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16 January 2024

**Interested Party Response – Interim Authorisation AA1000654 - Authentic Security**

Authentic Security Pty Ltd (Authentic) welcomes the opportunity to provide a ~~confidential~~ response to the Application for Authorisation AA1000654, offered by the ACCC.

1. Executive Summary:

Authentic is the only alternate, national Cash-In-Transit (CIT) provider in Australia managing operations in all Australian capital cities and with an expansive regional network. Authentic are the largest “Non-ACCO” CIT operator, servicing circa 2,900 customers, processing \$10 billion in cash per year and with over 15 years business experience. Outside of Armaguard we are the only operator that occupy and service on a national footprint, and more broadly than all other “lower tier” ACCO or non-ACCO CIT operators combined.

We seek to be delegated senior participation in the “Proposed Conduct” and engage in “Authorised Conduct” as prescribed in Paragraphs 28 and 42 of the “Application for Authorisation AA1000654” dated 6 December 2023. We have a proven, profitable, and flexible business model, with market experience and strong growth corridors to provide valuable context to assist the ABA and RBA in supporting the viability of wholesale cash distribution and access to retail cash services across Australia.

Authentic agree with Armaguard that the CIT industry is not sustainable in its current form. Our principal view is the industry needs to mitigate the risk that has resulted from the recent merger and the unhealthy reliance on one CIT operator to support wholesale cash distribution.

Support should be provided to Authentic to facilitate our growth, whereby we offer a viable alternative to Armaguard in as many geographical areas across the country as possible.

Authentic can direct (and will be affected) by the outcomes of this Authorisation; our viability as a healthy, profitable, and necessary alternate Australian CIT operator warrants our necessary inclusion. We are supportive of the ACCC providing authorisation that would enable the ABA, its member banks, and other industry participants who distribute and/or utilise cash in their businesses to discuss and develop arrangements to support ongoing access to cash across the Australian economy.

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### 2. Competition

MergeCo sought and created the dominant CIT participant, who then only months later sought financial support to survive, and their misread of their future financial viability (post-merge) creates questions and concerns. The ABA seeks to address these issues, and Authentic is ideally positioned to assist and provide valuable CIT business context and future options.

Foremost to addressing the ABA's concerns regarding ongoing cash viability, is the need for equal footing and concessions to an industry held by a dominant (and currently unstable) force. While Authentic are the viable and profitable alternative who provide redundancy and competition, the ACCC did not grant our request for a surplus vehicle assets ledger during the merger process. Our growth has been stifled, and our ability to grow and diversify is governed as a result, and we urge this situation requires change so we are afforded the opportunity to purchase surplus vehicle assets from MergeCo, and most importantly to assist the ABA in its objectives to maintain ongoing viable cash services in Australia.

Similarly existing customers of both Armaguard and Prosegur should not be constrained by contractual terms that restrict their ability to allocate work to other CIT operators, particularly as those contract terms were agreed to at a time with what were deemed to be stable and sustainable businesses (which is clearly no longer the case).

Assistance should be provided to Authentic to have access to vehicles and support in obtaining ACCO status – enabling us to be on an equal footing in terms of the cost of sourcing cash and at the same time creating a broader wholesale cash distribution model. Similarly, the industry more broadly requires support to maintain regional cash services.

These and other concessions are mandatory to create market forces and maintain a stable cash market.

### 3. Recent Developments.

Authentic are a profitable, experienced, and expanding CIT provider. Our emergence continues to gain traction, and we seek support and incentives to continue our ascent as the alternative platform to ensure Australia maintains “future sustainability of the wholesale cash distribution network on an ongoing basis”. Authentic aims to be that competitor who tests market forces and seeks efficiencies which will provide Australia with the stable supply of affordable cash services in Australia.

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### 4. Future Movements

Authentic expect to elevate and grow as the merged entity seek to divest their assets. We are building a new Sydney Processing Centre and are actively reviewing the MergeCo registers (albeit without access to vehicles) and intend to apply for ACCO status (with the support of ABA participants) before the closure of the 2024 calendar year. We expect to expand and upgrade our depot footprint nationally and have recently employed experienced market and government employees who are providing contrasted capabilities to strengthen and widen our business. Our regional footprint and reach also continues to expand.

### 5. Market Concerns.

Contemporary State-Based and Criminal Enterprises who seek to undermine confidence in Digital financial services and currencies threaten a stable financial landscape, and recent communication interruptions and the threat of natural disasters highlight the need for redundant and reliable cash reserves. Authentic can provide assistance to all users of cash services to better ensure a sustainable future for cash distribution.

Authentic look forward to being an active participant in assisting the ABA to ensure a reliable, affordable, and effective cash supply is available to all Australians.

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Authentic Security

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Authentic Security