

MEDIA RELEASE



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Digital payments taking over from cheques

The [Milestones Report](#)¹ released today by the Australian Payments Clearing Association, the payments industry self-regulatory body, shows that the drop in cheque use in the 12 months to June 2016 is the greatest annual drop in the last decade.

Today's report shows that cheque use *dropped* by 17.2% to 126.4 million. This compares to a 15.7% *drop* in 2015 and 13.5% in 2014. Since 2006, cheque use has *dropped* 73%. Cheques now only account for about one percent (1.2%) of all non-cash retail payments.

Cash use also continues to drop steadily. The number of ATM withdrawals *dropped* by 6.6% to 675.8 million - also the greatest annual drop in the last decade - having *dropped* 4.9% in 2015 and 4.2% in 2014.

In contrast, the use of digital payments is growing strongly:

- Direct entry transactions (direct debit and direct credit) *grew* by 7.2% to 3.3 billion.
- Card payments (credit and debit cards) *grew* by 12.1% to 7.0 billion.

APCA CEO, Leila Fourie said "Australia is making great strides in moving away from paper payments – both cheques and cash. This is important from an efficiency view point, for customer convenience and for digital inclusion."

Online payments are increasingly attractive to older Australians. Citing recent research, the Milestones Report notes that in 2015 more than half of internet users over the age of 65 made banking transactions online (53%) and just under a half (48%) had paid bills online.

The Report also highlights that:

- Australia is reported second in the world for smartphone use, with 77% of Australians owning a smartphone.
- 7.7 million Australian households have internet access – this represents 86% of all households, up from 83% last year.

"Australia is leading the way in digital payments with continued strong growth in card payments, impressive smartphone penetration and improved digital literacy. The industry's New Payments Platform will provide a stimulus for yet more innovation," said Dr Fourie.

The Report notes that the New Payments Platform, new national infrastructure for fast, flexible, data rich payments, will further support the transition to digital payments. Other industry and government initiatives noted in the Report include:

- The Australian Payments Council's initiatives set out in the Australian Payments Plan
- Electronic conveyancing for property settlement through the PEXA service
- Government's SuperStream for the superannuation system

The Milestones Report and accompanying [infographic](#) are available at www.apca.com.au.

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¹ APCA releases regular Milestones Reports to review progress against the action plan it published in May 2012.

See "The Decline of Cheques: Building a Bridge to the Digital Economy"

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