



Prepare and plan ahead

Ross Taggart
Partner

This year looks like an interesting year in many ways: a new Rudd Labor Federal Government, Local Government elections, inflation, volatility and uncertainty in global financial markets and of course the Beijing Olympics.

In this issue of *Taglines* it is important that we emphasise the need to be aware of cost pressures in 2008.

Rising fuel and food costs, as well as higher interest rates are placing additional strain on household incomes.

It is time to understand how much it costs to live each week. You need to be aware of the impact of rising prices on your household income and spending. It is better to be in control of your finances, rather than getting a nasty shock later in the year.

A tight labour market, rising input costs and interest rates have pushed Australia's annual inflation rate well above 3%, outside the Reserve Bank's comfort zone.

Back-to-back interest rate rises is another set back for home owners and business owners with borrowings.

Monitoring cash flow on a regular basis is imperative if you are going to remain profitable in 2008 and beyond.

Taggart Partners can assist you in budgeting and planning your cash flow



to get the best results for your business even during these uncertain times.

Cash flow is like water in the desert, a life saver, without it you won't be able to survive very long. Taggart's is providing a little bit of an oasis for our clients by providing a discount on business health checks. Business health checks can keep your business focused and thriving during uncertain economic times. Please see page three of this newsletter to find out how to get your business health check.

This issue of *Taglines* is all about helping you to be prepared at home or at work. Enjoy.

Did you know...

- Almost one quarter of credit card customers admit to sometimes buying items they can not afford – that's nearly one million Australians.
- According to the *4th Annual Demographia International Housing Affordability Survey* housing in Australia was rated severely unaffordable. The Newcastle region was ranked number 40 in the least affordable places to buy homes behind major capital cities in the USA, Canada, the UK and Australia.

And now for the good news...

- We can take hours out of your bookwork commitments – see page 2
- We can help you save money and plan for the future – see inside.



Proudly part
of Hunter's
business best



Have a look at our
new web site
www.taggart.com.au

More than just numbers



Grant Jackson
Partner

Building competitive advantage

True competitive advantage is more of a challenge to achieve and sustain than ever before. In most cases the only truly sustainable competitive advantage lies in the development of a trained and committed work force.

Grant Jackson is working with clients to help them understand the benefits of informed cooperation and teamwork. Grant has found that when business owners get busy they rarely take time to work on the business because maintenance seldom pays immediate dividends.

Grant's objective is supporting business owners to focus on developing the people to excel not only as individuals but members. The pursuit of excellence starts with the leaders and means trying new things and even failing, but not becoming a failure.

Grant has found that Business Owners who commit to the development of people, in other words a learning organisation, are the best equipped to meet the challenges of our changing environment.

If you are interested in the program and would like a meeting with Grant please call Amber Mungoven on 4962 2022.

Self Managed Super Funds

Are you complying?
Are you maximising benefits?

For your convenience we are holding two sessions at 1pm to 2.30pm and 5.30pm to 7pm at Crowne Plaza Newcastle on Wednesday 16 April. Presented by Grant Jackson.

Please book early as places are limited. Phone Amber Mungoven on 4962 2022.



Managing Debt

Melanie Hamilton Associate

As consumers we have constant offers of credit through the retail sector, mass media, direct mail, emails, telephone and sales. It seems as though using credit to make a purchase is an acceptable means of buying the things we want now, instead of waiting. This is why it is not surprising that two independent surveys recently conducted indicate that Australians are using credit to bridge their spending gap leaving them swimming in credit card debt.

The surveys found that about 1 million Australians make the minimum repayment on their credit card each month (this is 9% of credit card customers). Results also showed that a quarter of credit card customers admit to sometimes buying items that they could not afford.

Of those surveyed, 1 in 5 expect to experience financial difficulty and will turn to credit cards to cover expenses they couldn't otherwise afford, with 1 in 4 expecting their debt levels to be higher in three months time.

With current inflation, the expectation of further interest rate rises, credit market turmoil and rising fuel prices, it is worrying to think that credit card repayments are likely to add further pressure.

If any of this sounds a little familiar then it might be the right time to look at a strategy that can take control over your finances. Taggart Partners can work with you to help get out of the credit whirlpool and get your feet back on dry land.



There are some simple steps to help minimise the impact of credit card debt. You can start by doing a budget. A budget does not have to be rigid. It can be a guideline for your spending and provide you with an awareness of where you stand financially. At a minimum you can formulate a plan to pay off your credit card and reduce the amount of interest you pay. If you would like to give it a go, there is a budget calculator on our website at www.taggart.com.au.

Additionally, Taggart Partners has a special offer for our clients of a free one-hour consultation with one of our accountants to help prepare a household budget and review your credit terms. This offer is for appointments made between 20 March and 20 April 2008.

If you would like to take advantage of this offer please call Amber Mungoven on 4962 2022.

Thank you for letting us know

Many of our clients will see a new feedback sheet as part of their financial statements. The feedback you provide will help us create new ways to deliver even better services to you in the future. Here are some more recent comments from our clients.

"Thank you very much for the wonderful service – your staff always give excellent advice. Dealing with Taggart's is always a pleasure. It makes you look forward to doing your tax!"

"I always get good customer service and advice whether by phone or appointment. There is good communication and user-friendly and convenient service that suits our needs. You can't improve on perfection!"



Planning is the key to enjoying the good times

Ross Langsford *Taggart Financial Services*

The fun times of Christmas and summer are just mere memories for most of us or are they?

Many of our clients are telling us that even though the fun times of holidays have subsided the costs have not and reality is biting.

Our Associate Melanie Hamilton has outlined some ways to manage credit card debt but there are also some things you can do to get ahead now and into the future.

- Hide it before you spend it – arrange for automatic deductions from your pay to a separate savings account. As little as \$20 a week can make sure that you have over \$1,000 in savings at Christmas each year.
- Save in little bits – put all you loose change (particularly the gold ones) into an old jar or even better a piggy bank that you can not open. Often a full piggy bank can cover one of the household bills.
- Use windfalls – sometimes chunks of money come along and tax returns or bonus or payback can be most effective to pay off some debt or put

toward the next holiday.

- Spend less – this is almost definitely the hardest to employ but the most effective in terms of saving money. Shop around for a better deal or eat at home more often.
- Think about the future – get your superannuation and investment plans in order. Years go by quickly and things change so it is important to talk to your accountant and financial adviser regularly to make sure that you are taking full advantage of your current circumstances.
- Take advantage of superannuation co-contribution. The government can now contribute to your super fund. Ask us if you might be eligible.



BankLink just got even easier

If you are using BankLink as an effective way to have Taggart Partners manage your monthly bookwork then we have some great news for you.

We can now provide your statements in electronic format.

If you are not using BankLink then we have some really terrific news for you. We can take all the hard work and time out of your monthly chores of recording income and expenses.

We provide you with your bank and credit card statements monthly so that you can advise the reason of expense or income. Taggart then do all the hard work and enter into a managed accounting software program.

This means that we know your current trading position and we can make sure that you are abreast of your ongoing taxation obligations. All this is just a small monthly fee which incorporates your end of year accounting fees.

Tags and tips

Get the right advice from Taggart!

Recently, one of our clients followed advice given by their financial planner that inadvertently resulted in over \$70,000 tax payable. The client mentioned this to us in passing and luckily in this instance Taggart Partners was able to save the client the tax because the compliance error was identified in time. It pays to check in with us on the tax implications of large financial transactions.

Where did my money go?? Find out now

Understanding your cash flow can provide a foundation to manage and make business decisions. We can help you understand your business cash flow through the analysis of past financials by doing a business health check.

Do you know the financial impact of increasing sales, the effect of an interest rate rise, what to do to improve cash flow or maximize your profitability?

The health checks will be just \$450 (GST incl) and will provide a diagnostic assessment and review of your business.

If you are interested in a health check please call Amber Mungoven on 4962 2022.

'Stick' it to us ... with a USB drive

The next time you bring in your bookwork why not pop it onto a USB memory stick/disk instead of a CD or floppy disk. USB drives are easily accessible and provide fast and effective transfer of information between locations and people.



Our community

Pay your phone bill and support the community

With the introduction of a new enterprise into the region you can now put the money you already spend on your phone to work right here in our region.

Hunter & Coast Community Telco is part of a national initiative of the Bendigo Bank.

The profits go back into community-focused projects in the Hunter and Central Coast. The Telco offers a full range of telecommunications products, fixed voice, mobile and data, as well as consulting on business telecommunications needs. It's a local service, run by local people, with national back-up and expertise.

Additionally The Telco believes that by aggregating the regions buying power into a single base means that the company will have more influence on telecommunications carriers' plans for infrastructure locally.

For more information call 4923 0333 or visit www.hcct.com.au



The Taggart Group

Taggart Partners

Taggart Financial Services

35 Belford Street, Broadmeadow

13 Arnott Street, Edgeworth

Phone: 4962 2022

www.taggart.com.au

Taggarts caps off Hurricanes 2008 season



Taggart Partners became the cap sponsor of the Hunter Hurricanes water polo team this year. The Hunter Hurricanes is recognised as an emerging force in national leagues with impressive results in the pool over the past few years.

The Hurricanes' various teams compete in club based competitions around the country with the Men's and Women's

teams competing in the National Water Polo Leagues. The national Water Polo season runs from January through the April each year.

The Hurricanes team is also recognised as having a strong junior development program providing development and elite athlete coaching, some scholarships and travel subsidy for players.

Green again in 2008

Taggarts has re-signed as the 2008 major sponsor of Merewether Carlton Rugby Club. Taggarts will be the major and jersey sponsor of the Premier Grades of 1st, 2nd and Colts. The Greens were major and minor premiers in 2007 and Club Champions in 2005, 06 and 07 and will begin the 2008 season in April.



Top: Ross Taggart and Dennis Neader at the 2007 presentation night event.
Bottom: Dan Garner playing in the 2007 Grand Final

Well done Jets

Congratulations to the players, staff and management of the Newcastle Jets in the A League win last month. Taggarts would like to acknowledge Paul Hazel, from Hunter Physio, for his outstanding contribution as team physiotherapist throughout the season. It is a tribute to Paul's skills that the full team played throughout the finals campaign.



Our Privacy Policy Taggart Partners recognises and values the right to privacy. In accordance with the Privacy Act 1988, Taggart Partners has taken all reasonable steps to protect the privacy of our clients, our associations and our staff. For further information about Taggart Partners Privacy Policy please contact our Privacy Officer on 02 4962 2022. The Taglines newsletter is produced four times a year by Taggart Partners for the information of the firm's clients and associates. All care has been taken to ensure that information is correct at the time of publication. The information in this newsletter provides general information only and should not be considered as advice. Should you require further information or advice please contact your Taggart advisor.

* Liability limited by a scheme approved under Professional Standards Legislation