**From:** Robert <pwnsweet@gmail.com>   
**Sent:** Sunday, 11 August 2019 8:50 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Currency (Restrictions on the Use of Cash) Bill 2019

Dear Manager,

I am writing to express my strong opposition to the draft:

· Currency (Restrictions on the Use of Cash) Bill 2019;

· Currency (Restrictions on the Use of Cash – Expected Transactions) Instrument 2019; and

· Currency (Restrictions on the Use of Cash) (Consequential Amendments and Transitional Provisions) Bill 2019.

The proposed laws represent a threat to economic freedom in Australia and a limitation on Australian civil liberties. If the bill were enacted, it would punish those Australians who wish to conduct private transactions independent of the commercial banking system. Furthermore, it is both improper and irresponsible for the Commonwealth to force citizens to transact using the banks given that the Royal Commission recently exposed said industry as having a dubious record in servicing both customer interests and adhering to moral financial lending standards.

The proposed law breaches the principles which have underpinned Australian competition policy in recent decades without sufficient justification. With respect to the impact that a 'cash ban' would have on the 'black economy', an independent 2017 study by Friedrich Schneider, ‘Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism”[**[1]**](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftn1) states that:

“Cash has a minor influence on the shadow economy, crime and terrorism, but potentially has a major influence on civil liberties.”

Moreover, Schneider notes that countries such as Sweden, still have sizeable shadow economies even though cash payments have become rare.

Finally, Schneider concludes:

“Cash reflects the fundamental relation between citizens or taxpayers and state authorities. Using cash means freedom, independence and personal fulfillment for a citizen who doesn’t want a state intervention when using cash. The “voices” calling for the limitation or abolishment of cash argue that tighter and more comprehensive state control over individuals’ financial flows and funds will effectively fight crime, shadow economy and terrorism. But in my opinion we have weak empirical evidence.”

Looking further out, the proposed bills threaten the ability for everyday Australians to be able to preserve their wealth in the face of negative nominal interest rates if they were to be imposed by the Reserve Bank of Australia (RBA) in the future. This concern has precedent given that RBA governor Lowe has recently been quoted saying that he is prepared to do whatever necessary to prevent recession, including dropping rates to negative. Under such a scenario, 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.

In summary then:

1. The proposed bill and associated legislative instrument represent a violation of Australian economic and civil rights;

2. There has been insufficient evidence presented by the Black Economy Taskforce to suggest that the proposed cash ban would have a non-negligible effect on the 'black economy'.

3. The proposed bill and associated legislative instrument make it increasingly difficult for Australians to escape the economic burdens that negative nominal interest rates would carry (especially if the ban has been expanded to include smaller amounts as we currently see in many European countries or the banning of all cash transactions entirely).

* Yours Sincerely, Robert Messina