

# Mayor's carols pics



Ashlee Christoff-Tzazaroff and Amanda Gottard.

Picture: Life After Dark



NIGHT OUT: Brodie Williams, Ashleigh Toomey and Trudi Duck at the Mayor's Carols by Candlelight.

Picture: Life After Dark



Desley Zievell and Yvonne Davies.

Picture: Life After Dark



Vanessa Lutton and Justin Thomas.

Picture: Life After Dark



Rhana Govaars, Morgan Stevenson and Suzanne Messmer.

Picture: Life After Dark

# Looking back at year's highs and lows



**DOLLARS AND SENSE**  
**DAVID FRENCH**

2019 was one of the most challenging years I have faced in business.

It's not that we have experienced hard times financially, its more the uncertainty of the business and economic environment. Here's a list of highs and lows for 2019:

**1.** The Royal Commission into Misconduct in the Superannuation, Banking and Financial Services Industry released its report in February 2019. Having been roundly chastised, banks, financial services firms and regulators retired to lick their wounds.

**2.** And then there was the fallout. The proposed reparations payments total just 4 one-hundredth's of a per cent of the total value of home loans, superannuation and assets backing life insurance policies.

In comparison the heavy-handed responses of Government and regulators has resulted in a drying up of lending available for households and small business, business instability, a raft of additional

compliance measures and vastly increased premiums for professional indemnity insurance. The losers will be those consumers who cannot get home loans or professional financial advice, while those that can will be paying more for it.

**3.** Bond markets continued to rally. Interest rates are set in bond markets, and it is a mathematical fact that the higher bond prices go, the lower interest rates will be. This phenomenon is a result of the masses of wealth tied up in baby boomer retirement savings (e.g. superannuation). Such balances look for a safe home and bonds are a prime recipient of that.

The current Reserve Bank of Australia (RBA) cash rate is 0.75 per cent (by way of comparison it was about 17 per cent in 1990). Unless across the West, there is dramatic policy change concerning productivity, the combination of low growth and low interest rates will be with us for another 30 years. The RBA intends to deal with this through Quantitative Easing, which means asset prices will be supported at the expense of people earning incomes.

**4.** Just after Australia Day our business was affected by a terrible tragedy. Notwithstanding that the employee in-

volved had resigned from our business quite a while earlier, the effect on several staff was immense. Even as an experienced manager, dealing with emotional fallout of this magnitude is not something you deal with every day, and indeed I was surprised at the impact it had on myself. Even with the help of professional counsellors, the fall-out was unexpected and far reaching, and sad. As a result I am now treasurer of the Doctors' Health Advisory Service of Queensland, where I hope to be instrumental in avoiding similar episodes.

**5.** The #Metoo movement is a social phenomenon with far-reaching implications for not only men and business, but women who aspire to management positions. Workplace relationships between men and women are strained, making for workplaces where previously cordial interactions are now monitored for indiscretions which could cost your job. According to research, 25 per cent of male managers will now not meet alone with female colleagues.

The effect is that women are treated as dangerous (and not in the James Bond manner), and as a consequence they miss out on mentoring and involvement in key decision-



Picture: AAP Image/Joel Carrett

making processes.

**6.** Lower interest rates buoy the stock market and consequently the ASX rallied almost 20 per cent over the last year. Stocks with reliable incomes benefited hugely, as did some resource stocks and that outstanding credit to Australian enterprise, CSL.

**7.** You can say what you like about religious fundamentalists and their sometimes crazy pronouncements, but Israel Folau's (above) win against his dismissal by Rugby Australia, is just one of the many cracks developing in the wall of political correctness. This, ASIC's failure in the Wagu and Shiraz case, APRA's failure to hang Chris Kelleher, and the Brett Kavanaugh case in the US shows that when courts, free of emotion, are able to shine the light in dark

corners, they are perhaps more likely to find agenda-driven mistruths than actual wrongdoing.

**8.** Westpac was accused of gross misdeeds in it failing to report suspicious transactions to Anti Money Laundering-Counter terrorism financing agency Austrac. Westpac has admitted most of the claims, but it's a fair bet that it won't have a bar of Austrac's conflation that they were deliberately and knowingly supporting paedophiles in the Philippines. Nor will it accept that the board knew all about it. Despite Hartzner stepping down, the problem appears to be at middle management level. This begs the question, in large organisations, of what a board can be reasonably held to account for.

**9.** The financing of solar ar-

rays on other people's buildings is one of the lesser known activities undertaken by our business. The most recent commissioning is complete and we now have 165 kilowatts of installed capacity, saving money for consumers and generating a return for investors. Our business is not alone in the pursuit of clean energy.

Despite the shrill outbursts of radicals, the private sector and households have in Australia, financed so much solar capacity that over the past few months the wholesale price of electricity has regularly been negative. The future of the industry is in smart-grids. With State governments controlling electricity markets in several states, it will be interesting to see how smart they can become and how soon.

**10.** The fallout from the Royal Commission has meant great change in the financial advice industry. Many advisors are changing licenses and as a result our business has picked up management contracts to help these businesses. All the administrative work for that is done in Rockhampton, underpinning the creation of jobs through a local export.

We at the Investment Collective wish you and your family a Merry Christmas and a Happy New Year.

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