

Black Economy Report - Anecdotal Evidence

Anecdotal Evidence in the Black Economy Final Report

The Black Economy Report's findings seem mostly based on anecdotal evidence. The report is filled with statements like:

P11 **In our opinion** the black economy could be as large as 3 per cent of Gross Domestic Product (GDP) today, up to 50 per cent larger than the Australian Bureau of Statistics' (ABS) 2012 estimates. (No evidence shown)

P19 We appreciate that this may sound abstract...

P34 Social norms play an important part. Many in the community accept black economy behaviour. (No evidence stated?)

P138 **While there is no reliable data available yet**, it may also be the case that some of the non-compliance is deliberate.

P261 After decades of effort, we have changed community attitudes for the better in other areas, including road safety, littering, drink driving and public health. Yet too many in the community defend, excuse and even, in some cases, boast of their participation in the black economy. This is endemic. It has even been described as a national sport. (No evidence of these statements? This is quite a serious charge to make against the public)

P261 When consumers, employees and businesses participate in it, they are seeking an unfair advantage over those who do the right thing. This behaviour has been tolerated, **even celebrated**, for too long, but it is time that it is called out.

P264 **It has been said** that small-scale participation in the cash economy is a national sport in Australia. (Again, no evidence)

P271 Parts of the Australian population view black economy participation as a commonly-accepted and justifiable practice: it is seen as a national sport.

The Black Economy Final Report references the work of the international organisation the Financial Action Task Force only twice:

P196 Improving transparency of beneficial ownership for companies, trusts and other legal arrangements is an important reform which is also a focus internationally. Australia has committed to the **G20 Principles and implementing the Financial Action Task Force Standards'** recommendation in this area (in this area only?)

P196 We have heard some reservations about whether this proposal will be sufficient to enable Australia to fully meet the Financial Action Task Force (FATF) standards. We consider that the detailed design could iron out these concerns. It is noted that a request based model may limit the ability of authorities to progress investigations without alerting entities of the investigation.

The FATF makes many detailed suggestions in their report for how the Australian government can combat financial crime. None of the recommendations that the FATF deemed urgent and serious were attended to in the Black Economy Final Report.

The FATF does not mention many of the recommendations made in the Black Economy Final report such as restricting the use of cash, publicised joint raids to deter the public for non-compliance, and increasing the surveillance powers of the

ATO

The Black Economy Report does not address money laundering through real estate, of which Australia has been named as the worst in the world.

<https://www.macrobusiness.com.au/2017/03/report-australia-worlds-worst-money-laundering-property-market/>

<https://www.smh.com.au/business/the-economy/australia-a-safe-haven-for-illicit-funds-but-switzerland-the-worlds-worst-20180131-h0qyxl.html>

The Australian government issues 'money laundering visas' for investors who funnel large amounts into the country. China has laws and restrictions about how much money their citizens can invest overseas. **The Australian government is openly helping Chinese citizens break the law**

<https://www.macrobusiness.com.au/2019/07/chinese-fight-retail-australian-money-laundering-visas/>