[**Defined Terms and Documents**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CDefined_Terms_%26_Documents.htm)

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6 December 2022

Hon. Anthony Albanese       **albanese****.mp@aph.gov.au**   **a.albanese.mp@aph.gov.au**

The Prime Minister, Australian Labor Party

PO Box 6022, House of Representatives, Parliament House
Canberra ACT 2600

Dear Mr. Albanese

**Due to the exceedingly high number of** [**Credit Card Purchase Transactions Annually**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm) **(3.296 bil *circa* in Australia- reported in RBA** [**Excel file c01hist.xlsx**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CExcel%5Cc01hist.xlsx)**) by** [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm) **that keenly avail the** [**Three Purchase Benefits Of *'Tap And Go***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CThree_Purchase_Benefits_Enjoyed.htm)***'*, it behooves the Federal Govt to invoke (pursuant to** [**sub clause (xiii) of Section 51 'Legislative Powers of the Parliament' of the Australian Constitution**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/~/link.aspx?_id=AFF6CA564BC3465AA325E73053DED4AA&_z=z#chapter-01_part-05_51)**) that** [**Credit Card Issuers**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Issuer.htm) **levy a tiny** [**User Pays Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) **on each** [**Credit Card**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm) [**Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Transaction.htm) [**Transaction**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm) **on all Credit Cards issued after the passing of requisite parliamentary legislation.  (**[**A $50 Purchase using a Credit Card issued after requisite parliamentary legislation would incur a 25 cents Variable Purchase Fee and a 10 cents Fixed Purchase Fee  =  35 cents *User Pays Fee***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm)**).**

**A teeny** [**User Pays Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) **levied on all** [**future issued Credit Cards for Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm)[**Transactions**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm) **-**

**\*    could accrue** [**$1.84 billion**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) ***circa* annually in** [**Purchase Fee Revenue**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) **being 47.3% *circa* of the** [**Estimated Current Annual Credit Card Purchaser Interest Revenue**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CEstimated_Annual_Credit_Card_Interest_Revenue.htm) **(levied by** [**Credit Card Issuers**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Issuer.htm)**) of** [**$3.889 billion *circa* annually**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5C%244_billion%C2%A0circa%C2%A0User%C2%A0Pays%C2%A0Fee%C2%A0annually.htm)**;**

**\*    if all Australian Credit Cardholders *rallied to the cause* to show other Credit Card using countries that Australia is an** [**Egalitarian Country**](https://muggaccinos.com/CreditCards/DefinedTerms/Egaliterian_Country.htm)**where everyone
*Gets* *A Fair Go*, even those with only Level 1 or Level 2** [**Financial Literacy Capacity**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancial_Literacy.htm)***.***

**If enough Australians wanted to show the world that Australia is truly an** [**Egalitarian Country**](https://muggaccinos.com/CreditCards/DefinedTerms/Egaliterian_Country.htm)**, a minuscule** [**User Pays Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) **on each future** [**Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPurchase.htm) **using a Credit Card (that is issued/taken out after enactment of requisite parliamentary legislation) would then enable re-introduction of a** [**Maximum Interest Rate *Cap* (that applied until April 1985)**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5C18%25_interest_rate_Cap.htm) **on all** [**Credit Card Products**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Products.htm) **(issued after enactment of parliamentary legislation).**

**The** [**New Maximum Interest Rate *Cap***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CNew_Maximum_Interest_Rate_Cap.htm) **should be the same as the interest rate for** [**Unsecured Term Personal Loans Variable Interest Rate**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUnsecured_Variable_Rate_Personal_Loans.htm) **(calculated by the RBA) that is presently 14.4% p.a.**

**As chronicled herein,** [**some Cash Advance interest rates, together with associated Cash Advance Fees approached 30% p.a. (of the outstanding indebtedness) less than five years ago**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CHighestInterestRateCreditCards.htm)**.  A maximum interest rate *Cap* in the order of 14.4% p.a. would take an enormous burden off** [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm) **with only Level 1 and Level 2** [**Financial Literacy Capacity**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancial_Literacy.htm) **identified by the RBA as** [***Revolvers***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CTransactors_and_Revolvers.htm)**, in particular** [***Persistent Revolvers***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CPersistent_Revolvers.htm) **that have unfairly *'carried the burden'* of paying for the** [**Retail Supply Side**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CRetail_Supply_Side.htm) **of the** [**Credit Card System**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_System.htm) **for at least the last 20 years. One third of** [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm)[**presently pay the provisioning costs of the other two thirds**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCreditCardholdersContributionToGrossRevenue.htm) **(identified by the RBA as** [***Transactors***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CTransactors_and_Revolvers.htm)**) that have enjoyed a** [***Free Ride***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFree_Ride.htm) **for eons due to often** [**Unconscionable Credit Card Interest Charging**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUnconscionableCreditCardInterestCharging.htm)**.**

***Ipso facto*, the Federal Labor Government can now** [**Action the aspirations of two recent former Labor Prime Ministers (Bob Hawke and Paul Keating) for Australia to truly be an Egalitarian Country**](https://muggaccinos.com/CreditCards/DefinedTerms/Egaliterian_Country.htm) **in particular** "[**...maintain our egalitarian values and preserve our social cohesion**](https://muggaccinos.com/CreditCards/DefinedTerms/Egaliterian_Country.htm)**".**

**The Federal Govt. can be the first Western power to pass legislation intent upon '*righting the wrongs*' of *'ravenous capitalism'* that hasbeentargeted at**[**Financially Uneducated and Vulnerable Australian Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancially_Uneducated_And_Vulnerable.htm)**by requiring the beneficiaries of the** [**Credit Card System**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_System.htm) **that take out a Credit Card (after requisite legislation) to contribute towards current** [**Interest and Fees Revenue**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CInterest_And_Fees_Revenue.htm) **that sustain the** [**Credit Card System**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_System.htm) **that "**[**... is the payment instrument for which they receive the highest return**.](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CConsultatiionDocument2001%5CExecutive_Summary__Reform_of_CreditCardSchemes.htm)**"Rather than** [***Persistent Revolvers***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CPersistent_Revolvers.htm) **continuing to fund a whopping 80% *circa* annually of** [**Interest And Penalty Fees Revenue**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CInterest_And_Penalty_Fees_Revenue.htm) **levied by** [**Credit Card Issuers**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Issuer.htm)***.***

As reported in RBA Excel file '[**c01hist.xlsx**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CExcel%5Cc01hist.xlsx)**'** worksheet Data (Column H of =SUM(Data!H453:H464)\*1000 in Excel file [**CreditCardsSummayData**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CExcel%5CCreditCardsSummayData.xlsx))therewere [**3.296 bil Credit Card Purchases**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm) (across Australia) over the 12 months to end Sept '22.  The [**Estimated Current Annual Credit Card Interest Revenue**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CEstimated_Annual_Credit_Card_Interest_Revenue.htm)(levied by [**Credit Card Issuers**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Issuer.htm))is[**$3,889 billion *circa* annually**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5C%244_billion%C2%A0circa%C2%A0User%C2%A0Pays%C2%A0Fee%C2%A0annually.htm)**.**  Under this Writer's [**Equitable *User Pays* Cost Contribution Scheme**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CEquitability_Cost_Contribution_Scheme.htm)that adopts the [**Proposed User Pays Fee Structure**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) upon each [**Credit Card Purchase Transaction**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Purchase_Transaction.htm)using Credit Cardsissued after the passing of requisite parliamentary legislation, over 45% *circa* of the [**$3.889 billion *circa* Interest IncomeAnnually**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5C%244_billion%C2%A0circa%C2%A0User%C2%A0Pays%C2%A0Fee%C2%A0annually.htm)**,** namely $1,840,098,622*circa*can be accrued from those Credit Cardholders that enjoy [**Three Purchase Benefits Of *'Tap And Go***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CThree_Purchase_Benefits_Enjoyed.htm)***,*** in particular a [**Line/s of Credit**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CLine_Of_Credit.htm) by not paying for ‘goods and services’ for between 45 and 55 days after receipt.

If the 13.2 mil [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm)across Australiadid not own their Credit Card/s and required a $3,000 overdraft, a [**$3,000 personal loan would charge interest of between 6.75% and 23.84%**](https://www.finder.com.au/cheap-personal-loans)**.** No other Line of Credit in the Western World is free, as a fee is always levied.  In fact the ' *economic fundamental*' of the very basis of the[**User Pays Principle**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUser_Pays_Principle.htm)is that all essential items purchased in society have a price which is the same no matter if you are wealthy or poor.  A loaf of bread, a carton of beer, a litre of petrol commands the same price that the purchaser, rich or poor, has to pay. Sadly, unchecked ravenous money lenders managed to circumvent that *economic fundamental* of everyone paying the same pricewith respect to payments to use [**Credit Card Products**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Products.htm)**.**

This almost $2 billion *circa* of potential [**User Pays Fee Income**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm) annually would enable the previous regulatory practice of a *Cap* on the maximum interest to be re-imposed by parliamentary legislation that would align with the [**Unsecured Variable Term Personal Loan Interest Rate**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUnsecured_Variable_Rate_Personal_Loans.htm) interest rate-presently 14.4% p.a. beingthe benchmark unsecured term personal loan variable interest rate referred to by journalists from Finder, Mozo, RateCity, CHOICE, SMH/The Age, The Australian, Guardian *et al.*

This [**Proposed Purchaser User Pays Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm)calculation is a veritable *Pimple on the backside of an elephant* for [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm) enjoying the [**Three Purchase Benefits Of *'Tap And Go***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CThree_Purchase_Benefits_Enjoyed.htm)***'****.* A $30 [**Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPurchase.htm)would incur a 25 cents[**Purchaser User Pays Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm).  A $100 [**Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPurchase.htm)would incur a 60 cents[**Purchaser User Pays Fee.**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CProposed_User_Pays_Fee.htm)This proposed [**Equitability Cost Contribution Scheme**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CEquitability_Cost_Contribution_Scheme.htm) will ensure that all Australians, even those with only Level 1 or Level 2 [**Financial Literacy Capacity**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancial_Literacy.htm) (separately measured by ABS, Productivity Commission and ASIC published reports) receive a *Fair Go* - as proclaimed by five former Prime Ministers in **THE CONVERSATION** article "[**In Australia, land of the ‘fair go’, not everyone gets an equal slice of the pie**](https://theconversation.com/in-australia-land-of-the-fair-go-not-everyone-gets-an-equal-slice-of-the-pie-70480)".

[**ASIC Report 224 "Access to financial advice in Australia" - December 2010**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CASIC%5Crep224.pdf) includes:

These results, when considered together with Australian Bureau of Statistics‘ research into Australians‘ general document literacy and numeracy,15 **in particular their ability to meet the complex demands of a knowledge-based economy, suggest that about one in two Australians do not have the skills required to make informed choices in their interactions with the financial services sector**.

**1.    Only 50% of a Credit Card Limit could be drawn on Cash Advances**

In concert with regulating that all new Credit Cards issued again have a [**Maximum Interest Rate *Cap***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CNew_Maximum_Interest_Rate_Cap.htm), the limit for [**Cash Advances**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCash_Advance.htm) on all future issued [**Credit Card Products**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Products.htm)be restricted to 50% of the total [**Credit Card Limit**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCard_Limit.htm) to materially restrict[**Predatory Lending**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPredatorySaleOfAFinancialProduct.htm)and associated [**Extreme Financial And Emotional Distress**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CExtreme_Financial_And_Emotional_Distress.htm)that has invariably fallen uponfolk withlow[**Financial Literacy Capacity**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancial_Literacy.htm)through no fault of their own.

Early Credit Cards, and their predecessor the [**Charge Card**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCharge_Card.htm), were established to facilitate [**Purchases**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPurchase.htm).  Early[**Charge Cards**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCharge_Card.htm) -

(i)        enabled the 'Charge Cardholder' to [**Purchase**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CPurchase.htm) goods and services, without presenting cheques or cash; and

(ii)       required the 'Charge Cardholder' to repay the 'Charge Card Issuer' the accrued 'Outstanding Amount' each monthly billing cycle by the statement due date, or be subject to severe late fees and restrictions on future card use.

Australia's first Credit Card was [**Bankcard**](https://australianfoodtimeline.com.au/bankcard-launched/) launched in 1974.  Before 1974, only store cards, [Diners Club](https://en.wikipedia.org/wiki/Diners_Club) and [American Express](https://en.wikipedia.org/wiki/American_Express) were available in Australia and these were either restrictive or only accessible to the wealthy.  Unlike [**Credit Cards**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cards.htm), which give [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm) a 'revolving' [**Line Of Credit**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CRevolving_Line_Of_Credit.htm), early Charge Cards did not allow the [**Outstanding Indebtedness**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5COutstanding_Indebtedness.htm) to be carried forward and did not charge an interest rate.  Rather Charge Card providers relied on an annual issuance fee for their revenue stream.

**2.    The Reserve Bank of Australia would support further application of the** [**User Pays Principle**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUser_Pays_Principle.htm)

[**Australia's Principal Regulator of the Payments System**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CParliamentary_Bestowed_Mandate.htm)would support further application of the[**User Pays Principle**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CUser_Pays_Principle.htm)as it did in Section 5.2 of "[**RBA's Reform of Credit Card Schemes in Aust:  "A Consultation Document" – Dec 2001**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CConsultation_Document_14-Dec-2001.htm) (pg 117).

"Reform of credit card schemes will also have a direct impact on credit cardholders and is likely to result in some re-pricing of credit card payment services. However, this is the means by which the price mechanism is to be given greater rein in the credit card market. **A movement towards a “user pays” approach to credit card payment services would be consistent with the approach adopted by Australian financial institutions in pricing other payment instruments under their control."**

**3.    The Reserve Bank has acknowledged that -**

**\*** [**Transactors**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CTransactors_and_Revolvers.htm) **"...... pay no transactions fees, enjoy the benefit of an interest-free period and in many cases earn loyalty points for each transaction……**

**\*** [**Credit Card Products**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Card_Products.htm) "**......are the payment instrument for which they** (Credit Card Issuers) **receive the highest return."**

RBA's Consultation Document titled [**Executive Summary - Reform of Credit Card Schemes in Australia: RBA's "A Consultation Document" – December 2001**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CRBA%5CConsultatiionDocument2001%5CExecutive_Summary__Reform_of_CreditCardSchemes.htm) noted under point 6 of '**Introduction**':

"Within the latter group, there is a third group which directly contributes very little to the costs of credit card schemes – these are the cardholders (known as ‘[**Transactors**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CActions%5CTransactors_and_Revolvers.htm)’) who settle their credit card account in full each month. Although they normally pay an annual fee, **they pay no transactions fees, enjoy the benefit of an interest-free period and in many cases earn loyalty points for each transaction…… ......** Nor is it surprising that banks and other deposit-taking institutions are promoting most actively the credit card **because it is the payment instrument for which they receive the highest return**.**"**

**4.    This Credit Card Issuer charges close to 30% of outstanding indebtedness on a Cash Advance**

[**Latitude Financial's *'Go* MasterCard' had a Cash Advance interest rate of 29.49% until March 2019**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CHighestInterestRateCreditCards.htm).  [**Presently it is 25.9%, but now incorporates a Cash Advance Fee of $3 or 3% of the cash advance amount, whichever is greater = 28.9%.  It also charges an explicit 'Late fee' of $35 and $8.95 monthly account service fee when outstanding balance is greater than $10**](https://www.gomastercard.com.au/?gclid=EAIaIQobChMIuID29rb6-QIVmHwrCh0APAyaEAAYASABEgIzr_D_BwE&gclsrc=aw.ds).  Little wonder that [**Credit Cardholders**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CCredit_Cardholders.htm) with low [**Financial Literacy Capacity**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CFinancial_Literacy.htm) (independently classified by the Productivity Commission, ABS and ASIC) get lured into applying for a [**Latitude Financial GO Mastercard because of deceptively offering 'Enjoy now. Pay later. Interest Free'**](https://www.gomastercard.com.au/?gclid=EAIaIQobChMIuID29rb6-QIVmHwrCh0APAyaEAAYASABEgIzr_D_BwE&gclsrc=aw.ds).

**6.    How Credit Card Companies Make and Earn Money in the USA**

[**How Credit Card Companies Make and Earn Money - ValuePenguin**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CNewPenguin%5CHow_credit_card_companies_make_and_Earn_Money.htm) dated 21 Nov  2022 provides some interesting statistics on the percentage of revenues obtained by the major Credit Card Issuers in the USA attributed to interest expenses, [**Interchange Fees**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CInterchange_Fees.htm)**,** [**Merchant Service Fees**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CMerchant_Service_Fee.htm), [**Annual Cardholder Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CAnnual_Cardholder_Fee.htm) and penalty fees.  What is odd is that the ratio of 'Credit Card Interest Income' and 'Interchange Income' rec'd from Merchants vary so much.  Visa, Mastercard and American Express earn [**Assessment Fees**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CAssessment_Fee.htm), which are assessed for processing a [**Merchant's**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CMerchant.htm) credit card transactions. The [**Assessment Fee**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CCreditCards%5CDefinedTerms%5CAssessment_Fee.htm) in the USA is 0.14% of each credit card transaction through Visa, and 0.1375% for Mastercard transactions.

**7.    Bernie Sanders unveils legislation to cap credit card interest rates at 15%** USA Today-9 May 19:

          "[**Sanders, who is vying for the 2020 Democratic presidential nomination, referred to credit card industry executives as "loan shark hoodlums" in three-piece suits as he outlined the legislation. He also accused the industry of "grotesque and disgusting" behavior................ And they see a real profit center in going after desperate people...who cannot afford the basic necessities of life**](https://www.usatoday.com/story/money/2019/05/09/aoc-bernie-sanders-want-cap-credit-card-interest-15/1150746001/)."

**8. Social justice and equality for individuals, the family and all social units, and the elimination of exploitation**

Below is number 11 of [**Basic Principles of the Australian Labor Party (NSW Branch)**](https://docslib.org/doc/9249026/basic-principles-of-the-australian-labor-party-nsw-branch)**:
"Social justice and equality for individuals, the family and all social units, and the elimination of exploitation in the home."**

Footnote:  **"When an issue is important and is multifaceted one needs to occasionally hit *'Stop'*, press *'Rewind'* and soak it all in once more, and slowly."**

Yours sincerely



Philip Johnston