S. Ma

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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**

I am writing to express my opposition to the draft:

· 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.

My areas of concern are as follows:

**There is no evidence that restricting cash transactions will prevent transactions in the black economy.**

An independent 2017 study by Friedrich Schneider, *‘Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism”[1]* states that:

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

Moreover, Schneider notes that countries such as Sweden, still have sizeable shadow economies even though cash payments have become rare.

**This proposed legislation does not address the main culprits of tax evasion**

Governments should be focusing on the large multinational companies and those organisations funnelling through offshore bank accounts which is not being transacted with cash rather it is transacted by a corrupt banking system. [2]. In addition this proposed legislation does not address money laundering which the main culprits are casinos and corrupt individuals that facilitate this activity [3]. Based on the above two points this proposed legislation unfairly focuses on everyday people rather than the larger multinational companies and casinos.

**Potential in the future to ban other instruments or assets without scrutiny and proper debate in Parliament.**

Currently as the proposed legislation is drafted, exemptions are placed in the regulations rather than in the legislation. This gives too much power to the Executive Government via the Assistant Treasurer to ban in the future other instruments such as gold, crypto currencies and other assets without proper debate in Parliament. Since the events of 9-11 our liberties and freedoms have come under attack from laws that have not worked as intended and proven to not make us safer from criminal activity, terrorism and tax leakages etc. This proposed law will not work as intended.

**Potential to remove the use of cryptocurrencies and block chain technologies in the future without parliament debate.**

The rise of cryptocurrencies and block chain technologies and the future importance to business and individual transactions may be restricted in the future depending upon the executive government of the day. This has the potential to severely limit Australia’s position as an adopter of new technologies and its potential economic benefits.

**The proposed legislation does not take into account natural disasters and blackouts**

The consequences of $10k cash payment limits and having to transact via EFT or Cheque will severely limit prevent transactions between businesses and individuals in the event of natural disasters, black outs or large long term power outages such as that experienced in South Australia in recent times.

**This proposed legislation in essence is privatising our way of transacting money.**

The proposed legislation will prevent the public to utilise what is a public means of transacting (cash) to use a private system (banks). Based on the past with the events of the global financial crisis and current and likely future banking scandals, we should not be placing so much faith of such a critical way of life in the private banking system

**Conclusion**

There is no doubt that the black economy, precenting criminal activities, terrorists, and tax leakage are indeed serious concerns and should be addressed. However the proposed legislation to restrict the use of cash just does not address these issues and there is no evidence that it will address these issues as evidenced in Sweden for example. Instead it has the potential to restrict individual and business freedom of choice in the way that it chooses to transact. This proposed legislation will not benefit the people of Australia.

Yours sincerely

S.Ma

[[1]](https://www.wix.com/dashboard/8a5d3d09-2234-4183-8400-4777ea9ec70c/blog/create-post#_ftnref1) <http://www.econ.jku.at/papers/2017/wp1708.pdf>

[2] <https://www.michaelwest.com.au/ato-data-dump-naming-and-shaming-the-nations-biggest-tax-cheats/>

[3] https://www.abc.net.au/news/2019-08-02/crown-casino-saga-explained/11375114