

DISASTER RECOVERY

FINANCIAL INFORMATION FACT SHEET

About this fact sheet

The purpose of this fact sheet is to provide you with information that supports you make key financial decisions following a natural disaster or significant event.

This includes important decisions such as using lump sum payments that you may receive through government assistance, charitable organisations or other sources.

The information in this fact sheet is general information only and importantly, does not consider your personal circumstances; please read the disclaimer at the end of this fact sheet.

General Savings and Investment Options

An option may be to deposit any disaster recovery funds you receive into your existing savings account. However, there is a risk that general use of your everyday savings account may unintentionally erode the disaster recovery funds without you realising.

Another option could be to deposit the funds into a separate account or investment product that you do not have everyday access to, until you are ready to use the assistance funds.

While there are many products in the market offered by banks, credit unions and building societies, it is important that you do your research before selecting the option that is right for you.

This includes understanding if there is a minimum starting balance, interest rates, any initial or ongoing fees and how and when you can access your funds.

The fine print could be the difference between flexible access to your funds or incurring unexpected exit fees.

Find out more about how your bank can provide you with assistance during this time at

ausbanking.org.au/assistance-for-communities-affected-by-floods-and-bushfires.

Fraudulent Investment Schemes

Unfortunately, significant events such as natural disasters attract those seeking to benefit from others' misfortune.

There have already been numerous examples of scammers taking advantage of people's goodwill or benefiting from those in need.

It is important that you understand the potential risks. With many people in disaster affected areas receiving lump sum payments, it is likely this will attract fraudsters seeking to take advantage in any way they can for their own financial gain.

Before you make any financial decision, including depositing or investing your lump sum:

- **Do your homework** – understand your options, risks, considerations and costs before you sign any document
- **Ask questions** – don't be afraid to push back and ask for more detail, especially if they are using jargon in an attempt to confuse you
- **If it sounds too good to be true, it is** – statements like 'guaranteed above market returns' are a warning bell, walk away
- **Seek advice** – depending on your circumstances, it may be wise to seek advice from a professional accountant, lawyer or financial adviser. If you need financial planning advice, make sure the financial adviser is appropriately licensed by referring to ASIC website moneysmart.gov.au/investing/financial-advice/financial-advisers-register
- **Don't rush into any decisions** – if someone tries to push you to make a decision quickly, walk away
- Check the ASIC website moneysmart.gov.au/scams to ensure the product or provider is not a known scam.

How to avoid a scam?

Generally speaking, it is illegal for anyone to offer you financial advice or a financial product without an Australian Financial Services licence issued by the Australian Securities and Investment Commission (ASIC).

If someone offers you financial advice or products, ask for their name, company and Australian Financial Services licence number, then check this information in the financial advisers register on the ASIC's website

moneysmart.gov.au/investing/financial-advice/financial-advisers-register.

If they avoid answering your questions it may be a scam. If you suspect a scam, visit the ASIC's website

moneysmart.gov.au/scams for information on what to do and how you can report it.

Insurance

Insurance can provide peace of mind and vital financial support to you and your family at times when it is most needed. Now is a good time to review all of your insurance arrangements to ensure they cover your specific needs.

It is common for people to be underinsured. This could be through underestimating the cost to rebuild the family home, replacing home contents, or the cost to replace other infrastructure like fencing, especially on rural properties.

It is also important to consider any items of value and whether they are listed on your policy.

Talk to your insurer or insurance broker for assistance.

Further guidance can be found on the ASIC website

moneysmart.gov.au/life-events-and-you/life-events/what-to-do-after-a-natural-disaster

Superannuation

Payments from Superannuation after a natural disaster

In limited circumstances you may be able to access your superannuation early to assist you and your dependents, where you meet the conditions of release.

Conditions of release that may apply to a person in a disaster include:

- compassionate grounds
- severe financial hardship
- temporary incapacity
- permanent incapacity
- access due to a terminal medical condition
- death.

Disclaimer

The advice contained in this financial information pack does not take into account any persons, particular objectives, needs or financial situations. Before making a decision regarding the acquisition or disposal of a financial product, each person should assess whether the advice is appropriate to their objectives, needs or financial situation. Persons may wish to make this assessment themselves or seek the help of an adviser. No responsibility is taken for persons acting on the information provided. Persons doing so, do so at their own risk. Before acquiring a financial product, a person should obtain a Product Disclosure Statement (PDS) relating to that product and consider the contents of the PDS before making a decision about whether to acquire the product.

Be aware that there are schemes claiming to offer you early access to your superannuation by transferring your superannuation into a self-managed super fund.

These schemes are illegal and heavy penalties apply if you participate.

The Australian Tax Office (ATO) has further information and details on how to apply for early release of your superannuation. Visit ato.gov.au.

Taxation

Taxation – considerations for people in bushfire affected areas.

The ATO has put in place a range of taxation relief measures to ease the burden on people suffering personal or financial loss as a result of bushfires.

If you, or anyone you know, has been affected by a disaster and need assistance, visit the ato.gov.au or phone 1800 806 218 when you are ready to discuss your tax affairs.

Small Business Assistance

Federal and state governments have announced a range of measures to assist small businesses directly or indirectly affected by bushfires.

To find out more about assistance offered to small business, visit business.gov.au or call 13 28 46.

Disaster Recovery Toolkit

CPA Australia has developed a disaster recovery toolkit to assist small business impacted directly and indirectly by a disaster.

Further information and instructions on how to use the toolkit are available at cpaustralia.com.au/disasterrecovery

CPA Australia strongly recommends that businesses and individuals speak to their accountant or a professional adviser for tailored advice following a disaster.