

# THE BLACK ROCK DIGEST



**Paul Flakus**

Australian Credit License No : 379603  
**Founder, Flakus & Associates**  
 Unit 5, 120 Talinga Road,  
 Cheltenham VIC 3192  
 T 03 - 9583 0119  
 M 0417 567 747  
[www.flakus.com.au](http://www.flakus.com.au)

## HIGHLIGHTS

- The 3 Months So Far in 2024
- APRA Serviceability Buffer
- Asset & Equipment Finance
- Cash Flow Finance
- Commercial Real Estate Finance
- Cash vs Cashless Society
- Scams
- How Flakus & Associates Can Help You
- Professional Services

## THE 3 MONTHS SO FAR IN 2024

Wow! It was certainly a surprise that the Reserve Bank (RBA) maintained the Cash Rate at 4.35% at its 19<sup>th</sup> March 2024 meeting.

It also indicated that inflation was still its main concern. The RBA inflation target band is between currently at 2% and 3% and they are constantly monitoring this.

Remember, the Reserve Bank does not control the lending interest rate set by the banks. Australian home loans usually have interest rates that the banks may vary when they wish to do so. Changes in our cash rate target have a more immediate significant impact on domestic interest rates compared to the US, where most home loans have an interest rate that stays fixed for the Life of the Loan, often for 30 years.

Some financial institutions have decreased their variable interest rates. Additionally, some have also reduced their fixed interest rates. This could be potentially be a precursor to the lenders factoring in a decrease in the cash rate, which should flow onto the residential mortgage rate.

Many borrowers who had entered into a Low Fixed Interest Rate during the past few years would now be preparing for the expiry of those low Fixed Rate Loans which means it is probably a good time to contact **Flakus and Associates** now to explore the options available.

Banks are constantly reviewing their various loan products and recently, several banks have begun offering “simple home loans products” with interest rates tied to security values.

For example, if a borrower seeks to obtain a loan at 70% of the purchase price or security value or lower, the variable rate would be different to a loan of say, one that is in the higher category of 80% to 90% of value.

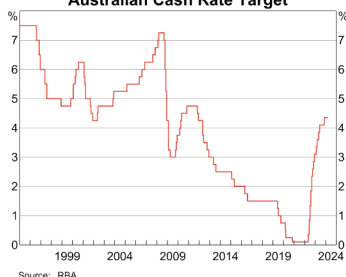
Whilst media hype is centered around increased home loan rates and “shopping around for the best deal”, you are well advised to discuss the with your finance broker for the best suited loan product for your needs.

In addition, your finance broker will also determine if you, the borrower, meets the lender’s serviceability criteria which will improve your chances to obtain a finance package that is most beneficial for your situation.

**Contact Paul today on 0417 567 747 to discuss your options.**

The Australian Prudential Regulation Authority (APRA) has announced that the 3% serviceability buffer for home loans will remain, citing “ the potential for further interest rate rises, high inflation and risks in the labour market”.

Australian Cash Rate Target



### ASSET AND EQUIPMENT FINANCE

Following up from the backlog of stock from the pandemic years, businesses have been buying up vehicles and equipment with a “vengeance”.

After the expiry of the previous \$150,000 instant asset write-off which ended on 30<sup>th</sup> June 2023, many businesses are now looking at what other purchases they can make that are business finance friendly. Especially now that the threshold of \$20,000 had come into effect as of 1<sup>st</sup> July 2023 which applies on a per-asset basis.

Under the changes, small businesses with an aggregated turnover of less than \$10 million will have the ability to immediately deduct legible assets costing less than \$20,000. These assets must be applied or installed and ready to be used in the business between 1<sup>st</sup> July 2023 and 30<sup>th</sup> June 2024.

The instant asset write-off provisions continue to be a valuable incentive for small businesses.

**Flakus and Associates is well-versed in Equipment Finance having successfully assisted clients over the past 27 years. Call Paul on 0417 567 747 today to explore the range of business finance solutions available today to help you and your business grow.**

### CASH FLOW FINANCE

Small businesses have been under pressure for the past year and cash flow is the lifeblood of the company. Whilst good cash flow helps a small business grow and flourish, high inflation, wages growth and high interest rates have all put additional pressure on small business cash flows, and directly impact the health of your business.

Whilst some federal government grants have been implemented (such as the “instant asset write-off”, “Small Business Energy Incentives”, the “\$650 electricity bill relief”, for example), small businesses still need working capital and healthy cash flows to enable the business to “tick over” and grow.

### PAYDAY SUPER LAWS

Payday Super Laws introduced last year by the Labor government come into effect from 2026, and require businesses to pay super at the same time as wages. This is designed to put an end to unpaid super. Preparing your cash flow for when the laws kick in will give your business more resilience and sustainability.

Most business owners are far too busy to deal with banks. Banking hours aren't convenient so engaging a professional finance broker with flexible hours will stretch your dollar and resources, and help you achieve your financial goals quicker.

**Contact Paul to discuss your current business financial position or any future cash flow finance requirements you may be considering.**

### COMMERCIAL REAL ESTATE FINANCE

#### PRIVATE LENDERS FUNDING

Considering purchasing a commercial property? Having difficulty obtaining finance via mainstream lenders?

Then **Flakus and Associates** can provide you with a quick and less stressful finance solution. With tightening mainstream lender's credit policies, Private Lenders have been increasingly popular as a viable option to provide finance solutions for short or long term.

Private Lenders offer flexibility and speed that may not be available with traditional banks. Generally, they require limited documentation and all loans must be in corporate entities. Most private loans are funded by wholesale or retail investors. Usually, these loans are Interest-Only for a short term, and may be ‘Rolled Over’ for a further term (i.e. 12 months). Loans are generally capped at 65% of valuation, but may increase to 75% (as a 2<sup>nd</sup> mortgage)

**Flakus and Associates has extensive experience providing private Loans. Talk to us today.**

## CASH VS CASHLESS SOCIETY

On a recent visit to my bank to withdraw some cash, and having waited in line for nearly 20 minutes, I was told to utilise the ATM. **My branch is now a Cashless Branch!** 😞

Can you imagine a bank without cash? It's like a pub with no beer!

This matter has come to the forefront more often lately, as banks, retail outlets, and many other services opt to not accept the *legal tender* of cash. By law, merchants must advise their customers ahead of time if they will no longer accept cash payments. As a result, more businesses are now doing so in preparation for the "cashless society".

Unlike digital wallets, tap-and-go, and phone payments, Cash does not let you down. There is no need for a passcode, charging the device, interruptions to service due to electricity outages. Recently, there have been telecommunication outages where the customer was stuck unable to pay for food, fuel and other goods and services. Imagine being caught out in the "Back of Bourke" filling up on fuel and supplies, and suddenly the service station cannot accept electronic payments due to a "terminal down". Uummmm 😞

The cost of using digital payments varies between 20c and 50c for the merchant. This depends if you tap-and-go or insert your card. It is predicted that Australia will become a "cashless society" by the end of 2030. Cheques will also go extinct. Some lending institutions are already making it difficult for customers to reorder cheque books, an indication they are preparing for the "cashless" society.

## SCAM THREATS

Australia is seeing a substantial increase in scams. To counter this threat, major banks are making substantial investments to protect themselves and their customers.

Business owners, individuals and corporations have all experienced a wave of scams, spanning remote access, investment inheritance, romance and data breaches.

Some scams are conducted via cyber-threats or fraud. This includes fake phone calls, text messages and emails. Scammers try to gain "unauthorised" access to customer accounts. Fake apps mislead users into believing they are engaging with legitimate organisations, tricking people to divulge crucial information.

### How to spot a scam email

Fraudulent emails are often characterised by spelling errors, poor grammar, and promote (over-dramatic) urgency, seeking personal details, logins and/or passwords. Be alert to these tell-tale signs.

Here are some examples :-

### Business email compromise (BEC) : BEC scams target

businesses, with criminals impersonating trusted vendors to collect payment for goods and services. For example, the business receives an invoice from a supplier whose email address has been compromised, advising that their bank details have changed and requesting future payments to be paid into a different (fraudulent) account.

Verify requests to change payment details. Be Alert and pick up the phone to confirm with your vendor when this happens.

**Phishing Scams** : When you receive a hoax email, text or social media post that looks like it has come from a legitimate company such as your bank or telco. A phishing scammer wants to trick you into providing them with your password, bank accounts or credit card number. It will usually ask you to click on a link in the email. BE AWARE and avoid clicking on links in emails - always go to your bank logins via the bank's corporate website on the internet.

**Remote access scams** : Also known as "Catch-a-Hacker", this happens when a scammer phones you and pretends to be staff from a large telco or technology

organisation. They often claim that your internet connection or computer system has been "hacked" or compromised, and your assistance is needed for them to investigate or resolve the issue. BE AWARE. Generally, organisations DO NOT make "unsolicited" calls. Never provide personal details on the phone. If unsure, drop into a physical store or outlet to confirm.

**Investment Scams** : This involves getting you and/or your business to invest in a financial opportunity. They may pretend to be a stock broker or portfolio manager and offer Low Risk Investments with High returns. BE AWARE! Make your own enquiries (check ASIC website) or talk to your financial planner or adviser.

**Impersonation scams** : Using texts, calls, emails or social media (i.e. Whatsapp) impersonating organisations or loved ones to deceive you into visiting fake sites, sharing sensitive information or making payments. BE AWARE!

**In summary : If it looks too good to be true then it probably is.**

## HOW FLAKUS & ASSOCIATES CAN HELP YOU

<b>REAL ESTATE VALUATIONS</b>	Thinking of purchasing a property or just wanting to re-assess the value of your property? Engage the services of an experienced, proven and trustworthy property valuer. Our associates provide valuation services for commercial, residential and industrial properties in specialised locations and industries.
<b>COMMERCIAL PROPERTY FINANCE</b>	Available for clients who wish to purchase commercial properties for investment or their own owner-occupied business(es). There are a number of lending options available for this type of security and Paul has access to various mainstream and non-mainstream lenders and options.
<b>SELF MANAGED SUPERFUND LOANS</b>	Lenders in this space is very limited. However, Paul has access to various funders for lending in this sector both for commercial and residential properties.
<b>BUSINESS FINANCE</b>	Includes equipment finance, debtor finance, import finance and cashflow funding. Business finance is still difficult to obtain and moving your business banking from one bank to another can be a ghastly experience and take many months and focus away from your business. Lenders also tend to occasionally review their industry risks and sometimes withdraw facilities if they consider the industry has become too risky. This may present a refinance opportunity so contact Paul today to discuss your options.
<b>EQUIPMENT FINANCE</b>	Includes motor vehicle, trucks, trailers, excavators, caravans, forklifts, office fit-outs, phone systems, audio and any IT equipment, medical equipment, jet skis, helicopter, boats and machinery. This is a highly specialised area and require many years of experience to successfully acquire finance for business clients to purchase equipment. There are various lenders in the market today who are not necessarily mainstream banks who only do Equipment Finance, and thereby able to provide attractive terms and excellent approval turnaround times.

## PROFESSIONAL SERVICES

Services Required	Paul Recommends	Contact Details
Tax and Accounting	Craig J. Allen, Craig Allen & Associates	Tel : 03 9558 7316
Quantity Surveyors	Bradley Beer, Director BMT Tax Depreciation	Tel : 03 9654 2233 Mob : 0413 271 777
Accounting Services	Michelle Frey Hermann & Associates	Tel : 03 9589 3521
Law and Legal Services, Wills, etc	Keith Hoban or Dita Kaye D & K Legal	Mob : 0497 650 790
	Joanne Simmonds LLB, Director Beaumaris Law Legal Practitioners	Tel : 03 9589 3205
Insurance Services	Richard Alford, Managing Director HWA Insurance Brokers	Tel : 03 9559 3302 Mob : 0403 338 306
Design and Marketing	David Cheah, Abacus Mind	Mob : 0403 979 986
Property Conveyancing Services	Colleen Buck Cheltenham Conveyancing Services	Tel : 03 9585 6222 Mob : 0416 246 617
Financial Planning, Superannuation and Risk Products	Ian Henry Brenton Henry	Tel : 03 9521 0303 Mob : 0408 571 757 Mob : 0433 923 669
Property and Advisory Advocacy	WPB Property Greville Pabst	Tel : 1300 302 581 Mob : 0419 326 361

### Quotes & Wise Sayings

“Wealth consists not in having great possessions, but in having few wants.”

*Epictetus*

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have little.”

*Franklin D Roosevelt*

“I would rather carry around a plastic bag with five thousand Euros inside, than carry a Louis Vuitton/Gucci/Prada bag with only one hundred Euros inside!”

*C. Joybell C.*

“A penny saved is a penny earned.”

*Benjamin Franklin*

“Money won’t create success, the freedom to make it will.”

*Nelson Mandela*



**Paul Flakus**  
 Australian Credit License No : 379603  
 Founder, Flakus & Associates  
 Unit 5, 120 Talinga Road,  
 Cheltenham VIC 3192  
 T 03 - 9583 0119  
 M 0417 567 747  
[www.flakus.com.au](http://www.flakus.com.au)