



Media release

Ensuring Financial Inclusion and Equality in Australia.

Adult Learning Australia (ALA) has called on the Australian Government to ensure that Australia does not become a cash-free society, risking further disadvantage for people and communities already struggling with challenges such as literacy and numeracy, the cost of living, and natural disasters.

ALA CEO, Ms. Jenny Macaffer, has written to the Treasurer, Jim Chalmers, Assistant Treasurer, Andrew Leigh, and Employment and Training Minister, Brendan O'Connor, urging them to act now to guarantee the continued availability, acceptance, and security of physical currency.

“Governments and the Reserve Bank must implement measures now to ensure the continued use and availability of cash at banks, supermarkets, and other establishments that are rapidly withdrawing or denying services,” she said.

Ms. Macaffer emphasised that the Government needs to legislate to safeguard a hybrid financial system that ensures cash remains available to prevent further inequality.

The attached letter outlines several key ways that a cashless society would disadvantage already marginalised people and communities, including those with low literacy, numeracy, and digital skills that make everyday tasks difficult; those affected by the increasing incidence and impact of natural disasters; people who cannot afford changing technology or additional bank charges; and those who do not have access to or cannot rely on phone and internet access.

Ms. Macaffer stated that ALA wants to collaborate with the Australian 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.

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About Adult Learning Australia

Adult Learning Australia, operating for 60+ years, is the national peak body for the nonprofit adult and community education (ACE) sector. Its membership encompasses both organisations and individuals from every state and territory, representing the sector's diversity.

Media contact Visit www.ala.asn.au or call 03 9689 8623 for more information. Release date 15 February 2024



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)¹, 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.

¹ 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.

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. Furthermore, the Australian Government and States and Territories in the National Skills Agreement have committed to building Foundation Skills² 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.³ 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.

² English language, literacy, numeracy and digital (LLND) and employability skills.

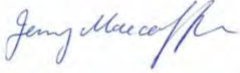
³ Australian Housing and Urban Research Institute, 2021; AIWH 2022/23

The Australian Government must act now to safeguard cash as a crucial alternative, implementing measures for its continued availability, acceptance, and security. This can 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, appearing to read 'Jenny Macaffer', is positioned above the typed name.

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.