

# Update

March 2026

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## **Well well then...**

The Reserve Bank of Australia (RBA) has increased the cash rate by another 25 basis points this month, bringing it to 4.10%. Interestingly, it was a split decision with four members voting to keep it on hold and five members voting increase. The key takeaway being that inflation is proving stubborn.

It's also worth noting this decision was made before factoring in the escalating conflict in the Middle East, which has already pushed petrol prices higher and may place further upward pressure on inflation.

## **Changes that may impact you...**

March brings the usual round of indexation updates, along with a few important changes worth keeping on your radar:

- **Maximum Full Age Pension Increase (20<sup>th</sup> March)**  
Single Age Pension ~+\$22.2 pf [\$577.20 pa]  
Couples: ~+16.70 pf (each) [\$868.40 pa combined]  
This will see over 5 million Australians get a boost
- **Deeming rates are rising (20<sup>th</sup> March)**  
This is the second increase in deeming rates since 2020, as rates have been frozen at historically low levels. The lower deeming rate threshold is \$64,200 for singles and \$106,200 for couples combined.
  - Lower deeming rate: 1.25% p.a. (previously 0.75% p.a.)
  - Upper deeming rate: 3.25% p.a. (previously 2.75% p.a.)Due to a higher deeming your income test may be impacted as "assessed income" goes up which can reduce your pension or affect aged care fees.
- **Changes to superannuation (1<sup>st</sup> July 2026)**
  - Concessional contribution caps increase to \$32,500
  - Non-concessional contribution caps increase to \$130,000
  - Non-concessional bring forward max to \$390,000
  - Total Super Balance thresholds increase
  - General transfer balance cap increases from \$2.0m to \$2.1m
  - Maximum contribution base increases from \$250,000 (\$62,500 per quarter) to \$270,830.

## Important Updates

<b>Leave</b>	<p>A reminder that Jayden will be taking around a month of parental leave in April. Our team will keep an eye on his emails and if you need assistance, just call the office on 08 9250 5599.</p> <p>Emma will be having a week of leave over the April School holidays.</p> <p>Kathy will be taking 3 weeks of leave in May.</p>
<b>New Client Portal – My Prosperity</b>	<p>We've officially rolled out our new portal which will give you secure access to enter your data and upload documents for reviews, helping streamline processes and enhance security for any potential email hackers and scams. Keep an eye out if you have a review coming up.</p>
<b>New document look</b>	<p>We've been working behind the scenes on a new and improved advice document format.</p> <p>We're in the final stages and look forward to sharing this with you soon.</p>
<b>Asgard to BT</b>	<p>If you have an account with Asgard, it will be migrating to BT Panorama on 21 March 2026.</p>

# Article of Interest

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## How to inflation-proof your household budget in 2026

There's no escaping the fact that retail prices, utility bills and interest rates remain persistently high. If you've managed so far, but feel as if you're stretched to the limit (or would just like to hold cost increases at bay so that you can add to your savings) here are some strategies to adopt.

### **Lock down your major fixed costs first**

- **Housing**

Mortgage payments or rent are the biggest expenses for most Australian households.

Homeowners should review their mortgage rates annually, not just when interest rates change, to make sure they are getting the best deal. Switching to a new mortgage provider with a better rate, even if the reduction is only one or two basis points (e.g. from 6.00% p.a. to 5.99% or 5.98%) can save thousands of dollars over the life of the loan.

Renters still have options, despite the tough market conditions. You may be able to negotiate a longer lease in return for smaller rent increases. Landlords value long-term tenants, and recent legislative changes in most states mean that rents can only be increased every 12 months.

- **Utilities**

Electricity and gas prices tend to reset every 12 months, so compare plans when this happens to make sure you are on the lowest rates. You can do this online at Victorian Energy Compare or Energy Made Easy for the rest of Australia.

### **Adopt a strategic approach to groceries**

Grocery prices can seem to rise faster than the CPI suggests. Attack this problem by:

- Buying in bulk when possible, e.g. when 'specials' are offered
- Maximising your use of seasonal produce, which is often cheaper
- Trying generic supermarket brands, where quality can be just as good
- Joining a supermarket loyalty scheme to earn cashback, but staying open to buying competitors' specials

### **Inflation-protect your insurance**

Review your home and contents insurance to make sure your cover is adequate given recent price increases and property valuation surges. Being under-insured can be a costly mistake. But rein in likely premium increases by increasing your excess and dropping any expensive extra benefits (such as motor burnout or portable items cover) you're unlikely to need or can accept the risk for.

Apply the same scrutiny to any extras cover on your health insurance. Is the cost of cover for items like dental, optical, physio and podiatry greater than your likely benefits if you're young and healthy? Conversely, if you're past childbearing age, make sure your premium omits obstetrics.

### **Take an aggressive but selective approach to debt**

Make the elimination of any credit card and BNPL debt you carry from month-to-month your first priority. Their extortionate interest rates will make mincemeat of your budget.

On the home loan front, aim to build a modest repayment buffer in your offset account. And try to avoid committing so much of your income to fixed loan repayments that you have little or no cash buffer left. This may mean borrowing less than the available maximum and choosing a longer loan term, for the sake of increasing your ability to withstand interest rate shocks and inflation.

### **Build a buffer into your budget**

A budget that's too rigid will collapse under inflation. Your spending categories (e.g. groceries, utilities, fuel) will need to be in ranges, not fixed numbers. A 3-6 month emergency cash buffer will allow you to absorb price increases without destroying your budget.

### **Adjust your savings strategy**

Your emergency savings belong in a high-interest savings account. Shop around for the best rates rather than leaving them in a low-interest account with your main banker. Review your interest rates regularly, because banks profit from your inaction.

### **Focus on income as well as outgoings**

There's a limit to how much you can cut expenses, so try to negotiate your salary actively, especially if it hasn't kept pace with the CPI. When you do get a pay rise, immediately siphon it into your emergency savings to avoid lifestyle creep.

Also consider creating a secondary income from a side hustle.

### **Take a tactical approach**

Inflation-proofing your budget in 2026 isn't about extreme self-denial. It's about choosing flexibility, regular reviews and deliberate trade-offs.

You can consult your financial adviser for help setting your household budget, and to tap into their inflation-proofing expertise.