

Director  
Payment System and Strategy Unit  
Financial System Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Dear Sir/Madam

**RE: REFORMS TO THE PAYMENT SYSTEMS (REGULATION) ACT 1998 (CTH)**

We write to you in relation to the first consultation paper on Reforms to the *Payment System (Regulation) Act 1998* (Cth) (**Consultation Paper**).

While this submission does not directly address the proposed reforms set out in the Consultation Paper, we set out a number of key considerations which have been raised by the ATM Industry in relation to reform of the framework environment relating to the payment system.

The ATM Industry provides its in principle support for modernising the regulatory framework of Australia's payment system. There is no doubt that as new technologies have been developed, the legislation which governs payments have failed to keep pace. The ATM industry draws your attention to the importance of ensuring that cash remains an accessible and universally accepted method of payment. Cash is a crucial part of Australia's payment system as it has no barriers to access, promotes resilience in the payment system, and not prone to cyber-attacks. Any serious consideration of the future of Australia's payment system should include a pathway to secure the future of cash as a long-term payment option.

Regarding the scope of reform, the ATM Industry raises significant concerns in relation to undisclosed and excessive merchant fees. At present, there is no regulatory oversight of these fees at point-of-sale terminals. We strongly recommend that the review of the framework surrounding Australia's payment system looks into increasing regulatory oversight transaction fees at point-of-sale terminals, particularly with regard to merchant fees.

Finally, we take this opportunity to re-iterate the importance of cash in Australia's payment system. It has, and always will be the most reliable, secure and accessible form of payment available.

Thank you for your consideration. Please do not hesitate to contact us to discuss this submission further.

Sandra Smith Ex Director ATMIA