Manager  
Black Economy Division  
Langton Cres  
Parkes ACT 2600 12/8/19

Dear Sir/Madam

Thank you for the opportunity to comment. I object and disagree with the proposed limits on cash transfers and the draft bills

· *Currency (Restrictions on the Use of Cash) Bill 2019;*

· *Currency (Restrictions on the Use of Cash – Expected Transactions) Instrument 2019;* and

· *Currency (Restrictions on the Use of Cash) (Consequential Amendments and Transitional Provisions) Bill 2019.*

1. Firstly and practically, the proposed change is unlikely to significantly change illegal cash transfers (as other submissions I know have pointed out.) If so, evidence should be provided and the topic debated in the public sphere.

2. It is well known that large national and international companies are some of the biggest sources of “escaped” tax payments! We shouldn’t need to remind Treasury of these facts including long known transfer pricing issues. Obviously this proposed bill will do nothing about these.

3. This proposal is more obviously intended and is a transparent move prior to negative interest rates in order to prevent Australians accessing their cash if rates (currently 1%) are moved negative. (The release with a scant 2 weeks for acceptance of submissions seems too short for an important subject.)

This possible future move to negative rates is untested, an experiment and has enormous risks. Probable consequences:

- Mortgage holders will receive interest from their bank

- Savers will “pay” the bank to hold their money

- What will happen to the price of shares paying dividends? Will most bank accounts be emptied accessing paltry share dividends? And will then shares approach P/Es of 50-100?

- Will retirees have the majority of their funds in the stock market? Is this desirable?

These issues have not been thought through even if one considers there may be merit. The idea that Central Bankers, or the Government of the day will be able to manage all these potential risks is not serious.

Why should individuals have restrictions from accessing their money now (cash) when there is no national crisis?

4. This proposal, infringes on people’s personal liberty and privacy to go about their business using cash.

5. It forces the populace to use the banking system. This is not really compatible with a democratic country. As many Australians now clearly realise; the banking Industry has recently been found in a Royal Commission to be rapacious and having engaged in many dubious activities with regards to their customers. One bank even allowed many millions to be transferred Internationally for long periods without notifying authorities. More intense attention in this direction may be more fulfilling for the authorities than further restrictions on the ordinary person using cash.

6. It hasn’t escaped notice that the proposed $10,000 or the exemptions could be changed by regulation later to whatever the Government of the day wished, without further legislation.

7. $10,000 must be put in perspective. We must all remember that as long back at 1982 (37 years ago); that $10,000 was a fair amount of money.

- In 1982 you could buy a Holden Commodore for $9597-00.

- In 2018 you could not buy a new car for $10,000- a Mitsuibishi Mirage cheapest (@$12,000)

<https://www.redbook.com.au/cars/details/1982-holden-commodore-sl-vh-manual/SPOT-ITM-231222/>

<https://www.whichcar.com.au/car-advice/australias-10-cheapest-cars-of-2018>

11. Criminal penalties for using more than $10,000 seems completely over the top unless there is something we have not been told. More like George Orwell and 1984 !

**Solutions/Suggestions regarding ‘Black Money’ and unpaid Taxes:**

A) Worried about “Black Money in the Economy”? This week’s news provided one main answer; - needed and urgently; - a transparent investigation into gambling, casinos and the connection between money laundering, and corruption in Australia. No action heard so far.

B) More tax effort onto Multinationals using the Irish/Dutch sandwich – possibly a revenue tax similar to that which France has implemented (executed though this time in concert with other developed countries)- suggest starts at e.g. revenue in Australia above over USD $15-20 Million.

C) No need for suggested ‘low’ limits on cash. Limits should be sensibly approximate to e.g. the cost of a new average family car (e.g. Holden at $33,000), and adjust AUSTRAC to this (in the interests of efficiency.)

D) More public consultation about

- The risks of lowering interest rates right now and having no buffer in case of a real International Economic Emergency (our buffer is now only 1%) - at present there is no economic emergency in Australia.

- But home buyers should beware at present as Australian household debt is at 100+ year highs, and the world is economically *not normal* with Trillions of Government debt at *negative* rates.

- In an emergency could negative interest rates could come to Australia?? It is not business as normal for the economy.

- Quantitative Easing- “digital money printing.” There may be justification to use this in a genuine & rare economic emergency. However the jury is out whether there is any real benefit using it in more than in an emergency situation. Applying QE for several years just to keep house prices up needs a lot of debate; - rather than just introducing it.

E) The unceasing & alarming epidemic of METH (Methamphetamine) in Australia inevitably must be associated with very large amounts of cash. Much more intensified attempts to ‘follow the money’ together with State Government Police anti-drug units would likely have a better yield than the proposed legislation- and help fight this drug which is already a real menace to the country.