



Australian Government

Department of the Prime Minister and Cabinet
Office of Best Practice Regulation

Reference: 16169
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Dr Anthony Richards
Head of Payments Policy
Reserve Bank of Australia

Dear Dr Richards

Details-Stage Regulation Impact Statement – Variation to the MasterCard and Visa Access Regime

Thank you for forwarding the details-stage Regulation Impact Statement (RIS) for the above proposal for final assessment on 20 February 2014. I note that you have formally certified the details-stage RIS as required by the best practice regulation requirements.

The OBPR assesses details-stage RISs for consistency and adequacy – consistency relate to following the prescribed process and adequacy relates to the quality of the analysis. I note our comments of 12 February 2014 on the initial draft have been appropriately addressed, as you confirmed in your letter certifying the final version of the RIS.

I note the agency has been consistent with the RIS guidelines, having twice provided a certified details-stage RIS (addressing all seven elements) to the OBPR for the two-pass assessment before the decision-maker considers the RIS.

I note that the details-stage RIS is adequate as it does not contain obvious errors and has a degree of detail and depth of analysis that is commensurate with the magnitude of the problem and the size of the potential impact of the proposal – the Office of Best Practice Regulation (OBPR) considers that the RIS is a category ‘C’ RIS, reflecting that the issue is of medium significance in the broader economy with measurable competition impacts.

I note that the regulatory cost estimates have been agreed with the OBPR.

I note the problem outlined in the RIS relates to unnecessary regulatory restrictions on firms who can participate in a card regime and that the objective is to remove these restrictions. I also note that three options, including the status quo, were considered.

I note that the most noticeable impact will be improved competition in the card issuing and acquiring markets and the flow-on benefits that result from this. I also note that the existing card schemes bear additional costs in admitting new types of members, but they would only do so where there is a net benefit to them.

I note that industry is generally supportive of this proposal.

Consistent with the best practice regulation requirements I note that an options-stage RIS has been prepared; assessed by you and published.

The Office of Best Practice Regulation (OBPR) maintains a RIS website and the Government requires that details-stage RISs be posted within 5 business days of a regulatory decision being publicly announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the details-stage RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*. We suggest liaising with your web services team to ensure these guidelines are met. The OBPR should be consulted if the details-stage RIS is amended. It is the agency preparing the RIS, not the OBPR, which is responsible for the content of the published details-stage RIS.

The website provides a public comment facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate.

Please retain this letter as a record of the OBPR's advice. Our reference number for this issue is 16169. If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation

27 February 2014