Ten smart saving tips

Now is as good a time as any to review your current financial situation and put a plan in place for the next 12 months.

Sorting out your finances doesn't have to be complicated, as even small savings can add up over the year.

Here are 10 tips to help you get started.

1. Write down your financial goals and current spending

Make a note of where you'd like your finances to be this time next year. Now jot down your income and expenses for the last month. How much is left over? Are your goals realistic? It's only by taking a close look at your current financial situation that you can begin to take control of it.

Most banks can show you how you spend your money. Make use of this feature to see where you spend each month to help you work out where you can make cuts to meet your goals.

2. Make a list of your lifestyle wants and needs

If you want to save or invest more money this new financial year, you may need to consider whether there is anything that you're willing to sacrifice to get ahead. Could you live without that overseas trip? Do you really need to update your smartphone again? It all adds up.

3. Build a budget

To ensure you're getting the most from your money, build a budget and stick to it. However, finding the right balance is key. If you make your budget too restrictive you'll likely break it. Alternatively, if you make it too light you might miss out on some financial benefits. And don't worry if you're not a fan of spreadsheets; there are a range of digital tools to help you organise your finances.

4. Track your spending

Once you have a budget, it's important you stick to it. That means tracking your expenses. A great way to do this is to use a digital money tracker.

5. Review your plans

Review your plans and regular outgoings to ensure you're getting the best possible value for your money. There are a range of websites that provide direct comparisons of different suppliers offering mobile phone, internet, pay TV, vehicle insurance and utilities plans.

6. Sort out your super and consider the caps

If you haven't sorted out your super yet, now is a good time to do it. If you have multiple super accounts, finding and consolidating them in the one account could help you cut down on fees and grow your money faster with compound interest.

Before consolidating your super you must consider few important points, such as weighing up benefits and insurance options, comparing the fees and checking potential tax and preservation implications. In addition, if you intend to claim a tax deduction for certain personal contributions, ensure your 'Notice of intent to claim a deduction for personal contributions' is made and is acknowledged by the existing fund before consolidating multiple accounts into one.

To boost your balance, consider setting up additional regular contributions. Depending on your income, you may even qualify for government co-contributions.

Before you decide to invest more in super, you need to be aware that restrictions and caps apply to different contribution types. Penalties may apply if you exceed the relevant cap or contribute to super when you were not eligible to contribute. You also need to consider that amounts contributed to super generally can't be accessed until you reach your preservation age and retire or meet another condition of release. Therefore, unless you're saving for your retirement, you'll need to consider other options.

7. Review your investments

Review your investments regularly. Check that your asset allocation and level of risk are appropriate for your age and plans. A financial adviser can help you understand and manage your portfolio more effectively.

8. Make insurance more cost effective

There are ways of setting up personal insurance so it's more affordable and may be more tax-effective. This can include purchasing your insurance through your super fund.

Buying insurance through super can be more cost effective than buying it outside super. Also, you would be able to have the premiums deducted from your superannuation account balance, without making contributions or using contributions made by your employer.

In some cases, you may be eligible for a discount if you pay your premiums annually rather than monthly and hold all your personal insurances in the one policy. Savings can also be made by consolidating the insurances held by yourself and family members into one policy.

9. Pay off debt

If you're paying off multiple debts with a range of interest rates, you should consider the appropriateness of prioritising paying down the debt with the highest interest (while continuing to meet your repayment obligations in relation to your other debts). Alternatively, you may be able to combine your debts with a debt consolidation loan. If you can continue to make the same level of repayments, this may significantly reduce the amount of total interest payable and help you pay off your debt sooner.

10. Speak to a financial adviser

The investment market, legislation and government regulations change frequently, so unless you're a financial professional, chances are you'll need help to navigate them.

A financial adviser can help you understand and maximise your eligibility for government entitlements while supporting you to grow and manage your investment portfolio. The benefits of a tailored financial plan can add up substantially over your lifetime.

To find out more, contact Barnes Wealth Management on 9207 4720 or email admin@barneswealth.com.au