

Australian Payments Council Update

5 November 2014

At its inaugural meeting on 30 October 2014, the Council engaged in constructive debate across a range of topics, in each case focusing on the common interest of the industry in promoting trust and integrity and in creating efficiency across the payment system. The Council reaffirmed its role in this collaborative space.

Dr Malcolm Edey, Assistant Governor of the Reserve Bank of Australia (RBA), addressed the meeting and reiterated the support and encouragement of the Governor of the RBA and Chairman of the Payments System Board (PSB) in this industry initiative to drive and coordinate action within the industry.

Australian Payments Plan

The Council agreed to develop a high level strategic plan for the payments industry (Australian Payments Plan). This plan would establish the focus for industry collaboration over the coming years in consultation with the PSB and a road map for implementing reform.

The Council had a wide-ranging discussion on issues potentially relevant to such a plan including:

- The importance of maintaining customer trust and confidence in the payment system;
- Understanding and defining the systemic issues that the industry can address collaboratively (eg security, efficiency etc) and those matters that drive competition;
- An industry approach to the evolution of existing systems as new infrastructure is developed that drives efficiency without compromising integrity;
- New approaches to payments created by new entrants and what this might mean for current forms of regulation, risk management, integrity and access;
- Understanding how applications may both use and disrupt the payment system and what can be learned from international experience.

Cyber-Security

The Council also discussed the need for a high level industry position on the management of cyber-security. Areas of potential focus included:

- Where the development of minimum standards could be effective, leveraging international standards for global consistency where possible;

- The importance of identity to combatting cyber-crime and whether there is appetite to address this at a broader than payments-specific level;
- Ensuring an adaptable regulatory framework that could accommodate new products;
- The recognition of greater difficulty in managing fraud as payments became increasingly 'real-time';
- Opportunities for simplifying the regulatory and compliance structure.

Governance Matters

The Council confirmed Ms Christine McLoughlin as Chairman and approved a range of governance protocols aimed at the efficient management of the Council.

Committees were established to oversee work in relation to the proposed Australian Payments Plan and to scoping the Council's role in Cyber-Security¹.

Recommendations will be made for consideration by the full Council. Additionally a Governance Committee was created to address internal Council management issues.

The Council considered the terms of a proposed Memorandum of Understanding with the PSB and noted the willingness of the PSB to meet jointly with the Council annually in addition to joint meetings of the Council and Reserve Bank policy team headed by Dr Edey.

The next Council meeting will take place in March 2015.

¹ Committee members and Charters will be posted on the members' section of the Council's website. Meetings of each Committee will take place in advance of the next meeting of the Council.