



Australian Banking Association Ltd
Application for authorisation AA1000664
Interim authorisation decision
28 March 2024

Decision

1. The Australian Competition and Consumer Commission (the **ACCC**) has granted interim authorisation with conditions in respect of application for authorisation AA1000664, lodged by the Australian Banking Association (**ABA**) on 27 March 2024.
2. The ACCC grants interim authorisation with conditions to the ABA and Member Banks¹, and the following parties (and their subsidiaries as relevant), to the extent that they are relevant persons or classes of persons:
 - (a) Linfox Armaguard Pty Ltd (**Armaguard**),
 - (b) the Reserve Bank of Australia (**RBA**),
 - (c) the Commonwealth Treasury,
 - (d) the Royal Australian Mint,
 - (e) Australia Post,
 - (f) Australian Payments Network,
 - (g) suppliers of cash-in-transit services,
 - (h) non-Member Banks, and
 - (i) retailers, supermarkets and other businesses who distribute and utilise cash in their businesses

(collectively, with the ABA and Member Banks, the **Authorised Parties**²)

for two or more of the Authorised Parties to:

- (a) discuss, share information, reach agreement on and/or implement (as required) business continuity measures in the event of, or in reasonable anticipation of, a suspension, disruption or exit of Armaguard's cash-in-transit services to:
 - (i). support the continued and safe distribution and availability of cash to banks, retailers, other businesses and/or members of the public in metropolitan and regional non-metropolitan locations in the short term and prior to the development of a longer-term regulatory or industry solution and/or
 - (ii). to support customers and businesses who use cash in the event of any such suspension, disruption or exit.

(the **Authorised Conduct**).

¹ The current ABA Members Banks are listed in Annexure 1.

² The Authorised Parties are listed in Annexure 1.

3. Interim authorisation for the Authorised Conduct is granted with the following conditions:

Condition 1: Discussions, contracts, arrangements, understandings or implementation regarding the Authorised Conduct must occur at, in preparation for, or arise out of, a meeting, meetings or communications of either the RBA Cash Sustainability Working Group or the RBA BCP Working Group.

Condition 2: The ABA will provide the ACCC with a monthly report (or such other period as the ACCC may approve) that sets out material activities, discussions, developments and/or decisions in the previous period that involved conduct enabled by this authorisation, and any changes to the membership of the RBA Cash Sustainability Working Group and/or the RBA BCP Working Group.

The ABA will provide each report on or before the 15th day of each month and the first such report will be provided on or before 15 April 2024.

Condition 3: The ABA will engage an external lawyer with expertise in competition law, and approved by the ACCC, to attend meetings of the RBA Cash Sustainability Working Group and the RBA BCP Working Group with instructions to immediately advise the attendees if, during the course of a meeting, they develop concerns that there is conduct occurring that is outside the scope of this authorisation and risks breaching the *Competition and Consumer Act 2010* (Cth) (**the Act**) .

4. The ACCC grants interim authorisation with conditions in relation to Division 1 of Part IV of the Act and sections 45, and 46 and 47 of the Act.
5. Interim authorisation commences immediately and remains in place until it is revoked, the application for authorisation is withdrawn, or the date the ACCC's final determination comes into effect.
6. The ACCC may authorise a Committee or Division of the ACCC, a member of the ACCC or a member of the ACCC staff to exercise a decision making function under the conditions of this interim authorisation on its behalf.

Background

First authorisation Application by the ABA

7. The ABA is an association of 20 member banks in Australia. The ABA states that it provides analysis, advice and advocacy for the banking industry and contributes to the development of public policy on banking and other financial services.
8. On 30 November 2023, the ABA lodged an application for authorisation to facilitate urgent discussions between Member Banks, the RBA, Treasury, Armaguard and other relevant stakeholders in order to develop urgent responses to support the viability of wholesale cash distribution and continued access to retail cash services in Australia.
9. On 6 December 2023, the ACCC granted interim authorisation in response to the First Authorisation Application (First Interim Authorisation (AA1000654)).³
10. Following the First Interim Authorisation (AA1000654), the RBA established a working group comprising the RBA, Treasury, the ABA and the Major Banks to explore and evaluate urgent industry responses to the challenges facing Australia's cash services (the **RBA Cash Sustainability Working Group**). More recently, Bendigo and

³ <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australian-banking-association-ltd-cash-in-transit-initiatives>

Adelaide Bank, Australia Post, Coles, Woolworths and Wesfarmers have joined the working group.

11. Also under the First Interim Authorisation (AA1000654), the RBA established a working group to develop business continuity planning to be followed in the event of (or in reasonable anticipation of) a suspension, disruption, exit or partial exit of Armaguard (***RBA BCP Working Group***). The BCP Working Group is chaired by the RBA and includes the RBA, Commonwealth Treasury, the ABA, the Major Banks, Australian Payments Network and more recently, Bendigo and Adelaide Bank Australia Post, Wesfarmers, Woolworths and Coles.
12. The ABA indicated that implementation of any agreed industry responses would be the subject of a separate application(s) for authorisation.
13. Background information about the cash in transit industry is set out in the ACCC's Draft Determination AA1000654 dated 20 March 2024.⁴

Proposed Conduct

14. Broadly, the application for authorisation relates to the implementation of business continuity measures to be followed in the event of (or reasonable anticipation of) a suspension, disruption, exit or partial exit of Armaguard to support the continued and safe distribution and availability of cash to businesses and consumers in metropolitan and regional locations in such a scenario and to support customers and businesses who use cash in the event of any disruption to cash-in-transit services.
15. Specifically, the ABA is seeking authorisation for:
 - two or more of the Applicant, the Major Banks, other Member Banks and/or other Proposed Authorised Parties to discuss, share information, reach agreement on and/or implement (as required) business continuity planning to be followed in the event of, or in reasonable anticipation of, a suspension, disruption or exit of Armaguard's CIT services to (i) support the continued and safe distribution and availability of cash to banks, retailers, other businesses and/or members of the public in metropolitan and regional non-metropolitan locations in the short term and prior to the development of a longer-term regulatory or industry solution and/or (ii) to support customers and businesses who use cash in the event of any such suspension, disruption or exit)

(the **Proposed Conduct**).

16. The ABA seeks authorisation until 30 June 2025.
17. In its application, the ABA sets out that it undertakes for the duration of any interim and/or final authorisations that are in place to:
 - (a) provide the ACCC with a report each month (or such other period as the ACCC may approve) setting out material activities and developments in the previous period that involved conduct enabled by this authorisation, including whether any additional parties have joined the RBA BCP Working Group or RBA Cash Sustainability Working Group
 - (b) have an external lawyer with expertise in competition law, engaged by the ABA and approved by the ACCC, in attendance at meetings of the RBA Cash Sustainability Working Group and the RBA BCP Working Group with instructions to immediately advise the attendees if, during the course of the meeting, they

⁴ <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australian-banking-association-ltd-cash-in-transit-initiatives>

develop concerns that there is conduct occurring that is outside the scope of this authorisation and risks breaching the CCA.

Rationale for the Proposed Conduct

18. The ABA submits that further development and implementation of business continuity measures is essential to minimising the impacts of any potential disruption to cash-in-transit services and access to cash. The challenges facing the Armaguard business are significant, and in circumstances where there is no other national provider of cash-in-transit services, the ABA considers it imperative that the Proposed Authorised Parties are able to further discuss and implement business continuity measures on an urgent basis, should the need arise.

The authorisation process

19. Authorisation provides protection from legal action for conduct that may otherwise breach the competition provisions of the Act. Broadly, the ACCC may grant authorisation if it is satisfied that the likely benefit to the public from the conduct outweighs the likely public detriment, including from a lessening of competition. The ACCC conducts a public consultation process to assist it to determine whether proposed conduct results in a net public benefit.
20. The ACCC may specify conditions in an authorisation. The legal protection provided by an authorisation does not apply if any conditions are not complied with.

Interim authorisation

21. Section 91 of the Act allows the ACCC, where it considers it appropriate to do so, to grant interim authorisation. This allows the parties to engage in conduct while the ACCC is considering the substantive application for authorisation.
22. The ABA requests interim authorisation in respect of the Proposed Conduct prior to Friday, 29 March 2024.

Consultation

23. The ACCC will commence a public consultation process on the substantive application for authorisation and will further examine the public benefits and detriments likely to result from the Proposed Conduct during the process of assessing the application for authorisation.
24. Further information in relation to the application for authorisation and details regarding how to make a submission will be available on the [ACCC's authorisations public register](#).

Reasons for decision

25. In deciding to grant interim authorisation, the ACCC has taken into account:
 - this application was anticipated and logically flows from the First Interim Authorisation (AA1000654) which allows the ABA, Member Banks, Treasury, the RBA, Armaguard, Australia Post, and other businesses who distribute and use cash in their businesses (the Authorised Parties) to engage in discussions and exchange information that is for the purposes of, and reasonably necessary for, developing and evaluating potential industry responses to the viability of wholesale cash distribution in Australia and/or members of the public to retail cash services in one or more metropolitan and/or regional non-metropolitan locations.

- the importance of maintaining access to cash for banks, retailers and the community, with effective cash-in-transit services being critical to supporting this access. The ACCC considers that the banking sector has a key role in addressing concerns about the ongoing sustainability of cash-in-transit services.
 - that the Authorised Conduct is limited to implementing the business continuity measures with the aim of supporting the viability of wholesale cash distribution in Australia, and to support ongoing access to retail cash services (including to banks, retailers and other businesses, bank branches and ATMs in metropolitan and non-metropolitan locations)
 - that the development and implementation of business continuity measures is likely to assist in minimising the impacts of any disruption to cash-in-transit services and access to cash, should the need arise
 - the ACCC will consider any impacts of the conduct on competition and its effectiveness in delivering the claimed benefits as part of its assessment of the substantive application, and can vary or revoke interim authorisation at any time
 - the ABA is not seeking authorisation for implementation of longer-term regulatory or industry responses or solutions. The ABA has indicated it will seek a further authorisation for implementation of longer-term responses at the appropriate time (if applicable).
26. In deciding to grant interim authorisation with conditions, the ACCC has been particularly cognisant of the importance of maintaining access to cash in regional and remote areas, many of which do not have access to cash banking services and rely on other means for accessing cash. As noted above, the RBA has identified that cash remains an important means of payment for some consumers and high cash users are more likely to live in regional areas. The ACCC considers the conditions are necessary to address these issues.

Reconsideration of interim authorisation

27. The ACCC may review a decision on interim authorisation at any time.
28. The ACCC's decision in relation to the interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted.