

My name is Cameron Walker. As a concerned citizen I am responding to the proposals presented in the Currency (Restrictions on the Use of Cash) Bill 2019.

I have reviewed the draft document and I wish to strongly oppose all measures in the proposed legislation to limit cash payments for reasons as outlined below.

This legislation is not evidence based.

While I agree with the need to enforce taxation obligations, I strongly disagree that government should be able to interfere in the lawful use of it's citizens wealth.

This proposed legislation does not present any evidence to support the idea that the proposed measures are necessary, or that they would be effective.

The case for restricting cash to fight tax evasion has not been established and was in fact refuted by a leading expert on the Black Economy (Professor Frederick Schneider, Professor of Economics at Johannes Kepler University of Linz).

In his 2017 paper titled "Restricting or Abolishing Cash: An Effective Instrument for fighting the Shadow Economy, Crime and Terrorism" Professor Friederich Schneider stated the following:

"The "Voices" calling for the limitation or abolishment of cash argue that tighter and more comprehensive state control over individuals' financial flows and funds will effectively fight crime, shadow economy and terrorism. But in my opinion we have weak empirical evidence."

More Laws will not Stop Law breakers

It should be clear that those engaging in tax evasion and criminal activities already do so on the basis that they are breaking the law. Therefore, it is questionable as to whether additional laws will greatly change this existing unlawful behaviour. It is more likely that tax crimes will simply evolve to make use of more creative and elaborate mechanisms. Thereby the criminals will continue their behaviour while the law-abiding citizens will have their rights eroded.

We should not look to more laws so much as we look to better mechanisms for enforcing the existing taxation laws within the existing legal frameworks.

Our Money and our Civil Liberty

Numbers on a banks balance sheet, or on our bank statements do not represent real actual money. They represent a banks obligation to repay the real money (i.e. cash) that depositors, and other creditors, have lent to them.

We voluntarily put our money at risk by lending it to banks as deposits (i.e. as unsecured loans) and in exchange for this risk we receive a financial return.

Were this not the case (i.e. under negative interest rates) it should be our right to withdraw our deposits and redeem them for the money the banks owe to us.

Under the proposed legislative changes we could not do this while still retaining the same utility value that our money has while it is trapped within the banking system.

A precondition for negative interest rates

There are credible concerns that the restriction on cash usage is part of a wider agenda to facilitate the implementation of negative interest rates, in an attempt to stabilize our struggling economy.

Under negative interest rates the public's first inclination would be to withdraw deposits. However the proposed legislation would greatly limit options thereby unfairly trapping savers into a negative interest rate situation.

This scenario amounts to legally enforced theft of depositor's savings in order to prop up our economy, and banking system. We should not be subject to the forced implementation of dangerous pseudoscientific monetary policies, which are illogical, and contrary to thousands of years of economic history.

Undermining the value of our money

Money has value only in proportion to its utility whereby it can be exchanged directly between counterparties for goods or services. If a government restricts the freedoms of its citizens to utilise our money as cash, then it also undermines the value of that cash.

In this scenario the utility value of cash will be less than its corresponding value when it is intermediated and trapped within the banking system.

The citizens of Australia should not be forced against our will to hold our wealth as deposits (i.e. as unsecured loans) in financial intermediaries such as the banks. This bill undermines one of our most basic and fundamental personal freedoms.

Money, and the utility that it provides, has been a foundation of democratic and capitalist societies throughout history which has allowed western civilisation to flourish.

It is my strong view that the Government does not have the moral right to deliberately undermine the value of the money that its citizens have accumulated over our lifetimes.

Insufficient Public Consultation

It should be a fundamental right for all citizens to be able to adequately engage with the decisions that our parliament makes on our behalf. This cannot occur without adequate time for disclosure and consultation concerning proposed legislative changes.

If for no other reason, this proposed cash restriction bill should be rejected simply due to the lack of adequate public consultation. This bill has had virtually no mass media coverage and it would be very surprising if even 5% of the general public are remotely aware of the proposals which will fundamentally change their usage of their money.

No parliamentarian who should underestimate the radical change in cash utility that will flow from the proposed changes and the implications for their constituents. Therefore, no parliamentarian should, in good conscience, support these proposals.

This Bill Opens the Door to Further Changes.

This Bill opens the door to further incremental encroachment on our civil liberties and our rights to use our money. This Bill will allow further lowering of the allowable cash usage

thresholds without further parliamentary oversight. This is not acceptable.

There is a Better Solution

The primary claimed justification for the draft legislation is to stop undisclosed transactions which are contributing to tax evasion. This draft proposal is an ineffective and blunt instrument which affects the majority of law-abiding citizens with draconian limits on our use of cash.

There is a better, more effective and more practical solution to track cash payments.

It would be possible for the ATO to establish a simple mechanism whereby all cash payments above \$10,000 must be electronically pre-registered to reflect the GST obligations that will be owing from the intended payee to the ATO.

Therefore, for someone to make a legally compliant payment in excess of \$10,000 they must first be provided with a GST obligation reference number (e.g. on an invoice) which the payer can potentially validate on an ATO website. The government could then make it an offense to not provide and/or not validate a GST reference number for transactions over \$10,000.

This approach would not limit cash usage but would limit undisclosed taxable payments.

To solve the tax leakage problem the government needs only to implement practical solutions as outlined above.

This Bill should not be passed!

Kind regards,

Cameron Walker