



# Cash Acceptance Mandate

Department of the Treasury



## The policy problem and preferred policy approach

- Businesses are increasingly not accepting cash. This is creating significant social and economic inclusion concerns for Australians who rely on cash for essential purchases. Without a mandate, there is no guarantee Australians can use cash for essential goods in the future. RBA data shows that around 1.5 million Australians continue to rely on cash for 80 per cent or more of their in-person transactions. A cash acceptance mandate will ensure that these Australians can continue to access essential fuel and groceries using cash.
- A cash acceptance mandate for fuel and grocery retailers is the preferred approach, as it best meets consumer expectations to be able to pay for the essential goods of fuel and groceries in cash, while minimising the costs and risks borne by businesses. Supporting features, including a time limit of operation between 7am and 9pm, a transaction limit of \$500, and an appropriate exemptions framework recognise the cash handling costs incurred by businesses.



## Impact Analysis

### Impacts

- The policy will ensure that cash-dependent cohorts, including older Australians, regional and remote communities, Australians living with a disability, First Nations peoples, culturally and linguistically diverse groups, and victim-survivors of family and domestic violence are able to pay in cash for their basic needs.
- A targeted mandate manages costs to business while reflecting community feedback. Consultation revealed received strong support for a mandate covering the fuel and grocery sectors, with appropriate safety and security mechanisms.
- Treasury estimates that it will cost fuel retailers \$5.8 million to install cash-accepting terminals at sites which cannot currently accept cash. In-scope retailers may be subject to regulatory costs within the range of \$14.2 to \$28.3 million.

### Who is impacted?

Individuals	Businesses	Community organisations
Cash dependent cohorts, including those outlined above, will benefit from ongoing certainty that they can pay in cash for the essential goods of fuel and groceries.	In-scope businesses will be obligated to accept cash payment. While a small subset of businesses will be required to install cash-accepting infrastructure, most in-scope retailers already maintain this.	Community organisations expressed strong support for the objectives of a cash acceptance mandate. There will be no immediate impacts to these organisations.



## Other considerations and implementation

- Other policy options considered included maintaining the status quo or pursuing an expanded mandate to include non-discretionary retail businesses.
- The mandate will be implemented via prescribed industry codes under the *Competition and Consumer Act 2010* and overseen by the ACCC. It will be subject to a 6-month transitional period, which will enable in-scope businesses to implement any required changes to comply with the mandate.