**Submission on the Currency (Restrictions on the Use of Cash) Bill 2019**

# Introduction

My name is Jason McDonald. I live in Victoria and I am degree qualified in both Law and Finance. The lack of time afforded to the public to comment on this proposed legislative change which, if enacted, represents a serious attack on personal freedoms and economic liberty, has unfortunately meant that I cannot make as complete a submission as I would have liked. Indeed, I only found out about these proposed changes days before the deadline for submissions. The government has effectively blindsided the Australian people with its plans to enact this change. Nonetheless, I offer the following observations for the sake of making my views known.

# Personal Freedoms

The first observation to be made is that this law clearly represents a curtailment of personal fundamental freedoms. In a society where a government forces its citizens to transact in its chosen currency, cash represents the fruits of ones labour. Most people have to work to earn cash. Cash represents the value for something given up – whether it’s labour or other goods that are given for it in exchange.

It is a basic expectation that in a free society, people should be able to spend their hard earned cash on whatever lawful goods or services they desire, in a manner they so desire. I acknowledge that we do live in a heavily regulated economy and certain impositions on fundamental freedoms may be tolerated where it serves a practical, common sense purpose. However, this proposed legislation does not appear to meet even this basic standard.

# Effectiveness of the Proposed Legislative Framework

In support of the proposed bill, the government cites concerns that the amount of tax revenue it takes from its citizens is not being fairly apportioned as a result of it being unable to tax transactions in cash where those transactions are not reported.

The issue is that I cannot see how this proposed legislation will fix the situation. If the activity being undertaken to avoid paying tax is already illegal, how will passing a law restricting cash transactions fix the problem? We might as well just pass a law that says “all people must obey the law”. The point here is that people who intend to transact in a way that avoids reporting obligations and thus avoids paying tax on those transactions, will continue to do so. The legislation just doesn’t seem to fit the purpose it claims.

# The Real Purpose of the Proposed Legislation

Given my brief observations above, it appears that there are ulterior motives behind this proposed legislation. I believe that the true intent here is to move Australia towards a cashless society. This is a topic which has not gained much attention in the mainstream of society’s discourse, but it is certainly one which has attracted an undercurrent of concern. Moving towards a cashless society will force Australians to rely on their currency being held in banks. This is particularly concerning when the Reserve Bank of Australia and other central banks around the world are seriously considering (the insane policy of) negative interest rates. Moreover, at a time when the world is in the midst of the greatest debt bubble it has ever seen, the risks of having currency in the hands of banks is greater than ever.

It is pieces of legislation such as this which are giving credence to the arguments of crypto currency advocates. The case put forward by these people generally centres on the unreliability and instability of fiat currency, including the tendency of governments to restrict and control the ability of its citizens to transact in their currency. The point here is that if this legislation drives more people into the world of crypto currency, it is likely to have the effect of making the problem of the so called black economy even worse in the long run, as people abandon traditional currency to transact in crypto currencies (part of the appeal of which are that the transactions in crypto currencies cannot be monitored by governments).

# Conclusion

Again, I apologise for the scant detail contained in this submission. In other circumstances, I may have been able to provide more. Ultimately, this legislation will not achieve its stated aims and I have serious concerns about its long-term effects. The sacrifice of personal freedoms associated with this proposed legislation is therefore not justified. If the government is genuinely concerned with ensuring everyone pays a fair amount of tax, perhaps it should focus its attention on comprehensive tax reforms and on those, particularly larger corporations, which manage to get away with paying little tax.