Australian Government
The Treasury

Impact Analysis

Mandating cash acceptance

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In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people.

Contents

Executive Summary

This Impact Analysis has been prepared by the Department of the Treasury (Treasury) to inform the Government's decision to implement a cash acceptance mandate for essential purchases.[1] The proposed mandate will help to ensure the social and economic inclusion of the many Australians who depend on cash to pay for their absolute basic needs. It will also bolster the resilience of the payments system.

A preliminary draft of this Impact Analysis was provided to the Government to inform initial consideration of the mandate. Extensive public consultation has been undertaken as part of the policy design process. Information from these consultation processes has been incorporated into this Impact Analysis.

Significant social and economic inclusion concerns will arise for the many Australians who depend on cash as a payment method for their absolute basic needs if businesses increasingly stop accepting cash. Among those likely to be most impacted are Australians living in regional communities, older Australians, First Nations peoples, culturally and linguistically diverse (CALD) communities, people living with disabilities and victim-survivors of family and domestic violence. Currently no rules exist to require merchants to accept cash as a payment method. Without the cash acceptance mandate there is no guarantee Australians will be able to use cash in the future to obtain essential goods.

Ensuring that Australians can continue to pay for essential goods in cash is an important part of the Government delivering on its commitments in the June 2023 *Strategic Plan for Australia's Payments System*.[2] While cash use has been declining for more than a decade with changing consumer preferences, cash continues to play an important role in ensuring an efficient, reliable and inclusive payments system and economy. The Reserve Bank of Australia's (RBA) most recent Consumer Payments Survey indicated that 1.5 million Australians still rely on cash to make more than 80 per cent of in-person transactions.[3]

The cash acceptance mandate is proposed to apply to fuel and grocery retailers, for in-person purchases of $500 or less and apply between 7am to 9pm, with appropriate exemptions for small businesses. Compared to the status quo or a broader mandate that includes other non-discretionary retailing businesses, this option most effectively balances the need for Australians to be able to pay for essential goods in cash, while minimising the costs and risks to businesses.

Beyond fuel and groceries, consultation showed no clear consensus on what else should be considered essential, or other categories were considered less important than these two. As a result, weighed against the costs and risks to businesses, it was considered there were diminishing returns for Australians in pursuing the option of a broader mandate.

Government action now, while many businesses still have cash-accepting infrastructure, will minimise the need for businesses to refit or reinstall this infrastructure later. By supporting the viability of cash as a payment method, the mandate enables an alternative that does not require digital infrastructure, thereby

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[1] Australian Government (2024), Next steps in ensuring the future of cash, https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/next-steps-ensuring-future-cash
[2] Australian Government (2023), A Strategic Plan for Australia's Payments System, https://treasury.gov.au/sites/default/files/2023-06/p2023-404960.pdf
[3] Reserve Bank of Australia (2023), The Evolution of Consumer Payments in Australia, https://www.rba.gov.au/publications/rdp/2023/pdf/rdp2023-08.pdf

strengthening the resilience of the payments system at the point of sale. This is because cash payments are not dependent on digital systems.

This Impact Analysis has found that implementing a mandate targeted towards fuel and grocery retailers will materially benefit Australians compared to maintaining the status quo or implementing a broader mandate targeted at a range of non-discretionary retailing businesses. The mandate materially supports the social and economic inclusion of cash-dependent Australians by enabling them to continue to pay for essential items in cash, with appropriate consideration to the impacts on business.

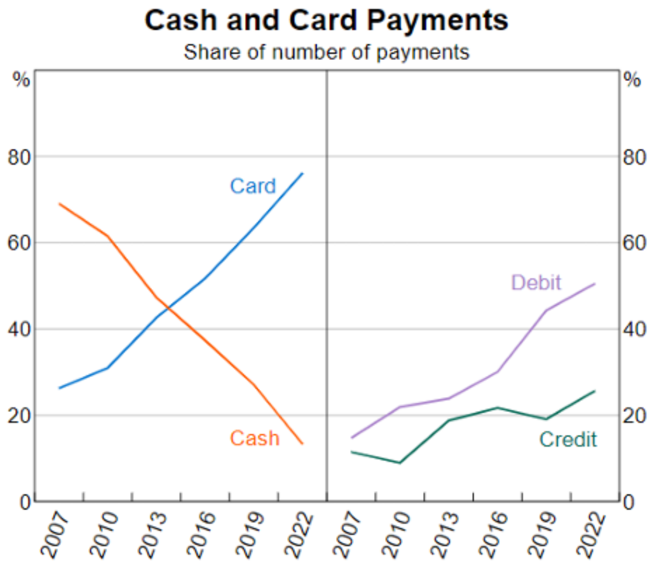
Mandating Cash Acceptance - Summary of Impact Analysis

Policy problem	Businesses are increasingly not accepting cash, which raises 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.
Policy objectives	Ensure Australians can continue to pay for essential goods in cash to safeguard social and economic inclusion; strengthen resilience of the payments system; deliver on commitments in the June 2023 Strategic Plan for Australia's Payments System.
Options	1. Status quo – No mandate. 2. Targeted mandate – Apply to fuel and grocery retailers for in-person purchases of $500 or less, between 7am and 9pm, with exemptions for most small businesses. 3. Broader mandate – Apply to a wider range of non-discretionary retail businesses.
Impact analysis findings	The targeted mandate in Option 2 provides the greatest net benefits to resolving the policy problem by maintaining access to essential goods for cash-dependent Australians, strengthening payment system resilience and avoiding future infrastructure costs. Targeting the mandate to fuel and grocery retailers most effectively balances these consumer benefits while minimising costs and risks to businesses. This approach leverages existing cash-accepting infrastructure and avoids costly retrofitting later. Any broader mandate at this time will provide diminishing returns for more significant impacts on industry. The status quo will not address the significant social costs of the exclusion of cash dependent Australians.
Consultation	Extensive public consultation was undertaken during policy design. Feedback has been incorporated into this Impact Analysis. Consultation showed strong support for fuel and grocery inclusion but no clear consensus on other categories.

Background

Cash use continues to decline in Australia and as this progresses, lower levels of cash acceptance from businesses are likely to become more widespread. Since 2007, the share of payments made in cash has declined from 69 per cent to 13 per cent in 2022, with electronic payments making up the other 87 per cent.[4]

Figure 1 – Share of cash versus card payments



Source: RBA calculations, based on Colmar Brunton, Ipsos and Roy Morgan Research

Alt text: Graph showing the trend of payments between cash and card between 2007 and 2022. The graph shows that cash payments have been in steady decline since 2007 and card payments have been steadily increasing since 2007.

The RBA's 2022 Consumer Payments Survey (CPS) found in the near future around half of all businesses planned to discourage cash payments.[5] The RBA's Online Banknotes Survey (OBS) found that there is an increasing share of consumers experiencing a merchant refusing cash as a payment method.[6] In 2023, 40 per cent of OBS respondents experienced at least one merchant refuse cash as a payment method in the past month, compared to 33 per cent in 2022.[7]

It is in this context that a cash acceptance mandate is being considered.

[4] Reserve Bank of Australia (2023), The Evolution of Consumer Payments in Australia: Results from the 2022 Consumer Payments Survey, https://www.rba.gov.au/publications/rdp/2023/2023-08/full.html
[5] Reserve Bank of Australia (2023), The Cash-use Cycle in Australia, https://www.rba.gov.au/publications/bulletin/2023/mar/the-cash-use-cycle-in-australia.html
[6] Reserve Bank of Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/42
[7] Reserve Bank of Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/42

1. What is the policy problem Mandating Cash Acceptance is trying to solve?

1.1 For many Australians, inability to pay in cash risks social and economic exclusion

Inability to pay in cash risks leaving many Australians who depend on cash to pay for their absolute basic needs unable to fully participate in economic and social life. For these cash-dependent Australians, this has the potential to lead to social dislocation, disadvantage and isolation and in turn impact families' and communities' wellbeing.

Treasury's consultation and recent research conducted by both Government and industry shows that cash remains a critical payment method for many groups in the community for day-to-day payments,[8] and revealed the extent to which these groups rely on cash. These groups include Australians living in regional and remote communities, older Australians, Australians on lower incomes, First Nations and CALD communities, Australians living with a disability and victim survivors of family and domestic violence. For these groups, Treasury's consultation found that paying in cash is not simply a preference but is a necessity driven by digital exclusion, privacy, safety and welfare concerns, lack of a reliable alternative means of payment, and challenges with managing budget and financial hardship.

1.1.1 Digital exclusion

Australians who are digitally excluded face challenges using digital payments, including card payments,[9] and all else being equal this means they are more likely to be dependent on cash as a physical, non-electronic means of payment. While recent years have marked a significant shift to digital technologies by businesses and many consumers, some digitally excluded cohorts, including older Australians, First Nations peoples, and Australians living with a disability have struggled with these shifts. Digital inclusion requires the affordability of an internet connection, access to an appropriate device and sound internet connectivity, and the ability to use a range of devices to engage with online systems.[10] A failure to meet even one of these criteria may result in digital exclusion.

The Government is currently supporting a series of measures to enhance the digital capabilities of Australians. Examples of these measures include the Be Connected[11] program which aims to support all people aged over 50 in Australia to keep safe online and navigate evolving technology, the Information,

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[8] Treasury (2024) Mandating Cash Acceptance Consultation Paper, https://treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf
[9] OECD (2025), Supporting Informed and Safe Use of Digital Payments through Digital Financial Literacy, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/09/supporting-informed-and-safe-use-of-digital-payments-through-digital-financial-literacy_5e6b71b3/21de47d1-en.pdf
[10] Australian Digital Inclusion Alliance (2020), A National Digital Inclusion Roadmap, https://www.digitalinclusion.org.au/wp-content/uploads/2020/10/ADIA-A-National-Digital-Inclusion-Roadmap.pdf
[11] Australian Government, https://beconnected.esafety.gov.au/

Linkages and Capacity Building Program[12] which focuses on building the capacity of individuals to engage in community life, the Better Connectivity Plan[13] which is providing $1.1 billion toward telecommunications infrastructure and connectivity initiatives in regional and remote communities, and the establishment of the First Nations Digital Inclusion Advisory Group in 2023 which helped drive the Government's $68 million investment to support First Nationals digital inclusion in the 2024-25 Budget.[14] Despite the improvements made by these measures, the problem of digital exclusion in Australia persists, as evidenced below.

Comparatively higher levels of digital exclusion coincide with difficulties in using digital payment methods, including card payments,[15] and heighten the dependence of certain groups on cash to pay for their absolute basic needs. Older Australians face high levels of digital exclusion, therefore heightening their reliance on cash. The 2025 Australian Digital Inclusion Index (ADII) found that 66.5 per cent of Australians over the age of 75 are digitally excluded.[16] RBA survey data shows that 18 per cent of respondents aged 65 and above are classified as 'high cash users'; that is, individuals who use cash for 80 per cent or more of their in-person transactions.[17] Extrapolated to the relevant 2022 Australian Estimated Resident Population (ERP), this would mean an estimated 792,000 older Australians are high cash users.[18]

National Seniors Australia (NSA) notes that its members rely on cash because they are otherwise excluded digitally from the financial system.[19] The Combined Pensioners and Superannuants Association (CPSA) notes that dwindling cash acceptance compromises the financial independence of older Australians, making them more vulnerable to financial abuse as they are less able to safely and independently manage their own finances.[20] Both NSA and CPSA highlighted that older Australians are less likely to have the ability or confidence to use electronic or digital methods of payment, including card payments.

First Nations peoples are particularly affected by digital exclusion, limiting their ability to move away from cash payments. The 2025 ADII found that 40 per cent of First Nations people are digitally excluded.[21] Further, the 2024 Regional Telecommunications Review identified there are currently 670 First Nations

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[12] Australian Government, Information, Linkages and Capacity Building Program, https://www.health.gov.au/our-work/information-linkages-and-capacity-building

[13] Australian Government, Better Connectivity Plan for Regional and Rural Australia, https://www.infrastructure.gov.au/media-communications/regional-communications-programs/better-connectivity-plan-regional-and-rural-australia

[14] Australian Government, First Nations Digital Inclusion, https://www.infrastructure.gov.au/media-communications/first-nations-digital-inclusion

[15] OECD (2025), Supporting Informed and Safe Use of Digital Payments through Digital Financial Literacy, https://www.oecd.org/en/publications/supporting-informed-and-safe-use-of-digital-payments-through-digital-financial-literacy_21de47d1-en/full-report.html

[16] Australian Digital Inclusion Index (2025), Measuring Australia's Digital Divide, https://digitalinclusionindex.org.au/wp-content/uploads/2025/10/ADII-Report-2025_V6-Remediated.pdf

[17] Reserve Bank of Australia (2023), Cash Use and Attitudes in Australia, https://www.rba.gov.au/publications/bulletin/2023/jun/cash-use-and-attitudes-in-australia.html

[18] Australian Bureau of Statistics (2024), Disability, Ageing and Carers, Australia: Summary of Findings, https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release

[19] National Seniors Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/52

[20] Combined Pensioners and Superannuants Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/19

[21] Australian Digital Inclusion Index (2025), Measuring Australia's Digital Divide, https://digitalinclusionindex.org.au/wp-content/uploads/2025/10/ADII-Report-2025_V6-Remediated.pdf

communities and homelands that do not have mobile coverage.[22] This is compounded by the affordability challenges faced by First Nations peoples in accessing appropriate telecommunications services, as well as historical negative experiences with contracts and/or a lack of identification documentation.[23] These challenges persist despite Government action underway to address them via a coordinated mechanism, such as the First Nations Digital Inclusion Plan (2023-26).[24]

Australians living with a disability also face heightened reliance on cash due to digital exclusion. The 2025 ADII found that people living with a disability recorded a digital inclusion score 11.4 points lower than those living without a disability. In 2024, Good Things Australia found that almost 73 per cent of people living with a disability did not feel comfortable keeping up with changes in technology, with 38 per cent of these needing help to keep up with these changes.[25]

1.1.2 Heightened privacy, safety and welfare concerns

Cash functions as a secure and private form of payment, which can help to safeguard the welfare of certain cash-dependent groups. Victim-survivors of family and domestic violence, CALD communities and First Nations peoples are particularly reliant on cash due to heightened privacy, safety and welfare concerns. As illustrated below, these groups can be comparatively more vulnerable to the risk of financial abuse, exploitation or loss of financial control should they not be readily able to use cash.

The Government is working with regulators and industry to try and combat the issues of financial abuse and exploitation faced by these groups. For victim-survivors of domestic and family violence, this includes actions outlined in the National Plan to End Violence Against Women and Children 2022 – 2032, which focus on engaging with the financial sector and reforming legal instruments to better combat instances of financial abuse,[26] as well as work to ensure that government systems better acknowledge the challenges faced by victim-survivors, such as by reforming powers to waive social security debts incurred as a result of domestic and family violence.[27] For First Nations peoples, efforts include ASIC's Indigenous Financial Services Framework, which sets out opportunities to reduce harm to First Nations peoples within the financial system,[28] as well as work conducted by the Indigenous Consumer Assistance Network (ICAN) which offers frameworks to recognise, respond to and prevent financial abuse in Aboriginal and Torres Strait Islander communities.[29] While these measures have gone some way to addressing issues around

[22] Regional Telecommunications Review (2024), https://www.infrastructure.gov.au/sites/default/files/documents/2024-regional-telecommunications-review.pdf
[23] Regional Telecommunications Review (2024), https://www.infrastructure.gov.au/sites/default/files/documents/2024-regional-telecommunications-review.pdf
[24] National Indigenous Australians Agency (2025), First Nations Digital Inclusion Plan, https://www.niaa.gov.au/our-work/employment-and-economic-development/first-nations-digital-inclusion-plan-fndip
[25] Good Things Australia (2024), Australian Attitudes to Getting Online, https://goodthingsaustralia.org/wp-content/uploads/2024/10/Aus-Attitudes-to-Getting-Online-Report-2024-.pdf
[26] Australian Government (2025), National Plan to End Violence against Women and Children 2022-2032, https://www.dss.gov.au/system/files/resources/national-plan-end-violence-against-women-and-children-2022-2032.pdf
[27] Australian Government (2025), New powers to waive social security debts for victim-survivors of coercive control, https://ministers.dss.gov.au/media-releases/18386
[28] ASIC (2023), ASIC's Indigenous Financial Services Framework, https://download.asic.gov.au/media/35wn0xyp/asic-indigenous-financial-services-framework-published-february-2023.pdf
[29] Indigenous Consumer Assistance Network (2025), A path forward for First Nations people experiencing financial abuse, https://ican.org.au/wp-content/uploads/2025/03/First-Nations-Financial-Abuse-Report.pdf

financial abuse and control, and heightened welfare and safety concerns, these challenges continue to persist, as discussed below.

Financial Counselling Victoria (FCV) notes that cash can provide victim-survivors of family and domestic violence with a level of financial independence and/or help them prepare to leave an abusive relationship by storing incremental amounts of cash over time.[30] Cash provides an untraceable and secure form of payment for individuals in situations of domestic or family violence and therefore may be preferred for its privacy and security benefits.

Further, RBA survey data finds that the most important reason for the use of cash is privacy and safety concerns.[31] These concerns are particularly prevalent in CALD communities. The Multicultural Disability Advocacy Association (MDAA) highlights that many CALD groups maintain deeply held views from previous financial experiences, including distrust of banking systems stemming from economic instability in their home countries.[32] ABS data shows that as of 30 June 2024, 8.6 million people of the estimated Australian resident population of 27.2 million were born overseas.[33] Some of these migrants have been displaced from their countries of origin and have lower levels of trust in electronic payments or financial institutions. Loss of the use of cash therefore increases the risk of social and economic exclusion for these groups.

Cash serves to protect First Nations peoples from financial harm. CHOICE notes that cash functions as a safeguard against the exploitation of First Nations peoples, and that businesses that rely solely on non-cash options put First Nations people at risk of exploitation. [34] CHOICE points to high risk 'book up' arrangements which function as informal credit arrangements, or situations where First Nations peoples have had their non-cash method of payment (i.e. debit card) held if they did not have enough money to settle a payment.[35] Lower levels of cash acceptance will thereby disproportionately impact those who find themselves in these situations as they will have no means to purchase goods without the ability to use cash or their debit card.

1.1.3 Increased challenges in managing financial hardship

The loss of the use of cash will exacerbate challenges for those experiencing financial hardship or facing social and/or economic disadvantage in managing their circumstances. Cash serves as a critical budgeting tool for these groups.

The Australian Government supports a range of measures to improve budgeting and personal financial resilience, primarily through the Department of Social Services (DSS). These measures include the Financial Wellbeing and Capability Activity which funds community services that help Australians build budgeting

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[30] Financial Counselling Victoria (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/25

[31] Reserve Bank of Australia (2023), Cash Use and Attitudes in Australia, https://www.rba.gov.au/publications/bulletin/2023/jun/cash-use-and-attitudes-in-australia.html

[32] Multicultural Disability Advocacy Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/35

[33] Australian Bureau of Statistics (2024), Australia's Population by Country of Birth, https://www.abs.gov.au/statistics/people/population/australias-population-country-birth/latest-release

[34] CHOICE (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/15

[35] CHOICE (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/15

skills and access crisis supports,[36] Government provided free financial counselling, accessible through the National Debt Helpline which provides personalised budgeting assistance, debt management advice and financial planning support for people in hardship,[37] the No Interest Loans Scheme (NILS) which offers interest-free loans for essential goods and services,[38] and the Government's commitment to long-term funding for Saver Plus, a matched-savings program that requires participants to develop savings goals and complete financial education modules.[39]

RBA survey respondents in the lowest household income quartile are the most likely cohort to use cash.[40] Cash remains an important and valued tool for budgeting for individuals on low incomes, and highly necessary for individuals who are unable to use credit or debit cards. Low-income earners can manage a predetermined budget by cashing out the amount of money allocated to be spent during a particular period and paying for goods in cash.[41]

FCV highlights that cash is a critical budgeting tool for people in financial hardship, with its tangible nature providing people with greater connection to their finances. FCV further notes that, without cash, low-income households and people experiencing financial hardship will face increased likelihood of exceeding their financial capacity. This can happen in many ways including overusing lines of credit, thereby exacerbating their experience of financial hardship.[42] Cash provides a viable alternative payment method which may assist consumers in controlling their spending, with consumers tending to spend more when purchasing products using a cashless method of payment.[43]

For older Australians, First Nations peoples and Australians living with a disability, the loss of cash will make it more difficult to budget and independently manage their finances, increasing the risk of financial hardship and vulnerability to abuse or exploitation. CHOICE, in conjunction with ICAN and Mob Strong Debt Help, notes that cash functions as an important budgeting tool for First Nations peoples, recognising that the strong culture of sharing in First Nations communities extends to money, and cash can assist 'money managers' in these communities.[44] The MDAA notes that many people with a disability, particularly those with cognitive, intellectual or psychosocial disabilities, use cash because it provides a tangible and visual way to track spending.[45] Unlike digital payments, handling physical money reduces the risk of overspending

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[36] Department of Social Services (undated), Supporting people in financial crises, https://www.dss.gov.au/supporting-people-financial-crises

[37] Department of Social Services (undated), Financial counselling, https://www.dss.gov.au/financial-counselling

[38] Department of Social Services (undated), Loans and savings, https://www.dss.gov.au/loans-and-savings

[39] Australian Government (2025), Boosting the financial security of Australians doing it tough, https://ministers.dss.gov.au/media-releases/17596

[40] Reserve Bank of Australia (2023), Cash Use and Attitudes in Australia, https://www.rba.gov.au/publications/bulletin/2023/jun/cash-use-and-attitudes-in-australia.html

[41] Bank of International Settlements (2016), Payment Aspects of Financial Inclusion, https://www.bis.org/cpmi/publ/d144.pdf

[42] Financial Counselling Victoria (2025), Submission to Mandating Cash Acceptance consultation, https://consult.treasury.gov.au/c2024-604832/consultation/view/25

[43] Schomburgk, Belli and Hoffman (2024), Less cash, more splash? A meta-analysis on the cashless effect, https://www.sciencedirect.com/science/article/pii/S0022435924000216?via%3Dihub

[44] CHOICE (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/15

[45] Multicultural Disability Advocacy Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/35

and allows people living with a disability to maintain financial control by handing over exact amounts rather than sharing access to a debit or credit card.[46]

1.1.4 Lack of alternative reliable means of making payments

For some Australians living in regional and remote communities, digital payments can be less reliable as they are more exposed to the risks of outages caused by natural disasters or issues with telecommunications infrastructure and coverage. Cash represents a reliable alternative payment method through outages and other challenges which disproportionately impact the ability of regional communities to access basic needs. Cash provides a store of value that typically remains available during times of digital payment systems outage. Maintaining cash acceptance will therefore provide a safeguard at these times.

The Government is investing heavily in improving regional connectivity through a mix of telecommunications and infrastructure programs. This includes the aforementioned Better Connectivity Plan, the Regional Connectivity Program which provides grants for place-based telecommunications projects, the Mobile Black Spot Program which funds new mobile base stations to improve coverage in remote areas and along highways, and the On-Farm Connectivity Program, which supports farmers with grants for digital tools and connectivity solutions. However, despite the significant investment that Government has made in this area, the analysis below demonstrates that regional connectivity continues to be challenged, and present barriers for consumers.

A February 2025 CHOICE survey of 12,999 consumers found that the limitations to connectivity faced by regional Australians are significant, and that digital payments were not a safe or reliable option for those living in regional or remote Australia.[47] To illustrate, over the period between July 2021 and June 2024, the Telecommunications Industry Ombudsman received 51,854 phone and internet complaints from consumers living in regional, rural and remote Australia about faults, poor service quality, poor mobile service coverage, outages and accessibility barriers.[48] These complaint levels persist despite segments of the telecommunications sector remaining subject to universal service obligations.[49]

Higher reliance on cash for key purchases such as fuel by regional and remote Australians is evident in data provided by the Australian Convenience and Petroleum Marketers Association (ACAPMA). This data shows that cash transactions accounted for an average of 25 to 35 per cent of total transactions made at service stations in regional and rural areas, compared to 12 to 16 per cent at metropolitan service stations.[50] Decisions taken by regional and remote retailers will have a disproportionate impact on these communities given relatively thin markets and consequent lower levels of consumer choice.

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[46] Multicultural Disability Advocacy Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/35

[47] CHOICE (2025), Submission to Mandating Cash Acceptance consultation, https://consult.treasury.gov.au/c2024-604832/consultation/view/15

[48] Telecommunications Industry Ombudsman (2024), Telco problems significantly impacting regional, rural and remote Australians, https://www.tio.com.au/news/telco-problems-significantly-impacting-regional-rural-and-remote-australians

[49] The Universal Service Obligation (USO) is a long-standing consumer protection that supports access to phone services and payphones. Telstra is responsible for delivering the USO. https://www.infrastructure.gov.au/media-communications-arts/phone/phone-services/universal-service-obligation-voice-services

[50] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1

These factors suggest that a proportion (albeit decreasing) of regional and remote Australians continue to rely on being able to transact in cash, noting cash use has been declining in line with rates in metropolitan areas.[51]

1.2 Preserving cash acceptance is essential for a resilient payment system

As noted previously, many Australians continue to transition to digital methods of payment. However, a significant decline in businesses' willingness and ability to accept or handle cash in the future resulting from this trend will compromise the ongoing viability of cash as a payment method.

In recent years, digital and telecommunications outages including notable events involving Optus and Crowdstrike, while temporary, highlighted that electronic systems can be prone to disruption and impact digital payments systems. Australia is subject to recurring natural disasters, which can also cause significant disruptions to electricity and telecommunications infrastructure. Payments system contingencies for these events are critical. These and similar events show the importance of cash as a payment method to address risks to the resilience of the point-of sale-payments system as it provides contingency as a physical means of exchange.

Without cash, the community loses a dependable means of exchange that does not consistently rely on electricity or internet access. Access to cash typically continues to be available during natural disasters like fires or floods, where connectivity can be disrupted for extended periods of time, rendering centralised digital payments unusable.

[51] Reserve Bank of Australia (2023), Cash Use and Attitudes in Australia, https://www.rba.gov.au/publications/bulletin/2023/jun/cash-use-and-attitudes-in-australia.html

2. Why is Government action needed?

2.1 Businesses are not currently legally required to accept cash

Despite Australian banknotes being legal tender under the *Reserve Bank Act 1959*, and coins being legal tender for certain amounts defined in the *Currency Act 1965*, businesses are not legally required to accept cash, so long as they specify other means of payment prior to the transaction.[52]

Although cash use is declining, cash acceptance facilities currently remain commonplace. Timely action from Government will ensure sufficient facilities and supporting processes are retained rather than having to be retrofitted later, at greater cost to businesses.

2.2 Social inclusion depends on the ability to pay in cash

Without Government action, cash-dependent groups will increasingly be at risk of being unable to fully participate in society and the economy. As discussed in section 1, these groups maintain various reasons for using cash, including accessibility, security and trust, safety and privacy and/or financial control and budgeting. Without the ability to pay in cash, these groups may face social dislocation and disadvantage, leading to poorer overall welfare outcomes.

The Government has committed to Australians having access to cash for as long as they wish to use it.[53]Government action will provide Australians with certainty that they can pay for their everyday basic needs in cash, supporting their social and economic inclusion.

2.3 Cash acceptance bolsters payment system resilience

Government action will support the viability of cash as a payment method by underpinning demand for it, ensuring it remains available as an option when digital payment methods are not. In the *Strategic Plan for Australia's Payments System,* the Government recognised that cash continues to play a role in the Australian payments system as a store of value and as a reliable and resilient payment method.[54]

As discussed in section 1, in the immediate aftermath of disruptions – whether cyber events, digital or electrical outages, and/or natural disasters – cash provides a resilient payment method enabling communities to keep functioning while infrastructure is being repaired. Cash serves to provide stability and confidence to consumers and the broader economy.

2.4 There are no suitable alternatives to Government action

There are no suitable alternatives to Government action to safeguard cash acceptance for consumers' basic needs. While the Government has been making efforts on various fronts to address the challenges driving

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[52] Reserve Bank of Australia (undated), Legal Tender, https://banknotes.rba.gov.au/legal/legal-tender/
[53] Australian Government (2023), A Strategic Plan for Australia's Payment System, https://treasury.gov.au/sites/default/files/2023-06/p2023-404960.pdf
[54] Australian Government (2023), A Strategic Plan for Australia's Payments System, https://treasury.gov.au/sites/default/files/2023-06/p2023-404960.pdf

cash dependence including digital exclusion, financial abuse and regional connectivity, as discussed in 1.1. These initiatives by themselves will not completely displace the ongoing necessity of cash for certain members of the community. Evidence on cash acceptance trends from RBA survey feedback demonstrates the necessity of Government action, with one third of business respondents noting plans to stop accepting cash in the future and just under half of cash-accepting firms reporting that they currently dissuade customers from making cash payments.[55]

At present, there are no significant barriers to Government action because cash acceptance infrastructure currently remains available. If Government action is delayed or deferred to a later time, the Government would likely face significant barriers to action in the form of reduced cash-accepting infrastructure across merchants, and consequently costly rebuilding of the cash supply eco-system.

2.5 Success factors and measuring outcomes

The success of the cash acceptance mandate relies on a clear and practical design with a well-defined scope that is easy for consumers and businesses to understand. Effective education and awareness campaigns backed by strong compliance and effective enforcement will be critical to building consumer confidence and reassuring Australians they can rely on cash for their essential needs. At the same time, the mandate must balance business impacts, ensuring minimal disruption and proportionate compliance costs.

The Government's commitment to review the mandate after three years will allow evidence-based adjustments to make sure the mandate is achieving its objectives of promoting social and economic inclusion while remaining adaptable to future payment trends. Over this period, monitoring of compliance metrics and ongoing analysis of cash use across the economy will provide insights into consumer expectations and behaviours relative to the mandate.

[55] Reserve Bank of Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/42

3. What policy options are you considering?

3.1 Option 1: Status quo

The status quo means businesses continue to be under no obligation to accept cash and would be free to move towards cashless models of operation. Many businesses have indicated that they will stop accepting cash, with around half of Australian businesses planning to actively discourage consumers from paying with cash in the near future.[56] It is possible that this would ultimately lead to loss of cash as a payment method if the status quo is maintained.

Treasury's consultation, however, showed business attitudes towards accepting cash varies depending on the size and nature of the business and customer demand to pay in cash at that business. In several instances, businesses indicated that any decision to continue or stop accepting cash would be influenced primarily by customer preferences and behaviour, rather than because of Government action or inaction. This was particularly the case in regional areas.

Reduced cash acceptance levels will in itself drive further declines in cash use and impact the economics of cash distribution and access. The RBA notes that if merchants stop accepting cash, it may reinforce a move away from cash to electronic payments. As more consumers stop using cash, the incentive for other businesses not to accept cash increases. This would reduce cash-related business for banks and CIT companies, putting upward pressure on the average cost of cash services. These higher costs may lead more merchants to discourage or stop accepting cash payments. [57]

Moreover, as cash acceptance continues to decline, businesses may choose to remove cash-accepting infrastructure. Once removed, this infrastructure can be difficult and/or expensive to reinstate.

3.2 Option 2: Mandating fuel and grocery retailers must accept cash

Scope and application

Under Option 2, the mandate will apply to all fuel and grocery retailers, except for exempt small businesses. A fuel retailer will be any business that involves the sale of motor fuel, except for businesses that do not sell automotive unleaded petrol to retail customers. A grocery retailer will be business whose main purpose is the retail sale of grocery products to consumers, and a substantial portion of those products are not for in-store consumption.

The mandate will apply to payments made in-person between 7am and 9pm, and will require retailers to make sure that any consumer making an in-person payment has a reasonable opportunity to do so by way of cash payment. This element means the mandate will apply where the consumer is paying in-person, regardless of whether the retailer's cash payment points are manned or self-service. Further, 'reasonable

[56] Reserve Bank of Australia (2023), The Cash-Use Cycle in Australia, www.rba.gov.au/publications/bulletin/2023/mar/the-cash-use-cycle-in-australia.html

[57] Reserve Bank of Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/42

opportunity' will mean that the number of cash payment points operating at the retail site are reasonable and proportionate, taking into account consumer demand and the size and nature of the retailer's business. The level of effort asked of the consumer to make a cash payment will also need to be reasonable in the circumstances.

This option would be implemented via mandatory industry codes prescribed under Part IVB of the *Competition and Consumer Act 2010* (CCA).

Small business exemption

The mandate will provide for a small business exemption. An exempt small business will be a supermarket or fuel retailer that is a small business entity within the general meaning of the *Income Tax Assessment Act 1997* – that is, the entity's annual turnover is less than $10 million. The small business exemption will not cover independent businesses with a turnover under $10 million which operate under nationally recognised brands.

Additional exemptions

Option 2 will also provide for an additional exemptions framework. Under this framework, the regulator could provide exemptions from compliance for otherwise in-scope businesses facing exceptional circumstances, such as a significant disruption to cash distribution or in the event of a natural disaster. The regulator will also be empowered to make exemptions where there would be substantial barriers to compliance with the mandate. This framework will enable the regulator to provide exemptions on a case-by-case basis where compliance with the mandate would pose a significant risk to the ongoing feasibility of the business.

Transaction and time limit

The mandate will apply to transactions of $500 or less and will operate between the hours of 7am to 9pm. Businesses may still choose to accept cash payment for transactions above $500, or outside the hours of 7am to 9pm.

Three-year review period

The Government will review the mandate after three years, to ensure it is functioning as intended. The review will consider whether the mandate should be expanded, its impact on business, and developments in cash distribution and access.

3.3 Option 3: Mandating fuel, grocery, and other non-discretionary retail

Option 3 mandates cash acceptance for fuel and grocery retailers per the terms of Option 2 but would extend this to other sectors of non-discretionary retail. The policy parameters of the mandate would otherwise remain consistent with those detailed in Option 2.

Other non-discretionary retail

This broader based option would extend to non-discretionary goods. These could be identified by using the ABS statistical framework for Classification of Individual Consumption According to Purpose (COICOP).[58] This framework maps to retail trade classes under standard industrial classifications and extends beyond fuel and grocery to broaden the mandate to businesses that fall under the following categories:

COICOP division	ANZSIC class(es)
Medicines, medical aids and therapeutic appliances	• 4271 - Pharmaceutical, cosmetic and toiletry goods retailing
Motoring goods	• 3921 – Motor vehicle parts retailing • 3922 – Tyre retailing

3.4 Non-viable options

Other models to improve cash acceptance include negotiating directly with large businesses providing essential services or amending the *Crimes Act 1900* to make it a crime to refuse to accept legal tender throughout Australia. These alternative options were not considered viable given net costs, challenges with effectiveness and enforceability, and the excessive burden they would impose on small businesses.

Negotiating with large businesses is unlikely to produce an outcome which sufficiently meets the Government's objectives of economic and social inclusion, particularly in relation to the level of cash acceptance facilitated by business. In contrast, criminalising a failure to accept cash would likely be considered a disproportionate and extreme response to the policy problem and may create perverse incentives for businesses selling essential items.

The possibility of leveraging existing cash-accepting intermediaries, such as Australia Post, to enable indirect cash payment for a broader range of businesses (for example, through selling prepaid fuel cards) was also not pursued due to the administrative burden it would impose on these outlets.

[58] Australian Bureau of Statistics (2021), Appendix 1 Classifications, https://www.abs.gov.au/statistics/detailed-methodology-information/concepts-sources-methods/australian-system-national-accounts-concepts-sources-and-methods/2020-21/appendix-1-classifications

4. What is the likely net benefit of each option?

The net benefit of each option is assessed through analysis of expected regulatory costs, government costs, and expected benefits to consumers. This method provides a framework for comparing policy options by assessing and weighing expected benefits against regulatory and compliance costs, ensuring decisions are proportionate. The benefits of cash as a payment method have been qualitatively assessed for consideration against the quantifiable cost impacts on industry. This methodology enables selection of the option that delivers the greatest overall benefit to the community.

4.1 Option 1: Status quo

4.1.1 Costs

Under the status quo, cash usage in the Australian economy is declining. As described in the Background, since 2007, the share of payments made in cash has declined from 69 per cent to 13 per cent in 2022, with electronic payments making up the other 87 per cent.[59] As cash usage continues to decline, cash acceptance will become less prevalent, as evidenced in the RBA's 2022 Consumer Payments Survey (CPS) which found that in the near future around half of all businesses planned to discourage cash payments.[60] Without intervention, the declining trend of cash usage and acceptance is likely to continue in a self-reinforcing cycle.

The declining trend of cash usage and acceptance in the economy is particularly harmful for a range of groups across Australia including individuals and families living in regional and remote communities,[61] older Australians,[62] low-income households and those experiencing financial hardship,[63] First Nations peoples,[64]

[59] Reserve Bank of Australia (2023), The Evolution of Consumer Payments in Australia: Results from the 2022 Consumer Payments Survey, https://www.rba.gov.au/publications/rdp/2023/2023-08/full.html
[60] Reserve Bank of Australia (2023), The Cash-use Cycle in Australia, https://www.rba.gov.au/publications/bulletin/2023/mar/the-cash-use-cycle-in-australia.html
[61] See generally CHOICE (2025), Submission to Mandating Cash Acceptance consultation, https://consult.treasury.gov.au/c2024-604832/consultation/view/15, and evidence of regional cash use in Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1
[62] See generally National Seniors Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/52 and Combined Pensioners and Superannuants Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/19
[63] See generally Financial Counselling Victoria (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/25
[64] See generally CHOICE (2025), Submission to Mandating Cash Acceptance consultation, https://consult.treasury.gov.au/c2024-604832/consultation/view/15

culturally and linguistically diverse groups,[65] Australians living with a disability,[66] and victim-survivors of family and domestic violence,[67] for the reasons described in section 1.1 and summarised in the table below.

Treasury has also assessed the costs of further reductions in cash acceptance for members of the community in terms of the number of people affected (breadth of impact) and the severity of the impact for affected individuals (intensity of impact).

Summary: Assessment of impacts on cash dependent cohorts

	Digital exclusion	Privacy, safety and welfare concerns	Increased challenges managing financial hardship	Lack of reliable alternative means of payment	Breadth of impact – How many people are impacted within the group?	Intensity of impact – How severe are the impacts?
Regional & remote communities	●			●	High	Medium
Older Australians	●		●		High	Medium
Low-income households			●		High	High
First Nations Peoples	●	●	●		High	High
CALD groups		●			Medium	Medium
Australians living with a disability	●		●		Medium	High
Victim-survivors of family & domestic violence		●			Low	High

Source: Treasury analysis
Notes: Breadth refers to the size of the cohort affected (e.g. high = large population, low = small group).
Intensity measures how severe the impact is for individuals within the cohort (e.g. high = significant hardship or exclusion).

The analysis highlights that for these groups, the consequences are not only broad but can be particularly severe, leading to social and economic exclusion, increased vulnerability, and loss of financial independence. While precise dollar estimates of these impacts are limited, there is substantial qualitative

[65] See generally Multicultural Disability Advocacy Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/35
[66] See generally Multicultural Disability Advocacy Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/35 and Good Things Australia (2024), Australian Attitudes to Getting Online, https://goodthingsaustralia.org/wp-content/uploads/2024/10/Aus-Attitudes-to-Getting-Online-Report-2024-.pdf
[67] See generally Financial Counselling Victoria (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/25

evidence and stakeholder feedback to show that the risk of exclusion is significant and widely recognised, underscoring the importance of mandating cash acceptance for these groups.

4.1.2 Benefits

Under the status quo, businesses will not incur any additional costs. While they may choose to continue accepting cash, they would not have any ongoing legal obligation to do so. In the absence of a mandate, businesses may choose to transition away from cash to avoid the costs of cash handling. The option of going cashless may therefore provide businesses with cost-savings and increased flexibility to transition to innovative, cashless models of operation. Potentially, lower costs could be reflected in lower-priced consumer goods and/or enhanced consumer offerings.

Under the status quo, there are also no additional immediate costs to government relative to current arrangements. However, from the government's perspective, as society shifts away from cash acceptance, the resources required to address the issue at a later point in time will also grow.

4.2 Option 2: Mandating fuel and grocery retailers accept cash

4.2.1 Costs

To estimate the additional costs to fuel and grocery retailers from the mandate, it is necessary to calculate the costs of installing cash-accepting infrastructure (for the subset of retailers that do not already have cash-accepting capabilities) and associated price of cash handling related to this new infrastructure. Costing figures rely on data that Treasury was provided in confidence by one large fuel retailer and one large grocery retailer. Estimates are simplified and have been constructed based on the information Treasury was able to obtain at this time.

Fuel retailers

ACAPMA estimates that fuel retailers operate around 8,162 retail sites across Australia.[68] Most of these are small to medium businesses.[69] All else being equal this means the mandate will apply to a subset of these businesses, so this number represents an upper bound estimate. Further, only small businesses with a turnover of under $10m who are not trading under a nationally recognised brand will be exempt.

Grocery retailers

Treasury analysis found that there are approximately 6,650 grocery retail sites which will be captured in the mandate. This is based on store estimates of the major supermarkets and independent grocery stores, which are expected to have a turnover of more than $10 million.

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[68] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1
[69] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1

Total regulatory costs

Feedback from consultation shows that cash acceptance remains prevalent across the grocery retailing sector,[70] therefore, no additional installation and cash handling costs are estimated to be incurred for the grocery sector. Cash acceptance across fuel retailing also remains prevalent, with the exception of sites for some self-serve (e.g. UGO) and discount (e.g. Costco) models that would need to install a cash-accepting terminal and thus also incur associated ongoing cash handling costs. These models diverge from the majority of fuel retailers, as they currently do not or historically have never accepted cash. This impact analysis therefore conservatively estimates there are around 125 retail sites that fall under these models, which will incur around $5.8 million in total installation and ongoing cash handling costs.

Cost impacts only for fuel retailers who do not accept cash – installation + annual handling	
Fuel	
Installation (one-off)	$ 3,012,375
Cash handling ongoing (annual)	$ 2,754,125
Grocery	$ -
Total	**$5,766,500**

It is also possible to estimate the cost of ongoing cash handling. This represents costs that might otherwise be avoided for ongoing cash handling if the mandate were not implemented and, if in the future, a subset of businesses in the fuel and grocery sectors were to no longer accept cash. In such a scenario, the cost of cash handling would be substituted with the cost of card payments.

Treasury has estimated these costs using the following formula.

Number of mandated retailers by sector that would otherwise become cashless	X	Average annual per store cost for retailers by sector	=	Total estimated annual cash handling costs	–	50% total cash handling costs, as substituted with digital/card payments costs	=	Average estimated annual ongoing cost of mandate to industry

Alt text: Formula used to calculate costs incurred by in-scope retailers. Calculates the annual cash handling costs for in-scope retailers who would otherwise become cashless and deducts 50 per cent of the annual cash handling cost to account for card payment substitution to find the estimated average annual ongoing cost of the mandate to industry.

As noted above, these calculations recognise the potential for a subset of businesses to move to cashless models of operation. In 2021, Square analysed millions of transactions across its sellers, and found that 1 in 4 Australian businesses were operating as cashless.[71] In a 2024 biannual survey of businesses commissioned by AusPayNet of at least 1,000 card-accepting merchants, 1 in 3 respondents expressed plans to stop accepting cash in the future.[72] These figures provide some illustration of the trend of businesses moving to cashless operations. However, they are constructed on an economy-wide basis and should be balanced

[70] MGA Independent Businesses Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/36
[71] Square (2021), Payments and the Pandemic, https://squareup.com/au/en/making-change/2021
[72] Reserve Bank of Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/42

with feedback (as discussed above) that cash-acceptance remains prevalent across the fuel[73] and grocery[74] sectors.

As such, Treasury has calculated a range of costs, with a 'low' scenario where 15 per cent of in-scope retail sites would, in the absence of a mandate, move fully away from cash acceptance to alternative payment methods in the future, and a 'high' scenario of 30 per cent of in-scope retail sites. 15 per cent of in-scope retail sites equates to around 1,800 shopfronts, and 30 per cent of in-scope retail sites is equal to around 3,600 shopfronts. This is a significant number of shopfronts transitioning to cashless over the three-year period before the Government reviews the effectiveness of the mandate, and it is likely a conservative estimate.

The formula above uses the average annual per-store cost of cash handling by sector across the Australian fuel and grocery retail sectors. Treasury has independently obtained this information from a large fuel and a large grocery retailer to account for differences in individual retailers, for instance, geographical location.

A report from the Boston Consulting Group, commissioned by Mastercard, found that cash payments attract twice the cost of accepting card payments for merchants.[75] As such, the annual costs of cash-handling have been reduced by 50 per cent to recognise this substitution effect in the calculation.

Applying this methodology produces a range estimates based on the 15 and 30 per cent assumptions, as set out in the table below.

Estimated annual costs for businesses that would otherwise transition to a cashless model	
Low estimate	$14,157,090 per annum
High estimate	$28,350,180 per annum

These costs are unlikely to place material upward pressure on prices as the majority of in-scope businesses already accept cash. The cost of cash acceptance is therefore largely already included in the current pricing of grocery and fuel goods.

Lower business operating costs in the absence of the mandate are unlikely to have a material impact on pricing. The market structures in both the fuel and grocery sectors over time have raised concerns about the level of responsiveness in pass-through of lower input costs to consumers. This is shown by the work the government and regulators are currently undertaking in relation to supermarket pricing practices[76] and monitoring of the fuel retail cycles.[77] For example, the ACCC's Supermarkets inquiry found that while most grocery price increases from July 2019 to June 2024 appear attributable to increases in input and operating

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[73] MGA Independent Businesses Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/36

[74] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1

[75] Reserve Bank of Australia (2025), Review of Merchant Card Payment Costs and Surcharging, https://www.rba.gov.au/payments-and-infrastructure/review-of-retail-payments-regulation/2025-07/pdf/review-of-merchant-card-payment-costs-and-surcharging.pdf?v=2025-07-14

[76] ACCC (2025), Supermarkets Inquiry 2024-25, https://www.accc.gov.au/about-us/publications/serial-publications/supermarkets-inquiry-2024-25-reports/supermarkets-inquiry-final-report-february-2025

[77] ACCC (2025), Fuel and Petrol Monitoring, https://www.accc.gov.au/by-industry/petrol-and-fuel/fuel-and-petrol-monitoring

costs, at least some of those price increases appear to have resulted in additional profits for Coles and Woolworths.[78]

Government costs

Government would incur costs providing resourcing to a regulator to enforce and oversee compliance with the mandate. It is unlikely that a mandate would be effective without formal and proportionate compliance measures to support. To implement the mandate options, a regulator will need to build community awareness, respond to public queries, undertake compliance and enforcement work including investigations, and administer an exemptions framework.

Appropriate resourcing would enable a regulator to undertake activities to increase awareness of and support compliance with the mandate. This would include developing guidance on the mandate and undertaking relevant engagement with in-scope retailers and industry groups. Such activities would assist both consumers and businesses to understand their rights and obligations under the mandate and would be particularly important given the targeted scope of the mandate.

Given that cash is a valued and accessible payment method, the regulator will likely receive a significant volume of queries from both consumers and businesses about the mandate’s scope and application. It will also likely receive complaints from consumers about businesses not complying with the mandate. The regulator would be required to triage and respond to all contacts made in relation to the mandate, even when they fall outside of the regulation.

Additionally, the regulator will be required to undertake compliance and enforcement activities. This will draw on the expertise of investigative, enforcement and legal staff, who would be required to investigate alleged breaches, and undertake further action where necessary. This could include actions from further engagement with the relevant retailer, graduating through to stronger actions such as applying penalties.

This direct engagement will be particularly intensive for the regulator when administering the exemptions frameworks. These exemptions could be granted where businesses are facing exceptional circumstances or can demonstrate that compliance with the mandate would represent a significant risk to the ongoing feasibility of the business. Given this is a new function, resourcing is needed to establish the governance models around assessing these exemptions and responding to emerging business models and challenges.

These activities provide a basis for understanding the quantum of resourcing required for a regulator after considering the mandate’s scope and levels of community engagement.

4.2.2 Benefits

The benefits of a cash acceptance mandate developed under Option 2 are expected to come in the form of increased social and economic inclusion for cash-dependent cohorts. It is difficult to quantify the benefits of this inclusion. However, it is useful to qualitatively assess the benefits of social inclusion to these cash-dependent cohorts.

Social inclusion

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[78] ACCC (2025), Supermarkets Inquiry 2024-25, https://www.accc.gov.au/about-us/publications/serial-publications/supermarkets-inquiry-2024-25-reports/supermarkets-inquiry-final-report-february-2025

In a 2020 report, the Bank for International Settlements (BIS) recognised that in the context of the digitalisation of payment systems, particular attention should be devoted to promoting responsible innovation that does not exclude disadvantaged segments of the population.[79] Analysis of this report observes that payments are a crucial component of social and financial inclusion, and that access to and use of cash is a 'catalytic pillar' for this inclusion.[80] Further, without convenient access to and acceptance of cash, there is a risk that these segments will be left behind, and would have difficulty coping with a cashless society.[81] A cash acceptance mandate would therefore represent a material contribution to ensuring the social and economic inclusion of cash-dependent cohorts in Australia. As discussed, many of these cohorts maintain a heightened reliance on cash given their experiences and circumstances. A mechanism which preserves the acceptance of cash will ensure that these cohorts can continue to access key goods and services and ensure that innovations to business models or to business payment offerings remain inclusive. These benefits are significant to those who would otherwise be excluded if cash acceptance further reduced.

Cash-dependent cohorts

The 2022 CPS found that 7 per cent of respondents used cash for 80 per cent or more of their in-person transactions.[82] One quarter of respondents to the survey also reported that they would experience genuine hardship or major inconvenience if cash were hard to access or use, regardless of how intensively they used cash. Cash-dependent cohorts and high cash users stand to benefit most significantly from a mandate. As discussed above, cash dependent cohorts include those living in regional communities, older Australians, low-income households, First Nations peoples, CALD communities, Australians living with a disability and victim-survivors of family and domestic violence. These cohorts rely on cash for various reasons, including security and safety, financial independence and budgeting, and accessibility. They would benefit from the ongoing certainty afforded by a mandate that ensures they would be able to pay for their essential goods in cash.

The affected cohorts, and key beneficiaries of government action, are consistent across both Option 2 and Option 3. Population statistics (see below) illustrate how the benefits of a mandate would be distributed across Australia, noting that recency of data varies across cohorts, not all members of a particular group may be wholly reliant on cash, and that a breakdown illustrating varying levels of cash dependency within cohorts is not available at this time. As population measures are largely based on individual characteristics, it is likely some individuals are members of more than one cash-dependent cohort, potentially heightening their reliance on cash. For example, a victim-survivor of family and domestic violence on a low-income may primarily rely on cash for safety and privacy reasons but may also use it as a budgeting tool.

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[79] Bank for International Settlements (2020), Payment Aspects of Financial Inclusion in the Fintech Era, https://www.bis.org/cpmi/publ/d144.pdf
[80] Steve Worthington (2022), What's the role of cash in financial inclusion?, https://www.anz.com.au/bluenotes/2022/09/what_s-the-role-of-cash-in-financial-inclusion-/
[81] Bank for International Settlements (2020), Payment Aspects of Financial Inclusion in the Fintech Era, https://www.bis.org/cpmi/publ/d144.pdf
[82] Reserve Bank of Australia (2023), Cash Use and Attitudes in Australia, https://www.rba.gov.au/publications/bulletin/2023/jun/cash-use-and-attitudes-in-australia.html

Regional communities

In 2024, the total estimated resident population (ERP) of regional and remote Australia was approximately 7.4 million. This represented 27.2% of Australia's total ERP of around 27.2 million, with 17.5% living in inner regional areas, 7.9% living in outer regional areas, 1.1% living in remote areas, and 0.7% living in very remote communities. As discussed above, these communities retain a higher reliance on cash given the unreliability of digital payment systems and therefore stand to benefit from the mandate.

Older Australians

In 2022, there were 4.4 million Australians aged 65 years and over, representing 17.1% of the then population of 25.6 million. At this time, the median gross personal income of older Australians living in households was $490 per week. 39.8% of these older Australians living at home needed some assistance with everyday activities.[83] As established above, cash serves as a key mechanism to ensure that older Australians are not excluded from the financial system, particularly due to digital exclusion, emphasising the benefits they will reap from ongoing certainty of cash acceptance under the mandate.

Low-income earners

In 2022-23, the Australian Council of Social Services (ACOSS) and UNSW found that there were 3.7 million Australians living below the poverty line, representing 14.2% of the population. This was calculated using data from the Melbourne Institute's HILDA Survey for 2022-23 and a poverty line of 50% of median household after-tax income, minus housing costs.[84] As previously discussed, cash enables budgeting for these individuals, and its continued acceptance at retailers providing consumers' basic needs will ensure it can continue to perform this function.

First Nations Peoples

In 2021, around 983,700 people identified as Aboriginal and/or Torres Strait Islander, representing 3.8% of the then total population. Around 244,000 First Nations Australians, or 24.8%, lived in inner regional Australia, 187,200 or 19%, lived in outer regional Australia, 58,700, or 6%, lived in remote Australia, and 92,100, or 9.4%, lived in very remote Australia. [85] Again, as discussed, ongoing cash acceptance safeguards the social and financial inclusion of First Nations peoples and protects against heightened welfare and security concerns that these communities may face in the absence of cash acceptance.

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[83] Australian Bureau of Statistics (2024), Disability, Ageing and Carers, Australia: Summary of Findings, https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release
Note: 'Equivalised household income' is household income adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition.

[84] ACOSS and UNSW Sydney (2025), Poverty in Australia 2025 Overview, https://povertyandinequality.acoss.org.au/wp-content/uploads/2025/10/Poverty-in-Australia-2025-Overview_screen-1.pdf

[85] Australian Bureau of Statistics (2023), Estimates of Aboriginal and Torres Strait Islander Australians, https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-aboriginal-and-torres-strait-islander-australians/latest-release

CALD communities

In 2021, more than 7 million people living in Australia were born overseas, representing 27.6% of the then population.[86] Ongoing cash acceptance will ensure these groups maintain a safe and secure way of paying for their basic needs, as well as ensuring their ongoing comfort in making necessary transactions.

Australians living with a disability

In 2022, 5.5 million Australians, or 21.4% of Australians identified as having a disability, with 7.9% of Australians living with a profound or severe disability. 52.3% of these people were aged 65 years and over.[87] A cash acceptance mandate will present financial inclusion benefits for these individuals and provide them with a level of financial control they may otherwise lack.

Victim-survivors of family and domestic violence

In 2021-22, an estimated 3.8 million Australians reported experiencing physical and/or sexual family and domestic violence since the age of 15. It is estimated that, of all Australian adults, 2.2 million had experienced violence from a partner (current or previous cohabitating), 1.1 million had experienced violence from a boyfriend, girlfriend or date, and 1.4 million had experienced violence from another family member. It was also estimated that 2.4 million Australian adults had experienced economic abuse by a partner since the age of 15.[88] As mentioned, cash serves a critical function for these individuals, who require an untraceable and secure means of payment in many circumstances.

4.3 Option 3: Mandating fuel, grocery, and other non-discretionary retail

4.3.1 Costs

The above Option 2 analysis on the impacts and costs to fuel and grocery retailers applies here but with the addition of other non-discretionary retail businesses. As noted, costing figures rely on data that Treasury was provided in confidence by one large fuel retailer and one large grocery retailer. Estimates are simplified and have been constructed based on the information Treasury was able to obtain at this time.

Other non-discretionary retail

As noted in 3.3, applying the mandate to other non-discretionary retail businesses would mean that pharmaceutical retailers and motoring goods retailers are included in the mandate. Based on 2024 ABS estimates, there are 713 pharmaceutical, cosmetic and toiletry goods retailing businesses, 68 motor vehicle parts retailers, and 85 tyre retailing businesses with a turnover of $10 million or more, who would

[86] Australian Bureau of Statistics (2023), Cultural Diversity of Australia, https://www.abs.gov.au/articles/cultural-diversity-australia
[87] Australian Bureau of Statistics (2024), Disability, Ageing and Carers, Australia: Summary of Findings, https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release
[88] Australian Institute of Health and Welfare (2025), Family, Domestic and Sexual Violence, https://www.aihw.gov.au/family-domestic-and-sexual-violence/resources/fdsv-summary

therefore be included in the scope of the mandate.[89] Treasury estimates that there would be around 9,180 other non-discretionary retail sites in scope of the mandate. This has been estimated using a multiplier which compares ANZSIC fuel retailing business counts to estimated fuel retail sites. The fuel retailing multiplier was used as the lower of the fuel and grocery multipliers.

Under Option 3, the costs for the fuel and grocery retailing sectors as outlined under Option 2 would also apply. Given the lack of information available on cash-acceptance at non-discretionary retail at this time, no additional installation and cash handling costs are estimated to be incurred for the other non-discretionary retailing businesses. As such, the total cost impacts of Option 3 reflect those of Option 2.

Cost impacts only for fuel retailers who do not accept cash – installation + annual handling	
Fuel	
Installation (one-off)	$ 3,012,375
Cash handling ongoing (annual)	$ 2,754,125
Grocery	$ -
Non-discretionary retail	$ -
Total	**$5,766,500**

Similar to Option 2, it is possible to estimate the price of cash handling that might otherwise be avoided if the mandate were not implemented for fuel, grocery and other non-discretionary retailing businesses. These have been calculated using the same methodology that was applied to Option 2, with the addition of other non-discretionary retailing businesses. The assumptions relating to the substitution effect of card payments as well as the portion of in-scope businesses who may have moved to cashless operations in the absence of a mandate apply. Data availability has meant that average annual cash-handling costs per store of other non-discretionary retail businesses has been made equivalent to the average annual cash-handling costs per store of grocery retailers, as the lower annual average per-store cost compared to fuel retailers. To recognise the potentially lower economies of scale which non-discretionary retail businesses maintain relative to fuel and grocery retailers who may process a higher number of transactions, uplift factor of 20 per cent has also been applied to these costs. As noted, these estimates are invective and have been constructed based on the information Treasury was able to obtain at this time.

It should be noted that other non-discretionary retail businesses are likely more variable than the fuel and grocery sectors, and as such, Treasury has constructed these estimates based on the information available at this time. As noted previously, these are not strictly additional costs, given that in-scope businesses currently incur them, and instead represent foregone savings for the subset of businesses which may otherwise have moved to cashless operations.

Estimated annual costs for businesses that would otherwise transition to a cashless model	
Low estimate	$29,640,418 per annum
High estimate	$59,280,835 per annum

[89] Australian Bureau of Statistics (2024), Counts of Australian Businesses, including Entries and Exits, June 2020 to June 2024, https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/jul2020-jun2024

Government costs

To implement Option 3, a broader mandate that includes other non-discretionary retailing businesses, more extensive resourcing would need to be provided to a regulator to fund a higher volume of the activities described above, across a more diverse range of businesses.

While there may be potential scale benefits that come from administering a larger mandate, the broadened scope would also require that a regulator oversee a larger and more complex population of businesses, which may be characterised by unique operational circumstances or structures. Administering the mandate for this group of retailing businesses, in addition to fuel and grocery retailers, is likely to be a complex and resource-intensive activity for the regulator, mitigating any process or expertise-based efficiencies gained from overseeing a larger volume of businesses.

Additionally, the broader scope of Option 3 would likely require primary law amendment to implement. While the use of mandatory industry codes is appropriate under Option 2 given that fuel and grocery retailers are regulated under existing industry codes, it is unclear that a broader mandate could be similarly pursued under industry codes. The development of primary legislation would substantially increase the administrative burden and costs to Government during policy design, legislative drafting and implementation.

4.3.2 Benefits

The benefits of social inclusion apply under this option, and the cohorts who benefit under Option 3 are largely consistent with Option 2. While some consumers may welcome an expanded mandate, as discussed below, there is unlikely to be significant additional benefit to most consumers from expanding the mandate. The regulatory costs that businesses may incur would be disproportionate to the additional benefit that consumers may receive.

4.4 Comparison of benefits and costs

Given the key objectives of the mandate, the options can be assessed against how they well they meet consumer needs while managing costs to businesses.

4.4.1 Meeting consumer needs

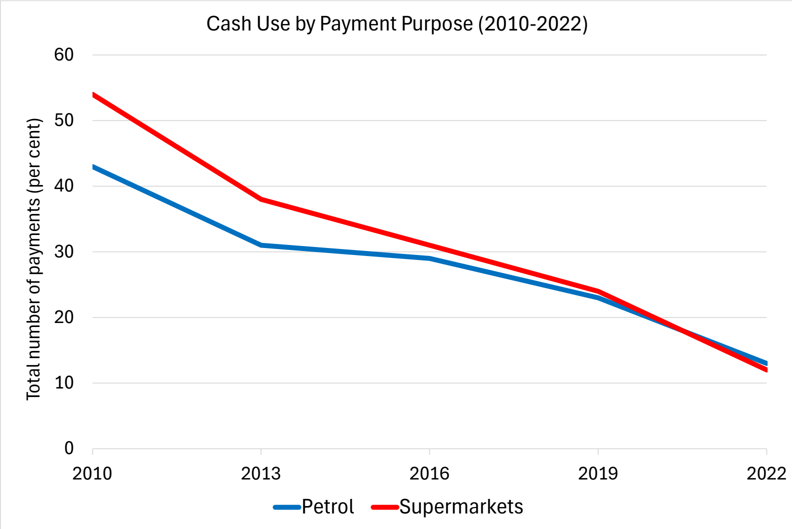
Under the status quo, consumers will not benefit from any ongoing certainty that they will be able to pay for their goods in cash. As discussed, inaction on cash acceptance as envisaged by the status quo is likely to result in the social and economic exclusion of cash-dependent cohorts.

Option 2 proposes a mandate targeted to fuel and groceries. Applying this targeted mandate provides coverage for the significant majority of consumer essentials. This option provides coverage of household essentials as reflected in data available on consumer spending patterns. The ABS's guide to understanding the Monthly Household Spending Indicator estimated that out of every $100 spent in supermarkets, between $70 and $80 is spent on food.[90] Further, the RBA's most recent CPS shows that while cash use has

[90] Australian Bureau of Statistics (2025), Interpreting the Monthly Household Spending Indicator, https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/interpreting-monthly-household-spending-indicator

been in structural decline, some spending categories still see significant use of cash for payments. In particular, the proportion of petrol and supermarket payments made in cash sit at 13 and 12 per cent respectively.[91]

Figure 2 – Cash use by payment purpose



Source: Treasury analysis of RBA calculations, based on data from Colmar Brunton, Ipsos and Roy Morgan Research.
Alt text: Graph showing the trend of payments made in cash for petrol and supermarket purchases between 2010 and 2022. The graph shows that cash payments for both sectors have been declining.

ACAPMA, which represents 95 per cent of fuel distributors and wholesalers in Australia, has noted that cash and fuel cards accounted for around 31 per cent of petrol transactions and 43 per cent of diesel transactions at member businesses during FY24.[92] Applying the mandate to these sectors that currently maintain high cash acceptance will help to limit additional burden on businesses by limiting the costs of setting up cash-accepting infrastructure, while still promoting social and economic inclusion of cash-dependent cohorts.

While fuel retailers are captured under this option, it does not propose bringing electric vehicle (EV) charging stations in-scope. EV charging has not been included in the mandate at this time given EVs currently represents only around 1.5% of Australia's national vehicle fleet.[93] Furthermore, current owners of EVs tend to have high levels of digital literacy (where the Electric Vehicle Council study found 83% of

[91] Reserve Bank of Australia (2023), Consumer Payments Explorer, https://www.rba.gov.au/payments-and-infrastructure/consumer-payments-explorer/
[92]Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1
[93] Electric Vehicle Council (2024), State of Electric Vehicles 2024, https://electricvehiclecouncil.com.au/reports/state-of-evs-2024/

respondents chose to buy an EV for its technology),[94] and a large majority (70-85%) of owners chose to charge their car at home.[95]

Beyond fuel and groceries, there was no clear consensus on what essential goods and services should be included in the mandate. Option 3 would progress an expanded cash acceptance mandate, which targets fuel and grocery retailers as well as other non-discretionary retailing businesses. Expanding the mandate to these businesses is unlikely to make a material contribution to meeting consumer needs, given consumer feedback discussed below.

The structuring of the pharmaceutical market means that most businesses will be exempt small businesses. ABS estimates show that as at June 2024 there were 8,831 pharmaceutical, cosmetic and toiletry goods retailing businesses in operation, however only 713 of these maintained a turnover of $10 million or more.[96] While there is some community consensus that pharmaceuticals are essential components of household spending, they were generally attributed less importance than fuel and groceries by stakeholders during consultation. As such, there are likely to be diminishing returns to consumers from including other non-discretionary retail, particularly given the regulatory costs discussed above.

Further, there was no significant demand for motoring goods, such as motor vehicle parts or tyres, to be included in the mandate during consultation. Rather, in general terms, during consultation consumers generally raised the necessity of petrol being included in the mandate. Similar to pharmaceutical retailing, most motoring goods retailers would be excluded from the mandate given the small business exemption. At June 2024, ABS estimates show that there were 2,829 motor vehicle parts retailing businesses in operation, however only 68 of these maintained a turnover of $10 million or more.[97] There were 2,178 tyre retailing businesses, with only 85 of these maintaining a turnover of $10 million or more.[98] Therefore expanding the mandate to include other businesses classed as non-discretionary retail would not significantly increase consumers ability to pay in cash due to the likely number of sites under the threshold.

Under Option 3, application of the mandate to other non-retail, non-discretionary components of spending, such as utilities, was considered. However, there are existing arrangements for these sectors. Post Billpay is available at over 3,500 Australia Post retail outlets,[99] and enables consumers to pay in cash for over 1,000

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[94] Electric Vehicle Council (2022) Insights into electric vehicle ownership, https://electricvehiclecouncil.com.au/wp-content/uploads/2022/09/EVownerinsights.pdf

[95] Australian Energy Regulator (2023), EV Owner Demographics and Behaviours, https://www.aer.gov.au/system/files/2023-12/Ausgrid%20-%20Revised%20proposal%20-%20EVenergi%20-%20Att.%205.7.5%20-%20EV%20owner%20demographics%20and%20behaviours%20-%2030%20Nov%202023%20-%20Public_0.pdf

[96] Australian Bureau of Statistics (2024), Counts of Australian Businesses, including Entries and Exits, June 2020 to June 2024, https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/jul2020-jun2024

[97] Australian Bureau of Statistics (2024), Counts of Australian Businesses, including Entries and Exits, June 2020 to June 2024, https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/jul2020-jun2024

[98] Australian Bureau of Statistics (2024), Counts of Australian Businesses, including Entries and Exits, June 2020 to June 2024, https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/jul2020-jun2024

[99] Payments Consulting Network (2021), Q&A with Deame Keetelaar at Australia Post, https://paymentsconsulting.com/qa-with-deanne-keetelaar-at-australia-post/

types of bills, including for gas, electricity, phone, council rates and insurance services.[100] This service allows consumers to pay for non-discretionary components of their spending in cash, where these businesses do not maintain physical shopfronts. Moreover, Post Billpay supports existing payment method obligations of such businesses. For example, the Australian Energy Council notes that energy retailers have an existing obligation to accept in-person payment under Rule 32(1)(a) of the National Energy Retail Rules (NERR).[101] Further, electricity and gas provider ENGIE (formerly Simply Energy) noted that energy retailers would only be able to comply with a mandate through an intermediary like Australia Post, given that they do not maintain shopfronts.[102] If the mandate was applied to these businesses, it would likely only be formalising existing arrangements. Given these existing arrangements, extending a direct cash acceptance mandate to these sectors is unlikely to make a significant contribution, if any, to meeting consumer needs.

Both Options 2 and 3 would apply the mandate to in-person transactions (i.e. not online purchases). Doing so makes intuitive sense to consumers, and this parameter was widely supported through consultation, as is further elaborated on in chapter 5. These payments would be subject to a $500 limit, which is sufficiently high to accommodate most consumer transactions. A 2025 survey by Canstar of 2,879 shoppers found Australian households spend $178 on groceries on average per week.[103] Finally, ensuring that the small business exemption does not cover independent businesses with a turnover under $10 million but which operate under nationally recognised brands will create clarity for consumers around application of the mandate.

4.4.2 Managing costs to business and government

As discussed, the status quo would mean that businesses are not under any ongoing obligation to accept cash as a payment method and may transition to a cashless model of operation to avoid cash handling costs. However, should these businesses choose to move away from accepting cash, they would still incur costs to maintain their remaining payment methods. Government would not incur any additional costs under the status quo as it would not be required to resource a regulator, however, as noted, the resources required to address the problem of social exclusion arising from reduced or non-existent cash acceptance at a later date would grow.

Option 2 would mean that fuel and grocery retailers are under an ongoing obligation to accept cash. However, the majority of these businesses do currently maintain high rates of cash acceptance, meaning that the mandate would largely seek to retain current practice for these businesses. In February 2025, MGA Independent Businesses Australia (MGAIBA) which represents thousands of independent grocery outlets across Australia, including IGA, FoodWorks and SPAR, conducted a survey of its members. MGAIBA found that 100 per cent of its members currently accept cash, and 100 per cent intend to keep cash as an option for customers in the future.[104] As noted above, cash continues to be accepted at fuel retailers, accounting

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[100] Australia Post (2025), Pay a bill with Post Billpay, https://auspost.com.au/money-insurance/banking-and-paying-bills/pay-bills-with-post-billpay
[101] Australian Energy Council, Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/5
[102] ENGIE (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/22
[103] Canstar Blue (2025), What is the average grocery bill?, https://www.canstarblue.com.au/groceries/average-grocery-bill/
[104] MGA Independent Businesses Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/36

for between 12 and 35 per cent of total transactions made across both metropolitan and regional and rural service stations.[105] ACAPMA has expressed their support for the mandate, noting that cash remains essential for fuel and groceries,[106] and 93 per cent of MGAIBA members surveyed agreed that cash acceptance should be mandatory.[107] Notably, fuel retailers would not include businesses that do not sell automotive unleaded petrol. This carveout reflects the consumer-focused nature of the mandate, and ensures that fuel retailers who primarily service other businesses are not unnecessarily impacted. This feedback demonstrates the ability of Option 2 to manage additional costs to business.

For the subset of fuel retailers that do not currently have the ability to accept cash, Option 2 would incur estimated additional, actual one-off costs of $5,766,500 for the installation of cash accepting terminals and uptake of cash handling costs for fuel retailing businesses. Option 2 also estimates potential annual costs in the range of $14,175,090 to $28,350,180 for ongoing cash handling which might otherwise be avoided if the mandate were not implemented, recognising the substitution effect of card payments and based on the assumption that 15 (low) or 30 (high) per cent of in-scope businesses would have moved to cashless operations in the absence of the mandate.

Option 3 would incur the same estimated additional, actual one-off costs of $5,766,500 for the installation of cash accepting terminals at fuel retailing businesses. Option 3 also estimates potential annual costs in the range of $29,640,418 to $59,280,835 for ongoing cash handling which might otherwise be avoided if the mandate were not implemented, again noting the assumptions outlined above. However, limited information on the operations of other non-discretionary retail was available at this time, including on existing rates of cash acceptance. As such, while cost estimates were constructed based on best endeavours, this lack of information means that the regulatory burden of Option 3 may underestimate its real impact to and costs on additional non-discretionary retailing businesses.

Application of the mandate to other non-discretionary retail at this time could result in poor outcomes for businesses, given that they are more variable and may face unique operational circumstances. For example, the challenges of the pharmaceutical retailing sector would require significant investigation before inclusion in the mandate. The Independent Payments Forum (IPF) noted that pharmacies may report a relatively high annual turnover due to processing of high-cost medicines and supported strong consideration of these sector specific examples.[108] COSBOA further noted the importance of recognising these sector specific issues, again citing the impacts of higher pharmacy turnover due to sales of high cost, low margin medicines.[109] A mandate with an expanded scope, as proposed under Option 3, will struggle to manage costs to business, particularly given the variable or less consolidated nature of non-discretionary retail businesses and their distinctive operating circumstances.

[105] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1
[106] Australasian Convenience and Petroleum Marketers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/1
[107] MGA Independent Businesses Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/36
[108] Independent Payments Forum (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/31
[109] Council of Small Business Organisations Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/18

Beyond scope, Options 2 and 3 both propose a range of design features to manage costs of the mandate on business. The small business exemption will work to manage the costs to small businesses, and recognise their limited capacity to spread cash handling costs across a large customer base, or to absorb these costs without placing upwards pressure on consumer prices. While the small business exemption will not cover small businesses which operate under nationally recognised brands for the purposes of consumer clarity, small businesses who do not wish to accept cash could remove the brand and be eligible for the small business exemption. Prominent small business advocates, including the Council of Small Business Organisations Australia (COSBOA) and the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) have expressed strong support for a small business exemption.[110]

Further, historical RBA data from 2014 on the cost of cash acceptance for small-to-medium enterprises (SMEs), indicates that cash-handling costs per transaction for SMEs were significantly higher than large enterprises, with costs of $0.66 per transaction for SMEs compared to $0.28 for large enterprises.[111] This difference likely persists today given inherent differences in scale available for back-office processing, fraud prevention and theft to spread fixed costs across fewer transactions. More recent research by Square in 2018 estimates that small and medium businesses (SMBs) incurred around $8.7 billion in annual staff wages for handling, counting and banking cash, with more than two thirds of SMBs acknowledging that storing cash onsite is a security risk for their business.[112] These costs emphasise the importance of the small business exemption, and demonstrate how it works to limit industry-wide impacts of a mandate.

The small business exemption will mean that many businesses are exempt from the mandate. ABS estimates show that as of June 2024 there were 2,612,144 businesses with a turnover of less than $10 million, compared to 50,854 businesses with a turnover of $10 million or greater.[113] Of this, there were 3,415 fuel retailing businesses with a turnover of less than $10 million, compared to 500 with a turnover of $10 million or greater. There were also 9,083 supermarket and grocery stores with a turnover of less than $10 million, compared to 556 supermarket and grocery store businesses with a turnover of $10 million or greater. Treasury consultation showed, however, that the mandate would not impact cash acceptance at many small businesses as they are generally guided by customer demand and preferences to pay in cash, rather than any initiative of Government. Larger supermarkets are more likely to proactively nudge consumers to lower cost forms of payment by using techniques not available without significant market and consumer research. Further, notwithstanding the small business exemption, the mandate will apply to a significant proportion of fuel and grocery retailers nationwide, ensuring widespread cash acceptance for essential goods. Large fuel networks and supermarket chains operate across metropolitan, regional and remote areas, and businesses with turnover above $10 million typically possess the scale to readily absorb cash-handling costs, compared to small businesses, with most operating as part of major retail networks.

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[110] Council of Small Business Organisations Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/18 and
Australian Small Business and Family Enterprise Ombudsman (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/9

[111] Council of Small Business Organisations Australia (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/18

[112] Square (2018), The Real Cost of Cash for Small Businesses, https://squareup.com/au/en/the-bottom-line/managing-your-finances/cost-of-cash

[113] Australian Bureau of Statistics (2024), Counts of Australian Businesses, including Entries and Exits, June 2020 to June 2024, https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/jul2020-jun2024

Furthermore, the inclusion of an additional exemptions framework will assist in managing costs to business and accords with stakeholder feedback. This framework recognises the impacts of complying with the mandate in circumstances outside of a retailer's control and on their business feasibility.

The transaction limit of $500 also manages the mandate's impacts on business, and Next Payments and NAB both advocated for a $500 limit to the mandate[114] The time limit of the mandate was supported by AusPayNet and the Australian Retailers Association (ARA)[115], and will complement the transaction limit in promoting safety and security for in-scope retailers, and avoiding unintended consequences such as forced business closures due to excessive risk burden.

The review mechanism will provide businesses with confidence that the mandate continues to accurately reflect consumer demand and support their payment preferences. ACCI, COSBOA and MGAIBA submitted in support of the benefits of a review mechanism during consultation.

Both Options 2 and 3 would incur government costs via regulator resourcing, with Option 3 attracting a larger resourcing burden to reflect the expanded scope of mandated businesses proposed.

4.4.3 Assessment of options

On comparison of the benefits and the costs incurred under each option, Option 2 is the preferred option. Option 2 will ensure that consumers, particularly those who are cash dependent, can pay in cash for the absolute basic needs of fuel and groceries to meet the social and economic inclusion objectives of the mandate. A mandate targeted to these sectors would provide greater net benefits to consumers that a more expanded mandate while balancing impacts on regulated businesses. At this time, it is unclear that an expanded mandate under Option 3 would provide a significantly greater contribution to consumer inclusion needs, therefore noting that the costs incurred under an expanded mandate are expected to be higher for businesses, the net benefit of Option 2 will be greater.

Option 2 also presents several implementation benefits, noting that the mandate is scheduled to commence on 1 January 2026. The fuel and grocery sectors maintain strong industry associations which are supported by a significant proportion of industry members. This will enable and promote consistent and efficient compliance with the mandate. Major supermarkets and fuel retailing businesses also already operate under existing industry codes, which will function as a strong foundation for implementation of codes which mandate cash acceptance.

[114] Next Payments (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/38 and NAB (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/37

[115] AusPayNet (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/11 and Australian Retailers Association (2025), Submission to Mandating Cash Acceptance, https://consult.treasury.gov.au/c2024-604832/consultation/view/8

5. Consultation

Treasury undertook extensive community consultation to inform the policy design of the mandate. Feedback received has assisted Treasury to better understand the needs of cash-users and the impacts of a potential cash acceptance mandate on businesses.

5.1 Public consultation

From 19 December 2024 to 14 February 2025, Treasury ran the *Mandating Cash Acceptance* public consultation process. During this period, Treasury consulted with a wide range of stakeholders, receiving views from industry organisations and peak bodies, payment system operators, utilities, consumer advocates, academics as well as state, territory and local governments. Treasury also completed in-person consultation in regional Australia, receiving feedback from stakeholders in Mildura, Ballarat, Darwin, Townsville.

Treasury received over 4,000 individual submissions and over 61 organisational submissions in response to its mandate consultation. These came from a broad range of persons and entities. Following this process, Treasury undertook consultation on exposure draft regulations for the mandate from 17 to 7 November 2025, including through bilateral meetings with key stakeholders. Treasury received over 3,500 individual submissions and over 50 organisational submissions in response to consultation on exposure draft regulations for the mandate.

5.1.1 Key themes and findings

Stakeholder feedback showed strong support for the objectives of a cash acceptance mandate. There was consensus among both individuals and organisations that cash remains an important payment method, with recognition that Government has a role to play in ensuring that cash remains accessible and viable as a payment method.

Essential goods and services

Stakeholders generally did not support the framework for essential goods and services proposed by Treasury. They viewed the proposed definition as not fit-for-purpose and raised concerns that linking essential goods to non-discretionary and absolute basic needs as per the ABS CPI frameworks and Melbourne Institute research did not translate well to a cash acceptance mandate. For example, these frameworks classified children clothing as essential, whereas adult clothing was not and this was unintelligible to stakeholders. Further, many stakeholders, including FVC, expressed general discomfort with Government attempting to exhaustively decide what should be considered 'essential' for individuals. Stakeholders submitted that defining 'essential' is subjective and varies by individual, location, and can change over time based on different circumstances and events (e.g. during a natural disaster).

Stakeholders also raised practical concerns around how this element of the mandate would work. In particular, stakeholders questioned how the mandate would apply to businesses selling both essential and non-essential goods, particularly where a business sells items both in and out of scope of the mandate (e.g. a bakery selling essential bread and non-essential cakes). Additionally, feedback noted the potential for this element to give rise to unintended consequences. An 'essentials' based mandate could discourage businesses from supplying essential goods because they must accept cash (e.g. a newsagent selling eggs and milk).

Stakeholders did not coalesce around an agreed list of essential goods or services to which the mandate should apply.

Dollar and/or time limits

Stakeholders generally did not express strong views on dollar or time limits. Where stakeholders did support a limit, they generally preferred a dollar limit over a time limit, however some industry associations supported a time limit for safety and security reasons. Stakeholders noted that any dollar limit must be sufficiently high to allow consumers to purchase necessary goods and services, but not too high as to impose unnecessary cash-handling burdens on business. Suggestions for dollar limits ranged between $200 and $10,000.

In-person payments

Stakeholders were broadly supportive of the mandate applying to in-person payments, with consumers easily understanding the limitation of not being able to use cash for online payments against in-person at a physical shopfront. Further, while stakeholders were generally supportive of the mandate applying in the case of person-to-machine payments, they did note the costs associated with enabling and maintaining cash-acceptance at these machines.

Some stakeholders highlighted the potential impact of this element on third-parties or 'intermediaries' involved in a transaction. Feedback noted that the proposed mandate design may impact on third-party payment providers and services, like Australia Post's BillPay offering.

Further, stakeholders wanted to understand the extent to which this element of the mandate would apply. For example, whether a single cash-accepting register at a grocery store with twenty self-service terminals would amount to compliance with the mandate. Some stakeholders advocated for a more flexible approach to the application of the mandate. For example, the Insurance Council of Australia queried whether producers and/or suppliers of the essential good or service would be responsible for ensuring compliance with the mandate, or whether intermediaries would be subject to enforcement action if they failed to meet the mandate's obligations.

Small business exemption

The proposed small business exemption attracted mixed views. Small business representatives, including COSBOA and ASBFEO strongly supported the exemption to minimise the costs of cash-handling on small businesses. Individual submissions generally did not support the exemption, and instead preferred a mandate applied on a more 'universal' basis. Similarly, consumer advocates including CHOICE did not support the exemption, noting that it may have unintended consequences and isolate regional and remote communities.

During Treasury's in-person consultations in regional areas, many stakeholders noted that the exemption may not be taken up by small businesses that already accept cash. Feedback suggested that where there is customer demand, particularly in regional areas, businesses would continue to accept cash regardless of any mandate.

Stakeholders generally considered a $10 million annual turnover threshold to be more appropriate than alternative measures, such as an employee headcount, when defining a ‘small business’. There were, however, queries about when turnover would be measured – for example, on a yearly basis – and how the mandate would apply to businesses with fluctuating turnover.

Potential other exemptions

Suggestions for specific additional exemptions from stakeholders were limited. There was a general view the mandate should adhere to a clear and understood framework to meet its objectives. Some organisational submissions suggested exemptions be sought for businesses facing extenuating or difficult circumstances, including financial hardship, security concerns or issues accessing cash.

Government application

Stakeholder views on the mandate applying to government businesses was mixed. Individual submissions broadly supported the mandate applying to all government agencies, even when government was not carrying on a business. Organisations maintained more diverse opinions on application to government, with many noting the difficulties for hospitals and schools to handle cash, and others noting the community expectation that government would hold itself to the same standard that it was mandating on business.

Enforcement and education

Stakeholder views on appropriate enforcement measures were mixed. Some stakeholders were supportive of public enforcement with a regulator and strong reporting mechanisms. Other stakeholders proposed self-regulation and opposed strict enforcement measures as potentially creating additional costs on businesses as it would attract vexatious litigants. There was a general view that businesses should not be penalised if their ability to comply with the mandate is limited by poor access to cash (e.g., cash-in-transit disruptions, bank branch closures). Many submissions noted that businesses subject to the mandate should be required to display signage indicating they are subject to the mandate. There was strong support across the board for robust education and awareness campaigns on the mandate.

Supporting measures

There was strong support for measures which would support a cash acceptance mandate. Organisational and individual submissions expressed a view that the mandate would only be achievable, and therefore effective, with robust supporting measures to ensure affordable access to cash and cash distribution. Some stakeholders noted a willingness to accept cash but faced an inability to readily deposit and withdraw larger amounts of cash. Feedback also noted that where banks did retain branches, they often did not hold enough cash or coins, or had moved to be ‘cashless’.

Stakeholders were particularly concerned about access to cash in regional areas. Consultation highlighted that bank branch and ATM closures can have a compounding effect on regional businesses (e.g. due to the distance to alternatives) and consumers who may already be excluded from the economy in other ways. In some regional areas, the local pub, club, service station or post office was the only provider of cash in town. Hotels generally recycled cash through their businesses and ATMs themselves, however, this did not displace the need for traditional banking services.

Stakeholders also raised broader concerns about cash distribution, noting the high costs of distributing cash, particularly to regional areas. The lack of incentive for distribution businesses to innovate given the structural decline in demand for cash was recognised. Some stakeholders advocated for direct Commonwealth Government funding or subsidies to the cash-in-transit sector.

There was general recognition that any supporting measures would not be costless. Some stakeholders advocated for cost-sharing among the biggest actors in the cash-distribution system, including banks and supermarkets. Stakeholders were generally keen for fee-free access to cash and noted that Government should progress work to ban surcharging on cash.

Treasury also undertook in-person consultation across major regional centres, including Mildura, Ballarat, Darwin and Townsville, as well as in Adelaide. Treasury met with the Mildura Business Network, Mildura Heart (Retail Traders Association), Lower Valley Water, Mildura Rural City Council, Ballarat Chamber of Commerce, Council of the Ageing (COTA) NT, Townsville Enterprise and the Townsville Chamber of Commerce.

While the views expressed were largely consistent with public feedback received in response to the consultation paper, these consultations offered valuable insights into the use of cash within communities 'on the ground'. Stakeholders emphasised strong support for a cash acceptance mandate and generally recognised the important and ongoing role that cash plays in their community.

Cash is a valued payment method with an ongoing role

Stakeholders noted that cash remains a highly valued payment method, with consumers understanding how it can be used to complement digital payment methods. The cash dependency of particular groups was highlighted. Older Australians and First Nations communities were noted to be high-cash users, who relied on the form of payment to participate in economic and social life. For these groups, cash was not viewed as an option but a necessity.

Further, stakeholders noted the diverse roles of cash. This included the importance of cash for people with little to no digital literacy. Online scams were of significant concern to people in regional communities, with cash functioning as an easily understood and secure payment method. Cash was recognised as a highly resilient method of payment in the event of digital outages and weather events. Some stakeholders in the Northern Territory noted that power outages and weather events can occur once or twice a week during the monsoon season. Cash was also recognised as a useful tool for budgeting within these communities.

Mandate should prioritise clarity for consumers

Stakeholders called for clarity around the proposed definitions of essential and non-essential goods. They generally found that the ABS frameworks would struggle to be translated by consumers and would negatively impact community comprehension of the mandate. Stakeholders also called for the mandate to apply to all business structures, rather than just corporations. Again, they viewed this position as confusing, noting that the mandate should prioritise clarity for consumers.

Small businesses are guided by customer preferences

Stakeholders noted the dominance of small businesses outside of metropolitan areas. There was general consensus that cash acceptance gives small businesses a competitive advantage, and that an acceptance mandate would likely not impact the decision of these merchants to accept cash or not. Rather, these businesses are guided by customer demand and preference.

There was recognition that small business cash handling costs can vary by business type and transaction volumes. Businesses with low cash transaction volumes can more easily absorb these costs, as it typically involves administrative staff depositing cash at the bank. Lower frequency of cash transactions was noted to reduce the security and infrastructure needs for these businesses with high transaction volumes accordingly resulting in significant handling costs.

Government should take a holistic view of the cash ecosystem

Stakeholders noted that Government should take a holistic approach to policy development of a cash acceptance mandate, considering other factors at play in the cash ecosystem and digital inclusion efforts. Regional bank branch closures were highlighted as a key concern. These were observed as having a detrimental impact on communities as increased digitisation hollows out central business districts and causes impacts on small businesses that operate in these areas. Moreover, stakeholders encouraged the Government to reinforce adequate access to cash on fair and reasonable terms, to support businesses to effectively implement and comply with an acceptance mandate. Stakeholders noted their concerns with the reduction in cash access points in regional communities.

Stakeholders also raised general concerns that communities were being nudged towards a cashless society by increasing fees being embedded into the cash handling system.

5.2 Evaluation of the consultation process

5.2.1 How feedback was incorporated into policy design

Treasury received a significant amount of feedback through the consultation process which has informed the policy design of the mandate.

Treasury initially proposed that the mandate should apply to essential goods and services, with in-scope items defined with reference to ABS CPI frameworks and Melbourne Institute Research. Stakeholders found this framework did not translate well to the mandate and were generally uncomfortable with Government seeking to exhaustively define goods and services as essential or non-essential. It was also apparent that the proposed frameworks would adversely impact consumer understanding and business application of the mandate. Therefore, the policy options do not seek to rule businesses in or out of scope based on those frameworks but rather explore the mandate’s application to sectors for which there was broad community consensus. The options proposed seek to protect consumers’ ability to pay in cash when accessing basic household needs and services, without causing consumer confusion or unduly impacting business understanding.

Stakeholders generally preferred a dollar limit over a time limit; however, some did not view a limit as necessary at all. The two policy options propose a $500 transaction limit and a time limit for operation of the mandate between 7am and 9pm. While a transaction limit would work to mitigate the impact of the mandate on in-scope businesses by managing expectations around the volume of cash that businesses must hold and potentially alleviating safety concerns, it could represent a limiting of the mandate’s application. A $500 limit seeks to appropriately reflect consultation feedback, that the limit should be high enough for consumers to pay for key essentials to a meaningful level while not creating unnecessary costs or safety concerns for business. A time limit reflects feedback from industry associations, who noted the importance of a time limit for safety and security reasons, as well as the potential for unintended consequences such as forced store closures at certain hours if a time limit was not introduced.

It was uncontroversial that the mandate should apply to in-person payments, and Options 2 and 3 reflect this view. Consultation feedback did, however, highlight the need for in-person payments to be offered on a reasonable basis, with businesses accepting cash at a level that accords with its size and nature. As such, the mandate is proposed to apply to certain businesses where there is the offer of in-person payment but will recognise what is proportionate to particular circumstances. Restricting the mandate to in-person payments will also work as a suitable way to carve out businesses where compliance with the mandate would present significant security risks or mark a departure from existing accepted practice, such as at service stations operating after-hours.

The proposed small business exemption attracted a range of views. While some stakeholders were supportive of the exemption, others expressed concern around its potential unintended consequences. In-person consultation, however, suggested that decisions by small businesses to accept cash would not be materially influenced by an acceptance mandate. As such, Option 2 and Option 3 propose that the exemption is retained. A small business exemption recognises the limited capacity of these businesses to absorb costs, while considering the factors that impact their operational decisions.

An additional exemptions framework has also been proposed across both Options 2 and 3, to reflect feedback from stakeholders that businesses should not be required to comply with the mandate in extenuating circumstances, or where compliance would represent material negative impacts on access to a good or service in a community. This framework would empower the regulator to grant additional exemptions where businesses were facing exceptional circumstances, such as a natural disaster or disruption to cash distribution, or where compliance would represent a material risk to the business's feasibility.

Individuals who advocated for a more universal mandate proposed that all government entities should be required to accept cash, going beyond Treasury's proposed application to Government only when it was carrying on a business. However, broader stakeholder consultation highlighted that applying the mandate to Government businesses or administrative activities may present significant implementation challenges, and undermine efforts taken by various government entities to modernise their payment systems and transactions for public efficiency or security reasons. Given these challenges, neither policy option seeks to apply the mandate to Government entities. Should a decision be taken in the future to extend the mandate to government businesses, further engagement is needed to better understand the specific impacts which could ensue to these entities and ensure that there are material benefits to consumers which do not outweigh costs.

While industry stakeholders generally proposed a light-touch approach to enforcement, other stakeholders were strongly supportive of public enforcement, backed by a regulator, and robust awareness campaigns to support the mandate. Treasury considers it is unlikely that a mandate will be effective without formal and proportional enforcement measures to support its application. As such, both policy options propose that the mandate is overseen by the ACCC and supported by appropriate enforcement mechanisms, including penalties where necessary.

Finally, there was broad stakeholder support for measures which support businesses' and consumer access to cash, as well as cost-effective cash distribution. In some cases, compliance with the mandate would not be achievable without supporting measures. Alongside the mandate, the Government is progressing work with industry to ensure the health of the cash ecosystem more broadly. In February 2025, the Government secured commitments from the major banks for a moratorium on regional branch closures before 31 July 2027. The Government also asked the banking sector to increase its commitment to and investment in regional banking through new agreements between Australia Post and the big four banks regarding Bank@Post. The CFR and the ACCC are working to develop a regulatory framework to support the long-term sustainability of the cash distribution system. Finally, while the policy options do not propose a cash surcharge at this time, Treasury will monitor the risk of industry proposing such a cost.

5.2.2 Limitations

Many of the individual submissions Treasury received were made in response to local news and radio coverage of the Government's proposed mandate, without reference to the consultation paper. This meant that many submissions did not engage with the specific policy parameters proposed by Treasury and rather asserted general support for cash.

The public consultation began on 19 December 2024 and concluded on 14 February 2025, seeking to balance the consultation coinciding with major holiday celebrations through a longer consultation time fame (to reduce impacts on stakeholder capacities). Similarly, the consultation on exposure draft regulations occurred over a period of 2 weeks in October 2025 given time constraints in the legislative development process.

The CFR and ACCC undertook consultation regarding regulatory arrangements to support the long-term sustainability of the cash distribution system between 16 July 2025 and 15 August 2025. The sequencing of this consultation, subsequent to initial consultation on the mandate, may have hindered otherwise useful community understanding of the pressures facing the cash distribution sector, including challenges to the economics of providing cash services across Australia.

6. Chosen option and implementation

6.1 Implementation of Option 2 – Mandating cash acceptance for fuel and grocery retailers

Option 2 is preferred. Cash acceptance across the fuel and grocery sectors is expected to present the greatest benefit to consumers who will be able to pay in cash for key essential items, while minimising unnecessary regulatory burden on additional sectors.

Option 2 would be implemented via regulations in the form of prescribed industry codes under the *Competition and Consumer Act 2010* (CCA), commencing on 1 January 2026. It would prescribe cash acceptance for fuel and grocery retailers, limit the mandate to in-person transactions of $500 or less, to operate between the hours of 7am and 9pm, and exempt small businesses with an aggregate turnover of under $10 million. The small business exemption will not be available to independent businesses with a turnover under $10 million which operate under nationally recognised brands.

An additional exemptions framework would also be established for the regulator to provide exemptions to compliance with the mandate in exceptional circumstances. This may include, for example, circumstances where there has been a significant disruption to cash distribution or a natural disaster has occurred, and there would be substantial barriers to compliance with the mandate. This framework would also be able to provide exemptions on a case-by-case basis where the costs associated with compliance with the mandate pose a significant risk to the ongoing feasibility of the business.

The ACCC will be the regulator responsible for overseeing compliance with the mandate. The ACCC maintains existing enforcement powers under the CCA to administer mandatory industry codes, making it well placed to support implementation and enforcement of the mandate. The ACCC will be able to harness various measures in its compliance and enforcement toolkit, including issuing infringement notices and public warnings, as well as seeking civil penalties through the courts where appropriate. These mechanisms will ensure proportionate and graduated enforcement of the mandate. A transitional compliance period of 6 months from the 1 January 2026 commencement is proposed to assist businesses to prepare for the mandate, while lowering compliance risks.

Progressing a targeted mandate now will benefit consumers, while importantly recognising stakeholder feedback that cash access and distribution needs to be sustainable before the mandate applies to other goods and services. The Council of Financial Regulators (CFR) and the ACCC are currently undertaking work on a regulatory framework to stabilise the cash distribution system, addressing both access and pricing. Treasury is also working with regulators and industry on longer-term options for regional banking to ensure sufficient points of cash deposit and withdrawal for regional communities after the major bank moratorium on branch closures ends on 31 July 2027.

The regulations would need to be approved by the Executive Council to commence by 1 January 2026.

7. Measuring success

7.1 Review of the mandate

The mandate will be subject to review 3 years from commencement. This review will consider the operation of the mandate, including its effectiveness in achieving its primary objective of social and economic inclusion, and assess the extent to which the mandate's scope and design have contributed to safeguarding consumers' ability to pay with cash for essential purchases. The review would also examine whether the exemptions framework remains fit for purpose, or whether emerging business models or trends necessitate a revision of the design and application of this framework.

The review will consider the evolution of trends in cash acceptance, as well as developments in other parts of the cash ecosystem, including the cash distribution sector and the presence of cash access points. The review will also consider trends in compliance with and enforcement of the mandate and seek to understand the effectiveness of penalties and other regulatory powers.

A period of 3 years provides sufficient time for meaningful review of the mandate's operation, particularly noting that the mandate will be subject to a transitional period of 6 months from 1 January 2026. In addition, this period would enable the review to consider the impact of Government and industry efforts to stabilise the cash distribution sector. The review will not be codified into the proposed regulations, with the precise terms of the review to be finalised at a later stage. This maximises flexibility for the review, and helps to limit the risk that consumers perceive a review deadline as an 'expiry date' for cash and its acceptance.

A public review was widely supported by industry stakeholders during consultation, including ACCI, COSBOA and MGAIBA. The review mechanism will be paramount in providing businesses with confidence that the mandate continues to accurately reflect consumer demand and support their payment preference.

7.2 Monitoring and data

Cash payments are more difficult to monitor than electronic payments, as there is no digital trail or easily accessed data. The RBA conducts consumer payment surveys every three years which provide the most accurate data due to all transactions being journalled over a period. This data could be used to inform a public review, with potential for a particular enhanced focus on trends in cash acceptance and cash payment.

The Australian Prudential Regulation Authority (APRA) also publishes annual points-of-presence data, which can be useful to identify the change in access to cash services such as ATMs, bank branches and cash-out facilities. This data can be used to identify potential shortfalls in the availability of cash deposit and withdrawal facilities, which are vital to both consumers and businesses who use cash payments.