



6th August, 2012

Head of Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
Sydney NSW 2001

Dear Sir/Madam

Variation to the Access Regime for the ATM System

This letter is in response to the consultation document released by the Bank in May 2012, in relation to proposed changes to the access regime for the ATM system.

The impetus for the proposed changes is an agreement between two ATM deployers and a number of banks that, subject to ACCC authorisation, will lead to fee-free ATMs in up to 85 remote Indigenous communities.

As set out in the Bank's consultation document, residents of remote Indigenous communities pay far more in ATM fees than other Australians. This was also the finding of report released by Financial Counselling Australia in December 2010.

This situation leads to significant financial detriment for people living in these communities. As the ATMs are owned by private providers, it is virtually impossible to avoid these fees. Generally phone and internet banking are not viable alternatives and many local stores charge for EFTPOS transactions. The problem is compounded because many ATSI people are frequent users of ATMs, checking account balances multiple times when a payment is due or withdrawing small amounts of money for budgeting reasons or because of a lack of refrigeration or storage. A large number of residents in remote communities are on low fixed incomes, such as Centrelink benefits. ATM fees eat into their incomes.

FCA therefore supports the proposed changes to the ATM system that will allow the Reserve Bank to grant an exemption for this arrangement, as well as similar arrangements in the future.

We note that the Bank must consider, amongst other factors, the public interest in granting any exemptions. This is clearly an appropriate test.

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The proposed arrangement is clearly in the public interest. Once implemented, the agreement will mean that ATSI people will spend less money on ATM fees and have more money for food and other household expenditure. This should have a positive impact on poverty and disadvantage. The arrangement will not disadvantage other members of the community but instead, is a tangible demonstration of an initiative that will “close the gap”.

Yours sincerely

A handwritten signature in black ink, appearing to read "Fiona Guthrie". The signature is written in a cursive, flowing style.

Fiona Guthrie
Executive Director