



Monday, 9 September 2024

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
[economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

**RE: Response to Question on Notice**

**Inquiry into improving consumer experiences, choice, and outcomes in Australia's retirement by the Senate Economics References Committee.**

In response to the committee's question regarding the size and prevalence of mortgages for individuals approaching and beyond retirement age, we provide the following data sourced from our platform:

- Of **homeowners aged 60-64, 55%** have a mortgage, with an average outstanding balance of **\$243,000**.
- Of **homeowners aged 65-69, 42%** have a mortgage, with an average outstanding balance of **\$206,000**.
- Of **homeowners aged 70 and over, 15%** still have a mortgage, with an average outstanding balance of **\$202,000**.

It's worth noting that for individuals over 70, it's possible that some are using their mortgage as a line of credit, rather than simply carrying traditional mortgage debt. This raises the need for further data and investigation to fully understand the nature of these financial products and their implications for retirees.

The significant reduction in the percentage of homeowners with mortgage debt from 42% for those aged 65-69 to 15% for those aged 70 and over may suggest that many Australians are using their superannuation to pay down their mortgage as they enter retirement. While we cannot be certain, this is a reasonable assumption, given that the family home is exempt from means testing for the Age Pension. This exemption provides a strong incentive for retirees to eliminate their mortgage debt, thereby preserving their eligibility for government support while maintaining homeownership.

However, this also highlights a missed opportunity—**downsizing**. Instead of using superannuation to pay off their mortgage, retirees could downsize their home, freeing up capital and potentially becoming self-funded retirees. By doing so, they could alleviate pressure on the government, as they would require less financial support. Downsizing could help retirees live more comfortably, reduce housing shortages, and promote greater financial independence, reducing reliance on the Age Pension.

Given that users of our platform tend to exhibit higher levels of financial literacy and wellbeing than average Australians, these figures may underreport the broader population's struggle with mortgage debt in retirement. The challenges faced by those not using such platforms are likely to be even more pronounced.

These findings underscore the importance of targeted financial education, practical retirement planning tools, and potentially innovative policy measures like the superannuation mortgage offset idea. Addressing these issues will be essential in helping Australians manage debt effectively as they transition into retirement.

Should the committee require further analysis or additional insights, we would be pleased to provide this upon engagement.

Alexander Hassall  
CEO | Your Financial Wellness