



business buckets. I transfer 40 per cent of whatever the business earns into a separate business savings account to meet my tax obligations. In addition, I have a business Mojo account (for emergencies) and I keep a very close eye on our working capital, so I can always meet my obligations.

If you think this sounds difficult, try running a business without it.

Is Dollarmites done for?

Ethan asks: I read this week that ASIC is finally launching a review into school banking — maybe it has something to do with that book of yours? Do you think this could get the banks out of our schools, or is it still too early to get our hopes up?

The Barefoot Investor for Families: The Only Kid's Money Guide You'll Ever Need
Harriet Collins
RRP \$29.95



(where Commbank received a gold medal for charging fees for no service to dead customers, ripping off millions of dollars of retirees' money?)
And why are school leavers the most financially illiterate of all Aussies, according to ASIC research?

Barefoot responds: Here's what I hope the ASIC review will discuss: The Commonwealth Bank's school banking program has, according to its website "been teaching generations of young Australians the importance of saving and lifelong money skills since 1931".

So if what they did wrong, why do we currently have record household debt, and low savings? How did we end up with the horrors of the Banking Royal Commission

The answer is that till now many schools haven't given financial education the emphasis it really deserves — possibly because they wrongly assume that Commbank is taking care of it.

The best outcome from this ASIC review would be that schools finally understand that financial education is a core life skill that is far too important to be outsourced to a bank that pays millions of dollars to market to our kids.

Clearing the air around a silent killer

The world of investment gets more complicated by the day, so I was thrilled to accept an invitation to the Walter Scott conference in Edinburgh earlier this month. Walter Scott is a highly respected fund manager with more than £80 billion under management, much of it on behalf of large pension funds.

The highlight was a 50-minute presentation by Bjorn Lomborg, president of the Copenhagen Consensus Centre, on what is probably the most controversial and publicised topic in the world today — climate change.

He approached the subject from three premises: man-made climate change is real, its potential effects have been grossly exaggerated, and we are tackling it the wrong way.

Think about the doom and gloom forecasts. In 2000 Karl Mallon of WWF estimated the point of no return to be 2014, and in 2007 Climate

Commissioner Tim Flannery predicted the nation's dams would never be full again. Lomborg spoke about the incredible progress mankind has made in the past 200 years in taking most of the world out of poverty, and doubling the average life expectancy. He pointed out that the real environmental killer today — the one no one talks about — is indoor air pollution.

Right now, more than three billion people are absorbing the equivalent pollution to

Noel Whittaker



smoking two cigarette packets every day, because they have no electricity and no option but to cook inside poorly ventilated dwellings using materials such as animal dung for fuel.

For these people the only way out of this life-threatening situation is for governments to provide cheap electricity.

I appreciate renewables are all the thing, but Lomborg points out we are many years away from having most of our power coming from that source. Today just 0.19 per cent comes from solar generation, and 0.06 per cent from wind. Even if the world focuses on these two sources the numbers may rise to just 2.1 per cent and 1 per cent respectively in the next 20 years.

If all nations meet their targets under the Paris agreement — which is most unlikely — the most optimistic realistic target for renewables is 19 per cent by 2050. Obviously, gas and oil will continue to provide the bulk of our power for the next 50 years.

Not only that, the best we could hope for from the Paris agreement is to limit global temperatures to a 1.5 per cent increase for a cost of more than \$5 trillion. Lomborg believes we would be far better

off to scrap the Paris agreement, and commit to \$300 billion a year in R&D for green development.

He pointed to the amazing green technology already happening. One city in Norway has moved its data processing centre to the middle of town and is using the heat generated from data processing to power the entire city.

Norway is also about to launch an emission-free self-driving cargo ship, the Yara Birkeland, which will eliminate the equivalent of 40,000 truck journeys a year. In Wales an office block is under construction that will generate more electricity than it uses.

After his speech he asked by a person in the audience: "What you say makes so much sense — why do we keep hearing pessimistic forecasts?" He replied: "The world has always had something to worry about. Think of the Y2K bug, Ebola, HIV and flu pandemics, just to name a few. I have absolute faith in the ability of mankind to handle its problems."

Of course, he is right. Surely our priority should be getting power to those three billion people whose lives are at risk from indoor air pollution.

Noel Whittaker is the author of Making Money Made Simple and numerous other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.

ASK THE EXPERT

Send your questions to Noel Whittaker
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Q My wife and I have an investment property we intend to retire to in around five years. I am retired and live off an aged pension \$255 per fortnight while drawing on my super of around \$240,000. The investment property is returning \$440 per week with a mortgage of \$225,000. Would we be better off using my super to pay off the mortgage and for me to live off the rental?

A I would hope your superannuation is giving you a better return than the interest rate that you are being charged on the loan for the investment property. Therefore, it would make sense to keep the loan for the time being — you can take comfort in the knowledge that the money in superannuation could be accessed in whole or part to pay off the loan in need.

Time to deal with the chronic complainer

We have all worked with them at some stage in our careers — the constant complainer who likes nothing better than to whine, whinge and moan about anything and everything at work.

These not-so-silent saboteurs infect the working environment by spreading negativity and creating doubt in the minds of colleagues, which leads to a toxic work environment that saps team morale and productivity.

The reality is that chronic complainers do not see themselves as negative

WORKPLACE MATTERS

Gary Martin



employees — they simply believe they unfairly draw the short straw, day in, day out, and therefore are justified in seeking validation from those around them.

The complaints are often petty and lack any semblance of being constructive or valid.

Many in the workplace find the chronic complainer's behaviour to be both exhausting and annoying, yet

feel powerless to silence the litany of objections.

There are several strategies that can be deployed to minimise the chronic complainer's impact.

Generally, the solution is to not accept nor go along with what the chronic complainer is spruiking because your agreement is often exactly what is being sought.

And while agreeing with a complaint might defuse an immediate situation, it will encourage new complaints and the frequency of objections may well increase.

One of the better tactics to combat the chronic

complainer is to distance yourself from them. If you display a level of disinterest, the complainer may well sense you are not an ally and may well desist from sharing further complaints with you.

Of course, distancing yourself may not always be an option. If that is the case, then another tactic might be to listen to the complaint but then encourage your complaining co-worker to come up with an appropriate solution.

If your co-worker is unable to offer a solution, perhaps share with them the ways in which you might tackle the

issue or challenge — even though they may not want to hear your ideas.

As an alternative strategy, you can always disagree with the complainer.

"Telling someone that 'I hear what you're saying but I see it differently' is an excellent way to disagree without being disagreeable and also serves as a great coping tactic.

Or you could simply acknowledge a particular complaint and move on — without offering any advice or commenting on any of the detail.

If these tactics don't work,

you can always "call the behaviour out" by explaining to the chronic complainer that they seem to have got into a habit of being a little too negative. Sure, this is a gutsy move but it might provide your co-worker with some much needed "food for thought".

Of course, if none of these tactics work and your co-worker persists in affecting the workforce in a negative way, it may well be time to enlist the support of someone higher up in the organisation.

Professor Gary Martin is chief executive at the Australian Institute of Management WA