



Introduce a digital alternative to cash with no surcharge	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would deliver:</p> <ul style="list-style-type: none">• Component 1: a small business-friendly payments plan by working with the Reserve Bank of Australia (RBA) to introduce a digital alternative to cash with no hidden fees, and enforce least-cost routing, so that small businesses and consumers don't face surprise surcharges. <p>The proposal would start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <ul style="list-style-type: none">• Component 2: an update the RBA's Statement of Expectations, which sets out the Government's expectations for the Payments System Board (PSB) to enforce least-cost routing and require the RBA to continue to investigate a digital alternative to cash.	

Costing overview

The Parliamentary Budget Office (PBO) has determined that the estimated financial impact of component 1 would be large and unquantifiable. It is too early to cost this component, and the taskforce outlined to investigate this policy will need time to work through the detail and specify clearly the work to be undertaken.

Component 2 would not have an impact on the fiscal and underlying cash balances over the 2025-26 Budget forward estimates period (see Table 1) assuming Treasury would progress this without the need for additional resources to draft the legislative amendments. The proposed legislation would not result in any direct financial implications for the Australian Government.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Introduce a digital alternative to cash with no surcharge – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

* Unquantifiable – not included in totals.

Methodology

Component 1

The estimated expenditure to introduce a digital alternative to cash was not able to be quantified due to the significant lack of detail around aspects of the policy design, how it would be implemented and the associated technology to be used. International experience suggests the costs to deliver a digital alternative to cash would be significant and large.

Component 2

As Australian Government departments are resourced to draft legislation in the course of their usual activities, there would be no funding required to update the RBA's Statement of Expectations. Furthermore, the proposed legislation would not result in any direct financial implications for the Australian Government. The continuing to investigate a digital alternative to cash would be part of the existing taskforce.

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

European Central Bank (2025) [Digital euro](#). European Central Bank | Eurosystem website, accessed 21 May 2025.

European Central Bank (2025) [Timeline and progress on a digital euro](#). European Central Bank | Eurosystem website, accessed 21 May 2025.

Reserve Bank of Australia (2024) [Central Bank Digital Currency](#). Reserve Bank of Australia website, accessed 21 May 2021.

Reserve Bank of Australia (2024) [Central Bank Digital Currency and the Future of Digital Money in Australia](#). Reserve Bank of Australia website, accessed 21 May 2021.

Attachment A – Introduce a digital alternative to cash with no surcharge – Financial implications

Table A1: Introduce a digital alternative to cash with no surcharge – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Departmental													
<i>Component 1: Digital alternative to cash</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Component 2: Legislative update to the RBA's Statement of Expectations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – departmental	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) This costing includes an unquantifiable aspect.

* Unquantifiable – not included in totals.

- Indicates nil.

Table A2: Introduce a digital alternative to cash with no surcharge – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	*	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	*	*	*	*	*	*	*	*	*	*	*	*	*

(a) This costing includes an unquantifiable aspect.

* Unquantifiable – not included in totals.