



AN INFRASTRUCTURE PROJECT TO ECONOMICALLY REVITALISE AND NURTURE AUSTRALIA [Project ERNA]

INTRODUCTION

Australia is haemorrhaging innovation and investment opportunities such that prosperity is inevitably declining in the absence of a needed fundamental shift in economic thinking. We cannot have productivity driven prosperity without innovating and making things; and we cannot do that without an import competitive cost structure; and we cannot obtain that with the economic tools at hand. Lack of recognition of how a multiplicity of micro-cost activities across the economy—often hidden in compound activities like accounting, administration, and compliance—is defeating everyone's attempts to increase productivity. We feel these costs when we pay our bills, queue, fill out forms, fix errors in our records, and myriad other irritating activities. They occur at the boundaries between entities (or their departments) and their activities and persist because they mostly do their own thing.

This submission is not about idly identifying problems; rather, it identifies a way to create a wide range of economic and social solutions by leading the world into a new payments system: why that? Because it is a common denominator in and therefore proxy for all these costly boundary events. Optimising the payments system would economically revitalise and nurture Australia socially too.

This proposal starts with the premise that the payments system is a utility infrastructure. The electrical grid facilitates operation of a wide variety of equipment; telecommunications facilitate the transfer of information in a wide range of formats; and the payments system transmutes the value of any thing into equated value in any other thing. Records of all these things, their value, and who owns them are currently kept in a costly—resource wasteful—traditional way. Technology has not been properly harnessed to reduce this waste. This is a proposal to address that waste: unfortunately though, our public servants only advocate following overseas trends—they are unwilling to risk their careers on something not already successful overseas. This inquiry is being asked to explore and grasp the implications of optimising the payments system to understand the benefits of changing that dynamic.

The optimisation proposed here has no discernible material downside. On the upside its proposed design would eliminate many problems and ameliorate an even larger number of other problems. For example it would eliminate many crimes and associated costs; it would reduce the cost per service of healthcare, social services, and tax collection by enabling activities to be performed more efficiently and thus productively. This ability to enable more efficient performance extends to most economic entities' activities. The initial innovation would feed necessarily sequential generations of innovation for decades.

Once the proposed mechanism is understood, whole of the economy savings and productivity enhancement exceeding a hundred billion dollars annually can be perceived by looking at the foreseeably irresistible flow on changes to processes. We would see it benefit Governments, Businesses, organisations and individuals in the city and the country.

PROPOSAL

Ultimately and inevitably our economy will have to move to digital currency, which, though not strictly required, is the optimum basis on which to build this innovative infrastructure. Building it would hasten the digital transition, because of the way it would relieve everyone of so many mundane and often infuriating tasks, which cost. It would also reduce costly duplication of effort. Basically, tasks are either eliminated or automated to reduce overall process costs.

The nub consists of a total revision of how we collectively collect and store data with economic content. Once you know how, then this is neither daunting nor infeasible either technically or financially.

Essentially, this system captures both sides of transactions more efficiently. Product data already found in publicly available provider literature is captured along with its unit pricing. As is done with internet shopping that product data is not re-entered by clients, which reduces transaction-time, storage, entry and error costs. Both supplier and client identification and addressing data is similarly held but in a separate system. Together, these systems capture whatever there is to own and who owns it. Pseudo random brevity codes disguise who transferred what to who and when and where. Without compromising policing requirements, this is done in such a way that no one can sit at a computer and call up that relationship. That means transactions are genuinely private and cannot be discovered, even though this is somewhat similar to how we transact over the internet now—hacking is made costly and pointless. You might picture your account showing something like an embellished cross between a Coles shopping docket and a bank statement, though little of that is actually stored separately against your identity. It effectively negates the need for a large proportion of individual entities' back office accounting operations and their costs.

Operational detail can be provided privately to this inquiry.

IMPACT

Why do this instead of something else? When you delve into the nuts and bolts of this holistically thought through proposal, its logic makes it very evident that there is no other single thing that can be done that will deliver as much bang for our buck both economically and socially. It is a deceptively minor change that sets in place a foundation for a vast array of readily conceivable innovations across most facets of our economy—and it is planned to be done in a way that most other countries would have difficulty emulating to give us an economic edge for decades. It can be shown that given rational, logical decision making:

- Productivity—as in margin of output over input—would increase

continuously for over 20 years due to the sequential nature of foreseeable innovations. Cost barriers to entry would reduce.

- Business risks of—particularly small business—financial incompetence, credit management, cash flow management, and associated costs would continuously decrease for decades.
- The social, health and economic costs of crime would greatly diminish due to a ratcheting down in crimes available to be committed and the ability to commit those crimes.
- Taxation efficiency in terms of sustainable collectability, timing, broadest base, and reduced cost would vastly improve.
- Regulatory compliance efficiency in terms of increased effectiveness achieved using less resources would greatly improve.
- Health care and Social security effectiveness and efficiency would both increase due to reduced per service cost and reduced need for services that can be wrought from foreseeable sequential innovations only achievable on this system's foundation.
- National security would be improved without any need for further oppressive intrusiveness (which would be reducible), due to increases in effectiveness and efficiency in resources used.
- Economic statistical data would vastly improve at every level for everyone in terms of quality and timeliness and cost of production due to completeness and new ease of compilation.
- Our personal and group privacy and safety would vastly improve through decreases in exposure to malfeasance of most kinds.

CONCLUSION

Project ERNA as proposed is entirely about Australia's economic effectiveness; but, implemented in a way that produces positive social outcomes too. Its inherent extensibility is unlikely to be rivalled by any other proposal. If such outcomes are of interest to your inquiry then I am prepared to confidentially discuss the details required to understand the reality that these possibilities are both feasible and achievable technically and financially. In summary, I am proposing an innovative reassembly of mostly existing technologies be harnessed to the payments system rather than issuing thousands more of pages of largely unresourceable legislation and policy announcements. That would generate a pro-business environment in a way that is good for all of us. If we want a different and better outcome from that of other countries then we have to do things creatively different. It's up to you.

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