4 February 2009

**By email: pysubmissions@rba.gov.au**

Ms Michele Bullock
Head of Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
SYDNEY NSW 2001

Dear Ms Bullock

**Access Regime for the ATM System**

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to comment on the Reserve Bank of Australia's (**RBA**) proposed Access Regime for the ATM system as set out in its *Access Regime for the ATM System: A Consultation Document* (the **Consultation**). We apologise for the delay in providing our submission.

Consumer Action supports the RBA's efforts to improve the efficiency and competitiveness of payments systems in Australia, including the ATM system. As the Consultation notes, interchange fee amounts are much higher than the underlying cost of providing ATM withdrawals that they are supposed to reflect,[1] and the foreign ATM fees that financial institutions charge their customers for using another institution's ATM are significantly higher again than the underlying interchange fees.[2] The RBA notes that this is due to a lack of competitive pressure to reduce interchange fees or foreign fees.[3]

However, Consumer Action does have concerns that there are shortcomings in the proposed Access Regime that will lead to inappropriate outcomes and will negatively impact on consumers. Our concerns are set out in more detail below.

In particular, the proposed reforms concentrate only on the interchange fees aspect of the problem in the ATM payments system but not the foreign fees aspect. However, the RBA itself recognises that foreign fees are not competitive or efficient, let alone fair. Thus in ignoring the issue of foreign fees, the RBA's draft Access Regime fails to promote the public interest appropriately, including that of an efficient and competitive ATM system.

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[1] Reserve Bank of Australia, *Access Regime for the ATM System: A Consultation Document*, December 2008, page 4.
[2] As above, page 3.
[3] As above, page 4.

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Further, the Access Regime is silent as to the direct charging component of the proposed reforms, leaving this issue to the proposed industry Access Code. This ignores the fact that direct charges may not necessarily be subject to competitive pressures nor be set at an efficient level. In fact, it is our submission that substantial differentials in the amounts of ATM direct charges are highly likely to occur depending on the nature and location of different ATMs, for example direct charges will probably be significantly higher at ATMs in regional areas than in metropolitan areas, direct charges may vary at ATMs at different times of the day and night, and certain consumers may be less able to exercise the choice to visit a different ATM, such as the visually impaired. The RBA seems to have made an assumption that any differences in direct charge amounts at different ATMs must simply reflect competitive and efficient market outcomes, but this is not necessarily the case and demonstrates a less than thorough approach to the issue, let alone a consideration of whether such an outcome is in the overall public interest.

In summary, our recommendations are:

1. That the RBA should amend the Objective in the final Access Regime to reflect the statutory requirements in relation to making a decision about imposing an Access Regime.
2. That the draft Access Regime be amended to include a provision that no foreign fees shall be paid by customers to their financial institutions where there is no interchange fee incurred by the financial institution for such foreign ATM use.
3. That the RBA provide some limited regulation of direct charges under the Access Regime to deal with circumstances in which a lack of competitive pressure will otherwise enable inefficient and uncompetitive fees, for example by:
    a. placing a maximum cap on such charges in the same way that it proposes to place a maximum cap on the connection charge that may be levied by an access provider for providing a direct connection service to a new entrant to the ATM system; and/or
    b. preventing ATM operators from varying the direct charge levied by any given ATM at different times of the day and night; and/or
    c. preventing direct charges from being levied on consumers with specific ATM usage needs such as the visually-impaired or requiring such customers to be offered rebates for direct charges incurred.
4. That the RBA commit to collecting and publishing regular information and statistics on foreign fees and direct charges for ATM usage, including disaggregated by cash withdrawal versus balance inquiry, between metropolitan, regional and rural areas, and between different ATM owners/operators.
5. That the RBA require a further addition to the Consumer Electronic Clearing System (**CECS**) Manual as part of its handling of these ATM reforms, requiring on screen disclosure of the possibility of overdrawing an account where this is relevant, and allowing a consumer to cancel a transaction before this occurs.
6. That the RBA facilitate and engage in further community consultation before it makes a final decision about the form of the Access Regime.

## About Consumer Action

Consumer Action is an independent, not-for-profit, campaign-focused casework and policy organisation. Consumer Action provides free legal advice and representation to vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia. Consumer Action is also a nationally-recognised and influential policy and research body, pursuing a law reform agenda across a range of important consumer issues at a governmental level, in the media, and in the community directly.

## The Draft Access Regime

The RBA's draft Access Regime expressly provides that its objective is to promote competition and efficiency in the Australian payments system, having regard to four factors derived from the relevant legislation (the **Objective**).[4] However, the Objective incorrectly places the public interest as a subset of promoting competition and efficiency whereas the *Payment Systems (Regulation) Act 1998* (the **Act**) actually requires the RBA to consider whether the proposed Access Regime is appropriate overall, having regard to the public interest, the interests of current and future participants in the system and any other relevant matters (s.12(2)). Competition and efficiency are important, but not the only, matters to which the RBA is to have regard in determining the public interest (s.8).

We are concerned that the Objective, being incorrect at law, reflects the actual approach the RBA has taken to producing the draft Access Regime, which again would be incompatible with its legal obligations under the Act. We are also concerned that by incorrectly overemphasising the considerations of competition and efficiency, the RBA may have influenced the approach taken by the industry to its proposed Access Code and changes to the CECS Manual in an incorrect manner. Some further comments about the RBA and industry consultation processes are set out below.

We therefore urge the RBA to consider all relevant matters in determining the final form of the Access Regime. We strongly believe that this would include the matters we discuss below. Further, we specifically recommend that, having done so, the RBA should amend the Objective in the final Access Regime to reflect the Act's requirements in relation to making a decision about imposing an Access Regime.

## Foreign fees

Consumer Action supports the RBA's intention to bring some competitive discipline to fees surrounding ATM usage by setting the interchange fees for ATM transactions between financial institutions to zero and instead allowing for consumers to be directly charged by ATM operators for foreign ATM use.

However, as the RBA notes, consumers are not currently charged the relevant interchange fee for foreign ATM use. Instead, most consumers are charged a foreign ATM fee by their own financial institution, one that contains a significant mark-up over the underlying

[4] As above, page 14.

interchange fee.[5] The Consultation notes that the problem here is a lack of competitive pressure to reduce the margin between the cost of an ATM withdrawal and the foreign fee paid by the consumer.[6] The interchange fee is only one aspect of this problem, yet it is the only one tackled by the draft Access Regime.

The Consultation states that, with interchange fees at zero, the RBA Payments System Board is 'of the view that foreign fees should be eliminated, particularly given that per-transaction charges do not currently apply to most transaction accounts in Australia'.[7] The RBA repeats this view in its media release:

> These reforms will lead to a significant change to the pricing of ATM transactions, with customers now being directly charged for ATM withdrawals by the ATM owner. Given this change, the Bank no longer sees a case for financial institutions to charge 'foreign' fees when their cardholders use an ATM owned by another institution, particularly given that most financial institutions now provide transaction accounts which offer unlimited electronic transactions for a monthly fee.[8]

However, these views are not supported by any requirements in the draft Access Regime limiting the foreign fees that financial institutions may charge their customers, despite the Access Regime expressly limiting interchange fees to zero meaning that the financial institutions will be paying nothing themselves. Further, the draft industry Access Code explicitly states that financial institutions are still able to charge their cardholders a fee for any ATM transactions.[9] Having recognised that both interchange fees and foreign fees are neither efficient nor competitive, the RBA proposes to regulate one but continue to leave the other to demonstrated market failure.

It is worth noting that the charges imposed for foreign ATM use is not a minor issue. The Consultation notes that almost half of all ATM cash withdrawals in the year to June 2008 were withdrawals made at ATMs not owned by the customer's own financial institution,[10] and ATMs are obviously a major channel of cash withdrawal with over $149 billion in cash withdrawn from ATMs in the year to November 2008, compared to only $1.5 billion in cash-out EFTPOS withdrawals and $13 billion in credit card cash advances over the same period.[11]

In the absence of regulation under the Access Regime it seems certain that many financial institutions will continue to charge foreign ATM fees to their customers, given there is little competitive pressure to eliminate them and they represent a steady source of revenue. The Federal Government has also recognised the difficulties that consumers have in driving competition amongst financial institutions, including driving down fee amounts, which is why last year it initiated new measures to make it easier for consumers to switch bank

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[5] As above, page 3,
[6] As above, page 4.
[7] As above, page 9.
[8] Reserve Bank of Australia, *Payments System Reform*, Media Release No. 2008-28, 10 December 2008.
[9] Australian Payments Clearing Association, *ATM Access Code*, Exposure Draft, December 2008, clause 11.3(b)(ii).
[10] Reserve Bank of Australia, above n1, page 3.
[11] Reserve Bank of Australia, *Bulletin Statistical Table C1 - Credit and Charge Card Statistics* and *Bulletin Statistical Table C4 - Debit Card Statistics*, available at www.rba.gov.au.

accounts.[12] These difficulties remain, and we have serious concerns that the actual account switching initiative implemented late last year will not be effective in facilitating greater competition between financial institutions on fee amounts, meaning that the problem of inefficient and uncompetitive foreign ATM fees remains.[13]

Indeed, the National Australia Bank has reportedly already written to its customers advising that after the ATM reforms are implemented they will still be charged a foreign fee of 50 cents per transaction for making cash withdrawals or balance inquiries at foreign ATMs.[14] 50 cents may be less than the bank's current foreign fee, but added to a direct charge for foreign ATM use (for example $2.00), the total amount paid by consumers for foreign ATM usage following the introduction of the reforms may well be higher than beforehand, even though the current amount is recognised by the RBA to be too high and the entire point of the reforms is to bring some competitive discipline to the fees, presumably lowering the amount paid (at least, for the time being).[15]

Further, even a smaller foreign fee such as 50 cents almost certainly represents an enormous margin over the cost to financial institutions of processing foreign ATM transactions with no interchange fee payable, even if one accepts a marginal transaction cost in the automated CECS. Financial institutions process numerous other types of electronic transactions yet the fees attached to these transactions to cover their "costs" are not as high or, as the RBA notes, are covered in one monthly account fee. They are also covered by the payment of below-market rates of interest on account balances.[16]

Consumer Action strongly recommends that the draft Access Regime be amended to include a provision that no foreign fees shall be paid by customers to their financial institutions where there is no interchange fee incurred by the financial institution for such foreign ATM use. The Access Regime will not lead to competitive and efficient fees, nor will the outcome meet other public interest considerations such as fairness, without this amendment.

**Direct charges**

As noted above, one of the central aspects of these reforms is the replacement of wholesale interchange fees with direct charges made by the ATM owner/operator directly to the consumer. The purpose of implementing such reforms is to bring competitive discipline to the charges imposed for ATM use, a purpose Consumer Action supports.

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[12] The Hon Wayne Swan MP, Treasurer, *Rudd Government Making it Easier for Australian Families to Switch Banks*, Media Release No. 006, 9 February 2008.

[13] Consumer Action has made more detailed comments elsewhere about the deficiencies in the account switching initiative that has been implemented, and can provide more details to the RBA about our concerns if required. For a start see, eg, our submission to the House of Representatives Economics Committee's inquiry into competition in the banking and non-banking sectors in July 2008, available from our website at www.consumeraction.org.au/publications/Submissions.php.

[14] The Sheet, *NAB retains foreign ATM fee*, 16 January 2009.

[15] This problem was also noted in the additional comments made by the Labor members of the parliamentary committee investigating ATM fees in 2004: Parliamentary Joint Committee on Corporations and Financial Services, *Report on the ATM Fee Structure*, January 2004, page 29.

[16] Reserve Bank of Australia and Australian Competition and Consumer Commission, *Debit and Credit Card Schemes in Australia: A Study of Interchange Fees and Access*, Joint Report, October 2000, page 33.

The RBA states in the Consultation that competitive forces will work more effectively on direct charges than on interchange fees because:

> consumers will be able to directly observe direct charges and, if they are too high, choose to withdraw cash elsewhere. ATM owners will therefore face competitive pressures when setting their fees.[17]

In addition, the RBA notes that this ability of the consumer to choose will be supported by the fact that the direct charge will be disclosed at the time of the transaction, giving the consumer an opportunity to cancel the transaction at no cost.[18]

We agree that these forces are likely to operate effectively in many circumstances, particularly where there are a number of ATMs available within close proximity to one another, for example in urban (especially urban metropolitan) shopping centres, strips and business areas. The key here is that, in such circumstances, a consumer has the practical, not just theoretical, ability to make a choice to use a different ATM, as other choices are available.

However, we can envisage a number of circumstances in which, in practice, a consumer will have limited other options than simply to use a particular ATM regardless of the direct charge being imposed. In these circumstances, because consumers cannot switch away from that ATM, there is less (if any) competitive pressure on the ATM operator to lower a direct charge. More generally, there are a number of factors other than the amount of a direct charge for use that impact on a consumer's decision about whether to proceed with an ATM transaction or not, and again these may dampen the ability of the consumer to choose to use a different ATM in order to avoid a high direct charge. In all such circumstances, this would mean the direct charges would be free to increase to inefficient and uncompetitive amounts, at odds with the intention of the reforms. Further, we consider that such outcomes are neither appropriate nor in the public interest overall, in that they essentially discriminate between different types of consumers.

The Consultation simply does not consider these issues, merely asserting as fact that competitive pressure will apply to all ATM direct charges. Some of the circumstances in which competitive pressure is unlikely to apply, however, include those discussed below.

*Rural and regional areas*

It is evident that the fewer ATMs that are accessible to a consumer when they wish to use an ATM, the less ability the consumer has to choose to avoid a high direct charge in favour of using an ATM that imposes a lower direct charge.

In regional and particularly rural areas with fewer ATMs available it is likely that consumers will have less, and sometimes very little if any, ability to avoid any high direct charges by using a different ATM to make cash withdrawals or balance inquiries. It is unclear how competitive pressure will bear upon ATM direct charges to any significant degree in such

[17] Reserve Bank of Australia, above n1, page 8.
[18] As above, page 9.

situations, and there thus seems to be little chance that ATM direct charges in regional and rural areas will remain at efficient or competitive levels.

The RBA's indirect response to this concern has been the assertion that the reforms will encourage the deployment of ATMs in more locations, such as regional areas, where it is currently not cost-effective for ATM operators to do so, and that this will lead to public benefit in the form of greater choice and convenience for consumers.[19] This assertion may well be correct, as it will allow for ATM operators to charge a higher fee for ATM use in locations in which it costs more to maintain an ATM. However, this is largely irrelevant to the question of whether there will be any competitive pressure on such ATM operators to keep these higher direct charges to efficient levels.

The RBA should clarify if it has made an express decision that it considers the benefit of increased deployment of ATMs in regional and rural areas, regardless of unrestrained usage fees, to outweigh the detriment of reforms that will allow for unrestrained and uncompetitive ATM charges in these areas. Regardless, however, Consumer Action considers that this is an unnecessary decision to make. Encouraging more widespread ATM deployment and promoting competitive and efficient ATM charges in regional areas are separate issues, and it is possible for the RBA to encourage both by allowing for direct charges but ensuring that these direct charges do not rise to manifestly inefficient and uncompetitive levels.

The parliamentary committee investigating ATM fee reform in 2004 also recognised these issues, with its report stating:

> The Committee appreciates that under the proposed regime there are localities in rural, regional and remote Australia that, because of the higher costs in delivering the service and the low turnover, may face higher fees for using a foreign ATM. In many cases the higher charge may genuinely reflect the cost of providing that service and may provide an acceptable and indeed welcome service for the community. The Committee, however, is concerned that without safeguards built into a direct charging regime, people living in towns and communities where there are few banking options may face charges well in excess of the costs involved in providing the service.[20]

The committee did not recommend halting ATM fee reform as a result of these problems, but did recommend that any proposed reform of the ATM fee structure incorporate safeguards to ensure that an unreasonable or unwarranted differential in fees and charges did not develop between those in rural and remote areas and those in metropolitan areas.[21]

Consumer Action also recommends that the RBA provide some limited regulation of direct charges under the Access Regime to deal with these issues, for example by placing a maximum cap on such charges in the same way that it proposes to place a maximum cap on the connection charge that may be levied by an access provider for providing a direct connection service to a new entrant to the ATM system.

[19] See, eg, as above, page 6; Reserve Bank of Australia, above n8.
[20] Parliamentary Joint Committee on Corporations and Financial Services, above n15, page 20.
[21] As above, page 23.

We note that the parliamentary committee also recommended that the RBA monitor and report on foreign ATM fees and direct charges under a direct charging regime, including the difference between fees for ATM services in rural, regional and remote Australia and in metropolitan areas.[22] Consumer Action considers that this is also a sensible recommendation and recommends that the RBA commit to collecting and publishing regular information and statistics on foreign fees and direct charges for ATM usage, including disaggregated by cash withdrawal versus balance inquiry, between metropolitan, regional and rural areas, and between different ATM owners/operators. In particular, providing information about the different direct charge amounts imposed by specific ATM owners/operators will facilitate competition by helping consumers to make decisions about which ATMs they wish to use, before the point at which they are standing at an ATM and have less ability to switch away.

As a final matter, we note that an outcome of increased deployment of ATMs in regional and rural areas does not necessarily equate to deployment of the same type or quality of ATM services as in metropolitan areas. Further, it may mean the increased deployment of independently-owned ATMs of lower quality as replacements for higher quality ATMs operated by financial institutions. These scenarios undermine the assertion that the reforms are in the overall public benefit due to their encouragement of more widespread availability of ATMs, and we are not certain to what degree the RBA has considered them in its deliberations. A good summary of these problems is found in the 2004 parliamentary committee report on ATM fee structure, quoting submissions to its inquiry:

> There was a real concern that while accessibility to ATM services might improve, several adverse consequences could result. Mr Connolly stated:
>
> > I think the risk is that all ATM operators outside the big cities will not be under any competitive pressure or, now, any regulatory settings which restrict them from charging whatever they like, or from now closing down. To me, these reforms are a green light to banks to say, 'We're out of here because there is an ATM in the service station down the road or the convenience store.' The service station and convenience store are not open 24 hours a day, seven days a week, and that is the distinction between what people in the city will be offered and what people in the bush will get
> > …
> > for city customers, they will pay lower costs and they will have a better class of ATMs. They will be full-service ATMs where you can make deposits, they will be loaded by armed security vans et cetera, they will be reliably maintained and available 24 hours a day, seven days a week, because they are on the street front. Regional customers will get higher prices but, in exchange, they will get a lesser quality ATM, usually a very small physical ATM located inside a convenience store or a service station—and therefore not available after hours once that service station or convenience store is closed. It will not be reliably maintained, and it will be filled by the service station attendant et cetera. This is looking more and more like discrimination against regional customers who have already paid over and over again in terms of the reduction in and transformation of banking services through branch closures.[23]

[22] As above, page 25.
[23] As above, page 22.

*At night – particularly for women*

There are other reasons why consumers may choose to use a particular ATM other than price. For example, the distance a consumer needs to travel to access a different ATM, the time available to the consumer to make the transaction, how immediate their need for cash is and even the weather might play parts in determining if a consumer accepts a higher charge or not to use any given ATM machine.

While some of these factors simply contribute to determining the fair and efficient market price to different consumers for the convenience of using different ATMs, others may hinder the ability of consumers to send efficient price signals to ATM operators by switching away from ATMs that charge too high a price for their use. For example the distance between one ATM and another might not have any significant effect on consumer choices during the day, but at night consumers are much less likely to want to travel longer distances simply to see if another ATM imposes a slightly reduced direct charge for its use or if they can find an ATM owned by their own financial institution. There is no element of the reforms that, for example, prevents ATM operators from imposing different direct charges at day and night times to exploit this difference in the ability of consumers to drive competitive outcomes.

While such factors will impact on all consumers and reduce the efficiency of ATM fees generally, we are also particularly concerned that such issues will impact more harshly on certain groups of consumers, including women. The unfortunate fact that women are less likely to be comfortable travelling longer distances at night merely to use a different ATM may mean they are more vulnerable to higher direct charges at these times. We do not believe such an outcome could at all be considered appropriate.

Again, the solution to such problems is for the RBA to proceed with its reforms but provide some regulation of the direct charges that can be levied, for example by setting a maximum cap for direct charges under the Access Regime. Another possible option is for the Access Regime to prevent ATM operators from varying the direct charge levied by any given ATM at different times of the day and night.

*Visually-impaired*

Similar to the issues involved above, people with a visual impairment generally require access to particular ATMs that are equipped with the technology to assist them to make cash withdrawals or balance inquiries, including audio enabled ATMs. This is likely to be a more significant factor in their decision about which ATM to use than the direct charge imposed. Thus, some ATMs may be able to levy higher than efficient direct charges given at least a proportion of their users are, to some degree, a captive market. Again, we recommend that the RBA ensure measures are included in the Access Regime to prevent higher direct charges being imposed on such customers, for example by one of the methods suggested above and/or by requiring such customers to be offered rebates for direct charges incurred due to their specific ATM usage needs.

Consumer Action believes that there needs to be a greater emphasis on how the RBA responds in circumstances where initiatives lead to improved competition generally, but where competition fails in a particular context. At present, the draft Access Regime is silent as to the direct charging component of the proposed reforms, meaning that the above and related issues are not addressed. Direct charging generally is left to the proposed industry Access Code, which is also silent on these issues. Direct charges being set in circumstances in which there is an absence of competitive pressures will not reflect competitive and efficient market outcomes, and will also raise unfairness concerns, neither of which are outcomes in the public interest.

**Other matters**

*Balance inquiries and low income consumers*

Consumer Action notes that the proposed reforms will apply to both cash withdrawal transactions and balance inquiry transactions.

The ability to make a balance inquiry before withdrawing cash from an ATM is an essential step for many lower income consumers using ATMs who are trying to manage their finances appropriately and avoid charges such as penalty fees for overdrawing their account.

However, neither the draft Access Regime nor the draft industry Access Code make any distinction between balance inquiries and cash withdrawals in this regard. In fact, a consumer will incur two direct charges if they are using a foreign ATM and first seek a balance inquiry before then making a cash withdrawal.[24] This will clearly act as a disincentive to consumers undertaking both transactions, increasing the risk that consumers, particularly low income consumers, will incur expensive overdrawn account fees charged by their financial institution.

Further, the payment system arrangements state that financial institutions *may* decline a foreign ATM transaction where the direct charge may result in the consumer's account being overdrawn,[25] but certainly do not require financial institutions to do so, meaning they are free to allow accounts to be overdrawn by a foreign ATM direct charge and simply levy an additional overdrawn account fee.

This issue highlights the urgency of reforms to require the real-time disclosure on ATM screens of other fee information as well, particularly a real-time warning to a consumer about to proceed with a transaction for which they do not have sufficient funds in their account that the transaction may overdraw their account and a fee may be charged by their financial institution for this, and giving the consumer the option of cancelling the transaction at that point. The current ATM reforms demonstrate the ability of the industry to implement the required technology to allow for real-time disclosure of fee information to ATM users, as this is exactly what will occur in relation to direct charges under the new on screen disclosure requirements in clause 11.4.1 of the CECS Manual.[26] Further, the fact that a financial institution will be able to decline a foreign ATM transaction if the direct charge may overdraw

[24] Australian Payments Clearing Association, CECS Manual for Consumer Electronic Clearing System (CS3), Series 2, Effective 3 March 2009, Version E218, clause 11.3.1.
[25] As above, clause 11.5.4.
[26] As above, clause 11.4.1,

their customer's account demonstrates that it is possible to obtain relevant information about account balances in the course of ATM transactions.

We strongly recommend that the RBA require a further addition to the CECS Manual as part of its handling of these ATM reforms, requiring on screen disclosure of the possibility of overdrawing an account where this is relevant, and allowing a consumer to cancel a transaction before this occurs. This would be appropriate given that the risk of consumers incurring penalty fees will be exacerbated by the RBA's ATM reforms, and given that this risk falls particularly on those consumers for whom high penalty fees are most detrimental.

*Consultation process*

Consumer Action believes that where reforms proposed by the RBA are likely to have a significant impact on consumers, and particular groups of consumers, it is appropriate for the RBA to consult widely with consumers and the community more broadly before making decisions about the appropriate form of those reforms, including what outcomes would be in the public interest.

This also applies to any concurrent industry processes, such as in this case where the industry, through the Australian Payments Clearing Association (**APCA**), has developed an Access Code and changes to the CECS Manual to accompany the proposed Access Regime.

In our view neither the RBA nor APCA has engaged in sufficient community consultation regarding the details of these reforms. For example, there have been no public or community consultation meetings convened on either the Access Regime or the Access Code and only two parties, both banks, appear to have made submissions to APCA about the Access Code. To some extent it is understandable that APCA has had difficulty engaging with the broader public regarding these reforms, given it is neither a public/government body nor an industry body that generally engages in community interaction, although this does not detract from the flaws in the consultation process. The RBA does have significant public interaction functions and we consider that community consultation could be better undertaken on significant reforms such as these. We therefore recommend that the RBA facilitate and engage in further community consultation before it makes a final decision about the form of the Access Regime. This would also assist in assuring the community that the RBA is confident the final Access Regime is appropriate, in the public interest and takes into account all relevant matters.

Should you have any questions in relation to this submission, please contact Nicole Rich on (03) 9670 5088.

Yours sincerely
**CONSUMER ACTION LAW CENTRE**

Neil Ashton

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