



December 2014

Welcome to our final newsletter of 2014, with a new format we hope you find informative and easy to read. The FM team would like to wish you all a wonderful Christmas and a happy & safe 2015. We look forward to helping you achieve your goals and resolutions in the New Year.

Winner of the quarterly ipad prize draw is Laurie Roles. Congratulations!

Congratulations Brayden Harkness - Melbourne office who has recently completed his qualifications as a Financial Planner.

A brief global summary: Summer is upon us and the traditional pre-Christmas madness is in full swing. Perhaps it's the combination of disappointing economic data and too much bubbly, but speculation about which direction interest rates are headed has reached fever pitch.

The Reserve Bank of Australia (RBA) are telling us mining investment will slow even further and Australia will have to look for more traditional sources of growth as scrutiny of every economic statistic intensifies.

The local currency slumped to a four-year low after plunging iron ore prices and RBA commentary about the Aussie dollar's value. RBA deputy governor Philip Lowe said the Aussie was too high; he expects it to fall further as the terms of trade decline. Iron ore prices fell to their lowest level since June 2009 to US\$69.58 a tonne. Analysts blamed the likes of BHP Billiton and Rio Tinto for increasing production in a weak market.

We hope you enjoy the attached articles, and have a merry festive season.

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Avoiding the busy-ness trap



If you're exhausted by the time the weekend rolls around and feel like there's an ever-growing list of things to do in an ever-shrinking time span, you are not alone. According to the Australian Psychological Society's annual survey, three in four Australians believe stress is affecting their health.

This could have something to do with the fact that we are among the most wired citizens on earth. Australia outranks both the UK and the US in smartphone ownership. We're equipped with time-saving technology but that 24/7 connectivity means we feel busier than ever, with emails, messages and app notifications scattering our concentration.

In *Overwhelmed: Work, Love and Play When No One Has a Minute*, US journalist Brigid Schulte describes this sense of being constantly behind as the 'modern overwhelm'. She argues that we have come to equate busyness with success, yet research shows that working in 90-minute bursts with breaks in between is more efficient than working longer hours.

Tips to achieve calm

Plan

Productivity experts recommend making a to-do list each evening to mentally prepare for the following day, remembering to prioritise the tasks on that list. At the same time, they warn against over-scheduling; you need time in between appointments to digest what has been discussed and to mark your progress.

Focus

In his 2010 bestseller *Be Excellent at Anything*ⁱ, corporate leadership expert Tony Schwartz debunks the 'multi-tasking myth'. His interviews with top

executives show that setting fixed times for responding to emails, as well as an auto-reply communicating this to senders, can have a big effect on how harried you feel throughout the day.

Respond to signs of stress

Recognising when you're overwhelmed is essential to your long-term health, according to Emma O'Connell from Psychology Melbourneⁱⁱ which runs classes on stress management. "Noticing warning signs such as feelings of fatigue and tightened muscles is helpful. Then you should look at whether your diet, exercise and sleep patterns need to change, as well as how connected you feel to a support system," she says.

Diet and exercise

Rather than reaching for the sugary biscuits for an energy boost on a stressful day, O'Connell recommends healthy snacks or a small piece of dark chocolate for a calm-inducing endorphin hit. Better still, get moving.

It's well known the release of endorphins triggered by exercise can relieve feelings of stress, while research published in *The British Journal of Sports Medicine*ⁱⁱⁱ last year confirmed that taking a 10-minute walk through a green space rather than an urban one is the quickest way to induce calm.

Calm your mind

Meditation and yoga are popular stress busters, but there's no one-size-fits-all method. O'Connell suggests carrying

out a mindfulness exercise on your commute home or having another ritual to break the day between work and leisure, such as changing your clothes, to diffuse feelings of stress. The power of music to relieve anxiety is scientifically proven, but that doesn't have to mean Mozart or whale sounds – creating 'pump-up' and 'calm-down' playlists that are personal to you will be most effective.

... and take control

Psychologists and business coaches agree that being realistic about what you can achieve each day and having the confidence to say 'no' when asked to do more is vital to maintaining a healthy outlook and fulfilling life. That might mean turning off the iPhone right after you read this.

Take 5 and DE-STRESS

- 1 Breathe in through your nose for three seconds and then out for three; repeat for two minutes
- 2 Tense and then relax the muscles in your body, starting at your toes and working up to your face
- 3 Read or watch something amusing; laughter can boost endorphins
- 4 Write your worries on a piece of paper, then throw it away
- 5 Turn off computer, TV and phone screens at least an hour before you go to bed.

i <http://goo.gl/aGNSIL>

ii psychologymelbourne.com.au

iii ncbi.nlm.nih.gov/pubmed/23467965 OR <http://goo.gl/bljnkp>

Credit where

CREDIT'S DUE



When it comes to your credit rating, it's time to think positive! With the introduction of comprehensive reporting earlier this year, you can have a credit rating that actually shows your positive creditworthiness to would-be lenders, and not just your shortcomings.

In the past credit agencies only held negative reports on your credit status. For example, they took note if you had any defaults on loan payments and/or the number of applications you made for loans but not whether they were approved.

Under the new regime you are awarded a credit rating score. The maximum score you can achieve is 1200 points, with the national average being 760. Lenders will be able to assess your creditworthiness by your ranking. If, for instance, it is as low as 200, then lenders will know you have a 50 per cent chance of suffering an adverse credit event in the next 12 months.ⁱ

A global trend

The move to comprehensive reporting brings Australia into line with other countries around the world.

Your report now will show the open and close dates of any account, the type of credit, your credit limit and your monthly repayment history over a 24-month period.ⁱⁱ

If you have run into trouble with late payments, this will only be recorded on your file if the amount is more

than \$150 and/or you were more than 60 days overdue.ⁱⁱⁱ

The rating does not apply to telcos or utilities, only credit providers.

The upshot is that you have the opportunity to more readily demonstrate your creditworthiness to potential lenders. The new process will highlight good credit behaviour, allow you to recover faster from adversity and gives those who have not yet built up a credit record the opportunity to do so more swiftly.

How to find out your rating

It is easy to find out what your credit rating is. Anybody can seek their credit rating for free once a year by contacting one of the three national credit reporting bodies: Veda (MyCreditFile.com.au); D&B (CheckYourCredit.com.au); or Experian (Experian Credit Services).

You need to supply your full name, address, date of birth, previous address and driver's licence number.

The reports should be provided within 10 days of receipt of your request.

You can also get a free report if you have applied for and been refused credit in the last 90 days or where a credit provider wants to correct information in your credit report.

How to improve your rating

To have a good credit ranking, make sure that you do not apply for several loans at the one time. While you may do this because you are sounding out the market for the best deal, it is

sending out a different message to lenders. They interpret this as your being in financial trouble.

If you have had a black mark recorded against your name at some stage in your life but now are in a good financial place, the new rating will allow you to demonstrate to would-be lenders that you have changed your ways.

Greater competition

With the move to comprehensive credit reporting, it is likely that lenders will start offering lower rates to people with a healthy credit score.

This risk-based lending will prove a bonus for those with solid borrowing records and motivate others to improve their rating.

In addition, the new ratings system will potentially speed up loan applications if you choose to apply online. Lenders who use automated processing will be able to accept or reject your application in minutes rather than in days or weeks.

Comprehensive credit reporting can only be seen as a positive – for both borrowers and lenders alike.

ⁱ www.whistleout.com.au/HomeLoans/Guides/Credit-Scores-in-Australia-How-They-Work

ⁱⁱ www.oaic.gov.au/privacy/privacy-resources/privacy-business-resources/privacy-business-resource-3-credit-reporting-what-has-changed#s10

ⁱⁱⁱ www.veda.com.au/yourcreditandidentity/comprehensive-credit-reporting



It takes more than a dip in the dollar to get between a determined Australian and an overseas holiday. With a little bit of planning, savvy travellers can overcome an expected fall in the Aussie dollar by traveling smarter, not less.

Our dollar has been trading around the 93 US cents mark for much of 2014 after hitting a high of US\$1.10 in July 2011. However, most economists expect the Aussie dollar to settle closer to 80 US cents sometime next year.

If the Aussie dollar is knocked off its perch, there are a number of strategies you can put in place before heading offshore that will ease the pain on your hip pocket. You could begin by investigating travel destinations where your purchasing power is increased.

Japan

The land of the cherry blossom tops the list of best value for money for Australian holidaymakers in 2014, according to travel booking site Expedia. But these days, visitors are more likely to be heading north in search of snow not cherry blossoms.

Australian skiers have taken to Japan's powdery snow in their droves. If temples, sushi and quirky fashion are more your style, Japan has a rich cultural heritage that is hard to beat.

Indonesia

Next on Expedia's value list is Indonesia. Australians have adopted Bali as their own, but why not take a side-trip

to Java's ancient Buddhist temple of Borobudur next time you visit? Or do some island-hopping to Lombok, Flores or Komodo, home of the eponymous dragon? You can learn to dive, explore the forests or just sit by the pool.

Greece

Lonely Planet knows a thing or two about budget travel, and top of its list for 2014 is Greece. Visitor numbers have fallen in the wake of the financial crisis which turned Greece into the economic basket case of Europe. But the ancient Acropolis and the lazy charm of the Greek Islands are timeless, and all the more enjoyable while prices are low in an attempt to lure back the tourist dollar.

Portugal

Portugal has always been a hit with the budget-conscious but it tends to be overshadowed by its brilliant, noisy neighbour Spain. The once-great seafaring nation offers quaint seaside villages, great food and wine, ancient architecture and the surf's not bad either.

Argentina

They lost to Germany in this year's world cup and now they are in the thick of a currency crisis after defaulting on part of their foreign

debt for the second time in 12 years. The proud Argentinians may be down on their luck, but they sure know how to live. In Buenos Aires, the 'Paris of South America', hotel prices have fallen. So tango, shop and eat your fill of grilled meat at recessionary prices.

Plan ahead

Once you choose your destination, think about booking and paying for at least part of your trip up-front to lock in the favourable exchange rate.

And if you are worried that the dollar may fall before you depart, you could start making progressive cash transfers to a pre-paid travel card. Most major banks, airlines and foreign currency specialist offer travel cards that can be loaded with up to 10 currencies.

By shifting cash in stages, you are effectively taking advantage of the investment practice known as dollar cost averaging. Not only do you stand to get more foreign currency for your dollars while they are high, and limit purchases when the dollar is low, you also get to sleep at night without the anxiety of trying to time volatile currency markets.