How to spend less without living less



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If the coffee you bought for $5.50 in February now costs the best part of $7, you probably don't need another lecture about cutting back.

What you really need is a household budget that works with today's prices, not last year's expectations.

Then there's the mortgage.

We all know the Reserve Bank of Australia lifted the cash rate to 4.85 per cent last week, and for families facing higher repayments, finding that little bit extra for the groceries, petrol and some fun has just got even harder.

But my advice is not to stop living; instead, become more intentional about where your money goes.

Let's start with your home loan, rather than blaming every takeaway coffee.

Ask your banker, broker or lender for a home loan review. Is your interest rate competitive for your circumstances?

Does the loan still suit your needs? Consider fees, flexibility and any switching costs, not simply the advertised rate. A better arrangement must make sense overall.

Next, consider whether your repayments could better match your payday.

Where affordable and permitted, paying one quarter of your monthly repayment each week, or half each fortnight, could help you get ahead. The maths matters, because either approach produces roughly 13 monthly repayments a year, rather than 12. That's extra money towards your loan, not a reduction in your annual commitment.

It may reduce interest over time, but only use this approach if your budget can support it.

Otherwise, ask your lender about aligning repayment timing with your income without deliberately increasing the annual amount.

Confirm the required repayment before changing anything. If repayments are already difficult, speak with your lender's hardship team sooner rather than later, before you fall behind.

> This isn't about cutting out everything you and your family enjoy, it's about making intentional choices.

Be careful, too, about using Afterpay or credit cards to fund electricity, groceries and other essentials when there's no clear repayment plan. Moving a bill into next month does not make it cheaper.

Fees and, with credit cards, interest, can make tomorrow's budget even tighter.

Contact your utility provider early about manageable payment arrangements rather than allowing bills to pile up. Asking for help is sensible financial management, not failure.

At the bowser, use WA's FuelWatch to compare prices before filling up. Shopper docket offers can also help but compare the final discounted price against nearby alternatives. A discount does not automatically mean the cheapest fuel. Avoid buying things you don't need just to qualify for an offer.

Card surcharges deserve some perspective as well.

Since October 1, no-surcharge rules have applied across major card networks, including EFTPOS, Mastercard and Visa. But removing a separate surcharge does not eliminate every payment processing cost. Businesses may decide to incorporate those costs into advertised prices, though reforms also aim to lower their fees.

And not every price increase is caused by the surcharge changes.

It's important to keep supporting small businesses in Perth and surrounding communities where your budget allows. Ask whether a genuine cash discount is available; businesses can still offer one.

Compare the total price and choose what works for you, without expecting a small operator to absorb every cost.

Most importantly, do not strip all the fun out of your family life.

Choose what matters. Perhaps it is Saturday breakfast together, the children's sport, or a monthly dinner with friends. Keep something meaningful and cut spending that happens through habit, convenience or forgotten subscriptions.

A useful question to ask yourself is this: does this expense give our family something we genuinely value?

And finally, with Christmas approaching, agree on a spending limit now. Talk openly about gifts, entertaining and holidays. A smaller celebration doesn't need to be a lesser one, and January should not arrive carrying December's unpaid decisions.

Tighter finances this year need not define the years ahead. Circumstances can improve, but nobody can promise when rates will fall or household costs will ease.

Build around what you can afford today, rather than relief you hope will arrive tomorrow. Make these three things your priorities this week: review your mortgage, go through your bills and check them, and agree on one spending change together.

This isn't about cutting out everything you enjoy, it's about making intentional choices today that protect your family's financial security tomorrow.

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