**From:** joe messina <jdemessina@yahoo.com.au>   
**Sent:** Sunday, 11 August 2019 9:28 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Submission: Exposure draft-Currency restrictions on the use of cash. BILL 2019

I strongly oppose this bill on several grounds:

It is an assault on the freedom of civil liberty and bordering on a decree from a dictatorship!

 An independent 2017 study by Friedrich Schneider, ‘Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism”[1] states that:

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

1. The Government is wrong in thinking this will eliminate the black economy

    as people have and will always want to have the choice how they want to make any payments.

2. The policing of this new law would be difficult and costly to impose.

3. any future government could easily reduce the current amount of $10'000 to what ever figure they choose

    without any opposition.

4. It takes away people's freedom to choose their chosen methods of payment independently from financial institutions

5. The banks would be in a powerful position to control the people's money and possibly enforce restrictions on

    withdrawals and charge fees to their liking. The bank have never had the best interest of their customers at heart,

    as the recent Royal Commission has proven.

6. more and more people would move their money into Crypto currencies feeding the black economy in a new way.

7. This Bill has been implemented with disastrous effects in European countries by having the opposite effect of

    what the government had intended.

8. I these countries people have NOT  deposited any money into the banks and stash it up outside the financial institutions!

9. I am concerned this Bill would restrict the general public to escape the negative effect on their savings if the economy            goes into negative nominal interest rates.

    The following papers by economic authors at the IMF support this view:

August 2018: Monetary Policy with Negative Interest Rates: Decoupling Cash from Electronic Money[2] February 2019: Cashing In: How to Make Negative Interest Rates Work[3]; and April 2019: Enabling Deep Negative Rates to Fight Recessions: A Guide[4]

[[1]](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftnref1) <http://www.econ.jku.at/papers/2017/wp1708.pdf>

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Log In | Wix Login to Wix.com | | |

[[2]](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftnref2) [Monetary Policy with Negative Interest Rates: Decoupling Cash from Electronic Money](https://www.imf.org/en/Publications/WP/Issues/2018/08/27/Monetary-Policy-with-Negative-Interest-Rates-Decoupling-Cash-from-Electronic-Money-46076)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Log In | Wix Login to Wix.com | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Monetary Policy with Negative Interest Rates: Decoupling Cash from Elect... Monetary policy space remains constrained by the lower bound in many countries, limiting the policy options avai... | | |

[[3]](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftnref3) <https://blogs.imf.org/2019/02/05/cashing-in-how-to-make-negative-interest-rates-work/>

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Log In | Wix Login to Wix.com | | |

[[4]](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftnref4) [Enabling Deep Negative Rates to Fight Recessions: A Guide](https://www.imf.org/en/Publications/WP/Issues/2019/04/29/Enabling-Deep-Negative-Rates-A-Guide-46598)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Log In | Wix Login to Wix.com | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | |  |  | | | | |  |  | | --- | --- | |  | Enabling Deep Negative Rates to Fight Recessions: A Guide The experience of the Great Recession and its aftermath revealed that a lower bound on interest rates can be a s... | | |

Kind Regards

Joseph Messina