

The Parliament of the Commonwealth of Australia

**REPORT ON FEES ON ELECTRONIC  
AND TELEPHONE BANKING**

PARLIAMENTARY JOINT STATUTORY COMMITTEE ON  
CORPORATIONS AND SECURITIES

FEBRUARY 2001

© Commonwealth of Australia 2000

ISBN 0 642 711135

This document was produced from camera ready copy produced by the Parliamentary Joint Statutory Committee on Corporations and Securities Secretariat and printed by the Senate Printing Unit, Parliament House, Canberra.

## **MEMBERSHIP OF THE COMMITTEE**

Senator Grant Chapman, (Chairman)

Mr Bob Sercombe, MP, (Deputy Chairman)

Senator Stephen Conroy

Senator Barney Cooney

Senator the Hon Brian Gibson

Senator Andrew Murray

Ms Julie Bishop, MP

Mr Ross Cameron, MP

Mr Kevin Rudd, MP

Dr Andrew Southcott, MP

### **Committee Staff**

Mr David Creed, Secretary

Mr M R Priestley, Principal Research Officer

Mrs Judith Wuest, Executive Assistant



---

## DUTIES OF THE COMMITTEE

Section 243 of the *Australian Securities and Investments Commission Act 1989* sets out the duties of the Committee as follows:

The Parliamentary Committee's duties are:

- (a) to inquire into, and report to both Houses on:
  - (i) activities of the Commission or the Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
  - (ii) the operation of any national scheme law, or of any other law of the Commonwealth, of a State or Territory or of a foreign country that appears to the Parliamentary Committee to affect significantly the operation of a national scheme law;
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.



---

## TABLE OF CONTENTS

Membership of the Committee	iii
Duties of the Committee	v
Table of Contents	vii
<b>CHAPTER 1</b>	<b>1</b>
<b>CONDUCT OF THE INQUIRY</b>	<b>1</b>
<b>CHAPTER 2</b>	<b>3</b>
<b>THE REASONS FOR AND IMPACT OF FEE INCREASES</b>	<b>3</b>
The effect of deregulation and competition on consumers generally	3
<b>CHAPTER 3</b>	<b>13</b>
<b>THE AVAILABILITY AND     TRANSPARENCY OF FEE INFORMATION</b>	<b>13</b>
The availability of fee information on electronic and telephone banking	13
The transparency of fee information on electronic and telephone banking	15
The characteristics of an ideal fee disclosure regime	16
The regulatory model to oversight any future disclosure regime	18
<b>CHAPTER 4</b>	<b>19</b>
<b>THE FEASIBILITY OF IMPLEMENTING     A FEE DISCLOSURE REGIME</b>	<b>19</b>
Real-time fee disclosure	19
Account statements and fee disclosure	22
ATM and fee disclosure	22
Telephone banking and fee disclosure	22
Internet banking and fee disclosure	22
EFTPOS and fee disclosure	22
Fee disclosure issues across banking channels	22
The role of the ASIC Transaction Fee Disclosure Working Group	27
<b>CHAPTER 5</b>	<b>29</b>
<b>THE ROLE OF ASIC IN ENSURING THE     PROVISION OF APPROPRIATE FEE INFORMATION</b>	<b>29</b>
<b>CHAPTER 6</b>	<b>31</b>
<b>ATM INTERCHANGE FEES</b>	<b>31</b>
<b>CHAPTER 7</b>	<b>33</b>
<b>FINDINGS AND RECOMMENDATIONS</b>	<b>33</b>

**FURTHER COMMENTS**

Labor Members' and Senators' Minority Report

**APPENDIX 1 – LIST OF SUBMISSIONS**

**APPENDIX 2 – WITNESSES AT HEARINGS**