

MEDIA RELEASE



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INTERCHANGE FEE DECISION RECOGNISES COMPETITIVE EFFORTS BUT LEAVES INDUSTRY HANGING

The Australian Payments Clearing Association (APCA) notes today's decision by the Payments System Board (PSB) to adopt a "wait-and-see" approach on consumer payments competition. The PSB acknowledged recent efforts to enhance competition but declined to step back from interchange fee regulation for now.

"We are pleased that the PSB has recognised industry collaborative efforts such as the establishment of EFTPOS Payments Australia and the Mambo development. In line with the PSB's thinking, we believe that such initiatives will exert significant competitive pressures over time" said APCA CEO Chris Hamilton.

"However, today's decision does leave the long-term regulatory framework for consumer payments in Australia hanging, with no clear end date."

"The industry has been driving forward with payment system reform on multiple fronts, both in response to RBA and PSB concerns and on its own initiative. Apart from the developments recognised by the PSB, this includes ATM direct charging, better access for new participants to ATM and EFTPOS, restructuring of networks and settlement arrangements for low value payments and establishment of the Card Payments Forum as a collaborative focus for industry participants."

"Uncertainty about how and when the regulators will respond makes such collaborative effort that much harder. We will be seeking greater clarity from the RBA in coming days."

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About Australian Payments Clearing Association (APCA)

APCA is Australia's payments industry association. Its role is to set, manage and develop regulations and standards governing payments clearing and settlement within Australia. APCA has around 80 members including banks, building societies, credit unions, the Reserve Bank and other participants across five clearing systems. Its clearing systems cover: cheques and other paper based payment instruments; direct entry (credit and debit payments); EFTPOS and ATM transactions; trading and distribution of bulk notes and coin between banks; and settlement of high value, real-time payments.