Cash Transaction Ban Consultation Submission

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Manager Black Economy Division

The Treasury

Langton Crescent

PARKES ACT 2600

Dear Manager,

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

My name is Lynn Kewley. I am a wife and mother of four adult children. I am lodging this submission to communicate my dissent to the following instruments:

· Currency (Restrictions on the Use of Cash) Bill 2019;

· Currency (Restrictions on the Use of Cash – Expected Transactions) Instrument 2019; and

· Currency (Restrictions on the Use of Cash) (Consequential Amendments and Transitional Provisions) Bill 2019.

I am disappointed in the way the bill was introduced to the public on the last sitting day late on the day with only two weeks for public submissions. Broadly my concerns are;

1. *The erosion of civil liberties and economics freedoms of Australians*
2. *Lack of pertinent detail in the bills and instruments*
3. *Rewarding The Banks for bad behaviour*

I strongly believe that the proposed bill and related instrument has the potential to inflict real harm to economic freedom and civil liberties in Australia. The restrictions imposed by this bill will only give more power to the major banks. I am very concerned that the laws proposed would not enable people to be able to have the choice to transact independently and privately of Australia’s banks.

I do not think that sufficient justification has been provided for these changes to the law. The Government, in proposing this bill, has not provided a compelling argument that this change will alter or suppress in any way the black economy. The “real” black economy is the multinationals avoiding paying taxes - big accounting and audit looking after big business - redefining assets and income.

The government has other processes in place to enable them to detect sizable cash transactions via, for example the government agency *AUSTRAC.* If this agency is not effective in its role then what makes the government think that this new law will be effective?

Who will be responsible for determining whether a transaction is prohibited or not? The bill does not set out how the government will go about policing this measure if enacted. The, who, where, why and how these transactions will be enforced are interesting questions and these questions are not at all clearly answered within the bill.

Why are the exemptions to the law not included in the body of the legislation but appear in a separate instrument? I cannot see where an explanation for this has been provided.

Recently I read a comment from *Friedrich Schneider* who undertook a study of how successful this type of legislation has been in other countries, it reads:

*“Cash has a minor influence on the shadow economy, crime and terrorism, but potentially has a major influence on civil liberties.”*

I agree with this observation. Schneider goes on to say that:

*“Cash reflects the fundamental relation between citizens or taxpayers and state authorities. Using cash means freedom, independence and personal fulfillment 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.”*

Again I agree with this observation and I think many other Australians would.

I have not trusted the banks (international or Australian) and the so called rating agencies and other big players in the global financial arena since the last global financial crisis and I am thinking that powerful banking related institutions have captured Australia’s government lock, stock and barrel.

What I have learnt, from the Hayne Royal Commission into the banking industry, about the behaviour of the financial and banking industry, Is that I have NO trust in the banking system in Australia. They have acted in criminal ways and the Australian government and organisations such as ASIC, APRA, Treasury and the RBA are not holding them to account. I have very little trust in banks, the Australian government and the above agencies. To give the banks more power is incomprehensible to me and foolish. I am a mother and I have learned that as a mother, I do not reward my child with more responsibility when they have shown dishonest, deceptive or fraudulent behaviour, no matter what “authority” i.e. the BIS, the IMF would recommend.

The proposed legislation favours the banking system and gives them an unfair competitive advantage over the alternative – physical cash. Physical cash is an excellent and proven alternative to using Australia’s commercial banking system. The proposed measure constitutes an underhanded way to put more funds in the banks, compelling citizens to conduct business in the digital space. What happens when people put their cash into the banks and the RBA reduces the cash rate, now at just 1%, into negative territory (it’s happened in other counties) will the banks start to charge depositors interest (as well as fees)? I must say I like to have the option of conducting transactions outside the banking system in cash if I so choose! I find it hard to believe that the banks want to look after me and my family.

Again, as a mother, I would not be rewarding my child with these privileges if dishonest, deceptive or fraudulent behaviour had been seen in any of my children. The Hayne Royal Commission has quite clearly identified these behaviours in Australia’s banks. I do not trust that Australia’s banks have my best interest at heart and that the proposed law violates principals which have undergirded Australian competition policy.

In conclusion, a thought from Isaiah:

*Woe to those who decree unrighteous decrees,  
Who write misfortune,  
Which they have prescribed  
To rob the needy of justice,  
And to take what is right from the poor of My people,  
That widows may be their prey,  
And that they may rob the fatherless.*

*What will you do in the day of punishment,  
And in the desolation which will come from afar?  
To whom will you flee for help?  
And where will you leave your glory?*

*Isaiah 10:1-3 NKJV*

Yours gratefully,

**Lynn Kewley**

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