

Go hunting for returns



Paul Clitheroe

HISTORICALLY low interest rates are great for borrowers, but not so good for investors with interest-bearing deposits. With a bit of hunting around, it is possible to earn a decent return on your spare cash but it pays to look for any strings attached.

Some banks, like BankWest and RaboPlus, are tempting savers with interest rates as high as 7%. The catch is that the juicy return is only available if you lock your money away in a five-year fixed term deposit.

This sort of investment may appeal to retirees looking for certainty of returns and capital security. But for many investors, tying your money up for an extended period may not be the best option right now.

The Reserve Bank introduced a string of savage rate cuts last year as a means of staving off the worst of the global downturn. So the rates we're seeing at present are abnormally low.

Cheap rates combined with significant macroeconomic boosts, our strong commodity exports and a healthy banking sector, have meant the slowdown in Australia has been relatively mild compared to many developed countries. Inevitably, the Reserve Bank has flagged the possibility of rate hikes if the economy continues to grow.

A rise in the official cash rate would push up returns on cash deposits. And in an environment of rising rates, locking your money away for a lengthy term could mean missing out on a better return.

There are other sensible reasons for choosing a fixed term with care. If you need cash in an emergency, prematurely dipping into a term deposit will mean losing part of your interest return. Just how much of a penalty you'll pay varies between financial institutions but it will depend largely on the length of the term remaining and prevailing market interest rates.

Depending on your circumstances, it can be better to spread your savings across a variety of terms, gaining access to rate hikes when they happen, and enjoying more flexible access to your cash.

If you trust yourself not to dip into your savings, there are some healthy rates available with online savers. If you're struggling to build a pool of spare cash, it's worth reviewing your household budget. I reckon you'd be surprised at how much money you can save simply by making minor cutbacks. Take a look at my new TV show Money For Jam for some ideas you may not have considered on ways to make extra cash. You can catch it Wednesday nights on the Nine Network, with the first episode starting tomorrow.

Paul Clitheroe is a founding director of financial planning firm ipac, chairman of the Australian Government Financial Literacy Board and chief commentator for Money Magazine.

Peter goes High Tech

TV chef says g'day to local company

COAST company High Tech Health is the first with a non-edible product to be deemed worthy of endorsement by iconic personality Peter Russell-Clarke.

The 74-year-old, famous for his five-minute cooking shows on the ABC in the 1980s, is the face of the Maroochydore business's new advertising campaign specifically promoting its Circulation Booster product.

"I was recently asked to work for the largest food company in Australia and I knocked them back," he said. "I've only worked with companies that produce products that come from a farm and that are healthy for people, I've never worked for someone who makes a product in a factory."

"But this is the first product that I've ever decided was worth talking about because of the (Penny) family's philosophy (of overall health)."

Mr Russell-Clarke said being healthy didn't mean being boring.

He and wife Jan spent last Wednesday evening with High Tech Health managing director Sam Penny and his family having dinner and more than a few bottles of wine.

"One of the good fruits we should eat is red grapes, but you have to eat the skins because that's where all the goodness is," he said. "Fortunately wine uses the skin of the grape, and I got about two years' supply of goodness in me last night."

Mr Penny said the pair were both united in their mission to improve the health "of the nation", especially the three million over-65s.

"We are planning over the next



COME AND GET IT: Peter Russell-Clarke and Sam Penny of High Tech Health are working together.

PHOTO: CADE MOONEY/184587

two years to educate the community about diet and exercise and how they can use our product to deal with poor circulation," he said.

"Most entrepreneurs are not

necessarily motivated by the money.

"For us as a family, the thing that gets us out of bed are the phone calls from people saying how it's changed their lives, and

how they've been able to walk down the street for the first time in five or 10 years."

The television ad, starring Mr Russell-Clarke and his wife Jan, will air nationally.

Women graduate with clearer goals, direction

TOMORROW is a red letter day for 14 Sunshine Coast business women.

It marks the day they graduate from a five-month mentoring program run by the Sunshine Coast Business Women's Network.

"This year's program has been predominantly action based," co-ordinator Nicole Sylvester said.

"The course offers these women a sensational opportunity to tap into some of the best female business minds across a diverse range of industries.

"The mentors have focused on the specific skills, tasks and actions required by participants to implement into their businesses.

"We have found the program to be very successful with many participants already making amazing leaps in their own businesses and as a result of these outstanding outcomes achieved we are now considering running two programs in 2010."

The group met at the Lake Kawana Community Centre once a month, with two participants paired with a new mentor each time. The mentors then made themselves available for home visits, phone calls or emails as required.



SUPPORT: Shelley Walton (far left) and Michalle Faulkner (centre) mentor Ruth Wye from Easy Organising.

Kelsey Sawyer has owned The Spit Roast Company for 12 months and was looking for an edge in her business.

"I now know more about my business and I feel like I'm on a clearer path as to how to approach certain business situations," she said.

"I've learnt a lot about growing the business online, and improving the words behind the website to help search engines recognise it.

"Regi Dittrich (from Grow Online) was great. We would set up our computers next to each other and she showed me how to build a web page and then went on with her own work, but she was there if I needed to ask questions.

"I found that I came to a lot of ideas by myself through the mentoring. For example, rather than try and sell to people over the phone, I now go out and see all my customers.

"And once they meet me and

see the menus and photos, they feel comfortable about making a booking. So this has increased my booking abilities."

Rachelle Stringer's Reverse Down Syndrome business operates the ARMS Therapy Centre, using alternative methods to improve wellbeing.

She said she signed up to the mentoring to launch the centre, learn the tricks of the trade and network with likeminded people.

She said she learnt about the importance of record-keeping and creating timelines for goals as well as different practical aspects of running a business, including accounting, communication, hiring staff and networking.

"The biggest difference to my business is that it is now actually open for business and not just a dream," she said.

"I recently got a phone call from a practice manager/owner of a doctor's surgery in Caloundra who is interested in working with me and apparently there is also an opening in a doctor's surgery in Nambour.

"Whether I go down this path or not is yet to materialise.

"I have also just submitted my first Yellow Pages advertisement in the local directory."