Cash Transaction Ban Consultation Submission (Dennis Maddock)

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To whom it may concern,

I wish to have my opposition to your ***Currency (Restrictions on the Use of Cash) Bill 2019*** noted.

**Limited time to provide feedback**

I believe there has been very limited opportunity for the public to provide feedback, and to be honest, most Australians would not even be aware that such a Bill is being considered.

Prior to this draft Bill moving forward in any fashion, it needs to be promoted much more widely and openly, to ensure everyone has a full understanding of what it means, and their options to provide feedback, not only to Treasury, but to the Australian Government as a whole, particularly their local member of Parliament.

**Recommendation 1** – That the opportunity to provide feedback be extended and promoted more openly.

**Restriction of choice**

Further, I am quite concerned at the limitation of choice that this draft Bill represents. Considering the very recent Royal Commission into Banking, and the findings that the Banks had in many cases, committed criminal offences and breached a wide range of laws in Australia, it is important that the Australian Government realise that this draft Bill will force more people to use the banking system and be forced to potentially accept a wide range of levies, fees and surcharges which are not required when using cash.

This draft Bill, if passed, will force people to use banks and further increase the opportunities for Banks to treat the ordinary citizen of Australia, badly.

**Recommendation 2 –** That the Australian public still be able to use cash, as a means of choice rather than being forced to always use the banking system.

**Removal of privacy**

This draft Bill is looking to remove privacy from everyday transactions. So if perhaps we wish to buy a pregnancy test, or a prescription for a condition such as depression or anxiety, currently we can do so with cash. However, should the draft Bill be passed, over time the ability to use cash, or to transact privately will be removed. Insurance companies are increasingly looking to access medical files and purchases to increase premiums or deny coverage.

**Recommendation 3 –** Ensure Australians are still able to use cash, as a means of privacy, rather than the banks and insurance companies overseeing each and every transaction.

**Equal access to all**

Many Australians in regional and remote Australia do not have access to a bank branch, nor reliable internet. This draft Bill will unfairly target those Australians, and remove the ability to transact quickly and easily using cash.

**Recommendation 4** – Ensure those without access to the banking system are not forgotten.

**Emergency situations**

Recent power outages and network issues have shown just how vulnerable our banking and retail sectors are. The most recent Telstra outage saw people unable to purchase, unable to withdraw cash and businesses unable to process payments for many hours. This draft Bill through the gradual removal of cash will only exacerbate these situations. The further vulnerability of our banking systems and computer systems to overseas hackers and scammers is also an important issue. Hackers cannot steal physical cash.

**Recommendation 5 –** Review the current power network and telecommunications network for vulnerability, particularly during times of natural disaster and hacking from overseas hacking networks.

**IMF Research**

It appears the Treasury Department is relying heavily on IMF research around limiting cash to ensure that negative interest rates can be forced upon everyday Australians.

Negative interest rates have been shown not to work overseas. Japan is a case in point. If anything, negative interest rates will further dent consumer confidence and reduce the trust in Government.

**Recommendation 6 –** Broaden the research and findings of current academic circles prior to relying on one institution for managing our economy. One paper from the IMF does not mean it is correct or the best method for Australia.

**Impact on the Black Economy**

Overseas research has shown that limiting cash has not been effective in reducing the black economy overseas. The limited research by the Australian Government is not convincing that the problem is of the scale stated by the Government, nor that the solution, removing cash, will solve the problem.

The impact will be on ordinary Australians, particularly vulnerable Australians who do not or cannot access the banking system.

**Recommendation 7 –** Review the impact of the draft Bill on the black economy and ordinary Australians before proceeding further.

**Lack of detail in the draft Bill**

The draft Bill lacks details in key areas as well as omitting key documents in its public consultation.

As examples, there is no detail on how cryptocurrency nor physical assets such as gold and silver will be treated.

There is no detail on who will enforce this Bill, how much it will cost to enforce, and what methods of enforcement will be used?

Furthermore, there is parts of the draft Bill that mean the Government can further change the Bill without needing Parliamentary review. That is concerning.

**Recommendation 8 –** That the draft Bill be written with more clarity and detail for proper consideration by the Australian people.

**Conclusion**

I oppose this draft Bill in its current form. Its impact upon privacy, freedom of choice and the larger impact on the vulnerable in the community, or those who cannot access the banking system is not acceptable.

The draft Bill lacks key details and clarity around what it intends to do, how intends to do it and the cost of implementing the Bill.

I am not convinced it will have any meaningful impact on the Black Economy, given overseas examples.

There needs to be more information provided and more time for the Australian public to review.

Yours sincerely,

Dennis Maddock

11 August 2019