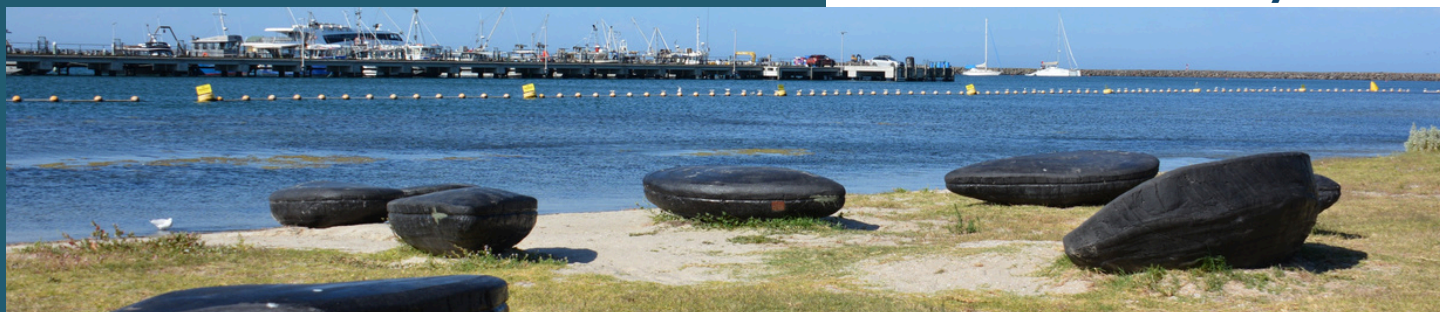
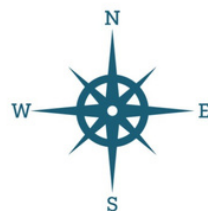




Equipment Finance: Supporting Business Growth

Equipment finance plays a vital role in enabling business growth by allowing companies and individuals to acquire essential assets without the burden of large upfront payments. The structure of equipment finance helps businesses maintain operational efficiency, access modern technology, and optimise cash flow.

How Equipment Finance Works

Equipment finance allows a business or individual to purchase an asset using borrowed funds, with the asset itself used as security. Repayments are made over time, typically aligned with the useful life of the asset. Businesses commonly use structures such as Chattel Mortgages, Finance Leases, and Operating Leases, while individuals may use secured personal loans or novated leases for vehicles.

Equipment Finance for Commercial Purposes

Businesses rely heavily on specialised equipment—machinery, vehicles, tools, technology, and more.

Equipment finance provides the ability to:

- Preserve cash flow by avoiding large upfront costs
- Maintain and enhance operational efficiency
- Deploy revenue-generating assets immediately
- Use the asset itself as collateral when other forms of security may be limited

This is particularly valuable for small businesses or those without property or substantial assets to offer as security.

Financing IT Equipment

IT equipment cycles are shorter due to rapid technological advancement. Financing computers, servers, and other technology allows businesses to spread costs, upgrade equipment frequently, and avoid tying up cash in quickly depreciating items.

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Important dates for February, 2026:

- 03Feb2026 – RBA interest rate announcement
- 21Feb2026 – Monthly Jan2026 BAS
- 28Feb2026 – Quarterly Dec2025 BAS

Interest Rate Outlook

Economists expect the RBA to raise the cash rate to 3.85% in February 2026, driven by hotter-than-expected inflation and a still-tight labor market. Big-four banks now forecast one to two hikes in 2026, reversing earlier expectations of cuts.

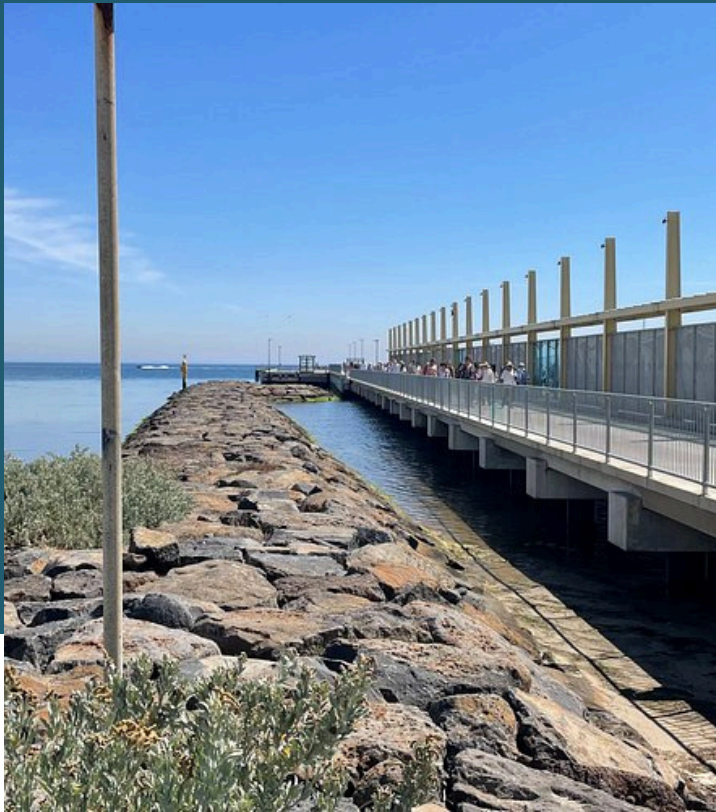
Economic backdrop:

Inflation has re-accelerated, with trimmed-mean inflation at 0.9% quarterly and 3.4% annually, above RBA expectations. Unemployment has fallen to about 4.1%, signaling renewed labor-market tightness and added inflation pressure.

Bank expectations for 2026:

CBA, Westpac and ANZ expect at least one hike; NAB expects two. Markets also price in the possibility of further tightening later in 2026.

Continued below.....



Electric Vehicles and Tax Advantages

Electric vehicles (EVs) offer significant tax advantages when used in business. Eligible EVs may qualify for Fringe Benefits Tax (FBT) exemptions, reducing the cost of providing vehicles to employees.

Novated Leases for EVs

A novated lease allows an employee to salary-package an electric vehicle, with repayments made from pre-tax income. Because eligible EVs are exempt from FBT, this structure can result in a fully tax-deductible vehicle for employers and substantial tax savings for employees.

Personal Equipment Finance

Equipment finance is also used for personal assets such as cars, caravans, boats, and recreational equipment. While it increases affordability through instalments, individuals should carefully consider:

- The risk of overcommitting
- The impact of shorter loan terms on disposable income
- The effect of personal loans on home loan borrowing capacity

Final Thoughts

Equipment finance enables businesses and individuals to access essential assets affordably and efficiently. When used responsibly, it supports growth, improves productivity, and provides a pathway to assets that might otherwise be out of reach. Careful planning ensures benefits are maximised without compromising long-term financial goals.

Self-Care Tip for the Month.....

Practice gratitude: Take time each day to reflect on the things you're grateful for. This can help shift your focus to the positive aspects of your life and promote a sense of contentment.



Joke of the Month.....

"Today, I asked my phone "Siri, why am I still single?" and it activated the front camera."

Interest Rate Outlook (cont'd)

Fixed vs Variable:

With variable rates likely to rise in early 2026, 1-2-year fixed rates may offer short-term protection.

Consider how fixed rates compare with your variables to assess what is best for you. If short term fixed rates are comparable to variable rates and with the expectation of potential rate increases, can fixed rates provide you with greater security?

