**From:** Brad Lalic <brad.lalic@optusnet.com.au>   
**Sent:** Sunday, 4 August 2019 9:35 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Submission: Exposure Draft-Currency (Restrictions on the Use of Cash) Bill 2019  
**Importance:** High

Dear Federal Treasury,

My name is Brad Lalic.  I am a professionally qualified senior finance executive employed in the private sector by a global multi-national.  I have over 25 years of private sector finance and business experience.  I am clearly aware that both major parties are out of touch with the reality of the economy and have no concept of how to manage Australia’s economy.

I have learned of a proposed bill by the current Scott Morrison Federal Liberal Government already passed by the Senate which seeks to restrict the use of cash transactions to a limit from $10,000 to as low as $2,000 as recommended by KPMG.  This proposed legislation also appears to pre-empt the additional roll out of further legislation which seeks to introduce a “bail-in” type regulation which allows private banks to seize the deposited funds of bank account holders.  With interest rates falling this may eventually lead to account holders with bank deposits being charged interest on the funds they have deposited in their bank accounts which in effect results in negative interest rates.  This is outrageous and will certainly lead to a collapse of the Australian banking sector.

As an investor with some funds deposited in private banks I am outraged by this and completely opposed to this proposed legislation and understand that it will be completely ineffective in reducing the cash “black” economy within Australia.  The legislation is in fact just a disguise for the first step in supporting a banking sector that is at risk of collapse due to the irresponsible and incompetent mismanagement of the cash rate by the Reserve Bank of Australia.  The reduction of interest rates is quite clearly ineffective in stimulating economic growth and has been ineffective for many years.  Reducing interest rates creates a debt bubble and promoted irresponsible borrowing.  The Reserve Bank Governor (Philip Lowe) must step down and be replaced by someone with real business experience.  In fact the Federal Government and its incompetent Treasury Department must immediately implement urgent economic repair measures to avert a severe recession by implementing the following policies:

* Encouraging the Reserve Bank to raise interest rates.  Although this will increase loan defaults in the short term the economy needs to reset in order to prevent it falling into a death spiral;
* Cut government waste and spending.  The federal government adheres to a policy of spending a % of the GDP in various areas.  Urgent cust are needed in wasteful spending areas such as defence, welfare handouts and public service positions.  With stagnant GDP growth the government must implement austerity measures to cut spending so as to…
* Cut taxes.  Australia’s collective taxes at the local, state and federal level are one of the highest in the world.  From our maximum individual marginal rates being 47% whilst NZ and the U.S. are 33% and 37% respectively to Australia having many taxes the rest of world has never heard of (Eg: Stamp Duty, Payroll Tax, Land Tax, CGT).  Excessive taxes are strangling the Australian economy by overburdening small businesses and large businesses have refuse to set up head offices here because of the ludicrous levels of tax they would have to pay.  In many cases the same taxes are being levied twice by different levels of government (Eg: Payroll Tax by the states and PAYG W WH by the Federal Government).  Some of the most economically damaging taxes are levied by the state governments such as Stamp Duty, Payroll Tax and Land Tax.  These taxes drive up the cost good and services (and cost of living) and result in Fairwork Australia raising the minimum wage, which is one of the highest in the world.  High taxes are a ticket to a recession, especially when an incompetent and irresponsible group of senior public servants wastes the taxes on pointless capital projects.  The ATO statistics indicate that the top 10% income earners pay around 50% of Australia’s taxes.  This is a grossly unfair burden on the highest earning minority of taxpayers in Australia and must be reformed.

I am aware of instances where “bail-in” laws have been implemented in other countries which has resulted in their banking system collapsing because investors panicked and withdrew their funds.  Your legislation seeks to lock in the funds of investors within the private banking sector which has an equally poor record as the Australian federal and state governments in managing their affairs.

I would like to once again confirm that I am completely against the introduction of the bill which seeks to restrict the use of cash by Australians because I am certain its introduction will lead to further legislation which has sinister motives to seize the funds of investors in order to support an irresponsible banking sector.

Regards

Brad Lalic