

Gavin Jones
Director, Competition Exemptions
ACCC
GPO Box 3131
Canberra ACT 2601

8th February 2024

Re: ABA application authorisation AA1000654

Dear Sir,

Thank you for the opportunity to support the ABA and interested parties in the application for ACCC authorisation to share information enabling a more complete resolution to industry issues and its future.

We formally support the request and would like to add the required services of maintenance. Both FLM (first line maintenance) and SLM (second line maintenance) of ATMs and cash recyclers requires authorised and insured technicians. Therefore, maintenance requires the cash in transit provider to undertake the technical work or at a minimum provide guards to supervise the technical work.

This important role requires individual ATM software and hardware training, with parts availability, it's a significant part of the process. Please advise if you require further information relating to this vital part of the process.

We also support interim authorisation to enable industry participants to engage in the proposed conduct while waiting for the formal authorisation by your good selves.

We feel we could provide clear and experienced advice relating to every aspect of this process. Our extensive experience in Australia and NZ comes from deploying, running, and providing ATMs and cash deliveries (via contractors and direct) for over 20 years. We have managed more ATMs than any other party in Australasia.

During this journey, our team have received both local and international awards for innovation and services to the industry from individual banks and the ATMIA.

Next Payments welcomes competition in every aspect of business and as per our submission to the ACCC's inquiry into the merger of AG and Prosegur, we remain concerned about competition in cash in transit.

Next Payments along with several independent deployers compete directly with Armguard for ex-bank sites at shopping centres and general retail locations.

The near monopoly Armguard now enjoys is therefore unworkable and affects public benefit, due to upward price pressure and lack of business opportunities for market participants going forward.

Next Payments is now actively supporting self-cashed ATMs for merchants.

Self-cashing may not be as safe and is certainly not popular with larger retail and hospitality venues. Self-cashing is not possible for shopping centres and many other sites but remains a common method of maintaining ATMs at smaller venues. The cash simply gets recycled from the in-house safe to the ATM to the cash register.

Our sales team face severe competition from atmx, Armaguard's fully owned subsidiary.

We strongly recommend that the RBA takes back the control of the cash pool similar to the RBNZ's ESAS program. Making cash available to competitors of Armaguard is essential for the protection of the cash industry. Next Payments believes our company should have access to the pool, allowing us to decide who delivers the cash and maintains the ATMs.

We note that two cash in transit businesses operate in New Zealand and successfully negotiate harmoniously for their services. Authentic Security is Australia's second largest CIT operator with an estimated 8 per cent of the market. Authentic appear to be operating successfully and presumably with access to more trucks and depots this business, or another operator could provide competition and innovation in this market.

Unlike New Zealand, where the RBNZ has maintained control of the cash pool, our issues started many years ago when the RBA passed control of the cash supply to the four major banks, who, in turn, passed it to Prosegur and Armaguard.

The banks then negotiated hard with two CIT providers and the disastrous consequence was two loss-making national CIT businesses.

Yours sincerely,



Tim Wildash
Executive Chairman