

Hi ,

There's plenty of major news to know about as we head into the new financial year. Here are some of the big stories right now:

- Case builds for extra rate cut
- Fixed rates fall to three-year lows
- Rental growth continues
- 5 simple steps to succeed at tax time

**Read more below.**

## INFLATION DATA BOOSTS PROSPECTS OF FURTHER RBA RATE CUTS



The annual inflation rate in April was 2.4%, based on the latest data from the Australian Bureau of Statistics. That marked the ninth consecutive month headline inflation had been within the RBA's target range of 2–3%.

More importantly, the '*trimmed mean*' inflation rate – which the Reserve Bank of Australia (RBA) considers more reliable as it removes volatile price movements – was 2.8%, marking its fifth consecutive month within the target range.

This potentially opens the door for the RBA to make at least one more interest rate cut this year.

## MONTHLY CPI INDICATOR



Source: ABS (2025), Monthly Consumer Price Index Indicator – April

The minutes from the RBA's May 20 monetary policy meeting show that the board believes inflationary pressures have eased significantly. It also noted that *"significant and unexpectedly adverse developments in the global economy"* could slow domestic growth, further easing inflationary pressure.

That said, the RBA cautioned that inflation risks remain. The scheduled end of federal energy subsidies is expected to increase power prices, while a tight labour market continues to drive strong wage growth. Both factors may exert upward pressure on inflation.

As a result, while many economists forecast rates will fall further in 2025, it remains uncertain.

## FIXED RATES FALL TO THREE-YEAR LOWS



A limited number of lenders are now offering fixed-rate mortgages whose interest rates start with a '4', although variable rates continue to have a '5' (at least) in front of them. So are fixed rates about to make a comeback and is now the right time for you to fix your loan?

That depends on your personal circumstances and what you anticipate will happen in the future.

Here's what to consider if you're thinking about fixing:

- Many commentators expect the Reserve Bank of Australia (RBA) to make at least one more rate cut in 2025 – and possibly more. Only variable-rate borrowers would benefit from those cuts immediately, although fixed rates may continue to trend downwards in a lower-rate environment.
- That said, there's no guarantee the RBA will cut rates again. Furthermore, the RBA might need to make two more cuts before variable rates get cheaper than fixed. That's because, since January 2024, lenders have generally charged lower interest rates on new fixed loans than new variable loans, according to RBA data.
- Variable loans generally offer greater repayment flexibility, such as redraw and offset, which means you can get ahead on your mortgage – which would offer peace of mind if the economy weakened further.
- However, if you want budgetary certainty due to cost-of-living pressures, you might be better off fixing your loan, even if it turns out to be slightly pricier in the long term.

WANT TO COMPARE INTEREST RATES? LET'S TALK

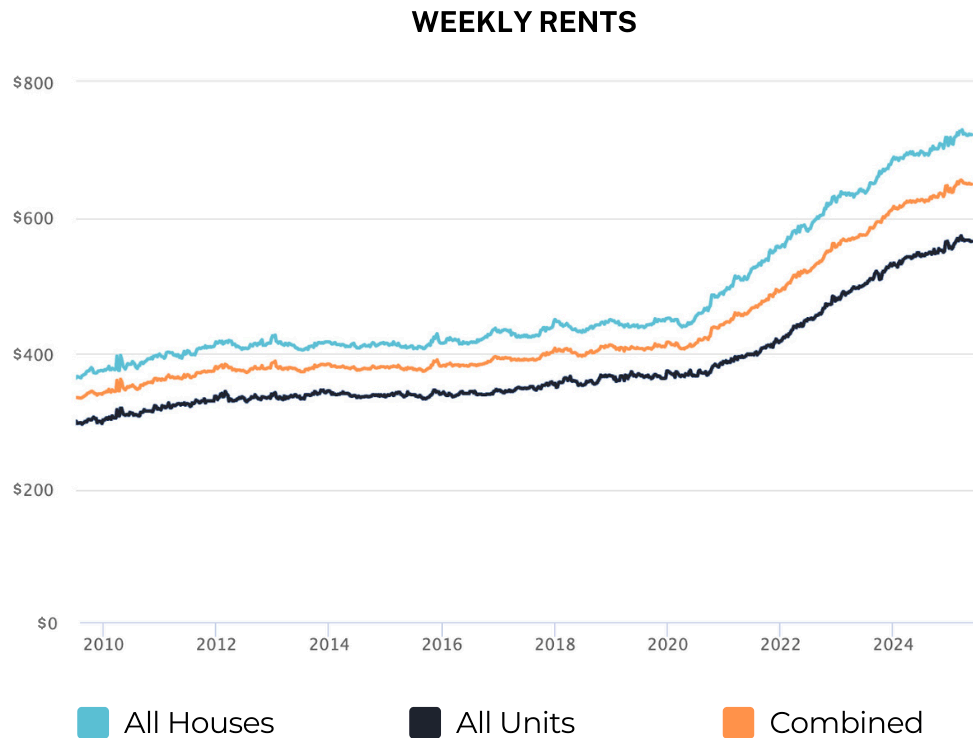
## RENTAL GROWTH CONTINUES – HERE'S WHAT THAT MEANS FOR RENTERS AND INVESTORS



The latest rental data shows different financial trends for renters and property investors, with opportunities emerging on both sides.

After rising steadily since 2021, rents climbed another 4.2% over the year to June 12, according to SQM Research, contributing to ever-higher living costs for tenants.

Conversely, property investors are benefiting from higher incomes and potentially higher yields as well.



Source: SQM Research (2025), Weekly Rents – National

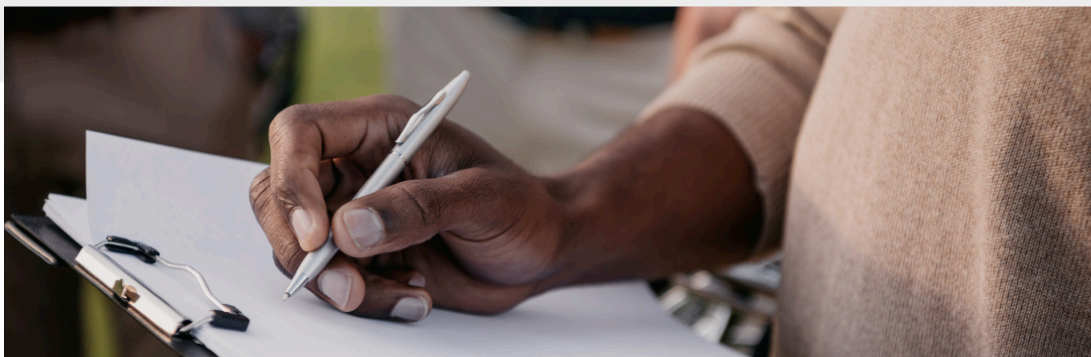
If you're currently renting and are thinking about entering the market, here are three tips:

- **Maximise your savings.** The larger your deposit, the more properties you'll be able to afford and the less you'll need to borrow.
- **Be flexible.** You may not be able to purchase your dream home right away. Consider buying in more affordable areas.
- **Understand your borrowing capacity.** Contact me if you want me to run the numbers for you, so you can get a realistic idea of what you can afford.

If you already own your own home and are thinking about buying an investment property, you might be able to use equity – rather than cash – to fund your deposit, depending on your circumstances. That will give you the opportunity to take advantage of market conditions, with both rents and prices rising in many parts of the country.

Whether you want to buy your first home or an investment property, I can ensure your loan matches your personal situation and financial goals.

# FIVE SIMPLE STEPS TO SUCCEED AT TAX TIME



As the end of the financial year approaches, it's time to start preparing for tax time. Getting organised early can save you time, money and stress.

Here are five simple steps to help you minimise your stress and maximise your deductions:

1. **Gather your paperwork:** This includes income statements, loan documents, interest summaries and any receipts for deductible expenses.
2. **Update your personal details:** Make sure your contact information, bank details and myGov account are current – this helps the ATO process your return without delays.
3. **Check for eligible deductions:** If you've incurred costs related to income-earning activities – such as working from home or investment property expenses – these may be claimable.
4. **Speak to your accountant:** They can help you understand what you can claim and ensure your tax return is accurate.
5. **Plan ahead:** Tax time is a great opportunity to review your financial goals and set yourself up for the next 12 months.

Taking a few simple steps now can help you finish the financial year strongly – and start the new one with confidence.

Thanks for reading. If you want to have a chat about any of the topics raised in my newsletter, please get in touch.

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