


10 February 2006

Dr John Veale  
Head of Payments Policy  
Reserve Bank of Australia  
GPO Box 3947  
SYDNEY NSW 2001

Dear Dr Veale 

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**Draft Access Regime for the EFTPOS Payment System**

I refer to the RBA's invitation to make submissions on its draft Access Regime for the EFTPOS System (the Access Regime) dated 16 December 2005.

*In sum APCA supports the RBA's intention to impose the Access Regime. However APCA is not in a position to express a view on the appropriateness or otherwise of the methodology for calculation of the Access Charge benchmark or the 'no discrimination' interchange fee requirement.*

As the RBA is aware, APCA is in the final stages of developing an access code for EFTPOS that is applicable to institutions that are, or wish to become, direct connectors. That is, institutions that exchange transaction messages between each other directly, as opposed to using the services of a gateway or switch. APCA's access code is intended to operate in conjunction with the Access Regime.

This co-regulatory approach, in which:

1. the Access Regime determines the price that may be charged to connect a new entrant; and
2. APCA's access code prescribes other matters, such as:
  - a. clear eligibility criteria;
  - b. the right of eligible new entrants to connect to existing direct connectors; and
  - c. clear implementation and testing timetables;

is the result of APCA and the current directly connected EFTPOS participants working closely and co-operatively with the RBA.

As such APCA supports the RBA's intention to impose the Access Regime. Having said that, APCA is not in a position to express a view on the appropriateness or otherwise of the methodology for calculation of the Access Charge benchmark or the 'no discrimination' interchange fee requirement.



APCA's members may, of course, have their own views on the Access Regime and, in particular, those matters which APCA is not in a position to express a view on.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Hamilton", is written over a horizontal line.

Chris Hamilton  
**Chief Executive Officer**

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