**The Australian Citizens Party’s solution to the looming cash crisis**

Australia is hurtling towards an economic *cash-tastrophe* by the middle of the year, because nobody in authority is prepared to tell the banks to simply do their job.

The economic catastrophe will be a collapse in cash distribution, if the banks don’t work out a deal with Armaguard by June, and if they don’t reach a deal to replace Westpac’s current cash distribution contract with the Reserve Bank of Australia (RBA) which expires in July.

Without cash, Australia will fall into chaos.

Regional Australia especially will suffer, as will many elderly, vulnerable, and indigenous Australians who rely on cash, and who are the 26 per cent of Australians not “digitally included” according to the Digital Inclusion Index.

The small business sector will be hit very hard, which is 98 per cent of all Australian businesses.

Of most concern, it will mean that all of Australia will be far more vulnerable to any disruptions to power and communications, including by natural disasters, because of the role of cash as the most reliable backup to electronic payments systems.

**ACP’s solution**

The first thing the ACP would do to avert a mid-year cash crisis is order the banks to do their damn job.

The banks have caused the entire crisis by trying to socially engineer all Australians onto digital payments that go through the banks, so they can charge fees and conduct surveillance and harvest data for monetisation. (Already, they receive the largest share of the $6.4 billion Australians pay in digital transaction surcharges every year.) They aggressively marketed digital payments to customers and aggressively took away the alternatives that ensure access to cash—bank branches and ATMs. Now the banks are squealing that because fewer people use cash, it’s somehow unfair for the banks to pay to distribute cash, claiming that it means customers who don’t use cash are “cross-subsidising” customers who do.

No, what it means is that there is not enough competition between the Big Four banks. Associate Professor of Law Dr Andy Schmulow, the ACP’s Senate candidate for NSW, said on 24 February on *Citizens Insight* that if there were enough competition, the banks would pass such costs on to shareholders, not customers: “Why don't they even contemplate passing it on to shareholders?” he asked. “It’s because there isn't enough competition. If there was enough competition and you pass the costs on to consumers people will go to a different bank.”

RBA Governor Michele Bullock needs to muscle up. She warned about the impending crisis to the House Economics Committee on 21 February: “I think they have to find a solution by June. If they don’t, then we’re in trouble.” But then she added, “So I think that necessity will mean that something will be done. *I don’t know what it is*.”

It is astounding that the RBA knows a disaster is looming but is leaving the solution up to the four banks which have a vested interest in getting rid of cash.

Short term, to avert a mid-year crisis, the RBA and government must order the banks to serve their customers by distributing cash.

The second, medium-term measure the ACP would implement is to establish a public post office bank. It would retail through all 4,000-plus post offices across Australia, and work with the RBA to take full responsibility for distributing cash, including by using Australia Post’s transportation infrastructure. As well as guaranteeing cash would always be available for every community, it would force real competition on to the Big Four banks. The private banks can pay to transport their own cash requirements.