Australian Payments Network

MEDIA RELEASE

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Small businesses relying on cheques urged to explore alternatives as cheque system winds down

As the timeline for phasing out cheques in Australia approaches, small businesses that currently rely on cheque payments have been urged to make the transition to digital alternatives.

Under an industry-led and Federal Government plan to progressively wind down Australia's cheques system, the writing of personal, commercial, government and bank cheques will cease from 30 June 2028.

After 30 September 2029, people will no longer be able to deposit cheques for payment.

The move follows the steep decline in cheque usage as Australians embrace faster, more convenient and increasingly secure digital payment methods.

The latest available data on cheque usage data shows the value of cheque payments made in April 2026 was down 25% on the previous year. Cheques now account for less than 0.1% of all payments made in Australia. The drop-off extends a long-term trend that has seen cheque use decline by 15% to 30% annually for the past decade.[1]

Despite the overall decline, anecdotal evidence suggests many small businesses still rely on cheques to make and receive payments, prompting a call from Australia's payments industry body, Australian Payments Network (AusPayNet), for these users to explore alternative payment methods.

"With the manual effort and long processing times required, cheques look outdated in our modern payments system, in which real-time payments are the norm," AusPayNet CEO, Andy White said.

"But many small businesses still rely on cheques, and it is important they are supported in getting ready for the time when cheques are no longer available," Mr White said.

"There are better payment options available, and banks and financial institutions are on hand to help them make the transition.

"In almost all cases digital payment methods are more efficient, faster and more convenient than cheques. Business owners who are not already digital will find going digital leads to improved business operations," Mr White said.

[1] *AusPayNet Annual Review 2025*

Alternative payment methods will depend on how cheques are currently used, but include credit and debit cards, BPAY, eftpos, direct debit, PayTo and direct payments into a bank account.

AusPayNet, industry data[2] also shows that as of September 2025, Australians were holding an estimated 3.5 million bank cheques worth $820 million, with 80% of these cheques more than three years old.

"The significant amount of money in the form of unbanked bank cheques gathering dust in the bottom of drawers speaks volumes for the decline in cheque use. We would urge people holding outstanding cheques to bank them well before the cheques system is closed," Mr White said.

AusPayNet is coordinating an industry program of work towards a smooth transition away from cheques. The program includes engaging with advocacy groups and peak business bodies representing cheque users to facilitate the move to alternative payment methods.

Banks and financial institutions have already started communicating with regular cheque users about the plan to close the cheques system and are encouraging cheques users to contact them to discuss alternative payment options.

More information about the Cheques Transition Plan, please visit chequestransition.com.au.

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About AusPayNet
AusPayNet is the industry association and self-regulatory body for the Australian payments industry and currently has more than 160 members including financial institutions, payment system operators, major retailers and financial technology companies. We manage and develop regulations, procedures, policies and standards governing various payments clearing and settlement streams. Its purpose is to create confidence in payments by setting enforceable industry standards for a safe, reliable and effective payments system; leading transformation in payments to drive efficiency, innovation and choice; and being the home for ecosystem collaboration and strategic insight.

[2] *AusPayNet Australian Paper Clearing System Member Survey, 2025*