01/8/19

Manager  
Black Economy Division  
Langton Cres  
Parkes ACT 2600

Rod Smith

27 Beachcomber Dr,

Byron Bay. 2481.

Tel 0266 808 646

Dear Sir/Madam,

I am opposed to the anti-cash transaction measures for the following reasons:

1. The furtive nature of the announcement of these changes. It has not featured in the mainstream media, the announcement being made at an odd time of the week indicate these measures would not be popular with the public. A short public submission timeframe also raises concerns. There is always the thought that the decision has already been made and the consultative process is a waste of time.
2. The possibility the steps are not being taken to mitigate tax avoidance or terrorism, rather they are there to force households to do all their transactions through the discredited and risky banking system, and to mitigate the risk of a run on the banks.
3. The possibility these measures are being undertaken by external pressures from the IMF or similar.
4. The problems with compliance of other sovereign states not being wholly committed to the anti-cash regimen. In other words larger transactions of cash could still be undertaken using other currencies and opaque transfer pricing.
5. It could foster a shift to crypto-currencies which are proliferating with little or no regulatory oversight. Crypto-currencies are inherently unstable as they have a speculative nature as to their perceived value per unit.
6. It would be a bonanza for credit card companies who would charge a fee for every transaction. The small business sector is under pressure with low margins of sometimes 2-4% profit. A credit card fee of say .5% on everything could be problematic.
7. There would be vulnerabilities in an economy reliant on the internet and electronic overnight clearances. These risks could include criminal, terrorist or rogue state operatives negatively impacting the efficient use of such technology. Plus the possibility of infrastructure or equipment failure due to mishap or natural disaster.
8. Cash still plays an important role in protecting privacy of individual and household activities.
9. The problem of over extended banks exposed to the property bubble mean depositors could lose all their savings in the case of an impaired or insolvent deposit taking institution.
10. There is the possibility that the cash transaction limit will be lowered over time from $10k down.
11. The answer to tax avoidance is transparency and legitimacy, not ever more intensive farming of tax and fines to pay for wasteful and inefficient government. The answer to terrorism is justice in the Middle East and elsewhere. More rules, restrictions and costs could break the entrepreneurial dynamic needed to drive innovation and facilitate worthwhile risk.
12. Cash is still important in certain larger transactions like buying durable goods like vehicles, computers where it facilities better bargaining and the buyer can take the purchase away immediately.
13. I run a small business. We are under enough pressure and costs as it is. What we are looking for is less red tape, solid banks who won’t rip us off or fail and take our meagre savings, less tax, less rules. Small business is in survival mode. I hope government is not looking for small business to be its savior. It feels like we are in permanent recession.

Rod Smith