To: Manager  
 Black Economy Division

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

I am a self funded retiree and I wish to voice my opposition to the proposed

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.

Superificially, the reason for the introduction of the bill is to counter the black economy and make large cash transactions more difficult. Cashless payments are more easily traceable and a traceable transaction will fight terrorism, money laundering, and/or tax evasion. But I believe that there are underlying reasons for the introduction of this bill at this point in time.

1. Will the Bill have the desired effect

There are already laws in force that are designed to fight terrorism, money laundering and tax evasion. Friedrich Schneider in his paper *“Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?”* concluded that restriction on cash limits would have a minor effect on crime and terrorism but a major effect on civil liberties. <http://www.econ.jku.at/papers/2017/wp1708.pdf>.

1. If this law is introduced how will it be enforced?

In the current draft, transactions between individuals are not included, so the reporting an offer of an applicable cash transaction would be the responsibility of the business.

1. A curtailment to civil liberties

This bill places restrictions on the economic freedom of the people of Australia. Not all cash transactions are illegal. There is a section the population who are honest people who choose to use cash, e.g. older people who only feel comfortable using cash. The freedom for ordinary law-abiding Australians who wish to spend their private wealth in their preferred way would be impeded

1. The opportunity of changes to the legislation

The proposed threshold is high enough so that many would think that few cash transactions of over $10000 would occur, but there is the ability to easily lower this threshold as the exemptions are in the regulations, not in the proposed bill. The law proposes that a series of cash payments would constitute an offence. If for example a person rents a home for $400 per week and pays cash each week, the annual payment is approximately $20000. Far above the $10000 limit.

1. Part 2 Division 2

Part 2 Division 2 of the proposal is blank except for the words “to be inserted”. Why is the proposed bill released for public consultation when the public is not privy to what is intended to be inserted here.

1. The introduction of this bill at a time of very low bank interest rates.

When the RBA cash rate is at 1% and depositors are seeing the return on their savings dwindling, keeping large amounts of money in the banks is becoming less attractive to depositors. The Royal Commission in Banking exposed predatory practices by the banks which impacted on their customers. These unethical practices were not addressed after the Commission which has reinforced a lack of trust in the banking sector. This bill will deny these disgruntled customers the right to use the personal cash they hold forcing them to use a banking system in which they lack trust.

1. Possibility of the introduction of negative interest rates.

The IMF has urged negative bank interest rates and the phasing out of cash. <https://blogs.imf.org/2019/02/05/cashing-in-how-to-make-negative-interest-rates-work/>

Negative interest rates are already in place in countries such as Sweden, Denmark and Japan. It follows that as depositors would be penalised by leaving their savings in a bank, they would be inclined to withdraw the cash they had intended to use to fund their retirement and the quite legal purchase of goods and services using cash would increase.

I believe that this legislation is unnecessary and ineffective for the stated purposes but is intended for purposes other than those outlined.

Yours faithfully

Christine Rosenlund