



John Johnston - CEO

If the GFC has taught us anything, it is the big difference between discretionary and non-discretionary spending.

At the height of the 2007 credit boom it was alarming to see young kids boasting on TV about going on unbridled shopping sprees with their newly acquired credit cards. Their profligacy at the time seemed to have no bounds, and it didn't, until it bust as they all do.

The attitude towards credit has now turned full circle, and it's a change that's for the better. We are now far more careful about what we invest our hard earned dollars in. Yes, we are still buying perishables (we've gotta eat) but we are being far more conscious and selective buying other disposable or depreciating purchases such as cars, clothes etc. This rediscovered shrewdness should prove positive for the competitiveness of the country.

It will also be good news for owners of appreciating assets as the reduction in money dropping off the disposable ledger (much of which goes off-shore) will become available for investment in landed assets (which means the money gets to stay here too).