



WealthDesign FP

April Newsletter

Rising cost and their impact

With the rising cost of living continuing to impact households across Australia, research has shown that a growing number of Australians are delaying retirement due to concerns around increasing everyday expenses, rising healthcare costs and uncertainty about whether their savings will last throughout retirement. Many retirees are also finding themselves providing financial support to children and grandchildren, placing additional pressure on their own savings.

With Australians living longer and retirement potentially spanning 20–30 years or more, planning ahead has never been more important. Volatility, inflation and changing lifestyle expectations mean it is increasingly important to ensure your super is aligned with your retirement goals and risk tolerance. Small adjustments made today – such as reviewing contributions, consolidating accounts, checking fees and ensuring your investment strategy remains appropriate – can make a significant difference over time.

The Coming Federal Budget

With the Federal Budget set to be handed down on 12 May, many Australians will be watching for measures aimed at easing cost-of-living pressures and supporting long-term financial security. Current discussions suggest a focus on areas such as tax reform, healthcare, housing affordability and broader economic sustainability.

While many announcements remain speculative until its released, any changes to taxation, superannuation or investment rules could impact financial strategies moving forward. The upcoming Budget is a timely reminder to review your financial position and ensure your plans remain aligned with changing economic conditions.

Home Equity Access Scheme

The Home Equity Access Scheme Centrelink Scheme lets eligible Australians of Age Pension age access a non-taxable loan using their home as security, paid as regular income, a lump sum, or both.

Payments are capped, with your combined loan and pension unable to exceed 150% of your qualifying pension rate. Interest (currently 3.95% p.a., compounding fortnightly) is added over time, increasing the loan balance.

A no negative equity guarantee applies, meaning you won't owe more than your home's value. It can be a useful way to boost cash flow, but the long-term impact of interest and repayment should be considered.

Rate Hikes

Australia's major banks have increased variable home loan rates following the Reserve Bank of Australia's decision to lift the cash rate to 4.35%. This marks the third consecutive rate rise this year, with the big four banks all passing the increase on to borrowers after Macquarie Bank was the first to move. These changes mean higher repayments for many mortgage holders, as interest rates return to levels seen earlier in 2025 before the recent easing cycle began. For households, this is an important reminder to review budgets, loan structures and cash flow to ensure they remain sustainable in a higher interest rate environment.

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The Advice Gap

Australia is experiencing a growing influx of individuals seeking financial advice, driven by rising cost-of-living pressures, increased longevity, and greater awareness of the importance of long-term financial planning. At the same time, the financial system has become significantly more complex, with ongoing regulatory changes, evolving superannuation rules, shifting tax settings, and increased government support programs such as aged care and NDIS.

This combination is creating a widening “advice gap,” where more people need guidance, but fewer advisers are available to meet demand. As a result, financial planning is increasingly focused not just on investment advice, but on navigating Centrelink entitlements, retirement planning, aged care decisions, and intergenerational wealth transfer.

For clients, this means financial decisions are rarely isolated—they are interconnected and often influenced by multiple changing systems. Having a clear, structured financial strategy has never been more important in managing complexity and ensuring decisions remain aligned with long-term goals.

Contributing to Super

With the end of the financial year approaching, now is an important time to consider whether making additional superannuation contributions could help improve your tax position. Contributing to super before 30 June may allow eligible contributions to be taxed at a lower rate than your marginal tax rate, potentially reducing your overall tax payable while boosting your retirement savings at the same time.

For many clients, this strategy can be particularly effective if they have unused concessional contribution caps or have received a bonus or higher-than-usual income during the year. However, it is important to ensure contributions are structured correctly and remain within your available limits to avoid excess tax implications.

A quick review before year-end can help ensure you are making the most of available opportunities while aligning your superannuation strategy with your broader financial goals.

NDIS

Significant changes to the NDIS are expected to be rolled out from mid-2026 as part of broader reforms aimed at improving sustainability and tightening scheme management. The Government has indicated a stronger focus on clearer eligibility rules, standardized support assessments, and more consistent funding decisions. There is also increasing discussion around cost containment, with potential reductions in certain areas of funding as part of efforts to ensure the program remains financially sustainable long-term.

While details are still being finalized, these changes could impact how plans are structured and how supports are accessed. For participants and families, it will be important to stay informed and regularly review their circumstances to ensure they continue to receive appropriate support as the system evolves.

Talk to us today – the right advice starts with a conversation