

Current Issues in the Australian Payments System

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Overview

- Innovation
 - architecture
 - governance
- Regulation
 - the Bank's philosophy
 - the Review

Innovation

Wallis: Recommendation 63

... the PSB should also ensure that new technologies are implemented to advance the efficiency and soundness of the financial system. The PSB should have the necessary resources, focus and powers to influence, or if necessary mandate, standards.

Innovation

- ❑ Australia has a good record
- ❑ But what about more recently?

Architecture Issues

- ❑ Bilateral has advantages
- ❑ But also has potential disadvantages

Governance Issues

- Who co-ordinates developments?

Regulation

The philosophy of the Bill is, however, co-regulatory. Industry will continue to operate by self-regulation in so far as such regulation promotes an efficient, competitive and stable payments system.

Co-regulation In Practice

- ❑ Importance of dialogue
- ❑ Need for industry co-operation

The Review

The Board will also undertake a major review of credit and debit card schemes in Australia after five years, updating the Joint Study. On the basis of that review, it will consider whether the standards and access regime for the designated credit card schemes remain appropriate.

The Review

- ❑ What payment systems will it cover?
- ❑ What issues will it be addressing?
- ❑ Costs of payment instruments
- ❑ Use of payment instruments
- ❑ Two part process

Where Are We At?

- ❑ Studies underway
- ❑ Issues paper (June)
- ❑ Conference (end November)

How Does the Industry Provide Input?

- Data
- Response to issues paper
- Participation at conference

