



Australian Citizens Party

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Australian Citizens Party submission to the ACCC-CFR consultation on regulatory framework for cash distribution in Australia

Thursday, 14 August 2025

CFR and ACCC Cash Distribution Consultation Submissions
c/o Note Issue Dept, Reserve Bank of Australia
GPO Box 3947
Sydney NSW 2001

RE: Regulating Cash Distribution – Consultation Paper

Dear panel,

Please accept this submission to your inquiry, regarding cash distribution in Australia.

Yours sincerely,

Australian Citizens Party

Robert Barwick, Research Director



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Responsibility*

Introduction

Australians want cash and need cash. But they are at the mercy of big banks who want to get rid of cash. The banks pay lip service to the need for cash, and deny they have a cashless agenda, but their actions show they are aggressively trying to force Australians to go cashless. On 19 June 2020, following the national COVID lockdown, Channel 7 news reported the banks had goals for reducing cash use, and that thanks to the pandemic they had achieved in just 10 weeks goals they thought would take five years. How? By closing bank branches and ripping out ATMs, thus removing ready access to cash.

The big banks are lying when they claim they support cash, but that is not the biggest problem. The biggest problem is that the government and Reserve Bank of Australia have allowed the banks to push Australia so far down the cashless path, as if somehow this behaviour of the banks is legitimate and the government is not responsible for ensuring the basic functions of the economy. The government is responsible, and if it was taking its responsibilities seriously it would be looking at other areas of the world that have gone aggressively cashless, such as the Scandinavian countries, and applying those lessons here.

Please see attached “What Australia must learn from Europe’s cash comeback”, by Elisa Barwick, *Australian Alert Service*, 5 February 2025.

The lesson from Sweden and its neighbours is that going cashless has been a terrible mistake, which has created all kinds of problems, including, notably, a rise in organised crime—which flies in the face of the claimed virtue of cashlessness that it will reduce crime. The other lesson from Scandinavia is that now they have concluded going cashless was a mistake, they have a huge challenge to bring cash back because they allowed the banks to dismantle their cash infrastructure.

The Australian government must apply that lesson here, now, to immediately reverse the take-down of Australia’s cash infrastructure and ensure all Australians have ready access to cash. This is the government’s responsibility, which must not be outsourced to, or mediated by, the financial institutions which have a conflict of interests because they plan to get rid of cash.

Solution: Australia Post Bank

The Australian government is responsible for the functioning of the economy; it is *not* responsible for the profits of the Big Four banks. The government’s current approach, however, is to allow the Big Four banks to control the basic functions of the economy, such that the decisions the banks make to maximise their private profits are forced on all Australians.

The government has given the banks far too much power, over the economy and over individuals, which the banks have abused to increase their power even more by forcibly reducing cash use in the economy. This has enabled the banks to force the majority of transactions to be digital, which gives the banks the power to approve every digital transaction, take a cut from every digital transaction, and harvest data from every digital transaction for surveillance and monetisation.

Although the approval of digital transactions is almost always automatic, in cases when the banks “debank” customers, which they are increasingly doing, it is not automatic and customers can find themselves stranded from being able to transact for even basic needs.

Only when Australians use cash can they transact independently from the banking system and the banks have no power over them. And only cash enables Australians to transact under all conditions, including during natural disasters and power and communications failures. Therefore, the government’s responsibility to



ensure the basic functioning of the economy means it should be prioritising its support for cash infrastructure, instead of facilitating the banks' agenda to go cashless, as it has been doing.

The obvious solution is to have government institutions take charge of the cash distribution infrastructure. The RBA is responsible for issuing cash, and it used to be responsible for its wholesale distribution until it outsourced that responsibility to the banks in the late 1990s. It's time to correct that mistake, and for the RBA to once again ensure cash gets to where it is needed.

The logistics required can be achieved through another government institution, Australia Post. Australia Post has the biggest and most decentralised retail footprint in Australia, in its network of more than 4,000 post offices. Those post offices already provide cash and limited banking services, through Bank@Post. Because Bank@Post is an agency for the private banks, the banks impose limitations on the service, such as on cash withdrawals and deposits, which means it is not a real substitute for a proper branch banking service. Nevertheless its existence means Australia Post is already responsible for cash distribution across Australia.

In some places, such as Coober Pedy, only Australia Post is ensuring cash is available, because the banks have abandoned those places. The 1999 "Money too far away" report of the Parliamentary inquiry into bank branch closures noted that when Australia Post distributed cash in places like Western Australia, the cost per bank branch per week was \$10-\$20, but when Australia Post stopped distributing cash the cost soared to \$600 per week per branch, and in many places cash distribution collapsed altogether.¹ This shows how efficient Australia Post can be in distributing cash; with modern security technology there's no reason it cannot become the principal distributor of cash in Australia.

The Citizens Party's proposal for a public Australia Post Bank, to provide full banking services in post offices that competes with the private banks, would improve the economies of scale of cash distribution by Australia Post, and make the service effectively self-funding. Thus, the government could use its own assets to ensure the adequate distribution of cash to all communities right across Australia, independently of the private banks and their cashless agenda.

¹ Available on [Trove](#), image 114 (p. 94): "5.6 ... According to one witness, the cost of transporting cash has increased from \$10-20 per week per branch when Australia Post provided the service to a cost under current arrangements of up to \$600 per week per branch." Among the recommendations of that inquiry was: "Recommendation (16): The Committee recommends that the Commonwealth government undertakes, as part of the Rural Transaction Centres Program, to develop a method to contract Australia Post to deliver cash to areas in which Australia Post has a presence but in which there is no other financial institution."



Attachment 1.

What Australia must learn from Europe's cash comeback

By Elisa Barwick, Australian Alert Service, 5 February 2025

In recent years the European nations that had made the biggest inroads to becoming cashless societies have conducted hasty reversals. Nordic nations Norway, Finland, Denmark and Sweden have been most prominent but as AAS has reported previously, significant changes are underway in the UK, Ireland, Spain, Switzerland, the Netherlands and the entire jurisdiction of the European Union. One way or another, the moves are all oriented to securing cash payment options for citizens by forcing banks to provide access to cash and legislating mandatory cash acceptance for business.

This shift has come about as politicians have been forced to respond to reality and public pressure. World crises, popping up with increasing regularity, are worsened by the vulnerability of a financial system that excludes cash. The crises we face are the artefacts of a global financial breakdown which is driving its protagonists to war, and whether economic or war related, each new crisis propels the push to restore cash—to allow the economy to continue to function.

In recent months European newspapers have warned that cyber-attacks, scams and frauds, and energy and technology failures, could shut down entire nations, counting these problems among other “peril[s] of going cashless”. The Netherlands’ central bank chief has warned that the entire banking system is at risk.

Headlines have blared that going cashless has turned Sweden into a haven for criminals. [Fortune](#) magazine, for example: “Why going cashless has turned Sweden from one of the safest countries into a high-crime nation”. The June 2024 article reported that “Sweden is an important test case on fighting cashless crime because it’s gone further on ditching paper money than almost any other country in Europe. Online fraud and digital crime in Sweden have surged”. Financial crime has led to a surge in organised crime, including violence.

An April 2021 [Bloomberg](#) headline summarised a state of affairs now seen across Europe: “Cashlessness may have gone too far in Norway, government warns”. For all of these countries, the moves to restore cash represent a stark turnabout. Plagued by cyber-attacks, electricity disruptions, system glitches or financial meltdowns, digital methods have simply become unreliable. Even in Germany, where 60 per cent or more of all transactions are made in cash, a payment system outage in June 2022 catalysed a massive popular surge towards cash.

Numerous such disruptions paralysed European nations over the course of 2024, in addition to the global CrowdStrike outage in July which crashed Microsoft systems, halting payments, retail operations and crucial



Swedish daily tabloid, 2022, the London [Telegraph](#) had a similar headline in Nov. 2024. Photo: Screenshot



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economic functions. Central banks have started advising people to hold cash in case of emergency. Various agencies now recommend that people keep cash on hand in case digital payments cease working. This includes the Norwegian Directorate for Civil Protection and the Swedish Civil Contingencies Agency, the latter of which circulated a [leaflet](#) in the mail in December 2024 urging citizens to keep enough cash for a week of essentials, according to journalist Nick Corbishley in a 3 December 2024 article at [nakedcapitalism.com](#). Similar warnings went out in Finland and Denmark.

In the wake of the CrowdStrike failure even the UK press recommended the urgent reinstatement of cash, with the headline, “Global IT meltdown shows peril of going cashless” (see image). And as the *New Zealand Herald* [reported](#),



the Reserve Bank of New Zealand, the National Emergency Management Agency, and the Citizens Advice Bureau (CAB), advised people to keep cash for just such emergencies. An RBNZ spokesman announced: “The Reserve Bank and National Emergency Management Agency recommend having cash on hand for emergencies—ideally in coins and smaller denominations.” CAB noted that “our law currently provides no protections around cash acceptance”, adding that “To ensure cash remains a viable option ... we also need government and businesses that provide essential goods to commit to accepting cash payments.”

The Australian government launched a consultation on “[Mandating cash acceptance](#)” after a November 2024 announcement by Treasurer Jim Chalmers on “ensuring the future of cash”. Treasury’s consultation paper

suggests a cash acceptance mandate for the sale of essential goods and services that includes corporations and governments, but excludes small businesses with a turnover under \$10 million. That category represents 98 per cent of Australian companies, creating conditions under which the cash mandate could in fact undermine cash use, with small businesses let off the hook due to the growing expense of handling cash, with banking requiring time, manpower and significant travel. Additionally, it neglects the reason for that rise in expense—the closure of bank branches which limits access to cash services (p. 4). Most European countries that protect cash use also have exceptions to their rules, but none (that this author has seen) so wide as the Australian government proposes.

Nordic clawback

At the initiative of Swedish central bank, the Riksbank, **Sweden** amended its laws to ensure “reasonable access” (within 25km) to cash services. This is a huge shift for a bank that aggressively undermined cash. “Back in 2018, the then-deputy governor of Sweden’s central bank, Cecilia Skingsley, predicted that Sweden would probably be fully cashless by 2025”, reported Corbishley.

Furthermore, the Riksbank’s 2024 [Payments Report](#) called on the government to introduce an obligation for merchants to accept cash for essential goods and services and an obligation for banks to accept deposits, adapting their systems to support the digitally excluded and businesses requiring cash access. The report said digitalisation has made payments “more vulnerable to cyber-attacks and disruptions to the electricity grid and data communications”, and called for “public sector intervention” to ensure that payments work under all



circumstances, “even in crisis and war”. A government inquiry was due to report in December 2024 but its findings have not yet been posted.

In **Finland**, which was widely expected to be cashless by 2029-30, the central bank has proposed a legislative initiative to protect cash access, advocating for maintenance of cash infrastructure as a safeguard against payment system interruptions.

The Head of the Payment Systems Department at the Bank of Finland, Päivi Heikkinen, on national television in October 2022 [urged](#) people to keep cash on hand in case payments systems were interrupted. A disruption, potentially from a cyber-attack, could last for weeks in the worst case scenario, she said. According to the *Helsinki Times*, a 2023 study showed that no less than 95 per cent of Finns see the cash payment option as essential.

The law in **Norway** states that cash is a “compulsory payment method” and must be accepted, but businesses have increasingly found ways to get around this, so [amendments](#) to the legislation have been passed to mandate stricter acceptance of cash with tighter oversight by the banking supervisor. A March 2024 Ministry of Justice and Public Security media statement stressed the importance of cash in the case of “Prolonged power outages, system failures or digital attacks against payment systems and banks”. The amended law came into effect in October 2024.

A [November 2023 report](#) of the central bank of **Denmark**, Danmarks Nationalbank, on the future of cash, weighed in. It concluded that while cash use is in decline it is still “needed” and will be needed “in the future”. Cash has “special characteristics” which explain why one in three Danish citizens hold savings in cash. (It offers immediate certainty of payment; is widely accepted; requires no underlying payment infrastructure or reliance on technology; is anonymous; is tangible and simple; and allows for easier budget control.)

Denmark has had a “cash obligation” since 1984, which generally requires retailers to accept cash. There are exemptions such as remote trade, markets, festivals and self-service checkouts. The central bank report explored widening those exemptions due to the increasing cost of cash and declining usage, but admitted that it is “the banks’ natural focus on costs [which] led to limited access to physical cash services”. Most cash access has been shifted from bank counters to ATMs. The large Danish banks “have no serviced counters” whatsoever, with deposit or collection of cash by appointment only; the counters at many small banks are open for limited hours. More than one in five citizens state that the options for depositing cash at the counter in a bank do not meet their needs.

The central bank states that “stores must be offered reasonable access to cash deposits, as they are obliged to accept cash. Hence, banks must continue to support reasonable access to ensure the efficiency of cash payments for the stores.” It also admits that easing the cash obligation will lead to fewer cash payments and negative impacts on cash infrastructure which will “further limit access to cash”—i.e. it is a self-fulfilling prophecy.



Fortune June 2024 on rising crime in Sweden. Photo: Screenshot

Netherlands warning: bank runs

The latest country to join the list of nations pushing a return to cash is the **Netherlands**, the country with the lowest volume of cash payments next to Finland, and lowest personal cash holdings, according to European Central Bank figures. Speaking to a financial newspaper in October 2024, monetary affairs chief of the Dutch National Bank (DNB), Olaf Sleijpen, [warned](#) of system outages, cybercrime and even artificial intelligence shuttering multiple banks at the same time: “This could lead to a run, which may lead to DNB having to block financial transactions. Then people can no longer access their money. You don’t want that.” He cited a recent hack of the National Police and stressed that the inability to pay with digital means will become more common, in which case “you have to have cash under the mattress”.

According to EU figures cash payments in the Netherlands and Finland have increased since 2022 by 1 and 8 percentage points respectively. Further, 62 per cent of the euro area population rate a cash payment option as “very” or “fairly important”, another figure which is increasing. But cash is widely considered more than a mere payment option, reported Cash Essentials, it is a safeguard in times of uncertainty and disruption.

Moves to restore or protect cash in other European nations include:

- In May 2022 **Spain’s** General Law for the Protection of Consumers and Users made it mandatory for retailers to accept cash. Refusal to take payment in cash is a violation of the law.
- In August 2023 legislation passed the **UK** Parliament to ensure that banks provide reasonable access to cash, to be policed under the regulatory framework. In Ireland legislation has been drafted to set geographical requirements for cash access.
- In August 2023 the Chancellor of **Austria** proposed a three-point plan to protect cash use, instructing the central bank and finance ministry to develop legislation. This would include “constitutional protection of cash as a means of payment”; ensuring that businesses and other outlets accept cash; and central bank maintenance of an accessible supply of cash.
- In June 2023 the **European Commission** (EC) put forward a proposal to protect cash usage throughout the Eurozone. If adopted, EU member states would need to “ensure widespread acceptance of cash payments, as well as sufficient and effective access to cash”. It does however recognise conditions under which nations could decide, in certain circumstances, to exclude cash payment as an option.
- In **France** it is a criminal offence to refuse a cash transaction, although there are exceptions, similar to other countries, and in some cases upper limits.

The vulnerabilities in Europe were created by governments giving banks free rein, which saw them quickly seize the opportunity to put their profits ahead of public need. The same fervour to reverse the problems created by the banks’ zealous cashless drive has exploded across Australia. Our leaders should take Europe’s word for it and heavily regulate the banks without further ado.



The Dutch press warns of sabotage of payment systems and energy networks, recommending people hold cash. Photo: Screenshot

