



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

9 August 2019

The Black Economy Division
The Treasury
Langton Crescent
PARKES ACT 2600

via email: Blackeconomy@treasury.gov.au

Dear Sir/Madam

Economy-Wide Cash Payment Limit - Exposure Draft Legislation

We have previously submitted that the introduction of an economy-wide cash payment limit should not place additional reporting obligations or costs onto small businesses.

We do not support the strict liability offence in the circumstances where a small business has made a supply and the customer, often a private consumer, then chooses to pay in cash. Cash is legal tender in Australia. It is not the *receipt* of cash which is the problem per se; as the Final Report of the Black Economy Taskforce noted, it is the non-recording of that receipt and the consequent avoidance of GST and income tax obligations.¹ A small business should not be disadvantaged in the market place where a customer chooses to pay with cash and the record-keeping is compliant. There are circumstances where the payment by credit or debit card attracts transaction fees and charges which the consumer does not want to pay.

Further, such a scenario will expose the small business to the mental element offences of recklessness and a potential custodial sentence.

Small businesses in remote and regional Australia do not have reliable access to the internet and the facilities of electronic banking; often even land line and mobile telephone services are intermittent. We recommend the final Bill acknowledges the difficulties of remote and regional communities particularly with respect to the provisions of Section 10 of the Excepted Transactions Instrument.

The proposed commencement date of 1 January, 2020 allows less than five months to educate small businesses, let alone the community at large. As criminal offences are involved, and people are likely to be unaware that a series of apparently separate transactions may be linked together as a 'supply', the Government owes a duty to the population to ensure a comprehensive media campaign is undertaken before implementation. We recommend a start date of 1 January, 2021.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Miss Alexandra Hordern on 02 6121 5404 or by email to Alexandra.Hordern@asbfeo.gov.au

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

¹ Black Economy Taskforce, Treasury (Commonwealth), *Black Economy Taskforce Final Report – October 2017*, 12.