



Opening A Bank Account Before You Leave

Emigrate UK – November 2006

The big decision has been made, you're moving to Australia!

There are a thousand things to think about and do; make business or employment arrangements, rent or buying a home, find a school for the children, get a car and set up home. Emigrating is an exciting and challenging time, but why make it more stressful than it already is.

Let's explain the banking system and then let's look at opening a bank account. First, **once you arrive AND then, before you actually leave.** With so much to think about some things CAN be done before you leave home.

Basic overview of the Australian banking system

Australia has an advanced banking system, with various types of institutions: large, Australia-wide banks, smaller state-specific banks, a number of credit societies or credit unions and a few other financial organizations, such as insurance companies who have diversified into banking.

Accounts and how we arrange our day-to-day money

The most common account for day-to-day money management is called a transaction account which provides ATM access, a cheque book, an EFTPOS card, the facility to pay your regular bills by direct debit and telephone.

People can have at least 3 accounts: a current account for their out-of-pocket expenses and regular transactions, a savings account for long-term savings and a credit card account. People usually choose one provider **who often assist with the wider range of services like home loans, personal loans, wealth management and internet banking, business banking, finance & capital, investment & superannuation, insurance and foreign exchange.**

Salaries are usually paid directly into your nominated account by your employer. Most people pay their bills from their current accounts, either by cheque, telephone, direct transfer or BPay using internet banking which also enables you to check balances and transfer money between accounts. Bank statements are usually issued monthly and interest is normally calculated daily and paid quarterly.

Transaction accounts pay very little interest on account balances, e.g. from 0.1 to 0.5 per cent whilst savings accounts can pay up to 5% and credit card around 18%.

Most people use cash for small out-of-pocket expenses, credit card or EFTPOS at supermarkets, department stores and petrol stations etc. and draw cash from their current savings or credit account from ATMs which are located outside banks, in shopping malls, petrol stations and supermarkets.



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Opening a Bank account once you have arrived in Australia

If you want to open a bank or credit union account in Australia, you need to pass the '100 point system' to prove your identification.

- 70 points - You can only get points for one item in this section
 - Birth Certificate
 - Passport
 - Citizenship Certificate
- 40 points These cards must have a photograph or signature
 - Drivers Licence (full / probationary / learner)
 - Shooters Licence
 - Public Service Employee ID card
 - Commonwealth or State Government financial entitlement card (eg Pension card)
- 35 points - Applies to home buyers or owners only
 - Land Rates
- 25 points
 - Any card on which your name appears:
 - Medicare card
 - Credit Card (only 1 per institution)
 - Store Account card
 - Video Store Card
 - Library Card
 - Union Card
- 25 points - Documents on which your name and address appear:
 - Car registration
 - Utility bill
 - Rental receipts
 - Records of another financial institution showing you've been a member for 12 months or more

Opening a bank account before you leave for Australia.

Opening a new bank account before leaving home and having your funds waiting for you when you arrive in Australia is a simple procedure, BUT you cannot make withdrawals from your account until you arrive in Australia and have been fully identified. You can

- open an Everyday account and a Savings account for transfer of funds to Australia
- apply for a Credit/ATM card for collection when they arrive in Australia
- retain some of their funds in a selected foreign currency in a Westpac Foreign Currency Account
- apply for Internet and telephone banking to access their accounts from anywhere in the world.



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The easy steps to opening an account

Please note: Applications need to be received at least 10 days before your arrival in Australia.

Step 1 - Choose a Bank and a transaction account – providers listed below

Step 2 - Complete an application form on-line

Step 3 - Have your application processed

It will take up to four working days to open your account. All accounts will be on a Post Credits Only basis: ie you can deposit funds into the account but cannot withdraw or deal with the funds until you are identified in Australia (step 4).

Bank account details and information on how to transfer funds by email or post are advised and you must deposit some funds to either one of your accounts within 21 days of receiving the account details. Failure to do so would result in the accounts being closed.

Each time you open an account that earns interest, you'll be asked to provide your Tax File Number (TFN) either when you open the account or at any other time because, under Australian Federal Law, accounts earning interest are subject to the Pay As You Go tax system.

Step 4 – Start banking

You can start banking immediately you arrive in Australia BUT you need to be identified first. So within six weeks of arriving, you have to visit the branch that your account was opened at to identify yourself and activate your new account. At this time you can register for Telephone and Internet Banking and will be issued with a Key Card. You must present your:

- Passports
- Confirm current address in Australia
- Sign a copy of your printed application form

The following 2 banks have a specialist Migrant Banking channel to assist with opening your accounts before you leave home. It's one less thing to worry about!

➤ Commonwealth Migrant Banking Australia

- Visit: <http://www.migrantbanking.co.uk/>
- Email: commbankuk@cba.com.au

➤ Westpac Migrant Banking Australia

- Visit: <http://www.westpac.com.au/migrantbanking>



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- Email: migrantbank@westpac.com.au

This information has been supplied by **relocations-made-easy**

The on-line, do-it-yourself **™Virtual Relocation Resource** that harnesses the power of the internet on your behalf, researching and compiling real local knowledge on the range of issues that need to be considered when moving to Australia and guiding you through this information using a virtual relocation consultant that customizes your journey and arrives at the range of neighborhoods most likely to suit your individual lifestyle, housing, education, community and budget requirements.



Contact **Shani Alexander**
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