# prp keeping you informed

December2015

## Christmas Wishes

The management and staff of PRP wish you and your family our warmest wishes for a wonderful Christmas and a Prosperous New Year.

*PRP Christmas Trading Times*

**Adelaide and Renmark Wealth**
Closed from 12pm on the 24th December 2015 and re-open 11th January 2016

**Renmark Accounting**
Closed from 12pm on the 24rd December 2015 and re-open 11th January 2016

# How Much Does Life Cost?

**If you have ever struggled to find extra money to put towards investing, analyse where your money is going right now by recording your spending.**

One of the most powerful reasons to track your expenditure over several months is to become familiar with exactly where your money is going. It is very difficult to save money, and to add extra regular amounts to valuable investments, if you're not aware of where you may be able to cut back.

Those that record their spending invariably say they are surprised by the amount of money they spend on specific things. They previously hadn't realised quite how much came out of their accounts on a monthly or annual basis for items or services that seemed perfectly affordable at the time.

The classic example, for instance, is a cappuccino during each working day. That regular, mid morning pick-me-up from a cafe, at just $4 a day, is actually costing you around $1000 each year. But life doesn't have to be expensive. You just need to know where to make cuts.

Here is a list of annual expenditures that often come out in the wash when an individual, couple or family record their spending.

Small changes can make vast differences over time. Cut out that daily cappuccino and instead put $4 from every weekday into an investment with a return rate of 5% and after 30 years you will have raised an extra $72,129.8 It's not a bad reward for a small sacrifice!

| | Annually |
|---|---|
| Lunch purchased whilst at work for $10 each day | $2400 |
| One can of soft drink each weekday | $520 |
| Pay TV (up to $124 monthly) | $1488 |
| Credit card interest: average cost per Australian credit card holder | $760.08[1] |
| School costs per child | from $4,360 to $24,376[2] |
| Electricity/fuel/gas | $5,148[3] |
| Child care: average Australian family out-of-pocket costs | $4,352[4] |
| Car running costs | $4,852 to $21,580[5] |
| Gym membership: average (NSW) | $912[6] |
| Two bottles of mid-priced ($15) wine per week | $1,560 |
| Shoes: average Australian household | $364[7] |
| Pets: average Australian household | $572[7] |
| Holidays: average Australian household | $2704[7] |

Source: Financial Wisdom Ltd - Inform October 2014
1 https://www.moneysmart.gov.au/borrowing-and-credit/credit-cards/ credit-card-debt-clock
2 http://www.smh.com.au/lifestyle/doing-the-sums--does-a-private-education-add-up-20120327-1vw9g.html
3 http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4670.0main+feat ures132012
4 http://www.natsem.canberra.edu.au/storage/AMP_NATSEM_35.pdf
5 http://www.mynrma.com.au/motoring-services/buy-sell/buying-advice/car-operating-costs.htm
6 http://www.gymprices.com.au
7 https://www.moneysmart.gov.au/managing-your-money/budgeting/ spending/australian-spending-habits
8 https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/compound-interest-calculator

## New Adelaide Office

Darron, Lara and the staff in the Adelaide office have settled into their new offices at 22 Hutt Street, so please don't forget the new address when you are next visiting the office. Our Adelaide fax number has changed to 08 8224 0283 but our office phone number has remained the same.

## Did you know?

We have accounting and taxation services in both Adelaide and Renmark? We would be happy for you to refer friends and family to have their tax returns completed by us!

## PRP Accounting Services

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Snr Taxation Manager
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# ACCC and ATO Tax Time Scam Warning

**The Australian Competition and Consumer Commission (ACCC) and the Australian Tax Office (ATO) are warning consumers and businesses to watch out for scammers hiding behind tax time to target you.**

"Scammers will go to great lengths to slip under your radar and steal your money, including impersonating ATO representatives on the phone, sending fraudulent emails and even creating bogus websites".

"These fraudsters contact you out of the blue, claiming you have overpaid tax and are now entitled to a refund. To obtain the refund, they ask you to pay an administration or transfer fee. They may also ask for your financial details so they can transfer your 'refund' to you. If you hand over money to these scammers, chances are you won't see it again. If you incidentally give your personal details to a scammer, your bank accounts and identity could be at risk of fraud warns ACCC Acting Chair Delia Rickard.

Since 1 March 2014, the ATO has seen a spike in reports from the public of email and phishing scams from 9,368 to 11,344 compared with the 12 months prior.

Scammers are becoming more cunning in their attempts to defraud the public and trick them into handing over money, their Tax File Number or personal information. If you are worried or have fallen victim to a scam call, email, SMS or a face to face scam, please contact the ACCC or ATO.

From time to time, the ATO will send taxpayers emails, SMS messages or official social media updates alerting them to new services. The ATO will never request personal or financial information by SMS or email.

Based on previous trends, the scam activity increases in the second half of the year when tax season is underway. "In making a first impression, the caller will claim to represent a government agency and may trick you by reciting a key piece of your personal or financial information".

"The catch is you will have to pay a tax or an administration fee of a few hundred dollars to release the money but the reality is government agencies will never contact you out of the blue via phone or email to ask you to pay upfront to claim and unexpected refund," Ms Rickard said.

## PROTECT YOURSELF

- Never put your Tax File number on your resume. Only provide to your employer after you have started your job.
- Never share personal information such as your TFN, myGov or bank account details on social media
- Change any passwords you may have already shared
- If you use a tax agent, make sure they are registered by checking at www.tpb.gov.au/onlineregister
- If you receive a request out of the blue from the ATO or anyone claiming that you are entitled to a refund, inheritance or some other form of "win" press "delete" or just hang up.
- Don't open any attachments or click on any links or reply to these or any suspicious looking emails.
- If you are not sure whether a call or email is a scam always verify the contact details through an independent source such as a phone book or online search.
- Always keep your computer security up to date with antivirus and anti-spyware software and a good firewall.
- Never send money or give your financial details to someone you don't trust – it's rare to recover money from a scammer.
- If you think you have provided your bank details to a scammer, contact your Bank immediately.

You can forward suspect scams to ReportEmailFraud@ato.gov.au or call the ATO during business hours on 1800 060 062 to discuss a suspected scam.

You can also report scams to the ACC via the SCAMwatch report a scam page or by calling 1300 795 995. To increase community awareness of scams the ATO has launched a new video campaign on www.ato.gov.au/identitycime with helpful tips to protect personal information.

# LIFE, INTERRUPTED

**Those that find themselves starting over in life can face surprisingly difficult financial challenges.**

**Here we investigate five common interruptions that many will have to face throughout their lives.**

## Relationship breakdown

The breakdown of a relationship can have an extremely damaging effect on a person's financial state. The issue is greatest for women with dependent children who, the Australian Institute of Family Studies (AIFS) states, even six years after a divorce find it difficult to recover their pre-divorce income[1]. The same report said the negative effect of divorce on assets and income can last into older age. Re-partnering can offset the financial effects, but those that remain single often find themselves reliant on Government income support systems, according to AIFS. There is a significant economic advantage associated with living with another person and when this comes to an end, costs increase. Financial planning is vital, as is a thorough understanding of one's legal rights and responsibilities.

## Illness

With obesity overtaking smoking as the leading cause of premature death in Australia[2] , mental illness affecting one in five adults[3] and the number of annual cancer diagnoses more than doubling between 1982 and 2010[4] , the likelihood of one's career being interrupted by illness is very real. The insurance industry has developed products to help look after a person's financial responsibilities during such an illness, but returning to work after a medical battle can be testing all the same. Research by Macmillan Cancer Support has revealed that some employers fear the expense[5] of changes that may be required when a person returns from illness. At the same time, returning to work is not only important financially for the individual, but also signals a return to normality. One of the secrets to success, they say, is constant and open communication between the individual and the organisation during the absence, and a gradual transition back to work afterwards.

## Redundancy

Being made redundant or let go, especially when the event is unexpected, is a blow both financially and in terms of confidence. If it should happen, the worst thing you can do is mope about the house. Develop a plan that begins with finding out what support you could be offered. Are there any Centrelink benefits you might qualify for? Could your mortgage repayments be covered by nsurance? Can your insurance providers waive costs for the period you're unemployed, or suspend a policy such as Income Protection? Is your ex-employer providing you with all of the redundancy benefits they should be? Are they offering assistance in finding a new role at another organisation? Then move on to applying for new roles, including contacting recruiting agencies. A gap in your CV becomes more difficult to explain the longer it lasts.

## Back to work after children

Coming back into the workforce after a period in which childcare has been your main role can be difficult emotionally (leaving the children), technically (do you still have the knowledge?) and socially (getting to know a new group of people). Experts say it is a good idea to conduct a career evaluation that looks backward and highlights your specialist knowledge, talents and achievements, then looks forward and selects certain roles in which you would shine. This way you are basing your decision on solid fact, which will boost confidence levels. Don't be afraid to turn down jobs you don't think you'll enjoy, and never accept a position just for the money. And don't forget to include in your CV all of the voluntary work you have conducted at your child's school, or the pro-bono marketing consulting you did for a friend who was launching a new business etc. Finally, network both online and offline. Positions are filled by people that know people, so make sure you're top of mind.

## Mortgage difficulties

If a household's income at any stage is unexpectedly lowered, this can lead to mortgage stress. Once a person is facing serious financial hardship as a result of a reasonable and unforeseen issue such as illness or job loss, lenders are obliged to make certain hardship provisions available in order to allow the person an opportunity to find a way out of their situation. Start by speaking with your financial adviser or a not-for-profit financial counsellor, who will help you to figure out exactly where you are financially, whether you might be able to increase your income and what assets you may be able to sell. Importantly, they will also put deadlines in place so a solution doesn't take so long that the problem compounds.

## Tips to stay on track

Always set deadlines for each goal you set. Without deadlines, many plans never come to fruition. Break down your plans into achievable pieces and put each onto a timeline, so you can track your progress. Develop a very clear picture of your finances including debt, income, savings, super and other incomings and outgoings. Be creative about increasing your income. If there is an adult child living with you, perhaps it is time for them to help cover their costs. Seek advice on benefits that may be available to you as you re-build.

1 'The financial impact of divorce', The Australian Institute of Family Studies (AFIS), 24 July 2012.

2 'Facts and figures: Obesity in Australia', Monash Obesity and Diabetes Institute, Monash University.

3 'Facts and figures about mental illness', SANE Australia, 2014.

4 'All cancers in Australia', Cancer Australia statistics.

5 'Returning to work after an illness: What support do employees need?', The Guardian, 30 May 2013.

*Source: Financial Wisdom Ltd - Insights Spring 2015*

**IMPORTANT INFORMATION**

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# Snowy Marshmallow Mountains

**Ingredients**

- ½ cup (125ml) warm water
- 2 tablespoons gelatine powder
- 1½ cups (330g) caster (superfine) sugar
- ⅔ cup (230g) liquid glucose (see tip)
- ½ cup (125ml) water, extra
- 1 vanilla bean, split and seeds scraped

**Vanilla Snap Cookies**

- 125g unsalted butter, softened
- ½ cup (110g) caster (superfine) sugar
- 1 egg
- 2 teaspoons vanilla extract
- 1½ cups (225g) plain (all-purpose) flour, sifted

**Icing Sugar Mixture**

- 1½ cups (240g) icing (confectioner's) sugar, sifted
- ¼ cup (35g) cornflour (cornstarch), sifted

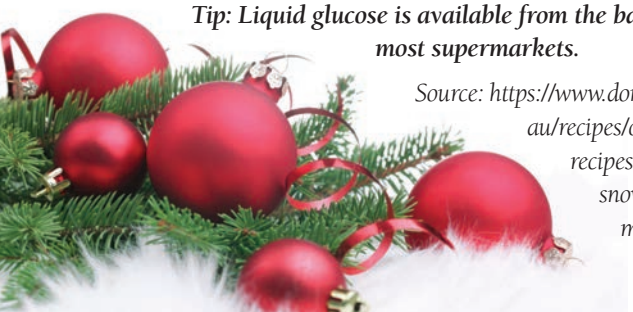
**Method**

Line 3 small bowls with plastic wrap and set aside. Place the water in the bowl of an electric mixer, sprinkle with the gelatine and stir to combine. Set aside. Place the sugar, glucose and extra water in a medium saucepan over low heat and cook, stirring, until the sugar is dissolved. Increase the heat to high and bring to the boil. Add a sugar thermometer and cook, without stirring, for approximately 5–7 minutes, until the temperature reaches 115°C (239°F). With the electric mixer running on high speed, gradually add the hot syrup to the gelatine mixture in a thin steady stream. Add the vanilla seeds and whisk for 6 minutes or until the mixture is thick and fluffy. Working quickly, divide the mixture into bowls, pressing down with a spatula. Refrigerate for 1–2 hours or until set.

While the marshmallow is setting, make the vanilla snap cookies. Place the butter and sugar in the bowl of an electric mixer and beat for 8–10 minutes or until pale and creamy. Add the egg and vanilla and beat for a further 2–3 minutes or until well combined. Add the flour and beat until a smooth dough forms. Roll out the dough between two sheets of non-stick baking paper to 4mm thick. Refrigerate for 30 minutes or until firm. Preheat oven to 160°C (325°F). Using a 7.5cm and 9cm Christmas tree cutter, cut out 10 trees. Place on a large lightly greased baking tray lined with non-stick baking paper and bake for 8–10 minutes or until golden. Allow to cool slightly before transferring to wire racks to cool completely. To make the icing sugar mixture, place the icing sugar and cornflour in a bowl and mix to combine. Turn the marshmallow mountains out onto a surface lightly dusted with some of the icing sugar mixture. Peel away the plastic wrap and dust the marshmallow and trees with the remaining sugar mixture to decorate.

***Tip: Liquid glucose is available from the baking aisle of most supermarkets.***

*Source: https://www.donnahay.com.au/recipes/occasions/recipes-christmas/snowy-marshmallow-mountains*



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# Behind the Scenes at PRP

## New Arrival

Adelaide based Para Planner Matthew Siow and his wife Wan have been blessed by the arrival of their first child. Daughter Madeline Siow was born on the 18th November weighing a healthy 3.07kg.

## Farewell Di - Welcome Maria

It is with sadness that we farewell Di Dix who has retired from PRP to spend more time relaxing, walking her dog Coco and visiting grandkids interstate. We wish Di a wonderful retirement and look forward to seeing her smiling face on a regular basis.

We are however very pleased to welcome Maria Drakoulis who has commenced in a full time admin role in our Reception area. Maria with Mel and Albina will continue to greet you upon arrival and take care of any queries you may have.

I joined PRP in September 2015 after spending 5 years in Adelaide completing my Certificate III Business Administration and working in various Government administration positions. Most recently I worked at Nilsen Engineering Services as an Admin Receptionist before moving back to Riverland over a year ago to be with family as I'm a country girl at heart. I love to shop, socialise, have fun, work hard and spend time with my family and friends.

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