

General Advice Warning

The information we are discussing today is general information only and should not be relied upon solely. It does not take into account an individual's personal circumstances. Before acting on any information you should make sure you have thoroughly investigated your situation or sought professional advice.

Answer to last week's question regarding Centrelink exemption on principal place of residence.

Currently a person's principal residence is excluded from assessment under the Centrelink assets and income tests, however, where the land area on which the residence is located exceeds 2 hectares, only the value of the residence and the surrounding 2 hectares is excluded. The value of the land area exceeding 2 hectares is counted as an asset under the assets test.

From 1 January 2007, it is proposed that where the land area containing a principal residence exceeds 2 hectares, the entire property will be excluded from the assets test provided a number of conditions are satisfied.

These conditions include:

- The property has been held by the owner for at least 20 years;
- The land is covered by one title;
- The land is used for private purposes;
- The land can not reasonably be realised or used for commercial purposes;
- The owners are aged pensioners or of age service pension age.

Answer to last week's question regarding unpaid super.

The best initial contact is the ATO on 13 10 20. I Googled unpaid super and the first thing that popped up was a link to the ATO guide.

Financial stress on relationships.

I heard recently that there had been a very significant rise in the number of people in relationship trouble due to financial concerns. This is quite understandable considering the challenges that have been dished out by investment markets recently.

Talking about the family finances is difficult at the best of times but we must make sure we do it.

In a recent study up to 40% of all relationship breakdowns were attributable to financial stress. This is an increase from 18% previously.

It is clear people need to employ new strategies to better cope with the pressures.

Working with a good adviser will definitely help but you should:

1. Develop clearly defined goals. Put in writing what you want to achieve.
2. Be aware of your income and expenses and do not over commit. Do a budget.
3. Review the numbers regularly to make sure they are real.
4. Communicate with your partner about the results and other issues that may arise.
5. If you are encountering hardship talk with your adviser or financial institution. There may be a simple answer that can rectify the problem and you may be able to better organise your finances.
6. If it is straining your relationship get some counselling from specialists in this area.