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Susan Bray
Head of Self-Regulation
APCA

By Email: sbray@apca.com.au

18 November 2013

Dear Susan,

FEEDBACK ON PROPOSAL TO ESTABLISH AN AUSTRALIAN PAYMENTS COUNCIL

Thank you for the opportunity to provide feedback on the *“Establishment of an Australian Payments Council: Joint Consultation by the Reserve Bank of Australia and the Australian Payments Clearing Association”* document (“the Paper”).

In principle, MasterCard supports the general intention of the Paper to provide greater cooperation, collaboration, strategy and dialogue between the payments sector and the RBA. As a technology company with a very strong record in payments innovation globally, we welcome the opportunity to have even greater linkages, dialogue and input into discussions and decisions affecting the industry and our business.

The role and objectives outlined for the proposed Payments Council (“the Council”) to “generate common industry positions that it may recommend for adoption by the industry” is conceptually sound. Whilst this role may have execution challenges given the diversity of the proposed participants and the differing commercial interests of parties, we consider both the proposed Council and the Payments Community positive initiatives and are supportive of them.

However, we have considerable concern with the proposed Council structure. In particular, we note the Paper proposes membership of the Council would include *“two representatives from payment schemes – selected by the Reserve Bank”*, and that members of the Council would be *“drawn from the Payments Community on a rotational basis”*. If implemented, this would lead to an outcome where key participants may not have a presence on the Council or a full voice in the future of the industry.

Given the role schemes play in payments in Australia, we submit that MasterCard, Visa and ePAL should have full and permanent representation on the Council, in the same way the major Australian banks are proposed to have full and permanent representation.


We consider it would be inappropriate and unreasonable to exclude any of these participants from the Council. To rely on the two payment scheme representatives who are present on the Council at any point in time to properly and fairly represent the interests of their absent competitors is not an appropriate or realistic expectation.

Turning then to the proposed Payments Community, we note the breadth and diversity of this forum is very wide. Given the different focus and priority areas of likely participants in the Payments Community, we suggest that it would be of benefit to create different "payments streams" within the Payments Community, with a view to driving greater focus and streamlined recommendations.

We would be very happy to discuss these comments further with you and/or the Reserve Bank at an appropriate time. Alternatively, please don't hesitate to contact Brent Thomas, Vice President for Public Policy and Corporate Affairs on +612 9466 3720 or at brent_thomas@mastercard.com if you have any questions.

We look forward to working with you to ensure the Payments Council and the Payments Community are both as effective as possible.

Yours sincerely,



Eddie Grobler
Division President, Australasia

cc. Tony Richards, Head of Payments, Reserve Bank of Australia