Jace Robertson

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Manager Black Economy Division The Treasury Langton Crescent PARKES ACT 2600

Dear Manager,

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

I am writing to communicate my **extreme 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 bill and instrument as listed above are an enormous assault to our economic freedoms in Australia and a blatant abuse of our civil liberties. The proposed laws will oppress Australian’s individually and dictate how they can spend their own private savings and wealth, including the following:

* Their choice and ability to conduct transactions independently of Australia’s commercial banking system.
* Their choice and ability to conduct their economic affairs privately.

It is out of line for the Commonwealth to be enabling anti-competitive, monopolising laws which will force citizens to use a service offered by a singular industry, cash transactions being an alternative to using Australia’s commercial banking sector. The recent Royal Commission into Banking, has shown how their practises have made Australia economically fragile and has destroyed many Australians lives. The trust in banks has eroded completely.

**Impact on the Black Economy**

The Commonwealth and the Black Economy Taskforce has not shown sufficient evidence that the proposed laws will have any real impact on the black economy either from tax leakage or unlawful activities.

Instead the opposite is shown in **a 2017 independent study by Friedrich Schneider, ‘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 has a major influence on civil liberties.”***

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

**Imposing Negative Interest Rates**

The proposed laws will stop Australians being able to escape negative interest rates if the Reserve Bank of Australia imposes this regime..

Internationally academic and institutional economists and others in the global banking industry have asked for cash to be seriously reduced or eliminated completely, as cash/digital cash not in the control of government will undermine the banks plans of negative interest rates.

The RBA’s official cash rate currently sits at 1%, and it is very likely the RBA will implement negative official interest rates if the Australian economy goes into recession or if a shock eventuates globally.

In this case, Australians should have their fundamental economic and civil rights to protect their private wealth without using the commercial banking sector that would take hard earned savings by imposing negative interest rates.

**Concerns regarding the Proposed Laws**

**Concern 1:** The proposed legislation and associated instrument is step 1 in a series of intensifying measures from the Commonwealth trying to breach the rights of Australian individuals and Australian businesses to undertake commerce separately from the commercial banking sector and the RBA’s monetary policy regime including if negative interest rates are undertaken.

**Concern 2:** The exemptions to the cash transaction ban are defined in a legislative instrument and not in the proposed bill, giving the Executive Government via the Assistant Treasurer authority to remove exemptions without the scrutiny of Parliament.

**Concern 3:** Relating to offences - Division 2 of Part, missing from the draft exposure version of the bill. It is deplorable that citizens are unable to view the full version of the bill during the current Treasury consultation round.

Treasury should allow a new consultation round if any elements are introduced to the draft bill and associated legislative instrument before the bill is introduced into Parliament.

**Concern 4:** The bill needs clarification regarding physical gold and silver bullion. As drafted, the cash ban covers physical currency as defined as *Anti-Money Laundering and Counter-Terrorism Financing Act 2006.* This definition refers to currency which is ‘legal tender’.

**Concern 5:** It is not clear how the Commonwealth proposes to enforce it’s proposed cash transaction ban. Prior to the introduction of the bill into Parliament, the Government needs to be clear on:

* what Commonwealth institution will assume responsibility for enforcing this law?
* what enforcement tactics will the Commonwealth be using to monitor cash transactions under $AUD 10,000 ?
* How many dollars will the operational costs of enforcement of proposed laws amount to?

**Conclusion**

In conclusion:

* the proposed bill and associated legislative instrument are culpable as they are an oppressive gross abuse of the economic and civil rights of the Australian people (citizens);
* the Commonwealth and the Black Economy Taskforce failed to establish evidence that the proposed cash transaction ban will have any material impact on diminishing the black economy;
* the proposed bill and associated legislative instrument make it impossible for Australians to escape economic burdens that an official policy of negative interest rates would bring, especially with reversal of the proposed exceptions.
* there are genuine concerns with the proposed bill and associated legislative instrument that need to be corrected before the proposed bill is presented to Parliament by the Government.
* I believe this is an attack on our freedom by our government, giving more power to corporate banks and away from the people. Given the results of the banking Royal Commission this move by government is repellent and disgusting. Myself and my many extended family, have all been lifelong Liberal supporters. I am beyond disgusted that this has even been attempted. Liberal values have disappeared. If this bill gets through under no circumstances will any of us be voting Liberal ever again. My grandfather lived through the depression of the 30’s and I know how exceptionally tough it was. He still lived frugally years later and taught us to as well. He was also a WW1 veteran who survived Fromelles and was wounded 1 month later at Baume and underwent 28 operations due to his injuries. If we must have a depression, let it come but leave the Australian people with their freedoms and keep the corporate banks hands off our savings.

Yours Sincerely,

Jace Robertson