

# Federal Budget 2025

## Highlights



## Taxation

### Personal tax cuts

16% tax rate on income between \$18,201 and \$45,000 will reduce to:

- 15% from 1 July 2026, and
- 14% from 1 July 2027

## Cost of living

### Energy bill relief extended for 6 months

Additional rebate of \$150 (\$75 paid quarterly) for all households and eligible small businesses

From 1 July 2025

### Capping the cost of PBS medicines

The cost of medicines under the Pharmaceutical Benefits Scheme (PBS) will be capped at \$25

From 1 January 2026

### Medicare bulk billing incentives

Bulk billing incentive payments to medical practitioners will be expanded for all Medicare-eligible patients

From 1 November 2025

### Help to buy scheme expanded

Income caps will increase to \$100,000 (singles) and \$160,000 (joint) and higher property price caps

### Changes to student loan repayment amounts

Minimum repayment threshold will increase to \$67,000 and new method of calculating repayment

From 1 July 2025

### Student loans reduced by 20%

A one-off 20% reduction to an individual's HELP or student loan account balance

From 1 June 2025



## Social security

### Childcare subsidy 3-day guarantee

Guarantees a minimum of 72 hours per fortnight of subsidised childcare without satisfying activity test

From 1 January 2026

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Source: <https://budget.gov.au>

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