

Lesley McCormick

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Submission: Exposure Draft - Currency (Restrictions on the Use of Cash) Bill 2019

I strongly object to the proposed Bill to put an across the board limit of \$10,000 on all cash transactions, under the guise of resolving problems with the black economy – in a democracy people should be allowed to choose how they undertake everyday transactions without having to use the banks, which are now distrusted by most of the public.

Is there any empirical evidence to support this \$10,000 cash limit - do the benefits outweigh the cost, has there been any international analysis to support this policy, will this actually reduce the black economy - or is this ultimately a clever and calculated “cash grab” to gradually change Australia to a “cashless society”. Many people are concerned that the Australian government is merely implementing the international policies of:

- (a) the Bank for International Settlements,
- (b) the Financial Stability Board, and
- (c) the International Monetary Fund

which may lead to controlling the people’s money, and ultimately control of the population. The international policy of bail-in of bank deposits, that was developed by the Financial Stability Board and which Australia has agreed to implement, is a good example of this.

The chronology of events since the Black Economy Taskforce has seen a substantial change in the public’s trust of banks. To properly appreciate the recommendations of the October 2017 Final Report of the Black Economy Taskforce it states:

Our strategy, at the highest level, is to:

1. Move people and businesses out of cash and into the banking system, which makes economic activity more visible, auditable and efficient (Chapter 3 in this Report).

2. Strengthen the identity underpinnings of the banking system by introducing a more reliable, safe and modern individual identity credential (initially for interactions with the Commonwealth Government) and reforming the Australian Business Number system (Chapter 4)¹

¹ P.4 of Black Economy Taskforce Final Report – October 2017 (P.17 pdf format)

Surveys have shown that there is now a common distrust of banks by most of the public:

(a) Deloitte Trust Index – Banking 2018²

(b) ME Bank survey of Australian banking customers³

Government policies should always be balanced, taking into account materiality. The black economy is alive and well, but then so is white collar crime - worldwide corporations conspiring to pay no (or minimal) tax, and international banks assisting in widespread money laundering. The recent Banking Royal Commission detailed how Australia's banks have ripped off the Australian public, and rewarded themselves with massively high incomes and bonuses – at the same time as implementing corrupt practices which have destroyed many people's lives. At this stage it seems there has only been limited redress by APRA and ASIC – as Commissioner Hayne has indicated, there is now general distrust of banks, government, and politics⁴.

The Australian Government should be open and honest with the public and explain the implications of this cash limit policy, together with bail-in of bank deposits, and possible negative interest rates. Older Australians who have acted responsibly and have saved their money during their lifetimes, are now potentially facing unprecedented policies (that the Government has not openly and properly disclosed), which could lead to them losing much of their life savings. With the economy clearly deteriorating, now is the time for clarity – the broad implications of this cash limit policy should be openly and honestly disclosed.

It seems there has been only limited public disclosure and discussion of this cash limit policy – it is unlikely that most of the public are even aware of the proposed changes to force them to use the banks, but only two weeks have been allowed for submissions.

Worldwide the public is being pushed into removing cash and using digital media for financial transactions, even though there are insufficient safety measures in place to protect the public from digital crime – with the banks still pushing customers to bank online. iDcare provides an excellent service, and has continually warned of the growing dangers – it believes Australia is considered a soft target for cyber crime⁵⁶⁷.

² <https://www2.deloitte.com/au/en/pages/financial-services/articles/deloitte-trust-index-banking-survey.html>

³ <https://www.mebank.com.au/news/australians-feeling-bank-xious/>

⁴ <https://www.smh.com.au/politics/federal/kenneth-hayne-trust-in-politics-has-been-destroyed-20190807-p52evf.html>

⁵ <http://www.abc.net.au/lateline/content/2015/s4463470.htm>

⁶ <http://www.abc.net.au/news/2017-02-27/cybercrime-boom-leaving-victims-with-no-police/8308686>

The proposed legislation seems to be a deliberate attempt to remove the right of Australian citizens to conduct their financial transactions in forms suitable to them, and to force them to use the banks which they now distrust, at a time when the Australian Government is implementing international policies that have not been clearly and openly disclosed - this is unconscionable and wrong.

Yours sincerely

Lesley McCormick
