

Winter 2025

With Winter now upon us, it's time to embrace the joys of the cooler months of the year.

Now that the federal election is out of the way, and another financial year is drawing to a close, it's a perfect time to look back at all you've achieved over the past 12 months and focus on a fresh start for the financial year to come.

While market volatility continued, markets largely recovered from April's losses in May. However, the legal and economic uncertainty of US tariffs remain a key concern for global and local markets.

The end of the month saw the S&P/ASX 200 react positively at first to the news that a US federal judge had blocked the tariffs. When an appeals court temporarily stayed the tariffs hours later, a mini sell-off followed. The index has jumpstarted its way to a three-month high, not quite back to its best in February.

There was a sigh of relief all round when the Reserve Bank lowered interest rates in May by 25 basis points to 3.85%. The RBA's move came with a caveat that, while domestic demand "appears" to be recovering and real household incomes have picked up, the outlook is unclear because of both local and international developments.

Inflation was slightly higher than expected for the 12 months to April, but it remained within the RBA's target range and many economists are predicting another rate cut in July.

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SMART MOVES before **THE FINANCIAL YEAR ENDS**

The end of the financial year is an opportunity to optimise your financial strategy, take advantage of tax deductions, and set yourself up for the new financial year.

Whether you're looking to maximise tax benefits, rebalance your investment portfolio, or to simply ensure you're ticking all the right boxes, smart end of financial year (EOFY) planning can make a big difference.

So, to finish the financial year on a high note, start by mapping out your finances and investment portfolio and collect all the relevant documents. It can be a tedious task if your filing isn't up to scratch, so it can be useful to set up a system as you go to make it easier for the next financial year.

You will need your bank statements, superannuation fund statement, self-managed super fund (SMSF) paperwork if relevant, a record of any capital gains or losses from the sale of assets such as shares or property, details of share dividends including any dividends earned through a Distribution Reinvestment Plan, and records of any other investments or income received.

Looking for deductions

On the other side of the ledger, there are limits on deductions for most categories of expenses but it's a useful exercise to gather the evidence of all costs associated with employment and income-producing investments – whether or not they're tax deductible.

For the most part at least, some deductions are allowed for certain work-related costs, donations over

\$2 to approved not-for-profits, the costs of managing your tax affairs, eligible investment property expenses, income protection insurance premiums (if the premiums are paid outside of your super fund), and expenses linked to a financial investment – such as attending a seminar directly related to the investment or the cost of account keeping fees on bank accounts used only for investment.ⁱ

The ATO is keeping a close eye on work-related expenses and working from home deductions this year, saying there must be “a close connection to your income earning activities, and you should be prepared to back it up with records like a receipt or invoice”.ⁱⁱ

Get ahead with early payments

One way of maximising deductions in this financial year is by paying early deductible expenses due next year such as insurance premiums, subscriptions, or business rent if applicable. But remember to check first to see which expenses may be eligible to prepay.

Small businesses also have access to an instant asset write-off for the business portion of assets under \$20,000, that were purchased and used in this financial year. The instant asset write-off is available to businesses with an annual turnover of less than \$10 million.ⁱⁱⁱ

Review your portfolio

At this stage of the year, it's a good time to take stock of your investments including shares, superannuation and property. You may want to check that your investment strategy is still appropriate for your needs and expectations and review any underperforming assets.

The review will help you to decide whether you have an opportunity to top-up your super fund or SMSF. If you have funds to spare, making the most of the total contribution amount allowed both in this financial year and for the last five years, could give your retirement planning a serious boost.

It's also a chance to review super indexation changes due from 1 July to see if there's a need to take action before 30 June or to wait. For example, the amount that can be transferred into the retirement phase (known as the general transfer balance cap) will increase to \$2 million on 1 July, up from \$1.9 million this financial year. That might affect the decision to begin a pension this month as opposed to next.

There's a lot to consider right now to make sure you're optimising tax savings and that your planning today leads to a financial reward tomorrow. Give us a call if we can help.

i <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/deductions-you-can-claim>

ii <https://www.ato.gov.au/media-centre/ato-unveils-wild-tax-deduction-attempts-and-priorities-for-2025>

iii <https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/depreciation-and-capital-expenses-and-allowances/simpler-depreciation-for-small-business/instant-asset-write-off>

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.ⁱ

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.ⁱⁱ

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.ⁱⁱⁱ

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. Please give us a call if you have questions about the changes being implemented or if we can help you to plan ahead.

ⁱ <https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/once-in-a-generation-aged-care-reforms>

ⁱⁱ <https://www.health.gov.au/our-work/support-at-home>

ⁱⁱⁱ <https://www.health.gov.au/our-work/single-assessment-system/about>



SCAMS: knowledge is protection

Scammers operate in an ever-evolving space and the scams of today are far more sophisticated than they have ever been, targeting even the most financially literate individuals.

In addition to the financial impact from a scam, it can affect your mental health as well as damage your reputation, so understanding how scammers operate is the best way protect yourself from falling victim.

A growing trend

The statistics provide a sobering reminder that no one is immune – no matter how experienced or cautious they may be – it can happen at the click of a button.

According to the Australian Competition and Consumer Commission's (ACCC) Scamwatch, Australians lost an alarming \$3.18 billion to scams last year.

The average individual loss from scams is significant, with individual losses rising by more than 50 per cent last year, to an average of almost \$20,000. This is due, in part, to scammers using new technology to lure and deceive victims and it underscores the serious financial toll scams can take.

Some of the most common scams include:

Investment scams: Investment scams continue to be a major issue, with losses reaching around \$1.2 billion in 2024. These scams often involve fraudulent online trading platforms or fake cryptocurrency schemes, designed to lure investors with promises of high returns and minimal risk.

Impersonation scams: Fraudsters are increasingly using sophisticated tactics to impersonate trusted organisations, such as government bodies, banks, and financial advisers. In 2024, impersonation scams accounted for \$700 million in losses, with scammers using fake emails, phone calls, and even text messages to trick victims into revealing sensitive personal information or parting with funds.

Romance and relationship scams: These scams often involve scammers establishing a personal relationship with victims before manipulating them into sending money. In 2024, these types of scams led to losses of \$250 million, highlighting the emotional and financial damage they can cause.

While these figures are shocking, they also reflect the changing nature of scams. Scammers are no longer relying on clumsy, obvious frauds. Instead, they are using highly professional methods, often tailored to the specific interests, financial knowledge, and behaviours of their targets.

Why everyone is vulnerable

As scammers become more creative, even the most experienced and financially savvy individuals are at risk. There are several reasons why this is the case.

Sophistication: Scammers now use advanced technology and psychological manipulation to trick their victims. They impersonate respected brands and financial institutions, and they can craft highly convincing emails, websites, and phone calls that look indistinguishable from legitimate communications.

Cryptocurrency and new technologies:

The rise of digital currencies and decentralised finance (DeFi) platforms has created new opportunities for scammers to exploit. These markets are largely unregulated, making them more vulnerable to exploitation by criminals.

Deepfakes: Scammers are increasingly using deepfake technology to make their fraudulent schemes more convincing and harder to detect. By creating hyper-realistic videos or audio recordings, they

can impersonate trusted individuals, such as company executives, colleagues, or even loved ones, to manipulate victims to respond to requests for urgent assistance or money. This manipulation of digital media makes it much more difficult for victims to distinguish between what's real and what's fabricated.

Protecting yourself

Despite the growing sophistication of scammers, there are steps you can take to protect yourself. It's crucial to stay alert and use a combination of scepticism, knowledge, and due diligence.

Be cautious when receiving unsolicited offers or requests, whether by phone, email, or social media. If you weren't expecting to hear from a company or individual, don't rush to react. Don't click on links. Take a step back and verify the legitimacy of the contact by using an email or contact number that you locate online. Always verify account details this way before transferring any money.

Scammers are constantly evolving their tactics, so it's crucial to stay informed. Regularly educate yourself on the latest scam trends and familiarize yourself with common warning signs. Agencies like Scamwatch provide ongoing updates and resources for identifying and reporting scams.

The evolving nature of financial scams means that it's not enough to simply be cautious; you need to stay proactive. If you're unsure whether an opportunity is a scam or simply want a second opinion on a financial matter, we're here to help.

Source for all scam statistics in this article: <https://www.scamwatch.gov.au/research-and-resources/scam-statistics>