

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

7th August 2019

As an Australian I am extremely concerned about the introduction of the Restrictions on Use of Cash Bill 2019. The draft was released late on Friday the 26th of July with an abnormally short period for public comment. This is the same approach that was used for the bail-in legislation in 2017 and while is uncommon in the general sense, is not uncommon for controversial releases that are trying to fly under the radar of the public and mainstream media. This opaque approach is in itself is a betrayal of democratic process.

My main concerns with this law are:

1. The banning of all transaction above \$10,000 severely limits the rights and the liberty of all Australian residents and businesses.
2. Division 2 is blank, containing only the words "To be inserted", This missing is either an act of incompetence or probably more likely has been left this way for ill-intentioned purposes.
3. The so-called exemptions to allow person-to-person transactions and bank deposits above \$10,000 is not in the legislation, and are in a separate regulatory instrument so are subject to change without a future amendment to the legislation
4. The intention of this law is not about stopping money laundering and tax evasion. It has been documented in previous cases internationally that significant tax evasion has been facilitated by the big four accounting firms who are the very parties who are recommending this cash ban. For example in 2012 HSBC and Standard Chartered were caught in massive money laundering by US authorities.
5. This is obviously an instrument to make unconventional monetary policy effective by locking Australians into the banking system. The banking system in itself is a private system and so it defies our freedoms to force Australians to use a system and especially if or when they lose faith in that system - we know that cash hoarding has become common in countries with negative interest rate policy and has become a substantial difficulty for regulators with these policies. The International Monetary Fund (IMF) have argued that the elimination of cash will enhance the effectiveness of negative nominal interest rates:
 - a. - August 2018: Monetary Policy with Negative Interest Rates: Decoupling sh from Electronic Money
 - b. February 2019: Cashing In: How to Make Negative Interest Rates Work
 - c. April 2019: Enabling Deep Negative Rates to Fight Recessions: A Guide

As an Australian and as a liberty minded individual I am firmly opposed to this law which is a betrayal of the Australian people. This law should not proceed.

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