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## **GOVERNMENT RIGHT TO REVERSE TIDE ON BANK ACCOUNT SEIZURE**

“The Abbott government should be congratulated for reversing the Gillard government’s cash grab on Australian bank account holders,” says Simon Breheny, director of the Legal Rights Project at free market think tank the Institute of Public Affairs.

Assistant Treasurer Josh Frydenberg is set to announce the Abbott government will introduce legislation to reverse the Gillard government’s changes to the *Banking Act 1959*.

The Gillard government amended 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, from seven years of inactivity to just three.

The government is set to restore the original seven year threshold. The government is also removing the seizure requirement altogether for bank accounts held in the name of a minor.

“This reform is important because it will allow parents to set aside money for their children over the long term without the fear that government might take it away from them,” says Mr Breheny.

“The new rules will remove the disincentive to save that the previous government’s changes put in place. People should be confident that money they have saved in their own bank accounts is there whenever they need it – no matter how long it has been left ‘inactive’.”

“In February 2013, the IPA described the bank account seizures policy as an attack on property rights. We called on the Coalition to repeal these laws, and we are pleased to see they have now done so,” says Mr Breheny.

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