

## IT'S EASY TO SWITCH AND SAVE

SOPHIE ELSWORTH

MOBILE phone customers wanting to save serious cash can change telcos within hours. Keeping the same phone number makes it easy for consumers to jump providers if they aren't locked into a contract, making it the perfect time to hunt around. Some competitive offers for SIM-only no-contract deals with a minimum of 10GB of data and unlimited calls start at around \$20 per month. But for those still in a contract it's often best to see out the fixed term before switching to avoid hefty break costs.

Telco comparison websites WhistleOut's spokesman Kenny McGilvary says don't cancel your existing mobile service as the new provider will switch for you. "Once you've identified the plan you want then order a new SIM card online, over the phone or in store," he says. "During the sign up process you'll be asked whether you want to port or transfer your existing number to the new account."

Mr McGilvary says all you need to do is provide your existing phone number and provider to your new telco. Once you receive your new SIM card you'll need to activate it yourself. This takes a few hours. Moose Mobile's CEO Dean Lwin says switching is seamless. "Your current SIM card will keep working right up until the time number transfer takes place so the only downtime is the time it takes to swap your SIM card," he says. Australian Communications Consumer Action Network spokeswoman Melyssa Troy says when looking for a new deal make sure you understand the inclusions in the new offer.



# Plan your move

IT'S VITAL THAT RETIREES WANTING TO DOWNSIZE DO THEIR SUMS AND EXPLORE ALL THE OPTIONS

## HOUSING ANTHONY KEANE

**D**ownsizing might not be an option right now for those older Australians with homes full of adult children impacted by COVID-19 border closures, but for others it's a way to free up time and money. They may wish to shift into a smaller low-maintenance home, or unhook wealth that's tied up in their property and there's a growing range of options for retirees who don't want to move.

Retirement finance specialists say it's vital to do research, ask plenty of questions and plan ahead where possible.

The pandemic's impact on interest rates and share dividends is squeezing the incomes of many seniors who were already asset rich but income poor, and Smooth Retirement director Bob Budreika says reverse

mortgages and similar products are an option.

The \$3 billion reverse mortgage sector allows seniors to borrow against their home equity, and the loan gets repaid when the home is eventually sold.

The Federal Government has a form of reverse mortgage through its Pension Loan Scheme, which allows pensioners to boost their fortnightly income by borrowing against their home equity at an interest rate of 4.5 per cent.

Newer home equity release schemes are appearing, and Budreika says retirees should "do your homework and get good advice".

He says some people who take the traditional downsizing route don't factor in costs such as stamp duty, real estate agent fees



Don't try to go it alone, Baker says. "Reach out to family and friends for emotional support. Seek financial support too, from licensed accountants and advisers rather than well-meaning friends."

Sort My Money founder David Rankin, right, says COVID-19 is delivering a double-whammy on jobs and families. "One of the main causes of relationship breakdowns is financial stress, and a key outcome of COVID is financial stress," he says. His top tip for living on a

## Five ways to unlock home equity



- Traditional downsizing — sell the family home and move into something smaller.
- Reverse mortgage — a credit product where seniors borrow money and the interest is added to the loan.
- Pension loan scheme — the government's form of reverse mortgage that increases pension income but does not allow lump sum withdrawals.

- Home reversion scheme — a real estate product where retirees sell a future percentage of the house and receive a discounted amount now.
- Fractional senior equity release — the retiree sells a fraction of their house to investors with some of the amount sold being used to pay rent. The remainder can be taken in any way.

Source: DomoCom

and restyling expenses. "The average person who lives in the suburbs and downsizes may be disappointed to find out after paying all the costs they have not much left over."

Retirement villages and units work for many people, with costs ranging from \$75,000 to well above

\$500,000 depending on size and location, and usually involve residents purchasing a lifetime lease with a refund payable at the end.

For Leith Bell and wife Barbara, pictured, downsizing earlier this year from their large suburban block to an ACH retirement unit was a lifestyle decision rather than

# Shifting to single-income household

## FINANCE ANTHONY KEANE

**A** spike in single-income households looms as COVID-19 ravages jobs and families. Single incomes also stem from breakups and new babies, and financial adviser and author Helen Baker, inset, says cutbacks will be necessary.

"If you have a household budget, revisit it and adapt it to your changed circumstances," she says. "If you

haven't got one, now is time to start." Baker says single-income parents should learn to say no to children who are accustomed to a previous standard of living, and should review all bills.

"Shopping around can deliver substantial savings on things like insurance, mortgage rates, phone and energy bills," she says.

"You may not even need to switch — simply ask your current provider for a better rate in line with what competitors offer."

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Sort My Money founder David Rankin, right, says COVID-19 is delivering a double-whammy on jobs and families. "One of the main causes of relationship breakdowns is financial stress, and a key outcome of COVID is financial stress," he says. His top tip for living on a

single income is to make diary notes of regular expenses to avoid getting caught off-guard.

"Diarise electricity bills, gas, mobile phone, internet, council rates, car registration and birthdays — even if it's just \$20 for a nephew," Rankin says. Building an emergency fund to cover unexpected expenses is impossible for many single-income families, so Rankin suggests having a credit card with a \$1000 limit if you won't be tempted to load it up.

"If you can trust yourself, a credit card with a \$1000 limit just gives you peace of mind," he says.



## Get in touch

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