

Sally Etherington
Director
Payments Strategy and Policy Unit Financial System Division
Treasury
Langton Cres
Parkes ACT 2600

30th October 2023

Subject: Enhancing Legislation for Financial Payment Systems

To whom it may concern,

My name is David Brozicevich, I am a private Australian Citizen residing in Switzerland. My background is in the Information Technology (IT) industry.

I am writing to express my concerns and provide suggestions regarding the definitions and provisions related to monetary funds in the current proposed draft legislation. While the legislation appears to be highly specific to digital funds, it lacks equal specificity for non-digital forms of payment, such as Australian Bank notes, cash, and bank cheques.

My primary concern lies in the potential consequences of reforms that do not distinctly define non-digital payment funds, as this omission could inadvertently lead to the erosion of these traditional payment methods. Such an outcome would be highly unacceptable, especially considering Australia's vulnerability to natural disasters, such as cyclones, floods, and fires, where non-digital tender and payment systems play a critical role in meeting basic human needs and maintaining societal function.

As someone with extensive experience in the IT industry, I am well aware that digital systems are dependent on electrical energy and rely on cryptographic solutions that may possess vulnerabilities or become outdated in the future. The risk of data loss is so significant that no government or commercial insurer would offer coverage for such losses. It is essential to acknowledge that digital systems are not fail-proof; they are inherently fragile, as I can attest as an IT professional.

The current draft legislation fails to address the pressing issues associated with natural or unnatural disasters and the fragility of digital systems. It does not ensure the development of robust national non-digital payment systems to support the Australian population in times of crisis.

In light of these concerns, I propose the following amendments to the legislation:

1. Define both digital and non-digital payment funds and systems explicitly.
2. Safeguard Australian Bank Notes (legal tender, cash), as well as other non-digital payment methods, to ensure their uninterrupted use and accessibility.
3. Retain bank cheques beyond 2030.
4. Mandate that all Australian businesses, at a minimum, must accept non-digital funds as payment.
5. Treat all payment systems and funds, whether digital or non-digital, with equality. No additional fees should be imposed based on the chosen payment method.

6. Ensure that digital payment systems coexist with equivalent non-digital payment systems.
7. Guarantee the people of Australia the freedom to choose either digital or non-digital payment methods without facing social or financial discrimination.

I want to clarify that I am not opposed to technological advancements; however, my professional experience underscores the limitations of digital technology and the potential for disruptive innovations in the future. Therefore, it is essential that digital payment systems are designed with the provision of a tried and tested concurrent non-digital payment method in the event of a system failure.

Unfortunately, the current draft legislation falls short in delivering the required level of robustness necessary to govern national financial payment systems, which is critical for national security and public interest.

I appreciate the opportunity to share my thoughts on this draft legislation and kindly request that these considerations be taken into account.

Warm regards,

David Brozicevich
30/10/2023 - Zurich Switzerland