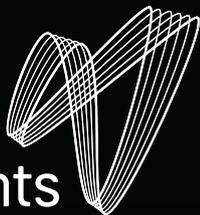


Australian
Payments
Network



30 YEARS

20
22

ANNUAL
REVIEW

PAVING
THE WAY





30 YEARS

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This Annual Review is designed to provide our members and stakeholders with an overview of developments and achievements in financial year 2021-2022. References in this report to a year are to financial year ended 30 June 2022 unless otherwise stated.

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AUSTRALIAN PAYMENTS NETWORK IS THE INDUSTRY ASSOCIATION AND SELF-REGULATORY BODY FOR PAYMENTS.



Now in our 30th year, we enable the efficiency, resilience, adaptability, and accessibility of Australia’s payments system.

Through our network, we bring together a diverse range of organisations including financial institutions, major retailers, payment systems operators and technology providers. Our members provide the products and services that enable individuals, businesses and government to make and receive payments every day.

To deliver on our purpose of promoting confidence in payments for all, we work with a wide range of stakeholders across the Australian payments ecosystem to ensure that the payments system manages risks and continues to meet the evolving needs of end-users.

AS THE SELF-REGULATORY BODY FOR PAYMENTS, OUR REMIT COVERS THE FOLLOWING PAYMENT TYPES:



Cards
Issuers and Acquirers Community



Direct entry
Bulk Electronic Clearing System



High value
High Value Clearing System



Cash
Australian Cash Distribution and Exchange System



Cheques
Australian Paper Clearing System

Additionally, AusPayNet’s COIN infrastructure network provides connectivity for low value payments.

CELEBRATING 30 YEARS

Over the last 30 years, the payments system has evolved, and so has the Australian Payments Network.



AusPayNet (then APCA) is established by banks, building societies and credit unions to oversee and reform payments clearing processes in Australia. Peter Smith is appointed as its first CEO

The IAC (then CECS, for card payments) is established

AusPayNet publishes payments fraud data for the first time

COIN (an underlying network for eftpos transactions, direct entry, cheque files and other payments) is established

1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

APCS (cheques) is established

HVCS (high value payments) is established

ACDES (cash distribution) is established

Chris Hamilton is appointed CEO

BECS (direct entry payments) is established

eftpos Payments Australia Ltd established as a separate commercial organisation



On 18 February 1992, AusPayNet (then the Australian Payments Clearing Association or APCA) was established as the payments industry's self-regulatory industry body. It replaced the Australian Clearing House Association (ACHA) – whose membership consisted of the major banks and the Reserve Bank – and in doing so, broadened that membership to nine, also including smaller banks, building societies and credit unions. Step forward 30 years and AusPayNet's membership has grown to over 150, reflective of the way that the payments ecosystem and its participants have diversified.

AusPayNet's original remit in 1992 was to oversee the payment clearing streams (cheques, direct entry and high value) and to establish broad policy as payments processes and technology changed. Step forward 30 years and our role has also broadened, to oversee other payment types (cash, card) and to:

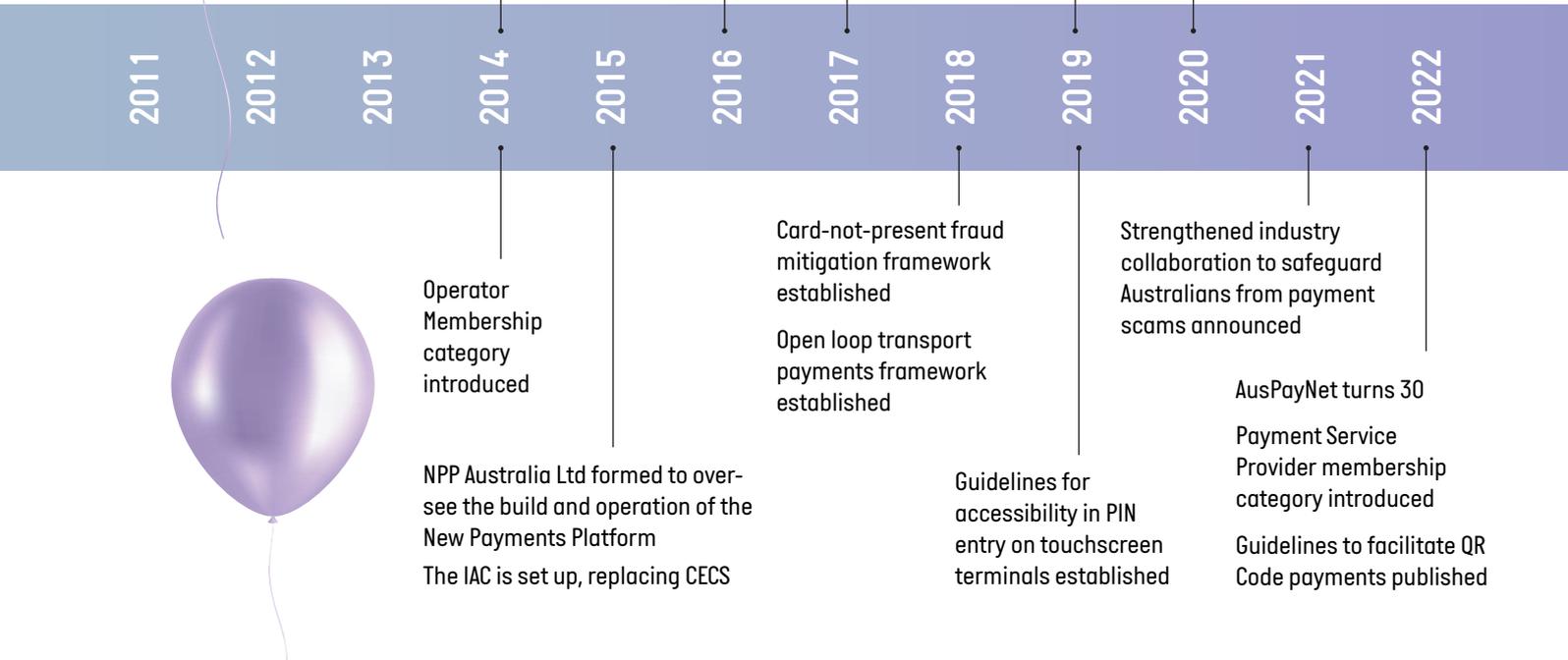
- Set and enforce industry standards for a safe, reliable and effective payments system, including standards that are payment system agnostic (e.g. transport, QR codes, e-Conveyancing, cross-border payments)



Dr Leila Fourie is appointed CEO



Andy White is appointed CEO



- Lead transformation to drive efficiency, innovation and choice, including by managing large scale industry modernisation and resilience programs (e.g. HVCS ISO 20022 migration, BECS transition, the consumer-led decline in cheques, COIN migration, AES migration)
- Be the home for ecosystem collaboration and strategic insight, for example, on economic crime and emerging technologies, and with members and wider stakeholders including regulators and government.

For 30 years, working with our members, we have played an integral role in facilitating immense change in the payments system, with some of the key changes reflected in the timeline above. As the pace of change continues to accelerate, our role in creating confidence in payments for all is as important as ever.

While we look back on the key changes over the last 30 years, we also look forward to paving the way for the payments system of the future.



Andy White
CEO

John Brogden AM
Chair

CHAIR AND CEO MESSAGE

As we reflect on our 30th anniversary, we stand at a tipping point in payments, with two generational opportunities and, thirdly, a generational obligation in paving the way forward:

1. To ensure that the regulatory settings for payments – which currently date back to the 1990s – are modernised and fit for the future;
2. To simplify the payment system, maximising its efficiency and its benefits for end users; and
3. To mitigate scams, which affect far too many Australian consumers and businesses.

AusPayNet aims to seize those opportunities and meet that obligation through programs of work under our three strategic pillars:

- Setting industry standards
- Leading payments modernisation
- Strategic insights.

SETTING INDUSTRY STANDARDS

Our focus on standards this year laid the groundwork for a future in which AusPayNet plays a leading role in ensuring the regulatory settings for payments are fit for purpose.

We are increasingly setting standards that are payment rails agnostic – as distinct from our historic focus on specific payment rails – and have relevance for a wider set of payment ecosystem participants and users:

- We published our QR Code standards in May 2022. These standards are interoperable irrespective of payment type, creating both efficiency for merchants and service providers, and consistent consumer experience
- We have also produced guidelines on reasonable customer notification for merchant choice routing online, to ensure clarity for both merchants and consumers

- We continue to work with our cross-border payments advisory council on Australia's response to the Financial Stability Board's five-year roadmap on enhancing cross-border payments and their cost, speed, access, and transparency
- We have initiated work on an industry code for the financial settlement aspects of e-Conveyancing. This work is supported by the Council of Financial Regulators and the ACCC, and involves e-Conveyancing operators as well as financial institutions.

Paving the way forward, to contribute to the future regulatory settings for payments, our work in this area will focus on taking the next steps to becoming an authorised standard-setting body, as envisaged in the August 2021 final report of Treasury's *Payments system review: From system to ecosystem*. As part of this process, we will look to set core payment standards that will apply to all licensed payment service providers. Such standards, together with the overall licensing regime recommended by Treasury's review, will protect consumers and support innovation.

LEADING PAYMENTS MODERNISATION

AusPayNet's focus on payments modernisation aims to maximise the payment system's efficiency and its benefits for end users, including rationalising legacy systems.

For example, we continue to manage the customer-led decline in cheques. The average value of cheques processed each day has dropped to approximately \$1 billion, which remains a lag on the economy as we emerge from COVID, especially given those monies could be paid in realtime via the NPP. Equally, as we embrace the digital economy, we should be aware that Australia's economy is currently less digital than those of New Zealand and South Africa, who have already closed their cheques system. We must ensure, however, that current cheque users are able to use digital alternatives for their specific use cases, which is where our work in this area is focused.

We also continue to consult the industry and users on whether setting a target date for the eventual closure of the direct entry system might be helpful, as payments transition to newer systems such as the NPP. This consultation is focused on validating a proposed target end-date and migration plan.

In terms of payments modernisation:

- Our leadership of the HVCS industry migration to the ISO 20022 message format continues, with go-live of the initial phase in November 2022 and the program of work continuing until 2025
- The migration of the COIN network to a managed service with in-built resilience and redundancy is underway, with member migration taking place over the next 18 months

- We have initiated a program to migrate Australian card payments to the Advanced Encryption Standard, ensuring that they continue to be secure in a post-quantum computing world
- We are regularly monitoring the implications of less use of cash, especially in terms of its acceptance, but also – with the RBA – in terms of cash distribution arrangements.

STRATEGIC INSIGHTS

Alongside work on setting industry standards and leading payments modernisation, we are focused on the generational obligation to mitigate scams. We need to make Australia a hard target for scams. To do so will require:

- A focus on preventing scams, rather than compensating for them
- Collaboration between all the actors in the scams lifecycle.

AusPayNet is leading collaboration with these stakeholders through its Scams Mitigation Strategy and Program – sponsored by our Economic Crime Forum – with the Australian Banking Association, the Australian Financial Crimes Exchange and IDCARE. It includes five key pillars of work: data and insights; fusion and response; end-user education; policy; and industry standards.

In addition, our wider governance and policy focus has included:

- Our own governance review, which has delivered the most contested Board election in AusPayNet's history, which included operator and PSP member candidates, and an operator elected member director
- Work with ASIC to finalise their review of the ePayments Code
- Work with Treasury on their payments system review, on scams, and on CDR
- A significant number of policy submissions, including in emerging areas, such as cryptocurrency and privacy
- Making our policy dashboard available to all Members, so that policy positions can be agreed and understood.

As always, but particularly in our 30th year, we would like to acknowledge our fellow directors, our Members, the government, the RBA and other regulators, and all of our stakeholders. We are also grateful to AusPayNet's staff, for their hard work and skill, which have resulted in benefits not just to AusPayNet and our Members, but to payments and the digital economy more broadly.

John Brogden AM, Chair Andy White, CEO

HIGHLIGHTS



We introduced a Payment Service Provider (PSP) membership category, recognising the expansion of the industry beyond its traditional participants and ensuring greater representation in decision making. Ten PSP members have been onboarded to date.



We continue to lead the migration to the ISO 20022 payments messaging for the High Value Clearing System. The build phase was completed in March 2022, and the industry test phase has since progressed successfully.



Our strategic focus on leading payments modernisation has included ongoing industry consultation on the future of BECS, supporting the customer-led decline in cheques to ensure digital alternatives are available, understood and utilised, and monitoring the decline of cash to ensure the payment needs of cash users are supported.



We worked closely with regulators and Government and made submissions on a range of topics including Treasury's *Issues Paper on the Statutory Review of the Consumer Data Right (CDR)*, the ACCC's Discussion Paper for Interim Report No. 5: *Updating Competition and Consumer Law for Digital Platform Services*, and ASIC's Review of the ePayments Code.



As part of our governance review, we commenced a process with the ultimate goal of ensuring our readiness to become an authorised standards setting body.



We published voluntary guidelines for QR codes as a payment method, enabling merchants to offer their consumers another quick, efficient means of digital payment.



Our new payment acceptance governance approach for the approval of devices and solutions went live and has been well received by industry participants.



We continued our commitment to making Australia a hard target for scams by developing a scams mitigation program alongside the Australian Banking Association (ABA), Australian Financial Crime Exchange (AFCX) and IDCARE.



Our Cross-Border Payments Advisory Council is working with AusPayNet members on achieving the Financial Stability Board's targets for addressing the four challenges of cross-border payments.



We commemorated our rich 30-year history and now look forward to paving the way for the future of payments in Australia.

CONSUMERS ARE INCREASINGLY CHOOSING DIGITAL PAYMENTS



Cards

As more consumers embrace digital payments, the number and value of card payments in Australia continue to rise. Consumers made almost 12.5 billion card payments this year, a 4.8% increase on FY21. By value, card payments grew 10.3% to \$803.2 billion. Breaking down the figures, both debit and credit card payments increased, in terms of volume and value. The number of debit card payments increased 5.8% and their total value rose 11.7%, while credit card payments were up 1.8% in number and 8.4% in value.

NUMBER OF CARD PAYMENTS (Billions)



VALUE OF CARD PAYMENTS (\$ Billions)



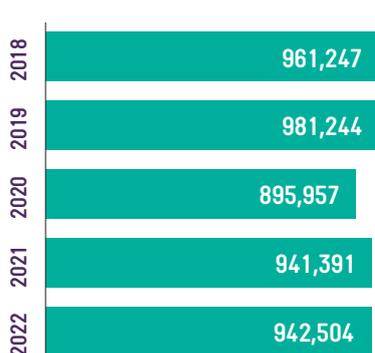
Source: RBA



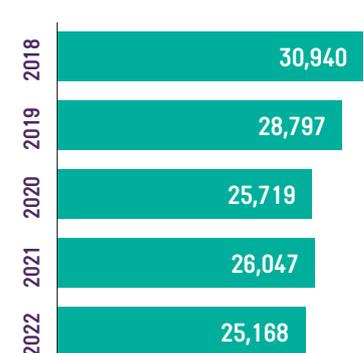
ATMS and POS devices

In June 2022, the rising number of card-based payments in Australia were enabled by 942,504 POS devices. This figure remains largely the same as the previous year [there was only a 0.1% increase from June 2021]. Meanwhile, following a slight increase [1.2%] in FY21, the number of ATMs dropped 3.4% this year to 25,168, a reflection of the ongoing decline in cash use for everyday purchases.

NUMBER OF POINT-OF-SALE DEVICES



NUMBER OF ATMS



Source: AusPayNet



Direct Entry

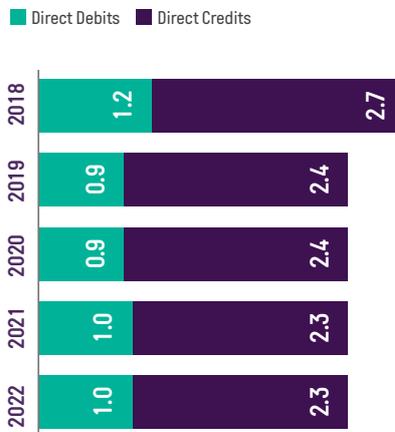
In recent years, a number of payments previously processed through the direct entry (DE) system have moved to the NPP, and it's anticipated that the NPP's 'PayTo' service will drive more migration of DE payments.* However, the DE system continues to carry the bulk of consumer payments by value. In FY22, while the number of direct credits dropped 1.4%, direct debits increased in volume by 6.6%. By value, direct credits increased by 12.8% to \$10.9 trillion, and there was an uptick for direct debits to \$4.2 trillion [a 13.1% rise from FY21].

* RBA PSB Annual Report 2021

Note: A break in the data series occurred in 2019 due to change in the RBA's method of statistical collection.

Source: RBA

NUMBER OF DIRECT ENTRY PAYMENTS (Billions)



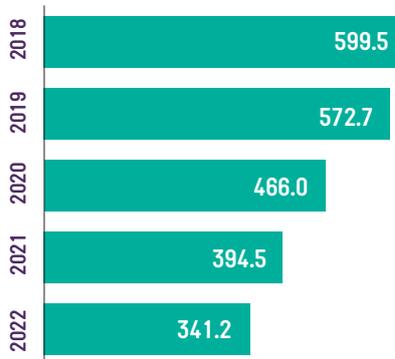
VALUE OF DIRECT ENTRY PAYMENTS (\$ Trillions)



Cash

Cash use has been on the decline for several years, a trend unlikely to abate any time soon. In FY22, the number of cash withdrawals fell by 13.5% to 34.1 million, following a 15.3% drop in FY21. The value of ATM withdrawals also decreased by 7.2% to \$96.7 billion. As more consumers' confidence in digital payment methods grows, and more of their money is spent online, the decline in cash withdrawals will likely continue.

NUMBER OF CASH WITHDRAWALS (Millions)



VALUE OF CASH WITHDRAWALS (\$ Billions)



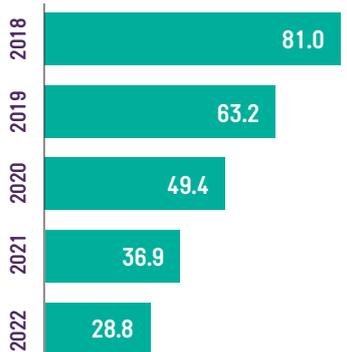
Source: RBA



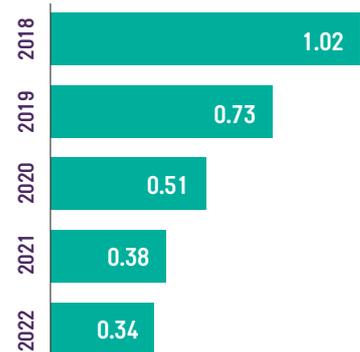
Cheques

Customers' increasing preference for digital payments is also affecting the frequency of cheque use. In FY22, cheque use decreased 22.0% to 28.8 million. Between FY17 and FY21, cheque use dropped by an annual average rate of 21.8%. The value of cheques also fell this year by 9.7% to \$340.7 billion, though this was not as substantial as the drop in the previous two years [26.1% in FY21 and 29.8% in FY20].

NUMBER OF CHEQUE PAYMENTS (Millions)



VALUE OF CHEQUE PAYMENTS (\$ Trillions)



Source: RBA

OUR YEAR IN REVIEW

SETTING INDUSTRY STANDARDS



We are setting standards that are payment rails agnostic and have relevance for a wider set of payment ecosystem participants and users.

SHAPING GLOBAL AND LOCAL STANDARDS

- Participated in standards bodies including ISO, PCI, EMVCo and Standards Australia
- Contributed to all major PCI SSC working groups
- Assisted in developing MPoC standard.

PAYMENT ACCEPTANCE DEVICE CERTIFICATION

- Implemented new processes to assess payment acceptance solutions
- 88 solutions already registered or assessed via new processes.

GUIDELINES FOR QR CODE PAYMENTS

- Responded to rapid growth in use of QR codes in payments overseas
- Released voluntary guidelines for QR codes as a payment method in Australia.

CROSS-BORDER PAYMENTS

- Cross-Border Payments Advisory Council supported delivery of G20 roadmap
- Worked with members to achieve Financial Stability Board's targets.

E-CONVEYANCING CODE

- Established e-Conveyancing Steering Committee
- Working groups created to undertake work required to develop Code.

LEADING PAYMENTS MODERNISATION



Our focus on payments modernisation aims to maximise the payment system's efficiency and its benefits for end-users, including rationalising legacy systems.

ISO 20022 MIGRATION PROGRAM

- Leading the migration to ISO 20022 messaging for high value payments
- Completed build phase of the program and commenced industry testing
- Participants successfully completed mandatory test cases.

EVOLUTION OF PAYMENT SYSTEMS

- Consulted with industry to determine future of BECS
- Continued to support the customer-led decline of cheques
- Monitored cash usage trends to assess need for industry intervention.

PAYMENT SYSTEMS OPERATIONAL RESILIENCE

- Commenced work to migrate COIN to new service provider (migration plan has completion target date of November 2023).

PAYMENT DATA ENCRYPTION

- Commissioned program initiation document for the migration of card payments to Advanced Encryption Standard (AES).

STRATEGIC INSIGHTS



We are leading collaboration to make Australia a hard target for scams and continue working closely with industry, regulators, and government on payment matters to ensure market-based outcomes that benefit end-users.

ADDRESSING PAYMENT FRAUD AND SCAMS

- Coordinated with the industry and other stakeholders to mitigate economic crime
- Mitigation plan developed with industry to target scam activity.

SHAPING PAYMENTS POLICY

- Treasury's Review of the Australian Payments System
- RBA's Review of Retail Payments Regulation
- Statutory Review of the Consumer Data Right
- ACCC's Digital Platform Services Inquiry 2020-2025
- ASIC's Review of the ePayments Code.

EFFECTIVE SELF-GOVERNANCE

- Ensured Board and membership structures are appropriate for evolving landscape
- Working towards becoming an authorised standards setting body.

MEMBER AND STAKEHOLDER ENGAGEMENT

- Welcomed first 10 PSP members; total membership increased to 152
- Engaged stakeholders through AusPayNet's Stakeholder Advisory Council
- Continued to work closely with regulators and government
- Exceeded 5,000 followers on main social media platform, LinkedIn
- Held successful 2021 Payments Summit virtually.

SETTING INDUSTRY STANDARDS

We are setting standards that are payment rails agnostic and have relevance for a wider set of payment ecosystem participants and users.



SHAPING GLOBAL AND LOCAL STANDARDS

AusPayNet has continued its 30-year history of involvement in standards development through participation not only domestically in Standards Australia, drafting standards for the use of the Advanced Encryption Standard (AES) in Australian card payments, but also globally in ISO, contributing to PIN and key management security; in PCI SSC focusing on mobile payments, HSMs and POI terminals; and in EMVCo as a Technical Associate.

Our CEO, Andy White, sits on both the EMVCo and PCI SSC Board of Advisors, guaranteeing the exposition of Australian concerns at the highest level of interaction with these bodies, while technical experts contribute to all major PCI SSC working groups.

For much of 2022, COVID-19 protocols have required virtual attendance at meetings across many time zones, but we have also participated face-to-face in major meetings, including the week-long PCI SSC RFC2 MPoC, Mobile Payments on COTS, and ISO TC68/SC2/WG11 &WG13.

Since implementing PAGS and the establishment of PCI SSC as the Approved Standards for card payment accepting solutions, AusPayNet's 11-year participation as an Affiliate of PCI SSC has come into greater focus as the prime strategy to influence and contribute to the development of standards for secure card payments. During 2022, the latest iteration of the POI Terminal standard was published, which now requires annual re-certification of all payment-related firmware, but by far the largest contribution has been to the development of the

soon-to-be-published MPoC (Mobile Payments on COTS) standard, which allows for both secure PIN entry and card reads to occur on commercial grade mobile devices.

PAYMENT ACCEPTANCE DEVICE CERTIFICATION

AusPayNet has implemented a new payment acceptance governance approach for the approval of standard solutions (those solutions that meet an Accepted Standard, such as the Payment Card Industry Security Standards Council) and non-standard solutions (those that do not meet an Accepted Standard) to be deployed in Australia.

In December 2021, the process for standard solutions was publicly released, with a new streamlined and simplified process requiring a technology vendor or manufacturer to register their solution with AusPayNet prior to deployment. In March 2022, the process for non-standard solutions was released, with a defined process to assess the security of these solutions through an AusPayNet-led structured approach, known as the Structured Risk Assessment (SRA).

These processes have been well received by payments industry participants, particularly by technology vendors and manufacturers of payment acceptance solutions. Under the new approach, AusPayNet has registered 86 standard solutions, and two non-standard solutions have been assessed under the SRA.

GUIDELINES FOR QR CODE PAYMENTS

QR codes are fast-emerging as another option for merchants to offer a quick, efficient method of digital payment to consumers. In May 2022, AusPayNet released voluntary guidelines for QR codes as a payment method, for financial institutions, payment service providers, merchants, and other payments industry participants.

The guidelines are set out in two documents, which contain:

- an EMVCo Merchant-Presented Mode QR Code Standard: a payee (for example, a merchant) can present a single QR Code that supports all payment methods accepted by the payee
- a Short QR Code Standard: the QR Code contains a reference to a source where the actual information is held or can be retrieved [examples being loyalty, voucher, receipt and warranty information].

Creation of the guidelines followed widespread public use of QR codes in Australia to support contact tracing during the COVID-19 pandemic and rapid growth in the use of QR codes in payments overseas, particularly in Asia.

CROSS-BORDER PAYMENTS

Since commencing with the consultation on the Financial Stability Board's (FSB) 'Targets for addressing the four challenges of cross-border payments' in July 2021, the Cross-Border Payments Advisory Council has overseen several consultation responses and engagements with both the FSB and the Committee on Payments and Market Infrastructure (CPMI).

Together, the G20 and the FSB have agreed the targets for addressing the four challenges of cross-border payments (speed, cost, transparency, and access). AusPayNet is coordinating with its members on benchmarking their progress towards achieving these targets, while the FSB continues to progress its work on implementing a global benchmarking methodology.

The FSB, CPMI and other agencies continue to assess improvements to cross-border payments, with consultations and guidance in areas such as extending and aligning operating hours of payment systems, supporting the adoption of legal entity identifiers, harmonising application programming interface (API) protocols, and establishing unique identifiers with proxy registries. The Bank for International Settlements' Innovation Hub and other agencies continue exploring areas such as central bank digital currencies, stablecoins, and the interlinking of domestic fast payment systems.

E-CONVEYANCING CODE

Working with e-Conveyancing operators (Electronic Lodgement Network Operators or ELNOs), AusPayNet is facilitating the joint development of a technology neutral industry code on e-Conveyancing payments. The industry code will standardise financial settlement for e-Conveyancing, enabling financial institutions and intermediaries who are payment integrated with one ELNO to integrate with any subsequent ELNO.

In 2021, we established the e-Conveyancing Steering Committee, which approved the creation of two working groups to conduct the detailed work required to create an industry framework for e-Conveyancing and the development of an Industry Code.

It is anticipated that the working groups will meet monthly and address elements of the proposed Industry code, with a draft version to be presented for endorsement by the Steering Committee by the end of 2022. It is expected that the draft code will then be provided to the ACCC for formal review and authorisation.

LEADING PAYMENTS MODERNISATION

Our focus on payments modernisation aims to maximise the payment system’s efficiency and its benefits for end-users, including rationalising legacy systems.

ISO 20022 INDUSTRY MIGRATION PROGRAM

The global adoption of ISO 20022 messaging for high value payments, both domestically and cross border, is continuing. Some jurisdictions have migrated to ISO 20022 already, while many, including Australia, have timelines aligned to SWIFT’s cross-border implementation in November 2022.

ISO 20022 delivers the benefits of richer data and enhanced content for financial messages.

AusPayNet is successfully leading this migration for the Australian payments community. In March 2022, we completed the program’s build phase, where all participants developed the necessary system and infrastructure changes to support the new message format.

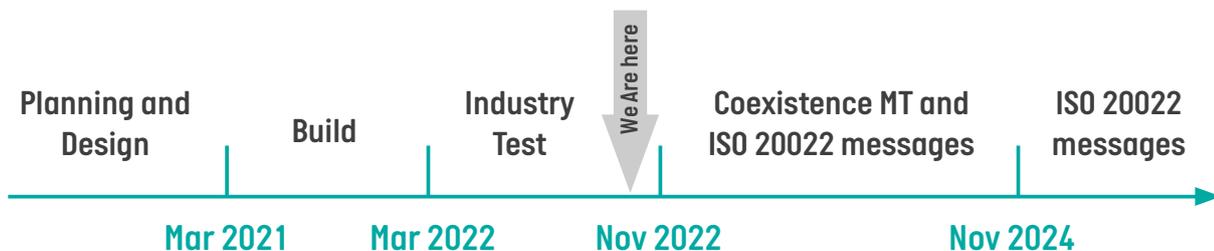
Industry testing commenced in April 2022, and participants were certified at the end of September 2022 as having successfully completed all mandatory test cases.

A managed ‘transition to live’ takes place during October and November 2022 in the lead up to commencement of ISO 20022 messaging on 21 November 2022, coinciding with commencement of ISO 20022 for cross-border high value payments.

But the journey does not end there. To allow some flexibility in how our members approach the adoption of ISO 20022 messaging, we are supporting two years of coexistence between the new and old format messages, meaning participants can choose to implement some functionality now, and some later.

The AusPayNet-led migration program will continue until 2025, managing all remaining migration activities during our coexistence period, as well new work streams looking at use and adoption of structured data, and ending with a release of new versions of all of our ISO 20022 messages in 2025.

Our workshops and information sessions have continued and remain well attended by large numbers of industry representatives. These will continue in the next phase of our program.





EVOLUTION OF PAYMENT SYSTEMS

Transitioning away from BECS

Payments industry participants have identified long-term strategic value in proactive management of legacy systems, including the direct entry system (BECS). They have also identified that while any transition away from BECS would need to be carefully managed, a payments ecosystem that utilises more modern payment alternatives would provide benefits to end-users. The BECS system, message format and processes have served industry well for several decades but lack the functionality and characteristics of modern alternatives. These alternatives offer greater certainty to payers and payees, richer data for both business and reporting purposes, and real-time processing and settlement can provide better user experiences for consumers, government and businesses.

AusPayNet's consultation with industry over the last financial year on the future of BECS has engaged BECS members, payment alternative providers, government, regulators and BECS users. There remains broad support for a carefully managed migration to more modern alternatives and an eventual retirement of BECS (subject to appropriate regulatory approvals). Stakeholders are conscious of the critical nature of such a migration, and the need to take into consideration the volume (over three trillion transactions last financial year) and the value (over \$15 trillion last financial year) that BECS supports. Equally, they see the long-term strategic value of these transactions being processed by more modern alternatives that have far richer capability and functionality.

The findings from our consultation will provide industry with a recommended migration approach and timeline. Focus areas of the findings will include an assessment of the reachability, reliability, capability, and accessibility of payment alternatives; an industry-preferred phased migration approach, insights into payments modernisation in other markets, and feedback from BECS users. AusPayNet will assess these findings, carefully considering how best to manage the future of BECS.

Supporting the customer-led decline of cheques

The customer-led decline of cheques continues, as users choose more modern alternative payment methods. The number of cheque payments decreased by 87.9% between 2012 and 2022, with a drop of 22% within the last year.

The continuing decline in the use of cheques heightens the importance of work by AusPayNet to manage this customer-led evolution so that no cheque users are left behind. In the 2021-22 financial year, this work has focused on promoting payment neutrality in legislation; education and awareness among industry segments and government of the ongoing rapid decline of cheques and the need to proactively consider alternative payment methods; and, through our members, the promotion of those alternatives to cheque users.

AusPayNet strongly encourages users of cheques - consumers, industry segments and government departments - to proactively consider their payment use cases and, where possible, a transition to payment alternatives. Because of the customer-led decline of cheques, an end to the use of cheques as a payment method seems inevitable, and forward planning can assist in avoiding negative impacts to current cheque users. AusPayNet is happy to engage with cheque-using industries and groups to provide more information on the decline, as well as where payment alternatives have been successfully adopted.

Monitoring the decline of cash

As a result of the decline in the use of cash for purchases, it is important for industry to regularly review cash-related trends, including access to cash, evolving merchant plans regarding cash acceptance, and consumer spending behaviours. AusPayNet coordinates an industry group, the Decline of Cash Working Group, made up of financial institutions and banking service providers, that monitors cash usage and acceptance trends, with a view to identifying whether there is a need for industry intervention. The group met in August 2022 to review cash usage from the perspective of merchants.

Interestingly, a survey (sent to over 1,000 merchants across metropolitan, regional and rural areas) revealed that cash acceptance and merchant plans in relation to the use of cash in their businesses have largely reverted to pre-COVID-19 states.

The working group will receive survey results on cash acceptance annually and will also consider up-to-date information regarding consumer spending trends.

Separately, in August 2022, the RBA published the conclusions from its review of banknote distribution arrangements. One of those conclusions was that a banknote distribution industry forum should be established, chaired by the RBA and facilitated by AusPayNet.

PAYMENT SYSTEMS OPERATIONAL RESILIENCE

Migrating the COIN

Following a market review and selection of a new Community of Interest Network (COIN) service provider, work to facilitate a successful migration to the new service has begun. The COIN acts as a telecommunications hub, providing connectivity to participant members, and supports a large volume of Australian payments, including eftpos transactions, direct entry, and cheque files. Given the ever-increasing focus on resilience and reliability, the COIN Management Committee has selected a solution that provides dual network architecture and a managed service. This will provide redundancy for the COIN-supported payment traffic, a greater level of service, and better visibility and management of service performance and incidents.

An industry steering committee was established to oversee the migration plan, which has a completion target date of November 2023. An industry working group is reporting into

the steering committee, and a combined project team, made up of Management from AusPayNet and the new COIN service provider, is supporting individual COIN members in their migration projects.

PAYMENT DATA ENCRYPTION

AES Migration

With the emergence of quantum computing, there is a growing focus on post-quantum cryptography (PQC), new encryption methodologies that outpace the capabilities of quantum computing.

In considering the need to be 'PQC ready', AusPayNet is proposing to migrate Australian card payments to the Advanced Encryption Standard (AES). We will shortly engage members and stakeholders in the creation of a program initiation document, to define the scope and timing of this migration.



THE SHIFTING LANDSCAPE

➤ MORE CUSTOMERS ARE OPTING FOR DIGITAL PAYMENTS



Sources: Savvy; RBA; ABA

➤ THE GROWTH OF E-COMMERCE CONTINUES



Sources: NAB Online Retail Sales Index: July 2022; Inside Australian Online Shopping eCommerce update June 2022

▶ P2P PAYMENTS ARE ON THE RISE



▶ NEW PLATFORMS ARE SUPPORTING THE TREND TO DIGITAL



▶ PAYMENTS IS WELL REPRESENTED IN THE FINTECH LANDSCAPE



Source: KPMG Australian Fintech Survey Report June 2022

Source: RBA; RBA; PEXA Annual Report 2022



STRATEGIC INSIGHTS

We are leading collaboration to make Australia a hard target for scams and continue working closely with industry, regulators, and government on payment matters to ensure market-based outcomes that benefit end-users.

ADDRESSING PAYMENT FRAUD AND SCAMS

AusPayNet collaborates with its members, the wider payments industry, regulators, government, law enforcement and other stakeholders to mitigate economic crime. A key success of this collaboration to date has been the card-not-present (CNP) framework. Despite the surge in online payments, the framework has resulted in the stabilisation of card fraud rates.

While card fraud has stabilised, criminal groups have increasingly turned their attention to scams. Scams result in tremendous financial and emotional harm to victims, their

families, businesses, and the broader economy. Responding to this trend, AusPayNet is leading collaboration to prevent scams and minimise their risk and impact on Australian consumers and businesses.

Payment Fraud

AusPayNet's 2022 Australian Payment Fraud Report shows that in the 12 months to 31 December 2021, while the total value of card transactions increased 8.0% to \$865 billion, overall card fraud grew at a slower pace, by 5.7% to \$495 million.



CNP fraud accounts for 91% of all fraud on Australian cards, reflecting the rising volume of payment transactions online post-pandemic. In 2019, AusPayNet introduced the CNP Fraud Mitigation Framework to counteract rising rates of CNP fraud. The framework encourages merchants to accelerate uptake of secure technologies offered by banks, card schemes and payment service providers/gateways, such as real-time monitoring, machine learning, tokenisation, and strong customer authentication.

In the three years prior to the introduction of the framework (2016 to 2018), the fraud rate on Australian card payments averaged 74.3 cents per \$1,000 spent. In the 2021 calendar year, the fraud rate was 57.3 cents per \$1,000 of spending. The evidence indicates that industry collaboration is having an impact on the level of CNP fraud.

Mitigating Scams, Better Together

The 2022 ACCC Report on scams activity, “*Targeting scams*”, estimates that Australian scam losses in 2021 totalled more than A\$2 billion, more than double the \$851 million reported loss in 2020.

In response to the targeting of Australian consumers and

businesses with scams, AusPayNet’s scams mitigation strategy and program includes five key pillars of work:

- **Data and Insights:** AusPayNet collaborates closely with its partner the Australian Financial Crimes Exchange (AFCX). AFCX data ensures current and accurate insights are obtained to influence the most effective response strategies. The AFCX participates in AusPayNet’s Economic Crime forum (ECF), which facilitates discussions that inform industry, law enforcement and government response strategies.
- **Fusion and Response:** Established in 2021, and building on its predecessor the Fraud in Banking Forum, the ECF brings together representatives from AusPayNet’s 150+ members, Australia’s policing agencies, intelligence agencies, regulators and other government bodies, and enables all participants to coordinate technical, community awareness and tactical response strategies. A current priority for the ECF is remote access scams (RAS), which are significantly affecting vulnerable Australians and are often perpetrated by sophisticated transnational criminal groups. In July, the ECF commenced a RAS-targeting pilot project, for which it has partnered with the Joint Policing

Cyber Coordination Centre (JPC3), the AFCX and the Australian Communications and Media Authority (ACMA).

- **End-User Education:** A government and industry brief has been developed which proposes a joint multi-year community awareness campaign that is data-led in terms of scam priorities, victim demographics (including CALD groups) and effective communication mediums.
- **Policy:** We have continued to engage ministers, Treasury, regulators, and government agencies to assist in the development of the Government's scam buster policy, including the National Anti-Scam Centre and industry codes.
- **Industry Standards:** A review of the AusPayNet and IDCARE Identify Theft and Scams Industry Standards and Guidelines [2020] has been completed, including over 20 bilateral engagements and global research.

Fighting child exploitation

AusPayNet has a proud history of co-hosting the Financial Coalition Against Child Sexual Exploitation forum, in partnership with the International Centre for Missing and Exploited Children (ICMEC). In 2022, AusPayNet commenced as chair of this forum, which brings together governments, industry, and other key stakeholders to protect our children, particularly as the crisis of child victimisation is exacerbated by the internet.

SHAPING PAYMENTS POLICY

AusPayNet has created a significant number of policy submissions to contribute to shaping payments policy and engendering confidence in payments for all. Our focus for this year was to:

- assist the Government in its Review of the Australian Payments System (Treasury Review)
- ensure sustainable innovation in digital identity, consent and action initiation for payments
- call for cross-sectorial collaboration to prevent scams.

AusPayNet prepared these submissions after consulting broadly with members and other relevant stakeholders to glean crucial insights.

Treasury's Review of the Australian Payments System

In December 2021, the Federal Government released its response to three significant reviews, including the Treasury Review. In its response to the Treasury Review, the Government agreed with 14 of the 15 recommendations made by chair

Scott Farrell, including:

- **Consumer and business-centric policy design:** The regulatory architecture should serve the end-users of the payments ecosystem and, to support their needs, it should be guided by the principles of strategy, safety, and simplicity.
- **Align regulator approaches and regulatory requirements:** Treasury will establish a regular payments forum with relevant regulators to ensure coordination and alignment in approach and policy outcomes. This includes greater coordination between Treasury, regulators and the Australian Transaction Reports and Analysis Centre [AUSTRAC].
- **Align industry standards:** The RBA will be given power to authorise industry standard setting bodies, including AusPayNet, to ensure that the industry's technical standards are consistent with the broader strategic objectives of the payments system.

AusPayNet supports the Government's work in these areas and looks forward to contributing with deep industry insights and experience, and to the development of pragmatic policy solutions.

Merchant Choice Routing (MCR)

Following the RBA's Review of Retail Payments Regulation, AusPayNet worked with the industry to understand how it could assist in interpreting and implementing the RBA's four 'Principles for LCR [Least Cost Routing] in the device-not-present environment' (these are the principles the industry is expected to abide by in implementing MCR online). Specifically, we identified a need to develop guidelines to provide recommendations that met the Principle 2 requirement of 'reasonable notification', with the least amount of friction and confusion for customers. We thank the payments community in working together to develop the MCR Online Notification Guidelines, published on our website in August 2022.

Consumer Data Right and Economic Crime

In a series of submissions on the Consumer Data Right (CDR) and its rules on consent, cybersecurity and digital identity, AusPayNet supported Treasury's Statutory Review of the CDR in its aims to put customers at the heart of innovation and to contribute to the digital economy through data-enabled payments and excellent integrated customer experience. Improving consumer consent

and data security will also assist in managing the risks of economic crime.

At an ecosystem level, AusPayNet has been developing insights to drive cross-sectorial collaboration to prevent scams. We responded to the ACCC's Discussion Paper for Interim Report No. 5: *Updating Competition and Consumer Law for Digital Platform Services*, as part of the Digital Platform Services Inquiry 2020-2025, in a bid to ensure real-time data sharing and communication between sectors to detect and respond to suspicious activities.

Review of the ePayments Code

On 2 June 2022, ASIC released its updated version of the ePayments Code. The updated Code is the result of a consultation period that commenced in March 2019. Throughout the consultation, AusPayNet acted as a key stakeholder with its members to provide feedback and insights to ASIC on the impact of potential changes being proposed. We submitted three formal submissions on proposed amendments and held several industry roundtables between members and ASIC to discuss and expand upon feedback provided during the consultation.

The main resulting changes to the Code included amendments to extend it to cover payments made using the New Payments Platform as well as updates to:

- Compliance monitoring and data collection
- Mistaken internet payments
- Unauthorised transactions
- Complaints handling
- Facility expiry dates.

The new Code became effective from 2 June 2022 but is subject to a 12-month transitional period. Subscribers must be compliant with this latest version by 2 June 2023. AusPayNet is now working with the members of its applicable frameworks to ensure that Procedures are aligned with the changes to the Code in time for next year's deadline.

EFFECTIVE SELF-GOVERNANCE

This year, we have continued reviewing AusPayNet's Constitution and governance structure to ensure that our approach to self-governance remains fit for purpose and transparent, and to ensure that our Board and membership structures are appropriate for the growing and changing payments landscape.

Board structure and representation

Following the change to voting structure approved in 2020, the Governance Review Committee (GRC) conducted a review of the company's objects, including its vision and purpose. The review resulted in changes to our Constitution. In December 2021, following the publication of the Government's response to the Review of the Australian Payments System, the GRC confirmed that AusPayNet should take steps to ensure that it is adequately equipped (from a governance, corporate and skillset perspective) to successfully deliver on its core activity of setting industry standards, with the view to becoming an authorised standards setting body (ASSB) in future.

In that context, the GRC appointed an external consultant to review AusPayNet's readiness to become an ASSB. The independent review was completed in June 2022 and the GRC is currently in the process of reviewing and acting upon its findings and recommendations through a formal program of work.

MEMBER AND STAKEHOLDER ENGAGEMENT

Member engagement

Engaging with members remains at the core of AusPayNet's activities. We engage through our committees, working groups, and regular bilateral meetings, among other activities. In 2022, our engagement team has grown, enabling more frequent meetings to date with all members and stakeholders. Strong ties with our members assist us in keeping up with industry developments and identifying topics or issues for industry collaboration.

This year, the results of our annual member survey showed that member satisfaction remains high, at 96.4%; this compares to 94.4% in 2021. This result reflects members' alignment with AusPayNet's strategic direction and priorities. Members also shared that the top three challenges that would benefit from industry collaboration include modernising the payments system, addressing economic crime, and Payment Service Provider (PSP) engagement.

New members

In 2021, we reviewed our membership structure and identified a need for a new membership category for PSPs. The new category is aligned with the [accepted] recommendation of Treasury's Review of the Australian Payments System to set up a tiered licensing framework for PSPs.

The new membership category was launched in February 2022 and as of 21 October, we had onboarded 10 new PSP members while building relationships with many more PSPs in the market.

Through the new category, AusPayNet is ensuring we represent the needs of the industry, enabling innovation, facilitating competition and choice, and allowing new participants to actively participate in and shape payments self-regulation.

We were delighted to welcome the following new members:

- **PSPs:** Armaguard, Bleu, Episode Six, EzyPay, Ingenico, Monoova, payFURL, PayOK, Paypa Plane and Square
- **IAC participants:** ANZ Worldline Solutions and Macquarie Bank
- **IAC affiliates:** Amazon and Stripe
- **BECS Tier 1:** Indue
- **BECS Tier 2:** Alex Bank, Avenue Bank and Wise
- **APSC Tier 1 B:** Citi.

We now have 152 members across the payments ecosystem. A full list of our members is provided on page 34.

Broader stakeholder engagement

Broader stakeholder engagement is one of AusPayNet's principles for good governance, and a vital input to our strategy and key initiatives. This year, we continued to engage key stakeholders of the payments system via our Stakeholder Advisory Council (the Council).

The Council is critical to our work, providing a channel through which we can obtain insights from stakeholders of the payment system not currently represented on our Board and share these with the Board for their consideration. The Council is made up of end-user groups, regulators, government, and relevant industry associations.

Since its inaugural meeting in August 2021, the Council has met quarterly and provided valuable feedback on, but not limited to, our corporate strategy, our journey to becoming an ASSB, our governance review, our role in digital identity, and opportunities for cyber security coordination.

Liaising with regulators and government

AusPayNet is collaborating closely with regulators and governments at the Commonwealth and State levels to better

align regulatory requirements and industry standards. By understanding their policy objectives and the issues they are attempting to address, AusPayNet and its Members are better positioned to provide useful insights and pragmatic solutions.

Payments Summit

AusPayNet's annual summit is a key event for the Australian payments industry, bringing together decision-makers, innovators, experts, and regulators for thought-provoking conversations on the most pressing topics in payments.

Because of the ongoing uncertainty caused by COVID-19, we held the summit virtually in 2021. We were delighted to have the Governor of the RBA, Philip Lowe, deliver his annual address, highlighting trends in the system as well as regulatory challenges that have arisen because of rapid change in the world of payments. The event also included a panel of payments experts from Deloitte, who contemplated the future of the digital wallet, and culminated in a keynote speech by Senator Andrew Bragg, who discussed the need for reform in the Australian payments system.

Our first in-person summit in three years will be held on Wednesday, 14 December 2022 at the International Convention Centre (ICC), Sydney. We are excited to welcome back the RBA Governor, and to welcome for the first time Australia's recently appointed Assistant Treasurer and Minister for Financial Services, The Hon Stephen Jones MP. Additionally, there will be several industry experts taking part in a series of thought-provoking panels and rapid-fire talks.

Communications

Keeping our members and stakeholders apprised of key activities is critical to ensuring their awareness of significant developments in payments. Our publications to members and other stakeholders include online newsletters, reports and blogs. We are currently focused on increasing our engagement with stakeholders via our social media channels (we have over 5,000 followers on LinkedIn) and in-person events, and we are excited to grow and enhance our suite of publications in times ahead.

BOARD OF DIRECTORS

Under the leadership of an independent chair, the Board currently has 13 members comprising independent directors, the CEO, and non-executive directors appointed or elected by AusPayNet members.

There were four changes to the Board during the year. The Board welcomed John Brogden as its new Chair in January 2022. Stephanie Connors stepped down as a director and was replaced by Dr Michael Plumb in April 2022. After seven years as Chair and a director of AusPayNet, Rob Craig stepped down at the end of July 2021. The Board thanked Mr Craig and Ms Connors for their service.

Independent director Jennifer Clark served as interim Chair in August 2021.

The names of the directors in office as at 30 September 2022 follow.



JOHN BROGDEN AM, Chair

MPA, FAICD

Non-Executive Director

Appointed as Chair and independent director of AusPayNet in January 2022. Mr Brogden is also Chair of the Remuneration Committee.



LYNDA MCMILLAN, Deputy Chair

MBUS, GAICD

Head of Payments Representation, Business Banking, CBA

Appointed as a non-executive director by the CBA in April 2018 and as Deputy Chair by the Board in December 2019. Ms McMillan also serves as Chair of the Economic Crime Forum and Nomination Committee, and member of the Governance Review Committee and Payments Review Committee.



ANDY WHITE, CEO

BA (HONS), MA (OXON), GAICD

CEO, AusPayNet

Appointed as CEO and an executive director of AusPayNet in March 2019. Mr White serves as Chair and member of the Governance Review Committee and Payments Review Committee, and member of the Audit, Risk and Finance Committee and Remuneration Committee.



CHRIS CAMPBELL

BEC, MBUS (FINANCE)

Head of New Payments and Payments Policy, Westpac Group

Appointed as a non-executive director by Westpac in April 2003. Mr Campbell serves as Chair of the Issuers and Acquirers Forum, and member of the Nomination Committee, Payments Review Committee and Policy Experts Group.



JENNIFER CLARK

FAICD

Non-Executive Director and former investment banker

Appointed in June 2014 as an independent director. Ms Clark serves as Chair of the Policy Experts Group, and member of the Audit, Risk and Finance Committee and Remuneration Committee.



JACKIE KALLMAN

BPSYCHSC (HONS), GAICD

Head of Payments Industry, ANZ

Appointed as a non-executive director by ANZ in April 2018. Ms Kallman serves as Chair of the HVCS Management Committee, and member of the Payments Review Committee.



OLIVIA McARDLE

B COMM [ACCOUNTING & LAW], MBA, CA, MAICD

Head of Deposits and Payment Products, Macquarie Bank Limited

Appointed as a non-executive director by Electing Members in November 2017. Ms McArdle serves as member of the Audit, Risk and Finance Committee and Remuneration Committee.



DR MICHAEL PLUMB

BEC (HONS), MEC (HONS), DPHIL(OXON)

Head of Banking, RBA

Appointed as a non-executive director by the RBA in April 2022. Dr Plumb serves as member of the Audit, Risk and Finance Committee, Nomination Committee and Remuneration Committee.



MARK TIBBLES

MAICD

CEO, Australian Settlements Limited

Appointed as a non-executive director by Building Society Members in April 2019. Mr Tibbles serves as Chair of the Audit, Risk and Finance Committee, and member of the Remuneration Committee.



KEES KWAKERNAAK

MSC, MAICD

Head of Merchant Solutions – Asia-Pacific, Fiserv

Appointed as a non-executive director by Electing Members in October 2016. Mr Kwakernaak serves as Chair of the ACDES Management Committee, and member of the Nomination Committee.



KATE MULLIGAN

BA, LLB(HONS), MAICD

Managing Partner, King Irving

Appointed as an independent director in June 2014. Ms Mulligan serves as Chair of the AusPayNet Stakeholders Advisory Council and COIN Management Committee, and member of the Governance Review Committee.



DIANNE SHAY

BTH, MAICD

Head of Payments Industry, NAB

Appointed as a non-executive director by NAB in December 2019. Ms Shay serves as Chair of the APCS Management Committee, and member of the Payments Review Committee and the Policy Experts Group.



DEREK WEATHERLEY

BCOMM, MACC, GAICD

CEO, Indue Limited

Appointed as a non-executive director by Credit Union Members in April 2018. Mr Weatherley serves as Chair of the BECS Management Committee, and member of the Payments Review Committee.

GOVERNANCE FRAMEWORK

The AusPayNet Board is responsible for setting the organisation's strategic direction and corporate governance.

CHAIR AND CEO

The current Chair, John Brogden, is an independent voting director. The CEO is charged with implementing Board endorsed strategy and managing the day-to-day affairs of the company. The CEO is a non-voting, executive director.

BOARD COMMITTEES

The Board has established a management committee for each AusPayNet framework including its clearing systems, Issuers and Acquirers Community, and infrastructure system [COIN]. Acting under delegated authority from the Board, management committees are responsible for the efficient operation and management of each framework. Specialised sub-committees are also established under certain frameworks to address technical and operational issues requiring subject matter expertise.

The Board has also established the following committees to assist in managing the company's affairs:

- **Audit, Risk and Finance Committee:** reviews the company's internal financial practices, budget and audit results and monitors the effectiveness of the company's financial controls and administrative policies.
- **Governance Review Committee:** responsible for reviewing AusPayNet's governance, and making recommendations to the Board, including proposed constitutional changes.
- **Nomination Committee:** supports the Board on matters relating to the eligibility, appointment and election of directors.
- **Payments Review Committee:** acts as a steering and oversight committee for the Board approved strategies (this includes managing the decline of cheques, the BECS transition, the scam mitigation strategy, and the COIN migration).
- **Remuneration Committee:** establishes remuneration policies and practices for the company generally and recommends remuneration levels and contractual arrangements for the CEO, independent chair and independent directors.

BOARD CHARTER, CODE OF CONDUCT AND INDUCTION

The Board carries out its functions and exercises its powers in accordance with the Board charter, which sets out its role and responsibilities. The charter is supplemented by various board policies including a conflicts management policy, a competition protocol and a Code of Conduct, which all directors, management committee members and employees must comply with, and which is designed to ensure high standards of ethical and professional conduct and compliance.

The Board reviews the charter and other policies regularly. An induction program for newly appointed board members provides an overview of AusPayNet's governance and policy framework and operations, as well as an understanding of their role and responsibilities.

RESERVE BANK OF AUSTRALIA

As a participant in payment systems, the RBA has been a member of AusPayNet since its inception in 1992. The RBA has appointed a director to the AusPayNet Board, in accordance with its rights under the AusPayNet Constitution. Additionally, since May 2007, the RBA and AusPayNet have been liaising on payments policy issues under an agreed set of procedures which have been set out in a Memorandum of Understanding, which includes senior staff of the RBA consulting with AusPayNet on a regular basis on issues of common interest. This ensures continued close cooperation between the RBA and AusPayNet.

RISK MANAGEMENT

AusPayNet has put in place a risk management framework which the Board oversees. Key risks and risk appetite are regularly reviewed, and the risk framework is submitted to both internal and external review.

OUR TEAM

Our Executive Committee is responsible for leading the AusPayNet team in delivering on strategic objectives.

ANDY WHITE, Chief Executive Officer



Paula Gilardoni
General Counsel and
Company Secretary*



Lynette Hickey
Chief Financial Officer



Rajat Jain
Chief Strategy Officer



Lauren Johnson
Chief People and
Culture Officer



Luke Wilson
Chief Operating
Officer

THRIVING BEYOND THE PANDEMIC

In June 2021, AusPayNet’s staff returned to full-time work from home arrangements as Sydney entered its second lockdown, an arrangement that remained largely in place until March 2022, when staff officially returned to the office under a hybrid working model. Even as we navigated the volatile COVID-19 climate, our team continued to thrive, and we are pleased to report that our employee engagement scores are stronger than they have ever been.

SECURING THE RIGHT TALENT TO PAVE THE WAY FORWARD

This year, AusPayNet reviewed its total rewards strategy. Our primary objectives were twofold: firstly, we want to ensure that our total rewards enable us to attract the right talent to deliver our FY23-FY26 strategy. Secondly, as a purpose-led organisation, it is crucial that we promote motivation, empowerment, trust, and equity through our [financial and non-financial] rewards. Our Executive Committee has endorsed this approach and, as a result, AusPayNet will roll out improved employee benefits in FY23.

* Nancy Bryla held the position of General Counsel and Company Secretary until 5 May 2022

MEMBERSHIP

AusPayNet has 152 member organisations including participant members, operator members, COIN members, affiliates, and payment service providers.

PARTICIPANT MEMBERS

Adyen Australia Pty Limited ●
 Agricultural Bank of China Limited
 Alex Bank Pty Ltd
 AMP Bank Limited
 Arab Bank Australia Limited
 Australia and New Zealand Banking Group Limited ●
 Australia Post
 Australian Military Bank Ltd
 Australian Mutual Bank Limited
 Australian Settlements Limited
 Australian Unity Bank Limited
 Auswide Bank Ltd
 Avenue Bank Ltd
 B&E Ltd trading as Bank of Us
 Bank Australia Limited
 Bank of America, National Association
 Bank of China
 Bank of China (Australia) Limited
 Bank of Communications Co., Ltd Sydney Branch
 Bank of Queensland Limited
 Bank of Sydney Ltd
 Bendigo and Adelaide Bank Limited
 Beyond Bank Australia Limited
 BNP Paribas
 BNP Paribas Securities Services
 Capricornian Ltd (The)
 China Construction Bank Corporation, Sydney Branch
 China Merchants Bank Co., Ltd.
 Citibank N.A.
 Citigroup Pty Limited
 CLS Bank International
 Coles Group Limited ●
 Commonwealth Bank of Australia ●
 Community First Credit Union Limited
 Cooperatieve Rabobank U.A.
 Credit Union Australia Ltd (trading as Great Southern Bank)
 Cuscal Limited ●
 DBS Bank Ltd., Australia Branch
 Defence Bank Limited
 Deutsche Bank AG
 EFTEX Pty Limited
 First Data Network Australia Limited
 G&C Mutual Bank Limited
 Gateway Bank Ltd
 Global Payments Australia 1 Pty Ltd
 Greater Bank Limited

Heritage Bank Limited
 Holiday Coast (now known as Regional Australia Bank Ltd)
 Hong Kong and Shanghai Banking Corporation Limited - Australian Branch
 HSBC Bank Australia Limited
 Hume Bank Limited
 IMB Ltd
 in1bank Ltd
 Indue Ltd
 Industrial and Commercial Bank of China Limited
 ING Bank (Australia) Limited (trading as ING)
 ING Bank NV (Sydney Branch)
 JPMorgan Chase Bank, National Association
 Judo Bank Pty Ltd
 KEB Hana Bank
 LCH.Clearnet Limited
 Macquarie Bank Limited
 Maitland Mutual Limited
 Mega International Commercial Bank Co, Ltd
 Members Banking Group Limited trading as RACQ Bank
 Mizuho Bank, Ltd
 MUFG Bank, Ltd
 MyState Bank Limited
 National Australia Bank Limited ●
 Newcastle Permanent Building Society Ltd
 Northern Trust Company (The)
 Oversea-Chinese Banking Corporation Limited
 Police & Nurses Limited
 Police Bank Ltd
 QPCU Limited
 Queensland Country Bank Limited
 Rabobank Australia Limited
 Railways Credit Union Limited trading as MOVE Bank
 Regional Australia Bank Limited
 Reserve Bank of Australia ●
 Royal Bank of Canada
 Southern Cross Credit Union Ltd
 Standard Chartered Bank
 State Bank of India
 State Street Bank and Trust Company
 Sumitomo Mitsui Banking Corporation
 Summerland Financial Services

Limited (trading as Summerland Credit Union)
 Suncorp-Metway Limited ●
 Taiwan Business Bank, Sydney Branch
 Teachers Mutual Bank Limited
 Tyro Payments Limited ●
 UBS AG, Australia Branch
 United Overseas Bank Limited
 Uniting Financial Services
 Unity Bank Limited
 Victoria Teachers Limited, trading as Bank First
 Warwick Credit Union Ltd
 Westpac Banking Corporation ●
 Windcave Pty Limited ●
 Wise Australia Pty Ltd
 Woolworths Group Limited ●
 Worldline Australia Pty Ltd (trading as ANZ Worldline Payment Solutions)
 Worldpay Pty Limited
 Zepto Payments Pty Ltd

OPERATOR MEMBERS

American Express Australia Limited
 Austraclear Limited
 BPAY Group Limited ●
 Diners Club Australia Pty Ltd
 eftpos Payments Australia Limited ●
 Google Payment Australia Pty Ltd
 Mastercard Asia/Pacific (Australia) Pty Ltd
 NPP Australia Limited
 PayPal Australia Pty Ltd
 Royal Australian Mint
 S.W.I.F.T. Services Australia Pty Limited
 UnionPay International Co., Ltd.
 Visa AP (Australia) Pty Ltd

COIN MEMBERS

A2B Australia Limited
 First Data Resources Australia Limited
 FUJIFILM Data Management Solutions Australia Pty Ltd
 Genpact Australia Pty Ltd
 Property Exchange Australia Limited (PEXA)
 Transaction Network Services Australia Pty Ltd

AFFILIATES

Advam Pty Ltd
 Amazon Commercial Services Pty Ltd
 Armaguard Technology Solutions Pty Ltd
 Cardtronics Australasia Pty Ltd
 Change Financial Limited
 Diebold Nixdorf Australia Pty Limited
 eBay Commerce Australia Pty Limited
 Giesecke & Devrient Australasia
 Ingenico International (Pacific) Pty Ltd
 Microsoft Pty Limited
 NCR Australia Pty Ltd
 Optus
 Prosegur SPV 1 Pty Limited
 Quest Payment Systems Pty Ltd
 Southern Payment Systems Pty Ltd (trading as Pin Payments)
 Stripe Payments Australia Pty Ltd
 Thales
 Threatmetrix Pty Ltd
 UL Transaction Security
 Verifone Pty Ltd
 Webjet Marketing Pty Ltd

PSP MEMBERS

Armaguard Technology Solutions Pty Ltd
 AXIS IP Pty Ltd t/a Paypa Plane
 Bleu Australia Pty Ltd
 Episode Six Inc
 EzyPay Pty Limited
 Ingenico International (Pacific) Pty Ltd
 Monoova Payments Pty Ltd
 payFURL ANZ Pty Ltd
 PayOK Holdings Pty Ltd
 Square AU Pty Ltd

Members as of 21 October 2022

● Also a COIN member

GLOSSARY

ACDES	Australian Cash Distribution and Exchange System
AES	Advanced Encryption Standard
AFCX	Australian Financial Crimes Exchange
APCS	Australian Paper Clearing System
ASSB	Authorised Standard Setting Body
BECS	Bulk Electronic Clearing System
CDR	Consumer Data Right
CNP	Card-Not-Present
COIN	Community of Interest Network
CoP	Confirmation of Payee
CPMI	Committee on Payments and Market Infrastructure
Direct Entry	Payments system for direct debits and direct credits
EMV	Europay, MasterCard, and Visa
Fintech	Collaboration between financial services companies and technology innovators
FSB	Financial Stability Board
HSM	Hardware Security Module
HVCS	High Value Clearing System
IAC	Issuers and Acquirers Community
IDCARE	Australia's and NZ's national identity and cyber support service
ISO	International Organization for Standardization
LCR	Least Cost Routing
MCR	Merchant Choice Routing
MPoC	Mobile Payments on COTS (commercial off-the-shelf)
NPP	New Payments Platform
PCI	Payment Card Industry
PCI SSC	PCI Security Standards Council
POS	Point-of-Sale
PSP	Payment Service Provider
QR Codes	Quick Response Codes
RAS	Remote Access Scams
RBA	Reserve Bank of Australia
SRA	Structured Risk Assessment
SWIFT	Society for Worldwide Interbank Financial Telecommunications

30
YEARS

Australian
**Payments
Network**

