



Date 16 February 2006

Mr John Veale  
Head, Payments Policy Department  
Reserve Bank of Australia  
65 Martin Place  
Sydney NSW 2000

Dear Sir

**RE: EFTPOS System Reform – AMPF Member Submission**

Your letter of December 14, 2005 to Russell Zimmerman of the Australian Merchant Payments Forum (“AMPF”), invited the submission of relevant information from members of the AMPF to assist in your deliberations in relation to the designation of the EFTPOS system.

Bunnings has a combined acquiring and terminal rental arrangement with its current acquirer. The transactions are communicated to the EFTPOS system by dial up telephone lines.

The total cost of the provision of EFTPOS services to our customers (in terms of the investment in, and the maintenance and operation of, terminals and related infrastructure at the point of sale) is approximately \$920,000 per annum. This comprises a terminal rental cost of \$620,000 per annum (approximately 2,200 terminals) and the telephone line rental cost of \$300,000 (to support 195 stores in Australia). Our arrangements are such that there is little additional information that would provide further insight into our cost structure.

I am happy to discuss this or any other information you may consider relevant to your deliberations.

Yours faithfully

Michael Wedgwood  
General Manager, Finance and Administration