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### MEDIA RELEASE

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#### **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.

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