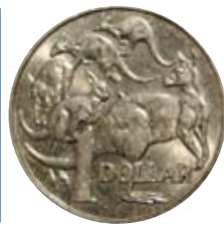


THINKING ABOUT MONEY



In this edition:

- New Year Financial Checklist
- Take the Risk Management Test
- No more Swiping just Wave to Pay

As we move towards the end of yet another year and ponder how fast it has come and gone, many of us find ourselves thinking about the coming year and our aspirations for the future.

Let's face it, we have worked hard right through the year and now is the time to reflect on what we have achieved, where we want to go and what we need to get there. These times of reflection are critical to our lives whether we run our own business, are employed or retired.

A financial checklist is an excellent tool to check on how you are progressing towards your goals and to also help identify any specific areas you might need to focus on in the immediate future.

The key issues to consider are:

Home loan review

If you're still making repayments, is it time to revisit your progress? Are you able to increase your payments or frequency of payments to save interest?

Other debts

The amount of hire purchase, personal loans, credit card or other debts currently being paid off. If the total of all loans exceeds 10% of household income, you need to implement a plan to reduce them as a matter of priority.

Savings and superannuation

What is the current value of your retirement savings, including superannuation? It is estimated that by the time you reach 65, your savings will need to be at least 7.5 times your annual household income. Are you on track or do you need to start putting more away?

Annual savings

How much money did you save this year? Are you spending first and saving what's left? If your savings aren't as healthy as you'd hoped by this time of the year, it's time to remember to pay yourself first and allocate up to 10% of your income to a regular savings plan.



Insurance

When accidents or illness strike, most people are caught insufficiently protected. It is important to regularly review your insurance policies to ensure that you and your family have adequate cover.

Your Will

Everyone has heard of the importance of making a will and keeping it up to date. Making a will itself is not particularly difficult or even terribly expensive. It is a fact of life that people get divorced, form new relationships, change old relationships, or establish new interests. Any of these may result in a will being challenged through the legal system and create long-term animosity, anger, and considerable delay in finalising the estate. Estate planning matters should be regularly reviewed in addition to your will.

You don't have to wait until 1 January to review your financial situation ... do it today, and you may find that your other New Year resolutions are more easily achievable as a result!

Take the RISK management TEST



Everyone faces some level of financial risk but most people hope that catastrophe will strike someone else. Sadly 'someone else' may be you. This is why it is critical to review your insurances regularly and ensure they still meet your needs. Would you be able to cope with the risk of inadequate cover? Have you got too much cover? If circumstances have changed, have you adjusted your insurance?

You can be systematic in looking at the risks you face. Firstly, identify the risk, secondly analyse how significant the risk is, and lastly decide how you will handle the risk. Your choices are:

- Reduce the risk in some way (like installing burglar alarms),
- Build up sufficient financial reserves so you can manage a loss if it occurs, or
- Buy protection in the form of insurance.

Everyone is different and for that reason we recommend a periodic review with a risk management professional like your financial adviser.

To start with try this risk management test.

What would be the effect on the financial position of your family if you:	Tick one			If you ticked "A lot", how would you handle this?
	A lot	Some effect	Not applicable	
Lost your house?				
Lost your car?				
Lost your investment property?				
Lost your personal effects?				
Lost your income?				
Were hospitalised?				
Were unable to work through disability?				
Died?				

It's easy to tick a box quickly without too much thought. Make sure you consider issues such as:

- The rising costs of re-building your home and replacing lost assets.
- Debts secured against assets such as mortgages and investment loans.
- Providing for people who are dependant on you. If you have fewer people dependant on you than in the past, you may have more insurance cover than you need.
- Changes in marital status.
- Accumulated leave from your job (sick leave, long service leave and annual leave)
- Your health and those of your dependants.

But it's not easy to work through this alone. Use this grid as a starting point and make an appointment to see us – we can ask the questions you have not thought of. Even if the analysis shows you have managed your risks effectively, it will be worth the time for peace of mind. And don't forget, next year you need to do it all over again because the only constant in our lives is change!



NO
more
Swiping

just **WAVE** to **PAY**

New technology can be exciting. It's meant to save us time and make life easier but when it comes to making sure this technology is safe it's good to learn as much as you can before you simply jump on board.

Take for example the new "contactless" payment technology offered by Visa payWave and MasterCard payPass cards. How do they work and are they safe?

Wave and go

Contactless payment technology has been in use commercially since 2005 in the US and is now being offered in Australia as a convenient and quick way to process credit card transactions for low-cost items.

It uses radio frequency identification (RFID) technology which allows cardholders to simply wave their card in front of special terminals without having to swipe or insert the card into an EFTPOS device. Transactions up to a certain limit – \$100 in Australia – can then be completed without the need for a signature or a PIN. Contactless cards have a distinctive mark with a tiny antenna embedded into the chip that transmits payment instructions to and from a specially adapted card terminal.

When a retailer displays the contactless symbol at the checkout, you can pay by holding your card within 4cm of the secure contactless reader. When the four green lights appear, you move your card away and the transaction will be complete. You also have the option of getting a receipt. Or if you prefer, these same cards can still be used in the more traditional manner when paying for purchases.

Are they safe?

Terminals are designed to make only one transaction per card at a time - each transaction must be complete or void before another one can be processed. It is also impossible to buy an item accidentally by moving too close to a reader because the retailer must first enter the amount for you to approve.

For those concerned about the security of these cards, contactless cards use the same chip and PIN network as normal credit and debit card transactions. There is a payment limit on single transactions, and contactless cards are restricted to a limited number of times before customers are asked for their PIN. The upside is that you never have to give your card to anyone, retaining control over it at all times.

The biggest problem is that if you lose your contactless card anyone can use it up to the daily limit of \$100. However, these transactions have the same fraud guarantee as standard transactions. So when using a Visa payWave or MasterCard PayPass card, you are protected by the issuer's Zero Liability policy, which is their guarantee that you will not be held responsible for fraudulent charges made with your card.

If you're not comfortable with this technology, make sure you tell your financial institution that you don't want the contactless card before your debit or credit card is renewed. The traditional cards are still available.

Sources:

www.creditcardcompare.com.au

www.wikipedia.org

*Wishing you a safe
and happy festive season
and a prosperous New Year*



**Guardianfp Ltd trading as
Guardian Financial Planning**

ABN 40 003 677 334 AFSL & ACL No. 237641

Head Office

Level 10 321 Kent Street Sydney NSW 2000

Phone 1800 687 620 Fax (02) 8275 3232

E-mail: enquiries@guardianfp.com.au

Internet: www.guardianfinancialplanning.com.au

Important notice

The information provided in this newsletter is general information only and is current as at 1 December 2011. It has been prepared without taking into account your individual objectives, financial situation or needs. Before acting on this information you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. Your Financial Adviser can assist you in determining the appropriateness of any product mentioned in this newsletter.

You should obtain a Product Disclosure Statement relating to the products mentioned in this newsletter, before making any decision about whether to acquire any of the products mentioned.