

Trusted, Open and Ubiquitous Innovation: New Models?

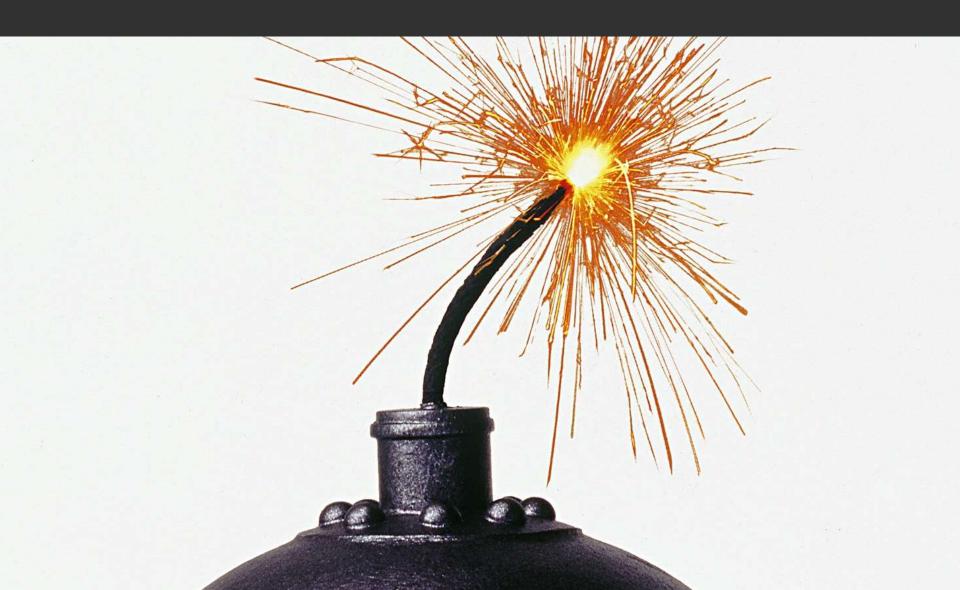


Chris Hamilton, CEO Australian Payments Clearing Association

24 September 2015

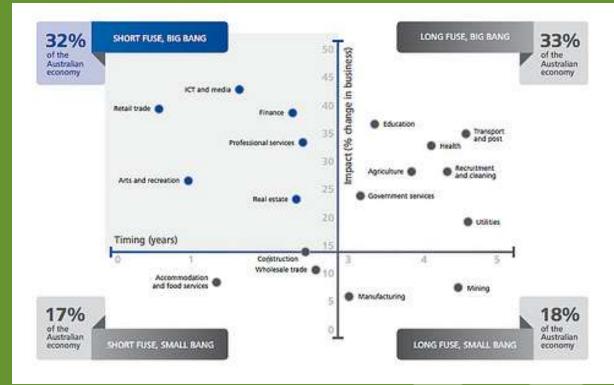
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These are not normal times



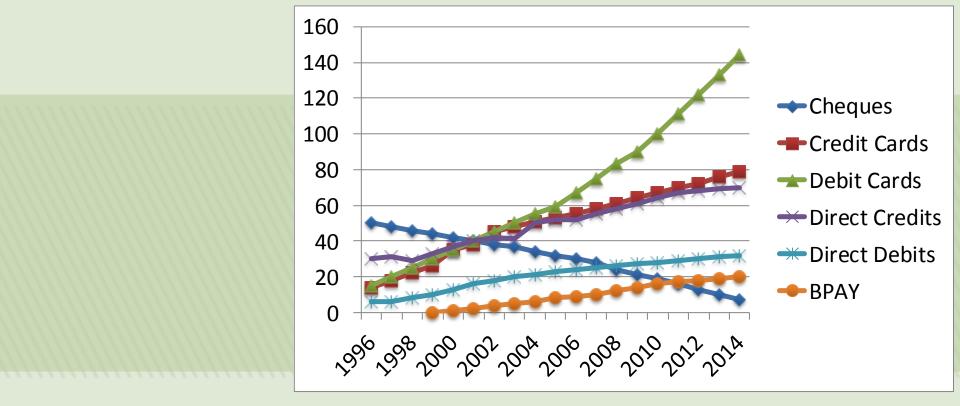


It's the economy, mate...



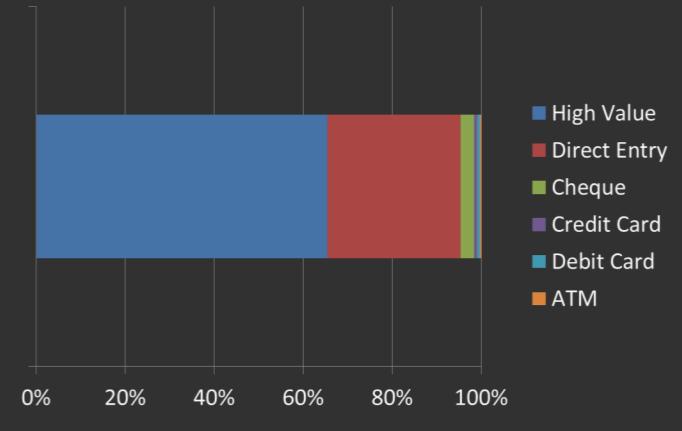
"One third of the Australian economy faces imminent and substantial disruption by digital technologies..." Deloitte Australia 2012

Non-cash payments per capita, Australia, 1996-2014



Source: APCA, RBA

Non-cash value by system 2014



Source: APCA, RBA

// DE - the work horse

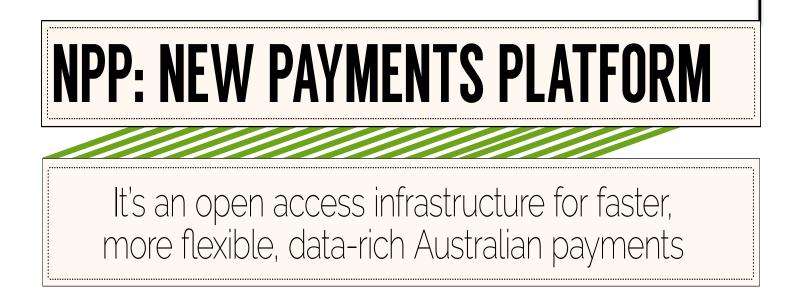
	Evolut	ion				ſ	
APCA releases Low Value Payments Roadmap		RBA commences Strategic Review of Innovation	Industry responds to RBA Consultation	RBA release Strategic Objectives from Innovation Review	RBA endorses industry proposal for Real-Time Payments System		NPP goes LIVE
2008	2009	2010	2011	2012	2013	2014	2017
BPAY's MAMBO Project starts	MAMBO Mark I halted	MAMBO Mark II Starts	MAMBO Mark II Ends	Real-Time Payments Committee develops industry proposal	Same-day settlement of Direct Entry System NPP Steering	NPPA formed and SWIFT wins global tender to design and	
					Committee formed to work on NPP concept	build	

...there is clear commitment to ongoing systemic reform of payments to meet the future needs of the Australian community. There is also recognition that this can only be achieved by sustained collaboration amongst Australian financial institutions.

> Real Time Payments Committee, February 2013

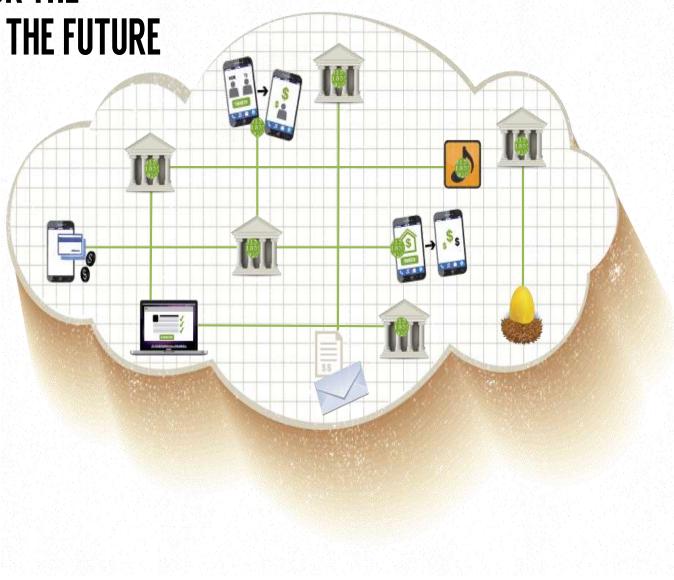
WHAT IS THE NPP

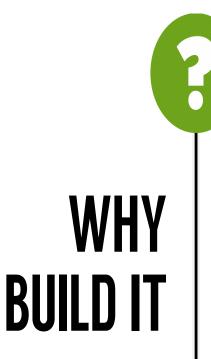






THE NPP IS FINANCIAL Plumbing for the Economy of the future



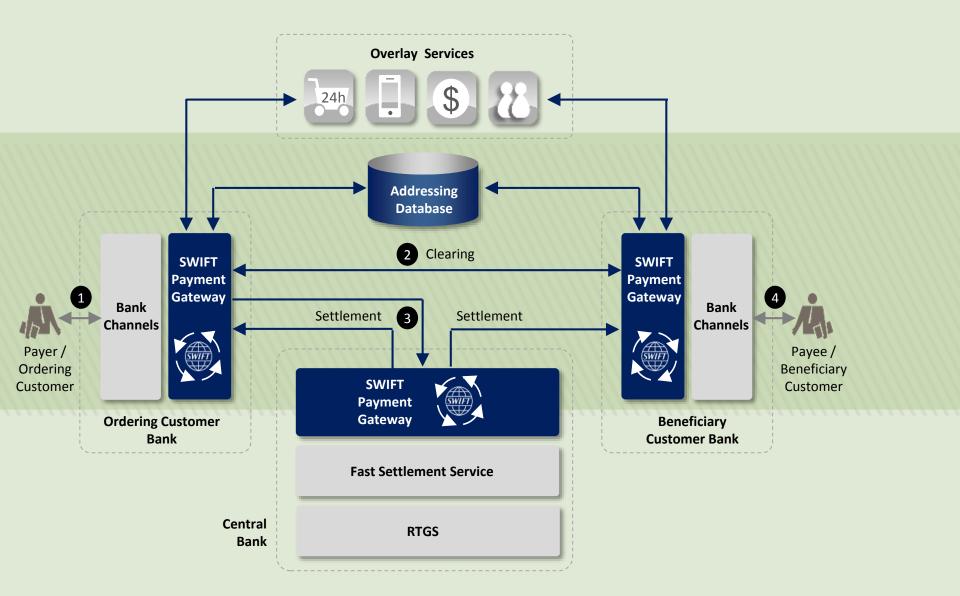


The Australian economy needs fast new infrastructure that is: **flexible** and **scalable** for **next-generation payments**

Australia and Cfipped Supported by APCA



F How it works



GOVERNANCE: Not just compliance....

Real Time Payments *NPP* Steering Committee 2012

Committee 2013-2014

NPP Australia Limited 2014-launch

4 majors, 3 others, hand picked, Independent chair.

4 majors, 4 smaller orgs (varied), RBA, Independent chair

Company with tiered membership (high, medium, low), voting rights to match, 4-year support commitment

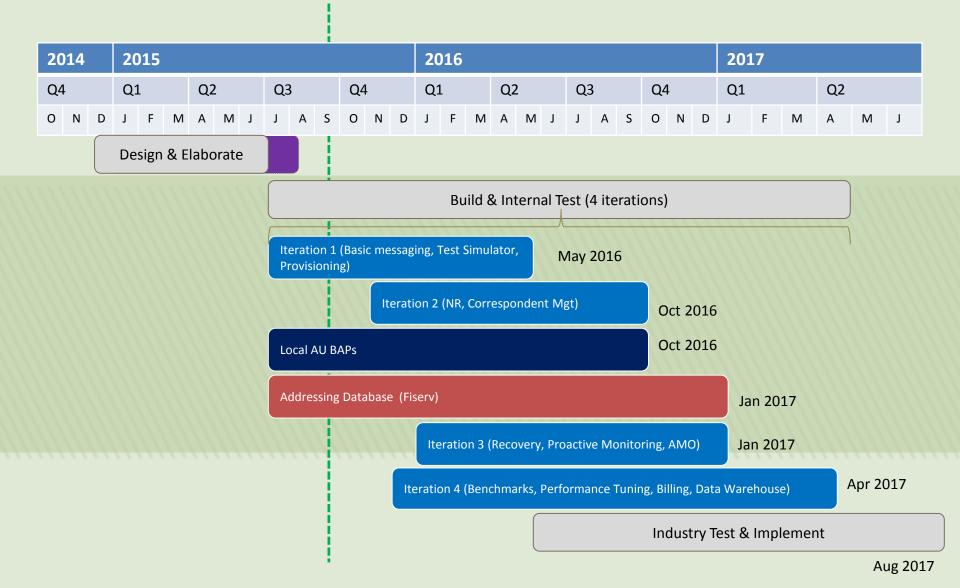
APCA funding

Participation Agreement

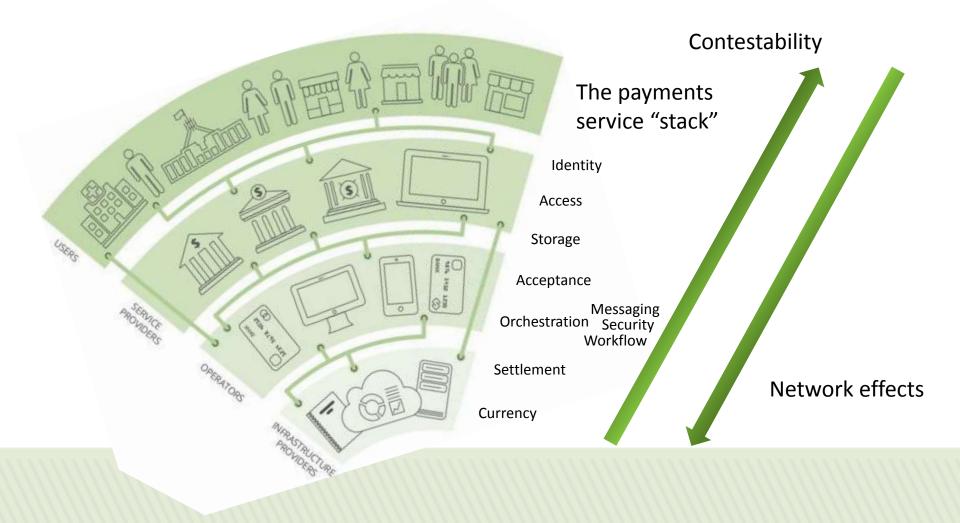
Shareholders Agreement with equity calls

APCA as midwife...

Where are we up to?



Unpacking payments network effects



First Overlay: the Initial convenience service

- Mass-market, convenience
- Intended to prove concept and encourage use
- Probably mobileoriented
- Fls to promote to their customers



Potential new overlays

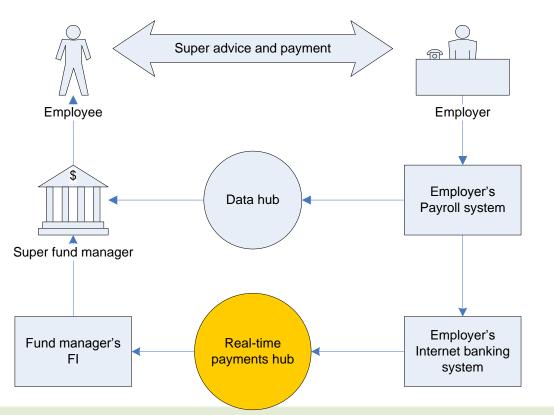
Account-to-Account Gap Mobile convenience service Ubiquitous POS Emergency Payments Direct to account ticketing / tolls

Workflow Managers Conditional Payments Alternative Currency Redemption Property Transfer

Possible Overlay Services

Data Rich Use of ISO Messages Electronic invoicing and remittances Data rich payments Participant services Fraud monitoring Batching

Example: SuperStream



By 30 June 2015, all Australian employers and super funds were required to automate super contributions.

The only part of the process that needs manual intervention is the payment.



So how do we support the economy of the future?



Overlays = Open standards

- APIs
- Ubiquitous messaging
- Standard data forms



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