



Submission to the Reserve Bank of Australia

Comment on Proposed Changes to EFTPOS Interchange Fee Standard

23 October 2009

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TransAction Resources Pty Ltd

1 Executive Summary

The AMPF believes there is no need for an interim EFTPOS interchange fee standard in order for EFTPOS to remain competitive with scheme debit in the short term. Data provided by AMPF members shows that:

- EFTPOS is growing strongly in the Card Present (CP) segment where it competes directly with scheme debit; and
- around 48% of CP transactions on scheme debit cards are processed as EFTPOS transactions. This means that scheme debit issuers are paying 4.5 cents to the acquirer for almost half their CP transactions. The AMPF estimates issuers earn less than 2 cents on average (not 12 cents) in the CP segment on these cards.

If the Payments System Board believes that some temporary standard is required then the AMPF suggests that bilateral EFTPOS rates should be left as they are and a weighted average cap of zero should be set for multilateral debit interchange fees for both EFTPOS and scheme debit CP transactions. It should be noted that Visa have set their CP debit interchange rate at zero in New Zealand.

The AMPF also has some other concerns with regard to the proposed draft standard. The current EFTPOS standard recognises the potential for EFTPOS interchange fees to be used as a barrier to entry for new acquirers and this is reflected in the current standard which sets both a cap and a floor. This is a key element of the EFTPOS Access Regime and no such safeguard is contained in the new draft standard. Allowing fees to move towards 12 cents payable to the issuer would reduce the income available to new entrants and make their business case much less attractive, particularly for self-acquirers.

Another concern is that the proposed draft standard moves the cap beyond the Board's preferred long-term range should regulation continue. The draft standard also seems to be inconsistent with the Board's long held views on appropriate debit interchange levels and the importance of price signals to the consumer.

Finally, the current scheme debit interchange standard is based on a sub-set of credit card costs. It seems inappropriate to use costs for a different card type, processed over a different network, and from a less efficient scheme as a weighted average cap for EFTPOS.

The AMPF suggests that the Board does not need to act at this time and its proposed draft standard is likely to have a detrimental effect on the debit market.

2 Introduction

The Australian Merchant Payments Forum (AMPF) represents the interests of merchants within the important payments sector of the economy. It is important that the perspective of merchants is considered in addition to those of schemes, issuers, acquirers and cardholders. Merchants invest in payments infrastructure and are an essential component of the payments system. Two of the AMPF members, Coles and Woolworths, are EFTPOS acquirers and members of the Consumer Electronic Clearing System (CECS). They are also represented on the Board of EFTPOS Payments Australia Limited, the new EFTPOS payment scheme.

The Payments System Board of the RBA released a proposal for a transitional change to EFTPOS interchange fees on 22 September 2009, along with a suggested draft standard. The Board has requested comments from interested parties to be submitted by Friday 23 October. This submission from the AMPF is in response to that invitation and makes comments on the transitional proposal and draft standard from the merchant perspective.

Note that all rates and fees in this document are exclusive of GST.

3 Proposed Solution

3.1 Retain Existing Standard

This proposal is for a transitional period (assumed to be around a year or so) only and is primarily intended to ensure that EFTPOS can remain competitive with scheme debit during that period. The AMPF believes that, in the Card Present segment where EFTPOS and scheme debit directly compete against each other, EFTPOS is performing strongly and is more than competitive under the current interchange regime. Some AMPF members have provided their Card Present statistics to allow comparison and analysis of scheme debit versus EFTPOS. These have been aggregated and are provided in Appendix 1. An analysis is included in the Card Present Debit section of this paper.

The figures show that EFTPOS is growing in both transactions and spend in the Card Present segment at a healthy rate compared to scheme debit. This growth has been supported by an increasing proportion of transactions conducted with scheme debit cards being processed across the EFTPOS bilaterals. These are transactions on scheme debit cards where the cardholder selects either [CHQ] or [SAV] at the point of sale and they are processed as EFTPOS transactions across the EFTPOS bilateral links and not via the scheme processing networks. In Financial Year 2009 (FY09) 48% of transactions on scheme debit cards and 53% of spend on these cards were processed through the EFTPOS network. This is the highest proportion since 2003 when this data was first available.

Scheme debit is achieving strong growth in the Card Not Present (CNP) segment (primarily internet and telephone payments) where EFTPOS does not presently compete. It appears to be unlikely that EFTPOS will enter the CNP segment in the next twelve months and therefore it does not appear necessary to change the current pricing regime solely for this reason.

This paper also outlines a number of other issues which the AMPF believes should be taken into account when deciding whether or not to impose an interim standard and what form that standard should take if one is to be imposed. The AMPF supports the principle of moving EFTPOS and scheme debit onto an equal regulatory footing but does not believe the proposed draft standard is the best way of moving towards this goal in the short term.

The AMPF is of the view that, in the segment where EFTPOS competes against scheme debit today, EFTPOS is strongly competitive under the current pricing regime and that no revised standard is required for EFTPOS to remain competitive in the short to medium term.

3.2 Alternative Proposal

As discussed above, the AMPF sees no need for any changes to the current Standard. However, should the Bank decide that it will make changes, the AMPF strongly believes that the proposed Draft Standard is inappropriate for a number of reasons.

There are three distinct debit card transaction types and the AMPF offers this alternative proposal for consideration with three components:

- a Card Present proposal,
- a Card Not Present proposal, and
- a Cash Out proposal.

3.2.1 Card Present (CP) Transactions

The bilateral interchange rate for card present debit transactions, both EFTPOS and scheme debit, should be in the range from 4 cents to 5 cents payable to the acquirer.

The weighted average multilateral interchange rate for card present debit transactions, both EFTPOS and scheme debit, should be capped at zero. The calculation of the weighted average should exclude transactions processed under any bilateral arrangements.

The current bilateral agreements are working well and would take several months, at a minimum, to re-negotiate. There does not seem to be any need to introduce a temporary pricing standard that would require these agreements to be amended only for a relatively short time.

The AMPF recommends that a weighted average cap of zero be introduced for multilateral debit interchange rates for CP transactions. This would fall within the RBA's preferred long-term range (between 5 cents payable to the acquirer and 5 cents payable to the issuer) and would have minimal impact upon scheme debit issuers who earn less than 2 cents per transaction on average today in the CP segment (refer Section 5.2).

Scheme debit issuers and acquirers are specifically allowed to negotiate bilateral agreements between themselves if they wish to do so although the AMPF believes there are none in place in Australia today.

A significant proportion (48%) of transactions on scheme debit cards are conducted across the EFTPOS network and therefore scheme debit issuers are currently paying acquirers between 4 and 5 cents for almost half their card present transactions today (refer Card Present Debit section).

In this environment the AMPF does not see any rationale for allowing EFTPOS and scheme debit interchange to be capped at 12 cents payable to the issuer. Experience demonstrates that interchange rates tend to rise in competition for issuers and therefore the long term trend is likely to see debit interchange increase towards the cap over time. This would increase costs for merchants and therefore also for consumers as merchants seek to recover their increased costs through higher prices.

3.2.2 Card Not Present (CNP) Transactions

The weighted average interchange rate for Card Not Present debit transactions, both EFTPOS and scheme debit, should remain capped at the current level.

At present EFTPOS does not compete in the CNP segment and therefore this is the segment where scheme debit is experiencing the strongest growth.

If EFTPOS actually enters the CNP segment during the effective life of the draft standard then this proposed standard would allow pricing parity at a level determined by the current scheme costs accepted by the Bank.

3.2.3 Cash-out

The current standard for EFTPOS interchange fees specifically excludes any transaction which contains a cash-out component. In contrast, the new draft standard makes no mention of cash-

out (other than as part of the definition of a debit card), and the proposed new interchange fee standard appears to apply to all EFTPOS transactions, including cash-out transactions.

Cash-out transactions are completely different in nature and purpose to purchase transactions, with cash-out effectively providing a banking service. The AMPF believes per transaction fees for cash-out are not interchange fees but represent a fee paid to merchants to provide a banking service. For this reason, and consistent with the existing standard, the AMPF believes that the new standard should also specifically exclude any transaction with a cash-out component.

4 Access

The AMPF believes that the draft standard will have a significant detrimental impact on access. While the EFTPOS Access Regime has eased barriers to entry, the interchange fee structure itself has a major impact on access. For this reason, the Reserve Bank imposed both a cap and a floor on the EFTPOS interchange fee to minimise discrimination against new entrants.

“The EFTPOS interchange Standard imposes a cap and floor on interchange fees in the EFTPOS system for all transactions not involving a cash-out component. The purpose of the floor is ... to limit the scope for negotiations over interchange fees to be used in a way that weakens competition in the system, including from new entrants. In particular, it removes the possibility that new entrants might be offered an interchange fee that significantly disadvantages them compared to existing participants, thereby making it difficult for them to compete.”¹ (emphasis added)

While the existing EFTPOS access standard provides a reasonably level playing field and prevents current acquirers from using differential interchange fees as a barrier to entry, the proposed draft standard removes that safeguard. Under the draft standard, major issuers and acquirers could use their position in the market to negotiate less favourable interchange rates with specialist organisations wishing to enter the market.

This is particularly important in the area of self-acquiring. Currently there are two major EFTPOS self-acquirers in the market (Coles and Woolworths) and the value of having major merchants as active members of CECS is substantial. These organisations have been actively involved in the many facets of the CECS operation, including the areas of security, transaction processing and providing a merchant and consumer perspective.

It is important, not just for EFTPOS but for the health of the overall reform process, to encourage new acquirers and self-acquirers into the market. This will increase competition, lower prices and encourage innovation.

The economics of self-acquiring are significantly impacted by the interchange fee. The current negative interchange fee arrangements for EFTPOS allow merchants who wish to self-acquire to earn an income stream to help fund the large investment needed to implement and operate a secure switch and settlement system. Without this income stream the business case for self-acquirers would be weakened significantly and may even have precluded the entry of existing self-acquirers into the market.

The AMPF believes that access is a crucial issue and the impact on barriers to entry alone is sufficient reason not to proceed with the draft standard and to retain the existing standard.

¹ *Payments System Board Annual Report 2006*, Reserve Bank of Australia, p.18.

5 Card Present Debit

5.1 Debit Card Usage

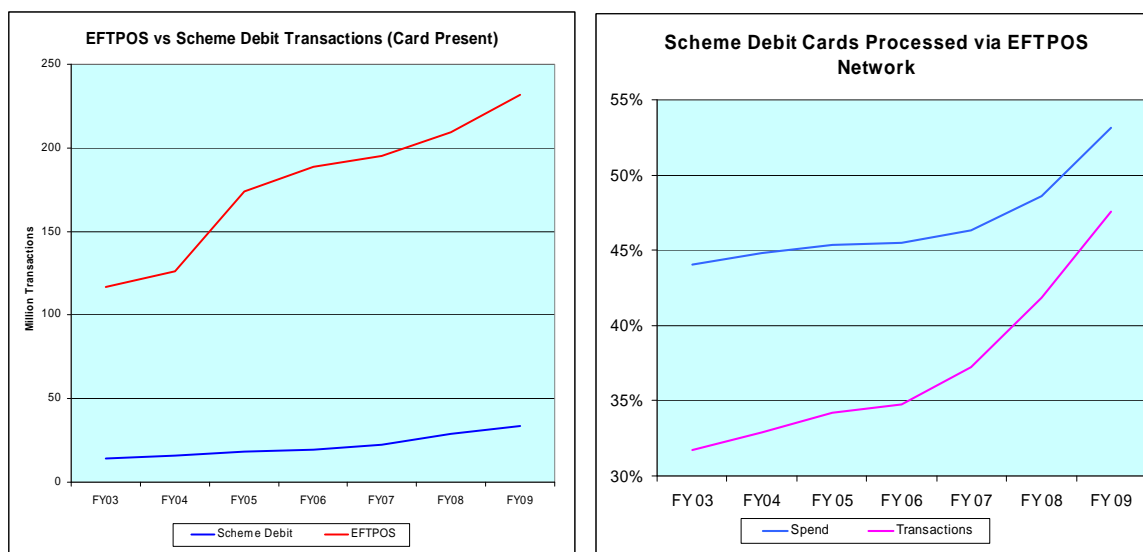
Data on card present debit card transactions were collected from a number of AMPF members and tables containing consolidated data are attached in Appendix 1.

During the 2007, 2008 and 2009 financial years scheme debit spend has increased by \$806 million while EFTPOS spend has increased by \$2.17 billion over the same period. The largest difference has been in the most recent year. During these same financial years, scheme debit transactions have increased by 13.8 million while EFTPOS transactions have increased by 43.2 million over the same period. Again, the largest difference has been in the most recent year.

Surprisingly, but importantly, the proportion of spend on scheme debit cards processed through the EFTPOS network has increased steadily from 44% in 2003 to 53% in 2009. Similarly, **the proportion of transactions on scheme debit cards processed as EFTPOS transactions has increased steadily from 32% in 2003 to 48% in 2009.** This means that the issuers of scheme debit cards are paying between 4 cents and 5 cents to the acquirer for almost half the transactions conducted with these cards.

A direct comparison between July 2008 and the same month in 2009 shows that scheme debit spend increased by \$43 million whereas EFTPOS debit spend increased by \$305 million. The number of scheme debit transactions increased by 0.9 million whereas the number of EFTPOS debit transactions increased by 5.4 million.

The graphs below demonstrate clearly the growth in EFTPOS usage relative to scheme debit as well as the growth in transactions and spend on scheme debit cards being processed via the EFTPOS network.



EFTPOS and Scheme Debit Card Present Transactions ²

² Data from a number of AMPF merchants.

The AMPF believes these comparative statistics show that EFTPOS is more than competitive against scheme debit in the Card Present segment where they compete directly against each other. **The AMPF does not believe that changes to the current interchange standards are required, as an interim measure, to ensure that EFTPOS continues to be competitive until the long-term measures are put in place by the RBA.**

Assuming that the RBA will be in a position to decide the long-term debit interchange position within the next year or so, **there seems to be no pressing reason to introduce an interim arrangement.**

5.2 Card Present Interchange Fee

In its recent consultation document the RBA states that “... a transaction on a scheme debit card attracts, on average, around 17 cents more interchange revenue for an issuer than an equivalent transaction using the EFTPOS system.”³

As discussed earlier, Card Present is the only segment of the debit market where EFTPOS and scheme debit compete head-to-head as EFTPOS is not yet in the Card Not Present segment. The above quote does not take into account the 48% of card present transactions on scheme debit cards which are processed via the EFTPOS network and the impact this has on net issuer revenue in this category. For these transactions on scheme debit cards, the issuer is actually paying between 4 cents and 5 cents to the acquirer. For transactions passing through the scheme debit network, the issuer receives interchange income at a rate between approximately 3.6 cents and 9.1 cents (GST exclusive), depending upon the scheme and the merchant.

It is clear from this pricing data that, in the Card Present segment, scheme debit cards do not earn their issuers anywhere near 12 cents per transaction. The AMPF has calculated the average income on scheme debit cards is less than 2 cents for card present purchase transactions. It seems likely that issuers earn less than 7 cents more revenue for a transaction on a scheme debit card than for a transaction on an EFTPOS card within the Card Present segment of the debit card market.

The statement that scheme debit card issuers, on average, earn 17 cents more than for an equivalent EFTPOS transaction is clearly incorrect for that segment within the market where EFTPOS and scheme debit cards actually compete. For this reason, the AMPF believes that any new debit interchange standard, if implemented, even as a transitional measure, should distinguish between the Card Present and Card Not Present segments as they have very different characteristics and also very different pricing.

6 Transitional Solution

The Bank has stated that the proposed draft standard “*would be transitional and ensure that the EFTPOS system was not at a competitive disadvantage to the scheme debit systems while the Board reached a final decision on future regulation.*”⁴

The AMPF understands the Bank sees the eventual solution for debit card interchange fees as being one of two options:

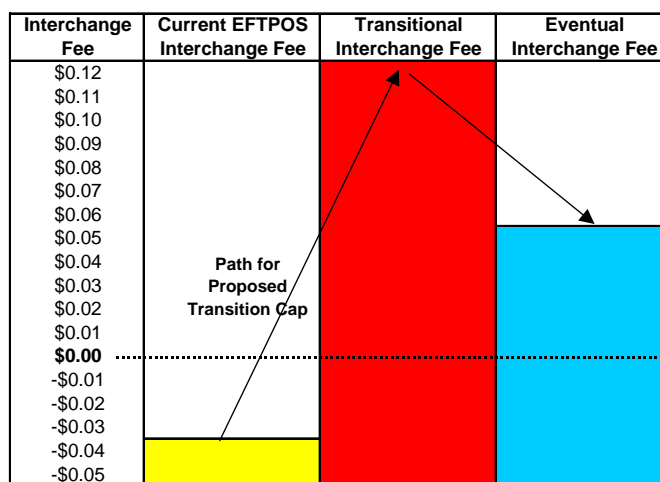
³ Consultation on Proposed Changes to the EFTPOS Interchange Fee Standard, Reserve Bank of Australia, September 2009.

⁴ Ibid.

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- deregulation of all interchange fees, or
- should the Bank decide the continuation of regulation of interchange fees is necessary, then *“the weighted average of [debit card] interchange fees [would] be constrained to be between 5 cents paid to the issuer and 5 cents paid to the acquirer”*.⁵

Assuming regulation of interchange fees does continue, for whatever reason, then the proposed draft standard does not make sense. EFTPOS interchange is currently regulated to between 4 cents and 5 cents per transaction paid to the acquirer, which already sits within the target range of the eventual solution. On the other hand, the proposed interchange fee cap in the draft standard sits well outside the end solution (see diagram below). The AMPF does not understand how moving to this could in any way be considered a sensible transition to the eventual rates.



7 Consistency

The AMPF believes that the proposed change to EFTPOS interchange fees is not consistent with the stance the Bank has held throughout the reform process on a number of issues, including:

- the appropriate level of debit interchange fees, and
- the desire to ensure cardholders receive the correct price signals.

Consistency of approach is a critical element in the ongoing success or otherwise of the reform process. All parties must have confidence that the Bank is approaching issues with a uniform methodology and must be clear in their understanding of the long term direction the Bank is taking. Thus, the lack of consistency in this proposed change to the EFTPOS interchange fees is of great concern.

7.1 Debit Interchange Fees

The RBA has consistently argued over many years that it sees no argument in favour of interchange fees in either direction for debit cards. The proposed change to the EFTPOS

⁵ *Reform Of Australia's Payments System - Conclusions of the 2007/08 Review*, Reserve Bank Of Australia, September 2008, p.ii.

interchange fee is completely inconsistent with that long held view, and in fact moves the cap further away from zero, rather than closer.

In 2000, the Joint Study stated:

*“The study has not found a convincing case for an interchange fee in the debit card network in Australia, in either direction.”*⁶

This stance was repeated in the Payments System Board’s (PSB) annual reports of 2001⁷, 2002⁸, and 2003⁹ as well as in a number of discussions held between various AMPF members and the Bank.

Early in 2002, the RBA instigated the EFTPOS Industry Working Group (EIWG). The EIWG subsequently released a discussion paper¹⁰ which eventually led to a request by a number of members of the EIWG to the ACCC for authorisation for zero interchange. This request for zero interchange was actively supported by the Reserve Bank¹¹.

Finally, as the Joint Study noted:

*“The absence of interchange fee revenues to issuers has not constrained the issuance of debit cards and their use at point-of-sale in Australia. On the contrary, the use of debit cards has grown strongly. The debit cards on which the network is based had been issued by financial institutions to allow their customers access to ATMs; there has been no need to provide further incentives for their issue.”*¹². (emphasis added)

This statement is equally valid today **with EFTPOS usage having continued to increase strongly without the need for issuers receiving interchange fee income.**

The AMPF believes the draft standard with its much higher interchange fee cap is incompatible with the statements the Bank has expressed over a long period. As discussed later in this paper, the Bank is unable to actually set a price, be it zero or at any other level. However, a cap of zero for a debit card MIF, be it EFTPOS or scheme debit, would fit far more closely with the Bank’s long held views than the proposed interchange fee cap in the draft standard.

7.2 Price Signals

The RBA has consistently said it is concerned about price signals and this has been one of the major issues the Bank has addressed in its reform process.

*“Specifically, the reforms aim to promote more efficient price signals to issuers and cardholders, ...”*¹³

⁶ *Debit and Credit Card Schemes in Australia - A Study of Interchange Fees and Access*, Joint Study by the RBA and ACCC, October 2000, p.68.

⁷ Page 21.

⁸ Page 16.

⁹ Page 18.

¹⁰ *Discussion Paper: Options For EFTPOS Interchange Fee Reform*, EFTPOS Industry Working Group, July 2002.

¹¹ *“Banks, building societies and credit unions have recently applied to the ACCC for authorisation of a proposal to reduce debit card interchange fees to zero. The Board strongly supports this proposal,”* (emphasis added) *Payments System Board Annual Report 2002*, Reserve Bank of Australia, p.16.

¹² *Debit and Credit Card Schemes in Australia - A Study of Interchange Fees and Access*, Joint Study by the RBA and ACCC, October 2000, p.68.

¹³ *Reform of the EFTPOS and Visa Debit Systems in Australia - Final Reforms And Regulation Impact Statement*, Reserve Bank of Australia, April 2006, p.9.

However, the AMPF believes the proposed standard will increase costs for merchants and these costs will eventually flow through to consumers in the form of higher prices for all consumers. On the other hand, the proposed standard is unlikely to result in decreased costs for cardholders as the vast majority of cardholders currently pay no EFTPOS transaction fees. Even if banks reduced other fees, this would not result in correct price signals as such reductions would not be reflected in prices at the point of sale.

We believe the proposed changes will be counterproductive to the Bank's excellent work on improving price signals in the reform process to date. This proposed change to EFTPOS interchange fees will increase prices with no likelihood of these increases being reflected in the end-price to the customer based on the payment method he/she will use.

The Bank has stated on a number of occasions that it believes interchange fees distort price signals to cardholders, and yet it is proposing to allow a significant increase in the EFTPOS interchange fee.

8 Methodology

The use of a subset of the costs from the credit card standard for different networks and different payment systems seems entirely inappropriate as a basis for determining the EFTPOS interchange fee. If the methodology for determining a cap for EFTPOS is to be based on eligible costs covering the processing and authorisation of transactions, then the costs involved in the EFTPOS system should be used, not some costs which bear no relevance at all to EFTPOS.

The current EFTPOS interchange fee standard uses a methodology based on the acquirer's costs, as follows:

"Eligible costs are those directly related to processing and switching EFTPOS transactions incurred by an acquirer or self-acquirer when performing the business responsibilities usually undertaken by an acquirer."¹⁴ (emphasis added)

The AMPF believes the new standard should use a methodology consistent with the existing Standard. However, it is prepared to accept a move to a cap of zero for a debit card MIF for card present transactions. In line with the Bank's desire "*to ensure that competition between EFTPOS and scheme debit is conducted on a level playing field*", the AMPF believes the scheme debit MIF should also be capped at zero for card present transactions. This would allow both schemes to compete on a level basis, without any distortions from high interchange fees, as proposed in the draft standard, which would inevitably push up costs for debit cards overall.

9 Increased Costs

The proposed changes would allow EFTPOS interchange to potentially increase to 12 cents per transaction paid by the acquirer to the issuer. If we assume the average EFTPOS interchange fee is currently 4.5 cents per transaction paid by the issuer to the acquirer, then there is potential for a 16.5 cents per transaction increase (excluding cash-out transactions).

¹⁴ Gazette Notice for Standard for Setting Interchange Fees in the EFTPOS System, Reserve Bank of Australia, 24 April 2006.

Should this scenario arise, then, based on current transaction levels, the proposed change would add around \$230 million each year to costs on the acquiring side of the business by transferring this amount to the issuing side. The AMPF believes issuers would retain most of this income as the vast majority of cardholders do not presently pay transaction fees, thereby strongly limiting any flow-on of benefits to cardholders.

The AMPF is concerned that moving income from the acquiring side of the business to the issuing side will be to the detriment of the EFTPOS system overall, as it is in the acquirer platforms and processing network (eg COIN) where investment is required to replace ageing legacy processing systems and to lower barriers to entry.

10 International Comparisons

The Bank has argued that the domestic debit schemes with the highest usage are those with no interchange fees at all, including Canada and the Netherlands¹⁵. The successful ec-Karte domestic debit card in Germany also has no interchange fee.

Probably the most successful domestic debit card program in any country, in terms of usage, is New Zealand's EFTPOS system. In 2003 the RBA released a table comparing the usage of various payment instruments in 11 major countries¹⁶. Of these countries, New Zealand had the highest debit card usage in terms of transactions per head of population, some 75% higher than the second placed Canada. Since then EFTPOS has continued to grow strongly with the number of EFTPOS transactions in New Zealand increasing by almost 50% between 2003 and 2007¹⁷.

Typically, in the New Zealand retail environment, cards account for around 60% of spend¹⁸, with EFTPOS accounting for around 83% of combined credit and debit card purchase transactions¹⁹. This pre-eminent position has been achieved with EFTPOS interchange fees either at zero (between ETSL banks) or with negative interchange (between ANZ and ETSL banks). **This is analogous to implementing a zero cap on EFTPOS multilateral interchange fees in Australia with the ability for parties to negotiate bilateral negative interchange fees below this level should they so desire.**

What is of particular interest in New Zealand is that **Visa Debit has no interchange fee for electronic card present transactions**, although there is an ad valorem fee of 0.39% for card not present transactions. Visa in New Zealand has voluntarily agreed that all card present transactions on Visa Debit cards will be processed via the EFTPOS network and therefore will attract no interchange fee and we see no reason why they should object to a zero interchange cap in Australia, given the strong similarities between the markets. The major banks in New Zealand are the same banks as in Australia, as are the card schemes, and **there is no doubting the success that has been achieved in terms of debit card penetration based on a maximum interchange fee of zero.**

¹⁵ For example, refer *Payments System Board Annual Report 2001*, Reserve Bank of Australia, p.21 and Reasons for the Decision to Designate the EFTPOS Payment System, Reserve Bank of Australia, 14 October 2004, paras. 61 and 63.

¹⁶ *The Changing Australian Retail Payments Landscape*, Reserve Bank of Australia Bulletin, July 2003, p.3.

¹⁷ *Payment and Settlement Systems in New Zealand*, Reserve Bank of New Zealand, March 2008, Table 8, p.35.

¹⁸ *Electronic Card Transactions: September 2008*, Statistics New Zealand, 20 October 2008, p.10.

¹⁹ *Comparison Of Payment Methods (Non-Cash) 2002 To 2007*, New Zealand Bankers' Association, www.nzba.org.nz.

Appendix 1 – Card Present Debit Statistics

The following are consolidated Card Present data provided by some AMPF members. Some AMPF merchants have provided both scheme debit and EFTPOS transaction volume and spend data each month for the period from July 2008 to July 2009 to allow comparison over that period of time. In addition, some merchants have provided annual transaction and spend data for scheme debit and EFTPOS for the financial years 2003 through 2009.

Some merchants have provided annual statistics showing the number of transactions on scheme debit cards conducted via the EFTPOS network from 2003 through 2009. These are transactions where the scheme debit cardholder has selected either the [CHQ] or [SAV] account option. These transactions on scheme debit cards are subject to the EFTPOS interchange pricing where the issuer pays the acquirer between 4 cents and 5 cents per transaction.

Year	Scheme debit				EFTPOS			
	\$ millions	\$ growth	trans millions	trans growth	\$ millions	\$ growth	trans millions	trans growth
FY 03	775		14.0		5,400		117.0	
FY 04	912	137	16.1	2.1	6,145	745	126.2	9.2
FY 05	1,059	147	18.1	2.0	8,161	2,016	173.7	47.5
FY 06	1,154	95	19.7	1.6	9,371	1,210	188.8	15.1
FY 07	1,330	176	22.6	2.9	9,454	83	195.1	6.3
FY 08	1,689	359	28.9	6.3	10,388	934	209.6	14.5
FY 09	1,960	271	33.5	4.6	11,537	1,149	232.0	22.4

Table 1: Scheme debit vs EFTPOS 2003 - 2009

Note that the EFTPOS figures in Table 1 above include transactions on scheme debit cards conducted across the EFTPOS bilaterals. The scheme debit figures only include transactions conducted through the scheme payment networks. The EFTPOS spend figures include cash out transactions.

Year	Total scheme debit		Scheme cards via EFTPOS network			
	\$ millions	trans millions	\$ millions	\$ %	trans millions	trans %
FY 03	1,385	20.5	610	44	6.5	32
FY 04	1,653	24.0	741	45	7.9	33
FY 05	1,938	27.5	879	45	9.4	34
FY 06	2,118	30.2	964	46	10.5	35
FY 07	2,478	36.0	1,148	46	13.4	37
FY 08	3,284	49.7	1,595	49	20.8	42
FY 09	4,184	63.9	2,224	53	30.4	48

Table 2: Transactions on scheme debit cards processed via EFTPOS 2003 - 2009

Table 2 shows the total Card Present spend and transaction volume conducted with scheme debit cards from 2003 to 2009 compared to the spend and volume processed via the EFTPOS bilaterals on scheme debit cards.

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Month	Scheme debit				EFTPOS			
	\$ millions	\$ growth	trans millions	trans growth	\$ millions	\$ growth	trans millions	trans growth
Jul 08	298.44		4.95		2,645.54		43.18	
Aug 08	297.19	-1.25	4.95	0.00	2,469.45	-176.09	39.64	-3.54
Sep 08	300.11	2.92	4.97	0.02	2,468.09	-1.36	39.85	0.21
Oct 08	313.26	13.15	5.20	0.23	2,784.59	316.5	45.73	5.88
Nov 08	321.74	8.48	5.30	0.10	2,605.52	-179.07	41.89	-3.84
Dec 08	444.92	123.18	6.74	1.44	3,499.34	893.82	52.90	11.01
Jan 09	326.51	-118.41	5.57	-1.17	2,698.99	-800.35	44.15	-8.75
Feb 09	289.91	-36.6	5.03	-0.54	2,453.17	-245.82	40.87	-3.28
Mar 09	351.29	61.38	5.96	0.93	2,768.27	315.10	44.39	3.52
Apr 09	356.88	5.59	5.99	0.03	2,976.63	208.36	48.06	3.67
May 09	365.34	8.46	6.24	0.25	2,734.20	-242.43	44.56	-3.50
Jun 09	341.56	-23.78	5.83	-0.41	2,601.56	-132.64	42.50	-2.06
Jul 09	341.47	-0.09	5.83	0.00	2,950.33	348.77	48.61	6.11

Table 3: Scheme debit vs EFTPOS, July 2008 to July 2009

Table 3 shows monthly variations and growth comparing Card Present scheme debit transactions and EFTPOS transactions. The EFTPOS numbers include transactions on scheme debit cards processed via the EFTPOS network.

Month	Scheme debit				EFTPOS			
	\$ millions	\$ growth	trans millions	trans growth	\$ millions	\$ growth	trans millions	trans growth
Jul 08	298.44		4.95		2,645.54		43.18	
Jul 09	341.47	43.03	5.83	0.88	2,950.33	304.79	48.61	5.43

Table 4: Scheme debit & EFTPOS, July 2008 vs July 2009

Table 4 shows the direct comparison between July 2008 and the same month in 2009. Scheme debit spend increased by \$43 million whereas EFTPOS spend increased by \$305 million. The number of Card Present scheme debit transactions increased by 0.9 million whereas the number of EFTPOS transactions increased by 5.4 million.