**From:** frank.sterzl@bigpond.com <frank.sterzl@bigpond.com>   
**Sent:** Monday, 12 August 2019 2:00 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** FW: Submission on "Currency (Restrictions on the Use of Cash) Bill 2019

**To whom it may concern**

**This bill must never be considered or see the light of day!!!**

**Here it is in a nutshell, zero and negative interest rates. The international money cabal is finally trying getting its way with us, getting control of the American reserve bank in 1913 and the other cabal lover,** Hawke**, selling our CommBank.**

**These cabals have time, using the** Fabian Technik**. Our reserve bank is contemplating printing money** (Quantitative easing) **and it won’t be given to the government to create jobs but to private interests and you will never see it again** (neither the jobs) **.**

**And the draft bill to restrict cash transaction is the last nail in the coffin to turn you into a slave for the international money cabal. To use the term “black economy” for an excuse to introduce this bill and to rob us of our money is a joke.**

**If you were serious to stop the “black economy” first you should shut down all casinos, TAB accounts, politician and others hiding their money in overseas tax haven bank accounts.**

**With Regards,**

**Frank Sterzl**

<https://www.abc.net.au/news/2019-08-09/reserve-bank-cuts-economic-forecasts-again/11399576>

# Reserve Bank 'prepared to do unconventional things' as economic outlook worsens

By business reporters [Michael Janda](file:///\\remus\news\michael-janda\166854) and [David Chau](file:///\\remus\news\david-chau\8543210)

6 minutes ago

Updated

[**Photo:** RBA governor Philip Lowe has considered the possibility of cutting interest rates to zero. (AAP: Dean Lewins)](file:///\\remus\news\2019-08-09\rba-governor-philip-lowe\11399646)

**The head of the Reserve Bank has told Parliament that all options are on the table to stimulate Australia's economy, potentially even cutting interest rates to zero or negative levels and implementing unconventional policies such as quantitative easing.**

## Key points:

* RBA governor defends interest rate cuts saying the dollar would be higher and economic growth slower without them
* Bank says further rate cuts are possible as it lowers its economic outlook for Australia
* Unemployment is forecast to rise to 5.25pc by 2020, while wage growth is expected to remain stuck around 2.3pc

This week, four countries — [New Zealand](file:///\\remus\news\2019-08-07\australian-dollar-slumps-to-decade-low-on-rbnz-rate-cut\11391886), India, Thailand and the Philippines — cut their official rates, with more nations expected to follow over the next few weeks.

That follows the first [US Federal Reserve rate cut](file:///\\remus\news\2019-08-01\us-interest-rates-cut-for-first-time-in-decade-federal-reserve\11372722) in more than a decade at the end of July.

RBA governor Philip Lowe told the House of Representatives Standing Committee on Economics that the bank may have to cut rates again if unemployment rises and inflation remains weak.

"It's possible we end up at the zero [rate] lower bound. I think it's unlikely but it is possible," he said.

*"We're prepared to do unconventional things if the circumstances warranted it."*

## [What is quantitative easing?](file:///\\remus\news\2019-06-18\reserve-bank-must-consider-quantitative-easing,-economists-say\11218476)

[](file:///\\remus\news\2019-06-18\reserve-bank-must-consider-quantitative-easing,-economists-say\11218476)  
[Economists argue the Reserve Bank must consider quantitative easing, but what is it?](file:///\\remus\news\2019-06-18\reserve-bank-must-consider-quantitative-easing,-economists-say\11218476)

The Reserve Bank has recently faced criticism from the committee's chairman, Liberal MP Tim Wilson, as well as [former prime minister John Howard](file:///\\remus\news\2019-08-06\john-howard-says-interest-rates-have-been-cut-too-far\11386724).

However, Dr Lowe defended the [RBA's decision to slash Australia's interest rates to a fresh record low of 1 per cent last month](file:///\\remus\news\2019-07-02\rba-cuts-rates-to-a-new-low-of-1pc\11270464).

"If we didn't have the level of interest rates we have today — let's say they were 1 percentage point higher — I'm confident the exchange rate would be higher," he said.

"That would be hurting our agricultural sector, our miners, our tourism sector, the education sector."

## RBA slashes forecasts … again

The chance of further interest rate cuts appears very high following the release of the Reserve Bank's latest quarterly Statement on Monetary Policy (SOMP) this morning.

Reflecting the reality of the economic data flowing in, the Reserve Bank has downgraded its economic growth predictions once again, even though the forecasts assume market pricing for interest rates, which is currently factoring in another rate cut this year plus one more next year, taking the cash rate down to just 0.5 per cent.

## [Lower rates, not higher wages](file:///\\remus\news\2019-07-22\do-not-bank-on-a-wage-rise-this-year-expect-rate-cuts-instead\11329764)

[](file:///\\remus\news\2019-07-22\do-not-bank-on-a-wage-rise-this-year-expect-rate-cuts-instead\11329764)  
[With unemployment looking more likely to rise than fall, don't expect stronger wage growth this year. Expect another rate cut instead.](file:///\\remus\news\2019-07-22\do-not-bank-on-a-wage-rise-this-year-expect-rate-cuts-instead\11329764)

Despite these assumed rate cuts, the RBA has lowered its GDP forecast from 2.75 to 2.5 per cent for the year to December 2019.

However, it has lifted the June 2021 forecast from 2.75 to 3 per cent.

A key reason for the RBA lowering its short-term domestic economic forecasts is a high, and rising, degree of uncertainty about when Australian households will open their wallets again — despite lower interest rates and tax cuts.

"The outlook for consumption more broadly continues to be the main uncertainty facing the domestic economy, especially in the context of ongoing high levels of household debt," the bank's staff noted in the report.

## Unemployment not expected to fall in a hurry

The central bank also raised its unemployment forecast from 5 to 5.25 per cent for this year and next.

Furthermore, the jobless rate is now not expected to fall below 5 per cent out to the end of the forecast period (December 2021).

That leaves the proportion of people out of work higher than the bank's new estimate of full employment (4.5 per cent) as far as the eye can see.

Consequently, wages growth is expected to remain stuck around its current low levels of 2.3 per cent for the next couple of years, in contrast to the improving situation for workers in many other advanced economies.

*"Wages growth increased notably over 2018 in the major advanced economies and remains around the highest levels since 2010," the RBA noted.*

## [Why is wage growth so low?](file:///\\remus\news\2019-03-28\why-workers-are-getting-the-smallest-pay-rises-since-wwii\10942530)

[](file:///\\remus\news\2019-03-28\why-workers-are-getting-the-smallest-pay-rises-since-wwii\10942530)  
[Why is Australia experiencing its slowest wages growth since World War Two? There are countless theories, but many come back to a shift in power between workers and employers.](file:///\\remus\news\2019-03-28\why-workers-are-getting-the-smallest-pay-rises-since-wwii\10942530)

With wage growth remaining subdued and consumers remaining cautious, the Reserve Bank now expects it to take an extra year to get inflation back to even the bottom of its target range, forecasting a return to 2 per cent annual price increases by June 2021.

Considering these lower forecasts — with many slashed again for the third consecutive SOMP — it is not surprising the bank has indicated strongly that interest rates are far more likely to fall over the next year or so than they are to rise.

"Given the current environment, it is reasonable to expect that an extended period of low rates will be needed to achieve the board's employment and inflation objectives," the RBA noted.

"The board will continue to monitor developments in the labour market closely and is prepared to ease monetary policy further if needed to support sustainable growth in the economy and the achievement of the inflation target over time."

## International concerns increasing

Added to those domestic worries are concerns about the US-China trade and technology war, which could further slash already lowered growth expectations for many of Australia's main trading partners.

*"Downside risks to the outlook have increased: policy uncertainty remains high and the potential for the US-China dispute to escalate further has risen, which would adversely affect business investment."*

The Reserve Bank made several mentions of the escalation of the trade dispute, with a [new suite of US tariffs on Chinese goods threatened](file:///\\remus\news\2019-08-02\donald-trump-to-impose-more-tariffs-on-chinese-goods\11376766) and [China allowing the yuan to devalue against the US dollar](file:///\\remus\news\2019-08-06\dow-suffers-worst-fall-of-year-as-us-china-trade-war-flares\11386148).

## [What next in the US-China trade fight?](file:///\\remus\news\2019-08-06\trump-declares-china-a-currency-manipulator-australian-fallout\11386612)

[](file:///\\remus\news\2019-08-06\trump-declares-china-a-currency-manipulator-australian-fallout\11386612)  
[The US has now declared China is a "currency manipulator" — but what does that mean and what effect will it have on the trade war?](file:///\\remus\news\2019-08-06\trump-declares-china-a-currency-manipulator-australian-fallout\11386612)

Adding to the economic risk from the trade war, the Reserve Bank is clearly keeping a close eye on vulnerabilities in the Chinese financial system, particularly around its loosely regulated small and shadow banking system.

In a special report on the sector, RBA staff noted that there are around 4,000 small banks in China, holding a quarter of banking system assets — up dramatically from just 10 per cent a decade ago — equivalent to 70 per cent of China's GDP.

The largest small bank in China has more than $200 billion in assets, making it larger than any Australian bank outside the big four.

[One small Chinese bank has already had to be taken over by authorities this year](file:///\\remus\news\2019-06-28\baoshang-bank-collapse-hits-lending-threatens-chinese-economy\11252022), with losses to some investors, which sparked a large increase in funding costs for many of the other small institutions.

Such banks are vulnerable to a short-term rising in funding costs because 90 per cent of Chinese small bank wholesale funding is expected to mature within one year.

Chinese authorities have stepped in to facilitate funding of the sector by larger institutions and other investors, but the RBA clearly still views it as a potential vulnerability to China's financial system that is worth close monitoring.

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