GOOD MONEY GUIDE

Smart ways to stretch your money further

With a little know-how and some planning this guide will show you how you can save, make and protect your money no matter what your situation. Single, getting married, having a family, setting up your business or retiring – find out what you need to know to stretch your money further.

Contents.

Introduction.

Keen to save money? Make extra money? Protect your money? The *Good Money Guide* can help.

Imagine a life where you always have savings in reserve.

Or finding out how to discover the secret deals and sales in your local area.

Or paying for groceries and petrol easily every week, with money to spare, because you know smart tips about what, when and where to go shopping.

This is a lot easier than it sounds. With a little planning, you can make and save the extra money to go on a holiday this year, buy a new car, set up your own business, plan for retirement – or all of the above.

Being a good money manager is all about taking small steps now to reap big rewards later. Intrigued?

In the *Good Money Guide: Smart ways to stretch your money further*, we share how you can save, make and protect your money at different times in your life like:

- Being single
- Getting married
- Having a family
- Setting up your own business
- Retiring and enjoying the fruits of your work.

Keen to know how to create a good budget and stick to it? Then you've come to the right place. We explain how to create a budget and weave it into the fabric of your daily life – easily – in our special 'Your Budget Planner' liftout on page 24.

As the old saying goes, it's not how much you have, but what you do with it that counts. In the *Good Money Guide*, we share the tips and secrets of managing the money you have, to put you in control and help you save for the future.

Single? Time for Serious Savings.

Single? Well it's time to put something aside for that rainy day.

Whether by choice or circumstances, being single means you need to be able to look after yourself – including putting something aside for the good things in life and the occasional 'rainy day'.

Being single brings the advantage that you can have complete control over what you do with your money. But while you may have fewer financial obligations to others, it's also likely you'll have limited options to rely on if things go wrong.

So, when you're on your own, it's a good time to:

- Budget, save, make and grow your money
- Start building assets like property or shares (if it's the right time in your life)
- Get into good savings and spending habits
- Put your hand up for some mentoring from friends or parents to help you understand the 'dos' and 'don'ts' of making the most of your money
- Even take some measured risks and learn from your mistakes.

The Dos.

- **Do create a budget – and stick to it.** Keen to learn how? Follow the chapter on 'How To Plan A Budget' on page 19.
- **Do learn to live within your means.** This is about spending less than you earn, rather than more than you earn. It'll set good habits for the rest of your life.
- **Do put an amount of every pay packet into a savings account.** If it's just $10 or $100 of every pay, make sure you put something away before you do anything else. Start a savings fund today with whatever you can afford. It doesn't matter how small your contributions are, just do it regularly. Watch the cents – and the dollars will look after themselves!
- **Do entertain at home – and learn to cook.** Entertainment costs at restaurants, bars and clubs can eat up a lot of your pay. Instead, get innovative. Create a 'community' in your own lounge room with low-cost dinner parties where everyone brings a plate.
- **Do work part time if you're studying.** And preferably in the industry you're training to enter. Not only will you earn extra money, but you'll be leaps and bounds ahead of the competition in the job market when you're ready to migrate from student status to full-time employee.
- **Do ask for student discounts.** Most universities offer students strong discounts on books and stationery at their onsite co-op bookshop. Plus, theatres, cinemas, public transport and doctors typically offer discounted tickets or special deals for students. Carry your student card around wherever you go – and ask, ask, ask.


Entertain at home.

The Don'ts.

- **Don't expect too much too soon**. Building wealth takes time, research, education and patience. You'll get there. Taking small steps on a daily basis will create exponential returns in the long run.
- **Don't build up credit debt to pay for impulse buys.** Are you keen to buy new clothes, a car, a holiday? Consider saving for it the old-fashioned way and pay for items with cash, rather than clocking up debt on your credit card.
- **Don't be irresponsible with your spending.** What you buy now will have to be paid off later. Think before buying. Do you really need it?
- **Don't treat your friends like a bank account.** If you find yourself regularly borrowing money from friends it's probably a sign you're living outside of your means. Look to cut back on your expenses.
- **Don't take on too much debt.** Getting into the property and share markets can often be a good long term goal. However, be sensible about how much investment debt – often called 'good' debt if it's a mortgage or margin loan – you can realistically take on. Everyone's situation is different and it's best to talk to a financial adviser when considering this type of debt, but a good rule of thumb is that anything over 30% to 40% of your income going towards repayments is probably too much. Basically, if you're losing sleep over it then you're probably overstretching yourself.
- **Don't do it alone.** Just because you're single doesn't mean you need to do it alone. Instead, find a money mentor! Is there someone in your life who is on a successful path of wealth creation or just seems to have a knack for being careful with their money? Why not ask them to become your money mentor and suggest you meet an hour a month to talk about your financial progress and share their tips. Being accountable to someone helps you stick to your goals. It's no different to working with a trainer or coach when trying to reach your fitness goal. Alternatively, a money-management course could help you develop your financial literacy.

Living In A De Facto Relationship?

Until recently if you weren't married you were considered 'single' even if you were living with a partner for years. However, since 1 May 2009 (1 July 2010 in South Australia), a new Commonwealth law commenced enabling de facto couples (who have been living together in a 'genuine domestic basis' for a minimum of 2 years) access to the Family Court of Australia and the Federal Magistrates Court (the Family Law Courts) for property and spousal maintenance matters. In a nut shell, a de facto relationship, in the eyes of the law is considered to be the same as if you were married. This means all property and superannuation can be divided between the couple when they separate. Spouse maintenance can also be ordered.

So just because you're not married, you may not actually be considered single if you have been living with your partner for 2 years or more. To have financial peace of mind, it's a good idea to enter into a Binding Financial Agreement (BFA) which is a legal document addressing how property, superannuation and potential spousal maintenance would be addressed if you did separate. For more information on de facto relationships, visit familyrelationships.gov.au

Getting Married? Smart Tips.

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Congratulations! Starting a new life with your partner and planning a wedding together is an exciting time.

So what's the first step if you've just become engaged? Simple - set a budget for your wedding costs. To understand more about what a budget means, check out the chapter on 'How To Plan A Budget' on page 19. It's the first step in helping you find that extra cash to pay for your big day.

Be aware that your wedding day is just one day, while your marriage is for life. It's a good idea to be conservative with your spending, so you don't start your married life with financial worries.

Count The Costs.

Just some of your costs might include:

- The venue for the marriage ceremony
- The venue for dinner – or just for a stand-up cocktail party
- Flowers
- Food
- Invitations
- A celebrant or church gratuity
- A dress for the bride
- A suit for the groom
- Outfits for the bridal party
- Wedding rings
- Photography
- Cars
- Music with a DJ or live band
- Hair and make-up for the ladies
- A wedding cake
- Pre-marital counselling (which is compulsory if you want to get married under some faiths – check with your celebrant)
- The bridal suite – the accommodation on your wedding night
- The honeymoon.

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There are a lot of do-it-yourself options.

11 Wedding Tips For Smart Savings.

1. Spend what you can afford.
   Draw on your own savings and any possible contributions from parents, rather than maxing out your credit card or getting a personal loan to mark just one day in your life.
2. Get three quotes.
   This applies to most of your expense items, like car hire, reception costs and flowers.
3. Negotiate!
   Believe it or not, when it comes to weddings everything is negotiable. Don't be afraid to ask about discounts when paying with cash, or where you could save on a purchase with the merchandiser.
4. Compromise.
   This is all about identifying the 'must-haves' versus the 'nice-to-haves' on your wish list. Make some time with your partner to discuss what's important (the 'must-haves') and what's not so important (the 'nice-to-haves'). You'll be surprised that your partner might have some definite ideas about what they want (just as you do).
5. Think about your honeymoon, too.
   You'll appreciate a break after the stress of the wedding, so factor in the cost of the days that follow your "big day". You could always suggest friends and family contribute to the "honeymoon fund" instead of the standard wedding gift registry.
6. DIY.
   There are a lot of do-it-yourself options. Invitations? Make them by hand. Flowers? Pick them from your aunt's garden. Your wedding dress? Sew it yourself, or find someone else who can do it affordably for less than the rack price.

7. Manage your guest numbers.
   Although you might want to invite everyone you know to celebrate such a special occasion, remember that the reception bill is typically half of your wedding cost overall. So be resourceful. Consider inviting more people to the ceremony, which might be free to attend, and only close family to a sit-down meal afterwards. Or think about arranging a stand-up cocktail function for guests, rather than a sit-down dinner.

8. Consider getting married on Sunday.
   Or Friday. Or a public holiday. Saturday is traditionally the most popular and expensive day to get married. But with enough notice, your family and friends will be just as thrilled to celebrate the occasion with you on a weekday. Mix it up!

9. Ask for help.
   Do you have an artistic friend or know someone with beautiful handwriting? Ask them to write the invitations and table placecards. Do you know a seamstress or someone with a flare for fashion design? Maybe they could help you with creating the wedding dress. What about a budding family chef? Why not ask them to do the catering? Their involvement could be their wedding gift to you. And these personal touches will become the most meaningful parts of your day.

10. Go electronic.
    A lot can be done online. Find bargains on eBay (ebay.com.au). Send out wedding invitations by email. Receive your wedding photos as digital files that you can print yourself at your local photo shop, rather than expensive wedding albums already printed and bound for you.

11. Know when to say "no".
    Were you considering knick-knacks for each guest on the function tables? Chair coverings at the reception venue? Invitations cut to an odd size, which costs more at the printers? Clothes for a bridal party of 10, instead of four? Know what to cut out. Your bank balance will thank you for it. And your guests won't even notice.

It's a good idea to be conservative with your spending, so you don't start your married life with financial worries.

Come Out and Play: Kids' World.

Come Out To Play: Kids' World.

Any parent can tell you that having children is one of the most rewarding – yet challenging – times of your life.

Whether you're in a two parent relationship, a step-parent or single parent - whatever the set up, having kids is expensive. However, there are loads of tips you can follow to get the support you need and to make each dollar count.

- **Extend your single health-care cover** into an affordable package for the whole family, which is likely to come up cheaper than single cover for each individual.
- **Save on childcare costs** by researching the maternity and paternity leave at your workplaces. Arranging for one parent to be at work while the other is at home, and then switching the employee and stay-at-home roles could help extend the time before you pop the kids in daycare and therefore save money!
- **Apply for the right government benefits** for your circumstances – contact the Department of Human Services at humanservices.gov.au or call the Family Assistance Office on 13 61 50. You could also save on childcare costs regardless of your income.
- **Create a higher education fund** for your child. Did you know that putting away just $10 a week for 18 years at an interest rate of 7%, compounded monthly in a savings account, will snowball into an education fund of more than $20,000? This will certainly help financially when your child leaves school and may want to attend a specific course or university.

Having kids is expensive but there are loads of tips you can follow to get the support you need and to make each dollar count.

- **Save for a rainy day.** It's important to have a kids emergency fund that you make small, regular contributions to, which will come in handy if you have school excursion fees or unexpected medical bills.
- **Start a vegetable patch** on your balcony or in your backyard. It only takes some seeds and a pot or plot of soil to start growing food for the family dinner – and your kids will love getting their hands dirty in the garden. Why not ask them to own a plant. They'll get a kick out of watching it grow and eating its produce.
- **Another one on the way? Consider extending your home,** rather than upgrading to a new location. It will save on costs like stamp duty and refinancing fees with your lender.

Make gifts at home for friends and family. Children love making things with arts-and-craft adventures.

- **Look to friends and family to borrow** items like the cot, pram and highchair when first having kids as these can be expensive items which you only need for a year or two.
- **Make gifts at home** for friends and family. Children love making things with arts-and-craft adventures, so create an affordable and fun experience in one.
- **Set the example – say "no" to the kids sometimes.** Children don't need every gadget and sweet treat at the supermarket. Balancing "yes" with "no" will help them learn responsible money tips at the right age: right now.
- **Remember the toys you had** and consider pulling out the pots and pans as a drum kit instead of forking out big money for the latest musical toy.
- **Plan, plan, plan.** This means creating menus for breakfast, lunch and dinner at the start of the week. Buying and cooking in bulk will save time, dollars and energy bills.

Additional Ideas When Times Are Tough.

- **If you're a single parent, work out your estimated child maintenance payments** via the Department of Human Services website: humanservices.gov.au and click on 'Separated Parents'.
- **Do you have unclaimed money** lying around somewhere? Every dollar counts. Use the free online search tool of the Australian Securities and Investments Commission (ASIC), which traces any money you may have left in former bank accounts, insurance policies or shares. Visit moneysmart.gov.au and click on the Quick links 'Unclaimed Money'.
- **If you have any creditors to pay, get in touch with them early** to explain your circumstances. They'll appreciate small, frequent payments over large, irregular lump sums that you can't keep up.
- **Do I really need it?** Ask yourself this question every time you are about to buy. All those little extras can start to add up.

Create Community.

Finally, remember to tap into online blogs and forums to be part of a supportive community that can share tips, solutions and an open ear.

Take a look at:

- raisingchildren.net.au
- ourfamilybudget.com
- gumtree.com.au
- simplesavings.com.au
- kidspot.com.au
- singleparentbible.com.au
- singleparentcenter.net
- singlewithchildren.com.au
- singlemotherforum.com
- byokids.com.au

If you have any creditors to pay, get in touch with them early to explain your circumstances.

Top Tips To Shop Smart.

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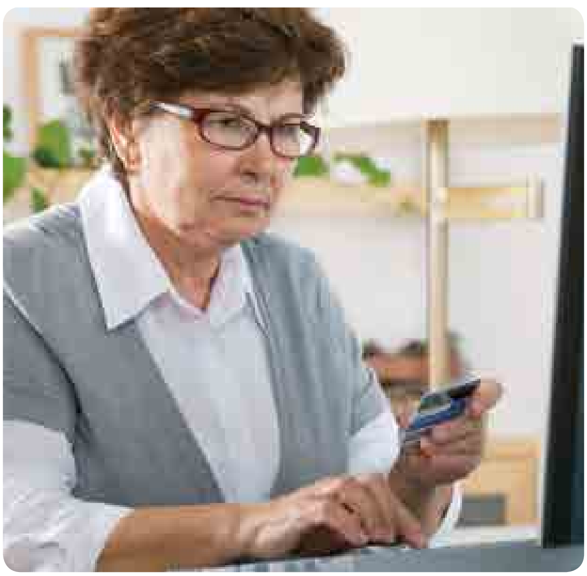
Shopping for groceries? After top-quality clothes at bargain-basement prices for womenswear, menswear and kidswear? Keen to revive your home with beautiful homewares like linens and lamps?

Here are some resourceful ways to become a smarter shopper... and SAVE!

- **Visit your local 'op shop'** (opportunity shop), often run by non-profit organisations like St Vincents, Red Cross or The Smith Family – not only will you save money through discounted prices, but you're helping people in need, being sustainable with the re-use of quality goods, and nabbing vintage classics for your home and wardrobe.
- **Shop at online stores, rather than in-store**. Make Google your friend and shop online at popular shopping websites, rather than at your local shopping centre. Fashion websites often have clear, easy-to-follow size charts that you can use as a guide, along with your tape measure at home. You'll find endless bargains on eBay (ebay.com.au) and Gumtree (gumtree.com.au) in areas like antiques, art, sports gear, musical instruments and white goods.
- **Online 'deal' websites.** Check out online deal websites such as ourdeal.com.au, spreets.com.au, cudo.com.au, scoupon.com.au and livingsocial.com to name just a few, where you can save up to 90% on selected deals. Once you make your first purchase and see how easy it is, you'll be hooked on the savings!
- **Sign up to e-newsletters** that reveal where you can find secret sales of top-quality designer wares in your local area. A good example is the popular email distribution list for Melbourne and Sydney locals, called Missy Confidential, which tells its local readerships about the best designer sales for fashionwear and homewares every week: missyconfidential.com.au
- **Shop at factory outlets (DFOs)**– these are the shops that sell sample stock, last season's wares or merchandise with small, cosmetic faults at heavily discounted prices. Look for stores which advertise factory 2nds, factory outlets or clearance warehouses. A good place to start searching is online. You won't ever want to buy at full price again.

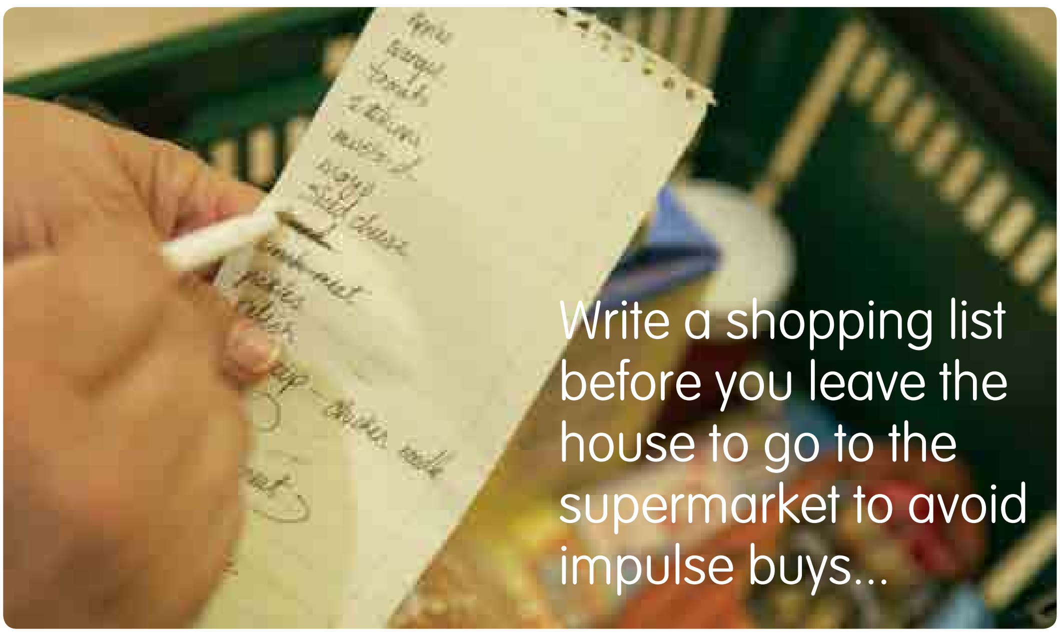


Shop at online stores rather than your local shopping centre...

- **Set up a gift registry for your special event.** Are you getting engaged, planning a wedding or hosting a baby shower? Then avoid the risk of getting three toasters or 15 cutting boards. Sign up to a gift registry that allows you to choose a wide range of practical items for your home, with a broad range of prices that will make everyone feel comfortable. Sure, there are the usual bridal registries like David Jones (davidjones.com.au) and Myer (myer.com.au). But consider other options for alternative deals, like Not Another Toaster (notanothertoaster.com.au), Victoria's Basement (victoriasbasement.com.au) and Peters of Kensington (petersofkensington.com.au).

- **Shop at wholesale or farmers markets.** Every city has several wholesale or farmers markets – often located on the fringe of the city, laid out in open warehouses – that offer groceries like fruit and vegetables at wholesale prices. Find out when your markets are held, by researching on Google or reading your community noticeboards. Not only is the produce cheaper, but it's fresher too.
- **Discover the hidden value of coupons and loyalty cards.** If you buy the same products from the same shops or brands, look for coupons that offer discounts for your loyalty. This applies to the hair products you buy from the same hairdresser, coffee from the same barista everyday or special offers on the cereal boxes you pick up at the supermarket every week.

- **Refer a friend.** Ask your mechanic or family accountant if they offer a special deal when you refer a friend to them for business. This is about connecting people who genuinely need each other – like introducing the friend who is overwhelmed by property financing to the mortgage broker who just helped you buy your last apartment by negotiating a good deal with a credit union. The broker might offer you a referral bonus of about $500 or a percentage-based commission for referring the new business to them. Plus, you're helping two people get what they need, at the time they need it most.
- **Buy in bulk.** Can you buy a month's worth of meat, fish, nappies or gardening fertiliser? You'll find most shops and market vendors are happy to offload more of their stock at a lower cost than the shelf price. Take advantage of economies of scale like this. Ask what the seller can do for you if you buy two, five or 10 units, rather than just one.
- **Write a shopping list** before you leave the house to go to the supermarket. This will help you avoid impulse buys, which can often reflect how you "feel" rather than what you really need.
- **Monitor the cheapest days to buy.** Whether you're buying petrol at your local service station, toilet paper at the supermarket, cat food at the pet store or fruit at your fruit shop, most retail outlets will put their prices down on one day of the week. Perishable food like vegetables might be discounted on Saturday afternoon if the shop closes on Sunday and the food can't last until Monday. Or petrol on Tuesday might be the cheapest day of the week, rather than popular "pay days" like Thursday or Friday, when everyone gets their pay packet and fills their tank for the weekend. This is about watching the sales cycle in your local area.
- **Check unit prices.** This means you should compare the price of grocery items for a certain unit of measurement, and not just the item's total price. In other words, how much does 100g of this flour cost, compared to 100g of that flour? Compulsory unit pricing was introduced in Australia in 2009, which means Australian customers can make educated decisions about which product offers the best value, rather than being confused about products that weigh and cost differently. Your supermarket shelves should now display clear labels that compare the same weights but highlight different costs. Unit pricing has led to clearer, more transparent communication between brands and buyers.



How To Plan A Budget.

How To Plan A Budget.

Do you often feel that more money goes out than comes in? Are you always stretched for cash and wondering how the next bill is going to be paid? Do you tend to live on credit and feel the constant burden of those monthly bills?

Wouldn't it be nice to know that all your bills could be paid each month and even have some money left over? Do you like the idea of having a savings plan for a holiday or something special but feel you'll never be able to?

Well you can! All it takes is a little budgeting.

Many Australians face financial difficulty. This comprehensive guide to planning a budget can help you get on top of your finances and start enjoying your money!

Understanding what a budget is, why you should have one and how to use it will mean saving money and making every dollar go further. A budget will allow you to take charge of your money, help remove financial stress and will allow you to enjoy your money more. Are you ready to get the most out of your money?

What Is A Budget?

A budget is a plan that shows how much money you have coming in, how much money is going out, and how much money you decide you can reasonably save.

Can Anyone Create A Budget?

Many people feel that they aren't the 'type' to stick to a budget. They might feel like a budget is too restrictive or that they'll never have that kind of control over their money.

But we'd like to share a secret: a budget is easy – and anyone can make it work for them. As long as you have money coming in, like a salary or pension, and money going out, like bills and expenses, then you're the perfect candidate for a budget.

A budget will allow you to take charge of your money and help remove financial stress...

How To Create A Budget.

1. Collect your bills and expense records.
   First, collect your bills and bank statements from online banking or the post over the last month. If you don't have an actual bill or receipt for an item, carry a notebook around with you during the day and record what you're buying, how much it cost and the date you bought it. Or it's easy to spend five minutes at the end of each day jotting down what you spent money on for that day. With this step, we're creating a history of your monthly expenditure. Ideally, you should record about two months' spending, but even one month is good. Make sure you collect everything that you spend money on including:
   - Utility bills such as electricity, gas, water, strata levies or council rates
   - Rent or mortgage repayments
   - Household bills for your home phone, mobile, internet and Pay TV
   - Children's fees for school, childcare costs, uniforms and books
   - Car registration, insurance, services, tolls and the total of your monthly petrol receipts
   - Insurances – consider health, life, income, and home-and-contents insurance
   - Repayments to your credit cards, store cards and any personal loans
   - Grocery bills, tallied up for the whole month
   - The costs of eating out, like take-away dinners or going to a restaurant for a special occasion
   - Any fitness expenses like gym membership, a personal trainer or hiring a squash court for an hour
   - Any charity donations, such as sponsoring a child in a third-world country or small donations to your local church once a week
   - Any miscellaneous costs, like gifts, magazine subscriptions, pet expenses, visits to the doctor, prescriptions, holidays or public transport. Simply record everything for the month.

2. Savings.
   Don't forget to include a monthly saving target. Although this is not an expense it is money you should be putting away. Include savings in your budget and you're more likely to get to your target.

3. Write down your income after tax.
   Make a note of your regular salary for one month, after the tax has been deducted – this is called your 'net income'. On the other hand, your total income before tax is called 'gross income', less any business expenses incurred in generating that income. If you're self-employed, make sure you record your pay only after you've set aside money for tax. Record also any other income you may have, like any extra work, money you receive by renting out another apartment or house you own, or interest you earn on your savings in a bank account.

4. Group your expenses.
   Now that you've got one or two months' worth of expenses, group them into the month that you spent the money in. And then divide these costs into subgroups under the following category names:
   - Household bills
   - Education/school costs
   - Debt repayments
   - Car
   - Public transport
   - Medical bills
   - Insurance
   - Personal expenses
   - Other expenses
   - Create any new categories that take a chunk of money each month – like a sport, hobby or pet care.

   Tip: Try contacting your bank to see if they offer this service on your next bank statement. Why not ask them to do the work for you.

5. Identify fixed and variable costs.
   Note down the fixed expenses that are the same each month or quarter (rent or mortgage, insurance payments and utility bills) and variable expenses (groceries, entertainment and clothes). Simply mark 'F' for fixed or 'V' for variable in a separate column beside each expense item. The idea is to find out where you can tighten your belt, which is typically possible with your variable costs. But don't worry – you'll even be able to reduce your fixed expenses, too. More about that later.

6. Create your own budget spreadsheet – or use our template.
   It's important to track your expenses and plan your budget over a period of time. This isn't something you can do in one night. As a helpful tip, we suggest you photocopy the special 'Your Budget Planner' liftout in the centre of this booklet 12 times – one for every month – and start a fresh planner every month. Clearly label each sheet with the month of the year.

7. Fill in your expenses.
   Record all your expenses under the month you spent the money. Make sure you don't double up. 'Your Budget Planner' (at the centre of this booklet) has a blank section for any extra subcategories you need. Don't forget to mark whether the expense is variable or fixed.

It's important to track your expenses and plan your budget over a period of time.

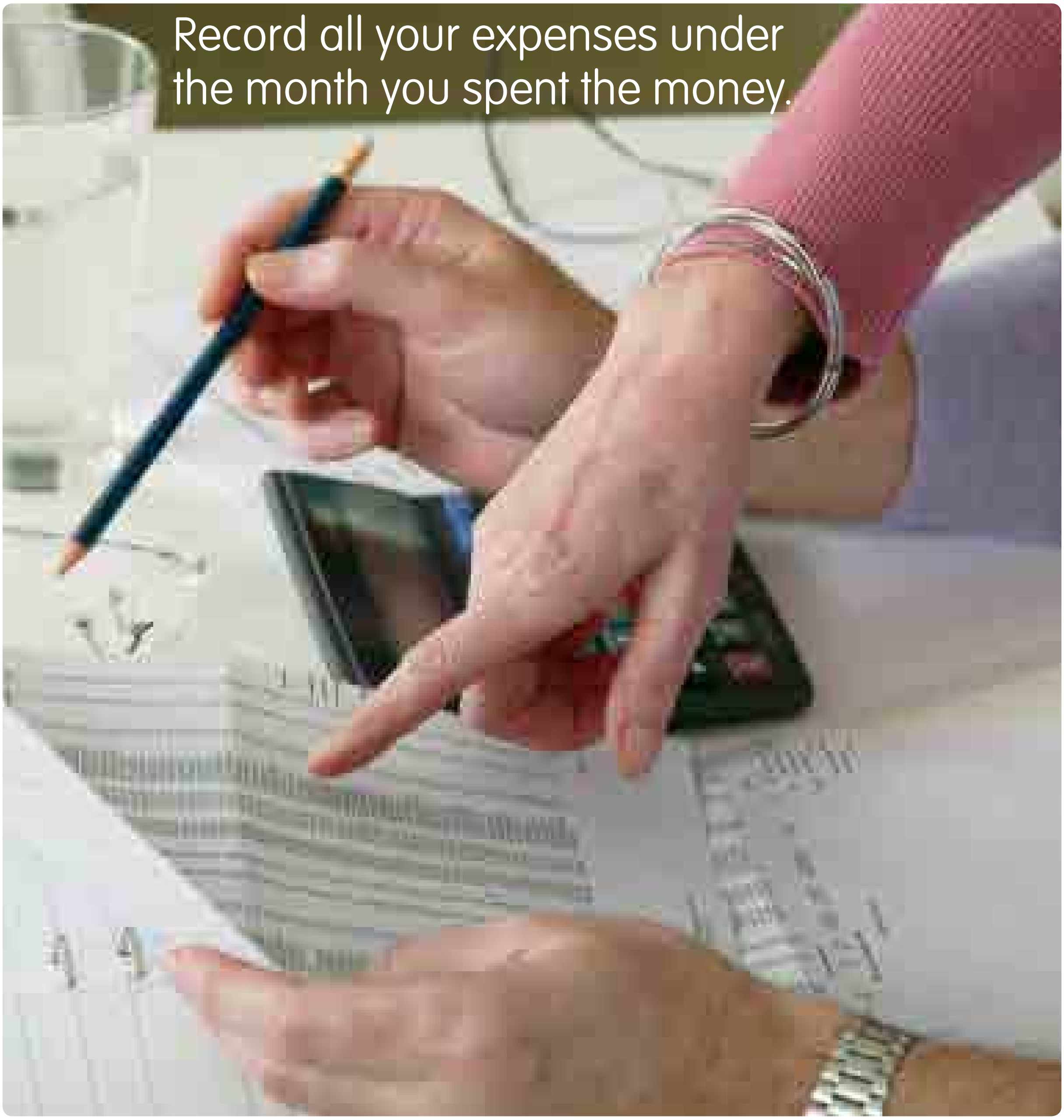
8. Plan ahead.
   Pencil in your estimated fixed expenses for future months. You may not have paid your lump-sum car insurance for the year yet, but you know it's due in three months. Or if you visit the hairdresser once every two months, record this cost with two-month gaps in between.

9. Review your expenses.
   Have you remembered all your expenses, looking at your bills and bank statements again? Did you leave anything out? It's important to be honest with yourself about what you really spend your money on. Some bills are paid quarterly, like utility bills or council rates, so it's important to track your monthly expenditure over six to 12 months, to make sure you have an accurate record of your total spend.

10. Review your income.
    Remember, your income includes any additional income like child support, childcare rebates or rental income. Don't forget to include any work bonuses or tax rebates for upcoming months.

11. Calculate your total monthly income and expenses.
    This is the important bit: when you add your total monthly income in one column and monthly expenses in another, is your income higher than your living expenses? That's a great start. Or is your income lower than your expenses? If so, we need to look at shaving off some of your living costs, so you can pay all bills, put some money aside and still have something left. This may explain why you feel you never have enough money because in reality you don't.

12. Find out if you're 'in the black' or 'in the red'.
    If you're in the black, which means your total income is higher than your total expenses, you can still aim to save money on your variable expenses so you can achieve a big goal like a holiday or new car. If you're in the red, where your total income is lower than your total expenses, we really need to look at where you can save. See our chapter called, 'Top Tips To Shop Smart' on page 15 to give you some ideas.



13. Finish your budget – think ahead.
    Now that you've pencilled in your expenses for previous months and you have an understanding of where you can save in future months, write all your proposed expenses down at least three months ahead. This will give you a good idea of where you can juggle some expenses. For example, you may reduce your clothes or entertainment spend when you know you have a big bill one month.

14. Keep tracking your money!
    Congratulations – you've finished your budget. But remember, now it's time to follow it and keep tracking your spend. Pin 'Your Budget Planner' on your fridge or put it in a place where you'll see it everyday. The idea is to update and review your incomings and outgoings every week. Stay at least three months ahead, so you can plan for unexpected expenses or spoil your family with a cool surprise through money you've saved on the side.

Your Budget Planner

Photocopy this multiple times so you will always have this copy as your original template.

Month:______________________________ **Year:**______________

1. Income

Type of income			**F/V**
Salary or wage (after tax)	$		
Pension or Government allowance	$		
Child support or other payments	$		
Regular income from investments (e.g. interest, dividends or rent)	$		
	$		
	$		
TOTAL INCOME	**$**		

2. Expenses

Household expenses			**F/V**
Rent	$		
Repairs	$		
Gas	$		
Electricity	$		
Water	$		
Telephone			
Mobile	$		
Rates	$		
Body corporate fees	$		
Internet	$		
Pay TV	$		
Furniture	$		
Appliances	$		
Groceries	$		
Gardening	$		
	$		
	$		
	$		
	$		
Sub total	**$**		

Education expenses			**F/V**
Child Care	$		
School Fees	$		
University/TAFE fees	$		
Tuition	$		
Books and uniforms	$		
Camps/exercusions	$		
	$		
	$		
Sub total	**$**		

Debt repayments			
Mortgage	$		
Car loan	$		
HECS/HELP payments	$		
Credit cards	$		
Personal loans	$		
Store cards	$		
Lay-bys	$		
	$		
	$		
Sub total	**$**		

Complete your budget in 3 easy steps:

1. Calculate and write down your monthly income after tax.
2. List your expenses for a single month in the white spaces provided, either in the categories listed or add your own. Mark these as either 'F' for fixed or 'V' for variable to the right of each expense.
3. Calculate all sub-totals and totals to review your final budget for the month.

Expenses continued

Transport expenses			**F/V**	**Savings**			**F/V**
Car registration	$			Superannuation contributions	$		
Parking	$			Regular savings	$		
Fuel	$			Regular investments	$		
Repairs/maintenance	$				$		
Public transport	$				$		
	$				$		
Sub total	**$**			**Sub total**	**$**		
Personal expenses				**Other expenses**			
Clothes and shoes	$			Child support payments	$		
Hair and beauty	$			Gifts/Donations	$		
	$			Entertainment	$		
Sub total	**$**			Hobbies and sports	$		
Medical expenses				Subscriptions	$		
Doctor	$			Restaurants and takeaway	$		
Medicines	$			Pet food	$		
Dentist	$			Other pet costs	$		
Natural Remedies	$				$		
Sub total	**$**				$		
Insurance					$		
Home and contents	$				$		
Car insurance	$				$		
Health insurance	$				$		
Income protection	$				$		
Life insurance	$				$		
Bill insurance	$				$		
Sub total	**$**			**Sub total**	**$**		
				TOTAL EXPENSES (add all your sub-totals together)	**$**		

3. Net

TOTAL INCOME	-	**TOTAL EXPENSES**	=	**NET RESULT**

Budget Checklist:

- Collect & group all your bills, expenses and saving targets
- Make a note of your take home income
- Jot down all expenses and income into a budget format
- By reviewing previous months, plan your future months' budget
- Make adjustments for upcoming months
- Stay on track!

Photocopy 'Your Budget Planner' so you will always have an original template.

Help Protect You And Your Family Financially.

Now that you are aware of all your monthly expenses, what would happen if you couldn't work due to sickness, injury or redundancy? The bills don't stop just because you do. And what if you're a stay-at-home parent? If you got sick or injured and couldn't look after the kids or take care of the home then you'd have to pay for someone to help you out, which would be another bill on top of all the regular ones. As you've seen by 'Your Budget Planner', your monthly expenses do add up. Why not consider a bill insurance or income protection insurance product to help remove the financial worry. For more about this type of insurance, see the chapter 'Insure Your Future' on page 37.

Bright Ideas To Spend Less.

Bright Ideas To Spend Less.

So you've created your budget and you realise you need to tighten your belt on some of your expenditures – especially if you're spending more than you earn! What do you do?

Let's Look At Variable Expenses.

Run through your budget and identify which expenses you've marked 'V' for variable. Stop and think about each one of these variable costs and ask yourself if you could shave some expense off each of the items. Maybe you could even go without one of these for one or two months?

You could look at shaving a hundred dollars a month off your variable expenses. After six months, you could have over $600 to put towards your savings or spend on something special.

Here are 10 areas of your life where you can spend more wisely.

1. Mobile phone.
   Think about each call you make… Could you say the same thing in a text? Or maybe you send too many text messages… Could you use a landline and make a local call, or send an email instead? Keep a track of your phone usage and bill throughout the month by calling your provider once a week for a bill update. You can also cancel voicemail to save more money. Remember, a lot of service providers charge you for the time it takes to listen to a voicemail message. If a caller can't leave you a message, they'll call back.

2. Gardening.
   Did you know there are smart, sustainable home remedies to treat your lawn and vegetable patch, rather than buying expensive gardening products? Visit Google or your local library and look under a search term like "gardening home remedies". You'll save money and the environment, using more organic natural remedies rather than harsh commercial chemical treatments – how's that for a bonus!

> Choose a "no name" brand of medicine that is significantly cheaper…

3. Education expenses.
   Cash in on top savings at websites that sell second-hand products for your kids' schooling – just try schoolxchange.com.au. Are you keen to sell the school uniforms your kids don't need anymore? Exchange textbooks? Buy musical instruments in good condition that need a little love? This is the place to go.

4. Childcare.
   Make sure you understand the childcare rebates you're eligible for from the Australian Government. Contact the Australian Government Department of Human Services at humanservices.gov.au or on 13 61 50 – or you can contact them through some local Medicare offices.

5. Credit cards and store cards.
   The interest rates on these cards can often be a killer – up to 20%* or more. That means for every $1000 you owe, you'll be charged an additional $17 in that month. The next month, you'll be charged another 20% on top of what you owe (now $1017). This keeps building. Clearly not a smart debt to carry. The best way to manage your credit cards is only to use them in emergencies and pay them off each month. Or stick to a rigorous payment plan to make sure your debt is paid off before the interest-free period ends. This takes discipline and a little planning, but it's one of the most important things you can do to decrease your spending and take charge of your money.

* Information correct at time of printing.

6. Transport.
   Petrol is expensive. Depending on how often you need your family car for work, social events or household errands, you could easily spend up to $100 a week on a tank of petrol and tolls. Why not leave the car at home and get public transport? Lots of local councils run free shuttle bus services around your local area – check your council's website to learn more. Look at your State transport website to see if families can get discount fares on Sundays. Or make your next family outing more about the journey than the destination: instead of driving the kids to the zoo, why not take them on a bus or ferry? Carpooling is another great tip to save money – remember that you can use the transit lanes on the road, which are specially reserved for cars carrying more than one person, making your trip faster.

7. Personal expenses.
   Did you know that some hairdressers offer free or heavily discounted haircuts and colour treatments to help train their staff? Just ask around and offer yourself as a willing model – you might be pleasantly surprised by the quality and savings. Or hand your clothes over to the drycleaner in bulk, rather than as single items, because most drycleaners offer good deals to clean several garments at once. Do you need to have a broken zipper repaired or a hole mended in your clothes? Learn a new skill like sewing – you might even find you can make some extra money out of it.

8. Medical.
   Some doctors bulk bill if you ask them or explain your personal circumstances. Look for one that does. Remember, you can often choose a "no name" brand of medicine that is significantly cheaper than a medicine under a popular brand name, yet still has the same active ingredients and quality. Make sure you ask your pharmacist if there are cheaper options when ordering a prescription. And did you know you may be able to get a rebate on prescription medicine through your tax? It's worth talking to your tax agent about this.

9. Entertainment.
   Keep in mind these tips to save on entertainment:
   - Have you been to your local library lately? Did you know you can borrow DVDs and CDs, and not just books? They often have a wide variety of movies, especially for the kids. Think how much you could save on books DVDs and CDs if you just borrowed them from your local library rather than buying them at retail price.
   - Why spend hundreds on toys when you could borrow them? Check out your local playgroup, toy library or church and see what they have available.
   - Your local council and library often runs free events in your area, which are typically advertised in the local paper. Track what's going on. Show up. You'll even meet people in your local community.

10. Groceries.
    If growing your own vegetables isn't really your thing, there are loads of other ways to save on your groceries. Check out these ideas:
    - By planning your meals for the week, you can cut down on food wastage and your shopping bill. How? You'll never buy more than you need.
    - Think outside the box! Instead of buying iceblocks for the kids, why not make your own, using a combination of fruit juice, water or cordial?
    - Where possible, buy home brands instead of more expensive brands. In many cases you'll be saving on cost, but the quality will still hold up.
    - Use the recommended dosage amounts on your cleaning products and detergents.
    - Alternatively, look for home remedy cleaning products, rather than throwing your hard-earned cash down the drain.
    - Bring lunch to work. It's cheaper to make your own than buy ready-made sandwiches.

Let's Review Fixed Expenses.

Now that you've found ways of reducing your variable expenses, let's take a look at how you can reduce your fixed expenses. Remember, these are the expenses that you've marked with an 'F' for fixed on 'Your Budget Planner'. These expenses tend to be bills, utilities, and your mortgage or rent.

1. Negotiate a better deal where you are.
   Even though these expenses feel more fixed (hence the name), in some cases you can also look at reducing them efficiently. All it takes is a little time doing some cost comparisons. Armed with what competitors are offering, call your existing providers and talk to them about how they can help you reduce your bill. Some companies offer discounts if you use more than one of their services. For example, most energy companies offer discounts if you combine both gas and electricity with the same company.
2. Look for better deals elsewhere.
   Most markets are becoming increasingly competitive with so many new companies offering top deals. So shop around – but make sure you check the fine print. Before you change providers, you'll need to find out if you are in a contract and how much it would cost to break that contract. Sometimes, you may find it's actually cheaper to stay where you are. On the other hand, if there are no big "break" fees in your contract, you could save up to 50% by switching to a new telecommunications company or a hairdresser just starting up in the market who is heavily discounting prices to attract new customers.
3. Reduce your electricity usage.
   You could save hundreds a month by simply turning off lights when you leave a room, using the clothesline instead of the dryer, and turning off your appliances at the power point. Give it a go and see how much lower your bills are.
4. Choose simpler packages.
   Do you have Pay TV? Ask yourself if you really need the "extra extra" package? Going a month or two without the movie or sport channel could save $20 or $30 a month.
5. Squeeze in extra mortgage repayments.
   If you have a mortgage, talk to the bank or mortgage company about changing your payment frequency – you can save loads by simply moving from monthly to fortnightly payments.
6. Live within your means.
   If all these suggestions don't help you get you back in the "black", you need to ask yourself if you're living beyond your means. Maybe it's time to downsize. Are you driving a car you can't afford, living in a house which is too big or managing a lifestyle that you can't keep up with? Well, your new budget should help you get back on the right track.

How To Start Your Own Business and Build Wealth.

How To Start Your Own Business And Build Wealth.

Are you keen to make some extra money?

Perhaps it's time to set up your own business.

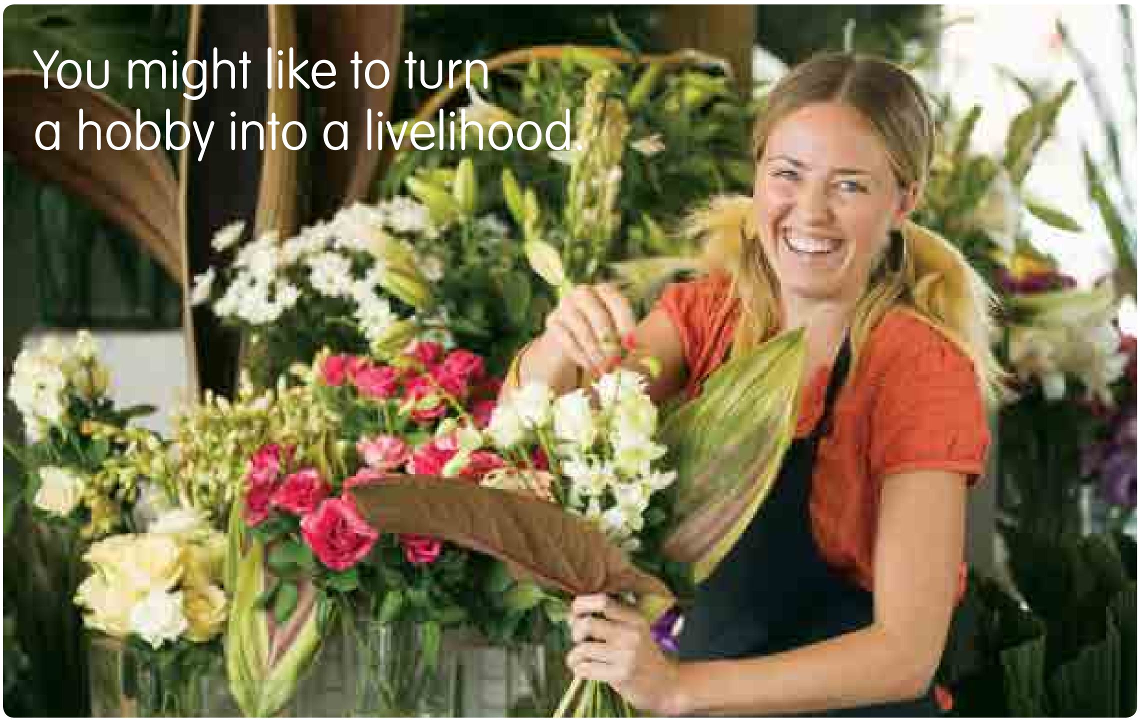
You might like to turn a hobby into a livelihood, enjoy some flexibility while you're caring for the kids, just work part time or start a new adventure after retirement.

If this sounds like you, keep these six tips in mind as you're building the foundation for your entrepreneurial start-up.

1. Write a plan.

It's important to get your thoughts on paper. Whether you research a solid business plan or just write a couple of pages about your business idea, ask yourself questions like:

- What product or service am I selling?
- What is my business name?
- What are my unique selling points, which are the benefits that no one else offers?
- Who is my target market?
- How will I price my product or service?
- How will I explain my business pitch to someone who has never met me before? This is a short explanation of what you do in 30 seconds or less – harder than it sounds!
- What are the possible costs of doing business?
- What's my marketing strategy – or how will I get new customers?
- Who are my competitors, and how much of the market do they hold?
- Have I done a SWOT (strengths, weaknesses, opportunities, threats) analysis, which tells me the benefits and challenges of doing business in this space?
- Who can I talk to, such as an experienced accountant, if I need help or have questions?



2. Plan your finances.

The biggest change to your life when you run your own business is cashflow. How much cash is coming in, and when?

It's possible that you're used to getting a regular payment in your bank account every week or month, like a salary or pension. But most businesses need to manage an irregular flow of money coming in, with the same or higher expenses going out.

How do you do this?

- Research and budget for your business expenses – for starters, get some quotes on building a website, printing business cards, leasing an office and registering a business trademark.
- Draw up a budget that shows how much you think you'll spend (outgoings), and what you expect to make (incomings) in your business per week, month and year.
- If you're planning to leave a regular job, save some money first. Typically, this is at least 3-6 months of your most recent earnings.
- Consider insuring your family and livelihood with cover like income protection or bill relief insurance.

What should your budgeted costs include?

- Marketing your business to attract new customers, which includes designing and printing business cards; building and hosting a website; and registering with trade associations in your industry.
- IT resources, like a computer, phone, printer, scanner, fax machine, computer back-up system, internet connection and an IT consultant to help with your office set-up.
- Professional advice, which should start with an accountant and solicitor.
- Commercial lease if you need premises to work from, or at least a PO box if you plan to work from a home office.

3. Get the right advice.

Talk to a tax professional to help you understand how to meet the requirements of the Australian Taxation Office (ATO) for small to medium businesses.

You'll need to understand:

- How to lodge regular Instalment Activity Statements or Business Activity Statements (popularly known as BAS forms if you are registered for GST)
- Taxes like income tax for yourself, employee taxes and fringe-benefits tax
- How to keep proper records of your business activity, income and expenditure
- What you can correctly claim as business expenses
- How to pay your own superannuation
- The best business structure for you – sole trader, partnership, proprietor limited company or trust?

Do you have a great idea that you wouldn't want someone else to steal? You may like to talk to a trademark attorney about your intellectual properties. These include:

- Trademark, which protects your brand name
- Patent, which protects the way your invention works
- Design registration, which protects the look of your invention
- Copyright, which preserves exclusive rights for you as the creator or author of an original work.

If you're planning to leave a regular job, save some money first.

4. Protect yourself legally.

Cover yourself, and your business, by doing the right thing.
That means:

- Applying for your compulsory Australian Business Number (ABN)
- Registering for the Goods and Services Tax (GST), which is compulsory if you earn more than $75,000 a year
- Registering for Pay As You Go (PAYG) tax through the Australian Taxation Office (ATO), compulsory if your business pays salaries or withholds tax from a supplier who doesn't have an ABN
- Working out whether your business should be set up as a company, sole trader or partnership – there are legal and tax implications for each kind of structure
- Finding out if you need a business tax file number (TFN) or if you can simply use your personal TFN
- Registering your business name with the Department of Fair Trading in your state. This is required if you are operating your business under a trading name which is different to your own name
- Considering insurances like workers' compensation, professional indemnity and public liability, to make sure you can meet costs if someone decides to sue you or your business
- Getting the right licensing and accreditation – for example, if you want to work as a freelance electrician, do you have the right licence to perform your work in your state?
- Talking to a solicitor to make sure you're legally covered.

You can start most of your research at the website of the Australian Business Register: abr.gov.au

5. Be organised.

What makes a successful small-business owner? Believe it or not, a lot depends on how organised you are. A full-time job offers loads of support. Has your computer crashed? No worries, just call the IT helpdesk. Is it pay day? Great, the payroll officer will sort us out.

Being self-employed is a different experience. Sure, you're the boss and there is loads of freedom. But you'll often make decisions on your own and wear many hats at once: manager, marketing guru, payroll officer and even cleaner! It helps to be organised from the start, with good systems and processes in place.

Remember to:

- Set up separate electronic and hard-copy filing systems for your business and personal financing
- Build a database of contacts over time in the business, which includes choosing the right database software and recording your customers' contact details regularly
- Record the repeat processes in your business – the steps you take to sign up a new customer, or the administrative work you might do once a month to keep the business running. This is the difference between working "in" your business (when you make money) and "on" the business (when the work isn't billable, but it still has to get done). Documenting your processes makes the running of your business easy and fast.

6. Find out who can help you.

Remember that you'll need to find specialists who can do work that you can't do yourself.
These contacts might include:

- Accountant/ tax professional for financial advice
- Trademark attorney or solicitor to help protect your brand
- Graphic designer to design marketing material and business cards
- Web developer to build a website
- Copywriter to write your marketing messaging
- Public relations (PR) specialist to promote your business through online social media, newspapers, magazines, radio and TV
- Business coach to help with motivation, tips, advice or a structured plan of approach for your start-up.

Consult these organisations and free service providers for more help:

- Business.gov.au – an online government resource for the Australian business community
- Australian Business Register – visit abr.gov.au or call the Small Business Support Line on 1800 777 275
- Your local Business Enterprise Centre – visit becaustralia.org.au or call (02) 9089 7648
- Australian Taxation Office (ATO) – go to ato.gov.au or call Business Enquiries on 13 28 66
- smartcompany.com.au – a free news, information and resource website for entrepreneurs and small-to-medium business owners in Australia
- flyingsolo.com.au – a free information provider for Australia's freelance, solo and micro-business community.

Many industries also have a trade association which can be a great source of information and an opportunity to network with others in the same line of business.

Remember that you'll need to find specialists who can do work that you can't do yourself.

In summary:

1. **Write a plan** – a fully fledged business plan or just some notes about your business idea? It doesn't matter, as long as you get it clear and put it on paper.
2. **Plan your finances** – which includes saving money upfront and writing a budget.
3. **Get the right advice** – from professionals like a good accountant and trademark attorney.
4. **Protect yourself legally** – by registering for an ABN, GST payments, PAYG tax scheme, the right licensing or any business insurances you need.
5. **Be organised** – by setting up financial records, creating a database and recording repeat processes.
6. **Find out who can help you** – through information providers like business.gov.au, abr.gov.au, ato.gov.au, becaustralia.org.au, smartcompany.com.au and flyingsolo.com.au

Insure Your Future.

Insure Your Future.

Life's unpredictable. Most of us work hard every day for one reason alone – to proudly provide for our families and loved ones. Personal protection insurance provides financial peace of mind, knowing that your family will continue to be provided for should the unexpected happen. It's one of the few ways to have certainty in the world.

There are many different types of insurance. Most Australians insure their home, contents and car (called 'general insurance') to cover the unexpected happening to their main assets. However, unfortunately most Australians are underinsured when it comes to personal protection insurance.

Personal protection insurance explained.

Divided between two groups of insurances:

Living benefit insurance covers you if you are sick, injured or retrenched from your job and pays a regular monthly salary until your circumstances change (depending on your plan). This living benefit allows you to get back on your feet minimising financial worry. It's an important insurance to have if you rely on an income or have regular bills and expenses.

Death benefit insurance helps financially protect your loved ones if you were to die. It can either pay a small lump sum to cover initial funeral costs or a larger lump sum to help maintain your family's lifestyle after you are gone. This is an important insurance to have if you don't want to leave your loved ones financially burdened especially if they rely on your income.

Personal protection insurance provides financial peace of mind.

Smart money management isn't just about making and saving money.

It's also about protecting your family and the wealth you've spent your lifetime building.

Bill insurance

No matter what your situation, the bills never stop. There's always something to pay for. Whether you work yourself or support someone else who does; you're studying so you can support yourself in future, or retired from the workforce, you need a source of ready cash. Because those bills won't stop - even when you're out of action because of sickness, injury or unexpected job loss.

Bill insurance can provide you with a regular income to help pay your bills if you're out of action due to sickness, injury, redundancy or bankruptcy removing the financial worry so you can focus on getting back on your feet.

In most cases bill insurance is available to anyone (some age restrictions apply) regardless if you are working or not, a pensioner, student, working casual or part-time. Sometimes bill insurance can have optional extras such as Kids Injury Cover and Double Holiday Injury Benefit giving you the option to create a bill insurance plan to suit you and your needs.

Unfortunately most Australians are underinsured when it comes to personal protection insurance.

Income protection

Income protection helps protect you and your family financially if you are unable to work due to accident or illness. If you were off work for more than a month, how would you pay your regular expenses – the mortgage, electricity, groceries, petrol and school fees? Not to mention the medical costs, all the while maintaining your family's lifestyle. Imagine your recovery if you were to receive a regular monthly income while you were recovering.

Income insurance generally provides more cover than bill insurance and is usually relevant for those who work more than 20 hours a week. The cover amount is determined by your income and premiums are generally tax deductible. Income insurance removes the financial worry so the main income earner can focus on recovering from sickness or injury.

Life insurance

Every year, thousands of families are left emotionally devastated by the loss of a husband or wife. Unfortunately, all too often they are devastated financially as well without life insurance. How would your family cope without an income – permanently?

Life insurance provides a lump sum payment (often upwards of $1,000,000) ensuring the financial future of your family if you were to pass away.

The average cost of a funeral in Australia is upwards of $6,000.

Funeral insurance

The average cost of a funeral in Australia is upwards of $6,000. Would your loved one have that amount ready right now for your funeral?

Make sure you think about your family at the time when they need emotional and financial help the most. Rather than burdening them with funeral costs like a casket, hearse, service, flowers and catering requirements, you can support them with a sensible funeral plan.

Funeral insurance can provide a lump sum payment generally within a few days of a completed claim giving your loved ones money to help pay for your funeral so they don't have financial stress at such an emotional time.

What's So Super About Super?

What's So Super About Super?

Superannuation was introduced as a compulsory payment by employers by the Australian Government to address the 'aging population shift' that the world was facing. It was also in anticipation of increased pension requirements due to the increase in living expenses which would put a heavy strain on the Australian economy.

So basically, superannuation is a way of ensuring Australians are saving for retirement. You also earn interest on the money in your super fund and receive tax breaks, which is why super is seen as such a smart way to save for retirement.

However, keep in mind, regardless if you started receiving super at age 18 or 50; it's likely not to be enough to cover the lifestyle you may have in mind. Most people should consider 'topping up' their super with additional contributions when they can (more on growing your super below).

Did you know… Superannuation has existed in Australia for more than a century but did not become a guaranteed employer contribution until 1 July 1992.

What Is The Current Super Contribution?

Your employer must pay a minimum of 9% of your income towards your super if you're over 18 and earn more than $450 a month. This is known as your super guarantee and for most of us it's the basis from which our super grows.

How Does Your Super Grow?

Besides your guaranteed employer contributions, you can maximise your super savings by 'topping up your super' with additional personal contributions from your pre-tax salary (called 'salary sacrifice') or post-tax salary.

Salary sacrifice allows you to contribute part of your pre-tax salary into your super fund which means you only pay 15% tax on the income you pop into super (instead of your marginal tax rate). It also reduces your overall taxable income at that high bracket as well. However, before you get carried away and decide to put the majority of your income into super, there is a $25,000 limit on the amount you can salary sacrifice each financial year before you pay extra tax.

Government co-contribution was introduced to give low to mid-income earners a boost to their retirement saving. If you make personal after-tax contributions and earn an income as an employee or are carrying on a business, you may also receive a government co-contribution based on your income and how much you contribute.

To qualify for the co-contribution, you must satisfy the lower income threshold. The lower and high income thresholds for co-contributions are indexed and will change from year to year

If your total income is $31,920 or less, the maximum co-contribution is $1,000 (based on $1 from the government for every $1 you contribute). Co-contributions reduce as your income increases, phasing out completely for total incomes of $61,920 or more.

Please note that Income level thresholds are indexed annually and the above figures are only valid for the 2010/11 financial year.

Spouse contributions are a good way of boosting your partner's retirement savings, and potentially earning a tax break for yourself.

The Benefits Of Working For Yourself.

If you're self employed, you don't have to make super contributions but you'll still need a retirement income. You could qualify for a full tax deduction on personal contributions, and may be eligible for government co-contributions, so it's worth giving your super some love even if you don't have to.

The Right To Choose.

Before 2005, most of us had no say which super fund our money went into. You now have more control over your super and may be able to pick a fund to suit you.

Although there are thousands of funds out there, they can generally be categorised in these groups:

- **Employer funds** are run by major organisations for their employees and usually have the highest fees. Your choices are generally limited and you may have to leave the fund when you change jobs.
- **Industry funds** are run by industry bodies and are designed to benefit members. They offer more flexibility as they allow you to stay with the fund even if you change jobs and in some cases, you don't have to be working in the industry to join.
- **Self-managed** or DIY funds are regulated by the Australian Tax Office (ATO) and generally give you the most flexibility. But be warned, you'll need to do your homework and really keep track of your investments.

Whichever super fund you choose, it must meet the regulations that govern all super funds. If you aren't sure, ask the ATO for help.

Roll Over!

If you've had a couple of jobs over your career, it's likely you've got a number of superannuation payments across several funds. The idea of 'rolling over' these funds simply means joining them all together into one account. The benefits? There are plenty: you'll save on fees and maximise your compound-interest earnings not to mention the ease of keeping tabs on how much you have.

Spouse contributions are a good way of boosting your partner's retirement savings, and potentially earning a tax break for yourself.

Anyone Seen My Super?

If you suspect your super is "lost" – maybe you've changed jobs or moved house – it's a good idea to track it down and 'roll' it all together.

Claiming lost super is easy: just go to the ATO's website and look for SuperSeeker, a simple tool that helps reunite lost or unclaimed super funds with their rightful owners. You might find you've got a small fortune waiting to be claimed! Visit SuperSeeker at ato.gov.au/individuals and click on the 'SuperSeeker' link or call 13 28 61. Alternatively visit findmysuper.com.au which will give you a list of all past super accounts for both lost and active superannuation.

When Can I Get My Hands On My Super?

Now remember, super is designed to see you through your retirement. So you can't access it until you satisfy a condition of release. For example you reach your retirement age (called your 'preservation age').

If you plan to ease into retirement and have reached your preservation age, you can draw down on your super to supplement your income but you generally won't be able to take out a lump sum.

Although strict regulations govern how and when you can access your super, there are some limited options for early release, including severe financial hardship and compassionate grounds.

The best thing to do is contact your super fund or search for a free advisory board that can help you with advice during tough financial times.

Insurance Through Super.

Taking life insurance cover through your super fund is usually very cost-effective, as the funds buy cover in bulk. It is also tax-effective since the premiums are paid for out of contributions made by your employer or from personal contributions that generate either a direct tax deduction or are paid from pre-tax income, in the case of salary sacrifice contributions.

However it is important to ensure the cover suits your needs. Note that many funds provide members with access to less cover than they want or, in some cases, less cover than they need. Also consider that there can be delays in life insurance benefits being paid since these initially go to the fund, which then distributes them to the beneficiaries, which can be a long process. Premiums paid by the superannuation fund for insurance will also reduce the amount invested towards your retirement.

The Last Word On Super.

Think of your super like you would any other investment and take a long-term view. Any way to boost your super funds and minimise your tax is a good way to prepare for your retirement.

Super is designed to see you through your retirement. So you can't access it until you reach your retirement age.

Retiring To The Good Life.

Retiring To The Good Life.

Your retirement is a golden chance to chase your dreams, stay connected, and contribute to society and the next generation in bigger ways than you thought possible.

However, to ensure your retirement years are fruitful and financially stress free, it's important to plan your finances BEFORE your retire. And the sooner you do this, the more money you're likely to have and enjoy in your retirement years.

If you haven't already prepared financially for your retirement, never fear – we've got some great tips for retirement, information on Government entitlements and some ideas to save money where you can.

Retirement generally means 'withdrawing from service, office or business' and is usually due to your age. However, the traditional view of retirement is being challenged with people 'retiring' from their careers earlier in life to pursue other interests while some are retiring much later opting for 'semi-retirement' and never really ever fully retiring.

Which ever way you look at retirement, one thing is for certain – your income levels will change yet your expenses may not.

What Is My First Step In Securing a Financially Happy Retirement?

First, you need to get an accurate snapshot and understanding of your financial position – now and when you are likely to retire.

Most people are in a state of denial and avoid looking at their finances – so being realistic about money is a positive step.

A good place to start is making a note of the following:

- The state of your retirement savings – Have you got any? Do you think it will be enough?
- How much money have you got in Super? And do you understand what you are entitled to and when? (Check out the chapter on 'What's So Super About Super?' within this guide).
- Your current and future tax brackets – Do you have other sources of income? Do you lease a car? Do you claim many of your expenses due to work-related requirements?
- Will you be entitled to a pension? And will this be enough to sustain your current lifestyle?
- When you retire, what other changes to your expenses will take place?

Once you have thought about the above, try completing a retirement monthly budget (you can use the template enclosed in this guide). It won't necessarily be completely accurate but at least you'll start to think about how much money you will have coming in and how much you need to sustain your lifestyle.

How Much Money Do I Need, Really?

To work out how much money you will need in your retirement is very much a personal matter. Hence, the importance of working out your own retirement budget plans. However, below is an approximate guide that shows your potential average living expenses in retirement if you lived in your own home and not paying a mortgage. If you have rent or a mortgage you will need to add this amount on top of the amount listed below.

Standard	Single (1 person) a year	Couple (2 people) a year
Modest living – Based on the government pension which allows for a very basic standard of living	About $16,500^	Approx $25,000^
Comfortable living – This enables you to take up leisure activities, private health insurance, a reasonable car, seasonal clothes, and some travel in Australia.	About $38,000*	About $51,000*

^ Australian Government Aged Pension effective 1 July 2010 per year and excludes the Pensioner Supplement.
The Aged Pension is income and asset tested.
* Association of Superannuation Funds of Australia Westpac ASFA Retirement Living Standard,
'How much do you need to spend to have a comfortable standard of living in retirement' March 2009.

5 Tips For A Happy Retirement.

1. **Budget** – Like any other change in your life, retiring means you need a new budget. Using the 'Your Budget Planner' liftout on page 24, write down how much money you'll need for each of your expenses to maintain the lifestyle you want in retirement. Your total living costs will show you whether you can a) live on the pension, b) if you need to make extra superannuation contributions, c) look for alternate source of income during your retirement, or d) change your lifestyle considerably. Remember to include clothes, recreation, private health insurance, maintaining a house, communication costs to keep in touch with relatives and transport (which may include owning, maintaining and running a car).
2. **Top up your super** – This is an obvious one, but if you want a comfortable retirement with a few luxuries like travel and social activities, you'll need more than the pension. So make voluntary contributions to your super as early in your working life as you can, and for as long as possible. Remember, it's never too late to start contributing, even if you're just a couple of years off retirement.

3. **Get a will** – By planning out your estate after you are gone, you'll make sure your loved ones are looked after and you'll prevent them from taking on unnecessary risks or burdens. It's also important to know that a joint asset, superannuation and money held in a family trust can't be left in a will. And if you die interstate and have no surviving relatives closer than cousins, the state government could receive your estate. So make sure you get your Will in order today.

   It's essential to have a proper Will drawn up. But this doesn't mean expensive legal fees. Contact your personal protection insurance provider as they often have a free Will Kit for their customers.
4. **Be aware of scams** – It's sad, but true, that fraudsters often target retirees with sales scams. Be aware of sales tactics like pressure selling, strangers contacting you by email or phone about overseas investments, anyone spruiking a "get rich quick" scheme or phishing, which are fake bank emails asking for your account details. Report any suspicious activity to the ACCC (Australian Competition and Consumer Commission), by calling 1300 795 995 or visiting the SCAMwatch website, scamwatch.gov.au
5. **Update your insurance** – If your earnings, assets or liabilities change, you might need to tailor your insurance cover to incorporate major illness, accidental death or a funeral plan. Look at your insurance cover with fresh eyes. The sooner in life you organize your personal protection insurance, the cheaper it is.

By the year 2014, the minimum retirement age for women will be 65, in-line with men.

Can I Get The Pension?

Centrelink offers six types of support allowances for Australians who are retired. Which one is right for you?

1. Age Pension – Providing retired people aged of 60-70 with an adequate income in their retirement.
2. Widow Allowance – For older widowed, divorced or separated women without recent work experience, who were born on or before 1 July 1955.
3. Pension Loans Scheme – For people who are in the right age group for the Age Pension, but whose money is tied up in assets.
4. Pension Bonus Scheme – For people who defer claiming the Age Pension and continue to work.
5. Pension Bonus Bereavement Payment – For the surviving partner of a deceased Pension Bonus Scheme member who didn't claim the Age Pension or Pension Bonus before they died.
6. Seniors Supplement – Assisting senior citizens with regular bills which aren't discounted for the elderly, like energy, rates, phone and car registration.

To find out which pension you could qualify for, talk to the Department of Human Services by:

- Calling 132 300
- Visiting humanservices.gov.au

What Other Discounts Are Available To Me?

Seniors Card

The Seniors Card is issued free by each state and territory government and enables holders to get a wide range of discounts on public and commercial activities and could cover anything from cheaper movie tickets to discounts on entry fees. The card is available to Australians aged 60 and over who are not working full time. Eligibility criteria and concessions available, vary by State/Territory Seniors Card offices, so check your State for details and on how to apply. Visit seniorscard.com.au or phone the relevant number below.

State	Phone
ACT	(02) 6282 3777
Northern Territory	1800 777 704
New South Wales	13 77 88
Queensland	13 74 68
South Australia	1800 819 961
Tasmania	1300 13 55 13
Victoria	1300 797 210
Western Australia	1800 199 383

Nation-wide Seniors Transport Concession

Available for all state Seniors Card holders, you can purchase concession tickets on public transport throughout Australia. In addition, Senior's Card holders can receive 25% off standard adult fares on any of Great Southern Rail's services.

Commonwealth Seniors Health Card

A nationwide income assessed health card which gives discounts on prescription medicine. The card additionally offers concessions on Great Southern Railways (Indian Pacific, The Ghan and The Overland). Card holders may also be eligible for concessions offered by state governments on vehicle registration, utility bills and travel. For more information, contact Centrelink in your state.

Pensioner Concession Card

The Pensioner Concession Card (PCC) enables pensioners to obtain concessions on prescription medicines and hearing services and, in conjunction with the Medicare card, basic hospital and medical treatment. You also get the Telephone Allowance plus concessions on state and local government charges and from some businesses.

We hope the *Good Money Guide* has helped you find smart ways to stretch your money further.

There are no easy get-rich-quick schemes, but we hope that there are tips that you can introduce to your daily life and, without too much sacrifice, see an improvement in your financial wellbeing. You're sure to think of ways to save even more once you get going.

Even if you only take one idea away from this guide, let it be a fruitful one that leads you on to a financially comfortable future.

TALD8084 01/14 ISS6