



Queensland Treasury

Our Ref: QT03797-2025

Mr Andrew Hauser
CFR and ACCC Cash Distribution Consultation Submissions
c/o Note Issue Department
Reserve Bank of Australia
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SYDNEY NSW 2001

Email: CashDistributionRegulationConsultation@cfr.gov.au

Dear Mr Hauser

Thank you for the opportunity to provide feedback on the regulation of cash distribution in Australia. I am submitting this feedback on behalf of key Queensland Government departments. Queensland Government acknowledges the critical role the cash distribution network plays and have outlined responses in **Attachment 1**.

The Queensland Government recognises the importance of cash as a viable payment method, especially for regional and rural communities and vulnerable populations, including older Australians, people with disabilities, and individuals from culturally diverse backgrounds. Additionally, we emphasise the importance of payment system resilience, particularly during natural disasters or digital outages, as a key factor in ensuring continuous access to essential goods and services in emergency situations. Furthermore, access to cash during periods of economic instability fosters trust and public confidence in the banking sector. For these reasons, the Queensland Government supports, in-principle, the intent to regulate cash distribution.

Queensland Government appreciates the opportunity to contribute to this important initiative and trust that our input will be considered as part of your consultation and review process.

If you require any further information, please contact Mr Nick Serisier, Principal Treasury Analyst, Fiscal Strategy and Financial Reporting, Queensland Treasury, on [REDACTED], for assistance.

Yours sincerely

[REDACTED]

John Clifton
Assistant Under Treasurer
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12 / 08 / 2025

Encl (1).

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Response from Queensland Government to 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?

Yes, the objective is appropriate as it ensures fair and equitable access.

The Queensland Government notes cash remains essential in specific scenarios in Queensland where electronic payments are not feasible or practical, such as urgent situations, disaster-scenarios, for small-scale expenses and/or payments to entities that only accept cash. And for example, some Queensland Government departments, including those managing vital services like child safety, rely on cash for immediate needs, to ensure timely support for vulnerable individuals.

Further consultation and cost-benefit considerations is suggested before mandating via a regulatory approach. Cash acceptance is supported provided it does not impose other burdens on Queensland Government or Queensland businesses. This should be considered to ensure any mandates are in the public interest.

2.2. Are the four policy principles (access, sustainability, resilience and efficiency) for the proposed regulatory framework appropriate? If not, why?

Yes, the four principles—access, sustainability, resilience, and efficiency—are appropriate and provide a strong foundation if a regulatory framework is deemed necessary. They appear to align with the operational needs of Queensland Government departments, ensuring equitable access to cash, long-term system viability, continuity during disruptions, and efficient resource management.

As mentioned in 2.1 above, further consultation and cost-benefit analysis is required to ensure that any regulatory approach does not impose unnecessary burdens that would then conflict with the sustainability and efficiency principles (i.e. the regulatory approach should not impose unnecessary costs or operational requirements on governments or businesses).

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?

Yes, the two-tiered approach of registration and designation appears proportionate, as it strikes a balance between providing general oversight for all entities and imposing stricter obligations on those delivering critical cash services. This ensures that regulatory efforts (if deemed necessary) are focused where they are most needed while avoiding unnecessary burdens on smaller or less critical entities.

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?

Baseline obligations for all registered entities should focus on ensuring transparency in cash handling and maintaining consistent standards across the sector without imposing excessive administrative burdens.

For designated entities, additional reporting obligations could include:

- Service Continuity: Regular reporting on measures to ensure uninterrupted access to critical cash services.
- Crisis Preparedness: Detailed plans and periodic updates on readiness to manage disruptions or emergencies.
- Performance Reporting: Metrics tracking efficiency, reliability, and customer satisfaction in cash distribution.
- Compliance with Industry Codes: Demonstrated adherence to relevant industry codes of practice to ensure accountability and alignment with sector standards.

To minimise the impact on entities, it is recommended these additional obligations should target metrics and data already collected as part of their existing operations. This approach reduces duplication, streamlines reporting processes, and ensures compliance without creating undue financial or administrative strain, particularly for smaller operators.

3.3. What factors should be considered when determining whether a cash distribution provider should be designated (e.g., criticality of services provided, market share and/or geographic coverage)? Should designation be the responsibility of a regulator or the Minister? What protections should be in place to ensure the designation process is fair?

The Queensland Government suggests the following be taken into consideration when or if a cash distribution provider should be designated:

- Enabling access to cash for everyday use for Queenslanders who prefer it.
- Ability to maintain surplus cash reserves for use during economic shocks or natural disasters.
- Geographic coverage is a key consideration, ensuring cash availability in Queensland's regional, rural, and remote areas.
- Assessment of the volume of cash processed by provider(s) to determine their operational capacity and systemic importance.
- Cost(s) to providers of being designated, to ensure no unnecessary burdens placed on providers.

The Queensland Government has nil response re whether the responsibility for designation should rest with a regulator or the Minister per-se, and nil response re protection.

4.1. What key indicators or thresholds should trigger crisis resolution powers, to support the continued operation of cash distribution services critical to the functioning of the cash system?

The Queensland Government suggests crisis resolution powers only be enacted in exceptional circumstances where systemic disruptions pose a clear and imminent threat to the functioning of the cash distribution network. Triggers should be based on stringent and well-defined thresholds to ensure such powers are used sparingly and only as a last resort.

Intervention should only be undertaken when necessary and be proportionate to the scale of the disruption. By setting high thresholds, the process safeguards against unnecessary use of crisis powers while maintaining the resilience of the cash system in truly critical situations.

4.2. Are the proposed powers and interventions appropriate for the cash distribution sector?

Yes, the proposed powers and interventions appear appropriate for the cash distribution sector, as they provide a balanced framework to ensure the sustainability, resilience, and accessibility of critical cash services. The inclusion of crisis readiness and resolution powers, oversight of agreements, third-party access, and service-level standards for regional customers reflects a comprehensive approach to addressing the challenges facing the sector.

However, it is essential that regulator intervention is used only as a last resort, once all other avenues—such as industry-led solutions, voluntary agreements, and stakeholder negotiations—have been thoroughly explored and exhausted.

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?

The regulator's intervention should be guided by clear criteria, evidence-based assessments, and consultation with stakeholders to ensure decisions are proportionate and targeted. By intervening only when necessary and in a measured way, the regulator can maintain the balance between fostering industry-led solutions and ensuring the cash distribution system operates in the public interest.

5.2. In the instance that a regulator applies a pricing model, what is the most appropriate approach for setting prices?

The regulator should have the power to set pricing as needed to ensure adequate access, sustainability, and efficiency, but this must involve meaningful stakeholder consultation.

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

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.

6.1. Should a new regulatory framework for the cash distribution sector seek to establish an access regime governing the terms and conditions by which third parties can access critical cash services operated by a designated entity?

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.

6.2. What rules would support a third-party access regime to critical cash services operated by a designated entity?

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.

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

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.

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?

The Queensland Government supports the establishment of service level standards to ensure regional business customers continue to have adequate access to cash on reasonable terms. Access to cash remains essential for Queensland regional businesses, particularly in communities where cash is a critical medium of exchange due to limited digital payment options or connectivity issues. Such standards are necessary to help businesses meet their obligation to accept cash while avoiding disruptions to operations, increased costs, or reduced customer satisfaction. However, it is crucial that the framework strikes a balance, ensuring it does not impose excessive compliance burdens on businesses or financial service providers. Collaboration with financial institutions, flexible regulatory design and/or support for innovative solutions can help achieve this balance. By safeguarding access to cash, Queensland can support the economic resilience of its regional areas, ensuring businesses can continue to serve diverse customer needs and contribute to the vitality of local communities.

7.2. What standards are required for cash distribution services, including service frequency? How should this be considered by the Minister?

As above.

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

Service level standards should be applied consistently across the sector to ensure equitable access and fairness for all stakeholders.

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

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.

8.2. In what circumstances should the regulator be empowered to issue an infringement notice or take court action? In what circumstances would penalties not be appropriate?

The Queensland Government acknowledges the opportunity to provide input on regulating cash distribution. After careful consideration and consultation with relevant entities, it has no specific input, data, or position to contribute in relation to this matter at this time.