



# Australian Citizens Party

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## MEDIA RELEASE

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### Based on Treasury's misinformation, Senate should reject cash ban

*Former Australian Prudential Regulation Authority (APRA) Principal Researcher and Head of Research Dr Wilson Sy, who has also worked in Treasury, issued the following statement in response to the revelation that Treasury made false representations to the government on the \$10,000 cash ban law currently before the Senate Economics Legislation Committee.*

### Decision on the cash ban bill made simple

17 Nov.—With the [Currency \(Restrictions on the Use of Cash\) Bill 2019 \[Provisions\] \(the Bill\)](#), the Government's expressed objective is to collect more tax from the black economy. It is unclear whether this objective is motivated by more tax revenue or greater fairness in distributing the tax burden. Regardless, to achieve the objective through the Bill, the Government has proposed to restrict cash transactions to \$10,000 or less.

For the Parliament which represents the people of Australia, the decision on the Bill comes down to a question of whether collecting more tax from the black economy is worth the loss of civil liberties (through cash restrictions) for the general population.

Ignoring possible hidden agendas (e.g. to enrich the banks), cashless risks (e.g. blackouts, cyber-crimes, payment system malfunction) and unintended consequences (e.g. financial system instability), consider only the Government's stated objective of curbing the black economy.

A global expert on shadow economies, with a long list of research publications, Prof. Friedrich Schneider (2017) in his paper "Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?" stated:<sup>1</sup>

*The conclusion of this paper is that cash has a minor influence on the shadow economy, crime and terrorism, but potentially a major influence on civil liberties.*

In a democracy, the tax burden and how it is distributed are determined by the Parliament which should reflect the wishes of the people in how they weigh priorities. The people have spoken through their Treasury submissions which have overwhelmingly rejected the Bill because they value their civil liberties more than they value uncertain benefits from tax collection from a relatively small black economy.<sup>2</sup>

Without publishing the submissions before the House of Representatives voted on the Bill (24 October), the Treasury misled the Parliament by dismissing nearly all individual submissions (over 3,400 out of 3,620) as being a campaign by a single fringe political party. The submissions now published (14 November) clearly falsify Treasury's claim because few submissions (from a random sample of 339) could be attributed easily to any single organisation, with a [vast majority individually and personally opposing the Bill](#).

Hence based on Treasury misinformation, the Parliament had mistakenly passed the Bill through the House on the false assumption that voter opposition was negligible. The Senate should now summarily reject this Bill because the House passed the Bill without having properly debated and considered widespread voter concerns expressed in their submissions.

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1. Delivered at the [International Cash Conference 2017—War on Cash: Is there a Future for Cash?](#), Paper 162914 Deutsche Bundesbank.

2. Medina and Schneider (2017) in their paper "Shadow Economies around the World: New Results for 158 Countries over 1991-2015" ranked Australia to have 10th smallest black economy among 158 countries.

[Click here to sign the petition against the cash ban.](#)

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

