



Preparing a money plan

This fact sheet is to be used in conjunction with Wesley Financial Counselling's interactive budget planner.

The aim of the plan is to make you aware of all the possible areas in which you do, or may, spend money. The money plan is based on what suits you. For example, if paid fortnightly, all your expenditure is worked out on a fortnightly basis. Maybe a weekly money plan is best, to coincide with grocery shopping. Remember, this is your money plan.

- include all regular income in your money plan, including any Centrelink payments. If working out a family budget, include all income contributing to the household expenses
- write down what you think you are doing with your income. If you're not sure, particularly regarding smaller items, keep a record of where every cent goes for at least one pay period
- to determine the amount for a quarterly items, for example, electricity and phone, divide an average bill by 13 (weekly income); six (fortnightly) or three (monthly). For yearly accounts and repairs/maintenance, divide by 52.
- house repairs – allow an amount each year (based on a 10-year cycle) to cover repairs to fences, gas, water and sewerage pipes, lawn mowers, hot water systems, gutters etc. Also consider external and internal painting, possibly every five years
- car repairs – to cover replacement of tyres, car servicing, spare parts, repairs to engine and car body, depreciation, etc
- school costs – includes uniforms, shoes, books, pencils, excursions, sport fees
- savings (household replacements) – similar to house repairs where you allow for repair and replacement (over a 10 year period) of items within the house such as a stove, fridge, washing machine, microwave, dishwasher, TV, video, stereo, beds, furniture, bed linen, curtains, carpets, small electrical items, crockery, cutlery, etc
- personal spending – includes items such as hobbies (photography, books, crafts etc.)

What to do next

- review the plan and determine your priorities. If necessary, decide where economies can be achieved
- utility providers often have budget repayment plans available on request, to pre-pay bills from weekly/fortnightly/monthly income
- before you apply for a credit find out what the repayments are. Be sure you have the necessary surplus-regularly at the bottom of your
- Money Plan
- save that margin for 3 months before committing yourself
- if the children receive pocket money, encourage them to budget
- lastly, review your plan regularly

DISCLAIMER: The information provided in this information sheet is of a general nature only, and is not intended to be legal advice. There may be errors or inaccuracies or the information may not be completely up-to-date. Always check the information provided before relying on it. The information relates to consumer law in New South Wales, Australia.