

28 September 2012

By email: adjudication@accc.gov.au

The Commissioners
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Commissioners

Draft Determination: a proposal to reduce ATM fees in selected very remote Indigenous communities

We write in support of the ACCC's draft determination on the Australian Bankers' Association (ABA) proposal to reduce ATM fees in selected very remote Indigenous communities.

As you are aware, Financial Counselling Australia (FCA) released research in November 2010 reporting that ATM fees were 'having a significant and detrimental impact on Indigenous people living in remote communities'. As well as highlighting the high cost paid by residents of these communities to access their money, FCA's report illustrated that these costs were so high because of a lack of competition. FCA found that consumers in remote communities only had access to a single ATM, and that cash withdrawals through EFTPOS transactions—a free alternative available to many Australians—were not available in these communities.

The ABA proposal is a proportionate intervention to address this failure of competition. In our view it can have little if any anti-competitive effect. We agree with the findings in ACCC's draft determination that the benefits created by this measure will outweigh any detriment and in particular will limit the ability of traders to exploit the lack of free access to cash by charging high fees for EFTPOS withdrawals.

We commend the work of FCA, the ABA and other involved parties in working to remedy this problem. Please contact David Leermakers on 03 9670 5088 or at david@consumeraction.org.au if you would like to discuss this matter further.

Yours sincerely

CONSUMER ACTION LAW CENTRE



Gerard Brody
Director of Policy and Campaigns



David Leermakers
Senior Policy Officer

Consumer Action Law Centre

Level 7, 459 Little Collins Street Telephone 03 9670 5088
Melbourne Victoria 3000 Facsimile 03 9629 6898

info@consumeraction.org.au
www.consumeraction.org.au