

Downsize, top up your super and hello sunshine



KIRSTIE SPICER
BRIGHTDAY

OUR political leaders have been going on about it for years but too few of us are listening.

The reality is our super will not be enough to fund the retirement of which most Australians might dream.

Most of us will rely on the pension to fund or supplement our retirement.

But if you are earning an adequate wage, there are ways to ensure you are not doomed to decades of frugality.

So how do you do it? Putting some extra cash into super can be as "simple" as downsizing the family home.

OK, so most of us have an emotional connection to the home in which we raised our children, but moving to a smaller place might help you tick some things off the bucket list, instead of taking the caravan on the same trip to the same holiday park each year.

While you might not even be close to hanging up the tools, it's important to know that you can contribute a lump sum to super and maybe build downsizing into your retirement plans.

What's more, a smaller home reduces the monetary

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costs and domestic burdens that come with maintaining a property that is bigger than you need or can realistically look after.

The difference between what you sell your old home for and what you pay for your new home is what you put into super.

For those under age 65 and still working, you can contribute up to \$540,000 in one go.

After this age you can tip in \$180,000 each year providing you are either employed part-time or meet the work test.

For example, if you sell your home for \$600,000 and buy a two-bedroom unit for \$450,000 you could put the difference into your super. The \$150,000 extra could make a significant difference to the things you can do week-to-week, or every year, in retirement.

The sale proceeds leave you better off by about \$250 every week, or \$13,000 every year for 20 years. It means going on those travel adventures you had planned, or perhaps help

you pay for the education of your grandchildren.

At Brightday, we think using the family home to boost your super is something that anyone who has paid off their home can do. It is likely to suit those who feel their super is going to, or does, fall short of what they need. Or something you can do if you don't want to spend your retirement cleaning and gardening.

The family home isn't included in the asset test when it comes to eligibility for the age pension. But the amount you have in super and other assets, such as shares and investment properties must fall under a certain limit for you to be entitled to any government assist-

ance. Couples who own their own home can have assets of up to \$1,151,500 and still be entitled to the age pension. For singles, it is \$775,000.

Providing you fall under the asset limits, you would still have more money to spend by putting extra into super than just relying on your original balance. You do need to check the tax implications if you do decide to sell your family home.

Your principal place of residence doesn't attract tax if you have always lived in it. But if you have ever rented it out, you might have to pay tax – it could influence your decision.

KIRSTIE SPICER IS THE CONTENT DIRECTOR AT BRIGHTDAY

Meet the SA bright spark who'll save you a motza



NIGEL AUSTIN
SILENT ACHIEVER

IN an era of rapidly rising energy costs, helping businesses and homeowners save money on electricity is providing a fulfilling and rewarding business for Troy Smith at Electric Results.

He's built it into a unique advisory business responsible for saving individual organisations tens of thousands of dollars a year since starting it eight years ago.

Mr Smith said it could save 30 to 50 per cent of lighting costs in most buildings and up to 70 per cent on the total energy bill if its recommendations were fully implemented, including the provision of alternative energy sources.

Its success is such it has reduced the electricity cost for one RSL club from \$100 a day to \$28 a day by evaluating its buildings and taking appropriate action. These measures include turning off appliances, installing sensors, converting to LED lights and generating electricity.

"We can achieve great efficiency at a small level but the biggest difference is achieved at a large scale," he said.

"There are many things we can do to make buildings more energy efficient by designing tailor made solutions to systems management. No one solution suits all applications."

Mr Smith, the Master Electricians Australia SA board director, said Electric Results installed, repaired, maintained and provided data on electrical assets for mainly commercial buildings through a computerised service that could be accessed anywhere in the world.

Its customers include government education and health departments, commercial build-



GETTING RESULTS: Troy Smith with Electric Results business development manager Jane Govey. Picture: CAMPBELL BRODIE

ding owners, hotels, hospitals, schools, miners, farms and printers, large houses and some smaller houses.

Buildings it has worked on include Walkerville Town Hall, Klemzig Town Hall, Largs Bay RSL, the Minda Aquatic Centre revamp and some super-school projects.

Mr Smith started the Queenstown business eight years ago. He started as an electrical apprentice at Mayfields then worked for various companies until he saw an opportunity to help analyse companies' energy use, manage their asset information and provide solutions.

ELECTRIC RESULTS

Owner: Troy Smith
Employees: 17 people
Reasons for success:

1. Accredited Master Electrician
2. The company is 100 per cent

focused on achieving fantastic outcomes for clients
3. In everything it does, Electric Results believes in making the lives of its clients easier

Since starting Electric Results, he has built it up to 17 employees and changed its business mix from mainly working on new building projects in its early days to 30 per cent projects and 70 per cent on helping companies manage their assets and energy use.

Mr Smith said the company was growing by 8-10 per cent a

year and was expected to grow more quickly in future as the need for energy management increased and cost-saving became a greater focus for building owners.

He also believed the traditional poles-and-wire infrastructure used to deliver electricity could change dramatically.

He predicted a rapid move by homes and commercial buildings towards a hybrid system – or in some cases off-grid alternative energy systems such as solar, wind, storage, gas or hydrogen fuel cells.

Mr Smith said another exciting change was a new State Government program to provide building upgrade agreements allowing building owners to access finance to increase energy efficiency of buildings.

It would allow savings to be achieved through various means such as solar power, improved automation and more efficient use of energy, he said.

Farmers told to be tough on bankers

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Mr Bagshaw said it meant agribusiness and regional business clients would be able to enjoy direct access to a professional knowledge and financial services business network in line with the proactive services available to city businesses.

"City-based clients who have an interest in investing in agriculture will have direct access to my professional skill set," he said.

The alliance will also provide access to foreign investors seeking investment opportunities in the agribusiness sector through Mr Block's long-standing expertise in this area.

"The Chinese investing community is huge and there is a large middle tier wealth segment that wants to come here and buy a property," Mr Block said.

"They are particularly targeting the grain and beef sectors and they want scale for the purpose of exporting produce back to China."

Mr Block said their contact base of Chinese investors offered a direct market for their produce that was linked to consumers, providing an alternative to dealing through intermediary traders.

"We have a unique offering which we are both passionate about and we are genuinely focused on achieving beneficial financial services outcomes and banking relationships for rural clients," Mr Block said.

He retired from NAB in 2009 after 33 years and then worked in a professional services practice for five years before establishing his consultancy business Corporate Advisory and Business Services in Kent Town.

Mr Bagshaw formed Statewide Consulting & Finance in 2004 after a career in farming and provides a range of financial service options to business owners and individuals in regional areas.