**From:** Trina Bentsen <trina.bentsen@gmail.com>   
**Sent:** Sunday, 11 August 2019 4:06 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Submission: Currency (Restrictions on the Use of Cash) Bill 2019

Dear Manager,

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

This bill proposes to restrict the use of cash as a means of fighting the shadow economy but there is little evidence that connect the two and it is certain that this bill would greatly reduce civil freedoms and accordingly I ask that you reject the bill in its entirety. In setting a limit of $10,000, it was no doubt hoped that the bill could be passed without too much attention but I note that this, plus specific exclusions, could be changed at any time and in some cases by a simple change to the regulations. This bill is very much in line with an earlier submission by KPMG where the initial limit of $10,000 was proposed to minimise political backlash but it then proposed to reduce this cap to $AU5000 and then to $AU2000 over a period of time. I also strongly suspect that limiting cash is a IMF, FSB and G20 policy since it now applies to various degrees at various countries and I note that the limit in France is only $AU1500.

In regard to the effectiveness of cash restrictions in limiting the shadow economy I draw your attention to a paper by Prof. Friedrich Schneider in 2017 entitled “Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?” **(**<https://www.bundesbank.de/resource/blob/634950/803cf541deb87a4433533e7196c2cd96/mL/2017-04-24-schneider-data.pdf>) that included the following statements:

***“ The conclusion of this paper is that cash has a minor influence on the shadow economy, crime and terrorism, but potentially a major influence on civil liberties.”***

***“ Cash reflects the fundamental relation between citizens or taxpayers and state authorities. Using cash means freedom, independence and personal fulfilment for a citizen who doesn’t want a state intervention when using cash. 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.”***

Thus, although the stated intent is to inhibit the black economy, I suspect that the real purpose is to improve the effectiveness of the Bail-In process and to improve the effectiveness of deep negative interest rates in line with the IMF paper April 29, 2019 “[Enabling Deep Negative Rates to Fight Recessions: A Guide](https://www.imf.org/~/media/Files/Publications/WP/2019/WPIEA2019084.ashx)**”** that included the statement:

***“The experience of the Great Recession and its aftermath revealed that a lower bound on interest rates can be a serious obstacle for fighting recessions. However, the zero lower bound is not a law of nature; it is a policy choice. The central message of this paper is that with readily available tools a central bank can enable deep negative rates whenever needed—thus maintaining the power of monetary policy in the future to end recessions within a short time.”***

Negative interest rates is a hideous concept and the people must be free to remove **THEIR** cash from any financial identity that offers a negative interest and the law must not block this freedom. Please reject this bill in its entirety.

What little is left of our freedom, our sovereignty and our democracy is under constant threat by the many bills, such as this, that are processed without public debate and in many cases where a majority of MP’s and Senators are also kept in the dark and we, the people cannot get any sensible responses from our representatives. The only sensible responses my family, friends and business associates have **ever** received is from independents and minor parties and there is no wonder why major parties continue to lose support.

Yours Faithfully

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