

18 November 2013

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

Subject: Establishment of an Australian Payments Council

This letter is in response to the Joint Consultation document prepared by the Reserve Bank of Australia (RBA) and the Australian Payments Clearing Association (APCA) with regard to the establishment of an Australian Payments Council (Council).

eftpos supports the proposed structure and objective of the Council and views the creation of the Council as a key step in achieving industry co-operation and innovation in the Australian payments industry. In addition, eftpos believes the proposed structure and governance of the Council is appropriate to the objectives and purpose of the Council. We note the initial structure for member selection and proposal to include two representatives from payment schemes selected by the RBA for an initial term.

Clearly, the selection of payment schemes is an important decision and eftpos would like to be considered as a participating member of the Council for the following reasons:

- **Industry mutual status** – eftpos plays a pivotal role as an industry-owned and managed payments provider through its membership representation across Issuing, Acquiring, Merchant Acquiring and Aggregators, providing a diversified perspective of the Australian payments industry.
- **Australia's preferred payment method** – eftpos is the preferred payment method of Australians, with ~70% market share of debit card payments and ~44% market share of all card payments. eftpos has an unparalleled distribution reach of Australian consumers, merchants and financial institutions to effect wide-reaching impact through innovation and efficiency improvement.
- **Payments innovation** – eftpos is embarking on a major transformation program to deliver significant product innovation in payments technology that will provide the Australian payments industry and consumers more convenient and contemporary payment choices. The eftpos transformation is fundamentally important for Australia because it will help drive local product innovation and potentially complement other key industry initiatives such as APCA's New Payments Platform.
- **Competition** – eftpos plays a key role in driving competitive tension through its low-cost pricing principles to ensure ongoing pricing competition and efficiency in the Australian market. As Australia's only domestic debit card payment provider, the participation and ongoing existence of eftpos is crucial to maintaining competitive tension between payment systems.
- **Australian ownership and control** - eftpos prides itself on owned and operated by Australians, for the benefit of Australians, and is the country's most widely used electronic debit payments system whose interests are aligned to ensuring a sustainable and efficient domestic payment alternative to the large International Schemes.

In closing, the establishment of an Australian Payments Council is an important and necessary action to ensure there is effective co-ordination and competition with regard to payments innovation in Australia.

The success or otherwise of the Council will flow from its foundations built around effective representation from across the industry within a framework of good governance and effective interaction with key stakeholders, including the Payments System Board.

The proposal tabled by the RBA and APCA in their consultation document address these requirements and, whilst there will no doubt be some challenges with regard to selection of participants in a number of categories, eftpos believes that we can make a significant and beneficial contribution to the Council.

Yours sincerely,



Bruce Mansfield
Managing Director