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## **NEW OFFICE PHONE NUMBERS**

### **Armidale**

02 6773 8400

### **Coonabarabran**

02 6842 0000

### **Gunnedah**

02 6748 5000

### **Tamworth**

02 6763 0100

## **FINANCIAL SERVICES UPDATE**

The manner in which financial information is reported can often cause great confusion along with serious heartburn. We hear the biggest problem in many regions is there are too many jobs and too few qualified for them (imagine that - when I was at University I was told all my degree would achieve was a spot in the unemployment queue). The \$A is at a level where no-one can possibly export anything, interest rates have increased to nose-bleed levels and we have a housing affordability crisis suggesting even if you could manage a mortgage, you couldn't possibly buy a house. This is problematic, because apparently no-one can afford to rent either at present, but somewhat irrelevant because I see other reports indicate there are no rental properties available!

At present the big topic is the 'meltdown' in Australian share markets, with billions and billions being 'wiped off' in response to US sub-prime lending concerns (I'm still trying to see the connection).

With no end to the hysterical reports of crisis in sight, a decline in asset values, to the extent they are driven by short term concerns, represents an opportunity for clients working towards a long-term outcome. It is still the case that markets work in cycles, be they shares, property or any other and when enough people believe a market will perform poorly (perhaps driven by media reports) it certainly will in the short-term. The mistake made by many is to throw a blanket over an entire market and surmise that everything in it at that time and forever more is tainted.

There are good and bad investments, irrespective of the prevailing market conditions. If a property is well built, in a good location where demand is likely to remain and supply limited then it is still the case that over time, that property will increase in value. If a business has good management, good morale amongst staff, good products and services it is likely that business will also increase profits and therefore value over time.

Simple stuff. Unfortunately it's not always that easy to identify the good from the bad, bringing us to the most fundamental investment principle; Diversification.

Our approach at Forsyths is to understand the circumstances of a client and the purpose of any proposed investment. With the right investment and tax structure a portfolio can be constructed with the appropriate mix of investments to minimise the impact of short term market variations and maximise returns over the business cycle.

## **POSITIONS VACANT**

Currently we are recruiting for the following positions:

- ❖ **Financial Adviser (Armidale)**
- ❖ **Experienced Accountants (Tamworth)**
- ❖ **Audit Manager (Armidale)**
- ❖ **Audit Senior (Armidale)**
- ❖ **Graduate Accountants (all offices)**

So if you know of anyone that may be interested please ask them to contact the firms HR Manager, Annie McNeilly, in our Armidale office.

We will always live with the clutter of reporting as we lurch from apparent crisis to crisis. We need to look through that to establish the strategy and structure to best serve clients in all climates.

## ***CONGRATULATIONS. ....***

We would also like to take this time to congratulate Georgett Coleman who has recently been appointed to Principal.

Georgett is based in the Tamworth office and has 12 years business services, taxation and audit experience.

Before joining Forsyths in 2000 as a Business Services Manager, Georgett was a Business Manager in the Brisbane office of William Buck.

Georgett's business services and taxation expertise covers primary production, retail, construction & property development, manufacturing, legal, investment and real estate/stock & station agency sectors.

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, please contact your local Forsyths office.*