



Restaurant
& Catering

SAVOUR
AUSTRALIA

24 January 2012

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

To Whom It May Concern

Restaurant & Catering Australia (R&CA) thank the reserve Bank of Australia (RBA) the opportunity to provided feed back on the 'Variation to Surcharging Standards' which was initiated by the public consultation in to Credit Card Surcharging mid last year.

R&CA have had the opportunity to view the 'Variation to Surcharging Standards' paper and what this will mean to the industry. In the Associations previous submission, the Association believed surcharging on credit cards may be disproportionate in some industries, however in the hospitality industry it seems to be consistent across the board based on survey data collected around the time of the submission.

Therefore the Association believes there is not enough evidence to enable the RBA to set a cap on surcharging or amend the Standards. Businesses and consumers have adapted to the previous reforms in the Standards on credit card surcharging in 2003 and this created equilibrium in the market.

The Association believes that businesses should have the widest flexibility possible to determine what is "reasonable" and allow businesses to be given the latitude to determine their costs of card acceptance, the Association believes the schemes do not have the commercial knowledge of businesses when setting there prices and what surcharge to apply for the use of the major credit cards, and the banks that have these credit cards should not be given undue authority to determine what prices to set in a competitive environment.

The Association does not believe there is a level of excessive surcharging in the hospitality industry and there for quantifiable reason for the RBA to amend the standards.

Regards

A handwritten signature in dark ink, appearing to read 'John Hart', with a long, sweeping horizontal line extending to the right.

John Hart
Chief Executive Officer

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