



Xavier Martin
President

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Australian Competition & Consumer Commission (ACCC)
Level 20, 175 Pitt Street
SYDNEY NSW 2000
Armaguard-Prosegur-Merger@accc.gov.au
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RE: NSW Farmers: Armaguard/Prosegur – submission in relation to undertaking

NSW Farmers is Australia's largest state farming organisation, representing the interests of its primary producer members across New South Wales. We also speak up on issues that matter to farmers, such as economics, trade, rural and regional affairs.

NSW Farmers welcomes the opportunity to provide comment on the undertaking by the proposed Merged Entity of Linfox Armaguard Pty Ltd and Prosegur Australian Holdings Pty Limited.

Linfox Armaguard and Prosegur are the only national cash-in-transit businesses operating in Australia, whose merger would impact rural and regional residents. Rural, regional and remote New South Wales has seen the continued shrinkage of local service delivery – including that for access to essential services, exemplified by local bank branch closures. In late 2021 the Australian Government's Regional Banking Taskforce noted the number of bank branches in regional and rural Australia has declined by 23 per cent in the four years to 2021¹.

The Taskforce recognised the importance of banking services to the continuing economic viability of regional and rural communities, making recommendations to deal with the decline including the need to maintain access to cash for regional customers².

NSW Farmers notes that there are a number of strategies in place following these closures, including Bank@Post and cash withdrawal and deposits through Automatic Teller Machines. It is worth noting that not all banks have arrangements in place for the Bank@Post service. The proposed merger of Aramaguard and Prosegur would represent a further consolidation of service in rural and regional areas.

While the advent of technology enabled financial transactions has changed the role of cash, it retains a critical role, especially for local business and community-based interactions. There are many who rely on cash, including many rural, elderly and/or lower income residents with limited access internet and online banking or for community or local retail transactions. Cash is also critical for ad-hoc local community activities such as fund-raising events.

The Reserve Bank of Australia's 2019 Consumer Payment Survey indicated around 18 per cent of those living in regional areas are high cash users and that these members of the community would suffer if cash was not available.³

¹ APRA [Authorised deposit-taking institutions' points of presence statistics](#) (2021)

² Treasury [Regional Bank Task Force Final Report](#) (2022)

³ RBA [Cash Use in Australia: Results from the 2019 Consumer Payments Survey](#) (2020)

NSW Farmers' Association

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With reduced competition in the national cash in transit market, there is a real risk of rationalisation of services and lack of external regulators/oversight to maintain price transparency, especially in supply costs in thin markets.

NSW Farmers believes for any merger authorisation to be granted, there needs to be a condition applied to the post-merger entity to maintain serviceability levels in rural and regional NSW at a reasonable price. NSW Farmers has significant concerns that any merger has the potential to result in a rationalisation of local services, potentially adding service provider costs (e.g. transport) which would then be passed on to the end-user as access charges, particularly at Automatic Teller Machines (ATMs).

The applicant's Proposed Undertaking for geographic coverage commitment and a revenue cap must be properly enforced by the ACCC and not abandon rural and regional customers if circumstances change. There should also exist a requirement to support the aims of the Regional Banking Taskforce to maintain access to cash through continued work with the major banks and organisations such as Australia Post.

Should further information regarding the NSW Farmers' comments be required, please contact Kathy Rankin, Policy Director at [REDACTED] or by phone on [REDACTED].

Yours sincerely,

[REDACTED]
Xavier Martin
President

NSW Farmers' Association