshold for the age pension which tapers after \$750K. Increase the Downsizer contribution to \$500K. Remove tax impediments for

Firstlinks poll: Age pension eligibility for homeowners

Build to Rent projects as most retirees biggest fear of renting is being forced to move out. This would free up houses and promote downsizing.
\$850,000
The comparison of investing in a private home versus investing in a job producing business pokes me in the eye. These should be far less inequitable examples and arguably investing to take on business risk should have a higher reward than investing in a mansion.
\$1m
This is gonna be the contentious issue.
The threshold would need to be the median house price within a specific region - you cannot set a value when the difference between Sydney house prices with outback Queensland prices are many \$100,000's apart. Or are we then expecting all retirees to have to sell and move to low value properties to survive.
You can't eat your house unless you sell it. Where do you go after you sold your own house in old age? You might want to live in the area you have lived for many years where you can't just buy a cheaper house. You might have to move somewhere else which is unrealistic for most old people. The other thing is, a lot of people have worked very hard all their life for owning their own house as their main asset. Why should they be punished for saving hard for owning a house, instead of spending it all and relying on the Government to supply public housing for them? In addition, I am a believer in giving everybody the age pension. No means testing. That way we save a lot of money on bureaucracy. The tax system, which has to be designed that pensioners pay reasonable tax, will collect half the pension from wealthy people anyway. There are other countries who do just that, example Switzerland.
I threshold value, indexed annually in line with the movement in annual hose prices, by state, would seem appropriate. Linked with the ability to still draw a pension with a loan back scheme through the Federal Government would appear to be a sensible solution. Something needs to be done to bring some form of balance and equity into the calculations.
We have paid of a house over decades and only now have home prices soared next year they might be 25% less Don't be a bill shorten [!!] off and leave my home alone
Have to allow for diffs between urban & rural valued
I personally know of elderly widows who are living in massive 5 bed houses that are deteriorating due to not being maintained. They do not want to sell solely because they will lose their pension. The thinking that "I paid taxes all my life therefore I deserve that money back as a pension" needs to be wiped. There seems to be a bit of tall poppy bashing in Australia for "self funded retirees". PLS and Reverse Mortgages should be more mainstream sources of income in retirement. Timing of implementation of such a scheme would be crucial. Perhaps the asset threshold, including home, should be set high and progressively brought down over ten or twenty years.
Fix the problem and stop treating the symptom. We need a universal pension system so all this margin stuff goes away
maybe make the threshold \$1.7mkeep it the same as the Account Based Pension limit concession
The threshold MUST not be left stagnant, it must reflect inflationary trends, up and down
400k threshold
Threshold should be \$1M. Right to pension entitlements should be maintained but pension claimed and paid in excess should be charged against the property.
A very difficult question to Answer. Given that you could have someone living in a multi million mansion on the North Shore on a full pension, but someone living in a small house in a regional area receiving no pension because they have saved their money into super. I would suggest a base home price of \$2M regardless of where you live. I would also suggest a universal age pension (for everyone) with the home considered as an asset above \$2M and a tax on all income above \$100,000.
Exempt up to a value equivalent to the current single and couple total assets cut off thresholds.
A home for many without significant income or other assets is of no real practical monetary value. What do we expect these people to do, sell up and move away from family and friends to some cheap far flung place?

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Due to the huge disparity between capital city and regional house values I think a dollar value is inappropriate and the threshold value should be percentage. Say 50%.
The average value of a dwelling suitable for a retired couple (e.g. a 2 bedroom 1 bathroom apartment)
One have to live some place. If you sell to get cash you have to buy at the new inflated prices - not the bonanza it is made out to be!
over \$1M
Just because a person still likes their older house they shouldn't be penalised for rising property values
If you have chosen to purchase a home versus spend on your lifestyle you should not be excluded from the Age Pension
circa 5 million.... forcing to sell by devaluing pension against own home should have a threshold set high enough so as not disadvantage in any way the aged homeowner.
No not yet. The playing field for the taxation of property for owner occupiers and investors needs to be levelled first and markets allowed to adjust.
However the problem is if you own a place that has massively increased in value, and you eventually wish to downsize, if you go ahead and sell and move into a smaller place, you most likely will be hit with having too much cash wealth and be knocked out of getting any Centrelink pension. For some people this might be difficult although I think there are plenty around who don't need a Govt pension. i.e. they have plenty of their own SMSF, other super or corporate pensions. However there will be inevitable losers somewhere
Base the threshold on the national median house price as this may also encourage people to consider moving to regional areas reducing congestion and slowing price appreciation in our bloated overpriced capital cities. The PLS is grossly underutilised and is the perfect solution for those who choose to continue living in their current property and addresses the generational equity issues and raises much needed cash to pay off the national debt.
use 80% of the V.G value.
no, prices go up, but also go down like during the GFC, the government is always too slow to change tax based on value. And who will value your house ? The real estate agent or the bank or even worse, the government
LGA median house price +20%
\$1.5m indexed to house prices. Paradoxically though this could increase demand for houses just below this threshold, making it even harder for first home buyers.
There must be significant reform in the interest of fairness for all people - particularly to improve inter generational equity. This must happen sooner rather than later - we need quality political leadership to drive this reform.
there should also be a universal taxed pension based upon age! When the property is sold it is taxed! no exemptions.
Threshold set at \$750K Possibly release Annual max pension from house value .with ato collecting equity interest free in property cutting out at threshold
Median city house price indexed to inflation or tied to cancel land rates.
Allow for city, regional & country valuation adjustments
Another layer of bureaucracy..would cost far more than any saving
Also note that any debt on the house should be deducted from its value so that the full pension would be payable once the net value had declined below the threshold
The threshold should be the additional amount that non-home owners now can have in assets compared to home owners. (\$216,000). That has been and is considered appropriate, so that should be the yardstick.
In large cities such as Sydney and Melbourne the deposits and prices were very high. We saved for 5 years for deposit then paid over 50% of wages on housing loan. Not so different to today. In other parts of country deposits and loan repayments were lower, thus the sacrifice lower.

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<p>Sounds good but without PLS clearly required in addition to including value, AND pls repayment percentage adjusted to account for falls in value at sale, I just feel more vulnerable to market forces and govt policy tweaks.</p>
<p>Perhaps the threshold should be the median average/median house price in each state/territory.....i.e. a different value for each state/territory due to the major discrepancies between them.....however, I acknowledge that this may create an administrative nightmare.....also, there may be an issue with pensioners owning properties in 2 or more states/territories!!</p>
<p>One level of threshold across the country might be seen as unfair, given different houser prices. But simplicity is key, and if the first objective should be to stop the higher quintiles obtaining the pension, simplicity should not be a problem. If the threshold is high enough to achieve the objective it should not present insuperable political problems. A level at say 3-4 times the median price in Melbourne or Sydney seems about right.</p>
<p>Who does the valuation and how often? The problem with thresholds is that they are never increased to match reality.</p>
<p>The assets test is not fair if the primary residence is excluded. Other assets like motor vehicles and furnishings are included, what not the house?</p>
<p>Given the decades of toil and struggle to pay off the mortgage before retirement and sacrifices of foregoing extra super or lifestyle choices. Why on earth would you foolishly agree to forgo whatever meagre pension entitlements to give support to including the principal place of residence , my home, in the assets test for the age pension!</p>
<p>Age Pension is already highly targeted, expenditure as a percentage of GDP is low by international standards, and home ownership should be supported not penalised.</p>
<p>\$500,000</p>
<p>\$1 million</p>
<p>The threshold is a tricky one, I think \$750K - \$1M is a good start, might required regional specific scales, but I think it's a move that really needs to happen.</p>
<p>Pensioners still live in their own hard earned house, still need to pay rates n utilities, unable to obtain cash out of this asset.</p>
<p>Why should pensioners be penalised for market forces over which they have no influence</p>
<p>I have been supporting a threshold means testing for ppl for over a decade. The welfare burden for society is too high when there are a significant segment who have exempt assets well above the means test / asset limit.</p>
<p>The aged pension cap and taper rate would need to change, otherwise no-one in a major city would be eligible. It's likely all too hard as whichever government changed the system to capture PPOr value would face election loss. Then there is the problem of having to mark to market every home every six months, as is already done for other assets. Can't be done, so don't even try.</p>
<p>Should be high >\$2m Scope for pension loan scheme to supplement</p>
<p>the value of the home should be counted as you can readily draw down funds against it. Alternatively all means/wealth tests for the pension should be abandoned and we just have a universal aged pension once you reach a given age,</p>
<p>Rising housing costs are due to Govt. Policy . High Immigration and failure to develop new towns and cities naturally push up prices. We should not be penalized by the Fed Govt.'s actions .</p>
<p>AUD\$2million threshold</p>
<p>The issue is not to throw out the baby with the bath water. However, if a pensioner has a property with significant value, then there should be threshold after which the excess is assessed. That again depends also on regions as for example house prices in Melbourne and Sydney are considerably higher than in other cities. That also applies to rent. The question would be using a calculation using rent to calculate the threshold, without distorting property values. However, a much neater way would to drop the current negative gearing as that is largely the problem. Thus it has be in conjunction with proper tax reform, otherwise you are creating another problem and disadvantage an even higher part of the pensioners.</p>
<p>Start at \$1 million</p>

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While I'm unable to suggest an amount, whatever figure is used will need to take into account regional differences somehow. We don't all live in Sydney or Melbourne.

Abolishing asset test would eliminate the government guaranteed 8% return on converting Age Pension assessable asset capital to non-assessable home improvement.

\$1million threshold

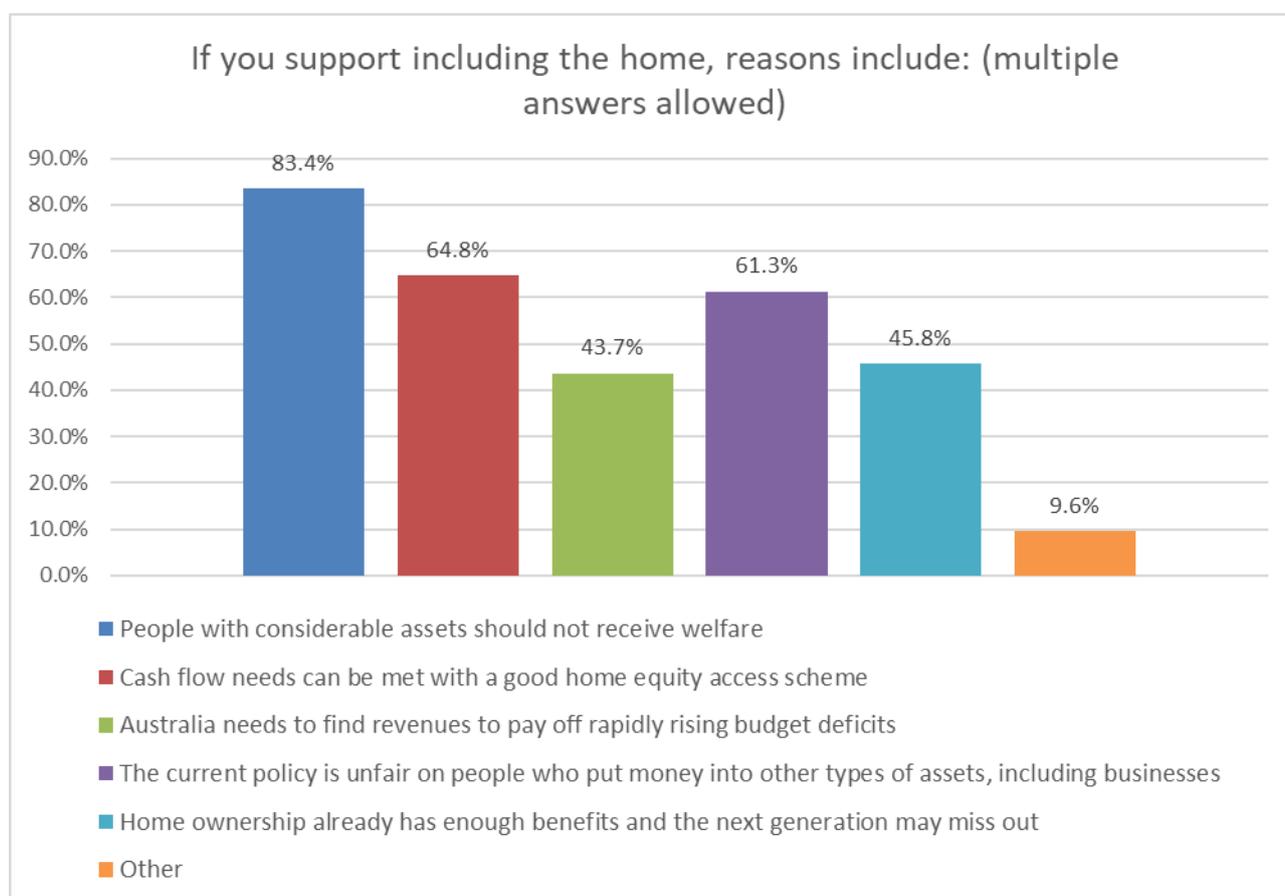
Brave to do that to Sydney Sixers. But why should an assess above \$1-2 million be exempt?

\$1 million

Firstlinks poll: Age pension eligibility for homeowners

If you support including the home, reasons include: (multiple answers allowed)

People with considerable assets should not receive welfare	83.43%
Cash flow needs can be met with a good home equity access scheme	64.84%
Australia needs to find revenues to pay off rapidly rising budget deficits	43.65%
The current policy is unfair on people who put money into other types of assets, including businesses	61.31%
Home ownership already has enough benefits and the next generation may miss out	45.75%
Other	9.59%



Other

Pension should be paid to all but means tested to include complex business structures to minimise tax etc
Valuing a home is different to the actual selling price, it can be manipulated. Selling involves shifting usually away from friends family etc and at an elderly age that is not pleasant for a variety of reasons. How will people in country areas benefit, their homes have gone up very little in actual \$ compared to say Sydney, by country I mean 500 km from a city, those people are already disadvantaged enormously in terms of health issues etc. Setting a figure is wrong, there would be too many different figures for different areas, maybe a more complicated formula say to take in price growth since people retired. Take a small country town, growth would be lucky to be 20% over 10 years let alone 1 or 2 years.
Encourage down-sizing which will lead to more homes available for young families & downward pressure on the price of such houses.
all of the above + they can cut the CSHC as well, but again none of these things will happen
The Aged Pension should not be welfare, taxes are paid to entitle tax payers to the Aged Pension.

Firstlinks poll: Age pension eligibility for homeowners

We need to be mindful that we do not discourage Australians from creating wealth and taking responsibility for their own welfare.
Greed. We are too greedy and we all need to think about the future for our children's children. We are also dependent on resources which is quite fickle.
The aged pension must go to those who need it & not to those who restructure their assets to enable this access.
The current situation discriminates against pensioners who rent, particularly divorced women who could not get back into the housing market
Less people will be able to afford property in future years
The basic reality is that a decreasing pool of tax payers has to fund the aged pension, somehow, along with declining investments in our medical services, infrastructure etc.
The threshold could be equivalent to the changeover price for a downsizer purchase or apartment within the same LGA of their existing home in Sydney say up to \$1.5 million
The rise in home value has little to do with the effort of the owner. Just luck.
The current policy distorts investments into the principal place of residence
People who have gone without while working to provide a home for family should not be punished in favour of those spending up big and have nothing in retirement.
I have worked hard to pay off the mortgage as well as have some businesses. Now that I have stopped working, my business in my retirement are taxed however my home is modest. Thus a cap above the median house price should be encouraged.
It is so much healthier on so many fronts to only plan for our own finances, not our children's.
Why should taxpayers subsidize inheritances which can be very large - especially as we have no inheritance tax?
Many self-funded retirees with houses currently do not receive any government support, and spend their life savings supporting the Australian economy.
Sale of family home above a limit should be subject to CGT
as well as rationalise soc sec generally; fixing excise, land tax
All will be cashing out super and buying multi million dollar houses to avoid death duty on inheritances
Policy should incentivise consumption of savings by each generation in retirement, not tax-concessional bequests
Changing the mindset to borrow against the home will be difficult, but will lead to a better quality of life for those who do
Don't forget current rates. I'm 75 & was paying 17% interest back in the bad old days. Don't know how we managed.
The paying off debt argument is a furphy.
The taxpayer should not have to fund beneficiaries of the estate.
It would open up choices in retirement, people not 'forced' to stay in their home or lose income streams.
We scrimped & saved. Super wasn't available for most of our working life. We had small houses, old cars & no dishwashers or expensive holidays/meals. Now we are to be punished for going without
What about negative gearing, political parties are more interested in ensuring re-election
There needs to be a new conversation about paying our way through life where we can and reducing welfare to the truly needy.
govt to offer cheap reverse mortgages or cheap loans
Encourage downsizing as property needs change

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73 year old full pensioner still has a mortgage
There should be more incentives for those on pensions to earn more than is allowable now
Current policy discriminates against people that live in regional areas where homes are cheaper.
Why should the young have to subsidise these millionaires when they already have so much debt of their own and it's so hard for them to get ahead.
Political - whilst this might lose favor from some older voters, it might gain favor from a > # of younger voters!!
We have to reduce the investment in non-productive assets
I agreed with all the points made in Graham's article - well done for bringing all the arguments together.
Our kids will inherit our home tax free, and a lot of good reasons why well off people can buy a \$5.0 million house (or more), no income tax, no capital gains tax, and the potential to also get some government cash under the age pension provisions.
Excluding the home may discourage downsizing to smaller properties for fear that will lose their pension. If pension entitlement are unaffected, and the retired might be more inclined to move and free up family homes for others.
Some very rich they even should not receive Medicare they can easily fund their own
the current Government access scheme looks equitable and reasonable
OaP and Govt pensions should be treated the same for the countrys benefit
The present system is highly inequitable for non home owners
great article totally agree
Perhaps the 'other' benefits could be pruned rather than the pension itself, ie Health Care Card etc. These on their own are very valuable.
The next generation has missed out
Those retired who rent have to rely on handouts of food to survive. If you think that \$2-15 cents a week is enough to live on, please think again. Single pensioners don't own a house.
Intergenerational tax free inheritences aren't fair on others.
- 'smart' pensioners will pre-plan well in advance of such possible changes. Therefore impose a period of years which will preclude such planning.
A policy change may force people to rethink using their homes as an asset and actually improve their lifestyle in retirement years. This could have a flow-on effect of better health outcomes, meaning less reliance on the public healthcare system.
The cost of the aged pension to the Australian Government is significant. The money has to come from somewhere. A portion comes from taxpayers many of whom are younger people who certainly do not own a million dollar house. Perhaps PAYG tax rate could be lowered if aged pensioners could be reduced.
Pensions from overseas employment and contributory pensions are treated as taxable income, unlike Australian based pensions. They should be trated the same. I think they should both be treated as taxable income unless contributions can be shown to already have been after tax.pensionsion schemes are not treated like Australian based pensions. They should be
The cashflow is available within the equity of the home, and therefore does not require access to welfare for supporting living arrangements.
It will prevent people upscaling their home in order to receive the pension.
The current environment us causing unnecessary increase in valuations
How is it fair that the system that allows/encourages retirees to pile their funds into a "family home" so they can claim the pension and all the associated benefits?
Provide an aged care security for ageing people to be cared for as they become frailer

Firstlinks poll: Age pension eligibility for homeowners

The current policy only benefits the relatives who inherit a tax free lump sum with no obligation to pay for the benefits given to the parent
It's unfair to allow people to have significant assets and obtain social welfare payments. Unless we move to universal pensions and possibly universal wage in general. If we work on the basis of limited resources to welfare payments then they need to be more equitably allocated. People can use reverse mortgages or other similar arrangements to access their wealth in their home if it's of substantial value. I am self funded as a retiree in a very modest home (probably 50 to 60% of median house value in Australia with most of my wealth in superannuation to pay for my retirement. I could buy a mucj better house and then claim a full or part pension.
Negative gearing should not be used
I think all assets should be included. I think also that government pensions to ex politicians should be radically reduced unless the recipients are impoverished, to help reduce the massive budget debts these people have incurred 'on behalf of all australians'
Why are the young paying taxes to fund pensions for people who own houses the young could never afford
Nah
when the horribly ineqitable tax rate system is addressed and some degree of equity is achieved through an actually progressive sclc then perhaps start looking at whether pensioner are getting too much of the cake...on not.
Something needs to be done about the rediculously high price of property in Australia.
Odd that someone sitting in an expensive home may be receiving the full or part pension.
Too many with too much receive the pension and added benefits
I could help our country to have incentive to finance more productive ventures.
Australia can find revenues to pay off rapidly rising budget deficits by spending on necessities instead of useless items like "Nuclear" submarines.
Tax free house gains distort asset allocation
It encourages singles or couples to keep a larger house which restricts supply for the younger families, which increases prices. I personally don't like my taxes going to pay an income so a pensioners children can get a large inheritance.
Shares
Only ticked budget deficit justification because the spending causing such deficit benfits these same homeowner, probably more than non-home owners.
Re "fairness", the simplest solution would still be for everyone to receive an age pension.. (cf. the Netherlands and some other European countries)
First Q re Considerable assets -- what is considerable?
Also conflict of interest. How many polticians hold multiple investment properties or PPOR's? Voting against policies is against their interests
If all superannuation pensions and capital sums are taxable at standard rates, the amount of value locked up in the home is irrelevant to government and becomes a matter of personal choice.
* 'Considerable Assets' needs to be quantified, and the tax benefits of investing in multiple houses needs to be fixed before cutting pensions for people with valuable homes
Would encourage more downsizing and more appropriate home ownership, possibly increasing supply which may curb growth and improve affordability to younger generation
People who have sacrificed income into SMSFs and other super funds via Salary Sacrifice and Non Concessional Contributions should not be indirectly penalised by others benefiting from the tax free and exempt status of the primary residence.
Might encourage downsizing but must keep current provision to transfer some of the value of the house to super (ie don't change current superannuation laws)

Firstlinks poll: Age pension eligibility for homeowners

People are fully entitled to enjoy an asset they worked and saved so hard for - but, it does seem inappropriate for truly excessive home values to be ignored.

Logic!

On my death the taxable component of my Super. fund balance is taxed at 15% before my adult children get that balance but they pay no tax on inheriting the family home even if it increases in value after my death subject to them selling it within 2 years. A manifestly unfair situation primarily benefiting the children of capital city residents!

I think that pensions should be paid to all retirees without a means test and all income should be subject to taxation. Maybe the tax would be at a lower rate. It would be interesting to know if the total cost of running the Centrelink compliance system for eligibility actually costs more than allowing pensions to all with taxation on all. I understand other countries such as Canada and New Zealand have something along these lines

Less spent on those that could otherwise contribute to (public service provision) could be freed up to better fund the essential services we need such as public hospitals, schools etc. A needs based approach should apply to all areas of public service provision. Not to exclude people but to rightly assign responsibility to those that can afford to contribute so there is more available for those that can't. A traffic light Medicare Card system is needed. Only green cards get free access, Amber pays some and red pays \$100% or insures.

Govt should provide HECS like loans to pensioners and loan could be recovered when they pass away

Total wealth including the home, family trusts etc be considered for all welfare recipients.

Including the home forces retirees to downsize from large homes and provide for future transformation of their home to medium density living to help with increasing affordable living in the suburbs and reduce urban sprawl, reduce infrastructure costs etc

current regime encourages non productive investment

Residential property is an unproductive asset and is a disincentive for small business investment.

There must be a corresponding "building boom" in retirement living options. The perception of the elderly I know is that, if they don't own their own home outright, they will run out of money and be put out on the street.

Also Super needs to have a cap with income derived from assets over the cap subject to normal taxation rates

The property home owners already get a CGT exemption. You are rewarded for holding assets up in a CGT exempt asset. If you downsize you are penalised

Tendency is to retain ownership of high value homes to ensure the pension rather than selling and living cheaper but with higher pension assessable assets such as cash

Older Australians are being allowed to transfer far too much wealth to their children after receiving the pension for years on end. These people have no financial worries, enjoy plenty of enjoyable activities, receive cheaper health care, etc than those who are self-funded and struggling to receive a level equivalent to that of the aged pension from their capital.

nothing wrong with current system except for owning a property higher than 5 mill

often home owners without a mortgage also have significant other asset to draw upon

It is grossly unfair for people to take public money when they have a single asset which could be used to fund an income in retirement

there needs to be a balance between the "super homes" and the simply expensive homes which have appreciated in value over many years people who have owned a home for more than say 20 years should be allowed to have that value not included in any test

There is evidence that the exemption for the house is being used to game the system

The current policy is unfair on younger people having to pay more tax to pay unnecessary benefits to older people more well off than themselves. Older people already benefit from the much higher health costs they incur, which I believe is a far more important and necessary benefit. I am "an older" person.

Tax the rich

Asset rich cash poor homeowners may be forced to sell potentially increasing market supply in turn slowing house price growth

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Combination - level playing field

proper tax reform, stop the tax cuts, include another tax threshold after which the tax is 60%. Stop distorting the overall picture, we have ultra wealthy people being able to live in an overall very secure environment.

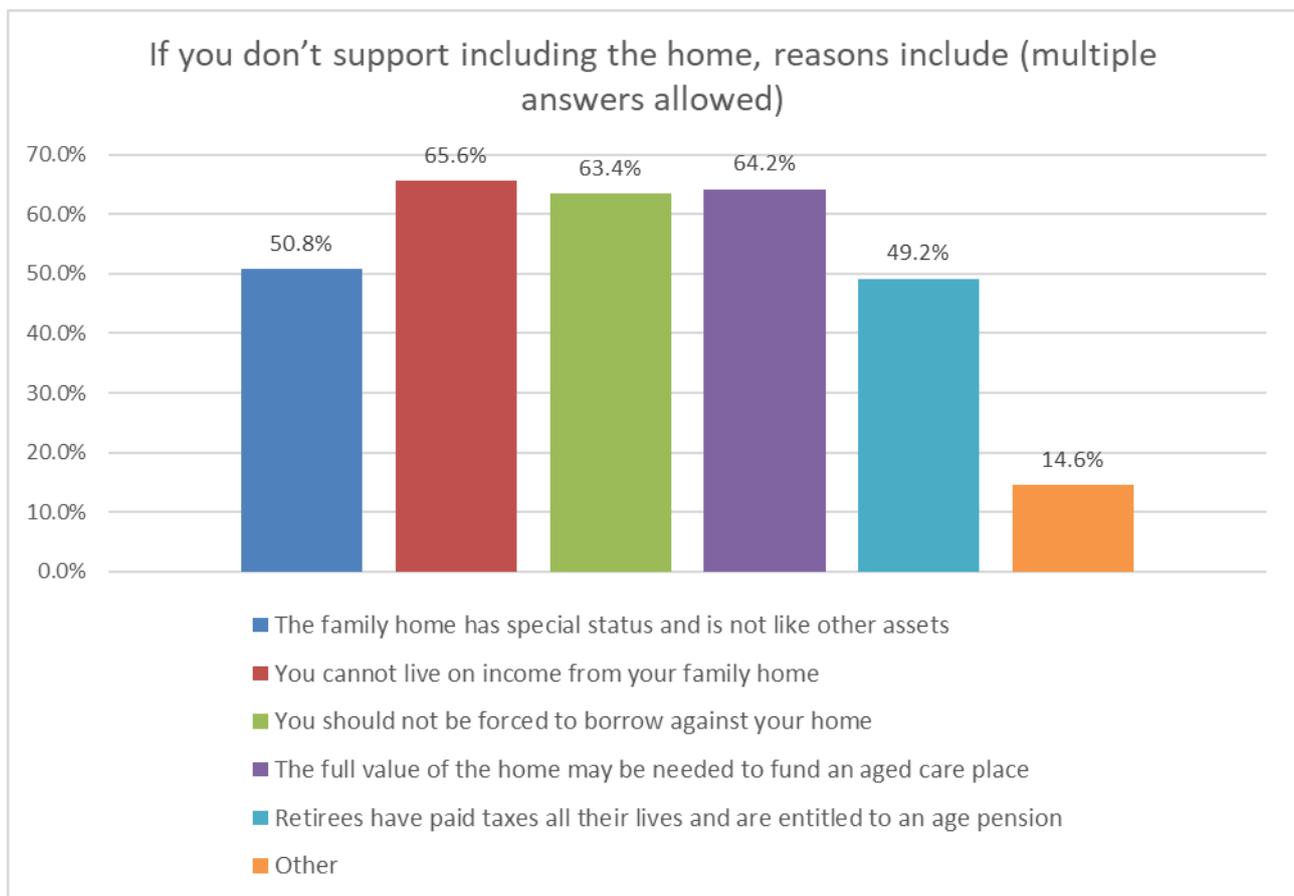
Home ownership is vital entering retirement.

The same argument you use for business investment can be used for super, ie. those who have heavily invested in super at the expense of housing are also detrimentally treated.

Firstlinks poll: Age pension eligibility for homeowners

If you don't support including the home, reasons include (multiple answers allowed)

The family home has special status and is not like other assets	50.80%
You cannot live on income from your family home	65.60%
You should not be forced to borrow against your home	63.40%
The full value of the home may be needed to fund an aged care place	64.20%
Retirees have paid taxes all their lives and are entitled to an age pension	49.20%
Other	14.60%



Other

Change the joint income status. Should be based on individual income not joint. One working the other not receiving adequate income.
To go to my children.
I recognize the need to raise taxes to fund our services. A better place to look is negative gearing on properties; CGT discount; Div 7A loans; trust distributions to beneficiary companies; company tax that is not paid at the correct rate and all the other loop holes in the tax system. Maybe a few less submarines will help the deficit as well!
by the time a person hits their 70's moving is stressful and it is harder to build community.
You haven't talked about the emotional value of a home people may have lived in for decades - their community, family etc
Move out of the inner city stop being jealous
Read earlier. This is an easy cop out that protects the status quo and does nothing to tackle the situation

Firstlinks poll: Age pension eligibility for homeowners

<p>Fails the overall "fairness" test, unless undertaken with other major structural reform of the super and tax system</p>
<p>You may also have health needs you may need to pay for or expenses to fix your home</p>
<p>We all know that rules change all the time. You borrow against your home at say 5% within a few years it will be 10%. Banks are not known for their integrity and are only out to improve their bottom line.</p>
<p>I was never entitled to first home buyers, reduced stamp duty and paid my full tax. Now society wants to punish those whom in spite of all the barriers looked after their own requirements for shelter. Keep killing incentive and see what happens.</p>
<p>Home owners invested their savings in their homes based on the current rules. It is not fair to change the rules retrospectively.</p>
<p>Refer to comments in Q1</p>
<p>Most low to moderate income earners who have both paid taxes for 40 years plus have gone without luxuries such as regular holidays and eating out to save for and pay off their home and should not be penalised in their old age for doing so, they have not had any welfare payments. Why can't we have a government pension scheme to pay into all our working years to fund a guaranteed reasonable pension for rest of our lives, as in some other countries.</p>
<p>Your own home should not be treated as an investment</p>
<p>Mental Health issues - retirees need less stress and simplicity not another mortgage</p>
<p>Once somebody reaches retirement age, regardless of if they are eligible for a government pension, they should be able to access reduced health care costs and the other benefits that pensioners get. These people have paid taxes all of their lives (to fund health care, public transport etc for all). Every single person of pension age should be entitled to the full discounts on those services.</p>
<p>Changing the rules for older people is ageism.</p>
<p>A family home can be a step up for children upon our demise to purchase a property or does the Government want to control everyone to be homeless in the future ..no logic that this would be an asset to the Government not having to provide welfare to the homeless and to build welfare housing</p>
<p>it promotes inequity based on rural or suburban Australia</p>
<p>Not all parts of Australia have risen in price like Sydney and Melbourne</p>
<p>If you tax the family house then ALL the expenses incurred will become tax deductions. The rich will only get richer</p>
<p>None of the above as it sounds like the author has sour grapes and feels that they have been hard done by. Most of the older generation never had superannuation policies (unless you were government employees); until later on in life then what they had got stripped from them due to bad government management.</p>
<p>Would be forced to sell home to live without age pension. No superannuation.</p>
<p>Politically impossible for the boomer generation. Gen X et al - yes.</p>
<p>We paid extremely high interest rates to buy our homes. We went without, lived within our means. We didn't go to the pub, gamble, or didn't borrow for anything other than the family car,</p>
<p>only impacts a minority not the majority</p>
<p>Government policy is inflation. In time every home would reach the minimum threshold and correspondingly no one would be exempt from this proposal. Inflation is not a requirement, it's artificial. Also the sooner our economy becomes more manufacturing based instead of import reliant it will also benefit the economy. I worked in paid employment up to nearly 73 years of age and was fortunate enough to freehold in under four years on a single income. This will allow us to provide for a son who through injury can no longer work and give children who have struggled and also helped us achieve our goals to get a return to help them in the future. It's not just all about the poor level of government but about working families trying to help each other. Taxes already were consuming nearly half of my income in PAYG, sales taxes, duties, GST, Local body taxes etc. Now you're proposing that the Government is entitled to access the rest. I disagree. I believe it's time this Government start acting a bit more responsibly, billions paid out in innkeeper but only pursuing thirty million from welfare recipients. Millions on sports torts and car park torts, the list goes on and on with no</p>

Firstlinks poll: Age pension eligibility for homeowners

repercussions. It always seems to be easier to hit welfare than man up and do the right thing by example and the country would have been in a much better fiscal position.
People who have worked hard to achieve something should not be penalised
Look at other ways to make home ownership more affordable cut the taxes on land subdivisions, reduce from council water and sewage rates on subdivision blocks prior to building, limit the time that subdivision blocks remain vacant and increase interest rates and stop banks charging varying rates to increases and decrease in interest rates rates
I agree with all of the above
"Fair" - is not taking from one and giving to another
I agree with all of the above. When moving into retirement mode people have certain expectations based on the rules of the game. It is not reasonable that Government moves the goal posts in order save money.
Houses appreciate over time [historically speaking] but that is only part of the reason that the owners bought them in the first place. They provide safety , a sense of pride and achievement , a good place to raise a family etc.. Social stability would be wrecked if every possession was "up for re-classification" and "up for grabs" every time a "progressive-bureaucrat" "felt it was a fair thing" !
All the above
People lose motivation to fund their own retirement. Why work hard and save when the more you save more you lose
should have a universal pension like NZ but a more effective taxation system that taxes super earnings as well with some pensioner concessions.
It is not the pensioners fault that the house prices have risen dramatically over their adulthood
Often been held for decades, shouldn't have to be penalised for unavoidable value increases
Needs to be part of a full scale change to the tax and welfare system.
House price inflation is not included in the CPI, but inflation of asset prices is not income.
It costs a lot of money to maintain the home
Repurchasing alternative socially connected accommodation may not be possible from the sale
This may be the last generation to easily afford a home. There are no more pensions for life. Superannuation for many is a user paid system, where many on a higher salary, can save more for retirement through salary sacrifice. With wage stagnation, ones on modest incomes with homes who are working longer to lay off the mortgage should not be penalised.
Yes, lets totally destroy the great Australian dream - even John Howard had a dig when suggesting to "DOB" in is OK ! Family homes get sold and the monies are distributed amongst siblings - they spend it, it is even referred to as a velocity, perhaps because it gets spent so quick but that is what helps drive the economy so the reality is to penny pinch pensioners is a cheap grab that ultimately deprives their children of monies that drive the economy and let it not be forgot that Govts wastefully spend (Kerry Packer) !
Home prices are out of control. Remove negative gearing on family homes.
Many retirees have not had the benefit of super accumulating from when they started working (as workers do now) and so rely on pension benefit to force a person out of their family home by asserting it is a very expensive dwelling is a nasty shot at older Australians in a cheap bid to save paying them the pension - If you wish to save Govt money look at Govt - and if you are more serious stop spending monies on submarines which drones will effectively eliminate very quickly in a real war !
A home is an investment. The reward should go to the investor.
you can't just change the rules on people that have made plans based on a set of rules.
impossible to do this equitably with house prices varying so much between regions
Gone without to be able to support themselves through their working life, not put hand out for \$38000 yr.in retirement!
Pension should not be part of welfare but depend on the number of years someone has been employed or carried a business.

Firstlinks poll: Age pension eligibility for homeowners

Due to SG contributions the cost of age pensions is decreasing every year, there are far more important things to be fixed in Australia.

It would be disadvantage to residents of the major cities

Retirees have paid taxes all their lives are not entitled to the age pension. The Australian Govt encourages all workers to provide for their retirement and if they don't do and anything to help themselves it is their lookout t

Can not trust politicians to get it right

Such a proposal is totally akin to the current proposed WA legislation known as " Kicking a Granny out of her flat " !!!

Family home association stimulates memory and its retention can benefit many who ,if moved rapidly develop age related disease.

Every member of the household has made a contribution.

The politicians have a generous pension scheme - consequently decisions they make doesn't effect them when they retire.

The same size house varies significantly in value depending on location

rather than point at this supposed solution, ideal outcomes need to be developed, across the spectrum of society, and worked backwards to policies to support those outcomes

A standardised pension without means testing is simple to administer. It does not stop a government providing additional benefits to those who need them

Why punish retirees who saved all their lives. They could have spent all their money and rely on the Government for public housing.

Aged persons should not be placed under pressure to move.

there should also be a universal taxed pension based upon age! When the property is sold it is taxed! no exemptions.

As noted, Sounds good but without PLS clearly required in addition to including value, AND pls repayment percentage adjusted to account for falls in value at sale, I just feel more vulnerable to market forces and govt policy tweaks.

The increased home valuations over the years only barely compensate for the forgone earning opportunities of money spent in interest payments on the mortgage. Leave my bloody home out of this. If you want to rent and blow your money on lifestyle be my guest, I sought an alternative choice for peace of mind in my retirement years.

Those who have bought a home should not be penalised

Govt policies have caused the value of properties to increase dramatically - it's not the pensioners fault.

Too complex to implement

The effect would be unfair as it depends on location of a house bought many years ago .

The Age Pension assets test, and minuscule interest rates, is the cause of Age Pensioners keeping wealth in their home.

Firstlinks poll: Age pension eligibility for homeowners

Any other comments?

<p>People with homes over 1.5 million should not get pension. They should do a reverse mortgage and live off there home. PENSION IS FOR THOSE WHOM DONT HAVE A HOME AND ARE STRUGGLING. UNFAIR PEOPLE ON 3million home getting pension its s disgrace</p>
<p>We all know the noisy wheel gets the most oil, same goes for those who are closest to a politicians ear, the result will still favour the 'lucky' or those put in the effort & so it should be. The extra payment to the unemployed for the first part of covid is hard to swallow when nothing changed for them, so talk of increased national debt is ridiculous when more good money is thrown at those who do nothing.</p>
<p>Now is the time for ALL tax benefits on investment properties. We also need States and Federal to build housing for those who will never be able to purchase their own ie public housing.</p>
<p>Including homes in asset tests is financially and morally the right thing to do but it will be a bloodbath!</p>
<p>We should be focusing on driving down house prices to affordable levels for our kids and grandkids rather than penalizing retirees. The key issue is the unaffordability of houses for the young. If my house was worth 50% less than it is now it would make no difference to me as it doesn't impact my income. We are focusing on the "root cause" with this conversation.</p>
<p>Houses are affordable at current prices because ppl are able to buy them.</p>
<p>As above, depends on the age of the person</p>
<p>family trusts should be included. transfer of wealth to family members should not be allowed in order to gain pension. (the 5yr period) plan allowed to do so is far too short and encourages deliberate dishonesty.</p>
<p>Social welfare is for those who cannot afford to support themselves modestly in retirement. It is not a right for those who have considerable assets. i.e. their family home.</p>
<p>not really except that SFR's are treated unfairly and bring in universal aged pension</p>
<p>the pension should only be available for people who have limited assets/other income</p>
<p>Ever increasing house prices fuels inequality. Turbo charged by then being allowed to pass that onto children. There are only disadvantages to our wider society in allowing this to continue. For the record; I am a beneficiary of this 'system'. I am uneasy about it.</p>
<p>Idealistic but wishful thinking. if you are serious you need to start a communication action plan built from the ground up</p>
<p>Work is the answer jobs will give income and allow people to gain assest for there future care including a home</p>
<p>Welfare was said to be for the Disadvantaged and the relatively Poor, obviously this is not those who own a home and have assets between \$405,000 and \$884,000 (or non-homeowners \$216000 higher). Aged Pension must be for ALL, most Self-funded Retirees have paid more in Taxation than the Aged Pension recipients, they 'worked hard' to achieve and Accumulate only to become Ineligible, morally wrong. The owned home should be included in said Assets. The PLS should be in place to provide an 'Aged Pension'. Means Testing is morally wrong anyway. Those who have considerable Assets, generally speaking (excluding inheritances) worked hard long hours and risked a lot to accumulate. Constructively speaking Aged Pension recipients might be said to be receiving Free Money given those with Assets greater than \$884,000 are ineligible for same. People need to save for their retirement, might say they should not spend most of their money thereby saving it. What Aged Pension is paid in the middle East, or in Asia or the sub continent? No need to guess, not a hard one. JFK said it all when he said ask not what the country can do for you but what you can do for your country.</p>
<p>Why change?</p>
<p>Care needs to be taken to avoid negative social consequences, which as we know have knock-on effects for health and well-being.</p>
<p>Non home owners get rental assistance, home owners don't. Home owners have often gone without alot to keep up mortgage repayments. They have to pay council rates and home insurance, renters don't. Home owners have created jobs by employing tradies to maintain their homes. Rental properties claim any maintenance back on their tax. Negative gearing would have to be the biggest drain on tax revenue ever created. Wealthy people</p>

Firstlinks poll: Age pension eligibility for homeowners

benefit from it while 1st home owners can't buy a property. Remember home owners can't control the increasing prices and it usually results in huge council rates increases.
Excluding the "family home" from the asset test has passed its "use by" date ... time have changed and the rort of protecting an asset that simply passes to the next generation upon death, while at the same time as the owner receives an aged pension is classic "double dipping" of the system
Strategies need to be built into any strategic changes to prevent possible negative outcomes.
It would take a brave government to make any change in this area. Possibly also consider CGT on the principal place of residence over a time period - say 10 years (reducing at 10% per year).
Should follow NZ system. Just get a basic pension.
My mother is 97. Lived in same house for 75 years. When it was considered mangrove swamp country. Now worth over 1.2 million. She raised 6 kids there and would be lucky to have 50,000 dollars in assets. How would she feel?
If you have been able to work & gain wealth you should be appreciative. Some poor buggers have not had that benefit eg health or we are not all as capable as some so we have to show compassion to others. Rent in cities for elderly is horrible even with rent assistance.
Both of my children, aged in their 30s, are struggling to purchase homes despite saving considerable deposits. I want all young people to have the same opportunity to live in secure housing as older generations had. (I consider renting to be insecure.)
Money grabbing by younger generation as usual.
We desperately need this change to be implemented - the handy graph we get with our tax returns shows how much we are paying as it is. The aged pension will just get bigger & bigger without such change. Our kids are already burdened with HECS/HELP, impossible deposit requirements & often insecure employment!!
Why should someone on the same income all their life be able to put their hand out and collect \$38,000 pa. and someone that has saved all their life be penalised. Just envy!
The Age Pension is a barely livable amount for most people and provides a modest way to see out your later years.
Raise the threshold of assets test for non-home owners in this market
Yeah, not convinced. As we never put super support packages in place back then, we can't afford to pay pension now. Your income vs house price over the last 20 years has not taken into account the change in household income. In 1991 most families had 1-1.3 full time wage earners per household. Now it's near 1.8-2.5 abs stats. So it means that a family can still purchase a home worth similar value back in the 90's. But now with "gender equality" businesses know that we have twice the disposable income and can therefore be twice as in debt. Interesting article. A bit anti pensioner. Male, 26
Let the gov supply housing to everyone
Tack age pension eligibility for those who have their properties in family trusts first before you tackle anything else.
Reduce / eliminate the other tax incentives and expenditures that resulted in this situation before introducing what is essentially a new tax on elderly home owners. The speculative frenzy in the housing market needs to be fixed first.
Simply, people are living longer. The "over 85 yo" age group is apparently the quickest growing demographic. The media quoted that a "baby girl born today, has a chance of over 40% to live to over 100 yo". So, "retirement" may soon be equivalent to the number of "working years" in one's life. That is a long time to be reliant on welfare (aged pension). Australia cannot provide (virtually free) health services, pension and perhaps heavily discounted Govt. housing for such long periods of time (long retirements).
Building up superannuation levels to provide for retirement is far more difficult for women. For many owning the roof over their heads is critical to survival and any degree of well-being.
We got off our butts and worked hard. Left school at 15 years like most boomers worked overtime or 2 jobs to pay for things and went without. We also had to budget and didn't have 2 cars let alone these SUV's they have to have. We also had a BUDGET!

Firstlinks poll: Age pension eligibility for homeowners

When we were young we got no Part A or Part B funds from the government to raise our own children. We did not get a first home owners cash from the government. We did not get subsidised child care. I got child endowment from the government for \$2 per month. We did not get paid to have a baby. Stop giving dole payments to whole families and people who have been receiving this payment for decades. Stop demonizing the aged population.

Let's look at private health, I joined at 21 years of age. I had 2 babies in my 20's and surgery in my 50's, that is the only time I have used the hospital insurance. Until quite recently I have had to pay for pregnancy cover, things have recently changed. Younger people are complaining that the premiums are too high because of all aged people using the scheme.

I am almost 5 years over aged pension age and my husband is 15 years above pension age and we do not receive any government benefits. This is not a complaint, it is good to be able to support yourself but also good to know that you can remain in your own home and receive benefits if required.

For a young married couple who will never be able to own and will be renting for life... Our pension (assuming we'll live long enough to get one) its only fair pensions go to those who need it. Besides, the pension isn't even enough to cover the rent. Non home owners need significantly more support than they get.

The system is wrong if aged people are upsizing the value of their residence to avoid missing out on Government welfare and hand over a large inheritance to their children at tax payers' expense.

If you have been a taxpayer you should be entitled to claim an aged pension. In your retirement. Inflation means a million dollars is worth a lot less in the years ahead than it is now. It would encourage people to work if they knew they will be entitled to a pension in retirement.

I think changes recommend or considered should help educate the population concerning adequate financial management

Remember that the home is already included in the assets test in that home owners and non home owners are treated differently.

Do not target the pockets of the elderly to give the money to the 1% which get richer every year

hard work need to be rewarded, a primary residence worth \$1000000 is nothing out of the ordinary and should be excluded from the asset test.

The inequity needs to be smoothed out so things are more equitable for everyone.

Exempting home value from a welfare benefit distorts resource allocation. Cash poor people can be paid welfare but an obligation to repay should exist as in Switzerland.

We bought these houses when interest rates at much higher rates and now because rates are low , so why should we be punished twice.

introduce a 30% Inheritance Tax on all assets

It is refreshing to see Firstlinks involvement in this poll & the overall discussion re. wealthy home owners and retirement income.

there should be a universal pension like other countries and if you have other money you pay tax no one wants to go backwards in their old age and have to worry about their last years on this earth, pensions are far too complicated in already

Note : it had to be of value the hardship of owning a primary home . They did not enjoy their hardworking income during their working age as they are paying their mortgage not like the others who enjoy their earnings without providing for roof on their head

We should ditch the asset and income based tests for pension entitlement and implement a pension that is paid at same rate to everyone. Like the UK pension. A set amount - say 8% of the current 10% employer contribution goes into the government coffers and the remaining 2% plus any other concessional contributions (up to similar limits as now in place) can be added to build up Wealth to complement the pension. Regardless of ones wage (up to current SG limits) the SG is paid in. If the client dies, the 8% contribution goes into the pool and it's not recoverable by the estate. The 2% and any voluntary contributions made go to the estate or can be used by a spouse to top up her own pension entitlements. The pension entitlements should be similar to what they are today.

An added bonus to the above, is that we would be well served by reducing the number of public servants required to monitor the system had to make a universal system of payment relied upon for the retiree.

Younger generation should look at buying properties where they can afford them. It is normal that cities get bigger and the commute becomes longer for new buyers as the population grows.

Firstlinks poll: Age pension eligibility for homeowners

Age pension should be abolished altogether so that everyone starts working for their own survival and in the process live healthy lives with no time for mental ailments like depression, anxiety and boredom.
A reverse mortgage, or similar scheme, is necessary to provide cash flows if cash pension payments are withdrawn
In the wake of our massive government spending/misspending of the last two years, future government funding will require tighter controls of expenditures and additional revenue sources. Tightening up on aged pension eligibility could be just one of many measures that will be required.
Reverse mortgages need to be explained. Don't let 4corners do it first.
Age Pension should be made available to seniors with limited assets
People who worked hard will be discriminated against. Those who haven't worked or wasted their money will be given preferable treatment.
No
Many on welfare are simply poor managers of money.
as much as I get a great benefit from super, from the country's point of view why do we need super? It costs a lot in foregone revenue so you could simply increase the pension a bit. The pension should still be means tested. The main advocates for super are the vested interests. We take responsibility for most other things in life such as our health, marriage, housing, jobs and so on. Why not take responsibility for our retirement income as well? A beefed up pension will always provide a safety net.
State & Fed public servants pension and super contributions need to be in line with public. It's an us and them division at present.
Remove the 50% discount on cgt. Allow only one investment property per person to claim tax relief.
Probably a sealing of \$500,000 before you decide to reduce pension.
The house I now live in at age 72 with my wife is worth \$800K and could up to \$1.6M 7 years at age 79 and \$3.2M at age 86. My concern would be that my financial security and my choice of where I live would be controlled by the Government who are not always good financial or social managers.
Home ownership needs to be more equitable and the insane annual increases in real estate prices and debt compared to salaries brought down to affordable levels. Australia has become a 'Stuff you Jack - I'm OK' nation when it comes to housing. The present government has a duplicitous policy of saying they want housing to be more affordable, while all the time providing incentives to inflate prices as rapidly as possible. And the RBA is no innocent party to the problem. 'Funny' how politicians are abnormally large holders of real estate in Australia, eh? Change is required - but widespread self-interest and a 'Stuff you Jack, I'm OK' attitude in Australia when it comes to real estate is going to be hard to change. Unfortunately!
Should be at the same age for everyone.. 65yrs
I have worked for 50 years to build assets to avoid the pension and be a social burden. I live next to ACT Housing tenants who have two cars (including T Pajero fully outfitted for off-road) big screen TV, 2 fancy motor bikes, motor bikes for the little children whilst I look at them in my \$500K home with my 11 year old Subaru. At least my home should not be taxed given I have given up present/instant gratification for five decades.
This is also linked with intergenerational equity. Baby boomers in particular have had favourable (relative to other generations) tax and welfare settings. They did work hard, but they had heavy tailwinds. Later generations have headwinds.
A very difficult and emotional subject. A grandfather clause should be included with a defined asset limit plus annual CPI adjustment.
An asset is an asset
As currently

Firstlinks poll: Age pension eligibility for homeowners

Government housing policy that supported more options for senior housing, not all of us want to or need to live in retirement villages, may encourage more of us to downsize, vacating our oversized homes for younger, larger families.
Small businesses who have employed workers need to be rewarded particularly in the manufacturing sector
Self funded retirees who have scrimped and saved working full time and paying taxes all their lives to buy a roof over their head and by living off their savings and not being a burden on social welfare should be able to claim a pension when they have spent most of their life savings supporting the Australian economy.
Why not have some form of death duties for very high value estates once the property passes to non dependant beneficiaries other than immediate spouse/partner
Great article. I am dismayed at the profligacy the Coalition has displayed since abandoning their budget surplus obsession. Talk about the zeal of the converted, eg JobKeeper with no clawback. Time to cut middle class welfare, and tax concessions for the wealthy like the CGT discount and negative gearing.
Australia is overdue reform for many forms of taxation and government benefits. Our past record is very occasional, and piece-meal. We are doomed to once more, respond only when in crisis.
I don't trust politicians and would rather not rely on governments...
Modest asset and income of spouses or partners of aged pension recipients should not reduce the the eligibility to receive a full pension.
Include any outstanding mortgage in the assessment
A policy not likely to fly far. The family home is sacrosanct to most Australians.
Super should also be included in the total value of assets.
At this time there is an unfair balance given to assets (which should include home owners) coupled with unrealistic deeming rates and the slow adjustment of those deeming rates to reflect the actual interest rate put to those renters is absolutely unfair The inferred reference to home owners continually implies home owners went without/saved more is unfair. Those who rent also worked BUT may have been unable to buy a home due to their own life experienced
Policy should recognise that regional Australia is very different to Melbourne and Sydney. We are not all property millionaires in regional Australia
All assets should be deemed with say \$500000 of home value excluded., consideration should be given to current expensive home owners, see previous answer.
This is one of many important tax issues that needs to be addressed urgently so that wealth can be distributed more fairly amongst Australians.
Control house prices instead of controlling hard worked Aussies. Good for banks to make billions but it is no good for pensioners by default to feel wealthy...
Remember these are the people who paid 17 per cent on their mortgage,,came through the global financial crises and now get point two percent from the banks for their money.
Boomers (me included) particularly have reaped the benefits of the blood, sweat ,tears and sacrifices of their parents & grand /great grandparents who built the nation. By dent of an overly generous tax concession and welfare system, resources are misallocated into unproductive assets ie fancy housing, no longer just shelter ,in lieu of productive assets for the nation. The current tax/welfare nexus has outlived its usefulness and is now a full blown distortion .
To me it is absolutely irrelevant what some economist thinks. People when elderly, have enough to fret about without , and will want to be near family and friends. The rorts are more likely to be found among those on a part pension that has been "engineered", and by those who enjoy their accumulated super and then cash it out on retirement to get the pension. Also where is the equity for councils giving discounts to pensioners since that money will be made up by extra rates on others?
No simple answer.
Current social security system is un sustainable . The longer we leave change , the harder it becomes
People who work hard all their lives need to be compensated and rewarded with age pension.

Firstlinks poll: Age pension eligibility for homeowners

And think on this. Not every pensioner has the same costs. There are lots of pensioners who have emigrated to Australia. These people need money to be able to visit their family overseas. If they have worked hard all of their lives building up wealth so they can afford to visit family, why should they not get a full pension, because to reduce their pension may mean isolating them. There are plenty of pensioners who have never travelled outside of their local area or even Australia. These people do not need the funds to visit their families. This is not an entitled view.... pure common sense on an individual's needs.

I have saved all my life, not taken holidays, purchased expensive cars or boats. I have poured my money into my mortgage and super from the modest wage I received. Why should I be penalised compared to the above where people have squandered their money and enjoyed the luxuries I have mentioned or in some cases used in on drugs or alcohol. This seems unfair for the sacrifice I have made for my retirement.

The circumstances of each individual owning their principal place of residence are different from person to person. It would therefore be extremely complex to determine a set of rules that would not impact some people unduly. For example, an elderly pensioner who has lived in their family house for most of their lives, with poor maintenance, no income is received from rent. The couple relies on the pension and franking credits for their monthly income. They are asset rich and income poor. They want to live in their house for as long as possible, and then move to a retirement village, which would be paid by the proceeds from the sale of the house. To prejudice their income by offsetting their home value against their pension income would mean that they would have to borrow against this home, and this could create a difficult situation for them in the future as the net capital value after sale is reduced.

If all over 60 received a nominal income then when taxed the government would get the return

Leave well enough alone

See previous

Which party is going to take the plunge on this one? Of late, old age pensioners are a protected species by a large proportion of the voting public

If the government reduces the pension they should at least provide Commonwealth Seniors Health Card to them so that they receive some relief from paying for certain services.

What are the chances of political bipartisanship on this, as opposed to whoever floats it being depicted as "robbing grandma"?

The article appears to have been written by a person who is not in the 65+ range and never had to fund an age care facility bond and placement for their parents. There was no mention/emphasis re aged care costs and planning until the questions. No wonder there is fear in the older community due to this discarding of care and grab for the older generation's hard earned assets. We need assurance about home aged care places when needed, not a plethora of ideas on how to grab our home from under us. Seems you want to throw all the oldies out on the street.

oh the screaming there will be from the 'forever entitled' who by chance or often deliberately lessed income to get the pension

Needs more up to date value standards

The eligibility for age pension was reduced from 1.1 million and is still under 1 million. The majority of pensioners had a reduced pension. Pension increases are political smoke and mirrors. I take 20 out of your pocket and give you back 5 and tell you've had a huge pay rise. Government said it had to be done as the pension was not sustainable and they no longer had the finances. Where did the billions come from for Covid and now nuclear powered subs? The government conveniently forgets who provided their money in the first place.

With the availability of the PLS & other options, there should be no need for the government to pay pensions to cash-poor, asset-rich retirees. Pension payments could be deducted from the value of the estate. In the past, elderly relatives would have been supported by their families, but now the public supports them, & the families receive the benefit of the sale of the home. This is another example of 'privatising the gains & socialising the losses'.

A sub-industry of financial planners specialise in getting age pension for people who barely deserve it

I know this is equivalent to introducing a form of 'death duties', however I feel it might make home ownership more attainable to younger people.

Firstlinks poll: Age pension eligibility for homeowners

Reasonable to put a much higher ceiling on the home value eg \$7m. At present \$7m house is not necessarily a palace. Also there would need to be a balance between city and rural and state to state.

Capture the illegitimate welfare recipients.

Good luck tackling the sense of entitlement that age pensioners have! A change is necessary but may need to be gradual

The political battle to achieve the family home as part of the pension assets test will be an absolute ripper

hard working homeowners should not be punished.

same as any pensioner

Tell the Govt to keep their grubby hands off the family home or pay for it at the ballot box..

Understand the frustration over this issue however many pensioners struggle to pay council rates let alone carry out basic repairs to the property.

Give the pension to those who genuinely need it. Not to those in multi million dollar homes.
Can't see either political party touching this but it needs sorting out.
The Henry tax review had great ideas but went nowhere. Surprise!!

Why not pay all retired pension-aged people half the pension rate that can only be "spent" - not cashed to save or given away - only spent (via a credit card). All that money would go back into the economy creating jobs and retirees wouldn't be so afraid of running out of money and therefore hoarding their own money.

Pensioners have planned ahead. Should they be penalised for the envy of younger generations?

Its through no fault of their own that inner city eg inner west suburbs of Sydney and/or corresponding suburbs in other capital cities have increased market values to the extent that they have. By the same token, support should be directed to those most in need. Its not as if the aged pension (even a full age pension) represents the possibility of living a life of luxury. I would be more comfortable with these suggestions if I thought greater support would be directed to aged pensioners with limited resources, as well as a much more generous level of support for the unemployed or those with illness and disabilities. Another element to note is the high interest rates that the boomers faced through a significant period when they had mortgages. I remember this well, as well as the discomfort and worry it caused.

#8. You state this like having more part pensioner is a bad thing. When in fact converting the number of full pensioners to part pensioners and reducing the number of pensioners overall is a great result.

1. There should not be compounding interest on the debt created for this living expense or things will get way out of hand.
2. Younger people will miss out on inheritance that may have got them into the property market.
3. If the policy did change people's investment preferences away from residential property then we may not see the 10% growth rates the new scheme expects to have it work... what then?

The next generation who are 'missing out', with the exception of those raised in poverty (and these are where our concern should be), grew up in an extremely luxurious environment compared to those 'now wealthy' cash poor homeowners. Under the current system many are set to inherit small fortunes.

There should be an ATO-run reverse mortgage or similar scheme to make retrieving value from your home easy for people with little other income

A very important issue. Implementation (not grandfathering) is key. Probably a five year 'notice period' required; a bi partisan selected threshold; clear description of the alternate home equity funding mechanism; - while this will be a big change for some individuals (and their kids) - the vast majority would probably buy the fairness argument.

Most people would be happy to leave something to there children, people or bodies who will influence or decide on the rules will always ensure that they or theirs will be least affected.increase taxes on super rich, don't allow them to use such as our super system to benefit their bank accounts.

These part pension rorts have to stop. We need to start considering the paying off of our multibillion dollar debt before the nation drowns under it and eliminating part pensions would be a good start.

Home ownership is increasing difficult for the next generation. Many older people have significant wealth in their home, but may have cash flow problems, hence qualify for the pension. They should be allowed (made) to draw on some reasonable level of equity to support themselves in retirement

Firstlinks poll: Age pension eligibility for homeowners

Councils should allow housing of the type that allows elderly to move out of homes with high land values yet remain within their local areas.

Ok let's force our aged citizens to sell their homes to the only ones who can afford them foreigners ! We need to look at our people collectively and care for them . Living off the pension is hard in Australian society per se ! Wages haven't increased but the cost of living has skyrocketed. Perhaps rather than single out pensioners we could focus on other areas of excessive extraneous government spending ! Rather than target the aged which let's face it get treated like crap in this country perhaps we could look at why our foreign owned country is at the tipping point and is so heavily reliant on the over taxed citizens to fund it . I really am not very proud to be an Australian anymore

A royal commission into aged care was called for a reason. Why in a CB couples situation must one spend all funds on first partner in need leaving second without any provision?

A lot of Australians held houses through the seventies and eighties with 14 % or more interest and houses worth less than the mortgage a sale meaning imminent bankruptcy it was not all milk and honey for some that now sit on expensive land holdings. Bravo to them however hold a thought to the Council's rating them out of existence what a shame.

Clearly, we need to do something, but carefully!

The government could also improve their pension loan scheme at the same time

No doubt this survey will produce an avalanche of self righteous claims from retirees, highlighting the fact that when individuals are chronically "spoilt" they become aggressively entitled. Using any rationalisation to bolster their position, failing to recognise that financially they have been and will always be the luckiest generation in history

Thanks for the chance to comment.

This is clearly politically very sensitive. I doubt either party will touch it.
A discussion on fair and creative solutions is a good start.

There is massive inequity between homeowners and non homeowners under the asset test. The system needs to be overhauled to ensure the people most in need can access assistance. This is long overdue.

About time this policy is introduced/

Yes, we need to get rid of CGT discounting and Franked dividends which continue to benefit the older and wealthier. Our young people are so disadvantaged and if they are unlucky enough to have less well off parents, they are stuck being renters and so on.

Without business encouragement and support, where will the future generations find employment to afford the increasing house prices.

Health cost very high cost of aged care

Look to generate sovereign wealth not by again attacking pensions but attacking poor policy restricting growth. Poor representation, woke and meme , popularised politics and very poor public understanding and apathy of economics always point conversations back to pensions as a savings strategy.

Age Pensioners do need to be allowed some time to adjust their affairs before any major change occurs. A 5 year window would be very useful with appropriate moratoriums.

Rising home asset prices are not the fault of the owners and they shouldn't have to suffer for the policy mistakes of successive governments.

Investing as a pensioner needs lots of homework and understanding - needs to be guidance for those with little knowledge otherwise all money will go into PPR and pensions will be sought.

Spend spend spend save nothing all the years you worked and for all these worthy attributes get paid a pension. Where some one saves spends less so they can enjoy there later years while leaving their children a helping hand for their future gets punished.

Tell this generation to save and wasting money on cruises they want everything today on credit when we bought our house we had no carpets, second hand furniture, no phone, no blinds we had sheets over windows no washing machine but worked hard to pay off the mortgage

Firstlinks poll: Age pension eligibility for homeowners

<p>Why should ppl who bought houses 40 years ago and have no super or assets apart from family home be forced to sell their home to live? Age pension needs to be appraised on EACH INDIVIDUAL/COUPLES basis/circumstances.</p>
<p>The age pension should be lower than it now is say 62 it would give more jobs to the young</p>
<p>Pensoon should be per person not couple. You would have less divorced or separated older people</p>
<p>Homeowners should not be punished for putting all their hardwork and savings into a home rather than blowing their money on holidays and expensive toys over the years as some renters have. Not should homeowners be punished for those who have decided to gamble or drink their funds away or pay for illegal drugs rather than work hard, behave well and do without for many years, often whole raising the next generation and all thecehile teaching them to becesponsible citizens themselves.</p>
<p>People who have not invested their earnings and spent it are entitled to a full pension. Those who have saved and invested are not. People are being rewarded for spending their earnings by getting full pension and free medical etc. Those with super have to pay for it themselves. Does not seem fair.</p>
<p>As a refugee with 45 years hard working, I want to give the new comer an advise : do not work, be lazy, enjoy your wellfare, light up your young life , do not worry the tax payer will always take care of you till the day you die.</p>
<p>Never</p>
<p>Vested interests aside, its the right thing to do. That people with significant assets pay their share, subject to appropriate income to fund living expenses.</p>
<p>It will never happen as long as average financial literacy in Australia is so low.</p>
<p>Something has to be done to help abet the rise of an underclass, especially those who were once middle class becoming the working poor and older women falling more and more into poverty and homelessness. More equitable measures which truly align to the world of 2021 should be put in place to stop the prospects of possible civil unrest.</p>
<p>There needs to be bipartisan agreement - the politics need to be taken out of this for the sake of the next generation.</p>
<p>Don't want the age pension, it will be poverty line wages, even if you do qualify.</p>
<p>I am a self funded riteree. I have neveer thought about structuring assets to get welfare. But I could.</p>
<p>As a non age pension recipient with a SMSF my wife and I planned our retirement some 25 years ago and we have friends in homes worth over \$2M receiving an Age Pension with the home passing to the children tax free on their death.</p>
<p>65</p>
<p>I am yet to read or hear a compelling argument to maintain the status quo (ie full exemption of the home) that wasn't based on self-interest.</p>
<p>Apparently NZ people all get the age pension. They are encouraged and rewarded for their hard work and efforts. Some people in Australia had a champagne taste pn a beer income spending, then have leaned of the tax payer to provide for their retirement. Reward people who tried to be productive and tried to get ahead to better themselves, and not to rely on the Government in Retirement. Looking back, maybe we should have lived the life of reily ourselves, and leant on the Government to support us now. It is unfair that the Government does not treat us all equally, when it comes to the pension. No incentive encouraged by the Government. Unemployed people everywher and positions unable to be filled everywhere. Something is wrong with the Australian Welfare System</p>
<p>Just the fact that if you don't need it don't take it because there's lots that do need it.</p>
<p>Negative gearing of housing based investment should be discontinued, housing needs to be affordable the current situation of high house prices needs to be unwound somehow.</p>
<p>The babyboomers have been the luckiest generation in history. I don't think some of them realise what life is like for younger generations</p>

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This is a sensible and vital item to address. I have single homeowner clients with \$1.5m homes, \$400,000+ in sensible (grandfathered) pension arrangements who get pretty much the full age pension and live in 5 b.r, 2/ b/r home so that they can cling on to the age pension - really!

The current government policy always favours the ones don't work hard and Rely on government support!

People who worked all their lives in what amounts to bonded servitude to banks should NOT be penalized to support those "who built their houses of straw" as opposed to those who built their house out of bricks and in many cases went without to do so

Worth noting the portion of people in each group. Sensational reporting of extremes isn't relevant to most

there has to be some protection for pensioners who are easily taken into the wrong schemes and lose benefits that they are entitled to.

This was a great article from Graham Hand, but where do we go from here ? We have to organize someone or some group to at least make a start and put some suggestions to Parliament.

This has become an urgent issue for Australia. Government must fix it. I see people living a waterfront house worth 10 million+ with home equity 2 million+ are getting full pension and other benefits. I see full-time hard working couples with young children pay heaps of income tax every year are struggling with their lifestyle and living standard. Those families are very worried about house affordability for the next generation.

Maybe look at super. Should you be able to put money into spouse super in order to qualify for pension??? Look at taxing the wealthy properly before they hit pension age. Stop targeting the average "Joe" every time government needs to find money. Target the extremely wealthy instead. Or is that too hard.

It is time to rebalance the welfare system. Home owners on welfare have become a protected species.

I live in a very modest home in Campbelltown area and receive no pension as I have money in superannuation. I could buy a mansion and receive a pension but I have chosen not and quite happy living as I do. Unfair though as I am not wealthy.

I am appalled.. What is next, mandated euthanasia at 75? Where have values and ethics gone? Someone that has endured taking hefty responsibilities for others, and has self-denied through their entire life deserves to have some quality of life in their senior most years. Shame on you. Mark these words - when it is your time, regardless how stringent you thought you planned - you will experience 10 times worse. Karma is a wonderful thing.

I think there could a lot more to say but it's enough for now.

If I sell my home where do I live. I would then have to rent or move away from my family to afford something else. Neither of these options provides an income to live on. The generations coming through now will have super. That was not really available during my working life.

Age pension for homeowners should be same as Govt set age limits.

I recently cashed in my super and bought a house so that I could get a part Age pension. If the system is changed I would like some consideration of the amount of \$75,000 stamp duty paid.

I can hear it now - Funding of pensions through equity in the family home D E A T H D U T I E S ! ! ! ! !

Relying on the pension as sole income and paying rent must be extremely difficult to exist. Owning your own home and relying on the pension is at times hard but offers a feeling of security. You can always miss a meal if short of money.

You shouldn't have to sell your home or re mortgage it in order to survive your last years, however if you have money invested with a return, near or above the Pension, then you should be using that

People who try to generate income from assets are at a serious disadvantage, especially if they are not educated investors. They live with increasing stress and fear because they have no secure income. The system rewards the manipulators who sink money into housing instead. It should REWARD those who try to support themselves and offer them far more assistance (in the form of guaranteed investment programs) and security.

Like the article and the issues it raised

Only as mentioned previously.

Most of the pension pays for the up keep. It is not easy to keep your home be it worth 400,000 or millions. With no supers all you have is the pension. They might have super now but not when I was a young man. The

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<p>difference is in a home owner some of us worked towards our goal of becoming a home owner while others enjoyed life and squandered their money and have become the biggest wingers.</p>
<p>I believe changes need to be made for those in say their 40's now who have had a chance to save through superannuation. However we should not be penalising those already in pension phase now. Also if somehow, some of the perks to having a government pension i.e health care card can be passed on to those not on a government pension, it might help stop people from setting up their finances to get a part pension to help lower medical costs.</p>
<p>The current situation does not reflect the cost to self funded retirees of generating income equal to age pension. Low interest rates have benefited home owners but not self funded retirees as they have to invest in high risk investments to raise sufficient income.</p>
<p>Only if people want to top up there pensions should they do draw from there home equity</p>
<p>Stop welfare to migrants mostly Muslims who have never worked or paid taxes .Leave Australian tax payers alone</p>
<p>The Australian public have shown an unwillingness to listen/accept any LT policy reform that has any ST pain..political leaders are simply not brave or willing enough to promote reform agendas</p>
<p>Leave us alone I paid income tax for 52 years</p>
<p>Yes you pay taxes you get a pension and not be penalized for working and making sacrifices</p>
<p>Age pensioners can't get assistance with rent payments if they have more than \$120,000 from Superannuation, but can get full pensions if they own a \$500,000 house. Putting money from decades of working into superannuation doesn't seem to have any benefits for pensioners, especially single people.</p>
<p>I believe everyone should be entitled to a small pension regardless of assets. Those who have worked hard, saved and invested for their retirement should not be disadvantaged by a policy of envy.</p>
<p>Young people are disadvantaged on all sides. Property prices, aided by negative gearing, tax free franking, half price capital gains tax, insecurity of jobs these days and they'll be paying off the national debt. Very unfair.</p>
<p>Access to health care card for pensioners accessing government home equity scheme, will help offset likely rising health costs likely rise with age related illness.</p>
<p>The value in home is after tax dollars . The pension should be a fund that is controlled by one fund with no changing the goal posts . (Eg) Future fund . And not multiple funds . And government should keep there sticky fingers out of the till.</p>
<p>A lot of elderly people did not have the opportunity to accumulate a reasonable amount of funds into super so their PPOR will most likely be their only nest egg they have to last them until their passing.</p>
<p>Discuss rural home values in this context.</p>
<p>It seems the rich get richer poor poorer. Big business and big government pat themselves on the back with big incomes time to spread the love. Most country Aussies believe \$70000 is a great income let alone above this.</p>
<p>The wisdom of Solomon will be needed for this issue</p>
<p>Leave the baby boomers alone. They've worked long and hard in generating meagre wealth.Concintrate on the next generation who will inherit what's left.</p>
<p>Pensioners have done their part to make this country prosperous it is up to the next generations who have benefitted to contribute. They are the ones who have the education the big salaries and the benefit of no recession in 30 years</p>
<p>I do not believe that there can be a cut off figure applicable Australia wide because of the differences in median and average prices of homes ie Perth v Sydney. There is absolutely no contest.</p>
<p>70</p>
<p>Has to keep up with inflation</p>
<p>Used super to pay off my home before retiring at 68. Otherwise I would still be working to pay it off. Didn't set out to do that but circumstances of raising kids and entering the workforce later in life. So I have a pension and some super. But I own my home outright and do not need to rent. Which on a pension is very hard. Many people of my age never had the opportunity to buy and have to rely on government housing or private rental. You flog to get your deposit together and pay off a mortgage and miss out on holidays etc so you own your own</p>

Firstlinks poll: Age pension eligibility for homeowners

home. Houses have increased immensely in value of late. At least the interest rates are not at 18.5% when I first bought a home.
Great idea but no political party will have the will to do this.
A tightening of aged pension eligibility would lighten the taxation load on the pensioners children who are likely struggling to repay a home loan while supporting their children. Conversely a reduced eligibility for aged pension would reduce the inheritance benefit of the children.
No
Pensioners who worked hard, saved hard and accumulated assets e.g their own home should not be penalized for this.
The other alternative is to pay the pension to everyone of pension age add it to their taxable income and then claw back via income tax.
Negative gearing Capital gains tax Both of these need to be looked at
good luck to any party trying to sell the merits of this policy to a noisy self entitled boomer generation.
Negative gearing, especially of multiple properties, should be removed along with franking credits for non tax paying funds.
Interest on the pension loan scheme should be pegged to that of a home loan.
Maybe a minimum amount of years working to qualify for a pension should be considered instead of people bringing their elderly parents to this country and immediately going on the pension
- the current aged pension entitlements ARE very generous to those who are able to plan for their retirement years.
Im sick of hearing about how lucky boomers are and how they should be penalised because other generations are not so lucky.
There are a number of persons who are self-funded retirees. In the current interest rate climate self funded retirees are very hard pressed to earn much income on their money/assets. I am not sure just how much the aged pension is worth but with the cash rate at below 1% just think about how much someone would need to have invested to earn that amount!! I think a lot more than some self funded retirees have?
Any change needs to be implemented over a period of 5- 10 years so a gradual change can avoid rapid effects on market prices and housing doesn't get very skewed for a time.
Any decisions made should include shading to avoid abrupt cut-off points and should then be stuck to. Changes in taxation and welfare payments, as seen in the Abbott years, and those proposed by Labor prior to the last Federal Election, are unfair in that shifting the goal posts never allows for genuine, honest planning by individuals and families
The benefit of the primary residence being included are; 1. Allow the government to reduce the trillion dollar debt. 2. Assist in the supply of houses in capital cities by incentivising pensioners to down size. 3. Allow young families to enter the market for 3-4 bedroom homes closer to work and facilities
The very idea of someone else deciding what's appropriate and what's not appropriate for YOU is elitist and condescending
Pensioners live below the poverty line as it is
Most Pensioners like their family home and have fond memories. To take that away from them when they are heading into the remaining years of their lives would be cruel and an added stress they do not need.
governments have stuffed up super all super should be tax free
death duties should also be considered
The current position of asset rich, cash poor cannot continue. Super needs to also change with annuities in lieu of allowing recipients being able to fully with draw balance at retirement age. The alternative is higher taxes and no body wants that, but someone has to pay the piper.

Firstlinks poll: Age pension eligibility for homeowners

<p>The biggest problem is Politics. This was clearly demonstrated when the Labor Party tried to implement modest reform and the proposal was exploited by the Opposition to retain power.</p>
<p>Those with homes of great value can access equity.... It should not be encouraged to pass on wealth to family's etc etc</p>
<p>Its bad enough that super is counted as an asset..NZ has no means test.You turn 65 and get full pension</p>
<p>Since when, did the age pension become "welfare"? The sale value of a persons home is no business of government. There should be no means test for people over pension age, simply pay every one the same amount and benefits of a full pensioner. If some cannot manage on that, they should then apply for welfare. What's next?.....a crackdown on the unemployed. How about the \$13b free money given away recently to company's that didn't need it or \$200b offered to banks that don't need it? Please do detailed reports and surveys on that and keep the pressure up.</p>
<p>Every citizen of this country should get a government pension, no matter how wealthy.</p>
<p>I think I have covered it all above. I am 80 years of age and my wife is 78. We have a SMSF with a modest balance. We do not receive any payments for the Age Pension. I figure we are several years away from that situation. I trust that the Age Pension, in some format, will still be available if and when that time arrives.</p>
<p>Australia's tax system is heavily weighted towards property investors unlike in other countries where mortgages are tax deductible. We also lack an inheritance tax. Put these factors together and it's cementing generational inequality.</p>
<p>Residential housing should not be considered an investment class like bonds, shares or commodities. It is obviously an important plank in financial well being but houses do not generate production or overseas income like other investment classes and it has become too hard for young people to get into a home.</p>
<p>Yes, it is stupid to have residential housing considered as investment Class like commodities, shares and bonds. It is a clearly important plank in a person's financial well being BUT it does not produce output or investment for our country. Something needs to be done to wean us off the make money out of residential housing money making.</p>
<p>Have they started looking at whether the proportion of retirees who could use superannuation,system are on or not on the pension?</p>
<p>Please don't change the home status especially as interest rates are so low!!</p>
<p>Any value over the suburb median house must be included in the assets test.</p>
<p>State governments are set to change from stamp duty to land taxes</p>
<p>Allow money in homes to provide for aged care needs. Don't empty housing resource & throw them into substandard aged care as a reward for frugal lifestyle over the years. May as well party on in earlier years if so.....</p>
<p>sock it to them... though judging by the franking credits response it won't fly far</p>
<p>No consideration for chronic ill health? Affording carers?</p>
<p>It would be interesting to explore the possible change that accessing home equity will have on estate management. Many want to leave the kids the house, with a debt to repay, property turnover will increase. Sounds like the real estate agents will be winners. Is there stat's on percent of homes sold by the estate now?</p>
<p>A Political minefield. not sure either major Political party have the fortitude implement such a life chancing even for so many voters.</p>
<p>Retirees should also be paying tax on their superannuation income (at least the medicare levy (tax)). They are the biggest users of our health system with most not paying a cent.</p>
<p>pensions should be limited to people who need them therefore an asset test is necessary when distributing a pension. homeowners should not be punished for having put a roof over their head. despite the good fortune that capital growth brings. Some sales have been in negative markets.</p>
<p>Frees up larger properties for growing families</p>
<p>Our system in this country is amazing, one could technically have a harbourside home & retain an age pension ?</p>

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This country would be swimming in money if ALL governments stopped wasting it!
Let them eat the house [and cake]
No
Age pensions are a safety net for Australia's most vulnerable. They should not be paid to people with a high net worth.
The late Finance Minister Peter Walsh of Hawke Government said on the exemption of the family home from the CGT would lead to unproductive investment in real estate. This whole issue of pension eligibility and asset tests is driven by those government decisions back in 1987. I'm sure Peter Walsh is looking on from the heavens with a strong sense of vindication.
Leave the family home out of asset test
Personally , I think ALL persons aged 65 and over SHOULD receive a statutory pension. The amount would be determined and paid to all. It would be largely untaxed in their hands BUT for those who were still generating taxable income , it would be ADDED to that income and taxed at their appropriate rate. THIS would be a "fair system" and would stop a lot of bureaucratic interpretation and nonsense and probably many bureaucrats could be re-assigned or retrenched AND their "salaries" saved for redistribution to a "better cause" !
No
Majority of pensioners have worked for a long time, and those that have had to pay a mortgage and tried to put something away so the aren't struggling during their pension years deserve not to be financially and emotionally stressed during their last years. Remove indexed pensions for politicians may help. I am not an aged pensioner but I am concerned as to how I will live. Currently, I would be better off spending most of my money so I could get the full pension as you lose too much of the pension with the way they double dip on classifying assets as both an asset and income.
If the home is included in the asset test, either fully or the amount above a certain threshold (which I prefer), there should be a government reverse mortgage type mechanism available to be accessed at reasonable interest rates (towards the bottom of market rates or preferably in line with long term government borrowing rates plus a modest management surcharge). Similar to what is now currently available but needs to be mandated to exist for as long as homes are included in the asset test.
I also want to add that due to the rise in house prices and low wages many young people, single parents who are living in poverty have had to move back to live with their parents. Some children have moved back to care for their aging parents. To make them sell that home could be detrimental in the long term. Yes the very wealthy should not receive a pension but to make a couple with a modest house to be added to the asset test is not right.
Current exemptions assist in distorting excessive investment in property.
There should be more equity in incomes for all people working also to reflect on pensioners.
Politicians have property and are all cashed up yet when they retire they all get a nice fat pension.Do they need it?
Everybody who has paid taxes throughout their lives should be entitled to receive the pension.
Australia has a debt which really can be paid by those currently on welfare but wealthy in equity, more so over recent times
Age Pensioners have it tough enough without trying to make it tougher for them!
Ideally personal and company tax rates should be raised for welfare activities.
This is long overdue - recent increases in Sydney house prices have only served to exacerbate the inequity and unfairness of the current system. Where I live in Sydney's Inner West, there are many aged pensioners living very comfortably in houses bought decades ago who will not downsize as they will lose access to their full pensions. Meanwhile, their children and grandchildren stand to inherit millions, while the less fortunate will never be able to rely on generous inheritances to fund their future retirements.
Most pensioners worked hard with sometimes 2-3 jobs to get their house paid off and endured a life of sacrifice relative to standards that younger people expect today. An overseas holiday was Tasmania and second hand furniture was what you furnished the house with for many years. The PLS needs to be a much fairer scheme that allows lump sum amounts to do property maintenance or for

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travel etc and then it will probably be used more. It is almost impossible to downsize and buy back even a smaller property in your area after paying selling, legal fees , Stamp duty and moving costs so for most people downsizing to free up capital will not work if you need to stay in your area
no
pension age should be raised to 70 for everyone, due to longer life expectancy
There has been a stream of this type of commentary recently, presumably intent on gauging the support for political action unfavourable to a minority and hoping to avoid a major backlash. I don't think there are brave politicians in the corrupt australain governing party currently. Those who portray themselves as brave, e.g. defence minister, are mistaking stupidity for bravery.
how can the writers of these comments about pensions/pensioners in many cases turn a blind eye to the huge inequity involved in flat rate taxes such as the GST.. far more a social equity problem that needs attention than 'home asset rich' pensioners
In NZ you get your pension regardless of assets....
The consequences of including house price inflaltion in the pension means test are truly draconian. resulting in dislocating elderly people from community, a familiar environment and place they have called home for extended periods. The proposition is based on a misconception that house price inflation increases wealth. It does not. All houses or forms of accommodation are increasing in price faster than the CPI which does not include the increase in prices for existing property (not considered consumption but purchase of an asset so excluded). The costs of realizing that illusory gain are also not considered, stamp duty, conveyancing costs, agents fees, removal cost plus the non financial costs of stress, distress and loss of community.
No
This issue cannot even be considered without a review of the reverse mortgage option, especially the exhorbitant interest rates charged.
Get rid of investment tax breaks which distorts prices and benefit the well off as well
When life takes the next stage most have to sell to provide age care \$\$ and not cheap if not sold or sold then puts them into means testing. People have to think do I want to travel and do what they want (down size) or live on the pension ????
Increase the GST to 12.5 percent and cut out the categories of goods and services which are currently GST exempt.
Leave our pensions alone
WE must be fairer to younger generations who will cop the huge future debt burden aswell as funding the age pension. So people with means must fund themselves
If you move into aged care and sold the family home you will require a new asset test. If you have paid for the aged care without using funds from home sale your pension amount will most likely be adjusted down to the point where you may no longer receive a pension. Your care fee will also rise and if you live for another decade there wont be much left!
Home ownership should not be used as an asset to gage the pension, as property prices will always go up due to demand, as well as the value of land in key areas. Our younger generations will struggle to pay off school loans, struggle to save for a roof over their heads to own, health insurance, and wage stagnation. The home was used as a safety net to not rent and live old in poverty. The amount a pensioner receives needs to ensure that people can survive nicely in their later years. More education early on regarding finance and money management is a basic requirement for survival. Society should provide nicely for their Seniors. The home should NOT ever count as an asset due to inflation. And generalisations of values of homes, roof and shelter, that one has paid their life time should never be in the equation. Suburbs will always change demographics over time.
Why do those who do without to fund retirement always end up supporting those who blew their disposable income on lifestyle things like cars, holidays, etc.?
The Reserve Bank is an expensive waste of taxpayers monies full of bureaucrats amusing themselves and being paid excessive salaries.
as well as an equity issue, in my opinion the change would make it easier for younger generations to access their own homes.

Firstlinks poll: Age pension eligibility for homeowners

There are plenty of other loopholes to close before you need to tackle the family home.
Need to look at these issues holistically, not just housing but: Super taxation/caps Taxation more broadly Potentially a universal but taxed age pension Interaction with age care funding
Rewards should go to those whose effort produce the result!
no incentive to live in a cheaper home
A modest tax on very high superannuation accounts would not hurt the very wealthy, but provide tangible benefit to the economy and a better sense of fiscal justice to the Australian people.
Gradually fading in changes is the key with a fairly generous threshold.
What really annoys me is that while my wife and I worked long hours, scrimped and saved, our friends, who earned much more, spend all their money of overseas trips, boys' toys, dining out, etc. The Government now pays them a full pension while my wife and I narrowly scrape in to the area where we qualify for nothing. Hardly seems fair. That's why I much prefer the NZ system, which rewards those who save, while continuing to tax everyone who needs to be taxed. The property thing is merely fiddling at the edges of the issue.
There has to be incentive to save for retirement Pension is very generous
Inclusion in assets test would remove the current disincentive to downsizing. Reforming stamp duties (as OECD recently suggested, and being considered in NSW/ACT etc) would help. Both measures would increase liquidity in market and help affordability.
Changes should not force people out of their homes.
There has to be structural change to the tax system to make it more equitable and targetted.
As is
no
Why achieve?
does anyone consider interest rates on investments or term deposits that self funded retirees get . how can one live on a rate o.01%????
As a pensioner why won't banks give me a credit card?
Threshold \$1,000, 000 (quiz wouldn't let me go back to add!)
There is no one rule, comparing Sydney, Canberra, & Melbourne, Brisbane, Perth, to the likes of Adelaide, Tassie, &NT. It is ridiculous to have ONE rule/law/legislation for the weaker states. Keep up the good work
Difficult politics but they have started with reverse mortgage.
Its patently unfair that owners of very high value homes can get the pension by just doing nothing productive. If one doent own a house but made a contribution in their lives to the State ,they are at a huge disavantage apropos the pension. Include all assets and the home in the test!
If a person has owned a home for decades then it is a 'home' with a lifestyle attached. For those that buy a house, live in it while renovating & then selling within a few years for tax free capital gains & doing this again & again it is not a 'home' as such and this has significantly contributed to the price increases for houses. As to 'age pension eligibility' the length of time in current house & history of 'flipping' houses could be taken into account.
How to start with the most undeserving first?
An adjustment needs to be made for the costs associated with owning the home. Rates, insurance, maintenance and gardening services are examples of extra costs associated with expensive homes.
Mr Keating's 3% compulsory super scheme started around 1992. If the scheme was managed wisely, by now the number of age pensioners should have been only 10% of what they are now.

Firstlinks poll: Age pension eligibility for homeowners

The problem: Lump sum withdrawals allowed from super to be used up for everything so that one can be eligible to get age Pension. Compulsory super should be used to pay the age pension as is in some countries.

Such measures should never be political decisions. We need to do what is best for our future generations. Already they are going to bear the effects of climate change. We owe to our children and our grandchildren a place in the society that they will protect and cherish because our generation has made the right sacrifices to make this society fair and less onerous.

next you will be going down the path of attacking franking credits again.

People with vast superannuation funds should not get ant Govt. benefits.

Why hassle people who have worked hard to pay their mortgages and put a roof over their heads as opposed to people who have spent their money on lifestyle choices. Also the cost of pensions is going down year by year due to the Superannuation Guarantee contributions to Super. So despite an aging population the cost of the age pension is going down due to SG contributions. Australia is one of the few nations where this is happening. We should be focusing on the many other problems we have. The cost of age pensions in my opinion is not important because our Superannuation system is reducing the costs involved.

Retirees can draw on their home equity. If they're in a \$3M home and drawing the pension, while someone who's renting gets about \$50 per week towards that rent, there's something very wrong with the system.

I could borrow on my home and live off it if the govt charged only reasonable interest on the pensions loan scheme.

The Government pensioner Loan scheme needs clearer marketing and simplified access so all home owners understand they can use the equity for a more comfortable retirement. The pension rate should decline to 50% of the standard rate if a home is owned worth more than 150% of the median household price compared to the capital city in their jurisdiction. If equity is accessed and the value of the property minus the debt accrued falls under 150%, the pension rate goes back up.

An alternative is to pay everyone an aged pension, once they reach the eligible age, and raise tax thresholds.

Need to recover Job Keeper from all businesses who knowingly took it and falsified their figures. Every business who took Job keeper needs to be audited

The system is unfair and needs to be changed - can only be achieved if all sides of politics agree - otherwise it will be suicidal - as the labor party found out when they tried to improve the system at the last election.

Capital gains exclusions and negative gearing should be discontinued.no one in a \$2m house with no debt should get a pension. Other benefits yes, pension no.

Everyone should be eligible for an age pension.

Phillip Lowe's recent remarks are correct. Our taxation and social systems are heavily in favour of older wealthier people and must change.

I am pissed off with so-called experts trying to [!!] up my retirement income opportunities to appease the politics of envy practiced by the ALP and the [!!] Greens.

Reduce or exempt downsizers over pension age from State Stamp Duty to encourage downsizing, especially if a home value limit for pension purposes is introduced. Also a phase in time of up to two years to comply.

The very low current interest rates have driven an explosion in housing prices which, in turn has favoured those already in the market. This discriminates strongly against young people trying to enter the market and yet those sitting on a pile of gold in the form of their residence are still able to receive welfare.

See the comments about paying the pension as a loan. Indeed a HECS type system could apply to ALL welfare payments, ie welfare (family tax benefit, childcare rebates,unemployment, disability pension, NDIS, etc received during lifetime is repayable on death from assets.

Nobody suggests raising interest rates, just for older people, to have an income from their savings.

It is a very difficult subject and problem to address

I think the PLS is a great way for pensioners to live well rather than having pensions reduced because their home is now worth much more

It is difficult to legislate 'the pub test' but we need options to make the system fairer for current and future generations offering both carrot and stick to monetize valuable assets.
We are retired, in a retirement village, own a substantial holiday home, receive no pension, run our own SMSF, have 2 children well established in professions and real estate, and fear for the prospects of our grandchildren.

Firstlinks poll: Age pension eligibility for homeowners

Should be the same eligibility for ALL taxpayers, regardless of home ownership status.
Great article and have been saying the same thing for years. The current system is not sustainable and if we start implementing some changes there will be real issues in the future. I'm fortunate enough to pay quite a bit in tax and am setting myself up to be self-funded in retirement. I have no problem contributing to the support of people who need it. Paying to support someone so they can leave a large inheritance behind does not pass the pub test for me.
Take into account the spending habits of every person/couple. Some live for the day and don't think about tomorrow. They fritter their money on frivolous things such as cigarettes, booze and gambling, regular new cars and overseas holidays and rent for their entire lives. Others get into debt, buy a house, spend wisely, get their kids educated, pay private health, invest in super and live within their means, and provide for their retirement.
Difficulty is huge regional variability in price of housing assets
Nil
No
Why should a person who rents and has \$1000000 share portfolio be treated differently from a person who has a \$1000000 house and no shares?
Politically, death duties are not on, but their objective is crucial. Hence alternate ways of reducing direct transfer of untaxed capital across generations need to be implemented. Hand's article identifies some such.
no
Property investment incentive for the family home especially there being no Capital gains when inherited by beneficiaries of the Estate
Whilst agreeing that there should be a generous cap on the value of the principal place of residence after which the eligibility for a full or part pension is removed, it should be phased in over a number of years, say 10+ years with a sliding scale approach to the reduction and then ultimate removal of the pension.
The threshold should be reasonable. Taxation should be looked at too. It's not reasonable to only look at the value of the home for those who receive a pension. If stamp duty on the home were to be abolished and replaced by a tax, a high value house tax should be considered to cut in at a similar level to that for the pension asset test
The current idea to "kick grannies out of their flats" is reminiscent of the Nazi practice of reoccupying the dwellings of Jewish citizens in Germany under the Hitler regime.
Well thought out piece. But difficult road ahead for reform as too many people (voters) already onto this lurk. And if they are not aware of it yet, they certainly will be in the run up to the election after this issue surfaces. Any hope for meaningful reform I see is that those voters disadvantaged by current rules wake up and vote, but that rarely if ever happens for issue that is soft and unnoticed on one side, but red meat on the other
Reverse mortgage and PLS will become very popular and open a new market if a home is included. No logical reason why it shouldn't except politically.
In the old age adjusting to new home is difficult.
none
Re previous point, separate from the "expensive home" issue, this would also avoid the issue of the quite different treatment of people with \$900K in assets vs \$800K - crazy.
Change the rules prospectively - in three years time. Those above age 64 are not affected.
Personal money management should be included in both the primary and secondary school curriculums and include budgeting, investing, taxation and welfare subjects.
If the home is to be included in Pension eligibility asset tests, the PLS should be improved by such measures as lowering the interest rate charged, and the asset base threshold should be set at a more realistic value than half a million dollars. After years of PLS draw down, you may need significant funds for a place in Aged Care. I live in a small town south of Syd and aged care places can cost more than a million dollars.
The age pension needs to rise to provide a reasonable standard of living.

Firstlinks poll: Age pension eligibility for homeowners

Poor treatment of business owners argument is specious.
How many business owners do not also own their own home when they retire/need a pension.
They already are able to put very large lump sums into super when selling a business in ways not available to wage earners.

We need consistency so we can plan.

Homeownership being excluded from the assets test means children of the homeowners receive an asset on the death of the home owners which increases inequity in our society.

Needs bipartisan support to have any chance

many of todays children boomerang home. This is advantageous to elderly parents who have assistance from family members which is not otherwise available, Similarly, family members are appropriately ho and children minded.used

Pensioners living in high value assets should accumulate a debt against the value of the property so that they are not forced to move but that debt will be settled on their death.

If the property is taken into account - fair compensation schemes need to be in place to ensure continuityof lifestyle.

Why bust your guts paying of a home when it will work against you. Some people claim the land for thousands of years ... our memories, our fire places, our rituals..
What is different for the home owner?

Oh what a tangled web we weave. The current superannuation/age pension tax system is far too complicated. The basic overriding rule should be all reasonable provision for retirement is tax deductible and all outgo taxable. End of story.

This is yet another scheme for politicians to damage our population, but ensure their portion of the economic pie is protected.
Age does weary us, and the constant need to reign in political machinations is an added burden.

Fair enough that assets other than the home be taken into consideration, but later healthcare costs will be needed sometime in the later part of most peoples lives, they may need care, and these costs may well be greater than their savings. What happens then?

it should apply to Nursing Home costs as well.

The PLS is critical in providing an income. Ensure the interest rate is conducive to encouraging borrowing against the residence.

People with homes at retirement are advantaged. If the current home ownership problems continue in the future there will be more people reaching retirement without homes. People with homes can't continue to be treated advantageously.

Should be part of an overall tax review on property that includes stamp duty, CGT etc.
Unlikely to be popular but what tax reform ever is.

Hands off politicians or your party won't be around for long

We cannot in any way, shape or form continue down the current path without structural reform to the welfare system. We should not expect to have our cake and eat it too. If you want to support your children give them there inheritance now.

I am dismayed at the amount of "baby boomer bashing" which seems to be prevalent nowadays. The younger generations simply have to learn just how hard it is (and certainly was for us), to make huge efforts to create modest wealth - and without enjoying other recent favourite perks such as overseas holidays, fancy clothes, online shopping, fast sports cars, etc - none of which our generation ever had, as we had more important life priorities (such as indeed, buying a home for our families).
We have done the hard yards, we deserve the rewards!

As a self funded retiree it is unfair to say our generation benefited from generous welfare.
Both of us worked fulltime until the age of 69 and 65. Neither of us received any welfare, nor did our kids get family tax benefits or Austudy.
We scrimped and saved and went without. The pattern continues - we are still not eligible for the age pension.

Lets change the rules.

Firstlinks poll: Age pension eligibility for homeowners

Under no circumstance can value of the family home ever be taken to account for any reason for general taxation. Ie capital gains tax or an inheritance tax.

It is an inequitable situation where a homeowner in a property worth millions can receive a Full Age Pension at a rate that is very similar to an individual whose property is worth only \$200,000.

Fred Gruan's report in 1984 commissioned by Bob Hawke then labor Prime Minister recommended including the family home in the asset test. This was the one recommendation Bob Hawke knocked back saying that Australians would not wear taxing the family home.

The aged pension is welfare that should targeted at people who need it, not entitled people living in multi million dollar houses. The current system is unsustainable going forward and discourages people becoming financially independent.

A universal land tax should be implemented, to discourage land speculation and cut down on the rent seekers who profit from escalating residential values (most in capital cities but much, much less so for those in regional/rural areas).

The answer is obvious - recognise the home IS a financial asset.

Welfare should be for those that lack financial assets.

Solution is to remove the politics - citizens forum? or something similar. We can't wait for politicians to develop courage.

In course of getting elected R.J. Hawke denied he would bring in a Capital Gains Tax. On the morning in 1985 when he announced there would be a CGT that did affect the home I was in a meeting with my business partners in regional Victoria and proposed we rush to Sydney and buy any piece of residential real estate as long as it had a harbour view. They ignored my advice and, as the saying goes, the rest is now history!

Full review of taxation to remove anomalies
but Franking Credits are fair but off market buy backs are contrived tax losses.

APRA and the RBA need to ensure that there will actually be products that allow home-owners to borrow at reasonable rates against the value of their home equity.
Ideally, the "reasonable rates" would be no higher than the rates that banks borrow from each other (or the RBA).

A threshold is difficult but maybe something like 50% above the median value in a suburb. However, I think that pensions should be paid to all retirees without a means test and all income should be subject to taxation. Maybe the tax would be at a lower rate. It would be interesting to know if the total cost of running the Centrelink compliance system for eligibility actually costs more than allowing pensions to all with taxation on all. This should be investigated as well as checking the systems in use in Canada and New Zealand as I understand that they have pensions for all but all are subject to tax. The current system is incredibly complex with lengthy forms to complete. My experience in this is through managing my elderly father's financial affairs.

Setting a hurdle of around \$1m - \$1.5m would be a reasonable approach.

loophole should be closed, using trust , company ownership etc allow many to get the pension,

Very passionate to get a conversation about Australians moving to a better mindset. Look at how the outcry for "government assistance" is always present but then when responsibilities are assigned, there is sheer outrage. The vaccine debate is one such current example. If the government incentivised vaccination by cash, it's a great thing. If in the alternative they incentivise by removing privileges, the rights and the discrimination arguments prevail.

The government is nothing without the tax dollar so we need to get real about what we expect it to achieve.

Without even thinking too hard about it, there are so many different aspects to be considered. Any policy changes need to consider, amongst other things, what the consumer (across different spectrums) response is likely to be, and whether it is therefore likely to achieve desired outcomes. I'm thinking that massive policy directional changes are less likely than subtle smaller ones to move people in the right direction. The policy enabling downsizer Super contributions, for example, is one that encourages home downsizing, for instance. Unfortunately, I also think that the "politics of envy" readily practiced by the major parties and the oversimplified responses of the mainstream media are almost certain to hinder the development of better planned futures, in this as in so many other areas of society.

Yeah - this is only of any value if its gets to legislators.

This should be implemented for later generations as earlier generation didn't have compulsory super benefits which current generation benefits from.

Firstlinks poll: Age pension eligibility for homeowners

The Age Pension is a financial sustainability safety net and not a civil right. The social welfare costs are going to balloon in the next 20 years and the tax payers/receipts unlikely to keep up with demand. We need a fair system for the elderly who have not been able to save for their retirement have certainty that they can obtain a dignified retirement income.

I understand that the ever pragmatic long serving Labor P.M. Hawke is responsible for this current dilemma.

I like the idea of an universal pension, affordable housing and a small government. We have enough wealth to support everyone living with dignity. If they want to be rich it is up to them. It is really ugly and sad right now seeing people 35+ with good jobs still need parental guarantee to buy an apartment - this was what SMH columnist , an economist Jessica Irvin did.

Why not pay all aged people a pension with no requirement of filling in forms about their income, investments, etc. (as does the UK) and cut out all the extras pensioners get which self funded retirees can't get (medicines, drivers licences, Dr. fees, etc. etc.) For wealthier people the money will make its way back into the economy - it will encourage people to invest the funds they have in more productive ways, The savings in public service surveillance of pensioners' funds would be enormous.

The favourable treatment of the private dwelling for Social Security and capital gains tax purposes is distorting the housing market, and costing the government a considerable amount of much-needed resident revenue. For many people their domestic house is just another investment commodity because of the taxation advantages available.

The household threshold should be based on the median value of the city where the pensioners live, subject to time of residence rules, to dissuade movement to more expensive areas. My view is objective as I do not and never expect to be eligible for the age pension based on super and investment assets. Very good article.

Include the home as part of the assets test calculation. It is an asset, similar to if it walks like a duck and quacks like a duck, it is a duck and not something else.

The question should be asked, how many pensioners who are living in very high value homes bought it in the last few years?
If they bought 10, 20 or 30 years ago and a house appreciated by 2 Million, they didn't put 2 Million into their bank from receiving a taxable pay cheque each fortnight. None of the asset they are living in has been "taxed" yet and therefore is not contributing to the pool of revenue to pay for their pensions.

Looking to the long term, most pensioners are "older" - let us say age 60 something onwards.
If we look to a time frame of a few decades the pensioners owning the top 20% of most expensive properties will have passed on and their housing assets passed to younger generations. Using "current" day valuations this would bring the ceiling back to around one million dollars.
i.e. the current outliers will self-correct in the next couple of decades.
What to do to stop creating a new cohort ?

Another option is to pay the pension to everyone who has been a taxpayer for say 40 years. Prorata payment for less than 40 years. This could be funded by removing all super concessions

Once again will never happen, imagine the outcry!!

Negative gearing needs to be reviewed as well as it mostly favours the rich.

It might not be politically popular with the older voters, but it has to happen to bring the balance of wealth back to some sort of fairness for everyone. Otherwise each generation of poor people will get poorer.

I think that people who are retired shouldn't be forced out of their homes but certainly if you lived in a house worth more than \$1.5 million could access equity from their home such as through PLS rather than living off a full pension.

The aim of a pension is to support those in the community who are unable to support themselves, and to provide for food and shelter. There has always been an "asset rich, cash-poor" section of the community. About 5 years ago, the government reduced the non-home assets limit from about \$1.2M to about \$0.8M to qualify for even a part pension. This knocked out some full pensioners and even more part pensioners. It really doesn't make sense for the ever-increasing value of a home, above a threshold limit, to not be included in an asset test in order to qualify for a pension.

Don't become a retrospective taxing government Leave our super and homes alone

This would require vision and leadership, its not going to happen with the current crop of political leaders. (either side of politics).

Firstlinks poll: Age pension eligibility for homeowners

No political party has the guts to do anything sensible!

Its all about votes and those that come later can pay as those that make the decision snow will not be around to answer for those decisions.

This would exclude us from even a part pension but we would accept it - welfare should go to those in financial need of assistance and not the asset rich.

Refer comments on first question

This is not the problem. The problem is government strangling supply and massive use of investment properties with tax deductions allowing wealthy (and not so wealthy) to become landlords forcing up prices and locking increasing numbers of people out of home ownership. This is just mean and vicious policy by politicians who have been shown to be huge beneficiaries of inv property benefits.

I would suggest the threshold be aligned to the market price in the area vs. Sydney and Melbourne prices and that one's residential home and beach house (which is never rented) be included as one for pension purposes.

Fairness - should those homeowners who have arranged their finances (capital gains , family trusts and super benefits etc) as a wealth transfer be eligible on the same basis as others?

Government spending is way too high. Cut spending and lower the number of public servant. Leave pensioners to live out the rest of their lives as they planned.

Everyone should get pension regardless of financial status - the more you have the ore you paid into the system

After paying taxes all our working lives 40 + years and choosing to leave within our means a nominal Age Pension should be granted.

why not allow asset rich/cash poor pensioners to transfer 10-20% of their equity to an annuity stream run by the Future Fund - an extra \$200 per month will add a great deal of dignity to their lifestyle.

This country urgently needs to do something to stem the housing affordability crisis. Like many parents, im concerns about intergenerational inequities. Id rather see the price of the two houses i own fall, so that the working wage can mean something for the younger generation - and i dont think im alone

leave the oldies alone as much as possible ,, those with only a house as an asset don't need or deserve the stress or the complications of asset allocation and navigating the pool of sharks already after their income. Don't make me mad! Leave the oldies alone!

I believe income from all sources including super, divs. etc should be part of an income test and then look towards pension benefits

Get rid of negative gearing

Current home owners on pension or battling in expensive homes just to 'leave something to the kids'. More older folks should live for now like the kids do.

there should also be a universal taxed pension based upon age! When the property is sold it is taxed! no exemptions.

Tax benefits maintained or improved for self funded retirees via Super to ensure less retirees need Govt pension. Definitely no estate or land tax introduced.

You might like to look at the suggestion in: <https://www.actuaries.digital/2019/10/30/pensions-housing-and-postcodes/> and the way in which super is being used to upgrade older people's housing <https://newsroom.unsw.edu.au/news/business-law/why-should-financial-regulators-worry-about-exorbitant-house-prices>

Your article seems to assume that leaving an inheritance is somehow wrong!

In large expensive cities the home value should be much higher. The running costs are higher eg rates, insurance, etc

Why not explore the introduction of a universal base pensions and what options should be explored before we start "taxing" the family home.

I am okay with forcing people to take money from the value of the home asset but I am not sure we can work out all the safeguards needed to cover a range of circumstances at sale time

As ever it's for Government to make policy and legislate. Our job is to maximise the financial opportunities that result.

Firstlinks poll: Age pension eligibility for homeowners

Means testing is an excellent idea rather than universal access (as argued by many).
One has to control for encouraging poor behaviour e.g. spending large sums to come under a threshold.

Governments need to curb their spending and limit activity to providing essential services like Health, Education, law and order, defence and infrastructure.

Not even vaguely politically feasible

Any changes should allow some time (say 2 years) for those affected to adjust their position.

If we are talking about housing affordability, we also need to wean ourselves (slowly) from negative gearing - or make sure the tax treatment is the same across all asset classes eg shares, business etc

No

It's time to overhaul the whole tax system. With an ageing population and huge govt debt, we just can't continue as we are now. We need a govt with balls to make significant changes to the tax and the welfare system. Sadly, that seems highly unlikely.

A universal aged pension would be best and it would remove a layer of bureaucracy.
After becoming universal, over time the age for the pension could be reduced (at say a rate of 1 year every year) until it eventually became a UBI for all adults. Obviously as part of wider tax reform.
Unfortunately this is most unlikely to happen though, so for now should restrict the pension to people who have no (or at least few) remaining assets.

Within a decade or so, compulsory super balances for new retirees will likely ensure very few get the full aged pension. Compulsory annuities will stop retirees disposing of super to get the aged pension. Problem solved.

I think the previous question regarding the implications of funding Aged Care could have been addressed in the article as it has altered how people see the family home and it helps with the significant costs of going into an Aged Care facility

The pension loans scheme would allow people to age in their homes and people should be allowed to borrow at least 50% of the homes value (to be updated annually). The interest rate for repayments should be the RBA rate taken out of the estate when both husband and wife have died

Take off the blinkers. Look at the real problem. We have family trusts (allowing to divert income), we have negative gearing (overly generous), we have incentives for mining companies who don't need it, we allow large companies, i.e. BHP, to have offshore companies utilising various mechanisms to "export" profits into companies in countries with low tax rates. It means proper tax reform.

Unfortunately, we will need to wait 30 years before this kind of policy is electorally possible.

Regional vs Capital cities needs some thought. Certainly if Government willing with handouts then a Centrelink repayment on Estate? A mental shift in I need to get something from the Government....assuming the Government is doing its job properly which is rarely the case!

Every policy which slows and reverses the growing inequality in our community should be welcomed.

Oh dear! What a contentious issue. Compare this to NZ where everyone qualifies.
So many inconsistencies around fairness. Is it fair that quite a few people spend their whole life on some form of welfare and never pay any tax or make much of a contribution to society?
Is it fair that we have too many highly paid public servants and too many layers of government for a small population country? Is it fair that there is heinous wastage of taxpayer money and little if any accountability?

Why should the tax payer look after the elderly and their children benefit when they pass away with nothing paid back to the taxpayer?

No

Why should a relatively poor person subsidise asset wealthy people because they don't 'want' to sell their house? Fine but reverse mortgage or something...it's just wrong