

26 November 2013

Ms Susan Bray  
Head of Self-Regulation  
Australian Payments Clearing Association  
Level 6, 14 Martin Place  
Sydney NSW 2000

Sent via: [sbray@apca.com.au](mailto:sbray@apca.com.au)

Dear Ms Bray

### **Establishment of an Australian Payments Council**

The Customer Owned Banking Association (COBA) appreciates the opportunity to respond to the *Establishment of an Australian Payments Council* consultation paper released by the the Reserve Bank of Australia and the Australian Payments Clearing Association (APCA) in October 2013.

COBA is the industry association representing Australia's 81 credit unions, 7 mutual building societies and 10 mutual banks. Collectively, our member institutions have assets of \$85 billion and serve 4.5 million Australians.

We support the establishment of a senior-level industry body, to be known as the Australian Payments Council (Council), to promote:

- cooperative industry responses to payment system challenges; and
- direct and ongoing industry engagement with the Payments System Board (PSB).

COBA believes that engagement with the PSB, through a standing body such as the proposed Council, will enhance industry's capacity to develop collective and timely responses to future demands on Australia's payment system. The New Payments Platform Program is an example of industry cooperation that will deliver real benefits for all payment system participants.

We note the non-binding nature of the proposed Council, and that the Council will not have any power to mandate participation in any future initiatives. We believe these features are appropriate, and are likely to foster industry consensus on how best to deliver payments innovation. COBA anticipates this approach will improve industry's ability to collaboratively identify and respond to common issues, and lessen the need for regulator intervention.

The consensus approach by industry to deliver payment enhancements is well balanced by the PSB's ability to use its existing regulatory framework to mandate strategic objectives for industry in the public interest.

The proposed initial membership structure of the Council includes "two representatives from other financial institutions (including international financial

institutions, regional financial institutions, building societies, credit unions and service providers)".

COBA suggests that the "other financial institutions" category be divided between customer-owned banking institutions, i.e. credit unions, building societies and mutual banks, and non-major listed banking institutions, i.e. foreign banks and regional banks.

As proposed in the consultation paper, representatives of the customer-owned banking sector and its service providers, i.e. Cuscal, Indue and ASL, would be determined by that community (with assistance available from APCA).

COBA supports the establishment of the proposed Payments Community and indicates its interest in becoming a member of the Community.

Please contact me on 02 8035 8448 or Jim Aliferis, Senior Policy Adviser, on 02 8035 8442 or [jaliferis@coba.asn.au](mailto:jaliferis@coba.asn.au) to discuss any aspect of this submission.

Yours sincerely



**LUKE LAWLER**  
A/Head of Public Affairs