



13<sup>th</sup> August 2024

Mr. Anthony Hilton  
Director  
Competition Exemptions  
Australian Competition & Consumer Commission

By Email: [exemptions@accc.gov.au](mailto:exemptions@accc.gov.au)

Dear Mr Hilton,

**Australian Banking Association (ABA) – Application for Authorisation Ref: AA1000664**

We refer to Application AA1000664 - Draft Determination and Interim Authorisation by the Australian Banking Association (ABA) in respect of discussing, information sharing and/or reaching agreement on business continuity measures related to Armaguard's Cash in Transit services, and implementation of business continuity measures but only in the event of, or in reasonable anticipation of, suspension, disruption or exit of Armaguard's Cash in Transit services.

Streamcorp Armoured has no objection to the interim authorisation and looks forward to our continued industry and stakeholder engagement.

**Background**

Streamcorp Armoured is an accredited Approved Cash Centre Operator (ACCO), with Approved Cash Centres (ACCs) established in Victoria, New South Wales and Queensland, with additional ACCs anticipated in other states in the coming months. As a recognised participant in the Wholesale Banknote Distribution Framework, and an active member of the Reserve Bank Cash Sustainability and Business Continuity Working Groups, Streamcorp Armoured is deeply engaged in ensuring the resilience and sustainability of Australia's cash ecosystem.

Streamcorp Armoured has recently entered into binding service and business continuity agreements with members of the Banknote Distribution Framework and continues to participate in consultations and meetings with the Reserve Bank of Australia and various industry stakeholders, collaborating to implement strategies to ensure the sustainability of the cash ecosystem throughout Australia.

Streamcorp Armoured advocates for a resilient, competitive and innovative Cash in Transit market that promotes equitable outcomes for all stakeholders regardless of size and geographical presence.

## Introduction

The Australian Cash in Transit (CIT) industry has remained remarkably consistent over the past decades, with methodologies and systems largely unchanged despite significant shifts in the payments landscape. While digital transactions have grown exponentially, the need to securely transport and manage cash persists. However, the industry's reliance on outdated strategies has left it lagging in innovation. Streamcorp Armoured advocates for a forward-thinking approach, emphasising the necessity of modernising processes to address the challenges of tomorrow.

For decades, the Australian CIT industry has operated under a model that, while functional, has not evolved to meet the changing needs of the modern economy. Despite the significant reduction in cash usage, the core methodologies for transporting and managing cash have seen little innovation. The industry's reliance on a couple of large service providers has further entrenched this stagnation, creating a market environment where change is not incentivised.

This lack of evolution is concerning given the dynamic nature of the broader financial services industry. As consumers and businesses increasingly turn to digital payment methods, the CIT industry must adapt to ensure that cash remains a viable option for all communities. The current model, which now heavily depends on one dominant player, is ill-equipped to address the diverse needs of Australia's geographically and economically diverse population. This is further evident with the recent closures of several branches across Australia.

## The Future of CIT

Streamcorp Armoured asserts that the challenges of tomorrow cannot be effectively addressed with the strategies utilised today. To meet evolving demands, the industry must embrace innovative processes that not only tackle current challenges but also foster choice and resilience across all Australian communities, irrespective of size or geographical location. This necessitates a fundamental shift in the delivery of CIT services, moving away from a monolithic approach towards a more flexible and diverse model.

Innovation in the CIT industry needs to focus on incorporating new technologies that promote interoperability with digital payments while enhancing security, efficiency and reliability. Additionally, the industry must explore more sophisticated approaches to client engagement, offering tailored services that address the specific needs of different regions and customer segments, rather than relying on a one-size-fits-all approach which has been predominant in recent years.

One of the most significant barriers to innovation in the CIT industry is the concentration of services among a couple of large service providers. This monopoly-like structure stifles competition and limits the potential for new entrants to introduce fresh ideas and technologies. Streamcorp Armoured advocates for a more geographically zoned approach to service delivery, where accredited providers are assigned to specific regions based on their strengths, capabilities and local knowledge.

This model would not only promote competition but also ensure that CIT services are more closely aligned with the needs of local communities. By reducing the reliance on large conglomerates, the industry can foster a more resilient and adaptable service network, capable of responding to the unique challenges of different regions. Moreover, this approach would encourage the development of specialised service providers, who can offer innovative solutions tailored to specific markets.

## **Maintaining High Standards**

Despite recent assertions by non ACCO industry participants regarding their extensive geographical presence and operational capabilities, it is imperative to uphold the highest standards of security and regulatory compliance. The ACCO accreditation process should not be compromised in the pursuit of diversification or expanded market reach. Instead, these standards must be strengthened to ensure that only those companies that consistently demonstrate and maintain the highest levels of corporate governance and regulatory compliance are accredited.

Streamcorp Armoured supports healthy competition but strongly opposes any dilution of standards solely for the purpose of achieving accreditation or market status. The future of the CIT industry hinges on our collective ability to ensure that accreditations are leveraged to promote a more secure and sustainable industry, in full compliance with the Reserve Bank of Australia (RBA), the Australian Prudential Regulation Authority (APRA) standards, and the Bank Note Distribution framework. This approach will safeguard and promote ongoing stakeholder vigilance, particularly when engaging with potential service providers in future dealings.

## **Our Commitment**

The Australian Cash in Transit Industry stands at a crossroads. While the traditional methods have served the industry well for decades, they may no longer be sufficient to meet the challenges of a rapidly changing payments landscape. Streamcorp Armoured believes that the industry must embrace innovation, diversify service delivery, and maintain rigorous standards to ensure the continued sustainability of cash as a payment option across Australia.

Cash remains a critical component of the retail environment, providing consumers with a reliable and accessible payment option. However, the ongoing changes in consumer payment preferences have highlighted the need for adaptation within the industry. As digital payments continue to rise, retailers and other businesses face challenges related to the disproportionate costs of currency handling, storage, and transportation. Streamcorp Armoured is committed to working closely with relevant businesses to address these pain points by collaborating with stakeholders to introduce innovative systems and payment platforms. These solutions are designed to reduce costs, enhance efficiency, and ensure that cash remains a viable and cost-effective option in an evolving marketplace.

As a proud Australian company, Streamcorp Armoured understands the vital role that community spirit plays in the fabric of Australian society, particularly within our rural and remote areas. Access to cash is an essential service that supports local economies and ensures residents can participate fully in economic activities, regardless of their location. Recognising this, Streamcorp Armoured is committed to maintaining and enhancing cash availability in these communities, reinforcing our dedication to supporting the lifeblood of rural Australia.

Streamcorp Armoured remains steadfast in its commitment to ensuring the continuity and reliability of cash services across Australia. To this end, we are making substantial investments in advanced technologies and infrastructure, aimed at enhancing and optimising our service delivery. By leveraging these innovations, we envisage that even the most isolated communities maintain uninterrupted access to essential cash supplies, upholding our promise of reliability and service excellence across all regions.

Streamcorp Armoured is dedicated to driving positive change within the Australian Cash in Transit industry by building a resilient and efficient banknote distribution network that ensures viability in an evolving payment landscape. Despite the ongoing uncertainty within the current environment, we remain focused on adapting to the needs of the market while upholding the highest standards of service. We look forward to continued collaboration with stakeholders to develop a sustainable cash ecosystem that will meet the demands of the future and support the long-term stability of the industries we serve.

Please feel free to contact me if you require any further information regarding our submission.

Your Sincerely,



**Huseyin Memis**  
Chief Executive Officer