



## Steven Ciobo MP

Federal Member for Moncrieff

Mr L & Mrs D Guillet  
Newsxpress Nerang  
Shop 15, 74 Beaudesert-Nerang Rd  
NERANG QLD 4211

8 April 2011

Dear Mr & Mrs Guillet

Thank you for your recent letter highlighting your concern with proposed changes to the fee structure for the EFTPOS debit system by EFTPOS Payments Australia Limited (EPAL).

Your frustration with the difficult trading environment is one I share. Having spoken with hundreds of operators as the former Shadow Minister for Small Business and many more in the local electorate, I genuinely understand the pressures faced by independent retailers; high rents, powerful suppliers and fickle consumer sentiment.

From my perspective, any increase to the cost of doing business is ill-timed given the broader implications of Labor's reckless and debt-fuelled spending. With interest rates higher than they would otherwise be, shoppers are certainly more price sensitive and may not be in a position to support their local stores.

Regarding electronic transaction fees specifically, you would be pleased to learn the Coalition has closely monitored developments since the establishment of EPAL as a separate entity in 2009.

Following EPAL's announcement of new fees, the Shadow Minister for Small Business, Competition Policy and Consumer Affairs, the Hon Bruce Billson MP, proposed to the Reserve Bank and regulators that banking fees be reduced for small businesses as compensation for any cost increase.

As a member of the Coalition team, I trust this proposal will be given due consideration when EPAL's operating license is next renewed.

Thank you again for taking the time to bring this issue to my attention. Please feel free to contact me should I be able to assist with any further concerns.

Yours sincerely



**Steven Ciobo MP**  
**Federal Member for Moncrieff**  
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**Electorate Office**  
67 Thomas Drive  
Chevron Island Qld 4217  
PO Box 4922  
Gold Coast MC Qld 9726  
T (07) 5504 6000 F (07) 5504 6944  
[stevenciobo.com](http://stevenciobo.com)



## THE HON BRUCE BILLSON MP

Shadow Minister for Small Business,  
Competition Policy and Consumer Affairs  
Federal Member for Dunkley

31 March 2011

### **EFTPOS 'cost shift and double dip' set to cost small business \$40 million annually**

The big banks and big retailers will gouge another \$40 million out of small businesses and family enterprises unless bank charges are reduced to offset new EFTPOS transaction fees sanctioned by the Gillard Labor Government.

Unless the planned new transaction fees are fully offset by reductions in business banking fees, the creation of EFTPOS as a separate business will amount to an audacious cost shift and double dip.

The Coalition calls on the big banks to reduce small business banking costs and fees by an amount equivalent to the new revenues created by 'spinning off' EFTPOS to ensure that the creation of the new business is not simply a 'cost shift and double dip'.

Australia's big banks continue to promote EFTPOS as a convenient way for account holders to access their funds.

But changes approved by the Reserve Bank will see this convenience come with new merchant transaction fees to fund the new standalone business that now runs the popular EFTPOS debit payment system.

The decision by the big banks and big retailers to move its jointly operated EFTPOS payment system into a separate business with new annual revenues in excess of \$40 million, will add to small business and consumer costs while relieving the current owners of operating expenses.

A change to EFTPOS from an embedded business banking facility bundled into the banking service paid for by small businesses, to an explicit standalone service with its own transaction charges should rightly be accompanied by reductions in business banking fees and charges.

To not see a commensurate cost saving that offsets the new per-transaction EFTPOS fees will amount to a gouge on small businesses and consumers.

Without guaranteed offsets and savings to business banking fees and charges, setting up EFTPOS as a separate business will simply be a Gillard government endorsed further boost to banking profits via another slug on cash-strapped small business and a further cost of living increase on consumers and households.