

Transport Workers' Union of Australia

National Office

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National Secretary
Michael Kaine

8 May 2023

Mergers, Exemption & Digital Australian Competition & Consumer Commission

By email: Armaguard-Prosegur-Merger@acc.gov.au

Cc: mergersru@acc.gov.au

Dear ACCC,

MA1000022 Proposed Armaguard/Prosegur Merger – TWU submission in relation to undertakings

As noted in our previous submissions, the TWU believes that the merger of Armaguard and Prosegur is necessary to avoid a collapse in CIT services. It is an industry in crisis with declining safety standards and unsustainable operations and rates. A significant amount can be attributable to pressures from their largest customers. In this industry customers have effectively been able to set prices and conditions at unsustainable and unprofitable levels. In an industry with a history of armed hold ups, deaths and injuries safety cannot play second fiddle to any potential concerns surrounding competition and consumer laws.

We urge the ACCC to take into consideration that companies operating in CIT are essentially price-takers with employees – our members, unable to bargain to ensure safe standards and rates. While we are generally not opposed to the undertakings in relation to service levels and standards, it is unclear from the template contracts if they have been properly costed.

We appreciate that it is not in the remit of the ACCC to deal with industrial matters. However, there is a clear intersection between competition and industrial and safety

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outcomes for workers. Therefore, we believe that the ACCC must take into consideration that undertakings in relation to the pricing of services are not undermined to appease their large customers. This situation demonstrates again that there is no regulatory body, including the ACCC that can hold all supply chain participants accountable in road transport to avoid situations where workers have their wages and conditions dictated to them by customers at the top of their supply chains.

In relation to the revised undertakings, the TWU has concerns that caps on contracts to inflation will limit our ability to lift industry standards not just at the new merged entity but also because it has a flow on effect to the remaining players in the industry.

Open book pricing and the sample contract provided does not adequately cover safety standards (and therefore it is unclear if this is properly costed for as a component in the contract price). It appears to deal more with security and risk assessment which only makes up one component to ensuring safety for workers. It is also unclear if the benchmark is the Award or an enterprise agreement and if so which Agreement. There are significant differences in rates and conditions between the two.

The TWU again asks the ACCC to take a balanced approach to ensure that workers in the industry can achieve fair, safe and sustainable outcomes that are not pre-determined by the customer.

Yours sincerely,



Nick McIntosh

Assistant National Secretary

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