



Reducing Household Expenses

When it comes to household expenses, it's important to review them annually to ensure that you're getting the best available deal. Here are a few tips and tricks for managing your expenses.

1 Fixed Expenses

Service providers for fixed expenses are changing their fees and plans all the time and it's a very competitive market so you have the opportunity to capitalise on that and save some money.

Electricity & Gas:

In Victoria you can go to <https://compare.energy.vic.gov.au/> and complete the details from your electricity and gas bill to get a comprehensive list of what is available in your area and who is offering the cheapest deal. It takes less than 10 minutes to fill out the details from your most recent bill.

Once you have the discounted rates, call your current provider and very politely let them know that you have been offered a lower deal with someone else and ask them if they can match it to keep you as a customer. If they can, great – stay with them. If they won't, you can then go ahead with the cheaper alternative.

They also have a \$50 government rebate that's available to apply for until 30 June 2020.

Phone & Internet:

Finding the perfect phone plan and most cost-effective solution takes a little bit of research but can save you a lot of money in the long run, which can make it worth the effort.

Your first step should be to review your current phone bill and confirm the amount you're currently paying so you know what you need. You can also contact your current provider and ask them to tell you the maximum amount of data you have used while being with them, to get a good idea of what you should be looking for in a new plan. Ask your current provider what the best deal is on what you currently have for a point of reference, but don't go ahead with it until you've done your research to determine whether it's the best deal available.

Here is a good list of things to consider when looking to change your plan - <https://www.choice.com.au/electronics-and-technology/phones/phone-plans/buying-guides/mobile-phone-plans>

This website has the most comprehensive list of Australian plans available so you can compare - <https://www.whistleout.com.au/>

Note: Consider buying a second-hand phone before signing on to an expensive 24-month contract for the latest model.

Buying a phone outright so that you only need a phone and data plan without buying the device, gives you the most power to find the best deal. There can be a huge difference between

the overall cost of the plan plus the device, versus only needing the plan. This can save you money in the long run so be sure to calculate the overall cost of both options.

Note: Assemble is in the process of setting up our own internet and embedded energy network (along with other bulk-buying initiatives), so once you move into your new home these costs will have already been negotiated for you and offered at a reduced rate to market.

2 Interest Paid

Most people don't question the interest rate on their credit card or loans, but banks don't want to lose you as a customer so it's worth calling them and asking whether they will reduce the interest rate on a credit card or personal loan if you have them. You never know what they're willing to do unless you ask the question – and the risk of losing a customer is usually enough to get them to budge a little.

Alternatively, you can look at other options to see if it's cheaper to change provider.

Credit Cards:

The first step is to check online to find a more competitive credit card rate and then call your bank (being very friendly of course), and tell them that unfortunately you're going to have to change bank if they can't reduce your current rate. Let them know the competitor's rate and see if they will reduce your current rate without you needing to change.

If you don't get the saving you're hoping for that way, you can look to change banks to a cheaper option.

If you have a current credit card debt that you're struggling to get on top of, you may want to consider a 0% balance transfer option. This website provides current offers as well as an explanation on how it works - [compare cards and 0% balance transfer options](#).

Note: The most effective way to pay down the debt is to take the card out of your wallet to remove the temptation of further spending! Either cut it up and get rid of it or at least put it in a cup with water and stick it in your freezer. This will ensure that you can't use it for impulse purchases.

Personal Loans:

Follow the same process as above to find alternative rates in the market and ask the bank for a reduction in your interest rate. Changing lender for your personal loan is a bit more difficult, but you can make good inroads on this debt by increasing the frequency of your repayments (pay fortnightly instead of monthly) and increasing the amount you pay on your repayments to pay it off faster.

Remember: Always pay more than the minimum repayment amount and use the Debt Avalanche calculator to work out a plan to get rid of any debts.

3 Health Insurance

If you don't have health insurance and want to see how to ensure you don't pay the Medicare Levy Surcharge you can check this free website - <https://www.doineedhealthinsurance.com.au/>

If you do have health insurance, it's essential that you review it each year to determine what is included and what's not, and make sure you're not covered for anything that you don't need, like pregnancy or orthodontics if you won't require these things.

There are a few ways to compare providers:

- + If you don't have the time to work through all the different policies and want a fast and effective way to compare, you may want to use one of the commercial comparison sites like www.iselect.com.au or www.comparethemarket.com.au or just google 'compare health insurers' for some other options. Keep in mind that these companies only have a select amount of health insurers that they use, not all of them, but it is a free service and will provide you with some good options. You don't have to buy through them after they've provided you with the details though. You can get them to email you the results and then consider your options. You may even want to contact the health insurer directly to see if they can do a better deal on what you've been given before going ahead.
- + If you have the time and you're eager to get all the details, you may want to visit the government site via - <https://www.privatehealth.gov.au/>

You also have the option of increasing your 'excess' which can lower your repayments. If you have an 'emergency fund' with a good amount in it to cover this expense, it may be something to consider. Or keep it in mind for later on once your 'emergency fund' has increased.

If you have extras cover you can contact your current insurer to find out how much you claimed in previous years to ensure that you're not paying too much for extras and not claiming enough to justify the cost. Some of the insurers' apps also have a full breakdown of what you have claimed and how much you have left, so it may be worth downloading your insurers app to get as much detail on your current insurance, so you can see where you can review and improve it.

4 Travel Expenses

Myki:

Buying a 365-day Myki ticket will save you money so it's worth putting a little extra aside so that you can buy a yearly ticket instead of buying them from week to week. For example, a 7-day Myki for Zone 1 & 2 will cost \$44 per week or \$2,288 per year. However, if you buy a 365-day Myki it will cost you \$1,722.50. That's a saving of \$565.50.

You can find all of your options on this website - <https://www.ptv.vic.gov.au/tickets/myki/buy-a-myki-and-top-up/>

Fuel:

When it comes to petrol costs, technology is your best friend! There are now many fuel apps available to check the cost of fuel in your area so there's no reason to just go to your closest station to fill up.

For example - Fuel Map Australia, BP, 7-11, Woolworths Fuel, Caltex, Shell, Cheap Fuel.

A lot of these apps will also let you know what day of the week will get you the cheapest fuel in your area, so it's best not to wait until the petrol light is flashing and fill up on the cheapest day of the week instead. You can also check this petrol price cycle website - www.accc.gov.au/consumers/petrol-diesel-lpg/petrol-price-cycles

The 7-11 app will allow you to lock in the fuel price before going there to ensure that the prices don't change before you're able to fill up.

It's definitely worth looking into which app best suits your needs if you're spending money on petrol. Even a small saving each time you buy petrol can save you a good amount of money over time. So it's worth the effort.

If you already shop at one of the major supermarkets that provide a fuel discount; Woolworths or Coles, be sure to utilise this too, don't just throw that receipt in the bin!

Car Registration:

Car registration can now be paid quarterly in Victoria. So that can also help with managing your cashflow if you have a car. Register and log on to Vicroads to manage your payments via - <https://www.vicroads.vic.gov.au/>

Car Servicing:

Car servicing can be a major expense that people forget to budget for. The best way to manage this cost is to put small amounts aside to cover it when it's required. For example, if you know that you need approximately \$1,000 per year for car servicing, you can increase the amount that is being transferred into your emergency fund by \$20 per week to cover it. Then you know that when you need to service your car, the money will be available in your emergency fund and you don't need to worry about withdrawing it from your expense account, and having it affect your cashflow.

5 Payment Cycle of Bills

The payment cycle of your bills can be managed by you. For example, if you sometimes get surprised by large electricity bills, I recommend paying these bills monthly. This can be done by contacting your supplier to request that they send you a monthly bill. If they cannot do that for you, then ask them to provide you with an average of your monthly costs based on your last 12 months' worth of bills, so that you can make the payments each month yourself.

You could also ask your service provider if they can arrange a direct debit on a weekly, fortnightly or monthly basis, to assist you in managing the payments. I also recommend rounding the amount up to the next fifty or hundred to make sure you end up in credit, but it's best to review your cashflow and determine what works best for you.

Paying your bills monthly based on an estimate will mean that you will either end up in credit and get a bill that means you don't need to pay any additional funds, or you may only have a small shortfall to pay, which will still be easier to manage than the full quarterly bill.

Note: This document will be updated regularly, and you can also check out the private Assemble Financial Coaching Facebook group (<https://www.facebook.com/groups/538896443632763>) for other tips and tricks from your fellow neighbours.



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