

# Regulating Cash Distribution

Submission to the Council of Financial Regulators  
(CFR) and the Australian Competition and Consumer  
Commission (ACCC)  
22 August 2025

## Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes the opportunity to comment on the consultation paper on regulating cash distribution. ACCI supports the overarching objective of ensuring Australia's cash distribution system operates in the public interest, guided by the principles of access, sustainability, resilience, and efficiency.

We also support an industry-led approach, where sector participants negotiate price and non-price terms for cash distribution services, with a regulator empowered to resolve disputes only when necessary.

ACCI represents small, medium and large businesses across Australia, including in regional and remote communities. We emphasise the importance of ensuring equitable and cost-accessible cash distribution in these areas, while cautioning against overregulation that could unintentionally harm regional small businesses.

Below, we will outline our responses with the corresponding consultation questions.

## *Objectives and Policy Principles*

### **Consultation questions:**

- 2.1. Is the overarching objective for the proposed regulatory framework – to ensure the cash distribution system operates in the public interest – appropriate? If not, why?
- 2.2. Are the four policy principles (access, sustainability, resilience and efficiency) for the proposed regulatory framework appropriate? If not, why?

For consultation questions 2.1 & 2.2, ACCI agrees that the overarching objective and four policy principles (access, sustainability, resilience, and efficiency) are appropriate and well aligned with community and business needs.

## *Two-Tiered Framework & Exit Notifications*

### **Consultation questions:**

3.1. The proposed framework distinguishes between registration (for general oversight) and designation (that applies more substantial regulatory obligations and powers reflecting the critical cash services being provided). Is this two-tiered approach proportionate to the challenges facing the cash distribution sector? Are there alternative models that should be considered?

3.2. What baseline obligations should apply to all registered entities to support sector transparency? What additional reporting obligations should designated entities have, particularly in relation to service continuity, crisis preparedness, performance reporting, and/or compliance with industry codes of practice?

For 3.1, we support the proposed distinction between registered and designated entities. This approach provides general oversight of the sector while allowing targeted regulatory intervention to support service continuity and orderly exits in a highly concentrated market.

For 3.2, ACCI recommends that registered entities should be required to provide at least three months' notice of any intention to exit the market. This notice period would enable regulators to engage with the entity, consider alternatives, and ensure continuity of service.

## *Dispute Resolution & Industry-Led Agreements*

### **Consultation questions:**

5.1. Under what circumstances should the regulator intervene on price and non-price terms in cash distribution agreements of designated entities to ensure they are in line with the objectives of enabling adequate access and being industry-led, sustainable and efficient?

5.3. Should dispute resolution processes for designated entities be regulated by a regulator or a third party?

6.3. How should disputes under such an access regime be settled?

For consultation questions 5.1, 5.3 and 6.3, ACCI supports an industry-led approach in which sector participants reach agreement on price and non-price terms. The regulator should only intervene where agreements cannot be reached or where they do not meet the public interest.

In addition, dispute resolution processes should be managed by a long-term independent third-party entity rather than by ministers. This would safeguard continuity and transparency, avoiding disruptions caused by political cycles.

## *Minimum Service Standards for Regional Areas & Criteria for Service Standards*

### **Consultation questions:**

7.1. Do regional business customers require service level standards established through a regulatory framework to ensure they continue to have adequate access to cash on reasonable terms?

7.3. What criteria should the Minister use to determine where service level standards should apply?

For 7.1, minimum service standards should be considered to ensure equitable access for regional businesses. This would help address the cost and logistical challenges faced by communities reliant on cash access.

For 7.3, ACCI suggests that the criteria for determining where service level standards apply could include:

- Geographic location
- Demand for cash
- The number of businesses in an area that rely solely on cash.

## *Penalty and Enforcement Powers*

### **Consultation questions:**

8.1. What principles should guide the design of penalty and enforcement powers to ensure they are proportionate, transparent and effective in achieving compliance?

For 8.1, any penalty and enforcement powers should be co-designed with industry. This will ensure they are proportionate, transparent, and effective in promoting compliance without creating unnecessary burdens.

## **Summary**

ACCI supports a proportionate, industry-led framework for regulating cash distribution that ensures equitable access, particularly for regional small businesses. We recommend notice periods for market exit, independent third-party dispute resolution, a consideration of minimum regional service standards, and co-designed enforcement powers to safeguard continuity while avoiding unnecessary regulatory burdens.

For further information on this submission or with any queries, please contact Dr Jodie Trembath, Director of Skills, Employment and Small Business, on

