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8 October 2009

Dear Mr Chadwick

APPLICATION FOR AUTHORISATION: rediATM Network of ATMs

We refer to the Commission's consideration of Applications for Authorisation A91175 – A91177, lodged by Cuscal Limited and participating members of the rediATM network of ATMs (collectively, the **Applicants**).

The Applicants are grateful for the opportunity to respond to issues raised in the public consultation process and, as discussed with Tess McRae last week, now enclose a brief supplementary submission in that regard. There is no information contained in the enclosed supplementary submission over which the Applicants make a claim for confidentiality.

Please do not hesitate to contact us if you would like to discuss any aspect of the supplementary submission.

Yours sincerely



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Supplementary submission in support of application for authorisation of rediATM Network direct charging and ATM deployment arrangements

A91175 – A91177

This supplementary submission adopts the definitions used by the Applicants in their submission dated 27 July 2009.

The Applicants wish to respond to issues raised in the public consultation process as follows:

1. Submission by Customers Ltd dated 25 August 2009

The concerns of Customers Ltd appear to be that:

- (a) the benefits described in the Applicants' submission are "*limited directly to the benefits that their own members and customers will receive, rather than a wider public benefits test*"; and
- (b) the proposed conduct "*could influence the decisions of an estimated 20% of all debit card holders, based on the combined cardholder base of the applicants, as to how and where they access cash via the ATM network*"; and
- (c) the "*authorisation of the applications may potentially set a precedent for other large financial institutions to follow...*".

As to the public benefits of the proposed conduct, the Applicants repeat their submissions of 27 July 2009. In addition, the concept of public benefits is given a wide ambit and is not limited to "wider public benefits" as contended by Customers Ltd. Anything of benefit to the community generally is a "public benefit".

The benefits described in the Applicants' submission of 27 July 2009 are each in the nature of benefits to the public, as that term is used in section 90 of the TPA. For example, benefits which flow to millions of cardholders are "public" benefits.

The prospect of the proposed arrangements influencing cardholders as to how and where they access cash via the ATM network is pro-competitive. That is, as outlined in the Applicants' submission of 27 July 2009, the proposed arrangements will place the Applicants in a better position to compete with the owners of larger ATM networks, including Customers Ltd. This has flow-on benefits beyond ATM markets assisting to preserve the economic viability of credit union members of the rediATM network and driving competition in the retail banking market as a whole.

Finally, and in any event, as set out in the Applicants' submission dated 27 July 2009, only about 11% of ATMs in Australia are affected by the proposed conduct. There will remain in the relevant markets in which the Applicants compete, a number of large ATM networks which will continue to constrain the behaviour of the Applicants.

2. Submissions by Vision Australia and Blind Citizens Australia dated 25 August 2009

The concerns of Vision Australia and Blind Citizens Australia relate to potential detriments to a particular class of persons (namely, blind or vision impaired persons) said to flow from the proposed conduct.

The Applicants are acutely aware of the concerns of Vision Australia and Blind Citizens Australia and of the blind and visually impaired persons which they represent.

The Applicants' submissions in respect of the issues raised by Vision Australia and Blind Citizens Australia are as follows:

- (a) any decisions made to relocate or redeploy any NAB or existing rediATM machines will be as part of an overall objective on the part of the Applicants to grow (rather than reduce) the size of the rediATM network, both in terms of numbers of machines and their geographic spread; In this context, although Vision Australia and Blind Citizens Australia contend that a decision to relocate a NAB ATM may impact on vision impaired people in the area in which the ATM was originally located, the Applicants note that there is likely to be a corresponding benefit to vision impaired persons in the new location, as the relocation would provide them with greater access to audio enabled ATMs; and
- (b) In respect of the concerns raised about the history of the Applicants' (other than NAB) in rolling out audio enabled ATMs for use by blind or visually impaired persons, the Applicants are very aware of the concerns of Vision Australia and Blind Citizens Australia and the Applicants other than NAB are aiming to implement their plan for audio enabled ATMs for use by blind or visually impaired persons by early 2011. This plan will assist in addressing the accessibility and functionality questions raised by Vision Australia. (All NAB ATMs are already fully audio-enabled.) The proposed conduct is not and will not be in any way the cause of any delay in such a roll-out. Absent the proposed conduct, such a roll-out would not occur at any more rapid rate than if the proposed conduct were authorised.

This plan will assist in addressing the accessibility and functionality questions raised by Vision Australia.