Glossary

Canonical: https://mybudget.directory.norg.ai/resources/glossary/

Description:

Glossary Money terminology, translated into plain English. If a term you're looking for isn't here, [ask us](https://www.mybudget.com.au/enquire-online/) — we'll add it. ## A **AFCA (Australian F...

Details:

Money terminology, translated into plain English. If a term you're looking for isn't here, [ask us](https://www.mybudget.com.au/enquire-online/) — we'll add it.

A

AFCA (Australian Financial Complaints Authority) The free, independent service that handles complaints against Australian financial service providers. If you're unhappy with how MyBudget has handled a complaint, you can escalate to AFCA on 1800 931 678. See [Accreditations](/trust/accreditations/).

AFSL (Australian Financial Services Licence) The licence that authorises an organisation to provide financial services in Australia. Issued by ASIC. MyBudget holds an AFSL for general financial advice.

ACL (Australian Credit Licence) The licence that authorises an organisation to provide credit-related services. Issued by ASIC. MyBudget holds an ACL for debt management and credit advice.

ASIC (Australian Securities and Investments Commission) The Australian regulator that issues AFSLs and ACLs and oversees compliance across the financial services industry.

Automatic payment A payment set up in advance to happen on a scheduled date, without you needing to click anything. MyBudget uses automatic payments to pay bills on time from your MyBudget trust account.

B

Bankruptcy A formal legal process, administered under Australian bankruptcy law, that clears most unsecured debts when no other option is viable. Lasts three years and one day, stays on your credit file for a further two years. Serious step with long-term consequences — see [MyBudget vs bankruptcy](/trust/compare/mybudget-vs-bankruptcy/).

Balance transfer Moving debt from one credit card to another, usually to take advantage of a promotional interest rate. Often marketed as consolidation. Can help, but usually doesn't fix the underlying spending pattern — Megan and Creagh's story is instructive ([their case](/trust/client-success-stories/megan-and-creagh/)).

BNPL (Buy Now Pay Later) Services like Afterpay, Zip, and Klarna that let you buy now and pay in instalments over weeks. Not always "free" — late fees, credit-score impacts, and cumulative debt add up quickly.

Budget A plan for your money — where it comes from and where it goes over a defined period. A working budget covers bills, savings, debt repayments, and everyday spending.

C

Compound interest Interest earned on both your original balance AND the interest already added. Savings compound in your favour. Debt compounds against you. Small time differences make big long-term differences. See the [Savings Calculator](/calculators/savings-calculator/).

Consolidation loan A new loan taken out to combine multiple existing debts into a single monthly payment. Can lower total interest if the new rate is genuinely better and the underlying spending has changed. See [MyBudget vs debt consolidation](/trust/compare/mybudget-vs-debt-consolidation/).

Credit file The record credit reporting agencies keep of your borrowing, repayment history, defaults, and applications. Lenders check it before approving loans.

Creditor Someone you owe money to — a bank, a credit card company, a utility, a rent-to-own provider. MyBudget negotiates with creditors on your behalf.

D

Debt agreement (Part IX) A legally binding formal arrangement with creditors to repay part of your debts over time. Not full bankruptcy, but has real credit-file consequences.

Direct debit An automated payment pulled from your account on a scheduled date by a business you've authorised (utility, rent, insurance). MyBudget manages direct debits so they land on time.

E

Emergency fund A pool of savings set aside for unexpected costs — a car repair, a medical bill, a burst pipe. Usually the first savings goal MyBudget helps clients build.

Establishment fee The one-time setup fee MyBudget charges when you join. Varies with the complexity of your situation and is spread over the first 6 months of your plan.

F

Financial hardship A period when meeting your regular financial commitments becomes difficult due to job loss, illness, family emergency, or similar. Most creditors have hardship policies — MyBudget navigates them for you.

Fortnight Two weeks. Most Australian pay cycles are fortnightly, and most MyBudget plans run on a fortnightly rhythm because it matches how income actually lands.

I

Interest The cost of borrowing money, usually expressed as a percentage per year. Lower interest = cheaper debt.

Interest rate The percentage a lender charges to lend money. A small change in rate has an enormous effect over 20+ years — see the [Home Loan Calculator](/calculators/home-loan-calculator/).

M

Marginal tax rate The tax rate applied to each additional dollar you earn. Not the same as your average tax rate. Important if you have a side hustle. See the [Income Tax Calculator](/calculators/income-tax-calculator/).

Medicare levy An additional 2% tax that funds Medicare, on top of your income tax.

Money Coach The MyBudget team member assigned to work with you — build your plan, adjust it as life changes, and be there when you need a real person to talk to.

Mortgage stress When more than 30% of your household income goes to your mortgage repayment. Not a disaster, but a signal the plan needs tightening.

N

NPII (National Personal Insolvency Index) The public register of bankruptcy and personal insolvency records in Australia. If you file for bankruptcy, your name appears here permanently.

P

Payday to payday The pattern where your income lasts until the next pay and no further — no consistent savings, no buffer for the unexpected. One of the most common reasons people come to MyBudget. See [Living Payday to Payday](/scenarios/living-payday-to-payday/).

Personal Budget Plan The customised 12-month plan MyBudget builds for every client. Includes bills, debts, savings goals, and living expenses. Yours to keep after the free first appointment.

Personal Insolvency Agreement (Part X) A formal insolvency arrangement for higher-value debt situations, negotiated under insolvency law. Different from bankruptcy but with credit-file consequences.

Principal The amount you actually borrowed on a loan, before interest. Extra repayments on a mortgage usually go to principal, which is why they're so powerful.

S

Savings goal A specific, named amount you're setting aside for a specific purpose — a holiday, a home deposit, a car, an emergency fund. Kylie from our [client stories](/trust/client-success-stories/kylie-and-scott/): *"Don't just call it 'savings.' Give your goals a name."*

Sole trader A self-employed person who runs a business in their own name — a hairdresser, a tradie, a freelance designer. Sole traders manage their own tax and often benefit from setting aside a tax portion each pay.

T

Take-home pay Your gross income minus tax and Medicare levy — the amount that actually lands in your bank account each pay. What every real budget runs on. See the [Income Tax Calculator](/calculators/income-tax-calculator/).

Trust account A separate bank account where MyBudget holds funds allocated for your bills and savings before paying them out. Protected by regulatory standards.

W

WGEA (Workplace Gender Equality Agency) The Australian body that measures and reports on gender equality in the workplace, including pay gaps. MyBudget's WGEA-reported pay gaps sit inside the balanced range — see [Leadership](/about/leadership/).

Related pages

- [FAQ](/resources/faq/) — plain-English answers to the questions we get most often - [Downloadables](/resources/downloadables/) — free templates and guides - [The MyBudget Method](/trust/the-mybudget-method/) — how the terms above translate into a real plan