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22 September 2003

Ms Jennifer McNeill  
Commissioner  
Australian Competition and Consumer Commission  
PO Box 1199  
Dickson ACT 2602

**Re: Application for Authorisation of EFTPOS Reforms**

Dear Jennifer,

McDonald's Australia Limited and its franchisees supports the ACCC's decision regarding the banks application to implement zero EFTPOS interchange fees. We also extend our support of the Australian Retailers Association position in relation to this matter.

McDonald's Australia operates 727 restaurants, with approximately 490 of these restaurants individually owned and operated by franchisees. We along with our franchisees have made a significant investment in the Eftpos system operating in our restaurants throughout Australia.

The banks application would have us believe a reduction or removal of EFTPOS interchange fees means reduced costs for the industry and consumers. We do not believe this would be the case at all. We and our franchisees would be required to pay higher bank fees for EFTPOS transactions. These higher fees would ultimately be passed on to our customers. We believe this will be the same for most companies currently offering the EFTPOS facility.

We believe the only beneficiaries from these reforms would be the banks. These reforms see a transfer of costs from the banks to retailers, and ultimately to consumers. The consumers' banks will not be required to pay interchange fees to the retailers' banks. Instead the retailers' banks will have little option but to recover the lost revenue from all retailers.

Thank you for taking the time to listen to our concerns about a situation which we believe would disadvantage our franchises and our customers. McDonald's has been providing a fast, secure and convenient EFTPOS service for our customers for a number of years and we want to continue to provide this convenient service .

Yours Sincerely

Guy Russo  
Managing Director/CEO