



Mandating Cash Acceptance

Submission 2025



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Introduction

In February last year, Adult Learning Australia (ALA) wrote to the Treasurer to express our concerns about ensuring financial inclusion and equality in Australia by maintaining a hybrid financial system that continues to include cash (Attachment 1). We highlighted the need for action to ensure the continued availability, acceptance, and security of physical currency - warning that, without these safeguards, Australian adults with low literacy, numeracy and digital skills, as well as other disadvantaged groups, would face further isolation.

We congratulate the Australian Government on its recent steps toward mandating cash acceptance in our society. Ensuring access to cash remains a key priority for those who either want or need to use it. However, we believe additional measures are necessary to safeguard financial inclusion, particularly considering increasing bank and post office closures.

The Impact of bank and post office closures on access to cash

1. **Reduced distribution channels for cash**

Bank closures, particularly in rural and regional areas, have significantly limited access to in-person banking services, including cash withdrawals and deposits. As branches shut down, ATMs are also removed, further restricting access to cash. This has a knock-on impact which forces people to use digital banking when they may have preferred to use cash.

2. **Challenges for people with low literacy, numeracy, and digital Skills**

Many individuals with low literacy, numeracy, or digital skills struggle with online banking and digital payment systems. As a result, they are also increasingly at risk of scams and theft. For these Australians, in-person banking services and cash transactions remain essential.

3. **The role of post offices and their limitations**

While post offices have been positioned as alternative banking service providers, they do not always offer full banking services. Some post offices are unable to process new account openings or manage key banking changes. This forces people - especially those in remote and rural areas - to undertake long and costly journeys, sometimes driving eight hours or more in remote and rural areas to access essential banking services in person. For example: establishing a new bank account requires in-person identity verification. With bank closures reducing the number of physical locations where this can be done, and post offices not normally accepting identification for account changes, individuals then face increased difficulties in managing their financial affairs. This disproportionately impacts those without transport and those without reliable internet access or digital literacy skills to navigate online alternatives.

The need for regulation

Given these challenges, we urge the government to introduce regulatory measures that:

- Ensure essential banking services remain available in our communities, particularly in rural and remote areas. Several countries have regulations requiring banks to notify authorities and customers before closing branches, aiming to ensure that communities, especially in rural and under-served areas, maintain access to essential banking services¹.
- Investigate how post offices can expand their banking capabilities, including full identity verification.
- Establish minimum service requirements for financial institutions to maintain physical access points for customers reliant on cash.
- Support alternative solutions, such as mobile banking services or community cash distribution programs, to mitigate the effects of bank and post office closures.

In addition, some large supermarkets are withdrawing or limiting cash services, leaving residents with few or no alternatives. In many cases, only a single checkout accepts cash, while most others only process card payments, making it increasingly difficult for individuals who rely on cash to access their money and pay for essentials. We urge the Government to examine these emerging barriers and ensure that consumers are not disadvantaged by the shift toward digital-only transactions.

Confidentiality and privacy concerns

With the changing landscape of cash acceptance, some businesses are withdrawing cash-handling services from their agencies, making it more difficult for individuals to access and manage their finances independently. As a result, people may turn to community service organisations and community education providers for help with banking online and purchasing, exposing them to potential risks.

Staff in non-profit organisations like some of our member organisations (neighbourhood houses, community learning centres, and libraries) are reporting that they are increasingly being asked to assist individuals with online banking and other financial transactions. In some cases, individuals may share PIN numbers and passwords with staff or volunteers, raising significant concerns about confidentiality and privacy.

While staff are committed to supporting those in need, some report feeling uncomfortable with these growing demands, particularly when assisting individuals who may be in desperate situations. The expectation to handle sensitive financial information places both the staff and the individuals at risk.

¹ **United States:** Banks must provide a 90-day notice to federal regulators and affected customers before closing branches to allow communities time to prepare and find alternatives. **United Kingdom:** From September 2024, banks must assess the impact of closures and ensure continued access to cash services, such as ATMs or shared banking hubs, to protect vulnerable and rural populations. <https://www.reuters.com/business/finance/britain-makes-it-tougher-banks-close-branches-2024-07-23/?utm>

There is also the risk of unscrupulous behaviour, where individuals—sometimes including family members who take advantage without permission—gain access to another person’s banking information and conduct transactions on their behalf without proper oversight. The lack of safeguards can lead to financial abuse and loss of personal control over one’s finances.

To address these concerns, we recommend:

1. Providing resources for training staff and volunteers of not-for-profit organisations like neighbourhood centres, community house and libraries, on financial safety, fraud prevention, and handling financial assistance requests securely.
2. Increasing awareness about financial abuse and establishing safeguards to prevent unauthorised access to personal banking information.
3. Encouraging the expansion of secure financial services that allow individuals to manage their money independently while receiving appropriate support.

Cash mandate: scope and application

Defining the scope and application of a cash mandate requires careful consideration to ensure clarity, fairness, and effective regulation. Striking the right balance between consumer choice, financial inclusion, and practical implementation is essential. While Adult Learning Australia (ALA) is not an expert in this area, it is evident that certain aspects require particular attention—especially where the mandate intersects with people with low literacy, numeracy and digital skills, consumer rights, business operations, and broader economic implications.

One example is education. Under the proposed mandate, businesses and institutions that may be subject to cash acceptance requirements could include preschools, primary, and secondary education providers. While tertiary is excluded, it is worth considering whether adult education should be included as it presents a unique case.

- Many adult community education providers serve low-income learners for their programs or one-off activities—some adult learners rely on cash transactions for affordability, budgeting, and accessibility.
- However, community-based adult education programs, as not-for-profit s (NFPs), often operate on tight budgets and limited resources. Imposing cash handling requirements could create additional administrative and security burdens.
- Additionally, ACE providers sometimes rely on cash donations from local community members to support small-scale activities and services. Restricting cash use could inadvertently reduce this crucial source of community funding.

Given these complexities, any cash mandate should be context-sensitive, ensuring that it enhances access for consumers while remaining feasible for service providers. Further consultation with stakeholders in the adult community education sector will be helpful to refining the policy.

Application of the cash mandate to businesses

Under Australian taxation law, a small business entity is defined as one with an aggregate turnover of less than \$10 million. Applying a small business exemption to the cash mandate could help prevent unintended consequences, such as increased costs for consumers or administrative burdens on small operators.

However, this approach means the mandate would primarily apply to large retailers like Coles and Woolworths. This then raises a key issue: these major supermarket chains are often concentrated in metropolitan and larger regional centres, while many rural and remote communities rely on small, independent retailers for essential goods and services.

Key challenges and considerations

- **Access disparities:** If the mandate primarily affects large retailers, but these businesses are absent in regional, rural, and remote areas, the policy's impact on maintaining cash availability could be limited or uneven.
- **Consumer expectations and confusion:** The application of the mandate and its variations may cause confusion for both businesses and consumers, particularly consumers with low literacy, numeracy, or digital skills, or those lacking access to their own digital infrastructure and expertise.

Potential policy considerations

To address these issues, policymakers might explore:

1. **Geographic adjustments** – Ensuring that cash access solutions, such as banking hubs or cash-back services, support small businesses in rural and remote areas.
2. **Support for small businesses** – Providing incentives or assistance for small retailers to continue accepting cash where needed.

Ultimately, the challenge for the Government is ensuring the mandate protects consumer choice and financial inclusion without creating unintended burdens—particularly in areas where access to cash is already limited.

Essential goods and services: clarifying the definition

The CPI groups and components section must be reviewed to better reflect essential needs. For example, a category like nappies for babies is not included, nor is basic clothing for work or warmth. Additionally, services related to digital inclusion—such as repairing phones or computers (key tools for accessing education and work)—should be considered essential. Adult and community education courses that focus on digital inclusion are critical, as they help bridge the digital divide. Furthermore, Post Offices should be allowed to devise a safe and secure system to conduct ID checks for opening or changing accounts, as this remains a barrier for many, especially in under-served areas.

The concept of “essential goods and services” can vary significantly depending on individual circumstances, leading to potential confusion. What one person considers essential may not be viewed the same way by someone else, as needs are shaped by personal, cultural, and economic factors.

For example:

- For someone who is experiencing homelessness, warm clothing and basic shelter may be viewed as essential to survival.
- For individuals with dietary restrictions, including food intolerances or allergies, essential items may include non-traditional staples such as legumes, tofu, nuts, gluten-free grains, dairy-free alternatives, and other specialty foods needed for health and well-being.

This highlights that the definition of essential services can be highly subjective, dependent on individual needs, health conditions, and life circumstances. A comprehensive understanding of what constitutes an essential good or service must therefore have enough flexibility and be context-specific, ensuring that those with needs or vulnerabilities are not overlooked and made worse off.

Key Policy Considerations

1. **Diverse consumer needs:** Policies should consider a broad range of consumer requirements, particularly for vulnerable populations, to ensure they can access essential goods and services.
2. **Contextual understanding:** The definition of essential services should be flexible enough to adapt to different geographic areas, cultural contexts, and health considerations.
3. **Equity and accessibility:** Special attention should be given to marginalised communities to prevent unintended exclusions or barriers to accessing what is genuinely essential for their well-being.

Dollar and time limits: addressing practical concerns

The introduction of dollar limits and time limits on payments under the cash mandate raises several practical challenges and questions, particularly in terms of *flexibility* and consumer convenience.

Dollar limit considerations

1. **Multiple instalments:** If a consumer needs to pay a bill in instalments, the imposed dollar limit could create difficulties. For example, paying an energy bill or rent in multiple smaller payments throughout the month could exceed the dollar limit, leaving consumers unable to complete their transaction as planned.
2. **Repeated payments:** In cases where consumers need to make repeated payments within the same day (e.g., paying for multiple services), a dollar limit could prevent

the completion of these transactions, forcing individuals to make separate payments—which could be time-consuming and inefficient.

3. **Multiple bills at once:** Many households need to pay for multiple bills at once (e.g., utilities, rent, and medical services). A limit on the total amount that can be paid in cash may create confusion or friction for consumers who prefer to settle everything in a single payment.

Time limit considerations

1. **Lack of clarity:** Imposing a time limit for payments, without a clear purpose or rationale, may cause confusion among consumers. If the goal is to ensure timely transactions, restricting the amount of time allowed for making payments could be counterproductive or needlessly complicate the process.
2. **Practical limitations:** Consumers who require extra time for payments (e.g., due to long wait times, physical mobility challenges, or bank processing times) could be unfairly penalised if they are not given sufficient leeway.

Combining dollar and time Limits

Imposing both a dollar limit and a time limit at the same time can make the policy overly restrictive, potentially causing consumer frustration or even creating barriers for those who need more flexibility. For example, a consumer who wants to make a series of small payments throughout the day may face difficulties with both limits simultaneously, creating confusion over expectations.

Suggestions for policy flexibility

- **Streamlined payment options:** Allowing more flexibility in instalment plans or **multiple payments** within the same day could alleviate potential issues with limits.
- **Clarifying time limits:** If time limits are necessary, they should be reasonable and based on actual transaction times to avoid confusion and frustration.
- **Consideration for special circumstances:** Policymakers could consider exemptions or flexible guidelines for individuals who may face challenges, such as elderly individuals, those with disabilities, or rural residents.

In conclusion, both *dollar and time limits* should be designed with practicality and equity in mind to ensure they do not inadvertently disadvantage certain groups or complicate routine transactions.

Maintaining cash distribution, access, monitoring, and regulation

Ensuring ongoing cash access is a challenge that may require support from all levels of government, business and community. A comprehensive approach—combining awareness, enforcement, infrastructure, incentives, and inclusive monitoring—can help maintain cash availability:

- **Awareness and training** – Use targeted campaigns, training, and partnerships to improve understanding across sectors.
- **Guiding consumers** – Provide clear signage, a public directory of cash-accepting businesses, and real-time updates via apps or websites, especially for rural and remote areas.
- **Enforcement and incentives** – Support compliance through self-regulation, checks, penalties for non-compliance, and incentives for businesses to keep offering cash options.
- **Infrastructure support** – Fund cash-in-transit services to ensure secure cash handling, particularly for small businesses and remote areas.
- **Ensuring cash access** – Maintain ATMs, cash-back services, and mobile cash options in under-served regions.
- **Monitoring and evaluation** – Track cash acceptance, consumer feedback, transaction volumes, and circulation using data from payment providers and community organisations.
- **Inclusive advisory group** – Establish a diverse advisory group, including adult community education (ACE) and organisations supporting disadvantaged groups.

Adult and community education (ACE) can play a role in supporting the successful implementation of a cash mandate by focusing on education, accessibility, and inclusion. Here's how ACE can help:

1. **Educational support**
 - With resources, ACE can provide training programs to help consumers understand the cash mandate, its implications, and how to navigate any new systems or processes.
 - Workshops on digital literacy can ensure those less familiar with digital payments can still engage with the cash economy.
2. **Advocacy for vulnerable groups:**
 - ACE can advocate for the needs of disadvantaged or marginalised communities (e.g., low-income individuals, people in rural areas, or older adults), ensuring they have access to the essential goods and services they need. This includes highlighting the importance of cash accessibility for people who rely on it.
3. **Building community awareness:**
 - Through community centres and local programs, ACE can engage in outreach activities to raise awareness about where and how cash can be used, especially in rural or remote areas, ensuring that people know where they can access cash services.
4. **Advising on cash access infrastructure:**
 - ACE providers, especially those in regional and remote areas, can work with local governments and financial institutions to ensure that there are adequate cash access points, like ATMs or retail options, so that both businesses and consumers can comply with the mandate without hardship.

Through these avenues, ACE can contribute to government policies, local communities, and businesses, ensuring that no one is left behind.

Conclusion

We acknowledge the Government's commitment to minimising adverse impacts and ensuring cash remains a trusted and accessible payment method. However, we understand that this must be practical for businesses and consumers—especially those facing literacy, numeracy, or digital skills challenges.

Successful implementation of a mandate requires collaboration across all sectors, including community organisations and the charitable sector. This will help ensure that the growth of digital payments does not leave parts of the community behind or weaken the resilience of our payment system.

We urge the Government to take additional steps to uphold financial equality and ensure true financial inclusion for all Australians. This includes preventing banks from withdrawing services in areas of greatest need, which can create 'cash deserts'. We also need to find incentives to encourage businesses to offer access to cash where practicable. Finally, investing in adult community education to improve national levels of numeracy, literacy, and digital skills will benefit the broader community.

ALA would be interested in contributing to future discussions, offering insights and expertise to help shape policies on cash acceptance to ensure financial inclusion and equality in Australia

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Email: ceo@ala.asn.au Phone: 03 96898623

About us

In 2025, Adult Learning Australia (ALA) celebrates 65 years as a national not-for-profit organisation advocating for lifelong learning for all Australians. ALA is the largest national peak body for adult learning and community education in Australia with both organisational and individual members in all states and territories who reflect the diversity of adult learning and community education.

Over the decades, ALA has played a pivotal role in supporting adult learning and community education to foster personal growth, strengthening communities, and building pathways to employment and further education through adult and community education for learners. Our legacy is grounded in the belief that lifelong learning is the foundation of individual empowerment, social cohesion, and national prosperity.

ALA exists to provide leadership and professional development that advances quality services for all adult learners who reflect the diversity of adult learning and community education, including community learning centres, community colleges, neighbourhood houses, TAFEs, and other adult education institutions.

ALA is a well-regarded and trusted long-term leader in the field of adult learning and community education. Our vision is for equitable access to learning for all Australians to support social cohesion and economic prosperity.

About ACE

The ACE sector focuses on the needs of adults in the community in which it operates. ACE's starting point is to provide learning opportunities that meet the needs of adults in local communities and to build local capacity for community development and resilience.

ACE organisations are often the only 'on the ground' providers of post-school education in local neighbourhoods and small rural locations. They exist in towns and communities with small populations that can't sustain a TAFE or university campus, or where the education market is too small to attract private for-profit operators. In larger communities, they supplement the work of a TAFE or university by offering non-accredited and accredited VET pathway programs and providing a range of VET courses to adult learners. The extent and scope of ACE providers varies across states and territories, influenced by each jurisdiction's history, level of support, policy direction, and overall commitment.

The ACE sector plays a significant role in positively contributing to the socio-economic status of our communities and offers accessible lifelong learning opportunities that respond to the needs of adults within local communities. ACE provision includes formal vocational and education training (VET), adult basic education (foundation), as well as personal interest learning (enrichment). ACE programs offer vital support to the 1 in 7 Australians whose literacy skills prevent them from completing everyday tasks.

The ACE sector adopts a learner-centred focus and serves as an enabler of inclusive learning. ACE recognises that there is no 'traditional student'; rather, there exists a spectrum of

learners with diverse needs and preferences, necessitating a learner-responsive pedagogical design.

ACE revolves around learning approaches that actively engage adults in the process, fostering personal, social, and intellectual development. It employs adult learning principles that empower learners to take ownership of the learning process through active participation, hands-on learning, real-time demonstration of skills, co-learning via shared tasks, and reflection on their experiences. This reflection includes changes in their perceptions, goals, confidence, and motivations for future learning.

ACE providers are community-owned and managed, not-for-profit organisations with adult education as their primary focus. They maintain extensive networks within their local communities, particularly with social service providers.

Attachment 1



Hon Dr Jim Chalmers MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

7 February 2024

Dear Treasurer,

RE: Ensuring Financial Inclusion and Equality in Australia.

We are writing to ask you to take action to ensure the continued availability, acceptance, and security of physical currency – or risk further isolating Australian adults with low literacy, numeracy and digital skills, as well as other disadvantaged groups.

Governments and the Reserve Bank must implement measures now to ensure the continued use and availability of cash as banks, supermarkets and others are rapidly withdrawing or denying services.

As recent natural disasters have shown, Australians also cannot solely rely on the Internet for banking. Relying solely on online and internet banking while eliminating the use of cash comes with risks and challenges when power is disrupted.

The Australian Government must urgently develop legislation to safeguard a hybrid financial system that ensures cash in our society, one that helps mitigate increasing inequality. A cashless society will disadvantage the already disadvantaged. Here's why:

Literacy, numeracy and inequality: according to the last OECD Programme for the International Assessment of Adult Competencies (PIAAC)², at least 44 per cent of adult Australians between the ages of 15 and 74 have very low literacy skills that make everyday tasks difficult, while 54 per cent have very low numeracy skills.

The Australian government has recognised this is an issue and has commissioned Jobs and Skills Australia to develop a survey into adult literacy, numeracy and digital skills for 2025.

² An international assessment of the foundational information-processing skills required to participate in the social and economic life of advanced economies in the 21st century.

Furthermore, the Australian Government and States and Territories in the National Skills Agreement have committed to building Foundation Skills³ for Work and Life.

People with low literacy, numeracy and digital skills may struggle to access and use online banking platforms, as well as comprehend complex financial transactions, terms, and statements presented in online banking systems.

This can lead to financial exclusion, limiting their ability to manage their finances effectively. Or they may need assistance from others to conduct online transactions. This dependency on external help can compromise their financial independence which is why Adult Learning Australia is calling for a National Adult Literacy and Numeracy Strategy.

Affordability challenges: individuals who cannot afford technology or regular upgrades for their phones or internet services will be at risk. The increasing cost of living, including utilities, combined with extra surcharges and fees by banks and businesses, poses a significant challenge.

Limited accessibility:

- Geographical exclusion: some parts of rural and remote Australia have poor or no internet access including in remote Indigenous communities. Some households rely on satellite phones, or their communities or families share one smartphone between them.
- Emergencies and natural disasters: access to online banking may be limited or non-existent due to infrastructure damage or power outages, as with the 2022 Lismore Floods, where only cash could purchase food and supplies.
- Financial abuse: where victims of family and domestic violence are controlled, exploited, or sabotaged by an abusive partner in accessing credit cards, the internet, and other economic resources.
- Additionally, adults transitioning from custodial and other rehabilitative settings to the community face significant challenges, with more than half of all exiting prisoners exhibiting financial and other vulnerabilities.⁴ This population often lacks the necessary resources or support systems to adapt to a cashless society, further exacerbating their existing disadvantages.

Cyber security threats and privacy concerns: with the increasing risk of cybersecurity threats and privacy issues, individuals face potential compromise of their financial information. Access to cash becomes crucial as a backup in case of unauthorised access and fraudulent activities.

Beyond digital transactions: cash plays a unique role in supporting various aspects of society, such as buskers, the homeless, tips for good service, charitable giving, vending machines and more.

The Australian Government must act now to safeguard cash as a crucial alternative, implementing measures for its continued availability, acceptance, and security. This can

³ English language, literacy, numeracy and digital (LLND) and employability skills.


⁴ Australian Housing and Urban Research Institute, 2021; AIWH 2022/23

safeguard against over-dependence on a single system for the financial transitions that sustain our society.

Many countries are striving to achieve a balance that addresses these concerns while embracing the benefits of technological advancements in banking.

We would like to work with the Government to develop an effective strategy in consultation with relevant adult literacy, numeracy and education experts, social service agencies and the finance sector to safeguard financial inclusion and equality in Australia.

Yours Sincerely,

A handwritten signature in blue ink that reads "Jenny Macaffer". The signature is written in a cursive style and is positioned above a faint, light blue rectangular stamp.

Jenny Macaffer

CEO
Adult Learning Australia

Cc Hon Brendan O'Connor, Minister for Skills and Training
Hon Dr Andrew Leigh, Assistant Minister for Competition, Charities and Treasury

About Adult Learning Australia

Operating for over 60 years, Adult Learning Australia (ALA) is the oldest and largest national peak body for adult community education in Australia. ALA's mission is to provide leadership and professional development, driving the advancement of quality services for all adult learners.

As a not-for-profit entity, ALA has organisational and individual members across all states and territories, representing the rich diversity of adult learning and community education. Members include community learning centres, community colleges, neighbourhood houses, Aboriginal learning cooperatives, libraries, TAFEs, and other adult education institutions. Our vision is to ensure equitable access to learning for all Australians, fostering social cohesion and driving economic prosperity.

ALA is a current member of the DEWR Foundation Skills Advisory Group and Foundations Skills Study Committee, the VET Workforce Blueprint Steering Committee, the Skills for Education and Employment (SEE) - First Nations Stream (Stream 2) English language, literacy, numeracy, and digital (LLND) Skills Program Working Group, and the JSA Foundations Study Steering Committee.

ALA also facilitates Adult Learners' Week for the Australian Government in the first week of September each year. Furthermore, it publishes the Australian Journal of Adult Learning (AJAL) one of the longest-running publications on adult learning in the world, sits on the Reading Writing Hotline Committee and actively participates as a member of international networks such as the International Council of Adult Education (ICAE) and the Asia South Pacific Association for Basic Adult Education.