**Australian Retail Council**

ABN 99 064 713 718

Level 29, 31 Market Street
Sydney NSW 2000

www.retail.org.au

# Submission to the Australian Competition and Consumer Commission

**October 2026**

The Australian Retail Council (ARC) welcomes the opportunity to provide feedback to the Australian Competition and Consumer Commission (ACCC) on the proposed undertaking from Linfox Armaguard concerning its cash distribution services.

ARC represents the Australian retail sector. Valued at $444 billion, retail supports more than 1.4 million jobs, including employing more young Australians than any other industry. Retail is embedded throughout the economy and plays a critical role in the supply chain of Australian businesses. ARC advocates for policies and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it.

## Executive summary

ARC supports the objective of maintaining a sustainable, reliable and commercially viable cash distribution network across Australia. Cash remains an important payment and store-of-value option for many consumers and businesses, and retailers play a critical role in ensuring ongoing access to cash services throughout metropolitan, regional and remote communities.

ARC recognises the financial and operational challenges associated with maintaining a nationwide cash distribution network. However, any transitional arrangements implemented under the *Cash Distribution Framework* should balance network sustainability with the legitimate interests of retailers who rely on cash collection, delivery and banking services.

Accordingly, ARC recommends that the ACCC should:

1. Utilise its interim direction powers to provide stability during the transition period.
2. Protect all existing customers irrespective of contract status.
3. Prevent large and sudden price increases before long-term arrangements are finalised.
4. Ensure pricing is transparent, efficient and subject to independent scrutiny.
5. Preserve existing service levels and geographic coverage, particularly in regional Australia.
6. Maintain strong independent dispute resolution, audit and oversight mechanisms.

These measures would provide greater certainty for retailers while supporting the orderly implementation of the *Cash Distribution Framework* and the development of sustainable long-term arrangements for Australia's cash distribution network.

## Detailed comments

**1. The ACCC should utilise its interim direction powers**

ARC considers that the ACCC should use its interim direction powers rather than relying solely on the proposed undertaking.

Retailers require certainty regarding pricing, service levels and network coverage during the transition to the new regulatory framework. An interim direction would provide a clear and neutral mechanism for maintaining existing arrangements while the ACCC assesses longer-term pricing and service standards.

In ARC's view, an interim direction offers several advantages. Existing pricing and service arrangements are preserved during the transition period enabling certainty for retailers and other customers. Arrangements are flexible with stakeholders not locked into arrangements that may be inconsistent with the longer-term framework being developed by the ACCC.

Given the significance of cash distribution services to businesses and consumers, continuity and stability should be prioritised during this transitional period.

**2. Existing customers should be protected regardless of contract status**

ARC is concerned that the operation of the proposed undertaking may result in different outcomes for customers based largely on their contractual status rather than the services they receive.

Retailers should not lose regulatory protections simply because an existing contract expires during the transition period.

Many customers continue to receive substantially the same services while contractual negotiations are underway. In these circumstances, protections should apply consistently regardless of whether:

- a contract remains current;
- a contract has recently expired; or
- parties are negotiating replacement arrangements.

The availability of protections should not depend on factors that are largely outside the customer's control, including the timing of negotiations or contract execution.

The ACCC should ensure that all existing customers receiving ongoing cash distribution services are treated consistently throughout the transition period.

**3. Transitional arrangements should avoid large and sudden price increases**

ARC is concerned that the proposed undertaking may permit significant pricing changes for customers who do not have a current written contract and who may become subject to *Open Book Pricing* arrangements.

Retailers require predictability to manage operating costs and make business decisions. Sudden and material increases in cash distribution costs may be difficult to absorb, particularly for businesses operating across multiple locations or in lower-volume markets.

ARC submits that:

- Transitional arrangements should prioritise pricing stability.
- Existing pricing should be maintained wherever possible during the transition period.

- Any price increases should be subject to reasonable escalation limits or glide paths.

Customers should not be exposed to substantial one-off pricing resets before long-term pricing arrangements have been settled.

The purpose of the transition period should be to provide stability while enduring arrangements are established, rather than introducing significant pricing uncertainty.

**4. Pricing must be transparent, efficient and independently scrutinised**

Transparency is essential if customers are to have confidence that pricing outcomes are reasonable, efficient and proportionate.

Retailers should be able to understand how prices are determined and have confidence that underlying costs have been appropriately allocated. In particular:

- Pricing methodologies should be clearly disclosed.
- Customers should have sufficient information to understand the basis for charges.
- Independent scrutiny should extend beyond arithmetic calculations to include cost allocation methodologies and cost recovery assumptions.
- Customers should have meaningful opportunities to challenge pricing outcomes where concerns arise.

ARC notes that Armaguard, the funding parties and external experts have spent considerable time developing the *Independent Pricing Model* (IPM) as a long-term solution to pricing issues within the cash distribution network.

It remains unclear whether the IPM continues to be the intended long-term pricing framework or whether it has effectively been superseded by the proposed open-book pricing approach outlined in the undertaking.

The ACCC should provide greater clarity regarding the future role of the IPM and the relationship between the proposed transitional arrangements and the longer-term pricing framework.

**5. Service levels and geographic coverage must be preserved**

Pricing certainty alone is insufficient. Retailers also require confidence that cash distribution services will remain available where and when they are needed.

Retailers depend on:

- cash collection services;
- cash delivery services;
- change order services;
- banking and cash centre access; and
- reliable servicing arrangements across their store networks.

This is particularly important for retailers captured by the *Cash Acceptance Mandate*, including supermarkets and fuel retailers that are required to continue accepting cash payments.

Any undertaking or interim direction should preserve existing service frequencies and offerings, network coverage and access to cash infrastructure.

Special consideration must be given to regional, rural and remote communities where alternative service providers may not exist. Regional retailers increasingly serve as critical access points for cash as bank branch networks and the availability of ATMs continues to decline. Any reduction in cash distribution services may therefore have broader impacts beyond the affected business customers. Purely cost-reflective pricing approaches may create outcomes where cash services become prohibitively expensive in lower-volume locations. Such outcomes may undermine broader public policy objectives relating to cash access and financial inclusion.

**6. Strong independent dispute resolution and oversight arrangements are required**

ARC supports the inclusion of complaints handling, dispute resolution and audit provisions within the undertaking. Customers must have access to meaningful remedies where legitimate concerns arise. Retailers require practical avenues to challenge:

- pricing decisions;
- service reductions;
- access decisions;
- contract terms; and
- operational changes that materially affect their businesses.

Given Armaguard's unique position in cash distribution ecosystem, it is important that these mechanisms are robust, accessible and effective. Dispute resolution processes and audits should be timely and independent. Reporting obligations should promote transparency and accountability. The ACCC should maintain active oversight during the transition process..

## Conclusion

ARC supports the preservation of a sustainable national cash distribution network and recognises the importance of providing Armaguard with a regulatory framework that supports the continued provision of essential cash services. However, the transition to the new framework should not come at the expense of retailers, consumers or regional communities that depend on reliable and affordable access to cash services.

Please contact policy@retail.org.au if you have any questions about this submission.

### About ARC

ARC represents the Australian retail sector. Valued at $444 billion, retail is the nation's largest private sector employer, supporting more than 1.4 million jobs, including more young Australians aged 15 to 24 years than any other industry. ARC's membership is diverse. From family-owned small and independent businesses, comprising 95 per cent of our membership, to large national and international retailers supporting communities across metropolitan and regional Australia. With more than 155,000 retail outlets nationwide and a growing online presence, the retail sector is embedded throughout the economy, playing a critical role in the supply chain of Australian businesses. ARC advocates for policies and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it. At a time of rapid change, from technological disruption and international competition to shifting consumer behaviour and sustainability expectations, effective policy settings are critical for retailers, workers, consumers, and communities.