



# Australian Citizens Party

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## MEDIA RELEASE

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### Government dodges the issue to deflect public rage over cash ban

After ramming his \$10,000 cash ban law through the House of Representatives last week, Scott Morrison is now trying to pretend he has responded to concerns about his cash ban, by releasing a set of “rules” that exempt many activities from the ban.

Shane Wright reported in the 28 October *Sydney Morning Herald*: “The Morrison government has sought to head off internal and crossbench anger over plans to forbid cash payments of \$10,000 or more, outlining a string of exclusions it says will protect those who still want to use notes and cents.

“Rules governing new laws around large cash payments make it clear they will exclude gifts, private transactions such as used car sales and situations where people have no other way to pay but via cash.”

It is not true that Morrison is softening the law with these rules. They were always planned to be attached to the law, as a ploy to make the ban initially more acceptable.

The problem is that *all* the rules providing exemptions to the cash ban are in a separate legislative instrument, and not in the bill itself. This means that the Minister can change the rules at any time, without a vote in Parliament. While the Parliament can disallow the Minister’s changes, it has a strict time limit on doing so, which limits the ability of the public to have a say in the changes and gives the Minister the advantage in making changes.

In other words, the rules are not real protections at all, but exemptions that can be temporary, and easily removed to make the ban more draconian.

The bill itself, which does require a parliamentary vote to change, is an absolute ban on all transactions over \$10,000.

#### Even the ‘myths’ are lies

Demonstrating how disingenuous the government is being over this law, Treasury has issued a “Fact Sheet—addressing the myths about the cash payment limit”.

The so-called “myths” listed in the fact sheet have nothing to do with the main objections to the law.

The Government’s “myths” are:

- Cash cannot be used for everyday transactions.
- Family members cannot give cash gifts.
- Private individuals cannot buy or sell second-hand goods using cash.
- People are required to store money in the bank.
- People are no longer able to deposit or withdraw cash from their bank account.
- The Government can amend the Bill for the cash limit without scrutiny by the Senate.

In denying all these claims, the government fails to mention that they are only false because they are exempted under the rules, which can be changed at any time. They are not exempted in the legislation, which requires a Parliamentary vote to change. As independent researcher Melissa Harrison from [exposingtheblackeconomyreport.com](http://exposingtheblackeconomyreport.com) asked: “Why is the government not being upfront about this?”

[Click here to read Melissa Harrison’s Fact Check of the Fact Sheet.](#)

The government’s fact sheet doesn’t address the main objections to the law, because the government cannot answer them. They prove the government’s excuses for this law to be false.

The government claims the cash ban is necessary to eliminate the black economy and reduce tax evasion.

In truth, as proven by studies of the global black economy by Leandro Medina and Friedrich Schneider published by the IMF, [Australia doesn’t have a serious black economy problem](#); the black economy we

do have is already shrinking without any cash ban, having halved since 1991; and comparable countries with cash restrictions have much bigger black economies.

As for tax evasion, it is false to blame tax evasion on individuals using cash. Real tax evasion is perpetrated on a massive scale by multinational corporations and banks, and ultra-rich individuals, using the Big Four global accounting firms and the global network of offshore tax havens. This is how Netflix can pay less than \$500,000 tax in Australia, on revenue of almost a billion dollars. It is especially outrageous that this cash ban was recommended by a former global boss of one of the Big Four accounting firms, KPMG, which is up to its ears in real tax evasion, and that KPMG is already lobbying to reduce the limit from \$10,000 to \$2,000.

It is now proven that the real reason for the cash ban, which the government doesn't want to acknowledge, is not a "conspiracy theory", but is [a recommendation from the IMF](#) which can be read in black and white: cash must be restricted to make negative interest rates work. Countries all over the world are either at negative interest rates or close to, and the IMF has recommended cash restrictions to trap people in banks so they are forced to pay the banks to look after their money.

Another reason to trap people in banks is so they cannot escape "bail-in", which is when deposits are seized to prop up failing banks.

Independent MP Andrew Wilkie cited this evidence, including the need to ban cash to make negative interest rates work, in his [speech in Parliament on 24 October](#) opposing the cash ban. He also proved that the government is not interested in really eliminating money laundering, as it has ignored Wilkie's evidence of money laundering at Crown Casino. Most importantly, Wilkie made the point that the government has all the laws it needs to crack down on the real black economy, it just doesn't enforce them.

The government is trying to dodge the issue because of the huge backlash it has received against this law, which has sparked a mutiny even within its own Liberal Party ranks. We must keep the heat on!

#### **What you can do:**

1. Most importantly, [make a submission](#) to the Senate inquiry by 15 November. ([Click here if you need help.](#))
2. Call the CEC on 1800 636 432 to join a delegation to see MPs.
3. Sign the cash ban petition and share the new website [stopthecashban.com.au](http://stopthecashban.com.au).

[Click here for copies of the new "Fight the totalitarian ban on cash!" flyer to distribute.](#)