Citizens Electoral Council of Australia

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Citizens Electoral Council's submission to Treasury on the Currency (Restrictions on the Use of Cash) Bill 2019.

Cash ban is premised on a lie. The real black economy is among banks and corporations, not citizens, and Treasury protects it!

The Citizens Electoral Council (CEC) strenuously objects to the Currency (Restrictions on the Use of Cash) Bill 2019 that will ban cash transactions over $10,000. More fundamentally, the CEC denounces the agenda of the Treasury Department and government to increasingly subjugate the Australian people to the corrupted and failing financial system, rather than fix the system. This bill is the latest example of this agenda.

The CEC charges that Treasury and the government are complicit in the crimes of Australia's corrupt financial system. This has been evident for a long time, as every victim of bank crimes and misconduct who has sought redress from the government, or any of the regulators and oversight agencies under Treasury's remit, would attest.

At every turn, Treasury and the government have:

• protected the operations of the financial system from real scrutiny and accountability;

• overseen and facilitated the mutation of Australia's financial system into an oligopoly of four big banks (and Macquarie and AMP), shielded by the corrupt big four global auditing firms, three discredited ratings agencies, and the fake regulators ASIC, APRA and the RBA and their superiors in the Bank for International Settlements and Bank of England;

• allowed the banks to self-regulate and abandon basic standards in their headlong rush into reckless and fraudulent mortgage lending that has inflated a massive, precarious real estate-and-debt bubble, topped off with about $45 trillion in dangerous financial derivatives, which now threaten to smash the economy; and

• when the public demand for an inquiry into banking crimes and misconduct became overwhelming, they [redacted] and approve the commissioner; rig the terms of reference to exclude macroprudential regulation and the big four auditors; and [redacted] the secretariat to ensure the royal commission stayed within its terms of reference, and be able to write the final report such that the outcome was positive for the banks.

The person who most exemplifies this nexus between Treasury and the [redacted] financial system is Dr Ken Henry, the former long-time head of Treasury who took the revolving door between Treasury and the banks to become chairman of National Australia Bank. Dr Henry is the banker whom Malcolm Turnbull and Scott

Morrison [redacted] with to design the royal commission. In his arrogant contempt for the process that he better than anyone knew was a rigged inquiry, he disgraced himself on the witness stand, such that Commissioner Kenneth Hayne was compelled to single him out for criticism, which led to his departure from NAB earlier this year. But now investigative reporter Adele Ferguson has exposed from leaked documents that in June 2018, when the royal commission was in full swing, Dr Henry confidentially acknowledged to NAB's auditor EY that he was "confident" that even then "there are products currently being sold now that they will need to remediate in the future", giving the example of a self-managed superannuation product. In other words, that he knew NAB was still selling dud products to unsuspecting customers!

Neither Dr Henry nor EY disclosed this fact—not to the royal commission, not to the regulators, not to the government. It took a leak from inside NAB to reveal it.

This revelation epitomises the lack of integrity of Treasury, which Henry used to lead; of the banks; and of the big four global accounting firms, which have an appalling track record globally of [redacted] at the expense of their shareholders and customers.

It is therefore unacceptable that Treasury and the government would continue their collusion with corrupted financial institutions in pushing this law, in order to strip law-abiding Australians of their right to use cash for privacy and choice and force them into the private banking system. That the recommendation for this law came from the Black Economy Taskforce report, written by a former global boss of KPMG, is high farce.

As Treasury knows full well, there is indeed a black economy, which is global, and which hides literally trillions of dollars of evaded taxes and laundered money in offshore tax havens. It is a matter of record that these offshore tax havens were deliberately established for this purpose by national governments with whom Australia is closely aligned, Britain's foremost among them. Moreover, the [redacted] in this real black economy are not the tradies and hairdressers singled out in the Black Economy Taskforce report, but are the biggest banks and multinational corporations in the world, which are [redacted] by four institutions in particular: KPMG, EY, PwC, and Deloitte.

It is the CEC's contention that this law recommended by [redacted] KPMG has absolutely nothing to do with cracking down on money laundering and tax evasion. Rather, this law is the latest extreme measure that Treasury and the government, in parallel with governments around the world, are pursuing in order to permanently change the relationship between citizens and the financial system.

The core issue is that the Australian and global banking systems are failing, and desperately require structural reform; specifically a Glass-Steagall separation of proper commercial banking from all forms of the cancer of financial speculation. However, rather than asserting democratic power over the banking system to do that, governments have outsourced their responsibilities to global institutions such as the IMF and BIS, which are inventing unnatural ways to prop up the failing system. These include the bail-in of bank deposits, and negative interest rates. These policies cannot work if the public have the choice to withdraw their money from the banking system to hold and use in cash. That is the reason that the Black Economy Taskforce report stated that the strategy behind the cash ban is to "Move people and businesses out of cash and into the banking system", and cited former IMF chief economist Kenneth Rogoff that it would benefit "financial stability"—the pretext for bail-in—and "monetary policy", i.e. negative interest rates.

The CEC emphatically opposes this law, and calls on Treasury and the government to respect Australians' rights and instead clean up the real black economy, starting with Treasury's relationship with the perpetrators—the banks and auditors.

Yours sincerely,

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