



Client Bulletin April 2023

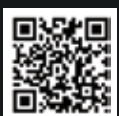
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You Can't Do That !

The comedian Jim Jeffries is profane, offensive, politically incorrect and very very funny. His riff on America's fascination with guns is particularly biting. He observes that people of a certain demographic get very angry when he suggests that perhaps it's time for the great US of A to reflect on gun violence. "You can't change the 2nd amendment" they shout, to which he retorts, "Yes you can, it's called an amendment!"

Kinda says it all when it comes to some attitudes to change. Got me thinking about stuff we take for granted that might not get a run in today's gentler, more feeling world.

Imagine you are an inventor. You come up with a brilliant new means of transportation and take the idea to the relevant government body. I imagine the conversation going something like this:

Giddy, I'm a mechanical genius and I've come up with this new way of getting around. It's economical, takes up far less space than a car, has lower emissions, is cheaper to buy and maintain and is fun to operate.

Sounds amazing, how does it work ?

Well, we start with a 190HP engine which we attach to some steel tubes.

So, attached to the steel tubes that also support the roof and all the safety equipment, seat belts, airbags and what have you ?

Ah, no. There's no roof, no seat belts and no airbags.

My god, how does the operator get in this thing?

Well, that's the brilliance of the idea. You don't get in, you get on. We put a wheel at each end and the operator sits on the engine in the middle and steers via an aluminum bar attached to the front wheel. We have installed really good brakes albeit in testing we found that enthusiastic application tended to result in the operator being spat over the aluminum bar. Testing continues.

Are you serious? This device sounds like a death trap. What happens if the operator makes an error.

Good question. Given that my machine accelerates to 100kph in 3 seconds the time frame between operator error and death is mere milliseconds. In most cases the carnage will be limited to the operator and will come to rest well off the designated carriageway, thereby causing minimal inconvenience to other road users.

Mate, forget it. You must be insane to think of such an idea and even crazier to believe we would approve it for use by the general public. The proposed operators sound like organ donors in waiting and we have a responsibility to protect people from themselves. Application declined.

Now imagine you are a farmer looking for a new crop to monetize. After much experimentation a suitable plant is found. It's already used in some products, grows relatively easily but tastes terrible. In an inspired moment you decide to dry the leaves and roll the result in papers. Now, you stick it in your mouth and light it. After much wheezing and gagging a strange calm comes over you.

Your newfound relaxant seems the answer to your prayers and you take it to the appropriate food and drug administration for approval to manufacture and sell your miniature cigars. Turns out the authorities have some reservations.

Your product contains a highly addictive stimulant which will certainly lead to addiction. If that's not bad enough there's also some concern that the prolonged use of the product will kill the customer.

No worries you say. We'll just put a warning on the packet that advises the user of potential addiction, disfigurement and death.

Application declined.

And yet, here we are in the 21st century with motor cycles and cigarettes readily available for any punter prepared to take.....a punt.

Which, in my usual convoluted manner, leads me to banks. Unlike transportation devices that will try and kill you and consumer products requiring similar warnings, I think the original idea of banking was a good one. The problem seems to be that as banking has evolved some of the stuff they get up to could well be compared to the out of control motorcycle or the cancer inducing coffin nail. It is this, how shall we say, diversification, which has led a number of financial institutions to the brink these past few days. Everything from high-risk lending outside accepted standards of credit assessment to dabbling in crypto currencies are coming home to roost. Thankfully the dramas so far appear to be contained to a number of US banks and Credit Suisse. In most if not all cases so far, it's hard not to draw the conclusion that problems arose when these institutions got fast and fancy with high margin, high risk strategies that failed to pay off. Here in the land of Oz I would argue that we enjoy one of the safest banking environments on earth. Having said that our banks regularly raise the ire of regulators with eye watering fines the order of the day. I would argue that unlike some overseas peers, our banks are usually fined for breaches of regulations that in no way risk the fundamental viability of the organization. It's important to differentiate between being a bit naughty in a highly (some might say over) regulated banking environment and throwing caution to the wind.

Here's the thing. Banking, at its most simplistic, is a confidence game. You deposit money, usually on call, and the bank keeps some for emergencies and lends the rest. At call means you can withdraw your loot at any time while lending terms can be as long as 30 years. You see the problem. If everyone loses confidence and lines up to withdraw their dough the doors will close. And how does the average person lose confidence you ask? In the Australian context that's a four-step dance. Step one, some overseas bank oversteps the risk mark and loses a stack of money. Step two, the deposit holders in the bank panic and all want their money. Step three, that bank closes its doors or gets rescued. Step four, a confidence crisis manifests for no good reason and the lemmings follow each other off the cliff.

By the time you read this I expect the consequences of the Silicon Valley Bank debacle and the UBS take over of Credit Suisse will be well known. Let's hope local bank customers can recognize the difference between the regulatory environment and operations relevant to these companies as compared to the banking landscape here in Australia. Yes, some of our banks have stumbled from time to time but make no mistake, in the global context we are as safe as houses.....

In closing a caveat.....the managing director and I spent many a happy Sunday pre children tearing around the countryside on a variety of motor cycles, stopping only for a smoke and a beverage. When she quit in her early twenties, she cried every Friday night for 6 months. I cried too.

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