

Once More into The Abyss No Way!

noun

a deep, immeasurable space, gulf, or cavity; vast chasm.
anything that seems to be without end or is impossible to measure, define, or comprehend:

The abyss of their grief and sorrow.

As some of you have observed, I'm a bit of a glass half empty kinda bloke. I blame it on my years in banking where every decision carried risk and those risks needed to be understood and mitigated. It was also par for the course to distrust borrowers as a default setting until they proved otherwise. To be honest, those traits have served me well but have also blinded me to the inherent good in most people, a personality trait that I have come to regret. More on that later but first...

This time last year, as is my habit, I made my usual wild and crazy predictions about the year to come. I'd like to point out that I got the fate of former NZ prime minister Jacinda Ardern right, and the rise of Jacinta Nampijinpa Price on the Australian political stage pretty much spot on too. I also managed to foresee the fate of the current federal government's IR legislation, which continues to languish in some political version of purgatory.

My prediction that the managing director would not grant me permission to acquire an exotic Italian motor car also proved correct. As she says, "don't torture yourself darling, that's my job!"

As expected, loan impairments and arrears remained very low during 2023 and tourism continued to perform strongly. Demand for debt in the accommodation and property management sectors appeared gravity defying, despite expectations of a slowdown.

I highlight these outcomes in order to avoid scrutiny of the one I got wrong. The prediction that the cash rate would plateau mid 2023 at 3.25% proved what politicians might refer to as a courageous call. In fact, the mid-year plateau turned out to be 4.10% with the rate rising to 4.35% by November 2023. I think I failed to appreciate the propensity of politicians to repeat the same mistakes while expecting a different result. As Albert Einstein rightly observed, that's the definition of insanity.

So, what of 2024?

Let's start with the dreaded cash rate. The RBA (that's the Reserve Bank, not Resort Brokers Australia, albeit they are not without influence) are saying that inflation is looking sticky.

That's economist talk for saying that despite belting the circa 40% of mortgaged Australians with ever increasing loan payments, it hasn't stopped rents, fuel, energy, and food prices from rising.



Client Bulletin January 2023

Mike Phipps. **0448 813 090**
mike@mikehippsfinance.com.au

Paul Grant. **0448 417 754**
paul@mikehippsfinance.com.au

Cameron Wicking. **0477 776 859**
cameron@mikehippsfinance.com.au

Joshua Haylen. **0435 032 467**
joshua@mikehippsfinance.com.au

Head Office
4/31 Mary Street
NOOSAVILLE QLD 4566

Office. 07 5470 2194
Fax. 07 5455 6626
www.mikehippsfinance.com.au



These trends can all be attributed to current government economic and environmental policies. As such, I think we are in for a sustained period of higher cash rates until the current mob in Canberra get tipped out or radically change current policy settings. In the interim I wait with bated breath for my electricity bill to drop by \$275, as promised by our current prime minister.

On the local politics front, I can't wait for the Queensland state election in October. I predict a clear LNP victory, not because the current opposition is any good but because the incumbents are so very bad. I expect to see voters use the opportunity to punish Federal Labour, given they won't have an opportunity to do so directly until 2025. By then the Feds will have lost their nerve and punted Albo in favour of Penny Wong. They'll then lose their nerve again and bring Albo back. Sounds fanciful until you reflect on the Rudd Gillard Rudd debacle.

Globally I fear continued conflict and heartbreaking nightly news coverage. Here's the thing though. Setting aside recent unpleasantness from some sectors of our community, I am sensing a growing kindness in our society. Strangers seem more likely to strike up a conversation or help load the groceries into the car. Or, in my case, the latest Dan Murphy's raid. Fellow diners in restaurants seem keen to interact with other patrons, and I reckon more people are letting me into traffic from side streets. Of course, that may be the enormous SUV I drive and the fact that I don't slow down while sounding the horn loudly, but I digress.

I dropped some unwanted items into a charity centre recently and got talking to the wonderful volunteers. They've never had more support from donors and people wanting to help. Got talking to a few other donors and a common theme emerged. There's not much we can do about the horrors going on internationally, but we can sure make a difference at a local community level. My gut feeling is that ordinary citizens are so removed from the political class, that they feel a need to reconnect with others at a local level. I'm convinced that the recent referendum created tensions that don't sit well with most people, and there is a concerted effort going on to reconnect through the values that we share.

Here's my last prediction for 2024. I predict to not let the world get me down, to not allow political insanity to ruin my love for my country, and to hold my family and community close.

I'll let you know how that goes.

Mike Phipps F Fin
Director | Phippsfin Pty Ltd

The phrase "all politics is local" is commonly used in United States politics. Variations of the phrase date back to 1932. Tip O'Neill, a former Speaker of the U.S. House of Representatives, is most closely associated with this phrase, although he did not originate it.



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