

**Head Office**

Technology Park, Madgwick Drive, Armidale NSW 2350

PO Box U631, University of New England NSW 2351

**Telephone** 132 067 **Email** [enquiries@regionalaustraliabank.com.au](mailto:enquiries@regionalaustraliabank.com.au)

**Web** [regionalaustraliabank.com.au](http://regionalaustraliabank.com.au)

18 June 2024

Director  
Payments Strategy and Policy Unit  
Financial System Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

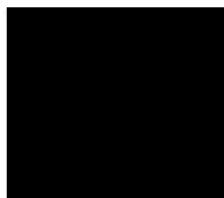
Dear Sir or Madam

**Re: Winding down Australia's cheques system Consultation Responses**

I am writing to provide Regional Australia Bank's responses to the questions in the consultation paper Winding Down Australia's cheques system that was released in December 2023. Regional Australia Bank appreciates the opportunity to contribute to the consultation process and share our insights on a selection of the consultation questions below.

Should you require any additional information please do not hesitate to contact me on [REDACTED]

Kind Regards



Rebecca Corrigan  
**Head of Member Services**

**Head Office**

Technology Park, Madgwick Drive, Armidale NSW 2350

PO Box U631, University of New England NSW 2351

**Telephone** 132 067 **Email** [enquiries@regionalaustraliabank.com.au](mailto:enquiries@regionalaustraliabank.com.au)

**Web** [regionalaustraliabank.com.au](http://regionalaustraliabank.com.au)

## Introduction

1. Are the conditions to enable a smooth transition, as outlined above, appropriate? Are there any other principles not outlined above that should be prioritised in the transition?

The conditions outlined above will assist in a smooth transition however the smoothness will be dependent on the success of the customer education on the transition and alternate payment methods. If this important messaging is not delivered correctly the transition will be impacted.

2. Is the sequencing of the transition appropriate? Is there an alternate manner of transition that would better enable a smooth transition? If so, please explain.

The sequencing of Bank Cheques as the first to cease does not seem appropriate.

Recommendation transition plan is :

Government/Commercial, Personal Cheques, Bank Cheques

3. Is the timing of the sequencing appropriate? Is there an alternate timing of the sequencing that would better enable a smooth transition? If so, please explain.

Timing of sequencing is appropriate.

4. What are the roles of government and industry in ensuring a smooth transition?

To assist in a smooth transition, it would be beneficial to have a joint education approach with industry and government to educate customers on the transition timelines including the promotion of alternate payment methods.

5. What are the [REDACTED] other participants face in ensuring their customers have a smooth transition away from cheque use?

Cheque payments are commonly used as a non-negotiable form of payment with no alternate non-negotiable option. Within Regional Australian communities the barriers include the readiness of businesses and individuals to adopt alternative payment methods, the infrastructure supporting electronic transactions, and the potential impact on vulnerable or less technologically inclined populations.

6. Will the system and its users be ready to transition earlier than the intended end-date of 2030, noting the principles outlined above?

If all providers have agreed on acceptance of the transition and the Government plays an active role in ensuring adherence to the timeline it is likely that the system and its users could transition earlier than the intended end-date.

## Overview of the cheques system

7. What are your views on the sponsorship arrangements between cheque processing banks and the other ADIs in the cheques framework? How will a withdrawal of these sponsorship arrangements impact your ability to bank or process a cheque?

Regional Australia Bank is reliant on a sponsorship arrangement for cheque processing and settlement. If this sponsorship arrangement was to be withdrawn this would expedite the transition from cheques to alternate payment methods for our customers.

## Personal use of cheques

12. Are there any other drivers for the continued use of personal cheques in Australia?

Customers disability or inability to make a payment by alternative means. Reliance of Community Groups on personal cheques.