



The Treasury  
Langton Crescent  
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Via the consultation's website: [consult.treasury.gov.au/c2025-707578](https://consult.treasury.gov.au/c2025-707578)

To whom it may concern

### **Mandating cash acceptance – exposure draft regulations consultation**

Thank you for the opportunity to provide feedback on the consultation *Mandating cash acceptance – exposure draft regulations*. The NSW Small Business Commission (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution across NSW.

#### **General support for policy intent**

The Commission welcomes the intent of the exposure draft regulations to maintain reasonable access to cash for consumers while recognising small businesses face diverse operational circumstances. The proposal to initially apply the cash acceptance mandate to supermarket and motor fuel retailers provides a clear and targeted approach that reduces compliance uncertainty.

Cash continues to play an important role for many Australians, particularly in regional and rural communities and during digital outages. While most small businesses still accept cash, the proposed mandate may increase financial and administrative pressures on small businesses that have already partially or fully transitioned to digital payments in response to consumer preferences, security risks and operating costs.<sup>1</sup> The Commission supports Treasury's policy objective to preserve consumer choice and assist with payment system resilience. However, regulation must remain proportionate to the capacity and operating realities of small business, including their lack of resources.

#### **Definition and threshold for small business exemption**

The exposure draft regulations rely on the *Income Tax Assessment Act 1997* definition of a small business entity (turnover under \$10 million). The Commission notes that turnover alone may not always be a reliable indicator of business size or capacity and encourages consideration of extending exemptions to small businesses that employ less than 20 employees. Employment size is often a good proxy for the complexity of a business, including in circumstances where they are a high turnover, low margin business with limited staffing.

The Commission strongly supports a robust and inclusive small business exemption and recommends that the small business exemption be available to entities meeting either of the following criteria:  
fewer than 20 employees, or  
annual turnover under \$10 million.

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<sup>1</sup> NSW Small Business Commission (2025), [Submission to Treasury - Mandating cash acceptance](#)

This dual threshold would more accurately capture operational diversity and ensure that small and resource-constrained operators are not unintentionally excluded. Alternatively, if reliance on a single turnover threshold is preferred, a higher turnover value should be explored to achieve the same intent.

The Commission also highlights potential unfairness for franchisees who may be assessed on the turnover of a national brand while operating independently with limited resources. Where franchisors do not provide centralised cash-handling arrangements, individual franchisees should have access to the same small business exemption as comparable independent businesses.

The Commission supports the inclusion of an exemption process under sections 13 and 16. Clear guidance on eligibility criteria, documentation requirements and processing timeframes (supported by a simple online application and the ability to renew exemptions) would help minimise red tape and promote transparency.

Although the Commission supports the granting of exemptions in emergency situations where the distribution of cash is disrupted, for example, a natural disaster, the exemption process should enable flexibility to be automatically extended to businesses without the need for an application. In an emergency situation, businesses will be focused on immediate containment and response activities. They will generally not have the capacity to apply for an exemption, including where telecommunications coverage is disrupted. Such an exemption could be automatically pegged to natural disaster declarations made by the National Emergency Management Agency (NEMA).

### **Need for practical guidance**

Sections 12 and 15 of the exposure draft regulations requires retailers to ensure that consumers have a “reasonable opportunity” to pay cash and that at least one cash payment point be available. The Commission notes that the term “reasonable” is inherently subjective and may create compliance uncertainty, particularly for small or regional businesses with limited staffing or low cash demand.

The Commission recommends that Treasury publish practical compliance guidance with examples tailored to business size and model. For instance:

- A small regional fuel retailer might satisfy the requirement by maintaining one staffed till during core trading hours.
- A supermarket might meet the standard by accepting cash at a service counter rather than at every register, where this does not cause unreasonable inconvenience to customers.

Clear examples would help small businesses comply and avoid unnecessary cost or inadvertent breaches.

### **Evaluation**

The Commission acknowledges Treasury’s efforts to balance the needs of cash users with the practical considerations of businesses and welcomes the commitment to an independent review within three years of commencement.

To support the cash acceptance mandate, the Commission encourages Treasury to incorporate small business metrics into its performance reporting framework focusing on compliance costs, consumer cash usage and payment preferences and unintended consequences on small business viability or competitiveness to guide any future expansion or adjustment of the mandate. This would help ensure that regulatory measures are proportionate and responsive to the needs of small businesses.

Thank you for the opportunity to provide feedback. If you require further information, please contact my Executive Officer, Stephanie Beamish at [commission@smallbusiness.nsw.gov.au](mailto:commission@smallbusiness.nsw.gov.au).

Yours sincerely

Catherine Ellis  
**Acting Commissioner**  
**NSW Small Business Commission**

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