

HAVEN

money+lifestyle+home

August 14

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PROPERTY FINANCE • RESIDENTIAL • COMMERCIAL

Consolidating super

HOW TO GET TOP DOLLAR



DIY Disasters

win
\$1,000
CASH

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Super Savings

In March this year Australian workers had more than \$1.8 trillion stored away in superannuation funds, in part thanks to a system that generally requires employers to pay a contribution on employees' behalf. From July 1, this required employer contribution jumped .25% to 9.5%.*

For many wage and salary earners who benefit from these compulsory super contributions, super is often something they think about once a year when their statement arrives in the mail. But we could all benefit from paying more attention to what are essentially our future funds.

According to MoneySmart Week, a not-for-profit movement set up to boost our financial literacy, one of the best ways to get a better handle on your superannuation is to consolidate your super accounts. We're part of a group that is proud to be a key supporter of MoneySmart Week (September 1-7) set up to encourage Australians to take simple steps to make their money work harder and go further, now and well into the future. Here's our guide to building a better financial future by consolidating your super funds.

WHY CONSOLIDATE?

Firstly, you may save by paying just one set of fees. Secondly, superannuation balances build on contributions and compound interest. The more you have in your best-performing fund, the higher your returns, which are rolled back into your account.

LOCATE YOUR SUPER

The first step is to find out where your super is located. If you have worked for multiple employers, especially since the compulsory super guarantee came into effect in 1992, then chances are you have more than one super account. If you are unsure what you have where, visit the Australian Taxation Office's SuperSeeker service www.ato.gov.au/calculators-and-tools/superseeker/ and follow the steps to source your funds.

PICK WHICH FUND

Most people can choose which fund their super contributions are paid into. However, if your super is

paid as part of certain industrial relations agreements or you are in a defined benefit fund, you may not be able to choose. Do some research if you are unsure.

A superannuation fund is a vehicle to hold your investments, so you can generally choose investments within your super fund according to your needs and appetite for risk. Remember, superannuation assets are usually held over a very long term. So, when doing your research, look at a fund's performance over many years, not just the recent one or two. You should also compare annual fees, including termination or exit fees, should you wish to move your funds again.

You can also manage your own super with a self-managed super fund (SMSF). These funds are broadly treated the same as any other, only you make the investment decisions. It also means you carry all of the risks and the fund's legal responsibilities, so you need to be prepared and able to devote the necessary time and effort into making sure you manage your fund appropriately. If you're considering an SMSF, make sure you get the advice of a qualified professional.

DO THE PAPERWORK

There is some paperwork required to transfer your super between funds but it's worth the effort to consolidate. You can either contact the super fund you are transferring to for the necessary forms or do it all online through the ATO's SuperSeeker service www.ato.gov.au/calculators-and-tools/superseeker/

Your current fund will process the transfer and you will then typically receive a rollover benefits statement. Check it's accurate and keep it with your superannuation paperwork.

If you have multiple accounts to consolidate into one, you will need to complete the same process for each.

NEW JOB

If you start a new job, make sure you let your employer know you have a preferred super fund. Your employer will provide forms outlining which details they require. It's also worth checking out your new employer's preferred fund, as it may perform better than yours. Just make sure you won't be penalised by high exit fees or if you are, make sure they are offset by gains in the long run.

* APRA - March 2014 Quarterly Superannuation Performance.

** Tax information: the information in this article does not constitute advice. As taxation legislation is complex, we recommend you speak with your financial advisor, tax advisor or contact the ATO for further details and expert advice regarding your personal circumstances.



BOWLED OVER

Designer Jake Phipps reinterprets a British cultural icon by lining a felt bowler in anodised aluminium transforming it into an eccentric light shade. Named Jeeves - after the iconic P.G. Wodehouse butler - the authentic bowler pendant light is sure to add some dapper Brit-class to your place.

VISIT www.jakehipps.com



TACO TRUCK

It might look like a bit of fun, but it also solves a problem that's plagued taco eaters for generations! Keep your taco from falling over and its contents spilling everywhere with a little help from this clever taco holder.

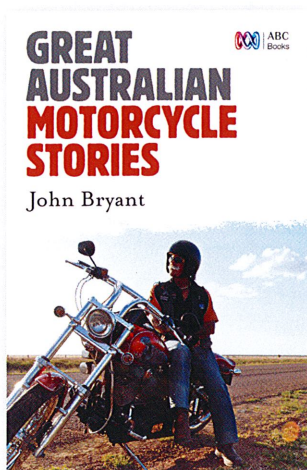
VISIT www.fredandfriends.com



CLANDESTINE CUFF CANDY

Channel your inner James Bond with this pair of unassuming cufflinks. Hidden in one link is a WiFi transmitter and in the other a 2GB USB flash drive. Just the thing for covert operations and when snooping is in order at foreign embassy cocktail parties.

VISIT www.brookstone.com



Get out on the highway and into this collection of all-Australian motorcycle stories. Full of laconic Aussie humour, there are 40 tales that capture the freedom, fun, independence and adventure that comes with having a bike - no matter its size. Meet Tex and his blue heeler Bundy, who have ridden over 600,000km together for charity; Neil Collier, who crafted a chopper out of camphor laurel wood; and the unforgettable paramedic who saved the day and walked away with a great dinner party story.

ABC books RRP \$29.99



WIN \$1,000 CASH

Australians are a country of doers, and with home reno reality shows dominating the TV ratings, it's tempting to have a shot at your own DIY - often resulting in a DIY debacle! We're on the hunt for the best DIY disaster story. Share yours for the chance to win \$1,000. If you have a photo to prove it, even better!

How: email your story (and photo if you have one) to havencompetitions@afigonline.com.au placing "DIY disaster" in the subject line.

Include: your name, address, email, phone number and the name of your mortgage broker.

Dates: opens on August 18 and closes on October 16.

Winner: will be decided on October 17 and notified by telephone.

Terms and conditions: email havencompetitions@afigonline.com.au to request terms and conditions.



HOW TO GET TOP DOLLAR FOR YOUR HOME

Spring has sprung and home buyers are emerging from hibernation. That's the theory, but the reality is home buyers are on the hunt all year round for the right property at the right price. The economic cycle and how you present your property will have a far greater impact than the weather on how soon it sells and how much it fetches.

While you can't control the economy (or the weather), there are a number of things you can do to improve your chances of buyers vying for your property over another. Here are Haven's top tips to help you get top dollar for your home.

— MAKE SURE THE PRICE IS RIGHT

You can ask whatever price you like, but whether anyone is prepared to pay it is another matter. One of the biggest mistakes vendors make is believing their home is better than anyone else's. It's time to put your emotions in check and focus on the facts. Research the sales prices of similar properties in your area and price within that band. If you would like more than the market can offer, you may need to consider selling in a more bullish market.

One of the best tests of whether your property is priced right is to see how many inspections and genuine inquiries it attracts in the first 30 days. If interest is scant, then chances are your asking price is too high.

As much as vendors and buyers alike believe the selling agent is working against them, the agent is actually the expert who lives and dies by the market. Listen to their feedback and consider lowering your expectations, along with the price, if needed.

— FIRST IMPRESSIONS COUNT

Presentation is everything when it comes to getting the best price for your home. It counts when buyers are scanning the real estate section and online listings, and it counts when interested parties rock up for a walk-through. The aim is to make sure the photos match what they see in person.

Some absolute essentials:

- Fix anything broken.
- Clean all surfaces, including walls, until they gleam.
- Clear away clutter.
- Remove signs of pets.
- Get rid of any odours and stains.
- Tidy lawns and gardens and prune or pull out any plants that are over-grown.

If your home has a tired-looking façade, give it a good clean with a water jet and consider if anything needs to be patched, painted or replaced. A few thousand spent on a face-lift will help your house stand out from the pack and could help you pocket an extra \$10,000 to \$20,000 from the sale.

_ CREATE SPACE

Buyers want to envision themselves in your home so clear clutter to make room for their ideas. Minimise furniture to create the illusion of space, remove knick-knacks, appliances and paper from surfaces and clean out cupboards (yes, people look in them) so they are only half full.

You may need to put your surplus items in storage but the inconvenience will be worth it.

Some sellers are going so far as to shift their existing furniture out and move rented furniture in. Known as staging, this increasingly popular trend aims to transform your home – with the help of a stylist – into something you would see in an interior magazine. Generally sought by vendors at the upper end of the market, staging can cost anywhere from \$2,000 to \$20,000 or more, depending on the type and quantity of furniture rented and how long it's required. Those with more modest budgets and abodes might still consider spending a few hundred dollars on a stylist who can recommend how to arrange a room for extra wow.

_ LET THERE BE LIGHT

Enhance the feeling of space further with light. Open blinds and curtains to brighten rooms or, if the window coverings are heavy, consider taking them down altogether. Just make sure your windows are sparkling!

You should also consider the aspect of your home and time of year when setting inspection times. West-facing homes in summer, for example, should be showcased in the morning or early evening rather than in the afternoon when the hot sun is beating on westerly windows.

If having a twilight or evening viewing, use light to create the right ambience. Make sure the front entrance is lit, but not glaring, and consider softening the lighting inside with lower wattage globes or well-placed lamps.

_ HAVE YOUR PAPERWORK IN ORDER

Show your readiness to sell by having a survey of your property and a building and pest report on hand for prospective buyers. It not only saves them time and money but shows you have nothing to hide.

A building and pest report will also tell you if any repairs are required before you go to market. Most vendors leave it up to the buyers to get the building and pest inspection done. The problem is if the inspection reveals any issues, the buyers then have a bargaining chip to drive down the price. Better for you to manage the cost of repairs beforehand and leave less room for negotiations.

_ SOMETHING FOR SEEMINGLY NOTHING

Consider including something extra in the sale. If your outdoor entertainment area wows visitors, include your barbecue or outdoor furniture in the contract. We're not suggesting you give them away – rather they are built into the asking price.

Other inclusions might be a water or garden feature, furniture that suits the style of house, home theatre equipment or a fridge that fits a certain-sized space. It might be the deal closer and means you have one less item to move.



Budget Buddy

If you find it hard to stick to a budget, MoneySmart's TrackMySpend is a really useful free app designed to help you understand where your money goes. This app allows you to keep track of your expenses on the go and is so handy, it was recognised at the 2013 Australian Mobile Awards.

This user friendly app is easy to navigate and allows you to:

- Nominate a spending limit (per week, fortnight, month or year) and track your progress.
- Separate 'needs' and 'wants' to identify opportunities to save.
- Create 'favourites' so you can track frequent expenses.
- View your expense history.
- Add 'tags' to categorise expenses and set spending limits for each category.
- Create expense reminders sent as text messages to your phone.
- Auto-fill expenses based on past entries.

The TrackMySpend app is available for both iPhone and android. This app can be used on multiple devices, includes free data backup and if required you can export your figures into a CSV file for Excel or other financial software.

So, take control of your expenditure and get a clear picture of what you are spending your money on.

Log onto the MoneySmart website and get tracking now: www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/mobile-apps/trackmyspend



In the last edition of Haven we put a call out for tattoo regrets. Unsurprisingly, thanks to the nation's current tattoo addiction, we received a great collection of ink disasters in response! Thank you to everyone who entered and we're sure you'll agree the winning entry is a doozy!

THE WINNER

Congratulations to Sarah who wins \$1,000 for sharing this tattoo regret, which now takes pride of place upon the skin of her partner. Her accompanying story explains the tattoo.

My partner Michael received this tattoo in 2012, before moving from Cairns to Brisbane. It depicts a crushed can to represent the saying Cairns is better than bottles. Inside the can sits the number 14 (the street number of the home he built in Cairns), a mountain (which sat behind his house), Brewed in 2007 (the year the house was built), cat paw prints (for his pet cat, Latte) and the Aquarius star sign (the star sign of his partner at the time, who is now his ex!).



Village life

For many Australians retirement is an opportunity to down-size their homes and simplify their lives. For more than 138,000 retirees*, that means opting for life in a retirement village.

Village living offers an appealing lifestyle, especially for those looking for a sense of community and to spend their new-found free time on recreation rather than maintaining a property. But the process of taking up a spot in a retirement complex is very different to buying your own home. Haven takes a look at some of the pros and cons of shifting to a retirement village.

Not an investment decision

Retirees need to consider a retirement complex to be a lifestyle choice, not an investment decision. Rather than buying a physical appreciating asset, you are entering a contract to occupy a place in the village for an entry fee.

There are usually three types of contracts:

Strata title: You pay an agreed amount to a former resident or the operator, and then own the unit. You also usually need to enter into a service agreement with the operator.

Loan and licence: May be offered by not-for-profit organisations, such as churches. You usually pay a contribution in the form of an interest-free loan.

Leasehold: The lease is usually registered on the title deed, which protects you if the village is sold. You pay a lump sum for the leasehold.

Entry, ongoing and exit fees usually apply to all three contract types.

Rather than a sale price, you pay an entry fee, which varies greatly depending on the location of the complex and the amenities and services offered. On average, the entry fee for a two-bedroom unit is about 90 per cent of the median property price for the location.

You will also be charged ongoing service fees to cover the upkeep of amenities in the village, such as swimming pools, gardens, recreation areas and communal transport.

Don't enter into any agreement without the advice of a specialist retirement lawyer. They can help you understand the fine print and guide you through the system based on your state laws.

Age pension

Your retirement advisor will also help you navigate your age pension eligibility. The amount you pay as an entry fee to a retirement village can affect whether you are classified as a homeowner for pension purposes or a non-homeowner. It depends whether the entry contribution is higher than the extra allowable amount (EAA), as determined by Centrelink. The EAA is the difference between the non-homeowner and homeowner assets test threshold for the age pension at the time the entry contribution is paid. The extra allowable amount is currently \$146,500. Whether you are considered a homeowner affects the amount of assets you can own without impacting your pension entitlement.

If you are not considered a homeowner, your entry contribution is included as an asset, but it is not classed as a financial investment and won't be considered as a source of income. You may also be eligible for rental assistance.

Shop around

Just like when you buy a property, you should do your homework before settling on a retirement village. Take a tour and talk to residents about what they like and dislike about the place. Think about what you want out of your retirement and whether the complex caters to those needs. If you want to entertain, do you have space in your unit or is there a communal area you can use? Is there a gym or swimming pool where you can exercise? Can you have guests stay over and, if so, for how long? This can be a key consideration for grandparents who may take care of grandchildren. You should also ask about transport help. Many complexes provide a private bus service to shops and clubs for residents who don't wish to drive. Generally, the more comprehensive the services the more you pay in body corporate fees, so make sure you understand the fee structure and what's included before signing on the dotted line.

Community spirit

One of the biggest attractions of retirement living is the instant community. Many villages provide social opportunities ranging from outings to quiz nights, dinners and interest clubs. Participation is entirely optional but there is usually no shortage of opportunities to get to know and socialise with your neighbours.

Aged care included

Many retirees plan ahead and scout out a village with an on-site aged care facility to avoid another relocation in their latter years. Just be mindful the level of care someone needs is determined by an Aged Care Assessment Team and that not all facilities offer high care should you or your partner require it. A place in aged care may also require separate payments, or entry fee, and many facilities will have waiting lists. It's also common for one partner to have greater needs than another, so couples with health or mobility issues need to ensure the complex they settle on caters to their needs.

When you leave

When a resident moves out, it is generally because they have passed away or relocated to an aged care facility. Financially, it is usually the beneficiaries of the resident's estate who are most impacted. When a resident sells up they, or their estate, are generally charged an exit fee, or a deferred management fee, which is usually charged annually at 2.5 to 3.5% of the original sale price, capped at 10 years. Some complexes may also require a percentage of any capital gains made. Make sure you read the fine print of the original sale contract and seek advice from a specialist retirement lawyer.

*Retirement Villages Association Retirement Living Survey 2011



Cone Bay Barramundi with baby leeks and saffron dressing

Cooking time 30 minutes - serves 4

Ingredients

4 x 200g Cone Bay Barramundi
100g plain flour
100ml olive oil
4 baby leeks
100ml chicken stock
1 clove garlic
4 sprigs of thyme
100ml extra virgin olive oil
Salt and pepper

Dressing

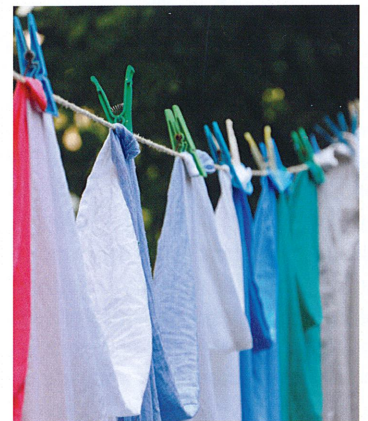
5g saffron
50ml freshly squeezed orange juice
2 ripe roma tomatoes blanched/skinned and deseeded
50ml extra virgin olive oil

Method

1. Pre-heat oven to 180 degrees for 10 minutes.
2. Cut the leeks into 4 even pieces, place into small baking dish, cover with stock and add garlic, thyme, olive oil, salt and pepper. Cover with alfoil and cook in oven for 20 minutes or until soft.
3. Toast saffron in a pan to release the aromas, then add 20ml of the warm leek juice to the saffron. Let cool slightly and add orange juice, diced tomato and olive oil, set aside.
4. Season barramundi with salt and pepper, then dust it in flour.
5. Heat frying pan to a medium heat. Add olive oil to pan and lay barramundi into heated pan and cook for about 2 to 3 minutes.
6. Turn barramundi with a fish slice and cook for a further 2 to 3 minutes.
7. Take fish out of pan and let rest in a warm spot.
8. To serve place barramundi on top of leeks and spoon dressing on and around the fish.

Thank you to WA Food Ambassador Don Hancey for this great recipe www.donhancey.com.au

What you need to know: any advice contained in this newsletter is of a general nature only and does not take into account the objectives, financial situation or needs of any particular person. Therefore, before making any decision, you should consider the appropriateness of the advice with regard to those matters.



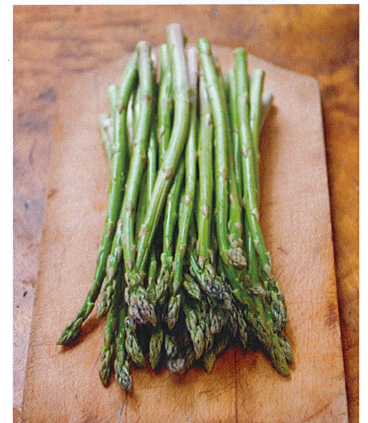
Hello

Spring is here and as we shake off the winter chills now could be a great time to get cracking on making sure your house is in order. Spring is traditionally considered a great time to sell a house, so if you're thinking about making a move, take a look at our article that considers ways to get top dollar for your home.

In this edition we take a look at the subject of superannuation and a situation so many Australian's find themselves in, the need to consolidate multiple funds. If you've had more than one job you may fall into this category. So be sure to have a read to figure out how best to handle the consolidation process.

Don't forget to enter our competition to be in the running to win \$1,000. We're looking for Australia's best DIY disaster story. With home improvement TV shows continuing to enjoy huge popularity, we're confident one of our readers would have had a go themselves and in turn have a DIY attempt gone wrong to regale us with!

Please enjoy this edition of Haven and don't forget that if I can be of help to you or your family or friends in need of finance, please get in touch.



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