



THE HON JIM CHALMERS MP
TREASURER

Ref: MC23-001563

5 July 2023

Ms Susan Templeman MP
Chair
Standing Committee on Petitions
petitions.committee.reps@aph.gov.au

Dear Ms Templeman

Thank you for your correspondence concerning Petition EN4638 - House to enshrine the use of cash in law.

Australia has a well-functioning payments system offering various payment methods, including the use of cash. The Government has committed to ensuring that Australians have continued access to cash. This commitment is contained in the Government's recently released Strategic Plan for the Payments System - <https://treasury.gov.au/publication/p2023-404960>.

The Australian Government understands that new technologies and processes can raise concerns for citizens, and I acknowledge the petition's concerns regarding a potential Australian central bank digital currency (CBDC). As part of our commitment to modernise the Australian financial system to keep up with an increasingly digital economy, the Government is working with the Reserve Bank of Australia (RBA) to explore the benefits and risks of a CBDC. This includes the current pilot being run by the RBA and the Digital Finance Cooperative Research Centre, and is in line with the work of governments and central banks around the world.

At this time, no decision has been made to issue an Australian CBDC. However, I understand citizens' concerns about government oversight, programmable money, and monetary policy. These risks are not inherent to a CBDC but would result from specific design choices and features. I can assure you that the research work being conducted by the Government and the RBA is guided by principles of privacy protection.

I trust this information will be of assistance to you.

Yours sincerely

The Hon Jim Chalmers MP