



17th November 2017

Mr Gavin McNeill
Adjudication
Australian Competition and Consumer Commission
Canberra

Dear Mr McNeill

ACCC Draft Determination (26th October 2017) re the continuation of an arrangement to provide fee-free ATM balance enquiries and withdrawals in selected very remote Indigenous communities

Our organisations - Financial Counselling Australia (FCA), the Consumer Action Law Centre (Consumer Action) and the Indigenous Consumer Assistance Network (ICAN) – recently provided a joint submission to the ACCC in response to an application for authorisation by the Australian Bankers Association in relation to the above. We are writing now in response to the release by the ACCC of its draft determination.

Overall comments

The ACCC proposes to re-authorise the agreement on the basis that the public benefits outweigh what is likely to be minimal public detriment. Our organisations support this conclusion and the reasoning used by the ACCC in coming to this position.

The ACCC's draft determination accurately assesses and weighs up the public benefits and detriments from the arrangement. As our original submission outlined, the high cost of unavoidable ATM fees in remote Indigenous communities has a detrimental impact on people living in these locations. High fees are reducing already meager incomes and this leaves less money for food and living expenses. Access to account balance information is also a common way in which Indigenous consumers manage their money and high charges for this service make this more difficult.

As this arrangement has now been in place for five years, the evidence about its operation to date is also compelling. This includes that:

- while ATM usage in the general population has declined by 5%, the decline in remote communities involved in the arrangement is about half of this at 2.4%. This strongly suggests the ongoing need for the arrangement, given there are so few alternatives
- the Traditional Credit Union has in fact expanded the number of ATMs it provides and that these are now fee-free, and
- the existence of the arrangement introduces some competitive tensions that reduce opportunities for exploitation by stores also charging high EFTPOS fees.

Specific provisions

The draft determination includes a number of provisions that we wish to comment on and support in particular.

First, the proposed authorisation is for ten years, not five. Given the clear public benefits and that access to banking services in remote communities is unlikely to change dramatically, this longer period is a common sense approach.

Second, the determination allows for new ATM deployers to be added, including the TCU. This is also a very sensible approach and will encourage competition.

Third, the determination does not put any limit on the number of ATMs that may be included. This aspect is strongly supported and will potentially address the current inequitable situation that some communities are included, but others with exactly the same problems, are excluded. Fixing these inequities was a very strong theme in the comments we received from the financial counsellors and capability workers operating in remote communities when we prepared our original submission in relation to the authorisation.

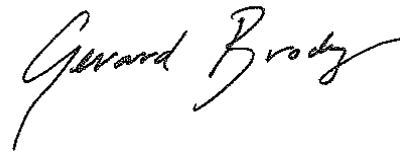
At the heart of this arrangement is the very welcome commitment from the banking industry to do the right thing by Australia's first peoples and provide fair and affordable access to banking services. Our organisations, and the clients we assist, are very grateful for this support and will continue to say this publicly.

It is really concerning however that some Indigenous consumers continue to pay ATM fees they can ill afford. It is wholly consistent with the intent of the authorisation that it is not artificially limited. Instead there will now be an opportunity to fix the existing problems in a comprehensive way.

Yours sincerely



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