Clubs Australia

12 May 2026

CIT Consultations
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: CITconsultation@treasury.gov.au

Cash Distribution Framework – Exposure Draft Legislation

Clubs Australia appreciates the opportunity to provide a submission on the Cash Distribution Framework Bill 2026 (the Bill).

Clubs Australia represents more than 5,000 not-for-profit, member-owned licensed clubs across Australia, employing over 140,000 Australians. These clubs exist to provide sporting and recreational infrastructure for their members and the wider community.

For many clubs, access to reliable and affordable cash distribution services is operationally critical, not discretionary.

Position

Clubs Australia supports the establishment of a legislative framework to regulate cash distribution services in Australia and acknowledges that the Bill's design already incorporates important safeguards, including:

- Oversight roles for the Reserve Bank of Australia (RBA) and Australian Competition and Consumer Commission (ACCC).
- Requirements for designated providers to negotiate in good faith.
- The capacity to establish service-level standards for cash distribution services.

These elements provide a strong foundation for maintaining access to cash nationally. Clubs Australia's submission therefore focuses on implementation and administration, particularly to ensure equitable outcomes for not-for-profit clubs in regional and remote communities.

Key concerns and recommendations

Cost recovery, service-level standards and regional price impacts

Clubs Australia notes that the Bill appropriately enables the setting of service-level standards, which have the potential to mitigate geographic disparities in the availability, reliability and pricing of cash distribution services.

Notwithstanding this, Clubs Australia remains concerned that location-based cost recovery for cash distribution services would be difficult for clubs to absorb, particularly in regional and remote areas. If pricing outcomes are driven primarily by strict point-of-delivery cost recovery, there is a material risk of significant cost increases for both businesses and consumers in those communities.

Clubs Australia Incorporated
ABN 32 691 361 915

Level 8, 51 Druitt Street
Sydney NSW 2000
P 02 9268 3000 F 02 9268 3066

Regional clubs typically operate with smaller customer bases, thinner margins and limited capacity to pass on rising costs. Without careful implementation, outcomes could result in disproportionately higher charges outside metropolitan areas, even where service-level standards are technically met.

Clubs Australia therefore considers it critical that service-level standards are outcome-focused, not merely procedural, and are applied in a way that ensures users of cash distribution services are not exposed to unreasonable pricing, commercial uncertainty or regulatory consequences arising from service failures beyond their control, particularly where those users lack market power.

While pricing structures sit largely outside the direct scope of the Bill, Clubs Australia considers that the framework should be administered in a manner that mitigates, rather than entrenches, geographic cost disparities, consistent with its stated objectives.

In this context, Clubs Australia notes that broader approaches, such as tiered pricing models or system-wide cost allocation mechanisms, rather than strict localised cost recovery, may better support equitable national access to cash.

Recommendation 1 That service-level standards be used as a central mechanism to moderate geographic pricing disparities and protect users with limited bargaining power.

Recommendation 2 That the RBA and ACCC assess whether pricing and service outcomes under the framework remain consistent with equitable national access to cash, particularly in regional and remote areas.

Good-faith negotiation and regulatory oversight

Clubs Australia supports the requirement that designated providers negotiate with customers in good faith and welcomes the ACCC's oversight role. However, in markets with limited provider choice, particularly in regional areas, good-faith obligations alone may not deliver equitable outcomes. Smaller and not-for-profit clubs have limited bargaining power and capacity to absorb unfavourable commercial terms, underscoring the need for effective regulatory oversight.

Notwithstanding the requirement to negotiate in good faith, it would be a perverse outcome if a small, not-for-profit regional club were subject to markedly less favourable pricing or commercial terms, or required, directly or indirectly, to cross-subsidise cash distribution costs for larger corporate customers, for fundamentally the same cash transport service and cost base.

Recommendation 3 That the ACCC adopt an outcomes-focused monitoring role, particularly in regional markets with limited competition.

Recommendation 4 That consideration be given to enabling peak industry bodies to engage with regulators on systemic service-level and pricing issues affecting small and regional businesses.

Operating and regulatory context

Clubs operate in a structurally cash-dependent environment. Clubs accept both cash and digital payments across food and beverage, entertainment, sporting and gaming activities. However, in most Australian jurisdictions, electronic gaming machines are legally required to accept cash, placing clubs in a unique

position compared to other businesses. As a result, clubs are unable to fully transition to digital payment systems for a core part of their operations.

While several jurisdictions have announced intentions to move toward account-based gaming, implementation timelines remain uncertain. In the absence of confirmed reform, clubs will continue to rely heavily on cash, and demand for cash distribution infrastructure is expected to remain high.

Over the medium term, clubs anticipate a gradual decline in cash-in-transit usage due to broader growth in digital payments and changing consumer preferences. In response, clubs may reduce collection frequency, explore alternative providers or invest in technologies such as smart safes. However, if cash distribution services become prohibitively expensive, smaller clubs may be forced to cease professional cash-in-transit services altogether, significantly increasing exposure to armed robbery and safety risks.

Notwithstanding these pressures, medium and larger clubs remain highly dependent on third-party cash-in-transit providers to transport cash securely and reduce security risks. At the same time, clubs are facing rising costs driven by inflation, fuel and staffing pressures, alongside service reliability issues in regional areas. Clubs have also raised concerns about pricing outcomes in locations where provider choice is limited.

Many clubs, particularly in regional and rural towns, also provide the only ATM available to the local community. Reliable and affordable cash-in-transit services are therefore critical not only to club operations, but to ensuring ongoing community access to cash, particularly for local businesses, older Australians and vulnerable residents. Accordingly, the affordability and reliability of cash distribution services should be regarded as essential community infrastructure, not merely a commercial input.

Concluding remarks

Clubs Australia would welcome the opportunity to be involved in further targeted consultation on the legislative framework to ensure it effectively reflects the needs and operating environment of clubs. Clubs Australia also wishes to convey its support for the Independent Payment Forum's submission to this consultation.

Please do not hesitate to contact me to discuss this submission further.

Yours sincerely,

James Newton
Head of Policy
Clubs Australia
[redacted]