

# Update

August 2025

Jess here - taking over the newsletter reigns! It's been a pleasure getting to know many of you already, and if we haven't crossed paths yet, I'm sure we will soon.

In case you missed it, the Reserve Bank of Australia (RBA) has cut the official cash rate by 25 basis points, bringing it down to 3.60%. This marks the third rate cut for 2025, and the good news is that most lenders are passing the full cut on to you, the customer.

Here's a quick look at some of the major banks that have confirmed the cut and when it will take effect on your home loan:

Bank Name	Rate cut	Effective Date
<b>ANZ</b>	0.25%	Fri 22 Aug 2025
<b>CBA</b>	0.25%	Fri 22 Aug 2025
<b>NAB</b>	0.25%	Mon 25 Aug 2025
<b>Westpac</b>	0.25%	Tue 26 Aug 2025
<b>AMP</b>	0.25%	Mon 25 Aug 2025
<b>Australia Unity</b>	0.25%	Thu 21 Aug 2025
<b>Bank Australia</b>	0.25%	Thu 21 Aug 2025
<b>Bank of Melbourne</b>	0.25%	Tue 26 Aug 2025
<b>BankSA</b>	0.25%	Tue 26 Aug 2025
<b>Bankwest</b>	0.25%	Fri 22 Aug 2025
<b>Greater Bank</b>	0.25%	Tue 26 Aug 2025
<b>Heritage Bank</b>	0.25%	Tue 26 Aug 2025
<b>ING</b>	0.25%	Tue 26 Aug 2025
<b>loans.com.au</b>	0.25%	Tue 26 Aug 2025
<b>Macquarie Bank</b>	0.25%	Fri 15 Aug 2025
<b>RACQ Bank</b>	0.25%	Tue 26 Aug 2025
<b>St. George</b>	0.25%	Tue 26 Aug 2025
<b>Unloan</b>	0.25%	Tue 12 Aug 2025

If you're on a **variable rate loan**, your repayments *may* drop - but not always automatically so it's worth checking in with your bank or mortgage broker. Most lenders will reduce your minimum repayment amount in line with the rate cut.

If you're already paying extra each month, your repayment might stay the same, but you'll be paying off more of the loan principal (which is still a smart move!).

If you're on a **fixed rate loan**, your repayments won't change until your fixed term ends.

## Important Updates

	We will be having a new starter on 19 <sup>th</sup> August.
<b>Staff</b>	Kristy has been in the industry for a while before taking a break for motherhood and now she's ready to get back into it!
<b>Holidays</b>	Kelli will be away on medical leave from September to mid-October.
<b>Pricing Project</b>	We have been implementing our new services packages on all annual engagement renewals and new clients to ensure we can continue providing high quality service for the long term.
<b>Tax Deductibility of Adviser Fees</b>	Just a reminder that some financial advice fees <b>may now be tax deductible if they directly relate to managing income-producing investments or your tax affairs</b> . Ongoing advice fees for reviewing and adjusting investments may be eligible, but they must be paid personally (not from your superannuation). Have a chat with your advisor if you'd like to know if this applies to you.
<b>New Clients</b>	Jayden is handling the majority of new clients and referrals so if you have any family or friends that would like to see an advisor, send them his way

# Article of Interest

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## Should you pay off your home loan?

We are often told that paying off the mortgage on our home should be our first priority because the interest is not tax deductible. But does this apply to everyone?

### **Consider salary sacrifice**

Since you make your mortgage repayment with 'after tax' dollars this may not always be the best approach. For example, if you have a spare \$80 each week which could be applied to your mortgage, an alternative might be to ask your employer to make a 'salary sacrifice' contribution to your superannuation. If you are on the top marginal tax rate of 47% including the Medicare levy, you could salary sacrifice \$150 to be paid into your super and, after tax, still receive only \$80 less per week. If your superannuation fund is earning more than the interest rate on your mortgage you would be well in front.

### **Investment returns can exceed mortgage interest rates**

It may also be beneficial to apply the surplus income to funding an investment with the help of borrowed funds. Again, if the net benefit (income and growth) from the investment exceeds the interest rate on your home loan, you will be ahead.

### **Consult a qualified adviser before making financial decisions**

Personal circumstances vary with regard to tax rates, funds available, your personal objectives and risk profile, so it's best to contact your financial adviser before making decisions of this nature.