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NEW COMPANY TO MANAGE AUSTRALIAN DEBIT CARD SYSTEM

The formation of EFTPOS Payments Australia marks an historic point in the evolution of Australia's most widely used consumer payment system.

The new company is owned and funded by its members and has commercial responsibility for managing and promoting the Australian debit card system.

There are 14 initial members: Australia and New Zealand Banking Group Limited, Australian Settlements Limited, Bank of Queensland, Bendigo and Adelaide Bank, Cashcard, Citigroup, Commonwealth Bank of Australia, Coles Group, Cuscal, Indue, National Australia Bank, Suncorp-Metway, Westpac Banking Corporation and Woolworths.

The new company's board of directors comprises senior industry executives. Following its inaugural meeting earlier this month, interim chairman Mr Greg Devlin, Bendigo and Adelaide Bank's Head of Access and Payment Systems said, "I look forward to working with my fellow directors to invigorate and develop what is already one of the world's most successful retail payment methods."

"Our first priority is to appoint independent directors and recruit a CEO. In the interim an executive has been seconded by APCA to assist in setting up the company and developing its growth strategy," said Mr Devlin.

APCA played a pivotal role in co-ordinating the industry effort to reach this point and will provide transitional support to the company during its establishment phase.

APCA CEO Chris Hamilton said, "The industry's goal is to continuously enhance competition and choice in consumer payments. We are delighted to have helped the industry establish EFTPOS Payments Australia and wish the company every success."

"EFTPOS Payments Australia will ensure that the Australian debit card system continues to provide consumers and merchants with the most secure and convenient retail payment options," added Mr Devlin.

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Background Information

- APCA began working with participants to enhance the governance structure for the Australian debit card system in August 2007.
- In its Conclusions of the 2007/08 Review, the Reserve Bank of Australia made the observation that the Australian debit card system was at a disadvantage when competing with international card schemes because of its governance arrangements and expected the industry to make significant progress in addressing this concern by August 2009.
- EFTPOS Payments Australia was established on 14 April 2009.
- The new company will operate independently from APCA and has its own board and management structure. Its current directors are:
 - Mr Greg Devlin, Head of Access and Payment Systems, Bendigo and Adelaide Bank Limited (interim chairman)
 - Mr Steve Aliferis, Executive General Manager Working Capital Services, National Australia Bank Limited
 - Mr Manuel Garcia, Chief Executive Officer, Indue Limited
 - Ms Dhun Karai, Group Head of Financial Services, Woolworths Limited
 - Ms Mandy Simpson, General Manager Deposits, Australia and New Zealand Banking Group Limited
 - Mr Scott Southall, General Manager Transactions and Savings, Westpac Banking Corporation
 - Mr Douglas Swansson, Head of Payment Services, Coles Group Limited
 - Mr Stuart Woodward, General Manager, Representations, Payments and Business Technology, Premium Business Services, Commonwealth Bank of Australia
- Three independent directors will be appointed shortly.
- As it has with the international card schemes and other major stakeholders in card payments, APCA will cultivate ongoing dialogue with the new company to ensure overall improvements of the Australian payments system.

About the Australian Debit Card System

- The Australian debit card system (or EFTPOS) is Australia's PIN-based debit card system.
- Consumers mainly use it to pay for purchases and withdraw extra cash from their savings or cheque accounts at merchant terminals.
- If a consumer selects "savings" or "cheque" at the point of purchase, the transaction is processed using the Australian debit card system.
- About 145 million debit card transactions are made each month.
- Australia has per capita one of the most extensive, widely used domestic debit card systems of any developed country.
- The Australian debit card system is separate from the card payment systems owned and operated by the international card schemes (for example Visa and MasterCard).

About Australian Payments Clearing Association (APCA)

APCA is Australia's payments industry association. Its role is to set, manage and develop regulations and standards governing payments clearing and settlement within Australia. APCA has around 80 members including banks, building societies, credit unions, the Reserve Bank and other participants across five clearing systems.