

From: [Nick Hossack](#)
To: [Merger Authorisations](#)
Subject: Benchmark Analytics: MA1000020 – submission
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This submission is in response to the submissions from the Australian Payments Council (APC) and Australian Bankers' Association (ABA) regarding enforcement of payments system investments. These submissions reference my earlier submission.

Both the APC and ABA note that the APC does not have enforcement powers. However, it is not clear to me that the proposed NewCo will have enforcement power either.

For example, in the Statement by National Australia Bank Limited in support of application for authorisation, the bank writes on page 11: *“Alignment of the strategic roadmaps of the three schemes does not mean all initiatives will be implemented by NAB. NAB will continue to assess each proposed initiative from the schemes on their merits, having regard to the factors described previously.”*

In terms of covering the costs of NewCo strategic investments and funding, the amalgamation Application by the Industry Committee states the following principles on page 24:



“...(d) The costs of strategic investments will be funded at the NewCo level (by a method to be determined).

(e) Imposing funding requirements on any NewCo shareholder would require their agreement.”

With respect to enforcement, it should be noted that the APC has a direct and formal relationship with the RBA's Payments System Board (PSB). The RBA does have powers to set standards and access regimes and to enforce them. If other options failed, the APC could use its position with the PSB to formally advise the PSB to use those powers to facilitate investments. The proposed NewCo does not have a formal role with the PSB.

Regards,

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