**From:** Philip Hingston <philiphingston@hotmail.com>   
**Sent:** Monday, 12 August 2019 8:14 AM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Currency (Restrictions on the Use of Cash) Bill 2019.

I have become aware of the Liberal government's intention to ban cash transactions over $10,000 in Australia to commence from 1st January, 2020. Furthermore, the $10,000 limit can be "adjusted" by regulation at a later date, thereby negating the necessity to re-introduce legislation, and thus streamlining the government's ability to further restrict, by decree, the use of cash in the economy. The "foot in the door" approach is a well documented tactic, so we can only assume that the intention is to gradually decrease incrementally the amount of the proposed cash limit ban over time. Will the limit be eventually ZERO?

This proposal would be a major step towards a gross erosion of fundamental freedom in our society.

**THE REAL PURPOSE OF THIS LEGISLATION**

The ostensible rationale, to limit the proliferation of the "black economy"  is disingenuous bordering on patently ridiculous. Indeed, that the Treasury Department to which I am sending this submission has the email address **"**[**blackeconomy@treasury.gov.au**](mailto:blackeconomy@treasury.gov.au)**"**  is sufficient indication that the pretext for this proposed cash ban is all about eradicating or limiting the so called "black economy", which I find to be a deliberate mis-direction.

The majority of off-books financial activity (and thus tax evasion) is conducted by major corporate entities and of course organised crime, not by hairdressers and trades people accepting a cash payment or two. As the recently appointed head of **AUSTRAC, Nicole Rose** has outlined in an address to the Australian media, on 5th April, 2018, she stated,

*“I thought coming from the* ***Australian Criminal Intelligence Commission*** *that I had a pretty good handle on serious and organised crime side. I didn’t appreciate the depth and breadth of involvement with****private entities and banks****. I didn’t appreciate how many industries it does actually touch. There’s a mis-perception that money laundering is a victimless white-collar crime that’s probably just looking at tax avoidance -and it’s not. It is****criminal entities using financial institutions here and nationally to move criminal funds around our country and our financial system overseas****. And it has a massive impact on everyday life. Whether that’s****child exploitation, serious and organised crime, drug importation it all involves money laundering.”***

*The Commonwealth Bank of Australia (CBA) was subsequently fined* ***$700 million*** *for almost* ***54,000 breaches of anti-money laundering and counter terrorism financing laws,*** *including the laundering of proceeds from* ***child sex trafficking, and the channeling of these funds into overseas terrorist organisations.*** *As I write, Westpac and the NAB (National Australia Bank) are under AUSTRAC investigation for the very same crimes.”*

I note that Ms.Rose doesn't mention the need for banning the use of cash, but instead suggests that more focus needs to  be directed to **"private entities, banks and serious and organised crime"** to limit their money laundering activities and in effect their facilitation of criminal activity in Australia.

**BAIL IN LAW**

As with the financial legislation introduced on the 14th February, 2018 (Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Bill 2017 [Provisions]), where wording was deliberately made vague and obtuse in relation to the types of financial instruments capable of being bailed in ("***or other instruments***") which specifically **does not** rule out bank deposits, the currently proposed cash ban legislation appears more an attempt to herd or corral citizens into the banking system generally, in order to restrict or limit cash removal from the system. This would be necessary in the event of a Bail In scenario, should the need arise for a banking institution to actually use this egregious piece of legislation for their financial survival. It would be very difficult for a bank to Bail In large numbers of accounts if substantial amounts of cash had already be removed.

Furthermore, in the event of a major financial shock similar, or worse than the GFC in 2007/8, it is generally accepted economic theory that the government, via the Reserve Bank of Australia, would need to drastically reduce interest rates in the order of 3-5%, in order to prolong the viability of the banking system and the economy generally.  As we currently have a cash rate of 1%, one can easily see that deeply negative interest rates would be an inevitability, leading to a major disincentive to hold cash in  a bank account. Hence the proposed cash restriction/ban. Is this the real agenda of the cash ban??

**INTERNET BLACKOUT OR CYBER ATTACK**

As an aside, if the trend is to gradually introduce a cashless society as has been discussed for several years (and is being gradually introduced around the world), heaven help citizens in the event of a major internet hack or blackout. Has the Treasury Department considered this aspect of the proposed legislation, that in the event of a technical failure or a massive cyber attack in Australia, our economy would be left vulnerable to a crippling blow?

As a supporter of freedom, free markets and free enterprise, I am greatly disturbed by the increasing tendency to introduce legislation which has the opposite effect of increasing freedom and liberty in Australia.. Indeed, the appearance of an increasing leaning towards a totalitarian or even a fascist state is becoming disturbingly apparent. This is certainly not the Australia I was born into and have been proud to support and it is certainly not the type of Australia I want to pass on to the next generations. If the policies of the government and the behaviour of the banking system have collectively created the mess we find ourselves in today, may I suggest that focus should be directed towards serious efforts at correcting the real issues facing Australia, rather than introducing spurious pieces of legislation, such as the currently proposed **Currency (Restrictions on the Use of Cash) Bill 2019.**

**REAL SOLUTIONS**

One such measure should be the **Glass/Steagall** proposal to break up the big banks.

Another would be to introduce a Government controlled **National Bank**, along the lines of the original Commonwealth Bank and to dispense with the Reserve Bank of Australia. The **RBA** does nothing which The Australian Treasury could not do. (and DID very successfully until 1959). Since that time we have seen debt explode in this country. This correlation has been noticed by many of my peers.

Australian citizens have the right to conduct honest transactions in any legal manner they choose. Indeed, this proposed Bill goes directly against the laws relating to legal tender in this country. As such I am opposed to the passage of this Bill.

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