

## **Submission: Australian Association of Convenience Stores**

The Australian Association of Convenience Stores (AACCS) is the representative body of more than 7,000 convenience stores across Australia, who employ close to 100,000 Australians and generate 10 Billion Dollars in store sales (excluding fuel). Our membership consists of national retailers such as Ampol, Viva Energy, 7-Eleven Australia, BP Australia, and many small, often family-owned businesses who support local communities in both metropolitan and regional areas across Australia.

Our members rely heavily on both Armaguard and Prosegur to provide consumer services that are far reaching across the width and breadth of Australia. Cash has an important role to play whether it be for purchasing goods through a transaction, providing Automatic Teller Machines (ATMs) which is a foot traffic driver into store, and most importantly the transfer of large amounts of cash (CIT) from store location to banking institution, with the understanding of increasing the safety of member employees by taking away risk.

In an already consolidated market space where competition is sparse, we do not support the merger of Armaguard and Prosegur for the following reasons and possible risks:

- Lack of competitor constraints which could drive costs up and reduce coverage and services. Increase in operating and inventory costs are biting small business across Australia, and further cost increases can not be afforded.
- Lack of bargaining power for our members as smaller CIT providers do not provide the sophistication, security, coverage and services as that of the merger applicants.
- Ability for one major CIT to transition quickly to a full-scale model to meet our members needs, maintain service levels, and maintain security measures without using smaller third party CIT companies
- Risk to Regional and Outback locations, where the local convenience store also acts as the towns 'one stop shop'. This will be a disadvantage to communities who rely heavily on ATM services and outlet owners who may see a reduction in CIT service levels

AACCS believes that any merger in the CIT must be carefully considered ACCC and include conditions to protect the current service levels, coverage, security levels and costs to the retailer.

Yours sincerely,

Theo Foukkare

CEO

Mobile: [REDACTED]