

Australia Post Submission:

Australia Post provided a confidential submission which sought as key outcomes of the review process, equitable pricing and access to efficient debit and credit card clearing services. They submitted that there are currently barriers to competition that the banks have been able to maintain through continuation of (or limitation of access to, as the case may be) current payments clearance systems.

Australia Post believes that a successful conclusion to the enquiry will be an important factor in the creation of a "level playing field" in the bill payments processing market in which it competes against the banks. Australia Post contends that it is disadvantaged because banks are able to offer BPAY customers lower credit card merchant fees, based on a common agreement between scheme participants to process these transactions as "card present" at a lower interchange rate. This is despite, Australia Post says, bill payment transactions acquired by its service carrying no more risk than those accepted by the banks and adhering to all technical and audit requirements.

Australia Post's submission provided confidential information about the size of its bill payment business and its current banking arrangements. It also discussed the competitive disadvantages it currently faces and commented on what it believes is a related need to overhaul debit interchange arrangements as another key desired outcome from the review.