



AUSTRALIAN SECURITY INDUSTRY  
ASSOCIATION LIMITED

The peak body for security professionals

# Regulating Cash Distribution Submission

15 August 2025

## **About the Australian Security Industry Association Limited (ASIAL)**

ASIAL is the peak national body representing security professionals in Australia. The Association is comprised of 2,750 members ranging from large corporate entities to small and medium sized operations.

ASIAL Members account for approximately 85% of the security industry across Australia.

### **ASIAL is:**

- a Registered Organisation of Employers under the *Fair Work (Registered Organisations) Act 2009*
- an accredited Registrar under the Australian Communications & Media Authority (ACMA) *Cabling Provider Rules*

15 August 2025

CFR and ACCC Cash Distribution Consultation Submissions  
c/o Note Issue Dept  
Reserve Bank of Australia  
GPO Box 3947  
Sydney NSW 2001



Submitted by email: [CashDistributionRegulationConsultation@cfr.gov.au](mailto:CashDistributionRegulationConsultation@cfr.gov.au)

## RE: Regulating Cash Distribution

The Australian Security Industry Association Limited (ASIAL) welcomes the opportunity to provide comment in response to the Regulation of Cash Distribution Consultation paper prepared by the Council of Financial Regulators and the Australian Competition and Consumer Commission.

As the peak body for security professionals in Australia, ASIAL's membership of 2,750 includes 222 who provide Cash In Transit (CIT) services across Australia, including the major CIT providers.

As outlined in the Consultation Paper maintaining cash as a widely available and accepted means of payment is in the public interest. However, given the high fixed costs involved in operating a cash distribution system, the significant reduction in volumes of cash transactions has impacted operational efficiency and cost-effectiveness, impacting the operation and profitability of CIT providers.

In developing a regulatory framework to support long-term sustainability of the cash distribution system, ASIAL is supportive of the four core policy principles of access, sustainability, resilience and efficiency set out on the Consultation Paper. In addition, we consider that safety (as it underpins the integrity of the cash distribution process) and innovation (as it is a key driver of competition) should be considered as core principles.

ASIAL's position is predicated on the following principles:

- **Need for a holistic approach** - cash distribution is a critical function in the payments ecosystem, and any future regulatory framework must give consideration to this issue in a holistic manner, which includes ensuring direct engagement with key stakeholders including CIT providers.

In addition, from a strategic environmental sustainability perspective any future banknote distribution arrangement should include consideration of incentives for providers to encourage greater efficiency and more sustainable practices.

Input should be sought from organisations such as ASIAL and its members on alternative solutions that either complement or substitute traditional solutions. This will help to ensure that there is an opportunity to embrace a competitive payment landscape that satisfies the needs of all sections of the community. Unless there is a return on investment to achieve greater sustainability in the banknote distribution supply chain, the investment will not be made.

- **ASIAL is supportive of government** playing a greater role in the regulation of cash distribution. There is a clear need for government to act to address unregulated and unlicensed operators, such as the use of couriers to distribute cash which is an unresolved issue of concern not only for licensed CIT providers, but also law enforcement agencies and financial institutions.
- **Integrity of cash** – the foundation of any cash distribution arrangement is the integrity of cash. All parties involved in cash distribution should be required to verify cash in circulation to the same agreed standard. Unless this is done, the spectre of fraudulent notes in circulation will serve to devalue/undervalue the currency.

To ensure the integrity of cash, ASIAL supports a quality driven standards-based approach to managing security risks in the CIT sector. ASIAL's CIT Code of Practice sets out what is expected of ASIAL members providing CIT services. ASIAL would be supportive of exploring establishment of a CIT certification program in accordance with industry best practice through an independent audit process.

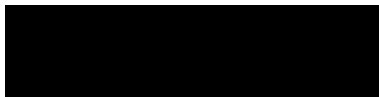
- **Safety** – hand in hand with the integrity of cash and a quality driven approach, is ensuring that there is a strong workplace health and safety ethos in place to mitigate the potential risks faced by personnel working in the sector.

### In Summary

- ASIAL is supportive of a quality driven approach predicated on a competitive, efficient, innovative, affordable, accessible, resilient, safe and secure payments system;
- ASIAL is prepared to assist in the drafting of regulation to ensure it is fit for purpose;
- ASIAL is supportive of exploring the establishment of a CIT certification program to ensure the ongoing integrity and efficacy of cash distribution arrangements.
- ASIAL is supportive of ongoing industry engagement and consultation to ensure there is a sustainable cash distribution infrastructure.

We would welcome the opportunity for further discussion or clarification on any of the points raised in this submission.

Yours sincerely



Bryan de Caires  
Chief Executive Officer

### **Proposal 1: Establish a register of all entities providing cash distribution services.**

**Response:** In principle, ASIAL is supportive of a centralised register of all entities providing cash distribution services. However, more detail is required as to what information would be collected, how this information would be used, who would have access and what the cost would be to CIT operators to provide the information.

### **Proposal 2: Provide a regulator and/or Minister with designation powers.**

**Response:** ASIAL is supportive of providing a regulator and/or Minister with powers to designate specific registered entities.

Any new regulation needs to be simple, transparent and harmonised nationally. It also needs to remove any overlap or complexities with current state and territory regulation governing CIT providers, including security and workplace health and safety regulation.

As set out in ASIAL's submission to the National Productivity Competition Analysis 2025, we are committed to championing continuous improvement and innovation for increased productivity and professionalism. Underpinning this approach, is ASIAL's recommendation for the establishment of nationally consistent regulatory standards for security industry regulation as set out in our Model National Private Security Act policy paper.

To assist in progressing implementation, ASIAL is willing to participate as part of a focused advisory forum / group involving key stakeholders (chaired by the regulator) to assist with drafting to ensure the regulation is sensible, relevant and avoids unnecessary duplication or any unintended consequences.

In developing new regulation, it will be important that there is appropriate funding available to enable effective enforcement of compliance obligations. We have all too often seen well-meaning regulatory measures introduced that have not been backed up with the appropriate enforcement resources.

Also, any designated entity(ies) providing such a critical service to a significant part of the market nationally would need to be able to engage subcontractors (particularly in rural and remote areas) who would also need to comply.

It is not clear whether designated entities would fall under the category of an "Essential Service".

### **Proposal 3: Provide the regulator(s) with oversight powers.**

**Response:** ASIAL is supportive of providing the regulator with oversight powers to establish reporting obligations and ensure compliance with conditions applying to designated entities.

ASIAL is supportive of the implementation of an audit scheme to ensure compliance with legislative requirements, including all applicable, licensing, Codes of Practice, capability etc.

When determining whether a cash distributor should be designated, criticality of services provided, crisis preparedness and business continuity planning, market share and/or

geographic coverage should be taken into consideration. No one entity will be able to cover all of the country without the use of subcontractors, particularly in remote and regional areas.

#### **Proposal 4: Crisis readiness and resolution powers.**

**Response:** CIT operators need to maintain a profit to remain sustainable. However, this should not come at the cost of compromising continuity of service and safety. No CIT provider can continue to operate at a loss. The unit cost of moving cash does not change regardless of the amount carried. Customers should be prepared to pay for the cost of cash distribution as part of their cost of doing business.

#### **Proposal 5: Ongoing crisis readiness powers and triggers for crisis resolution powers.**

**Response:** No comment.

#### **Proposal 6: Oversight agreement terms.**

**Response:** No comment.

#### **Proposal 7: Agreement setting powers.**

**Response:** Providing armoured CIT services is both expensive and potentially dangerous. Any agreement that fails to recognise the true costs of providing a service and does not allow for a reasonable return on investment for the CIT provider, will fail.

Agreements to provide “*critical cash services to a significant part of the market*” must exclude the movement of cash by unlicensed, unregistered and untrained transport agents such as couriers.

#### **Proposal 8: Oversight of dispute resolution.**

**Response:** Possible regulatory principles to guide the internal dispute resolution processes of designated entities could include the Banking Ombudsman or similar.

Circumstances under which the regulator should intervene on price and non-price terms in cash distribution agreements of designated entities could include where the parties cannot reach agreement with the potential to disrupt the service to the community.

Enforcement should be proportionate and directed to methodical non-compliance. Similarly, penalties should be scalable subject to persistent non-performance, as well as the nature of the non-compliance.

Any agreement that fails to recognise the true costs of providing a service and does not allow for a reasonable ROI for the CIT provider, will fail.

Dispute resolution processes for designated entities should be regulated by a regulator.

**Proposal 9: Third-party access.**

**Response:** No comment.

**Proposal 10: Setting service level standards.**

**Response:** Long distance armoured car cash deliveries are costly and pose significant workplace health and safety issues. The unit price for pick-up and delivery is much higher, as is potential exposure to armed hold-ups.

ASIAL is supportive of the implementation of an audit scheme to ensure compliance with legislative requirements.

**Proposal 11: Provide enforcement powers to regulator (s) and establish penalties.**

**Response:** Penalties should be proportionate to the size of the CIT provider's business and include the prime/head contractor.