



Reasons for Determination

Application for merger authorisation

lodged by

Armaguard and Prosegur

in respect of

the merger of their respective cash-in-transit and
device monitoring and maintenance and ATM
businesses

Merger authorisation number: MA1000022

13 June 2023

Commissioners: Lowe, Keogh, Brakey, Carver, Crone, Ridgeway.

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Executive summary

Summary

The Australian Competition and Consumer Commission (**ACCC**) has decided, pursuant to section 88(1) of the *Competition and Consumer Act 2010* (the **Act**), to authorise the proposed merger of Linfox Armaguard Pty Ltd (**Armaguard**) and Prosegur Australia Holdings Pty Limited (**Prosegur**) (together, the **Applicants**). The ACCC has granted authorisation on the condition, pursuant to section 88(4) of the Act, that the Applicants give, and comply with, an undertaking (in the form at **Attachment A**) to the ACCC under section 87B of the Act (the **Undertaking**).

The Applicants applied for authorisation to engage in the conduct described in application MA1000022, namely to merge their cash distribution and management services (cash-in-transit services), device monitoring and maintenance and ATM services businesses in Australia (the **Proposed Acquisition**). The Applicants are the 2 major suppliers of cash-in-transit services in Australia.

The ACCC is satisfied in all the circumstances that, provided the Applicants give, and comply with, the Undertaking, the Proposed Acquisition would be likely to result in a public benefit that would outweigh the public detriment likely to result from the Proposed Acquisition.

The cash-in-transit industry is in structural decline due to decreasing use of cash as a payment method. The ACCC has formed the view that if the Proposed Acquisition does not proceed it is highly probable that one of the Applicants would cease to supply cash-in-transit services in Australia, within the short term. The ACCC accepts that the Applicants are not likely to continue to supply cash-in-transit services as separate, competing businesses.

The ACCC considers that one of the Applicants ceasing to supply cash-in-transit services would be likely to significantly disrupt the supply of cash-in-transit services and may affect the availability of cash-in-transit services and customers' access to cash. The consequences for customers and the broader public could be significant, although their nature and extent would depend largely upon the manner and timing of this exit.

In respect of competition, the ACCC considers that if one of the Applicants were to cease supplying cash-in-transit services this would likely create opportunities for smaller cash-in-transit suppliers, including potential new entrants, to expand by contesting for customers and acquiring cash-in-transit-related assets of the exiting Applicant. The potential expansion of existing smaller cash-in-transit suppliers, and entry by new suppliers, may materially increase the competitive threat posed to the remaining Applicant, albeit not at a national level of coverage.

If one of the Applicants were to cease supplying cash-in-transit services, the threat of expansion, including customer sponsored expansion, of smaller suppliers would be the most important remaining competitive constraint on the remaining Applicant. Because there may be a material increase in the competitive threat of entry or expansion in the absence of the Proposed Acquisition, the ACCC is not satisfied that the Proposed Acquisition would not have the effect or be likely to have the effect of substantially lessening competition.

While the ACCC considers that competitive opportunities may arise if one of the Applicants ceased to supply cash-in-transit services, a disorderly exit of one of the Applicants, whereby the supplier ceases supply with no notice or transition period to its customers, would also be highly detrimental to customers and the public. The ACCC considers that the Proposed

Acquisition would result in a public benefit by avoiding the detriments associated with a disorderly exit.

Recognising concerns raised about the Proposed Acquisition during the ACCC's consultation process, the Applicants proposed an undertaking to the ACCC. The ACCC has concluded that the Proposed Acquisition, on the condition that the Applicants must give, and comply with, the Undertaking (which reflects matters raised during public consultation), would be likely to result in a public benefit that would outweigh the public detriment likely to result from the Proposed Acquisition.

The ACCC considers that the commitments in the Undertaking ensure that the Proposed Acquisition would result in a sufficient public benefit. By reducing uncertainty over price and non-price terms for both competing CIT suppliers and customers of CIT services throughout the term of the Undertaking, the Undertaking will increase the public benefit associated with avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants. In addition, the ACCC considers that the commitments in the Undertaking avoid the need for government to consider a potentially urgent response to maintain access to cash and would allow adequate time for consideration of any policy or regulatory response in the longer term. Finally, the ACCC considers the Undertaking may reduce some of the public detriments arising from the loss of competition.

The authorisation application

On 27 September 2022, the Applicants lodged an application for merger authorisation of the Proposed Acquisition. If granted, merger authorisation provides statutory protection from legal action under section 50 of the Act, which prohibits the acquisition of shares or assets if the acquisition would have or be likely to have the effect of substantially lessening competition in a market.

The Applicants have entered into transaction agreements to combine their cash-in-transit service and ATM-related service businesses in Australia, including through a merger implementation deed, the creation and/or transfer of shares (as set out in a shareholders' deed), and various transitional arrangements (as set out in a shared services agreement).

Following completion of the Proposed Acquisition, Linfox Proprietary Limited (**Linfox**, which is Armaguard's parent company) would hold 65% and Prosegur would hold 35% of the total issued share capital of Armaguard. In addition, Linfox would hold 85%, directly and indirectly in aggregate, and Prosegur would hold 15%, indirectly through Armaguard, of the total issued share capital of Armaguard's ATM and related services business.

Information before the ACCC

The ACCC received more than 80 submissions, 13 witness statements and 4 expert reports.

The ACCC has used its compulsory evidence gathering powers to require the Applicants and third parties to provide information and documents. To test the information before it, and to gather further information to assist the ACCC's understanding of the issues, the ACCC also conducted compulsory examinations of several individuals.

In assessing this information, the ACCC has considered a range of plausible scenarios when forming its views.

The statutory framework

Under section 90(7) of the Act, the ACCC must not make a determination granting a merger authorisation unless it is satisfied in all the circumstances that the Proposed Acquisition would:

- not have the effect, or would not be likely to have the effect, of substantially lessening competition, OR
- result, or be likely to result, in a benefit to the public, and that benefit would outweigh the detriment to the public that would result, or be likely to result, from the Proposed Acquisition (the **authorisation test**).

To be 'satisfied' requires an affirmative belief. The reference to 'all the circumstances' underscores that the ACCC is to have regard to anything known to it that bears upon the making of its decision.

In considering whether it is satisfied that the authorisation test is met, the ACCC seeks to understand the likely effects of the Proposed Acquisition. This is an evaluative judgment. The ACCC informs this judgment by analysing what is likely to occur in a future in which the Proposed Acquisition proceeds (the **factual**, or **future with**) compared to the state of affairs if the Proposed Acquisition does not occur (the **counterfactual**, or **future without**). By using the factual-counterfactual analysis, the ACCC is able to identify the effects that are likely to flow from the Proposed Acquisition, and to evaluate the likely size of those effects.

Future without the Proposed Acquisition

As noted above, if the Proposed Acquisition does not proceed, it is highly probable that one of the Applicants would cease to supply cash-in-transit services in Australia within the short term. The ACCC considers that there is limited prospect of both Applicants continuing to supply cash-in-transit services beyond the short term.

While there would continue to be a base level of demand for cash-in-transit services because of the preferences of certain groups of end-consumers, the cash-in-transit industry is in structural decline as a result of decreasing use of cash as a payment method. Largely due to this declining volume, and the high fixed cost nature of providing cash-in-transit services, the Applicants have recorded significant trading losses in recent years and are unlikely to return to profitability as separate, competing businesses. Given these factors, it is highly unlikely there would be an alternative purchaser for the whole, or a major part of, the Australian business of either of the Applicants. Further, alternative arrangements to the Proposed Acquisition, including subcontracting, partnerships and joint ventures, have either proved ineffective or are unworkable for the Applicants.

The ACCC does not consider that there is a realistic prospect that *both* Applicants would cease to supply cash-in-transit services in the foreseeable future. If one of the Applicants ceased supplying cash-in-transit services, the ability and incentives for the remaining Applicant to continue to do so would improve substantially.

Competition assessment

As noted above, the ACCC considers that, in the absence of the Proposed Acquisition, it is highly probable that one of the Applicants would cease to supply cash-in-transit services in the short term. Consequently, the ACCC has focused its analysis on the state of competition in the future with the Proposed Acquisition compared to the period where one of the Applicants would otherwise cease to supply cash-in-transit services.

The Applicants are the 2 largest suppliers of wholesale and retail cash-in-transit services, and of full-service retail cash-in-transit services, and the only suppliers that offer national coverage of these services. If one of the Applicants ceases to supply cash-in-transit services, this would remove the closest and strongest competitive constraint to the remaining Applicant. The ACCC has therefore focused its analysis on the closest *remaining* competitive constraint(s) and whether there would be any material difference between the strength of these in the future if one Applicant ceases supplying cash-in-transit services, compared to the future if the Proposed Acquisition proceeds.

The ACCC has formed the view that the next closest competitive constraint would be the threat of entry and/or expansion of alternative suppliers to compete with the remaining Applicant, even if this entry and/or expansion (or threat thereof) is limited in its volume, geographic scope or otherwise. Although the ACCC does not consider that this threat of entry and/or expansion would completely constrain the market power the remaining Applicant could exercise, it would provide an ultimate competitive constraint. The difference between the strength of this constraint in the future with and without the Proposed Acquisition would be material.

One of the Applicants ceasing to supply cash-in-transit services is likely to create competitive opportunities for potential entrants or other suppliers (particularly smaller suppliers) to win customers and/or purchase the assets of the exiting Applicant and expand in certain locations. At a sub-national scale, particularly in certain cities or regions and for small or medium cash-in-transit customers, there is credible evidence that some alternative cash-in-transit suppliers have an interest and the ability to enter or expand their businesses, including through the acquisition of assets of the exiting Applicant.

The ACCC considers that, by limiting these opportunities, and thereby reducing the potential competitive constraint that alternative suppliers might otherwise apply to a single major cash-in-transit supplier, the Proposed Acquisition would be likely to increase barriers to rivals and lessen competition in the supply of full-service retail cash-in-transit services and, to a lesser extent, integrated wholesale and retail cash-in-transit services. The extent of any lessening of competition would depend on the nature and scale of competitive opportunities following the exit of one of the Applicants, which may be impacted by the manner and timing of exit, for example, if exit is quick and/or disorderly.

Further, entry or expansion of alternative suppliers following the exit of one of the Applicants may also increase the strength of countervailing power of some customers as the threat of sponsoring further expansion of alternative suppliers may become more credible.

The ACCC further considers that the Proposed Acquisition may increase the ability for the merged entity to foreclose competitors or otherwise harm competition in the supply of ATM services and ATM maintenance services, because cash-in-transit services are a key input to the supply of these ATM-related services.

The ACCC considers that both with and without the Proposed Acquisition, there will be a significant increase in the level of market power in the supply of cash-in-transit services, which may increase the ability and incentive to foreclose or otherwise harm competition in ATM-related services. Therefore, any increase in competitive threats in relation to the supply of cash-in-transit services in the absence of the Proposed Acquisition may also help to limit competitive harm in the supply of these ATM-related services. The opportunities arising from one Applicant ceasing to supply cash-in-transit services, discussed above, could result in greater competitive constraints on the remaining Applicant from engaging in any vertical foreclosure strategies by increasing the threat that ATM suppliers will switch to expanded third-party cash-in-transit suppliers, or by enabling ATM businesses to vertically integrate into cash-in-transit services.

For these reasons, the ACCC is not satisfied in all the circumstances that the Proposed Acquisition would not have the effect, or would not be likely to have the effect, of substantially lessening competition.

Public benefits and detriments

In applying the 'net public benefit test', the ACCC examines the benefits and detriments that would result, or be likely to result, from the Proposed Acquisition. In deciding whether it is satisfied that the likely public benefits of the Proposed Acquisition would outweigh the likely public detriments, the ACCC conducts an essentially qualitative assessment. The public detriments to which the ACCC will have regard in undertaking this balancing exercise include but are not limited to any reduction in competition likely to result from the Proposed Acquisition. To evaluate the likely extent of the benefits and detriments, the ACCC compares the likely futures with and without the Proposed Acquisition.

While it is not possible to be precise about the quantum of benefits, the most significant public benefit the ACCC considers is likely to arise from the Proposed Acquisition is avoiding disorderly disruption to the supply of cash-in-transit services and the flow-on effects for access to cash for the community. The ACCC considers that ensuring continued access to cash is an important objective, particularly in regional Australia and for vulnerable consumers who are reliant on cash payments.

The ACCC considers that the Undertaking increases this public benefit by further reducing uncertainty and the impacts on customers and competitors. Namely, uncertainty for customers regarding pricing and service levels, and uncertainty for competitors regarding third-party access to the facilities of MergeCo (the merged entity, as described in the Undertaking). Further, the commitments may avoid the need for government to consider an urgent response to assist in maintaining access to cash, allowing adequate time for consideration of any policy or broader regulatory response in the longer term.

Against this, the ACCC has weighed the public detriments it considers are likely to arise from the Proposed Acquisition, which are the likely effects on competition outlined above and reduced resilience in wholesale cash distribution.

The ACCC considers that the Undertaking may reduce some of the public detriment that would otherwise occur from the competitive effects of the Proposed Acquisition, by increasing opportunities for third party cash-in-transit suppliers to access excess sites, personnel and equipment which may increase their opportunities to enter the supply of cash-in-transit services or expand their existing cash-in-transit service offering. The ACCC considers that the commitment to continue offering ATM specific services to independent ATM deployers as per their existing contractual arrangements, and the commitment to continue providing these services in line with the pricing commitment, reduces the ability of MergeCo to foreclose independent ATM deployers for the term of the Undertaking.

For these reasons, the ACCC considers it appropriate to specify a condition in the authorisation, pursuant to section 88(4) of the Act, that the Applicants must give, and comply with, the Undertaking to the ACCC.

In these circumstances, the ACCC is satisfied in all the circumstances that, provided the Applicants give, and comply with, the Undertaking, the Proposed Acquisition would be likely to result in a public benefit that would outweigh the public detriment likely to result from the Proposed Acquisition.

1. The application for merger authorisation

- 1.1. On 27 September 2022, Linfox Armaguard Pty Ltd (**Armaguard**) and Prosegur Australia Holdings Pty Limited (**Prosegur**) lodged an application with the Australian Competition and Consumer Commission (**ACCC**) for merger authorisation (the **Application**).
- 1.2. Armaguard and Prosegur (the **Applicants**) have sought authorisation to engage in the conduct described in application MA1000022, which would result in the merger of their respective cash distribution and management (cash-in-transit or **CIT** services), device monitoring and maintenance and ATM services businesses in Australia (the **Proposed Acquisition**).
- 1.3. As part of the Proposed Acquisition:
 - Armaguard will purchase 100% of the shares in Prosegur Australia Pty Limited and Precinct Hub Pty Ltd from Prosegur, being the businesses that carry out Prosegur's CIT, maintenance and ATM businesses.
 - Armaguard will issue shares in Armaguard to Prosegur, such that Prosegur will hold 35% of the total issued share capital of Armaguard on completion.
- 1.4. In addition, shares will be transferred or issued such that Prosegur will have a 15% shareholding in Armaguard's technical services business, Integrated Technology Services, which provides equipment procurement and maintenance services to Armaguard's ATM network and to third parties including banks and other ATM suppliers.¹
- 1.5. The Application was made under section 88(1) of the *Competition and Consumer Act 2010* (Cth) (the **Act**). A merger authorisation provides protection from legal action under section 50 of the Act, which prohibits an acquisition of assets that has or is likely to have the effect of substantially lessening competition in any market.
- 1.6. Authorisation is a transparent process where the ACCC may grant protection from legal action under section 50 of the *Competition and Consumer Act 2010* (Cth) (the **Act**) of mergers or acquisitions.² The ACCC conducts a public consultation process when it receives an application for authorisation, inviting interested parties to make submissions outlining whether they support the application or not.
- 1.7. If authorisation is granted in relation to an acquisition, neither the ACCC nor third parties can take action under the Act to prevent or overturn the acquisition.

The Applicants

Armaguard

- 1.8. Armaguard is an Australian proprietary company. Armaguard is wholly owned by Linfox Pty Ltd (**Linfox**), which in turn is wholly owned by LEPCF Pty Ltd, the ultimate parent company of the Linfox Group.³

¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 10.

² Detailed information about the authorisation process is available in the ACCC's [Merger Authorisation Guidelines](#).

³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 22.

- 1.9. Linfox operates its Armaguard business in Australia through Armaguard and 5 subsidiaries, 3 of which form part of the Proposed Acquisition.⁴

Prosegur

- 1.10. Prosegur is wholly owned by Prosegur Cash, SA, a company incorporated in Spain. Prosegur Cash, SA is majority owned and controlled by Prosegur Compañía de Seguridad, SA, the ultimate parent company of the Prosegur Group.⁵
- 1.11. The Prosegur Group entered Australia by acquiring Chubb Security Services Pty Ltd in 2013. Prosegur also acquired Toll Secure in 2016 and Cash Services Australia Pty Ltd in 2017.⁶
- 1.12. Prosegur operates its business in Australia through 3 subsidiaries, 2 of which will form part of the Proposed Acquisition.⁷

Applicants' stated rationale for the Proposed Acquisition

- 1.13. The Applicants' stated rationale for the Proposed Acquisition is that it would create a financially sustainable business that can support continued access to cash in Australia on safe and secure terms.⁸ Further, they consider the Proposed Acquisition will allow the Applicants to combine respective strengths, which they submit are Armaguard's larger scale operations and long history of customer relationships in Australia, and Prosegur's expertise in international best practices, innovation and efficiencies.⁹
- 1.14. The Applicants further submit that the significant decline in use of cash as a payment method means their national networks are significantly underutilised and that this has caused significant decline in their CIT revenues.¹⁰ They submit cash usage has declined dramatically over the last 10 years and that this decline accelerated during the COVID-19 pandemic, as digital payment methods have replaced cash.¹¹ For example, in the past 5 years alone, Armaguard's annual CIT revenue **[Redacted - Confidential]**.¹² Similarly, Prosegur's **[Redacted - Confidential]**.¹³

⁴ Armaguard's wholly owned subsidiaries which are included in the Proposed Acquisition are (a) Point 2 Point Secure Pty Ltd which, together with Armaguard, operates the cash transport, management, and cash processing and settlement services, (b) Armaguard Technology Solutions Pty Ltd, which operates Armaguard's ATM network in Australia and (c) Integrated Technology Services Pty Ltd, which provides equipment procurement and maintenance services to Armaguard's ATM network in Australia, and to third parties including banks and other ATM suppliers.

Armaguard's 2 remaining Australian subsidiaries, Global Integrated Solutions Pty Ltd and Armaguard Asset Company Pty Ltd, and its foreign operations and subsidiaries in New Zealand and Thailand do not form part of the Proposed Acquisition. [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 23.

⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 31.

⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 32.

⁷ Prosegur's 3 Australian subsidiaries are (a) Prosegur Australia Investments Pty Limited, the holding company of Prosegur Australia Pty Ltd, which is the company that operates Prosegur's CIT, device monitoring and maintenance, precious cargo transportation services and the Kwikcash and white label ATM network in Australia, (b) Precinct Hub Pty Ltd, which operates Prosegur's Precinct ATM network in Australia and (c) Prosegur Foreign Exchange Pty Ltd, which operates Prosegur's retail foreign exchange business, primarily at airports. Prosegur Australia Pty Limited and Precinct Hub Pty Ltd will form part of the Proposed Transaction, Prosegur Foreign Exchange Pty Ltd will not.

[Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 32.

⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 10, 45.

⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 45.

¹⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 11, 44-45.

¹¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 11.

¹² [Armaguard and Prosegur application for merger authorisation: Annexure 37.1 - Witness Statement of Rodney Philip Mills](#), 26 August 2022, at [17].

¹³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 44.

- 1.15. The Applicants rely on volume to reduce the average cost of supplying CIT services.¹⁴ As such, the Applicants submit that the reduction in volume (and associated revenue) has increased the average cost for providing their services significantly¹⁵ and that competition between them has produced uneconomic low prices.¹⁶
- 1.16. The Applicants submit that they have implemented extensive efficiency and improvement programs to try and reduce costs, including outsourcing services. However due to issues with high fixed costs and declining demand described above, these measures have had limited success.¹⁷
- 1.17. The Applicants submit that combining their operations into one national network will allow them to realise significant efficiencies. It will allow them to de-duplicate their high fixed cost bases and supply CIT services in a financially viable and sustainable way.¹⁸ The Applicants submit that the Proposed Acquisition will create a sustainable business that will help to ensure that the Australian cash distribution system is effective, efficient, and resilient into the future.¹⁹

¹⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 140.

¹⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 140.

¹⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 17, 44.

¹⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 11.

¹⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 12.

¹⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 45.

2. Statutory framework

2.1. One of the objects of the Act is to enhance the welfare of Australians through the promotion of competition.²⁰ The Act protects competition primarily through the prohibitions on anti-competitive conduct in Part IV, including the section 50 prohibition on acquisitions that would or would be likely to substantially lessen competition. However, it has been recognised that conduct that would breach the competition rules may have offsetting public benefits such that the achievement of economic efficiency and the other benefits of competitive market conduct may come at the cost of other valued objectives.²¹ Because of this, since 1974, Australia's competition law has included a legislative scheme that provides, in the words of the Tribunal, 'an administrative process to remove the risk that proposed beneficial conduct may contravene competition laws'.²²

2.2. Section 88(1) of the Act confers on the ACCC a discretionary power to authorise conduct:

Subject to this Part [Part VII], the Commission may, on an application by a person, grant an authorisation to a person to engage in conduct, specified in the authorisation, to which one or more provisions of Part IV specified in the authorisation would or might apply.

2.3. That discretion is enlivened when either of the necessary conditions or 'statutory preconditions'²³ in section 90(7) are met. Section 90(7) relevantly provides:

The Commission must not make a determination granting an authorisation under section 88 in relation to conduct unless:

(a) the Commission is satisfied in all the circumstances that the conduct would not have the effect, or would not be likely to have the effect, of substantially lessening competition; or

(b) the Commission is satisfied in all the circumstances that:

(i) the conduct would result, or be likely to result, in a benefit to the public; and

(ii) the benefit would outweigh the detriment to the public that would result, or be likely to result, from the conduct; or [...]

2.4. For convenience these Reasons for Determination refer to the criterion in section 90(7)(a) as the **Competition Test** and section 90(7)(b) as the **Net Public Benefit Test**.²⁴

2.5. The satisfaction of those statutory preconditions does not require that the ACCC grant authorisation: the discretion to refuse authorisation exists even where the ACCC is satisfied of the elements in section 90(7)(a) or (b). This follows from both the discretionary language of section 88(1) and the framing of section 90(7) in terms that the Commission must not make a determination granting an authorisation under

²⁰ *Competition and Consumer Act 2010* (Cth) s 2.

²¹ Prof Frederick G Hilmer, Mark R Rayner and Geoffrey Q Taperell, *National Competition Policy Report by the Independent Committee of Inquiry* 1993, at pp 29, 88.

²² *Application by Medicines Australia Inc* [2007] ACompT 4 at [105].

²³ *Application by Flexigroup Limited (No 2)* [2020] ACompT 2 at [138].

²⁴ It is important to note that section 90(7)(b) requires the ACCC to identify likely public benefits and likely public detriment, but that the ACCC must be satisfied that the former would outweigh the latter (i.e., it does not say 'would be likely to outweigh').

section 88 unless it is satisfied either that no substantial lessening of competition is likely or there would be a net public benefit.²⁵

- 2.6. The Tribunal has canvassed circumstances in which the ACCC might exercise the discretion and not grant authorisation notwithstanding the Net Public Benefit Test is met.²⁶ However, the Tribunal has also said that, in practice, if it (and by extension the ACCC) has concluded that the Net Public Benefit Test is met, the proposed conduct would ordinarily be authorised.²⁷
- 2.7. Before the ACCC can grant a merger authorisation, the ACCC must be *satisfied in all the circumstances* that the proposed merger meets either the Competition Test or the Net Public Benefit Test.
- 2.8. To be 'satisfied' requires 'an affirmative belief'.²⁸ Both tests in section 90(7) of the Act require the ACCC to be 'satisfied in all the circumstances': the statutory precondition for the ACCC's power under section 88(1) to arise is the ACCC's *state of mind*. The reference to 'all the circumstances' underscores that the ACCC is to have regard to anything known to it that bears upon the making of its decision.
- 2.9. Both the Competition Test and the Net Public Benefit Test involve consideration of what is *likely* to occur. The meaning of 'likely' has been the subject of some debate but, in the section 50 test, 'likely to have the effect' can be accepted as meaning a 'real chance' that is a 'real commercial likelihood'.²⁹ The Court has cautioned against atomising this test and said that, rather, there is a single evaluation judgment in determining whether a substantial lessening of competition is likely.³⁰
- 2.10. In assessing the likely effect on competition or the likely benefits and detriments arising from a proposed acquisition, the ACCC considers what has been described as the 'future with and without test'.³¹ This is not a comparison of a future in which the acquisition is authorised against a future in which it is not. Rather, it requires comparison of a future in which the proposed acquisition occurs with a future in which it does not. The likely future state of affairs if the proposed acquisition takes place is often referred to as the **factual** and the likely future state of affairs if it does not is referred to as the **counterfactual**.
- 2.11. In section 50 proceedings, the Court has said that a party who wishes to prove that a transaction will not have the likely effect of substantially lessening competition 'must negate the existence of any real chance ... of a commercially relevant or meaningful lessening of competition flowing from the acquisition'.³² Applying this in the merger authorisation context, the ACCC will need to form a view as to whether it is satisfied, in all the circumstances, there is no likely substantial lessening of competition. In determining whether it is so satisfied, the ACCC will take into account all relevant counterfactuals.

²⁵ See, in respect of an earlier iteration of s 90(7): *Application by Medicines Australia Inc* [2007] ACompT 4 at [106].

²⁶ *Application by Medicines Australia Inc* [2007] ACompT 4 at [127] – [128].

²⁷ *Application by Flexigroup Limited (No 2)* [2020] ACompT 2 at [138].

²⁸ *BOY19 v Minister for Immigration and Border Protection* (2019) 165 ALD 39, at [55] (O'Bryan J).

²⁹ *ACCC v Pacific National (No 2)* [2019] FCA 669 at [1274], [1275]; affirmed on appeal *ACCC v Pacific National* (2020) 277 FCR 49 at [246].

³⁰ *ACCC v Pacific National (No 2)* [2019] FCA 669 at [1276].

³¹ *Application by Medicines Australia Inc* [2007] ACompT 4, at [117], citing *Re QIW Ltd* 132 ALR, 276 and *Qantas Airways Ltd* [2004] ACompT 9 at [151].

³² See *Australian Gas Light Company v Australian Competition & Consumer Commission [No 3]* (2003) 137 FCR 317 at [305]. See also *Australian Competition and Consumer Commission v NSW Ports Operations Hold Co Pty Ltd* [2021] FCA 720 at [1031] (Jagot J).

- 2.12. Section 90(7)(b) of the Act refers to ‘benefit to the public’ and ‘detriment to the public’. These are not defined in the Act but the former encompasses ‘the widest possible conception of public benefit [...] anything of value to the community generally, any contribution to the aims pursued by the society, including as one of its principal elements (in the context of trade practices legislation) the achievement of the economic goals of efficiency and progress’.³³ ‘Detriment to the public’ extends to ‘any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency’.³⁴ Assessing the Net Public Benefit Test has been described as a balance sheet approach.³⁵ However, in light of the breadth of potentially relevant benefits and detriments, many of them may be incommensurable and possibly unmeasurable. Thus, the Court has said that ‘the benefits and detriments may more usefully be assayed by means of a process of “instinctive synthesis”’.³⁶

Timing

- 2.13. The ACCC has a period of 90 days in which to make a determination in respect of the Application.³⁷ The Act allows for the time period to be extended by agreement from the Applicants before the 90 days.³⁸
- 2.14. The Applicants initially agreed for the time period to be extended to 31 March 2023. The Applicants provided a proposed undertaking pursuant to section 87B of the Act to the ACCC on 9 March 2023, and following this, they agreed for the time period to be further extended until 31 May 2023. The Applicants subsequently agreed for the time period to be extended until 14 June 2023.

³³ *Re Queensland Co-operative Milling Association Ltd; Re Defiance Holdings Ltd* (1976) 8 ALR 481 at [510].

³⁴ *Re 7-Eleven Stores Pty Ltd* (1994) 16 ATPR 41-357 at [42683].

³⁵ *Re Queensland Co-operative Milling Association Ltd; Re Defiance Holdings Ltd* (1976) 8 ALR 481 at [512].

³⁶ *Australian Competition and Consumer Commission v Australian Competition Tribunal* (2017) 254 FCR 341 at [7] (Besanko, Perram and Robertson JJ). There the Full Court of the Federal Court was concerned with s 95AZH(1), which provided that the Tribunal must not grant a merger authorisation unless ‘satisfied in all the circumstances that the proposed acquisition would result, or be likely to result, in such a benefit to the public that the acquisition should be allowed to occur.’

³⁷ [Merger Authorisation Guidelines](#), October 2018, p 5.

³⁸ *Competition and Consumer Act 2010* (Cth) s 90(10A).

3. Industry Background

3.1. Both Applicants supply CIT services, ATM services, ATM maintenance services, and precious cargo services. A description of each of these services is outlined below.

CIT services

- 3.2. Cash-in-transit (or **CIT**) services are services that banks, retailers and hospitality venues use for the physical transfer and settlement of banknotes, and include:
- **Cash collection and delivery**, which involves the transferring of cash and coins to and from customers' premises
 - **Cash processing**, which involves the counting, balancing and sorting of collected cash (including fitness sorting), and the payment of that cash into customers' bank accounts
 - **Cash management**, which involves the settlement of customers' accounts after processing and forecasting customers' future requirements.³⁹
- 3.3. Broadly, there are 3 types of CIT services, which are described further below:
- Integrated wholesale and retail CIT services
 - Full-service retail CIT services
 - Cash-transport-only CIT services.

Integrated wholesale and retail CIT services

- 3.4. Integrated wholesale and retail CIT services include full-service retail services (described below) and a wholesale component. The wholesale component involves the bulk movement of banknotes between the Reserve Bank of Australia (**Reserve Bank**) and Approved Cash Centres,⁴⁰ and facilitating inter-bank trading between the Major Banks. The **Major Banks** are Australia and New Zealand Banking Group (**ANZ**), Commonwealth Bank of Australia (**CBA**), National Australia Bank (**NAB**) and Westpac Banking Corporation (**Westpac**).
- 3.5. The Major Banks are the only customers that require these services because they are the only institutions able to acquire banknotes from the Reserve Bank. Banks have Banknote Distribution Agreements with the Reserve Bank, which govern the purchase and return of wholesale banknotes to and from the Reserve Bank, and which allow banks to outsource these functions to CIT suppliers.⁴¹
- 3.6. For CIT suppliers to fulfill these duties, the Major Banks must nominate them. The Reserve Bank must then approve the nominated CIT suppliers' cash depots to be Approved Cash Centres and for the nominated CIT suppliers themselves to be Approved Cash Centre Operators.

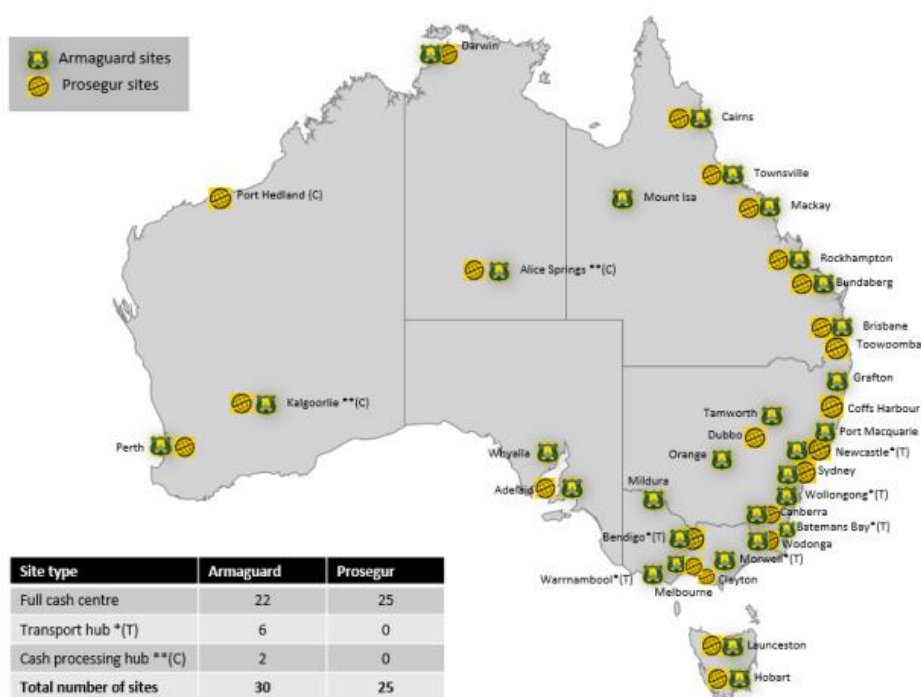
³⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 25-26, 34-35; [Australian Finance Industry Association submission](#), 18 October 2022, p 1.

⁴⁰ The Reserve Bank makes interest payments to the Major Banks on the value of quality-sorted banknotes they store in their respective banknote pools at Approved Cash Centres (these banknote pools are known as verified cash holdings).

⁴¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 70, 106.

- 3.7. Approved Cash Centre Operator accreditation allows CIT suppliers to transport cash between the Reserve Bank and Approved Cash Centres and to process the banknotes held in the Major Banks' banknote pools.⁴²
- 3.8. Approved Cash Centre Operators include the Applicants, Streamcorp Armoured and Brink's Global Services (**Brink's**, a large global CIT supplier). Streamcorp Armoured operates one Approved Cash Centre in Melbourne, and Brink's no longer supplies CIT services in Australia.⁴³
- 3.9. Armaguard and Prosegur are the only Approved Cash Centre Operators that own and operate a national network of Approved Cash Centres in Australia.⁴⁴
- 3.10. The ACCC understands that Armaguard currently has 24 Approved Cash Centres (as well as 6 transport hubs where no cash processing is undertaken).⁴⁵ Prosegur currently operates 26 Approved Cash Centres (2 of which operate as transport hubs).⁴⁶
- 3.11. A map of the Applicants' cash centres at the time of its Application in September 2022 are in Figure 1 below.

Figure 1: Map of the Applicants' Approved Cash Centres in Australia⁴⁷



⁴² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 71.

⁴³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 79.

⁴⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 73.

⁴⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 78

⁴⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 78; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, Annexure C.

⁴⁷ The ACCC notes that Figure 1 identifies Prosegur as operating 25 cash centres, which the Applicants note is due to one Approved Cash Centre being identified for Melbourne on the figure, despite there being two: [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, Annexure C.

Source: Provided by the Applicants: Armaguard and Prosegur application for merger authorisation, 27 September 2022, p 141.

Full-service retail CIT services

- 3.12. Full-service retail CIT services involves the transport of banknotes between Approved Cash Centres and locations where banknotes are available to the public, such as branches of the non-major banks, ATMs and retailers, as well as the associated cash processing and administrative services.⁴⁸
- 3.13. The customer base for these services includes larger retailers such as Woolworths Group Limited (**Woolworths**), Coles Group Limited (**Coles**) and Australia Post, banks (other than the Major Banks who typically acquire these services as part of an integrated wholesale and retail package as noted above), independent ATM operators, as well as smaller supermarkets and retailers, convenience stores, gambling venues (i.e., pokies and casinos), and hospitality venues.⁴⁹
- 3.14. Other suppliers of full-service retail CIT services include Authentic Security and Streamcorp Armoured.⁵⁰

Cash-transport-only services

- 3.15. Cash-transport-only services are CIT services that only include cash collection and delivery. Customers acquiring these services are typically small to medium-sized retailers and hospitality venues that work with smaller values of cash and do not require third party cash processing or administration services.⁵¹
- 3.16. Cash-transport-only services typically use soft skin rather than armoured vehicles due to the lower value of cash being carried. Soft skin vehicles are vehicles that have limited security features and may be covert or overt.⁵²
- 3.17. Suppliers of cash-transport-only services include Authentic Security, Border Security Services, Amalgamated Cash Services, Secure Cash, Hillside Security, Knightguard, Security Specialists, Australia Wide Security Services and Commander Security.⁵³
- 3.18. Figure 2 below provides a simplified illustration of Australia's cash distribution system, with the green indicating the wholesale component and blue the retail component.

⁴⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 68.

⁴⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 82, 107.

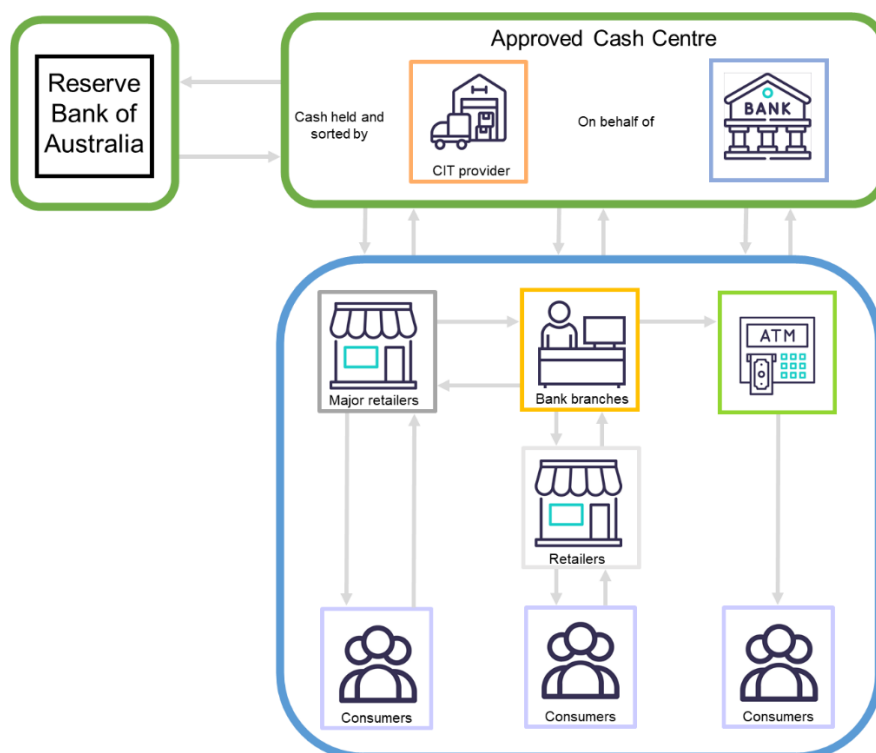
⁵⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 107.

⁵¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 108.

⁵² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 75.

⁵³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 81-82.

Figure 2: The Cash Cycle in Australia – Physical movement of banknotes



Non-CIT services

3.19. There are some non-CIT services that the Applicants both supply that form part of the Proposed Acquisition and are included in the ACCC's assessment, including:

- ATM services
- ATM maintenance services
- precious cargo services.

ATM services

3.20. ATM services are 3 distinct services:

- **the supply of cash withdrawal facilities** (i.e., the supply of cash withdrawal facilities to consumers through bank branches, Bank@Post outlets, and retailers)
- **the supply of ATM deployment services to merchants** (i.e., ATM suppliers placing ATMs in retail and hospitality venues)
- **the supply of ATM access arrangements to financial institutions** (i.e., independent ATM suppliers supplying ATMs to banks / 'ATMs as a service').⁵⁴

3.21. The Australian ATM system consists of 2 distinct types of ATM owners: financial institutions and independent ATM operators who operate standalone ATM networks.⁵⁵

⁵⁴ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 110.

⁵⁵ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 110.

- 3.22. Many financial institutions operate their own branded ATM networks. They usually offer a free service for their own cardholders. Bank ATMs are commonly housed at a bank branch ('on site') or in other locations such as high streets or shopping centres ('off site' or 'off branch').⁵⁶ The Reserve Bank has noted that recently several banks sold parts or all of their off branch ATMs to third party operators (generally CIT companies) which are looking to operate these ATM fleets on a utility basis where banks can pay for their customers to access the machines without incurring a fee.⁵⁷
- 3.23. Independent deployers operate standalone ATM networks that are typically located on high streets and in service stations, gaming venues, pubs, supermarkets, restaurants, shopping centres and event venues. Independent ATM deployers charge a fee, paid by the cardholder or their financial institution.⁵⁸
- 3.24. AusPayNet estimates that as of December 2022 there were approximately 25,000 ATMs in Australia, a decline from the peak of approximately 32,800 ATMs in 2016.⁵⁹
- 3.25. Additional cash withdrawal facilities available to consumers include Australia Post's Bank@Post, which enables customers of over 80 banks and financial institutions, including CBA, Westpac and NAB, to withdraw cash at a participating local post office.⁶⁰ There are also informal cash withdrawal facilities offered by some retailers including the major supermarkets that enable customers to withdraw cash at the point of sale.⁶¹

The Applicants' ATM networks

- 3.26. Armaguard and Prosegur both operate independent (non-bank) ATM networks in metropolitan and regional locations across Australia:
- As at June 2022, Armaguard owned and deployed 1,794 ATMs as part of its atmX by Armaguard network.⁶²
 - As at 25 January 2022, Prosegur owned and deployed 731 ATMs through its Precinct network. As at 7 April 2022, Prosegur also owned and deployed 151 ATMs through its Kwikcash network. Prosegur also operated 35 white label ATMs as at 12 August 2022.⁶³
- 3.27. Other suppliers of ATM networks include the Major Banks and smaller financial institutions, as well as independent operators such as Cardtronics (owned by NCR Corporation and has approximately 6,623 ATMs), Next Payments (approximately 3,800 ATMs) and Banktech (approximately 2,500 ATMs).⁶⁴
- 3.28. In some cases, independent ATM operators are also customers of Armaguard and/or Prosegur for CIT services necessary to support their ATM operations.

⁵⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 110.

⁵⁷ Reserve Bank of Australia, [Banknote Distribution Arrangements Issues paper](#), November 2021, p 22.

⁵⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 110.

⁵⁹ Australian Payments Network, [Device Statistics](#), accessed 5 June 2023.

⁶⁰ [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 59; Australia Post, [Bank@Post](#), accessed 3 November 2022.

⁶¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 176.

⁶² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 110.

⁶³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 111.

⁶⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 112.

ATM maintenance services

3.29. ATM maintenance services include:

- **First line maintenance services**, which involves processing and fixing immediate operational faults such as cash and card reader jams, general cleaning of ATMs and replacing ATM marketing panels. The Applicants submit that the supply of first line maintenance services is relatively straightforward and does not require specialised expertise. They submit that while the banks may carry out first line maintenance services for on-site ATMs themselves, they typically outsource the supply of these services for off-site ATMs.⁶⁵
- **Second line maintenance services**, which involves more complex maintenance work, for example repairing and replacing parts, updating software and conducting diagnostics on complex issues.⁶⁶
- **Complete line maintenance services**, which involves end-to-end ATM maintenance services from a single point of contact.⁶⁷

Precious cargo services

3.30. Precious cargo services include the transportation and storage of valuable goods that are not Australian cash, such as diamonds and jewellery, bullion, high-end luxury goods, foreign banknotes and medicinal cannabis.⁶⁸ Armaguard and Prosegur each supply precious cargo services through their existing network of Approved Cash Centres.

Industry trends – decline in cash as a method of payment

3.31. The Reserve Bank's Consumer Payments Survey conducted late last year showed that only 13% of payments were made using cash, and that this share has halved over the past 3 years (see Figure 3 below).⁶⁹ Instead, consumers are making 3 quarters of their payments using card networks, and Australians make card payments more frequently than in comparable jurisdictions.⁷⁰ This trend has been accelerated by the COVID-19 pandemic.⁷¹

⁶⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 112-113.

⁶⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 113.

⁶⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 113.

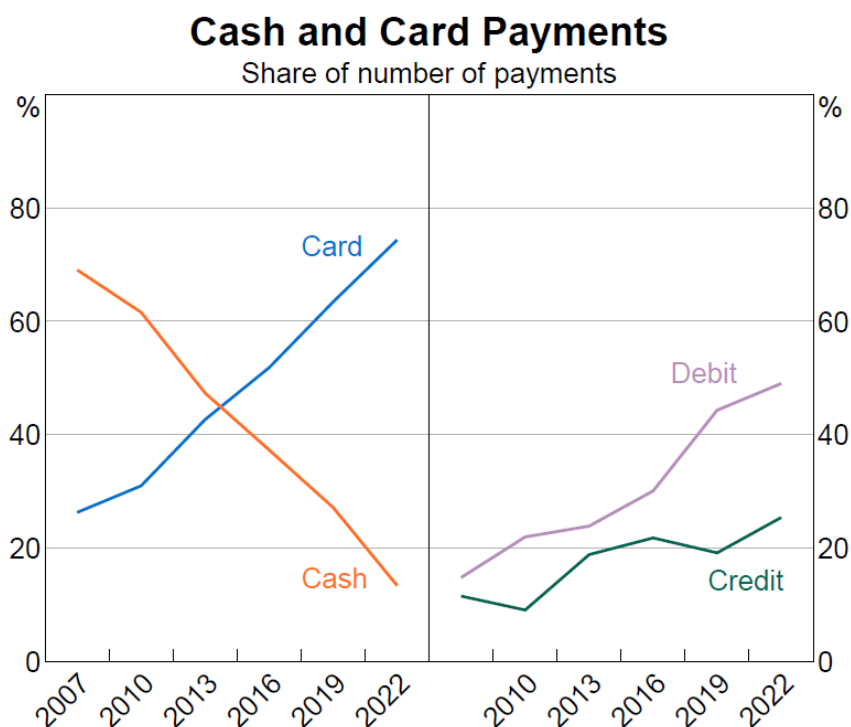
⁶⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 115.

⁶⁹ Reserve Bank of Australia, [Speech to the AFR Banking Summit - The Shift to Electronic Payments – Some Policy Issues](#), 28 March 2023.

⁷⁰ Reserve Bank of Australia, [Speech to the AFR Banking Summit - The Shift to Electronic Payments – Some Policy Issues](#), 28 March 2023.

⁷¹ [Reserve Bank of Australia submission](#), 28 October 2022, p 4.

Figure 3: Cash and card payments – share of number of payments



Source: Reserve Bank calculations, based on data from Colmar Brunton, Ipsos and Roy Morgan Research.⁷²

- 3.32. While the share of transactions made with cash is declining, cash remains an important means of payment for some members of the community. In the 2019 Consumer Payments Survey, around 15% of people used cash for 80% or more of their in-person transactions. These high cash users are more likely to be older, have lower household income, live in regional areas, and/or have limited internet access. The majority of these high cash users indicated that they would suffer a major inconvenience or genuine hardship if they could no longer withdraw cash or if retailers stopped accepting cash.⁷³
- 3.33. Cash is also used in emergency situations such as natural disasters where there may be issues accessing electronic payment methods. The Reserve Bank notes that cash is also used as a store of wealth.⁷⁴
- 3.34. The Reserve Bank submits that despite the decline in transactional cash use, the value of banknotes on issue has continued to grow and is around its peak as a share of Gross Domestic Product (see Figure 4 below). The Reserve Bank submits that this likely reflects the use of cash for precautionary and/or store of wealth purposes.⁷⁵

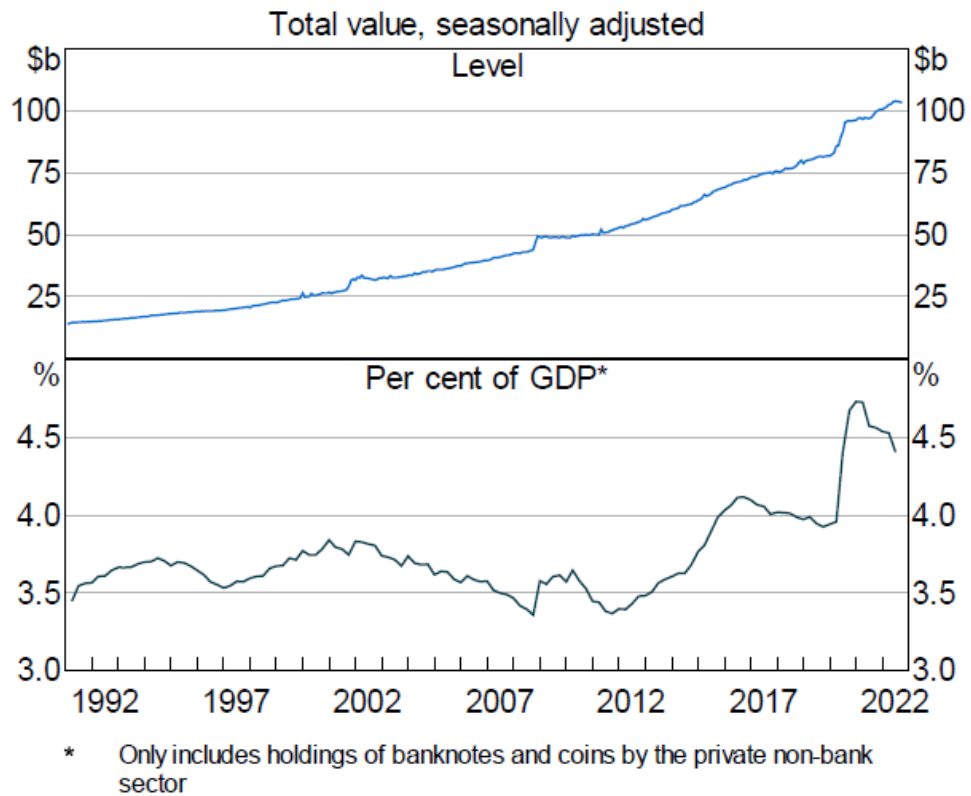
⁷² Reserve Bank of Australia, [Speech to the AFR Banking Summit - The Shift to Electronic Payments – Some Policy Issues](#), 28 March 2023.

⁷³ Reserve Bank of Australia, [Review of Banknote Distribution Arrangements: Issues Paper](#), November 2021, p 4.

⁷⁴ [Reserve Bank of Australia submission](#), 28 October 2022, p 2.

⁷⁵ [Reserve Bank of Australia submission](#), 28 October 2022, p 2.

Figure 4: Banknotes in circulation



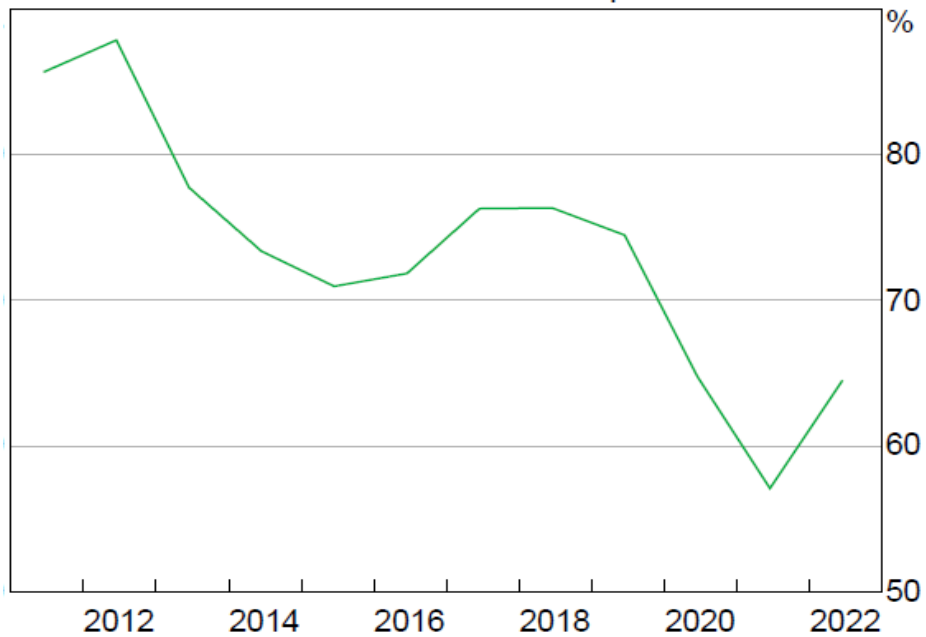
Source: Reserve Bank of Australia submission, 28 October 2022 p 2.

- 3.35. The Reserve Bank submits that the decline in cash transactions has reduced the volume of banknotes being transported and processed, contributing to an underutilisation of cash distribution infrastructure and an increase in the average cost of transporting and processing wholesale quantities of banknotes. The Reserve Bank estimates wholesale cash distribution infrastructure capacity utilisation has declined substantially over the past decade to around 65%. It submits that the environment of declining volumes of banknotes being transported and processed is placing significant financial pressure on industry participants.⁷⁶

⁷⁶ [Reserve Bank of Australia submission](#), 28 October 2022, p 4.

Figure 5: Annual depot capacity utilisation

Based on banknote flows between cash depots and customers



* A depot's capacity is estimated as the highest level of banknotes it has processed in the four years prior to a particular month; 2022 estimate based on partial data.

Source: Reserve Bank submission, 28 October 2022, p 11.

- 3.36. The Reserve Bank submits that low and falling capacity utilisation for banknote processing implies that for some regions and in some time periods, total demand for banknote processing services could have been met by significantly fewer CIT depots. Accordingly, there are likely to be efficiency gains from, for example, a reduced number of CIT depots.⁷⁷

⁷⁷ [Reserve Bank of Australia submission](#), 28 October 2022, p 10.

4. Consultation

- 4.1. The ACCC tests the claims made by an applicant in support of an application for merger authorisation through an open and transparent public consultation process.
- 4.2. Before the ACCC releases a determination in relation to an application for merger authorisation, the ACCC provides feedback to the applicants and interested parties about the issues raised in submissions. This feedback also identifies any issues of concern to the ACCC at that time and invites submissions on issues raised.
- 4.3. In response to issues raised during the ACCC's consultation process, the Applicants provided a proposed undertaking pursuant to section 87B of the Act to the ACCC on 9 March 2023 (the **First Proposed Undertaking**), a revised proposed undertaking pursuant to section 87B of the Act on 1 May 2023 (the **Second Proposed Undertaking**), and a further revised proposed undertaking pursuant to section 87B of the Act on 21 May 2023 (the **Third Proposed Undertaking**).
- 4.4. In this matter, the ACCC invited submissions at 4 different stages:
 - the initial public consultation process shortly after the application was lodged
 - after the ACCC provided initial feedback in its [Statement of Preliminary Views](#) published on 21 December 2022
 - in response to the First Proposed Undertaking under section 87B of the Act received from the Applicants on 9 March 2023
 - in response to the Second Proposed Undertaking under section 87B of the Act received from the Applicants on 1 May 2023.
- 4.5. All public submissions by the Applicants and interested parties are published on the ACCC's [public register](#). The ACCC also received some submissions, including oral submissions, that were partly or wholly confidential. Accordingly, in these Reasons for Determination, certain information and submissions from some interested parties has been de-identified.
- 4.6. Further, the ACCC received and had regard to information and documents obtained under the ACCC's compulsory information gathering powers, including under oral examination.⁷⁸ This material is generally not placed on the public register as it is confidential, but it is information the ACCC has had regard to.
- 4.7. The ACCC has taken into account all submissions received from the Applicants and interested parties, including:
 - the Applicants' Application in support of the merger authorisation, and related annexures (including 8 witness statements)⁷⁹
 - 34 submissions from interested parties in response to the ACCC's initial consultation process, including 5 oral submissions

⁷⁸ See *Competition and Consumer Act 2010* (Cth) s 155.

⁷⁹ [Armaguard and Prosecur application for merger authorisation: Annexure 38.1 - Witness Statement of Scott Antony Forster](#), 25 August 2022; [Armaguard and Prosecur application for merger authorisation: Annexure 43.1 - Witness Statement of Matthew Stephen Sykes](#), 23 September 2022; [Armaguard and Prosecur application for merger authorisation: Annexure 37.1 - Witness Statement of Rodney Philip Mills](#), 26 August 2022; [Armaguard and Prosecur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022; [Armaguard and Prosecur application for merger authorisation: Annexure 42.1 - Witness Statement of Jose Antonio Lasanta Luri](#), 20 August 2022; [Armaguard and Prosecur application for merger authorisation: Annexure 36 - Witness Statement of Michael Philip Cronin](#), 25 August 2022.

- 20 submissions from interested parties in response to the ACCC's Statement of Preliminary Views, including 9 oral submissions
 - the Applicants' submission in response to the ACCC's market inquiries letter and Statement of Preliminary Views,⁸⁰ and 5 additional witness statements⁸¹
 - 19 submissions in response to the Applicants' First Proposed Undertaking including 2 oral submissions
 - 16 submissions in response to the Second Proposed Undertaking and Third Proposed Undertaking, including 1 oral submission
 - the Applicants' submission in response to interested parties' submissions regarding the Proposed Undertakings under section 87B of the Act.⁸²
- 4.8. An overview of the parties that provided submissions to the ACCC at the various stages of the consultation process and an overview of the submissions are provided below. The views of interested parties and the Applicants are outlined in further detail where relevant in these Reasons for Determination.

Initial consultation on the Application

- 4.9. The ACCC received public submissions from the following **CIT-related businesses**: Authentic Security, Brink's, Streamcorp Armoured and Commander Security.
- 4.10. The ACCC received public submissions from the following **ATM-related businesses**: Next Payments, NCR Australia Group and Diebold Nixdorf Australia.
- 4.11. The ACCC also received submissions in the form of public economic expert reports from the following entities: Charles River Associates for Next Payments and HoustonKemp for NCR Australia Group.
- 4.12. The ACCC received public submissions from the following banks and retailers, which are **customers of CIT suppliers**:
- CBA
 - NAB
 - Westpac
 - Bendigo and Adelaide Bank Group
 - Bank of Queensland Limited
 - Australian Military Bank
 - Woolworths
 - Coles
 - Wesfarmers
 - Multi-Store Retail Chain.

⁸⁰ See [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023.

⁸¹ [Statement of Michael Douglas Shipton \(Prosegur\)](#), 31 January 2023; [Second statement of Matthew Stephen Sykes \(Prosegur\)](#), 31 January 2023; [Statement of Sunny Gill \(Prosegur\)](#), 27 February 2023; [Statement of Peter Donald Fox Armaguard](#), 26 February 2023; [Supplementary statement of Catherine Lee Canham \(Armaguard\)](#), 8 March 2023.

⁸² See [Applicants' submission responding to Market Feedback](#), 21 May 2023.

- 4.13. The ACCC received public submissions from the following **industry bodies**:
- Australian Finance Industry Association
 - Australian Retailers Association
 - Australian Security Industry Association Limited
 - Australian Hotels Association
 - NSW Farmers Association.

- 4.14. The ACCC received public submissions from the following interested parties:
- the Reserve Bank
 - Giesecke+Devrient (security technology provider)
 - Cuscal (payments services provider)
 - Cash Processing Solutions (cash management solutions provider)
 - an anonymous submission from An Interested Party.

Following the ACCC's Statement of Preliminary Views

- 4.15. The ACCC received public submissions from the following **CIT-related businesses**: Maximum Protection and Authentic Security.
- 4.16. The ACCC received public submissions from the following **ATM-related businesses**: NCR Australia Group and Next Payments.
- 4.17. The ACCC received public submissions from the following banks and retailers, which are **customers of CIT services**: Bendigo and Adelaide Bank and Multi-Store Retail Chain.
- 4.18. The ACCC received public submissions from the following **industry bodies**:
- Australian Association of Convenience Stores
 - Australian Retailers Association
 - Australian Security Industry Association Limited
 - Transport Workers' Union of Australia.
- 4.19. The ACCC also received a public oral submission from the Reserve Bank.
- 4.20. On 9 March 2023, the Applicants provided a response to public submissions along with a response to the ACCC's Statement of Preliminary Views.⁸³ Around the same time, the Applicants provided 5 additional witness statements.⁸⁴

⁸³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023.

⁸⁴ [Second statement of Matthew Stephen Sykes \(Prosecur\)](#), 31 January 2023; [Statement of Michael Douglas Shipton \(Prosecur\)](#), 31 January 2023; [Statement of Sunny Gill \(Prosecur\)](#), 27 February 2023; [Statement of Peter Donald Fox \(Armaguard\)](#), 26 February 2023; [Supplementary statement of Catherine Lee Canham \(Armaguard\)](#), 8 March 2023.

Submissions on the First Proposed Undertaking, Second Proposed Undertaking and Third Proposed Undertaking

- 4.21. The ACCC received 19 submissions in response to the First Proposed Undertaking, 14 submissions in response to the Second Proposed Undertaking, and 2 submissions in response to the Third Proposed Undertaking.
- 4.22. The ACCC received public submissions from the following **CIT-related businesses**: Maximum Protection, Authentic Security and Streamcorp.
- 4.23. The ACCC received public submissions from the following **ATM-related businesses**: Next Payments and NCR Australia Group.
- 4.24. The ACCC received public submissions from the following banks and retailers, which are **customers of CIT services**:
- CBA
 - NAB
 - Westpac
 - Bendigo and Adelaide Bank
 - ANZ
 - Woolworths
 - Coles
 - Multi-Store Retail Chain.
- 4.25. The ACCC received public submissions from the following **industry bodies**: Australian Hotels Association, Transport Works' Union of Australia and NSW Farmers' Association.
- 4.26. The ACCC also received public submissions from the Reserve Bank.

Overview of interested party submissions

- 4.27. Submissions to the ACCC from interested parties raise a variety of views on issues relevant to the ACCC's consideration of the Proposed Acquisition.
- 4.28. Several interested parties including those listed below raised competition concerns regarding the Proposed Acquisition:
- Authentic Security
 - Maximum Protection
 - Commander Security
 - Next Payments
 - NCR Australia Group
 - CBA
 - NAB
 - Westpac
 - Bank of Queensland

- Bendigo and Adelaide Bank
 - Australian Military Bank
 - Coles
 - Woolworths
 - Multi-Store Retail Chain
 - Wesfarmers
 - Australian Association of Convenience Stores
 - Australian Hotels Association
 - NSW Farmers' Association.
- 4.29. Generally, interested parties opposing authorisation of the Proposed Acquisition submit that the Proposed Acquisition would result in increased prices and reduced service levels, including because:
- the Applicants are each other's closest competitor
 - there are no alternative suppliers of national end-to-end CIT services who would provide a significant constraint on the merged entity
 - barriers to entry and expansion are significant.
- 4.30. Multi-Store Retail Chain, Maximum Protection, Bendigo and Adelaide Bank, Bank of Queensland, NCR Australia Group, Australian Association of Convenience Stores, NAB, and Woolworths also raise concerns that the Proposed Acquisition would impact service offerings in regional and remote areas.
- 4.31. Other interested parties opposing authorisation of the Proposed Acquisition, including NCR Australia Group, Next Payments, Authentic Security and Maximum Protection, also raise vertical foreclosure concerns arising from the ability and incentive of the merged entity to withhold access to, or charge higher prices for ATM services and ATM maintenance services.
- 4.32. Some interested parties recognise a need for change in response to declining volumes of cash usage in the CIT industry, including the Reserve Bank, Diebold Nixdorf, Transport Workers' Union of Australia, Australian Security Industry Association, Cuscal, Cash Processing Solutions and Authentic Security. These interested parties are generally in favour of the Proposed Acquisition or support it subject to certain conditions. Most of these interested parties generally support the claimed public benefits identified by the Applicants, including efficiency gains and a more effective cost structure through elimination of duplicated fixed costs, ensuring a sustainable, reliable and safe cash distribution service.
- 4.33. Some interested parties, such as Next Payments, NCR Australia Group and 2 confidential submissions,⁸⁵ raise the possibility of alternatives to the Proposed Acquisition that may be less competitively harmful and still realise the claimed public benefits, including divestment of the ATM businesses and a joint venture or other form of infrastructure sharing arrangement.
- 4.34. On 21 May 2023, the Applicants provided a response to public submissions along with the Third Proposed Undertaking.

⁸⁵ [Redacted - Confidential]; [Redacted - Confidential].

Section 87B undertaking

- 4.35. The Applicants provided the First Proposed Undertaking to the ACCC on 9 March 2023. The ACCC commenced consultation on the First Proposed Undertaking on 21 March 2023.
- 4.36. The ACCC received 19 submissions in response to its consultation on the First Proposed Undertaking, which was proposed to remain in effect on an ongoing basis (until varied or withdrawn with the ACCC's approval). Several interested parties raised concerns about the complexity of the pricing mechanism in the First Proposed Undertaking,⁸⁶ and that the mechanisms would not sufficiently constrain the pricing offered by the merged entity.⁸⁷ The Transport Workers' Union submitted that any restriction on price rises should be examined to ensure that it does not encourage decreased safety standards, or impact employees' working conditions.⁸⁸
- 4.37. Interested parties also raised concerns about the non-price commitments in the First Proposed Undertaking being ambiguous and lacking detail.⁸⁹ NSW Farmers raised the importance of any undertaking appropriately allowing for continued services in regional Australia.⁹⁰ Bendigo and Adelaide Bank submitted that the commitments in the First Proposed Undertaking could be strengthened.⁹¹
- 4.38. Some interested parties submitted that the reporting requirements and complaints handling process in the First Proposed Undertaking were inadequate,⁹² or that it would be difficult to enforce.⁹³
- 4.39. The Reserve Bank suggested that the First Proposed Undertaking should be limited in duration to give stability to the sector while it adjusts to lower cash volumes.⁹⁴
- 4.40. In response to interested parties' submissions on the First Proposed Undertaking, the Applicants provided a revised Second Proposed Undertaking to the ACCC on 1 May 2023, which was proposed for a fixed term of 3 years.
- 4.41. The Applicants submitted that the Second Proposed Undertaking was a simplified remedy, which would provide customers and consumers with stability during the transition to a low cash environment.⁹⁵ The Applicants further submitted that the Second Proposed Undertaking would avoid the disruption that would result from the exit of one or both Applicants during a 3-year period.⁹⁶
- 4.42. The ACCC commenced consultation on the Second Proposed Undertaking on 1 May 2023. The ACCC received 14 submissions in response to this consultation.

⁸⁶ [Reserve Bank of Australia submission](#), 6 April 2023, p 3; [Next Payments submission](#), 4 April 2023, p 14; [Multi-Store Retail Chain submission](#), 6 April 2023, p 2; [Commonwealth Bank of Australia submission](#), 4 April 2023, p 1.

⁸⁷ [National Australia Bank submission](#), 5 April 2023, p 2; [NCR Australia Group submission](#), 6 April 2023, p 4.

⁸⁸ [Transport Workers' Union submission](#), 4 April 2023, p 2.

⁸⁹ [NCR Australia Group submission](#), 6 April 2023, p 18; [Coles submission](#), 6 April 2023, p 3; [Australian Hotels Association submission](#), 31 March 2023, pp 2-3; [Westpac Banking Corporation submission](#), 5 April 2023, p 1.

⁹⁰ [NSW Farmers' Association submission](#), 11 April 2023, p 2.

⁹¹ [Bendigo and Adelaide Bank submission](#), 4 April 2023, p 3.

⁹² [Coles submission](#), 6 April, p 4; [Australian Hotels Association submission](#), 31 March 2023, p 3-4; [Woolworths submission](#), 4 April 2023, p 3-4; [Multi-Store Retail Chain submission](#), 6 April 2023, p 4; [NCR Australia Group submission](#), 6 April 2023, pp 20-22.

⁹³ [Maximum Protection submission](#), 4 April 2023, p 1.

⁹⁴ [Reserve Bank of Australia submission](#), 6 April 2023, p 2.

⁹⁵ [Applicants' Revised Proposed Undertaking and accompanying submission](#), 1 May 2023, p 1.

⁹⁶ [Applicants' Revised Proposed Undertaking and accompanying submission](#), 1 May 2023, p 1.

Interested party submissions in response to the Second Proposed Undertaking

Pricing proposals

- 4.43. Interested parties raised concerns about the price increases being contemplated by MergeCo (the merged entity, as described in the Undertaking) being high,⁹⁷ and not being linked to efficient costs.⁹⁸ CBA submitted that MergeCo would be expected to increase prices to the upper amount permitted by the Second Proposed Undertaking.⁹⁹
- 4.44. Authentic Security submitted that the pricing mechanisms proposed in the Second Proposed Undertaking would allow MergeCo discretion to negotiate and offer discounted pricing, which would allow them the opportunity to engage in predatory pricing.¹⁰⁰
- 4.45. The Transport Workers' Union submitted that the introduction of pricing caps may limit its ability to advocate for increased industry standards.¹⁰¹

Non-pricing proposals

Service levels

- 4.46. Interested parties submitted that the non-price commitments in the Second Proposed Undertaking would not prevent reductions in service quality or coverage,¹⁰² and should be strengthened to require or incentivise MergeCo to improve standards of service as reasonably required by MergeCo customers.¹⁰³
- 4.47. Next Payments submitted that the service level commitments in the Second Proposed Undertaking would not prevent MergeCo from reducing CIT service levels to Next Payments, or providing more enhanced service levels to MergeCo's own ATM network.¹⁰⁴
- 4.48. In relation to the commitment for MergeCo to continue offering CIT services in all postcodes currently serviced, Woolworths submitted this commitment is not likely to provide MergeCo sufficient incentive to expand its geographic coverage to less profitable locations, and that this commitment should be amended to take into account customer need.¹⁰⁵ Multi-Store Retail Chain submitted that MergeCo should remove the term "reasonably capable" and ensure it provides expanded geographic coverage on request.¹⁰⁶

⁹⁷ [Bendigo and Adelaide Bank submission](#), 8 May 2023, p 2; [Coles Group Limited submission](#), 8 May 2023, p 2; [Next Payments submission](#), 8 May 2023, p 5; [National Australia Bank submission](#), 9 May 2023, p 2; [Multi-Store Retail Chain submission](#), 9 May 2023, p 3; [Woolworths submission](#), 8 May 2023, p 4.

⁹⁸ [Coles Group Limited submission](#), 8 May 2023, p 2; [Next Payments submission](#), 8 May 2023, p 5.

⁹⁹ [Commonwealth Bank of Australia submission](#), 9 May 2023, p 1.

¹⁰⁰ [Authentic Security submission](#), 4 May 2023, p 2.

¹⁰¹ [Transport Workers' Union submission](#), 8 May 2023, pp 1-2.

¹⁰² [Coles Group Limited submission](#), 8 May 2023, p 2.

¹⁰³ [Woolworths submission](#), 8 May 2023, p 6; [Multi-Store Retail Chain submission](#), 9 May 2023, pp 2-3.

¹⁰⁴ [Next Payments submission](#), 8 May 2023, p 5.

¹⁰⁵ [Woolworths submission](#), 8 May 2023, p 5.

¹⁰⁶ [Multi-Store Retail Chain submission](#), 9 May 2023, p 4.

Establishment of registers of excess sites and employees

4.49. Authentic Security submitted that the creation of registers of excess Approved Cash Centre sites and employees contemplated in the Second Proposed Undertaking were likely to be ineffectual in the absence of similar undertakings to maintain registers of excess vehicles, firearms and other CIT equipment.¹⁰⁷ It further submitted that to effectively be able to grow, it would also need access to excess vehicles, firearms and other CIT equipment (such as cash counting equipment and Cencon locks) that are surplus to the requirements of MergeCo, and that MergeCo should maintain similar registers for these items.¹⁰⁸ Next Payments also considered that it is critical that third party suppliers such as Authentic Security could acquire any trucks and related equipment that the Applicants divest.¹⁰⁹

Third party access to Approved Cash Centres

- 4.50. Authentic Security also submitted that the requirements for third party CIT suppliers to access MergeCo depots were overly onerous and there was no clarity on the cost that would be charged for these services.¹¹⁰
- 4.51. Authentic Security also submitted that the Second Proposed Undertaking excluded the provision of subcontracted transport services by MergeCo for third-party CIT suppliers, which could inhibit the ability of third-party CIT suppliers to win large national customers that require service in some regional or remote areas.¹¹¹

Commitment to continue offering services to independent ATM deployers

4.52. NCR Australia Group submitted that a 3-year undertaking would not be sufficient to address its concerns about the ability and incentive for MergeCo to engage in vertical foreclosure both during and after the Second Proposed Undertaking.¹¹² Next Payments submitted that the Second Proposed Undertaking did not address the vertical foreclosure issue, and that a structural remedy requiring divestment of the Applicants' ATM businesses or a market share cap would be the only remedy that would sufficiently address its vertical concerns.¹¹³

Complaints handling process

4.53. Interested parties also raised concerns about the effectiveness of the complaints handling processes in the Second Proposed Undertaking.¹¹⁴

Term

4.54. In relation to the term of the Second Proposed Undertaking, several interested parties submitted that the 3-year term would be insufficient,¹¹⁵ and expressed their views that

¹⁰⁷ [Authentic Security submission](#), 4 May 2023, p 1.

¹⁰⁸ [Authentic Security submission](#), 4 May 2023, pp 2-4.

¹⁰⁹ [Next Payments submission](#), 8 May 2023, p 2.

¹¹⁰ [Authentic Security submission](#), 4 May 2023, p 2.

¹¹¹ [Authentic Security submission](#), 4 May 2023, p 3.

¹¹² [NCR Australia Group submission](#), 8 May 2023, pp 2-3.

¹¹³ [Next Payments submission](#), 8 May 2023, pp 1-2, 7-8.

¹¹⁴ [Next Payments submission](#), 8 May 2023, p 6; [Multi-Store Retail Chain submission](#), 9 May 2023, p 4.

¹¹⁵ [NCR Australia Group submission](#), 8 May 2023, pp 1-2; [Bendigo and Adelaide Bank submission](#), 8 May 2023, p 2; [Woolworths submission](#), 8 May 2023, p 3; [Multi-Store Retail Chain submission](#), 9 May 2023, p 2; [National Australia Bank submission](#), 9 May 2023, p 2; [Australia and New Zealand Banking Group submission](#), 9 May 2023, p 1.

a longer-term,¹¹⁶ or indefinite undertaking may be more appropriate.¹¹⁷ However, the Reserve Bank considered that the 3-year term of the Second Proposed Undertaking largely resolved concerns it raised about the in-perpetuity nature of the First Proposed Undertaking, and would provide more flexibility for the industry to respond to declining cash use.¹¹⁸ It considered that the 3-year horizon underscored the importance of government and relevant agencies (including the Reserve Bank) working with the wider cash industry to determine whether any additional policy or regulatory responses may be necessary to maintain access to cash in the future.¹¹⁹

- 4.55. Woolworths submitted that careful consideration should be given to the suitability of a court enforceable undertaking to achieve the objectives of continued access to CIT services for customers on reasonable terms and conditions, and continued access to cash for end-consumers.¹²⁰

Applicants' response to submissions

- 4.56. On 21 May 2023, the Applicants provided a response to submissions received from interested parties, including the Third Proposed Undertaking, which made amendments to the Second Proposed Undertaking.
- 4.57. Next Payments submitted that the Third Proposed Undertaking did not address its concerns raised in response to the Second Proposed Undertaking.¹²¹

Pricing proposals

- 4.58. In the Second Proposed Undertaking, the Applicants contemplated including average weekly earnings (**AWE**) as a component of the price escalation calculation. However, in response to market feedback, a simplified proposal was offered linking price escalation to consumer price index (**CPI**) + 7.5%, rather than 'an average of CPI and AWE' + 7.5%.¹²²
- 4.59. The Applicants submitted that the price escalation of CPI + 7.5% is an appropriate measure to balance the need for a mechanism that responds to both MergeCo's rigid, fixed cost structure and the needs of other stakeholders in the CIT industry.¹²³ The Applicants submitted that even with price escalation of CPI + 7.5%, MergeCo will not breakeven during the term of the Third Proposed Undertaking.¹²⁴

Non-pricing proposals

Service levels

- 4.60. The Applicants submitted that the Third Proposed Undertaking provided adequate protection of service levels, and that absent the Proposed Acquisition, there would likely be a continuing degradation of service levels.¹²⁵ The Applicants submitted that with the synergies that would be achieved from the Proposed Acquisition, MergeCo

¹¹⁶ [Woolworths submission](#), 8 May 2023, p 3.

¹¹⁷ [Next Payments submission](#), 8 May 2023, p 7; [Multi-Store Retail Chain submission](#), 9 May 2023, p 2.

¹¹⁸ [Reserve Bank of Australia submission](#), 8 May 2023, p 1.

¹¹⁹ [Reserve Bank of Australia submission](#), 8 May 2023, p 1.

¹²⁰ [Woolworths submission](#), 8 May 2023, p 3.

¹²¹ [Next Payments submission](#), 26 May 2023, p 1.

¹²² [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 14.

¹²³ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 15.

¹²⁴ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 15.

¹²⁵ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, pp 23-24.

would be in a better financial position to invest in service improvements or optimisation measures.¹²⁶

- 4.61. In response to feedback from interested parties about the commitment to offering services to additional locations that are 'reasonably capable of being serviced' being unclear, the Applicants submitted that some customer contracts already contain commitments that will continue to govern what is required with respect to the servicing of new sites, and these terms will continue to apply.¹²⁷

Establishment of registers of excess sites and employees

- 4.62. In response to concerns raised by interested parties, the Applicants included commitments to establish and maintain a register of surplus equipment (firearms and Cencon locks) as well as the registers of excess sites and employees.¹²⁸
- 4.63. The Applicants submitted that the most critical resources required for the provision of CIT services are the secure access to premises and employees, and submitted that the addition of a register of surplus equipment offered even further scope for new or existing CIT suppliers to acquire resources, for expansion of their CIT service offerings.¹²⁹
- 4.64. The Applicants submitted that they are not able to offer divestment of excess vehicles due to safety and security concerns associated with divesting vehicles.¹³⁰ The Applicants submitted that excess cash counting equipment is generally traded in with the relevant manufacturer, so they have not offered to maintain a register of such equipment.¹³¹

Third party access to Approved Cash Centres

- 4.65. In response to concerns raised by Authentic Security about access to wholesale note pools, the Applicants have included a commitment for MergeCo to continue to facilitate arrangements by the Major Banks regarding the transportation of wholesale cash between Major Bank note pools by third-party CIT suppliers.¹³²
- 4.66. In response to concerns raised by Authentic Security in relation to the specific terms of the third-party CIT provider agreement, the Applicants submitted that some terms are standard and necessary, and provided amendments or clarifications to other terms.¹³³

Commitment to continue offering services to independent ATM deployers

- 4.67. The Applicants submitted that it would be irrational for them to engage in vertical foreclosure strategies in circumstances where ATM deployers are an important source of CIT revenue, particularly given the persistent decline in demand for CIT services.¹³⁴

¹²⁶ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 24.

¹²⁷ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 22.

¹²⁸ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 20.

¹²⁹ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 20.

¹³⁰ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, pp 20-21.

¹³¹ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 21.

¹³² [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, pp 18-19.

¹³³ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 19.

¹³⁴ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 35.

- 4.68. The Applicants submitted that the commitments in the Third Proposed Undertaking mean that independent ATM deployers will continue to receive their current contracted price and ATM specific services in line with their current agreements, and if their contracts expire during the term of the undertaking, there will be limitations on price escalations that MergeCo could apply.¹³⁵

Complaints handling process

- 4.69. The Applicants proposed a shortening of the timeframe to access the independent expert.¹³⁶

Term

- 4.70. The Applicants submitted that the Third Proposed Undertaking is an interim rather than a permanent solution to the systemic problem facing the supply of CIT services in Australia.¹³⁷ They submitted that the term reflects that the Third Proposed Undertaking is not intended to be a permanent solution, but is rather a short-term transitional arrangement that holds the current arrangements of each of the Applicants.¹³⁸
- 4.71. The Applicants submitted that the Proposed Acquisition, together with the Third Proposed Undertaking, is incapable of providing financial sustainability for the merged entity in the future in the face of ongoing cash use decline.¹³⁹ The Applicants submitted that it will however provide customers and consumers with stability during the next phase of the transition to a low cash environment, as well as greater transparency regarding the terms and conditions on which CIT services are supplied.¹⁴⁰

The Undertaking

- 4.72. The ACCC considered that the Second Proposed Undertaking went some way to addressing some of the concerns raised in interested parties' submissions to the First Proposed Undertaking which were relevant to the ACCC's assessment. For example, the Second Proposed Undertaking proposed a simpler, fixed-term pricing obligation that limits MergeCo's ability to raise prices. It also provided clearer and (therefore more enforceable) obligations around maintaining service levels (including geographic coverage commitments). While the Second Proposed Undertaking and Third Proposed Undertaking did not provide for divestment obligations, the Applicants are obligated to establish registers of surplus sites for Approved Cash Centres (as defined in the Undertaking) and registers for personnel and Surplus Equipment (as defined in the Undertaking). The Second Proposed Undertaking also introduced tighter oversight controls by introducing an ACCC-approved Independent Auditor (to monitor MergeCo's compliance with the undertaking) and introduced an ACCC-approved Independent Expert (to ultimately deal with any undertaking-related disputes).
- 4.73. The Third Proposed Undertaking retained the commitments included in the Second Proposed Undertaking, with amendments and additions clarifying the scope and

¹³⁵ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, pp 34-35.

¹³⁶ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 38.

¹³⁷ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 5.

¹³⁸ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 11.

¹³⁹ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 4.

¹⁴⁰ [Applicants' submission in response to consultation on the Second Proposed Undertaking](#), 21 May 2023, p 11.

operation of those commitments and addressing certain concerns raised by interested parties (as discussed above). Given the public consultations already undertaken on the First Proposed Undertaking and the Second Proposed Undertaking, the ACCC did not seek to consult further on the Third Proposed Undertaking.

- 4.74. On 8 June 2023, the Applicants gave an undertaking, in the form at Attachment A, to the ACCC pursuant to section 87B of the Act (the **Undertaking**). The Undertaking retains the commitments included in the Third Proposed Undertaking, with amendments further clarifying the scope and operation of those commitments.
- 4.75. The Undertaking places obligations on the Armaguard and Prosegur merged entity (**MergeCo**) in respect to:
- price terms
 - non-price terms
 - geographic coverage
 - register of surplus sites for Approved Cash Centres
 - register of personnel
 - register of Surplus Equipment
 - continuation of services to Independent ATM Deployers
 - third party access to cash centres
 - complaints handling process and dispute resolution process.
- 4.76. The Undertaking and its effect on the ACCC's assessment of the Proposed Acquisition is discussed further in Chapters 5 and 6 below.

5. Competition assessment

Overview

- 5.1. This chapter outlines the ACCC's assessment of the Proposed Acquisition's effect on competition and provides the ACCC's view on the substantial lessening of competition test in section 90(7)(a) of the Act (the **Competition Test**).
- 5.2. First, this chapter discusses the relevant areas of competition that the ACCC has used to frame its assessment.
- 5.3. Second, it discusses factors relevant to competition in the supply of integrated wholesale and retail CIT services and of full-service retail CIT services.
- 5.4. Third, it sets out the ACCC's consideration of the future without the Proposed Acquisition.
- 5.5. Fourth, it analyses the competitive effects of the Proposed Acquisition in the relevant markets. Competitive effects are relevant to both the Competition Test and the Net Public Benefit Test in section 90(7) of the Act (discussed in Chapter 6). Specifically, it discusses the ACCC's view that:
 - the Proposed Acquisition is more likely to affect competition in the supply of:
 - integrated wholesale and retail CIT services to the Major Banks, and the supply of full-service retail CIT services for retail customers (i.e., cash transport processing and administration services) (**Section A**)
 - some types of ATM services where vertical issues may arise (**Section B**)
 - the Proposed Acquisition is unlikely to affect competition in the supply of:
 - cash-transport-only CIT services (**Section C**)
 - precious cargo services (**Section D**).

Relevant markets

Integrated wholesale and retail CIT services

- 5.6. The Major Banks require both:
 - Wholesale CIT services. The Major Banks are the only customers that require these services because they are the only institutions that have wholesale arrangements with the Reserve Bank (through the Banknote Distribution Agreements)¹⁴¹
 - Full-service retail CIT services, which other CIT customers also acquire (together, **integrated wholesale and retail CIT services**).
- 5.7. The Applicants submit there is a national market for the supply of integrated wholesale and retail CIT services.¹⁴²
- 5.8. All Major Banks currently have national contracts for the supply of integrated wholesale and retail CIT services. This reflects the scale and scope of the Major

¹⁴¹ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 106.

¹⁴² [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 105.

Banks' own networks of branches and ATMs; and the significant economies of scale and scope, as well as the administrative efficiencies, which can be achieved through a national integrated wholesale and retail CIT service.

- 5.9. Having regard to the Major Banks' practice of acquiring these services on a national basis, the ACCC has considered the Proposed Acquisition in the context of a national market for the supply of integrated wholesale and retail CIT services. However, where relevant, the ACCC has considered the possibility of these services being supplied on a narrower geographic basis and the potential effects of any such narrower geographic supply on the prices, services and other terms offered by the merged entity to existing and potential customers of these services.

Full-service retail CIT services

- 5.10. The Applicants submit that there may be a national market for the supply of CIT services to retail customers who require a full-service solution of cash transport, processing and administration. This includes customers such as Woolworths, Coles, Australia Post, independent ATM operators and banks other than the Major Banks.¹⁴³
- 5.11. The Applicants submit that within this retail customer group there is a functional distinction between those customers requiring cash transport, processing and administration services, and those customers requiring only cash transport services. They submit that this first group of customers includes those acquiring a full-service retail CIT solution encompassing any combination of services such as: change float preparation, armoured or discrete cash transport, cash processing, cash management, cash funding and reconciliation, smart safe device management, reconciliation services and first line maintenance ATM services.¹⁴⁴
- 5.12. As discussed in more detail in the sections below, Armaguard and Prosegur are the only suppliers who provide full-service retail CIT services nationally, including in regional areas. Other suppliers of full-service retail CIT services typically operate in particular regions and generally focus on metropolitan areas. These other suppliers do not presently have the scale and scope of operations to service all of a customers' requirements where that customer requires a national service.
- 5.13. On the demand side, many larger customers operate nationally and typically prefer acquiring full-service retail CIT services from a single supplier.
- 5.14. However, for many customers, particularly smaller customers, the geographic scope of the full-service retail CIT services they require is more limited, often to a smaller number (or single) state or territory and/or to metropolitan regions. In respect of these customers, the Applicants compete with smaller suppliers capable of meeting their service requirements within the more limited geographic regions in which they operate. Therefore, it is appropriate to assess competition for full-service retail CIT services on the basis of the different types of customers that could be served by different types of suppliers.

Other areas of competition

- 5.15. Armaguard and Prosegur compete with each other, as well as with other suppliers, in several other areas, including:

¹⁴³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 107; [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 57.

¹⁴⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 107.

- supply of cash-transport-only services
- supply of ATM services, being the supply of cash withdrawal facilities, ATM deployment services to merchants, and ATM access arrangements to financial institutions
- supply of ATM maintenance services, being the supply of first line maintenance, second line (specialist) maintenance and complete line maintenance services
- supply of precious cargo services.

5.16. In relation to the markets and other areas of competition discussed above, the ACCC does not consider it necessary to reach a concluded view on the precise definitions of the relevant markets.

Overview of factors relevant to CIT services competition

5.17. This section discusses factors relevant to competition in the supply of integrated wholesale and retail CIT services and of full-service retail CIT services. The effects of the Proposed Acquisition, including whether these factors will provide an effective competitive constraint are discussed at paragraphs 5.154 to 5.275 below.

Market concentration

5.18. The Applicants are the 2 largest suppliers of both integrated wholesale and retail CIT services and full-service retail CIT services. The Applicants are also the only suppliers of both types of services who offer national coverage inclusive of metropolitan and regional and remote areas.¹⁴⁵

5.19. For the supply of **integrated wholesale and retail CIT services**, the Applicants' estimated combined national market share is greater than 90%.¹⁴⁶ Armaguard's estimated national market share is **[Redacted - Confidential]** and Prosegur's estimated national market share is **[Redacted - Confidential]**.¹⁴⁷ Armaguard has distribution agreements with CBA, ANZ and NAB, and Prosegur has a distribution agreement with Westpac.¹⁴⁸

5.20. The RBB Economics report for the Applicants states that Streamcorp Armoured, the third supplier of integrated wholesale and retail CIT services, only has a minimal presence in this market.¹⁴⁹ The Applicants estimate that Streamcorp Armoured has a national market share of **[Redacted - Confidential]**.¹⁵⁰ The Applicants submit that Streamcorp Armoured, uses armoured and soft-skin vehicles,¹⁵¹ has a physical presence in at least Melbourne, Victoria (including one Approved Cash Centre) and does some work for Westpac at this Approved Cash Centre.¹⁵²

¹⁴⁵ The Applicants provided the ACCC with internal documents that support its position that they consider themselves the 2 largest competitors for CIT services and the Proposed Acquisition would result in a single, national supplier. See, e.g., **[Redacted - Confidential]**; **[Redacted - Confidential]**.

¹⁴⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 106.

¹⁴⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 106.

¹⁴⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 82-83.

¹⁴⁹ See [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 56. The Applicants commissioned this independent economic report prepared by George Siolis of RBB Economics to accompany their Application for merger authorisation (**RBB Economics report**).

¹⁵⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 106.

¹⁵¹ Soft-skin suppliers use non-armoured vehicles with fewer security features: [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 75.

¹⁵² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 79, 106.

- 5.21. For the supply of **full-service retail CIT services** nationally, the Applicants' estimated combined national market share is greater than 85%.¹⁵³ Armaguard's estimated national market share is **[Redacted - Confidential]** and Prosecur's estimated national market share is **[Redacted - Confidential]**.¹⁵⁴
- 5.22. Authentic Security, which is a full-service retail CIT services supplier and **[Redacted - Confidential]**,¹⁵⁵ operates in all capital cities, but only in certain regional and remote geographic locations.¹⁵⁶ The Applicants estimate that Authentic Security has a national market share of **[Redacted - Confidential]**.¹⁵⁷ The Applicants submit that Streamcorp Armoured **[Redacted - Confidential]** and estimate that it has a national market share of **[Redacted - Confidential]**.¹⁵⁸

Barriers to entry and/or expansion

- 5.23. In relation to **integrated wholesale and retail CIT services**, new entrants seeking to offer these services – specifically, the wholesale CIT services component – must be nominated by one of the Major Banks and then receive Approved Cash Centre Operator accreditation from the Reserve Bank.¹⁵⁹
- 5.24. Streamcorp Armoured and Brink's currently have Approved Cash Centre Operator accreditation.¹⁶⁰ Brink's submits that it has largely exited all markets relating to CIT services in Australia (except foreign cash processing);¹⁶¹ although the Applicants submit that Brink's could easily re-enter.¹⁶² Streamcorp Armoured submits that **[Redacted - Confidential]**.¹⁶³
- 5.25. Therefore, Streamcorp Armoured could be characterised as an existing supplier of integrated CIT services that would need to overcome *barriers to expansion* to serve more customers; while Brink's is better characterised as a potential entrant to the supply of CIT services that (given its Approved Cash Centre Operator accreditation) faces fewer barriers to entry than entirely new prospective entrants. **[Redacted - Confidential]**.¹⁶⁴ **[Redacted - Confidential]**.
- 5.26. The Applicants have also made a number of submissions that the provision of CIT services involves high fixed costs, including significant investment in the infrastructure and equipment required for integrated wholesale and retail CIT services (e.g., Approved Cash Centres, armoured vehicles and Note Quality Reward Scheme-aligned processing equipment); and that declining cash demand has resulted in sustained underutilisation of their capacity.¹⁶⁵ The Applicants also submit that they

¹⁵³ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 107.

¹⁵⁴ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 107.

¹⁵⁵ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 107.

¹⁵⁶ [Authentic Security submission](#), 4 April 2023, p 2.

¹⁵⁷ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 107.

¹⁵⁸ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 107.

¹⁵⁹ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, pp 82, 167.

¹⁶⁰ [Brink's Global Services submission](#), 25 October 2022, p 1; [Streamcorp Armoured submission](#), 16 May 2023, p 1.

¹⁶¹ [Brink's Global Services submission](#), 25 October 2022, p 1.

¹⁶² [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 79.

¹⁶³ **[Redacted - Confidential]**.

¹⁶⁴ **[Redacted - Confidential]**.

¹⁶⁵ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 94; [Armaguard and Prosecur application for merger authorisation: Annexure 38.1 - Witness Statement of Scott Antony Forster](#), 25 August 2022, at [22]-[24]; [Armaguard and Prosecur application for merger authorisation: Annexure 42.1 - Witness Statement of Jose Antonio Lasanta Luri](#), 20 August 2022, at [37]; [Armaguard and Prosecur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022, at [52], [68]. The Applicants provided the ACCC with

invest heavily in initiatives to protect the safety of their employees whilst supplying CIT services.¹⁶⁶

5.27. Several interested parties consider that new entry and/or expansion into the supply of integrated wholesale and retail CIT services is unlikely.¹⁶⁷ Submissions from Westpac, NAB, CBA, and Bendigo and Adelaide Bank (a non-Major Bank) note that:

- Any new entrant or existing supplier would need to make significant investment in infrastructure to become a feasible substitute for the Applicants' offerings, that is, to provide national coverage and a full range of services to the Major Banks.¹⁶⁸ CBA considers it unrealistic that a regional operator or smaller player would have the capability to increase customer accounts/volumes to a level required to compete vigorously.¹⁶⁹
- The need for fixed investment in a declining service creates a challenging commercial proposition.¹⁷⁰
- Other barriers include the ability to become an Approved Cash Centre Operator,¹⁷¹ the complexity of managing an armed workforce and limited opportunities to bid for Major Banks for new opportunities (based on procurement cycles and considering existing customer relationships).¹⁷²

5.28. The Reserve Bank submits that there are likely to be a number of barriers to providing integrated wholesale and retail CIT services, including physical infrastructure needs, armoured vehicles, fulfilling staffing requirements for armed officers and the broad geographic coverage demanded by customers with national operations.¹⁷³ However, it notes that the approval and transfer of Approved Cash Centre Operator accreditation and Approved Cash Centre status (for a particular depot), subject to a reasonable timeline, would likely be a seamless transition with no significant disruptions to the broader CIT industry.¹⁷⁴

5.29. In relation to **full-service retail CIT services**, the Applicants submit that they will likely be constrained from increasing prices by the threat of:

- expansion from existing full-service retail CIT suppliers, some of whom (such as Authentic Security) are well placed to expand in response to price increases by the merged entity¹⁷⁵
- entry from cash-transport-only CIT suppliers not currently providing cash processing and administration services (i.e., to become full-service retail CIT

internal documents that support their position in these submissions. See for example, Armaguard: **[Redacted - Confidential]**; Prosegur: **[Redacted – Confidential]**.

¹⁶⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 152; [Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, [177]; [Armaguard and Prosegur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022, at [34].

¹⁶⁷ [Multi-Store Retail Chain submission](#), 19 January 2023, p 1; [Authentic Security submission](#), 19 January 2023, p 2; [Maximum Protection submission](#), 19 January 2023, p 2; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 2.

¹⁶⁸ [Westpac Banking Corporation submission](#), 31 October 2022, p 2; [National Australia Bank submission](#), 28 October 2022, p 4; [Commonwealth Bank of Australia submission](#), 2 November 2022, p 6; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 2.

¹⁶⁹ [Commonwealth Bank of Australia submission](#), 2 November 2022, p 7.

¹⁷⁰ [National Australia Bank submission](#), 28 October 2022, p 4; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 2.

¹⁷¹ [Commonwealth Bank of Australia submission](#), 2 November 2022, p 7; [Westpac Banking Corporation submission](#), 31 October 2022, p 2.

¹⁷² [Commonwealth Bank of Australia submission](#), 2 November 2022, p 7.

¹⁷³ [Reserve Bank of Australia submission](#), 28 October 2022, p 9.

¹⁷⁴ [Reserve Bank of Australia submission](#), 25 January 2023, p 3.

¹⁷⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 166.

suppliers). They submit that the over 200 existing cash-transport-only CIT suppliers are well placed to begin supplying cash processing and administration services in response to a price increase by the merged entity.¹⁷⁶

- 5.30. The Applicants submit that the barriers to providing full-service retail CIT services are low because:
- Approved Cash Centre Operator accreditation is not required
 - such services typically involve smaller volumes of cash which require less investment in processing centres and infrastructure
 - existing cash-transport-only CIT suppliers can also leverage existing customer relationships into the full-service retail CIT market.¹⁷⁷
- 5.31. Prosegur submits that as the volume of cash declines, many collections and deliveries performed by its armoured trucks fall below the thresholds imposed by the voluntary Australian Security Industry Association Limited (**ASIAL**) Cash-in-Transit Code of Practice regarding soft-skin or courier cash movement.¹⁷⁸ Prosegur expects this trend to continue, meaning an increasing number of businesses (particularly small and medium customers) will be able to use alternative soft-skin vehicles and/or transport suppliers to transport their cash. The Applicants submit that no investment would be required for soft-skin suppliers to compete for cash-transport-only work (as discussed further in paragraphs 5.253 to 5.255 below).¹⁷⁹ Further, the Applicants submit that additional transport work in specific regions may create an opportunity for expansion by establishing customer relationships and presence in those regions. Additionally, customers may have reduced the geographic scope of their cash presence.¹⁸⁰
- 5.32. Regarding full-service retail CIT services, several interested parties, including Coles and Woolworths, submit that the high fixed costs associated with obtaining the infrastructure and scale (including cash processing centres, vehicles and skilled staff) necessary to effectively compete with the Applicants in the supply of these services are likely to present barriers to entry for new entrants and existing smaller suppliers.¹⁸¹
- 5.33. Coles cites additional barriers, namely that this is a consolidated and streamlined market, with limited access to distribution channels already managed by highly experienced suppliers with brand equity.¹⁸² Woolworths submits that other barriers include the decline in the demand for cash since Prosegur's entry; funding needed to secure sufficient volumes of cash (as large retailers require substantial floats of cash); lead time to build a sufficient fleet of armoured vehicles and fit out appropriate facilities; lack of skilled and licensed labour; and investment in systems to manage

¹⁷⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 167.

¹⁷⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 167.

¹⁷⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 167. The ASIAL Cash-in-Transit Code of Practice is a voluntary code that provides guidance on minimum standards of safety for conducting CIT services.

¹⁷⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 167; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, Annexure C – Factual Clarification, pp 68-69.

¹⁸⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, Annexure C, pp 68-69.

¹⁸¹ [Coles Group Limited submission](#), 28 October 2022, p 5; [Woolworths Group Limited submission](#), 11 November 2022, pp 2-3; [Australian Hotels Association submission](#), 28 October 2022, p 3; [Next Payments submission](#), 31 October 2022, p 11; [NCR Australia Group submission](#), 28 October 2022, pp 21-22; [Multi-Store Retail Chain submission](#), 19 January 2023, p 1; [Australian Retailers Association submission](#), 20 January 2023, p 1.

¹⁸² [Coles Group Limited submission](#), 28 October 2022, p 5.

resources and assets, and which integrate with retailers' smart equipment at stores.¹⁸³

- 5.34. Coles and Woolworths cite national geographic coverage, appropriate infrastructure, provision of cash-counting services and frequency of service as key requirements for their full-service retail CIT services.¹⁸⁴ **[Redacted - Confidential]**.¹⁸⁵ NCR Australia Group and Next Payments submit that only the Applicants can supply the CIT services they require for reasons including their geographic coverage, scope and timeliness of services, and adequate security and insurance measures; and therefore smaller suppliers, who lack these capabilities, do not pose a strong constraint.¹⁸⁶ Woolworths also submits that soft-skin services are not appropriate for large-scale national retail businesses given the scale requirements and risks involved, and therefore do not form a material competitive constraint on full-service CIT suppliers.¹⁸⁷ Australian Military Bank submits that based on its service needs, smaller players will not provide a desirable level of competitive tension due to the scale and nature of their service offering relative to a merged entity.¹⁸⁸
- 5.35. Regarding entry and/or expansion into CIT services more generally, other competitors in the supply of full-service retail CIT and cash-transport-only CIT services (but not integrated wholesale and retail services) provided submissions. Authentic Security submits that key factors that potential new entrants would consider include the risk profile, potential work, health and safety issues, and hardware costs, and concludes it is unclear why any party would choose to begin supplying CIT services in the current commercial environment. Authentic Security estimates that entry would take around 18-24 months, or 12 months if the entering party could acquire part of the merged entity's existing network.¹⁸⁹ Maximum Protection submits that new entry and/or expansion on a national basis would be extremely unlikely given the significant costs of entry and customers' reluctance to change suppliers.¹⁹⁰
- 5.36. Interested parties also have mixed views on whether they themselves might seek to enter and/or expand into the supply of CIT services. Brink's submits that it has no intention to expand into the CIT industry.¹⁹¹ Other parties have expressed varying degrees of interest in entering and/or expanding into the supply of CIT services on some level, as discussed at paragraphs 5.181 to 5.189 below.
- 5.37. The ACCC notes that the above submissions provide mixed views on the prospects and interest in entry and/or expansion, including its potential scale and scope. Based on the evidence available, the ACCC considers that there are high barriers to entry and/or expansion into supplying integrated wholesale and retail CIT services, or to full-service retail CIT services to large customers who require either a national service or a service that includes a significant regional component.
- 5.38. In particular, entry and/or major expansion into the supply of integrated wholesale and retail CIT services to large geographically dispersed customers would likely require significant up-front investment in infrastructure and equipment (e.g., Approved

¹⁸³ [Woolworths Group Limited submission](#), 11 November 2022, p 3-4.

¹⁸⁴ [Coles Group Limited submission](#), 28 October 2022, p 3; [Woolworths Group Limited submission](#), 11 November 2022, p 2

¹⁸⁵ **[Redacted - Confidential]**.

¹⁸⁶ [NCR Australia Group submission](#), 28 October 2022, p 22; [Next Payments submission](#), 31 October 2022, pp 7-8, 10.

¹⁸⁷ [Woolworths Group Limited submission](#), 11 November 2022, p 2.

¹⁸⁸ [Australian Military Bank submission](#), 28 October 2022, p 1.

¹⁸⁹ [Authentic Security submission](#), 19 January 2023, p 2.

¹⁹⁰ [Maximum Protection submission](#), 19 January 2023, p 2.

¹⁹¹ [Brink's Global Services submission](#), 25 October 2022, p 2.

Cash Centres, vehicles and Note Quality Reward Scheme-aligned processing equipment). Because much of this cost would likely be sunk once incurred, this could increase the risk of entry not being profitable, and therefore decrease its likelihood. The likelihood and timeliness of entry will also depend on whether and when an entrant could obtain regulatory approvals (e.g., Major Bank nomination for, and Reserve Bank accreditation as, an Approved Cash Centre Operator; as well as security and firearms licences).

- 5.39. A new entrant would also need to consider the cost and risk involved in meeting requirements around quality, timeliness and security to enable the Major Banks to comply with their obligations, such as obligations under their Banknote Distribution Agreements (e.g., fitness sorting), anti-money laundering reporting obligations,¹⁹² and requirements for managing an armed workforce. Importantly, however, for the supply of CIT services generally, declining cash usage and the resultant decreased demand for CIT services will also likely increase the risks of entry, because the minimum efficient scale of operation will tend to rise over time as a proportion of the overall demand for these services. Combined with the substantial sunk costs that would need to be incurred, these risks are likely to pose a key barrier to entry and/or expansion for other prospective or existing suppliers.
- 5.40. However, the ACCC considers that barriers to entry and/or expansion for suppliers looking to supply smaller customers or a component of a national customer's requirements, in confined areas (e.g., a metropolitan area), are less substantial. There is evidence that smaller suppliers do compete for, and often win, such contracts.¹⁹³ For a new entrant or existing business seeking to expand to supply smaller customers, up-front fixed costs would likely be lower; a more regular flow of contracts would likely become available on a more frequent basis (because there are a large number of small customers); and the incumbent's scale and scope of operations does not provide it with the same competitive advantage as it does when competing for larger customers who require services across regions, including in regional and remote areas. This is because more localised supply, particularly if limited to supply in or near capital cities, requires lower up-front fixed costs to be incurred than does supply nationally or across multiple regional areas.
- 5.41. Accordingly, while entry and/or expansion on a large, national scale appears extremely challenging, the prospect of entry and/or expansion on a narrower geographic basis may be more commercially feasible, depending on the incentives of suppliers and customers at the relevant time.

Major Banks' or large CIT customers' ability to sponsor entry and/or expansion

- 5.42. The Applicants submit that the Major Banks could exercise countervailing power by sponsoring the entry and/or expansion of a new, large CIT supplier. This could occur through the Major Banks supporting the development of a new domestic supplier, the entry of a foreign supplier, or a roll-up acquisition of smaller suppliers, if the Major Banks value the presence of a second supplier.¹⁹⁴

¹⁹² The Major Banks have obligations regarding anti-money laundering and counter-terrorism financing under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Rules: see AUSTRAC, [AML/CTF Act](#), updated 12 May 2021. [Redacted - Confidential].

¹⁹³ For example, Authentic Security provides CIT services to various customers (including large customers) in various regions via its depots and subcontractor network, including ATM deployers, retailers [Redacted - Confidential], hospitality venues, financial institutions [Redacted - Confidential] [Redacted - Confidential]: [Authentic Security submission](#), 21 October 2022, pp 2-3; [Authentic Security submission](#), 21 October 2022, p 1; [Redacted - Confidential]. [Redacted - Confidential].

¹⁹⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 164-165.

- 5.43. The Applicants submit that this threat is credible considering the Major Banks' historical conduct. For example:
- The Major Banks entered the Cash Services Australia joint venture (around 2006) to centralise their demand for CIT services.
 - Westpac sponsored Toll Secure's entry by awarding it a CIT services contract, as well as the expansion of smaller players through awarding them subsets of work.¹⁹⁵
- 5.44. The Applicants submit that if a competitor were awarded even part of a bank tender, the revenues could provide them the ability to further expand the scope of services they could offer.¹⁹⁶
- 5.45. The Applicants also submit that large CIT customers could exert countervailing power by sponsoring the entry and/or expansion of new CIT service suppliers.¹⁹⁷
- 5.46. Prosegur submits that **[Redacted – Confidential]**.¹⁹⁸
- 5.47. Several interested parties submit that the Major Banks could sponsor new entry and/or insource supply of CIT services:
- Commander Security submits that exit by one of the Applicants could force the banks to reconsider their existing lack of appetite for sponsorship of smaller suppliers who are 'wanting and willing' to enter, such as itself.¹⁹⁹
 - Diebold Nixdorf submits that the Major Banks and retailers are of the necessary size and scale to sponsor new entrants or arrange alternatives in the event of unsatisfactory CIT service offerings by existing suppliers.²⁰⁰
 - Giesecke+Devrient submits that due to the geographic hurdles and declining volume of cash, new entrants would face significant costs to establish a nationwide network, and therefore banks sponsoring a new entrant could be a viable option.²⁰¹
- 5.48. However, CBA, Bendigo and Adelaide Bank and Bank of Queensland submit that, given the costs of infrastructure and the decline in cash usage, the likelihood of a Major Bank sponsoring new entry is low.²⁰²
- 5.49. Westpac submits that **[Redacted - Confidential]**.²⁰³ **[Redacted - Confidential]**.²⁰⁴ CBA submits that **[Redacted - Confidential]**.²⁰⁵
- 5.50. CBA states that its 2020 request for proposal for CIT and non-CIT services went to Armaguard, Prosegur and 7 other suppliers. It submits that all these suppliers could have supplied 'some or all of the services', with the option to work as a single supplier

¹⁹⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 165.

¹⁹⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 52.

¹⁹⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 164-165; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 57.

¹⁹⁸ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 50-51.

¹⁹⁹ [Commander Protection submission](#), 22 October 2022, p 5.

²⁰⁰ [Diebold Nixdorf submission](#), 26 October 2022, p 4.

²⁰¹ [Giesecke+Devrient submission](#), 26 October 2022, p 2.

²⁰² [Commonwealth Bank of Australia submission](#), 28 October 2022, p 7; [Bendigo and Adelaide Bank submission](#), 21 October 2022, p 2; [Bank of Queensland submission](#), 31 October 2022, p 2.

²⁰³ [Westpac Banking Corporation submission](#), 31 October 2022, p 2.

²⁰⁴ **[Redacted - Confidential]**.

²⁰⁵ [Commonwealth Bank of Australia submission](#), 2 November 2022, p 7.

or with a combination of suppliers. Ultimately, CBA determined that a single supplier, who could supply all the services on a national basis, was the best fit over the term.²⁰⁶

5.51. **[Redacted - Confidential]**.²⁰⁷

5.52. In addition, **[Redacted - Confidential]**.²⁰⁸

5.53. The Major Banks have shown a historical preference for outsourcing their CIT services to one supplier who can provide a comprehensive national service. **[Redacted – Confidential]**.²⁰⁹

5.54. Interested party submissions provide mixed views on the prospect or interest of Major Banks or large CIT customers to sponsor new entry and/or expansion, including its potential scale and scope. While, as noted above, entry and/or expansion on a large, national scale appears extremely challenging, to the extent Major Banks or large CIT customers would consider awarding even subsets of their contracts, including within specific geographic regions, this could enable new and/or existing suppliers to expand their service offerings in future.

Threat of retailers insourcing and/or using cash-transport-only services

5.55. The Applicants submit that they will continue to be constrained by the threat of retailers insourcing their CIT services (i.e., retailers choosing to save costs by transporting and processing cash themselves). The Applicants submit that even if these constraints are limited, as was the ACCC's preliminary view in its Statement of Preliminary Views, they are still significant; particularly as volumes of cash continue to decline, making other service options more compelling:

- For smaller retail customers, it will continue to be relatively easy for employees to make deposits at bank branches, ATMs with deposit capabilities or Australia Post branches.
- A large share of businesses in Australia likely insource their CIT services because the security benefits of using third-party CIT services will decline as the use of cash in the economy declines.
- As noted at paragraph 5.31 above, in light of declining volumes, customers will increasingly consider that cash-transport-only services provided by soft-skin suppliers are sufficient, decreasing the need for armoured vehicle services.²¹⁰

5.56. Multi-Store Retail Chain, Coles, Woolworths and Wesfarmers submit that they do not consider insourcing cash delivery to be a viable option (financially or otherwise). They cite several factors, including:

- the capital required to procure the infrastructure and equipment (e.g., fleet of armoured vehicles)
- the increased safety and security risks for their teams
- the complexity and risk inherent in CIT services

²⁰⁶ [Commonwealth Bank of Australia submission](#), 2 November 2022, p 5.

²⁰⁷ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T80 L.15] - [T83 L.28].

²⁰⁸ **[Redacted - Confidential]**.

²⁰⁹ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T32 L.20] - [T33 L.22].

²¹⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 165-166; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 52.

- their lack of expertise.²¹¹
- 5.57. Coles additionally notes the increased costs associated with handling a cash delivery team and the operational challenges arising from managing multiple outsourced third-party suppliers.²¹²
- 5.58. Authentic Security also notes the work, health and safety issues that arise from insourcing CIT services. Additionally, it submits that with or without the Proposed Acquisition, cash transportation will no longer be viable (given bank branch closures and lowering cash acceptance) such that retailers will inevitably have to invest in technology such as smart safes or cash recyclers (at significant cost), or be forced to acquire CIT services from a supplier with depot cash processing capabilities.²¹³ Next Payments submits that insourcing is not an option due to the significant capital investment required for a customer of its size and it would cost more than what Next Payments currently pays for CIT services.²¹⁴
- 5.59. However, Giesecke+Devrient, a supplier of banknote production and processing services, submits that insourcing is a viable option for retailers given the significant costs associated with entry into the supply of CIT services.²¹⁵
- 5.60. The ACCC considers that for many customers, insourcing cash delivery may not be viable, particularly for customers who also require cash processing and administration. For example, the volume of cash handled by a large retailer could have substantial safety and security implications, and hence the fixed and sunk costs of purchasing processing equipment, armoured vehicles and training staff could be high. However, for some customers (particularly smaller customers) there does appear to be a greater prospect of shifting to insourcing or using cash-transport-only CIT services. The ACCC considers that whether customers engage these options will depend on their ability and incentives at the relevant time.

Customers' ability to restrict access to or usage of cash

- 5.61. The Applicants submit that a key competitive constraint is the ability of customers (e.g., banks or retailers) to respond to an excessive price increase by not accepting or discouraging cash payments and/or encouraging use of non-cash payments.²¹⁶

Major Banks restricting access to or use of cash

- 5.62. The Applicants submit that banks are already doing this by reducing the number of locations from which consumers can withdraw cash. They refer to evidence showing that banks have closed branches and ATMs in Australia over the last 5 years, and are starting to opt into shared facilities, such as Bank@Post Services.²¹⁷
- 5.63. The Reserve Bank submits that despite lower cash value transactions, cash is expected to remain an important means of payment for certain sectors of the

²¹¹ [Multi-Store Retail Chain submission](#), 31 October 2022, p 2; [Multi-Store Retail Chain submission](#), 19 January 2023, p 2; [Coles Group Limited submission](#), 28 October 2022, p 5; [Wesfarmers submission](#), 28 October 2022, p 3; [Woolworths Group Limited submission](#), 11 November 2022, p 3.

²¹² [Coles Group Limited submission](#), 28 October 2022, p 5.

²¹³ [Authentic Security submission](#), 19 January 2023, p 2.

²¹⁴ [Next Payments submission](#), 4 April 2023, pp 11-12.

²¹⁵ [Giesecke+Devrient submission](#), 26 October 2022, p 2.

²¹⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 158.

²¹⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 159; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 55.

community, as a back-up for electronic payment methods and for store of wealth purposes.²¹⁸ The Applicants support this conclusion.²¹⁹

- 5.64. NAB submits that its responsibility is to maintain multiple payment channels and support financial inclusion for all customers. Core to this is maintaining reliable access to cash through the branch and ATM network or alternative arrangements such as Bank@Post.²²⁰
- 5.65. Bendigo and Adelaide Bank submits that the restriction of cash would be a possible response from banks or retailers, but it cannot be relied on to counter a monopoly in supply. It submits there is public interest in having reliable cash supply for consumers who need it, particularly those in regional or remote areas with less access to technology or who are less likely to adopt non-cash payment methods.²²¹
- 5.66. NCR Australia Group submits that banks are likely to continue to rationalise their branch networks, making ATMs an increasingly important cash access point.²²²

Retailers not accepting or discouraging cash

- 5.67. In relation to retail customers, the Applicants submit that:
- Retailers are already incentivising consumers away from cash payments by promoting payments by card instore (e.g., by reducing or removing surcharges, and increasing card-only checkouts) and incentivising use of QR payment systems (such as Woolworths offering bonus loyalty points, or restaurants providing cashback incentives for making QR payments).²²³
 - Analysis by RBB Economics that accompanied the Applicants' submission indicates that, outside of American Express, cash is the most expensive payment method for retailers to accept at transaction values over \$15. Below that level, cash is cheaper than EFTPOS (but still more expensive than MasterCard and Visa debit cards).²²⁴ The Applicants submit that 'CIT costs may account for as much as one-third of large retailers' cash acceptance costs.²²⁵
 - A Reserve Bank survey indicates that cash acceptance by retailers fell from 99% in February 2020 to 94% in June 2022. They submit that given this is in the context of current CIT prices, it may not take a large increase in CIT prices for some retailers to adopt further measures to refuse or discourage cash use.²²⁶
 - The Reserve Bank's 2022 Payment System Board Annual Report states that new technologies and participants in the payments ecosystem are increasing the payment options available to consumers and businesses, with non-cash payments seeing an average annual growth rate of 9.5%.²²⁷

²¹⁸ [Reserve Bank of Australia submission](#), 28 October 2022, pp 1-2.

²¹⁹ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 61.

²²⁰ [National Australia Bank submission](#), 28 October 2022, pp 3, 5.

²²¹ [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 3.

²²² [NCR Australia Group submission](#), 28 October 2022, p 7.

²²³ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 162.

²²⁴ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 160; [Armguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, pp 96-97.

²²⁵ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 161.

²²⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 53.

²²⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 56.

- The move towards cashless gaming initiatives in NSW may cause cash volumes for some of the Applicants' major customers to substantially diminish,²²⁸
[Redacted – Confidential].²²⁹
- 5.68. Several retailers submit that they will continue to offer cash to meet the needs and preferences of their customers (and for emergency situations)²³⁰ and that decisions around payment methods are largely motivated by consumer preferences rather than the price for CIT services.²³¹
 - 5.69. Woolworths submits that it cannot mitigate any increase in the price of CIT services by moving to accepting only card and digital payments, as many customers still prefer cash. While the volume of cash is decreasing overall, Woolworths still requires a minimum frequency of CIT services to manage the risks of having large volumes of cash held on-site.²³² Coles submits that [Redacted - Confidential].²³³
 - 5.70. Multi-Store Retail Chain submits that retailers restricting access to cash is unlikely to be an effective constraint, because the cost of CIT services would have to rise to levels that outweigh the cost to retailers of losing customers who value cash as a payment method.²³⁴
 - 5.71. Woolworths also submits that, [Redacted - Confidential].²³⁵
 - 5.72. Diebold Nixdorf submits that it is reasonable to assume that the Applicants would be motivated to ensure viable pricing to avoid accelerating the decline in cash usage.²³⁶
 - 5.73. Some interested parties also submit that cash needs to remain a cost-effective payment method to remain competitive with increasingly popular digital alternatives.²³⁷
 - 5.74. The ACCC recognises that cash use has declined dramatically in recent decades and is likely to continue to decline in the future, but it considers that customers will have an ongoing need for cash and CIT services. The ACCC recognises that the Applicants' customers may have some ability to restrict or discourage cash access or payments in limited circumstances. However, it considers that the availability (or lack) of sufficient cash access points provided by banks may be critical for some consumers, particularly those in regional and/or remote areas who require a physical bank branch. Similarly, the availability of cash as a payment option will be a significant factor for some consumers in their decision making about which retailers to frequent.

²²⁸ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 56.

²²⁹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 56.

²³⁰ [Coles Group Limited submission](#), 28 October 2022, p 2; [Woolworths Group Limited submission](#), 11 November 2022, pp 4-5; [Multi-Store Retail Chain submission](#), 31 October 2022, p 3.

²³¹ [Woolworths Group Limited submission](#), 11 November 2022, p 5; [Wesfarmers submission](#), 28 October 2022, p 3.

²³² [Woolworths Group Limited submission](#), 11 November 2022, pp 4-6.

²³³ [Coles Group Limited submission](#), 28 October 2022, p 5.

²³⁴ [Multi-Store Retail Chain submission](#), 19 January 2023, p 2.

²³⁵ [Woolworths Group Limited submission](#), 4 April 2023, p 2; [Woolworths Group Limited submission](#), 8 May 2023, p 2.

²³⁶ [Diebold Nixdorf submission](#), 26 October 2022, p 4.

²³⁷ [Coles Group Limited submission](#), 28 October 2022, p 4; [Giesecke+Devrient submission](#), 21 October 2022, p 2; [Australian Security Industry Association Limited submission](#), 27 October 2022, p 3.

Customer bargaining power

- 5.75. The Applicants submit that large CIT customers have bargaining power which will constrain the merged entity following the Proposed Acquisition. They submit that because there are few large customers and cash usage is declining, large customers have successfully negotiated significant discounts.²³⁸ The Applicants also note that in a previous decision, the ACCC acknowledged that large CIT customers have bargaining power.²³⁹
- 5.76. The ACCC notes mixed views of interested parties regarding the bargaining power of customers. CBA submits that large customers like itself are unable to exercise significant bargaining power due to inelastic demand for the relevant services (meaning that customers are not overly sensitive to price changes).²⁴⁰ Bendigo and Adelaide Bank, Coles, Woolworths, Wesfarmers, Multi-Store Retail Chain, Maximum Protection and Authentic Security submit that the Proposed Acquisition would reduce or remove customers' bargaining power because they will be dealing with a monopolist supplier of CIT services.²⁴¹ Some interested parties submit that a lack of alternative suppliers would mean that CIT customers have less ability to credibly threaten to switch suppliers when renegotiating contracts.²⁴²
- 5.77. The Australian Association of Convenience Stores notes that its members lack bargaining power because smaller CIT suppliers do not provide the sophistication, security, coverage and services the Applicants do.²⁴³
- 5.78. Conversely, the Transport Workers' Union submits that it is disingenuous for major customers to minimise their bargaining power, citing the role of banks and major retailers in negotiating significant discounts and therefore driving down CIT suppliers' labour costs and safety standards.²⁴⁴ Further, Diebold Nixdorf submits that some customers are likely to have bargaining power due to their size and scale.²⁴⁵
- 5.79. The ACCC considers that some customers, particularly the Major Banks and national retailers, presently appear to have a significant degree of bargaining power in relation to the negotiation and procurement of integrated wholesale and retail CIT services and full-service retail CIT services. As there are 2 large CIT suppliers currently in operation, each with significant excess capacity, large customers appear to have been able to negotiate significant discounts,²⁴⁶ particularly as the Applicants compete vigorously for the volume of business that these large customers offer. However, it considers that the strength of each customer's bargaining power will depend significantly on the customer's next best alternative option(s). Any reduction to

²³⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 11, pp 89-91; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, 57.

²³⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 164, which refers to ACCC, [Linfox Armaguard – proposed acquisition of Brinks Australia's cash logistics business](#) (30 May 2014).

²⁴⁰ [Commonwealth Bank of Australia submission](#), 2 November 2022, p 9.

²⁴¹ [Bendigo and Adelaide Bank submission](#), 21 October 2022, p 2; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 3; [Coles Group Limited submission](#), 28 October 2022, p 5; [Woolworths Group Limited submission](#), 11 November 2022, p 4; [Wesfarmers submission](#), 28 October 2022, p 3; [Multi-Store Retail Chain submission](#), 19 January 2023, p 2; [Maximum Protection submission](#), 19 January 2023, p 2-3; [Authentic Security submission](#), 19 January 2023, p 3.

²⁴² See [Woolworths Group Limited submission](#), 11 November 2022, p 4; [Coles Group Limited submission](#), 28 October 2022, pp 5-6; [Wesfarmers submission](#), 28 October 2022, p 3; See also [NCR Australia Group submission](#), 28 October 2022, p 20.

²⁴³ [Australian Association of Convenience Stores submission](#), 16 January 2023, p 1.

²⁴⁴ [Transport Workers' Union of Australia submission](#), 3 February 2023, p 4.

²⁴⁵ [Diebold Nixdorf submission](#), 26 October 2022, p 4.

²⁴⁶ See [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 12, pp 89-91; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 57.

competitive threats available to the customer, such as switching to an alternative supplier or sponsoring entry, will also reduce the customer's bargaining power.

Existing contractual obligations

- 5.80. The Applicants submit that, with the Proposed Acquisition, existing contractual obligations constrain pricing changes during the contract term, whereas renegotiation of contracts will become necessary for many customers if either Applicant ceases to supply CIT services in the near future.²⁴⁷ The Applicants also submit that **[Redacted - Confidential]**.²⁴⁸
- 5.81. The Applicants' existing contracts with customers are of varying durations:
- Westpac's CIT contract with Prosegur **[Redacted - Confidential]**.²⁴⁹
 - CBA's CIT contract with Armaguard **[Redacted - Confidential]**.²⁵⁰
 - ANZ's CIT contract with Armaguard **[Redacted - Confidential]**.²⁵¹
 - NAB's CIT contract with Armaguard **[Redacted - Confidential]**.²⁵²
- 5.82. In relation to retail customers, **[Redacted - Confidential]**.²⁵³ **[Redacted – Confidential]**.²⁵⁴
- 5.83. Bendigo and Adelaide Bank submits that the effect of current competitively negotiated contracts will be relatively short-lived, and as RBB Economics suggests, new contracts can expect to be struck at higher prices.²⁵⁵ Next Payments and NCR Australia Group submit that existing contracts are not an effective constraint to price increases or service changes, and anticipate more onerous contractual terms post-merger given the lack of alternatives.²⁵⁶ Multi-Store Retail Chain submits that existing contracts are likely to provide only a short-term constraint.²⁵⁷
- 5.84. The ACCC considers that while the Applicants' existing contractual obligations to their customers may limit changes to price and service terms for their duration, as each contract expires, the terms of the contract will no longer prevent such changes. While maintaining existing contracts may provide some benefit to customers during their terms, the ACCC considers they are unlikely to have any impact on competition once their terms expire. The ACCC considers that the impact of existing contract terms on prices and service levels is mostly relevant to the public benefit of avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants, discussed in paragraphs 6.111 to 6.123.

²⁴⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 156. See also [Armaguard and Prosegur application for merger authorisation: Annexure 43.1 - Witness Statement of Matthew Stephen Sykes](#), 23 September 2022, at [151(f)].

²⁴⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 169-170.

²⁴⁹ [Second witness statement of Matthew Stephen Sykes](#), 31 January 2023, at [13]; Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T110 LL.6-8]; **[Redacted – Confidential]**.

²⁵⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168.

²⁵¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168.

²⁵² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168.

²⁵³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 169.

²⁵⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 169.

²⁵⁵ [Bendigo and Adelaide Bank submission](#), 21 October 2022, p 3.

²⁵⁶ [Next Payments submission](#), 31 October 2022, pp 10-11; [NCR Australia Group submission](#), 28 October 2022, p 32.

²⁵⁷ [Multi-Store Retail Chain submission](#), 19 January 2023, p 2.

Threat of government intervention or regulation

- 5.85. The Applicants submit that the merged entity will also be constrained by the threat of government intervention or regulation of the cash distribution system if they were to increase CIT prices significantly. They submit this regulation may be through:
- The Reserve Bank and Payment Systems Board designating the cash distribution system as a payment system under section 11 of the *Payment Systems (Regulation) Act 1998* (Cth), thus including CIT services under their regulatory scope where regulation would be in the public interest. The Applicants submit that the scope for this designation is supported by the construction of ‘payment system’ in the Payment Systems Regulation Bills Digest and case law.²⁵⁸
 - Use of the Treasurer’s ministerial designation power to designate entities operating in the payment system as subject to additional regulation where it is in the national interest.²⁵⁹
 - The mere potential for the Government to use such powers (even without actual regulation through these mechanisms).²⁶⁰
- 5.86. In response to the Applicants’ submission, the Reserve Bank states that it does *not* consider that CIT services (i.e., the physical transportation of banknotes on behalf of the owner of those banknotes between different locations in Australia and the associated cash processing and quality sorting processes) are within the scope of the *Payment Systems (Regulation) Act* (Cth), as currently drafted.²⁶¹
- 5.87. The Reserve Bank submits that **[Redacted - Confidential]**.²⁶²
- 5.88. In respect of the Applicants’ submission about the proposed ministerial designation power, the Reserve Bank notes that the scope of any such power will ultimately be determined by the Government, following public consultation and the legislative process. In this regard, the scope and timing are uncertain.²⁶³
- 5.89. The ACCC notes that the Reserve Bank does not consider that regulation of CIT services is within the scope of its current powers. It also notes that, as discussed further in paragraphs 6.100 to 6.123, Treasury recently published *A Strategic Plan for Australia’s Payments System*, which outlines the government’s reform agenda in relation to payment systems.²⁶⁴ The Strategic Plan notes that the government will work with the relevant agencies across the public sector and with industry to ensure that Australia has a sustainable cash distribution network that maintains adequate access to cash.²⁶⁵

Future without the Proposed Acquisition

- 5.90. As part of its consideration of the competitive effects of the Proposed Acquisition, the ACCC compares the future state of affairs if the Proposed Acquisition proceeds (referred to as the ‘**future with**’ or ‘**factual**’) with the future state of affairs if the Proposed Acquisition does not proceed (the ‘**future without**’ or ‘**counterfactual**’).

²⁵⁸ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 59.

²⁵⁹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 60.

²⁶⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 58, 60.

²⁶¹ [Reserve Bank of Australia submission](#), 28 October 2022, p 10; [Reserve Bank of Australia submission](#), 6 April 2023, p 5.

²⁶² [Reserve Bank of Australia submission](#), 25 January 2023, p 4.

²⁶³ [Reserve Bank of Australia submission](#), 6 April 2023, p 5.

²⁶⁴ See Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023.

²⁶⁵ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 23.

- 5.91. The ACCC has identified all factual and counterfactual scenarios with a non-trivial prospect of occurring. It has considered which futures without the Proposed Acquisition are realistic and given most weight to those. In doing so, it has not compounded the likelihood of any particular future without the Proposed Acquisition arising with the likelihood of a substantial lessening of competition. Rather, the ACCC has focused its analysis on whether it is satisfied in all the circumstances that, compared to those futures without the Proposed Acquisition that the ACCC considers realistic, the Proposed Acquisition would not be likely to have the effect of substantially lessening competition or would result in a net public benefit.²⁶⁶ This is a single evaluative assessment.
- 5.92. The Applicants submit that the future without the Proposed Acquisition involves:
- a) one Applicant exiting the CIT services market, or
 - b) both Applicants exiting the CIT services market.²⁶⁷
- 5.93. The Applicants submit that, without the Proposed Acquisition, at least one of the Applicants is very likely to exit within the short to medium term and, while less likely, both Applicants exiting could be brought about by a shock similar to the COVID-19 pandemic.²⁶⁸ The Applicants consider that the status quo of both competing independently is not sustainable including because the high fixed costs of their cash distribution businesses are being spread over declining volumes of cash usage, which is resulting in the provision of these services becoming increasingly unprofitable.²⁶⁹ The Applicants also submit that no alternative purchaser would be interested in operating a national CIT network including for these reasons.²⁷⁰
- 5.94. Through submissions to the ACCC, interested parties also raised the potential of a third future without the Proposed Acquisition, specifically that more than one major CIT supplier would operate beyond the short term.²⁷¹

Applicants' submissions regarding the futures without the Proposed Acquisition

- 5.95. The Applicants submit that, in light of ongoing, unsustainable losses, with no prospect of a turnaround, exit by at least one Applicant from the CIT services market is likely,²⁷² and no alternative purchaser would be interested in operating a national CIT network.²⁷³
- 5.96. In support of their submission that the future without the Proposed Acquisition involves the exit of at least one Applicant from the CIT services market, the Applicants submit that:

²⁶⁶ See the discussion in *Australian Competition and Consumer Commission v Pacific National Pty Limited (No 2)* [2019] FCA 669, at [1277]-[1279], approved on appeal in *Australian Competition and Consumer Commission v Pacific National Pty Ltd* [2020] FCAFC 77; (2020) 277 FCR 49; (2020) 378 ALR 1, at [246] (Middleton and O'Bryan JJ). Note, However, that there, Beach J was considering section 50 of the *Competition and Consumer Act 2010* (Cth), not section 90(7).

²⁶⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 120.

²⁶⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 120.

²⁶⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 120.

²⁷⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 30; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 129.

²⁷¹ See, e.g., [NCR Australia Group submission](#), 28 October 2022, p 27; [An Interested Party submission](#), 27 October 2022, p 2; [Next Payments submission](#), 31 October 2022, p 16.

²⁷² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 120; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 7.

²⁷³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 30.

- The ongoing decline in cash usage, and therefore decline in demand for CIT services, is expected to continue and demand is insufficient to support the Applicants' operations as separate, independent competitors in the supply of CIT services. Even if cash volumes were to stabilise and remain at current levels this would be insufficient to sustain 2 national CIT suppliers without significant increases in prices and/or reductions in service levels, which would further reduce volumes, and in turn may necessitate further price increases.²⁷⁴
- The declining use of cash as a payment method and cash in circulation has had a significant impact on the Applicants' operations and profitability,²⁷⁵ due to high fixed costs (significant investment in specialised equipment and vehicles needed to securely store, safely transport and quality-sort banknotes),²⁷⁶ and underutilisation (reduced processing volumes at Approved Cash Centres).²⁷⁷
- The continuing decline in cash usage, the significant amount of underutilised capacity in each Applicants' network, which increases the unit cost of providing services, and the need for significant capital investment means it will not be possible for the Applicants to continue to conduct independent, financially viable businesses without a substantial reduction in fixed costs and/or a significant increase in revenue.²⁷⁸
- Their businesses continue to make losses:
 - Prosegur's most recent unaudited financial statements demonstrate that, in the 12 months to December 2022, Prosegur Australia made an EBIT loss of more than **[Redacted - Confidential]**,²⁷⁹ **[Redacted - Confidential]**.²⁸⁰ **[Redacted - Confidential]**.²⁸¹
 - Armaguard regularly experiences losses of up to **[Redacted - Confidential]**.²⁸² **[Redacted - Confidential]**.²⁸³ **[Redacted - Confidential]**.²⁸⁴
- Considering ongoing losses, the Applicants are only able to continue trading due to continuous cash injections by their respective parent companies.²⁸⁵ For both Applicants, continuing to provide cash injections is irrational with no realistic prospect of returning to profitability on a standalone basis.²⁸⁶
 - **[Redacted - Confidential]**.²⁸⁷ **[Redacted - Confidential]**.²⁸⁸ **[Redacted - Confidential]**.²⁸⁹

²⁷⁴ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 18.

²⁷⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 91.

²⁷⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 94.

²⁷⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 94; Reserve Bank of Australia, [Review of Banknote Distribution Arrangements: Issues Paper](#), November 2021, p 19.

²⁷⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 118.

²⁷⁹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 19.

²⁸⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 6.

²⁸¹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 17.

²⁸² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 6.

²⁸³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 17.

²⁸⁴ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 18.

²⁸⁵ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 32.

²⁸⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 34.

²⁸⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 33.

²⁸⁸ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 33; [Statement of Michael Douglas Shipton \(Prosegur\)](#), 31 January 2023, at [66].

²⁸⁹ See [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 33; [Statement of Michael Douglas Shipton \(Prosegur\)](#), 31 January 2023, at [66(a)].

- **[Redacted - Confidential].**²⁹⁰ **[Redacted - Confidential].**²⁹¹ **[Redacted - Confidential].**²⁹²

- 5.97. The Applicants further submit that any arrangements short of a full merger would not realise the cost savings necessary to create a financially sustainable business.²⁹³ The Applicants submit that they have exhausted all commercially realistic options and that no commercially viable alternative short of a full merger exists.²⁹⁴ For example, the result of any subcontracting arrangement between the Applicants would necessarily be one of the parties operating at a loss to the benefit of the other party and this is reflected in the Applicants' experience of existing subcontracting arrangements with each other.²⁹⁵ Any joint venture in remote and regional areas would not address fundamental overcapacity, density and losses experienced by the Applicants,²⁹⁶ would only increase costs due to duplication,²⁹⁷ and would produce practical difficulties particularly in servicing national customers.²⁹⁸
- 5.98. Further, the Applicants submit that no third party would be likely to acquire either Applicants' CIT business, or would be willing to acquire and continue operating in competition with the other Applicant, as demonstrated by the Applicants' prior attempts to engage with third parties in relation to sale.²⁹⁹ The Applicants submit that, in light of cash usage trends and their continual losses, no purchaser would credibly acquire enough of the Applicants' businesses to continue to operate at a national scale.³⁰⁰
- 5.99. More detailed submissions from the Applicants regarding the futures without the Proposed Acquisition are included in the discussion of the ACCC's views below.

Submissions from interested parties regarding the futures without the Proposed Acquisition

- 5.100. Submissions from interested parties raise a range of views regarding the futures without the Proposed Acquisition.
- 5.101. Interested parties generally agree with the Applicants' view that cash usage in Australia has declined in recent years and that this has resulted in decreased demand for CIT services.³⁰¹ However, interested parties provided mixed views about expected future trends in cash usage. For example, The Australian Hotels

²⁹⁰ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T12 LL.12-17]; Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T55 LL.1-16].

²⁹¹ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T54 L.26] - [T55 L.1].

²⁹² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 33.

²⁹³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 47; [Armaguard and Prosegur application for merger authorisation: Annexure 37.1 - Witness statement of Rodney Phillip Mills](#), 26 August 2022, at [116].

²⁹⁴ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 25.

²⁹⁵ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 27; See also [Statement of Michael Douglas Shipton \(Prosegur\)](#), 31 January 2023, at [47], [60].

²⁹⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 29.

²⁹⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 29; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 193; [Statement of Michael Douglas Shipton \(Prosegur\)](#), 31 January 2023, at [64].

²⁹⁸ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 30.

²⁹⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 129.

³⁰⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 30.

³⁰¹ See, e.g., [Australian Hotels Association submission](#), 28 October 2022, p 3; [An Interested Party submission](#), 27 October 2022, p 2; [Cuscal submission](#), 21 October 2022, p 2; [Australian Retailers Association submission](#), 21 October 2022, p 1; [Australian Security Industry Association Limited submission](#), 27 October 2022, p 2; [Authentic Security submission](#), 20 October 2022, p 3; [Coles Group Limited submission](#), 28 October 2022, p 9.

Association, Authentic Security, Bendigo and Adelaide Bank and one interested party in a confidential submission submit that the decline will not continue at the rate seen during the COVID-19 pandemic, and that the level of decline in cash usage may be slowing.³⁰² Some interested parties, including Authentic Security, Woolworths and Coles submit that despite the decline in cash usage, there will continue to be a base level of demand for CIT services given the preferences of certain end-consumer groups.³⁰³

- 5.102. Several interested party submissions broadly support, to varying degrees, the Applicants' submission that the current structure of the CIT industry is unlikely to be sustainable, including due to declining demand for cash-related services.³⁰⁴
- 5.103. The Reserve Bank submits that the CIT industry has high fixed costs and declining volumes, and lower volumes have contributed to significant excess capacity at the wholesale level, which is placing financial pressure on CIT suppliers, including the Applicants.³⁰⁵ The Reserve Bank notes that '[i]t therefore seems unlikely that the current CIT industry structure can be sustained in the short to medium term.'³⁰⁶
- 5.104. In support of a future without the Proposed Acquisition where both Applicants continue to operate independently as CIT suppliers:
- Some interested parties, including NCR Australia Group and Wesfarmers, raise the possibility of the Applicants reducing costs, including by restructuring, to avoid the need for the Proposed Acquisition.³⁰⁷ Others, such as Giesecke+Devrient, submit that there are limitations on the availability of further cost savings.³⁰⁸
 - Next Payments and one interested party in a confidential submission raise the possibility of alternative measures that could avoid the need for the Proposed Acquisition and/or that should be explored before the Proposed Acquisition proceeds, including the Applicants sharing facilities.³⁰⁹ NCR Australia Group also raises the possibility of partial closure of the most unprofitable parts of the Applicants' operations or a joint venture arrangement with competitors to share costs in unprofitable parts of operations.³¹⁰
 - NCR Australia Group submits that the conduct of both Applicants demonstrates longer-term commitments that are inconsistent with them exiting.³¹¹

³⁰² [Australian Hotels Association submission](#), 28 October 2022, p 3; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 3; [Authentic Security submission](#), 19 January 2023, p 3; **[Redacted - Confidential]**.

³⁰³ See, e.g., [Authentic Security submission](#), 20 October 2022, p 3; [Australian Retailers Association submission](#), 21 October 2022, p 1; [Woolworths Group Limited submission](#), 11 November 2022, p 6; [Coles Group Limited submission](#), 28 October 2022, p 9.

³⁰⁴ [Giesecke+Devrient submission](#), 21 October 2022, p 3; [Cash Processing Solutions submission](#), 19 October 2022, p 2; [National Australia Bank submission](#), 28 October, p 5; [Cuscal submission](#), 21 October 2022, p 2; [Australian Security Industry Association Limited submission](#), 27 October 2022, pp 2-3; [Authentic Security submission](#), 20 October 2022, p 3; **[Redacted - Confidential]**.

³⁰⁵ [Reserve Bank of Australia submission](#), 28 October 2022, p 3.

³⁰⁶ [Reserve Bank of Australia submission](#), 28 October 2022, p 3.

³⁰⁷ [NCR Australia Group submission](#), 28 October 2022, p 30; [HoustonKemp report for NCR Australia Group](#), 28 October 2022, p 17; [Wesfarmers submission](#), 28 October 2022, pp 3-4; [Multi-Store Retail Chain submission](#), 31 October 2022, p 3.

³⁰⁸ [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 4; [Giesecke+Devrient submission](#), 21 October 2022, p 3.

³⁰⁹ [Next Payments submission](#), 31 October 2022, p 4; [Next Payments submission](#), 20 January 2023, p 2; **[Redacted - Confidential]**.

³¹⁰ [NCR Australia Group submission](#), 28 October 2022, p 30; [HoustonKemp report for NCR Australia Group](#), 28 October 2022, p 17.

³¹¹ [NCR Australia Group submission](#), 6 April 2023, p 5.

5.105. Further, some interested parties, including NCR Australia Group and Multi-Store Retail Chain submit that, if one of the Applicants ceases supply of CIT services, its business could be acquired by a third party.³¹² Bendigo and Adelaide Bank submits that this is unlikely.³¹³

ACCC views regarding the futures without the Proposed Acquisition

5.106. The ACCC considers that in the future without the Proposed Acquisition, there is a high probability that one of the Applicants would cease supplying CIT services within the short term.

5.107. In reaching this view, the ACCC has had regard to information provided by the Applicants, interested parties and other market participants. The ACCC has obtained information through its own market inquiries about trends in cash usage and associated demand for CIT services. The ACCC has also considered information and documents obtained by use of its compulsory information gathering powers.³¹⁴ This includes the Applicants' financial statements and internal planning documents (with and without the Proposed Acquisition), as well as oral examinations of the Applicants' executives. This evidence is summarised further below.

Publicly available information

5.108. Publicly available information about trends in cash usage, the CIT industry and the Applicants' business operations supports the view that there is a high probability that one of the Applicants would cease supplying CIT services within the short term.

5.109. The CIT industry is in decline due to the declining use of cash as a payment method. While there will remain a base level of demand for cash into the future, the ACCC is not aware of any evidence to suggest that the general trend in declining cash usage will not continue. For example, while the Reserve Bank's latest Payments System Board Annual Report for 2022 notes signs of a partial recovery in cash usage as pandemic-related restrictions ease, it reiterates that cash usage has been declining for many years.³¹⁵ In its submission to the ACCC in response to the Application, the Reserve Bank submits that this data suggests that the pressures facing the banknote distribution industry, driven by the declining use of cash as a means of payment, show no signs of easing.³¹⁶ Further, the ACCC notes that respondents to the Reserve Bank's 2022 Consumer Payments Survey reported that only 13% of transactions were made using cash, which represents a halving over the past 3 years.³¹⁷

5.110. Partly because of this reduction in volume, Armaguard and Prosegur have been engaging in vigorous price competition, including tendering at 'below cost' prices to safeguard volumes,³¹⁸ which has further reduced the profitability of the CIT industry and the Applicants' businesses.³¹⁹

³¹² [NCR Australia Group submission](#), 19 January 2023, p 3; [Multi-Store Retail Chain submission](#), 31 October 2022, p 3.

³¹³ [Bendigo and Adelaide Bank submission](#), 20 January 2023, pp 2, 4.

³¹⁴ *Competition and Consumer Act 2010* (Cth) s 155.

³¹⁵ Reserve Bank of Australia, [Payments System Board Annual Report](#), 28 September 2022, p 19.

³¹⁶ [Reserve Bank of Australia submission](#), 28 October 2022, pp 1-2.

³¹⁷ E Connolly, ['The Shift to Electronic Payments – Some Policy Issues'](#), 28 March 2023.

³¹⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 118.

³¹⁹ See [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 119.

- 5.111. Both Applicants have recorded significant trading losses in recent years and are financially dependent on their parent companies to remain solvent.³²⁰ The Applicants submit that withdrawal of this parental support would result in the immediate insolvency of the relevant Applicant, whereby the Applicant's directors would likely appoint a voluntary administrator.³²¹
- 5.112. Both Applicants appear unlikely to return to profitability while both continue to supply CIT services independently. Several factors are limiting the Applicants' ability and their respective parent company's incentives to invest further in their CIT businesses in Australia. These include declining cash volumes, high fixed costs to deliver CIT services nationally and the Applicants' reliance on major customers for efficient volumes who require national networks.³²²
- 5.113. Alternative arrangements to the Proposed Acquisition, including subcontracting, partnerships and joint ventures have either proved ineffective or appear to be unworkable for the Applicants. This is due, in part, to the Applicants having conflicting incentives, and declining volumes and high fixed costs making entering profitable arrangements difficult. The Applicants have attempted or considered several commercial arrangements in recent years but have been unable to find viable and, ³²³ regarding arrangements between the Applicants, mutually beneficial terms, particularly regarding pricing.³²⁴
- 5.114. While some alternative suppliers of CIT services have expressed interest in some of the assets or businesses of the Applicants, the ACCC considers that it is highly unlikely there would be an alternative purchaser for the whole Australian business of either of the Applicants, or a major part of either business.³²⁵

Information and documents obtained from Armaguard, Prosecur and third parties

- 5.115. The ACCC has considered information and documents obtained from Armaguard, Prosecur and third parties through voluntary information requests and pursuant to the ACCC's compulsory information gathering powers under section 155 of the Act. Most of this information is confidential to the parties from whom it was received. This information and evidence also indicate that there is a high probability that, if the Proposed Acquisition does not proceed, one of the Applicants would cease to supply CIT services within the short term.
- 5.116. In relation to the sale of whole or most of one of the Applicants' Australian operations to another party, the ACCC notes that there is a range of entities that may be considered potential acquirers, including domestic businesses and larger overseas CIT suppliers such as G4S and Loomis.³²⁶
- 5.117. Maximum Protection submits it made a number of inquiries with the Applicants to acquire their operations on a national basis, but was rebuffed each time.³²⁷ Maximum

³²⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 32.

³²¹ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 137.

³²² See [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, pp 119-120, 123-124.

³²³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 29.

³²⁴ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 25-28.

³²⁵ See also Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 3 February 2023, [T116 L.25] - [T119 L.14]; Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 14 February 2023, [T80 L.17] - [T82 L.3].

³²⁶ See, e.g., [Diebold Nixdorf submission](#), 26 October 2022, p 3.

³²⁷ [Maximum Protection submission](#), 4 April 2023, pp 1-2.

Protection submits that if the Proposed Acquisition were denied, they would be happy to negotiate terms with the exiting Applicant to lease all plant and equipment while it completes its due diligence on whether purchasing the exiting Applicant's business is a viable option.³²⁸ Specifically, **[Redacted - Confidential]**.³²⁹

5.118. However, the ACCC has concluded that Maximum Protection's interest in a potential acquisition is speculative and uncertain. While it has sought clarification from the Reserve Bank about the process for transferring Approved Cash Centre Operator status,³³⁰ Maximum Protection has not had any discussions with any Major Bank about securing Approved Cash Centre Operator status, nor with any of Prosegur's existing client base.³³¹ Further, given the highly probable future without the Proposed Acquisition involves one of the Applicants ceasing to supply CIT services in the short term, the ACCC considers that a two-step leasing arrangement like that proposed by Maximum Protection is unlikely to eventuate.

5.119. In addition, **[Redacted - Confidential]**.³³²

5.120. The ACCC has no information to suggest that any overseas entity has any interest in acquiring the business of either Applicant. **[Redacted - Confidential]**.³³³ **[Redacted - Confidential]**.³³⁴

Prosegur's future without the Proposed Acquisition

5.121. The ACCC considers, based on the information and evidence available, that there is a high probability that Prosegur would cease supplying CIT services within the short term if the Proposed Acquisition does not proceed.

5.122. On the topic of the future of Prosegur's CIT business without the Proposed Acquisition, **[Redacted - Confidential]**.³³⁵ **[Redacted - Confidential]**

- **[Redacted - Confidential]**.³³⁶
- **[Redacted - Confidential]**,³³⁷ **[Redacted - Confidential]**,³³⁸ **[Redacted - Confidential]**.³³⁹
- **[Redacted - Confidential]**.³⁴⁰
- **[Redacted - Confidential]**.³⁴¹ **[Redacted - Confidential]**.³⁴²

³²⁸ [Maximum Protection submission](#), 11 February 2023, pp 1-2.

³²⁹ [Maximum Protection submission](#), 19 January 2023, p 2.

³³⁰ [Maximum Protection submission](#), 11 February 2023, pp 1-2.

³³¹ [Maximum Protection oral submission](#), 9 February 2023, pp 2, 4.

³³² **[Redacted - Confidential]**.

³³³ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 129; **[Redacted - Confidential]**.

³³⁴ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 129.

³³⁵ [Armguard and Prosegur application for merger authorisation: Annexure 42.1 - Witness Statement of Jose Antonio Lasanta Luri](#), 20 August 2022, at [81].

³³⁶ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T145 L.2] - [T146 L.17].

³³⁷ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T114 LL.3-7].

³³⁸ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T146 L.2] - [T148 L.7].

³³⁹ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T156 LL.6-26].

³⁴⁰ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T128 L.7] - [T131 L.15].

³⁴¹ See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T147 L.7] - [T149 L.2].

³⁴² See Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 April 2023, [T133 LL.14-27].

5.123. **[Redacted - Confidential]**.

5.124. The ACCC has conducted its own analysis of Prosecur's financial statements. The ACCC's conclusions are consistent with the Application and Prosecur's submissions about its financial position. Specifically:

- Prosecur has incurred ongoing losses since at least 2017.
- Cost saving initiatives implemented to date have been insufficient to return Prosecur to profitability.
- Prosecur is only able to continue trading due to continuous cash injections from Prosecur Cash.
- Given Prosecur's financial position, divestment or sale of the business to a third party as a going concern would be difficult, particularly considering the broader decline in demand for CIT services in Australia.

5.125. **[Redacted - Confidential]**.

5.126. The ACCC understands that **[Redacted - Confidential]**.³⁴³ In relation to increasing prices for CIT services, opportunities appear to be limited while there is strong ongoing competition from Armaguard in an environment where both Applicants have significant excess capacity and are competing strongly for volumes. In particular, the Applicants submit that, **[Redacted - Confidential]**.³⁴⁴ Prosecur also notes that **[Redacted - Confidential]**.³⁴⁵

5.127. Prosecur also provided evidence that **[Redacted - Confidential]**.³⁴⁶ **[Redacted - Confidential]**.

5.128. With respect to costs, the ACCC notes the range of cost cutting initiatives undertaken by Prosecur to date.³⁴⁷ For example, Prosecur has carried out various cost cutting measures through its Gross Margin Improvement Programs over several years.³⁴⁸ **[Redacted - Confidential]**.³⁴⁹ Further, the information provided by Prosecur, including sworn evidence provided by Prosecur's executives, indicates that additional cost cutting measures are likely to be limited by Prosecur's service obligation

³⁴³ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 14 February 2023, [T44 LL.9-17].

³⁴⁴ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 124.

³⁴⁵ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 20.

³⁴⁶ [Second statement of Matthew Stephen Sykes \(Prosecur\)](#), 31 January 2023, at [15]; See also [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 19-20, **[Redacted - Confidential]**.

³⁴⁷ See [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, pp 122-123; [Armaguard and Prosecur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022, at [110]; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 22-23.

³⁴⁸ [Armaguard and Prosecur application for merger authorisation](#), 27 September 2022, p 122; [Armaguard and Prosecur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022, at [106]-[112]; Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 14 February 2023, [T15 LL.4-11]; Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 13 February 2023, [T36 L.18] - [T37 L.16].

³⁴⁹ [Armaguard and Prosecur application for merger authorisation: Annexure 40.1 - Witness Statement of Ennio Paul Alberici](#), 27 September 2022, at [110].

requirements,³⁵⁰ are not viable,³⁵¹ [Redacted - Confidential].³⁵² For example, [Redacted - Confidential],³⁵³ [Redacted - Confidential].³⁵⁴ [Redacted - Confidential].³⁵⁵

5.129. [Redacted - Confidential].³⁵⁶

5.130. The ACCC has also been provided with evidence of several initiatives that Prosecur has explored and undertaken to diversify its business, such as operating the Precinct ATM network, which it established following the acquisition of Westpac's offsite ATMs in 2019.³⁵⁷

5.131. [Redacted - Confidential].³⁵⁸ [Redacted - Confidential].³⁵⁹ [Redacted - Confidential].

5.132. The ACCC notes that some interested parties submit that Prosecur's conduct demonstrates longer-term commitments inconsistent with ceasing supply. For example, [Redacted - Confidential].³⁶⁰ [Redacted - Confidential].³⁶¹ The ACCC does not view this behaviour alone as evidence of an intention to remain in the market, given that Prosecur's executives have ongoing corporate responsibilities, and the continuation of parental support is a decision for Prosecur Cash.

Armguard's future without the Proposed Acquisition

5.133. The ACCC considers, based on the information and evidence available, that there is a realistic prospect that Armguard would cease supplying CIT services within the short to medium term if Prosecur continued to supply CIT services.

5.134. [Redacted - Confidential].³⁶²

5.135. The ACCC has conducted its own analysis of Armguard's financial statements. The ACCC's conclusions are consistent with the Application and Armguard's submissions about its financial position. Specifically:

³⁵⁰ See, e.g., [Armguard and Prosecur application for merger authorisation](#), 27 September 2022, pp 91, 99. See also Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 16 February 2023, [T27 L.7] - [T29 L.11].

³⁵¹ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 16 February 2023, [T26 L.3] - [T27 L.6], [Redacted - Confidential], [T79 L.10] - [T80 L.9], [Redacted - Confidential]; See also Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 14 February 2023, [T24 LL.17-27], [Redacted - Confidential].

³⁵² [Armguard and Prosecur application for merger authorisation](#), 27 September 2022, pp 119, 124; Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 13 February 2023, [T52 L.19] - [T53 L.2].

³⁵³ [Armguard and Prosecur application for merger authorisation](#), 27 September 2022, p 118; [Armguard and Prosecur application for merger authorisation: Annexure 42.1 - Witness Statement of Jose Antonio Lasanta Luri](#), 20 August 2022, at [62], [64].

³⁵⁴ [Armguard and Prosecur application for merger authorisation](#), 27 September 2022, p 119; [Armguard and Prosecur application for merger authorisation: Annexure 42.1 - Witness Statement of Jose Antonio Lasanta Luri](#), 20 August 2022, at [63].

³⁵⁵ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 16 February 2023, [T29 LL.8-15]; Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 13 February 2023, [T52 LL.11-18].

³⁵⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 20-21; [Statement of Michael Douglas Shipton \(Prosecur\)](#), 31 January 2023, at [66].

³⁵⁷ [Armguard and Prosecur application for merger authorisation](#), 27 September 2022, p 37.

³⁵⁸ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 April 2023, [T26 L.24] - [T27 L.6]. [Redacted - Confidential].

³⁵⁹ [Redacted - Confidential]: See Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 16 March 2023, [T118 LL.2-13]. [Redacted - Confidential]. [Redacted - Confidential] [Redacted - Confidential].

³⁶⁰ [Redacted - Confidential].

³⁶¹ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 16 February 2023, [T44 L.25] - [T45 L.7]; Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 13 February 2023, [T82 L.7] - [T83 L.24].

³⁶² [Statement of Peter Donald Fox](#), 26 February 2023, at [15].

- Armaguard's **[Redacted - Confidential]** negative financial performance is due to:
 - a notable decline in the volume of cash carried
 - competition with Prosegur impacting rates
 - cost saving initiatives being insufficient to return Armaguard to profitability, and
 - capital expenditure and restructuring costs.
- Armaguard has received significant cash injections from Linfox to date. **[Redacted - Confidential]**.³⁶³
- Given Armaguard's financial position, divestment or sale of the business to a third party as a going concern would be difficult, particularly considering the broader decline in demand for CIT services in Australia.

5.136. **[Redacted - Confidential]**.

5.137. **[Redacted - Confidential]**. In relation to increasing prices, opportunities appear to be limited while there is strong ongoing competition from Prosegur in an environment where both Applicants have significant excess capacity and are competing strongly for volumes. **[Redacted - Confidential]**.³⁶⁴ **[Redacted - Confidential]**.³⁶⁵ **[Redacted - Confidential]**.³⁶⁶

5.138. The ACCC notes that if Prosegur were to cease supplying CIT services this would potentially provide Armaguard with an opportunity to substantially raise its prices.

5.139. With respect to costs, the ACCC notes that cost cutting initiatives undertaken by Armaguard to date include closing a range of depots and transport hubs, converting other depots to transport hubs and outsourcing cash transport in some locations,³⁶⁷ and **[Redacted - Confidential]**.³⁶⁸ **[Redacted - Confidential]**.³⁶⁹ **[Redacted - Confidential]**.³⁷⁰

5.140. **[Redacted - Confidential]**,³⁷¹ **[Redacted - Confidential]**.³⁷²

5.141. **[Redacted - Confidential]**.³⁷³

5.142. The ACCC has also been provided with evidence of some initiatives that Armaguard has implemented, or is considering, to diversify its business. This includes investment in the atmX ATM brand. **[Redacted - Confidential]**.³⁷⁴ **[Redacted - Confidential]**.³⁷⁵

³⁶³ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 3 February 2023, [T60 LL.24-25].

³⁶⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 124.

³⁶⁵ [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 82.

³⁶⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 19-20.

³⁶⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 121.

³⁶⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 122.

³⁶⁹ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T25 L.16] - [T26 L.24].

³⁷⁰ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T100 L.22] - [T101 L.16].

³⁷¹ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T46 L.25] - [T47 L.8].

³⁷² Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T23 LL.2-9].

³⁷³ [Armaguard and Prosegur application for merger authorisation: Annexure 36 - Witness Statement of Michael Philip Cronin](#), 25 August 2022, at [15]. **[Redacted - Confidential]**.

³⁷⁴ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T22 LL.22-25].

³⁷⁵ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 February 2023, [T21 L.23] - [T22 L.19].

5.143. [Redacted - Confidential].³⁷⁶ [Redacted - Confidential].³⁷⁷

5.144. The ACCC considers that Armaguard's submission that, [Redacted - Confidential]

- [Redacted - Confidential].³⁷⁸ [Redacted - Confidential].³⁷⁹ [Redacted - Confidential].³⁸⁰
- [Redacted - Confidential].³⁸¹ [Redacted - Confidential].³⁸² [Redacted - Confidential].³⁸³
- [Redacted - Confidential].³⁸⁴ [Redacted - Confidential].³⁸⁵

Possibility of both Prosegur and Armaguard continuing to supply CIT services beyond the short term

5.145. The evidence before the ACCC demonstrates that, in the future without the Proposed Acquisition, there is a limited prospect of more than one major supplier of CIT services continuing to operate beyond the short term. This is for the same reasons, as discussed above, that the ACCC considers it is highly probable that Prosegur will cease to supply CIT services in the short term and Armaguard will cease to supply CIT services in the short to medium term if Prosegur continued to supply these services. While the Applicants may both continue to supply CIT services for a short period of time if the Proposed Acquisition does not proceed, and the exact length of time for this period is uncertain, the ACCC considers there is a high probability that one of the Applicants would cease to supply CIT services in the short term, and there is also a reasonable prospect that this would occur almost immediately after a decision to exit.

Possibility of both Prosegur and Armaguard ceasing supply of CIT services

5.146. The ACCC considers that there is no realistic prospect that *both* Prosegur and Armaguard will cease to supply CIT services in the foreseeable future.

5.147. If one of the Applicants ceases to supply CIT services, the ability and incentives for the remaining Applicant to continue to do so would change substantially. The main issues that the Applicants submit impede their ability to operate profitably would be expected, to a large extent, to be addressed by the exit of one of them. For example, the Applicants submit that:³⁸⁶

- Because of the high fixed costs of providing CIT services and declining demand for cash, the unit cost of supply of CIT services has increased significantly and consequently neither Applicant can operate a financially viable business providing cash-related services.

³⁷⁶ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T71 LL.14-21].

³⁷⁷ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T72 L.2] – [T73 L.5].

³⁷⁸ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T50 LL.24-25].

³⁷⁹ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T73 LL.17-27]; [T73 L.22] - [T74 L.1]; [T50 L.27] - [T51 L.1].

³⁸⁰ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T74 LL.9-17]; [T51 LL.7-15].

³⁸¹ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T58 LL.7-10].

³⁸² Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T58 LL.15-20]; [T58 LL.20-23].

³⁸³ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T55 LL.17-27].

³⁸⁴ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T70 LL.17-18].

³⁸⁵ Transcript of Examination under section 155(1)(c), [Redacted - Confidential], 6 February 2023, [T70 L.22] - [T71 L.4].

³⁸⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 10.

- ‘Unsustainable competition’ due to dramatically declining demand has produced uneconomic low prices for CIT services, such that the existing market structure cannot support 2 national suppliers.
- 5.148. If one of the Applicants did cease supplying CIT services, a large volume of CIT customers would become available. For many of these customers, particularly larger customers and those with a preference for a national service or a service that encompasses both metropolitan and regional areas, their main and potentially only viable option is likely to be the remaining Applicant, particularly in the short term.
- 5.149. This substantial increase in volume would become available to the remaining Applicant in an environment where the ‘unsustainable competition’ identified by the Applicants would no longer be present. Rather, one of the Applicants ceasing to supply CIT services would afford the remaining Applicant the opportunity to raise prices, potentially substantially, both in the supply of CIT services to many of the customers previously supplied by the exiting Applicant, and to customers the remaining Applicant already supplied as their existing contracts expire.
- 5.150. This combination of substantially higher volumes being available to a single major supplier, in an environment of (in respect of many customers) limited price competition from alternative suppliers, is one of the main reasons that the Applicants submit that the Proposed Acquisition would create a financially sustainable business. This would be expected to also be the case, to a large extent, if this industry structure was achieved through one of the Applicants ceasing to supply CIT services rather than through the Proposed Acquisition.

Conclusion on the future without the Proposed Acquisition

- 5.151. Based on the available evidence about trends in cash usage and associated demand for CIT services, the Applicants’ financial positions, and their future plans with and without the Proposed Acquisition, the ACCC considers that, if the Proposed Acquisition does not proceed:
- There is a high probability that one of the Applicants would cease supplying CIT services within the short term, following a short period where both of the Applicants would continue to operate.
 - There is limited prospect that both Prosegur and Armaguard will continue to supply CIT services beyond the short term.
 - There is no realistic prospect that *both* Prosegur and Armaguard will cease to supply CIT services in the foreseeable future.
- 5.152. While the ACCC considers that it is highly probable that one of the Applicants will cease to supply CIT services in the future without the Proposed Acquisition, it recognises that it is impossible to know with certainty what will occur in the future. Further, the ACCC notes that the process via which one of the Applicants would cease to supply CIT services could occur in various ways. It could occur rapidly and unpredictably, which the ACCC refers to as ‘disorderly exit’, or more slowly and orderly, potentially taking place over several months.
- 5.153. The timing and manner by which one of the Applicants would cease to supply CIT services is relevant to the assessment of the Proposed Acquisition’s potential impact on competition and its potential public benefits.

Competitive effects of the Proposed Acquisition

A. CIT services: integrated wholesale and retail CIT services and full-service retail CIT services

5.154. The Applicants submit that the Proposed Acquisition will not result in a substantial lessening of competition in **either** the supply of integrated wholesale and retail CIT services or the supply of full-service retail CIT services, as the merged entity will be constrained by the following factors:

- the threat of new entry and/or expansion
- insourcing and a shift to soft-skin suppliers by retail customers
- reduced access to and acceptance of cash
- customer bargaining power
- existing contractual obligations
- potential Reserve Bank regulation.³⁸⁷

5.155. Both prior to and following the ACCC's Statement of Preliminary Views, customers of CIT services, including both banks and retailers, raised concerns that the Applicants are each other's closest competitors in the supply of CIT services and that the Proposed Acquisition would reduce the number of major suppliers from 2 to one.³⁸⁸ Woolworths also refers to Prosegur as being a 'disruptor' since it began supplying CIT services in Australia.³⁸⁹ As discussed above, customers also raised concerns that no other suppliers can match the Applicants' offerings without significant investment and substantive changes.

5.156. Additionally, several customers and other interested parties were concerned that in the absence of competitive constraints, the Proposed Acquisition could lead to an increase in the price of CIT services and a decrease in service levels.³⁹⁰ Multiple stakeholders, including Multi-Store Retail Chain, Bendigo and Adelaide Bank, NCR Australia Group and NSW Farmers' Association, expressed particular concerns about the merged entity increasing prices for CIT services and reducing coverage in remote and regional areas.³⁹¹

³⁸⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, section 12; [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, section 4.

³⁸⁸ See, e.g., [Wesfarmers submission](#), 28 October 2022, p 2; [Multi-Store Retail Chain submission](#), 31 October 2022, p 2; [Multi-Store Retail Chain submission](#), 19 January 2023, p 1; [Commonwealth Bank of Australia submission](#), 2 November 2022, pp 5, 11; [Coles Group Limited submission](#), 28 October 2022, pp 2-3; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 2.

³⁸⁹ [Woolworths Group Limited submission](#), 11 November 2022, p 2.

³⁹⁰ [An Interested Party submission](#), 27 October 2022, pp 1-2; [Australian Association of Convenience Stores submission](#), 16 January 2023, p 1; [Authentic Security submission](#), 21 October 2022, p 4; [Authentic Security submission](#), 19 January 2023, pp 2-3; [Commonwealth Bank of Australia submission](#), 2 November 2022, pp 6-7, 9; [Bendigo and Adelaide Bank submission](#), 21 October 2022, pp 2-3; [Bendigo and Adelaide Bank submission](#), 20 January 2023, pp 2-3; [Coles Group Limited submission](#), 28 October 2022, pp 4-6; [Maximum Protection submission](#), 19 January 2023, p 2; [Multi-Store Retail Chain submission](#), 31 October 2022, p 2; [Multi-Store Retail Chain submission](#), 19 January 2023, p 1; [NCR Australia Group submission](#), 28 October 2022, pp 36-40; [NCR Australia Group submission](#), 19 January 2023, pp 5-9; [NCR Australia Group submission](#), 6 April 2023, pp 2-4; [Next Payments submission, 31 October 2022](#), pp 3, 10-14; [Next Payments submission](#), 20 January 2023, pp 3-6; [Next Payments submission](#), 4 April 2023, p 3, 9-13; [Next Payments submission](#), 20 April 2023, pp 2-3; [NSW Farmers' Association submission](#), 11 April 2023, p 2; [Wesfarmers submission](#), 28 October 2022, p 2; [Woolworths Group Limited submission](#), 11 November 2022, p 3.

³⁹¹ [Multi-Store Retail Chain submission](#), 19 January 2023, p 2; [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 2; [NCR Australia Group submission](#), 6 April 2023, p 2; [Authentic Security submission](#), 19 January 2023, p 6; [NSW Farmers' Association submission](#), 11 April 2023, p 2.

5.157. Further concerns were also raised by competing CIT suppliers. Authentic Security submits that given it relies on the Applicants for access to the Westpac cash facility, any changes to that process would cause significant complications.³⁹² Commander Security also submits that the merged entity would be able to limit competitors' effectiveness.³⁹³

Competition effects for as long as both Applicants would otherwise continue to supply CIT services

5.158. The ACCC considers that for any period of time that both Applicants would continue to supply CIT services in the future without the Proposed Acquisition, it is probable that the Proposed Acquisition will inflict significant competitive harm in the supply of integrated wholesale and retail CIT services and the supply of full-service retail CIT services.

5.159. In respect of both markets, the ACCC considers that removing the competitive constraints the Applicants exert on each other could allow the merged entity to profitably raise prices, potentially reduce service quality (e.g., pickup frequency, geographic scope of pickup routes and processing times) and/or decrease innovation. Any reductions in service quality would likely be particularly acute in regional and/or remote areas. The ACCC further considers that none of the factors discussed in paragraphs 5.17 to 5.89 above would materially limit the anticipated competitive harm from the Proposed Acquisition against a future in which (and to the extent that) both Applicants continue to supply CIT services.

5.160. However, the evidence before the ACCC demonstrates that, while the exact length of time that the Applicants may both continue to supply CIT services is uncertain, it is highly probable that one of the Applicants would cease to supply CIT services in the short term, and there is also a reasonable prospect that this would occur almost immediately (as discussed in paragraph 5.145). Accordingly, the extent of competitive harm from the loss of ongoing competition between the Applicants would be limited to a short period of time.

5.161. While the ACCC considers there is limited prospect that both Applicants will continue to supply CIT services beyond the short term in the future without the Proposed Acquisition, if they continued to supply CIT services beyond the short term, the competitive harm from the Proposed Acquisition would be significant.

Competition effects compared to the situation where one Applicant ceases to supply CIT services

5.162. The ACCC has focused its analysis on whether there is likely to be a lessening of competition in the future with the Proposed Acquisition compared to the period where one of the Applicants would otherwise cease to supply CIT services.

5.163. As above, if one of the Applicants ceases to supply CIT services, this would remove the closest and strongest competitive constraint to the remaining Applicant and could allow them to profitably raise prices, reduce service quality and/or decrease innovation. When renegotiating contracts, customers will then need to rely on the next most credible competitive threat(s) to obtain the best prices and quality or service possible. While any remaining competitive threat(s) will not completely constrain any

³⁹² Authentic Security submits that it operates under a wholesale cash facility supported by Westpac at a higher cost margin to other CIT suppliers, who have direct access to the Reserve Bank of Australia via the Approved Cash Centre Operator: [Authentic Security submission](#), 20 October 2022, p 4.

³⁹³ [Commander Security submission](#), 27 October 2022, p 3.

competitive harm, the next closest competitive threat(s) will provide an ultimate constraint to the level of market power that the remaining Applicant can exercise.

5.164. The ACCC has sought to understand what the closest remaining competitive constraint(s) are likely to be and whether there would be any material difference between the strength of these in the future if one Applicant ceases supplying CIT services, compared to the future if the Proposed Acquisition proceeds.

5.165. The ACCC considers that if one of the Applicants ceases supplying CIT services:

- The next closest competitive constraint is likely to be the threat of entry and/or expansion of an alternative supplier, even if this entry and/or expansion (or threat of) is limited in its volume, geographic scope or size; and that this threat of entry and/or expansion would be greater than if the Proposed Acquisition proceeds. An increased threat of entry and/or expansion of alternative suppliers may also increase customers' countervailing power from an increased threat of sponsoring some level of entry and/or expansion by such an alternative supplier.
- Other forms of countervailing power (i.e., the ability of full-service retail CIT customers to insource, or customers more broadly to restrict access to cash) may enable some customers to provide some limited competitive constraint, but are unlikely to provide as strong a constraint as the threat of entry and/or expansion (including sponsored entry and/or expansion).

Barriers to entry

Impact of manner and timing of exit on threat of entry and/or expansion

5.166. While barriers for large-scale, national entry into integrated wholesale and retail CIT services or full-service retail CIT services will remain high, the ACCC considers that there is likely to be a material difference in the respective strengths of the threat of entry and/or expansion in the future where one of the Applicants ceases to supply CIT services compared to a future with the Proposed Acquisition.

5.167. The ACCC considers that barriers to entry and/or expansion are likely to be lower and opportunities for alternative suppliers greater (at least to supply some classes of customers), if one of the Applicants ceases to supply CIT services, than if the Proposed Acquisition proceeds. However, the extent to which such opportunities would be available to alternative suppliers absent the Proposed Acquisition would depend on the manner and timing by which an Applicant would cease to supply CIT services.

Applicants' submissions

5.168. In the ACCC's Statement of Preliminary Views, the ACCC expressed the preliminary view that it was considering whether, if one of the Applicants exited the CIT services markets, they would do so through an orderly withdrawal that honoured existing contracts, sought to minimise disruption to customers, and did not cause reputational damage to their other business operations.³⁹⁴

5.169. In their response to the ACCC's Statement of Preliminary Views, the Applicants submit that without the Proposed Acquisition, any exit would not be gradual because:

- **If one of the Applicants' parent companies withdraws support, that Applicant would have little choice but to enter voluntary administration.** The

³⁹⁴ ACCC, [Statement of Preliminary Views](#), 21 December 2022, p 2.

administrator is likely to repudiate any customer contracts that are loss-making, particularly where the losses exceed the cost of damages for breach.³⁹⁵ Reputational concerns are unlikely to deter disorderly exit given that the alternative involves continued service quality degradation to the dissatisfaction of customers and significant ongoing financial losses. Further, the Prosegur Group does not have major Australian customers who operate in the other countries in which Prosegur operates, which limits the impact of a disorderly exit on its customer relationships.³⁹⁶

- **Gradual exit is not commercially realistic.** Each Applicant requires sufficient scale to maintain its national infrastructure. Any reduction in customer volumes would increase costs. This would necessarily result in service level degradation including because implementing changes to the cost structure would require significant expenditure that neither business would be willing to fund. This would expose the Applicant to potentially harsh penalties for contract breaches and could compromise health and safety standards.³⁹⁷ **[Redacted - Confidential]**.³⁹⁸
- **No amount of planning can eliminate the structural difficulties associated with large customers sourcing alternative CIT services.** This would take close to 12 months, during which time the focus would be on the needs of major customers to the detriment of smaller customers. Large sections of the market would be left without services, some for extended periods of time. Customer contingency plans are unlikely to mitigate disorderly exit as such plans do not account for exit scenarios (as opposed to service disruptions).³⁹⁹ **[Redacted - Confidential]**.⁴⁰⁰
- **The remaining Applicant's excess capacity would provide limited ability to mitigate a disorderly exit.** The Applicants have implemented significant cost-cutting measures that limit their ability to quickly absorb additional volumes. Major client transitions are complex and require careful planning and implementation. For example, a transition requires the new supplier to gain an understanding of the procedures required at each site to be serviced, including parking, security and safety. For larger customers, this involves hundreds of sites.⁴⁰¹

Submissions from interested parties

5.170. Submissions from specific third parties who have demonstrated interest in entering and/or expanding into the supply of CIT services on some level are discussed in the ACCC's view at paragraphs 5.181 to 5.189 below.

5.171. The Reserve Bank submits that if one of the Applicants exited, one key factor determining the extent and duration of disruption to CIT services is how much notice the exiting Applicant provides to customers. More time would better enable, at least certain customers, to transition to another supplier of CIT services.⁴⁰² Other factors include:

³⁹⁵ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 34.

³⁹⁶ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 39-40.

³⁹⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 35.

³⁹⁸ **[Redacted - Confidential]**: Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 6 April 2023, [T149 L.28] – [T150 L.14].

³⁹⁹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 37.

⁴⁰⁰ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T146 L.8] – [T146 L.11]; [T161 L.11] – [T161 L.27].

⁴⁰¹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 38.

⁴⁰² [Reserve Bank of Australia submission](#), 6 April 2023, p 4.

- the nature of any relevant terms in customers' contracts
- the wind-up process for managing exit
- other suppliers' abilities to service the exiting Applicant's customers, both immediately and post exit
- the business continuity plans/arrangements of the Applicant's customers, including how quickly they can be mobilised and how effective they are in transitioning to a new supplier.⁴⁰³

5.172. The Reserve Bank **[Redacted - Confidential]**.⁴⁰⁴

5.173. While NCR Australia Group considers that an exit of either Applicant in the next 2 years is unlikely, it submits that any exit would not be disorderly because the remaining CIT supplier would ramp up its supply of CIT services, and CIT assets would not leave the market and would be available for purchase by a third party who would assume the exiting Applicants' contractual obligations.⁴⁰⁵ Further, NCR Australia Group considers **[Redacted - Confidential]**.⁴⁰⁶

5.174. Regarding the Applicants' submissions that reputational concerns are unlikely to deter a decision to exit, Maximum Protection submits that disorderly exit by Armaguard would have a 'massively detrimental effect' on the reputation and continued viability of Linfox's other businesses in Australia, as there is some crossover in clients using both Armaguard and transport services provided by other Linfox companies.⁴⁰⁷

ACCC view

5.175. One of the Applicants ceasing to supply CIT services is likely to provide opportunities for potential new entrants or existing suppliers (particularly smaller suppliers) to win new customers and expand in some areas. It is also likely to provide opportunities to acquire some of the exiting Applicant's assets at low cost to support a new or existing supplier's entry and/or expansion. By reducing these opportunities, and thereby reducing the potential competitive constraint that alternative suppliers might otherwise apply to a single major CIT supplier, the Proposed Acquisition has potential to harm competition in the supply of full-service retail CIT services and, to a lesser extent, integrated wholesale and retail CIT services. The extent of any lessening of competition would depend on the nature and scale of the opportunities to win customers and acquire assets that would arise in the future absent the Proposed Acquisition where one of the Applicants exits.

5.176. Several factors may affect the nature and scale of such opportunities. One factor is whether the exiting Applicant ceases to supply CIT services through a voluntary administration and/or liquidation process, or through otherwise winding down its operations while continuing to have operational control over the business.

5.177. A voluntary administrator would likely take full control of the company. Their aim would be to administer the company's affairs to maximise the chances of the company continuing in existence, or if not possible, obtain a better return to creditors

⁴⁰³ [Reserve Bank of Australia submission](#), 6 April 2023, p 4.

⁴⁰⁴ [Reserve Bank of Australia submission](#), 6 April 2023, p 4.

⁴⁰⁵ [NCR Australia Group submission](#), 19 January 2023, p 13.

⁴⁰⁶ [NCR Australia Group submission](#), 6 April 2023, pp 9-10.

⁴⁰⁷ [Maximum Protection submission](#), 4 April 2023, p 2.

than if the company had been immediately wound up.⁴⁰⁸ The voluntary administrator must investigate the company's affairs and report available options to creditors, including: returning the company to Directors, accepting a Deed of Company Arrangement through which the company will pay all or part of its debts, or winding up the company and appointing a liquidator (which then happens immediately).⁴⁰⁹ Through voting at a creditors' meeting, creditors ultimately decide which option to pursue.⁴¹⁰

- 5.178. The voluntary administration period could be more extensive for a number of reasons. For example, if the voluntary administrator does not decide to immediately repudiate contracts but negotiates funding from customers to facilitate the ongoing supply of services in the short term and/or a more orderly transition of customers. The ACCC also understands that during this period, a voluntary administrator would not be obliged to adhere to any business continuity plans that the Applicants' customers may have regarding transition of their CIT services,⁴¹¹ whether in their contracts or otherwise.
- 5.179. A company can voluntarily enter liquidation through a vote of shareholders,⁴¹² or following a voluntary administrator recommending that liquidation is the best option.⁴¹³ A liquidator's role is to protect, collect and sell the company's assets and distribute money from the sale of assets;⁴¹⁴ first to priority creditors (including employees), then to unsecured creditors.⁴¹⁵ A liquidator has the power to do all things necessary for winding-up the affairs of the company and distributing its property,⁴¹⁶ whether by opting to cease trading the company or cease fulfilling contractual obligations, or alternatively, carrying on the business of the company.⁴¹⁷
- 5.180. Alternatively, if the exiting Applicant maintained operational control over its business while gradually winding down its supply of CIT services, it might give customers advance notice, encourage them to shift to other suppliers and sell assets to interested parties when possible. However, because there will likely still be contractual commitments to fulfil, it is uncertain whether a gradual winding down could occur.

Credible interest from alternative suppliers

- 5.181. There is credible evidence that some alternative suppliers of CIT services are interested in entering or expanding into the supply of CIT services in certain cities or regions, or to supply certain types of customers (i.e., small and medium customers). Some have expressed interest in acquiring particular surplus assets of the Applicants to assist with their entry or expansion. Further, the evidence available to the ACCC

⁴⁰⁸ *Corporations Act 2001* (Cth) s 435A.

⁴⁰⁹ *Corporations Act 2001* (Cth) s 438A.

⁴¹⁰ *Corporations Act 2001* (Cth) ss 439A, 439C.

⁴¹¹ The ACCC notes that the [APRA Prudential Standard 231: Outsourcing](#) (July 2017) requires that all risks from outsourcing material business activities be appropriately managed to ensure that APRA-regulated institutions (e.g. the Major Banks) are able to meet their financial and service obligations to depositors; and the [APRA Prudential Standard 232: Business Continuity Management](#) (July 2017) requires APRA-regulated entities (such as banks) to satisfy themselves as to the adequacy of any business continuity plans outsourced service suppliers (such as the Applicants) have in place.

⁴¹² *Corporations Act 2001* (Cth) s 436A(1).

⁴¹³ *Corporations Act 2001* (Cth) ss 439A, 439C.

⁴¹⁴ Australian Securities and Investments Commission, [Information Sheet 45 - Liquidation: A guide for creditors](#), reissued September 2021.

⁴¹⁵ *Corporations Act 2001* (Cth) s 556.

⁴¹⁶ *Corporations Act 2001* (Cth) s 477(2)(m).

⁴¹⁷ *Corporations Act 2001* (Cth) s 477(1)(a).

also indicates that at least some of these parties would have the ability to undertake such expansion. Specifically:

Other accredited Approved Cash Centre Operators

5.182. Streamcorp Armoured **[Redacted - Confidential]**.⁴¹⁸ **[Redacted - Confidential]** Streamcorp Armoured advised that to mitigate the significant risks posed to businesses if the merged entity were to become the preeminent supplier of cash services throughout Australia, Streamcorp Armoured is committed to providing financial institutions, retailers, ATM deployers and other businesses with holistic CIT and currency management solutions to ensure business continuity and minimise service disruption.⁴¹⁹ **[Redacted - Confidential]**.⁴²⁰ **[Redacted - Confidential]**.⁴²¹ **[Redacted - Confidential]**.⁴²²

5.183. **[Redacted - Confidential]**.

Existing suppliers of CIT services in the full-service retail or cash-transport-only markets

5.184. Commander Security submits that it has previously made attempts to gain a Major Bank's sponsorship for accreditation but has been unsuccessful.⁴²³

5.185. Authentic Security, a supplier of full-service retail CIT services, ATM services and precious cargo services, has CIT operations across various states, including NSW, Queensland, Victoria and WA.⁴²⁴ **[Redacted - Confidential]**.⁴²⁵ **[Redacted - Confidential]**.⁴²⁶ It submits that it has the corporate knowledge and infrastructure to support a national model as a 'capital city "national player" / regional "sub-network" player', which would protect the interests of regional subcontractors and provide a secondary option to CIT customers in capital cities.⁴²⁷ **[Redacted - Confidential]**.⁴²⁸

5.186. Authentic Security **[Redacted - Confidential]**.⁴²⁹ **[Redacted - Confidential]**.⁴³⁰ If the Proposed Acquisition proceeds, Authentic Security envisages needing certain infrastructure to 'support an increased client base': **[Redacted - Confidential]**, a small fleet of armoured/non-armoured vehicles (44 and 16 respectively), 71 firearms, guards, cash processing equipment and other equipment.⁴³¹ However, to remedy its concerns that its opportunities to acquire such assets may be limited if the Proposed Acquisition proceeds, Authentic Security suggests requiring the merged entity to

⁴¹⁸ **[Redacted - Confidential]**.

⁴¹⁹ [Streamcorp Armoured submission](#), 16 May 2023, p 2.

⁴²⁰ [Streamcorp Armoured submission](#), 16 May 2023, p 2.

⁴²¹ **[Redacted - Confidential]**.

⁴²² **[Redacted - Confidential]**.

⁴²³ [Commander Security submission](#), 27 October 2022, p 3.

⁴²⁴ [Authentic Security submission](#), 21 October 2022, p 2; [Authentic Security oral submission](#), 24 October 2022, p 3; [Authentic Security submission](#), 4 April 2023, p 2.

⁴²⁵ [Authentic Security oral submission](#), 24 October 2022, p 2.

⁴²⁶ **[Redacted - Confidential]**.

⁴²⁷ [Authentic Security submission](#), 4 April 2023, p 1.

⁴²⁸ [Authentic Security oral submission](#), 24 October 2022, pp 2-3; **[Redacted - Confidential]**.

⁴²⁹ **[Redacted - Confidential]**.

⁴³⁰ **[Redacted - Confidential]**.

⁴³¹ [Authentic Security submission](#), 4 May 2023, p 3.

provide a register of surplus vehicles, firearms, cash counting equipment,⁴³²
[Redacted - Confidential].⁴³³ [Redacted - Confidential].⁴³⁴

5.187. Maximum Protection, which currently provides armoured and soft-skin CIT services in South Australia only, submits that new entry and/or expansion on a national basis (for example, supplying a supermarket chain) would be extremely unlikely given the significant costs of entry and customers' reluctance to change suppliers.⁴³⁵ It also submits that any new entry could not be completed in the time it takes an Applicant to exit.⁴³⁶ It considers the only realistic means of another entity supplying services of comparable scale and scope would be via the acquisition of one of the exiting Applicants.⁴³⁷ As noted in paragraphs 5.117 to 5.118 above, Maximum Protection has given some consideration to supplying integrated wholesale and retail CIT services. However, as also noted above, the ACCC considers that Maximum Protection's interest in a potential acquisition or other arrangement to supply integrated wholesale and retail CIT services or full-service retail CIT services is speculative and uncertain. There could be some potential, although it is unclear how much, that Maximum Protection could seek to acquire some CIT assets to expand its cash-transport-only services beyond South Australia or expand into processing for some non-national customers of CIT services.

Suppliers of non-CIT services

5.188. NCR Australia Pty Ltd and Cardtronics Australasia Pty Ltd (together, **NCR Australia Group**), the Australian subsidiaries of the international NCR Corporation, currently supply ATM services but do not supply CIT services in Australia.⁴³⁸ [Redacted - Confidential].⁴³⁹ [Redacted - Confidential].⁴⁴⁰ [Redacted - Confidential].⁴⁴¹ [Redacted - Confidential].⁴⁴² [Redacted - Confidential].⁴⁴³

5.189. [Redacted - Confidential]. [Redacted - Confidential].⁴⁴⁴

Availability of the Applicants' surplus assets to alternative suppliers

5.190. As discussed in this section, the ACCC considers that if one of the Applicants ceases to supply CIT services, the full range of their assets may become available for other suppliers; whereas a lesser volume of assets would likely become available if the Proposed Acquisition proceeds because many would either be retained by the merged entity or destroyed.

5.191. The Applicants' primary assets include armoured and non-armoured vehicles and Approved Cash Centre depots (including security systems and vaults), cash processing equipment, firearms, ATMs and related equipment, and employees.

⁴³² [Authentic Security submission](#), 4 May 2023, p 3.

⁴³³ [Authentic Security submission](#), 4 April 2023, pp 5-6.

⁴³⁴ [Authentic Security submission](#), 4 April 2023, p 6.

⁴³⁵ [Maximum Protection submission](#), 19 January 2023, p 2.

⁴³⁶ [Maximum Protection submission](#), 19 January 2023, p 2.

⁴³⁷ [Maximum Protection submission](#), 19 January 2023, p 2.

⁴³⁸ [NCR Australia Group submission](#), 28 October 2022, pp 8-14.

⁴³⁹ [Redacted - Confidential].

⁴⁴⁰ [Redacted - Confidential].

⁴⁴¹ [Redacted - Confidential].

⁴⁴² [Redacted - Confidential].

⁴⁴³ [Redacted - Confidential].

⁴⁴⁴ [Redacted - Confidential].

[Redacted - Confidential].⁴⁴⁵ **[Redacted - Confidential].**⁴⁴⁶ **[Redacted - Confidential].**⁴⁴⁷

- 5.192. The Applicants submit that one rationale for the Proposed Acquisition is that declining cash usage will make maintaining duplicative fixed cost networks increasingly inefficient.⁴⁴⁸ They submit that analysis undertaken for them indicates that between 20-25 sites could be closed and vehicles equivalent to 8% of their fleet disposed of.⁴⁴⁹
- 5.193. As such, it appears that if the Proposed Acquisition proceeds, the Applicants would have some surplus assets which could, if available to potential alternative suppliers, assist them to compete with the merged entity. However, the merged entity would have total autonomy over whether and how to dispose of surplus assets (through a sale process, destruction or otherwise). In doing so, the merged entity would likely have regard to strategic considerations, trading off the potential revenue gained from any asset sales, versus the opportunities their competitors would gain from acquiring those assets to better compete with the merged entity. Further, in deciding which assets are surplus to their requirements, the Applicants would likely focus on those with the least productive value (e.g., the oldest or least efficient vehicles and cash processing equipment).
- 5.194. Some surplus assets are unlikely to be available for acquisition at all if the Proposed Acquisition proceeds. Specifically, the Applicants submit that Armaguard's historic practice is that:
- surplus armoured vehicles are destroyed, rather than on-sold, given the significant safety and security implications of exposing confidential information about their equipment and features⁴⁵⁰
 - most surplus cash counting equipment is traded in for new equipment, though some is destroyed for safety and security reasons. Regardless, any such equipment will either be at the end of its useful life or unequipped to deal with the upcoming Note Quality Reward Scheme upgrade.⁴⁵¹
- 5.195. The ACCC understands that the surplus 20-25 depots would **[Redacted - Confidential]**. Further, it appears likely that similar security and safety concerns (to those raised above) would exist in relation to depots, which suggests they would likely be stripped first. Consequently, another supplier would have to invest time and capital in refitting them.
- 5.196. Conversely, if one of the Applicants exits via voluntary administration and/or liquidation or via a company-managed exit, then the full range of their assets may become available for acquisition. In particular, an administrator/liquidator's primary concern will be obtaining maximum value from their sale without regard to strategic considerations, such as not wishing to provide alternative CIT suppliers with opportunities that would better enable them to compete with the remaining Applicant. A greater range, quantity and quality of assets is likely to be available for purchase in this scenario (i.e., all the exiting Applicant's assets, including those with the greatest

⁴⁴⁵ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, Annexure C p 68; See, e.g., **[Redacted – Confidential]**; **[Redacted – Confidential]**; **[Redacted – Confidential]**.

⁴⁴⁶ See, e.g., **[Redacted – Confidential]**.

⁴⁴⁷ Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 3 February 2023, [T73 L.18].

⁴⁴⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 140.

⁴⁴⁹ [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 174.

⁴⁵⁰ [Applicants' Submission responding to Market Feedback](#), 21 May 2023, p 20.

⁴⁵¹ [Applicants' Submission responding to Market Feedback](#), 21 May 2023, p 21.

productive value, such as the most efficient trucks and cash processing equipment; or fitted out Approved Cash Centres, **[Redacted - Confidential]**).⁴⁵²

- 5.197. While an administrator would generally prefer to sell the business as a whole, unless they can obtain support to cover debts and ongoing operational costs, which may include a willing buyer that could step in quickly, the much more likely scenario is that the assets will be sold in parts to maximise returns. Given the ACCC's assessment in paragraphs 5.116 to 5.120 that there is no credible evidence of a third party purchasing either Applicants' business as a going concern, a piecemeal sale process is most likely in this instance. This would likely create more potential for assets to be bundled up to be tailored to buyers' preferences (such as packaging a depot, vehicles and employees in a certain location).
- 5.198. Overall, therefore, as compared to the Proposed Acquisition, exit by one of the Applicants has the potential to make a greater range and number of CIT-related assets available, and in a form more favourable to buyers, than would be the case with the Proposed Acquisition. This will create opportunities for alternative suppliers who are (or may become) interested in expanding and/or entering into the supply of integrated wholesale and retail CIT services and/or full-service retail CIT services to acquire assets, enhancing their ability to compete (or threaten to compete) with the remaining Applicant. While it is uncertain how significant such opportunities, and the associated potential competitive constraint through the realisation of these opportunities, would be, they could potentially be material. This is particularly likely to be the case in respect of competition to supply full-service retail CIT services in specific areas, particularly metropolitan areas, and/or to small and medium sized customers.

Contestability of the exiting Applicants' customers

- 5.199. If the Proposed Acquisition proceeds, all major contracts would remain with the merged entity until they expire. For example, the ACCC understands that the terms of the Major Banks' contracts (excluding options for renewal/extension) expire in **[Redacted - Confidential]**,⁴⁵³ **[Redacted - Confidential]**,⁴⁵⁴ **[Redacted - Confidential]**,⁴⁵⁵ **[Redacted - Confidential]**.⁴⁵⁶ Regarding retail customers, **[Redacted - Confidential]**,⁴⁵⁷ **[Redacted - Confidential]**.⁴⁵⁸ Conversely, in the future without the Proposed Acquisition, the customers of the exiting Applicant would become contestable and those customers would have to negotiate alternative supply arrangements with other suppliers.
- 5.200. The ACCC recognises that both with and without the Proposed Acquisition, as existing contracts become contestable, there would be a dominant incumbent well placed to secure them. However, in the future without the Proposed Acquisition, all contracts of the exiting Applicant becoming available over a shorter period of time will create greater opportunities for alternative suppliers to compete for the exiting Applicant's customers. This is primarily because the remaining Applicant would be unlikely to be able to take on all such contracts at short notice, creating a large

⁴⁵² **[Redacted - Confidential]**.

⁴⁵³ [Second witness statement of Matthew Stephen Sykes](#), 31 January 2023, at [13]; Transcript of Examination under section 155(1)(c), **[Redacted - Confidential]**, 16 March 2023, [T110 LL.6-8]; **[Redacted - Confidential]**.

⁴⁵⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168.

⁴⁵⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168.

⁴⁵⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 169.

⁴⁵⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 169.

⁴⁵⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 169.

volume of demand. Both the manner and timing of exit are relevant considerations in the extent to which such opportunities may arise.

- 5.201. If one of the Applicants were to cease supplying CIT services, some customers, especially large customers who require a national service or service with a significant regional component, may have little choice but to approach the remaining Applicant (at least in the short term) to negotiate new contracts. The more immediate and/or disorderly the exit, the more likely this is to occur, given the remaining Applicant is the supplier best placed to accommodate additional volumes at short notice (although as noted below, alternative suppliers may still be able to attract some smaller customers to expand). For example, Coles considers that if one of the Applicants ceases to supply CIT services, it is likely the remaining Applicant would take on new customers with their stated excess capacity.⁴⁵⁹ In the event Prosegur suddenly ceases supplying CIT services, Woolworths contemplates a switch to Armaguard (provided Armaguard had sufficient capacity).⁴⁶⁰ NCR Australia Group and Next Payments also submit that the Applicants are the only 2 suppliers who can provide them with the CIT services they require.⁴⁶¹
- 5.202. However, transitioning the volume of the exiting Applicant's customers, at short notice, would be a complex and logistically challenging exercise that would likely cause significant disruption to the supply of CIT services in the short term. The remaining Applicant would be unlikely to accommodate all such customers simultaneously, and the shorter the period in which an Applicant exits, the more difficult this would be. Therefore, the quicker or more disorderly the exit process, the more likely that the remaining Applicant would prioritise transitioning the largest customers first, limiting its capacity to accommodate smaller customers.
- 5.203. As a result, small and medium sized customers (e.g., who only require processing or administration in certain cities or regions) may be more willing, or even forced, to consider alternative suppliers if they wish to maintain supply in the short term. This could include potentially dividing their demand among multiple smaller CIT suppliers, including across different regions. Consequently, this large volume of demand would enhance alternative suppliers' ability to compete with the remaining Applicant in the short term, but also create greater opportunities to underpin their investment in expansion to compete for contracts in future; and thereby enhance the competitive constraint they could provide. **[Redacted - Confidential]**.⁴⁶²
- 5.204. However, as noted above, the exit period could be longer. The ACCC considers that the longer the exit period (and/or more advanced notice about the exit date), the greater the opportunity for other suppliers or potential suppliers (such as Authentic Security **[Redacted - Confidential]**) to put in place arrangements to compete with the remaining Applicant for *more* of the exiting Applicant's customers, not necessarily just smaller customers or those that do not require geographically dispersed CIT services. These arrangements could include other suppliers increasing their capacity so as to become viable alternatives which, as discussed above, could include seeking to acquire assets of the exiting business. In this respect, **[Redacted - Confidential]**.⁴⁶³
- 5.205. Further, if the notice period is longer, there may be greater scope for customers to source and consider alternative arrangements and potentially leverage them in

⁴⁵⁹ [Coles Group Limited submission](#), 28 October 2022, p 8.

⁴⁶⁰ [Woolworths Group Limited submission](#), 11 November 2022, p 6.

⁴⁶¹ [NCR Australia Group submission](#), 28 October 2022, pp 21-22; [Next Payments submission](#), 31 October 2022, pp 7, 10.

⁴⁶² **[Redacted - Confidential]**.

⁴⁶³ **[Redacted - Confidential]**.

negotiations. For some customers (particularly small customers), this could include exploring the possibility of a single, smaller supplier being able to supply their required CIT services. For other customers, particularly those who require CIT services in a range of locations, including potentially in regional areas, this could include exploring the possibility of awarding parts of their contracts to multiple, smaller CIT suppliers (discussed in paragraphs 5.208 to 5.211 below) or to one supplier who then subcontracts in regions it does not have a presence **[Redacted - Confidential]**.⁴⁶⁴ A longer period could also prompt customers to reconsider their broader strategies around reliance on cash and CIT services more generally.

5.206. The ACCC notes that Authentic Security appears to be the only other supplier currently able and willing to provide full-service retail CIT services at scale, **[Redacted - Confidential]**.⁴⁶⁵ **[Redacted - Confidential]**,⁴⁶⁶ **[Redacted - Confidential]**. The ACCC notes that the incentives of alternative suppliers **[Redacted - Confidential]** may change if significant customer demand arises from small and medium customers.

5.207. The ACCC also notes that the competitive opportunities generated when one of the Applicants ceases to supply CIT services would partly depend on when current customers' contracts are otherwise due to expire. Given it is more common for large customers to hold multi-year contracts, exit could render those contracts contestable earlier than if the Proposed Acquisition proceeds. Conversely, small and medium customers are more likely to be on shorter, year-to-year or no formal contracts, meaning there may be less difference in the timing of their contestability, either with or without the merger. However, if the Proposed Acquisition proceeds, alternative suppliers will not have the opportunity to take advantage of such a large magnitude of these small and medium customers' contracts becoming contestable at once or within a very short period, or the potential sudden availability of necessary assets to support expansion.

Major Banks or large customers' ability to sponsor new entry

5.208. After one of the Applicants ceases to supply CIT services, the ability of customers to sponsor new entry, or the threat of doing so, would likely to become a much more important constraint on the extent to which the remaining Applicant could exercise its market power. A key factor that will impact the ability of customers to sponsor entry will be the height of barriers to entry and/or expansion. As outlined above, the ACCC considers that while large-scale, national entry will remain challenging, the availability of relevant assets and contracts will materially change the ability and incentive for expansion of alternative suppliers. The ACCC considers that during a period after one of the Applicants ceases to supply CIT services, some major customers may have a stronger ability to sponsor new entry and/or expansion, particularly if they are willing to consider using multiple suppliers to meet their needs, and the threat of further expansion of alternative suppliers would likely increase.

5.209. The ACCC notes that larger customers have historically preferred to engage one national CIT supplier,⁴⁶⁷ and that **[Redacted - Confidential]**,⁴⁶⁸ **[Redacted -**

⁴⁶⁴ **[Redacted - Confidential]**.

⁴⁶⁵ **[Redacted - Confidential]**.

⁴⁶⁶ **[Redacted - Confidential]**.

⁴⁶⁷ [Commonwealth Bank of Australia submission](#), 2 November 2022, pp 5, 8; **[Redacted - Confidential]**; [Coles Group Limited submission](#), 28 October 2022, p 3; [Woolworths Group Limited submission](#), 11 November 2022, p 2; **[Redacted - Confidential]**; [NCR Australia Group submission](#), 28 October 2022, p 21.

⁴⁶⁸ **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**.

Confidential].⁴⁶⁹ **[Redacted - Confidential]**.⁴⁷⁰ Further, dividing a CIT contract among multiple suppliers would likely involve more time and administrative burden for large customers.⁴⁷¹ In particular, substantial effort and more risk would be involved in a Major Bank coordinating multiple suppliers to provide high-quality, timely and reliable services that would enable it to meet its broader obligations around ensuring financial inclusion of consumers, Banknote Distribution Agreement obligations (e.g., fitness sorting), anti-money laundering reporting obligations, and enable it to take advantage of interest payments on Verified Cash Holdings.

5.210. However, when faced with only one viable option that can provide national coverage, the competitive pressure that exploring the alternative of dividing contracts between multiple suppliers may make it a worthwhile option to pursue. Accordingly, anything that makes it easier or cheaper for larger customers to pursue a service-splitting approach will offer a competitive benefit. For example:

- **[Redacted - Confidential]**.⁴⁷²
- In its most recent tender, Coles sought a proposal from a Major Bank to deliver a full CIT solution, **[Redacted - Confidential]**. However, the services were **[Redacted - Confidential]** higher in cost compared to the equivalent services **[Redacted - Confidential]**.⁴⁷³
- **[Redacted - Confidential]**.⁴⁷⁴

5.211. Therefore, the ACCC considers that there is likely to be a material difference between the strength of this constraint in the future if one of the Applicants ceases to supply CIT services compared to a future with the Proposed Acquisition.

Threat of retailers insourcing and/or using cash-transport-only services

5.212. The ACCC considers that this factor may provide some limited competitive constraint, but that there is unlikely to be a material difference between the strength of customers insourcing and/or using cash-transport-only services as a constraint on the remaining major CIT supplier in the future where one of the Applicants ceases to supply CIT services, compared to the future with the Proposed Acquisition. As discussed at paragraph 5.247 below, there may be some increased opportunities for ATM suppliers to vertically integrate in the absence of the Proposed Acquisition.

5.213. Regarding insourcing, the ACCC considers that only larger retailers could potentially impose some competitive constraint in this respect; but that even large, national retailers would likely individually lack the demand to insource full-service retail CIT services at an efficient scale and scope. Further, the ACCC has not received any credible evidence to suggest that customers consider insourcing to be a viable option.⁴⁷⁵ However, it recognises that customers would be more likely to consider

⁴⁶⁹ **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**.

⁴⁷⁰ **[Redacted - Confidential]**.

⁴⁷¹ For example, NCR Australia Group and Next Payments submit that it would not be viable for them to procure CIT services from multiple, smaller suppliers for a number of reasons, including that there would be inefficiencies, coverage gaps, inconsistent service quality, additional costs (including administrative costs) and risks involved: [NCR Australia Group submission](#), 28 October 2022, p 21; [Next Payments submission](#), 31 October 2022, p 8.

⁴⁷² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 50; [Armaguard and Prosegur application for merger authorisation: Annexure 37.1 - Witness Statement of Rodney Philip Mills](#), 26 August 2022, at [71].

⁴⁷³ [Coles Group Limited submission](#), 28 October 2022, pp 3, 5.

⁴⁷⁴ **[Redacted - Confidential]**.

⁴⁷⁵ **[Redacted - Confidential]**; **[Redacted - Confidential]**.

insourcing in circumstances where the price of full-service retail CIT services increases such that it would be more economically viable to insource.

5.214. Regarding customers increasingly considering cash-transport-only services (using soft-skin suppliers), it could also be expected that a significant rise in the price of full-service retail CIT services, or degradation of service levels, would cause some customers to reconsider their ongoing need for full-service retail CIT services. However, for most customers, the ACCC does not consider that this is likely to be a significant competitive constraint on the price and service offering of the merged entity.

Customers' ability to restrict access to or usage of cash

5.215. The ACCC also considers this factor may provide some limited competitive constraint, but that there is unlikely to be a material difference between the strength of customers' ability to restrict access to, or usage of, cash as a constraint on the remaining major CIT supplier in the future where one of the Applicants ceases to supply CIT services, compared to the future with the Proposed Acquisition.

5.216. While cash use has declined dramatically in recent decades and is likely to continue to decline in the future, the ACCC considers that this trend is and would already be reflected in the Major Banks' and retailers' past, current and future decisions regarding where and how they make cash available to their customers. Therefore, any shift towards a more rapid movement away from cash as a result of the Proposed Acquisition would represent a customer harm from the Proposed Acquisition.

5.217. For the Major Banks, some of whose customers may consider the availability of sufficient cash access points to be critical, the ACCC considers it unlikely that even a substantial increase in CIT prices would cause a large enough shift in the trajectory of these decisions to make that increase unprofitable for the merged entity.

5.218. Retailers may have slightly more discretion around the provision of cash as a payment method. However, it is not clear that even very substantial increases in CIT prices would induce a response from retailers significantly beyond what they may pursue absent the Proposed Acquisition.⁴⁷⁶ Despite this, the threat of restricting cash usage may provide a very limited constraint on the merged entity where the price of a customer's CIT services outweighs the cost to the business of potentially losing consumers for whom the availability of cash as a payment option is still a significant factor. As noted above, such a shift would likely reflect a cost to the customer and represent a competitive harm of the Proposed Acquisition.

5.219. Overall, the ACCC considers that customers may have some ability to restrict or discourage cash access or payments in limited circumstances. To the degree they can do so, the Proposed Acquisition is unlikely to have a significant impact on customers' decisions in this regard, and their ongoing need for cash and CIT services

⁴⁷⁶ The ACCC recognises that, taken at face value, the Applicants' submission that CIT services costs may account for up to one third of large retailers' cash handling costs, along with the RBB Economics' analysis of merchant acceptance costs (as outlined at paragraph 5.67 above), suggests that a sole CIT supplier would have substantial leeway to profitably raise CIT prices without retailers significantly increasing their adoption of measures to discourage or reduce cash use (such as those outlined by the Applicants). However, it is not clear that even very substantial increases in CIT prices would induce a response from retailers significantly beyond what they may pursue absent the Proposed Acquisition. For example, based on the RBB Economics analysis and the Applicants' submission that CIT costs may account for up to one third of large retailers' cash handling costs, if hypothetically, a sole CIT supplier were to raise full-service retail CIT prices by 30%, large retailers' cash handling costs would rise by approximately 10%. That would represent approximately \$0.03 for a \$20 transaction (from \$0.29 to \$0.32), \$0.04 for a \$50 transaction (from \$0.42 to \$0.46) and \$0.06 for a \$100 transaction (from \$0.64 to \$0.70).

will not act as a strong constraint on the merged entity (compared to, for example, the threat of sponsoring new entry discussed at paragraphs 5.208 to 5.211).

Conclusion on competition effects compared to the period where one Applicant would cease to supply CIT services

- 5.220. As one of the Applicants ceasing to supply CIT services will remove the closest and strongest competitive constraint to the remaining supplier, the ACCC has considered the likely closest remaining competitive constraint(s) and whether there will be any material difference between the strength of these in the future if one supplier ceases to supply CIT services compared to the future if the Proposed Acquisition proceeds.
- 5.221. The ACCC considers that the next closest competitive constraint is likely to be the threat of entry and/or expansion of an alternative supplier, including entry and/or expansion sponsored by customers. It considers that the competitive opportunities, and the competitive constraint that alternative suppliers could place on a single major supplier of CIT services, will be greater in the future where one Applicant ceases to supply CIT services, than with the Proposed Acquisition.
- 5.222. This is because if the Proposed Acquisition proceeds, all customer contracts that are currently held by the Applicants will continue to be serviced for their duration by the merged entity and the assets of one of the Applicants will not become available for competitors to purchase. If the Proposed Acquisition does not proceed, then if, as the ACCC considers is highly probable, one of the Applicants ceases supplying CIT services, the contracts it holds will become contestable and the assets of the exiting Applicant would likely become available for purchase. This creates opportunities for alternative suppliers to compete with the remaining Applicant for these contracts. While all contracts will become contestable over time as they expire, all contracts of the exiting Applicant becoming available in the short term would provide materially greater opportunities for alternative suppliers because:
- the remaining Applicant would be unlikely to be able to take on all such contracts at short notice
 - a large volume of demand becoming available at a point in time would create greater opportunities to underpin the investment in expansion necessary for some alternative suppliers to expand their operations sufficiently to compete for some of these contracts
 - in addition to multiple customers becoming contestable in a short period of time, a greater range, quantity and quality of surplus assets would potentially also become available over a shorter period, to support the expansion of alternative suppliers' operations.
- 5.223. Opportunities for alternative suppliers to acquire assets or win full or partial customer contracts may also generate ongoing opportunities for alternative suppliers to expand and compete for other business in the future, including to compete for integrated wholesale and retail opportunities following expansion in full-service retail CIT services.
- 5.224. The ACCC considers that other factors may provide some limited competitive constraint, such as other forms of countervailing power (i.e., CIT customers' ability to insource, or ability of customers to restrict access to or use of cash). However, these are unlikely to differ materially between the future with the Proposed Acquisition and the future without the Proposed Acquisition where one of the Applicants ceases supplying CIT services in the short term.

B. ATM-related services

5.225. In this section the following issues are considered:

- horizontal effects in relation to ATM services
- horizontal effects in relation to ATM maintenance services
- vertical effects in relation to both ATM services and ATM maintenance services.

ATM services (horizontal effects)

5.226. In this section, 'ATM services' refers to 3 distinct services:

- the supply of cash withdrawal facilities (i.e., the supply of cash withdrawal facilities to consumers through bank branches, Bank@Post outlets and retailers)
- the supply of ATM deployment services to merchants (i.e., ATM suppliers placing ATMs in retail and hospitality venues)
- the supply of ATM access arrangements to financial institutions (i.e., independent ATM suppliers supplying ATMs to banks / ATMs as a service).

5.227. With respect to these services the Applicants submit that post-merger:

- **Supply of cash withdrawal facilities:** there would be a range of substitutes for the Applicants' ATMs that are likely able to constrain the merged entity. This includes financial institutions' ATMs (around 80% of which are fee free), independent ATM deployers, Bank@Post outlets, and retailers with ATMs (some of which are fee free).⁴⁷⁷ NCR Australia Group also submits that independent ATM deployers like itself are constrained by these factors, noting that it typically seeks to place surcharge ATMs in locations where there are no or limited fee-free ATMs.⁴⁷⁸
- **Supply of ATM deployment services to merchants:** there would be substitutes available to constrain the merged entity, including NCR Australia Group, Next Payments and Banktech, who have estimated market shares of 28.2%, 16.2% and 10.6% respectively.⁴⁷⁹ Post-merger, the Applicants' estimated combined market share would be 11.6%.⁴⁸⁰ Further, barriers to entry and/or expansion are low, as demonstrated by Next Payments' growth since its establishment in 2013.⁴⁸¹
- **Supply of ATM access arrangements to financial institutions:** NCR Australia Group would likely be able to constrain the merged entity.⁴⁸² Other independent ATM deployers such as Next Payments and Banktech are potential future competitors.⁴⁸³ Banks sponsoring new entry, expansion or insourcing will also constrain the merged entity.⁴⁸⁴

⁴⁷⁷ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 175-176.

⁴⁷⁸ [NCR Australia Group submission](#), 19 January 2023, p 8.

⁴⁷⁹ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 112.

⁴⁸⁰ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 112.

⁴⁸¹ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 179; [Next Payments submission](#), 31 October 2022, p 4.

⁴⁸² [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 180.

⁴⁸³ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 181.

⁴⁸⁴ [Armguard and Prosegur application for merger authorisation](#), 27 September 2022, p 182.

- 5.228. Some interested parties raised concerns about potential competition effects in the supply of these services. Multi-Store Retail Chain raises concerns that competition among large national suppliers deploying, servicing and maintaining ATMs will be substantially diminished by the merger.⁴⁸⁵ Additionally, NAB submits that the complexity of establishing an ATM fleet makes the prospect of new entry unlikely and due to this, insourcing is not likely to be a constraint.⁴⁸⁶
- 5.229. NCR Australia Group submits that if horizontal effects are viewed in isolation (i.e., if the Applicants were active solely in these downstream markets), NCR Australia Group and other market participants would be able to compete with and constrain the merged entity in this market.⁴⁸⁷ However, it submits that the likely effect of the Proposed Acquisition on these markets should be assessed holistically, in light of the vertical and adjacent effects.⁴⁸⁸ It submits that the merged entity would have the ability and incentive to take advantage of its effective CIT monopoly and distort competition in these downstream and adjacent markets by increasing prices or reducing quality/access to its competitors to a key input, or bundling these services with CIT services.⁴⁸⁹
- 5.230. The ACCC acknowledges NCR Australia Group's submission. It has separately considered below the potential for the merged entity's increased market power in the supply of CIT services to provide it with the ability and incentive to vertically foreclose competitors in downstream ATM services and ATM maintenance services markets (see paragraphs 5.236 to 5.251).
- 5.231. However, if solely considering the horizontal effects of aggregating the Applicants' businesses in this market for the supply of ATM services, the ACCC considers that the Proposed Acquisition is unlikely to raise significant horizontal competition concerns given:
- the number of alternative cash access points (particularly where fee free)
 - competition from banks and other independent ATM deployers.

ATM maintenance services (horizontal effects)

- 5.232. As described in Chapter 3, the Applicants supply the following ATM maintenance services:
- **First line maintenance services:** Armaguard and Prosegur both supply first line maintenance services.⁴⁹⁰ The Applicants do not provide their market shares for this service separately; for example, Armaguard's revenue for full-service retail CIT also includes its provision of first line maintenance services.⁴⁹¹
 - **Second line (specialist) maintenance services:** Armaguard currently has an estimated market share of 30-40% and Prosegur has a de minimis market share.⁴⁹²

⁴⁸⁵ [Multi-Store Retail Chain submission](#), 31 October 2022, p 4.

⁴⁸⁶ [National Australia Bank submission](#), 28 October 2022, p 6.

⁴⁸⁷ [NCR Australia Group submission](#), 19 January 2023, p 11.

⁴⁸⁸ [NCR Australia Group submission](#), 19 January 2023, pp 11-12.

⁴⁸⁹ [NCR Australia Group submission](#), 19 January 2023, p 12.

⁴⁹⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 113.

⁴⁹¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 107.

⁴⁹² Specifically, **[Redacted – Confidential]**.

- **Complete line maintenance services:** the ACCC has not further considered potential horizontal impacts of the Proposed Acquisition on competition for the supply of complete line maintenance services because Prosegur does not currently supply this service.

5.233. If solely considering the horizontal effects of aggregating the Applicants' businesses in the markets for ATM maintenance services, the ACCC considers that the Proposed Acquisition is unlikely to raise significant competition concerns for the supply of these services.

5.234. In respect of first line maintenance services, the ACCC notes that while ATM customers can outsource first line maintenance to their CIT supplier, some customers acquire them from another party. For example, while CBA, NAB and Banktech use Armaguard for CIT and first line maintenance services, ANZ (an Armaguard CIT customer) acquires first line maintenance from NCR Australia Group.⁴⁹³ As such, the ACCC considers that competing suppliers of first line maintenance services such as NCR Australia Group are likely to constrain the merged entity.

5.235. In respect of specialist maintenance services, the ACCC considers that the Proposed Acquisition is unlikely to raise significant horizontal competition concerns given Prosegur's de minimis market share and because larger competing suppliers of specialist maintenance services, such as NCR Australia Group,⁴⁹⁴ are likely to constrain the merged entity.

ATM-related services (vertical effects)

5.236. This section outlines the ACCC's views on vertical issues arising in relation to ATM services, in particular whether the Proposed Acquisition would increase the ability for the merged entity to foreclose competitors or otherwise harm competition in areas of competition including the supply of:

- ATM services, being the supply of cash withdrawal facilities, ATM deployment services to merchants, and ATM access arrangements to financial institutions (ATMs as a service)
- ATM maintenance services, being the supply of first line maintenance, second line (specialist) maintenance and complete line maintenance services.

5.237. The ACCC is considering this issue because:

- CIT services are a key input to the supply of the above services.
- The Applicants supply both CIT services, and ATM and ATM maintenance services. That is, they both compete with other businesses in the supply of ATM and ATM maintenance services and supply a key input necessary for the operation of their competitors' businesses.

Submissions from interested parties

5.238. Independent ATM deployers are reliant on CIT suppliers for cash provision. Several interested parties raised concerns about the incentives and ability of the merged entity to foreclose competitors (i.e., preventing or impeding a rival firm from

⁴⁹³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 113.

⁴⁹⁴ The Applicants describe these entities as having a 'much larger share': [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 114.

competing⁴⁹⁵) in the supply of services downstream and adjacent to the supply of CIT services.

5.239. Two of the Applicants' major competitors in ATM services, NCR Australia Group,⁴⁹⁶ and Next Payments,⁴⁹⁷ submit that by creating a monopoly supplier of CIT services with substantial interests in activities that depend on the provision of CIT services, the Proposed Acquisition is likely to result in anticompetitive foreclosure conduct by the merged entity. Both stakeholders' initial submissions, and NCR Australia Group's subsequent submission,⁴⁹⁸ referred to and were accompanied by expert reports in support of their submissions.⁴⁹⁹ NCR Australia Group submits that while suppliers like itself are competitors of the Applicants (the effects of which are discussed above at paragraphs 5.226 to 5.231), its reliance on the Applicants as the Applicants' customer leaves them especially vulnerable to vertical foreclosure strategies.⁵⁰⁰

5.240. Both NCR Australia Group and Next Payments submit that the merged entity is highly unlikely to offer competitive pricing or cash supply terms to independent ATM deployers and could engage in a range of strategies to foreclose competitors in downstream and adjacent markets to expand its own presence, including:⁵⁰¹

- withholding or refusing to supply competing independent ATM deployers with CIT services, which are a key input into ATM deployment services, including first line maintenance and guarding services⁵⁰²
- raising the prices of CIT services or reducing CIT service quality to competing independent ATM deployers (as well as smaller CIT suppliers who rely on the Applicants for access to cash⁵⁰³)
- bundling CIT services to merchants with ATM deployment services, such as by offering discounted CIT services to merchants who also obtain ATM deployment services from the merged entity.⁵⁰⁴

5.241. For example, NCR Australia Group submits that Armaguard's ability to bundle CIT services with specialist ATM maintenance services provides it with a material advantage over NCR Australia Group, and while NCR Australia Group can currently mitigate this to some extent by partnering with Prosegur for CIT services, the Proposed Acquisition will remove that option.⁵⁰⁵ NCR Australia Group notes that **[Redacted - Confidential]**.⁵⁰⁶

⁴⁹⁵ [Merger Guidelines](#), November 2017, p 63.

⁴⁹⁶ [NCR Australia Group submission](#), 28 October 2022, p 35, and sections 10 and 11; [NCR Australia Group submission](#), 6 April 2023, pp 12-13; [NCR Australia Group submission](#), 20 April 2023, p 1.

⁴⁹⁷ [Next Payments submission](#), 31 October 2022, pp 11-14; [Next Payments submission](#), 4 April 2023, p 10; [Next Payments submission](#), 20 April 2023, p 1. Next Payments refers to the market in which the Applicants would become monopolists as the market for the supply of CIT services to independent ATM deployers.

⁴⁹⁸ [NCR Australia Group submission](#), 6 April 2023.

⁴⁹⁹ NCR Australia Group's submission attached an expert report prepared by Greg Houston of HoustonKemp Economists (*Competitive effects and public benefits of the proposed Armaguard and Prosegur merger*, Expert report of Greg Houston, HoustonKemp Economists, 28 October 2022 (**HoustonKemp Report**)). Next Payments' submission attached an expert report prepared by Dr Geoff Edwards of Charles River Associates (*Linfox Armaguard / Prosegur, Economic Expert Report prepared for Next Payments*, Dr Geoff Edwards, Charles River Associates, 2 November 2022 (**CRA Report**)).

⁵⁰⁰ [NCR Australia Group submission](#), 6 April 2023, p 13.

⁵⁰¹ [NCR Australia Group submission](#), 28 October 2022, pp 2, 37-42; [NCR Australia Group submission](#), 19 January 2023, pp 5-12; [Next Payments submission](#), 31 October 2022, p 12; [Next Payments Submission](#), 20 January 2023, pp 3-6.

⁵⁰² [NCR Australia Group submission](#), 6 April 2023, p 4; [Next Payments submission](#), 4 April 2023, p 16.

⁵⁰³ [Next Payments submission](#), 31 October 2022, p 15.

⁵⁰⁴ [Next Payments submission](#), 31 October 2022, p 12.

⁵⁰⁵ [NCR Australia Group submission](#), 28 October 2022, pp 25, 39-40; [NCR Australia Group submission](#), 19 January 2023, p 12.

⁵⁰⁶ [NCR Australia Group submission](#), 19 January 2023, p 12.

- 5.242. Next Payments adds that the merged entity will have unique access to its competitors' transaction data, which it could use to limit competition. For example, by allowing the merged entity to bid 'without risk' against independent ATM deployers to deploy to merchants in locations that it knows achieve greater transaction volumes.⁵⁰⁷
- 5.243. Next Payments and NCR Australia Group submit that, as a result of vertical foreclosure conduct by the merged entity, the Proposed Acquisition would likely result in a range of other detriments including:⁵⁰⁸
- increased transaction fees to cardholders, with the increase additional to that resulting directly from the merged entity raising prices for CIT services
 - fewer options for customers of ATM deployment services
 - reduced access to cash for cardholders especially in less profitable locations (e.g., regional and remote communities) and ceasing to offer ATM deployment services to merchants in particular areas due to the reduced profitability of independent ATM deployers⁵⁰⁹
 - reduced service improvements and innovation in ATM networks. For example, Next Payments notes that the merged entity could withhold innovation and service improvements from competitors⁵¹⁰
 - lower rebate payments offered to new or existing merchants/ corporate groups
 - a decline in merchants' share of the revenue obtained from operating ATMs on their sites due to independent ATM deployers being unable to, and the merged entity having less incentive to, offer attractive revenue-sharing or lease payment terms
 - loss of employment as independent ATM deployers will need to rationalise operations.
- 5.244. NCR Australia Group notes that Prosegur and Armaguard have been aggressively expanding their respective ATM networks and the merged entity would become the third largest independent ATM deployer in Australia,⁵¹¹ and cites a number of examples.⁵¹²
- 5.245. Streamcorp Armoured submits that it shares the concerns independent ATM deployers have raised regarding the merged entity and the significant risk posed to their businesses due to the possibility of vertical foreclosure.⁵¹³ Streamcorp Armoured confirms it does not own any ATMs and does not intend on entering the ATM deployer market due to the perceived conflict it presents.⁵¹⁴ **[Redacted - Confidential]**.⁵¹⁵ **[Redacted - Confidential]**.⁵¹⁶

⁵⁰⁷ [Next Payments Submission](#), 20 January 2022, p 3.

⁵⁰⁸ [Next Payments Submission](#), 31 October 2022, p 15; [NCR Australia Group submission](#), 19 January 2023, p 8.

⁵⁰⁹ [Next Payments submission](#), 4 April 2023, pp 3, 11; [NCR Australia Group submission](#), 19 January 2023, p 8.

⁵¹⁰ [Next Payments submission](#), 4 April 2023, p 10.

⁵¹¹ [NCR Australia Group Submission](#), 28 October 2022, p 37.

⁵¹² [NCR Australia Group submission](#), 19 January 2023, p 7; See also **[Redacted - Confidential]**; [NCR Australia Group submission](#), 20 April 2023, p 1; [Next Payments submission](#), 20 April 2023, p 1.

⁵¹³ [Streamcorp Armoured submission](#), 16 May 2023, p 2.

⁵¹⁴ [Streamcorp Armoured submission](#), 16 May 2023, p 2.

⁵¹⁵ **[Redacted - Confidential]**.

⁵¹⁶ [Streamcorp Armoured submission](#), 16 May 2023, p 2.

Applicants' submissions

5.246. In response to concerns from interested parties and the ACCC in its Statement of Preliminary Views, the Applicants submit that given the significance of ATM customers as a source of CIT revenue for the Applicants, it would be irrational for the merged entity to discriminate by vertically foreclosing ATM competitors in relation to the supply of CIT services.⁵¹⁷

ACCC view

5.247. The ACCC considers that the risk of harm from the Proposed Acquisition to competition in downstream and adjacent markets for the supply of ATM services and ATM maintenance services is dependent on the level of market power in a relevant upstream market for the supply of CIT services.

5.248. In assessing concerns about vertical effects, it is worth separating 2 potential effects of the Proposed Acquisition on outcomes in downstream and adjacent markets (namely ATM services and ATM maintenance services, inclusive of first line maintenance and complete line maintenance services):

- The extent to which the merged entity might restrict supply, raise prices or lower quality for the supply of CIT services *to its customers in general*, and whether this would result in higher prices or lower quality in the supply of services in downstream and adjacent markets. This conduct would not necessarily constitute vertical foreclosure but would still harm customers in those downstream and adjacent markets.
- The extent to which the merged entity might restrict supply, raise prices or lower quality for the supply of CIT services to competing firms in downstream and adjacent markets *by more than it would to other similar CIT customers*, and the extent to which this incremental conduct leads to (further) increases in prices or lowering of quality in the supply of services in those downstream and adjacent markets than would occur otherwise. This type of conduct would fall within a traditional conception of vertical foreclosure and would even more clearly harm customers in those downstream and adjacent markets.

5.249. If the Proposed Acquisition increases the merged entity's ability and incentive to raise prices or lower the quality of CIT services or to engage in vertical foreclosure conduct, it could substantially lessen competition in markets downstream and adjacent to the supply of CIT services. The ACCC considers that the outcomes associated with a substantial lessening of competition in such markets could include:

- increased transaction fees for cardholders
- reduced ATM fee revenue for merchants acquiring ATM deployment services
- reduced access to cash for cardholders, particularly in regional and remote areas
- reduced service improvements and innovation in independent ATM networks.

5.250. Similar to its discussion above in respect of the 2 CIT services markets above, the ACCC has focused its assessment on comparing the future with the Proposed Acquisition, to a future without the Proposed Acquisition where one of the Applicants ceases supplying CIT services in the short term. As noted above, it considers that one of the Applicants ceasing supply would generate greater opportunities for

⁵¹⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 47; [Applicants' response to Market Feedback](#), 21 May 2023, p 35.

alternative suppliers and has the potential to make a greater number of CIT-related assets available for purchase than would be the case with the Proposed Acquisition. In addition to the benefits that this could have for competition in the supply of CIT services generally, it could also create opportunities for ATM deployers **[Redacted - Confidential]**,⁵¹⁸ **[Redacted - Confidential]** to vertically integrate into CIT service provision, thus providing a greater degree of competitive constraint on the remaining Applicant's ability and incentive to engage in the vertical foreclosure strategies identified above or to otherwise reduce competition in downstream and adjacent markets. This may ultimately improve competition in downstream markets (such as ATM services and ATM maintenance services), including for other ATM customers.

5.251. If another third party such as Authentic Security **[Redacted - Confidential]** acquired some assets and/or gained customers of the exiting Applicant, this would likely increase competition in relation to CIT services and strengthen the constraint on the remaining Applicant engaging in any vertical foreclosure strategies and enhance downstream competition. **[Redacted - Confidential]**.

Areas of competition where concerns are less likely to arise

5.252. In the ACCC's Statement of Preliminary Views, the ACCC identified the following 2 areas of competition where it considered that the Proposed Acquisition is unlikely to raise significant competition concerns. Since the release of the Statement of Preliminary Views, the ACCC has not received any new information or evidence that has caused it to change this view:

- cash-transport-only CIT services (**Section C**)
- precious cargo transportation services (**Section D**).

C. Cash-transport-only CIT services

5.253. The Applicants submit that there is a national market for the supply of cash-transport-only services to retail customers who only require cash transport between their location(s) and, for example, a bank branch. Customers acquiring cash-transport-only services are typically retail customers (such as small to medium sized retailers and hospitality venues) that work with smaller values of cash, and typically balance and count cash themselves or allow processing to be done by the bank.⁵¹⁹

5.254. The Applicants submit that the merged entity will be constrained by the large number of suppliers of cash-transport-only services, of which there are over 200, including specialist soft-skin suppliers.⁵²⁰ The Applicants estimate that Prosegur holds the second largest share of services in this market of 20-25% (behind Security Specialists), while Armaguard holds a significantly smaller share of **[Redacted - Confidential]**.⁵²¹

5.255. The ACCC considers that the Proposed Acquisition is unlikely to raise significant competition concerns for the supply of cash-transport-only CIT services for the following reasons:

- there are many alternative suppliers of cash-transport-only CIT services who will constrain the merged entity

⁵¹⁸ **[Redacted - Confidential]**.

⁵¹⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 108.

⁵²⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 172.

⁵²¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 108-9.

- there appear to be lower barriers to entry and/or expansion for potential suppliers when compared to integrated wholesale and retail CIT services and full-service retail CIT services. In particular, the ACCC considers that existing suppliers are likely to be constrained by:
 - the threat of some customers insourcing their CIT services i.e., transporting cash to the bank themselves. Businesses are likely to explore insourcing options if the price of cash-transport-only CIT services increases or cash usage continues to decline and they require less cash to be transported. The ACCC notes that insourcing is less likely to be a viable option for businesses transporting larger volumes of cash due to security concerns and related insurance and licensing requirements, and lack of infrastructure, equipment and personnel
 - the threat of entry and/or expansion by courier firms, security firms, precious cargo firms and international CIT companies some of which have existing capabilities (including equipment and skilled personnel) and/or existing customer relationships.

D. Precious cargo transportation services

5.256. The Applicants both supply precious cargo services, being the transportation and storage of valuable goods, which are not Australian cash, as described in Chapter 3.

5.257. The Applicants submit there is a national market for the supply of full-service precious cargo services and estimate that each of them holds a market share of less than 10%.⁵²² Other suppliers include Brink's and Ferrari Logistics.

5.258. The ACCC considers that the Proposed Acquisition is unlikely to raise significant competition concerns for the supply of these services for the following reasons:

- the merged entity is likely to have a relatively low market share
- there would be several substitutes available post-merger able to constrain the merged entity, including Brink's, Ferrari Logistics, Malca-Amit/Authentic Security, and Security Specialists. The Applicants and An Interested Party note Brink's strength in the supply of precious cargo transportation services.⁵²³

5.259. Additionally, most interested parties did not raise any competition concerns about the Proposed Acquisition in relation to the supply of precious cargo services.⁵²⁴

ACCC conclusion on competitive effects/first limb of authorisation test

5.260. The Competition Test (i.e., the first limb of the test) requires the ACCC to be satisfied in all the circumstances that the conduct would not have the effect, or would not be likely to have the effect, of substantially lessening competition.

5.261. The Proposed Acquisition will combine the 2 largest suppliers of integrated wholesale and retail CIT services, and of full-service retail CIT services, in 2 already concentrated areas of competition. It will also combine the only 2 suppliers of these services that currently offer national coverage.

⁵²² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 116.

⁵²³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 183-184; [An Interested Party submission](#), 27 October 2022, p 3.

⁵²⁴ One interested party in a confidential submission **[Redacted - Confidential]** submits that the Proposed Acquisition would lead to a price squeeze and anti-competitive strategies in the supply of precious cargo services but did not provide further explanation: **[Redacted - Confidential]**.

- 5.262. The ACCC considers that, when compared to a future without the Proposed Acquisition where both Applicants continue to supply CIT services for a period of time, the Proposed Acquisition would likely result in significant competitive harm in the supply of integrated wholesale and retail CIT services and full-service retail CIT services. In respect of both markets, the ACCC considers that removing the competitive constraints the Applicants exert on each other could allow the merged entity to profitably raise prices, over a sustained period, and potentially result in reduced service quality and/or decreased innovation.
- 5.263. However, the evidence before the ACCC demonstrates that one of the Applicants would cease to supply CIT services in the short term. The ACCC has therefore placed more weight on the competition effects of the Proposed Acquisition compared to the period in which one of the Applicants would otherwise cease to supply CIT services.
- 5.264. In the future with the Proposed Acquisition, the ACCC has considered whether any other factors would provide some degree of competitive constraint on the merged entity, and whether that constraint would be greater without the Proposed Acquisition. It considers that the next closest competitive constraint is likely to be the threat of entry and/or expansion of an alternative supplier, including entry and/or expansion sponsored by customers. The ACCC considers that alternative suppliers will provide a greater degree of competitive constraint on a single major supplier of CIT services – and therefore a greater level of competition – without the Proposed Acquisition. This is because an exit by one of the Applicants will create opportunities for alternative suppliers to enter or expand by winning customers and acquiring CIT-related assets of the exiting Applicant – whether that exit occurs in a rapid, disorderly way, or slower and more orderly way, potentially over several months.
- 5.265. If the Proposed Acquisition proceeds, all customer contracts that are currently held by the Applicants will continue to be serviced for their duration by the merged entity. However, if the Proposed Acquisition does not proceed and one of the Applicants ceases supplying CIT services, the contracts it holds will become contestable, thus creating opportunities for other suppliers to compete with the remaining Applicant for these contracts. While all contracts will become contestable over time as they expire, all contracts of the exiting Applicant becoming available over a shorter period of time will create greater opportunities for alternative suppliers, because the remaining Applicant would be unlikely to be able to take on all such contracts at short notice. Further, a large volume of demand creates greater opportunities to underpin alternative suppliers' investment in expansion to compete for these contracts.
- 5.266. In addition, the availability of a greater range, quantity and quality of assets would also support the opportunity for alternative suppliers to enter and/or expand and provide an increased competitive constraint to the merged entity.
- 5.267. Further, the ACCC considers that the other potential constraints identified by the Applicants are unlikely to substantially constrain the merged entity and there is unlikely to be a material difference in the strength of these constraints with or without the Proposed Acquisition.
- 5.268. The ACCC acknowledges that the degree of competitive constraint that alternative suppliers could provide without the Proposed Acquisition, compared to the future where the Proposed Acquisition proceeds, is uncertain. However, the ACCC considers that in respect of at least some classes of customers, this competitive constraint could be material.

- 5.269. Given the potential reduction in competition in the supply of CIT services in these upstream markets, the ACCC also considers that the Proposed Acquisition has the potential to enhance the ability of the major supplier of CIT services to foreclose competitors or otherwise harm competition in downstream and adjacent markets for ATM services and ATM maintenance services. Compared to the Proposed Acquisition, an exit by one of the Applicants would generate greater competitive opportunities for competing suppliers. Exit of one of the Applicants has the potential to make a greater number of CIT-related assets and customers available than would be the case with the Proposed Acquisition, which could create opportunities for third parties to acquire these assets, thus providing a competitive constraint on the remaining Applicant's ability and incentive to engage in vertical foreclosure strategies or to otherwise reduce competition in downstream and adjacent markets.
- 5.270. For these reasons, the ACCC cannot be satisfied in all the circumstances that the Proposed Acquisition would not have the effect, or not be likely to have the effect, of substantially lessening competition.

Impact of section 87B Undertaking on competition analysis

- 5.271. The ACCC considers that the Undertaking reduces some of the competitive harm as identified in the ACCC's assessment above.
- 5.272. MergeCo commits to establishing a register of Approved Cash Centre sites that it intends to close.⁵²⁵ Further, MergeCo commits to establish a register of personnel who were formerly employed by either Applicant or MergeCo (and to release such personnel from any non-compete restrictions that would otherwise prevent the personnel from performing their role in the CIT industry),⁵²⁶ as well as surplus equipment that will be available for purchase by other CIT providers.⁵²⁷ MergeCo will make these registers available to other CIT providers on request.⁵²⁸
- 5.273. MergeCo commits to providing ATM specific services to any independent ATM deployer.⁵²⁹ MergeCo also commits to provide these services in a manner that does not unreasonably discriminate in favour of its internal customers.⁵³⁰
- 5.274. Combined, these commitments may improve the ability of third parties to compete in the supply of CIT services, including via new entry and/or expansion, and limit the ability of MergeCo to engage in vertical foreclosure of independent ATM deployers.
- 5.275. However, a material competitive harm resulting from the Proposed Acquisition is the loss of opportunities for new entry and/or expansion by alternative suppliers which would otherwise arise with the exit of one of the Applicants. These include opportunities to compete for customers and acquire assets of the exiting Applicant that are unlikely to be available if the Proposed Acquisition proceeds, even if the Undertaking is given. As a result, the ACCC cannot be satisfied in all the circumstances that the Proposed Acquisition would not have the effect, or not be likely to have the effect, of substantially lessening competition. The ACCC has considered the effect the Undertaking would have on competitive harm when

⁵²⁵ Undertaking, clause 5.10.

⁵²⁶ Undertaking, clauses 5.12 and 5.15.

⁵²⁷ Undertaking, clause 5.16.

⁵²⁸ Undertaking, clauses 5.11, 5.14 and 5.16.

⁵²⁹ Undertaking, clause 5.17.

⁵³⁰ Undertaking, clause 5.19.

weighing the public benefits and detriments under the second limb of the authorisation test in Chapter 6.

6. Likely public benefits and detriments

- 6.1. This chapter provides the ACCC's views on the benefits and detriments that the Applicants and interested parties submit are likely to result from the Proposed Acquisition, and the ACCC's view on the net public benefit test in section 90(7)(b) of the Act (the Net Public Benefit Test). The chapter is structured as follows:
- First, it provides an overview of how the ACCC applies the Net Public Benefit Test.
 - Second, it describes the public benefits that the Applicants submit are likely to result from the Proposed Acquisition, and the ACCC's view on whether those public benefits are likely to result.
 - Third, it describes the public detriments that the ACCC considers are likely to result from the Proposed Acquisition.
 - Fourth, it describes the ACCC's view on how the Undertaking impacts the ACCC's assessment of the likely benefits and detriments resulting from the Proposed Acquisition.
 - Finally, it provides the ACCC's view on whether it is satisfied that the likely public benefits of the Proposed Acquisition outweigh the likely public detriments.

The Net Public Benefit Test

- 6.2. In applying the Net Public Benefit Test, the ACCC examines the benefits and detriments that would result, or be likely to result, from the proposed conduct and then determines whether the likely benefits outweigh the likely detriments.
- 6.3. The Tribunal described its task, in the context of a slightly different, earlier iteration of the public benefit test for merger authorisation in *Applications by Tabcorp Holdings Limited* [2017] ACompT 5 at [31]:
- The Tribunal must consider the claimed benefits and detriments that will be caused or probably caused by the proposed merger. Benefits and detriments that will or may arise in both the future with and without the merger are not relevant to the analysis. The claimed benefits and detriments must be of substance and have durability. Any estimate as to their quantification should be robust and commercially realistic. Together with the requirement of commercial likelihood, the necessity of substance and durability effectively means benefits and detriments must be material to the assessment of "such a benefit to the public that the acquisition should be allowed to occur."
- 6.4. The ACCC's task is similar, save that the requirement in section 90(7)(b) of the Act is that the ACCC be satisfied in all the circumstances that the conduct would result in a net public benefit, not that it would result in such a public benefit that it should be allowed to occur.
- 6.5. To identify the public benefits and detriments that are likely to result from the proposed conduct (in the sense that they have a causal connection to the proposed conduct) and to make an evaluative judgment of the likely measure of those benefits and detriments, the ACCC compares the future in which the proposed conduct occurs (the **future with** or **factual**), as against the future in which the proposed conduct does not occur (the **future without** or **counterfactual**). For this purpose, the ACCC has considered all factual and counterfactual scenarios with a non-trivial prospect of occurring, and considered which counterfactuals are realistic and given most weight to those in its assessment of the public benefits and detriments.

6.6. The Tribunal has also stated that, in considering public benefits:

we do not wish to rule out of consideration any argument coming within the widest possible conception of public benefit. This we see as anything of value to the community generally, any contribution to the aims pursued by society including as one of its principal elements (in the context of trade practices legislation) the achievement of the economic goals of efficiency and progress.⁵³¹

6.7. As to the assessment of public detriment, the ACCC also uses the Tribunal's broad approach. The Tribunal has described a public detriment as:

any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency.⁵³²

6.8. The scope of relevant competitive benefits or detriments is not confined to the 'substantial lessening of competition' analysis required by section 50 of the Act and which applies in the Competition Test. In applying the Net Public Benefit Test, the ACCC assesses all benefits and detriments, not just those related to effects on competition, which apply to the Competition Test. The ACCC will have regard to any non-trivial competitive or other benefit or detriment to the public that would result, or be likely to result, from the proposed conduct. The ACCC will have regard to any non-trivial competitive or other benefit or detriment to the public that would result, or be likely to result, from the proposed conduct.

6.9. As described above at paragraphs 5.106 to 5.144 the ACCC considers it highly probable that if the Proposed Acquisition does not proceed, one of the Applicants would cease supplying CIT services in the short term, and there is also a reasonable prospect that this would occur almost immediately after a decision to exit. Accordingly, this Chapter focuses its analysis on benefits and detriments likely to result from the Proposed Acquisition to benefits and detriments that arise when compared to a future without the Proposed Acquisition where one Applicant ceases supplying CIT services within the short term.

6.10. If there was a realistic prospect that both Applicants would continue to supply CIT services beyond the short term, the ACCC would be unlikely to reach the requisite level of satisfaction under section 90(7)(a) of the statutory test. As stated at paragraph 5.145, the ACCC considers that if the Proposed Acquisition does not proceed, there is limited prospect that both Prosegur and Armaguard will continue to supply CIT services beyond the short term. However, for completeness the ACCC has considered the likely benefits and detriments compared to this scenario, and its views are as follows.

- Compared to the scenario of both Applicants continuing to supply CIT services, the only public benefit that would be likely to result is improved productive efficiencies due to de-duplicated networks.
- Other public benefits either do not arise (given there is no disruption, dislocation, transition costs or uncertainty to avoid), or will or may arise in any event, as a result of continuing competition (e.g., maintenance of service levels and improvements to efficiency).
- Contrasting against the single benefit would be the significant public detriment due to the Proposed Acquisition's likely effects on competition where barriers to

⁵³¹ *Re Queensland Co-operative Milling Association Ltd* (1976) 8 ALR 481 at [507] – [508].

⁵³² *Re 7-Eleven Stores Pty Ltd* [1994] ATPR 41-357 at [42], [683] (Lockhart J, Prof M Brunt and Dr B Aldrich).

entry are high and there is declining demand due to fundamental and likely persistent changes in consumer behaviour.

Public Benefits

6.11. The ACCC considers that the public benefits which the Applicants submit are likely to result from the Proposed Acquisition and are relevant to the ACCC's assessment, fall within the following categories:

- avoiding the likely dislocation costs, uncertainty and customer impacts associated with the disorderly exit of one of the Applicants, and maintaining confidence in cash as a payment system⁵³³
- improving productive efficiencies by reducing fixed costs⁵³⁴
- ensuring high levels of service and creating a sustainable entity better placed to invest⁵³⁵
- avoiding transition costs and uncertainty associated with moving to a new regulatory model⁵³⁶
- reducing the Applicants' carbon footprint⁵³⁷
- maintaining industry safety and security standards⁵³⁸
- preserving the Applicants' complementary expertise.⁵³⁹

6.12. Set out below is a summary of the submissions received from the Applicants and interested parties on these categories of public benefits, followed by the ACCC's assessment. In considering whether the benefits are likely to result from the Proposed Acquisition, the ACCC has considered the potential duration of the benefit and has given more weight to public benefits that may endure over the longer term.

Avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants

Applicants' submissions

6.13. The Applicants submit that a public benefit that will result from the Proposed Acquisition is avoiding the dislocation costs and associated customer impacts of a disorderly exit by one of them. They submit that the Proposed Acquisition provides the opportunity for an 'orderly transformation to a sustainable model' and will ensure the availability of safe and reliable cash access and acceptance, while maintaining confidence in cash as a payment system.⁵⁴⁰

6.14. The Applicants submit that if one of them exits, this would involve, 'substantial dislocation of costs and disruption resulting from a sudden reduction in capacity.'⁵⁴¹

⁵³³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 134-140.

⁵³⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 140-142.

⁵³⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 142-145.

⁵³⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 148-150.

⁵³⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 146-147.

⁵³⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 152-153.

⁵³⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 154-156.

⁵⁴⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 138; [Armaguard and Prosegur application for merger authorisation: Annexure 38.1, Witness statement of Scott Antony Forster](#), 27 September 2022, at [61], [63].

⁵⁴¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 134.

They submit that this interruption would be inevitable as the remaining supplier would be unable to service the entire customer base in a timely manner. This would cause gaps in service continuity, stranded customers, lack of access to staff, and could result in a 'run' on cash in some areas.⁵⁴²

- 6.15. Armaguard considers that if it exited, there would be a 'collapse in the critical cash processing and secure cash transport function of the Australian economy.'⁵⁴³ Prosegur submits that the remaining Applicant would need to 'rapidly scale up, transition work, and negotiate new contracts' which would require 'significant resources,' impacting the cash system in the short and medium term.⁵⁴⁴
- 6.16. Prosegur submits that during this transition period:⁵⁴⁵
- There may be a cash shortage, due to it being likely that ATMs, businesses and customers may be without cash.
 - ATMs, businesses and customers may be vulnerable to security threats (such as robberies), until the remaining supplier can scale up and onboard these services.
 - Consumers may be forced to adopt non-cash payments, due to a significant chance that many businesses may choose to abandon cash or be unable to provide change in cash.
 - Banks will likely temporarily or permanently cease cash services at bank branches unable to be serviced, which may mean they never re-open, particularly in regional communities (as occurred during the COVID-19 pandemic).
- 6.17. The Applicants also submit that the Major Banks would lose access to high quality banknotes, which would significantly decrease retailers' long-term confidence in cash.⁵⁴⁶
- 6.18. The Applicants further submit that if either parent company withdrew financial support, this would likely result in a voluntary administrator being appointed, which could result in customer contracts being repudiated and employee contracts terminated.⁵⁴⁷

Submissions from interested parties

- 6.19. Several interested parties agree that an exit by either of the Applicants would cause disruption to cash distribution and access to cash, at least in the short to medium term.⁵⁴⁸ Coles, **[Redacted - Confidential]** and An Interested Party submit that exit would cause major interruptions to the cash distribution system and customers.⁵⁴⁹

⁵⁴² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 14.

⁵⁴³ [Armaguard and Prosegur application for merger authorisation: Annexure 38.1, Witness statement of Scott Antony Forster](#), 27 September 2022, at [54].

⁵⁴⁴ [Armaguard and Prosegur application for merger authorisation: Annexure 43.1 - Witness Statement of Matthew Stephen Sykes](#), 23 September 2022, at [136]; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 134.

⁵⁴⁵ [Armaguard and Prosegur application for merger authorisation: Annexure 43.1 - Witness Statement of Matthew Stephen Sykes](#), 23 September 2022, at [139]-[141]; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 134-135.

⁵⁴⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 139-140.

⁵⁴⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 127.

⁵⁴⁸ [Reserve Bank of Australia submission](#), 28 October 2022, p 12; [National Australia Bank submission](#), 28 October 2022, p 7; [Coles Group Limited submission](#), 28 October 2022, p 7; [Giesecke+Devrient submission](#), 21 October 2022, p 4; [Cash Processing Solutions submission](#), 19 October 2022, p 2; [An interested party submission](#), 27 October 2022, p 4; [Maximum Protection submission](#), 19 January 2023, p 4; [Authentic Security submission](#), 19 January 2023, p 5.

⁵⁴⁹ [Coles Group Limited submission](#), 28 October 2022, pp 6-7; [An Interested Party submission](#), 27 October 2022, p 4; **[Redacted - Confidential]**.

The Reserve Bank submits that disruption could have both short and longer-term impacts on cash use, although this may be a function of the duration of the disruption and the responsiveness of customer behaviour.⁵⁵⁰ The Reserve Bank also submits that access to cash and its availability would likely decline (for a period) which would particularly affect regional Australia.⁵⁵¹ Further, NAB notes that customers' contingency arrangements would no longer apply, and that this would expose all market participants to increased risks.⁵⁵²

- 6.20. In public and confidential submissions, views vary significantly about how long it would take for customers to transfer CIT suppliers, ranging from 3 months to 24 months.⁵⁵³ As noted above at paragraph 5.171, the Reserve Bank identified several factors that would influence the extent and duration of any disruption, including the amount of notice customers receive, the nature of any contractual terms with their CIT supplier, the wind up process, the ability of other CIT suppliers to service customers, and the effectiveness of customers' business continuity plans.⁵⁵⁴
- 6.21. Woolworths submits that the interruption to large retail customers could be significant depending on the planning leading up to the change. It notes that, without prior planning, the remaining Applicant would be unlikely to immediately have capacity to service Woolworths, in addition to its other existing customers. Woolworths estimates that there would be a **[Redacted - Confidential]** transition plan for it to switch to Armaguard,⁵⁵⁵ **[Redacted - Confidential]**.⁵⁵⁶ **[Redacted - Confidential]**.⁵⁵⁷
- 6.22. Some competitors to the Applicants submit that they could assist customers during the transition period:
- Commander Security submits that it has previously provided CIT services to banks during times of disruption and would be available to assist in servicing customers to minimise any disruption caused by an exit.⁵⁵⁸
 - Maximum Protection submits that it could focus on continuing service provision for customers, though it could only do so on a national basis if it was able to lease an existing CIT network.⁵⁵⁹ **[Redacted - Confidential]**.⁵⁶⁰
 - Authentic Security submits that it is in a position to cater for most of a potential CIT service failure if Prosegur exited, provided that Armaguard also steps in.⁵⁶¹ Specifically, Authentic Security submits that **[Redacted - Confidential]**.⁵⁶² **[Redacted - Confidential]**.⁵⁶³ In addition, **[Redacted - Confidential]**.⁵⁶⁴

⁵⁵⁰ [Reserve Bank of Australia submission](#), 28 October 2022, p 13; [Reserve Bank of Australia submission](#), 6 April 2023, p 2.

⁵⁵¹ [Reserve Bank of Australia submission](#), 6 April 2023, p 4.

⁵⁵² [National Australia Bank submission](#), 28 October 2022, p 7.

⁵⁵³ A minimum 6 months according to [National Australia Bank submission](#), 28 October 2022, p 7; 6-12 months according to [Wesfarmers submission](#), 28 October 2022, p 4; 24 months according to [Commonwealth Bank of Australia submission](#), 2 November 2022, p 12.

⁵⁵⁴ [Reserve Bank of Australia submission](#), 28 October 2022, p 12; [Reserve Bank of Australia submission](#), 6 April 2023, pp 3-4.

⁵⁵⁵ [Woolworths Group Limited submission](#), 11 November 2022, p 6.

⁵⁵⁶ **[Redacted - Confidential]**.

⁵⁵⁷ **[Redacted - Confidential]**.

⁵⁵⁸ [Commander Security submission](#), 22 October 2022, p 5.

⁵⁵⁹ [Maximum Protection submission](#), 22 November 2022, p 1.

⁵⁶⁰ [Maximum Protection submission](#), 9 February 2023, pp 1-2.

⁵⁶¹ [Authentic Security submission](#), 19 January 2023, p 5.

⁵⁶² **[Redacted - Confidential]**.

⁵⁶³ **[Redacted - Confidential]**.

⁵⁶⁴ **[Redacted - Confidential]**.

- 6.23. The Australian Security Industry Association notes that ensuring there is a managed, rather than disrupted transition is in the public interest.⁵⁶⁵
- 6.24. Some interested parties question whether, if one of the Applicants ceased supplying CIT services, withdrawal would occur in a manner that would cause disruption to the supply of cash and/or reduce confidence in cash as a payment system. Coles submits that a major CIT supplier would be unlikely to exit overnight and would likely have a wind down period where the remaining CIT supplier would have time to scale up its operations.⁵⁶⁶
- 6.25. Similarly, NCR Australia Group and an expert report prepared for it by HoustonKemp considers that a disorderly exit by one of the Applicants is unlikely.⁵⁶⁷ In particular, it considers it very unlikely that the Applicants would exit from the supply of CIT services in a way that would breach their existing legal obligations, or give rise to a disorderly exit in which customers are not supported, because:
- Contractual obligations likely require those services to be provided. For example, **[Redacted - Confidential]**.
 - Both parties are multinational companies that operate across sectors and have considerable resources able to be used to meet existing customer commitments. Cost savings from an abrupt cessation would need to be carefully weighed against the prospect of reputational harm that could affect them across those sectors.
 - An orderly exit would assist in maximising the value of the sale of the assets no longer required.
 - It appears that both Applicants have excess capacity and provide similar services, so the non-exiting firm would be able to provide services required to the exiting firm's customers. Additionally, the non-exiting firm would have a strong incentive to start supplying the exiting firm's customers as quickly as possible to maximise profits, and customers would have an incentive to secure a new supplier.
 - The Reserve Bank and government would want to prevent a disorderly exit.
 - The remaining CIT supplier would ramp up its supply, that assets used to supply CIT services would not leave the market and would be available for purchase by a third party who would assume the exiting party's contractual obligations, and that any disruption is, therefore, likely to be short lived and largely manageable.
 - Major customers would have contingency plans in place to manage disruption.⁵⁶⁸
- 6.26. Multi-Chain Retail Store notes that some costs would in any event be incurred in transitioning customers to a merged entity.⁵⁶⁹

Applicants' submissions in response to the ACCC's Statement of Preliminary Views

- 6.27. As described in further detail at paragraph 5.169 in their submission in response to the ACCC's Statement of Preliminary Views, the Applicants submit that without the Proposed Acquisition, 'disorderly exit' is unavoidable because:

⁵⁶⁵ [Australian Security Industry Association Limited submission](#), 27 October 2022, p 3.

⁵⁶⁶ [Coles Group Limited submission](#), 28 October 2022, p 6.

⁵⁶⁷ [NCR Australia Group submission](#), 19 January 2023, p 13.

⁵⁶⁸ [HoustonKemp for NCR Australia Group](#), pp 16, 37-38; [NCR Australia Group submission](#), 19 January 2023, p 13.

⁵⁶⁹ [Multi-Store Retail Chain submission](#), 19 January 2023, p 2.

- If one of the Applicants' parent companies withdraws financial support, that Applicant would have little choice but to enter voluntary administration.
 - Reputational concerns are unlikely to deter disorderly exit.
 - Gradual exit is not commercially realistic.
 - No amount of planning can eliminate the structural difficulties associated with large customers sourcing alternative CIT services.
 - The remaining Applicant's excess capacity would provide limited ability to mitigate a disorderly exit.⁵⁷⁰
- 6.28. Further, the Applicants submit that significant planning is involved to transition even a single customer to a new provider, and that therefore it would not be possible for the remaining Applicant to quickly absorb all volumes of the exiting Applicant.⁵⁷¹ For example, such planning involves the new provider gaining an understanding of the procedures required at each site, which for larger customers includes hundreds of sites per customer.⁵⁷²
- 6.29. The Applicants submit that while excess capacity in the Applicants network could be used to service transitioning customers to some extent, excess capacity would not necessarily speed up any of the steps required, or complexities associated with, transitioning a high volume of customers to the remaining Applicant. Further, they note they have implemented significant cost-cutting measures that limit their ability to quickly scale up and absorb those additional volumes.⁵⁷³

ACCC view

- 6.30. Following the ACCC's Statement of Preliminary Views, the ACCC has received credible evidence from the Applicants, described at paragraphs 5.106 to 5.144 and 5.175 to 5.180 above, indicating it is highly probable that, without the Proposed Acquisition, one of the Applicants would cease supplying CIT services within the short term, and there is also a reasonable prospect that this would occur almost immediately after a decision to exit as opposed to via a gradual wind down.
- 6.31. The ACCC considers that one of the Applicants ceasing to supply CIT services would likely cause disorder and significant disruption to the supply of CIT services, and therefore potentially consumer access to cash, in the short term. Prosegur currently services one of the 4 Major Banks (Westpac) and Armaguard currently services the other 3 Major Banks.⁵⁷⁴ Further, the Applicants combined service a substantial proportion (greater than 85%) of full-service retail CIT customers (with Prosegur having **[Redacted - Confidential]** market share, and Armaguard having **[Redacted - Confidential]** market share).⁵⁷⁵
- 6.32. All the customers of the exiting Applicant would be required to switch to alternative suppliers. While individual customers can and do switch suppliers, this generally occurs with significant advance notice and not at the same time as numerous other customers.

⁵⁷⁰ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 34-40.

⁵⁷¹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 38-39.

⁵⁷² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 38.

⁵⁷³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 38.

⁵⁷⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 168-169.

⁵⁷⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 107.

- 6.33. Many customers switching at once with little notice, most likely to the other Applicant and, in some cases, to smaller CIT suppliers, would be a complex exercise even assuming that other suppliers have sufficient excess capacity to accommodate them.
- 6.34. Transitioning customers to new suppliers also requires careful planning and implementation. In addition to infrastructure (vehicles and depots), additional staff may need to be hired, most likely from a pool of former staff of the exiting Applicant.
- 6.35. Prosegur estimates that 1,000-3,000 customers would require re-contracting, with the largest 100-200 requiring specific negotiation and agreement of terms for the supply of CIT services. It notes that tenders for larger customers can typically take between 6-12 months, and other negotiations between 3-6 months.⁵⁷⁶
- 6.36. Even for large customers, who would likely be prioritised, this would probably mean some disruption to the supply of services, or ongoing reduction in the quality of service, during the transition period. For example, as noted, **[Redacted - Confidential]**.⁵⁷⁷ Smaller customers may experience significant periods of time without any service, particularly as the remaining Applicant would likely prioritise transitioning larger customers.
- 6.37. Further, while some businesses have contingency plans which aim to manage disruption to the supply of cash, it is unlikely that most plan for the scale of disruption that may occur if one of the Applicants ceased providing CIT services. The ACCC notes that the **[Redacted - Confidential]**.⁵⁷⁸ **[Redacted - Confidential]**.⁵⁷⁹ Regardless, as noted above, the ACCC understands that a voluntary administrator would not be obliged to adhere to any business continuity plans that customers may have.
- 6.38. The ACCC considers that any cessation of services would be less disorderly if it occurred over a longer period; a longer period would provide more time for alternative arrangements to be negotiated and plans implemented. However, given the difficulties outlined above apply whether one of the Applicants ceases to supply services over either a shorter or a longer period, the ACCC considers that even an exit over a longer period would be likely to cause significant disorder.
- 6.39. The ACCC considers that disruption to the supply of CIT services and associated disrupted access to cash would significantly impact both businesses (banks, ATM operators and retailers) and consumers. In particular, cash remains an important payment method for certain consumers. This includes consumers who are unable to use non-cash payment methods or have a greater preference for cash, such as those living in regional or remote areas, the elderly, and those without reliable access to the internet. **[Redacted - Confidential]**.⁵⁸⁰
- 6.40. Other potential consequences of a disruption in the supply of CIT services include:
- A potential decrease in confidence in cash as a payment system.
 - The potential that public concern about access to cash could cause a 'run' on cash in some areas, exacerbating supply issues.

⁵⁷⁶ [Armaguard and Prosegur application for merger authorisation: Annexure 43.1 - Witness Statement of Matthew Stephen Sykes](#), 23 September 2022, at [138(a)]; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 135.

⁵⁷⁷ **[Redacted - Confidential]**.

⁵⁷⁸ **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**; **[Redacted - Confidential]**.

⁵⁷⁹ **[Redacted - Confidential]**.

⁵⁸⁰ **[Redacted - Confidential]**.

- ATMs, businesses and customers being potentially vulnerable to security threats (such as robberies) until the remaining supplier can scale up and onboard these services. **[Redacted - Confidential]**.⁵⁸¹
 - Reduced ability to rely on cash as a back-up payment method where there are, for example, disruptions to financial infrastructure or communication systems or blackspots in an area, including due to natural disasters.
 - Some customers, especially large customers who require a national service or service with a significant regional component having little choice but to approach the remaining Applicant (at least in the short term) to negotiate new contracts, potentially resulting in them having to accept less favourable prices and terms.
 - A need for government assistance to manage the above impacts, to facilitate the continued supply of CIT services and access to cash in the short term.
- 6.41. The ACCC notes that such disruptions would not be universal. Customers of the remaining Applicant would likely be significantly less affected than those of the exiting Applicant, whose customers would have to make new arrangements for the supply of CIT services. These differences in availability of and/or ability to accept cash between businesses may also impact competition between them and potentially result in market distortions across a range of sectors of the economy during the transition period.
- 6.42. The ACCC considers that avoiding a disorderly exit and the consequent disruption to the supply of CIT services and the flow on effects for access to cash for the community constitutes a material public benefit that would be realised by the Proposed Acquisition.
- 6.43. As discussed further below at paragraphs 6.111 to 6.123, the ACCC considers that the Undertaking increases this public benefit by further reducing uncertainty and the impacts on customers and competitors. Namely, uncertainty for customers regarding pricing and service levels, and uncertainty for competitors regarding third-party access to the facilities of MergeCo (the merged entity, as described in the Undertaking). Further, the commitments may avoid the need for government to consider a potentially urgent response to maintain access to cash, allowing adequate time for consideration of any policy or regulatory response in the longer term.

Improving productive efficiencies by reducing duplication of fixed costs

Applicants' submissions

- 6.44. The Applicants submit that a benefit likely to result from the Proposed Acquisition is productive efficiency, due to greater utilisation and reduced duplication of fixed costs to facilitate improved profitability. In particular, the Applicants submit that:
- The high fixed costs associated with providing CIT services mean that large volumes of cash must be managed to generate efficient and cost-effective returns.
 - The average cost of providing CIT services has been increasing as cash volumes have significantly declined.
 - They are not able to make further reductions to fixed costs, as major customers require a national service.

⁵⁸¹ **[Redacted - Confidential]**.

- Absent the Proposed Acquisition, continued declines in cash volumes will further increase costs, making maintaining duplicative fixed cost networks increasingly inefficient.
 - The Proposed Acquisition would enable them to combine their CIT services, which will mean greater utilisation and de-duplication of costs.⁵⁸²
- 6.45. The Applicants engaged Deloitte to prepare a report on the potential synergies likely to result from the Proposed Acquisition. Deloitte estimates synergies of **[Redacted - Confidential]**.⁵⁸³ Synergies are attributable to, among other things, the closure of duplicative Approved Cash Centres and transport hubs and armoured vehicle disposal.⁵⁸⁴ For example, Deloitte's analysis indicates that between 20-25 sites could be closed on the basis that each site is 150 kilometres or less from a site belonging to the other Applicant, which comprises 49% of the Applicants' total sites. In addition, the Applicants could dispose of vehicles equivalent to 8% of their combined fleet.⁵⁸⁵
- 6.46. RBB Economics' report estimates a net present value saving based on the assumption that, absent the Proposed Acquisition, the 'wasteful duplication' of the Applicants would persist for a further 2 years (at which point one of them would likely exit).⁵⁸⁶

Submissions from interested parties

- 6.47. Interested parties provide differing views about whether the Proposed Acquisition would likely result in productive efficiencies and the likely extent of those efficiencies. Several submissions, including some RBB confidential submissions, agree that there are likely to be or could be efficiency gains from the Applicants consolidating their assets and resources.⁵⁸⁷
- 6.48. Coles submits, however, that increased prices and reduced service levels due to the likely substantial lessening of competition may offset any efficiencies.⁵⁸⁸ NCR Australia Group, Wesfarmers and Multi-Store Retail Chain submit that efficiencies may be private, rather than public benefits, as the merged entity may choose to absorb those benefits.⁵⁸⁹ An Interested Party also submits there would be a decrease in operational efficiencies for competitor CIT suppliers.⁵⁹⁰ NCR Australia Group considers that these efficiencies could be achieved by alternatives to the merger,

⁵⁸² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 94, 140-142.

⁵⁸³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 142; [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, pp 124, 173.

⁵⁸⁴ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 142; [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, pp 17, 173-175.

⁵⁸⁵ [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 174.

⁵⁸⁶ [Armaguard and Prosegur application for merger authorisation: Annexure 31 - RBB Economics Expert Report](#), 27 September 2022, p 124.

⁵⁸⁷ [An Interested Party submission](#), 27 October 2022, p 4; [Coles Group Limited submission](#), 28 October 2022, p 7; [National Australia Bank submission](#), 28 October 2022, p 7; [Giesecke+Devrient submission](#), 21 October 2022, p 4; [Cash Processing Solutions submission](#), 19 October 2022, p 2; [Reserve Bank of Australia submission](#), 28 October 2022, p 13; [NCR Australia Group submission](#), 19 January 2023, p 13; [Authentic Security submission](#), 19 January 2023, p 5; **[Redacted - Confidential]; [Redacted - Confidential]**. For completeness, Multi-Store Retail Chain submits that if neither Applicant exits the market, the Proposed Acquisition may result in some productive efficiencies; but if one of the Applicants exited, this public benefit would not arise (because fixed costs would be reduced or eliminated in any event): [Multi-Store Retail Chain submission](#), 19 January 2023, p 2.

⁵⁸⁸ [Coles Group Limited submission](#), 28 October 2022, p 6.

⁵⁸⁹ [NCR Australia Group submission](#), 28 October 2022, p 42; [NCR Australia Group submission](#), 19 January 2023, p 13; [Wesfarmers submission](#), 28 October 2022, pp 4-5, [Multi-Store Retail chain submission](#), 19 January 2023, p 2.

⁵⁹⁰ [An Interested Party submission](#), 27 October 2022, p 4.

such as joint ventures.⁵⁹¹ Further, Bendigo and Adelaide Bank disagrees with the Applicants that the efficiencies would be sufficient to make the industry sustainable.⁵⁹²

- 6.49. The Transport Workers' Union submits that realisation of efficiencies will come with job losses and potential for further cuts to employment conditions, and there are no private or public benefits unless the savings are used to ensure workers can do their jobs properly and safely.⁵⁹³
- 6.50. HoustonKemp's Report for NCR Australia Group considers it is not able to discern whether any public benefit is likely to arise because of using fewer resources to provide the same level of service. It considers the RBB Economics report may count as public benefits avoiding costs which should be more appropriately identified as sunk.⁵⁹⁴

ACCC view

- 6.51. The ACCC also considers that the Proposed Acquisition is likely to result in some limited benefits to the public in the form of productive efficiencies by removing duplicated fixed costs. Both Applicants currently maintain separate but similar networks of depots, vehicles and processing infrastructure throughout Australia which, in an environment of declining cash usage, are currently underutilised. Reducing duplicated assets could free up resources, such as land and human resources, for use in other parts of the economy.
- 6.52. As noted above, the ACCC considers it highly probable that absent the Proposed Acquisition, one of the Applicants would cease supplying CIT services. Consequently, it is likely that these full duplicative networks would no longer exist both in the future with and the future without the Proposed Acquisition.
- 6.53. As described in paragraphs 5.181 to 5.207, in the future without the Proposed Acquisition, the surplus assets and personnel no longer required by the exiting Applicant's CIT business would potentially become available to support the expansion of alternative CIT suppliers' operations. If those surplus assets and personnel would in the future with the Proposed Acquisition be used for non-CIT purposes, the ACCC considers that the Proposed Acquisition is likely to result in some productive efficiencies compared to the future without the Proposed Acquisition. However, the extent and magnitude of productive efficiencies attributable to the Proposed Acquisition is unclear.
- 6.54. Further, as summarised above, even if there are cost savings through removal of duplication, interested parties submit that these cost savings are unlikely to be passed on to consumers. The ACCC considers that cost savings accruing to one or more businesses that result from increases in productive efficiency can constitute a public benefit, and it is not necessary for the savings to be passed on to consumers in the form of lower prices.⁵⁹⁵ However, the extent to which any cost savings are likely to be passed on to customers in the form of lower prices is relevant in considering the weight that the ACCC gives to the benefit resulting from any cost savings.⁵⁹⁶

⁵⁹¹ [NCR Australia Group submission](#), 19 January 2023, p 13; [NCR Australia Group submission](#), 6 April 2023, p 8.

⁵⁹² [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 5.

⁵⁹³ [Transport Workers' Union of Australia submission](#), 3 February 2023, p 4.

⁵⁹⁴ [HoustonKemp Report for NCR Australia Group](#), 28 October 2022, pp 37-38.

⁵⁹⁵ [Merger Authorisation Guidelines](#), October 2018, p 25.

⁵⁹⁶ [Merger Authorisation Guidelines](#), October 2018, p 25.

6.55. The ACCC considers that without the competitive pressure that the Applicants currently exert on each other, the extent to which any cost savings resulting from the Proposed Acquisition are likely to be passed on to customers is lower, and consequently, the ACCC has given less weight to this public benefit.

Ensuring high levels of service and creating a sustainable entity better placed to invest

Applicants' submissions

- 6.56. The Applicants submit that the Proposed Acquisition will create economies of scale, which will enable them to maintain service levels and undertake investments which, due to lack of cash flow, are not currently possible.⁵⁹⁷
- 6.57. Specifically, the Applicants submit that there is currently an oversupply of cash infrastructure which has led to a large amount of excess capacity in the cash distribution system, in response to which they have offered customers price reductions which are affecting the Applicants' ability to generate free cash flows.⁵⁹⁸ The Applicants submit that their financial positions have led them to cut costs in a way that is affecting the level of service they can offer customers which, absent the Proposed Acquisition, will likely continue to decline,⁵⁹⁹ and without the generation of free cash flows, they have limited capacity and ability to make necessary capital investments.⁶⁰⁰
- 6.58. The Applicants submit that investment is less likely to occur in the event of a disorderly exit by one of them. This is due to the length of asset lives and the need to earn positive cash flows over their lifetime to recoup investment costs.⁶⁰¹ The Applicants note that the merged entity's draft business plan includes continued capital investment.⁶⁰²
- 6.59. Further, the Applicants submit that additional investment will enable the merged entity to ensure the cash payment system remains competitive with non-cash payment systems, and to innovate and invest in new product development and new technologies for both cash and digital platforms.⁶⁰³

Submissions from interested parties

- 6.60. Overall, interested parties submit that although the Proposed Acquisition may enhance the merged entity's ability to invest further in CIT services, the merged entity is unlikely to have the incentive to invest.⁶⁰⁴ Specifically, these parties note that incentives to invest are largely driven by competition, and that removing the main

⁵⁹⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 145.

⁵⁹⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 142.

⁵⁹⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 142.

⁶⁰⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 143-144.

⁶⁰¹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 143.

⁶⁰² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 62.

⁶⁰³ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 144.

⁶⁰⁴ [NCR Australia Group submission](#), 28 October 2022, p 6; [NCR Australia Group submission](#), 19 January 2023, p 14; [Multi-store retail chain submission](#), 31 October 2022, p 4; [Multi store retail chain submission](#), 19 January 2023, p 2; [Australian Hotels Association submission](#), 28 October 2022, p 4.

competitor for CIT services would reduce the merged entity's incentive to invest and improve its offerings.⁶⁰⁵

- 6.61. The Reserve Bank submits that if the Applicants can better optimise transport routes, then cash collection and deliveries could be more frequent and service levels would improve. If, however, fewer depots and vehicles meant that greater distances needed to be travelled for some businesses or locations, the frequency of collection and deliveries could fall.⁶⁰⁶ Coles submits that it expects any contract renewal would involve reducing service levels, in addition to price increases.⁶⁰⁷
- 6.62. One interested party submits in a confidential submission that the Proposed Acquisition may provide an opportunity for industry participants to leverage new and emerging technologies.⁶⁰⁸

ACCC view

- 6.63. The ACCC considers that the Proposed Acquisition is unlikely to result in a public benefit in the form of creating a sustainable entity better placed to invest and ensure high levels of service for the following reasons:
- compared to the Proposed Acquisition, the future without the Proposed Acquisition could have provided the remaining Applicant with a greater incentive to invest, due to the potential for greater competitive constraint (see further discussion at paragraphs 5.220 to 5.224).
 - Furthermore, increased investment does not represent a public benefit in and of itself. Rather, the benefit of investment lies in the improved service quality and potentially lower prices that the investment may bring to customers. However, if improved service were of significant value to customers, or if an investment would lower suppliers' costs sufficiently, the Applicants would have incentives to undertake such investments even in the future without the Proposed Acquisition. Therefore, to the extent that the Proposed Acquisition led to higher investment than would otherwise occur, such investment would likely be accompanied by (even) higher prices than otherwise, given that the merged entity, as a monopoly supplier of CIT services, would only undertake such investments if incrementally profitable.
 - As described in more detail at paragraphs 5.215 to 5.219, the threat of customers restricting access to cash or to cash payments is not likely to act as a strong constraint on the merged entity, given the underlying baseline demand for cash, and the likely unresponsiveness of that demand to an increase in CIT prices at any given point in time. Likewise, incentives on the merged entity to invest to attempt to prevent a broader decline in cash demand are unlikely to be affected by CIT prices (so long as the merged entity can obtain finance to fund those investments). If such investments are available and profitable, they are likely to be pursued either in the future with or the future without the Proposed Acquisition.

⁶⁰⁵ [NCR Australia Group submission](#), 28 October 2022, p 6; [NCR Australia Group submission](#), 19 January 2023, p 14; [Multi-store retail chain submission](#), 31 October 2022, p 4; [Australian Hotels Association submission](#), 28 October 2022, pp 3-4; See also [Commonwealth Bank of Australia submission](#), 2 November 2022, p 12; **[Redacted - Confidential]**.

⁶⁰⁶ [Reserve Bank of Australia submission](#), 28 October 2022, p 14.

⁶⁰⁷ [Coles Group Limited submission](#), 28 October 2022, p 7.

⁶⁰⁸ **[Redacted - Confidential]**.

Avoiding transition costs and uncertainty associated with a move to a new regulatory model

Applicants' submissions

- 6.64. The Applicants submit that if the Reserve Bank were to introduce new regulation for the cash distribution system, this would cause significant transition costs, including due to the likely length of time required to consult on any proposed regulatory solution.⁶⁰⁹ They submit that the Proposed Acquisition, compared to if one of the Applicants exited, would likely result in a public benefit by achieving the Reserve Bank's objectives of ensuring that the CIT industry is effective, efficient, sustainable and resilient without the need to develop a regulatory solution.⁶¹⁰
- 6.65. As noted in paragraphs 5.85 to 5.89, in response to the ACCC's Statement of Preliminary Views, the Applicants submit that the Reserve Bank does currently have the ability to regulate CIT services.⁶¹¹

Submissions from interested parties

- 6.66. The Reserve Bank submits that this is not a benefit likely to be realised from the Proposed Acquisition, as at this stage the Reserve Bank is not proposing to move to a new regulatory model for cash distribution and the core terms and conditions for banknote distribution agreements are expected to largely remain in place.⁶¹² As noted in paragraph 5.85, the Reserve Bank states that it does not consider CIT services to be within the scope of its powers under the *Payment System (Regulation) Act 1998* (Cth).⁶¹³
- 6.67. In response to the Statement of Preliminary Views, **[Redacted - Confidential]**.⁶¹⁴
[Redacted - Confidential].⁶¹⁵
- 6.68. Aside from the Reserve Bank, only one other interested party, Multi-Store Retail Chain, provided a submission on this claimed public benefit. Multi-Store Retail Chain submits that avoiding the costs of a new regulatory model is not a public benefit attributable to the Proposed Acquisition because the Reserve Bank is not proposing such a model.⁶¹⁶

ACCC view

- 6.69. The ACCC considers that the Proposed Acquisition is not likely to result in a public benefit in the form of avoiding the transition costs and uncertainty associated with moving to a new regulatory model. Treasury recently published *A Strategic Plan for Australia's Payments System*, which outlines the government's reform agenda in relation to payment systems, including maintaining adequate access to cash. As such, the Proposed Acquisition does not avoid the government considering whether a new regulatory model is necessary. This is discussed further below at paragraphs 6.120 to 6.122.

⁶⁰⁹ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 148.

⁶¹⁰ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 148.

⁶¹¹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 58.

⁶¹² [Reserve Bank of Australia submission](#), 28 October 2022, p 18.

⁶¹³ [Reserve Bank of Australia submission](#), 28 October 2022, p 17.

⁶¹⁴ **[Redacted - Confidential]**.

⁶¹⁵ **[Redacted - Confidential]**.

⁶¹⁶ [Multi store retail chain submission](#), 19 January 2023, p 2.

Other public benefits claimed

Reducing the Applicants' carbon footprint

- 6.70. The Applicants submit that the vehicle synergies stemming from the Proposed Acquisition would reduce the Applicants' carbon footprint, resulting in an environmental benefit, estimated to be an 11% reduction in the Applicants' annual scope 1 emissions.⁶¹⁷ The Applicants note other sources of emissions reductions, including reduced electricity from closing duplicative Approved Cash Centres.⁶¹⁸
- 6.71. Interested parties provide limited views on this claimed public benefit. Authentic Security submits that a reduction in older vehicles, along with a reduction in duplicated runs, could support a reduction in emissions.⁶¹⁹ Multi-Store Retail Chain and Maximum Protection consider the reduction would be minor.⁶²⁰ NCR Australia Group submits that this public benefit should be given little weight, because it would likely be achieved if one of the Applicants exited.⁶²¹
- 6.72. The ACCC considers that the Proposed Acquisition may result in a public benefit in the form of reduced carbon footprints, compared to the future without the Proposed Acquisition, particularly to the extent that vehicles and Approved Cash Centres are not obtained by third parties and are no longer used in the future with the Proposed Acquisition. For example, as discussed at paragraph 5.190, the Applicants' vehicles would be destroyed (rather than on-sold) if the Proposed Acquisition proceeds; whereas they would become available to third parties if one of the Applicants exited. However, given there is uncertainty around whether vehicles or Approved Cash Centres may be acquired and how they may be utilised in the future without the Proposed Acquisition, the ACCC cannot be certain about the extent of this public benefit.

Maintaining industry safety and security standards

- 6.73. Absent the Proposed Acquisition, the Applicants consider there would likely be a reduction in overall safety standards across CIT services. Consequently, they submit a benefit likely to result from the Proposed Acquisition is the maintenance of the Applicants' high standards for safety and security.⁶²²
- 6.74. Few interested parties provided submissions on this public benefit, although Authentic Security submits a reduction in security could be expected in the short term due to the vulnerability and high risk nature of the business, and the time that would take to transition customers to alternative suppliers.⁶²³ In contrast to the Applicants' view, the Transport Workers' Union submits that fierce pricing competition between the Applicants has already resulted in a reduction in safety and industry standards, in order to decrease contract costs.⁶²⁴
- 6.75. The ACCC considers that, with or without the Proposed Acquisition, there is not likely to be a long-term reduction in overall safety standards in the provision of CIT

⁶¹⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 146.

⁶¹⁸ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 146.

⁶¹⁹ [Authentic Security submission](#), 19 January 2023, p 6.

⁶²⁰ [Multi-store retail chain submission](#), 31 October 2022, p 4; [Maximum Protection submission](#), 19 January 2023, p 4.

⁶²¹ [NCR Australia Group submission](#), 28 October 2022, p 43.

⁶²² [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 152-154.

⁶²³ [Authentic Security submission](#), 19 January 2023, p 6.

⁶²⁴ [Transport Workers' Union of Australia submission](#), 3 February 2023, pp 2-3.

services. Customers transitioning to alternative CIT providers, including the remaining Applicant, would be expected to include contractual terms requiring safety standards appropriate to their business in any new CIT contract. If some alternative suppliers do not currently meet the standards required by some transitioning customers, this may prompt an improvement in their safety standards to be able to service these customers, which would also benefit existing customers, rather than result in an overall decline in safety standards.

- 6.76. However, as stated above at paragraphs 6.30 to 6.42, the ACCC considers that there is a material public benefit from avoiding the effects of a disorderly exit, which could include avoiding security risks. A disorderly exit may be associated with a reduction in safety standards more generally, as customers left without a provider may seek to manage their cash needs themselves or accept lower security standards from providers with less security procedures and processes.

Preserving the Applicants' complementary expertise

- 6.77. The Applicants submit that if the Proposed Acquisition does not proceed, the CIT industry would lose the expertise of one of the Applicants.⁶²⁵ They submit that:

- Prosegur brings expertise in international best practices, innovation and efficiencies, having a presence across 4 continents and 20 countries.⁶²⁶
- Armaguard, with its long history in Australia and the CIT industry as part of the broader Linfox Group, brings its deep expertise in logistics, as well as its larger-scale geographic reach, closer relationships and deep understanding of the local Australian market.⁶²⁷

- 6.78. Interested parties provided limited views on this claimed public benefit. The Australian Hotels Association submits that Prosegur has put forward innovative proposals to its members and expressed concern that a merged entity would not be incentivised to innovate.⁶²⁸ Next Payments also submits the Proposed Acquisition would cause competitive tension to be lost as the Applicants' distinct expertise, knowledge and innovation spurs competition with one another.⁶²⁹

- 6.79. Authentic Security submits that the loss of a major player's expertise would be felt unless its assets are transitioned.⁶³⁰ Bendigo and Adelaide Bank submits expertise would not be lost in the medium to long term, as the Applicants, if profitable, could match each other's relative advantages in a reasonable timeframe.⁶³¹

- 6.80. In the Statement of Preliminary Views, the ACCC expressed the preliminary view that it was not clear what expertise either of the Applicants had that the other could not acquire. In response, the Applicants submit that:

- Prosegur has valuable experience in automation, including its Cash Today smart safe product, which allows customers to make secure daily deposits and uses technology to reconcile cash in the safe, enabling Prosegur to collect the cash

⁶²⁵ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, pp 154-155.

⁶²⁶ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 155.

⁶²⁷ [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 155.

⁶²⁸ [Australian Hotels Association submission](#), 28 October 2022, pp 3-4.

⁶²⁹ [Next Payments submission](#), 4 April 2023, p 13.

⁶³⁰ [Authentic Security submission](#), 19 January 2023, p 6.

⁶³¹ [Bendigo and Adelaide Bank submission](#), 20 January 2023, p 5.

only when the safe is full. Prosegur has been making significant investments in products such as this one over many years.⁶³²

- Armaguard does not have access to, or the scale to invest in, the types of technologies that Prosegur is investing in. Acquiring this from a third-party platform would involve significant costs and time, and a lower quality product. The cost limitation would be prohibitive because Armaguard does not have free cash flow to make large investments.⁶³³

- 6.81. The Applicants submit that, absent the Proposed Acquisition, the Australian CIT industry would miss out on new and emerging technologies that are being developed in CIT industries in other jurisdictions around the world.⁶³⁴
- 6.82. The ACCC notes the Applicants' submissions about innovations that Prosegur has implemented. However, this claimed public benefit appears to assume that the Applicants would be likely to invest in new technologies. As noted above, the ACCC considers that if improved service were of significant value to customers, or if an investment would lower suppliers' costs sufficiently, the Applicants would have incentives to undertake such investments even in the future without the Proposed Acquisition. Therefore, to the extent that the Proposed Acquisition led to higher investment than would otherwise occur, such investment would likely be accompanied by (even) higher prices than otherwise, given that the merged entity, as a monopoly supplier of CIT services, would only undertake such investments if incrementally profitable.
- 6.83. In addition, the remaining Applicant, if minded to, could acquire such services by other means than the Proposed Acquisition. For example, if Armaguard continued to supply CIT services as the remaining Applicant, it could have the opportunity to acquire certain technologies from Prosegur, for integration in the Australian market. Alternatively, if Prosegur remained, Armaguard employees may become available for Prosegur, allowing the potential for Armaguard's logistics expertise to be transferred to Prosegur, or Prosegur could acquire Armaguard employees separately.
- 6.84. Consequently, the ACCC does not consider that preserving the Applicants' complementary expertise is a material public benefit likely to result from the Proposed Acquisition.

Public detriments

- 6.85. As noted at paragraph 2.12, the definition of public detriment is broad and can include any impairment to the community generally and any harm or damage to the aims pursued by society.
- 6.86. The ACCC has considered 2 potential public detriments:
- the competition effects of the Proposed Acquisition.
 - less resilience in wholesale cash distribution.

⁶³² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 62-63; [Armaguard and Prosegur application for merger authorisation](#), 27 September 2022, p 35.

⁶³³ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 63.

⁶³⁴ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 63.

Competition effects

- 6.87. The ACCC considers a material public detriment would result from the Proposed Acquisition's likely effects on competition in the supply of both integrated wholesale and retail CIT services and full-service retail CIT services.
- 6.88. The ACCC notes the scope of relevant competitive benefits or detriments is not confined to the 'substantial lessening of competition' analysis which applies in the first test for authorisation in section 90(7)(a) of the Act. A lessening of competition does not have to be 'substantial' to be a detriment to the public that is relevant to the ACCC's assessment of whether it is satisfied that the Proposed Acquisition is likely to result in a net public benefit.
- 6.89. As described further at paragraphs 5.262 to 5.269, the ACCC considers that with the Proposed Acquisition, third party CIT suppliers may have less opportunities to enter or expand and exert greater competitive constraints on the merged entity, when compared with one of the Applicants ceasing to supply CIT services within the short term.
- 6.90. The ACCC considers that removing the potential competitive constraint provided by an increased threat of entry and/or expansion of third party CIT suppliers could allow the merged entity to profitably raise prices, over a sustained period, and potentially result in reduced service quality and/or decreased innovation.
- 6.91. Given the potential reduction in competition in the supply of CIT services in the upstream markets for CIT services, the ACCC also considers that the Proposed Acquisition has the potential to enhance the ability of the sole major supplier of CIT services to foreclose competitors or otherwise harm competition in downstream and adjacent markets for ATM services and ATM maintenance services.
- 6.92. However, as discussed in more detail at paragraphs 6.103 to 6.110, the ACCC considers that the Undertaking reduces some of the competitive harm.

Less resilience in wholesale cash distribution (greater difficulties in managing supply disruptions)

- 6.93. The Reserve Bank submits that the Proposed Acquisition could result in a detriment in the form of less resilience in cash distribution. This is because it is possible that having a single CIT supplier responsible for wholesale cash distribution could increase risks associated with disruptions such as natural disasters, employee strikes or IT services.⁶³⁵
- 6.94. The Reserve Bank considers it would be important to ensure that the remaining CIT supplier has robust risk management and contingency arrangements. It also notes that smaller CIT suppliers could provide resilience for localised incidents.⁶³⁶
- 6.95. NCR Australia Group considers the Proposed Acquisition would create a single point of failure and vulnerability in the cash distribution system, which is a substantial public detriment.⁶³⁷ Next Payments also submits that the Proposed Acquisition would increase the risks associated with a single supplier experiencing business failure or service interruptions as the cash supply chain would depend on them.⁶³⁸

⁶³⁵ [Reserve Bank of Australia submission](#), 28 October 2022, p 15.

⁶³⁶ [Reserve Bank of Australia submission](#), 28 October 2022, pp 15-16.

⁶³⁷ [NCR Australia Group submission](#), 19 January 2023, pp 5, 16.

⁶³⁸ [Next Payments submission](#), 4 April 2023, p 13.

- 6.96. In its Statement of Preliminary Views, the ACCC expressed the preliminary view that having 2 major suppliers of CIT services likely assists in maintaining sufficient contingency plans and having one major supplier rather than 2 removes the main alternative option for sourcing cash if disruptions occur. The ACCC considered this meant disruptions were less likely to be well managed, magnifying the consequences of any disruption in terms of reduced access to cash.
- 6.97. In response to this, the Applicants submit that the existence of both suppliers, operating independently, is not necessary to ensure the maintenance of contingency plans.⁶³⁹ Each Applicants' current business continuity plans do not contemplate use of the other Applicant as a contingency measure, but instead include a range of other contingency measures.⁶⁴⁰
- 6.98. The Applicants submit the Proposed Acquisition places them in a better position to respond to disruptions, as it will improve their current financial positions.⁶⁴¹ Further, they submit that there should be no concern that the merged entity would cut costs to an extent that would reduce their ability to respond to disruptions.⁶⁴²
- 6.99. However, as described above at paragraphs 5.262 to 5.269 the ACCC considers that in the future without the Proposed Acquisition, there is the potential for alternative suppliers to expand in or enter the supply of CIT services, who could provide assistance in times of disruption. Consequently, the ACCC considers that the Proposed Acquisition, by reducing the ability for CIT suppliers to either expand or enter, reduces resilience in wholesale cash distribution.

Impact of the Undertaking on public benefits and detriments

- 6.100. The ACCC may grant a merger authorisation on the condition that a person must give, and comply with, an undertaking to the ACCC under section 87B of the Act.⁶⁴³ Recognising concerns raised about the Proposed Acquisition during the ACCC's consultation process, the Applicants proposed an undertaking to the ACCC. The ACCC has considered whether it would be appropriate to authorise the Proposed Acquisition on the condition that the Applicants give, and comply with, such an undertaking.
- 6.101. The Tribunal described the ACCC's power to specify a condition in the context of a slightly different, earlier iteration of the public benefit test for conduct authorisation in *Application by Medicines Australia Inc* (2007) ATPR 42-164 at [133]:

A condition may be imposed upon authorisation for reasons which include the following:

1. In a case in which there is no or insufficient public benefit in the proposed contract, arrangement, understanding or conduct satisfying the ACCC for the purposes of s 90(6) or 90(8) that authorisation can be granted, a condition may be imposed requiring a variation of the proposal which would yield the requisite public benefit. Such a condition may:
 - (i) reduce the anti-competitive detriment of the proposal for the purposes of s 90(6);

⁶³⁹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 64; [Applicants' submission responding to Market Feedback](#), 21 May 2023, p 39.

⁶⁴⁰ [Applicants' submission responding to Market Feedback](#), 21 May 2023, p 39.

⁶⁴¹ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 64.

⁶⁴² [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, p 65.

⁶⁴³ *Competition and Consumer Act 2010* (Cth) s 88(4).

- (ii) reduce the public detriment which would otherwise cause the claimed public benefit to be discounted;
 - (iii) increase the public benefit to a level assessed by the ACCC to be sufficient for the purposes of the applicable statutory test.
2. In a case in which a theoretically sufficient public benefit has been identified a condition may be imposed to vary the proposal so that the likelihood of the benefit resulting is raised to a sufficient level.
 3. In a case in which the proposal has satisfied the relevant public benefit test under s 90(6) or 90(8) as the case may be, a condition may be imposed without which the ACCC would not be prepared to exercise its discretion in favour of authorisation. The range of permissible conditions under this head is necessarily limited by the range of considerations relevant to the exercise of the discretion. While not in terms mandated by the conditioning power, it would be appropriate in exercising that power that the ACCC (or the Tribunal) have regard to any burdens it may impose upon the party seeking authorisation.

6.102. The ACCC considers that requiring the Applicants to give, and comply with, an undertaking, in the form of the Undertaking, would increase the public benefits and reduce some of the public detriments likely to result from the Proposed Acquisition.

Reduction in public detriment arising from competitive effects

6.103. As discussed above, the ACCC considers that a material public detriment would result from the Proposed Acquisition's likely effects on competition in the supply of both integrated wholesale and retail CIT services and full-service retail CIT services. The ACCC considers that, compared to the future with the Proposed Acquisition, if one of the Applicants ceased supplying CIT services, this would generate greater competitive opportunities for competing providers of CIT services (also referred to as CIT suppliers in other sections of this Determination) through the contestability of customers and/or ability to acquire assets of the exiting Applicant. The creation of greater competitive opportunities for providers of CIT services also has the potential to provide greater constraint on the remaining Applicant's ability and incentive to engage in vertical foreclosure strategies in downstream markets for ATM-related services.

6.104. The ACCC considers that the terms of the Undertaking may increase the ability of third party CIT providers to access excess sites, CIT equipment and personnel, which may increase the ability of these third party CIT providers to provide a competitive constraint on MergeCo.

6.105. MergeCo commits to establishing registers of:

- Approved Cash Centre sites that it intends to close.⁶⁴⁴
- personnel who were formerly employed by either Applicant or MergeCo (and to release such personnel from any non-compete restrictions that would otherwise prevent the personnel from performing their role in the CIT industry).⁶⁴⁵
- surplus equipment that will be available for purchase by other CIT providers.⁶⁴⁶

MergeCo will make these registers available to other CIT providers on request.⁶⁴⁷

⁶⁴⁴ Undertaking, clause 5.10.

⁶⁴⁵ Undertaking, clause 5.12.

⁶⁴⁶ Undertaking, clause 5.16.

⁶⁴⁷ Undertaking, clause 5.11, 5.14 and 5.16.

- 6.106. MergeCo commits to providing ATM specific services to any independent ATM deployer.⁶⁴⁸ These services would be provided in line with the commitments related to price and non-price terms and conditions, discussed below at paragraph 6.111. MergeCo also commits to provide these services in a manner that does not unreasonably discriminate in favour of its internal customers.
- 6.107. The ACCC considers that the commitment to create registers of surplus Approved Cash Centre sites intended to be closed, formerly employed personnel, and surplus equipment may give CIT suppliers additional opportunities to enter the supply of CIT services or expand their existing CIT services. For instance, the ACCC considers that these registers increase the prospect of a third party CIT provider, such as Streamcorp Armoured, Authentic Security or Maximum Protection, being able to assess the duplicate sites of the Applicants and determine whether they would want to take over any leases, or employ additional staff in order to expand their current operations.
- 6.108. However, the ACCC considers that the decrease in competitive detriment that may arise from these obligations would depend on the actual sites, staff and assets listed on the register and the extent to which CIT suppliers make use of them. The ACCC considers that these commitments are likely to only address the detrimental effects on third party CIT providers' ability to provide a competitive constraint on the merged entity to a limited extent.
- 6.109. The ACCC considers that the commitment to continue offering ATM specific services to independent ATM deployers as per their existing contractual arrangements, and the commitment to continue providing these services in line with the pricing commitment, reduces the ability of MergeCo to foreclose independent ATM deployers for the term of the Undertaking.
- 6.110. The ACCC considers that the commitments to maintain registers, and the commitment to continue offering ATM specific services to independent ATM deployers, may reduce some of the public detriment that would otherwise occur from the competitive effects of the Proposed Acquisition.

Increase in public benefit from avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants

- 6.111. The Undertaking contains provisions that, for the 3-year term of the Undertaking, limit MergeCo's ability to:
- **increase prices:** Existing customers will continue to receive their current contracted price, and limits will be placed on annual price increases when negotiated contracts expire.⁶⁴⁹ New customers will receive open book pricing and limits on annual price increases.⁶⁵⁰
 - **decrease service quality:** Existing customers will continue to be supplied with CIT services in accordance with their existing contractual arrangements, including where negotiated contracts expire.⁶⁵¹ New customers will be offered non-price terms and conditions no less favourable than the terms in Armaguard's standard

⁶⁴⁸ Undertaking, clause 5.17.

⁶⁴⁹ Undertaking, clause 5.1 and 5.2.

⁶⁵⁰ Undertaking, clause 5.3.

⁶⁵¹ Undertaking, clause 5.4 and 5.5.

form agreement.⁶⁵² MergeCo also commits to continue offering CIT services to customers in all postcodes that it currently services, and to offer to serve customers of CIT services at locations not currently serviced that are reasonably capable of being serviced.⁶⁵³

- **stop providing services to third party CIT providers:** MergeCo commits to supply cash processing and ancillary services to third party CIT providers.⁶⁵⁴ MergeCo commits to providing these services on terms no less favourable than standard terms and conditions for third party CIT providers.⁶⁵⁵ MergeCo also commits to continue to facilitate arrangements by the Major Banks regarding the transportation of wholesale cash between Major Bank note pools by third party CIT providers.⁶⁵⁶

6.112. Without the Undertaking, MergeCo may be able to profitably increase prices, or reduce service quality (for example, pickup frequency, geographic scope of pickup routes and processing times) without any significant restraint. The ACCC considers that without the Undertaking, the Applicants would have incentives to increase prices above the level contemplated by the Undertaking. For example, the ACCC understands that **[Redacted - Confidential]**.⁶⁵⁷ **[Redacted - Confidential]**.⁶⁵⁸

6.113. However, with the Undertaking, MergeCo's ability to increase pricing will be restricted, and it will be required to maintain service levels for existing customers consistently with existing contractual arrangements. In addition, with the Undertaking, new customers will be offered transparent pricing with annual price increases limited, and at no less favourable terms and conditions than a standard agreement.

6.114. The ACCC considers that the price and non-price commitments in the Undertaking will provide a higher degree of certainty to customers during this period and will further reduce uncertainty and customer impacts that may otherwise result from the Proposed Acquisition. The ACCC considers that any reductions in service quality, including reduced access to CIT services, would likely be particularly acute in regional and remote areas, so these commitments will be particularly valuable for customers and consumers in these areas.

6.115. The ACCC considers that with less uncertainty over price and service quality, customers may be allowed additional opportunities to explore options such as insourcing or sponsoring other CIT providers, which they may not have had resources to dedicate to absent the Undertaking. Without the Undertaking, or in the event of one of the Applicants suddenly exiting, customers would not have this certainty and may be forced to contract on less favourable terms while they consider their longer-term options.

6.116. The ACCC considers that the commitment to offer access to Approved Cash Centres to third party CIT providers should provide access to existing and new CIT service providers that may be reliant on accessing cash through the Applicants' Approved Cash Centres. This will reduce uncertainty to these providers for the term of the

⁶⁵² Undertaking, clause 5.7.

⁶⁵³ Undertaking, clause 5.9.

⁶⁵⁴ Undertaking, clause 5.20.

⁶⁵⁵ Undertaking, clause 5.24.

⁶⁵⁶ Undertaking, clause 5.26.

⁶⁵⁷ [Applicants' response to Statement of Preliminary Views and Applicants' Proposed Undertaking](#), 9 March 2023, pp 19-20.

⁶⁵⁸ See [Armaguard and Prosegur application for merger authorisation: Annexure 37.1 - Witness Statement of Rodney Philip Mills](#), 26 August 2022, at [50], [55], [66].

Undertaking and offer them the opportunity to consider whether alternative arrangements may be required in the future.

- 6.117. The ACCC considers that by reducing uncertainty over price and non-price terms, these commitments may avoid the need for government to consider a potentially urgent response to maintain access to cash, allowing adequate time for consideration of any policy or regulatory response in the longer term.
- 6.118. In this respect, the ACCC considers that it is not the role of an undertaking specified as a condition of authorisation to set up a long-term regulatory framework for an industry undergoing significant structural changes and adjusting to lower levels of cash usage. The ACCC considers that the need for long-term regulation is a matter most appropriately considered by government.
- 6.119. The Reserve Bank submits that the 3-year term of the Undertaking underscores the importance of government and regulatory bodies (including the Reserve Bank) working with the wider cash industry to determine whether any additional policy or regulatory responses may be necessary to maintain adequate access to cash in the future.⁶⁵⁹ The Reserve Bank noted that the government's forthcoming Strategic Plan for the Payments System will help shape the vision and provide guidance on how these issues could be addressed.⁶⁶⁰
- 6.120. Treasury recently published *A Strategic Plan for Australia's Payments System*, which outlines the government's reform agenda in relation to payment systems.⁶⁶¹ A key priority identified in the Strategic Plan is ensuring the payments system fosters the development of modern, efficient payment infrastructure that promotes greater financial inclusion and delivers a seamless user experience.⁶⁶² Treasury notes that this priority includes providing policy direction on issues such as maintaining adequate access to cash.⁶⁶³
- 6.121. The Strategic Plan notes that the government will work with the relevant agencies across the public sector and with industry to ensure that Australia has a sustainable cash distribution network that maintains adequate access to cash.⁶⁶⁴ It states that the Government will closely monitor developments regarding access to cash for Australians, in close consultation with relevant regulators.⁶⁶⁵ In 2023, Treasury plans to commence engagement with relevant Commonwealth agencies and industry on options for maintaining adequate access to cash.⁶⁶⁶
- 6.122. Treasury notes that some individuals, businesses and institutions still rely on traditional payment methods, including cash, for reasons including personal preference, legislative requirements, lack of internet connectivity in rural and regional Australia as well as technological capability.⁶⁶⁷ The ACCC considers that any reduction in access to cash would be more acutely felt by these high-cash users.
- 6.123. In summary, the ACCC considers that by reducing uncertainty over price and non-price terms for both competing CIT providers and customers of CIT services

⁶⁵⁹ [Reserve Bank of Australia submission](#), 8 May 2023, p 1.

⁶⁶⁰ [Reserve Bank of Australia submission](#), 8 May 2023, pp 1-2.

⁶⁶¹ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023.

⁶⁶² Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 18.

⁶⁶³ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 18.

⁶⁶⁴ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 23.

⁶⁶⁵ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 23.

⁶⁶⁶ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 24.

⁶⁶⁷ Treasury, [A Strategic Plan for Australia's Payments System](#), 7 June 2023, p 8.

throughout the term of the Undertaking, the Undertaking will increase the public benefit associated with avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants, including by maintaining access to CIT services, and consequently maintaining access to cash.

Balance of public benefit and detriment

- 6.124. The ACCC's assessment of whether it is satisfied that the likely public benefits of the Proposed Acquisition would outweigh the likely public detriments requires a balancing exercise.⁶⁶⁸ The public detriments which the ACCC considers in this assessment include, but are not limited to, any reduction in competition likely to result from the Proposed Acquisition.
- 6.125. As noted above, if both Applicants were to continue operating beyond the short term without the Proposed Acquisition, then the ACCC considers that the Proposed Acquisition would result in a net public detriment. However, the ACCC has placed little weight on this counterfactual given that, as noted in paragraph 6.10, it has found that there is a limited prospect that both Armaguard and Prosegur will continue to supply CIT services beyond the short term. Therefore, the ACCC has focussed on comparing the Proposed Acquisition to a future without the Proposed Acquisition where one Applicant ceases supplying CIT services within the short term.
- 6.126. While it is not possible to be precise about the quantum of benefits, the most significant public benefit the ACCC considers is likely to arise from the Proposed Acquisition is avoiding the likely dislocation costs, uncertainty and customer impacts associated with one of the Applicants ceasing to supply CIT services. These impacts will be larger if exit occurs at short notice, which the ACCC considers is the most likely scenario.
- 6.127. The ACCC considers that disruption to the supply of CIT services and associated disrupted access to cash would significantly impact both businesses (banks, ATM operators and retailers) and consumers, particularly as cash remains an important payment method for some consumers, including consumers living in regional or remote areas, the elderly, and those without access to the internet.
- 6.128. The ACCC considers that avoiding this disruption to the supply of CIT services, and the flow on effects for access to cash for the community, constitutes a material public benefit that would be realised by the Proposed Acquisition.
- 6.129. The ACCC also considers that the Proposed Acquisition is likely to result in some limited benefits to the public in the form of productive efficiencies by removing duplicated fixed costs, albeit potentially at the expense of future competition in the relevant markets. The benefits are limited as it is likely that these duplicative networks would no longer exist in the future without the Proposed Acquisition.
- 6.130. The ACCC has also considered how the Undertaking impacts its assessment of the benefits likely to result from the Proposed Acquisition. The ACCC's view is that the Undertaking increases the public benefit associated with avoiding the likely dislocation costs, uncertainty and customer impacts associated with the exit of one of the Applicants. The ACCC considers that the price and non-price commitments in the Undertaking will reduce uncertainty to customers during this period that may otherwise result from the Proposed Acquisition. It considers that the Undertaking may avoid the need for government to consider a potentially urgent response to maintain

⁶⁶⁸ *Australian Competition and Consumer Commission v Australian Competition Tribunal* (2017) 254 FCR 341, at [7] (Besanko, Perram and Robertson JJ).

access to cash, allowing adequate time for consideration of any policy or regulatory response in the longer term.

- 6.131. The ACCC therefore considers that the Undertaking is likely to increase the public benefit of the Proposed Acquisition.
- 6.132. Against this, the ACCC must balance the public detriments that would be likely to result from the Proposed Acquisition. The ACCC considers that a material public detriment from the Proposed Acquisition is the likely effects on competition in the supply of both integrated wholesale and retail CIT services and full-service retail CIT services (see discussion at paragraphs 6.87 to 6.92). Further, the ACCC also considers that the Proposed Acquisition is likely to result in a public detriment in the form of less resilience in wholesale cash distribution.
- 6.133. The ACCC considers that the Undertaking may reduce some of the public detriment that would otherwise occur from the competitive effects of the Proposed Acquisition. It considers that MergeCo's commitment to create registers of surplus Approved Cash Centre sites intended for closure, formerly employed personnel, and surplus CIT equipment may increase the opportunity for a third-party CIT supplier to provide a competitive constraint on the merged entity, thereby reducing some of the anti-competitive detriment of the Proposed Acquisition.
- 6.134. The ACCC considers that MergeCo's commitment to continue offering ATM specific services to independent ATM deployers, and the commitment to continue providing these services in line with the pricing commitment, may reduce the ability of MergeCo to foreclose independent ATM deployers for the term of the Undertaking. This further reduces the public detriment from competitive effects.
- 6.135. For the reasons set out above, the ACCC considers it appropriate to specify a condition in the authorisation that the Applicants must give, and comply, with the Undertaking.⁶⁶⁹ It is the ACCC's view that the Undertaking increases the public benefit to a level sufficient for the purposes of the statutory test in section 90(7)(b) of the Act.⁶⁷⁰ The ACCC further considers that the Undertaking will reduce some of the detriment arising from the competitive effects of the Proposed Acquisition. Therefore, the ACCC is satisfied in all the circumstances that, on the condition that the Applicants give, and comply with, the Undertaking, the Proposed Acquisition would result, or be likely to result, in a benefit to the public that would outweigh the detriment to the public that would result, or be likely to result from the Proposed Acquisition.

⁶⁶⁹ *Competition and Consumer Act 2010* (Cth) s 88(4).

⁶⁷⁰ *Application by Medicines Australia Inc* [2007] ACompT 4 at [133].

7. Determination

The application

- 7.1. On 27 September 2022, Linfox Armaguard Pty Ltd (**Armaguard**) and Prosegur Australia Holdings Pty Limited (**Prosegur**) (together, the **Applicants**) lodged application MA1000022 with the ACCC, seeking authorisation under subsection 88(1) of the Act.
- 7.2. The Applicants have sought authorisation to engage in the conduct described in application MA1000022, which would result in the merger of their respective:
- cash distribution and management (cash-in-transit or **CIT** services); and
 - device monitoring and maintenance and ATM services
- businesses in Australia (the **Proposed Acquisition**)

The authorisation test

- 7.3. Under subsection 90(7) of the Act, the ACCC must not grant authorisation unless it is satisfied in all the circumstances that the Proposed Acquisition would either:
- (a) not have the effect, or not be likely to have the effect, of substantially lessening competition, or
 - (b) result, or be likely to result, in a benefit to the public, and that benefit would outweigh the detriment to the public that would result, or be likely to result, from the Proposed Acquisition.
- 7.4. The power conferred upon the ACCC to authorise conduct is discretionary.⁶⁷¹ In exercising that discretion, the ACCC may have regard to considerations relevant to the objectives of the Act.⁶⁷²

Conditions of authorisation

- 7.5. The ACCC may specify conditions in the authorisation.⁶⁷³ The legal protection provided by the authorisation does not apply if any of the conditions are not complied with.⁶⁷⁴
- 7.6. Pursuant to section 88(4) of the Act, the ACCC may grant authorisation on the condition that a person must give, and comply with, an undertaking to the ACCC under section 87B of the Act.⁶⁷⁵

Authorisation

- 7.7. For the reasons outlined in the Reasons for Determination, the ACCC is satisfied in all the circumstances that, on the condition that the Applicants give, and comply with, an undertaking in the form at Attachment A (the **Undertaking**), the Proposed Acquisition would be likely to result in a benefit to the public, and that benefit would

⁶⁷¹ *Application by Medicines Australia Inc* [2007] ACompT 4 at [106].

⁶⁷² *Application by Medicines Australia Inc* [2007] ACompT 4 at [126].

⁶⁷³ *Competition and Consumer Act 2010* (Cth) s 88(3).

⁶⁷⁴ *Competition and Consumer Act 2010* (Cth) s 88(3).

⁶⁷⁵ *Competition and Consumer Act 2010* (Cth) s 88(4).

outweigh the detriment to the public that would result or be likely to result from the Proposed Acquisition.

- 7.8. The ACCC considers that the Undertaking increases the public benefit that will result from the Proposed Acquisition to a level sufficient for the purposes of the statutory test in section 90(7)(b) of the Act and will reduce some of the detriment arising from the competitive effects of the Proposed Acquisition.⁶⁷⁶
- 7.9. The Act allows the ACCC to grant authorisation for a period specified in the authorisation and remains in force for that period only.⁶⁷⁷ The ACCC will generally grant a merger authorisation for a period of no longer than twelve months from the date of the determination. In order to have the legal protection conferred by the merger authorisation, the authorised party or parties will need to complete the relevant acquisition during the period and notify the ACCC once the acquisition has been completed.
- 7.10. The ACCC grants authorisation MA1000022, on the condition that the Applicants must give, and comply with, the Undertaking. The authorisation is effective for a period of 12 months until 13 June 2024.

Date authorisation comes into effect

- 7.11. This determination is made on 13 June 2023. Any application to the Australian Competition Tribunal for review of the determination must be made on or before 4 July 2023.⁶⁷⁸

⁶⁷⁶ *Application by Medicines Australia Inc* [2007] ACompT 4 at [126], [133].

⁶⁷⁷ *Competition and Consumer Act 2010* (Cth) s 91(1).

⁶⁷⁸ *Competition and Consumer Act 2010* (Cth) s 101(1); *Competition and Consumer Regulations 2010* (Cth), reg 20.

Attachment A - Undertaking

Undertaking to the Australian Competition and Consumer Commission

Given under section 87B of the *Competition and
Consumer Act 2010* (Cth) by **Linfox Armaguard
Pty Ltd (ACN 099 701 872)**

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1. Person giving the Undertaking

- 1.1. This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Linfox Armaguard Pty Ltd (ACN 099 701 872) on behalf of itself and its subsidiaries (together referred to as (**MergeCo**) in this Undertaking).

2. Background

The parties to the Proposed Merger

- 2.1. Linfox Armaguard Pty Ltd (ACN 099 701 872) (**Armaguard**); and
- 2.2. Prosegur Australia Holdings Pty Ltd (ACN 166 656 739) (**Prosegur**).

The Proposed Merger

- 2.3. On 27 September 2022, the ACCC received an application for merger authorisation under section 88(1) of the Act from Armaguard and Prosegur (together, the **Applicants**) (the **Application**).
- 2.4. The Application proposes to combine the Applicants' cash distribution and management, device monitoring and maintenance and ATM businesses in Australia (the **Proposed Merger**). The structure of the Proposed Merger is set out in section 3.1 of the Application.
- 2.5. The ACCC may grant a merger authorisation, but must not do so unless satisfied, in all the circumstances that either:
 - (a) the conduct would not have the effect, or not be likely to have the effect, of substantially lessening competition; or
 - (b) the conduct would result, or be likely to result, in a benefit to the public, and whether that benefit would outweigh the detriment, including any anti-competitive detriment, to the public that would result, or would be likely to result, from the Proposed Merger.
- 2.6. The Applicants offer this Undertaking to the ACCC in order to reduce any anti-competitive or other detriment that the ACCC considers would, or would be likely to, result from the Proposed Merger, and to increase the benefit to the public that will result from the Proposed Merger.

3. Commencement and Term of this Undertaking

- 3.1. This Undertaking comes into effect when:
 - (a) this Undertaking is executed by MergeCo; and
 - (b) this Undertaking so executed is accepted by the ACCC
 (the **Commencement Date**).
- 3.2. The Undertaking will commence on the Commencement Date and will operate for a term of 3 years from the Control Date (**Term**).

4. Cessation of Ongoing Obligations

Withdrawal

- 4.1. MergeCo may request withdrawal of this Undertaking pursuant to section 87B of the Act at any time. This Undertaking is taken to be withdrawn on the date the ACCC consents in writing to that withdrawal.

Revocation

- 4.2. The ACCC may, at any time, revoke its acceptance of this Undertaking if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

Waiver

- 4.3. The ACCC may, at any time, waive any of the obligations contained in this Undertaking. Such a waiver must be express and in writing.

Extension of time to comply with obligations

- 4.4. The ACCC may, at any time, extend the date by which any of the obligations contained in this Undertaking is to be satisfied. Such an extension must be express and in writing.

Survival

- 4.5. Unless and until this Undertaking is withdrawn in accordance with clause 4.1, clauses 1, 2, 3, 4, 9, 10, 11, 12, 13, 14 and 15 survive completion of the obligations in clauses 5, 6, 7, 8 and 16.

5. Commitments

Price

- 5.1. Existing Customers must continue to receive their current Contracted Price.
- 5.2. Subject to clause 5.5 below, an Existing Customer whose contract comes to an end during the Term of the Undertaking must continue to be supplied CIT Services at the same Price as the Price that applied at the end of its previous contract, except that the Price can be escalated by no more than CPI + 7.5% annually.
- 5.3. From the Control Date, MergeCo must offer:
- (a) a New Customer, and
 - (b) an Existing Customer who seeks CIT Services which cannot be provided pursuant to their Existing Arrangements with MergeCo,

Open Book Pricing on written request by the Customer. Those prices can escalate by no more than CPI + 7.5% annually.

Non-price terms

- 5.4. Existing Customers must continue to be supplied CIT Services in accordance with their Existing Arrangements. The Price of those CIT Services must be determined in accordance with clauses 5.1 and 5.2 above.
- 5.5. An Existing Customer whose contract comes to an end during the Term of the Undertaking must be offered ongoing supply of CIT Services for the remainder of the duration of the Undertaking in accordance with their Existing Arrangements. The Price of those CIT Services must be determined in accordance with clause 5.2 above.

- 5.6. An Existing Customer who seeks CIT Services which cannot be provided pursuant to their Existing Arrangements with MergeCo must be offered, for the duration of the Term of the Undertaking, non-price terms and conditions no less favourable than the terms and conditions of the standard Armaguard Cash Services Agreement (as set out in Annexure B of this Undertaking) or, only in respect of Third Party Cash Services, the Standard Third Party Access Agreement (as set out in Annexure C of this Undertaking). The Price of those CIT Services (including Third Party Cash Services) must be determined in accordance with clause 5.3 above.
- 5.7. New Customers for the supply of CIT Services must be offered, for the duration of the Term of the Undertaking, non-price terms and conditions no less favourable than the terms and conditions of the standard Armaguard Cash Services Agreement (as set out in Annexure B of this Undertaking). The Price of those CIT Services must be determined in accordance with clause 5.3 above.

Standard terms

- 5.8. For the Term of the Undertaking, MergeCo must not seek to exercise any right to unilaterally terminate or amend the terms of Existing Arrangements with Customers who are a party to a standard Armaguard Cash Services Agreement or a standard Prosegur Master Services Agreement.

Geographic Coverage

- 5.9. MergeCo must continue to offer CIT Services to Customers in all postcodes that it currently services, as identified in Annexure A to this Undertaking. On written request from a Customer, MergeCo must make an offer to serve the Customer at a location not currently identified in Annexure A, which is reasonably capable of being serviced, at either a price calculated in accordance with the terms of the Customer's contract or if there is no such price, subject to Open Book Pricing.

Register of surplus sites for Approved Cash Centres

- 5.10. MergeCo must establish a register where it will list any sites of duplicative ACCs that it intends to close and the contact details of the relevant landlord, subject to the landlord's consent. MergeCo must use its best endeavours to obtain the landlord's consent to list contact details.
- 5.11. MergeCo must list any sites of duplicative ACCs intended for Closure on the register 3 months before the Closure of the relevant ACC. A copy of the register of any duplicative ACC site must be made available by MergeCo to a Third Party CIT Provider on request within 5 Business Days.

Register of personnel

- 5.12. MergeCo must establish a register of personnel who were formerly employed by either Applicant or MergeCo, including a description of their former role, which must be updated on a monthly basis.
- 5.13. The register of personnel must contain the contact information for any person who was formerly employed by either of the Applicants or MergeCo who consents to that information being published on the register. MergeCo must use its best endeavours to obtain the consent of personnel to list contact details.

- 5.14. A copy of the register of personnel must be made available by MergeCo to a Third Party CIT Provider on request within 5 Business Days.
- 5.15. When fulfilling its obligations under clauses 5.12 - 5.14, MergeCo must release the personnel from any non-compete or similar restraint of trade obligation, to the extent that such an obligation would otherwise prevent the person from performing his or her role in the CIT industry.

Register of Surplus Equipment

- 5.16. MergeCo must establish a register of Surplus Equipment which must be available for purchase by a Third Party CIT Provider. A copy of the register must be made available to a Third Party CIT Provider on request within 5 Business Days.

Independent ATM Deployers

- 5.17. MergeCo must provide ATM Specific Services to any Independent ATM Deployer, subject to the provisions of this Undertaking.
- 5.18. For the purposes of this Undertaking, ATM Specific Services consist of the following services:
 - (a) cash supply and replenishment;
 - (b) reconciliation and re-bank;
 - (c) packing the ATM cash cassette; and
 - (d) First Line ATM Maintenance.
- 5.19. MergeCo must supply ATM Specific Services to:
 - (a) an Independent ATM Deployer; and
 - (b) the Internal Customer,in a manner that does not unreasonably discriminate in favour of the Internal Customer.

Third Party Access to Approved Cash Centres

- 5.20. MergeCo must supply Cash Processing Services and Ancillary Services to Third Party CIT Providers at its ACCs across Australia (**Third Party Cash Services**).
- 5.21. A "Cash Processing Service" is a service by which MergeCo will machine process (count and fitness sort), or if not practical to do so, manually process cash delivered by the Third Party CIT Provider to one of MergeCo's ACCs in exchange for payment by MergeCo for the processed value of the cash.
- 5.22. MergeCo must offer three different types of Cash Processing Services:
 - (a) bulk cash;
 - (b) bag level; and
 - (c) bulk coin.

- 5.23. To facilitate Third Party CIT Providers offering customers Cash Processing Services, MergeCo must also offer Third Party CIT Providers the following three Ancillary Services:
- (a) cash collection service from Third Party CIT Provider depot to MergeCo ACC or acceptance of cash drop-off by Third Party CIT Provider at MergeCo ACC;
 - (b) cash delivery service from MergeCo ACC to Third Party CIT Provider depot or cash pick-up at MergeCo ACC by Third Party CIT Provider; and
 - (c) cash supply service - bulk and / or change.
- 5.24. MergeCo must supply the Third Party Cash Services on terms no less favourable than the standard terms and conditions for Third Party CIT Providers (as set out in Annexure C to this Undertaking).
- 5.25. MergeCo must provide Third Party CIT Providers receiving Third Party Cash Services access to MergeCo's ACCs, and may only impose conditions that the Third Party CIT Providers:
- (a) comply with all reasonable MergeCo policies and procedures including as to safety and security which may include a time based slot booking system; and
 - (b) be subject to a reasonable risk assessment and audit by MergeCo prior to the Third Party Cash Services being provided.

Wholesale Cash collection and delivery

- 5.26. For the avoidance of doubt, MergeCo must continue to facilitate arrangements by the Major Banks regarding the transportation of Wholesale Cash between Major Bank Note Pools by Third Party CIT Providers.

Complaints Handling Process

- 5.27. At the Commencement Date, MergeCo must:
- (a) have a Complaints Handling Process which enables Customers to make a complaint if MergeCo has acted in a way which is not compliant with the Undertaking and requires MergeCo to investigate and respond to such a complaint; and
 - (b) provide any Customer who seeks to make a complaint with details of the Approved Independent Auditor, including name, email and office address, and a contact phone number.
- 5.28. MergeCo's Complaint Handling Process must comply with the Australian Standard on Complaints Management (AS 10002 2022).
- 5.29. From the Commencement Date, a copy of the complaints handling process (as set out in Annexure D to this Undertaking) is to be published on MergeCo's website and be accessible to Customers.

- 5.30. MergeCo may from time to time amend the complaints handling process at Annexure D, provided that MergeCo has obtained the prior written consent of the ACCC.
- 5.31. MergeCo must provide a copy of all complaints to the Approved Independent Auditor within 5 Business Days of receiving the complaint for the purpose of auditing and reporting upon MergeCo's compliance with this Undertaking.

6. Price and non-price dispute mechanism

- 6.1. MergeCo must comply with the Approved Dispute Resolution Process.
- 6.2. Subject to clause 6.3, if MergeCo and a Customer have a dispute in relation to MergeCo's compliance with the obligations in clause 5.1 - 5.26 which cannot be resolved between MergeCo and the Customer pursuant to MergeCo's Complaints Handling Process (as outlined in Annexure D to this Undertaking), then either party to the dispute has the right to escalate the dispute to the independent expert (**Approved Independent Expert**).
- 6.3. If MergeCo and a Contracted Customer have a dispute regarding MergeCo's compliance with the terms and conditions of an existing written contract between them, and such a dispute is within the scope of any dispute resolution process provided for by the contract, it must be resolved pursuant to the terms of the dispute resolution process agreed between the parties to that contract, even if such a dispute could also give rise to a breach of clause 5.1 or 5.4 of this Undertaking. If the written contract does not contain a dispute resolution clause, then either MergeCo or the Contracted Customer may raise a dispute under the Approved Dispute Resolution Process.
- 6.4. Nothing in this Undertaking prevents an Existing Customer or a New Customer agreeing that MergeCo supply it with CIT Services on terms and conditions agreed as a result of a negotiation.

7. Independent Expert

Obligation to appoint an Approved Independent Expert

- 7.1. MergeCo must appoint and maintain an Approved Independent Expert to resolve disputes between MergeCo and a Customer using the Approved Dispute Resolution Process.
- 7.2. The Approved Independent Expert is to be appointed for the Term of the Undertaking.

Process for nominating and approving a Proposed Independent Expert

- 7.3. At least 20 Business Days before the Control Date, MergeCo must provide the ACCC with a written notice for a Proposed Independent Expert in the form prescribed in Schedule 2 to this Undertaking (the **Proposed Independent Expert Notice**), including draft terms of appointment and a draft dispute resolution process.
- 7.4. If clauses 7.18, 7.19 or 7.20 apply, MergeCo must provide the ACCC with a Proposed Independent Expert Notice within five Business Days after the relevant event occurs, otherwise clause 7.10 applies.

- 7.5. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Expert identified in the Proposed Independent Expert Notice.
- 7.6. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Expert, the factors to which the ACCC may have regard include whether the:
- (a) person named in the Proposed Independent Expert Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Independent Expert;
 - (b) person named in the Proposed Independent Expert Notice or identified by the ACCC is sufficiently independent of MergeCo;
 - (c) draft terms of appointment and the draft dispute resolution process are consistent with this Undertaking; and
 - (d) draft terms of appointment and the draft dispute resolution process are otherwise acceptable to the ACCC.
- 7.7. MergeCo must provide to the ACCC such information and documents as to assess the appointment of the Proposed Independent Expert.
- 7.8. The ACCC may in its absolute discretion consult with any other person in relation to the appointment of the Proposed Independent Expert as the Approved Independent Expert.

Appointment of the Approved Independent Expert

- 7.9. After receiving a written notice from the ACCC of its approval of a Proposed Independent Expert, the draft terms of appointment and draft dispute resolution process, MergeCo must by the Control Date:
- (a) appoint the person approved by the ACCC as the Approved Independent Expert on the Approved Terms of Appointment;
 - (b) forward the ACCC a copy of the executed terms of appointment; and
 - (c) publish the name and contact details of the Approved Independent Expert, and the Approved Dispute Resolution Process, on its website.

Failure to appoint

- 7.10. If:
- (a) the Approved Independent Expert has not been appointed by the Control Date;
 - (b) the Approved Independent Expert has not been appointed within 20 Business Days after the Approved Independent Expert resigns or otherwise ceases to act as the Approved Independent Expert pursuant to clauses 7.18, 7.19 or 7.20; or
 - (c) the ACCC has not received a Proposed Independent Expert Notice pursuant to clause 7.3,

then clause 7.11 applies.

- 7.11. If clause 7.10 applies, the ACCC at its absolute discretion may:
- (a) identify and approve a person as the Approved Independent Expert, including approving the draft terms of appointment and draft dispute resolution process; and / or
 - (b) direct MergeCo to appoint a person who the ACCC has deemed is an Approved Independent Expert.

Obligations and powers of the Approved Independent Expert

- 7.12. MergeCo must procure that any proposed terms of appointment for the Approved Independent Expert include obligations on the Approved Independent Expert to:
- (a) maintain his or her independence from MergeCo, apart from appointment to the role of Approved Independent Expert, including not forming any relationship of the types described in paragraph 2.2(c) of Schedule 2 to this Undertaking with MergeCo for the period of his or her appointment;
 - (b) resolve disputes between MergeCo and a Customer according to the Approved Dispute Resolution Process; and
 - (c) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Expert under the Undertaking.
- 7.13. MergeCo must procure that any proposed terms of appointment for the Approved Independent Expert provide the Approved Independent Expert with the authority to:
- (a) access the facilities, sites or operations of MergeCo as required by the Approved Independent Expert;
 - (b) access any information or documents that the Approved Independent Expert considers necessary for carrying out his or her functions as the Approved Independent Expert; and
 - (c) engage any external expertise, assistance or advice required by the Approved Independent Expert to perform his or her functions as the Approved Independent Expert.
- 7.14. In determining a dispute, the Approved Independent Expert may accept, reject or vary MergeCo's proposed CIT price and / or non-price terms and conditions for the supply of CIT Services to the Customer.
- 7.15. The Approved Independent Expert's decision is final and binding on MergeCo and MergeCo must take all steps to ensure that the Approved Independent Expert's decision is fulfilled or otherwise given effect to.
- 7.16. A copy of any such decision is to be provided to MergeCo and the Existing Customer or New Customer, the Approved Independent Auditor and the ACCC as soon as practicable after it has been made.

MergeCo's obligations in relation to the Approved Independent Expert

- 7.17. Without limiting its obligations in this Undertaking, MergeCo must:
- (a) comply with and enforce the Approved Terms of Appointment for the Approved Independent Expert;
 - (b) comply with the Approved Independent Expert's Approved Dispute Resolution Process;
 - (c) maintain and fund the Approved Independent Expert to carry out their functions including:
 - (i) indemnifying the Approved Independent Expert against any expense, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Expert of his or her functions as the Approved Independent Expert except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Expert;
 - (ii) providing, and paying for any external expertise, assistance or advice required by the Approved Independent Expert to perform his or her functions as the Approved Independent Expert; and
 - (d) not interfere with, or otherwise hinder, the Approved Independent Expert's ability to carry out his or her functions as the Approved Independent Expert, including:
 - (i) directing MergeCo personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this clause 7;
 - (ii) providing to the Approved Independent Expert any information or documents he or she considers necessary for carrying out his or her functions as the Approved Independent Expert; and
 - (iii) not appointing the Approved Independent Expert, or have any Agreements with the Approved Independent Expert, to utilise the Approved Independent Expert's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Expert ceases to act in the role of the Approved Independent Expert;
 - (e) provide the Approved Independent Expert with any information or documents requested by the Approved Independent Expert that the Approved Independent Expert considers necessary to perform their functions or for reporting or otherwise advising the ACCC;
 - (f) procure that the terms of the Approved Independent Expert include obligations on the Approved Independent Expert to:
 - (i) provide any information or documents requested by the ACCC about MergeCo's compliance with the Approved Dispute Resolution Process directly to the ACCC;
 - (ii) report or otherwise inform the ACCC directly of any issues that arise in the performance of his or her functions or in relation to

any matter that may arise in connection with the Approved Dispute Resolution Process; and

- (g) publish a copy of the Approved Independent Expert's decision on MergeCo's website within 10 Business Days of the decision having been made unless the Customer to the dispute objects to the disclosure of the decision in which case a non-confidential summary of the decision must be published on MergeCo's website within the specified period.

Resignation, revocation or termination of the Approved Independent Expert

- 7.18. MergeCo must immediately notify the ACCC in the event that the Approved Independent Expert resigns or otherwise stops acting as the Approved Independent Expert.
- 7.19. The ACCC may revoke an Approved Independent Expert's status as the Approved Independent Expert if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.
- 7.20. The ACCC may approve any proposal by, or alternatively may direct, MergeCo to terminate the appointment of the Approved Independent Expert if in the ACCC's view the Approved Independent Expert acts inconsistently with the provisions of this Undertaking and / or the Approved Terms of Appointment or the Approved Independent Expert fails to perform their role to an adequate standard.

8. Independent Audit

Obligation to appoint an Approved Independent Auditor

- 8.1. MergeCo must appoint and maintain an Approved Independent Auditor to audit and report upon MergeCo's compliance with this Undertaking.

Process for nominating and approving a Proposed Independent Auditor

- 8.2. At least 15 Business Days before the Control Date, MergeCo must provide the ACCC with a notice for a Proposed Independent Auditor in the form prescribed in Schedule 2 to this Undertaking (**Proposed Independent Auditor Notice**), including draft terms of appointment and a draft audit plan.
- 8.3. The Approved Independent Auditor is to be appointed for the Term of the Undertaking.
- 8.4. If clauses 8.17, 8.18 or 8.19 apply, MergeCo must provide the ACCC with a Proposed Independent Auditor Notice within five Business Days after the relevant event occurs, otherwise clause 8.9 applies.
- 8.5. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Auditor identified in the Proposed Independent Auditor Notice.
- 8.6. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Auditor, the factors to which the ACCC may have regard include whether the:
 - (a) person named in the Proposed Independent Auditor Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Independent Auditor;

- (b) person named in the Proposed Independent Auditor Notice or identified by the ACCC is sufficiently independent of MergeCo;
- (c) draft terms of appointment and the draft audit plan are consistent with this Undertaking; and
- (d) draft terms of appointment and the draft audit plan are otherwise acceptable to the ACCC.

Appointment of the Approved Independent Auditor

- 8.7. After receiving a written notice from the ACCC of its approval of a Proposed Independent Auditor, the draft terms of appointment and draft audit plan, MergeCo must by the Control Date:
- (a) appoint the person approved by the ACCC as the Approved Independent Auditor on the Approved Terms of Appointment; and
 - (b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

- 8.8. If:
- (a) the Approved Independent Auditor has not been appointed by the Control Date;
 - (b) the Approved Independent Auditor has not been appointed within 15 Business Days after the Approved Independent Auditor resigns or otherwise ceases to act as the Approved Independent Auditor pursuant to clauses 8.17, 8.18 or 8.19; or
 - (c) the ACCC has not received a Proposed Independent Auditor Notice pursuant to clause 8.2,

then clause 8.9 applies.

- 8.9. If clause 8.8 applies, the ACCC at its absolute discretion may:
- (a) identify and approve a person as the Approved Independent Auditor, including approving the draft terms of appointment and draft audit plan; and / or
 - (b) direct MergeCo to appoint a person who the ACCC has deemed is an Approved Independent Auditor.

Obligations and powers of the Approved Independent Auditor

- 8.10. MergeCo must procure that any proposed terms of appointment for the Approved Independent Auditor include obligations on the Approved Independent Auditor to:
- (a) maintain his or her independence from MergeCo, apart from appointment to the role of Approved Independent Auditor, including not forming any relationship of the types described in paragraph 2.2(c) of Schedule 2 to this Undertaking with MergeCo for the period of his or her appointment;

- (b) conduct compliance auditing according to the Approved Audit Plan;
- (c) provide the following reports directly to the ACCC:
 - (i) a scheduled written Audit Report as described in clause 8.12;
 - (ii) an immediate report of any issues that arise in relation to the performance of his or her functions as Approved Independent Auditor or in relation to compliance with this Undertaking by any person named in this Undertaking; and
- (d) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Auditor under this Undertaking.

8.11. MergeCo must procure that any proposed terms of appointment for the Approved Independent Auditor provide the Approved Independent Auditor with the authority to:

- (a) access the facilities, sites or operations of MergeCo as required by the Approved Independent Auditor;
- (b) access any information or documents that the Approved Independent Auditor considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC; and
- (c) engage any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor.

Compliance Audit

8.12. The Approved Independent Auditor must conduct an audit and prepare a detailed report (**Audit Report**) that includes:

- (a) the Approved Independent Auditor's procedures in conducting the audit, or any change to audit procedures and processes since the previous Audit Report;
- (b) a full audit of MergeCo's compliance with this Undertaking;
- (c) identification of any areas of uncertainty or ambiguity in the Approved Independent Auditor's interpretation of any obligations contained in this Undertaking;
- (d) all of the reasons for the conclusions reached in the Audit Report;
- (e) any qualifications made by the Approved Independent Auditor in forming his or her views;
- (f) any recommendations by the Approved Independent Auditor to improve:
 - (i) the Approved Audit Plan;
 - (ii) the integrity of the auditing process;

- (iii) MergeCo's processes or reporting systems in relation to compliance with this Undertaking; and
 - (iv) MergeCo's compliance with this Undertaking; and
 - (g) the implementation and outcome of any prior recommendations by the Approved Independent Auditor.
- 8.13. The Approved Independent Auditor is to provide an Audit Report to the ACCC and MergeCo at the following times:
- (a) within 10 Business Days after the Control Date, at which time the Audit Report is to include the results of the initial audit and any recommended changes to the Approved Audit Plan, including the Approved Independent Auditor's proposed procedures and processes for conducting the audit (**Establishment Audit**);
 - (b) three months after the date of provision of the Establishment Audit, and every three months thereafter, until the ACCC confirms in writing to MergeCo that it is satisfied that MergeCo has fulfilled its obligations pursuant to this Undertaking; and
 - (c) a final report due three months after the last report provided pursuant to clause 8.13(b).
- 8.14. MergeCo must implement any recommendations made by the Approved Independent Auditor in Audit Reports, and notify the ACCC of the implementation of the recommendations, within 10 Business Days after receiving the Audit Report or such other period as agreed in writing with the ACCC.
- 8.15. MergeCo must comply with any direction of the ACCC in relation to matters arising from the Audit Report within 10 Business Days after being so directed (or such other period as agreed in writing with the ACCC).

MergeCo's obligations in relation to the Approved Independent Auditor

- 8.16. Without limiting its obligations in this Undertaking, MergeCo must:
- (a) comply with and enforce the Approved Terms of Appointment for the Approved Independent Auditor;
 - (b) maintain and fund the Approved Independent Auditor to carry out his or her functions including:
 - (i) indemnifying the Approved Independent Auditor for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Auditor of his or her functions as the Approved Independent Auditor except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Auditor;
 - (ii) providing and paying for any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor; and

- (c) not interfere with, or otherwise hinder, the Approved Independent Auditor's ability to carry out his or her functions as the Approved Independent Auditor, including:
- (i) directing MergeCo personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this clause 8.16;
 - (ii) providing to the Approved Independent Auditor any information or documents he or she considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC;
 - (iii) not requesting any information relating to the compliance audit from the Approved Independent Auditor without such a request having been approved by the ACCC; and
 - (iv) not appointing the Approved Independent Auditor, or have any Agreements with the Approved Independent Auditor, to utilise the Approved Independent Auditor's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Auditor ceases to act in the role of the Approved Independent Auditor.

Resignation, revocation or termination of the Approved Independent Auditor

- 8.17. MergeCo must immediately notify the ACCC in the event that the Approved Independent Auditor resigns or otherwise stops acting as the Approved Independent Auditor.
- 8.18. The ACCC may revoke an Approved Independent Auditor's status as the Approved Independent Auditor if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.
- 8.19. The ACCC may approve any proposal by, or alternatively may direct, MergeCo to terminate the appointment of the Approved Independent Auditor if in the ACCC's view the Approved Independent Auditor acts inconsistently with the provisions of this Undertaking and / or the Approved Terms of Appointment or the Approved Independent Auditor fails to perform their role to an adequate standard.

9. Notification of key dates and ACCC requests for information

- 9.1. MergeCo must notify the ACCC and each Undertaking Appointment in writing of:
- (a) the anticipated date of the Control Date, at least five Business Days before that date; and
 - (b) the occurrence of the Control Date, within one Business Day of that date.
- 9.2. The ACCC may direct MergeCo in respect of its compliance with this Undertaking to, and MergeCo must:
- (a) furnish information to the ACCC in the time and in the form requested by the ACCC;

- (b) produce documents and materials to the ACCC within MergeCo's custody, power or control in the time and in the form requested by the ACCC; and / or
 - (c) attend the ACCC at a time and place appointed by the ACCC to answer any questions the ACCC (its Commissioners, its staff or its agents) may have.
- 9.3. Any direction made by the ACCC under clause 9.2 will be notified to MergeCo, in accordance with clause 17.2.
- 9.4. In respect of MergeCo's compliance with this Undertaking or an Undertaking Appointment's compliance with its Approved Terms of Appointment, the ACCC may request any Undertaking Appointment to:
- (a) furnish information to the ACCC in the time and in the form requested by the ACCC;
 - (b) produce documents and materials to the ACCC within the Undertaking Appointment's custody, power or control in the time and in the form requested by the ACCC; and / or
 - (c) attend the ACCC at a time and place appointed by the ACCC to answer any questions the ACCC (its Commissioners, its staff or its agents) may have.
- 9.5. MergeCo must use its best endeavours to ensure that an Undertaking Appointment complies with any request from the ACCC in accordance with clause 9.4.
- 9.6. Information furnished, documents and material produced or information given in response to any request or direction from the ACCC under this clause 9 may be used by the ACCC for any purpose consistent with the exercise of its statutory duties.
- 9.7. The ACCC may in its discretion:
- (a) advise any Undertaking Appointment of any request made by it under this clause 9; and / or
 - (b) provide copies to any Undertaking Appointment of any information furnished, documents and material produced or information given to it under this clause 9.
- 9.8. Nothing in this clause 9 requires the provision of information or documents in respect of which MergeCo has a claim of legal professional or other privilege.

10. Disclosure of this Undertaking

- 10.1. Within 5 Business Days of the Commencement Date, MergeCo will publish a copy of this Undertaking on its website.
- 10.2. Within 25 Business Days of the Commencement Date, MergeCo will publish on its website a plain English summary of the obligations contained within this Undertaking (which summary is to be approved by the ACCC prior to distribution).

- 10.3. MergeCo must maintain a link on the home page of its website to a page containing all items that it is required to publish in accordance with this Undertaking.
- 10.4. Where this Undertaking (including its schedules) imposes a requirement on MergeCo to publish an item on its website, that item must be placed on its website in a location where it would be easily found by someone looking for that item or for information about an issue to which that item relates.
- 10.5. MergeCo acknowledges that the ACCC may:
- (a) make this Undertaking publicly available;
 - (b) publish this Undertaking on its Public Section 87B Undertakings Register and Public Mergers Register; and
 - (c) from time to time publicly refer to this Undertaking.

11. Obligation to procure

- 11.1. Where the performance of an obligation under this Undertaking requires a Related Body Corporate of MergeCo to take or refrain from taking some action, MergeCo will procure that Related Body Corporate to take or refrain from taking that action.
- 11.2. As soon as practicable after the Commencement Date, MergeCo must direct its Personnel, including directors, contractors, managers, officers, employees and agents not to do anything inconsistent with MergeCo's obligations under this Undertaking.
- 11.3. MergeCo must ensure that any Related Body Corporate provides all necessary assistance and information so that the Parties are in a position to comply with any:
- (a) direction from the ACCC under clause 9.2;
 - (b) request from the Approved Independent Auditor in accordance with clause 8;
- for the purposes of the ACCC or the Approved Independent Auditor (as applicable) investigating MergeCo's compliance with the Undertaking.

12. No Derogation

- 12.1. This Undertaking does not prevent the ACCC from taking enforcement action at any time whether during or after the period of this Undertaking in respect of any breach by MergeCo of any term of this Undertaking.
- 12.2. Nothing in this Undertaking is intended to restrict the right of the ACCC to take action under the Act for penalties or other remedies in the event that MergeCo does not fully implement and / or perform its obligations under this Undertaking or in any other event where the ACCC decides to take action under the Act for penalties or other remedies.

13. Resolving inconsistencies

- 13.1. To the extent there are any inconsistencies between this Undertaking and the Armaguard Standard Cash Services Agreement (Annexure B of this Undertaking), Standard Third Party Access Agreement (Annexure C of this Undertaking), Complaints Handling Process (Annexure D of this Undertaking) or any terms of appointment as regards to MergeCo's obligations pursuant to this Undertaking, this Undertaking prevails.

14. Change of Control

- 14.1. In the event that a Change of Control is reasonably expected to occur, MergeCo must:
- (a) notify the ACCC of this expectation as soon as practicable; and
 - (b) only implement a Change of Control to another person or entity if that person or entity has given a section 87B undertaking to the ACCC that requires it to comply with the same obligations as are imposed on MergeCo pursuant to this Undertaking, or on terms that are otherwise acceptable to the ACCC, unless the ACCC has notified MergeCo in writing that a section 87B undertaking under this clause is not required.

15. Costs

- 15.1. MergeCo must pay all of its own costs incurred in relation to this Undertaking.

16. Confidentiality and ring-fencing

- 16.1. MergeCo undertakes that it must, during the Term of the Undertaking or at any time thereafter (except in the proper course of its duties under this Undertaking or as required by law or by a Customer):
- (a) not require a Customer to provide any Confidential Information to MergeCo unless provision of that Confidential Information is:
 - (i) reasonably necessary for the provision of CIT Services by MergeCo;
 - (ii) required by law or government authority; or
 - (iii) consented to by the Customer;
 - (b) not use any Confidential Information of or relating to a Customer of which it has become aware in the course of supplying CIT Services to that Customer for any other purpose, or disclose that Confidential Information to any person without the Customer's written consent;
 - (c) ensure that its employees who have a legitimate need to access any Confidential Information in connection with the performance of their duties under this Undertaking must only do so for the purpose of:
 - (i) providing CIT Services to a Customer;
 - (ii) resolving a complaint or dispute; or

- (iii) as otherwise expressly consented to in writing by the Customer.
- 16.2. From the Commencement Date, MergeCo must appoint a Compliance Officer who is responsible for monitoring MergeCo's compliance with this clause 16.
- 16.3. MergeCo must implement an annual compliance education program for employees during the Term of this Undertaking, which provides training and information on MergeCo's obligations under this clause 16, and must ensure that that compliance education program is given to new employees within 30 days of the commencement of their employment.
- 16.4. MergeCo must report any breaches of this clause 16 to the Approved Independent Auditor and the ACCC within five Business Days of becoming aware of the breach.
- 16.5. Nothing in this Undertaking prohibits disclosure of information which:
- (a) is in the public domain;
 - (b) after disclosure to a party becomes part of the public domain otherwise than as a result of the wrongful act of that party;
 - (c) is received from a third party provided that it was not acquired directly or indirectly by that third party from a party to a relevant agreement;
 - (d) is required to be disclosed by law or any government or governmental body, authority or agency having authority over a party; or
 - (e) is required to be disclosed to a party's legal advisors in connection with a relevant agreement.

17. Notices

Giving Notices

- 17.1. Any notice or communication to the ACCC pursuant to this Undertaking must be sent to:

Email address: mergers@accc.gov.au
 Attention: Executive General Manager
 Merger, Exemptions & Digital Division

With a copy sent to: mergersru@accc.gov.au
 Attention: Director, Remedies Unit
 Policy, Coordination & Remedies Branch
 Merger, Exemptions & Digital Division

- 17.2. Any notice or communication to MergeCo pursuant to this Undertaking must be sent to: MinterEllison

Name: MinterEllison
Address: Level 40, 1 Farrer Place, Sydney NSW 2000
Email Address: katrina.groshinski@minterellison.com

Phone number: (02) 9921 4396

Attention: Katrina Groshinski

With a copy sent to: the General Counsel of MergeCo

Name: The General Counsel of MergeCo

Address: [MergeCo GC address TBC]

Email Address: [MergeCo GC email TBC]

Phone number: [MergeCo GC phone TBC]

Attention: [MergeCo GC TBC]

- 17.3. If sent by post, notices are taken to be received three Business Days after posting (or seven Business Days after posting if sent to or from a place outside Australia).
- 17.4. If sent by email, notices are taken to be received at the time shown in the email as the time the email was sent.

Change of contact details

- 17.5. MergeCo must notify the ACCC of a change to its contact details within three Business Days.
- 17.6. Any notice or communication will be sent to the most recently advised contact details and subject to clauses 17.3 and 17.4, will be taken to be received.

18. Defined terms and interpretation

Definitions in the Dictionary

- 18.1. A term or expression starting with a capital letter:
- (a) which is defined in the Dictionary in Part 1 of Schedule 1 (Dictionary), has the meaning given to it in the Dictionary; or
 - (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

Interpretation

- 18.2. Part 2 of Schedule 1 (Interpretation) sets out rules of interpretation for this Undertaking.

Executed as an Undertaking

Executed by Linfox Armaguard Pty Ltd (ACN 099 701 872) pursuant to section 127(1) of the *Corporations Act 2001* by:

Signature of director	Signature of a director/company secretary
Name of director (print)	Name of director/company secretary (print)
Date	Date

Accepted by the ACCC pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) on:

Date

and signed on behalf of the ACCC:

Chair

Date

Schedule 1 – Dictionary and interpretation

1. Dictionary

ACC or Approved Cash Centre means any centre approved as such by the RBA.

ACCC means the Australian Competition and Consumer Commission.

ACCO means Approved Cash Centre Operator as approved by the RBA.

Act means the *Competition and Consumer Act 2010* (Cth).

Agreements means any contract, arrangement or understanding, including any contract, arrangement or understanding to renew, amend, vary or extend any contract, arrangement or understanding.

Ancillary Services has the meaning given in clause 5.23.

Applicant or Applicants means Linfox Armaguard Pty Ltd (ACN 099 701 872) and Prosegur Australia Holdings Pty Ltd (ACN 166 656 739).

Approved Independent Auditor means the person approved by the ACCC and appointed under clause 8 of this Undertaking.

Approved Audit Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Independent Auditor will audit and report upon compliance with this Undertaking.

Approved Dispute Resolution Process means the ACCC-approved Dispute Resolution Process as drafted by the Approved Independent Expert and outlining the Approved Independent Expert's process for resolving disputes between MergeCo and a Customer.

Approved Independent Expert means the person approved by the ACCC and appointed under clause 7 of this Undertaking.

Approved Terms of Appointment means the terms of appointment for the Approved Independent Auditor and the Approved Independent Expert, as approved by the ACCC in accordance with the terms of this Undertaking.

Armaguard Cash Services Agreement means the standard form agreement pursuant to which Armaguard supplies CIT Services to Customers.

Associated Entity has the meaning given by section 50AAA of the Corporations Act.

ATM means an automatic teller machine.

ATM Specific Services has the meaning given in clause 5.18 of this Undertaking.

Audit Report has the meaning given to it in clause 8.12 of this Undertaking.

Australian Standard on Complaints Management means AS 10002:2002 guideline for complaint management in organisations.

Business Day means a day other than a Saturday or Sunday on which banks are open for business generally in the New South Wales.

Cash Processing Services has the meaning given in clause 5.21.

Change of Control means:

- (a) the assignment or other transfer of the legal or beneficial ownership of some or all of the share capital of MergeCo to any other person or entity that may impact compliance with this Undertaking in its entirety; or
- (b) the sale or transfer of any assets necessary, or which may be necessary to enable MergeCo to continue to comply with this Undertaking in its entirety.

CIT Services means services for the transportation, storage and processing of cash by MergeCo for Customers including:

- (a) cash collection and delivery services;
- (b) Cash Processing Services and Ancillary Services (being the Third Party Cash Services as set out in clause 5.20);
- (c) cash administration services;
- (d) cash storage; and
- (e) ATM Specific Services,

but does not include the supply of precious cargo services, security services, the supply of vending and safe products, transaction services, payment solutions, financing facilities such as bailment and commercial cash arrangements, or other ATM maintenance services.

Closure means the point at which an Approved Cash Centre permanently ceases to operate.

Commencement Date means the date described in clause 3.1 of this Undertaking.

Compliance Officer means the person referred to in clause 16 of this Undertaking.

Complaints Handling Process means the process referred to in clause 5.27 - 5.31 of this Undertaking (as set out in Annexure D to this Undertaking).

Confidential Information means information provided by a Customer to MergeCo in relation to the business of that Customer which is:

- (a) by its nature confidential, including but not limited to information about that Customer's;
- (b) designated to be confidential by the Customer who supplied it; or
- (c) known, or ought reasonably to be known, by MergeCo to be confidential or commercially valuable.

Contracted Customers means an Existing Customer of the Applicants or MergeCo who is not an Uncontracted Customer.

Contracted Price means the Price that contracted customers pay for CIT Services pursuant to a written contract agreed to by the customer and either MergeCo or an Applicant.

Control Date means the date on which the Proposed Merger is completed.

Corporations Act means the *Corporations Act 2001* (Cth).

CPI means the percentage change in the value of the CPI All Groups Consumer Price Index, Weighted Average of Eight Capital Cities index number published by the Australian Bureau of Statistics or an index that replaces it for the most recent quarter compared with the index number for the same quarter twelve months prior (as revised).

Customers means Existing Customers and New Customers.

Entities Connected has the meaning given by section 64B of the Corporations Act.

Establishment Audit has the meaning given in clause 8.13(a) of this Undertaking.

Existing Arrangements means the standards of service set out in a written contract or contracts for the supply of CIT Services between an Existing Customer and either Applicant (as varied by agreement) in effect at the Commencement of this Undertaking. For example, frequency of cash collections and security procedures.

Existing Customers means a person that obtains CIT Services from MergeCo and includes Contracted Customers and Uncontracted Customers, but excludes its Internal Customer.

Financial year means a financial year ending 30 June.

First Line ATM Maintenance means trouble shooting and rectification of basic and immediate operational ATM faults where specialised tools and parts are not required, such as cash and card reader jams.

Independent ATM Deployer means an entity, which is an Existing Customer or a New Customer, that operates a standalone ATM network.

Internal Customer is the business division within MergeCo that operates an ATM network and charge a fee on transactions that occur on ATMs which are part of its network.

Major Banks means the Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank and Westpac Banking Corporation.

Major Bank Note Pools means the Wholesale Cash owned by the Major Banks but located at, and managed by, ACCOs.

MergeCo means the entity referred to in clause 1.1 of this Undertaking.

New Customer means a person that does not currently obtain CIT Services from MergeCo or either Applicant.

Open Book Pricing means pricing that is based on an activity based cost build up referable to the scope and nature of the CIT Service, comprising only direct costs, reasonable indirect costs (including an allocation for reasonable overheads) and a pre-

tax margin of no greater than 10% (**Inputs**), which Inputs shall be disclosed to the New Customer on a confidential basis.

Price means the individual charges in a schedule of charges MergeCo or an Applicant levies on Customers for the supply of CIT Services.

Proposed Independent Auditor means a person named in a Proposed Independent Auditor Notice.

Proposed Independent Auditor Notice has the meaning given to it in clause 8.2 of this Undertaking.

Proposed Independent Expert means a person named in a Proposed Independent Expert Notice.

Proposed Independent Expert Notice means has the meaning given to it in clause 7.3 of this Undertaking.

Proposed Merger is defined in clause 2.4 of this Undertaking.

Proposed Undertaking Appointment means the proposed appointment of the Proposed Independent Auditor.

Prosegur Master Services Agreement means the standard form agreement pursuant to which Prosegur supplies CIT Services to Customers.

Public Mergers Register means the ACCC's public register of merger clearances, available at www.accc.gov.au.

Public Section 87B Undertakings Register means the ACCC's public register of section 87B undertakings, available at www.accc.gov.au.

RBA means the Reserve Bank of Australia.

Related Body Corporate has the meaning given to it by section 50 of the Corporations Act.

Related Entities has the meaning given to it by section 9 of the Corporations Act.

Related Parties has the meaning given to it by section 228 of the Corporations Act.

Subsidiary has the meaning given by section 9 of the Corporations Act.

Surplus Equipment includes any firearms or Cencon locks that are no longer required by MergeCo.

Term has the meaning given in clause 3.2.

Third Party Cash Services means the supply by MergeCo to Third Party CIT Providers of Cash Processing Services and Ancillary Services.

Third Party CIT Provider means a person other than MergeCo, Armaguard or Prosegur which supplies, or intends to supply, CIT Services.

Uncontracted Customers means a New Customer or an Existing Customer who either:

- (a) acquire services from MergeCo other than pursuant to a written contract agreed to by the customer and MergeCo prior to the Commencement Date; or
- (b) is an Existing Customer whose written contract with MergeCo ends prior to the Commencement Date.

Undertaking is a reference to all provisions of this document, including its schedules and as varied from time to time under section 87B of the Act.

Undertaking Appointment means the Approved Independent Auditor and the Approved Independent Expert.

Wholesale Cash means the banknotes owned by the RBA and held in Major Bank Note Pools.

2. Interpretation

- 2.1 In the interpretation of this Undertaking, the following provisions apply unless the context otherwise requires:
- (a) a reference to this Undertaking includes all of the provisions of this document including its schedules;
 - (b) headings are inserted for convenience only and do not affect the interpretation of this Undertaking;
 - (c) if the day on which any act, matter or thing is to be done under this Undertaking is not a Business Day, the act, matter or thing must be done on the next Business Day;
 - (d) a reference in this Undertaking to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
 - (e) a reference in this Undertaking to any company includes its Related Bodies Corporate;
 - (f) a reference in this Undertaking to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced;
 - (g) a reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Undertaking;
 - (h) an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
 - (i) where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
 - (j) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;

- (k) a reference to the words 'such as', 'including', 'particularly' and similar expressions is to be construed without limitation;
- (l) a construction that would promote the purpose - or object - underlying the Undertaking (whether expressly stated or not) will be preferred to a construction that would not promote that purpose or object;
- (m) material not forming part of this Undertaking may be considered to:
 - (i) confirm the meaning of a clause is the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the competition concerns intended to be addressed by the Undertaking and the clause in question; or
 - (ii) determine the meaning of the clause when the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the purpose or object underlying the Undertaking, leads to a result that does not promote the purpose or object underlying the Undertaking;
- (n) in determining whether consideration should be given to any material in accordance with paragraph (m), or in considering any weight to be given to any such material, regard must be had, in addition to any other relevant matters, to the:
 - (i) effect that reliance on the ordinary meaning conveyed by the text of the clause would, have (taking into account its context in the Undertaking and whether that meaning promotes the purpose or object of the Undertaking); and
 - (ii) need to ensure that the result of the Undertaking is to completely address any ACCC competition concerns;
- (o) the ACCC may authorise the ACCC Mergers Review Committee, a member of the ACCC or a member of the ACCC staff, to exercise a decision making function under this Undertaking on its behalf and that authorisation may be subject to any conditions which the ACCC may impose;
- (p) in performing its obligations under this Undertaking, MergeCo will do everything reasonably within its power to ensure that its performance of those obligations is done in a manner which is consistent with promoting the purpose and object of this Undertaking;
- (q) a reference to:
 - (i) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (ii) a party includes its successors and permitted assigns; and
 - (iii) a monetary amount is in Australian dollars.

Schedule 2 – Undertaking Appointment Form

This form sets out the information required by the ACCC in relation to proposed appointment of the following positions under the Undertaking:

- Independent Auditor; or
- Independent Expert

(the **Undertaking Appointment**).

This form is to be used for each of the above appointments.

Please note in relation to information given pursuant to this form, giving false or misleading information is a serious offence.

1. Method of Delivery to the ACCC

The completed form with requested documents attached may be provided to the ACCC using the following method:

Email

Subject line: Proposed [Independent Auditor/Independent Expert] Notice – **[insert name of undertaking]**

Address: mergers@acc.gov.au

Attention: Executive General Manager – Mergers, Exemptions & Digital Division

With an email copy sent to:

Address: mergersru@acc.gov.au

Attention: Director, Remedies Unit – Policy, Coordination & Remedies Branch, Mergers, Exemptions & Digital Division

2. Information Required

The ACCC requires the following information in order to assess a proposed Independent Auditor or Independent Expert (i.e., the relevant Undertaking Appointment).

2.1 Proposed Undertaking Appointment details:

- (a) the name of the Proposed Undertaking Appointment; and
- (b) the name of the Proposed Undertaking Appointment's employer and contact details including:
 - (i) address;
 - (ii) contact name;
 - (iii) telephone number; and
 - (iv) other contact details.

2.2 A submission containing the following information:

- (a) details of the Undertaking Appointment's qualifications and experience relevant to his or her proposed role pursuant to the Undertaking;
- (b) the names of the owner(s) and the director(s) of the Undertaking Appointment's employer;
- (c) details of any of the following types of relationships between MergeCo and the Undertaking Appointment or the Undertaking Appointment's employer or confirmation that no such relationship exists whether within Australia or outside of Australia:
 - (i) MergeCo and the Undertaking Appointment's employer are Associated Entities;
 - (ii) MergeCo is an Entity Connected with the Undertaking Appointment's employer;
 - (iii) the Undertaking Appointment's employer is an Entity Connected with MergeCo;
 - (iv) MergeCo and the Undertaking Appointment's employer are Related Entities;
 - (v) MergeCo and the Undertaking Appointment's employer are Related Parties;
 - (vi) any Related Party, Related Entity or Entity Connected with MergeCo is a Related Party, Related Entity or Entity Connected with the Undertaking Appointment;
 - (vii) MergeCo and the Undertaking Appointment or the Undertaking Appointment's employer have a contractual relationship or had one within the past three years, other than those attached to this form;
 - (viii) the Undertaking Appointment's employer is a supplier of MergeCo or has been in the past three years;
 - (ix) MergeCo is a supplier of the Undertaking Appointment's employer or has been in the past three years; and
 - (x) any other relationship between MergeCo and the Undertaking Appointment or the Undertaking Appointment's employer that allows one to affect the business decisions of the other;
- (d) details of any existing or past contractual relationships between the Undertaking Appointment or the Undertaking Appointment's employer and the ACCC within the past three years; and
- (e) a document outlining the terms of appointment for the proposed Undertaking Appointment. This should identify the basis on which fees will be paid, including disclosure of any proposed performance-based fees.

3. Specific Information required for Undertaking Appointments

The ACCC requires the below information in relation to the relevant Undertaking Appointment.

Proposed Independent Auditor

3.1 A draft audit plan, drafted by the Proposed Independent Auditor and outlining (to the extent possible) the Proposed Independent Auditor's plans in regard to the Establishment Audit and the Audit Report. The draft audit plan will be finalised pursuant to ACCC-approval.

Proposed Independent Expert

3.2. A draft Dispute Resolution Process, drafted by the Proposed Independent Expert and outlining the Proposed Independent Expert's process for resolving disputes between MergeCo and a Customer. The draft Dispute Resolution Process will be finalised pursuant to ACCC-approval.

Annexure A – cash point locations of Armaguard and Prosegur

Attachment A

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
800	DARWIN	2530	YALLAH	3189	MOORABBIN	4305	IPSWICH NORTH	6018	KARRINYUP
800	DARWIN CITY	2533	JAMBEROO	3190	DONCASTER EAST	4305	LEICHARDT	6018	WOODLANDS
810	CASUARINA	2533	KIAMA	3190	HIGHETT	4305	NORTH IPSWICH	6019	BASSEDEAN
810	COCONUT GROVE	2533	KIAMA DOWNS	3190	SANDRINGHAM	4305	RACEVIEW	6019	SCARBOROUGH
810	DARWIN	2534	GERRINGONG	3191	SANDRINGHAM	4305	WEST IPSWICH	6019	WEMBLEY DOWNS
810	EATON	2534	GERROA	3192	CAULFIELD NORTH	4305	WINSTON GLADES	6020	CARINE
810	JINGILI	2535	BERRY	3192	CHELTENHAM	4305	YAMANTO	6020	MARMION
810	MARRARA	2535	COOLANGATTA	3192	CHELTENHAM NORTH	4306	AMBERLEY	6020	NORTH BEACH
810	MILLNER	2536	BATEHAVEN	3192	MOORABBIN	4306	BLACKBUTT	6020	SEVILLE GROVE
810	NAKARA	2536	BATEMANS BAY	3192	SOUTHLAND	4306	BLACKSOIL	6020	SORRENTO
810	NIGHTCLIFF	2536	MALUA BAY	3193	BEAUMARIS	4306	FERNVALE	6021	BALCATT
810	NIGHTCLIFFE	2536	NORTH BATEMANS BAY	3193	BLACK ROCK	4306	HAIGSLEA	6021	HALLS HEAD
811	CASUARINA	2536	SURF BEACH	3194	FYSHWICK	4306	KARALEE	6022	HAMERSLEY
812	KARAMA	2537	BROULEE	3194	MENTONE	4306	MOUNT CROSBY	6023	DUNCRAIG
812	MARRARA	2537	MORUYA	3194	MENTONE EAST	4306	RIPLEY	6024	GREENWOOD
820	EATON	2537	TOMAKIN	3194	MOORABBIN	4307	HARRISVILLE	6024	WARWICK
820	FANNIE BAY	2537	TUROSS HEAD	3194	MOORABBIN AIRPORT	4309	ARATULA	6025	CRAIGIE
820	LUDMILLA	2538	MILTON	3194	WEST PARKDALE	4309	KALBAR	6025	HILARYS
820	PARAP	2539	BURRILL LAKE	3195	ASPENDALE	4310	BOONAH	6025	HILLARYS
820	STUART PARK	2539	ULLADULLA	3195	ASPENDALE GARDENS	4311	LOWWOOD	6025	MORNINGSIDE
820	WINNELLIE	2540	BOODERE NATIONAL PRK	3195	BRAESIDE	4312	ESK	6025	PADBURY
822	BICKERTON ISLAND	2540	CALLALAH BAY	3195	MORDIALLOC	4313	TOOGOO LAHAWAH	6025	WHITFORDS
822	EAST ARM	2540	CAMBERRA VILLAGE	3195	MORDIALLOC NORTH	4320	ROBINA	6026	KINGSLEY
822	GARDEN POINT	2540	COFFS HARBOUR	3195	PARKDALE	4340	ROSEWOOD	6026	WOODVALE
822	GOULBOURN ISLAND	2540	CULBURRA BEACH	3196	CHELSEA	4341	LAIDLEY	6027	BELDON
822	GUNBALANYA	2540	GREENWELL POINT	3196	CHELSEA HEIGHTS	4341	PLAINLAND	6027	EDGEWATER
822	MANINGRIDA	2540	HMAS ALBATROSS	3196	EDITHVALE	4342	FOREST HILL	6027	HEATHRIDGE
822	NGANMARRIYANGA	2540	HMAS CRESWELL	3197	CARRUM	4343	GATTON	6027	JOONDALUP
822	NUMBURINDI	2540	HUSKISSON	3197	PATTERSON LAKES	4344	HELIDON	6027	LAKELANDS
822	WADEYE	2540	JERVIS BAY	3197	PATTERSONS LAKES	4346	MARBURG	6027	MULLALOO
822	WISHART	2540	SANCTUARY POINT	3198	FRANKSTON NORTH	4350	CENTENARY HEIGHTS	6027	OCEAN REEF
822	WURRUMIYANGA	2540	ST GEORGES BASIN	3198	SEAFORD	4350	CHARLTON	6028	CURRAMBINE
828	BERRIMAH	2540	SUSSEX INLET	3198	SEAFORD NORTH	4350	CLIFFORD GARDENS	6028	PINJARRA
828	DARWIN	2540	TOMERONG	3199	BAXTER	4350	DARLING HEIGHTS	6030	CLARKSON
828	KNUCKEY LAGOON	2540	VINCENTIA	3199	FRANKSTON	4350	EAST TOOWOOMBA	6030	MERRIWA
829	HOLTZE	2540	WORRIGEE	3199	FRANKSTON EAST	4350	GLENVALE	6030	MINDARIE
829	PINELANDS	2541	BOMADERRY	3199	FRANKSTON HEIGHTS	4350	HARLAXTON	6030	QUINNS ROCKS
830	EAST ARM	2541	BOMDERRY	3199	FRANKSTON SOUTH	4350	HARRISTOWN	6030	RIDGEWOOD
830	MALAK	2541	NOWRA	3199	FRANKSTON STH	4350	HARRISTOWN TOOWOOMBA	6031	BANKSIA GROVE
830	MOULDEN	2541	NOWRA EAST	3199	KARINGAL	4350	KEARNEYS SPRING	6031	CARRAMAR
830	PALMERSTON	2541	NOWRA NORTH	3200	FRANKSTON	4350	NEWTOWN	6032	NOWERGUP
830	YARRAWONGA	2541	NOWRA SOUTH	3200	FRANKSTON NORTH	4350	NORTH TOOWOOMBA	6035	YANCHEP
831	BAKEWELL	2541	SOUTH NOWRA	3201	CARRUM	4350	RANGEVILLE	6036	BRIGHTON
831	PALMERSTON	2545	BODALLA	3201	CARRUM DOWNS	4350	ROCKVILLE	6036	BUTLER
832	BELLMACK	2545	MERIMBULA	3202	HEATHERTON	4350	SOUTH TOOWOOMBA	6036	JINDALEE
835	COOLALINGA	2546	BERMAGUI	3204	BENTLEIGH	4350	TOOWOOMBA	6036	JINDOWIE
835	HOLTZE	2546	BERMAGUI SOUTH	3204	MCKINNON	4350	TOOWOOMBA CITY	6037	TWO ROCKS
835	HOWARD SPRINGS	2546	CENTRAL TILBA	3204	ORMOND	4350	TOOWOOMBA EAST	6038	ALKIMOS
835	HOWARDS SPRINGS	2546	NAROOMA	3205	ALTONA NORTH	4350	TOOWOOMBA NORTH	6050	MOUNT LAWLEY
836	COOLALINGA	2548	MERIMBULA	3205	DEER PARK	4350	TOOWOOMBA SOUTH	6050	MT LAWLEY
836	COOLINGA	2548	TURA BEACH	3205	MELBOURNE	4350	TOOWOOMBA WEST	6051	MAYLANDS
836	HUMPTY DOO	2549	PAMBULA	3205	SOUTH MELBOURNE	4350	WESTBROOK	6052	BEDFORD
838	BERRY SPRINGS	2550	BEGA	3206	ALBERT PARK	4350	WILSONTON	6052	INGLEWOOD
839	COOLALINGA	2550	CANDELO	3206	MIDDLE PARK	4352	HIGHFIELDS	6053	BAYSWATER
845	BATCHELOR	2550	COBARGO	3207	PORT MELBOURNE	4352	MERINGANDAN	6054	BASSEDEAN
845	NAUIYU	2550	QUAAMA	3207	TULLAMARINE	4355	CROWS NEST	6054	KIARA
847	PINE CREEK	2550	TATHRA	3211	LITTLE RIVER	4356	PITTSWORTH	6054	MIDLAND
850	KATHERINE	2551	EDEN	3212	LARA	4357	MILLMERRAN	6055	BRABHAM
850	MATARANKA	2552	WOLLONGONG	3212	LILYDALE	4358	CAMBOOYA	6055	CAVERSHAM
850	MINYERRI	2556	BRINGELLY	3213	LOVELY BANKS	4361	CLIFTON	6055	DAYTON
850	ROBINSON RIVER	2557	GREGORY HILLS	3214	CORIO	4362	ALLORA	6055	GUILDFORD
852	BESWICK	2558	EAGLE VALE	3214	NORLANE	4370	WARWICK	6055	GUILFORD
852	KALKARINDJI	2558	KEARNS	3215	BELL PARK	4373	KILLARNEY	6055	WEST SWAN
852	LAJAMANU	2559	CLAYMORE	3215	BENDIGO	4377	THE SUMMIT	6056	BELLEVUE
852	NGUKURR	2560	AIRDS	3215	GEELONG	4378	APPLETHORPE	6056	BRABHAM
852	PIGEON HOLE	2560	AMBARVALE	3215	GEELONG NORTH	4378	STANTHORPE	6056	ELLENBROOK
853	TINDAL	2560	AMBERVALE	3215	HAMLIN HEIGHTS	4380	STANTHORPE	6056	HERNE HILL
854	BORROLOOLA	2560	APPIN	3215	NORTH GEELONG	4385	TEXAS	6056	JOONDALUP
860	TENNANT CREEK	2560	BRADBURY	3215	RIPPLESIDE	4387	INGLEWOOD	6056	MIDDLE SWAN
870	ALICE SPRINGS	2560	CAMPBELLTOWN	3215	WILLIAMS LANDING	4390	GOONDIWINDI	6056	MIDLAND
870	ARALUEN	2560	CAMPBELLTOWN NORTH	3216	BELMONT	4400	KINGSTHORPE	6056	MIDVALE
870	BRAITLING	2560	ENGLORIE PARK	3216	GEELONG	4401	OAKY	6056	STRATTON
872	YULARA	2560	LEUMEAH	3216	GROVEDALE	4405	DALBY	6056	SWAN VIEW
880	NHULUMBUY	2560	ROSEMEADOW	3216	HIGHTON	4410	JANDOWAE	6056	TINGALPA
885	ALYANGULA	2560	RUSE	3216	MARSHALL	4413	CHINCHILLA	6056	WANNEROO
886	JABIRU	2560	ST HELENS PARK	3216	MOUNT DUNEED	4415	MILES	6057	BASSEDEAN
930	YARRAWONGA	2560	WOODBINE	3216	WAURN PONDS	4420	TAROOM	6057	HIGH WYCOMBE
1000	CHARLESTOWN	2563	MENANGLE PARK	3217	ARMSTRONG CREEK	4421	TARA	6057	MAIDA VALE
1499	SUTHERLAND	2564	MACQUARIE FIELDS	3217	DERRIMUT	4425	WEST MACKAY	6058	FORRESTFIELD
1875	MOOREBANK	2565	DENHAM COURT	3217	GEELONG	4427	YULEBA	6058	REDCLIFFE
2000	BARANGAROO	2565	INGLEBURN	3218	APOLLO BAY	4454	INJUNE	6059	DIANELLA
2000	CIRCULAR QUAY	2565	LOCKHART	3218	GEELONG WEST	4455	ROMA	6059	WEST DIANELLA
2000	DARLING HARBOUR	2566	MINTO	3218	GROVEDALE	4465	MITCHELL	6060	YOKINE
2000	DARLING PARK	2567	HARRINGTON PARK	3219	GEELONG EAST	4470	CHARLEVILLE	6061	BALGA
2000	HAYMARKET	2567	MOUNT ANNAN	3219	NEWCOMB	4472	BLACKALL	6061	KARRINYUP
2000	MELBOURNE	2567	MT ANNAN	3219	NEWCOMBE	4473	TINGALPA	6061	MIRRABOOKA
2000	MILLERS POINT	2567	NARELLAN	3220	EAST GEELONG	4477	AUGATHELLA	6061	NOLLAMARA
2000	SYDNEY	2569	DOUGLAS PARK	3220	GEELONG	4478	TAMBO	6061	WESTMINSTER
2000	SYDNEY SOUTH	2570	CAMDEN	3220	GEELONG SOUTH	4480	QUILPIE	6062	BALGA
2000	THE ROCKS	2570	OAKDALE	3220	NEWTON	4487	ST GEORGE	6062	EMBLETON
2000	WYNYARD	2570	ORAN PARK	3220	NEWTOWN	4490	CUNNAMULLA	6062	MALAGA
2004	MARRICKVILLE	2570	SPRING FARM	3220	PAKENHAM	4500	BRAY PARK	6062	MORLEY

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Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2007	BROADWAY	2570	THE OAKS	3220	SOUTH GEELONG	4500	BRENDALE
2007	ULTIMO	2571	PICTON	3221	WAURN PONDS	4500	KENSINGTON HILLS
2008	CHIPPENDALE	2572	THIRLMERE	3222	CLIFTON SPRINGS	4500	STRATHPINE
2008	DARLINGTON	2573	TAHMOOR	3222	DRYSDALE	4500	WARNER
2009	PYRMONT	2574	BARGO	3223	INDENTED HEAD	4500	WARNER LAKES
2010	DARLINGHURST	2574	PHEASANTS NEST	3223	PORTARLINGTON	4501	LAWNTON
2010	KINGS CROSS	2575	HILL TOP	3223	ST LEONARDS	4502	PETRIE
2010	SURRY HILLS	2575	MITTAGONG	3224	LEOPOLD	4503	DAKABIN
2010	SYDNEY	2576	BOWRAL	3224	MOOLAP	4503	GRIFFIN
2011	KINGS CROSS	2576	MOSS VALE	3225	POINT LONSDALE	4503	KALLAGUR
2011	POTTS POINT	2577	BARRENGARRY	3225	QUEENSCLIFF	4503	KALLANGUR
2011	RUSHCUTTERS BAY	2577	BERRIMA	3226	OCEAN GROVE	4503	MURRUMBA DOWNS
2011	SYDNEY	2577	BURRAWANG	3227	ARMSTRONG CREEK	4504	BURPENGARY
2011	WOOLLOOMOOLOO	2577	MOSS VALE	3227	BARWON HEADS	4504	NARANGBA
2012	WARRIEWOOD	2577	NEW BERRIMA	3228	TORQUAY	4505	BURPENGARY
2013	MONA VALE	2577	SUTTON FOREST	3230	ANGLESEA	4505	BURPENGARY MEADOWS
2015	ALEXANDRIA	2578	BUNDANOON	3231	AIREYS INLET	4506	MORAYFIELD
2015	BEACONSFIELD	2579	EXETER	3232	LORNE	4506	NOOSAVILLE
2015	EVELEIGH	2579	MARULAN	3233	APOLLO BAY	4507	BELLARA
2015	SOUTH EVELEIGH	2580	GOULBURN	3233	BELMONT	4507	BONGAREE
2015	UNANDERRA	2580	TARALGA	3233	GEELONG WEST	4507	BRIBE ISLAND
2016	REDFERN	2581	DALTON	3240	ARMADALE	4507	GREENSLOPES
2016	SURRY HILLS	2581	EDMONDSON PARK	3240	MORIAN	4507	WOORIM
2017	KENSINGTON	2581	GUNNING	3241	WINCHELSEA	4508	DECEPTION BAY
2017	WATERLOO	2582	YASS	3242	BIRREGURRA	4508	TOOWONG
2017	ZETLAND	2583	CROOKWELL	3249	SUNBURY	4509	DECEPTION BAY
2018	EASTLAKES	2584	BINALONG	3250	COLAC	4509	MANGO HILL
2018	ROSEBERY	2586	BOOROWA	3250	GLEN WAVERLEY	4509	NARANGBA
2019	BOTANY	2587	HARDEN	3251	BEEAC	4509	NORTH LAKES
2020	BELROSE	2590	COOTAMUNDRA	3260	CAMPERDOWN	4510	BEACHMERE
2020	MASCOT	2594	HARDEN	3260	COBDEN	4510	BELLMERE
2020	SYDNEY	2594	YOUNG	3264	TERANG	4510	CABOOLTURE
2020	SYDNEY AIRPORT	2599	TAREE	3266	SIMPSON	4510	CABOOLTURE NORTH
2020	SYDNEY INTNL AIRPORT	2600	BARTON	3268	TIMBOON	4510	CABOOLTURE SOUTH
2021	MOORE PARK	2600	CANBERRA	3269	PORT CAMPBELL	4510	DONNYBROOK
2021	PADDINGTON	2600	CANBERRA CITY	3272	MORTLAKE	4510	MORAYFIELD
2022	BONDI	2600	CAPITAL HILL	3274	CARAMUT	4511	NINGI
2022	BONDI JUNCTION	2600	DEAKIN	3277	ALLANSFORD	4511	SANDSTONE POINT
2022	PADDINGTON	2600	DEAKIN WEST	3280	DENNINGTON	4512	WAMURAN
2022	SYDNEY	2600	YARRALUMLA	3280	WARRAGUL	4514	D'AGUILAR
2023	BELLEVUE HILL	2600	YASS	3280	WARRNAMBOOL	4514	WOODFORD
2024	EDGECLIFF	2601	ACTON	3280	WARRNAMBOOL	4515	HAZELDEAN
2024	WAVERLEY	2601	BRADDON	3282	KOROIT	4515	KENMORE
2025	WOOLLAHRA	2601	CANBERRA	3284	PORT FAIRY	4515	KILCOY
2026	BONDI	2601	CANBERRA CITY	3287	HAWKESDALE	4517	BEERBURRUM
2026	BONDI BEACH	2601	CITY	3289	PENSHURST	4518	GLASS HOUSE MOUNTAINS
2026	TAMARAMA	2602	AINSLIE	3290	NORTHCOTE	4519	BEERWAH
2027	EDGECLIFF	2602	DICKSON	3300	HAMILTON	4519	COOCHIN CREEK
2028	DOUBLE BAY	2602	HACKETT	3304	DARTMOOR	4520	GYMPIE
2029	ROSE BAY	2602	LYNEHAM	3304	HEYWOOD	4520	MOUNT NEBO
2030	VAUCLUSE	2602	O'CONNOR	3305	PORTLAND	4520	SAMFORD VILLAGE
2031	CLOVELLY	2602	WATSON	3311	CASTERTON	4521	DAYBORO
2031	RANDWICK	2603	GRIFFITH	3315	COLERAINE	4530	TOOWOOMBA
2032	KINGSFORD	2603	MANUKA	3318	EDENHOPE	4550	BURPENGARY
2033	KENSINGTON	2603	RED HILL	3321	INVERLEIGH	4550	LANDSBOROUGH
2033	MOORE PARK	2604	KINGSTON	3324	LISMORE	4551	AROONA
2034	COOGEE	2604	NARRABUNDAH	3325	DERRINALLUM	4551	BARINGA
2034	COOGEE SOUTH	2605	CURTIN	3328	TEESDALE	4551	BATTERY HILL
2035	MAROUBRA	2605	GARRAN	3328	TORQUAY	4551	CALOUNDRA
2035	MAROUBRA JUNCTION	2606	CHADSTONE	3331	BANNOCKBURN	4551	CALOUNDRA WEST
2035	PAGEWOOD	2606	PHILLIP	3333	MEREDITH	4551	CURRUMUNDI
2036	EASTGARDENS	2606	WODEN	3335	RAVENHALL	4551	CURRUMUNDI
2036	HILLSDALE	2607	MAWSON	3335	ROCKBANK	4551	GLADSTONE
2036	MALABAR	2607	PEARCE	3336	AINTREE	4551	GOLDEN BEACH
2036	MATRAVILLE	2608	CANBERRA	3336	MELTON SOUTH	4551	KINGS BEACH
2036	PAGEWOOD	2608	CANBERRA CITY	3337	MELTON	4551	LITTLE MOUNTAIN
2037	BROADWAY(GLEBE)	2609	CANBERRA	3337	MELTON EAST	4551	MERIDIAN PLAINS
2037	FOREST LODGE	2609	CANBERRA AIRPORT	3337	MELTON WEST	4551	MERIDIAN PLAINS
2037	GLEBE	2609	CHURCH POINT	3338	COBBLEBANK	4551	MOFFAT BEACH
2038	ANNADALE	2609	FYSHWICK	3338	MELTON	4551	PELICAN WATERS
2038	ANNANDALE	2609	MAJURA PARK	3338	MELTON SOUTH	4552	MALENY
2039	ROZELLE	2609	PIALLIGO	3338	WEIR VIEWS	4553	MOOLOOLAH VALLEY
2040	LEICHARDT	2611	DUFFY	3340	BACCHUS MARSH	4554	EUDLO
2040	LEICHHARDT	2611	MOLONGLO	3342	BALLAN	4555	MONTVILLE
2041	BALMAIN	2611	RIVETT	3350	ALFREDTON	4555	PALMWOODS
2042	ENMORE	2611	STIRLING	3350	BAKERY HILL	4556	BUDERIM
2042	NEWTOWN	2611	STROMLO	3350	BALLARAT	4556	FOREST GLEN
2043	ERSKINEVILLE	2611	WARAMANGA	3350	BALLARAT CENTRAL	4556	MAROOCHYDORE
2044	ST PETERS	2611	WESTON	3350	BALLARAT EAST	4556	NOOSAVILLE
2044	SYDENHAM	2611	WESTON CREEK	3350	BLACK HILL	4556	SIPPY DOWNS
2044	TEMPE	2612	BRADDON	3350	COHUNA	4557	MOOLOOLABA
2045	HABERFIELD	2612	CAMPBELL	3350	DELCOMBE	4557	MOUNTAIN CREEK
2046	ABBOTSFORD	2614	HAWKER	3350	LUCAS	4558	BUDERIM
2046	FIVE DOCK	2614	JAMISON CENTRE	3350	MOUNT CLEAR	4558	MAROOCHYDORE
2046	LEICHHARDT	2614	MACQUARIE	3350	MOUNT HELEN	4558	MAROOCHYDOORE
2046	WAREEMBA	2615	CHARNWOOD	3350	REDAN	4558	MAROOCHYDORE
2047	BIRKEN HEAD POINT	2615	CROOKWELL	3350	SOLDIERS HILL	4558	MAROOCHYDORE NORTH
2047	BIRKENHEAD POINT	2615	HOLT	3351	DELCOMBE	4558	SUNSHINE COVE
2047	DRUMMOYNE	2615	KIPPAX	3351	SMYTHES CREEK	4559	DIDDILLIBAH
2048	STANMORE	2615	MCKELLAR	3351	SMYTHES CREEK	4559	WOOMBYE
2049	LEWISHAM	2615	MELBA	3351	SMYTHESDALE	4560	BLI BLI
2049	PETERSHAM	2615	SPENCE	3352	LEXTON	4560	MAPLETON
						6062	NORANDA
						6063	BEECHBORO
						6063	MORLEY
						6064	ALEXANDER HEIGHTS
						6064	GIRRAWHEEN
						6065	ASHBY
						6065	LANDSDALE
						6065	LONSDALE
						6065	MADELEY
						6065	MIDVALE
						6065	PEARSALL
						6065	TAPPING
						6065	WANGARA
						6065	WANNEROO
						6065	WANNEROO SOUTH
						6066	BALLAJURA
						6068	WHITEMAN PARK
						6069	AVELEY
						6069	CANNING VALE
						6069	ELLENBROOK
						6069	UPPER SWAN
						6071	GLEN FORREST
						6073	MUNDARING
						6076	KALAMUNDA
						6076	LESMURDIE
						6081	STONEVILLE
						6084	BULLSBROOK
						6088	SUBIACO
						6090	MALAGA
						6100	BURSWOOD
						6100	LATHLAIN
						6100	VICTORIA PARK
						6101	CARLISLE
						6101	CARLISLE NORTH
						6101	CARLISLE SOUTH
						6101	EAST VICTORIA PARK
						6101	VICTORIA PARK
						6101	VICTORIA PARK EAST
						6102	BENTLEY
						6102	BENTLEY SOUTH
						6103	RIVERDALE
						6103	RIVERVALE
						6104	ASCOT
						6104	BELMONT
						6105	BELMONT
						6105	CLOVEDALE
						6105	CLOVERDALE
						6105	KEWDALE
						6105	PERTH
						6105	PERTH AIRPORT
						6106	WELSHPOOL
						6107	BECKENHAM
						6107	CANNINGTON
						6107	HILLARYS
						6107	KENWICK
						6107	QUEENS PARK
						6107	WATTLE GROVE
						6108	THORNIE
						6109	MADDINGTON
						6109	MADDINGTON SOUTH
						6109	MADDINGTON WEST
						6110	GOSNELLS
						6110	GOSNELLS
						6110	HUNTINGDALE
						6110	SOUTHERN RIVER
						6111	CAMILLO
						6111	CHAMPION LAKES
						6111	KARRAGULLEN
						6111	KELMSCOTT
						6111	ROLEYSTONE
						6112	ARMADALE
						6112	ARMDALE
						6112	BEDFORDALE
						6112	FORRESTDALE
						6112	HARRISDALE
						6112	HAYNES
						6112	MOUNT NASURA
						6112	NORTH ARMADALE
						6112	PIARA WATERS
						6112	SEVILLE GROVE
						6122	BYFORD
						6122	YANCHEP
						6123	MUNDIJONG
						6147	LANGFORD
						6147	LYNWOOD
						6148	RIVERTON
						6148	ROSSMOYNE
						6149	BULL CREEK
						6149	LEEMING
						6150	MURDOCH
						6150	WINTHROP
						6151	SOUTH PERTH

Attachment A

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2050	CAMPERDOWN	2616	BELCONNEN	3352	MINERS HILL	4560	NAMBOUR
2052	KENSINGTON	2617	BELCONNEN	3352	WARRENHEIP	4561	CALOUNDRA
2057	CHATSWOOD	2617	BRUCE	3352	WAUBRA	4561	YANDINA
2057	ST IVES	2617	GIRALANG	3354	BAKERY HILL	4562	EUMUNDI
2059	NORTH SYDNEY	2617	KALEEN	3355	MITCHELL PARK	4563	COOROY
2060	MCMAHONS POINT	2618	HALL	3355	WENDOUREE	4564	MARCOOLA
2060	NORTH SYDNEY	2619	ADAMINABY	3356	DELACOMBE	4564	MUDJIMBA
2060	NTH SYD	2619	JERRABOMBERRA	3356	SEBASTOPOL	4564	PACIFIC PARADISE
2061	CANBERRA	2620	HUME	3357	BUNINYONG	4565	TEWANTIN
2061	MILSONS POINT	2620	KARABAR	3358	WINTER VALLEY	4566	BUDERIM
2061	MILSON'S POINT	2620	QUEANBEYAN	3361	SKIPTON	4566	NOOSA
2062	CAMMERARY	2620	QUEANBEYAN EAST	3363	CRESWICK	4566	NOOSAVILLA
2062	CAMMERAY	2620	SUTTON	3364	ALLENDALE	4566	NOOSAVILLE
2063	NORTHBRIDGE	2621	BUNGENDORE	3370	CLUNES	4567	NAMBOUR
2064	ARTARMON	2622	BRAIDWOOD	3371	TALBOT	4567	NOOSA
2065	ARTARMON	2624	PERISHER VALLEY	3373	BEAUFORT	4567	NOOSA HEADS
2065	CROWS NEST	2625	THREDBO	3377	ARARAT	4568	POMONA
2065	GREENWICH	2626	PHILLIP	3377	DROMANA	4569	COORAN
2065	NAREMBURN	2627	JINDABYNE	3377	GREAT WESTERN	4570	AMAMOOOR
2065	PHILLIP	2628	BERRIDALE	3377	STAWELL	4570	CURRA
2065	ST LEONARDS	2630	COOMA	3379	WILLAURA	4570	GUNALDA
2066	CHATSWOOD WEST	2632	BOMBALA	3380	STAWELL	4570	GYMPIE
2066	LANE COVE	2633	DELEGATE	3381	HALLS GAP	4570	IMBIL
2066	LANE COVE WEST	2640	ALBURY	3390	MURTOA	4570	KANDANGA
2067	CHATSWOOD	2640	EAST ALBURY	3393	WARRACKNABEAL	4570	TRAVESTON
2067	CHATSWOOD EAST	2640	GRAFTON	3396	HOPETOUN	4572	ALEXANDRA HEDLANDS
2067	CHATSWOOD PLACE	2640	LAVINGTON	3400	HORSHAM	4573	COOLUM
2067	CHATSWOOD WEST	2640	NORTH ALBURY	3400	HORSHAM WEST	4573	COOLUM BEACH
2067	NEWCASTLE WEST	2640	WEST ALBURY	3409	NATIMUK	4573	PEREGIAN
2068	CASTLECRAG	2641	LAVINGTON	3414	DIMBOOLA	4573	PEREGIAN BEACH
2068	WILLOUGHBY	2642	JINDERA	3418	NHILL	4573	PEREGIAN SPRINGS
2068	WILLOUGHBY NORTH	2642	KHANCOBAN	3419	KANIVA	4574	KENILWORTH
2069	ROSEVILLE	2643	HOWLONG	3423	JEPARIT	4575	BIRTINYA
2070	LINDFIELD	2644	HOLBROOK	3424	RAINBOW	4575	BOKARINA
2071	KILLARA	2644	WOOMARGAMA	3427	DIGGERS REST	4575	BUDDINA
2072	GORDON	2645	URANA	3428	BULLA	4575	KAWANA WATERS
2072	NORTH RYDE	2646	COROWA	3429	SUNBURY	4575	MINYAMA
2073	PYMBLE	2647	MULWALA	3430	CLARKEFIELD	4575	PARREARRA
2073	WEST PYMBLE	2648	WENTWORTH	3431	RIDDELLS CREEK	4575	WARANA
2074	KUR RING GAI	2650	ASHMONT	3434	ROMSEY	4575	WURTULLA
2074	NORTH TURRAMURRA	2650	CAMPBELLTOWN	3435	LANCFIELD	4580	TIN CAN BAY
2074	TURRAMURRA	2650	GLENFIELD PARK	3437	GISBORNE	4581	RAINBOW BEACH
2075	LEETON	2650	KOORINGAL	3438	GISBORNE	4600	KILKIVAN
2075	PENRITH	2650	MOUNT AUSTIN	3440	MACEDON	4601	GOOMERI
2075	ST IVES	2650	TOLLAND	3441	MT MACEDON	4605	MURGON
2076	NORMANHURST	2650	WAGGA	3442	WOODEND	4606	WONDAI
2076	WAHROONGA	2650	WAGGA WAGGA	3444	KYNETON	4608	WOOROLIN
2077	ASQUITH	2651	FOREST HILL	3446	MALMSBURY	4610	KINGAROY
2077	HORNSBY	2652	GUMLY GUMLY	3450	CASTLEMAINE	4614	YARRAMAN
2077	WAITARA	2652	ROSEWOOD	3451	CAMPBELLS CREEK	4615	NANANGO
2079	MT COLAH	2652	TARCUITA	3451	CHEWTON	4621	BIGGENDEN
2080	MT KURING-GAI	2652	URANQUINTY	3453	HARCOURT	4625	GAYNDAH
2081	BEROWRA	2653	TUMBARUMBA	3453	RAVENSWOOD	4626	MUNDUBBERA
2082	BEROWRA HEIGHTS	2655	THE ROCK	3458	TRENTHAM	4627	EIDSVOLD
2083	BROOKLYN	2658	HENTY	3460	DAYLESFORD	4630	MONTO
2083	MOONEY MOONEY	2659	WALLA WALLA	3463	MALDON	4638	WARWICK
2084	TERREY HILLS	2660	CULCAIRN	3463	NUGGETTY	4650	MARYBOROUGH
2084	TERRY HILLS	2661	KAPOOKA	3464	CARISBROOK	4650	MARYBOROUGH QLD
2085	BELROSE	2663	JUNEE	3465	MARYBOROUGH	4650	MARYBOROUGH SOUTH
2085	BELROSE WEST	2665	BARELLAN	3472	DUNOLLY	4650	TIARO
2086	FRENCHES FOREST	2666	TEMORA	3475	BEALIBA	4650	TINANA
2086	FRENCHS FOREST	2668	BARMEDMAN	3478	ST ARNAUD	4655	ELI WATERS
2086	FRENCHS FOREST EAST	2669	TULLIBIGEAL	3480	DONALD	4655	HARVEY BAY
2087	FORESTVILLE	2669	UNGARIE	3483	BIRCHIP	4655	HERVEY BAY
2088	MOSMAN	2671	WEST WYALONG	3490	OUYEN	4655	NIKENBAH
2088	MOSMAN JUNCTION	2671	WYALONG	3496	RED CLIFFS	4655	PIALBA
2088	SPIT JUNCTION	2671	WYALONG WEST	3498	IRYMPLE	4655	TORQUAY
2089	NEUTRAL BAY	2672	LAKE CARGELLIGO	3500	MILDURA	4655	URANGAN
2090	CREMORNE	2675	HILLSTON	3501	KOORLONG	4655	URRAWEEEN
2092	SEAFORTH	2680	GRIFFITH	3501	MILDURA	4659	BURRUM HEADS
2093	BALGOWLAH	2680	GRIFFITH EAST	3501	MILDURA CENTRE PLAZA	4659	HOWARD
2093	BALGOWLAH HEIGHTS	2680	HANWOOD	3501	NICHOLS POINT	4660	CHILDERS
2093	MANLY VALE	2681	YENDA	3502	MILDURA	4660	WOODGATE
2095	MANLY	2700	NARRANDERA	3505	MERBEIN	4670	AVOCA
2095	MANLY EAST	2701	COOLAMON	3515	MARONG	4670	BARGARA
2095	MOSMAN	2702	COOLAMON	3516	BRIDGEWATER	4670	BUNDBERG
2096	CURL CURL	2702	GANMAIN	3517	INGLEWOOD	4670	BUNDBERG CENTRAL
2096	FRESHWATER	2703	YANCO	3517	SERPENTINE	4670	BUNDBERG EAST
2096	HARBORD	2705	LEETON	3518	WEDDERBURN	4670	BUNDBERG NORTH
2097	COLLARROY	2707	COLEAMBALLY	3523	HEATHCOTE	4670	BUNDBERG WEST
2097	COLLARROY PLATEAU WEST	2710	DENILQUIN	3525	CHARLTON	4670	BURNETT HEADS
2097	WHEELER HEIGHTS	2711	HAY	3527	WYCHEPROOF	4670	CLERMONT
2099	DEE WHY	2712	BERRIGAN	3533	SEA LAKE	4670	KENSINGTON
2099	NARRAWEENA	2713	FINLEY	3537	BOORT	4670	KEPNOCK
2099	NORTH CURL CURL	2714	TOCUMWAL	3546	MANANGATANG	4670	ST KENSINGTON
2100	ALLAMBIE HEIGHTS	2715	BALRANALD	3549	ROBINVALE	4670	SVENSSON HEIGHTS
2100	BEACON HILL	2716	JERILDERIE	3550	BENDIGO	4670	WALKERVALE
2100	BROOKVALE	2717	DARETON	3550	BENDIGO SOUTH	4670	WEST MACKAY
2100	WARRINGAH	2720	TUMUT	3550	EAST BENDIGO	4671	GIN GIN
2101	ELANORA HEIGHTS	2722	COOTAMUNDRA	3550	KANGAROO FLAT	4671	MT PERRY
2101	NARRABEEN	2722	GUNDAGAI	3550	KENNINGTON	4674	ROSEDALE
2101	NORTH NARRABEEN	2729	ADELONG	3550	KENSINGTON	4677	AGNES WATER
						6152	COMO
						6152	KARAWARA
						6152	MANNING
						6153	APPECROSS
						6153	ARDROSS
						6153	BRENTWOOD
						6153	DEEP WATER POINT
						6153	MOUNT PLEASANT
						6154	BOORAGON
						6154	BOORAGOON
						6154	MANDURAH
						6154	MELVILLE
						6154	MYAREE
						6155	BURRENDAH
						6155	CANNING VALE
						6155	CANNINGVALE
						6155	RANFORD
						6155	WELSHPOOL
						6155	WILLETTON
						6155	WILLETTON
						6156	ATTADALE
						6156	MELVILLE
						6156	WILLGEE
						6157	BICTON
						6157	PALMYRA
						6158	EAST FREMANTLE
						6158	FREMANTLE EAST
						6159	NORTH FREMANTLE
						6160	FREMANTLE
						6160	SOUTH FREMANTLE
						6161	FREMANTLE
						6162	SOUTH FREMANTLE
						6163	BIBRA LAKE
						6163	COOLBELLUP
						6163	HAMILTON HILL
						6163	HILTON
						6163	KARDINYA
						6163	NORTH COOGEE
						6163	O CONNOR
						6163	O'CONNOR
						6163	PORT COOGEE
						6163	SPEARWOOD
						6164	ATWELL
						6164	BELLIAR
						6164	COCKBURN
						6164	COCKBURN CENTRAL
						6164	HAMMOND PARK
						6164	HILLARYS
						6164	JANDAKOT
						6164	REDCLIFFE
						6164	SOUTH LAKE
						6164	SOUTH LAKES
						6164	SOUTHLAKE
						6164	SUCCESS
						6164	YANGEBUP
						6165	NAVAL BASE
						6166	MUNSTER
						6166	WATTLEUP
						6167	BERTRAM
						6167	KWINANA
						6167	KWINANA BEACH
						6167	KWINANA TOWN CENTRE
						6167	MEDINA
						6168	CLAREMONT
						6168	COOLOONGUP
						6168	ROCKINGHAM
						6168	WAIKIKI
						6169	SAFETY BAY
						6169	SHOALWATER
						6169	WAIKIKI
						6169	WARNBRO
						6169	WARNBRO FAIR
						6170	WELLARD
						6171	BALDIVIS
						6171	BALDVIS
						6172	PORT KENNEDY
						6173	SECRET HARBOUR
						6175	SINGLETON
						6180	LAKELANDS
						6208	NORTH YUNDERUP
						6208	PINJARRA
						6208	PINJARRA
						6209	BARRAGUP
						6209	FURNISSDALE
						6210	ERSKINE
						6210	FALCON
						6210	GREENFIELDS
						6210	HALLS HEAD
						6210	MADORA BAY
						6210	MANDURAH
						6210	MEADOW SPRINGS
						6211	BYFORD

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2102	WARRIEWOOD	2730	BATLOW	3550	LONG GULLY	4677	MIRIAM VALE
2103	MONA VALE	2731	MOAMA	3550	MILDURA	4677	MIRIAMVALE
2106	NEWPORT	2732	BARHAM	3550	NORTH BENDIGO	4677	ROUND HILL
2106	NEWPORT BEACH	2733	MOULAMEIN	3550	SANDHURST EAST	4678	BOROREN
2107	AVALON	2736	TOOLEYBUC	3550	SPRING GULLY	4680	BENARABY
2107	AVALON BEACH	2737	EUSTON	3550	STRATHDALE	4680	BOYNE ISLAND
2107	WHALE BEACH	2738	GOL GOL	3550	WHITE HILLS	4680	CALLEMONDAH
2108	PALM BEACH	2738	TRENTHAM CLIFFS	3551	AXEDALE	4680	CALLIOPE
2110	HUNTERS HILL	2739	BURONGA	3551	EPSOM	4680	CLINTON
2111	GLADESVILLE	2740	MT PLEASANT	3551	HUNTLY	4680	GLADSTONE
2112	DENISTONE EAST	2745	GLENMORE PARK	3551	JUNORTOUN	4680	KIN KORA
2112	PUTNEY	2745	LUDDENHAM	3551	MAIDEN GULLY	4680	KIRKWOOD
2112	RYDE	2745	MULGOA	3551	STRATHFIELDSAYE	4680	NEW AUCKLAND
2112	TOP RYDE	2745	PENRITH	3551	TARNAGULLA	4680	SOUTH TREES
2112	WEST RYDE	2745	REGENTVILLE	3551	TOOLLEN	4680	TANNUM SANDS
2113	MACQUAIRE PARK	2745	WALLACIA	3552	EAST BENDIGO	4680	TENTERFIELD
2113	MACQUARIE CENTRE	2747	CAMBRIDGE GARDENS	3555	GOLDEN SQUARE	4680	WEST GLADSTONE
2113	MACQUARIE PARK	2747	CAMBRIDGE PARK	3555	KANGAROO FLAT	4694	YARWUN
2113	NORTH RYDE	2747	JORDAN SPRINGS	3555	KANGAROO FLAT 3555	4695	MOUNT LARCOM
2114	DENISTONE	2747	KINGSWOOD	3556	CALIFORNIA GULLY	4700	ALLENSTOWN
2114	MEADOWBANK	2747	LLANDILO	3556	EAGLEHAWK	4700	KALLANGUR
2114	WEST RYDE	2747	WERRINGTON	3556	LONG GULLY	4700	NORTH ROCKHAMPTON
2115	ERMINGTON	2747	WERRINGTON COUNTY	3558	ELMORE	4700	ROCKHAMPTON
2116	RYDALMERE	2749	CRANEBROOK	3559	COLBINABBIN	4700	ROCKHAMPTON NORTH
2117	DUNDAS	2750	EMU HEIGHTS	3561	ROCHESTER	4700	ROCKHAMPTON SOUTH
2117	OATLANDS	2750	EMU PLAINS	3564	ECHUCA	4701	BERSERKER
2117	TELOPEA	2750	EMY PLAINS	3567	LEITCHVILLE	4701	FRENCHVILLE
2118	CARLINGFORD	2750	JAMISONTOWN	3568	COHUNA	4701	GLENMORE
2119	BEECROFT	2750	LEONAY	3575	PYRAMID HILL	4701	NORMAN GARDENS
2120	PENNANT HILLS	2750	NORTH PENRITH	3577	WANGARATTA	4701	NORTH ROCKHAMPTON
2120	THORNLEIGH	2750	ORANGE	3579	KERANG	4701	PARK AVE
2120	WESTLEIGH	2750	PENRITH	3580	KOONDROOK	4701	PARK AVENUE
2121	EPPING	2750	PENRITH SOUTH	3584	LAKE BOGA	4701	ROCKHAMPTON
2122	CHARLESTOWN	2750	SOUTH PENRITH	3585	SWAN HILL	4701	ROCKHAMPTON NORTH
2122	EASTWOOD	2751	PENRITH	3594	NYAH	4701	ROCKHAMPTON SOUTH
2122	MARSFIELD	2752	SILVERDALE	3608	NAGAMBIE	4702	BANANA
2122	RYDE	2752	WARRAGAMBA	3608	WAHRING	4702	BARALABA
2125	PENNANT HILLS WEST	2753	GROSE VALE	3610	MURCHISON	4702	DINGO
2125	WEST PENNANT HILLS	2753	LONDONDERRY	3612	RUSHWORTH	4702	DUARINGA
2126	CHERRYBROOK	2753	NORTH RICHMOND	3616	TATURA	4702	EMU PARK
2127	HOME BUSH BAY	2753	RICHMOND	3618	MERRIGUM	4702	GOOVIGEN
2127	NEWINGTON	2754	NORTH RICHMOND	3620	KYABRAM	4702	GRACEMERE
2127	OLYMPIC PARK	2754	RICHMOND NORTH	3621	TONGALA	4702	JERICHO
2127	SYDNEY OLYMPIC PARK	2756	BLIGH PARK	3623	STANHOPE	4702	KEPPEL SANDS
2127	WENTWORTH POINT	2756	FREEMANS REACH	3624	GIRGARRE	4702	MARMOR
2128	SILVERWATER	2756	MCGRATHS HILL	3629	MOOROOPNA	4702	NORTH ROCKHAMPTON
2130	SUMMER HILL	2756	MULGRAVE	3630	SHEPPARTON	4702	PARKHURST
2131	ASHFIELD	2756	PITT TOWN	3630	SHEPPARTON EAST	4702	ROCKHAMPTON
2131	CROYDON	2756	SOUTH WINDSOR	3631	KIALLA	4702	RUBYVALE
2132	CROYDON	2756	WILBERFORCE	3631	SHEPPARTON EAST	4702	SAPPHIRE
2133	CROYDON	2756	WINDSOR	3631	SHEPPARTON SOUTH	4702	WOORABINDA
2133	CROYDON PARK	2756	WINDSOR SOUTH	3632	SHEPPARTON	4702	WOWAN
2133	MACQUARIE PARK	2757	KURMOND	3634	KATANDRA WEST	4703	HIDDEN VALLEY
2133	NORTH RYDE	2758	BILPIN	3634	TALLYGAROO PNA	4703	YEPPON
2134	BURWOOD	2758	KURRAIONG	3636	NUMURAKAH	4703	YEPOON
2134	PENRITH	2759	ERSKINE PARK	3636	NUMURKAH	4705	MARLBOROUGH
2135	BAULKHAM HILLS	2759	ST CLAIR	3638	NATHALIA	4706	DARRA
2135	STRATHFIELD	2760	COLYTON	3639	BARMAH TOWNS	4707	ST LAWRENCE
2136	ENFIELD	2760	ROPES CROSSING	3641	STRATHMERTON	4709	TIERI
2136	SOUTH STRATHFIELD	2760	ST MARYS	3644	BAROOGA	4710	EMU PARK
2136	STRATHFIELD SOUTH	2760	ST MARYS EAST	3644	COBRAM	4714	MOUNT MORGAN
2137	CONCORD	2760	ST MARYS NORTH	3658	BROADFORD	4714	MT MORGAN
2137	NORTH STRATHFIELD	2761	COLEBEE	3659	TALLAROOK	4715	BILOELA
2137	NTH STRATHFIELD	2761	GLENDENNING	3660	SEYMOUR	4715	TEWANTIN
2137	STRATHFIELD NORTH	2761	HASSALL GROVE	3662	PUCKAPUNYAL	4717	BLACKWATER
2138	CONCORD	2761	NORTH PLUMPTON	3664	AVENEL	4718	MOURA
2138	CONCORD WEST	2761	PLUMPTON	3666	EUROA	4719	THEODORE
2138	RHODES	2762	SCHOFIELDS	3669	VIOLET TOWN	4720	EMERALD
2140	HOME BUSH	2763	QUAKERS HILL	3672	BENALLA	4721	CLERMONT
2140	HOME BUSH WEST	2765	BERKELEY VALE	3672	WEST BENALLA	4722	SPRINGSURE
2141	BERALA	2765	BERKSHIRE PARK	3675	GLENROWAN	4723	CAPELLA
2141	LIDCOMBE	2765	MARDENS PARK	3676	WANGARATTA	4724	ALPHA
2141	LIDCOMBE NORTH	2765	MARSDEN PARK	3677	WANGARATTA	4725	BARCALDINE
2142	GRANVILLE	2765	MARSDEN PARK NORTH	3677	WANGARATTA WEST	4726	ARAMAC
2142	GRANVILLE EAST	2765	RIVERSTONE	3678	MILAWA	4730	LONGREACH
2142	GRANVILLE SOUTH	2765	VINEYARD	3683	CHILTERN	4730	YEPPON
2142	ROSEHILL	2766	EASTERN CREEK	3685	RUTHERGLEN	4731	ISISFORD
2143	BIRROING	2766	ROOTY HILL	3687	WAHGUNYAH	4732	MUTTABURRA
2143	REGENTS PARK	2767	BUNGARRIBEE	3688	BARNAWARTHA	4735	WINTON
2144	AUBURN	2767	DOONSIDE	3689	WODONGA	4736	JUNDAH
2145	GIRRAWEE	2767	WOODCROFT	3690	WEST WODONGA	4737	SARINA
2145	GREYSTANES	2768	PARKLEA	3690	WODONGA	4738	KOUMALA
2145	PEMULWUY	2768	STANHOPE GARDENS	3690	WODONGA SOUTH	4740	ANDERGROVE
2145	PENDLE HILL	2769	THE PONDS	3690	WODONGA WEST	4740	BALBERRA
2145	WENTWORTH SOUTH	2770	DHARRUK	3691	EBDEN	4740	BEACONSFIELD
2145	WENTWORTHVILLE	2770	EMERTON	3691	TANGAMBALANGA	4740	BUCASIA
2145	WESTMEAD	2770	MINCHINBURY	3693	SHEPPARTON	4740	CONINGSBY
2146	OLD TOONGABBIE	2770	MOUNT DRUITT	3694	BANDIANA	4740	MACKAY
2146	TOONGABBIE	2770	MT DRUITT	3699	MOUNT BEAUTY	4740	MACKAY HARBOUR
2147	KINGS LANGLEY	2770	MT. DRUITT	3699	MT BEAUTY	4740	MACKAY NORTH
2147	LALOR PARK	2770	TREGEAR	3700	TALLANGATTA	4740	MACKAY WEST
2147	SEVEN HILLS	2772	GUNDAGAI	3701	MITTA MITTA	4740	MOUNT PLEASANT
							6211 DAWESVILLE
							6215 WAROONA
							6220 HARVEY
							6220 MYALUP
							6225 COLLIE
							6229 PICTON
							6230 BUNBURY
							6230 BUNBURY SOUTH
							6230 CAREY PARK
							6230 DALYELLUP
							6230 DAVENPORT
							6230 EAST BUNBURY
							6230 GELORUP
							6230 GLEN IRIS
							6230 SOUTH BUNBURY
							6230 STRATHAM
							6230 VITTORIA
							6230 WITHERS
							6231 BUNBURY
							6232 EATON
							6232 EATON FAIR
							6233 AUSTRALIND
							6233 TREENDALE
							6236 DARDANUP
							6239 DONNYBROOK
							6244 BOYUP BROOK
							6255 BRIDGETOWN
							6258 MANJIMUP
							6260 PEMBERTON
							6271 CAPEL
							6280 BUSSELTON
							6280 BUSSETON
							6280 ELLENBROOK
							6280 RUABON
							6280 VASSE
							6280 WEST BUSSETON
							6281 DUNSBOROUGH
							6284 COWARAMUP
							6285 MARGARET RIVER
							6302 YORK
							6304 BEVERLEY
							6312 NARROGIN
							6315 WAGIN
							6317 KATANNING
							6324 MOUNT BARKER
							6324 MT BARKER
							6330 ALBANY
							6330 ALBANY NORTH
							6330 BROOKS GARDEN
							6330 CENTENNIAL PARK
							6330 JERRAMUNGUP
							6330 LANGE
							6330 MOUNT MELVILLE
							6330 ORANA
							6330 SPENCER PARK
							6330 YAKAMIA
							6333 DENMARK
							6335 GNOWANGERUP
							6350 GERALDTON
							6353 LAKE GRACE
							6367 KONDINIIN
							6369 WADDERIN
							6375 CORRIGIN
							6383 QUAIRADING
							6390 WILLIAMS
							6392 EAST VICTORIA PARK
							6395 KOJONUP
							6401 NORTHAM
							6409 TAMMIN
							6410 KELLERBERRIN
							6415 MERREDIN
							6415 THE LAKES
							6426 SOUTHERN CROSS
							6429 COOLGARDIE
							6430 HANNANS
							6430 KALGOORIE
							6430 KALGOORLIE
							6430 SOUTH KALGOORLIE
							6432 BOULDER
							6432 KALGOORLIE
							6432 SOUTH BOULDER
							6438 LEONORA
							6442 KAMBALDA
							6442 KAMBALDA EAST
							6442 KAMBALDA WEST
							6443 NORSEMAN
							6450 ESPERANCE
							6450 NULSEN
							6461 DOWERIN
							6475 KOORDA
							6501 MUCHEA
							6502 BINDOON

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Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2147	SEVEN HILLS WEST	2773	GLENBROOK	3707	CORRYONG	4740	MT PLEASANT	6510	MOORA
2148	ARNDELL PARK	2774	BLAXLAND	3709	WALWA	4740	NORTH MACKAY	6515	ELLENBROOK
2148	BLACKTOWN	2774	BLAXLAND EAST	3713	EILDON	4740	LOORALEA	6516	JANDAKOT
2148	BLACKTOWN EAST	2774	WARRIMOO	3714	ACHERON	4740	PAGET	6516	JURIEN BAY
2148	CASTLE HILL	2776	FAULCONBRIDGE	3714	ALEXANDRA	4740	PAGNET	6525	DONGARA
2148	EASTERN CREEK	2777	SPRINGWOOD	3717	YEA	4740	RICHMOND	6530	BLUFF POINT
2148	KINGS PARK	2777	VALLEY HEIGHTS	3720	BONNIE DOON	4740	RURAL VIEW	6530	GERALDTON
2148	MARAYONG	2777	WINMALEE	3722	MANSFIELD	4740	SLADE POINT	6530	MAHOMETS FLATS
2148	PROSPECT	2779	HAZELBROOK	3723	MIRIMBAH	4740	SOUTH MACKAY	6530	WONTHELLA
2150	CASTLE HILL	2780	KATOOMBA	3730	YARRAWONGA	4740	WEST MACKAY	6532	GLENFIELD
2150	HARRIS PARK	2780	LEURA	3736	MYRTLEFORD	4741	GARGETT	6532	KALBARRI
2150	NORTH PARRAMATTA	2782	WENTWORTH FALLS	3737	MYRTLEFORD	4741	KUTTABUL	6535	NORTHAMPTON
2150	PARRAMATTA	2783	LAWSON	3741	BRIGHT	4741	SEAFORTH	6536	KALBARRI
2151	NORTH PARRAMATTA	2785	BLACKHEATH	3741	HOTHAM HEIGHTS	4742	NEBO	6537	DENHAM
2151	NORTH ROCKS	2786	MT VICTORIA	3747	BEECHWORTH	4743	COPPABELLA	6566	TOODYAY
2151	PARRAMATTA	2787	OVERON	3747	MYRTLEFORD	4743	GLENDEN	6603	WONGAN HILLS
2151	PARRAMATTA NORTH	2790	BOWENFELS	3749	YACKANDANDAH	4743	GLENDON	6609	DALWALLINU
2152	NORTHMEAD	2790	LITHGOW	3750	WOLLERT	4744	MORANBAH	6623	MORAWA
2153	BAULKAM HILLS	2790	SOUTH BOWENFELS	3752	MILL PARK	4745	DYSART	6642	MEEKATHARRA
2153	BAULKHAM HILLS	2791	CARCOAR	3752	PLENTY VALLEY	4746	MIDDLEMOUNT	6701	CARNARVON
2153	BELLA VISTA	2792	MANDURAMA	3752	SOUTH MORANG	4750	BUCASIA	6707	EXMOUTH
2153	KELLYVILLE	2794	COWRA	3753	BEVERIDGE	4750	MOUNT PLEASANT	6713	DAMPIER
2153	WINSTON HILLS	2795	BATHURST	3754	DOREEN	4751	WALKERSTON	6714	KARRATH
2154	CASTLE HILL	2795	KELSO	3754	MERENDA	4753	MARIAN	6714	KARRATHA
2155	BEAUMONT HILLS	2795	PERTHVILLE	3756	WALLAN	4753	PEREGIAN SPRINGS	6721	PORT HEDLAND
2155	KELLYVILLE	2795	RAGLAN	3756	WALLAN EAST	4754	MIRANI	6721	SOUTH HEDLAND
2155	KELLYVILLE RIDGE	2798	MILLTHORPE	3757	PHEASANT CREEK	4756	FINCH HATTON	6722	SOUTH HEDLAND
2155	NORTH KELLYVILLE	2799	BLAYNEY	3757	WALLAN	4798	CALEN	6725	BROOME
2155	ROUSE HILL	2800	BLETCHINGTON	3757	WHITTLESEA	4800	GUNYARRA	6725	DJUGUN
2156	KENTHURST	2800	DUBBO	3758	WANDONG	4800	PROSERPINE	6728	DERBY
2156	LANSVALE SOUTH	2800	ORANGE	3759	PANTON HILL	4802	AIRLIE BEACH	6743	KUNUNURRA
2157	GLENORIE	2800	ORANGE EAST	3760	SMITHS GULLY	4802	CANNONVALE	6743	TURKEY CREEK
2157	WISEMANS FERRY	2800	ORANGE NORTH	3761	ST ANDREWS	4802	JUBILEE POCKET	6743	WARMUN
2158	DURAL	2800	RICHMOND	3763	KINGLAKE	4802	JUBILEE POCKETT	6751	TOM PRICE
2158	MIDDLE DURAL	2800	SPRING HILL	3764	KILMORE	4802	PROSEFINE	6753	NEWMAN
2158	ROUND CORNER	2804	CANOWINDRA	3764	KILMORE EAST	4803	HAMILTON ISLAND	6754	PARABURDOO
2159	GALSTON	2805	GOOLOOGONG	3765	MONTROSE	4803	WHITSUNDAYS	6765	FITZROY CROSSING
2160	GRANVILLE	2806	EUGOWRA	3766	KALORAMA	4804	COLLINSVILLE	6765	MOUNT HARDMAN
2160	MERRYLANDS	2810	GRENFELL	3767	MT DANDENONG	4805	BOWEN	6770	HALLS CREEK
2161	GUILDFORD	2818	GEURIE	3770	COLDSTREAM	4805	DELTA	6770	YIYILI
2161	GUILDFORD WEST	2820	WELLINGTON	3775	YARRA GLEN	4805	QUEENS BEACH	6959	FREMANTLE
2161	OLD GUILDFORD	2821	NARROMINE	3777	HEALESVILLE	4806	HOME HILL	6966	KWINANA
2161	YENNORA	2823	TRANGIE	3777	HEALSVILLE	4807	AYR	6987	CANNINGTON
2162	CHESTER HILL	2824	WARREN	3777	SEVILLE	4808	BRANDON	7000	HOBART
2163	CARRAMAR	2825	NYNGAN	3779	MARYSVILLE	4809	GIRU	7000	NORTH HOBART
2163	VILLAWOOD	2826	NARROMINE	3781	COCKATOO	4810	BELGIAN GARDENS	7000	SOUTH HOBART
2164	FAIRFIELD	2827	GILGANDRA	3782	EMERALD	4810	CONDON	7000	WEST HOBART
2164	PRAIRIEWOOD	2828	GULARGAMBONE	3783	GEMBROOK	4810	GARBUTT	7001	HOBART AIRPORT
2164	SMITHFIELD	2829	COONAMBLE	3786	OLINDA	4810	IDALIA	7004	BATTERY POINT
2164	WETHERILL PARK	2830	DUBBO	3787	SASSAFRAS GULLY	4810	NORTH WARD	7004	HOBART SOUTH
2165	FAIRFIELD	2830	DUBBO GROVE	3788	OLINDA	4810	RAILWAY ESTATE	7004	SOUTH HOBART
2165	FAIRFIELD HEIGHTS	2830	DUBBO WEST	3792	THE PATCH	4810	SOUTH TOWNSVILLE	7005	NEWNHAM
2165	FAIRFIELD WEST	2831	WONGARBON	3793	MONBULK	4810	TOWNSVILLE	7005	SANDY BAY
2166	CABRAMATTA	2832	WALGETT	3795	SILVAN	4810	WEST END	7007	MOONAH
2166	CABRAMATTA WEST	2834	COBAR	3796	MT EVELYN	4811	CLUDEN	7008	HOWRAH
2166	CANLEY HEIGHTS	2834	LIGHTNING RIDGE	3797	YARRA JUNCTION	4811	DOUGLAS	7008	LENAH VALLEY
2166	CANLEY VALE	2835	COBAR	3799	CRANBOURNE	4811	IDALIA	7008	NEW TOWN
2166	LANSVALE	2835	WALGETT	3799	CRANBOURNE WEST	4811	JAMES COOK UNIVERSITY	7008	NEWTOWN
2167	GLENFIELD	2839	BREWARRINA	3799	WARBURTON	4811	OONOONBA	7009	DERWENT PARK
2167	GUILDFORD	2840	BOURKE	3800	CLAYTON	4811	TOWNSVILLE	7009	GLENORCHY
2167	GUNGAHLIN	2842	MENDOORAN	3802	ENDEAVOUR HILL	4811	TOWNSVILLE CLUDEN	7009	LUTANA
2168	CARTWRIGHT	2843	COOLAH	3802	ENDEAVOUR HILLS	4811	WULGURU	7009	MOONAH
2168	GREEN VALLEY	2844	DUNEDOO	3802	FOUNTAIN GATE	4812	CASTLETOWN	7010	GLENORCHY
2168	HINCHINBROOK	2845	WALLERAWANG	3803	HALLAM	4812	CURRAJONG	7011	AUSTINS FERRY
2168	MILLER	2847	PORTLAND	3804	NARRE WARREN NORTH	4812	HERMIT PARK	7011	CHIGWELL
2168	ROZELLE	2848	KANDOS	3805	FOUNTAIN GATE	4812	HYDE PARK	7011	CLAREMONT
2170	CASULA	2849	RYLSTONE	3805	NAREE WARREN	4812	MUNDINGBURRA	7015	LINDISFARNE
2170	CHIPPING NORTON	2850	CROSSROADS	3805	NARRE WARREN	4812	PIMILCO	7016	RISDON VALE
2170	HAMMONDVILLE	2850	MUDGEE	3805	NARRE WARREN SOUTH	4812	PIMILICO	7017	NEWTOWN
2170	HOXTON PARK	2852	GULGONG	3805	RICHMOND	4812	ROSSLEA	7018	BELLERIVE
2170	LIVERPOOL	2865	MANILDRA	3806	BERWICK	4812	TOWNSVILLE	7018	HOWRAH
2170	LIVERPOOL SOUTH	2866	MOLONG	3806	BERWICK NORTH	4814	AITKENVALE	7018	MORNINGTON
2170	LURNEA	2867	CUMNOCK	3806	BERWICK SOUTH	4814	ANNANDALE	7018	ROSNY
2170	MERRYLANDS	2868	YEOVAL	3807	BEACONSFIELD	4814	BOHLE	7018	ROSNY PARK
2170	MOOREBANK	2869	PEAK HILL	3808	BEACONSFIELD UPPER	4814	CRANBROOK	7018	WARRANE
2170	MOUNT PRITCHARD	2870	PARKES	3809	OFFICER	4814	DOUGLAS	7019	ROKEBY
2170	MT PRITCHARD	2871	BEDGEREBONG	3809	OFFICER EAST	4814	GARBUTT	7021	LAUDERDALE
2170	PRESTONS	2871	FORBES	3809	SOUTH OFFICER	4814	GARBUTT TOWNSVILLE	7025	RICHMOND
2170	WARWICK FARM	2875	TRUNDLE	3810	PAKENHAM	4814	HOME HILL	7026	CAMPANIA
2171	CARNES HILL	2876	BOGAN GATE	3810	PAKENHAM SOUTH	4814	MT LOUISA	7030	BAGDAD
2171	CECIL HILLS	2877	CONDOBOLIN	3812	MARYKNOLL	4814	TOWNSVILLE	7030	BOTHWELL
2171	HORNINGSSEA PARK	2878	CONOBOLIN	3812	NAR NAR GOON	4814	VINCENT	7030	BRIDGEWATER
2171	HOXTON PARK	2880	BROKEN HILL	3813	TYNONG	4815	CONDON	7030	BRIGHTON
2171	HOXTON WEST	2880	BROKEN HILL NORTH	3814	GARFIELD	4815	KELSO	7030	GAGEBROOK
2173	WATTLE GROVE	2880	SOUTH BROKEN HILL	3815	BUNYIP	4815	RASMUSSEN	7030	KEMPTON
2173	WATTLE GROVE	2898	LORD HOWE ISLAND	3816	LONGWARRY	4815	RASMUSSEN	7049	KINGS MEADOWS
2174	EDMONDSON PARK	2899	NORFOLK ISLAND	3818	DROUIN	4816	ALLIGATOR CREEK	7050	KINGSTON
2175	HORSLEY PARK	2900	GREENWAY	3820	WARRAGUL	4816	CALCIUM	7052	BLACKMANS BAY
2176	EDENSOR PARK	2900	TUGGERANONG	3822	DARNUM	4816	ELLIOT SPRINGS	7053	KINGSTON
2176	GREENFIELD PARK	2901	GREENWAY	3823	YARRAGON	4817	CONDON	7054	MARGATE
2176	PRAIRIEWOOD	2902	KAMBAH	3824	TRAFALGAR	4817	KIRWAN	7054	SNUG
2176	WAKELEY	2903	ERINDALE CENTRE	3825	MOE	4817	KIRWIN	7109	FRANKLIN

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2177	BONNYRIGG	2903	WANNIASSA	3825	NEWBOROUGH	4817	THURINGOWA
2177	BONNYRIGG HEIGHTS	2905	CALWELL	3835	THORPDAL	4817	THURINGOWA CENTRAL
2178	KEMPS CREEK	2905	CHISHOLM	3840	MORWELL	4818	BOHLE-TOWNSVILLE
2179	AUSTRAL	2906	CONDER	3840	TRARALGON	4818	BURDELL
2179	EMERALD HILLS	2911	CRACE	3841	MORWELL	4818	BUSHLAND BEACH
2179	LEPPINGTON	2911	LYNEHAM	3842	CHURCHILL	4818	DEERAGUN
2184	PROSPECT	2911	MITCHELL	3844	TRARALGON	4818	TOWNSVILLE
2184	WETHERILL PARK	2912	GUNGAHLAN	3847	ROSEDALE	4820	CHARTER TOWERS
2190	CHULLORA	2912	GUNGAHLIN	3850	SALE	4820	CHARTERS
2190	GREENACRE	2913	CASEY	3854	GLENGARRY	4820	CHARTERS TOWERS
2191	BELFIELD	2913	NICHOLLS	3858	HEYFIELD	4820	LISSNER
2192	BELMORE	2914	AMAROO	3860	MAFFRA	4821	HUGHENDEN
2192	KIRRAWEE	2966	ISLINGTON	3862	STRATFORD	4822	RICHMOND
2193	CANTERBURY	3000	CANBERRA	3865	LINDENOW	4823	JULIA CREEK
2193	HURLSTONE PARK	3000	DOCKLANDS	3869	YINNAR	4824	CLONCURRY
2194	CAMPSIE	3000	EAST MELBOURNE	3870	BOOLARRA	4825	MILES END
2194	CLEMPTON PARK	3000	ELSTERNWICK	3870	MIRBOO NORTH	4825	MOUNT ISA
2194	CLEMTON PARK	3000	EMPORIUM	3872	EMERALD	4825	MOUNT ISA CITY
2195	LAKEMBA	3000	MELBOUNRE	3875	BAIRNSDALE	4825	MT ISA
2195	WILEY PARK	3000	MELBOURNE	3880	PAYNESVILLE	4825	MT ISA CITY
2196	PUNCHBOWL	3000	MELBOURNE CBD	3885	BRUTHEN	4825	MT. ISA
2196	ROSELANDS	3000	NORTHCOTE	3888	ORBOST	4825	THE GAP
2196	ROSELANDS GROVE	3000	SOUTH WHARF	3890	CANN RIVER	4825	TOWNVIEW
2197	BASS HILL	3001	MELBOURNE	3892	MALLACOOTA	4829	MT ISA
2198	GEORGES HALL	3002	EAST MELBOURNE	3898	OMEO	4830	BURKETOWN
2199	YAGOONA	3002	JOLIMONT	3903	SWAN REACH	4849	CARDWELL
2200	BANKSTOWN	3002	MELBOURNE	3909	EASTERN BEACH	4850	HALIFAX
2200	BANKSTOWN AIRPORT	3003	EAST MELBOURNE	3909	LAKES ENTRANCE	4850	INGHAM
2200	CONDELL PARK	3003	WEST MELBOURNE	3910	LANGWARRIN	4852	MISSION BEACH
2200	ENGADINE	3004	MELBOURNE	3910	LANGWARRIN WEST	4852	WONGALING BEACH
2200	SYDNEY	3004	MELBOURNE ST KILDA RD	3911	BAXTER	4854	TULLY
2203	DULWICH HILL	3004	ST KILDA	3912	PEARCEDALE	4855	EL ARISH
2204	MARRICKVILLE	3005	MELBOURNE	3912	SOMERVILLE	4856	SILKWOOD
2204	MARRICKVILLE SOUTH	3006	BALACLAVA	3913	TYABB	4858	MOURILYAN
2205	ARNCLIFFE	3006	SOUTH WHARF	3915	CERBERUS	4859	SOUTH JOHNSTONE
2205	WOLLI CREEK	3006	SOUTHBANK	3915	HASTINGS	4860	INNISFAIL
2206	CLEMTON PARK	3006	SOUTHWHARF	3916	MERRICKS	4860	INNISFAIL ESTATE
2206	EARLWOOD	3008	DOCKLANDS	3916	SHOREHAM	4861	BABINDA
2207	BARDWELL PARK	3008	MELBOURNE	3918	BITTERN	4865	GORDONVALE
2207	BEXLEY	3008	SOUTH WHARF	3919	CRIB POINT	4868	MOUNT SHERIDAN
2207	BEXLEY NORTH	3011	FOOTSCRAY	3922	COWES	4868	MT SHERIDAN
2208	KINGSGROVE	3011	LINDFIELD	3925	SAN REMO	4868	WHITE ROCK
2209	BEVERLY HILLS	3011	REVESBY	3926	BALNARRING	4868	WOREE
2209	NARWEE	3011	SEDDON	3926	MERRICKS NORTH	4869	EDMONTON
2209	SYDNEY	3012	BRAYBROOK	3927	SOMERS	4870	BRINSMEAD
2210	LUGARNO	3012	BROOKLYN	3929	FLINDERS	4870	BUNGALOW
2210	PEAKHURST	3012	FOOTSCRAY	3930	MOUNT ELIZA	4870	CAIRNS
2210	RIVERWOOD	3012	FOOTSCRAY WEST	3930	MT ELIZA	4870	CAIRNS NORTH
2211	PADSTOW	3012	KINGSVILLE	3930	SOMERVILLE	4870	CLIFTON BEACH
2212	REVESBY	3012	KINGSVILLE WEST	3931	MORNINGTON	4870	EARLVILLE
2212	REVESBY	3012	MAIDSTONE	3931	MORNINGTON EAST	4870	EARLVILLE
2212	REVESBY SOUTH	3012	RICHMOND	3931	MORNINGTON PENINSULA	4870	EDGE HILL
2212	TOP RYDE	3012	WEST FOOTSCRAY	3934	MOUNT MARTHA	4870	EDMONTON
2213	PANANIA	3013	YARRAVILLE	3936	DROMANA	4870	FRESHWATER
2214	MILPERRA	3013	YARRAVILLE WEST	3937	RED HILL SOUTH	4870	HERVEY BAY
2216	BANKSIA	3014	ESSENDON FIELDS	3938	MCCRAE	4870	MANOORA
2216	BRIGHTON LE SANDS	3015	NEWPORT	3939	FINGAL	4870	MANUNDA
2216	BRIGHTON-LE-SANDS	3015	NEWPORT WEST	3939	ROSEBUD	4870	MUANUNDA
2216	ROCKDALE	3015	SPOTSWOOD	3940	ROSEBUD	4870	PARRAMATTA PARK
2216	ROSELANDS	3016	SOUTH YARRA	3941	RYE	4870	PORTSMITH
2217	KOGARAH	3016	WILLIAMSTOWN	3941	TOOTGAROOK	4870	REDLYNCH
2217	RAMSGATE	3016	WILLIAMSTOWN NOR	3942	BLAIRGOWRIE	4870	STRATFORD
2217	RAMSGATE BEACH	3018	ALTONA	3943	SORRENTO	4870	WESTCOURT
2218	ALLAWAH	3018	ALTONA NORTH	3950	KORUMBURRA	4871	AURUKUN
2218	CARLTON	3018	ALTONA WEST	3953	LEONGATHA	4871	KURRIMINE BEACH
2219	SANS SOUCI	3019	BRAYBROOK	3956	MEENIYAN	4871	MENA CREEK
2220	HURSTVILLE	3020	ARDEER	3956	TARWIN LOWER	4871	MIRIWinni
2221	BLAKEHURST	3020	SUNSHINE	3959	FISH CREEK	4871	WANGAN
2221	HURSTVILLE SOUTH	3020	SUNSHINE NORTH	3960	FOSTER	4871	YARRABAH
2221	SOUTH HURSTVILLE	3020	SUNSHINE WEST	3960	TIDAL RIVER	4872	KAIRI
2222	PENSHURST	3021	ALBANVALE	3962	TOORA	4872	KIRRA
2223	CORRIMAL	3021	CARRUM DOWNS	3966	WELSHPOOL	4872	MOUNT GARNET
2223	MORTDALE	3021	KEALBA	3971	ALBERTON	4872	WALKAMIN
2223	OATLEY	3021	KEILOR DOWNS	3971	YARRAM	4873	MOSSMAN
2223	OATLEY WEST	3021	ST ALBANS	3975	LYNBROOK	4875	THURSDAY ISLAND
2224	SYLVANIA	3021	ST. ALBANS NORTH	3975	LYNDHURST	4877	CRAIGLIE
2224	SYLVANIA HEIGHTS	3022	ARDEER	3976	HAMPTON PARK	4877	PORT DOUGLAS
2224	SYLVANIA WATERS	3022	CAROLINE SPRINGS	3976	LYNDHURST	4877	PT DOUGLAS
2225	OYSTER BAY	3022	SUNSHINE	3977	BOTANIC RIDGE	4878	HOLLOWAYS BEACH
2226	JANNALI	3022	SUNSHINE WEST	3977	CLYDE NORTH	4878	MACHANS BEACH
2227	GYMEA	3023	ARDEER	3977	CRANBOURNE	4878	SMITHFIELD
2228	MIRANDA	3023	BURNSIDE	3977	CRANBOURNE EAST	4878	YORKEYS KNOB
2229	CARINGBAH	3023	CAIRNLEA	3977	CRANBOURNE NORTH	4879	CLIFTON BEACH
2229	LILLI PILLI	3023	CAROLINE SPRINGS	3977	CRANBOURNE WEST	4879	KEWARRA BEACH
2229	TAREN POINT	3023	DEER PARK	3977	FIVE WAYS	4879	PALM COVE
2230	BUNDEENA	3023	MARIBYRNONG	3977	LISMORE	4879	TRINITY BEACH
2230	CRONULLA	3023	RAVENHALL	3977	SANDHURST	4879	TRINITY PARK
2230	WOOLLOOWARE	3023	TARNEIT	3978	CLYDE	4879	TRINITY BEACH
2231	KURNELL	3024	MANOR LAKES	3978	CLYDE NORTH	4880	MAREEBA
2232	KAREELA	3024	TARNEIT	3978	CRANBOURNE EAST	4881	KURANDA
2232	KIRRAWEE	3024	WYNDHAM VALE	3979	CLYDE NORTH	4882	TOLGA
2232	SUTHERLAND	3025	ALTONA	3980	TOORADIN	4883	ATHERTON
						7109	GROVE
						7109	HUONVILLE
						7112	CYGNET
						7116	GEEVESTON
						7120	OATLANDS
						7140	FORTESCUE BAY
						7140	NEW NORFOLK
						7140	OUSE
						7155	KETTERING
						7170	CAMBRIDGE
						7171	MIDWAY POINT
						7172	SORELL
						7173	DODGES FERRY
						7177	DUNALLEY
						7182	PORT ARTHUR
						7184	NUBEENA
						7190	ORFORD
						7190	SWANSEA
						7190	TRIABUNNA
						7209	ROSS
						7210	CAMPBELL TOWN
						7210	CAMPBELLTOWN
						7212	EVANDALE
						7212	WESTERN JUNCTION
						7213	AVOCA
						7214	FINGAL
						7215	BICHENO
						7215	COLES BAY
						7215	SCAMANDER
						7215	ST MARYS
						7215	ST MARY'S
						7216	ST HELENS
						7248	ALANVALE
						7248	INVERMAY
						7248	MOWBRAY
						7248	MOWBRAY HEIGHTS
						7248	NEWNHAM
						7249	GLEN DHU
						7249	KING MEADOWS
						7249	KINGS MEADOWS
						7249	KINGSMEADOWS
						7250	INVERESK
						7250	LAUNCESTON
						7250	MOWBRAY
						7250	NEWSTEAD
						7250	NORWOOD
						7250	PROSPECT VALE
						7250	RAVENSWOOD
						7250	RIVERSIDE
						7250	ST LEONARDS
						7250	TREVALLYN
						7252	PIPERS RIVER
						7253	GEORGE TOWN
						7253	GEORGETOWN
						7254	SCOTTSDALE
						7259	NUNAMARA
						7260	SCOTTSDALE
						7262	BRIDPORT
						7268	LILYDALE
						7270	BEACONSFIELD
						7270	BEAUTY POINT
						7275	EXETER
						7277	LEGANA
						7290	CARRICK
						7290	HADSPEN
						7292	HAGLEY
						7300	PERTH
						7301	LONGFORD
						7302	CRESSY
						7303	WESTBURY
						7304	DELORAIN
						7305	RAILTON
						7306	CRADLE MOUNTAIN
						7306	SHEFFIELD
						7307	LATROBE
						7307	PORT SORELL
						7307	SHEARWATER
						7307	WESLEY VALE
						7310	DEVONPORT
						7310	DON
						7310	EAST DEVONPORT
						7310	QUOIBA
						7310	SPREYTON
						7310	STONY RISE
						7315	BRIDPORT
						7315	TURNERS BEACH
						7315	ULVERSTON
						7315	ULVERSTONE
						7315	ULVERSTONE WEST
						7316	PENGUIN
						7320	BURNIE
						7320	BURNIE UPPER

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Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2233	ENGADINE	3025	ALTONA GATE	3981	KOO WEE RUP	4884	YUNGABURRA
2233	HEATHCOTE	3025	ALTONA NORTH	3984	CORINELLA	4885	MALANDA
2233	MORTDALE	3025	BROOKLYN	3984	GRANTVILLE	4886	MILLAA MILLAA
2233	WATERFALL	3025	SOUTH MELBOURNE	3984	LANG LANG	4887	HERBERTON
2234	BANGOR	3026	DERRIMUT	3987	NYORA	4888	RAVENSHOE
2234	ILLAWONG	3026	LAVERTON	3988	POOWONG	4892	LOCKHART RIVER
2234	MENAI	3026	LAVERTON NORTH	3991	BASS	4895	COOKTOWN
2250	EAST GOSFORD	3027	TARNEIT	3992	DALYSTON	5000	ADELAIDE
2250	ERINA	3027	WILLIAMS LANDING	3995	WONTHAGGI	5000	NORTH ADELAIDE
2250	GOSFORD	3028	ALTONA MEADOWS	3996	INVERLOCH	5000	RUNDLE MALL
2250	GOSFORD WEST	3028	LAVERTON	4000	BRISBANE	5005	ADELAIDE
2250	KARIONG	3028	SEABROOK	4000	BRISBANE CITY	5005	MAWSON LAKES
2250	KULNURA	3029	ALTONA MEADOWS	4000	SPRING HILL	5006	NORTH ADELAIDE
2250	LISAROW	3029	HOPPERS CROSSING	4001	BRISBANE	5007	BROMPTON
2250	NARARA	3029	PORT MELBOURNE	4001	FORTITUDE VALLEY	5007	HINDMARSH
2250	POINT CLARE	3029	RAVENHALL	4001	WEST END	5007	WELLAND
2250	WEST GOSFORD	3029	TARNEIT	4002	ROTHWELL	5008	CROYDON PARK
2250	WYOMING	3029	TARNEIT NORTH	4005	NEW FARM	5008	RIDLEYTON
2251	AVOCA BEACH	3029	TARNEIT WEST	4005	TENERIFFE	5008	WEST CROYDON
2251	COPACABANA	3029	TRUGANINA	4006	BOWEN BRIDGE	5009	BEVERLEY
2251	GREEN POINT	3029	WERRIBEE	4006	BOWEN HILLS	5009	KILKENNY
2251	KINCUMBER	3030	DERRIMUT	4006	FORTITUDE VALLEY	5010	ANGLE PARK
2251	SARATOGA	3030	EAST WERRIBEE	4006	HERSTON	5010	FERRYDEN PARK
2256	PATONGA	3030	ESSENDON FIELDS	4006	NEWSTEAD	5010	REGENCY PARK
2256	WOY WOY	3030	HOPPERS CROSSING	4007	ASCOT	5011	ST CLAIR
2257	ETTALONG	3030	MARIBYRNONG	4007	BRISBANE	5011	WOODVILLE
2257	ETTALONG BEACH	3030	POINT COOK	4007	BRISBANE AIRPORT	5011	WOODVILLE PARK
2257	GREGORY HILLS	3030	WERRIBEE	4007	EAGLE FARM	5011	WOODVILLE SOUTH
2257	UMINA	3030	WERRIBEE SOUTH	4007	HAMILTON	5011	WOODVILLE WEST
2257	UMINA BEACH	3030	WYNDHAM VALE	4007	MOREE	5012	MANSFIELD PARK
2257	WAGSTAFFE	3031	FLEMINGTON	4008	BRISBANE AIRPORT	5012	WOODVILLE GARDENS
2258	OURIMBAH	3031	KENSINGTON	4008	PINKENBA	5012	WOODVILLE NORTH
2259	BULAHDELAH	3031	NEWMARKET	4009	BRISBANE AIRPORT	5013	GILLMAN
2259	GWANDALAN	3032	ASCOT VALE	4009	EAGLE FARM	5013	PENNINGTON
2259	JILLIBY	3032	CAROLINE SPRINGS	4010	ALBION	5013	ROSEWATER
2259	KANWAL	3032	DEER PARK	4010	BREAKFAST CREEK	5013	ROSEWATER EAST
2259	LAKE MUNMORAH	3032	MARIBYRNONG	4011	CLAYFIELD	5013	WINGFIELD
2259	MANNERING PARK	3032	MARIBYRNONG	4011	EAGLE JUNCTION	5014	ALBERT PARK
2259	SUMMERLAND POINT	3032	MARIBYRNONG	4011	HENDRA	5014	ALBERTON
2259	TUGGERAH	3032	MARIBYRNONG	4012	NUNDAH	5014	HENDON
2259	WADALBA	3033	KEILOR EAST	4012	TOOMBUL	5014	QUEENSTOWN
2259	WATANOBBI	3034	AVONDALE HEIGHTS	4012	WAVELL HEIGHTS NORTH	5014	ROYAL PARK
2259	WYEE	3036	KEILOR	4013	NORTHGATE	5015	PORT ADELAIDE
2259	WYONG	3036	KEILOR DOWNS	4014	BANYO	5016	LARGS BAY
2259	WYONGAH	3036	KEILOR EAST	4014	NUDGEE	5016	PETERHEAD
2260	CAMPBELLTOWN	3037	CALDER PARK	4014	VIRGINIA	5017	OSBORNE
2260	FORRESTERS BEACH	3037	DELAHEY	4017	BRACKEN RIDGE	5018	NORTH HAVEN
2260	TERRIGAL	3037	HILLSIDE	4017	BRIGHTON	5019	EXETER
2260	WAMBERAL	3037	KEILOR DOWNS	4017	DEAGON	5019	SEMAPHORE
2261	BATEAU BAY	3037	KEILOR NORTH	4017	SANDGATE	5020	WEST LAKES SHORE
2261	CHITTAWAY	3037	SYDENHAM	4018	TAIGUM	5021	WEST LAKES
2261	CHITTAWAY BAY	3037	TAYLORS HILL	4019	CLONTARF	5021	WESTLAKES
2261	CHITTAWAY POINT	3037	TAYLORS LAKES	4019	MARGATE	5022	GRANGE
2261	KILLARNEY VALE	3038	BUNDOORA	4019	SCOTTS POINT	5022	HENLEY BEACH
2261	LONG JETTY	3038	KEILOR DOWNS	4020	KIPPA RING	5023	FINDON
2261	THE ENTRANCE	3038	TAYLORS LAKE	4020	KIPPA-RING	5023	SEATON
2261	TOOWOON BAY	3038	TAYLORS LAKES	4020	REDCLIFFE	5024	FULHAM
2261	TUMBI UMBI	3039	MARIBYRNONG	4020	REDCLIFFE NORTH	5024	FULHAM GARDENS
2262	BLUE HAVEN	3039	MOONEE PONDS	4020	SCARBOROUGH	5024	WEST BEACH
2262	BUDGEWOI	3040	ABERFELDIE	4021	KIPPA RING	5025	FLINDERS PARK
2262	DOYALSON NORTH	3040	ESSENDON	4021	KIPPA-RING	5031	MILE END
2262	SAN REMO	3040	ESSENDON AIRPORT	4021	REDCLIFFE	5031	MILE END SOUTH
2263	CHARMHAVEN	3040	ESSENDON NORTH	4022	ROTHWELL	5031	THEBARTON
2263	GOROKAN	3040	ESSENDON WEST	4030	KALINGA	5031	TORRENSVILLE
2263	LAKE HAVEN	3041	ESSENDON	4030	LUTWYCHE	5032	UNDERDALE
2263	LAKEHAVEN	3041	ESSENDON A/PORT	4030	WINDSOR	5032	WEST BEACH
2263	TOUKLEY	3041	ESSENDON AIRPORT	4031	KEDRON	5033	HILTON
2264	BONNELLS BAY	3041	ESSENDON FIELDS	4031	REDBANK PLAINS	5033	MARLESTON
2264	DORA CREEK	3041	ESSENDON NORTH	4032	CHERMESIDE	5033	RICHMOND
2264	MORISSET	3041	SOUTH YARRA	4032	CHERMESIDE SOUTH	5033	WEST RICHMOND
2265	COORANBONG	3041	STRATHMORE	4032	CHERMESIDE WEST	5034	CLARENCE PARK
2267	WANGI WANGI	3042	AIRPORT WEST	4032	CHERMESIDE	5034	GOODWOOD
2280	BELMONT	3042	DONCASTER E.	4032	KEDRON	5034	WAYVILLE
2280	BELMONT NORTH	3042	ESSENDON AIRPORT	4034	ASLPEY	5035	ASHFORD
2280	BELMONT SOUTH	3042	ESSENDON FIELDS	4034	ASPLEY	5035	BLACK FOREST
2280	JEWELLS	3042	KEILOR PARK	4034	BOONDALL	5035	EVERARD PARK
2280	JEWELLSTOWN	3042	NIDDRIE	4034	CARSELDINE	5035	KESWICK
2280	JEWELSTOWN	3043	GLADSTONE PARK	4034	GEEBUNG	5035	MILE END
2280	MARKS POINT	3043	MELBOURNE AIRPORT	4034	MACKAY	5037	GLANDORE
2280	VALENTINE	3043	TULLAMARINE	4034	ZILLMERE	5037	KURRALTA PARK
2281	BLACKSMITHS	3044	PASCOE VALE	4035	ALBANY CREEK	5038	PLYMPTON
2281	SWANSEA	3044	PASCOE VALE SOUT	4035	ASPLEY	5038	PLYMPTON PARK
2282	WARNERS BAY	3044	PASCOE VALE SOUTH	4036	BALD HILLS	5038	SOUTH PLYMPTON
2283	RATHMINES	3045	MELBOURNE AIRPORT	4036	CARSELDINE	5039	CLARENCE GARDENS
2283	TORONTO	3045	TULLAMARINE	4037	EATONS HILL	5039	EDWARDSTOWN
2284	ARGENTON	3046	GLENROY	4051	ALDERLEY	5039	MELROSE PARK
2284	BOOLAROO	3046	GOWRIE	4051	ENOGGERA	5040	NOVAR GARDENS
2284	WOODRISING	3046	HADFIELD	4051	GAYTHORNE	5041	CUMBERLAND PARK
2285	CARDIFF	3046	OAK PARK	4051	GRANGE	5041	DAW PARK
2285	EDGEWORTH	3047	BANKSTOWN	4051	NEWMARKET	5041	WESTBOURNE PARK
2285	GLENDALE	3047	BROADMEADOWS	4051	WILSTON	5042	BEDFORD PARK
2285	KOTARA	3047	BROADMEADOWS SOUTH	4053	EVERTON HILLS	5042	CLOVELLY PARK

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2286	WEST WALLSEND	3047	DALLAS	4053	EVERTON PARK	5042	FLINDERS UNIVERSITY
2287	ELERMORE VALE	3047	DELACOMBE	4053	MCDOWALL	5042	PASADENA
2287	ELMORE VALE	3047	HORSHAM	4053	MITCHELTON	5042	ST MARYS
2287	FLETCHER	3047	JACANA	4053	STAFFORD	5043	MARION
2287	MARYLANDS	3048	COOLAROO	4053	STAFFORD HEIGHTS	5043	MARION SOUTH
2287	WALLSEND	3048	MEADOW HEIGHTS	4054	ARANA HILLS	5043	MITCHELL PARK
2289	ADAMSTOWN	3048	ROXBURGH PARK	4054	KEPERRA	5043	MORPHETTVILLE
2289	FORESTVILLE	3048	UPFIELD	4055	FERNY COVE	5043	PARK HOLME
2289	KOTARA	3049	WEST MEADOWS	4055	FERNY GROVE	5043	PARKHOLME
2289	POKOLBIN	3049	WESTMEADOWS	4056	KELVIN GROVE	5044	GLENGOWRIE
2290	BELMONT	3050	PARKVILLE	4059	KELVIN GROVE	5044	SOMERTON PARK
2290	BENNETTS GREEN	3051	FLEMINGTON	4059	RED HILL	5045	GLENELG
2290	CHARLESTOWN	3051	MELBOURNE	4060	ASHGROVE	5045	GLENELG NORTH
2290	GATESHEAD	3051	NORTH MELBOURNE	4060	ASHGROVE WEST	5045	GLENELG SOUTH
2290	KAHIBAH	3052	CARLTON	4060	SUNNYBANK	5046	MARION
2290	LAKE MACQUARIE	3052	CARLTON SOUTH	4061	THE GAP	5046	OAKLAND PARK
2290	MOUNT HUTTON	3052	FLEMINGTON	4064	MILTON	5046	OAKLANDS
2290	MT HUTTON	3052	PARKVILLE	4064	PADDINGTON	5046	OAKLANDS PARK
2290	NEWCASTLE	3053	CARLTON	4064	ROSALIE	5046	WARRADALE
2290	REDHEAD	3053	CARLTON NORTH	4066	AUCHENFLOWER	5046	WARRADALE NORTH
2291	MEREWETHER	3053	CARLTON WEST	4066	MILTON	5047	DARLINGTON
2291	THE JUNCTION	3053	CHADSTONE	4066	TOOWONG	5047	SEACOMBE GARDENS
2292	BROADMEADOW	3054	CARLTON NORTH	4067	ST LUCIA	5047	SOUTH BRIGHTON
2292	BROADMEADOWS	3055	BRUNSWICK WEST	4067	ST LUCIA SOUTH	5048	BRIGHTON
2293	MARYVILLE	3056	BRUNSWICK	4068	INDOOROPILLY	5048	HOVE
2293	WICKHAM	3056	BRUNSWICK NORTH	4068	INDOOROPILLY	5048	NORTH BRIGHTON
2294	CARRINGTON	3056	BRUNSWICK WEST	4068	INDOORPILLY	5049	SEACLIFF
2295	STOCKTON	3057	BRUNSWICK	4068	ST LUCIA	5049	SEACLIFF PARK
2296	ISLINGTON	3057	BRUNSWICK EAST	4068	TARINGA	5049	SEAVIEW DOWNS
2297	TIGHES HILL	3057	FITZROY NORTH	4069	CHAPEL HILL	5050	BELLEVUE HEIGHTS
2298	WARATAH	3058	COBURG	4069	KENMORE	5050	EDEN HILLS
2299	JESMOND	3058	COBURG NORTH	4069	KENMORE EAST	5051	BLACKWOOD
2299	LAMBTON	3058	EAST COBURG	4070	BELLBOWRIE	5051	COROMANDEL VALLEY
2299	NEWCASTLE	3059	GREENVALE	4070	MOGGILL	5052	BELAIR
2300	COOKS HILL	3060	FAWKNER	4072	ST LUCIA	5061	HYDE PARK
2300	NEWCASTLE	3060	FAWKNER NORTH	4073	JINDALEE	5061	MALVERN
2302	NELSON BAY	3061	CAMPBELLFIELD	4073	SINNAMON PARK	5061	UNLEY
2302	NEWCASTLE	3062	CAMPBELLFIELD	4074	JAMBOREE HEIGHTS	5062	HAWTHORN
2302	NEWCASTLE WEST	3062	SOMERTON	4074	JINDALEE	5062	KINGSWOOD
2303	HAMILTON	3064	CRAIGIBURN	4074	MACKAY	5062	PROSPECT
2303	NEWCASTLE	3064	CRAIGIEBURN	4074	MIDDLE PARK	5062	SPRINGFIELD
2304	KOORAGANG	3064	DONNYBROOK	4074	MOUNT OMMANEY	5062	TORRENS PARK
2304	MAYFIELD	3064	KALKALLO	4074	MT OMMANEY	5063	FREWVILLE
2304	MAYFIELD WEST	3064	MICKLEHAM	4074	RIVER HILLS	5063	FULLARTON
2304	WARABROOK	3064	ROXBURGH PARK	4074	SUMNER	5063	HIGHGATE
2304	WARRABROOK	3065	FITZROY	4074	SUMNER PARK	5063	PARKSIDE
2305	NEW LAMBTON	3065	FITZROY NORTH	4075	CORINDA	5064	GLEN OSMOND
2305	NEW LAMBTON HEIGHTS	3065	FITZROY SOUTH	4075	GRACEVILLE	5064	GLENUNGA
2306	WINDALE	3066	COLLINGWOOD	4075	GRACEVILLE EAST	5064	LINDEN PARK
2307	SHORTLAND	3066	DOVETON	4075	OXLEY	5064	MYRTLE BANK
2308	CALLAGHAN	3066	DROMANA	4075	SHERWOOD	5065	BURNSIDE
2311	EAST GRESFORD	3066	FITZROY NORTH	4076	DARRA	5065	DULWICH
2312	NABIAC	3067	ABBOTSFORD	4076	WACOL	5065	GLENSIDE
2315	NELSON BAY	3067	ABBOTSFORD	4077	DOOLANDELLA	5065	LINDEN PARK
2315	SALAMANDER BAY	3067	COLLINGWOOD	4077	DURACK	5066	ERINDALE
2315	SHOAL BAY	3068	CLIFTON HILL	4077	ELLEN GROVE	5066	HAZELWOOD PARK
2316	ANNA BAY	3068	FITZROY NORTH	4077	INALA	5066	WATTLE PARK
2316	TAYLORS BEACH	3068	GREENSBOROUGH	4077	INALA WEST	5067	KENT TOWN
2317	SALAMANDER BAY	3070	NORTHCOTE	4077	RICHLANDS	5067	NORWOOD
2318	MEDOWIE	3071	THORNBURY	4078	FOREST LAKE	5067	NORWOOD SOUTH
2318	RHODES	3071	THORNBURY NORTH	4078	FOREST LAKES	5067	ROSE PARK
2318	SALT ASH	3072	EAST PRESTON	4101	BRISBANE	5068	KENSINGTON
2318	WILLIAMTOWN	3072	PRESTON	4101	HIGHGATE HILL	5068	KENSINGTON GARDENS
2319	LEMON TREE PASSAGE	3072	PRESTON EAST	4101	SOUTH BANK	5068	KENSINGTON PARK
2319	TANILBA BAY	3072	PRESTON LOWER	4101	SOUTH BRISBANE	5068	ST MORRIS
2320	LORN	3072	PRESTON WEST	4101	WEST END	5068	TRINITY GARDENS
2320	MAITLAND	3072	SOUTH PRESTON	4102	BURANDA	5069	EVANDALE
2320	RUTHERFORD	3072	THORNBURY	4102	DUTTON PARK	5069	HACKNEY
2320	TELARAH	3073	CORIO	4102	WOOLLOONGABBA	5069	MOUNT BARKER
2321	CLARENCE TOWN	3073	PRESTON	4102	WOOLLOONGABBA	5069	ST PETERS
2321	CLARENCE TOWN	3073	RESERVOIR	4103	ANERLEY	5069	STEPNEY
2321	LOCHINVAR	3073	RESERVOIR EAST	4103	FAIRFIELD	5070	FELIXSTOW
2321	MORPETH	3073	RESERVOIR SOUTH	4103	FAIRFIELD GARDENS	5070	FELIXTOW
2322	BERESFIELD	3074	PRESTON	4103	WOOLLOONGABBA	5070	FIRLE
2322	HEXHAM	3074	SALE	4104	YERONGA	5070	MARDEN
2322	THORNTON	3074	THOMASTOWN	4105	MOOROOKA	5070	ROYSTON PARK
2323	E. MAITLAND	3075	LALOR	4106	BRISBANE MARKET	5072	MAGILL
2323	EAST MAITLAND	3076	EPPING	4106	MOOROOKA	5072	MAGILL SOUTH
2323	GREENHILLS	3076	EPPING NORTH	4106	ROCKLEA	5073	FIRLE
2323	MAITLAND	3076	WOLLERT	4107	SALISBURY	5073	HECTORVILLE
2323	METFORD	3077	EPPING	4107	SALISBURY EAST	5073	ROSTREVOR
2323	TENAMBIT	3078	ALPHINGTON	4108	ARCHERFIELD	5073	TRANMERE
2324	HAWKS NEST	3078	FAIRFIELD	4108	COOPERS PLAINS	5073	TRANMERE NORTH
2324	HEATHERBRAE	3078	FAIRFIELD EAST	4109	MACGREGOR	5074	CAMPBELLTOWN
2324	KARUAH	3079	IVANHOE	4109	SUNNYBANK	5074	NEWTON
2324	RAYMOND TERRACE	3079	IVANHOE EAST	4109	SUNNYBANK HILLS	5075	DERNANCOURT
2324	RAYMOND TERRACE EAST	3079	IVANHOE NORTH	4109	SUNNYBANK SOUTH	5075	NEWTON
2324	TEA GARDENS	3081	HEIDELBERG	4110	ACACIA RIDGE	5075	PARADISE
2325	CESSNOCK	3081	HEIDELBERG HEIGHTS	4110	ACACIA RIDGE EAST	5076	ATHELSTONE
2325	CESSNOCK WEST	3081	HEIDELBERG WEST	4110	ALBION	5080	PROSPECT
2326	WESTON	3082	BAYSWATER	4110	CHINCHILLA	5081	COLLINSWOOD
2327	KURRI KURRI	3082	MILL PARK	4110	HEATHWOOD	5081	WALKERVILLE

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Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2328	DENMAN	3083	BUNDOORA	4110	LARAPINTA	5082	ISLINGTON
2329	MERRIWA	3083	KINGSBURY	4110	WILLAWONG	5082	PROSPECT
2330	MCDougalls Hill	3083	RESERVOIR	4111	GRIFFITH UNIVERSITY	5082	PROSPECT WEST
2330	SINGLETON	3083	UNI HILL	4111	MELBOURNE	5082	THORNGATE
2330	SINGLETON HEIGHTS	3084	EAGLEMONT	4112	UPPER MT GRAVATT	5083	BROADVIEW
2333	MUSWELLBROOK	3084	HEIDELBERG	4113	EIGHT MILE PLAIN	5083	NAILSWORTH
2333	SANDY HOLLOW	3084	ROSANNA	4113	EIGHT MILE PLAINS	5083	SEFTON PARK
2333	SOUTH MUSWELLBROOK	3085	MACLEOD	4113	RUNCORN	5084	BERRI
2335	BRANXTON	3085	YALLAMBIE	4114	KINGSTON	5084	BLAIR ATHOL
2335	NORTH ROTHBURY	3086	BERWICK	4114	LOGAN	5084	KILBURN
2336	ABERDEEN	3087	BUNDOORA	4114	LOGAN CENTRAL	5085	CLEARVIEW
2337	SCONE	3087	WATSONIA	4114	LOGAN CITY	5085	ENFIELD
2338	MURRURUNDI	3088	BRIAR HILL	4114	WOODRIDGE	5085	NORTHFIELD
2340	ARMIDALE	3088	GREENSBOROUGH	4115	ALGESTER	5085	NORTHGATE
2340	MAYFIELD	3089	DIAMOND CREEK	4116	CALAMVALE	5086	GILLES PLAINS
2340	NEMINGHA	3090	MILL PARK	4116	DREWVALE	5086	GREENACRES
2340	NUNDLE	3090	WODONGA	4117	BERRINBA	5086	HILLCREST
2340	SOUTH TAMWORTH	3091	YARRAMBAT	4118	BROWN PLAINS	5087	KLEMZIG
2340	TAMWORTH	3092	SOUTHLAND	4118	BROWNS PLAIN	5087	WINDSOR GARDENS
2340	TAMWORTH WEST	3093	DONCASTER EAST	4118	BROWNS PLAINS	5088	HOLDEN HILL
2340	WEST TAMWORTH	3093	LOWER PLENTY	4118	BROWNS PLAINS BC	5089	HIGHBURY
2340	WESTDALE	3094	MONTMORENCY	4118	HERITAGE PARK	5090	HOPE VALLEY
2341	WERRIS CREEK	3095	ELTHAM	4118	HILLCREST	5090	MODBURY
2343	QUIRINDI	3095	RESEARCH	4118	REGENTS PARK	5091	TEA TREE GULLY
2345	ATTUNGA	3099	HURSTBRIDGE	4119	UNDERWOOD	5092	DARWIN
2346	MANILLA	3099	LAKES ENTRANCE	4120	GREENSLOPES	5092	MODBURY
2347	BARRABA	3101	ALBURY	4120	STONES CORNER	5092	MODBURY HEIGHTS
2350	ARMIDALE	3101	KEW	4121	HOLLAND PARK	5092	MODBURY NORTH
2350	DAPTO	3102	KEW	4121	HOLLAND PARK EAST	5093	PARA VISTA
2350	MADGWICK	3102	KEW EAST	4121	HOLLAND PARK WEST	5093	VALLEY VIEW
2350	SOUTH TAMWORTH	3103	BALWYN	4121	TARRAGINDI	5094	CAVAN
2352	KOOTINGAL	3103	BALWYN NORTH	4121	WELLERS HILL	5094	DRY CREEK
2353	MOONBI	3103	DEEPDENE	4122	MANSFIELD	5094	GEPPS CROSS
2354	WALCHA	3104	BALWYN NORTH	4122	MOUNT GRAVATT	5095	MAWSON LAKES
2355	BENDEMEER	3105	BULLEEN	4122	MOUNT GRAVATT EAST	5095	MODBURY
2357	COONABARABRAN	3105	BULLEEN SOUTH	4122	MT GRAVATT	5095	POORAKA
2358	URALLA	3106	BALWYN	4122	MT GRAVATT EAST	5096	PARA HILLS
2360	INVERELL	3106	TEMPLESTOWE	4122	MUNNO PARA WEST	5096	PARA HILLS WEST
2365	GUYRA	3106	TEMPLESTOWE LOWER	4122	UPPER MOUNT GRAVATT	5097	RIDGEHAVEN
2369	TINGHA	3107	LOWER TEMPLESTOWE	4122	UPPER MT GRAVATT	5097	ST AGNES
2370	GLEN INNES	3107	TEMPLESTOWE LOWER	4122	UPPER MT GRAVATT	5098	INGLE FARM
2371	DEEPWATER	3108	DONCASTER	4122	WISHART	5100	ADELAIDE
2372	TENTERFIELD	3109	CROYDON	4123	ROCHEDALE	5106	PARAFIELD
2375	BRAEMAR	3109	DONCASTER	4123	ROCHEDALE SOUTH	5106	SALISBURY SOUTH
2380	GUNNEDAH	3109	DONCASTER EAST	4124	BORONIA HEIGHTS	5107	PARAFIELD GARDENS
2381	CURLEWIS	3109	RINGWOOD	4124	GREENBANK	5108	PARALOWIE
2382	BOGGABRI	3109	TEMPLESTOWE	4125	CARINDALE	5108	SALISBURY
2388	WEE WAA	3111	DONVALE	4125	PARK RIDGE	5108	SALISBURY DOWNS
2390	NARRABRI	3113	WARRANTYTE	4125	SOUTHPORT	5108	SALISBURY NORTH
2390	NARRABRI WEST	3114	PARK ORCHARDS	4127	BUNDALL	5109	BRAHMA LODGE
2395	BINNAWAY	3115	WONGA PARK	4127	DAISY HILL	5109	SALISBURY EAST
2396	BARADINE	3116	CHIRNSIDE PARK	4127	PRIESTDALE	5109	SALISBURY PARK
2400	MOREE	3121	BURNLEY	4127	SLACK CREEK	5110	BOLIVAR
2402	WARIALDA	3121	CREMORNE	4127	SLACKS CREEK	5110	BURTON
2404	BINGARA	3121	RICHMOND	4127	SPRINGWOOD	5110	DIREK
2406	MUNGINDI	3121	RICHMOND EAST	4127	SURFERS PARADISE	5111	EDINBURGH
2409	BOGGABILLA	3121	RICHMOND NORTH	4128	SHAILER PARK	5111	EDINBURGH PARKS
2420	DUNGOG	3122	CAMBERWELL	4129	LOGANHOLME	5112	ELIZABETH
2421	PATERSON	3122	HAWTHORN	4129	TOOWONG	5112	ELIZABETH EAST
2421	VACY	3122	HAWTHORN EAST	4130	CORNUBIA	5112	ELIZABETH SOUTH
2422	GLOUCESTER	3123	AUBURN	4131	LOGANLEA	5112	ELIZABETH VALE
2422	GLOUCESTOR	3123	HAWTHORN EAST	4131	MEADOWBROOK	5112	HILLBANK SOUTH
2423	BULAHDELAH	3124	CAMBERWELL	4132	BROWNS PLAINS	5113	DAVOREN PARK
2425	SAWTELL	3124	CAMBERWELL JUNCTION	4132	CRESTMead	5113	DAVOREN PARK SOUTH
2425	STROUD	3124	CAMBERWELL NORTH	4132	MARSDEN	5113	ELIZABETH DOWNS
2426	COOPERNOOK	3124	HAWTHORN EAST	4133	LOGAN RESERVE	5113	ELIZABETH PARK
2427	HARRINGTON	3124	WYNDHAM VALE	4133	WATERFORD	5114	BLAKEVIEW
2428	CHAROLTE BAY	3125	BURWOOD	4133	WATERFORD WEST	5114	CRAIGMORE
2428	FORSTER	3125	CAMBERWELL	4150	CABOOLTURE	5114	DAVOREN PARK
2428	TUNCURRY	3126	CANTERBURY	4151	COORPAROO	5114	ONE TREE HILL
2428	ULLADULLA	3127	MONT ALBERT	4152	CAMP HILL	5114	SMITHFIELD
2429	KRAMBACH	3127	SURREY HILLS	4152	CARINA	5115	MUNNO PARA
2429	WINGHAM	3128	BOX HILL	4152	CARINDALE	5115	MUNNO PARA WEST
2430	BLACK HEAD	3128	BOX HILL SOUTH	4152	MT GRAVATT EAST	5115	SMITHFIELD
2430	CHATHAM	3128	MOOROOLBARK	4152	WHITES HILL	5116	EVANSTON
2430	CUNDELTOWN	3129	BALWYN EAST	4153	BELMONT	5116	EVANSTON PARK
2430	HALLIDAYS POINT	3129	BALWYN NORTH	4154	COORPAROO	5116	GAWLER
2430	LANSDOWNE	3129	BOX HILL	4154	GUMDALE	5117	ANGLE VALE
2430	OLD BAR	3129	BOX HILL NORTH	4155	CHANDLER	5118	GAWLER
2430	TAREE	3130	BLACKBURN	4156	MACKENZIE	5118	HEWETT
2430	TAREE SOUTH	3130	BLACKBURN NORTH	4157	CAPALABA	5118	WILLASTON
2430	TAREE WEST	3130	BLACKBURN SOUTH	4157	EAST MACKAY	5120	VIRGINIA
2431	SOUTH WEST ROCKS	3131	FOREST HILL	4159	AQUATIC PARADISE	5122	ELIZABETH
2439	KENDALL	3131	FOREST HILLS	4159	BIRKDALE	5125	GOLDEN GROVE
2440	CRESCENT HEAD	3131	NUNAWADING	4160	WELLINGTON POINT	5125	GREENWITH
2440	FORSTER	3131	PARKMORE	4161	ALEXANDRA HILLS	5126	FAIRVIEW PARK
2440	FREDERICKTON	3131	RICHMOND	4161	ALEXANDRIA HILLS	5126	SURREY DOWNS
2440	GLADSTONE	3132	MARIBYRNONG	4163	CLEVELAND	5152	CRAFERS
2440	GRENFELL	3132	MITCHAM	4163	ORMISTON	5152	STIRLING
2440	HAT HEAD	3132	MITCHAM NORTH	4165	MOUNT COTTON	5154	ALDGATE
2440	KEMPSEY	3133	VERMONT	4165	REDLAND BAY	5155	BRIDGEWATER
2440	SMITHTOWN	3133	VERMONT SOUTH	4165	VICTORIA PARK	5158	HALLETT COVE

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2440	SOUTH KEMPSEY	3134	NORTH RINGWOOD	4165	VICTORIA POINT	5158	NOARLUNGA
2440	WEST KEMPSEY	3134	RINGWOOD	4165	VICTORIA POINT WEST	5158	OAKLANDS PARK
2441	EUNGAI CREEK	3134	RINGWOOD EAST	4169	BRISBANE EAST	5158	O'HALLORAN HILL
2441	GRASSY HEAD	3134	RINGWOOD NORTH	4169	EAST BRISBANE	5158	SHEIDOW PARK
2441	KUNDABUNG	3134	VERMONT	4169	KANGAROO POINT	5158	TROTT PARK
2441	STUARTS POINT	3134	WARRANTYTE SOUTH	4170	CANNON HILL	5159	ABERFOYLE PARK
2441	TELEGRAPH POINT	3135	EAST RINGWOOD	4170	COLMSLIE	5159	FLAGSTAFF HILL
2443	LAKEWOOD	3135	HEATHMONT	4170	MORNINGSIDE	5159	HAPPY VALLEY
2443	LAURIETON	3135	RINGWOOD EAST	4170	NORMAN PARK	5160	LONSDALE
2443	MOORLAND	3136	CROYDON	4171	BULIMBA	5161	OLD REYNELLA
2444	FLYNNS BEACH	3136	CROYDON EAST	4171	HAWTHORNE	5161	REYNELLA
2444	PORT MACQUAIRE	3136	CROYDON HILLS	4172	MELBOURNE	5162	MORPHET VALE
2444	PORT MACQUARIE	3136	CROYDON NORTH	4172	MURARRIE	5162	MORPHETT VALE
2444	PORT MACQUARIE SOUTH	3136	CROYDON SOUTH	4172	MURRARRIE	5162	MORPHETTVALE
2444	TAREE	3136	KEYSBOROUGH	4173	TINGALPA	5162	REYNELLA
2444	THUMSTER	3137	BAYSWATER NORTH	4174	HEMMANT	5162	WOODCROFT
2445	BONNY HILLS	3137	KILSYTH	4178	LYTTON	5163	HACKHAM
2445	LAKE CATHIE	3138	MOOROOLBARK	4178	WYNNUM	5164	CHRISTIE DOWNS
2446	WAUCHOPE	3138	WINDSOR	4178	WYNNUM NORTH	5165	CHRISTIES BEACH
2447	COFFS HARBOUR	3139	CAMBERWELL	4178	WYNNUM WEST	5165	SEAFORD MEADOWS
2447	MACKSVILLE	3139	SEVILLE	4179	MANLY	5165	SHEIDOW PARK
2448	MACKSVILLE	3139	WANDIN NORTH	4179	MANLY WEST	5166	O'SULLIVAN BEACH
2448	NAMBUCCA	3139	WOORI YALLOCK	4179	TINGALPA	5167	PORT NOARLUNGA
2448	NAMBUCCA HEADS	3140	LILYDALE	4183	AMITY POINT	5168	NOARLUNGA
2448	VALLA	3141	FOREST HILL	4183	DUNWICH	5168	NOARLUNGA CENTRE
2449	BOWRAVILLE	3141	SOUTH YARRA	4183	POINT LOOKOUT	5168	NOARLUNGA DOWNS
2450	BONVILLE	3142	PRAHRAN	4184	MACLEAY ISLAND	5168	OLD NOARLUNGA
2450	COFF HARBOUR	3142	TOORAK	4184	RUSSELL ISLAND	5169	SEAFORD
2450	COFFS HARBOUR	3143	ARMADALE	4197	MANLY WEST	5169	SEAFORD HEIGHTS
2450	CORAMBA	3143	ARMADALE	4200	STRATHAN	5169	SEAFORD MEADOWS
2450	GLENREAGH	3144	MALVERN	4203	MARSDEN	5171	MCLAREN VALE
2450	MOONEE BEACH	3145	CAULFIELD	4205	BETHANIA	5172	WILLUNGA
2450	NANA GLEN	3145	CAULFIELD EAST	4207	BEENLEIGH	5173	ALDINGA
2451	BOMADERY	3145	DARLING	4207	EAGLEBY	5173	ALDINGA BEACH
2452	SAWTELL	3145	EAST MALVERN	4207	EDENS LANDING	5203	YANKALILLA
2452	TOORMINA	3145	GLEN HUNTLY	4207	HOLMVIEW	5204	NORMANVILLE
2453	DORRIGO	3145	MALVERN	4207	LOGAN VILLAGE	5210	MOUNT COMPASS
2454	BELLINGEN	3145	MALVERN EAST	4207	MOUNT WARREN PARK	5211	MCCRACKEN
2455	URUNGA	3146	GLEN IRIS	4207	MT WARREN PARK	5211	VICTOR HARBOR
2456	ARRAWARRA HEADLANDS	3147	ASHBURTON	4207	WINDAROO	5211	VICTOR HARBOR
2456	CORINDI BEACH	3147	ASHWOOD	4207	YARRABILBA	5212	PORT ELLIOT
2456	WOOLGOOLGA	3148	CHADSTONE	4207	YATALA	5214	GOOLWA
2460	COUTTS CROSSING	3148	GLEN WAVERLEY	4208	ORMEAU	5214	GOOLWA SOUTH
2460	GRAFTON	3148	MALVERN EAST	4209	COOMERA	5222	PENNESHAW
2460	HALFWAY CREEK	3149	CHADSTONE	4209	PIMPAMA	5223	KINGSCOTE
2460	SOUTH GRAFTON	3149	GLEN WAVERLEY	4209	UPPER COMMERA	5234	BIRDWOOD
2460	THE JUNCTION	3149	MOUNT WAVERLEY	4209	UPPER COOMERA	5235	MOUNT PLEASANT
2462	ULMARRA	3149	MT WAVERLEY	4210	HELENSVALE	5238	MANNUM
2462	WOOLI	3150	BRANDON PARK	4210	HOPE ISLAND	5241	LOBETHAL
2463	MACLEAN	3150	GLEN WAVERLEY	4210	MAUDSLAND	5242	BALHANNAH
2463	MACLEANS	3150	LOWER PLENTY	4210	OXENFORD	5244	WOODSIDE
2464	YAMABA	3150	MULGRAVE	4210	UPPER COOMERA	5245	HAHNDORF
2464	YAMBA	3150	WHEELERS HILL	4211	CARRARA	5250	LITTLEHAMPTON
2465	HARWOOD ISLAND	3151	BURWOOD EAST	4211	CARRARA	5250	MT BARKER
2466	ILUKA	3151	EAST BURWOOD	4211	CARRARA NORTH	5250	TOTNESS
2469	BONALBO	3151	FOREST HILL	4211	CARRARA SOUTH	5251	MOUNT BARKER
2469	MALLANGANEE	3152	FERN TREE GULLY	4211	GAVEN	5251	MT BARKER
2470	CASINO	3152	GEE LONG	4211	HELENSVALE	5252	NAIRNE
2470	CASINO WEST	3152	GLEN WAVERLY	4211	NERANG	5253	MURRAY BRIDGE
2471	CORAKI	3152	WANTIRNA	4211	NERANG NORTH	5253	MURRAY BRIDGE EAST
2472	BROADWATER	3152	WANTIRNA SOUTH	4211	NERANG SOUTH	5254	CALLINGTON
2472	CAMPBELLTOWN	3152	WANTIRNA STH	4211	PACIFIC PINES	5255	STRATHALBYN
2472	WOODBURN	3153	BAYSWATER	4212	HELENSVALE	5260	ELWOMPLE
2473	EVANS HEAD	3153	BAYSWATER EAST	4212	HOPE ISLAND	5260	TAILEM BEND
2474	KYOGLE	3153	BAYSWATER NORTH	4212	SANCTUARY COVE	5264	MENINGIE
2475	URBENVILLE	3153	FRANKSTON	4212	TOOWOOMBA	5266	TINTINARA
2477	ALSTONVILLE	3153	NORTH BAYSWATER	4213	MUDGEERABA	5267	KEITH
2477	WARDELL	3153	STRATHMORE	4213	MUDGEEREEBA	5268	BORDERTOWN
2477	WOLLONGBAR	3154	THE BASIN	4213	WORONGARY	5271	NARACOORTE
2478	BALLINA	3155	BORONIA	4214	ARUNDEL	5275	KINGSTON
2478	LENNOX HEAD	3156	FERN TREE GULLY	4214	ASHMORE	5275	KINGSTON SE
2478	NORTH BALLINA	3156	MOUNTAIN GATE	4214	ASHMORE CITY	5276	ROBE
2478	TINTENBAR	3156	UPPER FERN TREE GULLY	4214	LABRADOR	5277	PENOLA
2478	WEST BALLINA	3158	UPWEY	4214	MOLENDINAR	5280	MILLICENT
2479	BANGALOW	3160	BELGRAVE	4214	PARKWOOD	5290	MOUNT GAMBIER
2480	EAST LISMORE	3161	CAULFIELD	4214	TUGUN	5290	MT GAMBIER
2480	GIRARDS HILL	3161	CAULFIELD EAST	4215	ASHMORE	5290	MT. GAMBIER
2480	GOONELLABAH	3161	CAULFIELD NORTH	4215	LABRADOR	5291	MOUNT GAMBIER EAST
2480	LISMORE	3162	BENTLEIGH EAST	4215	LABRADOR NORTH	5302	LAMEROO
2480	LISMORE SOUTH	3162	CAULFIELD	4215	SOUTHPORT	5304	PINNAROO
2480	NIMBIN	3162	CAULFIELD SOUTH	4215	SOUTHPORT PARK	5321	HILTON
2480	SOUTH LISMORE	3163	CARNEGIE	4216	BIGGERA WATERS	5330	WAIKERIE
2480	THE CHANNON	3163	GLEN HUNTLY	4216	COOMBABAH	5333	LOXTON
2481	BYRON BAY	3163	GLENHUNTLY	4216	CRANBOURNE NORTH	5340	PARINGA
2481	COFFS HARBOUR	3163	MURRUMBEENA	4216	HARBORTOWN	5341	RENMARK
2481	SUFFOLK PARK	3165	BENTLEIGH EAST	4216	PARADISE POINT	5343	BERRI
2482	MULLUMBIMBY	3165	EAST BENTLEIGH	4216	RUNAWAY BAY	5345	BARMERA
2483	BILLINUDGEL	3166	BALWYNN	4217	ASHMORE	5351	LYNDOCH
2483	BRUNSWICK HEADS	3166	BRIGHTON	4217	BENOWA	5351	WILLIAMSTOWN
2483	BURRINGBAR	3166	HUGHESDALE	4217	BUNDALL	5352	TANUNDA
2483	CRABBES CREEK	3166	HUNTINGDALE	4217	CHEVRON ISLAND	5353	ANGASTON
2483	NEW BRIGHTON	3166	LITTLE RIVER	4217	ISLE OF CAPRI	5355	NURIOOPTA

Postcodes and Suburbs serviced by Armaguard CIT operations

Post Code	Suburb	Post Code	Suburb	Post Code	Suburb	Post Code	Suburb
2483	OCEAN SHORES	3166	OAKLEIGH	4217	MAIN BEACH	5355	NURIOOTPA
2483	OCEANS SHORES	3167	NORTH MELBOURNE	4217	SOUTHPORT	5360	GREENOCK
2484	CHILLINGHAM	3167	OAKLEIGH	4217	SPRINGWOOD	5372	FREELING
2484	CONDONG	3167	OAKLEIGH SOUTH	4217	SURFERS PARADISE	5373	KAPUNDA
2484	MURWILLUMBAH	3167	SOUTH OAKLEIGH	4218	BIGGERA WATERS	5412	RIVERTON
2484	ROUND MOUNTAIN	3168	BRIGHTON	4218	BRDBEACH	5417	BURRA
2484	SOUTH MURWILLUMBAH	3168	CLAYTON	4218	BROADBEACH	5422	PETERBOROUGH
2484	TYALGUM	3168	NOTTING HILL	4218	BROADBEACH GOLD COAST	5434	HAWKER
2484	UKI	3168	SPRINGVALE NTH	4218	GOLD COAST	5453	CLARE
2485	SOUTHPORT	3168	SPRINGVALE STH	4218	MERMAID BEACH	5461	BALAKLAVA
2485	TWEED HEADS	3169	CHELTENHAM	4218	MERMAID WATERS	5482	BOOLEROO CENTRE
2485	TWEED HEADS WEST	3169	CLARINDA	4218	MERMAIDE BEACH	5483	MELROSE
2486	BANORA POINT	3169	CLAYTON	4219	BURLEIGH HEADS	5491	JAMESTOWN
2486	BILAMBIL	3169	CLAYTON SOUTH	4219	BURLEIGH WEST	5501	TWO WELLS
2486	SOUTH TWEED HEADS	3170	BRANDON PARK	4219	WEST BURLEIGH	5523	CRYSTAL BROOK
2486	TWEED CITY	3170	FRANKSTON	4220	ANDREWS	5540	PORT PIRIE
2486	TWEED HEADS	3170	LIVERPOOL	4220	BIGGERA WATERS	5550	PORT WAKEFIELD
2486	TWEED HEADS SOUTH	3170	MULGRAVE	4220	BURLEIGH HEADS	5554	KADINA
2487	CASUARINA	3171	DANDENONG	4220	BURLEIGH TOWN	5556	WALLAROO
2487	CHINDERAH	3171	KEYSBOROUGH STH	4220	BURLEIGH WATERS	5558	MOONTA
2487	DURANBAH	3171	NOBLE PARK	4220	BURLIEGH HEADS	5571	ARDROSSAN
2487	KINGSCLIFF	3171	SPRINGVALE	4220	MIAMI	5573	MAITLAND
2488	BOGANGAR	3172	BRAESIDE	4220	WEST BURLEIGH	5575	MINLATON
2488	CABARITA BEACH	3172	DINGLEY	4220	WEST BURLEIGH HEADS	5576	YORKETOWN
2489	HASTINGS POINT	3172	DINGLEY VILLAGE	4221	ELANORA	5577	WAROOKA
2489	POTTSVILLE	3172	SPRINGVALE	4221	PALM BEACH	5581	PORT VINCENT
2490	TUMBULGUM	3172	SPRINGVALE SOUTH	4221	PALM BEACH NORTH	5600	WHYALLA
2500	CONISTON	3173	CLYDE NORTH	4221	SOUTHPORT	5600	WHYALLA PLAYFORD
2500	EDEN	3173	KEYSBOROUGH	4223	CURRUMBIN	5606	PORT LINCOLN
2500	GWYNNEVILLE	3174	MULGRAVE	4223	CURRUMBIN WATERS	5608	WHYALLA
2500	KEIRAVILLE	3174	NOBLE PARK	4224	TUGUN	5608	WHYALLA NORRIE
2500	MERIMBULA	3175	CLAYTON	4225	BILINGA	5608	WHYALLA NORRIE NORTH
2500	NORTH WOLLONGONG	3175	DANDENONG	4225	COOLANGATTA	5608	WHYALLA STUART
2500	NORTH WOOLLONGONG	3175	DANDENONG NORTH	4226	ASPLEY	5640	CLEVE
2500	WEST WOLLONGONG	3175	DANDENONG SOUTH	4226	GOLDCOAST	5641	KIMBA
2500	WOLLONGONG	3175	DANDENONG STH	4226	MERRIMAC	5680	STREAKY BAY
2500	WOLLONGONG WEST	3175	DOVETON	4226	ROBINA	5690	CEDUNA
2502	LAKE HEIGHTS	3175	FRANKSTON	4226	WEST BURLEIGH	5700	PORT AUGUSTA
2502	PRIMBEE	3175	HALLAM	4227	REEDY CREEK	5700	PORT AUGUSTA WEST
2502	WARRAWONG	3175	MOOROODUC	4227	VARSITY LAKES	5725	ROXBY DOWNS
2505	PORT KEMBLA	3177	DOVETON	4229	BOND UNIVERSITY	5950	ADELAIDE
2506	BERKELEY	3178	ROWVILLE	4230	NOOSA HEADS	5950	ADELAIDE AIRPORT
2508	HELENSBURGH	3179	SCORESBY	4230	ROBINA	5950	EXPORT PARK
2515	AUSTINMER	3180	DONCASTER	4231	MEADOWBROOK	5950	WEST BEACH
2515	THIRROUL	3180	KNOXFIELD	4266	ROBINA	5973	GLENUNGA
2516	BULLI	3180	PAKENHAM	4270	EMERALD	6000	PERTH
2516	WAGGA WAGGA	3181	MELBOURNE	4270	TAMBORINE	6003	HIGHGATE
2517	WOONONA	3181	PRAHRAN	4271	EAGLE HEIGHTS	6003	NORTHBRIDGE
2517	WOONONA EAST	3181	PRAHRAN EAST	4272	NORTH TAMBORINE	6004	EAST PERTH
2518	BELLAMBIE	3181	ROCKBANK	4275	CANUNGRA	6005	WEST PERTH
2518	CORRIMAL	3181	SOUTH YARRA	4280	CRAIGIEBURN	6006	NORTH PERTH
2518	TARRAWANNA	3181	WINDSOR	4280	JIMBOOMBA	6007	LEEDERVILLE
2518	TOWRADGI	3182	BALACLAVA	4280	NORTH MACLEAN	6007	WEST LEEDERVILLE
2519	BALGOWNIE	3182	ST KILDA	4285	BEAUDESERT	6008	BOWEN
2519	FAIRY MEADOW	3182	ST. KILDA	4285	BRISBANE	6008	SHENTON PARK
2519	FAIRYMEADOW	3183	BALACLAVA	4285	CEDAR VALE	6008	SUBIACO
2521	WOLLONGONG	3183	DONCASTER EAST	4300	AUGUSTINE HEIGHTS	6009	CRAWLEY
2522	WOLLONGONG	3183	RIPPONLEA	4300	BELLBIRD PARK	6009	DALKEITH
2525	FIGTREE	3183	ST KILDA	4300	BROOKWATER	6009	NEDLANDS
2526	KEMBLA GRANGE	3183	ST KILDA EAST	4300	CAMIRA	6010	BUSSELTON
2526	UNANDERRA	3184	ELWOOD	4300	CAROLE PARK	6010	CLAREMONT
2527	ALBION PARK	3184	RINGWOOD	4300	GAILLES	6010	MT CLAREMONT
2527	ALBION PARK RAIL	3185	ELSTERNWICK	4300	GOODNA	6010	SWANBOURNE
2528	BARRACK HEIGHTS	3185	ELSTERNWICK NORTH	4300	SPRINGFIELD	6011	COTTESLOE
2528	LAKE ILLAWARRA	3185	ELWOOD	4300	SPRINGFIELD CENTRAL	6011	PEPPERMINT GROVE
2528	MT WARRIGAL	3185	GARDENVALE	4300	SPRINGFIELD LAKES	6011	ROCKINGHAM
2528	SHELLHARBOUR	3185	RIPPONLEA	4300	SPRINGFIELD ORION	6012	MOSMAN
2528	WARILLA	3186	BRIGHTON	4301	COLLINGWOOD PARK	6012	MOSMAN PARK
2528	WINDANG	3186	BRIGHTON EAST	4301	EDENS CROSSING	6014	FLOREAT
2529	BLACKBUTT	3186	BRIGHTON NORTH	4301	REDBANK	6014	JOLIMONT
2529	OAK FLATS	3186	MIDDLE BRIGHTON	4301	REDBANK PLAINS	6014	WEMBLEY
2529	SHELL COVE	3187	BRIGHTON EAST	4303	DINMORE	6015	CITY BEACH
2529	SHELLHARBOUR	3187	MELBOURNE	4303	RIVERVIEW	6016	GLENDALOUGH
2529	SHELLHARBOUR CITY	3187	PRAHRAN	4304	BOOVAL	6016	MOUNT HAWTHORN
2529	SHELLHARBOUR CITY CTR	3188	HAMPTON	4304	BUNDAMBA	6016	MT HAWTHORN
2529	SHELLHARBOUR SQUARE	3188	HAMPTON EAST	4304	SILKSTONE	6017	OSBORNE PARK
2530	ARMIDALE	3188	HAMPTON NORTH	4305	BRASSALL	6018	CHURCHLANDS
2530	BROWNSVILLE	3189	BRUNSWICK WEST	4305	BURPENGARY EAST	6018	DOUBLEVIEW
2530	DAPTO	3189	HAMPTON	4305	FLINDERS VIEW	6018	GWELUP
2530	HAYWARDS BAY	3189	HIGHETT	4305	IPSWICH	6018	INNALOO

Postcodes and Suburbs serviced by Prosecur CIT operations

Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
800	NT	2022	NSW	2073	NSW	2125	NSW	2165	NSW
800	NT	2024	NSW	2074	NSW	2126	NSW	2166	NSW
810	NT	2025	NSW	2075	NSW	2127	NSW	2167	NSW
810	NT	2026	NSW	2076	NSW	2127	NSW	2168	NSW
812	NT	2027	NSW	2077	NSW	2128	NSW	2170	NSW
820	NT	2028	NSW	2077	NSW	2129	NSW	2171	NSW
820	NT	2029	NSW	2079	NSW	2130	NSW	2173	NSW
828	NT	2030	NSW	2081	NSW	2131	NSW	2174	NSW
829	NT	2031	NSW	2082	NSW	2132	NSW	2176	NSW
830	NT	2032	NSW	2084	NSW	2133	NSW	2177	NSW
830	NT	2033	NSW	2085	NSW	2134	NSW	2178	NSW
831	NT	2034	NSW	2086	NSW	2135	NSW	2179	NSW
832	NT	2035	NSW	2087	NSW	2136	NSW	2190	NSW
832	NT	2036	NSW	2088	NSW	2137	NSW	2191	NSW
835	NT	2037	NSW	2089	NSW	2138	NSW	2192	NSW
836	NT	2039	NSW	2093	NSW	2140	NSW	2193	NSW
850	NT	2040	NSW	2095	NSW	2141	NSW	2194	NSW
853	NT	2041	NSW	2096	NSW	2142	NSW	2195	NSW
870	NT	2042	NSW	2099	NSW	2143	NSW	2196	NSW
870	NT	2043	NSW	2100	NSW	2144	NSW	2197	NSW
871	NT	2044	NSW	2101	NSW	2145	NSW	2198	NSW
880	NT	2045	NSW	2102	NSW	2146	NSW	2199	NSW
886	NT	2046	NSW	2103	NSW	2147	NSW	2200	NSW
1234	NSW	2047	NSW	2106	NSW	2148	NSW	2203	NSW
2000	NSW	2048	NSW	2107	NSW	2150	NSW	2204	NSW
2006	NSW	2049	NSW	2110	NSW	2151	NSW	2205	NSW
2007	NSW	2052	NSW	2111	NSW	2152	NSW	2206	NSW
2007	NSW	2060	NSW	2112	NSW	2153	NSW	2207	NSW
2008	NSW	2061	NSW	2113	NSW	2154	NSW	2208	NSW
2009	NSW	2062	NSW	2114	NSW	2155	NSW	2209	NSW
2010	NSW	2064	NSW	2115	NSW	2156	NSW	2210	NSW
2011	NSW	2065	NSW	2116	NSW	2157	NSW	2211	NSW
2015	NSW	2066	NSW	2117	NSW	2158	NSW	2212	NSW
2016	NSW	2067	NSW	2118	NSW	2159	NSW	2213	NSW
2017	NSW	2068	NSW	2119	NSW	2160	NSW	2214	NSW
2018	NSW	2069	NSW	2120	NSW	2161	NSW	2216	NSW
2019	NSW	2070	NSW	2120	NSW	2162	NSW	2217	NSW
2020	NSW	2071	NSW	2121	NSW	2163	NSW	2219	NSW
2021	NSW	2072	NSW	2122	NSW	2164	NSW	2220	NSW

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
2221	NSW	2290	NSW	2338	NSW	2445	NSW	2515	NSW
2222	NSW	2291	NSW	2340	NSW	2446	NSW	2516	NSW
2223	NSW	2292	NSW	2341	NSW	2447	NSW	2517	NSW
2224	NSW	2293	NSW	2343	NSW	2448	NSW	2518	NSW
2225	NSW	2294	NSW	2347	NSW	2449	NSW	2519	NSW
2226	NSW	2295	NSW	2350	NSW	2450	NSW	2525	NSW
2227	NSW	2296	NSW	2352	NSW	2452	NSW	2526	NSW
2228	NSW	2297	NSW	2353	NSW	2453	NSW	2527	NSW
2229	NSW	2298	NSW	2354	NSW	2454	NSW	2528	NSW
2230	NSW	2299	NSW	2357	NSW	2456	NSW	2529	QLD
2231	NSW	2300	NSW	2358	NSW	2458	NSW	2530	NSW
2232	NSW	2302	NSW	2360	NSW	2460	NSW	2533	NSW
2233	NSW	2303	NSW	2361	NSW	2463	NSW	2534	NSW
2234	NSW	2304	NSW	2365	NSW	2464	NSW	2535	NSW
2250	NSW	2305	NSW	2369	NSW	2466	NSW	2536	NSW
2250	NSW	2306	NSW	2370	NSW	2469	NSW	2537	NSW
2251	NSW	2307	NSW	2372	NSW	2470	NSW	2538	NSW
2256	NSW	2312	NSW	2380	NSW	2473	NSW	2539	NSW
2257	NSW	2314	NSW	2382	NSW	2474	NSW	2540	NSW
2258	NSW	2315	NSW	2388	NSW	2476	NSW	2541	NSW
2259	NSW	2316	NSW	2390	NSW	2477	NSW	2545	NSW
2260	NSW	2317	NSW	2396	NSW	2478	NSW	2546	NSW
2261	NSW	2318	NSW	2400	NSW	2479	NSW	2548	NSW
2262	NSW	2319	NSW	2402	NSW	2480	NSW	2549	NSW
2263	NSW	2320	NSW	2404	NSW	2481	QLD	2550	NSW
2264	NSW	2321	NSW	2409	QLD	2481	QLD	2551	NSW
2265	NSW	2322	NSW	2420	NSW	2482	QLD	2556	NSW
2267	NSW	2323	NSW	2421	NSW	2483	NSW	2557	NSW
2280	NSW	2324	NSW	2422	NSW	2484	NSW	2558	NSW
2281	NSW	2325	NSW	2423	NSW	2485	QLD	2560	NSW
2282	NSW	2327	NSW	2427	NSW	2486	NSW	2564	NSW
2283	NSW	2328	NSW	2428	NSW	2487	QLD	2565	NSW
2284	NSW	2329	NSW	2429	NSW	2488	NSW	2566	NSW
2285	NSW	2330	NSW	2430	NSW	2489	NSW	2567	NSW
2285	NSW	2333	NSW	2431	NSW	2500	NSW	2570	NSW
2286	NSW	2334	NSW	2439	NSW	2502	NSW	2571	NSW
2287	NSW	2335	NSW	2440	NSW	2505	NSW	2573	NSW
2287	NSW	2336	NSW	2443	NSW	2506	NSW	2574	NSW
2289	NSW	2337	NSW	2444	NSW	2508	NSW	2575	NSW

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
2576	NSW	2644	NSW	2749	NSW	2823	NSW	3013	VIC
2577	NSW	2646	NSW	2750	NSW	2824	NSW	3015	VIC
2579	NSW	2648	NSW	2752	NSW	2825	NSW	3016	VIC
2580	NSW	2650	NSW	2753	NSW	2827	NSW	3018	VIC
2582	NSW	2651	NSW	2754	NSW	2829	NSW	3019	VIC
2583	NSW	2652	NSW	2756	NSW	2830	NSW	3020	VIC
2584	NSW	2653	NSW	2757	NSW	2832	NSW	3021	VIC
2586	NSW	2656	NSW	2759	NSW	2834	NSW	3022	VIC
2587	NSW	2658	NSW	2760	NSW	2835	NSW	3023	VIC
2590	NSW	2660	NSW	2761	NSW	2840	NSW	3024	VIC
2594	NSW	2661	NSW	2762	NSW	2844	NSW	3025	VIC
2600	ACT	2665	NSW	2763	NSW	2848	NSW	3026	VIC
2601	ACT	2666	NSW	2765	NSW	2849	NSW	3027	VIC
2602	ACT	2671	NSW	2766	NSW	2850	NSW	3028	VIC
2603	ACT	2672	NSW	2767	NSW	2870	NSW	3029	VIC
2604	ACT	2675	NSW	2768	NSW	2871	NSW	3030	VIC
2605	ACT	2680	NSW	2769	NSW	2873	NSW	3031	VIC
2606	ACT	2700	VIC	2770	NSW	2874	NSW	3032	VIC
2607	ACT	2701	NSW	2773	NSW	2877	NSW	3033	VIC
2609	ACT	2705	NSW	2774	NSW	2880	NSW	3034	VIC
2611	NSW	2706	NSW	2775	NSW	2900	ACT	3036	VIC
2612	ACT	2707	NSW	2776	NSW	2902	NSW	3037	VIC
2614	ACT	2710	NSW	2777	NSW	2903	ACT	3038	VIC
2615	ACT	2711	NSW	2779	NSW	2905	NSW	3039	VIC
2617	ACT	2712	VIC	2780	NSW	2906	ACT	3040	VIC
2619	NSW	2713	NSW	2782	NSW	2911	ACT	3041	VIC
2620	NSW	2714	NSW	2783	NSW	2912	ACT	3042	VIC
2620	NSW	2715	NSW	2785	NSW	2913	ACT	3043	VIC
2621	NSW	2716	NSW	2786	NSW	2914	ACT	3043	VIC
2622	NSW	2717	NSW	2787	NSW	3000	VIC	3044	VIC
2625	NSW	2720	NSW	2790	NSW	3002	VIC	3045	VIC
2627	NSW	2722	NSW	2794	NSW	3003	VIC	3046	VIC
2630	NSW	2729	NSW	2795	NSW	3004	VIC	3047	VIC
2632	NSW	2731	VIC	2799	NSW	3006	VIC	3048	VIC
2640	NSW	2732	NSW	2800	NSW	3006	VIC	3049	VIC
2640	NSW	2739	NSW	2804	NSW	3008	VIC	3051	VIC
2641	NSW	2742	NSW	2810	NSW	3011	VIC	3052	VIC
2642	NSW	2745	NSW	2820	NSW	3012	VIC	3053	VIC
2643	NSW	2747	NSW	2821	NSW	3013	VIC	3054	VIC

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
3055	VIC	3105	VIC	3152	VIC	3197	VIC	3280	VIC
3056	VIC	3106	VIC	3153	VIC	3199	VIC	3284	VIC
3057	VIC	3107	VIC	3155	VIC	3200	VIC	3294	VIC
3058	VIC	3108	VIC	3156	VIC	3201	VIC	3304	VIC
3059	VIC	3109	VIC	3158	VIC	3202	VIC	3311	VIC
3061	VIC	3111	VIC	3160	VIC	3204	VIC	3315	VIC
3062	VIC	3113	VIC	3161	VIC	3205	VIC	3317	VIC
3064	VIC	3114	VIC	3162	VIC	3206	VIC	3318	VIC
3065	VIC	3115	VIC	3163	VIC	3207	VIC	3321	VIC
3066	VIC	3116	VIC	3165	VIC	3211	VIC	3331	VIC
3067	VIC	3121	VIC	3166	VIC	3212	VIC	3335	VIC
3068	VIC	3122	VIC	3167	VIC	3213	VIC	3336	VIC
3070	VIC	3123	VIC	3168	VIC	3214	VIC	3337	VIC
3071	VIC	3124	VIC	3169	VIC	3215	VIC	3338	VIC
3072	VIC	3126	VIC	3170	VIC	3216	VIC	3340	VIC
3073	VIC	3127	VIC	3171	VIC	3217	VIC	3342	VIC
3074	VIC	3128	VIC	3172	VIC	3218	VIC	3350	VIC
3075	VIC	3129	VIC	3173	VIC	3219	VIC	3351	VIC
3076	VIC	3130	VIC	3174	VIC	3220	VIC	3352	VIC
3078	VIC	3131	VIC	3175	VIC	3221	VIC	3352	VIC
3079	VIC	3132	VIC	3177	VIC	3222	VIC	3355	VIC
3081	VIC	3133	VIC	3178	VIC	3223	VIC	3356	VIC
3082	VIC	3134	VIC	3179	VIC	3224	VIC	3357	VIC
3083	VIC	3135	VIC	3180	VIC	3225	NSW	3361	VIC
3084	VIC	3136	VIC	3181	VIC	3226	VIC	3363	VIC
3085	VIC	3137	VIC	3182	VIC	3227	VIC	3370	VIC
3087	VIC	3138	VIC	3183	VIC	3228	VIC	3373	VIC
3088	VIC	3139	VIC	3185	VIC	3230	VIC	3377	VIC
3089	VIC	3140	VIC	3186	VIC	3231	VIC	3379	VIC
3091	VIC	3141	VIC	3187	VIC	3232	VIC	3380	VIC
3093	VIC	3142	VIC	3188	VIC	3233	VIC	3388	VIC
3094	VIC	3143	VIC	3189	VIC	3237	VIC	3392	VIC
3095	VIC	3145	VIC	3190	VIC	3241	VIC	3393	VIC
3097	VIC	3146	VIC	3191	VIC	3242	VIC	3400	VIC
3099	VIC	3147	VIC	3192	VIC	3250	VIC	3407	VIC
3101	VIC	3148	VIC	3193	VIC	3260	VIC	3412	VIC
3102	VIC	3149	VIC	3194	VIC	3264	VIC	3414	VIC
3103	VIC	3150	VIC	3195	VIC	3266	VIC	3418	VIC
3104	NSW	3151	VIC	3196	VIC	3268	VIC	3419	VIC

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
3423	VIC	3555	VIC	3713	VIC	3818	VIC	3944	VIC
3424	VIC	3556	VIC	3714	VIC	3820	VIC	3950	VIC
3428	VIC	3558	VIC	3717	VIC	3823	VIC	3953	VIC
3429	VIC	3561	VIC	3722	VIC	3824	VIC	3956	VIC
3431	VIC	3563	VIC	3730	VIC	3825	VIC	3960	VIC
3434	VIC	3564	VIC	3737	VIC	3831	VIC	3962	VIC
3435	VIC	3568	VIC	3741	VIC	3840	VIC	3966	VIC
3437	VIC	3575	VIC	3747	VIC	3844	VIC	3971	VIC
3441	VIC	3579	VIC	3749	VIC	3850	VIC	3975	VIC
3442	VIC	3585	VIC	3750	VIC	3852	VIC	3976	VIC
3444	VIC	3608	VIC	3752	VIC	3854	VIC	3977	VIC
3450	VIC	3610	VIC	3754	VIC	3858	VIC	3978	VIC
3453	VIC	3612	VIC	3756	VIC	3860	VIC	3980	VIC
3458	VIC	3616	VIC	3757	VIC	3871	VIC	3981	VIC
3460	VIC	3620	VIC	3758	VIC	3875	VIC	3984	VIC
3461	VIC	3621	VIC	3763	VIC	3880	VIC	3991	VIC
3463	VIC	3623	VIC	3764	VIC	3888	VIC	3995	VIC
3467	VIC	3629	VIC	3765	VIC	3892	VIC	3996	VIC
3472	VIC	3630	VIC	3770	VIC	3896	VIC	4000	QLD
3478	VIC	3636	VIC	3775	VIC	3898	VIC	4005	QLD
3480	VIC	3638	VIC	3777	VIC	3909	VIC	4006	QLD
3483	VIC	3644	NSW	3779	VIC	3910	VIC	4007	QLD
3490	VIC	3658	VIC	3781	VIC	3911	VIC	4008	QLD
3498	VIC	3659	VIC	3783	VIC	3912	VIC	4009	QLD
3500	VIC	3660	VIC	3793	VIC	3915	VIC	4010	QLD
3505	VIC	3662	VIC	3796	VIC	3918	VIC	4011	QLD
3512	VIC	3664	VIC	3797	VIC	3919	VIC	4012	QLD
3515	VIC	3666	VIC	3799	VIC	3920	VIC	4014	QLD
3516	VIC	3669	VIC	3802	VIC	3922	VIC	4017	QLD
3517	VIC	3672	VIC	3803	VIC	3925	VIC	4018	QLD
3518	VIC	3675	VIC	3804	VIC	3926	VIC	4019	QLD
3523	VIC	3677	VIC	3805	VIC	3930	VIC	4020	QLD
3527	VIC	3683	VIC	3805	VIC	3931	VIC	4021	QLD
3533	VIC	3685	VIC	3806	VIC	3933	VIC	4022	QLD
3537	VIC	3690	VIC	3807	VIC	3934	VIC	4029	QLD
3540	VIC	3691	NSW	3809	VIC	3936	VIC	4030	QLD
3549	VIC	3694	VIC	3810	VIC	3939	VIC	4031	QLD
3550	VIC	3699	VIC	3815	VIC	3941	VIC	4032	QLD
3551	VIC	3707	VIC	3816	VIC	3942	VIC	4034	QLD

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
4035	QLD	4116	QLD	4184	QLD	4340	QLD	4507	QLD
4036	QLD	4118	QLD	4205	QLD	4341	QLD	4508	QLD
4037	QLD	4119	QLD	4207	QLD	4342	QLD	4509	QLD
4051	QLD	4120	QLD	4208	QLD	4343	QLD	4510	QLD
4053	QLD	4121	QLD	4209	QLD	4344	QLD	4511	QLD
4054	QLD	4122	QLD	4210	QLD	4350	QLD	4512	QLD
4055	QLD	4122	QLD	4211	QLD	4352	QLD	4514	QLD
4057	QLD	4123	QLD	4212	QLD	4354	QLD	4515	QLD
4059	QLD	4124	QLD	4213	QLD	4355	QLD	4516	QLD
4060	QLD	4125	QLD	4214	QLD	4356	QLD	4517	QLD
4061	QLD	4127	QLD	4215	QLD	4357	QLD	4518	QLD
4064	QLD	4128	QLD	4216	QLD	4361	QLD	4519	QLD
4065	QLD	4129	QLD	4217	QLD	4362	QLD	4520	QLD
4066	QLD	4130	QLD	4218	QLD	4370	QLD	4521	QLD
4067	QLD	4131	QLD	4219	QLD	4373	QLD	4550	QLD
4068	QLD	4132	QLD	4220	QLD	4378	QLD	4551	QLD
4069	QLD	4133	QLD	4221	QLD	4385	QLD	4552	QLD
4070	QLD	4151	QLD	4223	QLD	4390	QLD	4553	QLD
4074	QLD	4152	QLD	4224	QLD	4400	QLD	4554	QLD
4075	QLD	4153	QLD	4225	QLD	4401	QLD	4555	QLD
4075	QLD	4155	QLD	4226	QLD	4403	QLD	4556	QLD
4076	QLD	4156	QLD	4227	QLD	4405	QLD	4557	QLD
4077	QLD	4157	QLD	4228	QLD	4413	QLD	4558	QLD
4078	QLD	4158	QLD	4230	QLD	4415	QLD	4559	QLD
4087	QLD	4159	QLD	4272	QLD	4419	QLD	4560	QLD
4101	QLD	4160	QLD	4275	QLD	4420	QLD	4561	QLD
4102	QLD	4161	QLD	4280	QLD	4421	QLD	4563	QLD
4103	QLD	4163	QLD	4285	QLD	4450	QLD	4564	QLD
4104	QLD	4164	QLD	4300	QLD	4470	QLD	4565	QLD
4105	QLD	4165	QLD	4301	QLD	4480	QLD	4566	QLD
4106	QLD	4169	QLD	4303	QLD	4487	QLD	4567	QLD
4108	QLD	4170	QLD	4304	QLD	4490	QLD	4568	QLD
4109	QLD	4171	QLD	4305	QLD	4500	QLD	4569	QLD
4110	QLD	4172	QLD	4305	QLD	4501	QLD	4570	QLD
4110	QLD	4173	QLD	4306	QLD	4502	QLD	4572	QLD
4111	QLD	4174	QLD	4309	QLD	4503	QLD	4573	QLD
4113	QLD	4177	QLD	4310	QLD	4504	QLD	4575	QLD
4114	QLD	4178	QLD	4311	QLD	4505	QLD	4580	QLD
4115	QLD	4179	QLD	4312	QLD	4506	QLD	4581	QLD

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Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
4605	QLD	4740	QLD	4861	QLD	5031	SA	5083	SA
4610	QLD	4741	QLD	4865	QLD	5031	SA	5084	SA
4614	QLD	4742	QLD	4868	VIC	5032	SA	5085	SA
4615	QLD	4744	QLD	4869	QLD	5033	SA	5086	SA
4621	QLD	4745	QLD	4870	QLD	5034	SA	5087	SA
4625	QLD	4746	QLD	4871	QLD	5035	SA	5088	SA
4626	QLD	4750	QLD	4872	QLD	5037	SA	5089	SA
4630	QLD	4751	QLD	4873	QLD	5038	SA	5090	SA
4650	QLD	4753	QLD	4874	QLD	5038	SA	5092	SA
4655	QLD	4798	QLD	4875	QLD	5039	SA	5093	SA
4659	QLD	4800	QLD	4877	QLD	5041	SA	5094	SA
4660	QLD	4802	QLD	4878	QLD	5042	SA	5095	SA
4662	QLD	4804	QLD	4879	QLD	5043	SA	5096	SA
4670	QLD	4805	QLD	4880	QLD	5044	SA	5097	SA
4671	QLD	4806	QLD	4881	QLD	5045	SA	5098	SA
4677	QLD	4807	QLD	4883	QLD	5046	SA	5106	SA
4680	QLD	4809	QLD	4885	QLD	5047	SA	5107	SA
4695	QLD	4810	QLD	4888	QLD	5048	SA	5108	SA
4700	QLD	4811	QLD	4890	QLD	5049	SA	5109	SA
4701	QLD	4812	QLD	5000	SA	5051	SA	5110	SA
4702	QLD	4813	QLD	5006	SA	5052	SA	5111	SA
4702	QLD	4814	QLD	5007	SA	5061	SA	5112	SA
4703	QLD	4815	QLD	5008	SA	5062	SA	5113	SA
4709	QLD	4816	QLD	5009	SA	5063	SA	5114	SA
4710	QLD	4817	QLD	5010	SA	5064	SA	5115	SA
4714	QLD	4818	QLD	5011	SA	5065	SA	5116	SA
4715	QLD	4819	QLD	5012	SA	5066	SA	5117	SA
4717	QLD	4820	QLD	5013	SA	5067	SA	5118	SA
4718	QLD	4821	QLD	5014	SA	5068	SA	5120	SA
4720	QLD	4822	QLD	5015	SA	5069	SA	5121	SA
4721	QLD	4824	QLD	5016	SA	5070	SA	5125	SA
4722	QLD	4825	QLD	5017	SA	5072	SA	5126	SA
4723	QLD	4849	QLD	5018	SA	5073	SA	5127	SA
4724	QLD	4850	QLD	5019	SA	5074	SA	5152	SA
4725	QLD	4852	QLD	5021	SA	5075	SA	5154	SA
4730	QLD	4854	QLD	5022	SA	5076	SA	5158	SA
4735	QLD	4855	QLD	5023	SA	5081	SA	5159	SA
4737	QLD	4858	QLD	5024	SA	5081	SA	5160	SA
4739	QLD	4860	QLD	5025	SA	5082	SA	5161	SA

Postcodes and Suburbs serviced by Prosecur CIT operations

Postcode	State	Postcode	State	Postcode	State	Postcode	State	Postcode	State
5162	SA	5341	SA	6007	WA	6061	WA	6154	WA
5163	SA	5343	SA	6008	WA	6062	WA	6155	WA
5165	SA	5345	SA	6009	WA	6063	WA	6156	WA
5168	SA	5352	SA	6010	WA	6064	WA	6157	WA
5169	SA	5355	SA	6011	WA	6065	WA	6158	WA
5171	SA	5357	SA	6012	WA	6066	WA	6159	WA
5172	SA	5372	SA	6014	WA	6069	WA	6160	WA
5173	SA	5373	SA	6015	WA	6071	WA	6162	WA
5203	SA	5417	SA	6016	WA	6073	WA	6163	WA
5204	SA	5422	SA	6017	WA	6074	WA	6164	WA
5210	SA	5453	SA	6018	WA	6076	WA	6165	WA
5211	SA	5491	SA	6019	WA	6082	WA	6166	WA
5212	SA	5501	SA	6020	WA	6083	WA	6167	WA
5214	SA	5523	SA	6021	WA	6084	WA	6168	WA
5223	SA	5540	SA	6023	WA	6090	WA	6169	WA
5238	SA	5550	SA	6024	WA	6100	WA	6170	WA
5242	SA	5554	SA	6025	WA	6101	WA	6171	WA
5244	SA	5556	SA	6026	WA	6102	WA	6172	WA
5245	SA	5558	SA	6027	WA	6103	WA	6173	WA
5250	SA	5571	SA	6027	WA	6104	WA	6174	WA
5251	SA	5575	SA	6028	WA	6105	WA	6176	WA
5253	SA	5576	SA	6030	WA	6107	WA	6180	WA
5255	SA	5600	SA	6031	WA	6108	WA	6208	WA
5260	SA	5602	SA	6032	WA	6109	WA	6209	WA
5264	SA	5605	SA	6035	WA	6110	WA	6210	WA
5266	SA	5606	SA	6036	WA	6111	WA	6211	WA
5267	SA	5607	SA	6037	WA	6111	WA	6215	WA
5268	SA	5608	SA	6038	WA	6112	WA	6220	WA
5271	SA	5631	SA	6044	WA	6122	WA	6220	WA
5275	SA	5640	SA	6050	WA	6123	WA	6225	WA
5276	SA	5652	SA	6051	WA	6124	WA	6230	WA
5277	SA	5690	SA	6052	WA	6147	WA	6232	WA
5280	SA	5700	SA	6054	WA	6148	WA	6233	WA
5290	SA	5710	SA	6055	WA	6149	WA	6236	WA
5291	SA	5725	SA	6056	WA	6150	WA	6237	WA
5302	SA	6000	WA	6057	WA	6151	WA	6239	WA
5304	SA	6003	WA	6058	WA	6152	WA	6244	WA
5330	SA	6005	WA	6059	WA	6153	WA	6255	WA
5333	SA	6006	WA	6060	WA	6154	WA	6258	WA

Postcodes and Suburbs serviced by Prosecur CIT operations

Postcode	State	Postcode	State	Postcode	State	Postcode	State
6271	WA	6450	WA	7004	TAS	7290	TAS
6280	WA	6460	WA	7005	TAS	7300	TAS
6281	WA	6461	WA	7008	TAS	7301	TAS
6284	WA	6479	WA	7009	TAS	7304	TAS
6285	WA	6485	WA	7010	TAS	7307	TAS
6288	WA	6501	WA	7011	TAS	7310	TAS
6290	WA	6502	WA	7015	TAS	7315	TAS
6302	WA	6503	WA	7018	TAS	7320	TAS
6306	WA	6510	WA	7019	TAS	7322	TAS
6308	WA	6516	WA	7021	TAS	7325	TAS
6312	WA	6519	WA	7030	TAS	7330	TAS
6315	WA	6522	WA	7036	TAS	7334	SA
6317	WA	6525	WA	7052	TAS	7467	TAS
6320	WA	6530	WA	7054	TAS		
6321	WA	6535	WA	7109	TAS		
6330	WA	6536	WA	7112	TAS		
6333	WA	6556	WA	7116	TAS		
6335	WA	6558	WA	7117	TAS		
6359	WA	6560	WA	7140	TAS		
6365	WA	6566	WA	7170	TAS		
6367	WA	6569	WA	7171	TAS		
6375	WA	6701	WA	7172	TAS		
6383	WA	6707	WA	7173	TAS		
6390	WA	6713	WA	7182	TAS		
6391	WA	6714	WA	7184	TAS		
6392	WA	6714	WA	7190	TAS		
6395	WA	6716	WA	7210	TAS		
6401	WA	6720	WA	7212	TAS		
6409	WA	6721	WA	7215	TAS		
6410	WA	6722	WA	7216	TAS		
6415	WA	6725	WA	7248	TAS		
6418	WA	6728	WA	7249	TAS		
6426	WA	6743	WA	7250	TAS		
6429	WA	6753	WA	7253	TAS		
6430	WA	6798	WA	7256	TAS		
6432	WA	6903	WA	7258	TAS		
6438	WA	6914	WA	7260	TAS		
6442	WA	6958	WA	7262	TAS		
6443	WA	7000	TAS	7277	TAS		

Annexure B – Armaguard standard Cash Services Agreement



Cash Services Agreement

Customer Details	Name:	[Insert full company name]
	ACN / ABN:	[Insert ACN] [insert ABN]
	Trading as:	[Insert trading name (if applicable)]
	Address for Notices:	[Insert registered address]
Customer Account Number	[Insert]	
Services	[Select the applicable services; Cash Banking Service; Cash Collection Service; Cash Delivery Service; Cash Safe Service] and as further described in Schedule 1 .	
Initial Term	[Insert Initial Term]	
Start Date	[Insert Start Date]	
Prescribed Period	[Delete line item if there is no Safe OR 3 years (nb. this relates to safe installation / removal and cost recovery see clauses 4.2 and 4.3.)]	
Maximum Safe Insurance Value	[Delete line item if there is no Safe OR Insert value]	
Fees	The Fees which the Customer must pay for the Services as set out in Schedule 2 .	
Armaguard Contact	[Insert Armaguard Contact]	
Customer Contact	[Insert Customer Contact]	
Date of signing	/ /	

By signing you agree that you have received, read and understand this cover page and the terms and conditions that make up the agreement and that you agree to be bound by the agreement.

By signing, you consent to electronic execution of this agreement (in whole or in part), you represent that you are the person named with respect to the signature and that you intend to sign this agreement in your respective capacity. The copy of each signature appearing on the copy so signed is to be treated as the signatory's original signature.

This contract is subject to our credit checking policies and procedures and is not binding until signed by us.

Name: _____

Name: _____

Position: _____

Position: _____

Signature: _____

Signature: _____

for the **Customer**

for **Armaguard**

Cash Services Agreement

1 Definitions

The following meanings apply:

Armaguard means Linfox Armaguard Pty Ltd (ABN 83 099 701 872).

Armaguard Contact is the person stated on the front page of this agreement.

Bank Guarantee means the bank guarantee in the form of an unconditional and irrevocable undertaking to pay, drawn in favour of us and for the amount set out in **Schedule 2**.

Business Day means a day other than a Saturday, Sunday or public holiday at the location where the Services are being received.

Cash means Australian currency (including coins) and will not include Valuables unless we have expressly agreed in writing to provide Services in relation to those Valuables.

Cash Banking Service is the collection of Cash from you and depositing it with a Financial Institution but excludes a Cash Collection Service.

Cash Collection Service is the collection of Cash from you in exchange for payment from us for the Said to Contain Value.

Cash Delivery Service is the delivery of Cash to persons nominated by you after you have paid the equivalent amount of Cash to us (by electronic transfer, net-off or otherwise) and includes the delivery of Cash to your employees as part of a payroll service.

Cash Envelope means a sealed envelope containing Cash which you make available for collection by us in accordance with **schedule 3**.

Cash Safe Service is a Service which involves us providing you with a Safe in which to deposit and/or store Cash and may also involve us providing you with a Cash Collection Service.

Customer Cash Obligations means obligations imposed on you in relation to the Cash as set out in **schedule 3**.

Customer Contact is the person stated on the front page of this agreement.

Customer Safe Obligations means your obligations in respect of a Safe as set out in **schedule 4**.

Defaulting Party has the meaning given in **clause 8.3**.

Discrepancy has the meaning given in **clause 12.8**.

Excluded Risks means war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Fee means the fee or fees set out in **schedule 2**.

Fee Adjustment Mechanism has the meaning given in **schedule 2**.

Financial Institution means a bank, credit union or similar financial institution.

Force Majeure has the meaning given in **clause 17.1**.

GST means the goods and services tax imposed by the GST Act and the related imposition Acts of the Commonwealth.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Initial Term means the initial term set out on the front page of this agreement.

Insured Amount means the total amount of cover under Our Insurance Cover.

Insolvency Event means:

- (a) an event where a party informs the other party or any of its creditors that it is insolvent or unable to pay its debts when due,

and any action or step taken, or legal proceedings started for:

- (b) winding-up, dissolution, liquidation, or re-organisation of a company (other than a valid corporate restructure); or
- (c) appointment of a controller, administrator, official manager, trustee or similar officer of a company or any of its revenues and assets,

and, where the Customer is a trust, includes any action referred to in paragraphs (a), (b), or (c) above occurring with respect to the trustee of the trust.

Material Change means any change required in the provision of the Services whether as a result of a request or action by you, including but not limited to any reduction to the volume of Services or location of Sites, or as a result of any factor beyond our reasonable control which increases or may increase the cost to us of providing the Services, including without limitation any legislative, regulatory and industry change and change to labour costs.

Maximum Safe Insurance Value means the maximum amount of Cash (excluding Valuables) for which we will accept liability and provide insurance as specified on the front page of this agreement if no amount has been specified the Maximum Device Insurance Value will be \$10,000.

Modern Slavery has the meaning given in section 4 of the *Modern Slavery Act 2018 (Cth)* and includes any form of slavery, servitude, forced labour, trafficking in persons, forced marriage, child labour and debt bondage.

Our Insurance Cover is defined in **clause 10.1**.

PPSA means the *Personal Property Securities Act 2009 (Cth)*.

Prescribed Period has the meaning given on the front page of this agreement.

Prescribed Terms has the meaning given in **clause 13.1**.

Representatives means employees, agents, contractors or sub-contractors.

Said to Contain Value means:

- (a) the value specified on the outside of a Cash Envelope which is intended to specify the amount of Cash contained in that Cash Envelope; or
- (b) where a Cash Envelope does not specify a Said to Contain Value, Armaguard's count of the Cash in the Cash Envelope, provided the count is performed in accordance with Armaguard's standard Cash handling and Cash counting procedures.

Safe means the safe and any associated equipment provided by us under this agreement and which is

described in **schedule 1**, but does not include any safe owned or provided by you.

Sanctions Law means the individual sanctions regimes or laws of Australia and any other laws applicable to the Services that are specified in the agreement.

Security Interest has the meaning set out in the PPSA.

Services means the services in relation to Cash described in **schedule 1** which may include the:

- (a) Cash Banking Service;
- (b) Cash Collection Service;
- (c) Cash Delivery Service; or
- (d) Cash Safe Service.

Shortfall has the meaning given in **clause 12.7**.

Start Date is the date stated on the front page of this agreement.

Taxes means any and all taxes, fees, withholdings, imposts, levies, duties or other charges of any nature whatsoever or whensoever imposed (other than taxes on our net income) by any government, governmental, semi-governmental or other relevant authority, together with any penalties, fines or interest thereon or similar additions thereto, imposed, levied or assessed or otherwise payable.

Tax Invoice has the same meaning as in the GST Act.

Taxable Supply has the same meaning as in the GST Act.

Term means the Initial Term and the period of any extension under **clause 8.2**.

Valuables means:

- (a) negotiable instruments (including cheques), securities for money, postal and money orders, postage stamps, taxation stamps, embossed stamps, government insurance and saving stamps, savings certificates and other similar valuables;
- (b) securities, gems, jewellery, bullion and precious metals; and
- (c) goods, documents or other property of any nature whatsoever.

we, our and us means Linfox Armaguard Pty Ltd (ABN 83 099 701 872).

you means the person named on the front page of this agreement as the Customer.

Your Insurance Cover has the meaning set out in clause 4.6(a).

Your Premises means land and/or buildings that are owned, leased or otherwise occupied by you.

2 Services

- 2.1 We will provide the Services for the Term in accordance with the terms and conditions of this agreement and in accordance with **Schedule 1**.
- 2.2 We have the right to perform the Services in our sole and absolute discretion in the method we deem appropriate.
- 2.3 We are the exclusive supplier of the Services and you shall not obtain services the same or similar to the Services from any person or entity other than us during the Term.
- 2.4 We may perform the Services using sub-contractors or agents and any subcontractors engaged to perform a Service will be suitably qualified and skilled to perform the Service.
- 2.5 You acknowledge that we may perform a credit check on you before providing any Services to you.

3 Your obligations

You must:

- (a) comply with the Customer Cash Obligations;
- (b) where a Safe has been provided under this agreement, comply with the Customer Safe Obligations, Your Insurance Cover (if applicable) and the Maximum Safe Insurance Value;
- (c) provide to us all assistance, information and documents necessary for us to properly perform the Services;
- (d) permit our Representatives to enter Your Premises to perform the Services or to inspect, maintain, repair or recover possession of a Safe;

- (e) provide upon request, information required to be collected, verified and retained under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the *Modern Slavery Act 2018 (Cth)*;
- (f) not impede, delay or prevent the performance of the Services by us or our Representatives;
- (g) ensure that we are kept fully informed at all times and in a timely manner of all matters:
 - (i) of which you are, or should be, aware; and
 - (ii) which if not made known to us could adversely impact on the secure and efficient performance of the Services; and
- (h) unless you and we agree otherwise, order/acquire the Services from us using the standard forms and/or dockets provided by us to you from time to time.

- 3.2 You warrant to us that you will not use any labour practices involving Modern Slavery in your business and operations and have not been convicted or charged with any offence concerning Modern Slavery either in Australia or in any other jurisdiction in which you operate.
- 3.3 You warrant to us that you have not and will not breach any Sanctions Law. That neither you nor your holding company, agents, vendors and/or other third parties directly contracted by you are listed on an applicable sanctions list as a denied party.

4 Supply of a Safe

- 4.1 Where we provide you with a Safe in performing the Services, the Safe at all times remains our property.
- 4.2 We are responsible, at our own expense, for:
 - (a) installing the Safe at Your Premises, however, if:
 - (i) the intended location of the Safe does not meet the Safe location requirements in **schedule 4**;
 - (ii) the Initial Term of this agreement is less than the Prescribed Period; or

- (iii) this agreement expires or is terminated within the Prescribed Period,

you must pay for the cost of installing the Safe (including promptly reimbursing us for any installation costs already incurred by us); and

- (b) maintaining and repairing the Safe, and, in the event of damage to or loss or destruction of the Safe other than damage, loss or destruction caused by us or our Representatives, you must repair or replace the Safe at your own expense.

4.3 You are responsible, at your own expense, for:

- (a) the return of the Safe to us and the reimbursement of the costs of our repossession of the Safe, including deinstallation costs (as the case may be), if this agreement expires or is terminated within the Prescribed Period. In all other cases, we are responsible, at our own expense, for the return of the Safe at the end of the Term; and

- (b) relocation of the Safe during the Term.

4.4 You may not relocate or remove the Safe from Your Premises without our express and written permission.

4.5 Unless we specifically agree otherwise, you are liable for any Cash, Valuables or other goods or things placed in the Safe at any time.

4.6 You will, at your expense:

- (a) effect and maintain such insurance as we deem appropriate in respect of your obligations under this agreement, including without limitation, insuring the Safe (noting our interest) from the time that it is delivered to your Premises ("**Your Insurance Cover**"); and
- (b) provide a copy to us of the certificate of insurance evidencing Your Insurance Cover prior to the Start Date and on each anniversary of the Start Date.

5 Bank Guarantee

5.1 We are entitled to claim under the Bank Guarantee an amount equal to monies due but unpaid by you under this agreement.

5.2 You agree to vary the amount of the Bank Guarantee:

- (a) on each anniversary of this agreement; or
- (b) where the number of Services we provide is materially increased when compared to the number of Services provided at the date of this agreement; or
- (c) where any other Fees adjustment is made to this agreement.

5.3 We will return the Bank Guarantee to you upon the last of:

- (a) the termination of this agreement;
- (b) the expiry of this agreement; and
- (c) the date that you have no further obligations to us under this agreement or at law.

6 Fees

6.1 You must pay us the Fee for the Services performed.

6.2 The Fees will be adjusted:

- (a) in accordance with the Fee Adjustment Mechanism (if any) agreed to by the parties; and
- (b) in accordance with **clause 6.3** if there is a Material Change.

6.3 If there is a Material Change then:

- (a) we may notify you of the Material Change; and
- (b) we may adjust the Fees by the same proportion as the increase in our costs due to the Material Change in providing the Services (or any part of the Services) to you.

7 Invoicing and payment

7.1 Unless this agreement states otherwise:

- (a) we will invoice you monthly;

- (b) you must pay us the full amount invoiced within 30 days from the date of invoice; and
- (c) the Fees must be paid in Australian currency.

7.2 You may not withhold any payment of money due to us under this agreement for any reason.

7.3 We may charge you interest at a Fee not exceeding two percent (2%) above the prevailing 180 day bank bill Fees as quoted by the Australian and New Zealand Banking Group Limited (ACN 005 357 522) on any amount due and not paid by you within the time required for payment under **clause 7.1**.

7.4 We have the right to set-off any amounts due and not paid by you under this agreement against any amounts which we are obliged to pay to you or on your behalf.

8 Term and termination

8.1 This agreement commences on the Start Date and will remain in force, unless terminated earlier, until the end of the Initial Term.

8.2 On expiry of the Initial Term and any further renewed term, this agreement will continue, on the same terms and conditions, for further periods of 12 months unless either party gives the other at least three (3) months' notice in writing that the notifying party wishes to terminate the agreement at the expiry of the then-current Term.

8.3 If a party ("**Defaulting Party**") is in material breach of a material term of this agreement, then the other party may serve on the Defaulting Party a written notice specifying the default and stating the intention of the other party to exercise its rights under this **clause 8**.

8.4 If:

- (a) the default referred to in **clause 8.3** is not capable of remedy;
- (b) the Defaulting Party fails to remedy such default in a proper manner within 30 days after the notice referred to in **clause 8.3** is received or such longer time period as agreed,

then the other party may terminate this agreement.

8.5 A party may immediately terminate this agreement if an Insolvency Event occurs in relation to the other party.

8.6 Any expiration or termination of this agreement does not affect:

- (a) any rights of the parties which may have accrued before the date of termination; and
- (b) the rights and obligations of the parties under **clauses 12, 13, 15 and 23** which survive termination of this agreement.

9 Independent contractor

Both parties acknowledge that we are your contractor and not your employee or agent.

10 Insurance

10.1 Subject to **clause 10.2 and 10.3** we will, throughout the Term, insure the Cash (excluding any Valuables) in relation to which we provide the Services, in accordance with the insurance provisions set out in **schedule 5 ("Our Insurance Cover")**.

10.2 If we have specifically agreed in writing to do so as described in the Schedules, we will insure the Cash contained in a Safe up to the Maximum Safe Insurance Value.

10.3 For the avoidance of doubt, we will not insure any Valuables provided to us under this agreement, including without limitation any Valuables placed in a Safe, unless we have agreed otherwise in writing.

11 Title and risk

11.1 If we provide you with a Cash Banking Service, title and property in the Cash remains with you at all times. However, this does not alter the risk/liability accepted by us in relation to the Cash, as set out in **clause 12.1**.

11.2 If we provide you with a Cash Collection Service, title and property in the Cash vests in us at the time the Cash is collected by us, except where this Cash Collection Service is provide as part of a Cash Safe Service, in which case **clause 11.3** below applies.

- 11.3 If we provide you with a Cash Safe Service, title and property in the Cash vests in us immediately after the Cash is placed in the Safe, except to the extent that the Maximum Safe Insurance Value is exceeded.
- 11.4 If we provide you with a Cash Delivery Service, title and property in the Cash which we deliver remains vested in us until the latter of:
- (a) you making full payment in relation to this Cash; and
 - (b) the time the Cash is delivered by us.
- 12 Limitation of liability and indemnities**
- 12.1 We indemnify you for any loss of Cash (excluding Valuables) in relation to which we provide the Services, but only to the extent that:
- (a) the Cash is in our possession, custody or control;
 - (b) Our Insurance Cover provides protection in respect of that loss or damage, and only up to the Insured Amount;
 - (c) the loss or damage has not resulted (either directly or indirectly) from an Excluded Risk; and
 - (d) in relation to Cash in a Safe, we have specifically agreed in writing to take liability for the Cash and you have not breached any of your Customer Safe Obligations (and only up to the Maximum Safe Insurance Value).
- 12.2 For the avoidance of doubt, we will not be liable for any loss or damage associated with any Valuables provided to us under this agreement, unless we have agreed otherwise in writing.
- 12.3 The maximum liability of Armaguard, its employees, sub-contractors and agents under this agreement, other than in respect of clause 12.1, is \$5,000,000.
- 12.4 With the exception of the liability accepted by us in **clause 12.1**, we will not be liable (whether in tort or in contract or otherwise) for or in respect of any loss or damage of any kind including (but not limited to) loss or damage associated with:
- (a) any personal injury, illness or death to any person; or
 - (b) damage to any property, unless arising directly from any negligent act or omission on our part or on the part of any of our Representatives in performing the Services under this agreement subject at all times to the limitation in clause 12.3.
- 12.5 You indemnify us, and must keep us indemnified, for any loss, cost or expense suffered or incurred by us as a result of any claim, action, demand or proceeding brought by any person in respect of the loss or damage described in **clause 12.3**.
- 12.6 You warrant that you have full power and authority to deal with the Cash and you indemnify us, and must keep us indemnified, against any claim of any nature by any person in respect of the Cash.
- 12.7 Without limiting any other indemnity in this **clause 12**, where as part of the Services:
- (a) we provide you with a Cash Banking Service; and
 - (b) the Financial Institution to which the Cash is delivered does not acknowledge delivery of the Cash or any part of the Cash, you indemnify us, and must keep us indemnified, against any loss, cost or expense associated with any alleged or actual shortfall ("**Shortfall**") in the Cash delivered, including, but not limited to, any claim, action demand or proceeding brought by any person against us in relation to that Shortfall.
- 12.8 If, after following our standard Cash handling and counting procedures, we claim there is a discrepancy between our count of the Cash and either the Said to Contain Amount on a Cash Envelope or your claim of the amount of Cash in the Cash Envelope ("**Discrepancy**"), you agree to:
- (a) accept our count and our claim of Discrepancy;
 - (b) if we have already paid you the Said to Contain Amount or other amount, pay to us the value of the Discrepancy; and
 - (c) indemnify us for any loss we suffer as a result of the Discrepancy.

12.9 Notwithstanding any other provision in this agreement and to the extent permitted by law, neither party will be liable to the other party in connection with this agreement or any other obligation or duty (including the duty of care for the purposes of the tort of negligence) for any:

- (a) losses, damages, costs and/or expenses which cannot fairly and reasonably be considered to arise naturally (that is, according to the usual course of things) from the relevant breach of this agreement;

and includes:

- (b) loss or deferment of actual or anticipated profits or revenue, loss of goodwill or reputation, loss or deferment of anticipated benefits or savings, loss or deferment of any prospect or business opportunity, loss of data, loss of value, or loss of production or other business interruption loss; and
- (c) losses which are described as special losses, consequential losses or economic losses.

12.10 Every exemption, limitation, defence, immunity, or other benefit to which we are entitled under this agreement will also extend to protect each of our Representatives (excluding you and your Representatives).

12.11 Each indemnity in this agreement is a continuing obligation separate and independent from the other obligations and survives termination of this agreement.

12.12 It is not necessary for either party to incur expense or make payment before enforcing a right of indemnity conferred by this agreement.

13 Prescribed Terms

13.1 Certain laws imply terms into agreements for the supply of services and prohibit the exclusion, restriction or modification of such terms ("**Prescribed Terms**").

13.2 Some Prescribed Terms permit a supplier of services to limit its liability for a breach thereof. To the extent permitted by Prescribed Terms our liability in respect of a breach of a Prescribed Term relating to the supply of the

Services under this agreement is limited at our sole discretion to:

- (a) the re-supply of the Services concerned; or
- (b) payment of the costs of re-supplying the Services concerned.

13.3 Except as provided by Prescribed Terms, no written, oral or implied condition, warranty or term of any description whether under statute or by implication of law, custom or usage relating to the subject matter of this agreement is any part of this agreement or will have any operation or affect our rights unless that condition, warranty or term is recorded and accepted in writing, and signed by one of our authorised officers.

14 Performance

14.1 You and we appoint the Armaguard Contact and the Customer Contact (respectively) who will be available for day-to-day liaison in respect of the provision of the Services. Each representative may delegate their responsibilities to others on notice to the other representative.

14.2 The Armaguard Contact and the Customer Contact (together with any other person you and we determine should attend) will meet at agreed intervals to jointly:

- (a) review the performance of the Services under this agreement; and
- (b) review the relationship generally.

15 Confidential information

15.1 Each party undertakes that it will not, either during the Term or at any time thereafter (except in the proper course of its duties under this agreement or as required by law or by the other party), disclose to any person any confidential information of or relating to the other party of which it has become possessed as a result of this agreement or the negotiations preceding the agreement including, but not limited to, the terms of this agreement.

15.2 Nothing in this agreement prohibits disclosure of information which:

- (a) is in the public domain;

- (b) after disclosure to a party becomes part of the public domain otherwise than as a result of the wrongful act of that party;
- (c) is received from a third party provided that it was not acquired directly or indirectly by that third party from a party to this agreement;
- (d) is required to be disclosed by law or any government or governmental body, authority or agency having authority over a party;
- (e) is required to be disclosed to a party's legal advisors in connection with this agreement.

15.3 The parties expressly acknowledge that this agreement contains commercially sensitive information and agree that they will use all endeavours to prevent the disclosure of this agreement in connection with the PPSA. To the extent that the parties are unable to prevent such disclosure, they must ensure that **Schedule 1** (Services), **Schedule 2** (Pricing) and **Schedule 5** (Our Insurance Cover) are redacted prior to providing this agreement in connection with the PPSA.

15.4 The obligations under this **clause 15** survive termination of this agreement.

16 Dispute resolution

16.1 Subject to **clause 16.5**, before resorting to any external dispute resolution mechanism (including arbitration, mediation or court proceedings) any dispute between the parties regarding this agreement, or any matter arising in connection with it, must comply with the dispute resolution process as set out in **clause 16**.

16.2 Any dispute under this agreement between the parties must be referred:

- (a) initially for resolution by the Customer Contact and the Armaguard Contact, who the parties will procure to endeavour to resolve the dispute within 10 Business Days of the giving of a notice of a dispute by a party; and
- (b) if the dispute is not resolved in accordance with **clause 16.2(a)**, a senior executive of each party, who the parties will procure to

endeavour to resolve the dispute within a further 20 Business Days or such other period as may be agreed between those parties.

16.3 If the dispute is not resolved by the relevant parties in accordance with **clause 16.2** within the time specified in that clause, then the dispute may be submitted by any of the relevant parties to an external dispute resolution mechanism, including to a court.

16.4 Despite the existence of a dispute, each party must continue to perform its obligations under this agreement.

16.5 A party may commence court proceedings relating to any dispute arising out of this agreement at any time where that party seeks urgent interlocutory relief.

17 Force majeure

17.1 If, as a result of some fact, circumstance, matter or thing beyond the reasonable control of a party ("**Force Majeure**"), that party becomes unable, wholly or in part, to perform any of its obligations under this agreement:

- (a) that party is to give the other party prompt notice of the relevant event of Force Majeure with reasonably full particulars and, in so far as known to it, the probable extent to which it will be unable to perform, or be delayed in performing, the relevant obligations;
- (b) the relevant obligation(s), other than an obligation to pay money, is suspended but only so far as, and for so long as, it is affected by the relevant event of Force Majeure; and
- (c) that party is to use all possible diligence to overcome or remove the relevant event of force majeure as quickly as possible.

17.2 For the purposes of this **clause 17**, the parties agree that an industrial dispute will be deemed in all circumstances to be an event of Force Majeure.

17.3 **Clause 17.1(c)** does not require the affected party to:

- (a) settle any strike or other labour dispute on terms contrary to its wishes; or

- (b) contest the validity or enforceability of any law, regulation or legally enforceable order by way of legal proceedings.

17.4 The obligation of the affected party to perform its obligations, resumes as soon as it is no longer affected by the relevant event of Force Majeure.

18 Assignment

- 18.1 You may not assign your rights and/or obligations under this agreement without our prior written consent.
- 18.2 We have the right to assign any or all of its obligations or rights under this agreement at any time to any person.

19 Notices

- 19.1 Any notice, approval, consent or other communication in relation to this agreement must:
 - (a) be in writing;
 - (b) marked for the attention of:
 - (i) in the case of a notice to us, the Armaguard Contact; or
 - (ii) in the case of a notice to you, the Customer Contact; and
 - (c) be left at or sent by prepaid ordinary post to the last notified address of the party or sent by electronic mail ("**Email**") to the last notified Email address of the party.
- 19.2 A notice, approval, consent or other communication takes effect from the time it is received unless a later time is specified in it.
- 19.3 If posted in Australia, a letter is taken to be received on the third day after posting.
- 19.4 An Email is taken to be received, on the earlier to occur of the sender receiving an automated message confirming delivery; or 30 minutes after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

20 Taxes

- 20.1 The Fees and any other amount or consideration referred to in this agreement is exclusive of GST.
- 20.2 If GST is imposed on any supply made under this agreement by us to you, you must pay to us, in addition to and at the same time as the Fees or any other GST exclusive consideration payable or to be provided for the supply, an additional amount calculated by multiplying the value of that Fees or other GST exclusive consideration (without deduction or set-off) by the prevailing GST Fee.
- 20.3 We will provide you with a Tax Invoice for any Taxable Supply made by us to you under this agreement.
- 20.4 If the amount of GST recovered by us from you differs from the amount of GST payable at law by us (or an entity grouped with us for GST purposes) in respect of the supply, we will adjust the amount payable by you to us accordingly.
- 20.5 Should any other Taxes, excluding GST, be levied on, in respect of, or in relation to, the Services (including levied on payments made to us by you for the provision of the Services under this agreement), you will be responsible for payment of those Taxes or payment of an equivalent amount to us where we are liable to pay them. Any amount payable by you under this clause is in addition to any other amounts payable by you under this agreement. You will also be responsible for providing documentary evidence of the payment of Taxes, if made on our behalf.

21 Work Health & Safety Requirements

- 21.1 Each of the parties is obligated to provide and maintain, so far as is practicable, a working environment for its employees and members of the public, that is safe and without risk to health and which complies with any Acts, regulations, local laws and by-laws, Codes of Practice and Australian Standards which are in any way applicable to this contract or the performance of the services under this contract, including the *Work Health and Safety Act 2011* (Cth) and any

regulations or equivalent legislation in all Australian States and Territories.

21.2 The Customer must immediately notify Armaguard of any change to the working environment which may impact on its obligations under **clause 21.1**, including but not limited to any change in the security arrangements at the Location or any physical modifications at the Location.

21.3 The Customer must comply with any and all lawful directions of Armaguard relating to occupational health and safety in relation to the provision of the Services.

22 These terms are exclusive

22.1 This agreement exclusively embodies all terms and conditions in relation to the Services and replaces any prior agreement between the parties in relation to all or part of the Services.

22.2 Except as otherwise provided for in this agreement, all terms, conditions, warranties, undertakings and representations (whether express, implied, statutory or otherwise, including any terms on any of your documents) relating to the Services or this agreement are excluded to the full extent permitted by the law.

23 PPSA

23.1 Until such time as title to the Cash or a Safe passes to you in accordance with **clause 11**:

- (a) We are, and will be, entitled at any time to demand the return of the Cash or any Safe, and you must do all things necessary to immediately permit us, without notice and without liability to us, to enter and access any premises occupied by you in order to search for, locate, identify retrieve and remove cash to an equivalent value of the Cash or any Safe to which we have title. If there is any inconsistency between our rights under this **clause 23** and our rights under Chapter 4 of the PPSA, this **clause 23** prevails;
- (b) You acknowledge and agree that we have a Security Interest under the PPSA in any Safe.

(c) You may not, without our consent, do, or agree to do, any of the following:

- (i) sell, assign or otherwise dispose of any Safe;
- (ii) grant or seek to grant any Security Interest in any Safe or allow one to arise;
- (iii) deal in any way with this agreement, or allow any interest in it to arise or be varied adverse to our interest;
- (iv) lease or licence any Safe, or allow a surrender or variation of any lease or licence;
- (v) give control of any Safe to another person other than us;
- (vi) part with possession of any Safe other than by giving possession to us;
- (vii) allow a set off or combination of accounts;
- (viii) change the nature of the Safe;
- (ix) abandon, settle, compromise, or discontinue or become non-suited in respect of any proceedings against any person (other than us) in respect of any of your rights in connection the Safe;
- (x) exercise or waive any of your rights or release any person from its obligations in connection with the Safe;
- (xi) allow any personal property to become an accession to, or commingled with the Safe;
- (xii) deal in any other way with the Safe or any interest in them, or allow any interest in them to arise or be varied,

except as otherwise provided in this agreement and you agree to notify us if anything mentioned in **clause 23.1(c)** occurs immediately on becoming aware of it.

- (d) You agree to notify us at least 14 days before you do any of the following:
- (i) change your name;
 - (ii) change your place of registration or incorporation; or
 - (iii) change or apply for an ACN, ABN, ARBN, ARSN under which an interest in any Safe will be held,

and you further agree to notify us if anything mentioned in clause 23.1(d) (i)-(iii) occurs immediately on becoming aware of it.

23.2 Our Security Interest over any Safe is a PPS Lease in accordance with section 13 of the PPSA and attaches to the Safe upon the earlier of:

- (a) you attaining possession of the Safe; and
- (b) you executing this agreement.

23.3 You consent to us perfecting any Security Interest that it considers this document provides for by registration under the PPSA.

23.4 You agree to do anything that we reasonably ask to:

- (a) ensure that the Security Interest is enforceable, perfected and otherwise effective; and
- (b) execute all documents necessary to register and perfect our Security Interest in any Safe under the PPSA.

23.5 You waive your right to receive any notice in relation to registration under the PPSA (including a notice of a verification statement) unless the notice is required by the PPSA and that requirement cannot be excluded.

23.6 Enforcement of Security Interests: If Chapter 4 of the PPSA would otherwise apply to the enforcement of the Security Interest(s) created under this agreement, the Client agrees that the following provisions of the PPSA will not apply:

- (a) section 120 (enforcement of liquid assets);

(b) section 125 (obligation to dispose of or retain collateral);

(c) section 128 (We may dispose of collateral);

(d) section 129 (disposal by purchase);

(e) sections 132(1) to (3) (right to receive a statement of account);

(f) section 142 (redemption of collateral); and

(g) section 143 (reinstatement of security agreement).

23.7 If we exercise a right, power or remedy in connection with this agreement or a Security Interest that it provides for, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless we state otherwise at the time of exercise. However, this clause does not apply to a right, power or remedy which can only be exercised under the PPSA.

24 Electronic Execution

24.1 A party may sign electronically a soft copy of this agreement through DocuSign or by signing this agreement by some other electronic method (including signing by stylus or pasting of the signatory's signature) and bind itself accordingly. This will satisfy any statutory or other requirements for this agreement to be in writing and signed by that party.

24.2 The parties intend that any soft copy so signed will constitute an executed original counterpart and any print-out of the copy with the relevant signatures appearing will also constitute an executed original counterpart.

25 Counterparts

25.1 This agreement may be signed in any number of counterparts (including electronic copies), and provided that every party has executed a counterpart, the counterparts taken together will constitute a binding and enforceable agreement between the parties.

26 Other matters

26.1 A party may only waive its rights under these terms by doing so in writing.

- 26.2 These terms may not be varied except in writing signed by both parties.
- 26.3 Either party may exercise a right, remedy or power in any way it considers appropriate.
- 26.4 If a party does not exercise a right, remedy or power at any time, this does not mean that it cannot exercise it later.
- 26.5 Unless specified otherwise, to the extent of any inconsistency between the terms and conditions as set out in the body of this agreement and any terms and conditions as may be set out in an attachment, annexure or schedule, then the terms and conditions as set out in the body of the agreement prevail to the extent of any such inconsistency.
- 26.6 Each party's rights, remedies and powers under this agreement are in addition to any rights, remedies and powers provided by law.
- 26.7 If the day on or by which something must be done is not a Business Day, that thing must be done on the next Business Day.
- 27 Governing law**
- 27.1 This agreement is governed by the laws of Victoria, Australia.
- 27.2 The parties agree to submit to the non-exclusive jurisdiction of the courts of Victoria and the courts of appeal from them.
- 28 Contract interpretation**
- 28.1 In this agreement, unless the contrary intention appears:
- (a) a reference to this agreement or another instrument includes any variation or replacement of either of them;
 - (b) the singular includes the plural and vice versa;
 - (c) the word "person" includes a firm, a body corporate, an unincorporated association or an authority;
 - (d) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
 - (e) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
 - (f) a reference to a clause is a reference to a clause in this agreement;
 - (g) a reference to "A\$", "\$A", "dollar" or "\$" is a reference to Australian currency;
 - (h) No provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of that provision; and
 - (i) Headings are inserted for convenience and do not affect interpretation of this agreement.



Schedule 1 - Services

1 Description of Services

This agreement is for the provision of the following Services:

[Delete Service descriptions not included under the scope of the agreement]

Service	Description
Cash Banking Service	[Insert description]
Cash Collection Services	<p>On the scheduled day of Service, during normal business hours, we will attend the location to collect Cash Cassettes from a Device and/or collect Cash Envelopes.</p> <p>Once collected, we will process the Cash in accordance with our usual cash handling procedures.</p> <p>Settlement is via EFT next Business Day following performance of the Cash Collection Service, unless Cash Funding Services are also provided.</p>
Cash Delivery Services	On the scheduled day of Service, during normal business hours, we will attend the location to supply Cash.
Cash Safe Services	On a scheduled service frequency, we will collect the Cash from the Safe as part of the Cash Collection Services.

2 Description of Safe

[Insert description and quantity]

3 Collection Address(s)/Delivery Address(s)

Refer to Attachment A to this agreement.

4 Timing of Services

As agreed between the parties to this agreement.

5 Customer's Authorised Collection Personnel

[Insert name of Customer personnel who are authorised to be present at collection].

6 Liability in respect of Cash in the Device

[Provided the location meets our site safety and security risk assessment requirements, we will be liable for Cash in the Device up to the Maximum Device Insurance Value.]



Schedule 2 - Fees

1 Fees

1.1 Fee payable

In accordance with **clause** Error! Reference source not found. of the agreement, you will pay us the Fee for the Services as outlined below:

Service	Fee
Cash Banking Service	[insert fee]
Cash Collection Service	[insert fee]
Cash Delivery Service	[insert fee]
Cash Safe Service	[insert fee]

2 Fee Adjustment Mechanism

The Fees will be reviewed annually and, as soon as reasonably possible after each anniversary of the Start Date (**Adjustment Date**), we will adjust the Fees in accordance with the following formula.

Fee Adjustment Mechanism Formula

$$AC = (B \times C) + C$$

where:

AC = the adjusted Fees which will be applied on and from the Start Date;

B = the sum of weighted movements of the relevant cost components set out in the relevant table set out below; and

C = the Fees payable immediately before the Start Date.

Component of Cost	Indicies	Weighting %	Indices at Start Date – update once a year based on most recent published (or previous Adjustment Date)	Indices at Adjustment Date	Movement	Weighted Movement %

Wages	The effective cost per hour of the benchmark classification on the basis of employment costs affected by legislation, court and tribunal decisions, determinations and orders industrial awards and registered enterprise agreements. The benchmark classification is [(insert Grade / Level)] as defined in the [(Insert Operative Award)]	[60%]	[insert]			
Vehicle expenses	[insert description]	[#]	[insert]			
Property Costs	[insert description]	[#]	[insert]			
Interest on cash	[insert description]	[#]	[insert]			
Other Costs	The most recently published Consumer Price Index (All Groups: Eight Capital Cities) by the Australian Bureau of Statistics.	[#]	[insert]			

3 Bank Guarantee

[Insert Bank Guarantee amount required]



Schedule 3 - Customer Cash Obligations

In accordance with clause Error! Reference source not found., you must comply with the following obligations with respect to Cash and any Safe.

1 General Cash Obligations

1.1 Cash Collection Service Obligations

[complete or insert "not applicable" if not to be provided]. Examples:

(a) Before Cash is collected:

Cash must be counted and placed in sealed Cash Envelopes;

The Said to Contain Value must be written on each Cash Envelope;

Each Cash Envelope must be signed;

In packaging the Cash, notes must be placed flat and facing the same way up, denominations must be separated, only rubber bands may be used in holding the notes together (no staples or paper clips);

Particular forms/dockets/documents must be completed and signed. Examples are set out in paragraph 2 below.

(b) During Collection of Cash

Describe how Customer must assist Armaguard in collection of Cash from Premises

[insert]

(c) After Cash is collected

Describe any obligations the Customer may have after the Cash is collected.

[insert]

1.2 Cash Banking Service Obligations

[complete or insert "not applicable" if not to be provided].

[Examples of obligations to insert - as for Cash Collection Service above.]

1.3 Cash Delivery Service Obligations

[complete or insert "not applicable" if not to be provided]

Examples of obligations to insert:

(a) How orders for Cash delivery are placed by Customer

[insert (eg time of day an order may be placed, how this order is made, who the Cash is to be delivered to)]

(b) How transfer of Cash should be made by Customer and timing of transfer

[insert (eg electronic funds transfer by 9am on the day the Cash is delivered)]

1.4 Cash Safe Service Obligations

[complete or insert “not applicable” if not to be provided]

Only place Cash in a Safe up to the Maximum Safe Insurance Value.

We **[will/will not]** be liable for Cash in a Safe (and only up to the Maximum Safe Insurance Value).

These obligations are set out in **schedule 4**.



Schedule 4 - Customer Safe Obligations

1 General Obligations

You must:

- (a) do everything necessary to protect our rights in respect of the Safe;
- (b) not place or allow to be placed on the Safe any marks or matter which are inconsistent with our rights;
- (c) not create or allow to come into existence any charge, encumbrance or lien which affects the Safe;
- (d) not expose the Safe to the risk of loss, damage, destruction or detention;
- (e) not transfer, part with or share the possession of the Safe;
- (f) not allow our interests in the Safe to be prejudiced or expose us to liability;
- (g) not make any replacement, alteration or addition which could mean that the Safe is no longer readily identifiable as ours or which may lead to a reduction in the value of the Safe;
- (h) comply with Your Insurance Cover requirements including without limitation any conditions imposed by your insurer;
- (i) comply and ensure that your Representatives comply, with all guidelines and/or operating standards in respect of the Safe as advised by Armaguard from time to time;
- (j) ensure that the Safe is used:
 - (i) only for the purpose for which a Safe is commonly used; and
 - (ii) in such a manner as to minimise wear and tear to the Safe (including minimising any damage to the Safe caused by water);
- (j) comply with the Safe location, Maximum Safe Insurance Values, security obligations, guidelines, operating standards and location requirements provided to you by us at the time of installation of the Safe; and
- (k) if applicable, comply with any obligations in relation to the Safe set out in Our Insurance Cover.



Schedule 5 - Our Insurance Cover

Current extract of our "Cash in Transit" insurance.

[insert current extract of our Cash in Transit insurance]



Attachment A - Collection/Delivery Addresses

[insert locations]

Annexure C –Standard Third Party Access Agreement



Third Party CIT Provider Agreement

Third Party CIT Provider Details	Name:	[Insert full company name]
	ACN / ABN:	[Insert ACN] [Insert ABN]
	Trading as:	[Insert trading name (if applicable)]
	Address for Notices:	[Insert registered address]
Third Party CIT Provider Account Number	[Insert]	
Services	[Select the applicable services; Cash Banking Service; Cash Collection Service; Cash Delivery Service; Cash Safe Service] and as further described in Schedule 1.]	
Initial Term	[Insert Initial Term]	
Start Date	[Insert Start Date]	
Fees	The Fees which the Third Party CIT Provider must pay for the Services as set out in Schedule 2.	
MergeCo Contact	[Insert MergeCo Contact]	
Third Party CIT Provider Contact	[Insert Third Party CIT Provider Contact]	
Date of signing of this Agreement	/ /	

By signing this cover page you acknowledge and agree that you have received read and understand this cover page and the attached documents that make up the agreement and that you agree to be bound by the agreement. This cover page may be signed by hand or electronically (e.g. by an electronic copy of your signature being affixed to an electronic copy of this document) and that if you sign this cover page electronically it will be as valid as an original document signed by hand.

This contract is subject to our credit checking policies and procedures and is not binding until signed by us.

Name: _____
 Position: _____
 Signature: _____
 for the **Third Party CIT Provider**

Name: _____
 Position: _____
 Signature: _____
 for **MergeCo**

Third Party CIT Provider Agreement

1 Definitions

The following meanings apply:

ACC or depot means a purpose built high security depot approved as such by the Reserve Bank of Australia.

Agreement means this Third Party CIT Provider Agreement.

Ancillary Services means:

- (a) cash collection service from Third Party CIT Provider depot to MergeCo ACC or acceptance of cash drop-off by Third Party CIT Provider at MergeCo ACC;
- (b) cash delivery service from MergeCo ACC to Third Party CIT Provider depot or cash pick-up at MergeCo ACC by Third Party CIT Provider; and
- (c) cash supply service – bulk and / or change.

Bank Guarantee means the bank guarantee in the form of an unconditional and irrevocable undertaking to pay, drawn in favour of us and for the amount set out in **Schedule 2**.

Business Day means a day other than a Saturday, Sunday or public holiday at the location where the Services are being received.

Cash means Australian currency (including coins) and will not include Valuables unless we have expressly agreed in writing to provide Services in relation to those Valuables.

Cash Banking Service is the collection of Cash from you and depositing it with a Financial Institution but excludes a Cash Collection Service.

Cash Collection Service is the collection of Cash from you in exchange for payment from us for the Said to Contain Value.

Cash Delivery Service is the delivery of Cash to persons nominated by you after you have paid the equivalent amount of Cash to us (by electronic transfer, net-off or otherwise) and includes the delivery of Cash to your employees as part of a payroll service.

Cash Envelope means a sealed envelope containing Cash prepared in accordance with **Schedule 3**.

Cash Processing Service is a process by which we manually and/or machine process (count and fitness sort) Cash delivered to our depot by you in exchange for payment by us for the processed value of Cash. MergeCo will offer three different types of Cash Processing Services:

- (a) bulk cash;
- (b) bag level; and
- (c) bulk coin.

Cash Safe Service is a Service which involves us providing you with a Safe in which to deposit and/or store Cash and may also involve us providing you with a Cash Collection Service.

Defaulting Party has the meaning given in **clause 12.3**.

Discrepancy has the meaning given in **clause 15.9**.

Excluded Risks means war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Fee means the fee or fees set out in **Schedule 2**.

Fee Adjustment Mechanism has the meaning given in **Schedule 2**.

Financial Institution means a bank, credit union or similar financial institution.

Force Majeure has the meaning given in **clause 20.1**.

GST means the goods and services tax imposed by the GST Act and the related imposition Acts of the Commonwealth.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Initial Term means the initial term set out on the front page of this Agreement.

Insured Amount means the total amount of cover under Our Insurance Cover.

Insolvency Event means:

- (a) an event where a party informs the other party or any of its creditors that it is insolvent or unable to pay its debts when due, and any action or step taken, or legal proceedings started for:
- (b) winding-up, dissolution, liquidation, or re-organisation of a company (other than a valid corporate restructure); or
- (c) appointment of a controller, administrator, official manager, trustee or similar officer of a company or any of its revenues and assets,

and, where the Third Party CIT Provider is a trust, includes any action referred to in paragraphs (a), (b), or (c) above occurring with respect to the trustee of the trust.

Material Change means any change required in the provision of the Services whether as a result of a request or action by you, including but not limited to any reduction to the volume of Services or location of MergeCo ACCs, or as a result of any factor beyond our reasonable control which increases or may increase the cost to us of providing the Services, including without limitation any legislative, regulatory and industry change and change to labour costs.

Maximum Safe Insurance Value means the maximum amount of Cash (excluding Valuables) for which we will accept liability and provide insurance as specified on the front page of this Agreement if no amount has been specified the maximum device insurance value will be \$10,000.

MergeCo means Linfox Armaguard Pty Ltd (ABN 83 099 701 872).

MergeCo Contact is the person stated on the front page of this Agreement.

Modern Slavery has the meaning given in section 4 of the *Modern Slavery Act 2018 (Cth)* and includes any form of slavery, servitude, forced labour, trafficking in persons, forced marriage, child labour and debt bondage.

Operating Instructions means MergeCo's operating instructions as described in Schedule 3 and as amended from time to time by MergeCo and advised to the Third Party CIT Provider.

Our Insurance Cover is defined in **clause 13.1**.

Personnel Master List means the personnel identified in accordance with clause 2.4(d) of **Schedule 3**.

PPSA means the *Personal Property Securities Act 2009 (Cth)*.

Prescribed Period has the meaning given on the front page of this Agreement.

Prescribed Terms has the meaning given in **clause 16.1**.

Representatives means employees, agents, contractors or sub-contractors.

Said to Contain Value means:

- (a) the value specified on the outside of a Cash Envelope which is intended to specify the amount of Cash contained in that Cash Envelope; or
- (b) where a Cash Envelope does not specify a Said to Contain Value, MergeCo's count of the Cash in the Cash Envelope, provided the count is performed in accordance with MergeCo's standard Cash handling and Cash counting procedures.

Safe means the safe and any associated equipment provided by us under this Agreement and which is described in **Schedule 1**, but does not include any safe owned or provided by you.

Sanctions Law means the individual sanctions regimes or laws of Australia and any other laws applicable to the Services that are specified in the Agreement.

Security Interest has the meaning set out in the PPSA.

Services means the services in relation to Cash described in **Schedule 1** which may include the:

- (a) Cash Banking Service;
- (b) Cash Collection Service;
- (c) Cash Delivery Service;
- (d) Cash Processing Service;
- (e) Cash Safe Service; or
- (f) Ancillary Services.

Shortfall has the meaning given in **clause 15.8**.

Start Date is the date stated on the front page of this Agreement.

Taxes means any and all taxes, fees, withholdings, imposts, levies, duties or other charges of any nature whatsoever or whensoever imposed (other than taxes on our net income) by any government, governmental, semi-governmental or other relevant authority, together with any penalties, fines or interest thereon or similar additions thereto, imposed, levied or assessed or otherwise payable.

Tax Invoice has the same meaning as in the GST Act.

Taxable Supply has the same meaning as in the GST Act.

Third Party CIT Provider means a person or organisation other than MergeCo, Armaguard or Prosegur which supplies Services.

Third Party CIT Provider Approved Vehicle or Approved Vehicle means the approved vehicles as set out in **Schedule 1** (subject to compliance with the relevant conditions in **Schedule 3**).

Third Party CIT Provider Cash Obligations means obligations imposed on you in relation to the Cash as set out in **Schedule 3**.

Third Party CIT Provider Contact is the person stated on the front page of this Agreement.

Third Party CIT Provider Personnel or Personnel means the approved personnel as set out in **Schedule 1** (subject to compliance with the relevant conditions in **Schedule 3**).

Third Party CIT Provider Safe Obligations means your obligations in respect of a Safe as set out in **Schedule 4**.

Term means the Initial Term and the period of any extension under **clause 12.2**.

Valuables means:

- (a) negotiable instruments (including cheques), securities for money, postal and money orders, postage stamps, taxation

stamps, embossed stamps, government insurance and saving stamps, savings certificates and other similar valuables;

- (b) securities, gems, jewellery, bullion and precious metals; and
- (c) goods, documents or other property of any nature whatsoever.

we, our and **us** means Linfox Armaguard Pty Ltd (ABN 83 099 701 872).

you means the person named on the front page of this Agreement as the Third Party CIT Provider.

Your Insurance Cover has the meaning set out in **clause 8.6(a)**.

Your Premises means land and/or buildings that are owned, leased or otherwise occupied by you.

2 Services

- 2.1 We will provide the Services for the Term in accordance with the terms and conditions of this Agreement and in accordance with **Schedule 1**.
- 2.2 We have the right to perform the Services in our sole and absolute discretion in the method we deem appropriate.
- 2.3 We are the exclusive supplier of the Services and you shall not obtain services the same or similar to the Services from any person or entity other than us during the Term.
- 2.4 We may perform the Services using sub-contractors or agents and any subcontractors engaged to perform a Service will be suitably qualified and skilled to perform the Service.
- 2.5 You acknowledge that we may perform a credit check on you before providing any Services to you.

3 Your obligations

You must:

- (a) comply with the Third Party CIT Provider Cash Obligations;
- (b) where a Safe has been provided under this Agreement, comply with the Third Party CIT Provider Safe Obligations, Your Insurance Cover (if applicable) and the Maximum Safe Insurance Value;
- (c) provide to us all assistance, information and documents necessary for us to properly perform the Services;
- (d) permit our Representatives to enter Your Premises to perform the Services or to inspect, maintain, repair or recover possession of a Safe;
- (e) provide upon request, information required to be collected, verified and retained under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the *Modern Slavery Act 2018 (Cth)*;
- (f) not impede, delay or prevent the performance of the Services by us or our Representatives;
- (g) ensure that we are kept fully informed at all times and in a timely manner of all matters:
 - (i) of which you are, or should be, aware; and
 - (ii) which if not made known to us could adversely impact on the secure and efficient performance of the Services; and
- (h) unless you and we agree otherwise, order/acquire the Services from us using the standard forms and/or dockets provided by us to you from time to time.

- 3.2 You warrant to us that you will not use any labour practices involving Modern Slavery in your business and operations and have not been convicted or charged with any offence concerning Modern Slavery either in Australia or in any other jurisdiction in which you operate.
- 3.3 You warrant to us that you have not and will not breach any Sanctions Law. That neither you nor your holding company, agents, vendors and/or other third parties directly contracted by you are listed on an applicable sanctions list as a denied party.

4 Third Party CIT Provider's access to MergeCo's ACCs

- 4.1 Third Party CIT Provider's access to MergeCo's ACCs
- (a) MergeCo will grant the Third Party CIT Provider access to specified areas of MergeCo ACCs at the times specified in Schedule 4 and otherwise on the terms and conditions specified in this Agreement.
- (b) The Third Party CIT Provider acknowledges that MergeCo may perform a credit check on the Third Party CIT Provider or the Third Party CIT Provider's Personnel before providing access to the MergeCo ACCs or any Services.
- 4.2 The Third Party CIT Provider must at all times:
- (a) ensure that each individual Personnel wears the Third Party CIT Provider's uniform and prominently displays his or her:
- (i) security licence; and
- (ii) photo identification in the current format as notified to MergeCo from time to time;
- (b) ensure that each individual Personnel operates an Approved Vehicle;
- (c) when in (and in the vicinity of) MergeCo ACCs, ensure that the Third Party CIT Provider's Personnel observe and strictly comply with MergeCo's workplace health and safety and security policies and procedures and conduct themselves:
- (i) properly and carefully;
- (ii) in a reasonable and businesslike manner; and
- (iii) in accordance with Operating Instructions;
- (d) act lawfully;
- (e) take out, keep current and produce to MergeCo on request evidence of any relevant authorisation, permit or licence reasonably required by MergeCo;
- (f) not be a party to any act or thing prejudicial to the goodwill, commercial reputation or overall public image of MergeCo or its customers;
- (g) provide to MergeCo all assistance, information and documents necessary for MergeCo to properly perform the Services, including without limitation in the event of any investigation, allow MergeCo access to records, vehicles, CCTV and global positioning system records and all the Third Party CIT Provider's Personnel for interview;
- (h) notify MergeCo as soon as possible but not later than 24 hours after the Third Party CIT Provider becomes aware of any theft or impropriety by any of the Third Party CIT Provider's Personnel which in any way impacts upon MergeCo, the Services or access to MergeCo ACCs;

- (i) ensure that MergeCo is kept fully informed at all times and in a timely manner of all matters:
- (i) of which the Third Party CIT Provider is, or should be, aware; and
- (ii) which if not made known to MergeCo could adversely impact on the secure and efficient performance of MergeCo's business; and
- (j) ensure that the Third Party CIT Provider's access to MergeCo ACCs does not unreasonably interfere with, delay or conflict with MergeCo's business.

5 Third Party Provider's personnel

- 5.1 Only qualified Third Party CIT Provider Personnel may access MergeCo ACCs. Third Party CIT Provider's Personnel may access MergeCo ACCs in accordance with this Agreement only if they:
- (a) have no criminal convictions;
- (b) possess the relevant qualifications to be eligible to hold and retain a firearms licence and security licence;
- (c) have satisfactorily cleared background and security checks (including without limitation police checks, credit checks and drug tests and any other checks or investigations that MergeCo may reasonably require), which the Third Party CIT Provider must undertake at its own cost prior to allowing any of its Personnel access to MergeCo ACCs.
- 5.2 Disclosure of qualifications and photo identification of Third Party CIT Provider's Personnel at least 48 hours prior to access to MergeCo ACCs:
- (a) The Third Party CIT Provider must provide MergeCo with a master list detailing the names, relevant licensing and qualifications of each of the Third Party CIT Provider's Personnel who will access MergeCo ACCs as well as confirmation of the satisfactory clearance of the background checks set out **clause 5.1(c)** above prior to approval to access MergeCo ACCs being granted by MergeCo to the Third Party CIT Provider. MergeCo acknowledges that this information is confidential and will not be disclosed to any third party without written authorisation from the Third Party CIT Provider.
- (b) The Third Party CIT Provider must provide MergeCo with an updated Personnel Master List upon any changes being made to Third Party CIT Provider Personnel as soon as possible but in any event not less than 48 hours prior to the purported access to MergeCo ACCs by any new or additional Personnel. For the avoidance of doubt, the Third Party CIT Provider acknowledges that no Personnel will be admitted to MergeCo ACCs unless the obligations under **clause 4.2** and this **clause 5.2** have been complied with.
- 5.3 Training of Third Party CIT Provider's Personnel
- (a) The Third Party CIT Provider must ensure that Third Party CIT Provider Personnel attend, at the Third Party CIT Provider's cost, any training conducted by MergeCo to ensure that access to the MergeCo ACCs satisfies the Operating Instructions. Such training may require the attendance outside the times during which access is ordinarily provided.
- 5.4 Removal and replacement

- (a) If MergeCo gives notice to the Third Party CIT Provider that a person nominated by the Third Party CIT Provider as Third Party CIT Provider's Personnel has ceased to be acceptable to MergeCo for any reason, the Third Party CIT Provider must take immediate steps to remove the person and provide an alternative person acceptable to MergeCo.

6 Provision of facilities

- 6.1 The Third Party CIT Provider will grant MergeCo such access to its premises, equipment and resources where access is necessary for the performance of obligations under this Agreement.

7 Legal relationship

- 7.1 **Relationship** - The legal relationship between MergeCo and the Third Party CIT Provider is that of supplier / contractor. Neither the Third Party CIT Provider nor any employee or agent of the Third Party CIT Provider is to be deemed to be an employee, agent or partner of MergeCo.
- 7.2 **Public records** - In all public records, documents and in dealings with third parties the Third Party CIT Provider shall not hold itself out to be a part of MergeCo or that it has any other relationship with MergeCo other than that of supplier and Third Party CIT Provider.

8 Supply of a Safe

- 8.1 Where we provide you with a Safe in performing the Services, the Safe at all times remains our property.
- 8.2 We are responsible, at our own expense, for:
- (a) installing the Safe at Your Premises, however, if:
- the intended location of the Safe does not meet the Safe location requirements in **Schedule 4**;
 - the Initial Term of this Agreement is less than the Prescribed Period; or
 - this Agreement expires or is terminated within the Prescribed Period,
- you must pay for the cost of installing the Safe (including promptly reimbursing us for any installation costs already incurred by us); and
- (b) maintaining and repairing the Safe, and, in the event of damage to or loss or destruction of the Safe other than damage, loss or destruction caused by us or our Representatives, you must repair or replace the Safe at your own expense.
- 8.3 You are responsible, at your own expense, for:
- (a) the return of the Safe to us and the reimbursement of the costs of our repossession of the Safe, including deinstallation costs (as the case may be), if this Agreement expires or is terminated within the Prescribed Period. In all other cases, we are responsible, at our own expense, for the return of the Safe at the end of the Term; and
- (b) relocation of the Safe during the Term.
- 8.4 You may not relocate or remove the Safe from Your Premises without our express and written permission.
- 8.5 Unless we specifically agree otherwise, you are liable for any Cash, Valuables or other goods or things placed in the Safe at any time.

- 8.6 You will, at your expense:

- effect and maintain such insurance as we deem appropriate in respect of your obligations under this Agreement, including without limitation, insuring the Safe (noting our interest) from the time that it is delivered to your Premises ("**Your Insurance Cover**"); and
- provide a copy to us of the certificate of insurance evidencing Your Insurance Cover prior to the Start Date and on each anniversary of the Start Date.

9 Bank Guarantee

- 9.1 We are entitled to claim under the Bank Guarantee an amount equal to monies due but unpaid by you under this Agreement.
- 9.2 You agree to vary the amount of the Bank Guarantee:
- on each anniversary of this Agreement; or
 - where the number of Services we provide is materially increased when compared to the number of Services provided at the date of this Agreement; or
 - where any other Fees adjustment is made to this Agreement.
- 9.3 We will return the Bank Guarantee to you upon the last of:
- the termination of this Agreement;
 - the expiry of this Agreement; and
 - the date that you have no further obligations to us under this Agreement or at law.

10 Fees

- 10.1 You must pay us the Fee for the Services performed.
- 10.2 The Fees will be adjusted:
- in accordance with the Fee Adjustment Mechanism (if any) agreed to by the parties; and
 - in accordance with **clause 10.3** if there is a Material Change.
- 10.3 If there is a Material Change then:
- we may notify you of the Material Change; and
 - we may adjust the Fees by the same proportion as the increase in our costs due to the Material Change in providing the Services (or any part of the Services) to you.

11 Invoicing and payment

- 11.1 Unless this Agreement states otherwise:
- we will invoice you in accordance with the relevant procedures set out in **Schedule 3**;
 - you must pay us the full amount invoiced within 30 days from the date of invoice; and
 - the Fees must be paid in Australian currency.
- 11.2 You may not withhold any payment of money due to us under this Agreement for any reason.
- 11.3 We may charge you interest at a rate not exceeding two percent (2%) above the prevailing 180 day bank bill rate as quoted by the Australian and New Zealand Banking Group Limited (ACN 005 357 522) on any amount due and not paid by you within the time required for payment under **clause 11.1**.

- 11.4 We have the right to set-off any amounts due and not paid by you under this Agreement against any amounts which we are obliged to pay to you or on your behalf.
- 12 Term and termination**
- 12.1 This Agreement commences on the Start Date and will remain in force, unless terminated earlier, until the end of the Initial Term.
- 12.2 On expiry of the Initial Term and any further renewed term, this Agreement will continue, on the same terms and conditions, for further periods of 12 months unless either party gives the other at least three (3) months' notice in writing that the notifying party wishes to terminate the Agreement at the expiry of the then-current Term.
- 12.3 If a party ("**Defaulting Party**") is in material breach of a material term of this Agreement, then the other party may serve on the Defaulting Party a written notice specifying the default and stating the intention of the other party to exercise its rights under this **clause 12**.
- 12.4 If:
- the default referred to in **clause 12.3** is not capable of remedy;
 - the Defaulting Party fails to remedy such default in a proper manner within 30 days after the notice referred to in **clause 12.3** is received or such longer time period as agreed,
- then the other party may terminate this Agreement.
- 12.5 A party may immediately terminate this Agreement if an Insolvency Event occurs in relation to the other party.
- 12.6 Any expiration or termination of this Agreement does not affect:
- any rights of the parties which may have accrued before the date of termination; and
 - the rights and obligations of the parties under **clauses 15, 16, 18 and 27** which survive termination of this Agreement.
- 12.7 In addition to **clauses 12.1 – 12.6 above**, this Agreement may be terminated:
- by MergeCo at any time by giving 6 months' notice to the Third Party CIT Provider; or
 - by MergeCo immediately upon notice if:
 - the Third Party CIT Provider breaches any of its obligations under this Agreement;
 - the Third Party CIT Provider enters into, or resolves to enter into, any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
 - the Third Party CIT Provider ceases, or threatens to cease, to carry on business;
 - a liquidator, receiver and manager, administrator, trustee or similar official is appointed in respect of the Third Party CIT Provider over any of the Third Party CIT Provider's assets or undertakings, an application or order is made for the winding up or dissolution of the Third Party CIT Provider, or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Third Party CIT Provider;
- the Third Party CIT Provider is insolvent, fails to meet the solvency test set out in the Corporations Act (Cth) 2001, is unable to pay its debts as they fall due in the ordinary course of business or any analogous event occurs in relation to the Third Party CIT Provider;
 - the Third Party CIT Provider fails to take out or maintain the insurances required under **clause 13.4 - 13.7**; or
 - the Third Party CIT Provider assigns any part of any benefit or obligation under this Agreement without MergeCo's prior written consent.
- 12.8 On the expiry or termination of this Agreement, the Third Party CIT Provider must return to MergeCo all property of MergeCo including, but not limited to all confidential information.
- 13 Insurance and warranties**
- 13.1 Subject to **clause 13.2 and 13.3** we will, throughout the Term, insure the Cash (excluding any Valuables) in relation to which we provide the Services, in accordance with the insurance provisions set out in **Schedule 5 ("Our Insurance Cover")**.
- 13.2 If we have specifically agreed in writing to do so as described in the Schedules, we will insure the Cash contained in a Safe up to the Maximum Safe Insurance Value.
- 13.3 For the avoidance of doubt, we will not insure any Valuables provided to us under this Agreement, including without limitation any Valuables placed in a Safe, unless we have agreed otherwise in writing.
- 13.4 The Third Party CIT Provider must take out, keep current, and produce to MergeCo on request, evidence of:
- public liability insurance and professional indemnity insurance of not less than \$5,000,000 in respect of any liability arising from any act or omission by the Third Party CIT Provider or any of the Third Party CIT Provider's Personnel;
 - motor vehicle insurance of not less than \$5,000,000 covering vehicle damage, liability for death of or bodily injury to any person and for loss or damage to third party property caused by or arising from the use of owned or non-owned vehicles in the performance of this Agreement by or on behalf of the Third Party CIT Provider or any of the Third Party CIT Provider's Personnel; and
 - any other insurance required by law or reasonably required by MergeCo.
- 13.5 The Third Party CIT Provider must:
- ensure that all insurance policies provide that:
 - the policy may not be varied, cancelled or permitted to lapse until 30 days' notice of the variation, cancellation or impending lapse of the policy has been given by the insurer to MergeCo; and
 - a breach of any of the conditions of the policy by the Third Party CIT Provider will not in any way prejudice any of the rights MergeCo may or would otherwise have had under the policy.

- 13.6 If the Third Party CIT Provider fails to comply with **clause 13.4-13.7** MergeCo may refuse to allow any further access to the MergeCo ACCs until the Third Party CIT Provider complies with the obligations set out herein.
- 13.7 The Third Party CIT Provider will be liable for all direct and consequential damages incurred by MergeCo as a result of the Third Party CIT Provider's failure to comply with this **clause 13**.
- 13.8 The Third Party CIT Provider warrants that it has full power and authority to deal with any cash presented by or to MergeCo in accordance with this Agreement and indemnifies MergeCo, and must keep MergeCo indemnified, against any claim of any nature by any person in respect of the cash.
- 13.9 If any person claims there is a discrepancy between MergeCo's count of cash and the Third Party CIT Provider's claim of the amount of cash supplied ("**Discrepancy**"), the Third Party CIT Provider agrees, after implementation of MergeCo's investigation of cash handling and counting procedures, to:
- accept MergeCo's count and claim of Discrepancy; and
 - indemnify MergeCo for any loss it suffers as a result of the Discrepancy.
- 14 Title and risk**
- 14.1 If we provide you with a Cash Banking Service, title and property in the Cash remains with you at all times. However, this does not alter the risk/liability accepted by us in relation to the Cash, as set out in **clause 15.1**.
- 14.2 If we provide you with a Cash Collection Service, title and property in the Cash vests in us at the time the Cash is collected by us, except where this Cash Collection Service is provide as part of a Cash Safe Service, in which case **clause 14.3** below applies.
- 14.3 If we provide you with a Cash Safe Service, title and property in the Cash vests in us immediately after the Cash is placed in the Safe, except to the extent that the Maximum Safe Insurance Value is exceeded.
- 14.4 If we provide you with a Cash Delivery Service, title and property in the Cash which we deliver remains vested in us until until the latter of:
- you making full payment in relation to this Cash; and
 - the time the Cash is delivered by us.
- 14.5 If we provide you with a Cash Processing Service, title and property in the Cash vests in us at the time the Cash is signed as being delivered to our possession.
- 15 Limitation of liability and indemnities**
- 15.1 We indemnify you for any loss of Cash (excluding Valuables) in relation to which we provide the Services, but only to the extent that:
- the Cash is in our possession, custody or control;
 - Our Insurance Cover provides protection in respect of that loss or damage, and only up to the Insured Amount;
 - the loss or damage has not resulted (either directly or indirectly) from an Excluded Risk; and
 - in relation to Cash in a Safe, we have specifically agreed in writing to take liability for the Cash and you have not breached any of your Third Party CIT Provider Safe Obligations (and only up to the Maximum Safe Insurance Value).
- 15.2 For the avoidance of doubt, we will not be liable for any loss or damage associated with any Valuables provided to us under this Agreement, unless we have agreed otherwise in writing.
- 15.3 The maximum liability of MergeCo, its employees, sub-contractors and agents under this Agreement, other than in respect of **clause 15.1**, is \$5,000,000.
- 15.4 With the exception of the liability accepted by us in **clause 15.1**, we will not be liable (whether in tort or in contract or otherwise) for or in respect of any loss or damage of any kind including (but not limited to) loss or damage associated with:
- any personal injury, illness or death to any person; or
 - damage to any property,
- unless arising directly from any negligent act or omission on our part or on the part of any of our Representatives in performing the Services under this Agreement subject at all times to the limitation in **clause 15.3**.
- 15.5 You indemnify us, and must keep us indemnified, for any loss, cost or expense suffered or incurred by us as a result of any claim, action, demand or proceeding brought by any person in respect of the loss or damage described in **clause 15.3**.
- 15.6 In addition to **clauses 15.1 – 15.5 above**, the Third Party CIT Provider:
- shall be liable for the loss of any property (either that belonging to MergeCo, any Clients or any of the Third Party CIT Provider's Third Party CIT Provider's) from such time as responsibility for the property is transferred to the Third Party CIT Provider in accordance with the Operating Instructions and this Agreement.
 - shall be liable for and shall reimburse MergeCo upon demand for all damages, costs and expenses reasonably incurred by MergeCo in connection with any injury to any person or damage to or loss of any property belonging to MergeCo, a Client or any other person caused by or contributed to by the Third Party CIT Provider.
 - shall be liable for the loss, theft or destruction, howsoever caused of all cash and currency and all other property that is in the care, custody or control of the Third Party CIT Provider.
 - indemnifies MergeCo on demand against all losses, damages, liabilities, claims and expenses incurred by MergeCo in connection with any claims made by the Third Party CIT Provider or any other person (including without limitation, the Third Party CIT Provider's Personnel, the Third Party CIT Provider's Third Party CIT Provider s or a related entity of the Third Party CIT Provider) in relation to access to MergeCo ACCs.
 - indemnifies MergeCo for any loss, costs or expenses incurred as a result of:
 - any breach of this Agreement by the Third Party CIT Provider; and
 - any negligent, reckless or unlawful conduct by the Third Party CIT Provider in accessing the MergeCo ACCs or the Services.
- 15.7 You warrant that you have full power and authority to deal with the Cash and you indemnify us, and must keep us indemnified, against any claim of any nature by any person in respect of the Cash.
- 15.8 Without limiting any other indemnity in this **clause 15**, where as part of the Services:
- we provide you with a Cash Banking Service; and

- (b) the Financial Institution to which the Cash is delivered does not acknowledge delivery of the Cash or any part of the Cash,

you indemnify us, and must keep us indemnified, against any loss, cost or expense associated with any alleged or actual shortfall ("**Shortfall**") in the Cash delivered, including, but not limited to, any claim, action demand or proceeding brought by any person against us in relation to that Shortfall.

- 15.9 If, after following our standard Cash handling and counting procedures, we claim there is a discrepancy between our count of the Cash and either the Said to Contain Value on a Cash Envelope or your claim of the amount of Cash in the Cash Envelope ("**Discrepancy**"), you agree to:

- (a) accept our count and our claim of Discrepancy;
- (b) if we have already paid you the Said to Contain Value or other amount, pay to us the value of the Discrepancy; and
- (c) indemnify us for any loss we suffer as a result of the Discrepancy.

- 15.10 Notwithstanding any other provision in this Agreement and to the extent permitted by law, neither party will be liable to the other party in connection with this Agreement or any other obligation or duty (including the duty of care for the purposes of the tort of negligence) for any:

- (a) losses, damages, costs and/or expenses which cannot fairly and reasonably be considered to arise naturally (that is, according to the usual course of things) from the relevant breach of this Agreement;

and includes:

- (b) loss or deferment of actual or anticipated profits or revenue, loss of goodwill or reputation, loss or deferment of anticipated benefits or savings, loss or deferment of any prospect or business opportunity, loss of data, loss of value, or loss of production or other business interruption loss; and
- (c) losses which are described as special losses, consequential losses or economic losses.

- 15.11 Every exemption, limitation, defence, immunity or other benefit to which we are entitled under this Agreement will also extend to protect each of our Representatives (excluding you and your Representatives).

- 15.12 Each indemnity in this Agreement is a continuing obligation separate and independent from the other obligations and survives termination of this Agreement.

- 15.13 It is not necessary for either party to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

16 Prescribed Terms

- 16.1 Certain laws imply terms into agreements for the supply of services and prohibit the exclusion, restriction or modification of such terms ("**Prescribed Terms**").

- 16.2 Some Prescribed Terms permit a supplier of services to limit its liability for a breach thereof. To the extent permitted by Prescribed Terms our liability in respect of a breach of a Prescribed Term relating to the supply of the Services under this Agreement is limited at our sole discretion to:

- (a) the re-supply of the Services concerned; or
- (b) payment of the costs of re-supplying the Services concerned.

- 16.3 Except as provided by Prescribed Terms, no written, oral or implied condition, warranty or term of any description whether under statute or by implication of law, custom or usage relating to the subject matter of this Agreement is any part of this Agreement or will have any operation or affect our rights unless that condition, warranty or term is recorded and accepted in writing, and signed by one of our authorised officers.

17 Performance

- 17.1 You and we appoint the MergeCo Contact and the Third Party CIT Provider Contact (respectively) who will be available for day to day liaison in respect of the provision of the Services. Each representative may delegate their responsibilities to others on notice to the other representative.

- 17.2 The MergeCo Contact and the Third Party CIT Provider Contact (together with any other person you and we determine should attend) will meet at agreed intervals to jointly:

- (a) review the performance of the Services under this Agreement; and
- (b) review the relationship generally.

18 Confidential information

- 18.1 Each party undertakes that it will not, either during the Term or at any time thereafter (except in the proper course of its duties under this Agreement or as required by law or by the other party), disclose to any person any confidential information of or relating to the other party of which it has become possessed as a result of this Agreement or the negotiations preceding the Agreement including, but not limited to, the terms of this Agreement.

- 18.2 Nothing in this Agreement prohibits disclosure of information which:

- (a) is in the public domain;
- (b) after disclosure to a party becomes part of the public domain otherwise than as a result of the wrongful act of that party;
- (c) is received from a third party provided that it was not acquired directly or indirectly by that third party from a party to this Agreement;
- (d) is required to be disclosed by law or any government or governmental body, authority or agency having authority over a party;
- (e) is required to be disclosed to a party's legal advisors in connection with this Agreement.

- 18.3 The parties expressly acknowledge that this Agreement contains commercially sensitive information and agree that they will use all endeavours to prevent the disclosure of this Agreement in connection with the PPSA. To the extent that the parties are unable to prevent such disclosure, they must ensure that **Schedule 1 (Services)**, **Schedule 2 (Fees)** and **Schedule**

5 (Our Insurance Cover) are redacted prior to providing this Agreement in connection with the PPSA.

18.4 In addition to **clauses 18.1 – 18.3 above**, the Third Party CIT Provider:

(a) must not:

- (i) use or allow any person to use confidential information for any purpose other than the obligations of the parties under this Agreement;
- (ii) disclose or in any way communicate to any other person any confidential information except as authorised by MergeCo;
- (iii) allow any unauthorised person to have access to places where confidential information is displayed, reproduced or stored; or
- (iv) make or assist any person to make any unauthorised use of confidential information.

(b) must:

- (i) ensure that confidential information will be disclosed only to those of the Third Party CIT Provider's directors, officers, employees or agents who need, and then only to the extent that they need, the information for the purposes of providing the Services;
- (ii) require each of the persons referred to in **clause 18.4(b)(i)** to enter into a confidentiality undertaking with MergeCo or with any other party nominated by MergeCo, in a form similar to that set out at Annexure A, and promptly deliver to MergeCo each confidentiality undertaking signed by the relevant director, officer, employee or agent.

18.5 The obligations under this **clause 18** survive termination of this Agreement.

19 Dispute resolution

19.1 Subject to **clause 19.5**, before resorting to any external dispute resolution mechanism (including arbitration, mediation or court proceedings) any dispute between the parties regarding this Agreement, or any matter arising in connection with it, must comply with the dispute resolution process as set out in **clause 19**.

19.2 Any dispute under this Agreement between the parties must be referred:

- (a) initially for resolution by the Third Party CIT Provider Contact and the MergeCo Contact, who the parties will procure to endeavour to resolve the dispute within 10 Business Days of the giving of a notice of a dispute by a party; and
- (b) if the dispute is not resolved in accordance with **clause 19.2(a)**, a senior executive of each party, who the parties will procure to endeavour to resolve the dispute within a further 20 Business Days or such other period as may be agreed between those parties.

19.3 If the dispute is not resolved by the relevant parties in accordance with **clause 19.2** within the time specified in that clause, then the dispute may be submitted by any of the relevant parties to an external dispute resolution mechanism, including to a court.

19.4 Despite the existence of a dispute, each party must continue to perform its obligations under this Agreement.

19.5 A party may commence court proceedings relating to any dispute arising out of this Agreement at any time where that party seeks urgent interlocutory relief.

20 Force majeure

20.1 If, as a result of some fact, circumstance, matter or thing beyond the reasonable control of a party ("**Force Majeure**"), that party becomes unable, wholly or in part, to perform any of its obligations under this Agreement:

- (a) that party is to give the other party prompt notice of the relevant event of Force Majeure with reasonably full particulars and, in so far as known to it, the probable extent to which it will be unable to perform, or be delayed in performing, the relevant obligations;
- (b) the relevant obligation(s), other than an obligation to pay money, is suspended but only so far as, and for so long as, it is affected by the relevant event of Force Majeure; and
- (c) that party is to use all possible diligence to overcome or remove the relevant event of force majeure as quickly as possible.

20.2 For the purposes of this **clause 20**, the parties agree that an industrial dispute will be deemed in all circumstances to be an event of Force Majeure.

20.3 **Clause 20.1(c)** does not require the affected party to:

- (a) settle any strike or other labour dispute on terms contrary to its wishes; or
- (b) contest the validity or enforceability of any law, regulation or legally enforceable order by way of legal proceedings.

20.4 The obligation of the affected party to perform its obligations, resumes as soon as it is no longer affected by the relevant event of Force Majeure.

21 Assignment

21.1 You may not assign your rights and/or obligations under this Agreement without our prior written consent. MergeCo may withhold such consent for any reason. If MergeCo does consent to the request of the Third Party CIT Provider to assign the Agreement or any part of it, it may do so by imposing such conditions or upon such basis as MergeCo considers necessary and at the cost of the Third Party CIT Provider.

21.2 For the purposes of **clause 21.1 above**, assignment includes a material change in ownership or control of the Third Party CIT Provider.

21.3 We have the right to assign any or all of its obligations or rights under this Agreement at any time to any person.

22 Severability

22.1 If a provision of this Agreement is invalid, illegal or unenforceable it must, to the extent that it is invalid, illegal or unenforceable, be treated as severed from this Agreement, without affecting the validity and enforceability of the remaining provisions.

23 Notices

23.1 Any notice, request, demand, approval, consent or other communication in relation to this Agreement must:

- (a) be in writing;

- (b) may be signed for the party giving it by the party's authorised officer, attorney or solicitor;
 - (c) may be delivered personally to the person to whom it is addressed, or left at or sent by prepaid post to the person's address, or faxed to the person's fax number, and marked for the attention of:
 - (i) in the case of a notice to us, the MergeCo Contact; or
 - (ii) in the case of a notice to you, the Third Party CIT Provider Contact; and
 - (d) be left at or sent by prepaid ordinary post to the last notified address of the party, or sent by electronic mail ("**Email**") to the last notified Email address of the party.
- 23.2 A notice is taken as given by the sender and received by the intended recipient:
- (a) if posted, 3 Business Days after posting; and
 - (b) if faxed, on completion of the transmission,
- but, if delivery or receipt is on a day which is not a Business Day or is after 5:00pm at the place of delivery or receipt, it is taken as given at 9:00am on the next Business Day.
- 23.3 An Email is taken to be received at the time shown in a delivery confirmation report.
- 23.4 A party may change its address or fax number for notices by giving notice to the other party.
- 23.5 A notice that is posted is valid even if the intended recipient does not receive it or it is returned unclaimed to the sender.

24 Taxes

- 24.1 The Fees and any other amount or consideration referred to in this Agreement is exclusive of GST.
- 24.2 If GST is imposed on any supply made under this Agreement by us to you, you must pay to us, in addition to and at the same time as the Fees or any other GST exclusive consideration payable or to be provided for the supply, an additional amount calculated by multiplying the value of that Fees or other GST exclusive consideration (without deduction or set-off) by the prevailing GST Fee.
- 24.3 We will provide you with a Tax Invoice for any Taxable Supply made by us to you under this Agreement.
- 24.4 If the amount of GST recovered by us from you differs from the amount of GST payable at law by us (or an entity grouped with us for GST purposes) in respect of the supply, we will adjust the amount payable by you to us accordingly.
- 24.5 Should any other Taxes, excluding GST, be levied on, in respect of, or in relation to, the Services (including levied on payments made to us by you for the provision of the Services under this Agreement), you will be responsible for payment of those Taxes or payment of an equivalent amount to us where we are liable to pay them. Any amount payable by you under this clause is in addition to any other amounts payable by you under this Agreement. You will also be responsible for providing documentary evidence of the payment of Taxes, if made on our behalf.

25 Work Health & Safety Requirements

- 25.1 Each of the parties is obligated to provide and maintain, so far as is practicable, a working environment for its employees and members of the public, that is safe and without risk to health

and which complies with any Acts, regulations, local laws and by-laws, Codes of Practice and Australian Standards which are in any way applicable to this contract or the performance of the services under this contract, including the *Work Health and Safety Act 2011*(Cth) and any regulations or equivalent legislation in all Australian States and Territories.

- 25.2 The Third Party CIT Provider must immediately notify MergeCo of any change to the working environment which may impact on its obligations under **clause 25.1**, including but not limited to any change in the security arrangements at the Location or any physical modifications at the Location.
- 25.3 The Third Party CIT Provider must comply with any and all lawful directions of MergeCo relating to occupational health and safety in relation to the provision of the Services.
- 25.4 In addition to **clause 25.1 - 25.3 above**, the Third Party CIT provider must, and warrants that it and the Third Party CIT Provider's Personnel will:
- (a) during access of the MergeCo ACCs, advise MergeCo in writing of any hazards or that it or the Third Party CIT Provider's Personnel observe;
 - (b) comply with MergeCo's workplace health and safety policies and procedures;
 - (c) comply with all health and safety legislation, regulations and any other applicable health and safety obligations and on request provide evidence to MergeCo demonstrating such compliance;
 - (d) attend, at its cost, any workplace health and safety training sessions required by MergeCo; and
 - (e) comply with all other safety requirements specified in any relevant laws.

26 These terms are exclusive

- 26.1 This Agreement exclusively embodies all terms and conditions in relation to the Services and replaces any prior agreement between the parties in relation to all or part of the Services.
- 26.2 Except as otherwise provided for in this Agreement, all terms, conditions, warranties, undertakings and representations (whether express, implied, statutory or otherwise, including any terms on any of your documents) relating to the Services or this Agreement are excluded to the full extent permitted by the law.

27 PPSA

- 27.1 Until such time as title to the Cash or a Safe passes to you in accordance with **clause 14**:
- (a) We are, and will be, entitled at any time to demand the return of the Cash or any Safe, and you must do all things necessary to immediately permit us, without notice and without liability to us, to enter and access any premises occupied by you in order to search for, locate, identify retrieve and remove cash to an equivalent value of the Cash or any Safe to which we have title. If there is any inconsistency between our rights under this **clause 27** and our rights under Chapter 4 of the PPSA, this **clause 27** prevails;
 - (b) You acknowledge and agree that we have a Security Interest under the PPSA in any Safe.
 - (c) You may not, without our consent, do, or agree to do, any of the following:
 - (i) sell, assign or otherwise dispose of any Safe;

- (ii) grant or seek to grant any Security Interest in any Safe or allow one to arise;
- (iii) deal in any way with this Agreement, or allow any interest in it to arise or be varied adverse to our interest;
- (iv) lease or licence any Safe, or allow a surrender or variation of any lease or licence;
- (v) give control of any Safe to another person other than us;
- (vi) part with possession of any Safe other than by giving possession to us;
- (vii) allow a set off or combination of accounts;
- (viii) change the nature of the Safe;
- (ix) abandon, settle, compromise, or discontinue or become non-suited in respect of any proceedings against any person (other than us) in respect of any of your rights in connection the Safe;
- (x) exercise or waive any of your rights or release any person from its obligations in connection with the Safe;
- (xi) allow any personal property to become an accession to, or commingled with the Safe;
- (xii) deal in any other way with the Safe or any interest in them, or allow any interest in them to arise or be varied,
- except as otherwise provided in this Agreement and you agree to notify us if anything mentioned in **clause 27.1(c)** occurs immediately on becoming aware of it.
- (d) You agree to notify us at least 14 days before you do any of the following:
- (i) change your name;
- (ii) change your place of registration or incorporation; or
- (iii) change or apply for an ACN, ABN, ARBN, ARSN under which an interest in any Safe will be held,
- and you further agree to notify us if anything mentioned in **clause 27.1(d)(i) - 27.1(d)(iii)** above occurs immediately on becoming aware of it.
- 27.2 Our Security Interest over any Safe is a PPS Lease in accordance with section 13 of the PPSA and attaches to the Safe upon the earlier of:
- (a) you attaining possession of the Safe; and
- (b) you executing this Agreement.
- 27.3 You consent to us perfecting any Security Interest that it considers this document provides for by registration under the PPSA.
- 27.4 You agree to do anything that we reasonably ask to:
- (a) ensure that the Security Interest is enforceable, perfected and otherwise effective; and
- (b) execute all documents necessary to register and perfect our Security Interest in any Safe under the PPSA.
- 27.5 You waive your right to receive any notice in relation to registration under the PPSA (including a notice of a verification statement) unless the notice is required by the PPSA and that requirement cannot be excluded.
- 27.6 Enforcement of Security Interests: If Chapter 4 of the PPSA would otherwise apply to the enforcement of the Security Interest(s) created under this Agreement, the Client agrees that the following provisions of the PPSA will not apply:
- (a) section 120 (enforcement of liquid assets);
- (b) section 125 (obligation to dispose of or retain collateral);
- (c) section 128 (We may dispose of collateral);
- (d) section 129 (disposal by purchase);
- (e) sections 132(1) to (3) (right to receive a statement of account);
- (f) section 142 (redemption of collateral); and
- (g) section 143 (reinstatement of security agreement).
- 27.7 If we exercise a right, power or remedy in connection with this Agreement or a Security Interest that it provides for, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless we state otherwise at the time of exercise. However, this clause does not apply to a right, power or remedy which can only be exercised under the PPSA.
- 28 Counterparts**
- 28.1 This Agreement may be signed in any number of counterparts (including electronic copies), and provided that every party has executed a counterpart, the counterparts taken together will constitute a binding and enforceable agreement between the parties.
- 29 Other matters**
- 29.1 A party may only waive its rights under this Agreement by doing so in writing.
- 29.2 A variation of this Agreement must be in writing and signed by both parties.
- 29.3 Either party may exercise a right, remedy or power in any way it considers appropriate.
- 29.4 If a party does not exercise a right, remedy or power at any time, this does not mean that it cannot exercise it later.
- 29.5 Unless specified otherwise, to the extent of any inconsistency between the terms and conditions as set out in the body of this Agreement and any terms and conditions as may be set out in an attachment, annexure or schedule, then the terms and conditions as set out in the body of the agreement prevail to the extent of any such inconsistency.
- 29.6 Each party's rights, remedies and powers under this Agreement are in addition to any rights, remedies and powers provided by law.
- 29.7 If the day on or by which something must be done is not a Business Day, that thing must be done on the next Business Day.
- 30 Governing law**
- 30.1 This Agreement is governed by the laws of Victoria, Australia.
- 30.2 The parties agree to submit to the non-exclusive jurisdiction of the courts of Victoria and the courts of appeal from them.

31 Contract interpretation

31.1 In this agreement, unless the contrary intention appears:

- (a) a reference to this agreement or another instrument includes any variation or replacement of either of them;
- (b) the singular includes the plural and vice versa;
- (c) the word "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (d) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (e) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (f) a reference to a clause is a reference to a clause in this Agreement;
- (g) a reference to "A\$", "\$A", "dollar" or "\$" is a reference to Australian currency;
- (h) No provision of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of that provision; and
- (i) Headings are inserted for convenience and do not affect interpretation of this Agreement.



Schedule 1 - Services

1 Description of Services

This Agreement is for the provision of the following Services:

Service	Description
Cash Processing Service	<p>During the approved day and time window, you will attend our depot (in accordance with all safety and security procedures set out in this Agreement or as notified by us from time to time) to deliver the Cash Envelopes. Cash is deemed to have been received by us at the time when the Cash Envelopes are deemed to have complied with the relevant conditions set out in Schedule 3 and signed as received or collected.</p> <p>Once received, we will process the Cash (at our option, manually and/or by machine assisted cash counting and fitness sorting) in accordance with our usual cash counting and handling procedures.</p> <p>Settlement of the counted value is paid via electronic funds transfer next Business Day into the Third Party CIT Provider's bank account following receipt of the Cash to our depot.</p>
Cash Delivery Services	<p>You will order the required Cash via MergeCo Online in accordance with Schedule 4.</p> <p>During the approved day and time window, you will attend our depot (in accordance with all safety and security procedures set out in this Agreement or as notified by us from time to time) to collect the Cash. Cash is deemed to have been collected by you at the time when the Cash is signed as delivered or collected.</p> <p>Payment for Cash Delivery Services are to be made via electronic funds transfer in accordance with Schedule 4.</p>
Additional Services	

2 Description of Safe

Not applicable

3 Collection Address(s)/Delivery Address(s)

Not applicable

4 Timing of Services

As agreed between the parties to this Agreement.

5 Third Party CIT Provider 's Authorised Personnel

As agreed between the parties to this Agreement.

6 Third Party CIT Provider 's Approved Vehicles

As agreed between the parties to this Agreement.

7 Liability in respect of Cash in the Device

Not applicable



Schedule 2 - Fees

1 Fees

1.1 Fee payable

In accordance with **clause 10.1** of the agreement, you will pay us the Fee for the Services as outlined below:

Service	Fee
Cash Processing Service	Depot Entry / Access Fee
	Processing Fee / \$100 (to \$2.5m)
	Processing Fee / \$100 (> \$2.5m - \$5m)
	Processing Fee / \$100 (> \$5m)
	Envelope Fee / envelope
Cash Delivery Service	Depot Entry / Access / Service fee
	Supply fee – Notes / \$100
	Supply fee - Change / \$100
	Roll Fee

2 Fee Adjustment Mechanism

To be agreed between the parties

3 Bank Guarantee

Not applicable



Schedule 3 - Third Party CIT Provider Cash Obligations and Operating Instructions

In accordance with **clause 3(a)**, you must comply with the following obligations with respect to Cash and any Safe.

Confidential text below. **Red text is not for publication.**

1 General Cash Obligations

1.1 Cash Processing Service Obligations

- (a) Cash must be counted and placed in sealed Cash Envelopes;
- (b) Envelopes packed – to be capped at **[Confidential to Armaguard]** value;
- (c) The Said to Contain Value must be written on each Cash Envelope;
- (d) Each Cash Envelope must be signed;
- (e) In packaging the Cash, notes must be placed flat and facing the same way up, denominations must be separated, only rubber bands may be used in holding the notes together (no staples or paper clips);
- (f) Particular forms/dockets/documents must be completed and signed; and
- (g) During the approved day and time window, you will attend our depot (in accordance with all safety and security procedures set out in this Agreement or as notified by us from time to time) to deliver the Cash Envelopes.

1.2 Cash Delivery Service Obligations

(a) How orders for Cash delivery are placed by Third Party CIT Provider

- Orders placed at Rosehill, Murarrie, Essendon, Adelaide, and Canning Vale ACCs must be placed via MergeCo Online by 1PM on the day which is 1 Business Day prior to the date on which the relevant Cash Delivery Service is scheduled.
- All other orders must be placed via MergeCo Online by 1PM on the day which is 2 Business Days prior to the date on which the relevant Cash Delivery Service is scheduled.

During the approved day and time window, you will attend our depot (in accordance with all safety and security procedures set out in this Agreement or as notified by us from time to time) to collect the Cash. Cash is deemed to have been collected by you at the time when the Cash is signed as delivered.

(b) How transfer of Cash should be made by Third Party CIT Provider and timing of transfer

- Payment for Cash Delivery orders made at Rosehill, Murarrie, Essendon, Adelaide, and Canning Vale ACCs is to be made via electronic funds transfer that is received by us 1 Business Day prior to the date on which the Cash is scheduled to be collected from our depot.
- All other payments for Cash Delivery are to be made via electronic funds transfer that is received by us two(2) Business Days prior to the date on which the Cash is scheduled to be collected from our depot.

Remittance advice must be provided to the AG Revenue Assurance team by a Third Party CIT Provider once payment has been made.

2 Delivery or collections from MergeCo depots

2.1 Cash Processing Service Obligations - delivery or collection window is between _____ on the day of delivery or collection (as applicable).

2.2 Advance Notice of Collection required.

2.3 Prior to _____ on day of attendance, the Third Party CIT Provider must email the nominated addresses on work instructions for the relevant MergeCo depot with the following details (as may be amended from time to time by notice in writing given by MergeCo):

- (a) date of collection/delivery;
- (b) vehicle fleet number;
- (c) vehicle registration number;
- (d) crew names;
- (e) crew ID numbers;
- (f) security licence numbers and expiry dates; and

(g) firearms licence numbers and expiry dates.

2.4 At least 30 minutes prior to arrival at MergeCo's depot, an email or phone call must be made to the Despatch team at the relevant MergeCo depot advising:

- (a) vehicle registration number;
- (b) make/model of vehicle (e.g., Toyota Hiace);
- (c) expected time of arrival; and
- (d) names of crew attending (must be on the current Personnel Master List).

[Redacted content]



Schedule 4 – Third Party CIT Provider Safe Obligations

1 General Obligations

You must:

- (a) do everything necessary to protect our rights in respect of the Safe;
- (b) not place or allow to be placed on the Safe any marks or matter which are inconsistent with our rights;
- (c) not create or allow to come into existence any charge, encumbrance or lien which affects the Safe;
- (d) not expose the Safe to the risk of loss, damage, destruction or detention;
- (e) not transfer, part with or share the possession of the Safe;
- (f) not allow our interests in the Safe to be prejudiced or expose us to liability;
- (g) not make any replacement, alteration or addition which could mean that the Safe is no longer readily identifiable as ours or which may lead to a reduction in the value of the Safe;
- (h) comply with Your Insurance Cover requirements including without limitation any conditions imposed by your insurer;
- (i) comply and ensure that your Representatives comply, with all guidelines and/or operating standards in respect of the Safe as advised by MergeCo from time to time;
- (j) ensure that the Safe is used:
 - (i) only for the purpose for which a Safe is commonly used; and
 - (ii) in such a manner as to minimise wear and tear to the Safe (including minimising any damage to the Safe caused by water);
- (j) comply with the Safe location, Maximum Safe Insurance Values, security obligations, guidelines, operating standards and location requirements provided to you by us at the time of installation of the Safe; and
- (k) if applicable, comply with any obligations in relation to the Safe set out in Our Insurance Cover.



Schedule 5 - Our Insurance Cover

Current extract of our "Cash in Transit" insurance.

Annexure D – Complaints Handling Process

Complaint Handling Policy

June 2023, Version 1

Document details

Document title	Complaint Handling Policy
Classification	Company Policy
Retention	Ongoing
Review cycle	As required
Author	
Version number	2023.1
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Overview

Purpose

Linfox Armaguard Pty Ltd (ACN 099 701 872) (**MergeCo**) has provided an enforceable undertaking to the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) (**Undertaking**). The purpose of this Complaint Handling Policy (**Policy**) is to outline MergeCo's approach to the management of customer complaints related to MergeCo's compliance with the Undertaking, and to ensure there is an accessible, clear and timely process when lodging a complaint, concern, or providing general feedback to or about the organisation.

This Policy is designed to ensure that such customer complaints are managed through an effective and consistent framework that includes (but is not limited to) procedures, complaint response timelines and escalation procedures, that respond to the different queries or complaints of complainants and, meet the requirements of the Guidelines for Complaint Management in Organisations (AS 10002:2022). This Policy may be updated from time to time but will remain compliant with (AS 10002:2022).

Complaint Definition

Complaint means an expression of dissatisfaction made to MergeCo by a customer of MergeCo, related to its compliance with the Undertaking. A Complainant is a person that makes a Complaint.

Complaint Handling Policy

Introduction

At MergeCo we strive to provide the best possible service experience for all our customers. We understand that there may be times when customers are dissatisfied with our service, and we take these concerns seriously.

MergeCo is committed to ensuring that all customer complaints are managed in a responsive, efficient, effective and fair manner. Complainants will be treated with respect and will be dealt with at a professional level throughout the complaint management process.

Principles

Accountability: We take accountability for our actions and take responsibility for any mistakes or errors. We will work to rectify any issues and take steps to ensure they do not happen again in the future.

Empathy: We will approach every complaint with empathy and understanding. We will listen to our customers concerns and work to find a resolution that meets their needs.

Acknowledgement: We will acknowledge all complaints in a timely manner. We will provide our customers with an estimated time for resolution and keep them informed throughout the process.

Investigation: We will thoroughly investigate every complaint to determine the cause and identify any corrective actions necessary.

Timeliness: We will work to resolve complaints in a timely manner. We understand that time is of the essence in resolving complaints and will make every effort to provide a timely and appropriate resolution.

Resolution: We will work to resolve complaints in a timely and satisfactory manner. We will take responsibility for any mistakes or errors and work to make things right for our customers.

Transparency: We will be transparent about our complaint handling process. We will explain our policies and procedures to our customers and provide them with clear and concise information on the steps we are taking to resolve their complaint.

Customer Satisfaction: Our goal is to ensure that customers are satisfied with our resolution. We encourage feedback from our customers to ensure we have met their needs and will take steps to improve our processes if necessary.

Continuous improvement: We will use customer feedback to improve our services if required. We will review complaints to identify any trends and take steps to prevent similar issues from recurring.

Complaint Escalation: If a complaint cannot be resolved at the initial level, we have a defined escalation process in place. Our customers can escalate their complaint to a higher level of management if they are not satisfied with the resolution provided.

Record Keeping: We will maintain detailed records of all complaints received and the actions taken to resolve them. This information will be used to continually improve our processes and that we are providing the best possible service to our customers.

At MergeCo we believe that effective complaint handling is essential to building and maintaining long lasting partnerships with our customers. MergeCo is committed to delivering high quality services and welcomes feedback on its products, services, performance, and staff as a means of monitoring and improving service delivery to our customers, as well as enhancing organisational effectiveness and efficiency. By following these principles, we are confident that we can provide our customers with an effective complaint handling process that meets all applicable requirements.

Complaints Handling Procedures

Availability of Complaints Handling Policy

Details of the Policy are published on MergeCo's website and made available to all staff and to other persons when they request information about our complaints handling procedures or wish to make a complaint regarding MergeCo's compliance with the Undertaking. All staff will be made aware of this Complaints Handling Policy and the MergeCo personnel directly responsible for its implementation.

Remedies

In managing a complaint, a range of responses can be offered including remedial action, technical assistance, information, financial redress, an apology, reissue or variation of documentation, goodwill gesture or other appropriate remedy.

When formulating a response, consideration will be given to whether:

- all aspects of the complaint have been addressed;
- follow-up communication is needed; and
- it is appropriate to offer remedies to others who may have suffered in the same way as the complainant but who did not make a formal complaint.

Complaints Handling Framework

MergeCo's framework for handling complaints is set out in the flow chart in **Annexure A** and includes:

- escalation of complaints which cannot be resolved at first instance; and
- levels of authority.

Complaints may be received verbally or in writing and should be raised by the Complainant as soon as reasonably practicable. All complaints will initially be received by a member of the MergeCo Customer Service team.

Complaints Handling Process

The procedures for handling complaints are set out in the Complaints Handling Process in **Annexure B**, which covers, among other things:

- verbal and written complaints;
- recording of complaints;
- resolution of complaints, including minimising disputes; and
- external dispute resolution system.

MergeCo will continue to comply with its contractual obligations throughout the Complaints Handling Process.

Information about complaint

On receipt of a complaint under this Policy, MergeCo must inform:

- the Complainant of:
 - the existence of the Undertaking (and specifically the dispute resolution process to an Independent Expert contained in the Undertaking) and provide the Customer with a copy of the Undertaking; and
 - the details of the Independent Auditor (as appointed under the Undertaking); and
- the Independent Auditor that such a complaint has been made.

MergeCo shall have the right to gain sufficient information about the complaint to enable it to properly investigate and respond to the complaint.

Complaints Manager and staff who carry out complaints handling procedures.

Responsibility for these roles will be appointed once MergeCo Customer Service structure is finalised and prior to transaction completion.

MergeCo staff who carry out the Complaints Handling Procedures are trained in product and service knowledge, interpersonal and communications skills as well as the policies and procedures of MergeCo.

These employees have resources that enable them to perform their duties efficiently and effectively for the benefit of customers.

Response Times

MergeCo endeavours to respond to complaints as soon as possible. To ensure MergeCo is responsive to any complaints or disputes that may arise from a customer, MergeCo has established time limits (**Response Times**) regarding the processing and resolution of such complaints or disputes (**Annexure C**). MergeCo will keep

complainants informed about the progress of their complaint in line with the established time limits by contacting them via an appropriate medium. On receiving a complaint from a customer, MergeCo will inform the customer of the Response Times relevant to their complaint.

Resolution of complaints

If the complaint is not able to be resolved using the Complaints Handling Process then there must be a meeting (or a series of meetings) between a senior executive of MergeCo and a senior executive of the Customer to make a final attempt to resolve the dispute.

If the complaint remains unresolved following such a meeting (or meetings) then either party may initiate a dispute using the appropriate dispute resolution process being either: (i) the process contained in the Undertaking with escalation to the Independent Expert (ii) the process contained in the contractual arrangements between MergeCo and the Customer or, (iii) an external dispute resolution avenue and (where appropriate) MergeCo may make suggestions about possible avenues available to the Complainant.

The timeframes for such unresolved complaints are outlined at **Annexure C** of this Policy.

Data Collection

Relationships database

MergeCo manages complaints through the use of a relationships database (the **Relationships Database**). The following is entered onto the Relationships Database by the relevant member of the Customer Service team:

- the details of the complaint; at the time they receive notice of the complaint;
- the details of the action taken, at the time any action is taken in relation to the complaint; and
- the details of the resolution when the complaint is resolved.

Compliant Reports

The Relationships Database is made up of individual Complaint Reports for each Complaint. A Complaint Report includes the following information:

- the nature and date of the complaint;
- how the complaint was made;
- the details of the Complainant;
- who the complaint concerned, if relevant;
- the products, services or business practices about which the complaint is made;
- the estimated response time conveyed to the Complainant, or if resolved the actual response time;
- the referral source; and
- the action taken including remedies, determinations, results and client satisfaction level.

A sample Complaint record is attached in **Annexure D**.

Compliance reporting

Material complaints are captured in quarterly compliance reports by the Complaints Manager to senior management / the Board. The report should cover numbers and types of complaints and recommend remedial action to address them. For example, provision of further representative training and development of new procedures.

Accessibility

Complaints can be made via the Customer Service Centre advertised on the MergeCo website. Such contact can be made by telephoning MergeCo directly, e-mailing MergeCo or by writing to MergeCo at the address provided.

Special arrangements will be made for persons with disabilities or specific needs, if appropriate.

Accountability

MergeCo promotes a culture of accountability which includes every level of management accepting responsibility for effective complaints handling.

Fairness

It is an objective of this Compliant Handling Policy to promote fairness to both the Complainant and MergeCo.

MergeCo will endeavour to ensure that Complainants will:

- be entitled to make a complaint;
- be notified of the Complaint Handling Process and the possible avenues of lodging and following up or further review of a complaint or dispute including using the Independent Expert dispute resolution process;
- be notified that MergeCo has followed its relevant procedures in regard to dispute resolution;
- be provided with all necessary material to support them in their complaint or enable them to present material to support their complaint;
- be notified of MergeCo's response and reasons for that response; and
- have the right to request confidentiality.

Adequacy of complaints handling resources

Chief Executive Officer

The CEO is responsible for ensuring there is adequate and competent complaints handling representatives for the Complaints Handling Policy to operate fairly and efficiently.

Complaints Manager's responsibility

The Complaints Manager is responsible for:

- educating employees in the complaints handling process;
- ensuring complaints are recorded accurately and efficiently;
- identifying and reporting to MergeCo any delays or other problems in handling complaints that may be caused by a lack of resources;

- recommending an appropriate course of action to remedy the situation, including seeking advice from external advisers;
- setting performance criteria;
- performance monitoring and evaluation;
- management reports on complaints handling performance;
- reporting on complaints handling;
- taking a proactive approach to complainant and staff feedback; and
- ensuring regular independent auditing of the complaints handling process

Organisational commitment

Commitment by MergeCo

Commitment to the Complaints Handling Policy by MergeCo is recognised by the Board as being an important aspect of an effective Competition and Consumer Law Compliance Program. This commitment is facilitated and fostered at all levels of MergeCo by:

- all relevant employees accepting responsibility for effective complaints handling;
- ensuring all relevant representatives are aware of and educated about Complaints Handling Policy procedures;
- ensuring that adequate resources are allocated to the Complaints Handling Policy; and
- implementing management systems and reporting procedures to ensure timely and effective complaints handling and monitoring.

Review

Annual review

Complaints handling practices will be reviewed at least annually by the Complaints Manager to ensure:

- the extent to which the procedures were adhered to throughout the review period;
- the currency of Complaint related documentation;
- the continued adequacy of resource allocation;
- any changes in business structures to take account of complaint handling procedures; and
- that the complaint handling procedures are consistent with the strategic direction of the business and adding value to customer attention and business improvement.

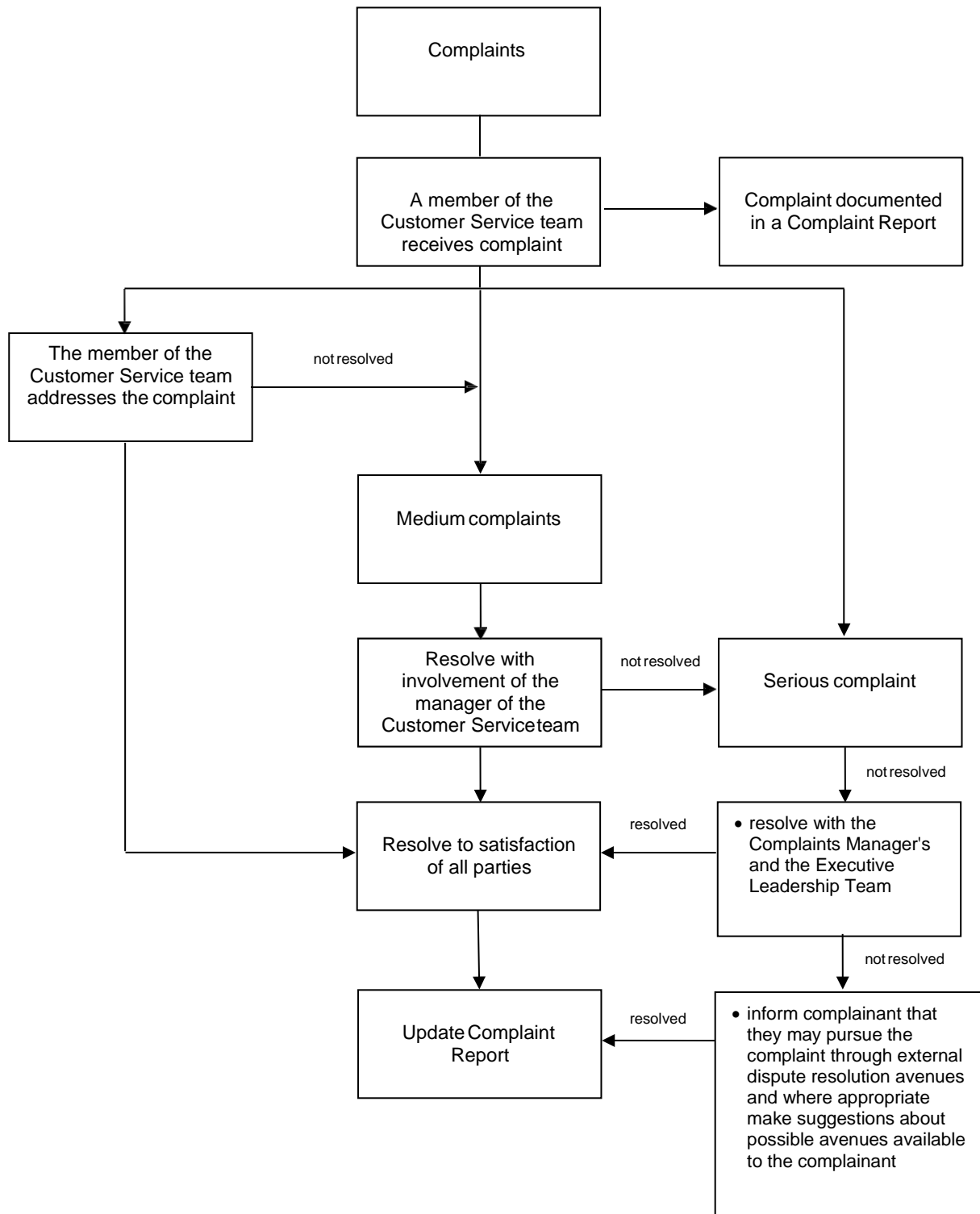
Review by senior management / the Board

The results of the Annual review will be considered by senior management / the Board and the effectiveness of the Complaints Handling Policy will be reviewed annually by senior management / the Board.

Annexure A

Complaints Handling Framework

Complaints Handling Framework



Annexure B

Complaints Handling Process

Complaints Handling Process

MergeCo's process for complaints from customers:

1. **Complaint received** - Either orally or written. If orally, record complainant details and nature of complaint.
2. **Report** - Report complaint to a member of the Customer Service team.
3. **Record** – The member of the Customer Service team records the details of the complaint in a Complaints Report.
4. **Time taken to resolve the complaint** - Complaints should be resolved as quickly as possible after receiving them. The Response Times set out in **Annexure C** should be used as a guide as to maximum timeframes. In all cases the complaint should be resolved in the shortest time possible.
5. **Resolve the Complaint** –
 - a. **Communicate** - Contact should be made with the complainant within 48 hours of the complaint by the person allocated to handle the complaint. The customer should also be kept informed of the progress of the complaint at regular intervals, by the complaint handler.
 - b. **Gather all information** - Ensure adequate details of the complaint are gathered. If sufficient details are not at hand ensure that complaint is discussed further with the complainant or gather relevant information from other sources.
 - c. **Minimising disputes** - Minimise the likelihood of a complaint developing into a dispute by keeping in mind the following when dealing with a complainant:
 - i. listen to or understand the complainant's point of view;
 - ii. elicit all relevant information from the complainant;
 - iii. agree on a solution with the complainant;
 - iv. set a timetable for investigating the complaint (where required) and implementing a solution; and
 - v. take action on the agreed solution.
 - d. **Resolve the complaint with the following considerations in mind:**
 - i. try to retain the complainant as a customer and restore MergeCo's relationship with them;
 - ii. comply with any legal requirements;
 - iii. make commercially sensible decisions; and
 - iv. try to ensure that MergeCo's brand is not damaged.
6. **Write** – On resolution of the complaint the relevant member of the Customer Service team is to write to the complainant advising them of the resolution.
7. **Complaints resolution where complaint has not been resolved within 15 Business Days** - If the complaint has not been resolved within 15 Business Days (where a 'Business Day' is a day other than a Saturday or Sunday on which banks are open for business generally in New South Wales), then MergeCo must advise the complainant that the following options are available:
 - a. A senior executive of each party may be elected, who the parties will procure to endeavour to resolve the dispute at a meeting, within a further 10 Business Days (or such other period as may be agreed between the parties).
 - b. If the dispute is not resolved by the relevant senior executives of each party in accordance with 7a. above (inclusive of any extended time period), then the dispute may be submitted to the Independent Expert in accordance with the Undertaking. If a party escalates the dispute to the Independent Expert then the other party must engage with this process.
 - c. In the event that the parties do not seek to escalate the dispute to the Independent Expert, an external dispute resolution process may be pursued.
8. **Record all actions** – All actions taken in regard to the complaint must be recorded in the Complaint Report.

Annexure C

Timeframes for resolving complaints

Time frames for resolving complaints

Customer Complaints

Milestone	Action
5 Business Days	Resolve all minor complaints within 5 Business Days of the complaint being made. For other, more complex complaints, provide a written response to the complainant within 5 Business Days of receipt of the complaint.
15 Business Days	Respond to more complex complaints within 15 Business Days of the complaint being made. If the complaint is not resolved within this timeframe, then advise complainants that either: <ol style="list-style-type: none"> a senior executive of each party may be elected to endeavour to resolve the dispute at a meeting; or they may wish to pursue their complaint through external dispute resolution avenues and where appropriate make suggestions about possible avenues available to the complainant.
16 - 25 Business Days	If the complaint is not able to be resolved using the Complaint Handling Process then a senior executive of each party may be elected, who the parties will procure to endeavour to resolve the dispute at a meeting, within a further 10 Business Days (or such other period as may be agreed between the parties).
25 + Business Days	If the dispute remains unresolved by the relevant senior executives of each party (inclusive of any extended time period by mutual agreement), then the dispute may be submitted to an Independent Expert in accordance with the Undertaking. If a party escalates the dispute to the Independent Expert then the other party must engage with this process.

Annexure D

Complaints Report Template

Complaint number:	Date:	Time:
Complaint handled by:		
Details of Complaint:		
Name:		
Address:	Telephone number: (_) _____ (work)	
	(_) _____ (home)	
Nature of complaint:		
Product, service or business practice about which complaint is being made:		
How complaint was received:		
Estimated response time conveyed to complainant:		
Date of Resolution:	Resolution time:	(Business Days)