

An employee guide to reducing your costs during COVID-19

The crisis brought on by COVID-19 is a challenging time for everyone. This guide has been produced to help you with ideas for how you can cut costs. We hope it helps.

This information was correct as at 22nd April 2020 – you can expect that some offers will change and others will become available so we recommend that you keep doing your own research.

Please bear in mind that when you defer costs, you are still required to pay them at a later date.

HOUSING COSTS

If you're renting

If your income has been reduced as a result of the COVID-19 crisis, you can speak with your landlord about reduced rent, or a rent-free period in exchange for lease extension. Your landlord or agent may not be obligated to negotiate any reduction or waiver unless you meet the criteria for rent relief eligibility.

Government rent relief package

To be eligible for rent relief you must meet these criteria:

1. You have less than \$5,000 in savings, and
2. You are still paying at least 30% of your income in rental fees.

You and your landlord will need to agree to a reduction or deferral then register your revised agreement with consumer affairs and then apply for rent relief. If you qualify for rent relief, it will be paid directly to your landlord.

Tenants and landlords who struggle to strike a deal over rent reductions will be given access to fast-tracked dispute resolution service.

Find out about the rent relief here: <https://www.housing.vic.gov.au/help-renting/rentrelief>

If you're paying off your mortgage

Most banks are allowing borrowers to freeze their loan repayments. The best way to request a loan repayment freeze is to go to your bank's website and apply online. You can also call your bank but you should expect to be on hold for a long time.

Other minor housing costs for homeowners

Body corporate levies: If your home is part of a body corporate, speak with your body corporate manager about reducing or deferring your levies.

Rates: Some councils are offering to defer rates. To find out what your council is offering, go to: <https://knowyourcouncil.vic.gov.au/councils>

HOME LOANS, CREDIT CARDS, PERSONAL LOANS

ANZ

Home loans: You can apply to defer repayments for up to 6 months, ANZ will review your situation after 3 months. Unpaid interest during this period is added to the outstanding balance and is to be paid over the remaining loan term.

Credit cards and personal loans: financial hardship is available with a range of options.

<https://www.anz.com.au/support/covid-19/>

Bendigo Bank

Home loans: You can apply to defer repayments for 3 months with extension for another 3 months available after review. Interest will continue to accrue and be capitalised.

<https://www.bendigobank.com.au/help/coronavirus-assistance-package/personal/>

CBA

Home loans: You can apply to defer repayments for 6 months with interest and fees added to home loan and loan term extended. A one-off payment will be made to you to offset interest charged on the interest during the 6 months – the amount of payment depends on your loan balance and interest rate.

Credit cards: any late fees and interest for any customer who missed their minimum repayment in March will be refunded.

https://www.commbank.com.au/latest/support-for-home-loan-customers.html?ei=pers_HL

https://www.commbank.com.au/latest/coronavirus/faqs.html?ei=pers_CreditCard#financialsupport

ING

Home loans: You can apply for a 3-month payment pause for your home loan repayments. An extension for a further 3 months (total 6 months) may also be available after assessment. Depending on the type of home loan and your circumstances, you may also be able to consider accessing a redraw facility, accessing funds in your offset account, reducing repayments to the minimum amount or switching to a fixed rate loan.

Credit cards: Customers can apply for a 3-6 month payment pause on their credit card. During the payment pause, you can't use it for purchases and the balance will accrue interest. At the end of the payment pause, the balance will be converted to a payment plan.

Personal loans: Customers can apply for an initial 3-month payment pause, with the option of an extension for a further 3 months (totalling 6 months) subject to assessment.

NAB

Home loans: You can apply to defer repayments for up to 6 months. Interest will continue to be calculated and accrue. After the repayment pause ends, the loan size will increase, and the repayment amount may need to change to ensure you repay the loan within its contracted term.

Credit card: the minimum monthly payment has been reduced to either \$5 or 0.5% of the closing balance (whichever is greater) for at least 3 months. There will no late fees for the next 3 months from 3rd April.

<https://www.nab.com.au/personal/customer-support/covid19-help/home-owners-support>

<https://www.nab.com.au/personal/customer-support/covid19-help/credit-card-support>

Westpac

Home loans: You can apply to defer repayments for 3 months with extension for another 3 months available after review. Interest will continue to accrue and be capitalised.

Personal loan, credit card, car loan or other eligible account can request financial assistance to find out what options are available based on your circumstances.

<https://www.westpac.com.au/help/disaster-relief/coronavirus/home-loans/>

SERVICES AT HOME

Utilities (gas, electricity, water)

Many utilities providers will support customers who are experiencing financial hardship due to COVID-19 with offers such as:

- Payment extensions and tailored payment plans
- Rate freezes for residential customers until 30 June
- No late or penalty fees for missed or late payments
- No power disconnection for non-payment during this period

For a list of service providers and their support offers, there is information available at Finder.com.au:

<https://www.finder.com.au/financial-hardship-programs-utilities>

Home internet and phone

The offers vary depending on the service and type of plan you have.

Telstra

Extra data for mobiles and mobile broadband

25GB of extra data is available for all personal post-paid mobile and mobile broadband customers at no extra charge - to use in Australia within 30 days.

Register via the My Telstra app until 30 June 2020. The data will expire after 30 days but you can apply for another 25GB of data up until 30 June 2020.

Unlimited data for internet

Unlimited data for personal customers with home broadband plans (ADSL, nbn and cable).

You don't need to do anything. The data will be provided automatically, at no extra charge.

Late fees and payment options

No late fees for bills that become overdue between Thursday 19 March and Tuesday 30 June 2020. Late payment fees may apply for bills that become overdue after 30 June 2020.

Flexible payment options are available if you're experiencing difficulties.

See Telstra: <https://www.telstra.com.au/covid19/supporting-you-during-covid-19>

Optus

Extra data for mobiles

- **Postpaid:** 20GB of extra data is available for postpaid customers in April.
- **Prepaid:** 10GB additional data for prepaid customers when you recharge \$40 or more, or purchase \$40 or more value SIM during April 2020.

Check with Optus on which plans are eligible.

Unlimited data for fixed broadband

Unlimited data to eligible Optus Fixed Broadband customers who are on a limited data plan. If you're eligible, it will be automatically applied to your service from 1 April until 31 May 2020.

Optus NBN residential and 5G Home customers already provide unlimited data.

Other offers

Optus Sport monthly subscription will be suspended until end of May 2020 for customers who are already signed up.

Late fees and payment options

Eligible customers can request to put their plan on hold. No late payment fees, service suspensions and credit collection activities until after 30th April.

See Optus: <https://www.optus.com.au/about/media-centre/coronavirus-support>

Vodafone

Extra data for mobiles

- **Postpaid:** Additional 5GB of data and unlimited standard calls and texts until the end of April.
- **Prepaid:** One-off extra 10GB. Unlimited standard calls and texts until the end of April.
- Excess data charges reduced to \$1/GB for postpaid mobile and mobile broadband customers from March 31 to May 5.

Late fees and payment options

No late payment fees for overdue accounts until 30 June 2020.

Not suspending services or undertaking debt collection for financial hardship customers (must apply).

Financial hardship

'Stay Connected Cap' plan available for customers who have proof of financial difficulty, with 3GB data, unlimited standard calls and texts for \$10 a month. Only available for current Vodafone customers. Device repayments also continue as normal. Sign up on Vodafone's website from April 20 to May 20.

Find out more at Vodafone: <https://www.vodafone.com.au/about/company/covid-19>

Aussie Broadband

Internet

NBN and ADSL plans which usually have limited data will now be unmetered from 6am-6pm.

Free upgrade for customers on NBN12 plan to NBN25 plan.

HEALTH INSURANCE

All health insurance companies have financial hardship assistance, you just need to ask.

Some insurance providers will allow you to suspend your membership; this means that you won't get charged but you **can't** claim while your membership is suspended. Most insurers will still enable you to access cover for COVID-19 related treatment while your membership is suspended.

All health insurers will also be delaying the annual 1 April premium increase for six months.

AAMI

If you are experiencing financial hardship you can suspend your health cover and will not be charged premiums for up to 6 months, whilst still having access to cover for COVID-19 related treatment. In order to apply for the suspension, you must have an active AAMI health insurance policy as at March 26.

Insurance coverage has been expanded to chest, lung, kidney or other treatment related to COVID across all levels of hospital cover at no additional cost.

<https://www.aami.com.au/covid19-information.html>

BUPA

Private patient admissions for lung and chest conditions, including COVID-19 related treatment are included in all hospital policies during this time. This includes adding lung and chest cover to Basic and Basic Plus policies from 26th March. Any remaining waiting periods for lung and chest treatments are waived for customers who have held a hospital policy on 26th March.

<https://www.bupa.com.au/health-insurance/covid-19>

HCF insurance

If you have hospital only or hospital and extras cover and have become unemployed through no fault of your own, HCF will pay your premiums for up to 6 months and you'll still be covered. If you want to suspend your policy due to unemployment or financial pressure, you won't have to re-serve your waiting periods when you resume your cover.

<https://www.hcf.com.au/members/coronavirus-support>

Medibank

Regardless of current level of existing hospital cover, Medibank will pay benefits towards chest, heart, lung and kidney hospital admissions related to COVID-19 (standard waiting periods apply).

Members with eligible extras can access telehealth services (including psychology, physiotherapy, dietetics, occupational therapy, podiatry, exercise physiology and speech therapy) and claim for services undertaken between 14th April and 30th September.

<https://www.medibank.com.au/health-insurance/info/coronavirus-update/>

NIB

Expanded coverage for chest, lung, kidney and bladder or other treatment relating to COVID-19 across all levels of hospital cover at no additional cost until the crisis passes (standard waiting period apply).

Extended financial hardship suspension period from 3 to 6 months to eligible members who are claiming Centrelink financial assistance. All members with hospital cover who suspend during this time will still be able to access cover for COVID-19 related treatment.

<https://www.nib.com.au/health-information/member-services/coronavirus-and-your-cover>

INSURANCES FOR YOUR HOME, CONTENTS, CAR

Generally speaking, insurers are considering support on a case by case basis.

When it comes to car insurance, if you are driving less because you are working from home or you aren't travelling as much on the weekends, it is a good idea to speak with your car insurer to see what discounts may be available. It may also make a difference to your premiums if your car is parked in your garage or carport during the day.

Here are specific offers from insurance providers:

AAMI

Home, contents, car, caravan, motorcycle: If you had an insurance policy before 2 April 2020 and you are suffering financial hardship you are eligible for the premium relief offer.

Allianz

No COVID-19 support or discounts have been announced yet for consumers.

Budget Direct

May offer a special payment plan that lets customers skip two payments without fees.
Call 1300 306 560

CGU

CGU will assess support for financial hardship on a case-by-case basis.
Call 132 481 for immediate assistance

GIO

May consider support for people in financial hardship.
Call 13 10 10

Latitude

You can still apply for hardship assistance while you make an insurance claim.
Call them on 1800 220 718

NRMA

You can request a payment extension.
Log in to your account and choose request payment extension

Progressive

A 10- and 20-day grace period before your policy is cancelled, depending on the state you live in.

RACV

No COVID-19 support has been announced yet for personal customers.

Shannons

If you are in urgent financial need, Shannons will speed up your claim. They may also consider an advance payment.
Contact them on 1800 367 287

Youi

Youi are offering discounts of 15 per cent for the next three months for car insurance.
Visit youi.com.au or call 1300 219 948

OTHER EXPENSES

School fees

Some schools are offering discounts on school fees for term 2. It's worth asking your school what they can offer either as a blanket for all families or specifically for financial hardship. It's also worth confirming that any fees you do have to pay exclude extracurricular activities that can no longer go ahead (i.e. camps, excursions, incursions, swimming, etc.)

OTHER ADVICE

A word of caution: you may be seeing more ads and offers from short term lenders like Wallet Wizard, Nimble, Cash Converters. These organisations are also known as pay day lenders and the costs associated with borrowing from these companies can be extremely high – sometimes the interest rate can be 400%.

We strongly advise you to understand all the costs before considering any offer from a short term or pay day lender.

See this article from Choice: <https://www.choice.com.au/money/credit-cards-and-loans/personal-loans/articles/what-is-the-problem-with-payday-loans-and-fast-loans>

Also, we strongly encourage you to speak with your financial planner, financial advisor, accountant or superannuation fund advisor before you consider exploring the option of accessing your superannuation.

GENERAL ADVICE FOR REDUCING YOUR EXPENSES

Food

- Groceries:
 - plan your meals in advance and only buy groceries you know you will use so you don't end up throwing out spoiled food
 - buy the supermarket brand; they can be up to 60% less than the branded item
 - look at shopping at value supermarkets (e.g. Aldi) and buy in bulk where possible
 - don't shop when you're hungry – people always buy more when they're hungry
- Takeaway/delivery:
 - Limit how often you purchase takeaway and delivery
 - When you do use a food delivery service, check for specials on delivery costs before ordering
 - Take advantage of special deals and freeze leftovers for another meal

Utilities

- Look at apps that offer discounts, such as Powershop.
- Use comparison sites like Finder.com.au to see if you're on the best deal for your usage and location.

Internet

- Review your plan and check your actual data usage. Maybe reduce from unlimited to 100GB or 50GB.
- Compare data plans across providers to ensure you are getting the right plan at the right cost for your needs. There are comparison sites like Canstar Blue: www.canstarblue.com.au/internet/broadband/

Subscription services

- Music: change Spotify/Apple Music/etc from the paid version to the free version
- Paid TV (Netflix/Stan/Disney+/Amazon): see if you can share an account (access and costs) with a family member or friend or pitch in a small amount as group
- Health and wellness: check the actual usage of any subscriptions (gyms, food apps, beauty boxes, etc.) and either downgrade or stop if not using

Storage (physical or electronic)

Make sure you're using the full extent of what you're paying for, or look at downsizing to suit what you use.

Insurances (health, home/contents, car, etc.)

- Look at increasing your insurance policy excess to reduce your premiums
- Change your payment frequency (monthly to annual) so you pay less per annum. If you have cash flow issues, do the opposite.

Car registration

Reduce your registration period to pay a lower amount up front (Vic Roads do 3-month regos for around \$200 for a standard vehicle)

Work expenses

Keep track of expenses you have incurred if you have had to work at home due to COVID-19, such as:

- Increased utility bills,
- Increased use of your phone and home internet
- Equipment you purchased so you can do your job

The good news is that you can claim most of these expenses back at tax time.