

CrediFlex

Chattel Finance, Commercial Finance, Debtor Finance,
Home Loans, Life Insurance, Financial Planning,
Investment & Superannuation.

NEWS

NEWSLETTER 8.0
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CrediFlex Fast Find

CrediFlex has offices throughout:-

Queensland
New South Wales
Victoria
South Australia
Western Australia
Northern Territory
New Zealand

To contact your local CrediFlex Partner
please go to our website:
www.crediflex.com
or
www.crediflex.co.nz



Peter Chalkley

Welcome to CrediFlex News.

Over the last couple of years I've observed that a number of my clients have experienced substantial growth in their businesses. It's as if they were motoring along, growing steadily and then all of a sudden their growth doubled or even tripled in quite a short period. I suppose this really should be no surprise because Queensland's growth in population, infrastructure spending and so on is very strong and many people are reaping the rewards of that.

A few weeks ago I was asked for a profile on CrediFlex by an industry body that we were seeking to join. I knew I had one from a while ago so I looked in my trusty computer (which as we know is now the fount of all knowledge) and discovered that the last time I did something like that was four years ago. So, to save myself a lot of repeat typing I thought I may as well update the previous document but I have to tell you that I got a bit of a surprise when I read the statistics that I had provided four years ago.

The information I'd put into the profile back then went along the lines of "CrediFlex is represented in eight locations throughout Queensland and Northern New South Wales and we arranged over \$200 million dollars worth of finance during the last year". In the update I had to write "CrediFlex is represented in thirty one locations throughout Australia and New Zealand and we arranged in excess of \$500 million dollars worth of finance during the last year".

By definition, to be a Quality Assured company, CrediFlex needs to have a high quality financial reporting regime and carefully maintained systems and as a director of the company I contribute to and analyse those reports and systems carefully so I do

know what's going on in our business. However, until I found it necessary to look at the bigger picture and saw how much we'd grown in comparison to only a few years ago, I guess it really didn't hit home just how much has been achieved so far. I'm sure most people would agree that being a bigger business doesn't necessarily mean that it's a better business and that's the reason we've never dwelt on issues such as how many people we've got or how many offices we've got. Despite that it's still nice to look back and realise that because we've focused on our clients needs and concentrated on providing service that is second to none our customers have supported us strongly and have contributed to our success as we have to theirs.

This is not about "blowing our own trumpet" because that's not what we're about but I think it's healthy to take a moment once in a while and feel proud of what you've achieved. I know that I always try to acknowledge my customers' success and encourage them to be proud of what they've created. So, to all of you reading this, whether you're a successful business entrepreneur, a canny investor or a home buyer who has reaped the rewards of the increase in house values – well done, keep up the good work. In business pursuing sensible growth whilst keeping a close eye on any risk factors should ensure that you don't go too far wrong. Pursue those goals and always focus on each of your customers as if they were the only customer in the world and you've got a good recipe for success.

On the subject of customer focus, you will have noticed that in many editions of CrediFlex News I include a profile on one of our customers. If you've got a good story to tell about your business or your investment portfolio or anything that you think would fit then please speak to your CrediFlex Partner and ask him or her to send in the details. This newsletter is designed to include our customers and give them feedback on what we're doing and there's nothing better than a real life story about someone who is achieving their goals.



Vic Fairley

A word from the Managing Director

One of the things many of our small business customers deal with everyday is how to best deploy their resources and a business has many resources – not only financial ones. Depending on how you view the world and the industry you are in, resources can be what the plant and equipment you own does for you, the intellectual property that you may have in patents, trade marks and know-how, the connections you have in business to help get things done and as most business people would say – the people in the business. Yes, the people in the business – you hear it many times but does anyone really know what it means? Probably it means different things

at different times depending on circumstances because after all, the only relevant universe to live in is our own. However, there are probably some common elements irrespective of the circumstances. In my way of viewing things, one of those common elements is how well people work together. If you have a group of people employed to achieve the common goals of the business it won't matter how brilliant they are as individuals if they can't work together and to work together requires trust. Trust is built on credibility and only an individual can take away their own credibility, therefore, the behaviors of individuals affect team performance. Other things can affect individuals and therefore teams because if a team is a resource then it is like our planet – It can be seen up close as many discrete things or as a whole from a distance in space.

Everyone is worried about depleting the planet's resources. One of the parallels in business is people fatigue and sometimes things can come unstuck just because your people are too stretched in one way or another, particularly if you are a fast growing business – as Peter Chalkley refers to in the previous article. The lesson here is don't overstretch your resources for too long or maybe your business will suffer something akin to "slow burn" in the medium term.

I had a lesson in business recently reflecting on my son's soccer team. He is 13 and instead of playing in the under 14 competition, the team is playing in the under 15 competition. Last year they played the grand final division

1 in their own age group and lost in extra time – a very good result for the season. This year they are playing up an age group in division 2. The team has played together for 4 years. Some of the players on the opposite teams are 16 years old – bigger, faster, with more endurance. The opposite teams have reserves, my son's team doesn't. They are playing most games at 1pm in the heat of the day in South East Queensland where the ground is hard & dry from drought. Usually they play well in the first half and there is only a goal or so in it then during the second half they start rotating positions to keep themselves from getting too tired – some positions have less running than others. By the last term of the second half they are usually out on their feet. They fight on, rotating positions, getting very tired and then the opposition can rack up five or six goals inside ten minutes. Even though they are making the best of it, they don't have the resources, they have to build them. They have to get stronger, get used to the terrain, get used to the pace of the competition, and they have to find more players so they have reserves. They are getting better each week, but it is really just a question of managing, deploying and developing their resources as a team.

To do that they have to work together, trust each other and rely on each other. I know they will win a game this year – but that isn't the point here – I have learnt something watching this unfold! So if you are in small or even medium business, watch out for fatigue and battle weariness in your people. Good people get it as well as bad. Have some management practices to keep the legs in your business fresh. That way you won't just win the battle, you may even start to win the war.

CrediFlex Conference



The CrediFlex Annual Conference was held at the Hotel Watermark on the Gold Coast in November last year with delegates attending from throughout Australia and New Zealand. As usual a good time was had by all – and we even got some work done!

The theme of the conference was Achievement and how to achieve more and our keynote speaker was Scott "The Doctor" Williams who gave us a good dose of laughter as well as lots of good advice about how to achieve more and how to enjoy doing it. We were also joined by Charles Wheeler and Maree Naylor from our sponsored charity – Student Care Welfare Queensland - who presented a challenging look at how some of the unfortunate young people in our society don't get an opportunity to achieve anything unless we make a concerted effort to help them. This was a sobering contrast and it was a great insight for everyone into how fortunate most of us are.

MC for our Friday evening session was comedian Michael Jones who started by arriving as a policeman and arresting one of our sponsors for a variety of misdemeanors. From there on the night just got crazier but if the level of laughter was anything to go by then Michael was a resounding success.

Thanks to all of the Banks and Lenders who participated in our Friday sessions and for your sponsorship of the day. It was great to have you there and we really appreciate the contribution that you all made to the success of our conference.

National is just Natural



Leanne, Craig and Lois

As part of our National focus we have recently decided to transfer our Home Loans processing functions from Brisbane to Sydney. With the technology available today it is efficient to operate this back office process from any of our locations around the country but Sydney is the best "people" fit for this important part of our business. Sydney Director – Craig Rice – has spent many years in very senior banking and finance roles that have included running large teams of home loan operatives. He is the most experienced person in CrediFlex to oversee this part of the business and as a qualified Certified Practising Accountant he also has the formal skills to ensure that everything is processed to the highest possible standard.

Craig together with Leanne Jones and Lois Faragher have now taken over the responsibility for many aspects of processing and tracking CrediFlex Home Loan transactions throughout Australia and if early indications are anything to go by then our decision has been a success.

Staff Member Profile



Brie Taylor

Our featured staff member in this edition is Brie Taylor.

Brie joined CrediFlex two years ago on a twelve month TAFE traineeship with All Trades Queensland. At the completion of her traineeship she was offered full time employment and we were very pleased when she accepted.

Brie works in our IT department doing graphic design work and assisting with brand management. That doesn't go anywhere near to describing all of what she does because as well as the designated role she is often called upon to step in and help with just about anything that is the flavour of the moment. That can be anything from helping out with reception duties to arranging marketing materials to designing web sites etc., all done with a smile and a positive attitude.

It's great to see young people developing their skills and with Brie's attitude to work and to life generally we are sure that she will go a long way with CrediFlex.

Onward and Upward for CrediFlex New Zealand



Auckland Central Office Staff - Mike, Trish, Neil and Natasha

As we settle into the new financial year over here * it's a good time to reflect on the past year and tell you a little about what we have been up to in New Zealand.

A buoyant economy, helped along by a mild winter and a friendly summer have been a highlight of the past year. Agriculture is the primary industry driver here and the weather gods have been friendly as have export prices. We have had more than our share of rain (we would have been pleased for you folk in Australia to have taken some of it!) but it has helped the farmers with productivity and yields. The only economic issues of concern are increasing interest rates and a higher dollar – something which our Australian cousins may also be experiencing a little bit of.

As a result of all of this, CrediFlex New Zealand has had a busy year and seen some good growth in business volumes. We have added a number of new Partners and their business volumes are growing nicely. The market here is starting to adapt to broker business which makes life easy compared to when we first started and were breaking new ground for lenders and customers. We have also taken on new lenders and broadened our product offering to include Home Loans and Commercial Finance and as a result we have seen our Partners successfully offering a wider range of products and services to their customers.

Another highlight of the year has been our ability to successfully handle a number of loans for Australian Partners who have had customers buying assets in New Zealand and requiring local finance. We are always looking for more opportunities to help with those types of transactions.

With a strong year behind us and a positive outlook for the year ahead we have decided to invest by moving to new premises. For the past two and a half years we have operated from a converted house which was once a lawyer's office. It has suited us well in that time as it was well located with good parking and local facilities but the time had come to look for more suitable permanent office accommodation and at the same time look to improve working conditions for the Auckland staff. So, on the 30th of April we moved to an office complex near Newmarket which is a satellite hub for business and retail about four kilometres from the Auckland CBD.

All in all it has been a great year in which we have accomplished a lot and we are looking forward to further good times ahead.

** The New Zealand financial year is April to March not July to June as it is in Australia.*

CrediFlex Customer Feature



Rob de Laeter and Paul Hurley

Avko Mining Pty Ltd is a Kalgoorlie based mining support and services company that has been established for over fourteen years. The company specialises in all aspects of underground mining, development, production shaft and winze sinking, bulk sample excavations, rise mining, ground support, air leg and mechanical mining, lateral development and stoping.

The company has completed many successful mining operations in and around the goldfields of Western Australia, Papua New Guinea and more recently, expansion into the Eastern States has seen the company purchase established mining contracting companies in Queensland, New South Wales and Victoria. In the last two years the company has also diversified into civil drill and blast work with several large work programs in place in both WA and Queensland

Managing Director Paul Hurley has over fifteen years experience in the mining industry and has decided that now is the time to take advantage of the current solid trading conditions. Consequently, recent growth within Avko Mining has been extensive. Emphasis has been directed to developing long term industry contacts as well as ensuring staffing and equipment are of the highest professional level required for the company to maintain its present competitive edge in what is a highly diversified and competitive industry.

A quick snapshot of Paul's / Avko Mining's achievements over the last two years tells the tale:-

- 2005 – Avko Mining purchased a Brisbane based mining contracting company including the plant and equipment. This purchase resulted in the acquisition of mining contracts in Papua New Guinea with Highlands Pacific Limited and Newmont (Pajingo) Mining Corporation Australia in Charters Towers, Qld.
- 2005 – Avko received the 2005 Best Contract Miner of the Year from the well respected magazine – “Australian Mining”.
- 2006 – Finalisation of a joint venture contract with Newfield Central Pty Ltd saw Avko Mining successfully extract 18,000 tonnes of ore for a total of 10,000 ounces of gold.
- 2007 – The Kalgoorlie / Boulder Chamber of Commerce and Industry recently awarded Paul Hurley with ‘Businessperson of the Year’ and Avko Mining the ‘Best Business for up to 30 employees’.

- 2007 – As part of its expansion into the Eastern States, Avko Mining purchased a Victorian based mine contracting company. The purchase included existing contracts valued at over seven million dollars plus staff, plant and equipment.
- 2007 – Avko is currently working with the Leighton Contractors / Baulderstone Hornbrook Bilfinger Berger Joint Venture which is undertaking the Brisbane North – South Bypass Tunnel at a total cost of \$2 billion dollars. Avko Mining has recently completed an initial contract at the Shaftston Avenue site requiring development of a shaft and establishment of the entry to the tunnel construction.

CrediFlex Partner – Rob de Laeter – has been involved with a number of Kalgoorlie clients since his time in the town as a local bank manager. As a CrediFlex Partner he has been able to offer a larger range of banking and finance products from a variety of lenders which has led to a substantial growth in Rob's business. He has worked closely with Paul Hurley since 2004 to assist with funding for many projects. Rob and Paul have a sound working and personal relationship which is an essential ingredient for the level of success that Paul's business continues to display. Rob's experience in banking and finance combined with his knowledge of the mining and civil industries has ensured that the necessary expertise has always been available when needed in combination with backup support provided by the CrediFlex credit team at Central Office in Queensland.

This key relationship with Rob and CrediFlex has been an important aspect in assisting Avko Mining to grow its business from a locally based West Australian company to a National operation with over 65 employees and in excess of eight million dollars worth of plant and equipment.

Paul is also well known to a number of CrediFlex directors and is has been a pleasure for us to get to know him and share in his success. Paul and his family have now moved to the Sunshine State and made Brisbane their home so we look forward to him using our National network to help continue growing his business.

New CrediFlex Office – North Buderim



CrediFlex Partner – Di Strano – is moving from a home based set up to an established office environment at 9 Pittards Road, North Buderim. She has leased shops four and five in the complex and is currently completing the fit out ready for her “grand opening”. The office is strategically and centrally located close to the Sunshine Motorway which is the main arterial motorway on the coastal stretch and the office will have good access and exposure to passing traffic. Di chose the location as it is easily accessible for her clients located anywhere from Caloundra to Noosa and beyond and it has ample parking.

When is Enough not Enough?

On a regular basis Insurance Brokers are asked by their clients "how much should I insure my building, contents, plant and machinery for?" Our answer is "we don't know".

Insurance Brokers are not qualified to give advice on how much you should insure your assets for. This is an area that should be given very careful attention and we recommend that you appoint a qualified valuer to properly assess the values for you. In the event of a claim, getting the right sum insured is probably the most important step in

CrediFlex Group appointed as Financial Services provider for Another Delfin Lend Lease Project



David Walker & Alex Diesing

Twelve months ago we reported to you that CrediFlex Partner – David Walker – had been appointed as Financial Services representative for the Delfin Lend Lease Woodlands project. Recently David and another CrediFlex Partner – Alex Diesing were appointed as the Financial Services representatives for the more established Springfield Lakes project.

Both appointments follow on from the successful relationship of more than four years between CrediFlex and Delfin Lend Lease at the highly successful Forest Lake project.

"Our commitment to providing Delfin customers with on-the-spot finance arrangements enables Delfin to concentrate on providing the very best in quality community land projects" said David Walker. "We are finding that there is a strong trend in the market to be able to assess customers as they enquire about purchasing land and/or house packages at the time of the initial enquiry. This ensures that the customer has all the information at hand which then enables them to make informed decisions on their purchase plans. Both Alex and I find that this type of service allows us to deliver a far superior quality service that is demanded by our customer when considering finance.

Our recent track record has included the successful financing arrangements at Delfin Lend Lease Forest Lake project. CrediFlex Group is a Quality Assured Company and as such we are able to provide a first class service to customers and we ensure that our standards and processes/procedures enable quality applications and information to be sent to the finance industry, customers and vendors"

getting your insurer to respond in the manner you expect them to.

Many insurance policies contain a clause called "co-insurance" or "average".

Here is a simple example of co-insurance:

If you have a building that will cost \$2,000,000 to replace then that's how much you would want to receive if you were to unfortunately lose the lot. Let's look at what would happen if you didn't insure for the full replacement value. For example, if you take the attitude "I'll insure for \$1,000,000 and that's enough" – maybe to save some premium? In the event of a total loss, you would receive the sum insured as stated in the policy (ie \$1,000,000) and you would be out of pocket for the remaining \$1,000,000.

Now let's say that there is substantial damage to the building that will cost \$500,000

to repair. This is a partial loss situation of \$500,000 but if you're underinsured by 50% (ie \$1,000,000 cover on a \$2,000,000 building then you would only receive \$250,000 because you elected to "make a bet" and not insure the property for its full value. Therefore, in the event of a partial loss of \$500,000 you would only receive \$250,000 because you elected to self-insure 50% of the risk. For many people this could mean the end of the business and that's a big "bet" to make.

Perhaps "enough, is not enough" in some circumstances. The best advice we can give you is to review your sums insured regularly and seek appropriate professional advice when necessary.

Greg Rynenberg is Managing Director of East West Insurance Brokers. CrediFlex refers many customers to East West because we know that they have the same goal we do – to provide exceptional customer service. If you would like to talk to East West about any of your insurance requirements then please contact your CrediFlex partner who will be happy to pass on your details.

"Delfin Lend Lease is pleased to continue the association with the CrediFlex Group" said Darlene Clark, Project Director – Woodlands. "We see this relationship as one of mutual support for Delfin customers and ultimately for the success of our Woodlands, Springfield Lakes and other Delfin Lend Lease projects"

New CrediFlex Office – Carina



Susan Hall who operates as a CrediFlex Partner on the Eastern side of Brisbane has also decided to relocate her home based office into commercial premises. However, she has chosen to co-locate with Ray White Real Estate at 864 Old Cleveland Road, Carina. Susan worked with the Ray White principals – Howard Jackson and Mark Bellingham – prior to them purchasing the Ray White agency so it was a natural progression for her to join them at their new location. Susan and her staff are now on site to deliver prompt service to their clients and to the agents who are based at Ray White Carina.

In conjunction with the Ray White team Susan will be holding "New Home Buyer Forums" at various locations on the East side of town. The forums provide valuable information for people looking at making their first property purchase. Some of the presentations at the evening forums include information on conveyancing, valuations, property inspections, the first home buyers grant and lots of other useful information about buying your first home. If you or anyone you know would like to attend one of these forums then please contact Susan on 07 3843 9925 or 0418 196145 This is a no cost service that will provide a lot of valuable information.

Directors Award for 2006



Brian Preston and Rob de Laeter

Each year the directors of CrediFlex vote to select one CrediFlex Partner from around the country as the recipient of the Directors Award. Nominees are selected based on growth of their business, quality of customer service, quality of business introduced and level of commitment to the CrediFlex team and its goals.

As the award is for excellence, the prize is always the most excellent wine available – three bottles of Grange Hermitage of various vintages from the 1960's through to the 90's.

The award for 2006 was won by Rob de Laeter from Western Australia who has been a CrediFlex Partner since 2004 and who has always set a high standard for himself and for the company. Rob is an extremely hard worker who strives to excel for his customers in everything that he does for them and he is well deserving of the award. Rob would also probably win the prize for being the healthiest person in CrediFlex. He is an accomplished triathlete who often competes in half and full Iron Man competitions so it's a pretty safe bet that the Grange will be properly savoured and not quaffed.