



10 February 2025

Director
Retail Banking and Currency Unit
Banking and Credit Branch
The Treasury
Langton Crescent
PARKES ACT 2600

By email: cashacceptanceconsultation@treasury.gov.au

Dear Director,

Mandating Cash Acceptance – submission

Thank you for the opportunity to provide a submission on the Government’s intention to mandate that businesses supplying essential goods and services must accept cash as payment method, with appropriate exemptions for small business.

Core principle:

- Businesses should be free to decide if they wish to accept cash as a payment method, or not.

Rationale:

- Acquiring, holding, and depositing cash comes at a financial cost and increases red tape.
- Banks are closing branches across Australia, especially in regional and rural areas, making access to cash for businesses increasingly difficult and more expensive.
- Cash delivery services are now effectively a monopoly in regional and rural areas with businesses now wearing the risks of less service and higher costs.
- As the economies of scale for cash diminish, the cost of acquiring, holding, and depositing cash will increase
- As part of their social licence to operate, the provision of cash by banks should be part of their core business – but banks are increasingly stepping away from this core obligation.
- If a mandate to accept cash is legislated, the exemption for small businesses with less than \$10m is supported.

The Australian Hotels Association (AHA) is an organisation of employers with over 6,000 members in the hotel, accommodation and hospitality industry registered under the *Fair Work (Registered Organisations) Act 2009*.

Banks pulling out

The latest statistics from the Australian Prudential Regulation Authority (APRA) show a “decline in bank branches in the year to 30 June 2023, with a reduction of 424 branches across Australia (11 per cent), including 122 branches (7 per cent) in regional and remote areas. This continues a trend that

has seen branch numbers decline by 34 per cent in regional and remote areas, and 37 per cent overall, since the end of June 2017".¹

Cash in transit monopoly

Another key issue for hotels is the cost and availability of securing cash from "cash in transit" suppliers, e.g., Armaguard. This is a particular concern in regional and remote areas. We note the commitment of the ACCC to maintain cash in regional and remote areas and that many AHA members are in towns not serviced with cash by banks or cash in transit services.

Pubs taking up what banks should be doing

In many cases, the local pub (club, post office or service station) is the only provider of cash in the town. Hotels generally recycle cash through their business and ATMs themselves. Most often, they have enough cash in their ecosystem to top up the ATMs themselves. If they need to top up cash, they will go the nearest bank – often hundreds of KM round trips. They also go to the bank for coins.

A medium sized pub might have 200-300 ATM cash withdrawals each week. The local Post Offices have cash, but not enough to top up a hotel. One core issue is that from time-to-time ATM's breakdown or are unserviceable due to natural disasters. Often the service call to fix the ATM may take weeks. This creates huge issues in the local cash ecosystem. A snapshot of the cash availability in some NSW towns is set out below.

NSW Town	ATM provider	Population
Smithtown	No bank. Pub has the only ATM	590
Gladstone	No bank. Pub and general store have only ATMs	437
Valla Beach	No bank. Tavern has only ATM	1,314
Bellbrook	No bank. Pub has the only ATM.	339
Ebor	No bank. Pub has the only ATM.	149
Robertson	No bank. Pub and club have the only ATMs.	2,017
Shoalhaven Heads	No bank. Pub and club have the only ATMs.	3,059
Marulan	No bank. Pub has the only ATM.	1,178
Tarago	No bank. Pub has the only ATM.	510
Quandialla	No bank. Pub has the only ATM.	349
Dunedoo	No bank. Pub has ATM. Club has ATM but only opens after 4pm.	1,215
Gulgong	One bank but closes daily at 1pm. Two pubs and two clubs have only ATMs.	2,680
Rylstone	No bank. Pub and shopfront have the only ATMs.	904

Thank you for your consideration of this submission.

Yours faithfully,



STEPHEN FERGUSON
NATIONAL CEO

¹ <https://www.apra.gov.au/news-and-publications/apra-releases-latest-points-of-presence-statistics-for-authorised-deposit>