**Submission regarding draft legislation ‘Currency (Restrictions on the Use of Cash) Bill 2019’**

I strongly object to this proposed bill for the following reasons:

1. It is unlikely to prevent money-laundering through corporate bodies such as banks1, real estate2 or casinos3 unless there is enforcement of anti-money laundering laws4
2. The ‘exemptions’ are not in the law, but in a ‘regulation’ within the law, which means the use of cash can be further restricted in future without having to pass a new bill in parliament
3. If the use of cash is severely restricted, it will force ordinary Australians to keep their savings in Authorized Deposit-taking Institutions (private companies), a breach of civil liberties
4. If ordinary Australians are forced to keep their savings in ADIs, they can’t escape deep negative interest rates5, 6, 7 (if used by the RBA to fight a recession or depression) or bank bail-in8, 9, 10 (in the event a bank experiences a liquidity crisis)
5. If ordinary Australians are forced to keep their savings in ADIs, power and control is taken away from individuals and centralized to government and banks, a breach of civil rights (e.g. to allow access to cash deposits if a bank gets into financial difficulty)
6. If ordinary Australians are forced to keep their savings in ADIs, risks in the economy and financial system can be socialized, a breach of civil liberties. For instance, in the event of negative interest rates, everyday Australians will pay for the mismanagement of the economy by Treasury, the Reserve Bank, ASIC and APRA; And in the event of bail-in, ordinary Australians will pay for risks taken on by the banks such as over-lending to residential property with an emphasis on loans with high LTVs and high LTIs. This is especially unfair when ordinary Australians are denied information about the risk profile of individual banks and therefore can’t assess how safe their deposits are likely to be
7. We don’t even know what ‘Division 2’ of the bill will be (that section has been left blank ‘to be inserted’ later)

I DON’T want to be trapped into the banking system where the value of my life savings can be eroded (in the case of deep negative interest rates), or confiscated (in the case of bail-in), to prop up a global or domestic debt bubble. These worries are already having a negative impact on my mental health. If I lose my cash savings in the event of bank failure, I will likely consider suicide.

Instead of propping up a system that is obviously no longer effective, we need real and sensible reform: Separation of retail banking from investment banking, a public bank, increased spending on infrastructure and business development, tax incentives for business investment, and re-regulation of the building and finance industries.

Sincerely,

Penelope Bjorksten.

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