

TO THE PRODUCTIVITY COMMISSION SUPERANNUATION REVIEW

Out of immense frustration I wish to confront a Superannuation regulation that means the government won't let my wife and I live in our retirement home.

As far as I'm concerned beggars believe in its absurdity.

V brief background: I'm 58 yrs old. In 1998 I left industry employment to study and go into Christian ministry. Since that time my wife and I have worked predominantly in Part-time Community outreach.

My Super in 1998 was not substantial and my work since has added little to it. A few years ago I received an inheritance and placed most of it in my Super toward our retirement.

By mid 2017 it totalled approx' \$200K.

Eighteen months ago I gained Full Time employment with a local Church and wow – we have an income! After a few months I wondered if it was possible to somehow get into a home while I still was earning? Long story, short – the **ONLY** possibility was to use our Super – all of it – as a deposit. Which is what we have done. A Self Managed Super Fund (SMSF) which now 'owns' the house, *the home*, my wife and I are desperate to live in. In an answer to prayer it is a home we love and in the same street of where we have loved living for 12 years.

I realize the SMSF system is designed to be 'separate' and impersonal and solely an investment vehicle for retirement. *I get it*. But such a fixed, one size fits all system results in colossally stupid outcomes.

- I'm 58 and will retire in 8-10 years. The *entire* reason we went to these lengths was to be able to purchase a home we could retire in.
 - The home we bought is perfect for us right now.
 - But of course the regulations require that we are not allowed to live in the house at all. Why? Because it's for our retirement!
- So we are forced to rent a house in the same street for the next 10 years helping our Landlord pay off his second home – while we have to put total strangers in our home for 10 years to pay the same amount of rent to us to pay off our only home!
- Any common sense conclusion would allow us – being well over 55 – to continue to work hard paying off our \$250K mortgage – living in the house we actually bought for us to retire in – instead of paying off someone else's investment property.
 - So now we have 10 years of hoping Tenants treat our home well – paying estate agent fees which reduce the amount we can pay off our mortgage – and then, to top it all off when finally the mortgage is paid – and when I retire – when we have no super and start the pension – when we can finally move in – we have to BUY it from our own SMSF and pay \$20+K Stamp Duty to the state government for the privilege.

This is a Superannuation area that should and must be modified to help those approaching retirement not only access property but access and LIVE in the property they are establishing for their future.