



Sydney Morning Herald
07-Jul-2010
Page: 3
Money
By: John Collett
Market: Sydney
Circulation: 211066
Type: Capital City Daily
Size: 153.42 sq.cms
Frequency: MTWTFS-

LOOSE CHANGE

By John Collett

Correct labelling

The Australian Securities and Investments Commission has improved the disclosure of unlisted debentures and unsecured notes. From last Thursday, the regulator no longer permits some products to be called "debentures". Products that are not secured over property need to be called "unsecured notes" or "unsecured deposit notes". Over the past several years, many thousands of retirees have lost money investing in debentures that were advertised as safe and secure.

Affordable access

Fixed-income broker FIIG Securities has launched a DirectBonds service for small investors to buy high-yielding, investment-grade bonds in parcels as small as \$50,000, down from the usual \$500,000 minimum. The managing director of FIIG Securities, Jim Stening, says the service offers bonds in the biggest blue-chip Australian companies in affordable parcels for individual investors and their self-managed superannuation funds.

Living in retirement

The Westpac-ASFA Retirement Standard for the March quarter 2010 shows a couple looking to

achieve a comfortable retirement needs to spend \$53,565 a year, while those seeking a modest retirement need to spend \$30,399 a year. A single person wanting a comfortable retirement will need to spend \$39,159 and \$20,981 for a modest lifestyle in retirement.

Savings neglected

Most Australians do not have a budget plan they stick to, a survey commissioned by online bank RaboDirect shows. The survey found almost two-thirds of respondents use their everyday transaction account for their main savings. The general manager of RaboDirect, Greg McAweeney, says if they moved this money into a high-interest savings account, they could be earning four times the interest.



Photo: Edwina Topley