

Regulating Cash Distribution

A Conclusions Paper by the Council of Financial Regulators and the
Australian Competition and Consumer Commission

October 2025

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Contents

| | |
|--|----|
| Executive summary | 1 |
| Summary of recommendations | 2 |
| 1. Introduction | 5 |
| 2. Visibility of entities, capabilities and challenges | 7 |
| 3. Crisis readiness and resolution | 9 |
| 4. Regulating price and non-price terms | 11 |
| 5. Access to cash distribution services | 14 |
| 6. Service-level standards for regional business customers | 16 |
| 7. Penalties and enforcement | 18 |

Executive summary

Cash continues to play a critical role in Australian society. Cash promotes economic inclusion, payments system resilience, and is an important store of value, including in times of uncertainty. The Australian Government has committed to maintaining adequate access to cash for as long as Australians wish to use it.¹

The decline in use of cash for transactions in recent decades has placed pressure on the economics of Australia's cash distribution system. Unlike other sectors that provide critical services in the economy, there are currently few regulatory guardrails to manage risks in the cash distribution system and support the continuity of cash services.

In July and August 2025, the Council of Financial Regulators (CFR) and the Australian Competition and Consumer Commission (ACCC) consulted on a proposed regulatory framework for providers of cash distribution services. This framework was designed to support a cash distribution system that is accessible, sustainable, resilient and efficient, so that cash is available for those who need and want to use it.² The main elements of the proposed framework were:

- better visibility of cash distribution service providers and identification of those that are critical to the smooth functioning of the cash distribution system
- crisis readiness and resolution powers to safeguard the continuity of critical cash distribution services
- regulatory powers to support the system to function sustainably, effectively and efficiently by ensuring fair terms, third-party access, and service-level standards for regional business customers.

A broad range of stakeholders made submissions, including banks, retailers, cash-in-transit (CIT) companies, ATM providers, payments and banking industry associations, consumer advocacy and retailer groups and individuals. Stakeholders were generally supportive of the main elements of the proposed framework. However, some had concerns about the potential for disproportionate regulatory burden on smaller providers of cash distribution services and suggested there was scope for simplifying some elements of the framework.

The CFR and ACCC recommend introducing most of the elements of the proposed framework (see below), but with some amendments in view of stakeholder feedback regarding regulatory burden. The amendments, which are aimed at ensuring regulatory obligations are proportionate to risks, involve:

- not proceeding with the proposed registration requirements for all cash distribution service providers
- taking a more consistent approach to the operation of regulatory powers for the oversight and setting of agreements, and access agreements.

¹ The Treasury (2023), *A Strategic Plan for Australia's Payment System*, Commonwealth of Australia, accessed 1 October 2025.

² CFR and ACCC (2025), 'Regulating Cash Distribution', Consultation Paper, July, accessed 1 October 2025.

Summary of recommendations

Recommendation 1: Provide regulator(s) and/or a Minister with powers to designate entities that provide critical cash distribution services

The proposed designation powers would enable:

- regulator(s) to gather information from providers of cash distribution services in order to assess a potential designated entity against the criteria for designation
- regulator(s) and/or a Minister to designate entities, which would then be subject to some or all of the obligations and powers under the regulatory framework.

An entity with a critical role in the cash distribution system could be designated. A critical role includes providing services to a significant part of the market, and/or a where a disruption to the entity's functions would likely threaten the overall stability of the cash system.

Related parties that are essential for cash distribution may also be within the scope of designation.

Recommendation 2: Provide the regulator(s) with oversight powers

The oversight powers would apply to designated entities, enabling regulator(s) to:

- establish reporting obligations
- gather information to monitor compliance with framework obligations and to enable the regulator(s) to effectively perform their oversight role
- gather information to support the regulator(s) in exercising their framework powers, where further information is required to make a decision.

Recommendation 3: Provide a regulator with crisis readiness and resolution powers

The proposed crisis readiness and resolution powers include:

- gathering information to support crisis preparedness and crisis response
- assessing and enforcing the ability of an entity to be resolved and resolution planning
- issuing directions to a designated entity to take or prohibit a specified action
- appointing a statutory manager to a designated entity
- initiating the transfer of a business or shares of a designated entity.

Recommendation 4: Establish triggers for crisis resolution powers

Crisis resolution powers could be triggered in instances where a designated entity:

- ceases, or intends to cease, one or more cash distribution services critical to the functioning of the cash system
- is at risk of being financially non-viable or appoints (or is at risk of appointing) an external administrator
- engages in conduct that threatens, or is likely to threaten, continuity of cash distribution services critical to the functioning of the cash system.

Recommendation 5: Provide a regulator with agreement oversight and setting powers

Agreement oversight powers include a power to require a designated entity to consult on its price and non-price terms with the regulator and relevant stakeholders. These powers should also require that relevant price and non-price terms reflect public interest principles set in regulation.

Where a designated entity and its business customers cannot negotiate an agreement, or where an agreement is not in the public interest, agreement setting powers should allow a regulator to set price and non-price terms for a designated entity's services to its business customers.

The principles for the price and non-price terms should be the same across the agreement oversight and setting powers, and there should be clear criteria for a regulator to move from exercising its agreement oversight powers to exercise its agreement setting powers.

Recommendation 6: Provide a regulator with powers to oversee a designated entity's dispute resolution process for business customers

The regulatory framework should provide a regulator with the power to oversee (either directly or indirectly) a designated entity's dispute resolution processes for business customers. This would include:

- the establishment of regulatory principles to guide the internal dispute resolution processes of designated entities
- regulatory approval or appointment of an independent third party to resolve complaints not able to be handled internally by the designated entity within a timeframe set by the regulator
- dispute resolution reporting requirements enabling the regulator to monitor emerging issues facing business customers.

Recommendation 7: Provide a regulator with the power to oversee and set access agreements for cash distribution service providers to access critical services provided by a designated entity

The regulatory framework should provide a regulator with agreement oversight, agreement setting and dispute resolution powers for access agreements of designated entities that allow other cash distribution providers to access the critical services of designated entities.

The parameters of these powers would be generally consistent with the agreement oversight, agreement setting and dispute resolution powers set out in Recommendation 5 and Recommendation 6 relating to price and non-price terms in agreements between designated entities and their business customers.

Recommendation 8: Provide a regulator with the ability to oversee service-level standards set by a Minister

The regulatory framework should provide for the relevant Minister to establish minimum service-level standards on designated entities, according to principles set out in legislation. Compliance with standards would be the subject of mandatory reporting by the designated entities and subject to a framework for binding dispute resolution. The objective of service-level standards should be to ensure cash distribution services are supplied to regional businesses on transparent, non-discriminatory and fair terms.

Recommendation 9: Provide enforcement powers to regulator(s) and establish penalties

To ensure that designated entities meet their obligations under the regulatory framework, the framework should set out penalties for non-compliance and provide regulator(s) with investigative and enforcement powers. These should include:

- investigative and information-gathering powers to assess potential breaches
- enforcement powers to encourage compliance, including the issuing of infringement notices
- powers to apply to a court to seek civil remedies, including the establishment of pecuniary penalties.

1. Introduction

Background

Cash continues to play an important role in Australia. Many Australians depend on cash to participate in the economy, including more vulnerable groups and those living in regional areas. Cash can provide a useful fallback to electronic payment methods during system outages and natural disasters, particularly in regional Australia. Cash is also used as a store of wealth, particularly during times of economic uncertainty. Cash in circulation is around \$110 billion, which is a record high level. The CFR and ACCC support the Australian Government's policy objective to ensure cash remains a viable means of payment for as long as Australians want or need to use it.

The cash distribution system, which facilitates the bulk movement and processing of cash around the country, has faced significant challenges as the use of cash for everyday payments has declined. Excess capacity in cash distribution infrastructure has contributed to financial pressures in the cash distribution sector. In 2023, the two largest CIT companies, Linfox Armaguard (Armaguard) and Prosegur Australia, merged. To support the ongoing provision of cash distribution services, the merged entity, Armaguard, received financial support in 2024/25 from its major banking and retail customers enabled by an ACCC authorisation. In July 2025, the parties extended their financial contributions for a further six months to December 2025.

Maintaining access to cash is a key priority in the Government's *Strategic Plan for Australia's Payments System*.³ The CFR and ACCC consider that critical cash distribution services should be subject to appropriate safeguards, similar to other critical financial system services, to support the ongoing availability of cash.

In July 2025, the CFR and ACCC launched a public consultation on a proposed regulatory framework for cash distribution.⁴ The agencies received 47 submissions, and met with a range of stakeholders bilaterally and as part of industry roundtables. In addition, around 1,200 emails were received from individual members of the public, who generally supported the future of cash in Australia.

Feedback on the proposed regulatory framework

Most submissions were broadly supportive of the proposed framework, with many noting that regulatory guardrails would be needed to address the key risks the cash distribution system currently faces or that may emerge in the future. Stakeholders generally noted that regulatory obligations should be proportionate to risks posed by particular entities to the cash distribution system. On specific elements of the framework:

- Stakeholders were generally supportive of designating critical cash distribution service providers as being subject to regulation. However, registration of all providers was typically viewed as a lower priority; some stakeholders highlighted that the additional compliance costs may impose unnecessary burden on smaller providers.
- Crisis and resolution powers were generally viewed as a relatively high priority, with stakeholders generally noting these powers should be used proportionately, and with clear criteria to trigger resolution powers.
- Stakeholders were also broadly supportive of oversight powers in relation to a designated entity's price and non-price terms. It was noted that these powers could promote fairness and consistency in services supplied to different customers and regions. Some stakeholders

³ Treasury, n 1.

⁴ CFR and ACCC, n 2.

also noted that an independent pricing mechanism (IPM) was being negotiated between Armaguard and its major banking and retail customers; the proposed price and non-price powers could be viewed as a complement to industry-led pricing arrangements.

- There was broad in-principle support for service-level standards for regional business customers, so that regional customers are not disadvantaged. However, some stakeholders were concerned that regional service-level standards could entrench excessive cross-subsidisation or inefficient practices, noting innovation in cash distribution and processing may have the potential to better support regional cash access.
- There were mixed views about the need for third-party access regulation. While some stakeholders were of the view that the ability to impose access requirements on designated entities could mitigate risks to competition, others saw this element of the framework as a lower priority.
- Stakeholders were broadly supportive of penalty and enforcement powers that are proportionate to the severity of the breach and the size of the entity.

General feedback

Feedback on other issues relating to the future of cash was also provided in submissions and emails from members of the public. In particular, many stakeholders emphasised that regulating cash distribution should be considered as one of a range of measures that is likely to be needed to support the viability of cash as means of payment in Australia, including:

- **Supporting access to cash, particularly in regional and remote Australia.** Many stakeholders raised concerns about closures of bank branches and bank-owned ATMs. Some were of the view that banks have a social responsibility to provide cash and face-to-face banking as essential services. Voluntary private sector initiatives to support cash as a payment method were unlikely to meet the long-term needs of the community, and increased public sector support for cash access may be required.
- **A robust cash acceptance mandate.** Some stakeholders raised the Government's proposed cash acceptance mandate. Some stakeholders advocated for a broad cash acceptance mandate that would apply to all retailers and government agencies with in-person points of sale, and that people making payments in cash should not be subject to fees or surcharges.

Although these issues are outside the scope of the proposed regulatory framework for cash distribution, the CFR and ACCC recognise the importance of broader measures that support the ongoing viability of cash as a payment method. The Australian Government is working with regulators, industry and regional communities to support access to fit-for-purpose and sustainable banking services over the long term. In addition, the Government has committed to mandating that businesses selling essential goods and services accept cash, with appropriate exemptions for small businesses.

Some industry stakeholders also highlighted inefficiencies and risks associated with the current security licensing arrangements for CIT providers, which differ across states and territories. The CFR and ACCC acknowledge the importance of these safety concerns but consider the issues also to be outside the scope of the framework that was consulted on. This is because the framework focuses on safeguarding the continuity of critical cash distribution services and supporting the sustainability, effectiveness and efficiency of the distribution system.

2. Visibility of entities, capabilities and challenges

The CFR and ACCC proposed that all entities performing ‘cash distribution services’ – cash access facilities, transport, storage, processing, and access support services (Table 1) – would be required to register with a regulator and meet basic reporting requirements. The definition of cash distribution services was intended to be broad and flexible enough to apply to a range of business types and structures that may be used currently or in the future to provide cash distribution services.

It was also proposed that a regulator and/or Minister would have the power to designate entities that provide critical cash distribution services to a significant part of the market, and/or if a disruption to the entity’s functions would likely threaten the overall stability of the cash system. Related entities could also be subject to designation. The regulator and/or Minister would have the power to impose obligations on the designated entity as set out in the regulatory framework.

Table 1: Cash distribution services proposed to be subject to the regulatory framework^(a)

| Cash access facilities | Cash storage and processing ^(b) | Cash transport ^(b) | Cash access support ^(c) |
|--|--|---|---|
| Purchase and return of cash to the Reserve Bank of Australia (RBA) and the Royal Australian Mint | Administering cash requests from banks and businesses | Prepare and package cash for distribution | Deliver cash floats for businesses |
| Commercial cash facilities, including to supply retailers and banks with cash | Inter- and intra-depot transfers and trading Sorting, storing and processing cash | Provide cash collection and delivery | Deliver cash to bank branches Supply, restock and service ATMs |
| Bailment facilities (e.g. to stock ATMs) | Banknote and coin quality control Counterfeit detection Forecast cash demand | | |

(a) Cash distribution companies also provide other cash handling services such as reconciling cash records of customers (and resolving discrepancies), depositing funds into bank accounts, reporting (including for Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) compliance) and transporting high value goods.

(b) ‘Cash storage and processing’ and ‘cash transport’ activities are predominantly provided business-to-business.

(c) ‘Cash access support’ services are provided business to business and facilitate households’ access to cash.

Summary of views

Stakeholders generally supported the intent of a register of all cash distribution service providers. However, a number of stakeholders were concerned that registration would create an unnecessary regulatory burden for smaller service providers, and some cautioned that increased compliance costs could lead to adverse industry outcomes.

By contrast, there was broad support for designating *critical* cash distribution service providers. This was generally viewed as a high priority, given current challenges in the cash distribution system. However, a few stakeholders indicated that additional compliance requirements could add cost pressures for some cash distribution service providers. One stakeholder noted that there could be unintended consequences for competition if designating certain entities as critical providers discouraged others from expanding or was seen as endorsement of some entities.

Most stakeholders did not comment on which regulator(s) should be responsible for, or the appropriate level of ministerial involvement in, designation decisions. While some supported assigning the power to a regulator with ministerial oversight as needed, a few noted that it would be important for regulators to be responsible for designation decisions to maintain political independence.

There was general support for the proposed oversight powers for designated entities. Stakeholders endorsed requirements for reporting on business continuity arrangements and notifying a regulator of major operational changes. Some stakeholders also recommended regular collection of financial and service performance data.

Recommendations

The CFR and ACCC recommend establishing a designation regime for entities providing critical cash distribution services. Any regulatory obligations imposed would be proportionate to the designated entity's role in the system and consider both the regulatory burden and any other relevant obligations the entity may already be subject to outside this proposed framework.

In response to stakeholder feedback, the CFR and ACCC do not recommend introducing the proposed registration requirement for all cash distribution service providers. Such a requirement could result in an undue increase in compliance costs for smaller providers of cash distribution services relative to the potential benefits.

In the absence of registration, the CFR and ACCC propose granting regulator(s) the power to gather information from providers of cash distribution services if required, including to inform designation decisions.

Recommendation 1: Provide regulator(s) and/or a Minister with powers to designate entities that provide critical cash distribution services

The proposed designation powers would enable:

- regulator(s) to gather information from providers of cash distribution services in order to assess a potential designated entity against the criteria for designation
- regulator(s) and/or a Minister to designate entities, which would then be subject to some or all of the obligations and powers under the regulatory framework.

An entity with a critical role in the cash distribution system could be designated. A critical role includes providing services to a significant part of the market, and/or where a disruption to the entity's functions would likely threaten the overall stability of the cash system.

Related parties that are essential for cash distribution may also be within the scope of designation.

Recommendation 2: Provide the regulator(s) with oversight powers

The oversight powers would apply to designated entities, enabling regulator(s) to:

- establish reporting obligations
- gather information to monitor compliance with framework obligations and to enable the regulator(s) to effectively perform their oversight role
- gather information to support the regulator(s) in exercising their framework powers, where further information is required to make a decision.

3. Crisis readiness and resolution

The CFR and ACCC consulted on crisis readiness and resolution powers. The proposed powers included information gathering and the ability to set reporting requirements regarding a designated entity's crisis readiness. If the regulator deemed that crisis preparedness was inadequate, directions powers could be used to improve crisis readiness and provide the ability to resolve a designated entity. In addition, the regulator would have the power to resolve a designated entity if it was at significant risk of exit, or its conduct threatened the continuity of cash distribution.

The proposed powers would be broadly consistent with crisis and resolution regimes in the Australian financial system, including the Australian Prudential Regulation Authority's (APRA's) powers related to APRA-regulated entities and the RBA's powers related to clearing and settlement facilities.

Summary of views

Most stakeholders were supportive of the proposed crisis readiness and resolution powers, generally regarding these powers as an essential element of cash distribution regulation. It was noted that parts of the cash distribution system are highly concentrated, particularly at a national level, giving rise to risks to service continuity if a disruption were to occur. However, a few stakeholders viewed a regulatory mechanism that supports fair and transparent price and non-price terms as potentially more effective than the proposed crisis and resolution powers at addressing the risk of a disruption to cash distribution. Some stakeholders also noted the importance of considering potential overlap with other frameworks, such as AusPayNet's Australian Cash Distribution & Exchange System and APRA's CPS 230 requirements on operational risk management for APRA-regulated entities.

Many stakeholders noted that resolution powers should be used proportionately and only in exceptional circumstances, with clear and relatively high thresholds to trigger such powers. A couple of stakeholders viewed the potential power to transfer a business or shares of a designated entity in a crisis as a potentially disproportionate intervention.

Several stakeholders supported the regulator taking a proactive approach to crisis readiness, with an emphasis on business continuity planning and timely intervention in anticipation of a crisis.

Recommendations

The CFR and ACCC recommend that crisis readiness and resolution powers be introduced, as proposed in the consultation paper. Crisis readiness powers should be exercised proportionately and proactively to minimise the likelihood of disruption to cash distribution services. The proposed regulatory framework as a whole is aimed at reducing the likelihood of a crisis. Any exercise of resolution powers should be subject to clear and risk-based guidelines.

Recommendation 3: Provide a regulator with crisis readiness and resolution powers

The proposed crisis readiness and resolution powers include:

- gathering information to support crisis preparedness and crisis response
- assessing and enforcing the ability of an entity to be resolved and resolution planning
- issuing directions to a designated entity to take or prohibit a specified action
- appointing a statutory manager to a designated entity
- initiating the transfer of a business or shares of a designated entity.

Recommendation 4: Establish triggers for crisis resolution powers

Crisis resolution powers could be triggered in instances where a designated entity:

- ceases, or intends to cease, one or more cash distribution services critical to the functioning of the cash system
- is at risk of being financially non-viable or appoints (or is at risk of appointing) an external administrator
- engages in conduct that threatens, or is likely to threaten, continuity of cash distribution services critical to the functioning of the cash system.

4. Regulating price and non-price terms

Agreement oversight and setting

The CFR and ACCC proposed agreement oversight powers that included the ability to require a designated entity to consult with the regulator and relevant stakeholders on the price and non-price terms of its agreements for the provision of cash distribution services. The regulator would provide feedback on the proposed agreement, considering public interest principles established through regulation. Such public interest principles could include the adequacy of stakeholder consultation, fairness of pricing, simplicity of pricing structures and the likelihood that the terms in the agreement would promote access to cash across Australia. The regulator may also have regard to relevant service-level standards and/or government obligations related to access to cash.

In instances where the designated entity and its business customers cannot negotiate an agreement, or a negotiated agreement is deemed to not be in the public interest, the regulator would have the ability to set price and non-price terms for a designated entity's services.

Summary of views

Stakeholders were generally supportive of regulatory oversight of price and non-price terms. One stakeholder considered that oversight would ensure consistency in services, safety standards and employment conditions across all service providers. Stakeholders were also supportive of the regulator having an agreement setting function, as it would assist contract negotiation processes.

Several stakeholders commented on the interaction between the proposed IPM and agreement oversight and setting powers. One stakeholder considered that, once developed, the IPM would be the most appropriate regime for securing the medium-term sustainability of cash distribution. However, any IPM would need to be authorised by the ACCC under the relevant legislative provisions. Another stakeholder supported oversight powers being given to a regulator on price terms in the context of the IPM. The CFR and ACCC acknowledge that the IPM report has been finalised.⁵ As at 9 October 2025, the proposed IPM has not been submitted to the ACCC for consideration. Accordingly, the CFR and ACCC cannot form a view on whether the proposed IPM could or should be used as a basis for agreements and the setting of price and non-price terms for certain cash distribution services.

Stakeholders also supported the regulator having powers to set price and non-price terms if a designated entity is unable to negotiate an agreement with its customers, and it is in the public interest to do so. This could include intervening in instances where, for example, pricing terms are not consistent with the pre-approved schedule, or where there is evidence of discriminatory pricing that affects access to cash services in regional areas or the ability for smaller providers to compete against the designated entity. However, some stakeholders considered regulatory intervention should only occur in the case of a significant dispute and should be a last resort.

Recommendations

The CFR and ACCC recommend providing a regulator with powers to oversee and set price and non-price terms for the provision of services by a designated entity to its business customers.

Consistent with stakeholder views that intervention should be a backstop or a last resort, there should be clear criteria for a regulator to move from exercising its agreement oversight functions to exercising its price and non-price term setting powers.

⁵ Australian Banking Association (ABA) and Armaguard (2025), *Finalisation of independent pricing model report to support cash distribution*, 3 October, accessed 9 October 2025.

Recommendation 5: Provide a regulator with agreement oversight and setting powers

Agreement oversight powers include a power to require a designated entity to consult on its price and non-price terms with the regulator and relevant stakeholders. These powers should also require that relevant price and non-price terms reflect public interest principles set in regulation.

Where a designated entity and its business customers cannot negotiate an agreement, or where an agreement is not in the public interest, agreement setting powers should allow a regulator to set price and non-price terms for a designated entity's services to its business customers.

The principles for the price and non-price terms should be the same across the agreement oversight and setting powers, and there should be clear criteria for a regulator to move from exercising its agreement oversight powers to exercise its agreement setting powers.

Dispute resolution oversight

The CFR and ACCC proposed that a regulator, or a third party approved by the regulator, would be granted powers to oversee a designated entity's dispute processes with its business customers.

Summary of views

Stakeholders generally supported including a dispute resolution mechanism in the regulatory framework, but noted that it should be timely and inexpensive. Other stakeholders recommended expanding the scope of dispute resolution powers beyond business customers.

Multiple stakeholders were of the view that the regulator, or a regulator and third party together, should consider or arbitrate disputes between a designated entity and its customers. Other stakeholders suggested that the regulator should not be the arbiter of disputes in instances where it also sets price and non-price terms in agreements, raising concerns about bias.

Stakeholders noted that the Fair Work Commission is currently considering a contractual chain order application from the Transport Workers' Union, and raised concerns about the possibility of conflict with the proposed dispute resolution oversight powers. The CFR and ACCC consider that regulator(s) exercising powers under the cash distribution regulatory framework would take any other relevant obligations a designated entity would already be subject to into account when determining the entity's obligations under the proposed regulatory framework.

Recommendations

The CFR and ACCC recommend providing a regulator with powers to either directly or indirectly oversee a designated entity's dispute resolution process. These powers should only be exercised in relation to material disputes between the designated entity and its business customers, or in the case of access regime disputes (see Chapter 5).

The CFR and ACCC acknowledge stakeholder concerns about instances when the same regulator potentially setting agreements could also arbitrate disputes between a designated entity and a business customer. While it is possible there could be a dispute between a designated entity and a business customer in relation to an agreement set by the regulator, the CFR and ACCC note that the recommended framework allows for the regulator to approve an independent third party to oversee disputes. In addition, the price and non-price term setting and dispute resolution powers would include appropriate mechanisms for appealing decisions made by the regulator.

Recommendation 6: Provide a regulator with powers to oversee a designated entity's dispute resolution process for business customers

The regulatory framework should provide a regulator with the power to oversee (either directly or indirectly) a designated entity's dispute resolution processes for business customers. This would include:

- the establishment of regulatory principles to guide the internal dispute resolution processes of designated entities
- regulatory approval or appointment of an independent third party to resolve complaints not able to be handled internally by the designated entity within a timeframe set by the regulator
- dispute resolution reporting requirements enabling the regulator to monitor emerging issues facing business customers.

5. Access to cash distribution services

The CFR and ACCC proposed to provide a regulator with the power to establish a third-party access regime for other cash distribution service providers to access critical services provided by designated entities. As part of the broader dispute resolution power, this could include arbitration powers for access regime disputes.

Summary of views

Stakeholders had mixed views on whether providing a regulator with the power to establish a third-party access regime allowing certain cash distribution service providers to access a designated provider's services, such as the ability for other providers to pick up cash from depots of the designated entity, was necessary.

While an access regime could support competition, it was noted that requirements to provide third-party access should be limited to designated providers. One stakeholder suggested a regime should reflect similar provisions in the court-enforceable undertaking that Armaguard currently has in place until September 2026, as part of the ACCC's authorisation of its merger with Prosegur.⁶ In this regard, some stakeholders observed that smaller CITs were currently able to access the depots of larger providers to perform cash pick-ups and drop-offs on behalf of their customers.

Some stakeholders considered that access regime disputes should be resolved, or supervised, by the regulator. Stakeholders also considered it important that disputes should be resolved promptly.

Some stakeholders considered an access regime was a lower priority in the regulatory regime, and may impose unnecessary costs in an already challenging commercial environment.

Recommendations

The CFR and ACCC recommend providing a regulator with powers to oversee and set access agreements between a designated entity and users of its critical services. The regulator should also be granted powers to arbitrate disputes regarding access agreements. This recommendation builds on the third-party access regime proposed in the consultation paper (Proposal 9), with a clarification in language in response to stakeholder feedback.

Access to critical cash distribution services is important for promoting competition in downstream markets. It is particularly important for a sector with high fixed costs, lower volumes than historically and a concentrated market. Not all providers in the cash distribution supply chain will need the ability to use a designated entity's critical services.

As noted in submissions, there are similar provisions relating to Approved Cash Centres in the undertaking approved by the ACCC as part of its authorisation of the merger between Armaguard and Prosegur. However, these provisions fall away when the undertaking expires in September 2026 and so cannot be considered a substitute for a regulatory power to oversee and set access agreements.

However, the CFR and ACCC recognise stakeholder concerns about the regulatory costs that could be imposed on the industry through the implementation of an access regime. As a result, it is recommended that in the first instance the regulator should have oversight of relevant access arrangements, with the ability to set agreements under certain circumstances. This is also consistent with the approach to agreement oversight and setting of price and non-price terms (see Chapter 4).

⁶ ACCC (2024), 'Linfox Armaguard Pty Ltd [section 87B undertakings register entry]', 13 June, accessed 1 October 2025.

The CFR and ACCC also acknowledge stakeholder concerns about how safety may be considered in access agreements that are set by the regulator. The regulator should be guided by the appropriate regulations for safety and security standards for the use of critical cash distribution services. As noted in the consultation paper, the CFR and ACCC consider that access to a designated entity's facilities or services may be reasonably refused where, for example, granting access would impose a significant risk to workplace health and safety, thereby contravening applicable occupational safety laws.

Recommendation 7: Provide a regulator with the power to oversee and set access agreements for cash distribution service providers to access critical services provided by a designated entity

The regulatory framework should provide a regulator with agreement oversight, agreement setting and dispute resolution powers for access agreements of designated entities that allow other cash distribution providers to access the critical services of designated entities.

The parameters of these powers would be generally consistent with the agreement oversight, agreement setting and dispute resolution powers set out in Recommendation 5 and Recommendation 6 relating to price and non-price terms in agreements between designated entities and their business customers.

6. Service-level standards for regional business customers

The CFR and ACCC proposed that a regulator should have the power to enforce service-level standards for regional business customers, established by the relevant Minister, applying to designated entities. This would support the availability of cash distribution services to regional business customers on transparent, non-discriminatory and fair terms. The standards would help ensure that designated entities provide regional business customers (including banks, retailers and ATM providers) with essential cash distribution services, to support adequate access to cash for regional consumers at low or no cost.

Summary of views

In responding to the consultation, many stakeholders raised broad concerns about mounting pressures on cash distribution services and cash access in regional areas, including higher prices and the operational challenges of servicing regional areas. Stakeholders also highlighted the key role that bank branches have in meeting demand for cash in regional areas; how bank branch closures are increasing the reliance on retailers and Australia Post as alternative cash access points; and the importance of reliable and affordable cash distribution services for regional businesses providing cash services to the public.

Stakeholders generally supported the objectives of service-level standards outlined in the consultation paper, and that the standards should be fair, transparent and non-discriminatory. Some stakeholders also noted standards should be proportionate and feasible. Some stakeholders suggested standards should be consistent across the whole sector, but others suggested they should be tailored to reflect the specific needs of different regions.

Most stakeholders did not express a view on the appropriate level of ministerial involvement in setting standards. One stakeholder preferred an industry-led approach to standards setting, while another was not supportive of a Minister determining pricing and service levels.

Various criteria were proposed to guide the application of service level standards, including: local demand or dependency on cash; risk of disruption to cash distribution services; geographic remoteness; and alternative access to cash distribution services. Some stakeholders provided specific examples of standards that could be established, including on factors such as service frequency, volumes and pricing arrangements. An alternative view was that service-level standards could be embedded in pricing frameworks or agreements.

Several stakeholders supported service-level standards that incorporated cross-subsidisation from metropolitan cash distribution services to regional cash distribution services. However, some stakeholders were concerned that cross-subsidisation would obscure the true cost of services to regional areas, reducing innovation and reliability, and distorting competition. Some stakeholders also observed that service-level standards might entrench inefficient or unsustainable cost structures.

Recommendations

The CFR and ACCC recommend that a relevant Minister has the power to establish minimum service-level standards for designated entities according to legislated principles. Compliance with standards would be the subject of mandatory reporting by the designated entities and subject to a framework for binding dispute resolution. Applying minimum service-level standards only to designated entities minimises regulatory burden on smaller providers of cash distribution services.

Minimum service level standards should support the overall objective of cash services being available across the country as the cash distribution system evolves. This will support the cash ecosystem (cash access, acceptance and use) across different geographic regions in Australia, including supporting

adequate access to cash by the public at low or no cost. Service-level standards should be proportionate and be designed to minimise adverse effects on competition, efficiency and innovation. The principles for minimum service-level standards could include:

- **Transparency.** Arrangements between designated cash distribution service providers and their regional business customers are supported by open, honest and timely information sharing.
- **Fairness.** Regional businesses should have access to designated cash distribution services on fair terms.
- **Non-discriminatory.** Upstream or downstream businesses that are affiliated with a designated entity should not receive preferential treatment to other cash distribution customers. This is particularly the case where they compete either in access to services provided by a designated entity or in the supply or acceptance of cash to/from the public.

As noted in the consultation paper, further policy interventions may still be warranted to assist with the availability and affordability of cash for consumers in regional Australia. The CFR and ACCC acknowledge the importance of such policies that focus on maintaining adequate cash and banking access in regional Australia.

Recommendation 8: Provide a regulator with the ability to oversee service-level standards set by a Minister

The regulatory framework should provide for the relevant Minister to establish minimum service-level standards on designated entities, according to principles set out in legislation. Compliance with standards would be the subject of mandatory reporting by the designated entities and subject to a framework for binding dispute resolution. The objective of service-level standards should be to ensure cash distribution services are supplied to regional businesses on transparent, non-discriminatory and fair terms.

7. Penalties and enforcement

The CFR and ACCC proposed investigative and enforcement powers for regulator(s) and penalties to ensure designated entities meet their obligations under the regulatory framework.

Summary of views

Stakeholders that were broadly supportive of the proposed regulatory regime for designated entities also supported the introduction of suitable enforcement powers and penalties to support compliance with regulatory obligations. Most stakeholders noted enforcement powers should be proportionate and support compliance outcomes and that penalties should account for the size of the entity, the nature of the breach and any repeated non-compliance.

Several stakeholders suggested the regulatory focus should be on incentivising compliance rather than financial punishment and other penalties. Some stakeholders recommended balancing enforcement powers and penalties with existing incentives in the cash distribution system.⁷

Recommendations

The CFR and ACCC recommend that regulator(s) have investigative and enforcement powers, and establishing penalties for non-compliance. These would be designed to ensure designated entities meet their obligations under the regulatory framework.

Enforcement powers and penalties should be proportionate to the impact of the breach, the size of the entity, any repeated non-compliance and have regard to market impacts and any mitigating factors.

Recommendation 9: Provide enforcement powers to regulator(s) and establish penalties

To ensure that designated entities meet their obligations under the regulatory framework, the framework should set out penalties for non-compliance and provide regulator(s) with investigative and enforcement powers. These should include:

- investigative and information-gathering powers to assess potential breaches
- enforcement powers to encourage compliance, including the issuing of infringement notices
- powers to apply to a court to seek civil remedies, including the establishment of pecuniary penalties.

⁷ The RBA is reviewing the incentives it provides on wholesale banknotes to ensure they remain fit for purpose; however, these arrangements are outside the scope of the regulatory framework. See Bullock M (2025), 'Opening Statement to the House of Representatives Standing Committee on Economics', Canberra, 22 September, accessed 1 October 2025.