



Budget October 2022-23

This information is accurate as of 14 November 2022.

Incentivising Pensioners to Downsize

This measure will provide more time for people to buy, build, or renovate a new principal home before their income support payment, allowance or [Low Income Health Care Card](#) is affected.

It will extend the asset test exemption for eligible people who downsize their home from up to 12 months to up to 24 months. A further extension of up to 12 months is available in special circumstances, such as building delays because of a natural disaster. This gives a total exemption of up to 36 months.

It will also apply only to the lower deeming rate to home sale proceeds intended to buy a new home during the exemption period. The lower deeming rate is currently 0.25% per year. Learn more about [deeming](#).

This measure will reduce the financial impact on people downsizing their home, primarily pensioners. This gives people more flexibility to find suitable new homes. It will also help to free up housing for younger families.

This measure is led by the Department of Social Services. The costs of this measure will be managed within Services Australia's existing budget.

This measure is subject to the passage of legislation.

Who does this measure affect?

This affects people who want to downsize their principal home and get one of the following:

- Age Pension
- Carer Payment
- Disability Support Pension
- Parenting Payment
- JobSeeker Payment
- Austudy
- ABSTUDY
- Farm House Allowance
- Special Benefits
- Low Income Health Care Card
- Youth Allowance.

When will this start and finish?

This will start on 1 January 2023 and will be ongoing.