**From:** Garry Bart Lawler <glaw1491@bigpond.net.au>   
**Sent:** Sunday, 11 August 2019 4:44 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Cc:** pat.conaghan.mp@aph.gov.au; david.gillespie.mp@aph.gov.au  
**Subject:** Submission: Exposure Draft - Currency (Restrictions on the use of Cash) Bill 2019

I object to this proposed law which is designed to impinge upon the Australian peoples civil liberties and freedoms and is not appropriate or right for our country. This draft legislation will have little or no impact on its supposed intended purpose (to reduce the Black economy) but has dire consequences to the Australian way of life in the future.

The proposed bill (and associated instrument - regulations) are a major affront and assault to economic freedom in Australia and represents a significant curtailment to Australian civil liberties. The proposed laws would punish individual Australians as to how they wish to spend their private wealth, including whether: they wish to conduct transactions independent of Australia’s commercial banking system; and they wish to conduct their economic affairs in private. Moreover, the proposed laws are anti-competitive in nature given that cash transactions (irrespective if they include physical or digital forms of currency) are an alternative to using Australia’s commercial banking sector.

From an economic regulatory perspective, it is highly improper for the Commonwealth to be implementing anti-competitive laws which would effectively force citizens to consume a particular good or service offered by a particular industry which, given the recent Royal Commission into Banking, has a dubious record in servicing customer interests. The proposed law breaches the principles which have underpinned Australian competition policy in recent decades without sufficient justification.

I am concerned that the proposed laws would curtail the abilities of Australians to escape negative nominal interest rates if such a regime were to be imposed by the Reserve Bank of Australia (RBA).

In recent years, there have been a series of international calls from academic and institutional economists as well as elements of the global banking industry for the role of cash to either be significantly reduced or eliminated, given that the use of physical cash or digital cash outside of the government’s control undermines the policy of negative nominal interest rates.

For example, the following papers and blog posts by economic authors at the International Monetary Fund (IMF) have argued that the elimination of cash from an economy would enhance the effectiveness of negative nominal interest rates:

* August 2018: *Monetary Policy with Negative Interest Rates: Decoupling Cash from Electronic Money*
* February 2019: *Cashing In: How to Make Negative Interest Rates Work*; and
* April 2019: *Enabling Deep Negative Rates to Fight Recessions: A Guide*

Moreover, the IMF have argued that: during an economic recession, interest rates need to be lowered between 3% - 6% in order to stabilise the economy and to allow economic growth to recover; and given that official interest rates are already very low around the world, deep negative interest rates of approximately -4% may be required if a global economic recession or global economic shock were to eventuate.

Given that the RBA’s official cash rate currently sits at 1%, there is an increasing likelihood that the RBA maybe motivated to implement negative nominal official interest rates if the Australian economy were to fall into recession or if a global shock were to eventuate. Under such a policy stance, Australians should have the fundamental economic and civil right to protect their private wealth independent of the commercial banking sector that would strip them of their wealth from the imposition of negative nominal interest rates.

I am concerned that once the Bill is passed by Parliament that the government of the day can alter the regulations to suit their needs and further erode the interest of the people without the need for legislative approval.

There has not been provided any evidence that this will reduce the black economy and no impact study of the cost benefit to put this Bill in place.

It is clear that the Policy elite are behind this Bill including the IMF to enable the effective implementation of Negative interest rates on an unsuspecting Australian people who use the private banking system in good faith.

Yours Sincerely

Bart Lawler