



## April 2025

As we move into April, and hot on the heels of the recent Federal Budget, Prime Minister Anthony Albanese has announced a national election for May 3 - kicking off an April campaign centred on tax cuts and cost-of-living relief.

Meanwhile fears of inflation in the United States and alarm about unpredictable and escalating tariffs saw sharp falls on Wall Street during March, particularly in the final week.

In Australia, the events in the US, conflicts in Ukraine and the Middle East and the start of the federal election campaign have all made their mark. The S&P/ASX 200 reacted with an almost 5% drop during March.

### In this issue

[Federal Budget 2025-26: Spotlight on tax](#)

[Big changes ahead for Aged Care](#)

[Setting financial goals as a couple](#)

The Australian dollar, in the doldrums all year, improved slightly during the month before ending lower at around 63US cents.

Economic growth was up 0.6% in the December quarter and 1.3% for the year and household wealth climbed 0.9% in the same period. Inflation rose 2.4% in the 12 months to February, a slight softening from the previous month's increase of 2.5%.

Consumer sentiment recorded a 4% rise in March, according to the Melbourne Institute and Westpac Bank Sentiment index. The RBA's decision to cut interest rates in February and a further easing in cost-of-living pressures have provided a clear lift.



## Federal Budget 2025-26: Spotlight on tax

## **In the shadow of an upcoming election, Jim Chalmers' fourth Budget delivered small but unexpected tax cuts for all Australian taxpayers.**

The modest cuts were delivered against a backdrop of growing economic uncertainty, with the treasurer emphasising the need for national resilience in the face of rapid global change.

### **Tax cuts for everyone**

In a surprise revelation, the treasurer announced two new tax cuts in the 2025 Budget.

The first is a cut in the lowest personal income tax rate, which covers every dollar of a taxpayer's income between \$18,201 and \$45,000. The current 16 per cent rate will reduce to 15 per cent in 2026-27 and be lowered again to 14 per cent from 1 July 2027.

According to the government, the reduction will take the first tax rate down to its lowest level in more than half a century. Combined with the 2024 tax cuts, an average earner will be paying \$2,190 less in 2027-28 compared with 2023-24.

The second tax cut is an increase of 4.7 per cent to the Medicare low-income threshold for singles and families. This means the Medicare Levy will not kick in until singles earn \$27,222, rather than the current \$26,000 level. The threshold for families will rise from \$43,846 to \$45,907, while single seniors and pensioners will have their threshold increase from \$41,089 to \$43,020.

### **Energy relief for small business and households**

The Budget also provided small businesses and households with a welcome additional energy bill rebate to cope with the burden of high energy costs.

Around one million eligible small businesses will receive an additional \$150 directly off their energy bills from 1 July 2025. This will extend the government's energy bill relief until the end of 2025, as the previous rebate scheme was due to end on 30 June.

### **Abolition of non-compete clauses and licensing reform**

Some businesses may be less pleased with the Budget announcement of a planned ban on non-compete clauses covering low- and middle-income employees leaving for another business or to start their own.

Competition law will be tightened to prevent businesses making arrangements that cap workers' pay and conditions without their knowledge or agreement, or that block them from being hired by competitors. The government claims this will increase affected employees' wages by up to 4 per cent as they will be able to move to more productive, higher-paying jobs.

Work will also begin on a national occupational licence for electrical trades, which is intended to provide a template for other industries where employees are currently restricted from working

across state and territory borders.

## Beer excise freeze

Government support for the hospitality sector and alcohol producers was also announced in the Budget.

Indexation of the draught beer excise and excise equivalent customs duty rates will be paused in a measure costing about \$165 million over five years.

## Strengthening competition law

Small business will benefit from the government's decision to work with the states and territories to extending unfair trading practices protections to small businesses.

Over \$7 million will be provided over two years to strengthen the Australian Competition and Consumer Commission's enforcement of the Franchising Code.

Subject to consultation, protections from unfair contract terms and unfair trading practices will be extended to all businesses regulated by the Franchising Code.

## Supporting Australian businesses

Local companies will also benefit from \$20 million in additional support for the Buy Australian Campaign, which encourages consumers to buy Australian-made products.

The Budget further supported local businesses with \$16 million in funding for a new Australia-India Trade and Investment Accelerator Fund.

## Additional ATO tax compliance funding

The ATO will be happy, with the 2025 Budget providing \$999 million over the next four years to extend and expand its tax compliance activities.

This includes additional funding for the shadow economy and personal income tax compliance programs, together with \$50 million from 1 July 2026 to ensure the timely payment of tax and unpaid super liabilities by businesses and wealthy groups.

Information in this article has been sourced from the [Budget Speech 2025-26](#) and [Federal Budget Support documents](#).

It is important to note that the policies outlined in this article are yet to be passed as legislation and therefore may be subject to change.



## Big changes ahead for Aged Care

**The number of Australians aged over 65 is expected to more than double in the next 40 years while the number of people aged over 85 is predicted to triple in that time.<sup>i</sup>**

Aged care funding and services have seen major changes in the years since the 2021 report of the Royal Commission into Aged Care Quality and Safety, and this year is no exception.

1 July 2025 marks the start of a host of new programs and improvements for the aged care sector. Several announcements have already been made this year, covering wage rises for aged care workers and nurses, and an increase in government funding for residential aged care accommodation.

In one of the most significant changes, the new Aged Care Act begins on 1 July. The Act aims to ensure the viability and quality of aged care.

A report by the Aged Care Taskforce last year calculated the residential aged care sector will need \$56 billion by 2050 to upgrade facilities and build more rooms.

Current funding arrangements aren't working. In the 2022-2023 financial year, almost half of all accommodation providers made a loss.

Some \$300 million in federal grants will be delivered to accommodation providers this year to help with capital works upgrades.

And to improve the viability of the facilities the government is introducing other measures including larger means-tested contributions from new entrants and a higher maximum room price that is indexed over time.

Aged Care Minister Anika Wells says half of new residents will not contribute more under the new consumer contributions.

“For every \$1 an older Australian contributes to their residential aged care, the government will contribute an average of \$3.30,” says Wells.

## Support at Home

The Aged Care Act also aims to support more people who want to stay in their own homes as they age. The federal government is investing \$4.3 billion in a new Support at Home program, which replaces the Home Care Packages and the Short-Term Restorative Care programs.<sup>ii</sup>

There'll be more 300,000 places available over the next 10 years and a shorter waiting period for Support at Home, and there's a goal to simplify and improve the assessment process, making it easier to access different services as needs change.<sup>iii</sup>

Similar to the Home Care Package, Support at Home will provide:

- clinical care, such as nursing and occupational therapy
- help with maintaining independence including showering, dressing and taking medications
- support for everyday living tasks such as cleaning, gardening, shopping and meal preparation.

The government will pay 100 per cent of clinical care costs while Support at Home recipients will make a contribution towards independence and everyday living costs. The contribution amount will be calculated using the Age Pension means test and it depends on the level of support needed and the combination of income and assets. The highest classification with the most funding will receive a package of services worth \$78,000 per year. There'll also be funding for assistive technology and home modifications and end of life care.

	Classification level	
	Medium (budget around \$22,000)	Highest (budget around \$78,000)
For every \$1 contributed by a...	the Government will contribute, on average...	
Full pensioner	\$12.70	\$19.80
Part pensioner	\$6.10	\$8.50
Self-funded retiree & Commonwealth Seniors Health Card eligible	\$1.60	\$2.20

A new cap on contributions will also apply. No one will pay more than \$130,000 in their lifetime – whatever their means or length of care at home or in residential accommodation.

## Refunding deposits

The new Aged Care Act also requires aged care accommodation providers to refund residents' lump sum deposits within 14 days if they move to another facility or pass away. Interest must be paid on the lump sum until the amount is repaid. As before, some deductions are permitted provided they were included in the original agreement.

## No disadvantage

For those already receiving home care packages or in aged care accommodation, the government says a 'no-worse-off' principle will provide certainty that they won't have to pay more under the new laws.

Whether it is you or a loved one who is considering moving into aged care, it can be an emotional time. With these new changes being implemented, you may have a few questions. Please give us a call if you'd like to hear more about the changes or if we can help to assess your next step or plan ahead.

[i Once in a generation aged care reforms | Health Portfolio Ministers | Australian Government Department of Health and Aged Care](#)

ii [Support at Home program | Australian Government Department of Health and Aged Care](#)

iii [About the Single Assessment System for aged care | Australian Government Department of Health and Aged Care](#)

---



## Setting financial goals as a couple

### Step one: what are your financial pain points?

When you start making plans, chances are you'll both come across financial pain points. In other words, the areas that need some attention and possible alterations. These might include:

- post-wedding or honeymoon debts
- different earning capacities
- different savings goals
- different spending habits
- disagreements you've had in the past
- different ideas about couples bank accounts.

While it's normal to have pain points like these, it's important to recognise them for what they are and work on solutions.

## Step two: separate individual goals from couple goals

While you'll both have personal savings goals, it's a good idea to talk about what these are and why they're important to you.

This will help you work on them, without compromising the goals you have as a couple. Examples of couple goals include:

- buying a home together
- renovating your home
- buying an investment property
- travelling overseas

## Step three: create an action plan

With a better grip on your financial pain points and the goals you both want to achieve, it will be easier to start making practical plans.

Setting out a clear timeline can help you visualise your goals, and importantly, make sure you're staying realistic about how and when you'll achieve them.

It could be worth talking to a financial planner. We can help you set up the timelines and look at ways of boosting your goals.

Keeping motivated is important, but this often takes incentive. You could set up a separate bank account, that has good interest rates and bonuses. You might also want to consider a term deposit. These savings products offer fixed, competitive interest rates and you can choose a term to suit your needs.

You may also consider whether you want a joint account when opening a new savings account as a couple.

When you hit your milestones, there's no harm in rewarding yourself. A nice dinner or weekend away can remind you that your couple goals are worth achieving.

Using an online budget planner will help you find out where you can save money, as well as how much. MoneySmart's [savings goals calculator](#) is also a great tool to keep you on track.

## Step four: get things moving

You may have already opened up a savings account, but have you thought about applying for a personal loan?

With the right repayment plan in place, personal loans can help you achieve those bigger financial goals, such as paying for the costs of starting a family, moving overseas, or even paying off the engagement ring.

If you're looking at property instead, it's best to start the conversation with your lender soon, so you can figure out how much you can afford and where you want to live.

When you apply for a home loan, you'll want to be prepared. Banks and lenders take into consideration a lot of factors before they decide to approve applications. But the more organised you are, the easier it will be to get things moving.

Source: [NAB](#)

Reproduced with permission of National Australia Bank ('NAB'). This article was originally published at <https://www.nab.com.au/personal/life-moments/family/get-married/budgeting-couple>

National Australia Bank Limited. ABN 12 004 044 937 AFSL and Australian Credit Licence 230686. The information contained in this article is intended to be of a general nature only. Any advice contained in this article has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice on this website, NAB recommends that you consider whether it is appropriate for your circumstances.

© 2022 National Australia Bank Limited ("NAB"). All rights reserved.

Important:

Any information provided by the author detailed above is separate and external to our business and our Licensee. Neither our business nor our Licensee takes any responsibility for any action or any service provided by the author. Any links have been provided with permission for information purposes only and will take you to external websites, which are not connected to our company in any way. Note: Our company does not endorse and is not responsible for the accuracy of the contents/information contained within the linked site(s) accessible from this page.

---

## **In Sync Financial Services**

Suite 203, Level 2, Easts Tower

9 Bronte Road

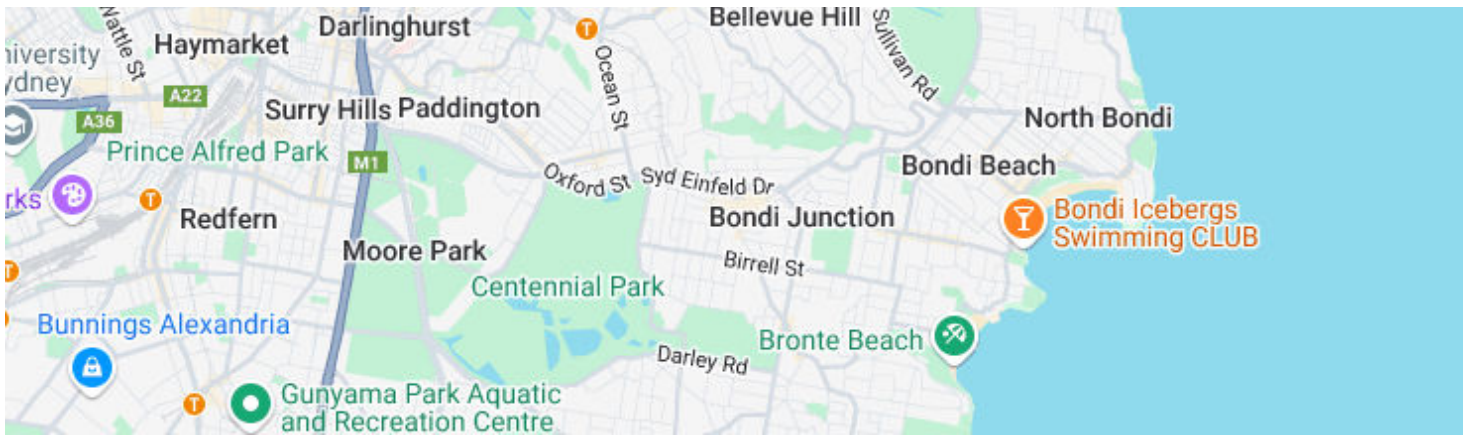
Bondi Junction

NSW 2022

**P** 02 9387 8199

**E** [info@insyncfs.com.au](mailto:info@insyncfs.com.au)

**W** [www.insyncfs.com.au](http://www.insyncfs.com.au)



Paul Del Grande and In Sync Financial Services are Authorised Representatives of Synchro, AFS Licensee no. 243313. This advice may not be suitable to you because it contains general advice that has not been tailored to your personal circumstances. Please seek personal financial advice prior to acting on this information. Investment Performance: Past performance is not a reliable guide to future returns as future returns may differ from and be more or less volatile than past returns.