Re: Reducing barriers to downsizing

In response to the factsheet re this proposed measure:

As current retirees planning to downsize in the future, my wife and I are people who would be directly affected by this. However, in its present form it is difficult to see how the proposed changes would have the desired effect of providing an incentive to downsize.

Primarily this is because it involves taking value from an asset (the family home) that is currently exempt from Centrelink pension means testing and placing it into an asset (non-concessional superannuation) that is subject to means testing. The impact being an almost certain drastic reduction in Centrelink pension, with excess funds struggling to make up the difference in the current low-interest environment.

As things stand, the proposal does not appear to provide an incentive to us.

Keith Payne