

28 June 2018

Our ref: KB-GA

Black Economy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [blackeconomy@treasury.gov.au](mailto:blackeconomy@treasury.gov.au)

Dear Black Economy Division

### **Introducing an economy wide cash payment limit**

Thank you for the opportunity to provide comments on the consultation paper: Introducing an economy wide cash payment limit. The Queensland Law Society (QLS) appreciates being consulted on this important issue.

QLS is the peak professional body for the State's legal practitioners. We represent and promote over 13,000 legal professionals, increase community understanding of the law, help protect the rights of individuals and advise the community about the many benefits solicitors can provide. The QLS also assists the public by advising government on improvements to laws affecting Queenslanders and working to improve their access to the law.

QLS supports the introduction of sound measures to combat tax avoidance and other illegal activities. However, we consider that there may be unintended consequences in respect of the proposal summed up in question 9 of the consultation paper.

#### **Question 9. Should there be any additional reporting requirements for businesses to report transactions above or close to the cash payment limit?**

We do not consider there is utility in burdening businesses by requiring them to report on attempted payments of cash above the threshold. Further, any business that does accept a payment of cash above the threshold either does so intentionally or accidentally and in either case, will be unlikely to report.

As we understand it, the policy intent of these initiatives is to prevent cash transactions in excess of \$10,000 and thereby reduce the impact of the black economy on the revenue collection of the Commonwealth. This intent will be best achieved if businesses decline transactions exceeding the cash limit of \$10,000 and thereby default all such transactions to electronic transfers or cheques.

The compliance cost imposed upon business of making secret reports to Government on those potentially ignorantly or unwittingly proposing to pay in cash would appear to contribute little to achieving this objective. Consideration of such a measure would appear to be directed

## Introducing an economy wide cash payment limit

toward intelligence gathering for law enforcement rather than safeguarding the Commonwealth's revenue. It is accepted that gathering intelligence is a legitimate activity for Government, however QLS does not consider that this should be conducted at a direct cost to business or that business should be an agent for law enforcement. In our view, the likely exposure to penalty and sanction for failing to report is not a fair bargain for legitimate businesses.

If you have any queries regarding the contents of this letter, please do not hesitate to contact our Senior Policy Solicitor, Kate Brodnik by phone on (07) 3842 5851 or by email to [k.brodnik@qls.com.au](mailto:k.brodnik@qls.com.au).

Yours faithfully



Ken Taylor  
President