

Hunter Business Finance

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CONFIDENCE

Consumer confidence jumped in the last quarter.

Business confidence is up and down depending on the Australian Stock Market Index, but when looked at over the period since the GFC (Global Financial Crisis) it is up about 20% since March 2009.



Most readers will know that New South Wales in the past 3 years has been "A Basket Case" being outperformed by the Victorian and Queensland economies. In the recently released New South Wales budget, the state Government is to spend \$1 billion on road and infrastructure work over the next 3 years. This injection into the economy will see business confidence rise, contracts be awarded, cash flow into business not to mention the multiplier effect of the dollar spent. All in all – a positive outlook over the next couple of years.

CASH FLOW / WORKING CAPITAL

This is the thing that will see your business either succeed or fail.

Preserve your working capital, don't pay cash or put in large deposits. Unforeseen expenses, break downs, blow outs in wages and or sub-contractor costs can all occur without warning and generally are interconnected. Not to mention if opportunity knocks you may need to act instantly to seize the moment. To obtain a mortgage or re-finance may take longer than the opportunity allows.

Use Finance - Rates are low. Fix the term and pay off the new income producing equipment with tomorrow's money at today's price - It makes sense, especially if the goods you are replacing are old and now starting to cost.

If you are currently experiencing cash flow issues, it may be a good idea to discuss your concerns with your accountant. Alternatively, feel free to contact us and we can put you in touch with a cash-flow specialist who may be able to assist you.

ACTUAL NEWS HEADLINE

Two Sisters Reunited After 18 Years in Checkout Counter

WHY IS IT IMPORTANT TO KEEP A GOOD CREDIT RATING?

Computers give lenders exceptionally long memories and the number of lenders in the market since the Global Financial Crisis has shrunk.

If your credit rating suffers a set-back, some lenders may not want to lend to you again or could impose such daunting conditions you will not be able to proceed. Your only choice is to approach "2nd string lenders" and their rates will be at a much higher level.

So what to do if a problem comes up with cash flow that affects your payment to lenders:

- 1) Let us know
- 2) Let the lender know
- 3) When you make an arrangement, don't over extend yourself – be practical not hopeful
- 4) Keep any arrangements made
- 5) Get back up to date ASAP



Quote of the Day

"Never speak ill of yourself; your friends will always say enough on that subject. (contributed by Chris Johnston)

MOTOR VEHICLE FINANCE

Some institutions offer you a false economy by putting car loans onto your mortgage. It is false economy to pay a car off over 30 years on your mortgage even if the rate is cheaper. Don't be fooled it could cost you 000's more.

As a platinum broker Hunter Business Finance can generally get better rates from the banks than you can yourself, even if the funds are coming from your own bank!!



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