



November 2025

Australia's economy remained under pressure in October with a surprise bump in inflation, dampening hopes of a rate cut and prompting some economists to predict the next move in interest rates may be an increase.

Headline CPI rose to 3.2% in the September quarter, up from 2.1% in June, the highest quarterly rise in more than two years.

News of the higher-than-expected inflation numbers was followed by the biggest daily fall in the Australian share market in two months. Wall Street ended the month subdued with mixed results over concerns about no further rate cuts this year but optimism about US-China relations after a positive meeting between the leaders.

The lift in inflation appears to have rattled consumers. The Westpac-Melbourne Institute Consumer Sentiment Index fell 3.5% in October, adding up to a 6.5% drop in the past two months after gains between May and August when rate cuts were giving a boost.

The Aussie dollar strengthened by the end of the month, closing at US65.4c, making up some of the last ground of the previous fortnight.

Unemployment rose to 4.5% in September, the highest in nearly four years.

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5 strategies for financially surviving divorce

Divorce can be one of life's most emotionally and financially disruptive events. Whether you're in the early stages of separation or rebuilding after a settlement, understanding the financial implications and taking proactive steps can make all the difference.

More than 47,000 divorces were granted in Australia in 2024, down 3 per cent on the previous year. At divorce, marriages had lasted around 13.2 years. The median age of those divorcing was 47.1 years for men and 44.1 years for women.ⁱ

Divorce reshapes your financial landscape, dividing assets, splitting incomes and doubling expenses as two households replace one. The cost of divorce can be as much as \$870,000 per couple, according to one estimate, which also finds that women – particularly older women – often experience a 30-45 per cent drop in living standards.ⁱⁱ

This financial strain is compounded by legal fees, potential spousal maintenance, child support obligations and the need to reassess retirement plans.

Step 1: Get a clear picture of your finances

Start by taking stock of your financial position to provide clarity when negotiating settlements and planning your future.

- List all of your assets including property, superannuation, vehicles, bank accounts and investments.
- Identify liabilities, such as mortgages, credit cards and personal loans.
- Detail your income sources including employment, Centrelink, child support and spousal maintenance.

Step 2: Budget for your new life

Post-divorce budgeting is more than balancing numbers. It's about redefining your financial identity. You may need to adjust your lifestyle, reconsider housing options and build an emergency fund to cushion unexpected costs.

Don't overlook your credit health. Joint accounts and shared liabilities can affect your credit score, even after separation. Close or convert joint accounts, monitor statements and make sure that bills are paid on time. Maintaining good credit and cash flow is important for securing housing loans and for your future financial stability.

Step 3: Understand asset division and superannuation

Property settlements can be complex and have serious tax implications. Assets acquired before or during a marriage, including super, are usually part of the asset pool. Super accounts can be split as part of a settlement, transferring a portion from one partner to the other, a move that can significantly affect retirement planning.

Don't forget that timing matters in financial decisions during divorce. Rushing into asset division or investment choices while emotions are running high can lead to costly mistakes. Take time to understand your options, get independent advice and avoid making decisions based on short-term comfort, such as keeping the family home if it will unreasonably strain your budget. A measured approach helps protect your long-term security.

On the other hand, don't forget there may be legal time limits to settlements both for married people and de facto couples.

Step 4: Plan for tax and legal issues

Divorce can trigger other tax consequences, especially when transferring or selling assets. But make sure you're aware of the possible capital gains tax rollover relief and stamp duty exemptions that may apply in your circumstances.

It's also important to update your will, powers of attorney and insurance policies as quickly as possible.

Because these decisions have long-term effects, it's wise to seek guidance from not only your lawyer but also a tax specialist and we are here to assist you and assess your financial situation.

Step 5: Rebuild with purpose

Once the dust settles, it's time to rebuild.

Take the time to:

- Set new financial goals
- Develop an investment strategy suited to your risk tolerance
- Maximise your super contributions where possible
- Plan for retirement with revised expectations.

Divorce is a financial reset. While the outlook can seem daunting, there's also an opportunity to take control of your financial future. With the right advice, you can emerge from divorce not just surviving but thriving.

If you're facing separation, consider obtaining financial advice early in the process. The sooner you start planning, the better positioned you'll be to protect your assets, support your family and rebuild a secure future.

Please give us a call if we can help at any stage.

ⁱ <https://www.abs.gov.au/statistics/people/people-and-communities/marriages-and-divorces-australia/latest-release#divorces>

ⁱⁱ <https://mywealthsolutions.com.au/blog/planning/6-steps-to-financially-plan-for-divorce/>



SUPERANNUATION UPDATE

Super tax shake up

Superannuation tax rules are changing again and there are implications for those with very large balances as well as those on lower incomes.

In a nutshell, the new plans include:

- more targeted tax rules for people with very large super balances
- extra support for low-income earners who contribute to super
- indexation (automatic increases) to make sure the tax thresholds keep up with inflation
- the removal of the proposed tax on unrealised gains

The new super tax rules will begin on 1 July 2026 and will be based on your total super balance as at 30 June 2027.

The changes follow feedback from industry groups, financial experts, and the public. Treasurer Jim Chalmers said the updates are designed to make the system fairer while still meeting the government's goals.ⁱ

New rules for higher balances

If your total super balance (TSB) is more than \$3 million, you'll be affected by new tax rates on earnings.

Here's how it works:

- for balances between \$3 million and \$10 million, earnings will be taxed at 30 per cent instead of the usual 15 per cent for the proportion of earnings between the thresholds
- for balances over \$10 million, a tax of 40 per cent will apply on the proportion of earnings over the threshold

These are still concessional rates, meaning they're lower than the top personal income tax rate, but they're higher than the standard super tax rate.

The thresholds will be indexed over time. The \$3 million threshold will increase in steps of \$150,000 while the \$10 million threshold will increase by \$500,000 each time.

This means fewer people will be affected in the future as the thresholds rise with inflation.

Only a small number of Australians will be affected by the new rules. Less than 0.5 per cent of super account holders are expected to have balances exceeding \$3 million in the 2026-27 financial year. The \$10 million rule is expected to apply to fewer than 8,000 accounts, less than 0.1 per cent of all super accounts.ⁱⁱ

If you're affected, you can choose to pay the tax from your super account or from funds outside of super.

No tax on unrealised gains

One of the most controversial parts of the original proposal was a tax on unrealised gains, meaning increases in the value of assets that haven't been sold yet (such as property or shares).

This idea has now been dropped.

Instead, the new tax will only apply to realised gains (actual earnings such as interest, dividends or profits from selling assets).

Extra top-up for low income earners

The government is increasing support for low-income earners through the Low Income Superannuation Tax Offset (LISTO).ⁱⁱⁱ

LISTO is a 15 per cent tax offset paid by the government into the super accounts of people earning up to \$37,000 a year and is worth up to a maximum of \$500.

From 1 July 2027, the current LISTO income threshold will increase to \$45,000 to match the top of the second income tax bracket. Around 3.1 million Australians will then be eligible for LISTO.

The maximum government top-up payment will also be increased from \$500 to \$810 to account for the recent increase in the Superannuation Guarantee (SG) rate to 12 per cent.

Special rules for defined benefits funds

Some judges and politicians are members of defined benefit super funds, which work differently from regular super accounts.^{iv}

Because it's harder to calculate earnings in these funds, the government will develop equivalent arrangements to apply the new tax fairly.

We're here to help you understand how the changes may affect your super and your long-term financial goals, so please give us a call.

ⁱ <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/reforms-support-low-income-workers-and-build-stronger>

ⁱⁱ <https://www.superannuation.asn.au/media-release/proposed-super-tax-changes-will-make-system-fairer-for-low-income-workers-asta/>

ⁱⁱⁱ <https://treasury.gov.au/publication/p2025-709385-listo>

^{iv} <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/caps-limits-and-tax-on-super-contributions/super-contributions-to-defined-benefit-and-constitutionally-protected-funds#ato-Definedbenefitfunds>



Easy ways to **boost** your credit score

Most Australians are only vaguely aware – or completely unaware – of the fact that credit-reporting agencies monitor their financial transactions.

While most Australians don't give much thought to what's on their credit report, the credit score that's based on the contents of that report can have a significant impact on your financial choices. A modest score may mean you miss out on getting a mortgage or business loan.

There's no shame in relying heavily on your credit card or delaying bill or loan payments to help ride out the financial impacts of the pandemic. However, it is worth understanding how the financial decisions you're making can affect your creditworthiness.

Know the score

Australia's credit reporting agencies make it as easy as possible for people to access their credit scores. You should be able to get a free copy of your consumer credit report by contacting the relevant credit-reporting agency or putting in a request via its website.ⁱ

The two big players in the credit-reporting industry are Equifax and Experian, but Illion may also have a 'consumer credit report' on you. If you're based in the Apple Isle, the Tasmanian Collection Service will be keeping an eye on whether you're paying your bills.

Credit scores range from 1 to 1000 or 1200, depending on the agency rating it. If you discover your score is around 500 or better (again, depending on the agency) you can take comfort in the knowledge you're of above-average creditworthiness. If your score is lower, there are some simple remedies.

Credit repair 101

While credit reporting agencies guard the finer details of their credit-score calculations, they are transparent about what will cause people's credit score to fall and what is required to rectify the situation.

Here's what you need to do to boost your creditworthiness.

- **Sort out any unpaid bills**

People often discover unpaid bills – the technical term is 'delinquencies' – on their credit report that they either didn't know existed or which they assumed were ancient history and covered by a statute of limitations.

If you've been wrongly charged for something, act quickly to get the charge removed. Start by contacting the business that has mistakenly billed you. If that doesn't resolve the issue, contact the credit reporting agency.

If you've been legitimately charged but didn't get the bill or were unable to pay it, contact the creditor and negotiate repayment arrangements.

- **Stop applying for credit**

In the current unpredictable environment, it can be comforting to know you have access to plentiful credit in an emergency. But credit agencies view multiple applications for credit in a short period of time as a sign of financial distress, so think twice about applying for another credit or store card. Even if you don't ever get the card, the fact you've enquired about doing so is listed on your credit file.

On this point, it's worth considering alternative options before applying for

credit. While applying for JobKeeper or JobSeeker, or withdrawing money from your super account, may have other financial implications, your credit score won't be impacted.ⁱⁱ

- **Don't put off paying bills for too long**

The Australian Banking Association recently announced that borrowers who have deferred bank loans will not have their credit rating affected until at least March 2021.ⁱⁱⁱ That's welcome news, but don't assume all companies will be as generous.

Unless the business you owe money to has put in place other arrangements, if they send you a bill for \$150 or more and you don't pay it off within 60 days of the due date, your late or missing payment will stay on your credit report for the next five years.

Get on the front foot

Even if you think you've been careful in your spending, debts can quickly mount up or get lost in the bottom of a drawer, so it's worth getting into the habit of checking your credit score from time to time just to be sure.

This is particularly important if you are hoping to borrow money to buy a home, start a business, or for a major purchase.

If you'd like advice about getting your finances back into shape and maximising your ability to access credit in the future, please call.

i <https://moneysmart.gov.au/managing-debt/credit-scores-and-credit-reports>

ii <https://www.societyone.com.au/blog/early-access-to-super>

iii <https://www.smh.com.au/business/banking-and-finance/credit-rating-amnesty-for-loan-deferrals-extended-20200913-p55v5y.html>