



RESERVE BANK OF AUSTRALIA

PAYMENT SYSTEMS (REGULATION) ACT 1998

EXEMPTION NO. 1 OF 2017

EXEMPTION FROM PARAGRAPH 11 OF THE ACCESS REGIME FOR THE ATM SYSTEM

The Reserve Bank of Australia, under paragraph 16 of the Access Regime for the ATM System (**Access Regime**), exempts participants in the arrangements for the provision of fee-free balance enquiry services at ATMs for people who are using the Cashless Debit Card described below from the application of paragraph 11 of the Access Regime, on and subject to the conditions in this exemption.

Indue Limited (the **Issuer**) is the provider of welfare restricted bank accounts, and the issuer of debit cards used to access those accounts other than to obtain cash (**Cashless Debit Cards**), for the purposes of the trial of cashless welfare arrangements provided for in Part 3D of the *Social Security (Administration) Act 1999*.

The **Issuer** has entered into or proposes to enter into an arrangement with each of Westpac Banking Corporation and DC Payments Limited (each an **ATM Deployer**) for the provision of fee-free balance enquiry services at ATMs for the holders of Cashless Debit Cards.

This exemption, granted following approval by the Payments System Board at its August 2016 meeting, exempts from the application of paragraph 11 of the Access Regime any interchange fee (however described) paid or payable between the Issuer and an ATM Deployer in relation to the use of a Cashless Debit Card under a bilateral arrangement between the Issuer and the ATM Deployer.

This exemption:

- (a) applies only to interchange fees payable in relation to balance enquiries made using Cashless Debit Cards and does not apply to any other products or services of the Issuer or any other arrangements between the Issuer and an ATM Deployer;
- (b) subject to paragraph (c), ceases if Part 3D of the *Social Security (Administration) Act 1999* is repealed or amended in any material respect. An amendment is material if it has a significant impact upon the assessment of factors referred to in paragraphs 16(a) to (d) of the Access Regime. Changes that may have such an impact include an increase in the maximum number of Cashless Debit Cards, or in the maximum number of trial areas, above the relevant maximum number permitted under Part 3D of the *Social Security (Administration) Act 1999* as at the date of this exemption; and
- (c) paragraph (b) will not affect interchange fees in respect of a Cashless Debit Card issued prior to this exemption ceasing under paragraph (b) while that Cashless Debit Card remains on issue in accordance with arrangements between the Issuer and the Commonwealth of Australia.

In granting this exemption, the Reserve Bank of Australia has had regard to:

- (a) whether granting the exemption is in the public interest;
- (b) the interests of current participants in the system;

- (c) the interests of people who, in the future, may want access to the system; and
- (d) any other matters the Reserve Bank of Australia considers relevant.

This exemption is taken to have commenced on 1 January 2017.

Signed

Philip Lowe
Governor
Reserve Bank of Australia
23 March 2017