



Hawker welcomes credit card reforms

The Chair of the House of Representatives Economics Committee, Mr David Hawker, has welcomed the reforms to credit card operations announced today by the Reserve Bank.

The House Economics Committee holds public hearings with the Reserve Bank twice each year (the only time the Governor of the Bank is obliged to answer questions in public), and has been pursuing the Bank on this issue for some time.

Changes announced today by the Reserve Bank will allow:

- a 40 per cent reduction for credit card interchange fees;
- merchants to charge cardholders the cost of accepting credit cards; and
- opening the door to new competitors in the credit card market.

The reforms will apply to credit card schemes operated in Australia by Mastercard, Bankcard and Visa and are expected to commence at the beginning of next year.

Mr Hawker described today's announcement as an important win for Australian consumers.

"For too long, those Australians who use at least one of the 15 million credit cards on issue in this country have been at the mercy of a small but powerful cartel," Mr Hawker said.

"People will benefit from the competition that will result from additional players entering the market, and business people will be able to recover the costs of accepting cards.

"Thanks to these reforms fees will be cut and will be much more transparent.

"The House Economics Committee will follow-up on this at our next meeting with the Reserve Bank, on 6 December, in Victoria."

For comment: please contact David Hawker on 02 6277 4837

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