

Welcome to QETA Newsletter 18 2018.

QETA 2018 CALENDAR OF EVENTS

Oct 1	Econopak 3 due to be published
Oct 17	QETA Annual General Meeting

QETA NEWS

1. QETA ANNUAL GENERAL MEETING

The QETA AGM will be held on Wednesday 17th October 2018 at 4.30pm at St. Paul's Anglican Church Hall, Vulture Street, East Brisbane. A formal notice of AGM with relevant papers has been mailed to all financial members. It would be great if more people could plan to be there! It lasts for about 1 hour only and there is no pressure to accept nomination for Committee! Closing date for nomination to Committee and executive Positions is 3rd October 2018.

If you are planning to attend, please register at www.qeta.com.au so that we know numbers for catering purposes.

2. QETA WEBSITE ADDITION

QETA has made an addition to our website – we have established resource listings for the 2019 syllabus – one listing for each Syllabus Unit and Topic. These listings include a comprehensive index to past Econopaks for the last 5 years or so, and some articles/activities/worksheets etc. for most topics. Definitely worth a look when constructing teaching plans, and units of work for the new syllabus! Go to <https://qeta40.wildapricot.org/EconSyllabus2019> . Of course you will need to log in to access these resources.

3. ECONOPAK

The third and final edition of Econopak for 2018 is currently in preparation and should be available 9in early October.

The situation with Econopak is getting desperate – QETA is not receiving any contributions from you our members and it may be in the future that it is impossible to continue its production. The Committee is unable to guarantee its future without contributions!

4. QETA MEMBERSHIP FEE FOR 2019

The Management Committee advises that the membership fee will remain the same as for 2018 in 2019. This will assist those who prepare Department budgets etc. This is the fifth year that membership fees have been the same! QETA remains in a very sound financial position and there is no reason to increase fees!

To remind you, an individual membership will be \$77.00 (discounted if paid by 31st March 2019 to \$71.50); school memberships will be \$154.00 (discounted to \$143.00 if paid by 31st March 2019); pre-service teacher membership will remain free for those in their final year of a pre-service teacher course. **A reminder that individual membership covers one person only and cannot be paid for by the school!**

If you want to pay in advance for your 2019 Membership, please email info@qeta.com.au and we will ensure that an invoice is sent to you promptly!

RESOURCES

1. FROM DFAT

IA-CEPA a new chapter of economic partnership with Indonesia

Australia and Indonesia announced the successful conclusion of negotiations on the Indonesia-Australia Comprehensive Economic Partnership Agreement on 31 August. IA-CEPA will deliver preferential market access or duty-free trade status to over 99 per cent of Australian goods exports to Indonesia by value. Minister for Trade, Tourism and Investment Simon Birmingham said, "Indonesia is one of the largest economies in the world, and bolstering the economic ties between our nations will lead to even greater opportunities for Australian businesses".

[Media Release](#)

AIIA: Indonesia: the best invitation we will get

With Australia the first country set to sign an FTA with Indonesia in a decade, the Australian Institute of International Affairs examines the opportunity Australia now has to build closer trade ties with an economy that could be three times bigger than our own by 2050.

[AIIA](#)

New research confirms boost to Australian income and investment from TPP-11

Following the release of new modelling last week, Minister Birmingham underlined the importance of locking in the benefits of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) as soon as possible. The study forecast the TPP-11 Agreement, once fully implemented, would boost Australia's GDP by \$15.6 billion, increase exports by \$29.9 billion, and generate projected additional direct investment worth \$7.8 billion.

[Media Release](#) [TPP-11 Study](#)

Five reasons why the TPP-11 is a good deal for Australia

A recent DFAT blog article outlines why the TPP-11 is good for Australia. Obtaining new export opportunities, including in Mexico and Canada, and the potential for expanded TPP-11 membership to enhance the gains of founding members, are some of the benefits cited.

[Blog](#)

International trade in goods and services, July 2018

Australian Bureau of Statistics' preliminary data shows that in seasonally adjusted terms, Australia recorded a trade surplus of \$1.5 billion in July, a decrease of \$386 million on the surplus in June 2018. While exports fell overall, metals and machinery were up \$370 million and \$35 million respectively over the month.

[ABS](#)

G20 trade in goods contracts in second quarter, 2018

After two years of consecutive growth, goods trade in G20 countries contracted by 0.6 per cent in the second quarter of 2018. Argentina (minus 19.9 per cent), Brazil (minus 9.0 per cent) and the United Kingdom (minus 6.9 per cent) recorded sharp contractions in exports, while China (minus 2.8 per cent) and the European Union (minus 1.9 per cent), experienced more modest declines. Exports rose in Australia, Saudi Arabia, India, the United States, Canada, and Russia.

[OECD](#)

WTO Director-General urges Commonwealth to play full part in strengthening the multilateral system

Director-General Roberto Azevêdo underscored the importance of the Commonwealth remaining a strong advocate for the multilateral trading system at a meeting in Geneva this week. The grouping covers all continents, and countries of all sizes, that together export more than three trillion US dollars' worth of goods and services each year.

[WTO](#)

IMF: Steering the world toward more cooperation, not less

Economic inequality and declining shares of world trade are leading some in advanced economies to question the continuing benefits of international cooperation, according to the IMF. This blog argues that retreating from international cooperation risks recreating some of the conditions that gave rise to past crises, and would affect our ability to deal with the growing number of borderless challenges.

[IMF](#)

The global trading system and tariffs

This 'Debate Paper' by Alan Oxley and Stephen Kirschner from the United States Studies Centre argues we are not likely to see a radical reshaping of the global trade system, with the WTO remaining the 'bedrock' of global trade policy.

[USSC](#)

2. FROM THE ABS

6202.0 **Labour Force**, Australia, August 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0?OpenDocument>

6416.0 **Residential Property Price Indexes: Eight Capital Cities**, Jun 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0?OpenDocument>

3. FROM THE IMF

[Country Report No. 18/276 : Russian Federation : Selected Issues](#)

Author/Editor: [International Monetary Fund. European Dept.](#)

[Managing Debt Vulnerabilities in Low-Income Countries](#)

[Remarks on Optimal Monetary Policy](#)

[The Helen Alexander Lecture: The Case for the Sustainable Development Goals](#)

4. FROM WORLD BANK

[Fashion comes at a huge cost to people and planet](#)

It accounts for 10% of global carbon emissions, more than international flights and maritime shipping combined.

[Tourism can be a powerful driver of development](#)

But digital platforms are disrupting the tourism sector. Find out how!

5. FROM THE RBA

The Reserve Bank of Australia has released the **Minutes of the September 2018 Monetary Policy Meeting** of the Reserve Bank Board.

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2018/2018-09-04.html>

Remarks delivered by **Christopher Kent, at the Reserve Bank's Topical Talks Event for Educators** in Sydney, is available on the Reserve Bank website.

<https://www.rba.gov.au/speeches/2018/sp-ag-2018-09-19.html>

6. FROM WORLD ECONOMIC FORUM

[Premier Li Keqiang: China Will Foster 'New Drivers of Growth' for Development](#)

- A shift from traditional to emerging drivers of economic growth is transforming China's economy, said the Chinese Premier, and should be encouraged
- China will cut taxes and fees in order to stimulate the market, based on multilateralism and free trade
- Intellectual property theft will be strictly punished, and the Renminbi will not be depreciated
- Premier Li Keqiang's keynote address opened the 12th Annual Meeting of the New Champions in Tianjin
- For more information about the meeting, please visit: <http://wef.ch/amnc18>

7. FROM BROOKINGS INSTITUTION

[How Protectionism Erodes the Rule of Law](#)

by James Devereaux

The weight of evidence on the economic scales tilts heavily against cronyism and towards liberal free trade. But perhaps most importantly, free trade, domestic and abroad, reinforces and sustains the rule of law, while protectionism undermines it.

[WHEN POLITICIANS PICK ECONOMIC WINNERS, WE ALL LOSE.](#)

[Monetary policy may affect the natural rate of interest](#)

What determines the path of long-term real interest rates? While economists have traditionally turned to trends in savings, demographics, and productivity to answer this question, Claudio Borio of the Bank for

International Settlements and coauthors offer a provocative answer: monetary policy. The authors argue that [periods of low short-term interest rates may generate boom-and-bust financial cycles that have long-lasting effects on the real economy and equilibrium interest rates](#)—implying the “natural” interest rate is a product of monetary policy, rather than a guidepost for it. As a result, they argue that monetary policy ought to aim to smooth the financial cycle as well as the business cycle. The authors show that an interest rate rule that responds to financial imbalances may outperform one that only responds to changes in inflation and output.

[Bernanke on the causes of the financial crisis and more new research in economics](#) [Fred Dews](#)

The latest edition of the Brookings Papers on Economic Activity includes new research from Ben Bernanke on the causes of the financial crisis, a look into what should trigger a new policy framework at the Fed, and more.

[Read more](#)

[8 lessons for fighting the next financial crisis](#) [Nellie Liang](#)

Ten years after the collapse of Lehman Brothers, Nellie Liang looks at what we learned from the Great Recession and provides eight lessons for fighting the next crisis.

[Read more](#) | [Listen: Brookings experts on how the crisis shaped their careers](#)

8. FROM FOUNDATION FOR ECONOMICS EDUCATION usa

[Mistakes that Led to the 2008 Financial Crisis \(All of Which We're Repeating\)](#)

by Diego Zuluaga

It might have been different. People of good will may disagree on how free financial markets should be, but among those who have studied the crash, there is broad consensus that three key factors led Western economies astray in late 2008.

[SO LONG AS THE PEOPLE IN CHARGE INSIST ON GOVERNING THE FINANCIAL SYSTEM THROUGH RULES THAT NO INDIVIDUAL OR GROUP OF INDIVIDUALS CAN HOPE TO MASTER, THEY WILL CONTINUE TO OVERLOOK LOOMING CRASHES.](#)

[The Protection of Shareholders Makes Us All Richer, Not Just Shareholders](#)

by Tim Worstall

As Milton Friedman insisted, the most efficient corporate governance method we've got is one in which shareholders' interests predominate.

[RUNNING COMPANIES IN THE INTERESTS OF SHAREHOLDERS PRODUCES THE BEST ECONOMIC OUTCOME: ALL OF US GETTING RICHER OVER TIME.](#)

[How Garbage Collectors Thread the Fabric of Civilization](#)

by Joseph Sunde

In learning to reimagine something as seemingly simple as garbage collection and city sanitation, we can more fully honor the contributions of others, making that civilizational fabric all the more strong and sturdy.

[ALTHOUGH MODERN SOCIETY TENDS TO ELEVATE CERTAIN JOBS OR CAREERS ABOVE OTHERS—AND GARBAGE COLLECTION IS TYPICALLY NOT HIGH ON THE LIST—THESE WORKERS PROVIDE IMMENSE VALUE TO THEIR COMMUNITIES.](#)

[5 Crazy Facts about Karl Marx](#)

by Joe Carter

May 2018 marked the 200th anniversary of the birth of Karl Marx, the most destructively influential writer on economics in world history.

[FIVE FACTS YOU SHOULD KNOW ABOUT THE GERMAN PHILOSOPHER AND CO-AUTHOR OF 'THE COMMUNIST MANIFESTO.'](#)

[High Tax Rates Hurt Innovation and Prosperity, New Data Suggest](#)

by Daniel J. Mitchell

Prosperity requires entrepreneurship and innovation, but bad tax policy can be an obstacle to the economic choices that create a better future.

[YET AGAIN, RESEARCH SHOWS TAX RATES SHOULD BE AS LOW AS POSSIBLE TO PRODUCE AS MUCH PROSPERITY AS POSSIBLE.](#)

[5 \(Other\) Financial Crises that Shook the Modern World](#)

by Luis Pablo de la Horra

Though the 2008 financial crisis remains fresh in many people's minds, the world experienced several economic downturns throughout the 20th century, some of which had long-lasting effects on the affected countries

[FROM THE MIDDLE EAST AND ASIA TO THE U.S. AND LATIN AMERICA, THESE CRISES HELPED SHAPE THE 20TH CENTURY.](#)

[Concentrated Benefits and Diffused Costs Explain the Persistence of Tariffs](#)

by Ryan Young

Beneficiaries of tariffs can increase their prices without improving their products or losing out to cheaper competitors.

[TARIFFS AND OTHER TRADE BARRIERS ARE NOT JUST BAD ECONOMICS—THEY ARE BAD ETHICS.](#)

9. FROM AUSTRALIAN INDUSTRY GROUP

Opinion: 6 September

Time to end unfair attacks on labour hire industry

[Read Opinion piece >](#)

12 September 2018

"National imperative": New report reveals major skills gaps

[Find out more >](#)

WoodTECH 2018, 11 September

Industry 4.0 and Australia's manufacturing future

[Read the speech >](#)

12 September 2018

Apprentice numbers show slight improvement

[Read the Blog >](#)

12 September 2018

National Waste Policy under review

[Have your say >](#)

7 September 2018

Infrastructure keeps construction growing in August

[Find out more >](#)

10. FROM WORLD ECONOMIC FORUM

[Machines Will Do More Tasks Than Humans by 2025 but Robot Revolution Will Still Create 58 Million Net New Jobs in Next Five Years](#)

- Latest research from the World Economic Forum forecasts that by 2025, machines will perform more current work tasks than humans, compared to 71% being performed by humans today
- The rapid evolution of machines and algorithms in the workplace could create 133 million new roles in place of 75 million that will be displaced between now and 2022
- Urgent challenges include providing reskilling opportunities, enabling remote work and building safety nets to protect at-risk workers and communities

Access the full report, infographics and more [here](#):

11. FROM AIG

14 September 2018

AUSTRALIAN ECONOMIC DEVELOPMENTS

Robust business conditions in Australia were evident across most (but not quite all) industries in August, according to Ai Group's Australian PMI®, PSI® and PCI® and NAB's Business Survey. The NAB Business Survey (released this week) shows business conditions remain above the long-run average but have fallen since the start of 2018. In contrast, confidence amongst both businesses and households remains fragile. The NAB business confidence index fell below its long-run average in August, while consumer sentiment at the start of September was tempered by increases in mortgage interest rates, political instability and household budget pressures. The Assistant Governor of the Reserve Bank of Australia (RBA), Michele Bullock spoke about the risks arising from Australia's high household mortgage debt for households and

the economy at an Ai Group event in Albury this week. The Assistant Governor's speech *The Evolution of Household Sector Risks* can be found [here](#).

Reflecting the positive run of business conditions in 2018, Australia's labour market continues to expand. Total employment increased by 44,000 in August (up 2.5% p.a.), more than offsetting the small fall of 4,400 working people in July. The national unemployment rate held steady at 5.3% in August (seasonally adjusted). More positively, the quarterly underemployment rate (that is, the proportion of the labour force who are working but are willing and able to work more hours) fell to 8.1% in August 2018 from 8.5% in May 2018, while the under-utilisation rate (the sum of unemployment and underemployment) fell to a five-year low at 13.4% (seasonally adjusted).

Next week the ABS will release more detailed employment data which will identify the locations, industries and occupations in which employment and work hours are growing, as of August 2018.

NAB business conditions rebound in August but confidence falls

NAB's monthly survey of business conditions recovered by 2 points to +15 points in August after easing in recent months (results above zero indicate positive conditions in this survey). Similarly to Ai Group's Australian PMI®, PSI® and PCI®, business conditions in the NAB survey remain below the highs seen in early 2018, but are well above their long-term average.

The NAB survey indicated that trading conditions (sales) and profitability accelerated in August. The employment sub-index was unchanged; it is at a level consistent with jobs growth of around 23,000 per month and a declining unemployment rate in the latter part of 2018. Surveyed wage and cost variables increased in the NAB survey, as was evident in Ai Group's surveys in August.

Conditions in the mining sector were the highest of all industries in the NAB survey in August (trend), reflecting resurgent commodity prices, export demand and production volumes as projects ramp up to capacity. Retail remains the weakest sector in the NAB survey and was the only industry to record negative conditions in August. Across other industries, conditions remain buoyant in construction, financial, property and business services. Across the states, conditions remain above average in all states, but were most positive in Tasmania and Queensland. The weakest conditions were recorded in South Australia.

Despite these widespread reports of firmly positive business conditions, the NAB survey's business confidence index fell by 3 points to +4 points in August, below its long-run average (+6 points). Confidence fell in most states but was flat in Queensland and WA. Confidence was highest in mining and construction and weakest in wholesale trade and manufacturing in August.

Mortgage rises and political instability hit consumer sentiment in September

The Westpac-MI Index of Consumer Sentiment fell 3.0% m/m to 100.5 points in early September, indicating a deteriorating mood among Australian consumers (results over 100 points indicate 'net optimism' in this survey). This was the weakest sentiment result since November 2017, with Westpac economists noting "the detail suggests that confidence has been affected by increases in mortgage interest rates; political instability and household budget pressures."

Within this headline number, the Westpac-MI survey indicates that households' views on the economic outlook soured in early September. The 'economic outlook in the next 12-months' and the 'economic outlook in the next 5 years' sub-indices both fell in September but are still comfortably above their long-run averages. The 'unemployment expectations' index fell 6.6% in September, indicating that fewer consumers expect to be unemployed in the year ahead. Concerns about the labour market improved across all states, but especially in the mining states.

Employment growth continues in August in 2018

The national unemployment rate held steady at 5.3% of the labour force in August 2018 (seasonally adjusted). Total employment rose by 44,000 people, with an additional 33,700 fulltime jobs and an additional 10,200 part-time jobs (those working 35 hours or less per week). At the same time, the number of unemployed people looking for full-time work decreased by 7,500 and the number of unemployed people looking for part-time work increased to 13,200. These monthly labour market data are volatile and are subject to revision. For these reasons, the ABS recommends the trend estimates as the best guide to underlying patterns in the labour market.

In trend terms, the national unemployment rate ticked down to 5.3% in August, from a recent peak of 5.6% in July 2017. Employment increased by 29,000 in August, with part-time employment increasing by 8,000 and full-time employment increasing by 20,900. Over the past year, total employment has risen by 303,100, with an additional 183,500 people employed full-time and 119,500 more people employed part-time. This compositional shift led to an increase in the part-time share of employment from 31.5% in August 2017 to 31.7% in August 2018, which is still below the record high of 32.0% in November 2016.

Reflecting this high rate of part-time work, aggregate hours worked across the economy continued to grow more slowly than 'headcount' employment, with total hours worked up 1.8% p.a. in August. compared with 2.5% p.a. for employed people. The average hours worked per employed person was around 31.9 hours per week in August, which is two hours less per week than 20 years ago.

Over the year to August 2018, Australia's unemployment rate declined by just 0.2 percentage points to 5.3% in August 2018 (trend). This relative stability, despite strong employment growth, is mainly because of rising labour force participation (those working or looking for work), which has meant that monthly labour force growth is roughly matching monthly rises in employment. This rise in participation is a normal response to stronger demand for labour. The 'working-age' participation rate (those aged 15-64 years old), which in part controls for the effects of an ageing population, remained at 78.0% in August 2018 - the highest rate on record. The female 'working age' participation rate is also at its highest level on record, at 73.2%.

The underemployment rate (that is, the proportion of the labour force who are working but are willing and able to work more hours) is also trending lower. It declined by 0.3 percentage points to 8.3% in August (trend, quarterly results). Most under-employed workers are working part-time, with current numbers implying that around 27% of part-time workers were 'under-employed' in August. Under-employment has remained above the historical average in Australia since around 2014, even though the unemployment rate has declined, indicating a greater degree of 'spare capacity' in the labour market than is evident from the unemployment rate alone. The quarterly under-utilisation rate, (that is, a combined measure of unemployment and underemployment in the labour force), was 13.6% in August 2018, down 0.5 percentage points from 14.1% in August 2017. Although these rates are slowly falling, they remain relatively elevated which is (among other factors) continuing to weigh on wage growth at an aggregate level.

Across the states, employment increased in all states and territories except for South Australia and the Northern Territory in August. Employment increased in the year to August 2018 in all states and territories. Annual employment growth was strongest in New South Wales (+3.6% p.a.), Northern Territory (3.0% p.a.), Victoria (+2.5% p.a.) and Queensland (+2.3% p.a.). For most states and territories, annual growth in trend employment was above their 20-year average, except for Western Australia, Tasmania and the Australian Capital Territory.

Unemployment rates fell in August 2018 in Victoria (4.9%) and remained steady in New South Wales (4.8%), Western Australia (6.2%), Tasmania (6.2%) and the ACT (3.7%). Unemployment rates rose slightly in Queensland (6.3%) and South Australia (5.7%). Victoria's unemployment rate is now at its lowest level since March 2011.

Job advertisements suggest continued employment growth in late 2018

Robust business conditions and leading indicators of labour demand, such as job vacancies and hiring intentions, point to continued - but possibly smaller - employment growth in the coming months. The outlook for job seekers appears positive according to the latest SEEK new jobs ads data, with the number of new job ads posted online up by 5.4% p.a. in August. Despite the strong growth in total job ads over the year however, this figure represent the slowest growth rate in national SEEK job ads since March 2017. This suggests further national employment growth in the coming months, but probably not at the record high levels of 2017.

In the year to August 2018, job ads growth was fastest in 'mining, resources & energy', followed by 'insurance and superannuation' and 'government and defence'.

The giant healthcare and welfare industry (including health services, hospitals, welfare services, aged care and child care) added 57,700 jobs last year and now accounts for 13.4% of all employment in Australia, or more than one in seven workers. This trend looks set to continue into 2019, with strong growth in SEEK

job ads for 'healthcare & medical' workers (+12% p.a.) and 'community services and development' workers (+10% p.a.) including aged care and disability support workers.

WEBSITES

1. FROM ANZ BANK

Lessons learned (& forgotten) from the crisis

The worst financial crisis since the Great Depression, variously described as the Great Recession, the Lehman Shock or the GFC, had its signature moment a decade ago this weekend.

<https://bluenotes.anz.com/posts/2018/09/cornell-decade-since-GFC>

[The only way fintech can beat the banks](#)

Fintech has a lot going for it but there's one thing banks have it lacks – and it's the reason banks will always be the economic keystone.

James Culham | Director, Institutional Portfolio Management, ANZ

[Businesses still don't 'get' crypto](#)

Roughly 5 per cent of Australian businesses embrace crypto. Another tenth are staying away. The rest? They can't make heads or tails of it.

Martin Smith | Head of Markets Analysis, East & Partners

[On agile, we have to go back](#)

Agile as a management strategy is a lot older than people think. Can looking back help businesses prepare for the future?

Jean Dieudonne | Product Owner, Business Owners Tribe, ANZ

[What ever happened to the star-spangled caped crusaders?](#)

The US was meant to be here by now. But far from a pivot to the Asia Pacific, US (in)action in the region leaves a hole and growing opportunity for Chinese influence.

Tony Walker | Author and Former Editor

[What becomes of a broken banking sector?](#)

India's banks will heal - but it will take time. How that regrowth occurs is likely to be different from the pre-banking crisis period.

Richard Yetsenga & Sanjay Mathur | Chief Economist & Chief Economist SEA & India, ANZ

[Twenty/twenty hindsight and the GFC](#)

Sure there's things we wouldn't do again and unintended consequences from the response to the worst financial crisis since the Great Depression. But were there legitimate alternative actions?

Andrew Cornell | Managing Editor, bluenotes

[So about that infrastructure boom...](#)

Strength in construction is good news but implications for labour, resources and equipment markets carries risks.

Daniel Gradwell | Senior Economist, ANZ

[Committing to the future in Viet Nam](#)

Research shows committed financial support for education in developing nations pays off in the long run. In Viet Nam that commitment is strong.

Sreeram Iyer | COO - International & Institutional, ANZ

[Tapping into the potential of the Pacific Six](#)

An increasingly prosperous Asia opens up a multitude of growth opportunities for nations across the Pacific.

Kishti Sen & Tom Kenny | International Economist & Senior International Economist, ANZ

2. FROM NAB

12 Sep 2018

[The Forward View – Australia: September 2018](#)

by [NAB Group Economics](#)

A strong first half and easing downside risks.

13 Sep 2018

[The Forward View – Global: September 2018](#)

by [NAB Group Economics](#)

Growth at a multi-year high but set to slow as risks build.

14 Sep 2018

[NAB's world on two pages: September 2018](#)

by [NAB Group Economics](#)

The bigger picture – a global and Australian economic perspective.

3. FROM BUSINESS COUNCIL OF AUSTRALIA

Jennifer Westacott speech at St Kevin's College, Heyington Campus, 31 Moonga Road, Toorak

<http://www.bca.com.au/media/albert-street-lecture>

4. FROM ROSS GITTINS

WEDNESDAY, SEPTEMBER 12, 2018

[There are delusions for young and old](#)

There are things oldies tell young people that the youngsters should believe, and things they shouldn't. One thing I wouldn't believe is the confident predictions about the huge number of different jobs and careers they're likely to have. One thing I would believe is that eligibility for the age pension is likely to have risen to 70 by the time they get there, whatever Prime Minister Scott Morrison says about it being off the...

[Read more >>](#)

SATURDAY, SEPTEMBER 15, 2018

[Morrison optimistic we'll get much bracket creep](#)

The mystery revealed. Consider this: how does the Morrison government cut income and company taxes and avoid big cuts in government spending, but still project ever-rising budget surpluses and ever-falling net public debt over the next decade? With publication of the Parliamentary Budget Office's report on the May budget's medium-term projections, we now know. Short answer: by assuming loads more bracket creep between now and...

[Read more >>](#)

MONDAY, SEPTEMBER 17, 2018

[Long way to go to get banks back in their box](#)

Have we learnt from the mistakes of the global financial crisis, now 10 years ago? Yes, but not nearly as much as we should have. Of course, the answer is different for the Americans and the other major advanced economies to what it is for us, who managed to avoid bank failures and the Great Recession. Globally, much has been done under the Basel rules to strengthen requirements for banks to hold more capital and liquidity,

[Read more >>](#)

WEDNESDAY, SEPTEMBER 19, 2018

[Aged care abuses the latest of many economic mistakes](#)

How will the era of "neoliberalism" end – with a bang or a whimper? With a royal commission – or three. But don't worry. Royal commissions always make a lot of noise. With the memory of the government's embarrassing delay in yielding to public pressure for a royal commission into banking still fresh, Scott Morrison got in before the Four Corners expose to announce a royal commission into aged care. Who's to say this will be...

[Read more >>](#)

5. FROM WESTPAC

Australia and New Zealand Weekly

AUD on track to reach USD 0.70 before leg down in the US cycle. □ Australia: Westpac-MI Leading Index, RBA minutes, RBA Assistant Governor (Financial Markets) Kent speaks. □ NZ: Westpac-MM consumer sentiment, GDP, current account. □ Europe: ECB President Draghi speaks, consumer confidence. □ US: housing starts and building permits. □ Central bank meetings: BoJ, BoT. □ Flash PMI's for Japan, the Euro Area and the US. □ Key economic & financial forecasts.

Doug Cave
QETA Secretary/Treasurer

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