

1.11 QON: Hansard, p19-20

Mr KEOGH: So, with products that are using your ATMs, you defray that cost across both your own customers and non-NAB customers.

Mr Cahill: Yes, we do.

Mr KEOGH: Do you do that on a proportionate basis of estimated use of the network?

Mr Cahill: I would have to come back to you on the precise accounting methodology that is used.

Mr KEOGH: Are you saying that therefore that \$2 charge is reflective of the marginal additional cost to you for providing that service to a non-NAB customer?

Mr Cahill: No, I am not saying that. I am saying I would have to talk to the team who have worked out the marginal cost. They would have an understanding of that. But what I can say is that we believe the fee is fair and reasonable. We believe that customers of other institutions have access to their ATMs. Customers are increasingly moving away from ATMs and, as Andrew has pointed out, customers are now also using supermarkets, for example. He mentioned they take cash out et cetera.

Mr KEOGH: No, I understand all of the options. I just want to understand that cost base. But I will flag that I would like to put all those questions for you to take on notice, because that would be useful information for us to have.

ANSWER: Internal allocated costs on a per transaction basis are not calculated on a proportionate basis of estimated usage of the network. Estimated costs are calculated based on fixed and variable costs for the provision and use of the network and are consistently applied across the network even though variable costs (such as maintenance and stocking) differ per machine.