

A stylized, colorful illustration of the Australian landscape and skyline. It features a mix of modern skyscrapers and traditional rural elements. On the left, there's a yellow church tower, a red barn, and a blue bridge. In the center, a tall blue telecommunications tower stands next to a red windmill. To the right, several orange skyscrapers, including one with a distinctive spire, rise against a light background. In the foreground, there are green hills, a blue body of water, and a large blue leaf-like shape. The overall style is flat and graphic.

The Point 2016

The Australian Payments Plan

Strategic Review of Innovation in the Payments System

Areas for improvement identified by RBA in 2012

- **Payments Systems Governance**
 - Australian Payments Council - new strategic industry body to set & coordinate high level strategic objectives
- **Payments Systems Architecture**
 - Same Day EFT
 - Real-time payments

“First, it is satisfied that there are some market failures that may prevent innovation in the payments system. In other words, market forces might not be sufficient to produce some types of innovation that are in the public interest. Second, it believes that innovation is important to its mandate, that is: controlling risk; promoting efficiency and promoting competition in the market for payment services.”

- Strategic Review of Innovation in the payments System



Payment Systems Governance

- **Australian Payments Council**

- Stood up as strategic coordination body for the payments industry 2014
- 13 Council members and a community of over 25
- A meeting place for industry and the Payments System board of the RBA

- **Developed a strategic vision for payments in consultation with over 60 individuals & organisations**

- **Australian Payments Plan published 2015**



Yesterday and Today

DIGITAL PAYMENTS



Ms Smith books a taxi to the airport by phone and gets a call on the taxi's approach. She pays by contactless card at the end of the journey.

Today and Tomorrow

INTEGRATED PAYMENTS



Ms Smith uses her smart phone to book her ride to the airport using the app provided by an independent ride service. The app provides her with real-time tracking of the car's approach and driver details. Her app automatically makes payment at the end of the journey using her pre-selected payment choice.

Tomorrow...

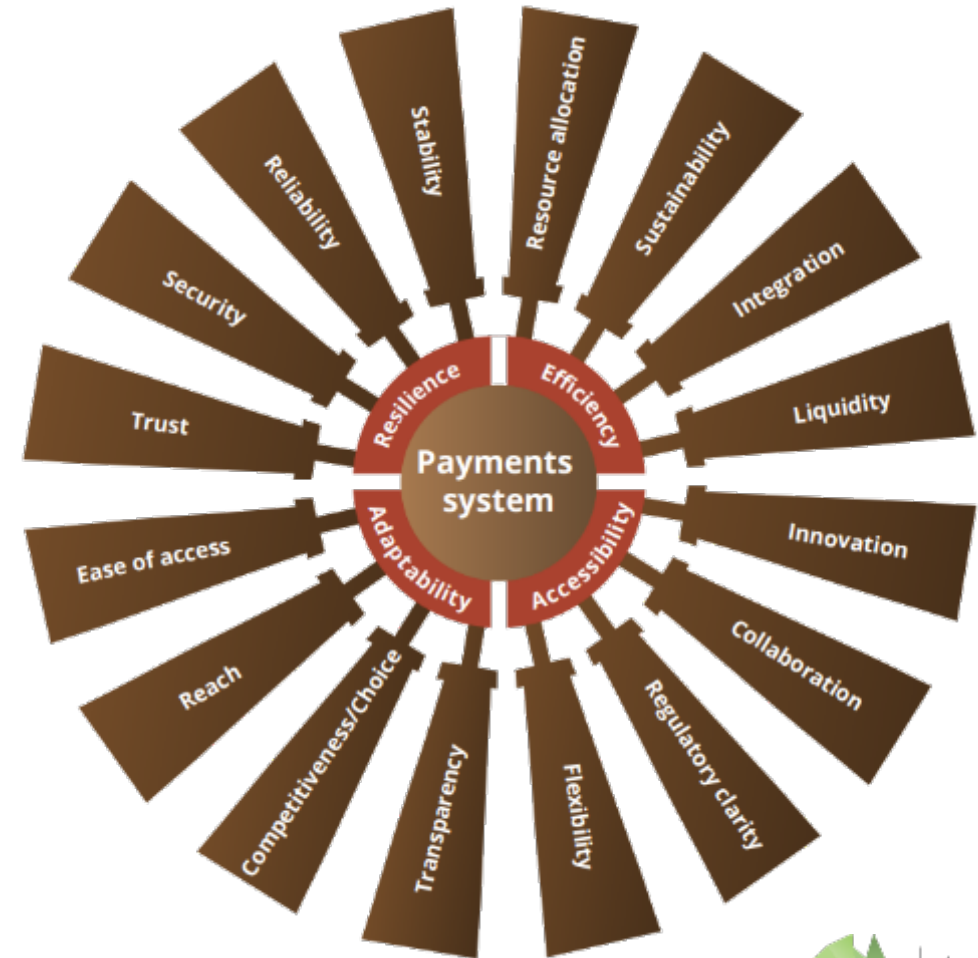
EMBEDDED PAYMENTS



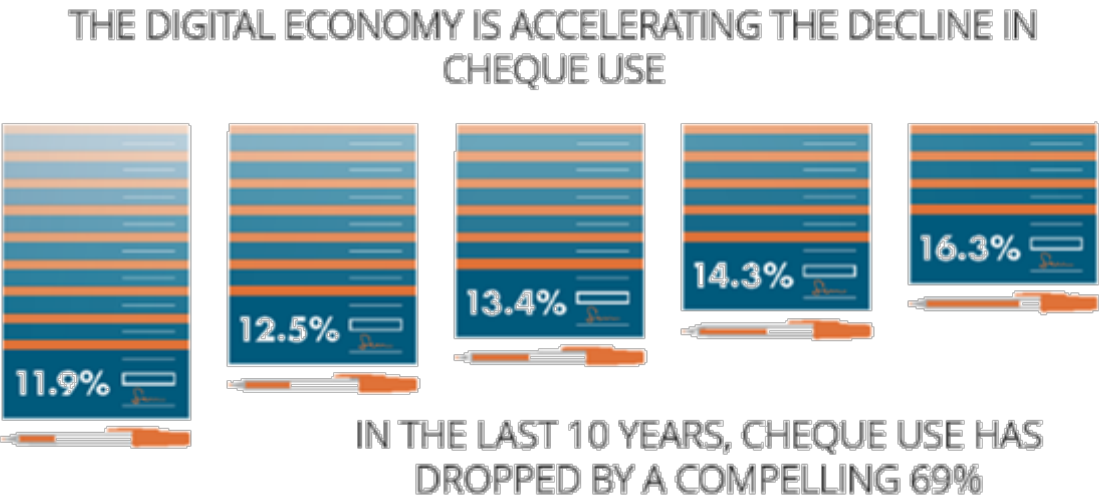
The concierge app on Ms Smith's smart phone automatically syncs with her diary and identifies an upcoming trip. The app books her ride to the airport, arranges collection of pre-ordered shopping, selects personalised music for the ride and checks her in to the flight. Once in the car, her identity is biometrically authenticated. Using her cloud passport details, the app also prefills and forwards customs and immigration forms to the airport authorities. The concierge app manages the payment at each step of the journey.

Mid Term Focus for industry

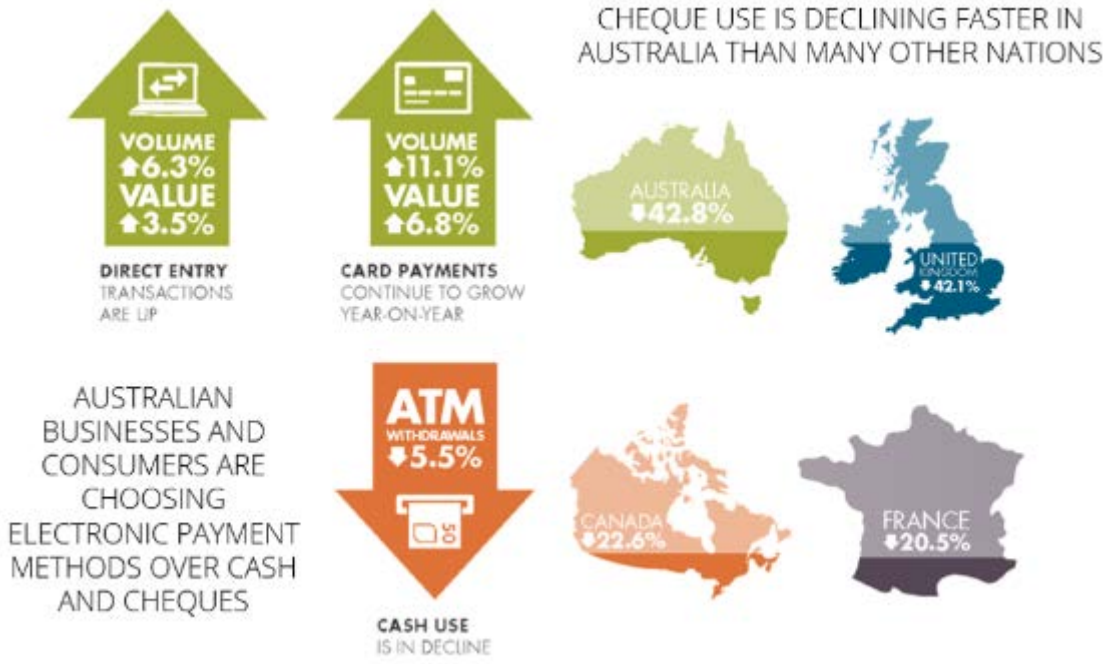
- Managing the Payments Mix
- Security and Trust
- Enabling the Future



Managing the Payments Mix



Australians used
16.3%
fewer cheques in
2015 than 2014



Security and Trust

Cybersecurity

- Evaluate current industry response
- Coordinated approach to cyber threats

Digital Identity

- Efficiencies around identifying consumers
- Industry collaboration



What is Digital Identity?

Digital identity is an enabler that delivers convenience and security.

Returning Customer

I am a returning customer

E-Mail Address

E-Mail Address

Password

Password

[Forgotten Password](#)

Login

[f](#) [t](#) [G+](#) [in](#)

Login

Register

Forgotte

My Accou

ss

List

Order Hi

Downloa

Recurring

Click here to sign up using Social Networks



THE ICONIC

Dorothy Perkins - Washed Straight Jeans...

\$59.95

Shop Now

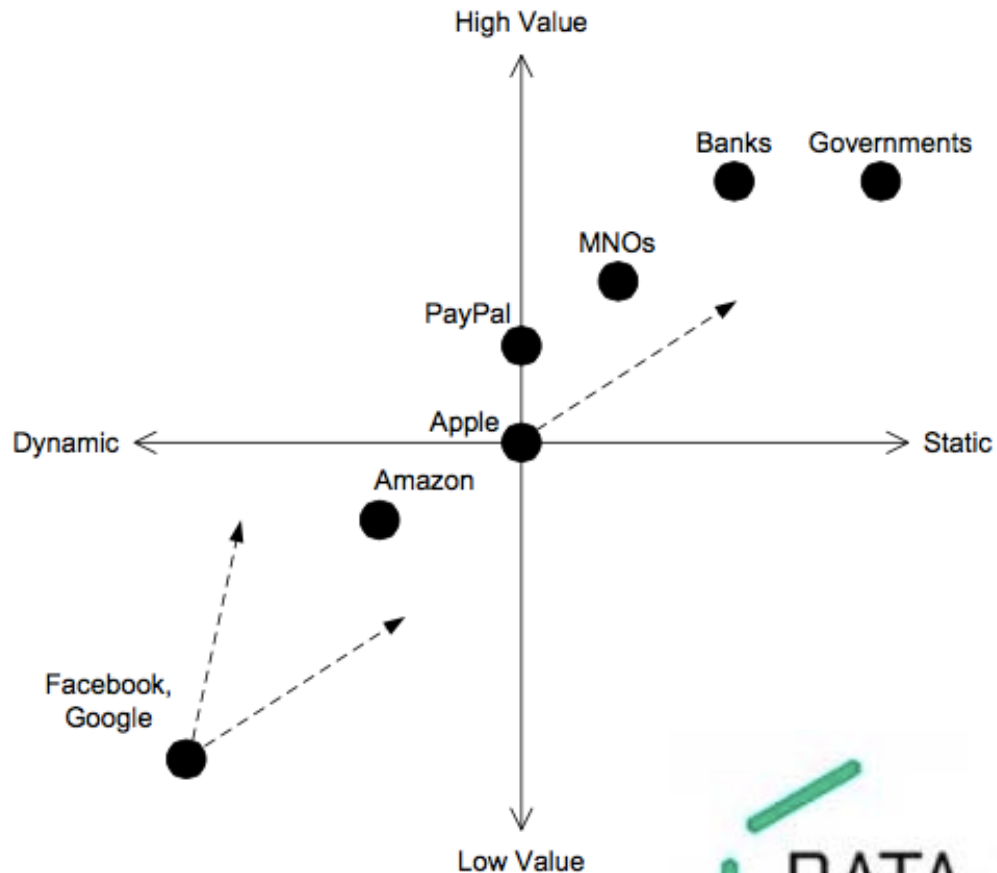
Dorothy Perkins - Washed Straight Jeans...

\$59.95

Shop Now



The Identity Provider Landscape



- For the internet giants, identity is dynamic and probabilistic. They acquire constantly changing information about consumers through service usage (including social graph and federated logon) from which they can infer knowledge of the consumer. This knowledge is “self asserted” (or more accurately “passively disclosed”) & therefore low assurance.
- Banks and governments tend to acquire a much more static set of information about consumers which is verified following defined and measurable rules and procedures. This knowledge is “verified” and therefore of higher assurance.



“The deal at the moment is that we trade personal information for access to services. This has to change.”

Adrian Turner. CEO

Digital Identity

- 12 Principles of digital identity
- Use cases considered
 - Digital On boarding
 - Access to government services
- On boarding with shared KYC

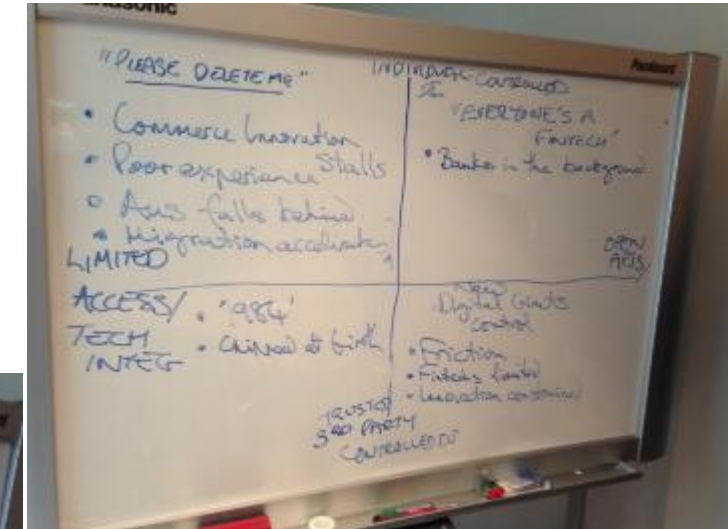
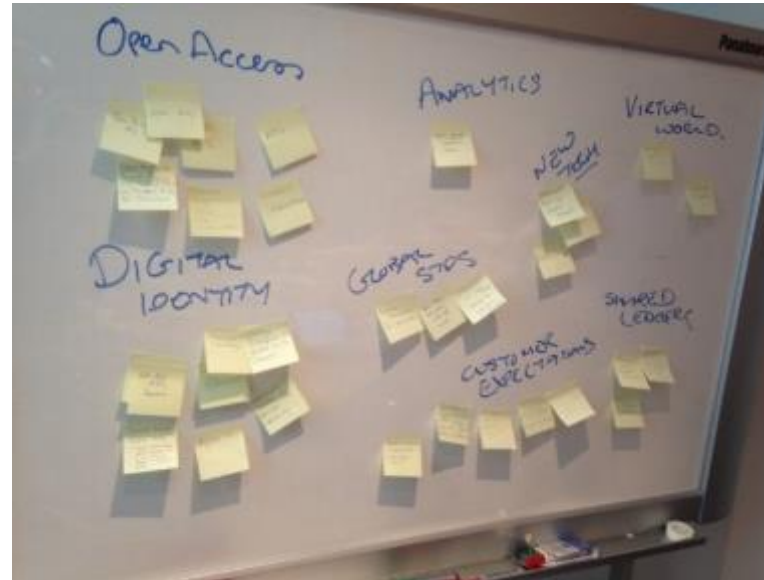


12 Principles of Digital Digital Identity

Category	Principle
Regulatory	Promote Privacy
Regulatory	Give Individuals Choice
Regulatory	Require Transparent Accountability
Regulatory	Allow Flexible Disclosure
Technical	Enable Inclusive Access
Technical	Use Open Standards
Technical	Be Convenient
Technical	Be Appropriately Secure
Commercial	Ensure Commercials Support Privacy
Commercial	Enable Transparent Exchange
Commercial	Provide Clear Commercial Benefit
Commercial	Build on Core Competencies

Enabling the Future

- Collaborative future will likely involve
 - APIs
 - Digital Identity
 - New infrastructure (Blockchain)
- Industry agreement on APIs



API Horror



The screenshot shows the European Commission's Banking and Finance section. The header includes the European Commission logo and the text 'BANKING AND FINANCE'. Below the header, a breadcrumb trail reads: 'European Commission > Banking and finance > Payment Services > Framework'. The main content area is titled 'Directive on Payment Services (PSD)'. It contains a paragraph explaining the Directive's purpose: 'The Directive on Payment Services (PSD) provides the legal foundation for the creation of an EU-wide single market for payments. The PSD aims at establishing a modern and comprehensive set of rules applicable to all payment services in the European Union. The target is to make cross-border payments as easy, efficient and secure as 'national' payments within a Member State. The PSD also seeks to improve competition by opening up payment markets to new entrants, thus fostering greater efficiency and cost-reduction. At the same time the Directive provides the necessary legal platform for the Single Euro Payments Area (SEPA).' Below this paragraph, there is a section for 'More information:' with a list of links: 'Press release (12.12.2007)', 'Final text of the Payment Services Directive', 'Brochure on what the PSD means for consumers' (with a PDF icon and '(183 KB)') and 'Background documents / Archives'. To the left of the main content is a sidebar with a list of links: 'Home', 'Payment Services', 'News', 'Legislation', 'Single Euro Payments Area (SEPA)', 'Card, internet and mobile payments', 'Directive on Payment services (PSD)' (highlighted), 'E-money', 'Cross-border payments in euro', 'E-invoicing', 'Non-cash means of payment', and 'Fraud and counterfeiting'. On the right side of the main content area, there are icons for 'Seal' and 'PDF'.

European Commission

BANKING AND FINANCE

European Commission > Banking and finance > Payment Services > Framework

Home

Payment Services

News

Legislation

Single Euro Payments Area (SEPA)

Card, internet and mobile payments

Directive on Payment services (PSD)

E-money

Cross-border payments in euro

E-invoicing

Non-cash means of payment

Fraud and counterfeiting

Directive on Payment Services (PSD)

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More information:

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Transposition of PSD

After the formal adoption by the Council and the European Parliament, Member States had around two years to adopt the national rules implementing the Payment Services Directive into domestic law.

PSD 2 will be legally enforceable in Europe *before* the mechanisms to align security, liability and commercial interest are in place.

API Opportunity

Data Availability and Use

Public inquiry

This 12-month public inquiry will investigate ways to improve the availability and use of public and private sector data.



The Commission is required to:

- look at the benefits and costs of making public and private datasets more available
- examine options for collection, sharing and release of data
- identify ways consumers can use and benefit from access to data, particularly data about themselves
- consider how to preserve individual privacy and control over data use.

• Productivity Commission Inquiry

• Payments Council:

- Developed data sharing principles
- Response to the Productivity Commission
- Cross industry hackathon

Principles for Data Sharing

Consumer Privacy	Data providers and data recipients will adhere to the Australian Privacy Principles in order to protect the privacy of individuals when sharing data, notably the following principles: <ul style="list-style-type: none">✓ Use or disclosure of personal information✓ Open and transparent management of personal information✓ Security of personal information
Safe Management	Appropriate technical and organisational measures must be taken to ensure authorised and lawful processing. Data recipient must be appropriately accredited to ensure that personal information will be sufficiently secure.
Clear Use	Data recipients must clearly indicate their intended use of data and adhere to this.
Duty of Care	Data providers have a duty of care to the data owner to ensure to the best of their ability that the data recipient is acting in their best interests.
Lawful Use	The sharing and use of data by both the data provider and recipient must be lawful and restricted to the purpose the data was requested for.
Storage and Expiry	Data recipients must specify the length of time any data will be retained for. When requested data is no longer required it must be securely expunged by the data recipient.
Accuracy and Completeness	Data providers must take steps to ensure that information provided to a data recipient is accurate, up-to-date, complete, and
Accessibility and Usability	Information must be accessible and useable by a data recipient. Data providers must make data available in commonly used

Design Led Outcomes



Industry working together for the greater good.

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