

To the Manager,
Black Economy Division

I have no doubt you are aware of the many common concerns that are expressed within other submissions, as being spearheaded by particular groups and individuals who rightfully oppose this bill, that regular people like myself take heed from.

In the interest of time and efficiency, I need not go any further than to simply mention their bullet points: the erosion of civil liberties, privacy and security concerns, the sly manner through which these laws are being proposed, the disconnect between the stated claim and the likely outcome, the “hidden agenda” so far as negative interest rates, and the incompleteness of the draft, and surely many others.

I would instead like to present a theory, as an analogy, that is a bit more simple, in order to get my point across. Let's imagine, hypothetically, the Government introduced a law that dictated that everyone must carry ID at all times. That's rather straightforward, and no doubt there would be people who are accepting of this, even if it carried criminal charges and imprisonment for non-compliance over what is realistically something so pointless that no reasonable person would even consider it worthy of being an offense. But it's also so trivial that it shouldn't be an issue to comply with such a law, some would no doubt say.

But this scenario is contingent on one thing: that everyone has an acceptable ID card issued to them. Before the Government could expect everyone to comply with such a law, they must issue everyone with said ID. If that is not provided, there is no way for people to comply, and then everyone is a criminal by default. That would be unacceptable.

In the case of this proposed bill, we have a situation whereby the Government is, in effect, requiring everyone to carry ID, but is ceasing to issue said ID. That is to say, the modern world operates on money as a tool - an inescapable reality. Yet the Government is effectively removing the tool that is cash from the system. Not just removing it in fact, but overtly criminalising it. These laws certainly will undoubtedly be adjusted in future to lower the spending limit down from \$10,000 to lower figures, while inflation and cost of living expenses eventually, simultaneously, erode lower cash denominations away, to the point where cash becomes pincered in the middle, and thus rendered impractical - artificially at least, by virtue of the law.

What we will be left with, should this bill become law, is a system whereby the ability to store and transact money is entirely and exclusively dependant on private retail banks / ADI's. Institutions that, already, people use with a sense of begrudgement. Institutions that have proven to be untrustworthy. People cannot hold their own wealth, but are forced to become unsecured creditors to these institutions. A system where I, as a depositor, would be told that I am responsible for any losses due to my choice of where I store my wealth, despite the law not permitting any other option.

What happens if these banks become insolvent? What if these institutions refuse their services to an individual? What if these institutions participate in fraud? What if they have kind of technical fault which wipes out their records, or experience some kind of outage? What if those private institutions force increased fees and charges on their customers? What if they operate in a cartel-like fashion? Where is the alternative for those who wish, or need, to “opt out”?

Even if the amount of people who don't have a bank account are rare, even if most people do primarily use banking services, it should remain as a choice, not an effective mandate.

Besides, if people did feel that the role of cash is so minor in the modern day, to the point where we could easily remove it entirely, then I would argue that the impact of cash in terms of tax evasion and money laundering, as this law purports, would equally be as insignificant, voiding the very (poor) justification to introduce it in the first place.

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The Government exists for the people. It is the duty of the Government to serve the needs and best interests of the public. This proposed law does not align with this duty, rather it is very much counter to it. It reduces the Government's role in the issuance and regulation of its own sovereign currency, essentially privatising the Australian Dollar. It is anti-competitive: removing alternatives to these private banks / ADI's. It forces people to take on risk. And it may leave people destitute, removing their ability to transact at all, perhaps even forcing people to break the law. That is bad policy.

It is incumbent on the Government to provide an alternative, a solution, to private banks. A solution that is accessible by all. That is neutral and non-discriminate. That solution, imperfect as it is, is cash. To criminalise it by any measure, as this proposed law does, is in complete contradiction to the purpose, role, function, existence and expectation of Government. Just as the Royal Commission found that banks acted below societal standards and expectations (another reason to argue against this bill on its own), this proposed law would have the Government itself act in a way contrary to those same expectations.

Actions speak louder than words, and the act of introducing this bill tells a very different tale than what the memorandum would like us to believe.

Any submission I can imagine for the “Currency (Restrictions on the Use of Cash) Bill 2019” law can be summed up in a single word: **“No”**. Abandon this, and direct your energy into more worthy pursuits.

Regards,

Robert Grant