



Debt Stress and Regaining Control: Time to Revisit the Conversation

In my December 2025 blog, '**Consolidating Debts to Regain Control of Your Financial Position**', I discussed the importance of taking proactive steps when debt begins to impact financial wellbeing. **Unfortunately, the economic environment has become even more challenging** since then. We have seen three additional RBA cash rate increases of 0.25%, ongoing inflation pressures, disruption to global supply chains arising from conflict in the Middle East, and continued uncertainty across property markets. For many households and business owners, financial pressure that existed previously has not improved. In many cases, it has intensified.

It is important to recognise that **Australia is not alone**. Cost of living pressures are being experienced across much of the developed world and, in several respects, Australia continues to compare favourably with similar economies. However, that reality provides little comfort when household budgets are stretched, debt balances are increasing, and cash flow is becoming more difficult to manage.

The most important message is simple: **act early**. Debt stress rarely resolves itself. Ignoring the problem typically results in a situation becoming more severe, more expensive, and more difficult to address. **Early intervention creates options**.

A common area that is overlooked is tax debt. The ATO has become increasingly proactive in pursuing outstanding obligations and is generally less accommodating when it comes to remitting penalties and interest. **Tax liabilities should never be pushed to the bottom of the priority list**.

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Kista Finance acknowledges the **Wadawurrung People** as the Traditional Owners of the land and waters on which we live and work and pays respect to Elders past, present and emerging.

Important dates for the Month:

- 21Sep2026 Monthly BAS due
- 29Sep26 - RBA Cash Rate Decision

FYI: 31Oct2026 is due date for 2026 Income Tax Returns for individuals without a tax agent. If this is you, either get organised or get a tax agent.

Self-Care tip for the Month.....

Spend time in nature

Nature has a calming effect on the mind and body. Take walks in the park, go hiking, or simply sit in a garden or by the beach to enjoy the beauty of the natural world.

Joke of the Month.....

With another milestone birthday looming.....

Question: Aside from birthday cake, birthday gifts and birthday cards, what's one thing you always get on your birthday?

Answer. Another year older!



Budgeting remains the foundation of every recovery strategy. Understanding exactly what is owed, where money is being spent, and what resources are available is essential. Prioritise essential living expenses, build cash reserves wherever possible, and exercise discipline around discretionary spending.

Equally important is **avoiding the temptation of easy credit.** Payday loans and buy now, pay later facilities can create significant long term problems when used to support ongoing spending. While these products can occasionally assist with essential short term needs, they require very careful management.

Personal loans and car loans can also be effective tools when used appropriately. However, because they are often repaid over relatively short terms, repayment commitments can be substantial and may significantly impact both cash flow and future borrowing capacity.

Perhaps the clearest warning sign is when new debt is being used to pay existing debt. Unless there is a clearly identifiable short term event behind the situation, professional advice should be sought immediately.

Debt consolidation can form part of a broader solution, but every situation is unique. Even where a consolidation strategy is not currently available, there are often practical steps that can be taken now to improve future options. **There is a path forward.** The key is to take action, seek professional guidance, and develop a structured plan before circumstances become critical.



Community.....

Portarlington Football & Netball Club
Congratulations and good luck to all the PFNC Netballers and Footballers with finals coming up!

Portarlington Bayside Miniature Railway

- 06Sep26 – Fathers ride free all day
- 23 & 30Sep26 – Spring school holiday special service

Geelong Folk Festival

- 06Sep26 A community music festival at Geelong West Town Hall featuring folk performers and local artists.

Geelong Running Festival 2026

- 19–20Sep26 Includes marathon, half-marathon and community participation events.

Portarlington Lions Club Sunday Market

- 27Sep26 recommences for the new season.



Interest Rate Outlook

Only a few months ago, the general expectation was that Australia's next interest rate move would be down. However, **recent inflation data has changed the conversation and prompted economists to reassess the outlook.**

The Reserve Bank of Australia (RBA) continues to hold the cash rate at 4.35%, maintaining a cautious stance as it works to bring inflation back within its target range. While inflation has eased from previous highs, the latest figures came in stronger than expected, suggesting price pressures across the economy remain more persistent than anticipated. Recent RBA commentary and meeting minutes have highlighted **ongoing concerns around upside inflation risks** and the potential for inflation to remain elevated for longer.

The labour market is also proving more resilient than many expected. While consumer spending has softened and some housing markets have cooled, employment conditions remain relatively strong, supporting economic activity and potentially adding to inflationary pressures.

As a result, several major banks have revised their forecasts. ANZ is now forecasting a 0.25% cash rate increase in November, while Commonwealth Bank has also shifted towards a November hike. NAB has taken an even more hawkish view, raising the prospect of a move as early as September. Westpac remains the exception, continuing to expect rates to remain on hold for now.

For borrowers and property investors, **the key takeaway is that interest rates may remain higher for longer than previously expected.** While a rate cut cycle has not disappeared from the horizon, the immediate focus has shifted back to inflation. Over the next six months, upcoming inflation and employment data will be critical in determining whether the RBA can remain on hold or whether another rate increase becomes necessary.

Quote of the Month.....

Remembering the remarkable Dolly Parton.



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