

6. Bank Accounts

In Australia, most income including salary or wages and government benefits are paid directly into a bank account. You should open a bank account within six weeks of your arrival, as you usually need only your passport as identification. After six weeks you will need extra identification to open an account.



Banking in Victoria

Victorians usually keep their money in a bank, building society or credit union, and use bank cards and credit cards for financial purposes.

If you would like to set up a bank account in Victoria before you move, your existing bank may be able to help you. Many international banks can work with Australian banks to set up an account in for you.

If you would prefer to set up a bank account once you have arrived in Victoria, it is recommended that you do so within six weeks of arriving as during this period you only need your passport for identification. After six weeks further identification is required.

Banks are usually open Monday to Friday from 9.30am to 4.30pm, with some offering different opening and closing times on certain days. Some banks are also open on Saturday from around 9.00am to 1.00pm.

Currency

Australia's currency is decimal, with the dollar as the basic unit. There are 100 cents in one dollar (\$1). Notes come in \$5, \$10, \$20, \$50 and \$100 denominations and coins in 5c, 10c, 20c, 50c, \$1 and \$2. All major credit cards, EFTPOS and traveller's cheques are widely accepted in Victoria.

Opening an account

The process of opening an Australian bank account from New Zealand is very quick and easy. Depending on which bank you choose, you might be able to do it all online and via the phone.

When you open a bank account, for the first time or with a new bank, you'll be required to complete a '100-point check'. This is a test that the bank uses to make sure you are you, and not someone posing as you, in an attempt to commit fraud. It's the bank's first line of defence against identity theft and money laundering.

To open the account you'll need to take along some identification (ID), such as a birth certificate, a driver's licence, and/or a Medicare card (your bank can tell you exactly what you'll need to take). Once you've provided sufficient ID, the bank will be able to open your account.

You will also need to provide your tax file number (TFN) so that you can be identified for tax purposes. While this isn't essential, if you don't provide your TFN, any interest your accounts earn will be taxed at the highest rate.

When you open your account, you will also be required to choose the type of account you want. The most common types of bank accounts are described below.



References:

ANZ, CBA, NAB, Westpac, St George, Bendigo Bank, Bank of Queensland.
Live in Victoria - <http://www.liveinvictoria.vic.gov.au>

Images - www.workplacelive.com

Transaction accounts

These accounts are typically designed to cover day-to-day banking needs. They give you a place to deposit regular payments (such as a salary, or JobStart payments), and an account to use when paying bills or doing the shopping. Transaction accounts often come with a cheque book, which you can then use to pay for purchases and bills. These accounts are sometimes called 'cheque accounts'. Depending on the account you choose, transaction accounts also let you do your banking via the phone and the Internet and may also have services such as debit and credit cards available.

Savings accounts

Savings accounts can be a good option if you want to save money, with some accounts specific incentives to save. For example, depending on your bank and the account, you are rewarded with higher interest if you maintain a balance above a certain level for a given period. Others may allow you to opt out of having ATM access to make it a little bit harder to spend your money, and therefore make it more likely that you'll save instead.

Most savings accounts can also be used for depositing regular payments and for paying bills, although cheque books are generally not offered with savings accounts.

Basic Bank Accounts

Many banks offer basic bank accounts. These accounts provide fee-free and low-cost for low-income customers such as holders of the Commonwealth Government Health Care Cards, Commonwealth Government Seniors Cards and Commonwealth Government Pensioner Concession Cards.

The Australian Bankers' Association (ABA) recently revised its Code of Banking Practice which is the banking industry's customer charter on best practice standards. The Code is helpful to low income earners. The Code states that if you tell the bank that you are a low income earner or a disadvantaged person, the bank will provide you with information on accounts which may be suitable to your needs. This will also occur, if in the course of dealing with you personally, the bank becomes aware that you receive Centrelink or other Government-provided benefits.

Common Australian Banks



Ways to access your money

Bank accounts offer lots of options for accessing your money. Some of the most popular options are described below.

ATMs (Automatic Teller Machines)

ATMs can be used to withdraw cash from an account by using the ATM card which is available with most bank accounts. You can also use ATMs to get an account balance and transfer money into other accounts. Some ATMs also allow you to deposit cash and cheques into your account. Using the ATMs of your bank will generally cost less money than if you use another bank's ATMs. Fees for using ATMs can vary between banks and between accounts.

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You will be given a PIN (Personal Identification Number) which you will enter into the ATM to access your account. It is the key to your account and it is important that you never tell anyone your PIN. A bank or reputable business will never ask you for your PIN. If anyone does, be suspicious, don't hand it over and report the incident to the bank and the police. Be careful no-one is looking over your shoulder when you enter your PIN.

EFTPOS

Short for 'Electronic Funds Transfer at Point Of Sale', EFTPOS terminals can be found where goods or services are sold, for example, supermarkets, service stations, restaurants, doctors' surgeries and gyms. You can pay for goods and make payments through EFTPOS using your ATM card, rather than paying with cash. At some stores, when you use EFTPOS you can also withdraw cash from your account at the same time. You should be aware that there are some retailers who put limits on how much cash can be withdrawn which can be dependant on the amount which is spent in the store.

When paying by EFTPOS, you also use your PIN to access your account. The same rules apply about keeping the PIN confidential and never handing it over to anyone. Be careful no-one is looking over your shoulder when you enter your PIN.

Telephone banking

You can use telephone banking to transfer payments to and from accounts, get your account balances, get recent transaction information and pay bills. You will need to register to use telephone banking and will then be given a password or an identification number that allows you to access your accounts over the phone. It's important never to give your password to anyone else.

Internet banking

Internet banking allows you to view and check your accounts, review recent transactions, apply for loans and credit cards, or transfer money and pay bills – all on-line. Most banks offer Internet banking facilities, but you will need to register with your bank to gain access. You will then be given a password that allows you to use your accounts on-line. Never give this password to anyone else.

There are security issues that need to be considered when using Internet banking. It is recommended that you install and keep up-to-date anti-virus software and a firewall, update security patches and be suspicious of emails requesting you to hand over confidential information such as your Internet banking logon password. Your bank will never ask you for this information, especially in an email. In addition, many banks publish security guides on their websites and this provides important information on precautions that you can take to protect your information on-line.

Over-the-counter service

You can also go into a branch of your bank and, with the assistance of bank staff, conduct transactions including withdrawals, deposits, transfers, and account balance checks. If you do not have a branch close by, you may be able to visit an agency of your branch, such as an Australia Post outlet, to conduct certain transactions. Bear in mind that over-the-counter transactions usually incur higher fees than electronic transactions.

Depositing regular payments

These days, most salaries and most Government allowances are paid directly into bank accounts. To make sure your payments go direct to your account, you will need to provide your employer or Centrelink with basic account details such as your account number, the branch where your account is held, and the name your account is held in. Note that you will never be asked to provide your PIN. If anyone ever asks you to

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provide your PIN, do not give them the information. A PIN is a number used as an access code for your account when using ATMs or EFTPOS.

Paying bills

Most bank accounts offer lots of easy options for paying bills. Transaction accounts with cheque book facilities allow you to pay bills by cheque, and most transaction accounts and savings accounts allow you to pay bills electronically (e.g., using facilities such as telephone banking, Internet banking) and using direct debits.

A note of caution on direct debits – they are a convenient way to pay everyday bills, but always make sure you've got enough money in your account to cover the cost of the debit. If your pay or allowance goes into your account on a certain date, make sure your direct debit payments are scheduled to come out of your account after your pay goes in, or you might end up with an overdrawn account or a dishonoured payment – both can cost you money.

Account statements

Most banks will provide regular statements for your accounts (just how regular can depend on the type of account). On request, banks will provide statements on a deposit account at more frequent intervals, but this may attract a fee. Bank statements are your record of everything that has happened in your account over a given period – the withdrawals, deposits and transfers that were made, and any bank fees and government taxes you were charged. Telephone and Internet banking can make it easy to check your statements, and some banks even offer 'mini statements' through their own ATMs.

Check your statements regularly to make sure you've got enough money in your account to cover your expenses and keep track of your spending, as well as make sure that all transactions made in your account are legitimate. Refer to your statements to see what fees you are paying on your bank accounts and why, and to see whether a few simple changes to your banking habits could help you to reduce the fees you pay (for example, using your own bank's ATMs instead of other banks' ATMs).

A word on bank fees

Bank fees are the price you pay for the products and services that banks offer. Different banks charge different fees for different products and services, and the best way to find out what fees apply is simply to ask your bank. Any fees that apply to your accounts are fully disclosed in information leaflets and terms and conditions that your bank can provide before you open your account. Some banks waive some fees if you are a full-time student.

If you don't understand any fee which has been charged, contact your bank.



References:

ANZ, CBA, NAB, Westpac, St George, Bendigo Bank, Bank of Queensland.
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