



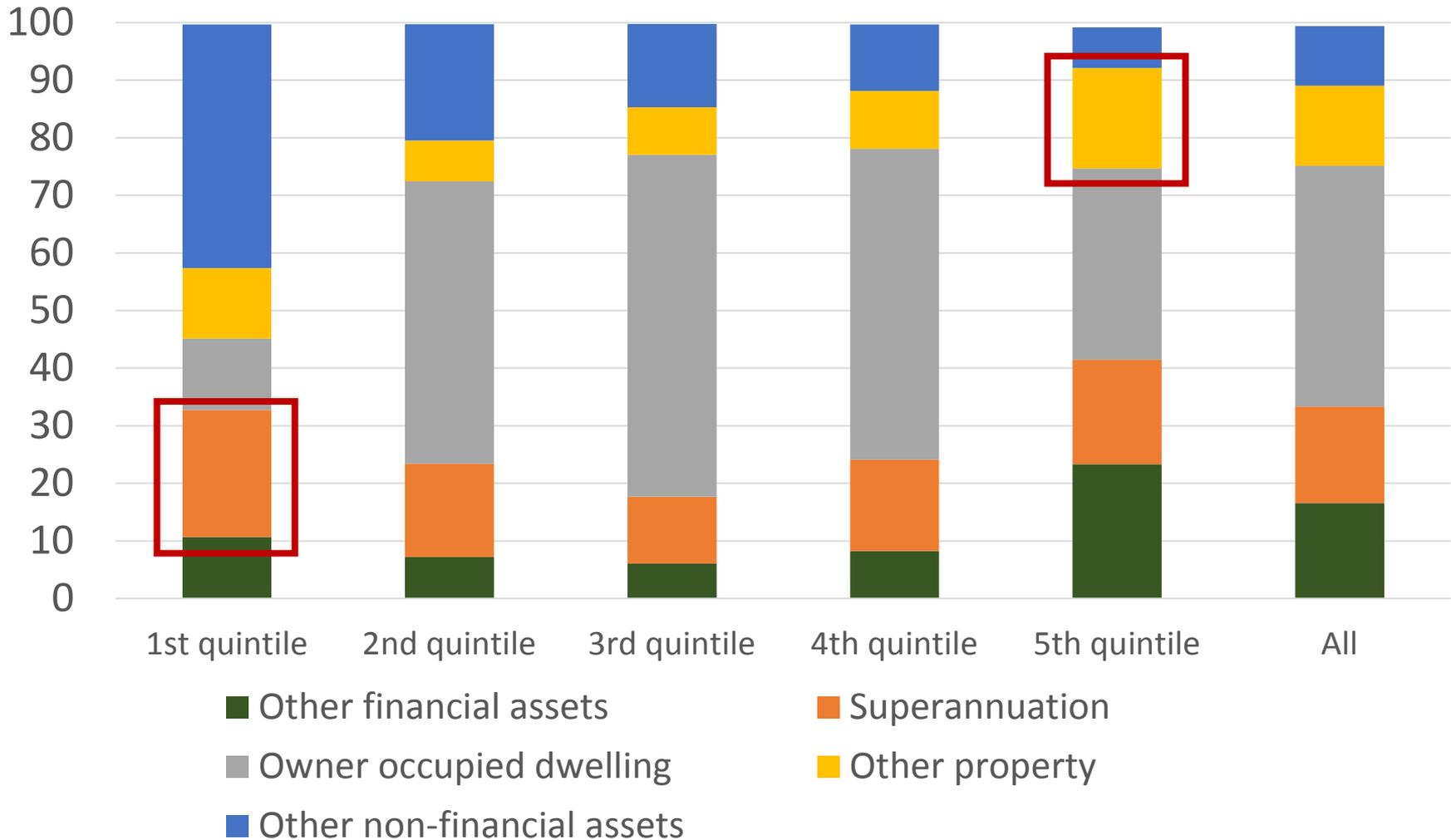
THE UNIVERSITY OF
SYDNEY
—
Business School

Pre-budget seminar: Australian household finances

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The University of Sydney

Household Assets

% of total assets by net worth quintile

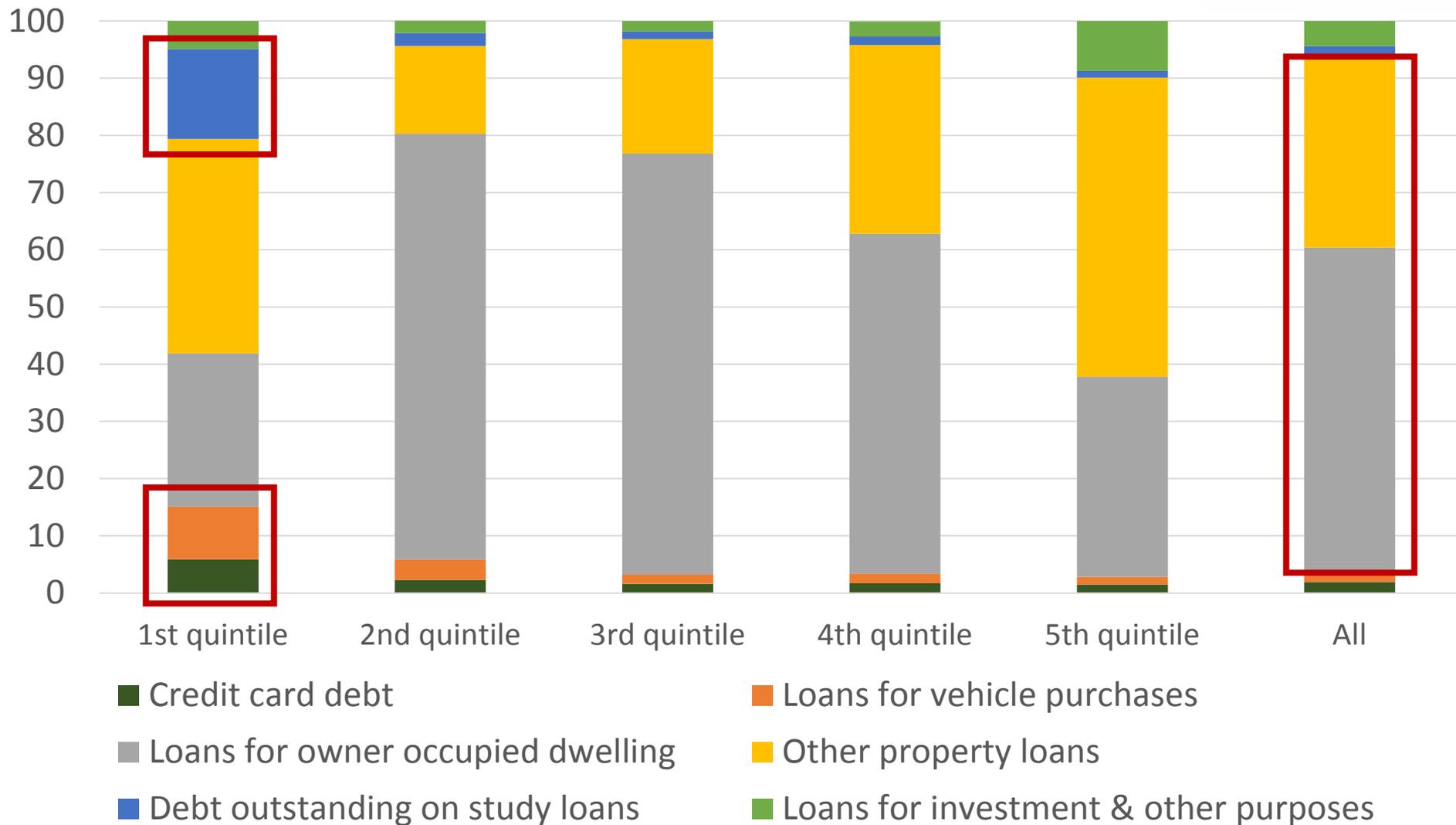


Source: ABS 6523.0 Household Income and Wealth, Australia, 2013–14; Table 8.4

COMPOSITION OF ASSETS AND LIABILITIES, Net worth quintile

Household Liabilities

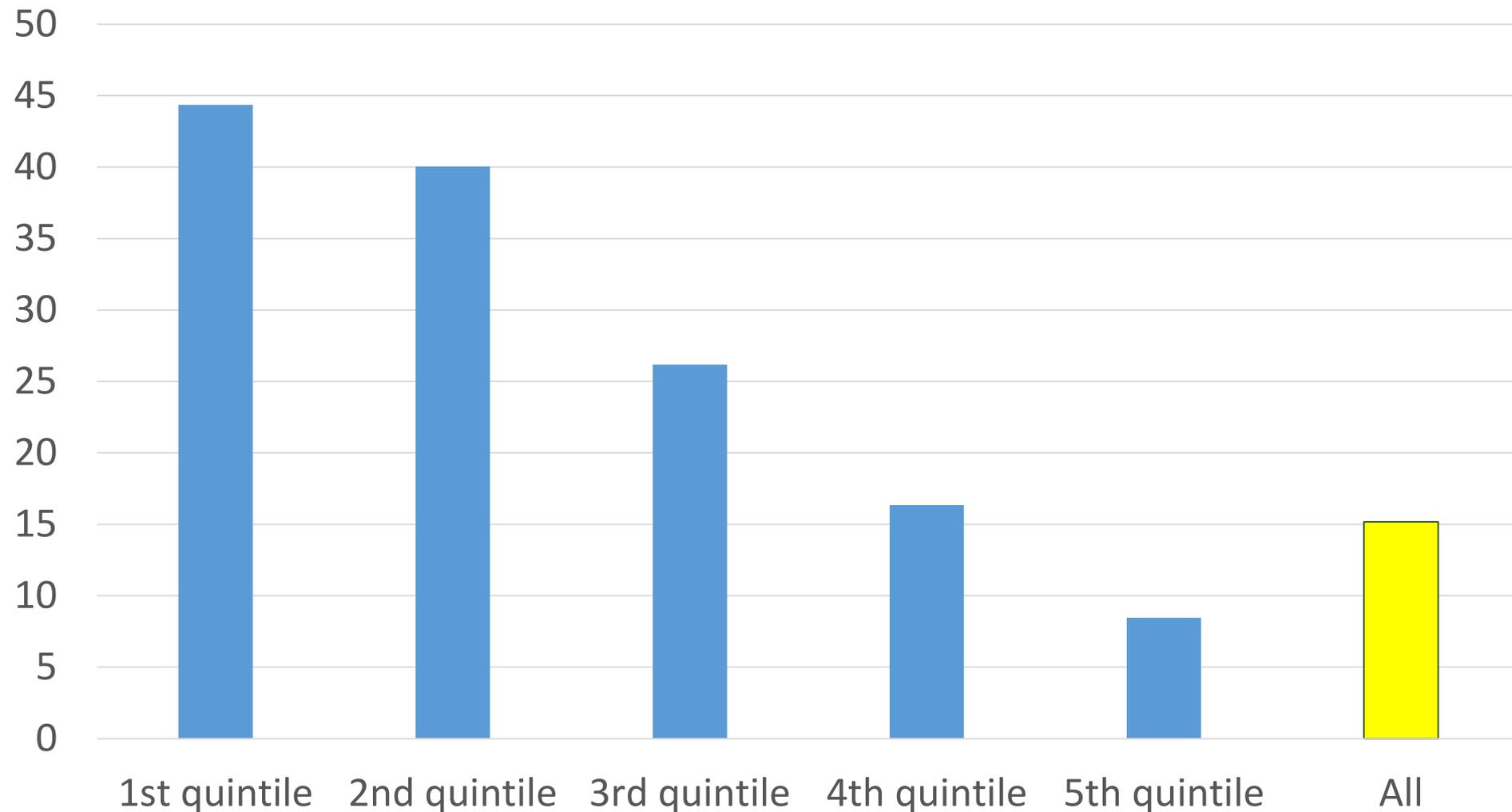
% of total liabilities by net worth quintile



Source: ABS 6523.0 Household Income and Wealth, Australia, 2013–14; Table 8.4

COMPOSITION OF ASSETS AND LIABILITIES, Net worth quintile

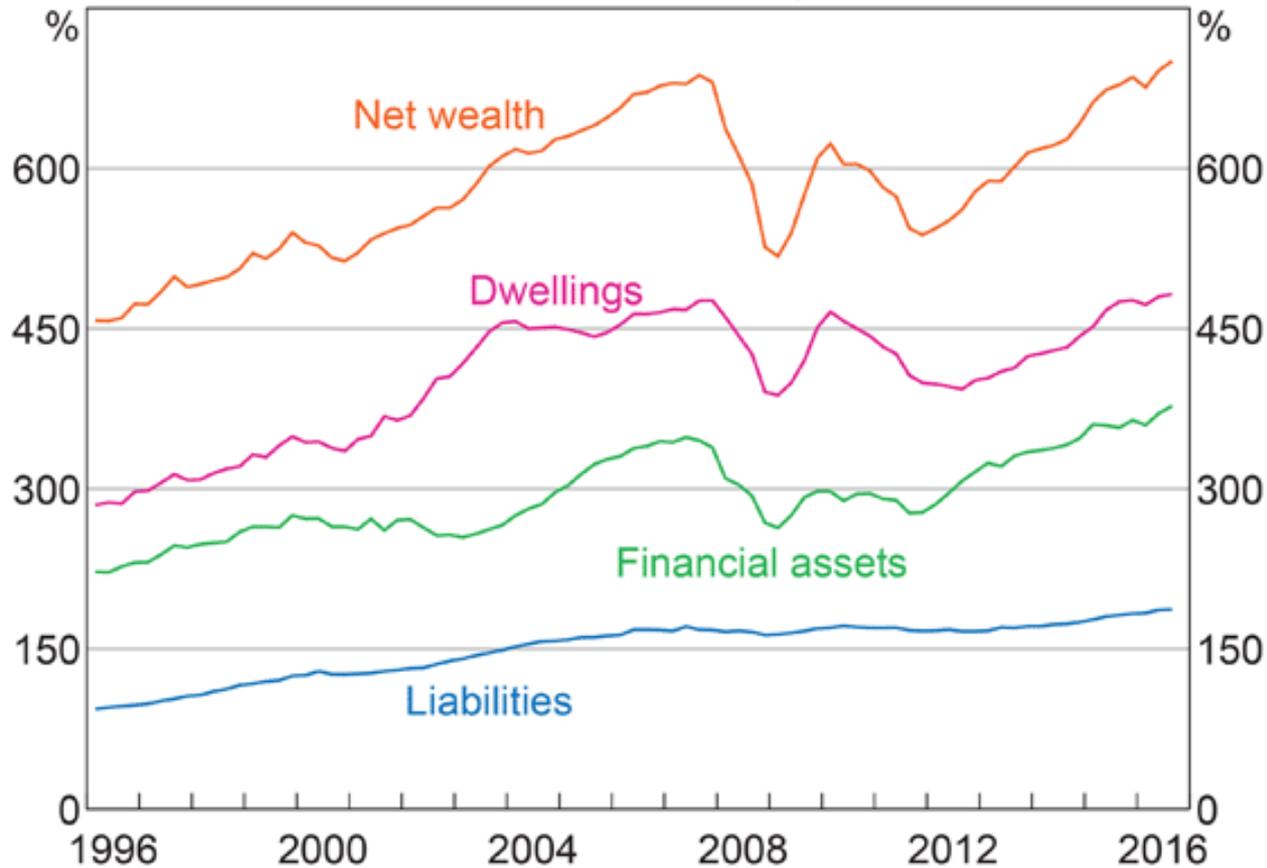
Household liabilities as a percentage of assets by net worth quintile



Source: ABS 6523.0 Household Income and Wealth, Australia, 2013–14; Table 8.4
COMPOSITION OF ASSETS AND LIABILITIES, Net worth quintile

Household Wealth and Liabilities*

Per cent of annual household disposable income

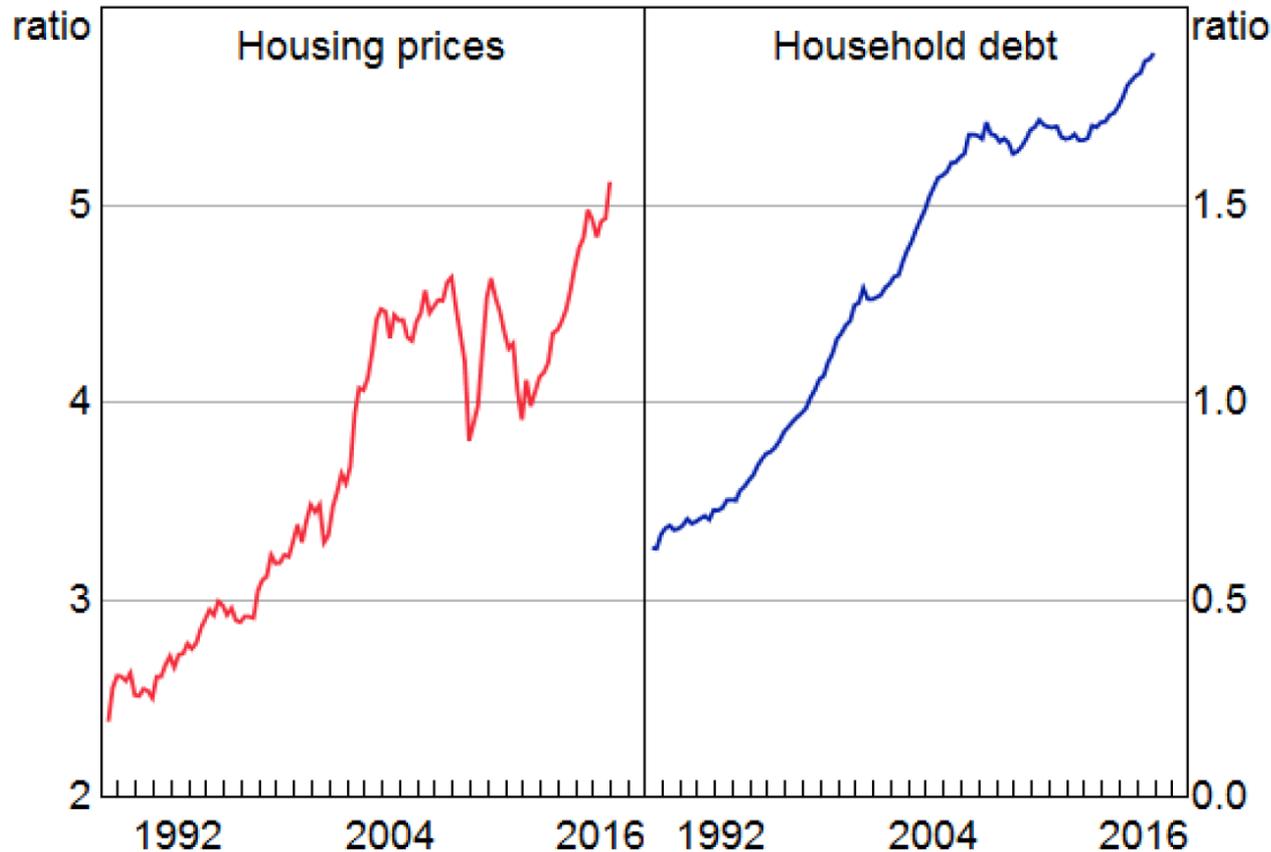


* Disposable income is after tax and before the deduction of interest payments

Sources: ABS; RBA

Housing Prices and Household Debt

Ratio to household income*



* Annual household disposable income, after tax, before the deduction of interest payments and including income of unincorporated enterprises

Sources: ABS; APM; APRA; CoreLogic; RBA

Source: P. Lowe (2017) "Household debt, housing prices and resilience"
<http://www.rba.gov.au/speeches/2017/sp-gov-2017-05-04.html>

Renters and homeowners



- Renting during work
 - Less access to credit
 - No GCT exemption on assets
- Renting in retirement
 - Limited rent assistance (\$132pf)
 - Limited means test concession (+\$200K on asset test)
- Rising percentage of renters

Retirement incomes

- More retirees; more benefits paid out.
- Benefits now paid as:
 - 50% lump sum
 - Most used for home improvements, debt repayments, other investment
 - 50% income streams
 - Mostly account based pensions
 - Small amount in guaranteed products.
- Retirees **should be able to understand** benefits, risks and costs of retirement income products.