



2025-26 FEDERAL BUDGET SUMMARY

Individuals & Families

Changes to personal income tax rates and thresholds

Threshold (\$)	2024-25 and 2025-26 (%)	2026-27 (%)	2027-28 (%)
0-18,200	0	0	0
18,201-45,000	16	15	14
45,001-135,000	30	30	30
135,001-190,000	37	37	37
>190,000	45	45	45

Increase in the Medicare levy low-income thresholds from 1 July 2024 for individuals, families, and pensioners.

Existing energy rebate of \$300 per year for all households and small businesses to be extended for six months to 31 December 2025.

A guaranteed three days of subsidised childcare each week commencing January 2026 for families earning less than \$533,000, replacing the “activity test” that required parents to be working, studying, or job seeking.

Expansion of the government’s Help to Buy scheme to allow more first home buyers to co-purchase a home with the government. The price cap on properties will be lifted, as well as an increase in the income cap from \$90,000 to \$100,000 for individuals and from \$120,000 to \$160,000 for couples or single parents.

Ban on non-compete clauses for workers earning under \$175,000 to enhance job and business opportunities.

Businesses

Instant asset write-off threshold of \$20,000 reduced to \$1,000 from 1 July 2025.

Indexation on draught beer excise and excise equivalent customs duty rates will be paused for a 2-year period from August 2025.

\$20 million investment in initiatives to encourage consumers to buy Australian-made products.

Students

The government will reduce all outstanding Higher Education Loan Program (HELP) and other student debts by 20%, before indexation is applied on 1 June 2025.

The student loan repayment system will also be reformed from 1 July 2025 by moving to a marginal repayment system with a higher minimum repayment threshold. The minimum repayment threshold is proposed to increase from \$54,435 in 2024-25 to \$67,000 in 2025-26.



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ATO

The ATO will be given \$999 million in funding over 4 years to extend and expand its tax compliance activities.

Foreign residents

Foreign persons will be banned from purchasing established dwellings for 2 years from 1 April 2025, unless an exception applies.

The enhanced compliance approach by the ATO and Treasury to target land banking will ensure foreign investors comply with requirements to put vacant land to use for residential and commercial developments within reasonable timeframes.