TWO KIND MINDS

5 Things Every Australian Should Understand About Money & Bitcoin

A simple guide to money, purchasing power and taking your first steps towards financial freedom.

MAT & BOBBIE / TWO KIND MINDS

It started with a few questions



We’re Mat and Bobbie. We’re parents, everyday Australians and former small-business owners.

During COVID, we experienced firsthand what it meant to run a café through lockdowns and restrictions, including having to close. It was an incredibly challenging time, and those experiences encouraged us to think more deeply about financial security, independence and the decisions that shape our lives.

Alongside raising our family and watching everyday living costs rise, we began asking bigger questions.

How does money really work? Why can working harder still leave families feeling like they’re falling behind? And what does real freedom mean for our future?

Two Kind Minds grew from those conversations.

We’re not here to tell you what to think. We’re here to share what we’re learning and encourage you to ask your own questions.

> Think freely. Live consciously. Build your own future.

General education only. This guide does not consider your circumstances and is not personal financial, investment, tax or legal advice. Bitcoin is high risk. You could lose your entire investment.

What do your dollars buy?

Does the official inflation figure reflect what life actually costs your family?

Think about groceries, rent, petrol or school expenses. A pay rise can feel smaller when the things your family needs cost more. Purchasing power means what your money can buy. Inflation is an increase in the overall prices of goods and services households purchase.

Same basket. Different price.

$100 today → $103 after a 3% price rise
The dollars haven't vanished. They just don't cover the same basket.

This is an illustration, not Australia's current inflation rate or a forecast. Your position also depends on income, interest earned, tax and what you buy.

Australia's Consumer Price Index (CPI) is an official measure of average price changes across a representative basket of household goods and services. It includes petrol, groceries and many other household costs. Mortgage interest payments are not directly included in headline CPI. Households have different spending patterns, so cost-of-living pressures can differ from the average. The ABS also publishes living cost indexes that include interest charges.

Strong spending relative to supply, production costs, disrupted supply chains and expectations can all contribute to inflation. There is no single cause. Lower inflation usually means prices rise more slowly, not that prices have fallen.

Cash still has a job: bills and unexpected costs. Understanding inflation doesn't mean every dollar should be invested. Ask: What is this money for, and when will we need it?

Sources: RBA: inflation · RBA: causes · ABS: CPI explained · Moneysmart: emergency funds

Where does new money come from?

Did you know banks can create new deposits when they issue loans?

Most money in a modern economy is deposits at financial institutions. Your banking balance is the bank's obligation to you, not a separate pile of notes in a vault.

LOAN ADVANCED	DEPOSIT CREATED	PRINCIPAL REPAID
Bank records a $20,000 loan asset	→ Matching $20,000 deposit credited	→ Deposits generally decrease

The borrower owes the loan; the bank records a loan asset and credits a deposit. Spending can move that deposit to another bank. Across the system, lending can increase deposits; repayment of principal generally reduces them.

There are limits

Banks need funding, liquid assets for payments, capital to absorb losses, creditworthy borrowers and commercially viable lending. Prudential rules impose additional limits. They cannot create unlimited money.

The RBA has a different role

The Reserve Bank sets the cash rate target to influence financial conditions, spending and inflation, with objectives including price stability and full employment. It can create central bank reserves when buying assets. These bank balances differ from deposits you spend.

"Printing money" misses those distinctions. Money supply, credit and prices are connected, but every extra dollar does not create an immediate, matching increase in consumer prices.

Sources: RBA: what is money? · Money in Australia · Monetary policy · Asset purchases

A different set of rules

What if money could operate under rules that no single government or company controls?

In 2008, Satoshi Nakamoto proposed electronic payments without a financial institution processing each payment. Bitcoin began operating in 2009. Its blockchain is a shared public record: miners compete to add blocks, while full nodes independently check transactions and blocks against the rules.

	Australian dollar system	Bitcoin
Supply	Bank lending and policy affect money creation, within constraints.	Issuance follows consensus rules, with a declining schedule.
Rules	Public institutions and regulated banks have defined roles.	No single government or company can order a rule change.

Under Bitcoin's current consensus rules, issuance is capped at approximately 21 million bitcoin and new issuance reduces over time. Changes need participant adoption; incompatible rules can split the network. One bitcoin equals 100 million satoshis, so a whole coin is not required.

Some people value predictable issuance and transacting without a custodian. That is a viewpoint, not proof Bitcoin suits everyone.

Scarcity guarantees neither demand, wealth nor inflation protection. Bitcoin's Australian-dollar price can fall sharply; losses can be substantial or total. It is not legal tender in Australia and is not widely accepted for everyday purchases.

Sources: 2008 announcement · Bitcoin FAQ · How it works · Consensus rules · Moneysmart: crypto

Who controls the keys?

> Owning Bitcoin and controlling your Bitcoin aren’t necessarily the same thing.

This means practical control of keys, not a conclusion about legal ownership. Wallets manage keys that authorise transactions; bitcoin is recorded on the network, not inside a phone or device.

When a platform holds the keys

A custodial exchange typically controls the private keys. You rely on its security, financial health and ability to honour withdrawals. It can be hacked, fail or freeze withdrawals. An account balance differs from controlling the keys yourself.

When you hold the keys

Self-custody reduces reliance on a platform but makes security and recovery your responsibility. Lost access without a working backup can mean permanent loss. A hardware wallet reduces online attack exposure; it cannot prevent every mistake, malicious transaction or stolen backup.

Many wallets use a recovery phrase, often 12 or 24 words. Follow verified wallet instructions and understand recovery before committing meaningful funds.

> Keep recovery information securely offline, safe from theft and damage. Don’t photograph it, email it or enter it in a “verification” form. Never give it to someone claiming to be support.

No central Bitcoin help desk can reset lost keys or reverse confirmed payments. A recipient may refund you, but don’t count on it. Choose responsibilities you understand.

Sources: Developer guide: wallets · Things to know · Securing your wallet · Bitcoin FAQ

Start small—with understanding

There’s no deadline to buy. Here’s a gentle roadmap for learning before you decide what, if anything, comes next.

1 / Start with your family’s picture

Look at essential bills, debts, emergency savings and near-term goals. Money needed soon has a different job from money exposed to investment risk.

2 / Make room for the uncomfortable question

What would a sharp fall—or losing everything invested—mean for you? Borrowing to invest adds repayments even if the investment falls.

3 / Get to know the service

Check its operator, current regulatory status, fees, withdrawal rules, custody and complaints process. Sponsorships and familiar logos are not guarantees.

4 / Practise security before moving money

Use strong, unique passwords and multi-factor authentication. Check the receiving address, supported network and fees. A small test transfer can expose mistakes; it does not establish that a platform or later transfer is safe.

5 / Keep a record as you go

Save dates, Australian-dollar values at the time of each transaction, fees and receipts. Selling, swapping or spending crypto can have tax consequences even without withdrawing dollars. Check current ATO guidance or speak with a registered tax agent.

> Pause at guaranteed returns, pressure, unsolicited investment messages, fake celebrity endorsements, recovery-phrase requests or demands for money to release a withdrawal.

Suspect a scam? Stop sending money, contact your bank or genuine crypto platform immediately using independently verified contact details, and report it to Scamwatch. Could you explain the decision and its risks in your own words?

Sources: Moneysmart: investing · Crypto risks · Borrowing · Crypto scams · ATO: crypto records

What will you question next?

Financial freedom doesn’t begin with having all the answers. Sometimes it begins with asking a question you’ve never thought to ask.

We’re Mat and Bobbie. We’re learning, questioning and building a more conscious future for our family. We don’t have a shortcut or a promise. We do believe that understanding more can help us ask better questions about the choices in front of us.

> Think freely. Live consciously. Build your own future.

Write down one idea you understand better, one question you still have and one thing you want to check independently. Learning more, seeking advice and choosing not to act are all options.

Keep exploring with us

Our podcast, A Journey Within and the four freedom pillars are different ways into the conversation. Take a quiet moment with Bobbie’s reflections, listen to an episode or follow a question that matters to your family. We’d love you to come along for the journey.
Mat & Bobbie

A few places to keep learning

Everyday money — RBA

Australian price changes — ABS

The original Bitcoin proposal

Practical wallet security — Bitcoin.org

An Australian risk perspective — Moneysmart

Record keeping — ATO

Read across perspectives: Bitcoin.org explains the design; ASIC Moneysmart covers investment and consumer risks. Neither can decide what suits you. General education only; no recommendation to buy or sell. Bitcoin is high risk and total loss is possible. Research checked 26 October 2026.