

Submission to the Council of Financial Regulators (CFR) and the Australian Competition and Consumer Commission (ACCC)

Subject: Urgent Proposal to Establish an Australia Post Bank to Save Cash Access and Protect Financial Sovereignty

Date 05/08/2025

Dear Members of the CFR and ACCC,

I urge immediate action to address the accelerating collapse of Australia's cash economy—a crisis that threatens financial inclusion, competition, and national resilience. Private banks, driven by profit motives, have abandoned their social contract by closing branches, removing ATMs, and outsourcing cash distribution to unaccountable private operators. This has left millions of Australians—including seniors, rural communities, Indigenous populations, and small businesses—stranded in an increasingly cashless system.

To reverse this dangerous trend, I call on the Australian Government to:

1. Establish a Public Australia Post Bank

- **Mandate:** A fully publicly owned bank under Australia Post, offering low-cost transaction accounts, savings products, and basic lending.
- **Mission:** Serve as a **last-resort provider** of cash and essential banking services where private banks have withdrawn.
- **Leverage Existing Infrastructure:** Expand **Bank@Post** services into a full public bank, ensuring every post office can process cash deposits, withdrawals, and payments.

2. Nationalise Cash Distribution

- **Take Control:** Transfer responsibility for cash logistics (transport, storage, and distribution) from privatised entities like **Prosegur and Armaguard** to a publicly accountable Australia Post Bank.
- **Guarantee Access:** Legally require the Australia Post Bank to maintain cash services in **all communities**, including remote and regional areas.

3. Legislate Cash Acceptance

- **Regulate Merchants:** Prohibit blanket "cashless" policies by businesses, ensuring consumers retain payment choice.
- **Support Cash-Friendly SMEs:** Subsidise small businesses to keep cash transactions viable (e.g., reduced fees for cash handling).

Why This is Critical

A. Financial Inclusion & Consumer Rights

- **5 million Australians** (20% of the population) rely on cash daily (RBA 2023).
- Vulnerable groups—seniors, disabled citizens, disaster-affected communities, and cash-dependent workers—are **excluded** by digital-only systems.
- The ACCC must enforce **consumer rights** under the **Competition and Consumer Act 2010**—cash is an essential service, not a privilege.

B. Systemic Risks of a Cashless Society

- **Cyber Vulnerabilities:** A 2023 RBA report warned that digital payment failures could trigger economic chaos without cash backups.
- **Privacy Erosion:** Cash remains the only **anonymous** payment method—critical for domestic abuse survivors, journalists, and whistleblowers.
- **Corporate Monopoly:** Visa/Mastercard (foreign-owned duopoly) and Big Banks profit from cash's decline, harming competition.

C. Restoring Competition & Sovereignty

- The "Big Four" banks have **closed over 1,700 branches** since 2017 (APRA data), creating banking deserts.
- A public bank would **break their stranglehold**, just as **Kiwibank** did in New Zealand.
- Without intervention, Australia's financial infrastructure will be **foreign-owned** (e.g., Armaguard's collapse risks leaving cash logistics to offshore vultures).

Global Precedents

- **UK's Post Office Banking:** 11,500 branches guarantee cash access.
- **EU Cash Protection Laws:** Legally mandate cash acceptance.
- **New Zealand's Kiwibank:** Publicly owned since 2002, now serves 1 million customers.

Recommendations for the CFR & ACCC

1. **Publicly endorse** an Australia Post Bank in your next policy statements.
2. **Investigate anti-competitive conduct** by banks pushing cashlessness (e.g., merchant fee manipulation).
3. **Advise Treasury** to fast-track legislation protecting cash as critical infrastructure.

Conclusion

Australia stands at a crossroads: either allow private interests to dismantle cash, or take bold action to preserve it as a **public good**. The solution exists—a **publicly owned Australia Post Bank**. I demand the CFR and ACCC champion this before cash vanishes forever.

Yours sincerely,
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