

CIT consultations
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

Cash distribution framework – exposure draft legislation

Thank you for the opportunity to make a submission in response to the Cash distribution framework – exposure draft legislation. National Seniors Australia (NSA) is Australia’s peak consumer advocacy body for older Australians.

NSA welcomes the proposals in the draft legislation as an improvement on current arrangements. The creation of emergency powers reflects the seriousness with which the risks to cash distribution and transit are being taken by the government and regulators.

The introduction of emergency powers is critical, however we have concerns about how these powers will work in practice (see below). In particular, where distribution is at risk in regional areas and due to internal and external shocks not directly related to the financial viability of cash distribution businesses.

Hopefully these powers will never need to be used; to increase the likelihood of this being the case we continue to call on the government to take further action to ensure that cash remains accessible and accepted throughout Australia, including by periodically reviewing the cash mandate to ensure it is effective.

Yours Sincerely



Chris Grice
Chief Executive Officer

The continued use of cash as a means of payment and store of value is of interest to a many seniors and others who use cash.

Recent data from the Reserve Bank of Australia (RBA) indicates that the proportion of people never using cash has declined, with more people using cash occasionally.¹ There are many reasons driving this, but we wish to highlight that cash can be an important cost-saving and budget measure for those on low and fixed incomes. The RBA data shows that cash usage as a share of payments is inverse to income quartile; that is, the lowest income quartile use cash the most, and the highest income quartile use it the least.

More broadly, even for those who usually pay by card, having some cash is important in case of emergencies or an electronic payment system outage.

There are indications that cash usage is recovering from recent lows. Total cash withdrawals from ATMs in December 2025 were over \$10 billion – or an average of more than \$300 million a day – the highest level since 2022.² There is also over \$107 billion in Australian currency in circulation, as at the end of April 2026.³ NSA therefore regards it as vital that confidence is maintained in the access to and acceptance of cash, which requires reliable and reasonably priced cash distribution and transport.

The cash distribution framework is a welcome step forward, increasing monitoring of the sector and creating emergency powers allowing regulators to step in should the system become at risk of collapse. But the government and regulators should take further action – so that the emergency powers remain ready but unneeded.

We are concerned that full consideration has not been given to the potential for risk to the sustainability of the cash distribution businesses from internal and external threats that are not directly related to cash distribution.

For instance, given current geopolitical uncertainty, what would happen if Armaguard could no longer afford to fill the heavy secure trucks with diesel (though noting that Armaguard has piloted electronic armoured vehicles⁴)? Or, given at least one of the Armaguard Enterprise Agreements has

¹ [Cash Use in Australia: What the 2025 Consumer Payments Survey Tells Us | Bulletin – April 2026 | RBA](#)

² [Statistical Tables, ATMs – Original Series – C4.1 | RBA](#)

³ [Reserve Bank of Australia Balance Sheet | RBA](#)

⁴ [Future looks electric for Armaguard Group | Linfox](#)

a nominal expiry date on 1 July 2027⁵ (the same time as the end of the current bank branch closure moratorium), what if stalled wage negotiations lead to lockouts, strikes, or other industrial action as is being seen in the medical and transport sectors in Queensland^{6, 7}?

For cash distribution to be a sustainable business, while maintaining reasonable rates, this will require greater levels of cash distribution to spread the fixed costs. The Cash Mandate creates a backstop preventing supermarkets and fuel retailers from ceasing to accept cash, helping to create demand and supply for cash by retailers and through them on to consumers.

The missing element is an intermediary between businesses and consumers – businesses and consumers both need somewhere to deposit and withdraw cash. This is the role of banks, unfortunately one that banks are increasingly seeing as a cost rather than a duty. A banking licence is a privilege, and with it should come obligations as well as benefits.

While the existing bank branch closure moratorium is welcome, it is set to expire in just over 12 months, by mid-2027 and it's limited in the scope of which banks it relates to. If it is not continued, will regional and remote Australia see the levels of branch closures as has happened in the cities?

This would compound what is already likely to be higher costs of conducting business in cash in remote and regional areas due to lower economies of scale in distribution. This is where regional and rural bank branches are vital – it is far more efficient to make bulk deliveries of cash to a single location than more frequent smaller deliveries and collections from smaller businesses. Bank branches need to be considered as part of a broader hub-and-spoke model of cash distribution around Australia.

In our view, the primary issue with the Armaguard-Prosegur merger was that the business has high fixed costs relating to handling, processing, and transporting cash which have remained high while the revenue based on the volume of cash delivered has declined.

As raised in our Council of Financial Regulators submission⁸, this is not a situation that governments and regulators should have allowed to emerge. As recently the 1990s the RBA was significantly involved in cash distribution, but this was outsourced for relatively small savings compared to the risk a disruption to cash distribution would have on the economy.

⁵ [Armaguard Cash \(NSW\) Agreement 2024 | FWC](#)

⁶ [Queensland medical professionals to take industrial action as negotiations with state government stall | ABC News](#)

⁷ [Queensland commuters warned rail chaos could worsen ahead of Magic Round as wage disputes continue | ABC News](#)

⁸ [Regulating Cash Distribution - Council of Financial Regulators submission | NSA](#)

Securing the wider cash network is key to maintaining the viability of case distributions and there are several ways to assist in this:

- **Banking services through Australia Post should be strengthened.** Without significant investment in Australia Post, Bank@Post can't provide adequate banking services.
- ATMs may also be of some assistance, but this would require deposit capabilities and there are also questions of scale.
- **An increase to the Major Bank Levy is required to fund face-to-face banking services in regional and rural areas.** We have separately put forward a proposal for a levy on large banks, to be paid to those banks maintaining branches in regional and remote areas.⁹

⁹ [Policy recommendation: Ensure face-to-face banking services remain available | NSA](#)