**From:** Mark Radovic (SYD) <Mark.Radovic@foxtel.com.au>   
**Sent:** Wednesday, 7 August 2019 3:52 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Draft Legislation Cash Payment Limit

Dear Sir/Madam,

I am deeply concerned regarding the Governments proposal to limit Cash transaction to below $10,000. I am not in favour of the proposal and don’t believe it will do anything to halt the black economy or even limit money laundering. This is an erosion of people’s civil liberties on how they choose to conduct their financial affairs, which currently allows for freedom of choice with various settlement methods.

I believe the policy change is in preparation for the potential for negative interest rates in this country, as quoted by the IMF Blog dated February 5, 2019 and not for the method outlined in the proposal. Excerpt below.

“In a cashless world, there would be no lower bound on interest rates. A central bank could reduce the policy rate from, say, 2 percent to minus 4 percent to counter a severe recession. The interest rate cut would transmit to bank deposits, loans, and bonds. Without cash, depositors would have to pay the negative interest rate to keep their money with the bank, making consumption and investment more attractive. This would jolt lending, boost demand, and stimulate the economy.

When cash is available, however, cutting rates significantly into negative territory becomes impossible. Cash has the same purchasing power as bank deposits, but at zero nominal interest. Moreover, it can be obtained in unlimited quantities in exchange for bank money. Therefore, instead of paying negative interest, one can simply hold cash at zero interest. Cash is a free option on zero interest, and acts as an interest rate floor.”

I also strongly oppose the fact that any amendments could be passed without further discussions in parliament. I don’t believe this will only be limited to cash transactions, and instead, leaves the door open to include Crypto Currencies and Precious Metal Commodities without any future public discussion.

As an alternative to limiting people’s payment choices, maybe you should consider eliminating the $100 note. This would have far greater effect in terms of restraining illicit activities and any black economy transactions, but still give honest, hardworking tax payers, the freedom to choose how they transact.

Yours Sincerely,

Mark Radovic.

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