



FEBRUARY 2024

# MANDATING ACCEPTANCE OF CASH: Submission to Treasury

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## EXECUTIVE SUMMARY

Thank you for the opportunity to provide feedback on the proposal to mandate the acceptance of cash by businesses providing essentials. This is a joint submission made on behalf of:

- CHOICE
- Mob Strong Debt Help
- Indigenous Consumer Assistance Network (**ICAN**)
- Financial Counselling Australia
- Consumer Action Law Centre
- Financial Rights Legal Centre
- Care ACT.

While use of cash has decreased in recent years, this should not be interpreted as a sign that people no longer need or care about the ability to use cash. Over the last two months, CHOICE surveyed 12,999 supporters to gauge sentiments towards cash. Over 97% of respondents told us it is very important or quite important that businesses selling essential goods and services should be required to accept cash. By comparison, around 92% of people considered those businesses' acceptance of credit/debit card payments as very important or quite important.<sup>1</sup>

The importance of cash extends far beyond mere sentiment as well. The consultation paper (**Paper**) identifies the most common reasons we are aware of that consumers rely on cash. The nature of these reasons mean cash will be required to play an important role in Australia for the foreseeable future. Our submission also addresses the reasons that cash is particularly vital for regional and remote First Nations community members.

Cash is a vital component of a functioning society. We therefore welcome the government's recognition of the need to enshrine the role of cash in Australia's payment system, and support the proposed introduction of a mandate for key businesses to accept cash, in general.

Our main concern with the proposal set out in the Paper however relates to the impact in regional and remote areas. In effect, exempting all small businesses from the mandate in full means it would be of limited or no effect in many regional communities that are wholly reliant on small businesses for essentials. In many cases regional and remote communities are likely to be more reliant on cash and more likely to be dealing with small businesses. The proposal in the Paper needs to be amended if it is to deliver good outcomes for these communities.

Access to cash also needs urgently addressing. Obligations to accept cash will mean nothing to consumers if they cannot access cash themselves, and this side of the equation is having a greater impact on consumers at present. Bank and ATM closures have been widespread, and challenges facing the cash-in-transit sector have been well documented. We appreciate a

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<sup>1</sup> CHOICE, 2025, 'Cash access and acceptance supporter survey', n=12,999, survey of CHOICE supporters via email, conducted from 15 January to 7 February 2025

mandate to accept cash may help with the access to cash equation, but the government must also act to guarantee reasonable access to cash for everyone. Defining what constitutes 'reasonable access' to cash also should not be left to the banking or other industry sectors. For some parts of Australia, there is evidence access to cash is already at crisis point.

## RECOMMENDATIONS

1. Remove or revise the small business exemption from the mandate, so that the mandate will ensure that regional communities retain the ability to pay for essentials with cash. The government should work with regional communities to identify solutions, and consider subsidizing costs of small business if necessary.
2. Ensure that Australia post is covered by the mandate to accept cash.
3. The mandate to accept cash should apply to all consumer transactions a business processes if a material part of that business' operation is supplying essentials.
4. Reconsider whether a distinction between essential and non-essential food and beverages is necessary considering the potential challenges in communicating and enforcing it.
5. Include basic household essentials in the mandate, such as clothing, footwear and furniture.
6. Treat public transportation as an essential service under the mandate.
7. Hospitals should be classified as essential for the purposes of the mandate.
8. In regions of Australia where communities do not have reliable and consistent access to clean drinking water, bottled water should be classified as an essential good under the mandate.
9. Any dollar limit applied to the mandate must be set at least high enough to cover typical purchases, having regard to the proposed list of essential items.
10. Ban any surcharges on paying with cash.
11. A regulator should be empowered to enforce the mandate, and should have a range of enforcement mechanisms available to it, including infringement notices. Consumers should be provided with a simple way to report non-compliance to the regulator for investigation.
12. The government should take steps to ensure that consumers retain reasonable, free access to cash. This may require improving current cash accessibility in some areas of Australia.

## The importance of cash

### 1. Are there other important reasons for people relying on cash payment?

The four broad reasons people need cash identified in the Paper reflect the main reasons CHOICE is aware of. These reasons are significant and justify the importance of maintaining access to cash. We elaborate on the situations that demonstrate the importance of cash for these reasons below. We also highlight some other reasons that people need to use cash.

A clear theme below is that the challenges of a digital economy are more likely to be felt by people who already experience some form of disadvantage. These people may not have the same loud voice or agency that forces others to consider their interests, so it is very important our laws recognise and protect their rights and quality of life.

### Remote and regional areas

Cash remains particularly important for regional and remote communities for all the reasons set out in the Paper. The limits on connectivity faced in regional Australia are significant. A clear message from the responses to CHOICE's January 2025 supporter survey from people who told us they live in the country or a remote part of Australia was that relying on digital payments is not a safe or reliable option for them.

#### **ICAN case study - Doomadgee**

ICAN was recently contacted by a community member in Doomadgee because the community had experienced two significant Telstra outages late last year which saw the community have no telecommunications for close to 20 days. The initial outage went for a period of approximately 2 weeks. Less than a week after the two week outage, Doomadgee experienced another outage, this time an unplanned one that resulted from a damaged fibre optic cable. This outage went for approximately 7–9 days. ICAN was advised that this is not unusual. In addition to these outages, the community experience significant challenges in accessing reliable and consistent internet and telephone network services with parts of the community not getting any network coverage. This is particularly the case down at the bottom and top ends of the community with the area around the shops experiencing some of the worst coverage. These outages and ongoing poor connectivity have a significant impact on the communities' ability to transact with Eftpos and other online transacting services, making access to cash critical.

These areas are already feeling the strain of the broader economy's move towards a more digital economy. However, difficulties accessing cash is the more pressing issue being reported to CHOICE, rather than businesses refusing to accept cash. Bank branch and ATM closures have already hit some of these communities hard. Where all free options to access cash leave a regional community, residents effectively pay more to use their own money - whether via ATM fees, card fees or via transport to alternative cash access points.

*“In regional NSW it is common to use cash. Banks have either closed down, gone to a bigger urban area, or have significantly reduced hours. Not everyone has a phone nor technical ability to pay cashless. Not everybody has a card!”<sup>2</sup>*

Regional and remote communities are also generally the areas that bear the greatest risk from extreme weather events, and the potential isolation and outages they can cause. This was a major theme raised by many respondents to CHOICE’s cash survey as well.

*“I live remotely on an island that has frequent power outages, in a state that has some power outages for days. Nothing in the electronic world works then and cash is the only alternative. I also have relatives in the Lismore area and the inability of the electronic money world to cope with natural disasters in delivery of systems and essentials was a major problem. To reduce the capacity of people to purchase even food the only answer was cash and even this was hampered by the lack of ATM's/banks then.”<sup>3</sup>*

Financial counsellors who support communities in regional areas also report that access to cash, particularly in the weeks soon after a disaster, is absolutely critical to ensure people have access to not just food and personal items - but also other essentials like generators, tools etc. It takes time to restore communications services, so cash becomes vital.

For example, in late 2024, the communities of Lakeland, Cooktown and Hope Vale in far north Queensland experienced a telecommunications outage for 24 hours. Businesses and their customers could not transact with Eftpos. As a result the local bank in Cooktown tried to assist in getting people cash as quickly as possible because people were unable to pay for petrol unless they had cash on them.

Individuals in disaster-prone areas are always advised to have an emergency response kit which includes some cash. Obviously, businesses should have one too and this should include a cash reserve so they can trade immediately following a disaster. Cash is no use if businesses cannot accept it.

## Regional and remote First Nations communities

The challenges faced with respect to connectivity and remoteness are often felt most severely by regional and remote First Nations communities, where internet and phone coverage can be unreliable or even non-existent. This is just one of many reasons that cash remains absolutely essential for First Nations community members. As technology involved in payments in cities rapidly evolves from card to digital wallets, and seemingly now towards tokenisation and use of

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<sup>2</sup> Quote taken from CHOICE cash access and acceptance survey 2025, above n 1

<sup>3</sup> Ibid

biometrics,<sup>4</sup> the digital divide faced by First Nations communities continues to widen. A world without cash is not an option for these communities.

We provide examples below of observations and client stories from Mob Strong Debt Help's financial counsellors and lawyers' engagement work in remote communities, such as in East Arnhem Land.

### **Cash reduces risks of exploitation by businesses**

In communities without easy access to cash, First Nations advocates report some businesses already have systems that rely solely on non-cash options, which can put people at risk of exploitation by businesses. For example:

- 'Book up' arrangements<sup>5</sup> are informal credit arrangements sometimes used by stores that benefit from a community that relies on their services. In a book-up arrangement, retailers would require borrowers to leave their card at the store, and provide their PIN number.<sup>6</sup> They will keep a record of purchases made by cardholders, but often impose credit charges for doing so.<sup>7</sup> Bookup is a high risk and likely exploitative credit arrangement.
- In one East Arnhem community, it was reported to MobStrong that some taxi drivers hold onto a person's transaction card until pay day if they don't have enough money to pay a fare. Having cash can help prevent this from happening at all, and doesn't make people so reliant on a single card to pay for everything, if it does happen.

### **Cash helps overcome other barriers in First Nations communities**

Some First Nations families or community members share mobile phones. Having the ability to pay with a bank card on a shared phone obviously makes it very difficult for people to guarantee the control of their own money and presents an obvious risk of financial abuse. Due to social barriers that create overcrowding and poverty, mobile phones are more likely to be lost or stolen in these communities and these consumers risk losing their private banking information.

Using cash to help with budgeting (as recognised in the Paper) is also common among First Nations people. It means people are not reliant on technology to know how much money they have available (as even balance inquiries can come at a cost), and financial counsellors report it makes budgeting easier for people with lower numeracy or literacy skills, as they can physically divide their funds for the relevant time period.

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<sup>4</sup> <https://www.abc.net.au/news/2025-02-04/mastercard-credit-card-numbers-biometric/104895038>

<sup>5</sup> <https://files.moneySMART.gov.au/media/tz4npqee/dealing-with-book-up.pdf>

<sup>6</sup> <https://download.asic.gov.au/media/3374112/rep451-published-13-october-2015.pdf>

<sup>7</sup> <https://ican.org.au/wp-content/uploads/2024/07/Economic-Abuse-Study-2024.pdf>

Cash can also help good money managers in families better deal with other unique challenges that can arise. There is a culture of sharing in First Nations communities that applies to money.<sup>8</sup> This, along with the high proportion of people living on very low incomes, means that paying with a card can come with pressure or expectations from other people to buy things on their behalf. Having cash gives good money managers in community the ability to store away money safely to help guarantee that there will be funds available for future expenses.

The benefit of cash in reducing the risk of domestic or elder abuse detailed more generally below are also important reasons that cash is extremely important for First Nations communities.

### Challenges accessing cash via bank cards

While the benefits of cash are significant for remote First Nations communities, some communities still face barriers to accessing cash. These barriers demonstrate the extent of the long term financial exclusion experienced by some communities. In communities only serviced by smaller financial service providers, hefty bank fees that were long abolished by banks servicing cities are charged on the low incomes people have at their disposal. A cash withdrawal at a Traditional Credit Union (TCU) branch (which are dotted through Arnhem Land) can cost \$5. EFTPOS transactions also incur \$2 fees and using other ATMs or declined withdrawals rack up fees as well.<sup>9</sup>

In the communities where larger banks still retain a presence, there will often be a long wait on payday to access ATMs to withdraw cash. This poses challenges for people who are time poor due to work, family or other reasons. For others, particularly older people, ATMs present the first digital barrier to accessing cash. Ways people deal with this barrier include:

- waiting to use the teller at the bank (if it has one). This is an option in one East Arnhem Community if you are a customer of the only bank with a branch. However, the wait will likely be even longer than the ATM.
- people give family or community members their bank card to take money out on their behalf. This creates significant risk of abuse or exploitation, as people are reliant on others to access their money.

### Financial abuse

We are pleased the Paper recognises the lifeline cash can provide to people who are experiencing financial abuse. If an abuser is in control of a victim-survivor's finances, the record of every purchase made with a bank account can play right into the hands of their abuser. It gives them a means of monitoring a person's purchases while they are not present. This can

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<sup>8</sup> Buckland, J.; Daniels, C., "A study of local economic abuse in First Nations communities with special focus on Australia and Canada", *ICAN*, April 2024:

<https://ican.org.au/wp-content/uploads/2024/07/Economic-Abuse-Study-2024.pdf>

<sup>9</sup> <https://tcu.com.au/interest-fees-and-charges/>



exacerbate the abuse, and make it more difficult for victim-survivors to wrestle back an element of control to their life, or escape the relationship. Use of cash provides a level of privacy in these situations that can be vital.

Cash can also make it possible for victim-survivors to stash away a little bit of money over time, to retain a level of financial independence or even prepare to escape the relationship.

*“Most importantly to me, I know that there are a lot of people who are experiencing or recovering from homelessness, domestic abuse and/or controlling relationships, of all kinds. These people often rely on cash to escape these situations.”<sup>10</sup>*

## Older Australians

Cash can also help reduce the risk of elder abuse. Older people who are not comfortable using technology can be forced to turn to younger family or community members to help manage their finances when transacting online. This can expose them to the risk of abuse as well. In its submission to the Senate Standing Committees on Rural and Regional Affairs and Transport inquiry into regional bank closures, Catholic Care NT reported that following the closure of the NAB Tennant Creek branch, it saw an increase in elder abuse amongst its clients.<sup>11</sup>

The importance of cash for older people was a key issue raised by respondents to CHOICE’s January survey on cash as well. The concern was not just raised by older respondents - a number of respondents whose answers do not suggest they are older themselves indicated that they felt cash was important to older people they knew, or more generally.

*“For some people using cash is the way to manage their budget. Particularly elderly people or other vulnerable people find the online world confusing or difficult to access. not being able to deal with physical money can make them more open to abuse and misuse of their funds.”<sup>12</sup>*

There were also respondents who told us they were older, and while they are obviously comfortable responding to an online survey, they were clearly not as comfortable doing all their banking digitally. This likely reflects that the high risk nature of our finances understandably makes digital banking and payments a specific form of digital adoption people are understandably more reluctant about.

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<sup>10</sup> Quote taken from CHOICE cash access and acceptance survey 2025, above n 1

<sup>11</sup> CatholicCare NT Senate Submission, Branch Closures in Regional Communities, Submission 266, accessed via:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/BankClosures/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/BankClosures/Submissions)

<sup>12</sup> Quote taken from CHOICE cash access and acceptance survey 2025, above n 1



## Other reasons people need access to cash

### Cash for children; other people without bank accounts

A number of respondents to CHOICE's survey told us that cash was important for children. Many children don't have bank accounts, much less bank cards, so for children to be able to buy anything, cash is obviously essential. Many people also told us that cash was important to help teach children about the value of money, such as when providing pocket money for chores.

*"How are our children/grandchildren going to learn the value of their money. No pocket money. No here's \$5- from Grandma to the grandkids as they leave. How is the tooth fairy going to operate."*<sup>13</sup>

Similar points were made about empowering other people without access to their own bank accounts. One example provided was older people in care facilities or who are otherwise no longer in charge of their own finances.

*"I work in aged care, there are thousands of the elderly population who do not have access to internet banking, don't have the cognition to use digital banking and/or don't have, or can't use the technology required for digital payments or banking. To not make cash available for this population would be discriminatory and against their human rights."*<sup>14</sup>

### Small businesses; markets; not-for-profits

The other key theme that came through CHOICE's supporter survey was the importance of cash for a variety of smaller enterprises. For example:

- paying small businesses such as contractors or at local markets, which may not have card facilities;
- local charities or not-for-profits often use cash for fundraising or to facilitate payment for on the spot arrangements, and it is not economical for them to accept card payments. Examples of these situations include gold coin donations, school tuckshop purchases, or payments for classes (U3A groups report regularly accepting cash on the day for attendees). For some of these organisations, the loss of cheques already presents its own challenges, and so cash has become more vital.

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<sup>13</sup> Ibid

<sup>14</sup> Ibid

## We support mandating cash acceptance

### **2. Do you support the proposed mandate scope and application as described in Box 3.1? If not, what are alternative approaches?**

For all the very important reasons above, people need to be able to pay with cash into the future. We accordingly welcome the government's proposal to mandate the acceptance of cash by businesses selling essentials. We recognise that the mandate may help ensure that big businesses selling essentials are involved in making the continued distribution of cash more viable as well.

While we support the proposed scope of the mandate in Box 3.1 in general, there are two major issues we have concerns about:

*1. We do not support the exemption for small businesses as it is currently proposed.*

Our concern with the small business exemption is that it will dramatically reduce the impact of the mandate for regional and remote parts of Australia, which is where it is most important to guarantee the continued role of cash. Many of these areas are *only* serviced by small businesses (particularly First Nations communities), and so if the mandate excluded small businesses altogether, it would not help regional communities.

*2. We do not support the proposal to apply the mandate at an individual transactional level.*

The mandate appears to be intended to apply only to *individual transactions* specifically involving the supply of an essential good or service. This approach would be confusing for consumers, and complex for businesses. We instead recommend that the mandate is applied so that any business for which the sale of essentials represents a material part of their business must accept cash for all transactions.

## The small business exemption

### **7. Do you support the proposed definition of an “exempt small business”, including the treatment of franchise arrangements?**

### **10. Do you have any other comments on the proposed mandate scope and application, including its impact on regional, rural and remote communities?**

While we appreciate that the government does not wish to increase regulatory burden and costs on small businesses, the breadth of the proposed small business exemption is problematic. Our major concern is that many regional communities are made up only of small businesses. If all small businesses are exempt from the mandate, it will do nothing for these communities.

There are many communities across Australia that do not have a major grocery store chain in their town. For example, on the Stuart Hwy in the Northern Territory, there is only one grocery store between Katherine and Alice Springs that would obviously be captured by the mandate

(assuming it will apply to IGA). This is a stretch of nearly 1,200km. There are even fewer off the main highway. This leaves many small communities (particularly First Nations communities) without any real benefit from the mandate.

The current North Queensland floods also provide a telling example of the importance of being able to transact locally. The collapse of a small bridge on the Bruce Hwy has left communities north of the bridge at risk of isolation,<sup>15</sup> with dwindling food supplies and power outages are a major risk.<sup>16</sup> It has been local small businesses and market stalls that have continued to ensure access to essentials provided by local suppliers. Cash needs to be an option for people in these communities to buy essentials, regardless of whether there is a major store in town.

There are also communities in remote areas that are reliant on independent petrol stations. It is not clear whether these businesses would be captured under the mandate, and their exclusion could have significant consequences for particular communities. For some communities, independent petrol/road houses will also function as one of the few sources of food, and even clothing.

At this point in time, we are not aware of issues in remote and regional areas with businesses refusing cash - likely due to necessity and the recognised challenges with connectivity in the area. However this may change in future, particularly if accepting and safely transporting cash for businesses becomes more difficult (as it presumably will if bank branches keep closing). The mandate as proposed cannot be considered to offer any kind of solution or certainty for these communities.

The objective of any policy intervention should be to ensure the same outcome for regional consumers as for consumers residing in cities - that is, consumers should be confident they will continue to be able to purchase life's essentials if they must or prefer to use cash. We encourage the Government to consider solutions that provide this in a way that is proportionate for small businesses.

We recognise that this challenge is complex, and the cost of accepting cash may be greater for some regional small businesses. However, there needs to be a solution that works for consumers in the regions as well. Some small businesses (particularly in the regions) will likely wish to continue accepting cash as well to avoid any competitive disadvantage and to help consumers. Excluding small businesses from the mandate should not be treated as a justification to exclude providing a long term solution to maintaining access to cash for small businesses. All solutions should be on the table, such as government support if costs are significant to small businesses. Without such a solution, we cannot support the small business exemption for this reason.

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<sup>15</sup> <https://www.abc.net.au/news/2025-02-06/adf-arrive-in-north-qld-as-cleanup-begins/104902386>

<sup>16</sup> <https://esdnews.com.au/ergon-de-energises-flooded-substations-in-north-queensland/>

The other challenge with the small business mandate would be communicating its application (or non-application) to consumers. This is discussed further below.

### Australia post

It is vital for the mandate to apply to Australia Post, particularly considering services like post billpay. The government should make certain that any small business exemption will not exclude Australia post stores from the mandate.

#### **Recommendation 1**

*Remove or revise the small business exemption from the mandate, so that the mandate will ensure that regional communities retain the ability to pay for essentials with cash. The government should work with regional communities to identify solutions, and consider subsidizing costs of small business if necessary.*

#### **Recommendation 2**

*Ensure that Australia Post is covered by the mandate to accept cash.*

## Apply the mandate at business level, not transaction level

**4. Do you support the proposed definition of “essential good or service”? If not, what are alternative approaches?**

**12. What measures can help to ensure consumers have a consistent experience on where and when the mandate applies?**

We understand the mandate in the Paper would apply only to transactions that are specifically for essentials. We do not believe that a mandate applied at transaction level would be desirable for consumers or businesses.

The absence of a widely agreed common definition of essentials demonstrates that there is always likely to be some level of uncertainty about the extent of the application of the mandate. We appreciate that it is necessary to draw a line somewhere, but it would be much easier to do so if it was applied wholly to businesses, rather than particular goods or services.

Under the proposal in the Paper, we understand that even a major company like Coles or Woolworths could refuse to accept cash payments if a person was not purchasing any essentials. This is not a desirable or workable situation. The law would be leaving the application of the law to shop staff in some instances and would create confusion for consumers.

A more workable approach would be to apply the mandate at a business level, so that any business materially involved in the provision of essentials would be subject to the mandate for

all in person transactions. This would be easier for consumers to understand, and would not dramatically increase regulatory burden - if the business is already required to accept cash, it is not a big ask for it to cover non-essential purchases as well.

Minor exceptions could be provided for situations where a business providing essentials has another (non-essential) arm of its operations that operates in a substantially different manner to the 'essential' part of the business, but it should not vary based upon what a consumer picks up in an aisle.

### **Recommendation 3**

*The mandate to accept cash should apply to all consumer transactions a business processes if a material part of that business' operation is supplying essentials.*

## **Defining what is 'essential'**

**5. Do you support the proposed classification into “essential goods and services” and “non-essential goods and services” in Table 3.1? If not, what are alternative approaches?**

### **Food and beverages**

Even if the mandate was applied at business level rather than transaction level (per our recommendation 2), the proposal to distinguish between essential and non-essential food and beverages will likely bring challenges in both communicating and enforcing the mandate. It is also always likely to leave some foods in a grey area between essential and non-essential. The government should closely consider whether any benefits from this distinction justify the potential confusion.

Alternatively at an absolute minimum, the definition of essential food and beverages should be consistent with the 30 essential products that will be subject to a price cap in particular remote stores under the Government's recently announced plans.<sup>17</sup>

### **Recommendation 4**

*Reconsider whether a distinction between essential and non-essential food and beverages is necessary considering the potential challenges in communicating and enforcing it.*

### **Clothing, footwear and household essentials**

We are also concerned by the exclusion of garments and footwear from the definition of essential. While luxury fashion brands may not be essential, people need clothing. Major retail

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<sup>17</sup> Albanese, A. "Closing the Gap - Canberra", speech, 10 February 2025: <https://www.pm.gov.au/media/closing-gap-canberra>

brands like Target and Kmart are often relied on by people for essential clothing. People come from remote areas to major regional centres to make purchases like clothing, and should be able to do so with cash.

We also doubt that broadly describing furniture as non-essential would be consistent with consumer expectations. Many types of furniture are essential. It is not clear why a blanket exclusion has been applied to furniture when the opposite approach has been taken to food. Like clothing and footwear, a more nuanced, but clear approach may be required.

### ***Recommendation 5***

*Include basic household essentials in the mandate, such as clothing, footwear and furniture.*

### **Transport is an essential service**

We are concerned by the proposal to treat ‘transport services’ generally as a non-essential service, as we expect that this would exclude all forms of public transport from the mandate. Many Australians are reliant on public transport, but it appears to be distinguished from private vehicles in the proposed mandate (for which seemingly all related costs appear to be ‘essential’), without explanation.

As stated in Appendix C of the Paper, public transport is included in the ABS assessment of ‘non-discretionary’ inflation, and ‘urban transport fares’ form part of the ‘absolute basics’ under the Melbourne Institute’s HEM classification system. It is not clear why public transport would not be treated as essential for the purposes of the accepting cash mandate. In CHOICE’s January survey, we asked people what kinds of goods or services people should be able to pay for with cash. 70% of respondents explicitly selected transport as an example of a service it is important for people to be able to pay for with cash.<sup>18</sup>

We strongly oppose the exclusion of public transport altogether from the definition of ‘essential’. It may not be practicable to mandate the option to pay cash on every single bus and at every single train station, but there needs to be some recognition that a large portion of the population have no choice but to rely on public transport, and that its use is essential.

### ***Recommendation 6***

*Treat public transportation as an essential service for the purposes of the mandate.*

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<sup>18</sup> CHOICE cash access and acceptance survey 2025, above n 1. A further 20% of respondents did not explicitly select ‘transport’, but did select ‘all goods and services’

## Healthcare is an essential service

We similarly urge the government to reconsider the classification of private hospitals as a non-essential service. Hospital services are specifically classified as non-discretionary by the ABS, but the Paper proposes to explicitly classify private hospitals as non-essential.

Healthcare is uncontroversially an essential service. While Medicare and private health insurance can play a role in the payment of bills incurred at hospitals, people do still pay for some services in person, such as medication, or medical apparatus hire/purchase. Public and private hospitals should be on a level playing field in this respect.

We do not believe this would create an unreasonable burden on the hospital system, particularly as many hospital costs are not paid in person, and large costs could be subject to a dollar limit.

### ***Recommendation 7***

*Hospitals should be classified as essential for the purposes of the mandate.*

## Bottled water is essential in some communities

While the ABS may treat bottled water as a discretionary item, there are some communities where lack of access to safe drinking water means this is not the case. There are sadly still remote communities in Australia (particularly First Nations communities)<sup>19</sup> that lack access to safe and reliable drinking water<sup>20</sup> as sources like bore water are unreliable, can become contaminated or have extremely high mineral content.<sup>21</sup>

For remote areas where potable water access is not guaranteed, steps should be taken to guarantee that cash can be used to purchase water.

### ***Recommendation 8***

*In regions of Australia where communities do not have reliable and consistent access to clean drinking water, bottled water should be classified as an essential good under the mandate.*

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<sup>19</sup> Remote Australians lack access to quality drinking water, Australian National University, 21 July 2022: <https://www.anu.edu.au/news/all-news/remote-australians-lack-access-to-quality-drinking-water>

<sup>20</sup> Productivity Commission, *National Water Reform Report 2024 - Inquiry report*, 28 May 2024, Finding 9.1.

<sup>21</sup> See for example, Walgett in NSW:

<https://www.abc.net.au/news/2023-04-13/walgett-nsw-water-insecurity-worse-than-bangladesh/102212784>



## Dollar and time based limits

### **9. Should the mandate be subject to a dollar limit, time limit or combination limit? If so, what dollar and time limits should be imposed. If not, what are alternative approaches?**

There will be situations where a dollar or time limit on cash acceptance will significantly impact some people. In balancing any benefits to businesses of such limits, we urge the government to give fair consideration to the potential impacts on consumers, and not unreasonably prioritise business interests. Accepting large sums of money also does not require businesses to have significant cash on hand to provide change - if a business is already accepting cash, the impost of accepting a higher amount may not be significant.

Any potential dollar limit should also be high enough for people to make their regular essential purchases with cash, having regard to the items listed as essential in the paper. For example, any limit should be set high enough to cover a regular grocery shop for a large family, and quarterly energy bills that can often reach well over \$1000. For remote First Nations communities, these kinds of payments may be made altogether with pooled money.

We also recommend that the case of veterinarian bills also be considered in setting any limit. Vet bills are often quite high, and in the case of emergency vets, can be incurred at irregular hours. The government appears to have recognised that vet bills are essential services, but a dollar or time limit would significantly restrict the value of this classification.

#### **Recommendation 9**

*Any dollar limit applied to the mandate must be set at least high enough to cover typical purchases, having regard to the proposed list of essential items.*

## Educating, consistency and enforcement

### **11. What is the most effective way to educate businesses and consumers about the mandate?**

### **12. What measures can help to ensure consumers have a consistent experience on where and when the mandate applies?**

To complement these reforms, we strongly encourage the government to introduce a ban on applying a surcharge for paying by cash. While cash surcharges are not causing issues for consumers at present, it obviously could become one in future if businesses wish to dull the impact of the mandate. This practice should be banned for all businesses, not just those subject to the mandate.

As noted above, there will be some uncertainty around the goods and services covered by the mandate, as well as its application to particular businesses that are not obviously outside the

definition of a small business. It will also be much harder to communicate a mandate that applies to particular goods or services in a store, but not others. Requiring businesses covered by the mandate to display information about it in store at a point when consumers are more likely to take note of it may help raise awareness about it. For example, this could include a mandatory sign at the entrance or checkout which included brief information about how to report non-compliance.

We also anticipate that distinguishing between essential and non-essential food and beverages will cause confusion and may not justify any benefits from making the distinction. The mandate should be capable of being understood by all members of society, including groups such as the elderly without undertaking online research.

### ***Recommendation 10***

*Ban any surcharges on paying with cash.*

### ***13. How should the mandate be enforced?***

While we are not opposed to a private legal right for consumers to seek to enforce compliance with the mandate, it is very unlikely to be used enough to create a meaningful compliance incentive for businesses. If the government wants to ensure compliance, it needs to empower and resource a regulator to monitor, oversee and enforce the mandate.

We would strongly support empowering a national regulator to issue infringement notices for non-compliance. Infringement notices are a far less onerous way of enforcing the law, and would likely be appropriate for non-compliance of this nature. If a big business was intentionally or egregiously choosing not to comply with the mandate it may warrant more significant enforcement action, but the mandate should not be law that comes before the courts regularly.

The regulator should also establish an easy way for consumers to report non-compliance by a business, so it can target any monitoring work effectively. Having a simple process for consumers to report non-compliance would also help a regulator identify where non-compliance is sufficiently warranted to justify an infringement notice, as opposed to a business which may have just run out of correct change as a one-off.

### ***Recommendation 11***

*A regulator should be empowered to enforce the mandate, and should have a range of enforcement mechanisms available to it, including infringement notices. Consumers should be provided with a simple way to report non-compliance to the regulator for investigation.*

## Access to cash is the more pressing issue

### **14. Are supporting measures required in the cash-in-transit sector?**

### **15. Are supporting measures required to maintain access to cash for businesses and consumers?**

As mentioned a few times throughout this submission, the more pressing issue impacting the use of cash in Australia is the ability of consumers to access cash, particularly in remote and regional areas. The inquiry into regional bank branch closures by the Senate Standing Committees on Rural and Regional Affairs and Transport delved into this issue in detail.

Since the financial viability of cash-in-transit businesses collapsed, the banking sector and other major businesses have been in discussions around the future of the provision of cash across the country. The ACCC has authorised banks and numerous other industry participants to collaborate to ensure that there is continuity of cash-in-transit services, and to work towards a viable future for the service.<sup>22</sup> We appreciate that these industries have recognised the importance of cash and committed to providing access to cash into the future, and are seeking to find the best way to do this economically.

However, the final say on what constitutes ‘reasonable access’ to cash should not be left to industry, and government intervention is likely to be needed. Consumer representatives should be part of discussions to ensure solutions consider the consumer interest properly. To date, business interests have determined the availability of cash and it is notable many regions have already lost ‘reasonable access’ to cash. This gives us little confidence that the private market will deliver a solution that meets the communities needs.

### **Bank@Post not a complete solution**

The recent government and industry announcements about extending Bank@Post and a moratorium on regional bank branch closures<sup>23</sup> also do not solve this issue. While Bank@Post is better than no banking service at all, it has significant shortcomings compared with bank branches:

- training for post office staff to service multiple banks is never going to be of the same standard as bank employees. This impacts people who are less confident with their finances the most, or who face other barriers. Cultural competency training is also often often not at a sufficient standard for First Nations users;
- confidentiality is a problem when one post office is providing banking services in multiple ways:

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<sup>22</sup><https://www.accc.gov.au/media-release/accc-authorises-collaboration-to-support-cash-in-transit-services>

<sup>23</sup>

<https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/securing-regional-banking-services>, accessed 13 February 2025

- the spaces are not designed for confidential conversations;
- increased demand due to Bank@post in regional post offices can mean many people are in the post office at peak times; and
- in regional areas, post office staff are members of the community and this role means they hold significant information about the finances of community members; and
- the services of Bank@post are also often not sufficient to service small businesses, which is a key issue with retaining a cash footprint in the regions.

The government should also be working to ensure that loopholes to the moratorium are not used by banks, such as by having branches go cashless, or operating significantly reduced hours.

### ***Recommendation 12***

The government should take steps to ensure that consumers retain reasonable, free access to cash across Australia. This may require improving current cash accessibility in some areas of Australia.