

File Note

Date: 29 April 2003

Matter: Applications for Authorisation A30224 and A30225

File Ref: C2003/238



9.05am

Attendees:

Rod Shogren	Access Economics
Dr Darryn Abraham	Access Economics
Genevieve McMahon	Mallesons Stephen Jaques
Luke Lawler	Credit Union Services Corporation (Australia) Limited (on behalf of the Applicants)
John Toms	Australian Settlements Limited (on behalf of the Applicants)
Joanne Palisi	Australian Competition and Consumer Commission (ACCC)
Sue Sullivan	ACCC
Danielle Staltari	ACCC

The purpose of this meeting was for representatives of the Applicants* for authorisation (A30224 and A30225) to provide ACCC staff with an overview of the key points set out in the Applicants' rejoinder submission dated April 2003. The Applicants' rejoinder submission identifies and addresses the issues raised by interested parties in response to the application for authorisation.

Dr Abraham commenced the meeting by providing an overview of the background to the applications for authorisation, being the ACCC / Reserve Bank Joint Study and the considerations of the EFTPOS Industry Working Group.

Dr Abraham, Mr Shogren, Mr Lawler and Mr Toms then provided an overview of the following points made in detail in the rejoinder submission:

- the form and level of pass through of changes in interchange fees;
- potential for the creation and abuse of market power;
- access to EFTPOS networks by potential entrants;

- the absence of a methodology to justify setting interchange fees at zero;
- whether authorisation gives the applicants a free hand to set a non-zero interchange fee in the future
- the form and independence of proposed review processes;
- the possible loss of incentives to invest in maintenance of, or improvements in, the EFTPOS network; and
- whether price increases due to the conduct are in the public interest.

Meeting ended 11.05am

*Applicants:- Australia and New Zealand Banking Group Limited, Australian Settlements Limited, Bank of Queensland Limited, Bank of Western Australia Limited, Bendigo Bank Limited, Cashcard Australia Limited, Commonwealth Bank of Australia, Credit Union Services Corporation (Australia) Limited, National Australia Bank Limited, St George Bank Limited, Suncorp Metway Limited and the Westpac Banking Corporation