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The Treasury  
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## Winding down Australia's cheques system submission

Thank you for the opportunity to make comment on the Department of Treasury Winding down Australia's cheques system - Consultation Paper.

**About FCAWA**

The Financial Counsellors' Association of Western Australia (FCAWA) is a well-respected peak professional body representing over 220 members within 50 locations throughout the metro, regional and remote areas of Western Australia (WA). FCAWA has well-developed links and networks with other services and organisations in the public, not for profit, and private realms.

FCAWA's vision is to promote financial resilience across WA, reducing the impacts of financial hardship. The organisation has been in operation since 1985. FCAWA's primary objectives are to establish, monitor, and improve standards for the financial counseling sector in WA, and to provide a lead voice in advocating for fairer marketplace practices and hardship processes to reduce debt and financial distress. FCAWA advocates for social justice with policymakers and other key stakeholders, and lobbies for effective and just policies and practices relating to financial hardship.

FCAWA also provides resources, quality training, and professional development to members and other key stakeholders and organisations such as utility and credit providers. FCAWA is considered an expert in financial hardship policy writing, financial hardship training, financial literacy, and financial counselling. FCAWA has engagement in member, agency, and community sector forums and focuses groups, with a profile of identifying emerging issues, recording current trends, and responding to social and systemic issues in the social services sector.

## Overview of the cheques system

### *8. What are your views on the role Bank@Post could play in the cheques transition?*

Consideration needs to be given to the limitations that Bank@Post could play in the transition. Bank@Post is not a bank. They have limited skills, capacity and functions. The increasing reliance of Bank@Post to fill the gap of the presence of a bank in remote parts of Australia is inequitable for those in remote areas. There would need to be consideration given to increasing staffing levels and training to support those who may have additional supports needed to transition (eg those where English is not their first language, First Nations people in remote areas, those with lower literacy or financial capacity, people with a disability).

## Personal use of cheques

### *13. Are the alternative payment methods put forward by the banks acceptable? Do they address the limitations in digital inclusion and distrust outlined above?*

FCAWA does support the alternatives, however, see further considerations below.

### *17. Is internet and mobile access still a substantial hurdle to winding down the cheques system? Are there any other substantial barriers for consumers to transition from cheques?*

As an alternative to cheques the Australia Post Money Orders are one easy and accessible option, although are costly to consumers. This is a definite barrier for many transitioning from cheques.

A standard money order costs \$13.00 and the Express Order is \$25.00. Regular costs have a budgetary impact on people in lower socioeconomic groups, if these are frequently used to send money. Consideration should be given to substantial discounts/no cost for Commonwealth Concession holders.

Many remote and regional areas of Western Australia do not have reliable internet infrastructure, nor financial capacity to maintain connection. First Nations people can be living in areas where Internet is not available. To transition winding down cheques there needs to be **accessible** and **affordable** options available to all people living in Australia.

## Commercial use of cheques

### *19. Are there other reasons why cheques are being used in an institutional or commercial setting? If so, please provide more detail.*

Whilst FCAWA supports the transitioning of personal cheques to alternatives, we do not support the removal of bank cheques.

Bank cheques can be a useful tool to avoid scams for larger purchases - especially motor vehicles and real estate. Usually the only alternative, where the customer is paying directly for the purchase rather than financing, is for online payment.

We have seen a significant rise in online payment intercept scams. These can have devastating impacts and to date little action has been taken by financial institutions or others to minimise these scams or compensate for their impact. In current circumstances, a bank cheque is a much safer way to make a payment for large purchases.

There would have to be significant changes made to safety-nets and recourse options offered by financial institutions (and incorporated within legislation) of online transactions (eg private purchase of a motor vehicle).

Thank you for your consideration of the points outlined in this submission. Additional provisions need to be enacted to ensure those with limited/no Internet access and those on lower incomes are not further penalised and marginalised.