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### *Uncertain Times*

We here at Chamberlain's SBR are not economists, in fact far from it. However, we could not help noticing the recent flood of articles issued by all the major newspapers, voicing their opinion's regarding Australia's level of household debt being one of the highest in the world. It all seems doom and gloom when comparing the ABS and RBA statistics which estimated current total Household Debt to Disposable Income ratio is at 199.7%, up from the 160% mark of 10 years ago during the days of the GFC.

Some articles have suggested in the future, Australia will be paying off so much housing debt that we will have less for actual productive investments like businesses that employ people, and less for the consumer spending that keeps the economy ticking. Alternatively, other articles stated we should be alert but not alarmed at the new statistics, as Australia is a very wealthy country and is more able to service the higher debt, and this should be looked at as a marker of the country's wealth not a warning of its doom. However, most of the articles did conclude the continual increasing levels of debt will have costs and Australia will have to face the costs of its debt binge sooner or later.

But one area not one of these articles addressed was the effect high debt levels is having on many Australian individuals and families. Unfortunately, we at Chamberlain's SBR see the effects which financial stress can cause to people and families far too often. From experience most of the time these extreme levels of stress are somewhat alleviated once people are informed of the various restructuring or insolvency options available to them.

#### **CONCLUSION**

Whichever way you look at it, there is no doubt many households and businesses are experiencing cash flow issues and stress caused from the current high debt financial situation. Please ensure, if you have clients suffering such conditions you are closely monitoring their financial health and being extremely considerate of the huge amount of strain this can have on an individuals mental health when dealing with such matters.

Our advice to you as their trusted advisors, who normally can have a major influence on critical financial decisions, is to ensure your clients are seeking advice sooner rather than later. Not only for their financial welfare, but more importantly their mental well-being, so they can see through the haze of mounting debt to make an informed decision on their personal and families future.

As always if you or your clients need advice on any business turnaround or insolvency matters do not hesitate to contact us.

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