

# CHOICE



31 October 2025

The Treasury  
Submitted via online portal

**To the Department**  
**RE: Mandating Cash Acceptance - Draft Regulations**

Thank you for the opportunity to comment on the draft regulations released by the Government on 17 October 2025. CHOICE is glad to be able to make a short submission on the proposal and the issues surrounding it. We do however note that a two week consultation period is unusually short for a proposal that has changed so much since its original iteration.

This submission is supported by the Indigenous Consumer Assistance Network, Financial Counselling Australia, the Consumer Action Law Centre, Care Financial Counselling Service, and the Consumer Credit Legal Service WA.

**Summary of CHOICE's recommendations**

For the reasons outlined below, we recommend that the Government:

1. Reverse its watering down of this proposal, and restore the list of essential goods and services to at least what was put forward in the December 2024 consultation paper;
2. Remove or significantly revise the small business exemption, so that the mandate protects the right to use cash for the people who need it the most, such as remote First Nations communities;

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3. Significantly raise the proposed dollar limit, noting that it is not currently high enough to cover a weekly grocery shop in some parts of the country;
4. Ensure that Australia Post is covered by the mandate to accept cash; and
5. Ban any surcharging on cash payments.

### **Who still needs to use cash?**

A vast range of people across Australia routinely or periodically rely on cash to make payments, very often to meet basic needs.

CHOICE's nationally representative survey data shows that 65% of Australians routinely carry cash, and the Government's own data indicates that "around 1.5 million Australians use cash to make more than 80 per cent of their in-person payments."<sup>1</sup>

Cash is an everyday support for people in regional and remote areas with poor or non-existent internet connection, for older people not comfortable with online banking, and for some people with a disability.<sup>2</sup>

But it is also a critical backstop in times of emergency. Cash can act as a security measure for people who are attempting to leave an abusive relationship, to avoid transactions being tracked or money being transferred, and it can allow people to continue to buy essentials when a natural disaster or an outage has made digital services unavailable.

### **The proposed mandate is now a shadow of what it was supposed to be**

Since the Government's original consultation in December, this proposal has been weakened beyond recognition. The Government is now proposing to take the narrowest possible approach to mandating cash acceptance, based on the narrowest possible definition of what is essential.

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<sup>1</sup>[ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/ensuring-future-cash-and-next-steps-phasing-out-cheques](https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/ensuring-future-cash-and-next-steps-phasing-out-cheques)

<sup>2</sup> CHOICE Consumer Pulse June 2025 is based on an online survey designed and analysed by CHOICE. 1,008 Australian households responded to the survey with quotas applied to ensure coverage across all age groups, genders and locations in each state and territory across metropolitan and regional areas. The data was weighted to ensure it is representative of the Australian population based on the 2021 ABS Census data. Fieldwork was conducted in June, 2025.

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The list of essentials that was proposed in December last year was missing in some important areas, but what has been proposed now is far weaker, for reasons which the Government has not publicly explained. The Minister's media release announcing these draft regulations does not even acknowledge the various ways that the proposal has been watered down, much less provide any explanation.

Back in December, the Government's consultation paper said the mandate would "apply to corporations supplying essential goods or services, that is goods or services that are purchased by consumers to meet absolute basic needs, are critical to maintaining day to day living arrangements, or are compulsory."<sup>3</sup>

Now, it covers supermarkets, petrol stations, and nothing else. In the ten months since they released their draft proposal, the Government has apparently taken the view that groceries and petrol are the only two things a person needs to get by.

Furthermore, the original proposal was set to be legislated through an Act of Parliament. Instead we are now presented with two Industry Codes, set up through Regulations that will expire in 10 years. As with so many parts of this new position, this shift has not been explained.

### **Medicine, electricity, water and clothing are now considered non-essential**

The new proposal strips out a wide range of essential products and services, and in doing so creates all sorts of unexplained and apparently arbitrary distinctions between similar needs.

Medication and medical supplies, which were included in the mandate under the original proposal, are now excluded with no explanation, meaning Australians will not have the legal right to pay cash for essential medicine. Strangely, by including supermarkets in the mandate but not pharmacies, the Government is proposing to enshrine the legal right for Australians to pay cash for paracetamol, but not for medicine prescribed by their doctor.

Electricity, water and gas have also been removed from the mandate. The Minister rightly notes in his media release that utilities are able to be paid for with cash at an Australia Post outlet, but this requires the customer to have an Australia Post in their area, now and into the future, and for Australia Post's current terms of service to remain the same. If Australia Post is to be this fix, it should be expressly included in the mandate, to protect consumers from future changes to its terms of service and ensure that they can continue to pay cash for essential utilities.

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<sup>3</sup> [treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf](https://treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf)

Children's clothing and shoes have also been taken out of the mandate, while clothing and shoes for everybody else remains ignored. One can only wonder what the unintended consequences may be now that the Government has deemed clothing to be non-essential.

Telecommunications equipment and services have also been stripped out. A person who loses their phone or has it stolen will now have no guarantee that they can use cash to buy a new one.

Public transport continues to be ignored. It has not been explained why a person who travels by car should have the legal right to pay cash to fill it up, but a person who catches the train or bus to the same place shouldn't have the legal right to pay cash for their ticket.

Motorists are also worse off under this new proposal, as car parts and car repairs have now been excluded as well. This creates another unnecessary division - a person will now have the legal right to pay cash to fill their tank but not to have a flat tyre replaced, even though both are necessary for the person to get where they are going.

Schools and childcare have also been removed, so that parents will not be guaranteed the right to use cash for school fees, childcare fees and other associated costs.

### **This new proposal goes against the Government's own analysis**

This dilution of the original policy is curious, given it was the Government that made the case for many of these things to be included in the first place. In their initial consultation paper back in December 2024, they wrote that:

*The mandate is proposed to apply to corporations supplying **essential goods or services, that is goods or services that are purchased by consumers to meet absolute basic needs**, are critical to maintaining day to day living arrangements, or are compulsory.*

*Goods or services are required to meet absolute basic needs if there is no reasonable substitute that can meet that need. [...] **Goods or services that are critical to maintaining day to day living arrangements are those without which a person's circumstances may be altered in a fundamental way**, for example, their housing would become uninhabitable, or the person would be unable to maintain employment.<sup>4</sup>*

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<sup>4</sup> [treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf](https://treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf)

No justification has been provided as to why this definition of 'essential' has now been pruned back so dramatically.

The Government has made previous statements about supporting and protecting the future of cash. In his December 2024 Media Release announcing the original proposal, the Treasurer said: "People are increasingly using digital payment methods, but there will be an ongoing place for cash in our society under the Albanese Government." He went on to say: "For many Australians, cash is more than a payment method, it's a lifeline [...] Cash also provides an easily accessible back-up to digital payments in times of natural disaster or digital outage."<sup>5</sup>

Sadly, the Government's new policy does not match the strength of their earlier rhetoric.

### **When is a bottle of water not a bottle of water?**

By focusing the mandate on the primary purpose of a business rather than the products it sells, the Government has created further unhelpful complexity. A thirsty person on a hot day will not have the legal right to use cash to buy a bottle of water at a cafe, a takeaway shop or a pharmacy. The mandate as drafted doesn't protect the legal right to buy a bottle of water with cash - it only protects that right at big supermarkets and chain petrol stations.

### **The mandate will barely exist in First Nations communities**

In regional and remote First Nations communities, where internet and phone coverage can be unreliable or non-existent, many people still rely particularly heavily on cash to make payments. Many of these communities face additional risks for non-cash payments through the sharing of phones and cards, and potentially exploitative non-cash options offered by some local stores, such as 'book-up' arrangements.<sup>6</sup>

The scale of the exemption for small businesses in this proposal will nullify the mandate in the areas where it is most needed.

In the Northern Territory, for example, there is one chain supermarket along the whole 1,200 km stretch of the Sturt Highway between Katherine and Alice Springs. The overwhelming

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<sup>5</sup>[ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/next-steps-ensuring-future-cash](https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/next-steps-ensuring-future-cash)

<sup>6</sup> For more detail on these issues, see our February 2025 submission to the original consultation process: [www.choice.com.au/-/media/5d9599c859554c5a8f69b79e67d9adff.ashx?la=en](https://www.choice.com.au/-/media/5d9599c859554c5a8f69b79e67d9adff.ashx?la=en)

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majority of grocery stores in remote areas are run by relatively small, independent operators, and are therefore likely to fall within the exemption and have no legal obligation to accept cash. Perversely, some of the communities that most need the right to use cash will have the least coverage by the mandate.

The \$500 cap on transactions to be covered by the mandate also ignores the reality for many people in remote parts of Australia. A recent ABC report into the cost of living crisis in the Far North Queensland town of Aurukun suggested that some families were spending up to \$1000 for a modest weekly grocery shop. As it stands at the moment, those families would be excluded twice over from the right to use cash.<sup>7</sup>

### **There is still nothing to prevent surcharges on cash**

The current proposal also runs the risk of businesses undermining the mandate by accepting cash but placing a surcharge on it.

As cash becomes more and more expensive to accept, and the RBA's proposed card surcharge ban (which we strongly support) turns card payments into a free way for consumers to pay, it seems inevitable that some businesses will seek to discourage cash use by placing a surcharge on cash transactions.

There is nothing currently in place to prevent this.

Without proactive action by the Federal Government, businesses could immediately begin placing surcharges on cash transactions once the card surcharge ban comes into effect. The draft regulations do not appear to expressly prohibit the placing of a surcharge on cash, and there is nothing to prevent a business claiming that a surcharge was 'reasonable in the circumstances'.

### **Without better access to cash in the first place, everything else will be moot**

Of course, all of the issues discussed above will become redundant if more isn't done to protect and improve Australians' access to cash. Mandating the acceptance of cash isn't much help if people can't access cash in the first place. Without proactive action, within a few years there will be nothing to mandate.

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<sup>7</sup>[www.abc.net.au/news/2025-10-16/cost-of-living-crisis-aurukun-australia-remote-communities-/105879078](http://www.abc.net.au/news/2025-10-16/cost-of-living-crisis-aurukun-australia-remote-communities-/105879078)

The Council of Financial Regulators are doing significant work on the cash distribution system, and that is clearly an important part of the issue. There can be no doubt that for many businesses, and especially small businesses, the cost of accepting cash continues to rise.

But no detail has yet been made public about the Federal Government's plan to protect Australians' access to cash and banking services, apart from a series of stories in the Australian Financial Review in November of last year about a potential levy.<sup>8</sup> Since that controversy, little more has been heard about any plan to place an obligation on banks to keep branches open - a step which would benefit both consumers and businesses.

Since 2017, Australians have seen more than 2,000 bank branches and more than 8,000 bank-owned ATMs disappear.<sup>9</sup>

By reducing their services, closing branches, removing ATMs, and charging fees for in-person cash withdrawals, banks have actively made it harder for Australian consumers and businesses to access and process cash. That is the most urgent issue that the Government and the regulators should be working on.

The moratorium on branch closures is a temporary fix, and is limited to the Big Four and to regional areas. Even with the moratorium in place, another 200 branches closed in the 2023/24 financial year, and more than 200 bank-owned ATMs were removed from service.

In July, Bendigo Bank announced that it was closing another ten branches across Victoria, Queensland and Tasmania, leaving several more towns without a single bank branch. Some of those closures were announced with less than a month's notice, and some customers will now face a two and half hour drive if they want to visit a branch.<sup>10</sup>

Even the banks who are covered by the moratorium are still reducing their services. Just last month it was reported that Westpac planned to sack 200 bank tellers and replace them with "concierges [...] to help customers use the bank's app or website for services such as making deposits, paying bills, and switching money between accounts."<sup>11</sup>

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<sup>8</sup> [www.afr.com/politics/federal/banks-face-new-levy-to-keep-rural-branches-open-20241115-p5kqwu](http://www.afr.com/politics/federal/banks-face-new-levy-to-keep-rural-branches-open-20241115-p5kqwu)

<sup>9</sup> [www.apra.gov.au/authorised-deposit-taking-institutions-points-of-presence-statistics](http://www.apra.gov.au/authorised-deposit-taking-institutions-points-of-presence-statistics)

<sup>10</sup> [www.bendigobank.com.au/media/update-on-network-changes/](http://www.bendigobank.com.au/media/update-on-network-changes/)

<sup>11</sup> [www.afr.com/companies/financial-services/westpac-to-axe-200-tellers-add-roles-in-home-business-ending-20250923-p5mxde](http://www.afr.com/companies/financial-services/westpac-to-axe-200-tellers-add-roles-in-home-business-ending-20250923-p5mxde)

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Bank services continue to decline and disappear, even where the physical branch remains notionally open. Until something is done about that, and some obligation is put on Australia's extremely profitable banks to provide a basic level of service to Australians wherever they live, things will only get harder for the people who rely on cash, and the businesses who accept it.

### **“Participating in the economy”**

In December's consultation paper, the Government stated that “the mandate will assist in ensuring individuals, including those unable to use digital payment methods, can participate in the economy.”<sup>12</sup>

That should still be the goal. And it goes well beyond groceries and petrol.

It is not clear what has happened in the past year to make the Government back away from its position so dramatically, but we strongly urge them to reconsider.

There are millions of Australians who rely on cash. Some of them rely on it every day, others only when something goes wrong. But with this proposal, the Government is leaving all of them without any guarantee that they can use their preferred payment method - and in many cases their only payment method - for things they can't live without.

For further information, please contact CHOICE at [mcampbell@choice.com.au](mailto:mcampbell@choice.com.au)

Yours sincerely,

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<sup>12</sup> [treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf](https://treasury.gov.au/sites/default/files/2024-12/c2024-604832-cp.pdf)