Manager  
Black Economy Division  
Langton Cres  
Parkes ACT 2600

Re: Currency (Restrictions on the Use of Cash) Bill 2019

Dear Treasury

I am writing to you to express my deep objection to the draft legislation, *Curreny (Restrictions on the Use of Cash) Bill 2019.* This bill attacks the basic civil liberties of everyday Australians, who wish to transact in a way in which they so choose, without state intervention.

While the deep attack on civil liberties is a severe cause for concern, there is very little evidence to suggest that putting a limit on cash transactions actually has the governments desired effect, which is to undermine the so called ‘black economy’. It amazes me that treasury and the black economy task force has not provided ANY evidence whatsoever that these measures have any effect on the so called ‘black economy’ and tax evasion.

There does, however, seem to be clear empirical evidence that the use of cash restrictions in economies has little to no effect on the ‘black economy’. A 2017 report by Friedrich Schneider titled *‘Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?’* states that:

‘**cash has a minor influence on the shadow economy, crime and terrorism, but potentially a major influence on civil liberties.’**

So why would the government and treasury seek to pass a bill which is based on no empirical data and does not seek to clarify:

* How much potential revenue this will actually make the government in perceived lost revenue from the black economy.
* Who will be responsible for enforcing the said laws
* What currencies are affected – will the restrictions in cash just push people to virtual currency or gold and silver

There is no doubt in my mind, and many economists mind, that the push for negative nominal interest rates in Australia is something that is just around the corner given the woeful state of the economy and the potential for significant global headwinds and shocks. The IMF has published many articles citing that negative nominal interest rates would require the elimination or severe reduction of cash transactions, and as such would require limits on the value of cash transactions. It would be in the governments and central banks interest to restrict the use of cash in the event of negative nominal interest rates, which would allow central banks to push interest rates deeply negative. The concern for me is that negative interest rates will further fuel Australia’s underlying and severe debt bubble across governments and households. The longer the inevitable correction is pushed back by reducing nominal interest rates down, the worse the serious economic recession will be when it eventually comes.

This bill is a serious attack on the civil liberties of Australian citizens and any attempt to introduce this bill will undermine the very freedoms that we as a country have fought so hard to protect. How dare the government and treasury be so bold as to pull the wool over the eyes of all Australians with an eleventh hour and underhanded attack on their civil liberties.

Daniel O’Driscoll