

Cost of living in 2022

We explain and simplify the latest news about inflation, interest rates, the economy and everyday costs.

The cost of living in Australia is rising – quickly – and it's expected to keep rising throughout 2022. You can see this reflected in the 4 cash rate hikes we've just witnessed (from 0.1% to 1.85%) and the latest inflation figure of 6.1% for June.

Why is this happening now? The cost of virtually everything, from breakfast cereal and fruit to petrol and even rent, is going through the roof. We explain why, and how it impacts you.

What does cost of living mean?

You've probably heard the term "cost of living" a lot lately, but what does it mean? In a nutshell, it's a summary of how much it costs to live in a particular place (in our case, Australia).

Now, those costs are increasing. Your day-to-day necessities like fruit and vegetables at the supermarket, your medications from the chemist, the petrol you put in your car, even your energy and gas bills, and your home loan or rent – all of these everyday costs are increasing due to inflation.

Alana Glenn - Publisher



Shop around before filling up at the bowser. There can be a 40-50cent per litre difference in adjoining suburbs.

★ **Top tip:** Why pay \$2.05 per litre when you can drive an extra 5kms and pay \$1.51



The cash rate is expected to continue to rise this year so it's imperative to have your Broker conduct a health check of your mortgage.

★ **Top tip:** Refinance and/or other options can save you serious money. Call us 07 3264 7100!

★ **Top tip:** INVESTORS should consider any counter offer made by excellent tenants on a lease renewal. This will save you the one week Let Fee and perhaps a second week loss of rent turnaround with an untested new tenant.



A NOTE FROM TRACIE

*Hi there,
Welcome to October! For all those lucky people who got to escape for a well earned break over the school holidays, I hope you had a wonderful time. Enjoy our latest newsletter.
All the best, Tracie*

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We know it's easier said than done, but there are heaps of small, simple ways to decrease your spending and the savings really add up.

★ **Top tip:** Grocery shop at night and check different stores for weekly specials.



★ **Top tip:** Families are saving money by moving to a smaller provider. Also check feed in tariffs savings.

★ **Top tip:** Shop around for big savings where providers offer introduction offers, particularly interest free Credit Cards.

Death Benefit Nominations for Your Super

Unlike your other assets, your super and any insurance benefits you have aren't considered part of your estate. That's because your super is legally considered to be held in trust until you are eligible to access it.

Even if you don't have a lot of superannuation, if you have death insurance, the payment could be substantial and therefore important to consider who should receive these funds.

If you don't nominate a beneficiary, your super fund will follow relevant laws to decide who receives your balance. This could be either one or more of your dependants, or your legal personal representative.

Nominating a beneficiary now can provide clarity about who you want to receive your super if you die and help avoid arguments between your loved ones.

Most super funds let you nominate a beneficiary as either a non-binding or binding nomination. Your beneficiary could be:

- your spouse or partner
- your children
- someone in an interdependent relationship
- financial dependants
- your estate or legal personal representative.

Depending on their relationship to you, your beneficiary could pay tax on the money they receive. If the beneficiary is considered a financial dependant, they could qualify as a dependant for tax purposes, and therefore receive the benefit tax free. If someone not considered a financial dependant for tax purposes – such as a financially independent adult child – they may need to pay tax on some of the benefit.

Due to the fact that Estate planning and taxation of death benefits can be complicated we would recommend that you seek financial advice. Please call up for the details.

News from KDM Financial

OUR GARDENING SEGMENT



IT'S SPRING

Brian and Kaylene Chapman, founders of the Aussie Gardener Group have recently launched their latest venture:



Veggie Growing in Pots

“ I know there was a lot of readers who had intentions of starting a veggie patch but were put off by the hard work required in building beds or working their compacted ground. Kaylene and I have started filming a new series of F.R.E.E. classes that take you step by step in how to set up the perfect above ground veggie garden at you

place. In the first episode we show:

- What sort of containers you can grow veggies in and what to avoid;
- How much potting mix to use and how to save money;
- When to add fertiliser and which type is best for you pots;
- 2 other secret ingredients we add to our planters to ensure success
- How to plant out seedlings and what to do when they are matted together;
- How to choose the best location for your growing area and what to do if you have mostly shade;
- How to plant and grow potatoes in pots.

Log on to their website through Google and join the 50,000 plus families that have already joined up.

We love saving our customers money!

If you can relate to the customers we have recently helped, [CALL US NOW](#) and let us see what we can do for you.

Customer One:

The customers approached us because they felt they were drowning in their debt level. They were paying the minimum monthly payment on their home loan, car loan and credit cards.

Home Loan	\$2,800pm
Car Loan	\$ 400pm
Credit Cards	\$ 850pm
TOTAL	\$4,050pm

We were able to amalgamate all their personal debt into one manageable loan by refinancing them to another financial institution offering a much lower interest rate, no ongoing fees, and a quick turnaround timeframe. **Their new home loan repayment is \$3,100pm.** The customers now pay their mortgage weekly by Direct Debit from a separate bank account. They cut up their credit cards and can now live within their means. *The customers were so grateful!*

We further worked with these customers by showing them how they could save for holidays and how to budget for their ongoing bills. Within one years, due to the significant increase in their property value, we were able to assist the same customers to purchase their first investment property.

They are now 'Customers for Life' and have already referred 3 new customers to Cornerstone Home Loans.

Customer Two:

In December, long term customers of Cornerstone Home Loans approached us after reading one of the articles in our Newsletter relating to equity power. They also wanted advice on whether they should lock in part of their loan to a fixed loan before interest rates rose. They were also hoping they could use the equity in their property to secure an investment property. Both husband and wife were classed essential workers, so they were not affected by Covid.

Home Loan	\$1,450pm
Car Loan	\$ 850pm
Credit Cards	\$ 420pm
TOTAL:	\$2,720pm

When we looked at their situation, we discovered that they were ahead on their home loan and they had a significant amount of equity which could be used as a deposit on a new investment property.

As their car was for personal use, not business, we suggested they amalgamate their home and car into the one loan. Once we did this, our customer was able to afford and maintain not one investment property but two investment properties.

Our customers were over the moon! The outcome meant our customers could confidently move forward to secure their financial security for the future. Many customers do not realise their own lending potential. With our knowledge and assistance, our customer's dreams became a reality.

Crunchy Queensland Prawn Salad

Serves 4

Ingredients

- 1kg medium size tiger prawns (peeled)
- 1 avocado (optional)
- 1 mango (Optional)
- 1 pkt of dry coleslaw from supermarket or grate your own dry coleslaw ingredients
- 1 lemon
- 1 lime
- 1/2 pkt of crunchy noodles if making your own coleslaw
- 2 truss tomatoes cut into small wedges
- 6 large diced pickled onions (optional)
- 1/2 cup pouring cream (or coconut cream)
- 1/2 cup of Mastercraft Seafood sauce
- Salt and pepper to taste

Instructions:

1. Place all dry ingredients (excluding the crispy noodles) into a large mixing bowl
2. Add the juice of half the lemon and lime
3. Make up the sauce by mixing together the seafood sauce, cream and the remaining lemon and lime juice and add salt and pepper to taste.
4. Mix the sauce through the dry ingredients
5. Add the crunchy noodles just before serving.

Recipe Notes:

You can add lots of other ingredients to your liking, such lettuce, cucumber, chopped celery, red and green capsicum, grated cheese, shallots and parsley etc.



THE AFFORDABILITY PUZZLE

The back to back rate rises are designed to slow down discretionary spending in our economy. In other words, make people rethink or curb their non essential spending like coffee and clothes.

Anyone on a variable home loan should think about speaking with their mortgage broker who will compare your current loan arrangements with every lending Institution in the market.

If you can save yourself money in these uncertain times, you owe it to yourself to do so. If you expect loyalty, buy a dog, don't rely on a bank!

With brokers now held to a best interests duty - ensuring that borrowers can not only afford new mortgages, but also continue to service their existing ones—will surely lead to another uptake in refinancing.

Extract from The Adviser Magazine

Experience the Cornerstone Difference



Tracie Palmer - 07 3264 7100

Finance Specialist - Cornerstone Home Loans

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I am delighted to share with you the proudest moment in my working career last month.

Cornerstone Home Loans was announced the **NATIONAL WINNER FOR BEST CUSTOMER SERVICE** at the recently held MFAA National Awards held at the Star Casino in Sydney.



This Award validates all of our hard work to ensure that our customers have the best experience when dealing with us.

Unfortunately, I had already committed to attend another work related conference so I asked the Queensland Manager for the Mortgage & Finance Association of Australia to accept the Award on my behalf if we won.

Right now, times are a bit tough for a lot of our customers. If you are feeling the pinch too, please call or email me. We are literally helping so many people to save money on their mortgage repayments. Please don't stress out about how you will put food on the table, just reach out. I might be able to save you thousands of dollars on your home loan. Lenders are offering some great

incentives at the moment!



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Till next time,
Tracie & Team

CALL US TODAY FOR ALL YOUR FINANCIAL NEEDS...

Here at Cornerstone we can help you ...

- Get a Home Loan
- Review Your Current Home Loan
- Refinance your Existing Home Loan
- Consolidate Debt & Free Up Equity
- Find a Commercial or Business Loan
- Car & Equipment Finance



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