



ADF FINANCIAL SERVICES CONSUMER CENTRE

By Defence. For Defence.

GET MONEY FIT

First Nations Development Program Workbook

Defence acknowledges the Traditional Custodians of Country throughout Australia. Defence recognises their continuing connection to traditional lands and waters and would like to pay respect to their Elders both past and present. Defence would also like to pay respect to the Aboriginal and Torres Strait Islander men and women who have contributed to the defence of Australia in times of peace and war.

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ABOUT THIS WORKBOOK

This workbook is to help you learn more about money and how it is useful in your life. Being money fit helps you, your family and your job.

You can use this book on its own by reading and working through activities, or alongside a personal finance brief, video presentation, or the online resources available at [adfconsumer.gov.au](https://www.adfconsumer.gov.au).

USING THE WORKBOOK

Every section has different information about money and how it applies to you:

- Read each section
- Talk to your family and other important people in your life about money
- Work out ways to stay money fit by using this guide and resources

LEARNING GOALS

Reading and doing the activities in this workbook will help you:

- Understand what you know about money
- Work out how you feel about money
- Understand the difference between needs and wants
- Be aware of different ways to earn money
- Understand how tax works
- Set a financial goal and develop a plan to achieve it
- Know what to look out for when buying a car or signing up to a mobile phone plan
- Use banking to manage your money
- Understand how compound interest works
- Know how to get help with money problems
- Understand the difference between a debit card and a credit card
- Know where to search for lost money and how to get it back
- Be in charge of your money and stay money fit



PAUL WALKER

I was born in North-West Queensland in 1975. I am an Aboriginal man and descendent of the Waanyi people on my Mother’s side, which covers the border of Queensland and the Northern Territory in the Gulf of Carpentaria.

I am also the first Aboriginal army veteran that I know of on my Mother’s side of the family. My Father migrated to Australia in the early sixties with his parents and siblings. My Father was in the British Merchant Navy and my Grandfather was in the British Army.

My parents separated when I was twelve years old, and unfortunately I became homeless at fifteen. Although having little stability in my later teens, I had dreams of doing something great with my life. I went to thirteen different schools; seven of those were high schools, repeating year eleven and three more high schools in my final senior year. I simply went to school wherever I could find a good place to stay. While my grades were embarrassing for me to look at, I never let it stop me from moving forward with my life. I always tried my best and hoped that I could achieve something to be proud of one day.

As a young man I struggled between unemployment and casual labouring jobs, until I decided to join the Australian Army and applied at the Cairns RSL Sub Branch in 1996. A few weeks later I was accepted at 20 years old. In my last week at the 1st Recruit Training Battalion (1RTB), I was selected to join the specialised field of electronic warfare (EW) also known as signals intelligence, as a result of prior aptitude tests in morse code. I graduated with a Signals Corps badge on my slouch hat, and the recipient of the Fifth Battalion ‘Most Improved Soldier’ Award. I then went to the ADF Joint Telecommunications School (JTS) for a year-long training before posting to a field unit, the 7th Signals Regiment (EW).

During my time at the Regiment I went to Bougainville in 1998 on Operation Bel Isi as part of the Peace Monitoring Group at the end of its 10 year civil war and truce with Papua New Guinea. In 1999 I became para-qualified to support special forces regiments and the 3rd Parachute Battalion. By this time I had also learnt five languages and possessed highly specialised skills as a ‘light electronic warfare operator’. In August 2000 I went to East Timor on active service to Operation Tanager as part of the Peacekeeping Force under the United Nations Transitional Administration in East Timor (UNTAET). It was an important period after the vote for independence by East Timor continuing on from earlier campaigns to maintain stability in the region.

In 2003 I medically discharged. Shortly after, I moved to Darwin to start a new life out of the military. I found it hard to move away from uniform roles which I’d known for so long, but became a Customs and Border Force Officer in Darwin.

Over the years since then, I had endeavoured to help others through more community focused work. I eventually became a financial counsellor and worked throughout the Big Rivers region in the Northern Territory for five years. I worked in some of the most remote Aboriginal communities in Australia helping disadvantaged families and individuals achieve financial literacy and stability in their lives. I am fortunate to have helped negotiate all kinds of debts on behalf of hundreds of service users from all walks of life during that time.

As a former financial counsellor and army veteran, I am always interested in volunteering my time especially in the veteran community. I first began sharing my personal insights into mental health from a military perspective throughout the Northern Territory and interstate with community groups and organisations, schools, and more closer to my heart; our country’s NORFORCE element and recruits in the Army Indigenous Development Program (AIDP). I am grateful to have been acknowledged as a 2022 Australian Of The Year Local Hero NT finalist, and 2021 NT Mental Health Week Coalition Awards ‘recognition for significant contribution to the mental health sector’. I have since returned to Cairns, and a current Board Director for the Cairns RSL Sub Branch, back to where it all started. I live here with my Wife and children who were born in Cairns.


I am honoured to share my story with you as the Foreword to the First Nations Development Program Workbook as part of starting your ADF career. I am extremely excited to know of the financial education and supports that our younger generations have access to through the ADF Financial Services Consumer Centre. You should be very proud of how far you have come to get to this point. I was once where you are now. I wish I’d had this type of support and guidance when I was a young soldier. I made some bad spending and financial decisions that could have been avoided with the support that you now have.

Lastly, my parting message is this. Stand tall, hold your head high and walk with confidence. Believe in yourselves no matter what adversity you are faced with. You are now the example for our younger generations. You are our future elders of your communities and our future veterans of this great country. I admire you for your willingness and strength to join the military. It is by no means, a small decision. Look after your fellow servicemen and servicewomen. Be courageous when you are called upon and rise up to the challenges. Most of all, look after yourselves and your families.

I thank you for your service.
Yours in Honour.

Paul Walker

Waanyi Descendent
Former Australian Army RASIGS Corps Veteran of Bougainville and East Timor



ACTIVITY

Let’s reflect for a moment and have a yarn about the things that Paul Walker brings to us:

- His honesty about what changed his life
- How he has been able to do amazing work and recognise the importance of being money fit

Yarn about some ways that Paul got in charge of his life.



YOUR MONEY

As we start this session, we want you to take some time to explore your relationship with money, that means how you got to think the way you do about money.

Many of us may not have thought much about money, about why we use money in certain ways, or why it's important to care about what money can do for us.

Thinking about and exploring other parts of your life, can help you work out why your money story is the way it is and get ideas of how to be in charge of it, keeping in mind family obligations and opportunities that the ADF presents.

Talking about money is not easy, it's personal and can be confronting, so we will use a photo narrative way to have a yarn about money that feels comfortable and helps you think about how your life and money can be related.

The way we feel about money is based on things like:

- Past experiences
- Access to money
- Knowledge of money matters
- How we make financial decisions

PHOTO NARRATIVE ACTIVITY

The photo narrative is a way to find some visual images that tell a bit about your story, things that mean something to you and open the door to yarn about things in your life that have impacted you and might affect your money story.

Walk along the photo trail presented by your educators or look at some photos that mean something to you. Select 2 pictures that stand out to you. That mean something in your life.

If you are doing this alone, you can do this too, by going through some of your favourite photos, pictures of your country, your family and other things in the media that stand out to you. Find a couple of things that mean something to you and think about why these things are important and whether these have any influence on your money story.

If you are with others, have a yarn together about how these images relate to culture and family, and how they influence, or have influenced, your personal and money story.

As an example, you might have picked a picture of a place you love, but you cannot afford to go there; or you might have picked a picture of schoolkids that remind you of your time at school and things that made it hard or things that helped you get where you are today etc. It can be anything that has meaning to you.

To get into the yarn, there are a few questions we might ask:

- Why did you select the images you chose?
- What compromises did you make in only choosing 2 images?
- Why and how well do the images reflect your personal story?



YOUR MONEY STORY

Understanding your money story and where it comes from uses your strengths to highlight challenges and work out actions you could take to get and stay money fit.

We learn about money from many different sources e.g. family, community, school, the media, intergenerational experiences.



ACTIVITY

If you had a money timeline, what would be the standout points for you?

Think about:

- Where you learned about money
- How you think, feel and know about money
- What money means in your family or community
- The first time you earned or got some money and what that meant
- Whether you control your own money
- Money obligations

NOTES

WHAT DOES MONEY MEAN TO YOU?



ACTIVITY

Have a yarn about / think about what is meaningful in your life – in your world, what are the most important things to you? Try to draw this; consider your family, community, other factors, the world.

Understanding more about money can help you get and stay money fit.

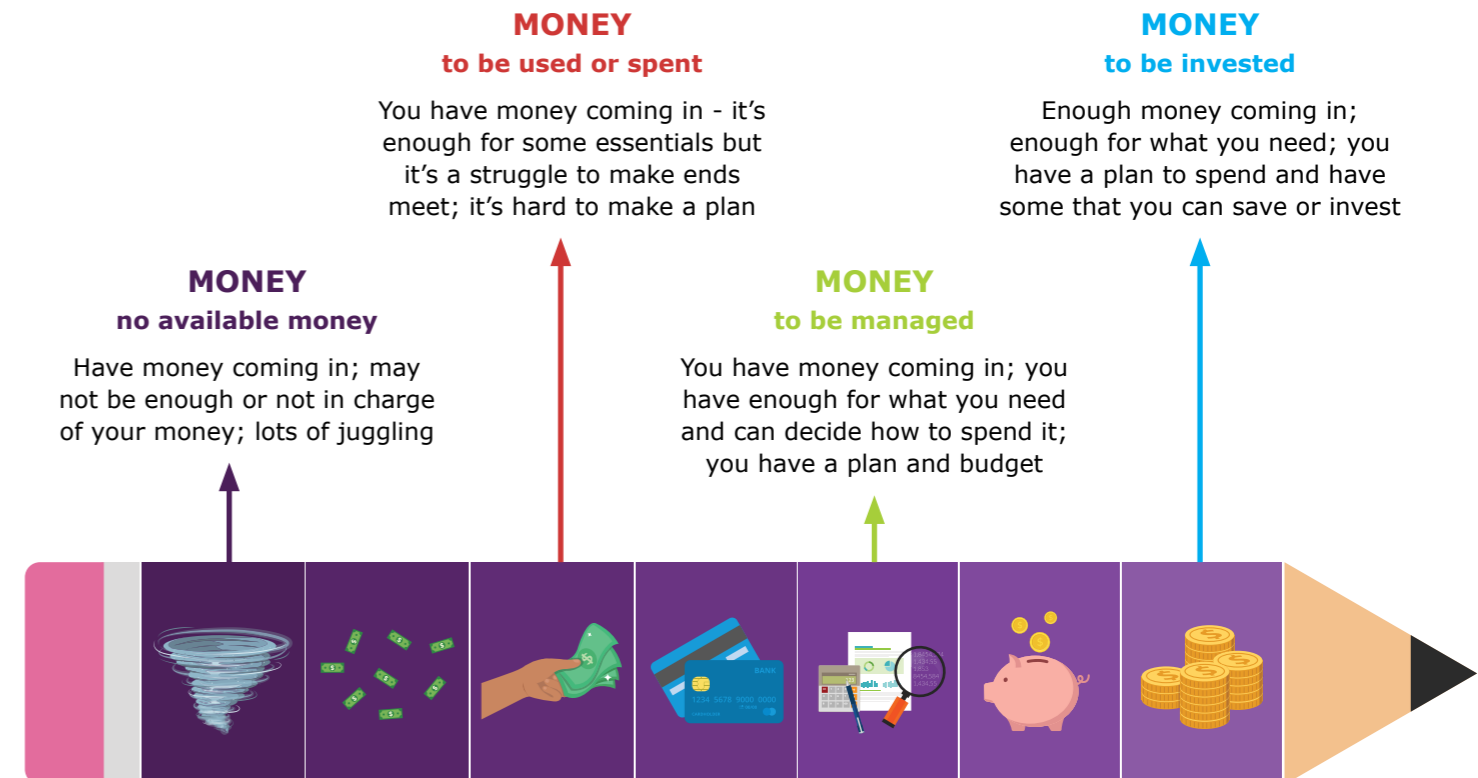
Let's do the financial wellness quiz to check out what money matters you could think about.



Where are you on the money timeline?

YOUR MONEY TIMELINE

Use this timeline to plot where you are with your money right now



In the military you can use money from your income to become money fit and reach other levels of success. You can bring your family along the way.

HOW DO YOU GET MONEY?

There are many ways to get money:

- Run your own business
- Make things like artwork, furniture, or clothing and sell them
- Earn money from investments
- Have a job where you use and learn skills and a boss (employer) pays you a salary or wage

Working for the ADF can help you learn more skills to earn better money.

The ADF will give you a payslip electronically each time you get paid. Your payslip is on the intranet PMKeyS Portal. You can log in using your PMKeyS number.

TIP

A payslip shows:

- What you earned in total (gross salary)
- What was taken out for tax (pay as you go or PAYG)
- Any additional allowances paid (if relevant)
- What went into your bank (net salary)
- How much superannuation was paid for you
- Any amendments added to your base pay
- Details of the bank account to which your pay was transferred (including salary packaging details)

An example payslip appears on page 13.

SUPERANNUATION

If you're working, your employer is required by legislation to pay superannuation (super). In most jobs, employers pay up to 12%. The ADF pays 16.4% on top of your gross salary. You cannot touch it unless you meet certain criteria.

Superannuation is a way of saving money while you are working so that you and your family will have money when you retire. It could be your biggest asset.

Your boss, the ADF, pays into a superannuation fund for you, and it is the fund's job to look after this money until you retire. But it's also your job to keep an eye on it and make sure it's doing what you want it to. You can add to super and have a say in where it is invested.

To work out how your super accumulates and what happens if you add money to it yourself, go to moneysmart.gov.au/how-super-works/superannuation-calculator

TIP

Superannuation attracts compound interest - which means it increases a lot more quickly than most bank accounts.

You can reduce tax by paying some money into super straight from your wage. Your family cannot touch your super, so sometimes it's a safe way to save.



YOUR PAYS LIP

Your payslip won't be colour coded. Colours have been added to help you match the section on the payslip with the descriptions on the next page. You can find your payslip on the intranet PMKeyS Portal. You can log in using your PMKeyS number.

Australian Defence Organisation ABN 68706814312		Pay Period :06/01/2022 - 19/01/2022				
		Payment Date :20/01/2022				
		Pay Centre :8008				
Firstname Lastname Address City, State, Postcode		Employee ID :8999999				
		Rank / Name :PTE REC/Firstname Lastname				
		Unit/Dept/Location :123456/Sample Unit/Location				
		Skill Grade :123-4 TYPE REC GD1				
		Service Category :Service Category 7				
		Service Option :Not Applicable				
		Job Description :Recruit Trainee				
		Pay Grade /Incr :LevelT/R00/1				
		Annual Salary :\$40,000.00				
		Categorisation :Without Dependents				
Pay Summary						
	GROSS	TAXABLE	TAXES	DEDUCTIONS	NET PAY	
Current	1530.22	1530.22	158.00	253.87	1118.35	
FYTD	21423.11	21423.11	2212.00	3300.31	15910.80	
Earnings						
Description	Date From	Rate	Units	Current	Prior	Total Earnings
Military Salary		13.66	96.00	1311.62		1311.62
Recreation Leave	18/01/2022	13.66	16.00	218.60		218.60
Total						1530.22
Taxes						
Description		Year To Date	Current	Prior	Total	
Marginal Tax		2212.00	158.00		158.00	
Total					158.00	
Tax Exemption						
Description	Date From	Date To	Current	Prior	Total	
Before-Tax Deductions						
Description	Date From	Remaining Balance	Year To Date	Current	Prior	Total
After-Tax Deductions						
Description	Date From	Remaining Balance	Year To Date	Current	Prior	Total
Living In Meal Charges	23/12/2021		2665.00	205.00		205.00
Living In Utilities Charges	23/12/2021		635.31	48.87		48.87
Total						253.87
Employer Super Contributions (Not included in net pay)						
Description	Date From	Year To Date	Current	Prior	Total	
ADF Super		3513.55	250.96		250.96	
Total					250.96	
Absence Balance						
Description					End Balance	
Total Recr Leave Entitlement					64.48 Hours (8.06 days)	
Disbursement Details						
Bank	BSB	Account #			Amount	
ABC Bank	012-345	12345678			400.00	
Total					400.00	

***** End Of Payslip *****

Pay period	From payday Thursday (Day 1) to Wednesday (Day 14) before the next payday.
Pay centre	The team or pay centre that administers your pay. You may need this number for payroll forms.
Employee ID	This is your PMKeyS number.
Pay summary	A summary for the current pay period and the financial year-to-date (FYTD) of your Gross and Taxable income, Taxes, Deductions, and Net Pay. Gross pay is the amount of money you receive before any taxes and deductions are taken out. Net income is the money you take home after all taxes and contributions have been deducted from your gross salary.
Earnings	A breakdown of salary per hour (Rate), hours worked (Units), gross earnings by category (e.g. military salary, leave, and other allowances), and any amounts relating to previous pay periods (Prior).
Tax	The amount of tax paid in total this financial year <ul style="list-style-type: none"> CURRENT- tax withheld this pay YTD - Year to date - total tax withheld in the current financial year
Tax-exempt income	Earnings that you don't have to pay tax on, e.g., income earned overseas on deployment in some situations.
Before-tax deductions	Deductions taken from gross pay. Remaining balance = money still owing on an arrangement YTD = amount paid so far in the current financial year Prior = amounts relating to previous pay periods
After-tax deductions	Money taken from pay after tax was taken out. Prior, Year-to-Date and Remaining Balance as above.
Employer super contributions	Amounts paid by your employer (Defence) into your nominated super fund.
Leave balances	Amount of Recreation Leave, War Service Leave, and Long Service Leave available at the end of the pay period.
Bank details	Your bank account details and the amount of net pay deposited into each listed bank account.

TAX

The Australian Government takes tax from people's income. Tax is used to pay for services, such as hospitals, schools, roads and railways.

You will need a Tax File Number (TFN) and you must provide this to your employer (boss) to make sure you don't pay too much tax.

You must complete a Tax File Number (TFN) declaration when you are employed in the ADF. This helps to make sure that not too much tax is withheld from your pay.

In Australia, we pay income tax on a sliding scale, which means the more money you earn, the more tax you pay.

HOW MUCH TAX WILL YOU PAY?

ACTIVITY

- Get a copy of your payslip from PMKeyS so that you know how much you earn and can use this to work out the tax you are likely to pay.
- Go to ato.gov.au/tax-rates-and-codes/tax-rates-australian-residents and see how much tax (tax rates) you have to pay in the current tax year.
- Lower down on the same page, you will find a link to the Simple Tax Calculator or you can go to ato.gov.au/calculators-and-tools/tax-return-simple-tax-calculator. Use your payslip to enter information to get used to using the calculator.

Work out how much tax Private Jones must pay.

Private Jones earned a gross salary of \$40,000 in the tax year 2023-2024.

INSTRUCTIONS	INCOME	TAX
Enter the tax free threshold here		\$0
Enter the amount \$40,000 – tax free threshold here and x it by the tax rate		
TOTAL	\$	\$

IMPORTANT THINGS TO KNOW ABOUT TAX AND GOVERNMENT SERVICES

- The tax year is also called the financial year
- Your tax return must be lodged every year before October 31
- You can do tax yourself through my.gov.au
- If you need help or can't lodge in time, get a registered tax agent. This costs money but is good for complex situations
- Set up a MyGov account if you don't have one already. It helps you access information about tax, Centrelink, Medicare, child support etc.

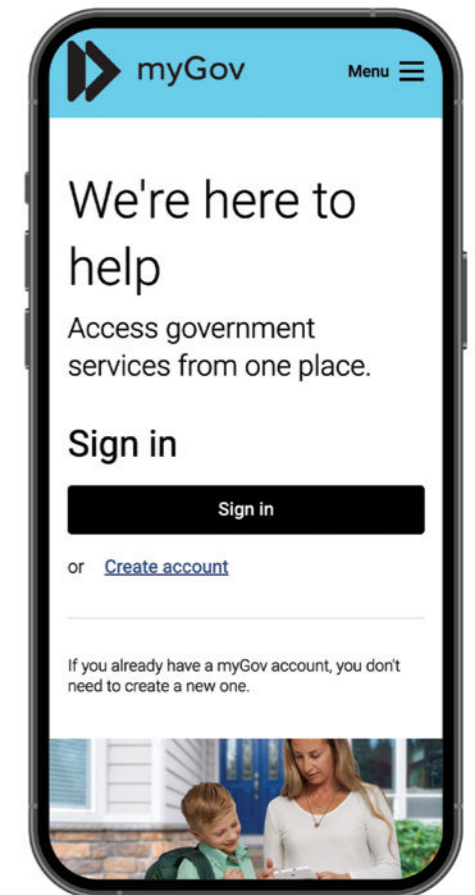
WHAT IS MYGOV

myGov is an electronic way of connecting to Government services including but not limited to:

- Australian Taxation Office
- Centrelink
- Child Support
- Department of Health Applications Portal
- Department of Veterans' Affairs
- Individual Healthcare Identifiers Service
- Medicare
- My Health Record
- National Cancer Screening Register
- National Disability Insurance Scheme
- Unique Student Identifier (USI)
- Workforce Australia

You can:

- Choose which services you want to link to your myGov account
- Use myGov from your phone using an App using the instructions available at my.gov.au/en/about/help/mygov-app
- Log into myGov on the computer using my.gov.au



TIP

How to set up MyGov to do your tax:

my.gov.au/en/about/help/mygov-website/link-services-to-your-account/link-the-australian-taxation-office

How to link the Australian Taxation Office to your myGov account:

1. Sign in to myGov
2. Once signed in, go to 'View and link services'
3. Select 'Link' next to Australian Taxation Office
4. Enter or confirm your personal details
5. Provide answers to 2 questions to verify your tax record

PAYING LESS TAX

If you have spent money in order to earn an income, you may be able to claim the expenses against your taxable income, this is known as a tax deduction. Tax deductions reduce your taxable income, which reduces the amount of tax you have to pay.

The Australian Tax Office (ATO) has income and deductions guides specifically for ADF members.

To claim a tax deduction:

- The expense must directly relate to earning your income
- You must have spent the money and not been reimbursed
- Keep all receipts and use the ATO myDeductions app to keep track of expenses



ACTIVITY

Go to adfconsumer.gov.au/income-tax and see where to find the ADF tax guides.

TIP

Scan QR code here for access to useful resources including:

- ATO calculators and tools
ato.gov.au/calculators-and-tools
- Deductions and the ATO MyDeductions App
- ADF guide to work expenses claims



Helpful Links

TAX HELP

People earning \$60,000 per year or less can get free help to lodge their tax return. The Tax Help program is available from July to October annually. You will need a myGov account to make an appointment.

TIP

Find out about tax help

ato.gov.au/individuals-and-families/your-tax-return/help-and-support-to-lodge-your-tax-return/tax-help-program



WHAT DO YOU SPEND MONEY ON?

The money we earn is limited, however the ways to spend it are endless. How do you decide what to spend your money on? One way to prioritise spending is to think about what you need and what you want.

NEEDS VERSUS WANTS

Needs and wants are different for everyone:

- Needs are things you have to spend money on, e.g. housing, bills, food
- Wants are things you like to spend money on e.g. entertainment, streaming services, going out

When you receive money, it's important to put money aside for needs before you start spending on wants. You might also want to start putting money away for more expensive purchases you want to make in the future (emergency account or savings account).

MONEY AND FAMILY

Obligations to family and sharing resources are really important. To meet your obligations and stay money fit it's important to plan how you do this.

Setting up a separate account for family obligations might help. That way you can control how much money others can have access to and how they access it.

ACTIVITY

Use this activity to think about some of the things that you need and want. Be honest with yourself and include any family obligations. Being money fit is also about being realistic and honest. That way you and your family get the best results.

Needs	Wants

HAVING A BUDGET

A budget is important to be money fit. It helps you know what money you're getting and where it's going and how you can change things when you need to.

To have a budget you need to know:

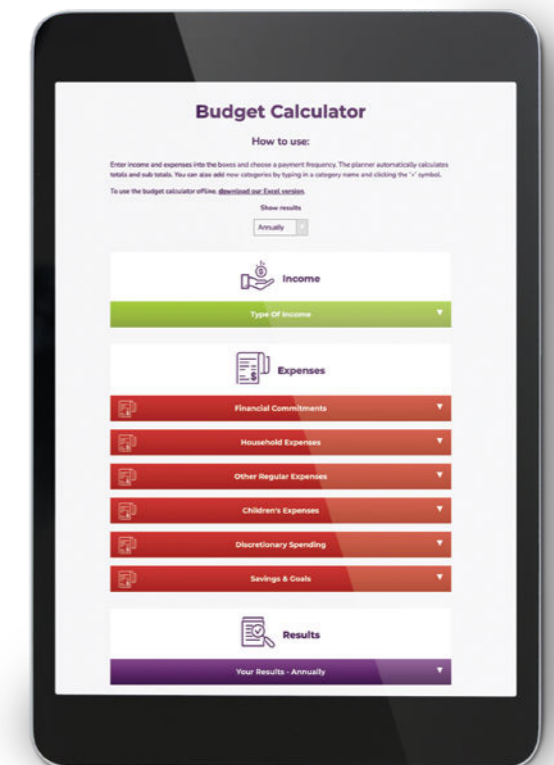
- What's coming in (wages, gifts, royalties etc.)
- What's going out (how you spend money)

TIP

Start your budget:

- Write down everything you spend
- Use your bank statements to check what is coming out of your account
- Keep money aside for needs
- Have a separate bank account for emergencies
- Add saving to your budget

You can do a budget on paper, in this book, use a free budgeting app, or use the budget calculator at adfconsumer.gov.au/budget-calculator



BUDGET CALCULATOR

Use this budget template to better understand your income and expenses to develop a money plan to meet your financial goals. Use the formula below and the notes section to help you calculate your payments into fortnightly amounts to coincide with your pay cycle.

WORKING OUT FORTNIGHTLY EXPENSES

Weekly expense x 2 = Fortnightly expense

Monthly expense x 12 ÷ 26 = Fortnightly expense

Quarterly expense x 4 ÷ 26 = Fortnightly expense

Annual expense ÷ 26 = Fortnightly expense

Enter income and expenses into the white boxes. Payment frequency is fortnightly.

Type of income		Fortnightly
Income	Salary or wage net (after tax and deductions)	\$
	Bonuses, allowances and pensions (after tax, if applicable)	\$
	Partner salary or wages (after tax)	\$
	Investment income (e.g. interest, dividends, rent)	\$
	Centrelink benefits (e.g. family tax benefits, income support)	\$
	Child support received	\$
	TOTAL INCOME	\$
Financial commitments		Fortnightly
Expenses	Car loan	\$
	Personal loans	\$
	Credit and store cards	\$
	Buy-now-pay-later	\$
	SUB TOTAL	\$
Household expenses		Fortnightly
Expenses	Rent or mortgage	\$
	Food and groceries	\$
	Gas	\$
	Electricity	\$
	SUB TOTAL	\$

Other regular expenses		Fortnightly
Expenses	Phone/mobile	\$
	Internet	\$
	Laundry and dry cleaning	\$
	Petrol	\$
	Parking and tolls	\$
	Vehicle registration	\$
	Vehicle insurance	\$
	Public transport	\$
	SUB TOTAL	\$
	Discretionary spending	
Expenses	Pay TV and streaming services	\$
	Clothes and shoes	\$
	Restaurants and takeaway	\$
	Other	\$
SUB TOTAL	\$	
Total expenses		Fortnightly: \$
Total	TOTAL INCOME	TOTAL EXPENSES = NET RESULT
	\$	\$
	\$	\$

NOTES

SET MONEY GOALS

Setting goals helps you plan to be money fit and ready for money challenges when they happen.

Types of goals:

- 1-2 years (short-term)
- 3-6 years (medium-term)
- 7+ years (long-term)

TIP

Start your plan:

- Set a short-term, medium-term and long-term goal
- Work out how much to save
- Stick to the plan

ACTIVITY

Set a money goal and work out how to save

Setting a realistic goal doesn't have to be hard.

Let's say, for example, you want to buy a boat, and the one you want costs about \$10,000 (\$8,500 for the boat and \$1,500 for registration and insurance). You know you can save \$500 each pay so you can calculate how long it will take to reach your goal:

$$\$10,000 \div \$500 = 20 \text{ pays}$$

You get paid every 2 weeks, so this is about 9 months.

Write down your own money goal and calculate how long it will take to reach.

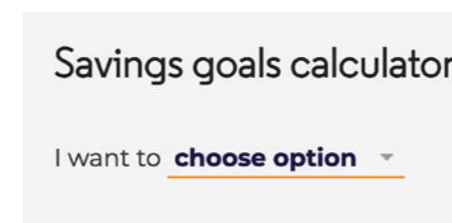
ACTIVITY

Use the moneysmart.gov.au savings calculator to work out how to save for your goal.

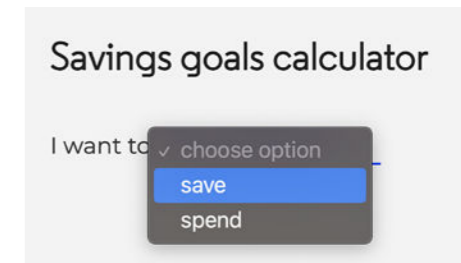
Go to moneysmart.gov.au/saving/savings-goals-calculator and follow the steps below:



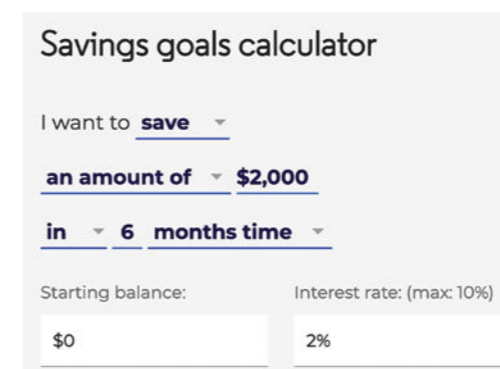
1. CLICK ON 'CHOOSE OPTION'



2. CHOOSE 'SAVE'



3. EXAMPLE \$2000 OVER 6 MONTHS



4. YOU NEED TO BUILD THIS AMOUNT INTO YOUR BUDGET



SPLIT YOUR PAY

After you've set a money goal and worked out how much you need to save, open separate bank accounts to keep an eye on your goals.

TIP

Call **1800 DEFENCE** to talk to the pay office to find out if you can split your pay into different bank accounts.

SEPARATE YOUR PAY INTO ACCOUNTS FOR:



NEEDS

the amount you need to cover all of your bills and regular expenses.



WANTS

Set a limit on your discretionary spending (wants).



SAVINGS/ GOALS

the amount you are setting aside now for goals in the future.

You can open a new account using internet banking yourself, but you may prefer to go into your bank and ask them about the best accounts and how you can use them.

When you open a new account, write down the BSB and account number, so that you have a record and can start depositing money into it straight away.

	BANK	ACCOUNT NAME	BSB NUMBER	ACCOUNT NUMBER
1				
2				
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4				

KEEPING YOUR ACCOUNTS SAFE

Sharing your PIN is easy but dangerous. Sometimes money can be taken without you knowing and you might have nothing left to pay bills and essentials. People can get upset when you want to change your PIN.

Set up an automatic transfer for family obligations. Get the right number and details, it leaves you in charge.



SPENDING YOUR MONEY

GETTING A MOBILE PHONE

Tom's mobile phone story

Tom needed a new mobile phone. He was given his current phone by a family member who didn't need it anymore, so it was old when he got it. Now the screen is cracked, and the buttons don't always work properly.

Tom really wants a new foldable phone that can do amazing things, but it costs around \$2,500, but the local phone dealer tells him he can have it for just \$104 a month.

Tom thinks, he's working, he can afford it, no worries. The dealer tells him he'll need to sign up for a post-paid phone plan, the cheapest one for this phone is \$65 a month. That's going to cost him \$169 a month for the next 24 months, he's a little bit worried, but he really wants that phone. Tom didn't do a money plan or a budget to see if he could really afford the phone.

Six months later, the phone is not so new anymore. Tom often has to go without other things, like going out with mates, or helping family out because he never seems to have any money.

Real cost of phone over 24 months = \$4,056

Alina's mobile phone story

Alina is also in the market for a new phone, but she's been saving \$100 from each pay to upgrade her old phone and now has \$1,000 she can spend.

She checks out phone deals online and finds a pretty decent refurbished mobile phone for \$900.

Refurbished means it's been used but repaired to make it 'like new'. The phone is last year's model that sold new for \$1,700. It has a couple of tiny scratches but otherwise looks new.

Some second-hand phones may have a warranty, a good thing to check.

Alina finds a cheap service provider, that gets good network coverage in her area, has a pre-paid phone deal for \$10 a month with unlimited talk and text and heaps of data.

This way she can control all her costs and if the service provider turns out to be not so good, she can just switch to another provider.

Real cost of phone over 24 months = \$1,140

Mobile data costs can be a big budget killer and spoil your savings plan! Before you sign up to any mobile phone plan make sure you understand the data usage policy and charges.



ACTIVITY

What's your phone story?

What sort of plan do you have, is it prepaid or post-paid, are you paying for services that you don't use?

Go home or online and check your latest phone bill.

BUYING A CAR

NATHAN'S CAR STORY

Nathan has saved \$8,000 hoping he can get a pretty good second-hand car. He knows he will need some of that for comprehensive insurance so he's looking to spend about \$7,000 on a car. He's been looking for a long time and finally finds something he really likes.

Nathan's uncle is a mechanic and takes him to look at the car to make sure there are no major problems. They take it for a test drive, his uncle checks out the engine, and says it looks good for the price. He also does a security check to make sure that car isn't stolen and there is no money owing on it.

Nathan pays the seller \$7,000 in cash and the seller signs the car over to him. Nathan was planning to take out insurance when he got home. He couldn't wait to show his mates his new car.

On the way home he took a corner too fast and accidentally ran into a tree. He was okay but the car had a lot of damage and was not driveable.

Nathan learnt that taking out insurance before he took possession of the car was more important than showing his mates the car. He now has no money and no car.

As soon as you take possession of the car, it becomes your responsibility, so take the time to get it insured before you drive it anywhere.

TIP

To do a security check on a vehicle you want to buy, go to [ppsr.gov.au](https://www.ppsr.gov.au)



ACTIVITY

Let's have a yarn about what Nathan could have done differently.

Imagine you are Nathan and want to buy that car.

What are the main things that you need to consider?

CAR BUYING TIPS

What about the other costs of owning a vehicle, like registration, insurance, repairs and maintenance and fuel? Have you made a money plan for the car and added it to your budget?

TIP

- Buying from a licensed car dealer gives you legal protections you won't get from a private seller
- Look for a car that has a warranty
- Shop around to get a good car
- Understand the warranty so that it meets your needs
- Get an independent mechanic you trust to do a mechanical inspection before you buy it
- Shop around for a good deal on borrowing money- check comparison rates
- Do a money plan for the car and add it to your budget
- Make sure you can afford the loan repayments and all the other costs of owning a vehicle
- Never be pressured into signing a contract
- Never sign a warranty waiver

CAR INSURANCE

Organise car insurance before you take the car home.

Insurance can protect you from financial loss resulting from road accidents and damage caused by other events like hail or a fallen tree in a storm.

With the exception of your state or territory compulsory third party insurance (CTP – Car Rego), insurance is a choice. It is good to know your choices and protect yourself financially.

- **Compulsory third party (car registration) insurance** covers death and injury to people that result from a car accident. This is also known as car registration. It is illegal to drive an unregistered car on the road.
- **Third party property insurance** covers damage to other people's property only. It doesn't cover your vehicle at all, unless the policy includes an 'uninsured motorist extension' that covers you if your car is damaged in an accident where you're not at fault and the other driver is uninsured.
- **Third party, fire and theft insurance** covers damage to other people's property and provides limited cover for your car as a result of fire or theft.
- **Comprehensive insurance** covers you to an agreed value for loss or damage to your car as well as damage to other people's property if your car is in an accident. This is usually the most expensive type of car insurance.

When choosing insurance, check the following:

- Is the insurance enough to repair or replace my vehicle?
- Will it cost me more if I am at fault?
- What is the excess on the insurance (this needs to be in your emergency fund)?
- Do I have to have comprehensive insurance?
- What are the exclusions?

TIP

Ask yourself some questions:

- If I am at fault, can I afford the cost of damage to someone else's car?
- How will I get around if my car is stolen or damaged?
- If I can't afford insurance, can I afford to have a car?





COSTS OF OWNING A CAR

UPFRONT COSTS	COST \$\$	CUMULATIVE COST (ADD UP AS YOU GO)
Cost of vehicle		
Vehicle inspection		
Licence		
Security report		
Annual roadworthy (if applicable)		
TOTAL UPFRONT COSTS		\$
ONGOING COSTS	COST \$\$ PER FORTNIGHT	COST \$\$ PER YEAR
Car registration		
Insurance (third party or comprehensive)		
Tyres		
Petrol		
Servicing		
Unexpected repairs		
Parking		
Tolls		
Other		
TOTAL ONGOING COSTS	\$	\$
GRAND TOTAL (ADD THE GREEN ROWS TOGETHER)		\$



ACTIVITY

This activity is to help you work out the cost of owning a car. There are lots of things to consider and take care of before you buy car.

Use the table on the next page to work out the costs.

It's a good idea to work out the costs every fortnight since that will align with your ADF pay.

To work out the cost per fortnight (2 weeks) you will need to apply the rules on page 21.

GET MONEY FIT

Prevent money problems if you can by understanding credit and staying on top of debt.

UNDERSTAND CREDIT

Know about the cost of credit.

Try not to use high interest short-term credit e.g. Nimble, Afterpay, Zip.

DEBIT CARDS VERSUS CREDIT CARDS

Debit cards and credit cards often look the same and have similar features; both cards usually have a Visa or MasterCard logo, and both can be swiped, tapped or entered online to pay for things. But they are very different, let's take a look:

DEBIT CARDS	CREDIT CARDS
Buy things with your own money	Buy things with the bank's money, which you have to pay back
Most accounts have no cost	Some cards have annual and/or monthly fees
May receive interest on savings	Pay interest if balance not repaid in full each month and may pay interest on purchases from day 1
You can only spend the money you have in your bank account	You can spend up to the credit card limit

You are much less likely to get into trouble with a debit card, so stay in control of your cash and give the credit card a miss.

BUY-NOW-PAY-LATER

Buy-Now-Pay-Later (BNPL) schemes, such as Afterpay, Zip etc. allow you to buy things, take them home straight away and pay later.

Many BNPL providers now use cards that allow you to tap-and-go purchases just like a credit card. This can get you in a lot of debt very quickly and take a long time to pay back. BNPL and use of any type of credit affects your credit rating.

RENT-TO-BUY

Renting household items, e.g. fridge, laptop, washing machine etc. enables you to have and use the item without owning it. You can own the item when you have made all the payments. Some items have a large final payment which keeps you renting.

If the item is not essential, try to save for it rather than use credit if you can. If it is an essential item like a fridge or washing machine you might want to try and get some other help to buy it without using credit.



ACTIVITY

There are other ways to access some help to buy essential items. These might include:

Going to [adfconsumer.gov.au/immediate-money-help](https://www.adfconsumer.gov.au/immediate-money-help) to find details of Relief Trust Funds that are available for all military services.

Going to [moneysmart.gov.au/loans/no-interest-loans](https://www.moneysmart.gov.au/loans/no-interest-loans) to see if you or a family member is eligible for NILs.

- What would make you eligible for NILs?
- How do you go about getting a NILs loan?

PAYING FOR FUNERALS

Sorry business:

- Is unavoidable. It is a sad time and sometimes an expensive time due to family obligations. Having a yarn about ways to plan for sorry business might help
- Can be an essential item in your budget and in your money goals

TIP

Contact **Services Australia** on **1800 136 380** if you've lost a partner who was receiving a Centrelink benefit, and apply for a bereavement payment.

Contact **Department of Veterans' Affairs**, on **1300 551 918** and ask to speak with an Indigenous Veterans' Liaison Officer. Local land councils and Aboriginal or Torres Strait Islander Corporations, may help with the cost of a funeral.

Go to 'paying for funerals' at:

[moneysmart.gov.au/indigenous/paying-for-funerals](https://www.moneysmart.gov.au/indigenous/paying-for-funerals)

KNOW WHAT DEBTS YOU HAVE AND MANAGE THEM

To get on top of debts, it can be helpful to write a list of:

- Who you owe the money to
- How much is owing
- What interest rate you are being charged on the outstanding balance
- How much the minimum repayments are

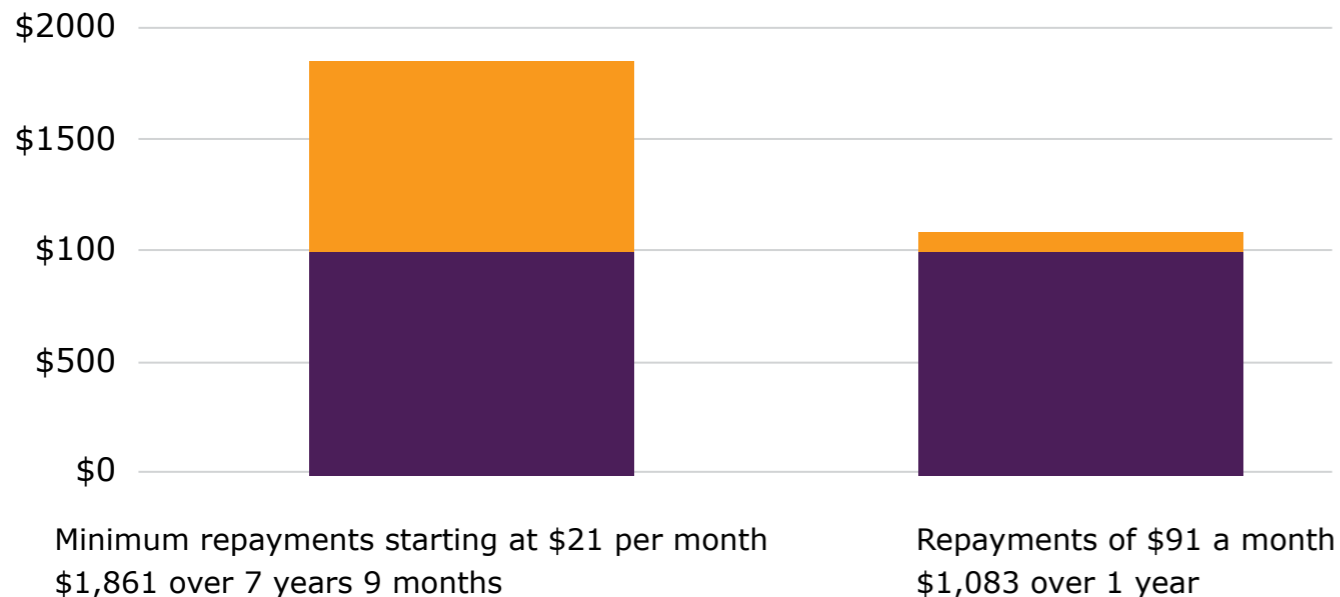
Making a list gives you a clearer picture of what you owe and can help you decide which debts you should focus on paying off first. If you are having trouble paying a bill or debt, contact the creditor (the person or organisation you owe the money to) and try to make a payment arrangement that you can afford.

If you owe money to someone and are having trouble sorting it out, you can ask the ADF Financial Services Consumer Centre to put you in touch with a free financial counsellor who can help you fix the problem, or you can call the National Debt Helpline on **1800 007 007** to have a confidential conversation with a financial counsellor.

INTEREST ON DEBT

Interest compounds on debt exactly the same way it compounds on your savings except the amount of money you owe is growing. If you only make the minimum repayments, it will take you much longer to repay and you'll pay a lot more interest.

For example, if you borrowed \$1,000 at 18% interest and only made the minimum repayments each month, you would end up paying back nearly double.



GET HELP

Don't put your head in the sand when you have money problems.

Read the ADF Financial Services Consumer Centre Debt guide at adfconsumer.gov.au/debt

Call a financial counsellor:

- Mobstrong debt help line **1800 808 488**
- National debt helpline **1800 007 007**
- moneysmart.gov.au/managing-debt/financial-counselling



ACTIVITY

Watch this great video if you get time.

You can find this video on Indigenous MoneySmart on moneysmart.gov.au/indigenous or use the link below to go directly to the YouTube clip:

youtu.be/rdeAMY_JaN8?list=PLCCES8Kf1KGJxNWud5wnBMmFBViYga2KK

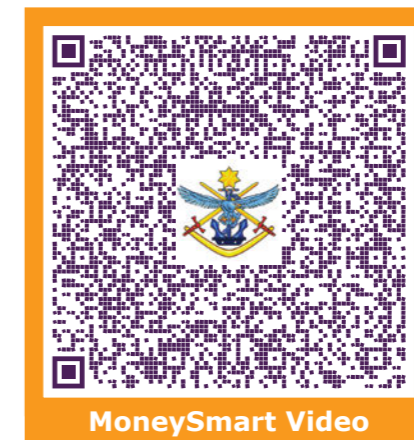




Image: Defence Image Gallery

USE THESE RESOURCES

ADF Financial Services Consumer Centre adfconsumer.gov.au

Australian Taxation Office (ATO) ato.gov.au

MoneySmart moneysmart.gov.au

- Indigenous resources moneysmart.gov.au/indigenous
- Saving goals calculator moneysmart.gov.au/saving/savings-goals-calculator

No Interest Loans (NILs)

- Loans and insurance goodshep.org.au/services/loans
- No interest loans moneysmart.gov.au/loans/no-interest-loans

National Debt Helpline ndh.org.au 1800 007 007

Mobstrong Debt Helpline 1800 808 488

Services Australia Financial Information Service (FIS)

servicesaustralia.gov.au/financial-information-service

BE IN CHARGE OF YOUR MONEY STORY

You got through the information!

Here's a quick recap on what you've learned:

1. You can change the way you feel about money by using it differently
2. How money is earned and taxed, and how to reduce the tax you pay
3. Knowing your needs and wants is important
4. A budget and setting financial goals can help you stay money fit
5. You can pay your own bills and build family obligations into your budget
6. Separate bank accounts can help you save
7. Sharing your PIN is risky - find another way to share money
8. How to prevent common money problems
9. Where to get help to manage money problems
10. The ADF Financial Services Consumer Centre provides financial literacy education to help members be and stay money fit



ACTIVITY

Go to the weblinks above.

Start with adfconsumer.gov.au

Use the QR code for easy access where they are all available.

Have a look on each site and write down some key things that stand out for you that might be useful.

Scan the QR code below to access all of these website resources



Helpful Links

TIP

You can go to any of these websites any time. They are public facing and are available to you from your personal device. Show your family and share the things you have learned with your family and friends.



ADF FINANCIAL SERVICES CONSUMER CENTRE

By Defence. For Defence.



Scan to visit our website for
more helpful tips and resources



Helping members and their families
through independent financial education

adfconsumer.gov.au
adf.consumercentre@defence.gov.au

