

25 June 2018

The Black Economy Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: blackeconomy@treasury.gov.au

Dear Sir/Madam

INTRODUCING AN ECONOMY-WIDE CASH PAYMENT LIMIT

The introduction of an economy-wide cash payment limit should not place additional reporting obligations or costs to small businesses.

The proposed measure targets high value transactions – the majority of small business transactions are below \$10,000. To create a level playing field for small businesses who do the right thing, the problem of under-reporting income and GST for smaller amounts must be addressed.

In response to your question, ‘should there be any additional reporting requirements for businesses to report transactions above or close to the cash payment limit?’ The limit should not require a small business to report cash transactions of above \$10,000 or where a consumer has offered to pay cash. It is not the job of small businesses to police cash transactions.

Small businesses already spend, on average, five hours a week complying with government regulation.¹ The cost of compliance severely impacts small businesses relative to larger businesses, as reporting responsibility falls personally on small business owner/operators, who may also need external professional advice.

There is also a need to build in discretion for payments in unusual circumstances. Examples include: where there is a failure in the electronic banking system; where a remote business may not have internet access or a readily available bank branch to deposit cash; where markets rely on cash floats for settlement; or in the case of natural disasters.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6263 1558 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely



Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

¹ As cited in *Small Business Guidance Note*, Office of Best Practice Regulation, p1, 2017.