

# **ARA/NRA SUBMISSION**

## **REGULATING CASH DISTRIBUTION – CFR/ACCC CONSULTATION PAPER**

AUGUST 2025

The Australian Retailers Association (ARA) and National Retail Association (NRA), welcome the opportunity to respond to the Council of Financial Regulators (CFR) and Australian Competition and Consumer Commission (ACCC) Consultation Paper on Regulating Cash Distribution.

The ARA and NRA, which propose to amalgamate to form the Australian Retail Council (ARC), represent a \$430 billion sector, employing 1.4 million Australians – making retail the largest private sector employer in the country and a significant contributor to the Australian economy.

Our membership spans the full spectrum of Australian retail, from family-owned small and independent retailers that make up 95% of our membership, through to our largest national and international retailers that employ thousands of Australians and support both metropolitan and regional communities every day. Our industry operates more than 155,000 retail outlets nationwide.

With a significant portion of every dollar spent in retail flowing back to employees, suppliers, super funds, and local communities, a thriving retail sector benefits all Australians. After a uniquely challenging five-year period, which has had significant impacts on the sector, we are united in advocating for policies, reform and collaboration that will drive growth, resilience, and prosperity for the retail sector and all Australians.

### **POSITION ON THE PROPOSED REGULATORY FRAMEWORK**

The ARA and NRA support the development of a proportionate regulatory framework for cash distribution, underpinned by the public interest principles of access, sustainability, resilience and efficiency on the basis any changes do not add disproportionately to the cost of doing business. The services provided and prices that Cash in Transit (CIT) providers are able to charge will be important considerations for any future regulation. Pricing for individual customers should in general reflect the services they receive, with incentives for efficiency initiatives for both the CIT provider and customer.

The CFR and ACCC need to be mindful of both the significant cost burden imposed on businesses in remote and regional areas and should not impose an unsustainable cost burden on businesses that may have limited CIT services. The framework should consider mechanisms to mitigate regional cost impacts, such as targeted government subsidies, flexible service models or pricing thresholds. Without these, regulated obligations may unintentionally penalise regional operations and reduce service viability.

While commercial arrangements should remain the default model for ensuring the availability of cash distribution services, we support the proposed powers as a necessary safeguard in cases of market failure, disruption or crisis.

- The framework must align with the Government’s proposed cash acceptance mandate, giving priority to essential goods and services providers, such as food and grocery retailers, in the event of cash distribution disruptions or other Business Continuity Planning scenarios.
- Businesses are best placed to manage cash within their own networks. While close consultation with the government during a crisis is welcome, regulation should not extend to dictating internal cash-handling arrangements.
- Members have reported increased costs associated with the management of cash, particularly in regional areas. Oversight of pricing, access, and service standards, as a matter of last resort, is appropriate where market concentration limits the resilience of the CIT sector from significant disruption.
- The ongoing closure of bank branches has increased pressure on retailers and other commercial businesses to provide cash access, particularly in regional areas. While many continue to support cash withdrawals through existing services, these businesses should not be expected to operate as de facto banks.
- Any price or access regulation must allow for a fair commercial return and continue to support investment and innovation in the cash distribution system.
- We support regulator-led designation powers based on objective criteria. Ministerial discretion in designation decisions should be avoided to ensure regulatory certainty and independence.

In terms of timing, the ARA and NRA note that the ACCC’s enforceable undertaking relating to the merger of Armaguard and Prosegur expires in September 2026. These undertakings provide important protections to businesses and consumers exposed to changing market dynamics.

The Government should also clarify its long-term policy position on cash usage beyond the proposed cash mandate for essential services. Businesses should retain flexibility to opt out of cash acceptance where operationally justified, where team safety is a concern and for mobile services, particularly if pricing is regulated and becomes prohibitive.

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We appreciate the opportunity to provide input and support the direction of the proposed framework. We welcome further engagement to ensure the final model remains commercially grounded, targeted, and proportionate to risk.

Any queries in relation to this submission can be directed to our policy team at [policy@retail.org.au](mailto:policy@retail.org.au).