

Individuals & SMEs

Fast Facts '25

Take the lead

26 March 2025

Personal Income Tax & Small Business Incentives

Key takeaways

Personal Income Tax Cuts from 1 July 2026

In addition to the Tax cuts already announced, the Government will deliver new tax cuts for every Australian taxpayer from 1 July 2026.

Under the Government's new tax cuts:

- From 1 July 2026, the 16% rate will be reduced to 15%
- From 1 July 2027, the 15% rate will be reduced further to 14%

Medicare Levy Low Income Threshold

The Government has increased the Medicare levy low-income thresholds for singles, families, and seniors and pensioners from 1 July 2024 to provide cost-of-living relief. The increase to the thresholds accounts for recent annual CPI increase of 4.7%.

HELP and other Student Loans

The Government will reduce all outstanding HELP and other student debts by 20% with effect before indexation is applied on 1 June 2025, subject to the passage of legislation. This will remove \$16bn from student loan accounts of 3m Australians.

Additionally, the Government will also increase the amount that people can earn before they are required to start paying back their loans from \$54,435 in 2024-25 to \$67,000 in 2025-26.

Energy Relief Fund Extension

The Government will continue the energy bill rebates of \$75 per quarter for eligible Australian households and small businesses until 31 December 2025.

Banning non-compete clauses

The Government will ban non-compete clauses for workers earning less than \$175,000.

Banning foreign buyers of established homes

The Government will ban foreign buyers (including temporary residents and foreign owned-companies) from purchasing established dwellings for two years from 1 April 2025, unless an exception applies. Exceptions to the ban will include investments that significantly increase housing supply to support the availability of housing on a commercial scale and purchases of foreign owned companies to provide housing for workers in certain circumstances.

Freezing draught beer excise

Pausing indexation on draught beer excise and excise equivalent customs duty rates for two years, supporting the Hospitality industry.

Strengthening Tax Integrity

The Government will strengthen the fairness and sustainability of Australia's tax system by providing \$999m over four years to the ATO to extend and expand tax compliance activities.

We score it: **2/5**



"A Small Slice for SMEs" – Some business tax breaks, but not enough to be game-changing.'



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