**From:** Ross Venner <rossvenner667@gmail.com>   
**Sent:** Friday, 9 August 2019 12:17 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Economy-wide cash payment limit of $10,000

Dear Sir/Madam,  
  
May I express my extreme concern regarding the proposed ban on transactions in excess of $10,000.  
  
I recognise the importance of controlling the "black economy" but juxtaposed with the April 2019 proposals by the IMF to introduce "deep negative interest rates" the plans of the Anti-Money Laundering Taskforce must be viewed as an opportunistic attempt to rob those with modest savings and transfer their hard earned capital to the economically privileged - Those far better positioned to accept exposure to extreme risk.

By value, most fraud and tax avoidance is undertaken through corporate entities using mechanisms other than cash. Thus these proposals will only have a marginal impact on tax avoidance and corruption.  
  
I would point to the admission in the IMF's document that there would be a need for "communication tools" to explain central bank action. This appears to conflict with democratic accountability. Given the likely fury that implementation of such a policy would cause, it has the potential to render the incumbent political party un-electable for several political cycles. The desire to protect independent central banks from political intervention would therefore serve to promote parliamentary control, for better or worse.  
  
In the Australian context, the present economic malaise arises from the irresponsible promotion of excessive housing finance to the substantial exclusion of lending for productive purposes. Given that the regulators had a number of levers to guide lending institutions in alternative directions but chose not to use them; the present situation is at least partially the responsibility of the Reserve Bank and APRA. That the Reserve Bank chose to defer two interest rate cuts until after the general election thus enabling the incumbent government to claim that the economy was healthy is, in itself an alarmingly partisan political intervention.  
  
The risk of negative interest rates, combined with caps on cash transactions, will likely see poorly informed investors chasing yield in a high-risk market. This has all the hallmarks of the early stages of the collapse of the Weimar Republic with all the horrors which that event presaged.   
  
I urge you to either abandon the proposals or, should they be enacted, to enshrine in law the existence of the Zero-bound interest restriction. This should serve to moderate the inevitable panic.

Regards

Ross Venner F.C.A.