**SUBMISSION BY JOHN HARNISCHFEGER ON DRAFT LEGISLATION (Exposure draft)-**

**CURRENCY (RESTRICTIONS ON THE USE OF CASH) 2019**

I have become aware of the above draft legislation that purports to restrict Australians from using their own currency in their own country. I am quite alarmed by such a proposal to restrict our freedoms in such a fundamental way.

As a law abiding and tax paying citizen, I reject the proposal that persons paying with cash are necessarily doing so to avoid tax. I use cash on a regular basis and do not avoid my taxes at all.

I am surprised that there has not been any public information campaign in any form of main stream media to alert Australians of this proposal. Given such a massive change to the financial freedoms and rights of the population I think it is only reasonable that this proposal is discussed broadly in the media to gauge the true democratic support for such a radical plan. It almost seems to me that there is a “conspiracy of silence” regarding this legislation and that the Government is trying to sneak it quickly through the parliament before the population and indeed even the majority of members of parliament are aware it has happened.

Cash transactions, even large one, have been an acceptable and legal basis of exchange in Australia since the Commonwealth of Australia was formed well over 100 years ago. Why the sudden urgency to restrict cash now and to introduce the changes so quickly with no public information or discussion? **Perhaps a plebiscite would be a more suitable way to ensure this proposal has the support of the majority of Australians.**

I am also extremely concerned that restrictions on the use of cash will force Australians to be trapped into only using large Banking Institutions that have been proven by a Royal Commission to be morally bankrupt when it comes to caring about the interests of their customers and are only interested in profiting for their Shareholders.

For example, about 3 years ago I bought a second hand car. I went to the bank to get a bank cheque and was told it would cost $30 for a cheque. I requested cash and was told I would have to come back in a few days time. This is very in-efficient for the economy and also costly to consumers and there was no tax avoidance involved.

Many Australians, especially elderly ones, like to store their money in cash and transact in cash for a range of reasons:

* such as to avoid using electronic payment systems and internet banking which they find quite daunting and in many cases do not have access to;
* a well-founded natural distrust and dislike of banks and their excessive fees;
* difficulty in mobility and not wishing to have to attend the bank or shops to regularly withdraw small amounts of cash;
* to buy a second-hand car or other major household item, will now require the use of bank cheques that cost $30 for a cheque or credit card payments. Recently I requested cash from the bank for a car purchase and was told I would have to come back in a few days’ time. This is very in-efficient for the economy and also costly to consumers and there was no tax avoidance involved.
* fear of cyber fraud, phishing and skimming scams which are very common.

In addition to all of the above, my over-riding major concern is that the stated reasons for introducing this Draft legislation are not the real reasons this law is planned to be imposed om the uninformed and unwitting Australian population. If the Black Economy is such a problem why has the Government waited for over 100 years to do something that claims to address the problem. All trend indicators suggest that the use of cash is gradually declining anyway because of the growth of electronic payments. So, if there ever was a problem with the black economy that problem is gradually declining so why the sudden urgency to address a diminishing and very minor problem?

The Government should be honest with its own people and admit the real reasons that restrictions on the use of cash are proposed.

I suspect that the real reason that these restrictions are being proposed is to support the banking industry and their profits. To force Australians to retain their savings in the banking system and to use bank payment platforms even though there is no incentive to do so with interest rates at close to 0% and probably going below 0%.

If the Government has a problem with tax avoidance and evasion, it is common knowledge that the main culprits are:

* multi-national companies using elaborate corporate structures, off shore tax havens and transfer pricing schemes to shift profits to lower tax rate jurisdictions:
* family trusts and other income splitting legal structures;
* negatively geared property investors, often foreign based;
* travellers and tourists exploiting duty free exemptions and fraudulent Tourist Refund Scheme claims by citizens and residents purporting to be tourists;

This is not an exhaustive list and I am sure the Treasury is aware of many others. Restricting the use of cash by Australians will not address these problems and yet this seems to be the focus when surely resources could be better applied to removing known tax loopholes that cost the Government much greater loss of revenue.

Please consider my above comments, please also consider a public information campaign and delaying this legislation until Australians are properly informed about this proposal and the real reasons for it.

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