

Cash is legal tender of payment!

The Commonwealth Constitution section 115 states:

"A State shall not coin money, nor make anything but gold and silver coin a legal tender in payment of debts." http://classic.austlii.edu.au/au/legis/cth/consol_act/coaca430/s115.html

There have been no amendments by way of referendum (the only legal way to alter the Constitution) to change this.

The Currency Act 1965 (Cwth) states:

Section 9: ALL transactions are to be in Australian Currency...

(1) "Subject to this section, every sale, every bill of exchange or promissory note, every security for money, and every other contract, agreement, deed, instrument, transaction, dealing, matter or thing relating to money, or involving the payment of, or a liability to pay, money, that is made, executed, entered into or done, shall, unless it is made, executed, entered into or done according to the currency of some country other than Australia, be made, executed, entered into or done according to the currency of Australia provided for by this Act." http://www5.austlii.edu.au/au/legis/cth/consol_act/ca1965120/s9.html

Section 11: ALL payments are to be made in the currency under this Act...

(1) "Every payment that is made shall, unless it is made according to the currency of some country other than Australia, be made according to the currency of Australia provided for by this Act."
http://www5.austlii.edu.au/au/legis/cth/consol_act/ca1965120/s11.html

Section 16: Stipulates ONLY legal tender as COINS

(1) "A tender of payment of money is a legal tender if it is made in coins that are made and issued under this Act" http://www5.austlii.edu.au/au/legis/cth/consol_act/ca1965120/s16.html

Section 22: Stipulates the prohibition of ANY other piece of material (bank/debit/credit card) other than COINS as a token for money...

"A person shall not make or issue a piece of gold, silver, copper, nickel, bronze or of any other material, whether metal or otherwise, of any value, other than a coin made or issued under the repealed Acts or under this Act or a British coin as defined by the repealed Acts, as a token for money or as purporting that the holder is entitled to demand any value denoted on it."
http://www5.austlii.edu.au/au/legis/cth/consol_act/ca1965120/s22.html