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GILLARD GOVERNMENT SEIZURE OF INACTIVE BANK ACCOUNTS IS AN ATTACK ON PROPERTY RIGHTS

“The Gillard government’s plan to take money from dormant bank accounts is a shameful grab for cash and a significant attack on property rights,” said Simon Breheny, director of the Legal Rights Project at free market think tank the Institute of Public Affairs.

The *Treasury Legislation Amendment (Unclaimed Money and Other Measures) Act 2012* amends the *Banking Act 1959* to lower the threshold for “unclaimed moneys”, which are transferred from banks that hold the accounts to the Australian Securities and Investments Commission. Previously this was defined as any money in bank accounts that had been inactive for a period of seven years, but the new laws require inactivity for only three years.

“People should be able to leave money in bank accounts for as long as they wish without the fear that the government might come along and steal it from them. To do so is an arbitrary acquisition of property by the government,” said Mr Breheny.

“Parents saving for their children’s education, young people saving for a home and others putting money aside for retirement are all at risk of losing their savings as a result of these changes,” said Mr Breheny.

“The changes could have a number of unintended consequences. Such a regime provides a disincentive to saving money with a bank and may encourage people to hide their money under the mattress and away from the hands of government,” said Mr Breheny.

“The government is desperately attempting to shore up its financial position before the budget is handed down in May 2013,” said Mr Breheny.

“Tony Abbott and the Coalition must commit to repealing these changes if elected to government,” said Mr Breheny.

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