

# Day 2 - Bills & Utilities

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## Tip # 1 - Optimise your Private Health Cover

If you have private health insurance I'm sure you've found yourself wondering if it's worth it. If that sounds like you then you need to read this post on whether your private health insurance is worth it.

But here's a quick tip in the interim to help save some additional \$\$ whilst you've got it. Make the most of your extras cover by looking into who your health insurers preferred providers are.

Take the dentist for example if you are still paying hundreds each time you visit, there's likely to be another dentist within your providers network that participates in their gap cover scheme meaning you don't have anything or very little at most to pay to see the dentist for a scale and clean.

Same goes for all the other extras services that you use – you're likely not maximising your benefit or minimising your out of pocket expenses to look at it another way if you're just heading off to the usual guy or girl you see for that sore neck or teeth clean.

### Action Item:

Jump online to your private health insurer's website and find the list of preferred providers. Run through who you see on a regular basis (the physio, the chiro, the dentist, the osteopath etc.) and look to see whether there is another provider you might consider if yours is not currently part of the network.

## Tip # 2 - Get rewarded for good driving

### Have you heard of a No Claim Bonus?

It's a significant premium discount that insurers apply to your policy for good claims history. The discount applied could be as much as 65% of your premium for 5 or more years without making a claim. So in a nutshell - for every year you don't make a claim, the more your discount increases, and the less premium you pay. Think of a no claim bonus or NCB as a reward for being such a great driver. This little tip has saved one of my clients over \$1,200 per annum on her collective household & vehicle insurances.

**Action Item:** Jump on the phone to your respective insurers and ask whether you have or are eligible for a NCB discount!

## Tip # 3 - Cut Your Out of Pocket Medical Expenses

Do you wish you could spend less on your medical expenses?

### Buy generic

Next time the doctor writes you a prescription and you're at the chemist – if they don't ask you, you might like to ask whether there is a generic brand available for the medicine the doctor has prescribed.

This can start to add up – especially if it is a repeat prescription and something you take regularly.

### Does your doctor bulk bill for kids?

Like to build a relationship with the family doctor for kid's problems, but don't want to spend \$150 a pop every time they're unwell?

Some family doctors will bulk bill for kids under 16 years old – so you get the best of both worlds. That family doctor feel at a medical centre price point.

Need a doctor out of hours – use the national home doctor service. They bulk bill so there are no expensive after hour call out fees!

### Buy discount

Still getting your medicines, prescriptions & vitamins from the local chemist?

Introduce yourself to the Chemist Warehouse discount chain.

Everything under one roof, with discounts on everything.

### Action Item:

Got a script to fill this week? Ask for generic and see what the price difference is like.

## Tip # 4 - Time to Get on the Phone

This is not a new one but has the potential to make a huge difference.

I know you know HOW to do this (compare the market that is) but you might not be aware of all of the following.

Look for a better deal on a like for like basis but watch out to make sure you are comparing apples with apples.

Often your existing provider will be willing to match the better offer you find elsewhere and you may even be able to negotiate a discount beyond the better offer itself.

If you're not currently getting a 20% discount on your utilities bills for paying on time, then you are missing out. Call immediately.

Find out whether you get an additional discount for pre paying some of your services. Do that if you can afford it from a cashflow perspective.

Also factor whether you have an existing discount across multiple policies with the same provider.

If you switch that one policy for a better deal on price to another provider – will that mean you lose the discount across all the other existing policies you have with your existing provider?

This might mean the money you save by switching one policy is not worth it once you factor in the price increase across other existing policies due to a lost discount.

**Action Item:**

Write a list of all your household utilities and bills (or better yet just check your budget for the details!)

I'm sure you've got one of those right?

Write down the last time you reviewed them.

If it's been more than 12 months – add it to your to do list

## **Tip # 5 - Pay Your Bills on Time**

I'm sure you're all aware of the savings to be had with comparing providers using websites like iSelect.com? The best way to lower your monthly bill is to.....**PAY ON TIME.**

The energy companies give upwards of 20% discount on your bill for paying on time or early. Calculate your annual energy bill and divide by 4 if you're paying quarterly - this is your quarterly average.

Add a little bit extra for the increases in prices and start factoring that sum into your savings.

Pay on time and shave 20% off your bill! [If you're not getting this on time discount - ring your provider immediately!]

The next best thing to do is look at your usage.

Consider turning off your appliances at the wall & shutting down your computer when you're not using it!

This makes huge difference to your overall energy usage in a billing period. Be mindful of when you are using appliances like clothes dryers and air conditioning.

If it is a warm sunny day, choosing to hang the clothes out instead will save you money.

And if you run reverse cycle air con in your home – consider using a timer to monitor how long you leave it run for.

Sometimes putting it on just to heat or cool the room down or up is enough to make the house comfortable and then you can turn it off.

And did you know that setting your air conditioner to 'dry' mode rather than 'cool' will save you money as well?

**Action Item:**

Addicted to the dryer? Challenge yourself NOT to use the dryer for a whole week!

Hang the washing out on the line.

Living in an apartment? Use a clothes drying rack. I know it can look like a Chinese laundry but we're experimenting here! Choose a warm day to do the washing so it dries quicker.

## **Tip # 6 - Check you're not over-insured (at home)**

When is the last time you reviewed your insurance policies?

Most of the time, people will do a quick comparison online to see if there is a cheaper option based on what they currently have. Comparing on price.

But when is the last time you reviewed how much insurance you have?

Look at your home & contents policy and comprehensive car insurance policies to work out whether you have the right amount of insurance cover for those things.

Are you insured for more than the cost of their replacement several times over?

For example, if your second hand car is insured for \$20,000, is it really worth that much?

If you're renting a 2 bedroom apartment and most of your furnishing are from Kmart, do you really need \$50,000 worth of home & contents insurance?

Yes? Well maybe you do then.

But you need to ask the question because the answer for most people is ....No!

If you're trying to reduce the overall cost of your household insurances, then looking at the cost is one thing but you should also be looking how much cover you have as well as the benefits and features of the policy that you are paying for.

Having said all this - you should be aware that generally speaking, Australian's are under-insured when it comes to their life insurance (Death, TPD, Trauma and Income Protection insurances).

You are best to speak with a financial adviser for help on deciding whether you have the right amount of life cover for your family's needs before you do anything to that.

**Action Item:**

Look at your home & contents insurance policy.

How much are you insured for?

Does it make sense?

Get some quotes from your provider to see what difference is made to your household budget if it was less.

## **Tip # 7 - Are you a subscription junkie?**

How many subscriptions do you have?

Although receiving magazines in the mail is a nice treat – if you're looking for ways to cut your monthly budget this can be a good place to start.

If you're looking for a quick fix of women's gossip – most women's blogs, websites and news media sites have this kind of news for FREE.

If it's the images and outfit inspiration you enjoy – head over to Instagram and get lost in the imagery for as long as you like.

There are plenty of ways to indulge the senses for FREE in this online world we live in.  
Do you have a music app subscription? Do you use it? No? Cut it. \$10 a month is \$120 a year.

Do you have a Netflix or a Stan TV (or both) subscription? Do you use it? No? Cut it / them.  
\$10 a month is \$120 year of \$240 a year if you happen to be paying for both!

Have you ever signed up to a paid budgeted app as part of a new year's resolution and you don't use it? That could be another \$10 a month – cut it. That's another \$120 a year right there.

What about iTunes subscriptions? Head over to your iTunes account and see how many (if any) auto renewals you have going on for apps that you don't ever use or didn't even know about.

I think you catch my drift.

**Action Item:**

Go through your bank statements for the last 3 months.

How many little direct debits are there you wouldn't notice but are actually costing you \$10, \$20, \$30 + dollars a month that you don't use?

Cut them :)

## **Tip # 8 - Take Time When You Buy Online**

Are you buying the BIG Ticket household items on impulse?

What you need to be doing is researching them.

If you need something are you guilty of just jumping in the car and buying it?

Heading to the nearest shopping centre and buying significant purchases off the shelf, without doing your research could be costing you hundreds.

Before you buy any big ticket items like a new washing machine, dryer, dishwasher, even a new bed, check online and shop around for the best deal.

There is likely to be one retailer who has the item you are looking at on sale.

You may even find a better product at a better price. And if it happens to be at a store that's an hour's drive away – see if your local store will price match!!

Think about how you're making these purchases as well.

### **Are you popping it on credit card?**

Be sure you're aware of your interest free period and try to make the purchase at the beginning of the interest free period to maximise the interest free days on the purchase – remembering that not every purchase you make on your card attracts the same number of interest free days.

It all comes down to when you make the purchase within your statement period.

### **Applying for store credit?**

Be sure you understand the terms of the deal. What kind of interest will you be paying and on what amount once the introductory interest free period expires?

### **What are the fees associated with paying this way – is it worth the extra cost?**

### **Have you considered second hand?**

If you need a new fridge – have you checked Gumtree or your local area swap / buy / sell Facebook Group for example?

I'm not saying you need to cheap out and buy something that's been around the block a few times, but there may well be someone who didn't do their homework before buying and bought the wrong size fridge on sale and is not able to return or exchange so is looking to recoup some cash!

You could end up grabbing a better fridge than you could afford brand new for a fraction of the cost – and it may only be a month or two old.

I'm speaking from experience here!!

### **Action Item:**

Is there something that you need at home or that needs replacing at home? Jump onto Google and search for the product / brand that you're looking for...Google will bring up product listings from online retailers at the top of the search results...this is a good place to start.

You'll also see comparable products from different brands you might consider..

## Tip # 9 - Still a Foxtel Subscriber?

If you're looking for easy ways to save this could be a great start. The full Foxtel package costs around \$100 a month – that's \$1,200 a year.

Now I guess this depends on how much enjoyment and use your family gets out of these older Pay TV options.

However, there are other, cheaper options now like Stan or Netflix which have minimal monthly subscription prices (around \$10 a month).

If you find yourself only ever able to find enough time for your favourite show (which let's be honest is all we have time for!) - aren't you better paying \$10 a month for Netflix in order to watch it than \$100 per month for Foxtel to watch the exact same one show??

The kids will also be entertained for the same price with a library full of TV series, movies, documentaries and kids programs available to watch instantly.

If you have a sports mad partner on your hands who you are keeping Foxtel for JUST so they can catch the soccer or NFL or whatever, most of these sports can be Live Streamed now via the internet or via an APP on your smart TV.

So if you've got unlimited WIFI at home then problem solved. You're \$1,200 a year better off!! Less the cost of Netflix - but at \$10 a month that's a HUGE saving lady!

### **Action Item:**

Do you have Pay TV? Is it worth how much you pay on an annual basis?

No – cut it and find a cheaper alternative or take up reading.

# Calculate Your Savings!!

**I want you now to use this sheet to estimate how much you can save off your monthly bills & utilities spend each month by following each of these steps outlined above...**

**A great place to start is by looking at what you currently spend per week / month and then by following the "Action Items" how you can reduce this total figure by an estimated \$\$ amount!!**

## Over to You....