

PUBLIC VERSION

**NOTICE SEEKING AUTHORISATION OF A RESTRICTIVE TRADE PRACTICE
PURSUANT TO SECTIONS 58(1), (2), (6B) AND (6D) AND INTERIM AUTHORISATION
PURSUANT TO SECTION 65AAA OF THE COMMERCE ACT 1986**

11 September 2025

The Registrar
Competition Branch
Commerce Commission
PO Box 2351
WELLINGTON

Pursuant to sections 58(1), (2), (6B) and (6D) and interim authorisation pursuant to section 65AAA of the Commerce Act 1986 notice is hereby given seeking **authorisation** of a restrictive trade practice.

PUBLIC VERSION

1. EXECUTIVE SUMMARY

- 1.1 This is an application for authorisation under sections 58(1), (2), (6B) and (6D), and interim authorisation under section 65AAA, of the Commerce Act 1986 ("**Commerce Act**") in respect of collective bargaining in relation to cash-in-transit ("**CIT**") services in New Zealand (the "**Arrangement**"). The application is made by the New Zealand Banking Association – Te Rangapū Pēke ("**NZBA**" or the "**Applicant**") on behalf of:
- (a) itself;
 - (b) NZBA's current and future members¹ ("**Members**") that choose to participate in the Arrangement. NZBA's members that currently intend to participate include ANZ, ASB, BNZ, Kiwibank and Westpac; and
 - (c) any other customers of CIT services in New Zealand that choose to participate in the Arrangement. That could, for example, include ATM providers, large retailers, and other businesses that procure CIT services,
- (together "**Participants**").
- 1.2 To ensure transparency and facilitate the administration of the Arrangement, any party that wishes to participate must notify NZBA in writing within 20 working days of the publication of this application. This notification requirement applies to all prospective Participants, including current and future NZBA members and other eligible CIT service customers.
- 1.3 CIT services encompass:
- (a) **wholesale CIT**: the movement of cash between the Reserve Bank of New Zealand ("**RBNZ**") and banks, and between banks, through CIT centres (also referred to as branches or depots) owned by Armourguard;
 - (b) **retail CIT**: the transportation of cash between CIT centres and consumers, merchants, independent ATM operators and mobile money providers;
 - (c) **guarding**: provisions of frontline security staff to guard people and/or property; and
 - (d) **ATM maintenance and management**: loading, clearing and maintaining ATMs nationwide.
- 1.4 The scope of the proposed conduct includes wholesale CIT, retail CIT and ATM maintenance and management. It does not include guarding other than where ancillary to the other services.
- 1.5 In summary, NZBA seeks authorisation on behalf of itself and other current and future Participants, to:
- (a) collectively bargain in relation to CIT services with Evergreen International NZ, LLC ("**Evergreen**") and its interconnected bodies corporate (together, "**Armourguard**");
 - (b) engage in discussions and exchange information to the extent relevant and reasonably necessary for those collective negotiations;

¹ Members at the time they choose to participate in the Arrangement.

PUBLIC VERSION

- (c) enter into a collective agreement and/or separate agreements based on a common contractual framework collectively negotiated between Armourguard and the Applicant (and/or the Participants); and
- (d) give effect to provisions of agreements collectively negotiated between Armourguard and the Applicant (and/or the Participants).

Further detail about the scope of the proposed conduct is provided in section 5 below.

1.6 NZBA seeks authorisation for a period of 11 years comprising:

- (a) a period of up to 12 months to allow the Participants to engage in collective bargaining with Armourguard; and
- (b) a period of up to 10 years to give effect to any collective agreement and/or separate agreements based on a common contractual framework negotiated between Armourguard and the Participants.

1.7 NZBA submits that the Arrangement will assist in identifying an industry solution to preserve the viability, reliability and efficiency of CIT services in New Zealand on fair and sustainable terms.

1.8 It is important to note that:

- (a) no Participant will be prevented from engaging in bilateral discussions with Armourguard, [CONFIDENTIAL] these are not likely to be successful in achieving the broader objective of preserving the viability, reliability and efficiency of CIT services in New Zealand on fair and sustainable terms; and
- (b) participation in the Arrangement will be voluntary, meaning any eligible customer of CIT services, including for the avoidance of doubt, any Participant at any point in time, may opt out. There is no proposal to engage in collective boycott conduct.

1.9 The Arrangement responds to a clear market failure in the provision of CIT services in New Zealand. Following Evergreen's acquisition of ACM New Zealand Limited ("**ACM**"), Armourguard has become the monopoly provider of the full suite of CIT services nationwide.² With no competition to constrain pricing or service standards, the market structure has led to behaviour that would not be expected in a workably competitive market, including:

- (a) [CONFIDENTIAL];
- (b) [CONFIDENTIAL];
- (c) [CONFIDENTIAL];
- (d) [CONFIDENTIAL]; and
- (e) [CONFIDENTIAL].

1.10 [CONFIDENTIAL].

1.11 Cash continues to play a critical role in the economy, especially for vulnerable populations, rural communities, and during emergencies such as natural disasters. The RBNZ has

² NZCC, *Evergreen NZ Holdings and ACM New Zealand Limited* [2024] NZCC 23.

PUBLIC VERSION

consistently emphasised the importance of maintaining robust and resilient cash distribution networks to support financial inclusion and national resilience.

- 1.12 The absence of collective bargaining between CIT customers creates challenges both for Armourguard and for customers:
- (a) The economics of delivering CIT services are inherently challenging. NZBA recognises that differing service requirements among CIT customers can create inefficiencies for the provider. [CONFIDENTIAL].
 - (b) Customers negotiating individually with the monopoly provider lack the bargaining power to secure fair terms or influence service quality.
- 1.13 The Arrangement seeks to address these structural challenges by enabling collective negotiations that aim to:
- (a) support the economic viability of Armourguard's CIT operations by supporting consistency in customers' service requirements to assist it to earn a fair return on its investment in this critical infrastructure. Such consistency, which may include the standardisation of service formats, improved logistics, and streamlined processes will facilitate operational efficiencies that are intended to reduce Armourguard's costs while preserving service quality and security. It is not possible for individual customers to identify potential systemic operational efficiency gains through bilateral negotiations, as such efficiencies can only become clear through collective coordination and standardisation across the customer base; and
 - (b) ensure that CIT services are delivered efficiently, securely, and at a reasonable price that does not undermine the universal accessibility of cash for New Zealanders.
- 1.14 NZBA is also seeking interim authorisation due to the urgency of the matter [CONFIDENTIAL]. Securing the future of CIT services – and therefore ensuring continued access to cash – is an immediate issue. [CONFIDENTIAL].
- 1.15 The challenges facing the CIT industry in New Zealand are not unique. The Australian Competition and Consumer Commission ("**ACCC**") recently authorised a similar arrangement, allowing collective negotiations between major banks, retailers, and Armaguard – Australia's sole national CIT provider.³ The ACCC concluded that the conduct was likely to result in public benefits, particularly by supporting ongoing access to cash and improving the sustainability of CIT services through greater efficiency and coordination. While the ACCC recognised the potential for public detriments, it ultimately found that these risks were minimal and could be effectively managed through conditions imposed on the authorisation.⁴
- 1.16 NZBA submits that the same rationale applies in New Zealand. The New Zealand CIT industry faces similar structural pressures, and Armourguard's monopoly position presents real risks to service continuity, affordability, and innovation. Collective negotiations (supported by appropriate safeguards) are necessary to ensure the long-term sustainability of CIT services and to preserve reliable access to cash for all New Zealanders.
- 1.17 NZBA is committed to transparency and consultation, and proposes to adopt similar safeguards to those imposed by the ACCC, including regular reporting, engagement with

³ ACCC, *Determination and interim authorisation – AA1000674* (25 June 2025) ("**ACCC Determination**").

⁴ ACCC Determination at [4.116].

PUBLIC VERSION

stakeholders, and independent oversight through a legal adviser with expertise in competition law.

- 1.18 Accordingly, the Arrangement is expected to deliver substantial public benefits, including:
- (a) addressing the structural imbalance in the CIT market;
 - (b) reducing transaction costs and improving negotiation outcomes;
 - (c) supporting Armourguard to earn a fair and reasonable return on its investment to enable a viable CIT operator;
 - (d) enhancing the sustainability, reliability, and security of CIT services; and
 - (e) supporting financial inclusion and resilience, particularly during emergencies.
- 1.19 NZBA does not consider that the Arrangement will result in any public detriment.
- 1.20 NZBA therefore submits that the public benefits of the Arrangement significantly outweigh any potential detriments, and that the Arrangement should be authorised, including on an interim basis.

PUBLIC VERSION

2. DETAILS OF THE APPLICANT

2.1 This notice seeking authorisation of a restrictive trade practice (the "**Arrangement**") is given by the New Zealand Banking Association – Te Rangapū Pēke (either "**NZBA**" or the "**Applicant**").

2.2 The contact details for the Applicant are:

New Zealand Banking Association

Brandon House
Level 2/149 Featherston Street
Wellington Central
WELLINGTON 6011

2.3 All correspondence and notices in respect of the application for the Applicant should be directed in the first instance to:

Russell McVeagh

Level 30, Vero Centre
48 Shortland Street
PO Box 8
Auckland 1140
New Zealand

Attention: Bradley Aburn (Partner) / Callum Dickson (Senior Associate) / Emma Lawrence (Solicitor)

Telephone: +64 9 367 8816 / +64 9 367 8331 / +64 9 367 8271

Email: bradley.aburn@russellmcveagh.com / callum.dickson@russellmcveagh.com / emma.lawrence@russellmcveagh.com

2.4 NZBA exists to represent and advocate for the interests of the New Zealand banking industry. Its work includes engagement with government and regulators on policy and legislative matters, promoting industry standards and best practice, and supporting public understanding of banking. NZBA also facilitates industry collaboration on issues of shared importance, including financial inclusion, sustainability, and operational resilience.

PUBLIC VERSION

3. OTHER PARTIES

Parties to the Arrangement

3.1 The parties to the Arrangement (the "**Participants**") are as set out in paragraph 1.1, namely:

- (a) NZBA;
- (b) NZBA's current and future Members that choose to participate in the Arrangement. NZBA's members that currently intend to participate include ANZ, ASB, BNZ, Kiwibank and Westpac. These banks represent the largest customers of CIT services in New Zealand; and
- (c) any other customers of CIT services in New Zealand that choose to participate in the Arrangement. That could, for example, include:
 - (i) *ATM providers* – entities that own or operate independent (ie non-bank associated) automated teller machines ("**ATMs**") across New Zealand. These businesses rely on CIT services for the secure delivery and replenishment of cash in ATMs.
 - (ii) *large retailers* – businesses with significant cash-handling operations, such as supermarkets, big box retailers, and petrol station chains. These organisations typically use CIT services to collect their daily takings and to deliver coins and small notes so they have enough change for customers;
 - (iii) *other businesses that procure CIT services* – this may include a wide range of organisations with substantial cash-handling needs, such as casinos. These businesses may use CIT services for secure cash collection, transport, and reconciliation; and
 - (iv) *the RBNZ* – as New Zealand's central bank, the RBNZ plays a key role in issuing and distributing banknotes and coins. It uses CIT services to transport cash securely between the airport and its vaults, and from its vaults to commercial banks, and to support the broader cash supply chain across the country.

3.2 In essence, the Arrangement is open for participation by any business that procures CIT services in New Zealand. To ensure transparency and facilitate the administration of the Arrangement:

- (a) any such business that wishes to participate must notify the NZBA in writing within 20 working days of the publication of this application. This requirement applies to all prospective Participants, including current and future NZBA Members and other eligible CIT service customers;
- (b) the only condition for participation is a contribution towards any jointly incurred costs associated with the Arrangement. These contributions are expected to be proportionate to each Participant's use of CIT services, ensuring fairness and accessibility to all customers; and
- (c) NZBA has proactively informed all of its members about the Arrangement and offered further briefings to those interested. Some members have indicated that they

PUBLIC VERSION

do not currently have significant CIT needs and therefore wish to prioritise other (non-CIT related) initiatives.

- 3.3 For the avoidance of doubt, all Participants will retain the ability to withdraw from the Arrangement for any reason whatsoever by notifying the NZBA at any time.
- 3.4 The names and contact details of the currently identified potential Participants are set out in **Appendix One**.

4. INDUSTRY BACKGROUND

Merger to monopoly

4.1 The Commission's recent decision to grant clearance to Evergreen to acquire 100% of the shares in ACM⁵ (the "**Evergreen Decision**") provides a detailed assessment of the state of the CIT sector in New Zealand. The Commission found that the market could no longer sustain two national wholesale CIT providers and that, absent the acquisition:

- (a) there was a real chance ACM would exit the market in the short term;⁶ and
- (b) no credible alternative buyer was likely to acquire ACM's assets to continue competing with Evergreen.⁷

4.2 As a result, the Commission determined that the market would transition to a single national provider regardless of the acquisition. On this basis, clearance was granted. In other words, monopoly power was considered inevitable.

Broader context

4.3 These findings are consistent with developments in other jurisdictions. In Australia, in response to similar structural pressures (including declining cash usage, high fixed costs, and the risk of service disruption), the ACCC authorised a merger between Armaguard and Prosegur, the two national CIT providers.⁸ The ACCC recognised that without the merger, one or both providers were likely to exit the market, leading to significant disruption in cash distribution.

4.4 The ACCC granted merger authorisation on the basis that a monopoly was inevitable and imposed a binding undertaking⁹ which required the merged entity (Armaguard)¹⁰ to maintain service levels across all locations, limit price increases, and ensure continuity of service for existing and new customers for a period of three years.¹¹

4.5 Importantly, the ACCC was able to impose this undertaking to ensure service continuity and pricing fairness. In contrast, the Commission does not have statutory authority to impose equivalent behavioural undertakings. As a result, the Evergreen merger in New Zealand proceeded without the same protections that were available in the Australian context, despite similarly transitioning the market to a monopoly provider.

4.6 Following the merger, the ACCC authorised a further arrangement allowing collective negotiations and coordination between Armaguard, major banks, retailers, the Reserve Bank of Australia, and Treasury.¹² This included:

- (a) short-term financial contributions to Armaguard;
- (b) development and implementation of operational sustainability and efficiency measures; and

⁵ Commerce Commission, *Evergreen NZ Holdings and ACM New Zealand Limited [2024] NZCC 23*, 7 October 2024.

⁶ Evergreen Decision at [42].

⁷ Evergreen Decision at [49].

⁸ ACCC, *Determination and Undertaking – Armaguard / Prosegur MA1000022* (13 June 2023).

⁹ Pursuant to the ACCC's authority under section 87B of the Competition and Consumer Act 2010.

¹⁰ Linfox Armaguard Pty Ltd ("**Armaguard**") is the only nationwide provider of CIT services in Australia.

¹¹ ACCC, *Determination and Undertaking – Armaguard / Prosegur MA1000022* (13 June 2023).

¹² ACCC Determination; see footnote 3 above.

PUBLIC VERSION

- (c) in-principle agreement to apply an "independent pricing mechanism".¹³
- 4.7 To safeguard public benefits and mitigate risks, the ACCC imposed detailed conditions, including:
- (a) regular reporting to the ACCC, Reserve Bank, and Treasury;
 - (b) oversight by an independent competition lawyer approved by the ACCC;
 - (c) mandatory consultation with third parties such as the Customer Owned Banking Association, Australia Post, and major retailers; and
 - (d) independent facilitation of the pricing mechanism by Deloitte.
- 4.8 The ACCC concluded that, with these conditions, the conduct was likely to result in public benefits – particularly in maintaining access to cash and stabilising the CIT sector – while resulting in minimal public detriments that were further mitigated by the proposed conditions.¹⁴

Challenges facing the New Zealand CIT sector

- 4.9 The position is similar in New Zealand. The Commission has previously recognised that the CIT industry in New Zealand has suffered due to inflationary cost pressures, and the acceleration of digital payments following the COVID-19 pandemic.¹⁵
- 4.10 As outlined in section 7 of this application (Counterfactual), the current market structure is not conducive to supporting the ongoing viability and reliability of CIT services.
- 4.11 The RBNZ has emphasised that cash remains a critical payment method for certain population groups, and that disruptions to CIT services could have serious consequences for financial inclusion and community resilience.¹⁶ Maintaining access to cash is particularly important for vulnerable communities and in emergency situations. Cash continues to play a vital role in social and financial inclusion, being disproportionately relied upon by low-income households, Māori and Pacific communities, and those receiving government benefits. Cash also proved essential during emergencies such as Cyclone Gabrielle in 2023, when electronic payment systems were disrupted.
- 4.12 [CONFIDENTIAL]. The RBNZ's objectives – ensuring financial inclusion and emergency resilience – are under threat due to market failure. The Applicant submits that a collaborative industry response is necessary to address these challenges and safeguard the long-term sustainability of the CIT network in New Zealand.
- 4.13 In this context, [CONFIDENTIAL].¹⁷
- 4.14 [CONFIDENTIAL].
- 4.15 [CONFIDENTIAL].

¹³ The "Independent Pricing Mechanism" was defined as a proposed framework for setting prices for CIT services that is analogous to regulated pricing. It was intended to avoid unreasonable discrimination between users and reflect broader public interest considerations, including equitable access to cash across metropolitan, regional and remote areas.

¹⁴ ACCC Authorisation at [4.116].

¹⁵ Evergreen Decision at [7].

¹⁶ Evergreen Decision at [20].

¹⁷ [CONFIDENTIAL].

PUBLIC VERSION

- 4.16 The Applicant submits that proactive industry collaboration is essential to safeguard access to cash and maintain a stable, nationwide CIT network.

PUBLIC VERSION

5. THE PROPOSED CONDUCT

Proposed conduct

- 5.1 The Applicant seeks authorisation on behalf of itself, together with current and future Participants that choose to participate in the Arrangement, to engage in coordinated conduct for the purpose of supporting the viability of wholesale CIT services and ensuring continued access to cash across New Zealand, particularly for vulnerable communities and in emergency situations.
- 5.2 Specifically, the Applicant seeks authorisation for two or more of the Participants, to:
- (a) collectively bargain in relation to CIT services (based on the scope set out in paragraph 1.2) with Armourguard;
 - (b) engage in discussions and exchange information to the extent relevant and reasonably necessary for those collective negotiations;
 - (c) enter into a collective agreement and/or separate agreements based on a common contractual framework collectively negotiated between Armourguard and the Applicant (and/or the Participants); and
 - (d) give effect to provisions of agreements collectively negotiated between Armourguard and the Applicant (and/or the Participants).
- 5.3 The scope of the collective negotiations is expected to include (but is not limited to):
- (a) key commercial and operational terms such as pricing ([CONFIDENTIAL]), minimum service levels, security commitments, and opportunities to rationalise Armourguard's costs in providing CIT services across the network;
 - (b) "step-in rights", which relate to the circumstances under which a Participant or Participants have the right to "step in" and control the operations of Armourguard's CIT services in the event of service disruption or failure, and how the exercise of such rights would be communicated to all customers;
 - (c) operational sustainability and efficiency opportunities that can be implemented across services provided to each Participant which may include (but is not limited to):
 - (i) standardised commercial deposit products;
 - (ii) pre-registration of collection values;
 - (iii) standardisation of delivery and collection schedules;
 - (iv) standardisation of coin order values and format;
 - (v) use of integrated safes by retailers;
 - (vi) a simplified discrepancy process; and
 - (vii) standardised treatment of cassettes / bags on site;

PUBLIC VERSION

- (d) exploring the development of an alternative pricing mechanism to fairly contribute to the costs of the CIT infrastructure in the best interests of all stakeholders.
- 5.4 While it is proposed that all Participants will ultimately contract on substantially similar terms, there are likely to be slight differences in the needs of each Participant which will be reflected in the arrangements (eg not all Participants will need wholesale CIT or ATM maintenance services).
- 5.5 The Participants have not determined the precise format of the proposed collective bargaining with Armourguard. However, it will likely take the form of either:
 - (a) one or more representatives of each Participant jointly negotiating with Armourguard; or
 - (b) the Participants nominating a team to negotiate with Armourguard on behalf of all Participants with regular engagement with all Participants.
- 5.6 NZBA seeks authorisation for a period of 11 years. This duration is considered appropriate and necessary for the following reasons:
 - (a) it is anticipated that the collective negotiations with Armourguard may take up to 12 months to complete;
 - (b) the objective of the negotiations is to establish a long-term agreement of up to ten years, [CONFIDENTIAL];
 - (c) a long-term agreement is likely essential to provide commercial certainty and support investment and planning by both Armourguard and the Participants; and
 - (d) capital investment is likely to be required to maintain and enhance the sustainability of CIT services, and a ten-year agreement would allow Armourguard a reasonable period over which to recover those costs.

Accordingly, the requested 11-year authorisation period is intended to cover both the negotiation phase and the full term of the resulting agreement(s) (as well as the need, if ever required, for any further collective negotiations during the term of the agreement – for example, if changed circumstances require changed terms).
- 5.7 For the avoidance of doubt:
 - (a) the proposed conduct does not involve entering into contracts, arrangements or understandings regarding non-cash services provided by Participants including services such as home loans, term deposits, credit cards, savings accounts, or other forms of financing;
 - (b) all Participants remain free to engage in bilateral negotiations with Armourguard (albeit such bilateral negotiations are unlikely to be fruitful based on recent experience); and
 - (c) all Participants are free to opt out of the Arrangement at any time.

Proposed conditions

- 5.8 To support appropriate oversight, transparency and alignment with the public interest, the Applicant would be open to the following conditions as part of any authorisation. Each

PUBLIC VERSION

condition is intended to support the effective implementation and oversight of the authorised conduct:¹⁸

- (a) **Reporting obligations.** The Participants (either directly or via a nominee or representative) could provide regular reports to the Commission and the RBNZ detailing material activities undertaken pursuant to the authorisation, including a version that can be published. These reports may include:
- (i) the implementation status of any operational sustainability or efficiency measures – to demonstrate that the Arrangement is actively contributing to improved CIT service delivery and the elimination of inefficient duplication;
 - (ii) progress on the development of an alternative pricing mechanism – to show that efforts are being made to establish a fair and transparent pricing framework, reducing the risk of monopoly rents; and
 - (iii) consultation undertaken with third-party stakeholders – to ensure inclusivity and responsiveness to broader industry and community needs.

This would provide visibility into how the Arrangement is being progressed and allow for ongoing engagement with relevant stakeholders. These reporting obligations will increase the likelihood that the Arrangement delivers an outcome that is in the overall public interest by subjecting the final outcome to media scrutiny.

- (b) **Pre-implementation disclosure.** The Participants (either directly or via a nominee or representative) could notify the Commission and the RBNZ at least five business days prior to implementing any collective agreement and/or common contractual framework. The notification could include:
- (i) a description of the measure and its implementation;
 - (ii) identification of the affected services and Participants;
 - (iii) a summary of stakeholder consultation and responses; and
 - (iv) an assessment of any potential impact on cash accessibility, particularly in regional or vulnerable communities.

This would ensure that the Commission is informed of key developments and has an opportunity to understand how implementation decisions may affect different parts of the cash system. Again, the additional scrutiny from the Commission will further increase the likelihood that the Arrangement delivers an outcome that is in the overall public interest.

- (c) **Legal oversight.** All meetings and discussions in relation to the activities outlined in paragraph 5.2 will be overseen by an external legal adviser with expertise in competition law to advise attendees if any conduct risks falling outside the scope of the authorisation. This would mitigate the risk of the authorised conduct spilling over into discussions about unrelated topics to ensure that the authorised conduct remains appropriately scoped and that Participants are supported in maintaining

¹⁸ These proposed conditions are consistent with those imposed by the ACCC in its authorisation of coordinated conduct in the Australian CIT sector.

compliance throughout the process. This reduces the risk of the Arrangement leading to unintended public detriment.

- (d) **Designated forums.** All authorised conduct will occur within forums specifically designated for the discussion of CIT services, to ensure structured oversight and compliance with the scope of the authorisation. This would help maintain clarity around the scope of authorised activities and support structured engagement among Participants. This reduces the risk of the Arrangement leading to unintended public detriment.

Jurisdiction to grant authorisation

- 5.9 The Arrangement described at paragraph 5.1 above amounts to an arrangement between the Participants that would or may contain a cartel provision under section 30 of the Commerce Act. Specifically, the Arrangement provides for the fixing, controlling, or maintaining of the price (and other commercial terms) at which the Participants acquire CIT services from Armourguard. As has been noted in academic literature:¹⁹

An agreement to form a collective bargaining group that actively engaged in coordinated pricing or contracting with a counterparty and whose members were in competition with each other in an upstream or downstream market, would almost certainly be a cartel provision.

- 5.10 While the Commerce Act includes a limited exception for joint buying under section 33, this exception only applies insofar as the proposed conduct is price fixing. To achieve the desired outcome, the proposed Arrangement will need to go further: Participants intend to coordinate not only on price, but also on operational commitments and the potential standardisation of commercial deposit products, delivery and collection schedules, coin order values and format, and treatment of cassettes/bags on site. These elements are essential to rationalising costs and improving service viability, but likely fall outside the scope of the joint buying exception as they may be considered to be "output restriction" cartel provisions in that they have the likely effect of potentially restricting the acquisition of certain types of goods/services that the Participants may otherwise acquire from Armourguard in the absence of the Arrangement.
- 5.11 In addition, the Arrangement may have the effect, or likely effect of substantially lessening competition in a market for the acquisition of CIT services in potential contravention of section 27 of the Commerce Act [CONFIDENTIAL] were Armourguard to change its position and contemplate different terms for different users, the Arrangement may eliminate the prospect of competition between the Participants. Even if no further stakeholders were to become Participants, the current Participants account for a significant proportion of the demand for CIT services such that any arrangement between them with respect to the acquisition of CIT services carries a real risk of having the effect or likely effect of substantially lessening competition.
- 5.12 The Applicant therefore considers that the Commission has jurisdiction to grant authorisation:
- (a) under s 58(6B) and (6D) on the basis that the Arrangement may contain a provision that is, or might be, a cartel provision; and

¹⁹ King, S.P. (2013). Collective Bargaining by Business: Economic and Legal Implications. UNSW Law Journal, volume 36(1), 107 – 138, at footnote 16.

PUBLIC VERSION

- (b) under s 58(1) and (2) on the basis that the Arrangement may have the likely effect or effect of substantially lessening competition in a market for the acquisition of CIT services.

6. RATIONALE

- 6.1 The Arrangement is a proactive response to the structural challenges facing New Zealand's CIT sector. CIT services remain essential infrastructure – particularly for vulnerable communities, regional areas, and during emergencies. In the absence of competition, Armourguard's monopoly position has created a market failure that threatens the sustainability, affordability, and reliability of cash access. Authorisation of the Arrangement will help restore balance and ensure that CIT services continue to operate sustainably, with incentives to innovate and invest in service quality.
- 6.2 Although the circumstances in New Zealand in some respects differ from those in Australia, the structural vulnerabilities in the CIT sector present a real risk of similar outcomes if left unaddressed. The Arrangement is a proactive measure – [CONFIDENTIAL], the Applicant and its member banks are seeking authorisation now to stabilise the sector, promote service continuity, and ensure the universal availability of cash. Nonetheless, as set out in section 9.6 this matter remains urgent given that [CONFIDENTIAL].
- 6.3 Specifically, the Arrangement will:
- (a) **Drive operational efficiencies and cost savings.** The Participants are best positioned to collectively determine which CIT service aspects are essential, allowing them to identify necessary changes for improved network efficiency that do not harm the needs of cash users. This collaborative approach facilitates more efficient and effective decision-making, as Participants can work together to propose service improvements and network changes, rather than Armourguard relying solely on information gathered through separate bilateral discussions. There is also an information asymmetry associated with bilateral discussions that is overcome through collective negotiations. By collectively negotiating and standardising service formats, delivery timetables, and operational processes, Participants can help minimise Armourguard's costs and reduce inefficiencies across the network. While it is reasonable for Armourguard to earn a fair commercial return, there is significant scope to achieve the same or better outcomes for all parties by focusing on cost efficiencies, rather than simply accepting higher charges or levies imposed by a monopoly provider.
 - (b) **Enable coordinated and effective negotiations with Armourguard.** In a market with a monopoly supplier, individual customers lack the leverage to secure fair and sustainable terms. The Arrangement provides a structured framework for NZBA and other Participants to engage collectively with Armourguard, improving transparency, reducing duplication, and enabling more balanced outcomes.
 - (c) **Reduce transaction costs and time in negotiating with Armourguard.** Bilateral negotiations are resource-intensive and often duplicative, particularly for smaller banks, ATM providers and retailers. These parties may lack the scale, expertise or leverage to engage effectively. The Arrangement enables Participants to pool resources and coordinate engagement, streamlining the negotiation process and reducing the cost and complexity of reaching commercial terms. In addition, Armourguard will also face reduced transaction costs by being able to negotiate collectively with all Participants.
 - (d) **Support smaller and regional CIT users.** Smaller and regionally based Participants may face barriers to accessing fair and sustainable CIT services. The Arrangement enables these parties to participate meaningfully in negotiations and benefit from collectively agreed terms. The Arrangement also aims to support the

PUBLIC VERSION

resilience and sustainability of the CIT network, where all customers will indirectly benefit regardless of direct participation.

- (e) **Promote fair and sustainable service outcomes.** [CONFIDENTIAL]. The Arrangement will help rebalance the commercial relationship, enabling Participants to secure terms that reflect the importance of CIT services to financial inclusion and emergency preparedness.
- (f) **Contribute to the long-term viability of CIT services in New Zealand.** Without coordinated action, there is a real risk of ongoing service degradation. [CONFIDENTIAL]. [CONFIDENTIAL]. The Arrangement supports operational efficiencies, standardisation, and collaborative planning – supporting CIT services to remain viable and accessible, even as cash usage declines.

- 6.4 Authorisation of the Arrangement will provide a practical and forward-looking solution to a structurally challenged but still essential industry. This will enable CIT services in New Zealand to remain viable, inclusive, and resilient, with the right incentives for innovation, investment, and sustainable pricing.

PUBLIC VERSION

7. COUNTERFACTUAL

- 7.1 In assessing the likely effects of the Arrangement, it is necessary to consider the counterfactual – that is, the future state of the market in which the Arrangement does not proceed.
- 7.2 The Applicant considers that, absent the Arrangement, the status quo would persist, but with increasing instability and risk. In particular:
- (a) Banks do not possess meaningful countervailing bargaining power in negotiating with Armourguard. Despite their scale and commercial sophistication, banks are under a societal and reputational obligation to ensure continued access to cash – particularly for vulnerable communities and in emergency situations. This obligation severely limits their ability to resist price increases or demand service standards from a monopoly provider. [CONFIDENTIAL]. This gives Armourguard disproportionate leverage in negotiations, allowing it to impose terms and extract monopoly rents (which flow to overseas based investors) without genuine commercial constraint.
 - (b) [CONFIDENTIAL]. In particular:
 - (i) All major banks require reliable access to cash for branches and ATMs as a basic operational necessity [CONFIDENTIAL].
 - (ii) [CONFIDENTIAL].
 - (iii) [CONFIDENTIAL].
 - (iv) [CONFIDENTIAL].
 - (v) [CONFIDENTIAL].
 - (vi) [CONFIDENTIAL].
 - (c) In this environment, [CONFIDENTIAL]. The risk of monopoly rents is real, [CONFIDENTIAL] [CONFIDENTIAL] and without collective negotiation, there is no mechanism to ensure transparency or accountability. [CONFIDENTIAL]. The absence of coordinated engagement also increases the risk of protracted bilateral disputes or litigation, which could further disrupt the supply of CIT services.
- 7.3 Accordingly, in this scenario, concerns about service continuity, pricing transparency, and the long-term sustainability of CIT services will persist. Each individual Participant and Armourguard would be faced with costs and delays to arrange and enter into individual contracts (if any could be reached), and the opportunity to develop systemic operational efficiencies would be lost.
- 7.4 What has been proposed under the Arrangement is that all Participants will pay for the delivery of CIT services – but that they will negotiate collectively and transparently – to secure continuity and stability. Customers of CIT services have similar needs and the most efficient and effective way to determine the best outcomes for the industry is through collective negotiation, which enables Participants to pool resources, align expectations, and secure fair and sustainable terms. This approach unlocks a range of synergies, including the ability to rationalise costs across the network through standardised commercial and operational terms (such as pricing, minimum service levels, and security commitments), and to implement efficiency measures like universal coin bins, integrated safes, and simplified discrepancy processes. Collective negotiation also supports operational sustainability by enabling

PUBLIC VERSION

standardisation of coin order formats, direct-to-depot models, and safe same-day value arrangements. Without this coordinated approach, the CIT sector risks escalating costs, inefficient and fragmented negotiations and service requirements, and reduced service quality – outcomes that would undermine access to cash and the resilience of New Zealand's payment infrastructure.

- 7.5 These risks are consistent with the ACCC's findings in the Australian context. The ACCC concluded that, without coordinated conduct, bilateral negotiations between Armaguard and its major customers would be inefficient, fragmented, and less effective at securing sustainable outcomes.²⁰ It found that such a scenario would increase the risk of financial instability for Armaguard, reduce the likelihood of industry-wide efficiency measures, and heighten the likelihood of service disruption.
- 7.6 In summary, the CIT industry is at a crossroads. Either:
- (a) [CONFIDENTIAL]; or
 - (b) as a result of the Arrangement, the Participants can work together, and with Armourguard, to rationalise how CIT services are delivered in this country in a way that allows Armourguard to earn a fair return on its investment and secures the CIT network, on workably competitive pricing and terms, for the next ten years.
- 7.7 Under both scenarios, all CIT customers are likely to be on the same, or substantially similar terms with the key difference being sector wide input into identifying and achieving cost synergies and determining how CIT services should be priced moving forward that balance the need for Armourguard to earn a fair return and invest in the network with the need for cash to remain accessible by all.

²⁰ ACCC Determination at [4.14].

PUBLIC VERSION

8. PUBLIC BENEFITS AND DETRIMENTS

PUBLIC BENEFITS

8.1 The Commission must authorise an arrangement where it is satisfied that the arrangement will be likely to result in a benefit to the public that would outweigh any lessening in competition.

8.2 New Zealand's courts have defined a public benefit as:²¹

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.

8.3 However, the courts have more recently recognised that benefits or detriments can relate to other matters (not just efficiencies), including media plurality. In *NZME*, the High Court stated that:²²

the Act is not exclusively concerned with efficiency but rather allows it to be balanced alongside other public benefits that may include anything of importance to the community as a whole. Nothing in the legislation requires that public detriments be defined less comprehensively.

8.4 As outlined in section 4:

- (a) the Commission has previously recognised that the CIT industry in New Zealand has suffered due to, inflationary cost pressures, and the acceleration of digital payments following the COVID-19 pandemic;²³
- (b) Armourguard is now the monopoly national CIT provider following Evergreen's acquisition of ACM, reflecting the Commission's finding that the market could not viably support two providers and would inevitably transition to a single operator; and
- (c) [CONFIDENTIAL].

8.5 [CONFIDENTIAL].

8.6 Accordingly, the Arrangement seeks to address these issues by enabling collective negotiation and collaboration, which will deliver the public benefits described below. These benefits have not been quantified in the time available, however they are (a) expected to be significant and (b) given the absence of any detriment, such qualification is not necessary.

8.7 Furthermore, although the Commission has previously separated CIT services into (i) wholesale CIT services; (ii) retail CIT services; and (iii) ATM maintenance services, the Participants consider that it is somewhat artificial to consider each segment in isolation when assessing the public benefits of the Arrangement. Fundamentally, the Arrangement will assist in identifying an industry solution to preserve the viability, reliability and efficiency of CIT services in New Zealand on fair and sustainable terms across all CIT services.

²¹ *Telecom Corporation of New Zealand Ltd v Commerce Commission* (1991) 4 TCLR 473 (HC) at 527-530 citing *Re Rural Traders Co-operative (WA) Ltd* (1979) ATPR 40-110 at 18,123, as cited in the Authorisation Guidelines at [35].

²² *NZME* at [68]-[73].

²³ Evergreen Decision at [7].

Avoidance of disruption to CIT services and access to cash

8.8 [CONFIDENTIAL]. [CONFIDENTIAL].²⁴

8.9 Collective negotiation enables CIT customers to secure continuity of service (on fair and reasonable terms) and identify operational efficiencies – streamlining processes, reducing duplication, and using resources more effectively. In other words, the Arrangement will support banks and Armourguard to together determine how to get cash to where it needs to go as quickly and efficiently as possible. This coordination strengthens the resilience of the CIT network and supports sustained day-to-day access to cash across New Zealand, including in regional communities.

8.10 A viable and efficient CIT network is equally important for independent ATM providers and larger retailers. To the extent that there are gaps in the physical banking network these are filled by independent ATM providers and larger retailers. New Zealanders living in rural or remote areas rely on ATMs and larger retailers to access cash so that they can use it as an alternative payment method. NZBA recognises that these other users of CIT services equally play an important role in the cash system and any industry solution also needs to cater to the needs of these customers. These CIT customers are similarly invited to participate in finding an industry solution. However, even if they choose not to actively participate the benefits will accrue to these parties and their customers as finding an industry solution that improves the viability and reliability of CIT services is in the best interests of all New Zealanders. Ultimately, the Arrangement is intended to protect and enhance access to cash for all New Zealanders.

[CONFIDENTIAL]

8.11 [CONFIDENTIAL].

8.12 [CONFIDENTIAL].

Improved sustainability of CIT services

8.13 The Arrangement will support the long-term sustainability of CIT services by enabling Participants to collaborate on operational efficiencies and standardisation. These measures are expected to reduce costs, improve logistics, and ensure continuity of service. NZBA members have indicated a willingness to contribute financially to maintain access, recognising the importance of securing future service provision. While these efforts are led by CIT customers, the benefits ultimately flow to the public – ensuring that individuals, businesses, and communities continue to have reliable access to cash.

8.14 By strengthening coordination across the cash system, the Arrangement will reinforce the underlying infrastructure that supports cash access nationwide. This includes ensuring that CIT services remain viable and responsive to demand, even as cash usage declines. The benefits extend beyond the CIT sector, contributing to a more resilient cash ecosystem that serves the broader needs of society – including business continuity, emergency preparedness, and the functioning of communities that rely on cash. In this way, the Arrangement supports not just operational sustainability, but also the financial wellbeing and inclusion of end users across New Zealand.

²⁴ Evergreen Decision at [51].

Enhanced financial inclusion and resilience

- 8.15 Cash remains a vital payment method for many New Zealanders. According to the RBNZ, 40.3% of the population uses cash to pay for everyday things, and 61.4% used cash at least once in the last week, with 6.9% using it seven or more times.²⁵ Additionally, 77.5% of the population stores cash, highlighting its continued relevance as both a transactional and precautionary tool.²⁶ These figures reinforce the importance of maintaining robust cash distribution networks, particularly for those in rural areas, customers in vulnerable circumstances, and individuals who are digitally excluded or face barriers to electronic payment systems. The Arrangement helps ensure that CIT services remain viable, which directly supports the ability of these individuals to access and use cash in their daily lives.
- 8.16 The Arrangement will help preserve access to cash for those who need it most, especially during emergencies such as natural disasters, when digital systems may be unavailable or unreliable. With over 8.5 million bank notes currently in the hands of the public, the physical cash system remains a critical part of New Zealand's financial infrastructure.²⁷ By maintaining a functioning payment alternative when electronic networks are disrupted or constrained (such as outages in EFTPOS or credit card systems), the Arrangement contributes to a more inclusive and dependable financial system. These benefits are not limited to CIT customers – they flow through to all New Zealanders, protecting the interests of individuals, communities, and businesses who rely on cash.

Reduced transaction costs and improved negotiation outcomes

- 8.17 Collective bargaining enables Participants to pool resources, share expertise, and avoid duplicative bilateral negotiations. This approach reduces transaction costs and facilitates more efficient and consistent contractual outcomes for the Participants and Armourguard.
- 8.18 These benefits are particularly important for smaller Participants who may lack the capacity to negotiate individually. By working together, Participants can achieve stronger negotiating positions and contribute to a more sustainable and coordinated cash services framework that supports the broader financial system.

Development of a fair and transparent pricing mechanism

- 8.19 The Arrangement will facilitate the development of an independent pricing mechanism that promotes transparency, consistency, and fairness in the pricing of CIT services. Such a mechanism would help reduce disputes, improve accountability, and ensure that services are priced sustainably across the market.
- 8.20 Establishing a clear and equitable pricing framework would also support broader system stability by giving Participants greater confidence in the cost structure and enabling more informed decision-making. This contributes to a more predictable and resilient cash services environment that benefits both service providers and the wider community.
- 8.21 The Participants envisage working with Armourguard to develop a pricing mechanism based on principles generally used to price the services of regulated monopolies that recognises the need for Armourguard to earn a fair return on their investment whilst minimising monopoly rents (that ultimately flow offshore) to ensure that cash remains accessible. To ensure

²⁵ For the quarter ending September 2025. See <https://www.rbnz.govt.nz/statistics/series/households/cash-use>.

²⁶ For the quarter ending June 2025. See <https://www.rbnz.govt.nz/statistics/series/households/cash-use>.

²⁷ See <https://www.rbnz.govt.nz/statistics/series/reserve-bank/bank-notes-in-the-hands-of-the-public>.

PUBLIC VERSION

neutrality, the Participants envisage that the determination of the actual pricing would be determined by an independent third party.

Voluntary participation and absence of boycott conduct

- 8.22 Participation in the Arrangement is entirely voluntary. Any eligible customer of CIT services may choose to opt out and continue negotiating individually with Armourguard – nothing in the Arrangement prevents Armourguard from approaching banks individually with bespoke offers or tailored terms. That option remains available at all times, and banks retain full discretion to accept such offers and exit the Arrangement if they consider it commercially preferable. There is no proposal to engage in collective boycott conduct. This approach ensures that Participants can benefit from collective efficiencies without compromising their ability to pursue independent commercial arrangements. This exception removes the potential for a public detriment that may otherwise arise in the event of a collective boycott.

Protection against offshore monopoly rents and alignment with domestic priorities

- 8.23 The stakeholders most likely to be detrimentally impacted by the continuation of the status quo are everyday New Zealanders – especially those in vulnerable communities who have a greater reliance on cash as a form of everyday payment. By contrast, the beneficiaries of the status quo are the US-based shareholders of Armourguard who are able to extract monopoly rents whilst running down the essential infrastructure that everyday New Zealanders rely on.
- 8.24 By enabling collective negotiation, the Arrangement ensures that pricing and service outcomes are determined through a fair and transparent process that reflects New Zealand's domestic needs and priorities. This helps safeguard the integrity of the local cash system and ensures that financial contributions made by CIT customers support the sustainability and resilience of services within New Zealand, rather than subsidising foreign interest.

ABSENCE OF PUBLIC DETRIMENTS

- 8.25 The Applicant does not consider that the Arrangement will result in any public detriment.
- 8.26 In particular, the Applicant does not consider that the Arrangement will result in any:
- (a) **Substantial lessening of competition in any market.** CIT services in New Zealand are currently provided by a monopoly supplier, Armourguard, and services are being offered on a "take-it-or-leave-it" basis. [CONFIDENTIAL]. In this context, under the status quo there is no meaningful competition to be lessened. The Arrangement seeks to address a significant imbalance in bargaining power and does not affect how Participants compete in their downstream respective banking, retail, or ATM operations.

This is supported by the ACCC, which has previously dismissed concerns about anti-competitive effects where the counterparty is a monopolist, noting that:²⁸

'[T]he target of the collective bargaining is a monopoly provider, reducing the probability that the collective bargaining group will achieve inefficiently low prices'.²⁹

²⁸ King, S.P. (2013). Collective Bargaining by Business: Economic and Legal Implications. UNSW Law Journal, volume 36(1), 107 – 138 at footnote 75.

²⁹ Australian Competition and Consumer Commission, A91275: *Abbot Point Coal Export Terminal Producers* (16 February 2012) at [4.37].

PUBLIC VERSION

- (b) **Allocative efficiency losses.** Given Armourguard retains significant market power, it is unlikely that collective bargaining by Participants would result in prices below competitive levels. Rather, the Arrangement is intended to rebalance negotiations and promote fair and sustainable pricing, without compromising service quality or efficiency.
- (c) **Productive or dynamic efficiency losses.** The Arrangement does not reduce incentives for Participants to operate efficiently or invest in innovation. Each Participant remains responsible for its own operations and competitiveness in downstream markets. Participation is voluntary, and any Participant that believes it can secure better terms individually (with Armourguard or any other third party) may opt out.
- (d) **Broader market distortions.** The provision of cash is treated as a basic utility by customers, and is not seen as a source of material competitive differentiation between banks within the broader banking services markets. As such, the Arrangement does not distort competition in those broader banking markets. Instead, it helps address a market failure in CIT services by promoting more sustainable pricing and service continuity, without affecting how banks compete more broadly.

8.27 Instead, as outlined in paragraphs 8.1 to 8.22, the Arrangement is expected to result in significant transactional cost savings and other efficiency benefits, including improved service continuity, pricing transparency, and operational sustainability.

ACCC Determination on CIT authorisation

8.28 The Applicant's view is consistent with the ACCC's conclusions in its recent CIT authorisation determination, which found that collective bargaining and coordination among major banks and retailers in Australia was unlikely to result in any material public detriment.

8.29 Specifically, the ACCC concluded that:

- (a) the conduct was unlikely to lessen competition in any meaningful way between participating parties, and would not enable them to raise prices, reduce quality, or coordinate in other markets;³⁰
- (b) the voluntary nature of the arrangement and the ability of participants to opt out ensured that competition and negotiating efficiency were preserved;³¹
- (c) the conduct was confined to supporting wholesale cash viability and access to cash, and did not extend to broader coordination or exclusionary practices;³² and
- (d) in the absence of the proposed conduct, there was an increased likelihood of disruption or suspension of CIT services, which would adversely affect both participants and non-participants, including those relying on cash distribution for retail and ATM services.³³

8.30 These findings are directly applicable to the New Zealand context, as Armourguard holds a monopoly position and the CIT industry faces similar structural challenges. The Arrangement

³⁰ ACCC Determination at [4.104], [4.110], and [4.114].

³¹ ACCC Determination at [4.104].

³² ACCC Determination at [4.104] and [4.111].

³³ ACCC Determination at [4.103] and [4.107].

PUBLIC VERSION

seeks to mitigate the risk of disruption, promote sustainable service provision, and support access to cash without reducing competition in any meaningful way.

PUBLIC VERSION

9. APPLICATION FOR INTERIM AUTHORISATION

- 9.1 The Applicant seeks interim authorisation for the Arrangement under 65AAA of the Commerce Act to enable the Participants to commence collective bargaining with Armourguard as soon as possible.

Proposed conduct for interim authorisation

- 9.2 [CONFIDENTIAL]. Accordingly, the Participants require the ability to collectively negotiate with Armourguard to extend existing terms and maintain continuity of service while the substantive application is under consideration. Interim authorisation is therefore requested to:

- (a) allow the Participants to collectively negotiate an extension of existing contractual arrangements between Armourguard and each Participant until such time that the Authorisation is granted, to ensure uninterrupted CIT services in the interim, and the proposed terms of any extension [CONFIDENTIAL];
- (b) undertake preparatory work necessary to support the collaboration envisaged under the Arrangement including sharing competitively sensitive information about their respective CIT requirements to identify opportunities for synergies and cost savings;
- (c) commence negotiations in relation to the Arrangement, specifically excluding entry into any new contract or contracts with Armourguard; and
- (d) facilitate discussions and exchange of information to the extent reasonably necessary to support the above.

- 9.3 If interim authorisation is not granted, there is a risk that:

- (a) the deadlines each bank faces expire before authorisation is granted, meaning the banks are forced to enter into new contracts with Armourguard before authorisation is granted, without the opportunity to negotiate fair workably competitive terms; or
- (b) [CONFIDENTIAL] requiring the banks to enter new contracts.

- 9.4 The likely scenario absent the interim authorisation could undermine the Arrangement as the ability to successfully negotiate collectively and identify synergies may diminish if most Participants have already entered into contracts ([CONFIDENTIAL]).

- 9.5 The Participants would have robust protocols in place for any conduct that occurs under the interim authorisation, including obligations to destroy, return or delete any information shared in relation to the Arrangement and proceed with bilateral negotiations with Armourguard in the event that authorisation is not ultimately granted. The Applicant submits that there is an urgent need to engage in the conduct for which interim authorisation is sought for the reasons set out below.

Urgency

- 9.6 The Applicant has already outlined to the Commission in paragraph 4 the significant challenges that Participants currently face, and the potential impact on the accessibility of cash for New Zealanders. This is the result of:

- (a) with Armourguard as the monopoly CIT provider, there is no competition to constrain pricing or service standards. The change in market structure has led to behaviour that is atypical in a workably competitive market including:

PUBLIC VERSION

- (i) [CONFIDENTIAL];
 - (ii) [CONFIDENTIAL];
 - (iii) [CONFIDENTIAL];
 - (iv) [CONFIDENTIAL]; and
 - (v) [CONFIDENTIAL].
 - (b) [CONFIDENTIAL]; and
 - (c) [CONFIDENTIAL].
- 9.7 [CONFIDENTIAL]. In particular:
- (a) [CONFIDENTIAL];
 - (b) [CONFIDENTIAL];
 - (c) [CONFIDENTIAL];
 - (d) [CONFIDENTIAL]; and
 - (e) [CONFIDENTIAL].
- 9.8 A delay in the commencement of collectively negotiating improved terms for CIT services until the Commission reaches a decision on full authorisation will prolong the systemic challenges currently undermining the reliability of cash services across New Zealand. Each day of delay entrenches the existing market imbalance and increases the risk that communities (particularly those in rural, remote, or economically vulnerable areas) will face further barriers to accessing secure and efficient cash handling. This risk is especially acute during emergencies, when digital systems may fail and access to physical cash becomes critical for community resilience.
- 9.9 The purpose of this application is to enable a coordinated response to these issues, in order to safeguard the public's continued ability to access and use cash as a viable means of payment. This is essential to supporting financial inclusion and resilience for all New Zealanders, especially those who rely on cash for everyday transactions.
- Benefits of interim authorisation**
- 9.10 The benefits that will arise from the Arrangement if interim authorisation is granted are as set out in paragraphs 8.1 to 8.24 in relation to the Arrangement as a whole.
- 9.11 Although the Commission does not need to be satisfied that the Arrangement will meet the public benefit test before granting interim authorisation under section 65AAA of the Commerce Act, there are compelling public benefit reasons that support the granting of interim authorisation. Doing so will help secure the continued provision of CIT services across New Zealand, supporting cash to remain a viable and accessible payment option for individuals, businesses, and communities.
- Detriments of interim authorisation**
- 9.12 The Applicant does not consider that interim authorisation of the Arrangement will result in any public detriment for the same reasons outlined above.

PUBLIC VERSION

10. CONCLUSION

- 10.1 For the reasons outlined above, the Applicant is confident that the Arrangement will result in significant public benefits and will not result in any public detriment.
- 10.2 Accordingly, the Applicant submits that the Arrangement should be authorised under sections 58(1), (2), (6B) and (6D) of the Commerce Act, and that interim authorisation should be granted under section 65AAA of the Commerce Act.

APPENDIX ONE: PARTICIPANT CONTACT DETAILS

PARTICIPANT	CONTACT DETAILS
ANZ	[CONFIDENTIAL].
ASB	[CONFIDENTIAL].
BNZ	[CONFIDENTIAL].
Kiwibank	[CONFIDENTIAL].
Westpac	[CONFIDENTIAL].