

Currency (Restrictions on the Use of Cash) Bill 2019

I note that inherent in the proposed Bill there are a number of assumptions, which I would suggest recent evidence indicates are fundamentally flawed:

1. The use of digital transactions through wireless and hardwired connections to the internet are totally integrated throughout society and 100% reliable, such that digital transactions can be conducted anywhere and at any time.
 - [Aug, 2017: Woolworths system glitch withdraws money from customers' accounts](#)
 - [Jul, 2019: Payments at retailers, including Woolworths, hit by Telstra outage](#)
 - [July, 2019: Electronic payments go down - McDonalds and Woolworths only](#)

FALSE: Digital currency transactions cannot be relied upon, and cash remains the only viable alternative when the digital system fails. Should the Banking system utterly fail (as happened in Greece, June 2013); or the economy suffer hyperinflation, as seen in Argentina for the past 5+ years, then gold and silver are an important component in managing business and investment requirements.

2. The “definition” of cash that is applied in the Bill will not significantly affect trade or investment.

FALSE: The definition does not exclude gold and silver physical bars, and it is unclear how it will affect minted gold coins. Investment in a gold bullion bar from the Perth Mint shows that all gold bars larger than the 100g bar would be prohibited, significantly limiting the ability of investors and traders in legitimate transactions. It will also mean that the Perth Mint can no longer sell the 6 larger sized gold bars currently on offer.

<http://www.perthmintbullion.com/us/Buy-Gold-Bars.aspx>

3. Banning the use of cash for large purchases (above \$10,000) will restrict criminal and blackmarket activities because criminals/blackmarketeers are too stupid to resort to using other forms of tradable commodities, such as diamonds, drugs, US Dollars, guns, rare collectable stamps and coins, lesser collectable artworks.

FALSE: YOU HAVE GOT TO BE KIDDING ME!

4. Banning large scale transactions using cryptocurrency does not need to be included because all cryptocurrency transactions are traceable and investigation by Police will be able to identify the source and destination of black-market “illegally derived” cryptocurrency.

FALSE: Tracing cryptocurrency (mining) is extremely difficult, and, the use of cryptocurrency in blackmarket economy is for the exchange of goods and services. In this sense it is no different from cash, the main reason for exempting it is the ability to detect that a large cryptocurrency transaction has occurred, especially when the payment is then broken up into a myriad of small amounts for onward exchange of goods/services, and this is a flawed assumption.

5. Compliance and enforcement is practical, achievable, and will not result in any reduction to privacy for individual Australian citizens or corporations.

FALSE: Banks already have a responsibility to report transactions over \$10,000 and therefore this bill is not changing the current system. However, Kenneth Hayne's 2019 report into the banking and financial services industry has shown beyond doubt that this sector is subject to unethical and immoral behaviour and devoid of effective regulatory oversight. Is this really such a good idea? Indeed, it was noted that Banks had failed in their obligations to report large transaction, and yet another reason not to trust the Banks.

In Summary:

This Bill will impose significant constraints on legal and law-abiding Australian citizens in an attempt to prevent the illegal blackmarket activities of a small number of criminals, terrorists and tax-evading corporations, and have little if any significant effect on reducing the risk or opportunity of blackmarket activities continuing to occur. In return, Australian citizens are required to give up their ability to use a form of wealth that is thousands of years old, which is effective and reliable in commercial transactions and which is currently their choice to use should they wish. This removes the power of choice and hands Banks with even greater power and the ability to gouge the market to extort even greater fees and reducing interest rates to punitive (effectively negative) levels, for the privilege of spending the wealth that individuals and corporations have worked to hard to create.

Australian citizens are also required to allow the Government Regulators to conduct comprehensive and surveillance of banking transactions largely without the supervision of Parliament, and requires that the Government Regulator build an even greater and more powerful network of electronic surveillance that covers all aspects of wealth transfer. This will, by virtue of the need to incorporate an enormous variety of data sources, be vulnerable to computer hacking, data leakage and loss of integrity. Frankly, the government has shown no ability to manage such computing infrastructure and no capability to provide effective oversight that protects the citizen and prevents poor behaviour from Banking institutions and vexatious government officials.

There is little evidence that significant large cash transactions make up a large portion of black market activity in Australia, that the government cannot already trace. Banks are already obligated to notify the government of transactions over \$10,000 and if this is not currently working effectively then fix this problem before asking to impose even greater restrictions. There is no evidence that imposing these laws will have any more than a minor irritation to the black economy, yet it will have a serious and significantly detrimental effect on the Australian society.

In short, I find it difficult to understand why this Bill is required, or how this Bill can possibly be supported!

Your sincerely

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