

19th October 2019

Committee Secretary
Senate Standing Committees on Economics
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Secretary,

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

I write to express my concerns relating to the drafts:

- *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 a self-funded retiree, who has sacrificed a great deal to ensure I would not be a burden on the public purse as I aged. Presently, and for the foreseeable future, much of my income is dependent upon cash deposits. After appropriate consideration I have concluded the risks not to be commensurate with the possible returns from equities. My goal is to live a modestly comfortable life, without needing welfare in any form.

I raise the following concerns with the afore mentioned Bill:

1. The Bill defines the term “Cash Payment Limit”, which for the present draft version is set to \$10,000. To me, this means that in the final legislation, “Cash Payment Limit” can be read as a variable, and can be changed at the whim of the presiding Minister without review by Parliament. If the government of the day wishes, the variable could be set to \$0, rendering cash (legal tender) illegal. I note that the Superannuation Surcharge was disabled by setting the percentage rate to zero, but the legislation remains in force.
2. There are considerable sections of the community, particularly the elderly, who remit cash for services. Many of these people do not have cards, nor internet, and settle their accounts at the post office. This legislation has the potential to make life difficult for them.
3. It is well documented in IMF and Central Banker’s publications, blogs and memorandum that cash is an obstacle to the application of negative interest rates to stimulate the economy. Cash provides a floor for interest rates of 0%, and provides the citizens a way of minimising their losses in a negative interest environment. The above Bill potentially removes this option, and in doing so attacks the independence and civil liberty of Australian citizens.
4. I wonder how significant the Black Economy is relative to GDP. In 2018, for the 2015 year, Medina and Schneider quoted Australia’s Black Economy as 8.1% of GDP. That was the 5th lowest reported of 153 countries. The fast adopters of Cashless Society, Norway, Sweden and Denmark all have a greater proportion of the Black Economy as a percentage of GDP, with Sweden 11.74%, Denmark 14.70% and Norway 15.07%. Even Singapore is rated above Australia at 9.20%. See web link: https://www.theglobaleconomy.com/rankings/shadow_economy/ I ponder if there is an unpublished agenda at play, other than the Black Economy.
5. The draft defines “cash payment limit” as \$10,000 potentially making cash withdrawals totaling more than \$10,000 from a deposit in a financial institution illegal and an offence. See Bill text, 11 (2) d.
6. The draft defines “cash payment limit” as \$10,000 potentially making successive cash “gifts” to loved ones totaling more than \$10,000 illegal and an offence. See Bill text, 11 (2) b.

7. Points 5. and 6. above, when combined with point 1 mean at some future time the \$10,000 could become a lesser figure or even \$0, thus preventing withdrawals from financial institutions.
8. I am concerned about possible undocumented and unpublished fallout from this Bill. In general its wording and essence seem to be ill conceived and hastily thought out. I am especially concerned there appears to have been little or no consideration given to the possible consequences and probable changes to behavior patterns in both the financial community and the community at large. This could have serious impact on the Australian economy and any Government attempting to implement it. The fallout could transfer onto successive governments over time.
9. There seems to be no discussion as to which organisation will be responsible for the policing and enforcement of this law. I am yet to see any clear allocation enforcement responsibility, or costing for same. This is of great concern.

General Comments:

1. The present encumbered government made no mention of any of these Bills in their policy statements leading up to the 18th May 2019 election. The usage of coin for transactions has been with us since 5000BC, so I cannot see how the Bill can be introduced as an emergency measure. Hence there is no valid mandate for the Bill.
2. The Bill intrinsically removes freedoms and liberties from the Australian population, and as such should be shunned.
3. The Bill has the potential to negatively impact whole subsections of the community which in turn could have adverse impact on the Australian economy.
4. Measures already exist to capture cash transactions within the "Black Economy". The Money Laundering tracking using TTR's to AUSTRAC means cash transactions over \$10,000 are reported, not just by banks, but any financial institutions from debt collectors and porn brokers through to the big banks. I fail to see why more legislation that is difficult to enforce, and will require specific entrapment activity to snare offenders is required, especially when both parties to the transaction are offending, thus removing the incentive to whistle blow.

Yours Sincerely,

Tony Brett

