

16 January 2023

Chris McCashin

fyi-request-20715-2562d224@requests.fyi.org.nz

Dear Chris,

Thank you for your request of 30 September 2022 made to Reserve Bank of New Zealand – Te Pūtea Matua under the Official Information Act 1982 (OIA), to provide the following information:

*Please provide the following:*

- 1. summary of submissions / reporting / recommendations surrounding the future of money consultation*
- 2. please provide cost / benefit analysis of digital currency - to include estimate on how much going cashless is likely to shrink economy*
- 3. impact assessment on homeless who rely on change - if one is not done why not*
- 4. impact assessment on civil liberties*
- 5. national security assessment based on hacking, totalitarian governments (ie our current government using this against us)*

## **Response**

1. Summary of submissions / reporting / recommendations surrounding the future of money consultation

In response to your first question, a summary of submissions, and all individual submissions, received in response to our 2021 issues papers – including on CBDC - are publicly available here on our website: [Future of Money - Te Moni Anamata - 2021 issues papers public responses - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.reservebank.govt.nz/~/media/00000000-0000-0000-0000-000000000000/2021-issues-papers-public-responses-Reserve-Bank-of-New-Zealand-Te-Putea-Matua-rbnz.govt.nz).

For each of your other four questions, I advise that the requested information does not exist. These questions appear to be based on the belief that the Reserve Bank has decided to remove physical central bank money (cash) from circulation and to replace it with digital central bank money (CBDC). RBNZ has neither any intention of removing cash from circulation nor have we decided to introduce a CBDC at this time.

The Reserve Bank is doing a lot of work to ensure that cash remains available and accepted in everyday New Zealand for as long as people want and need it. Please see the [Cash System Redesign issues paper](#) and [this recent update on our Future of Money work](#) including announcement of regional trials of different potential ways to help keep the cash system working.

The Reserve Bank has made no decision on whether to issue a CBDC. Any decision of this nature would be made following extensive consultation with the public, stakeholders and government. A CBDC may have merit for people who prefer to transact digitally, but our intention is that any CBDC would be circulating alongside cash as central bank money. Private money – the balances sitting in commercial bank accounts – would also continue, along with other private money products such as crypto assets and stablecoins

(about which we are releasing an issues paper in early December 2022, with feedback closing early April 2023).

The CBDC issues paper sets out a wide range of opportunities, risks and potential design principles, some of which may relate to the topics raised in your other questions.

2. *Please provide cost / benefit analysis of digital currency - to include estimate on how much going cashless is likely to shrink economy*

This information does not exist.

3. *Impact assessment on homeless who rely on change - if one is not done why not*

This information does not exist. We have previously and repeatedly noted the importance of cash to the financial and social inclusion of some sectors of society. This information is publicly available, particularly in the Stewardship and Cash System Redesign issues papers and associated media releases and speeches, etc: [Future of money - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#)

4. *Impact assessment on civil liberties, and*
5. *National security assessment based on hacking, totalitarian governments (ie our current government using this against us)*

This information does not exist. You will note, from the CBDC issues paper, [Future of money – central bank digital currency – Te moni anamata – aparangi ā te pūtea matua - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#) highlights such matters among the potential risks which would need to be understood and considered in both decision-making and design of any CBDC. The issues paper, summary of responses, associated media releases and subsequent speeches – all publicly available on our website contain our current statements which might be considered “assessments”. You should also note the strong emphasis we are placing on privacy considerations.

Should our CBDC work lead us to a firm belief that a case is made for introducing a general purpose CBDC for New Zealand, then we would consult publicly on the more detailed proposal. Any subsequent introduction of a CBDC would likely require law changes that would also require public consultation through the parliamentary process (which would also include assessment for conformance with the NZ Bill of Rights).

You may wish to subscribe to [“Money and Cash Policy”](#) email updates to keep up with developments and any future consultation.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the OIA. The relevant details can be found on the Ombudsman’s website at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that we intend to publish a copy of this response on the RBNZ website: [www.rbnz.govt.nz/research-and-publications/official-information-requests](http://www.rbnz.govt.nz/research-and-publications/official-information-requests). Responses to requests are published in order to improve public transparency and provide an additional resource for anyone seeking information.

Yours sincerely

Government and Industry Relations  
Reserve Bank of New Zealand – Te Pūtea Matua