

TALK AROUND TOWN

Does anyone really have a handle on what is happening with the economy at the moment?

With what we have seen overseas, riots in the UK, USA having their credit derated and Spain, Italy, Greece and Ireland in debt...along with more ups and downs on the local stock market than at a Yo Yo contest

By the way, when I went to school AA+ was considered a bloody good grade.

The interesting thing is each 'expert' who throws their two-bob in the ring seems to have a different view on the world - will interest rates rise, stay where they are or drop? It appears that each bank has a different idea, each newspaper you read and even the TV/radio commentators don't seem to agree. It reminds me of that old bumper sticker seen on old V8's, "Get in, Sit down, Shut up and Hang on".

Well, if they can all have an opinion...so can I!

The Standard & Poor's decision on the USA's credit rating could be a blessing in disguise. It may force the powers at the top to take stock and make the hard decisions required to rectify their economic situation. It may also make the general population more willing to accept those changes and understand that there needs to be 'shared' pain for all within the USA for the betterment of future generations.

Locally, a lot of people seem to forget that one of the best barometers of the economy is YOU; our clients who run small to large businesses, employ staff and for many, deliver the goods that keep the country moving. We are talking to clients up and down the Eastern seaboard who work in all facets of the economy, from food, manufacturing, sales, housing/construction and mining.

There is no doubt that confidence is down across business at the moment, the air of uncertainty on what impact new taxes may have, what effect a movement in rates will have; should I look to expand or is now a time to consolidate?

On interest rates, I believe that if the RBA were going to lower rates it would have done so by now, therefore they will hold rates at present but I would not be surprised to see a small increase of .25% b.p. this side of Xmas. I don't see a cut in rates coming anytime soon unless we see some major overseas 'incident', such as the other two ratings agencies also downgrading the USA to AA+.

WELCOME

Join us in welcoming Kelly Berger to the team... Kelly has joined us as our new accounts/bookkeeper and if her first 4 weeks is anything to go by, she'll certainly keep us on our toes and everything up to date.

INSIDE THIS EDITION

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WELCOME

DOES IT MAKE 'CENTS' TO UPGRADE YOUR TRUCK?

INTERESTING LEAD UP TO PRESIDENTIAL ELECTION 2012



QUOTE FOR THE MONTH

"SUCCESS HAPPENS WHEN PREPARATION MEETS OPPORTUNITY!"

In memory of Alan Jeans
(AFL Coach who passed away recently)

DOES IT MAKES 'CENTS' TO UPGRADE YOUR TRUCK?

Have you ever sat down and had a really good look at your expenses that related to the truck's running last year? With June 30 just gone by and your 2010/2011 financial performances being completed by your accountant - it is an opportune time to dissect the numbers and see if you would be better off updating your vehicle.

The average lifespan of a truck is between 4-5 years, after which time it is traded in on a new unit, but because of the GFC and consumer confidence levels being lower, we are seeing this term extended - but does it make economic sense for your business?

We will look at a 'real case' scenario below, with no names obviously, but these are the areas on your Profit & Loss report that you should be looking at. Compare your operating expenses to these and then we will look at what a new truck will cost. You may be very surprised.

Expense Items:

Current Truck	
Depreciation (Truck)	\$26,754
Interest (Loan)	\$12,018
Repairs	\$ 9,763
Maintenance	\$ 6,864
Fuel	\$79,434
Tyres	\$ 8,320

Total: \$143,153

add: Days off road/Lost earnings
8 Days @ \$1,000 per day \$ 8,000

Total Cost: \$152,153

New Truck

Loan Repayments	\$51,076
Repairs	\$ 3,230
Maintenance	\$ 4,820
Fuel	\$76,870
Tyres	\$ 4,800

Total: \$140,796

Anticipated SAVING in Year 1 by updating to a NEW Truck - **\$11,357**

These numbers are based on the running of a 2007 truck on interstate work, pulling a B Double trailer. Do these numbers surprise you? Why not show your financials to one of our team and have them run the numbers for you and see if your business could benefit from updating your equipment?



INTERESTING LEAD UP TO PRESIDENTIAL ELECTION 2012

The good 'ol US of A goes back to the polls in November 2012 in what is shaping up as a very interesting contest. Barack Obama has gone from being the most popular President on record to an approval rating of just 39%.

The opposition GOP Republican Party have assembled a Melbourne Cup size field of candidates seeking the nod to take on Obama next year in the race to the White House. So far there are 18 confirmed candidates, 10 yet to declare, 1 early scratching and 8 or 9 who have formally declined the invitation to run.

A lot can happen in politics over a 16 month long campaign, but there will be plenty of press coverage in print and media between now and then. I think the GOPs smell blood with Barack Obama so low in the opinion polls, but unlike some of our pollies - he is a magnificent orator and once he starts making speeches at rallies across America, it could be a close run thing.

One area of interest has been the rise of the Tea Party, a group of right wing activists that has gained enormous support amongst some of the sitting republican party members and is having an increasing say in American politics. It will be an interesting side fight on which group - the Tea Party extreme right or the more neutral centre right of the Republican Party - holds sway with the respective candidates...

Here is a guide to the likely (early) front runners seeking republican leadership...

Michele Bachmann U.S. Representative from Minnesota



Michele Bachmann, the three terms Republican Congresswoman from Minnesota, is the current chair of the Congressional Tea Party Caucus. Bachmann started off her political life as a Democrat before switching to the Republican platform in her final year at Winona State University.

Michele won the crucial Iowa State Fair vote recently, surprising a few good judges. She represents a good value bet at odds and has time to train up to peak performance.

Mitt Romney Former Governor of Massachusetts



Right from the moment John McCain lost the 2008 election to Barack Obama, Romney has emerged as the clear favourite for the Republican 2012 presidential nominee. The Harvard man has been comfortably leading every poll since then. Unless Bachmann, Huntsman, Pawlenty and company start to make ground soon, the liberal turned conservative former Governor of Massachusetts may just walk through the primaries. While his ideology and personal beliefs may be subject to debate, his knack for business is beyond question.

The early favourite who chose not to contest at the Iowa State Vote that Bachmann won, Mitt would still be the short priced fav. with the bookies. Not a member of the Tea Party, if their political sway strengthens he may begin to slide from favouritism. Don't leave out.

Rick Perry Current Governor of Texas



After almost two years of uncertainty, Texas Governor Rick Perry's wall of resistance has crumbled. His candidacy is expected to reinvigorate the hitherto subdued Republican evangelical grassroots, and inject some excitement into the contest.

Declared starter after the Iowa State vote, Rick took over in Texas from GW Bush's brother, Jep 2 years ago. Given that two of the past four President's have come from Texas, he has solid breeding lines and will be lively in debates. Don't leave out of your multiple bets but place chance looks best.

Sarah Palin Former Governor of Alaska



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NEWSLETTER **SPRING 2011**

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Sarah's taking an unusual route and has been running a parallel campaign, having had her own reality TV series with the family and is now circumnavigating America on the Palin 'One Nation' Bus tour. She even

showed up at the Iowa State Fair but was not a part of the straw poll.

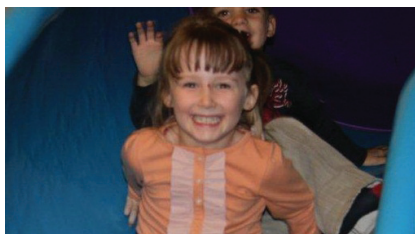
Sarah is a handy type and a crowd favourite, often maligned for leading off on the wrong foot - she seems to recover and always be there about at the end of the race. Could be biding her time to see if Michele gains sufficient support and if so, Sarah may withdraw and throw her considerable support behind Bachmann. If she is a late starter do not discount as this is her 'pet' event, each way chance.

The GOP Republican race will be fascinating and will produce some memorable moments, think of it along the lines of a Geelong Cup - good form guide for the main race (Melbourne Cup) and it has produced some winners over the years that have won the big one...stay tuned.

HAS SOMEONE MISSED THEIR CALLING?

Andrea Jones and her husband Troy, recently celebrated the 4th Birthday of her daughter, Evie with a birthday party for her family and friends. Proud Mum made the cake for the occasion (pictured below) which we in the office think is quite special.

If anyone would like to have a cake such as this made for your kid's party, please email requests to Andrea....not sure what the costs would be, not sure if Andrea would have time in her busy work schedule to fit it in, but good luck asking....



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