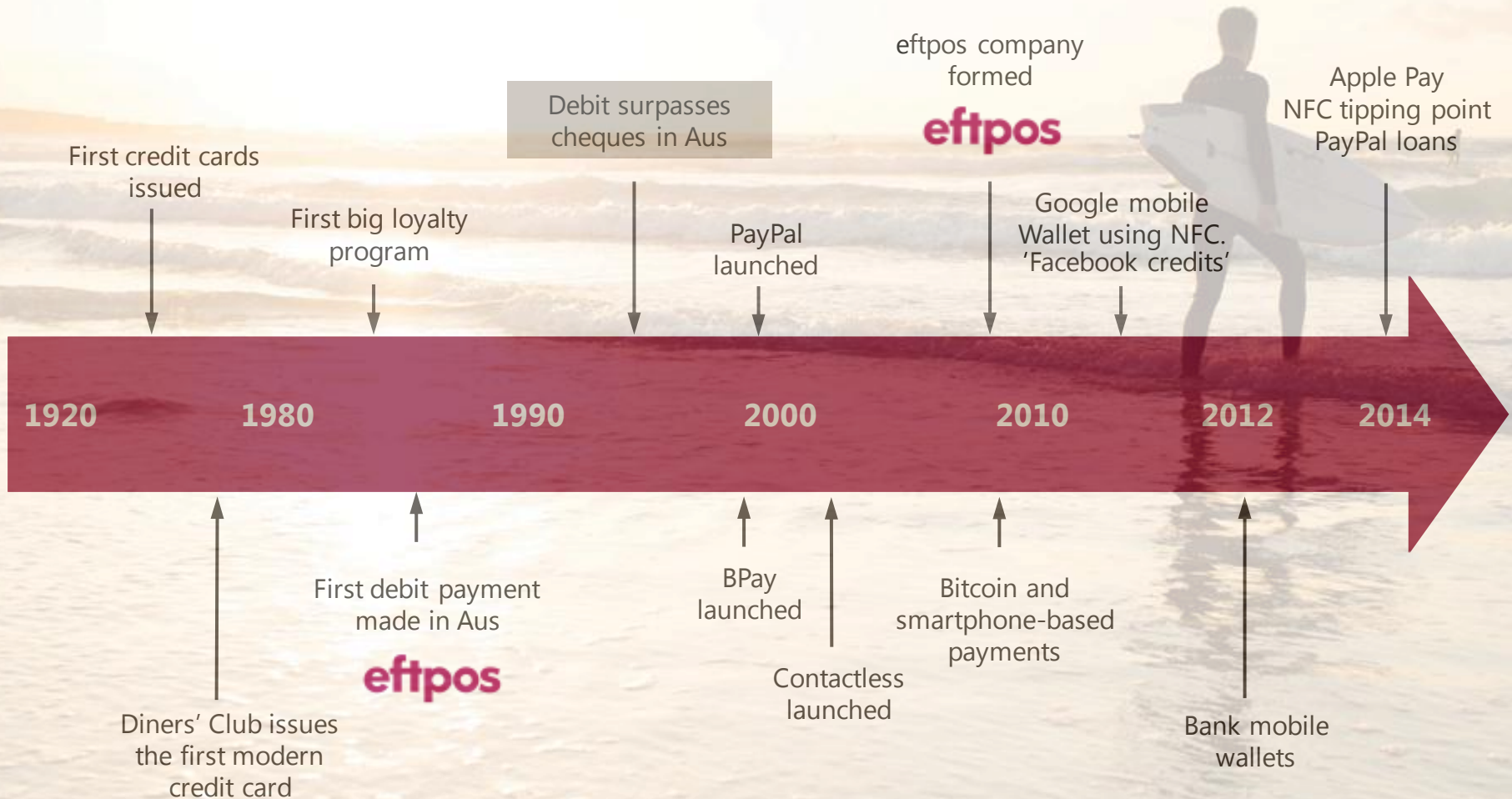




Debit in Australia

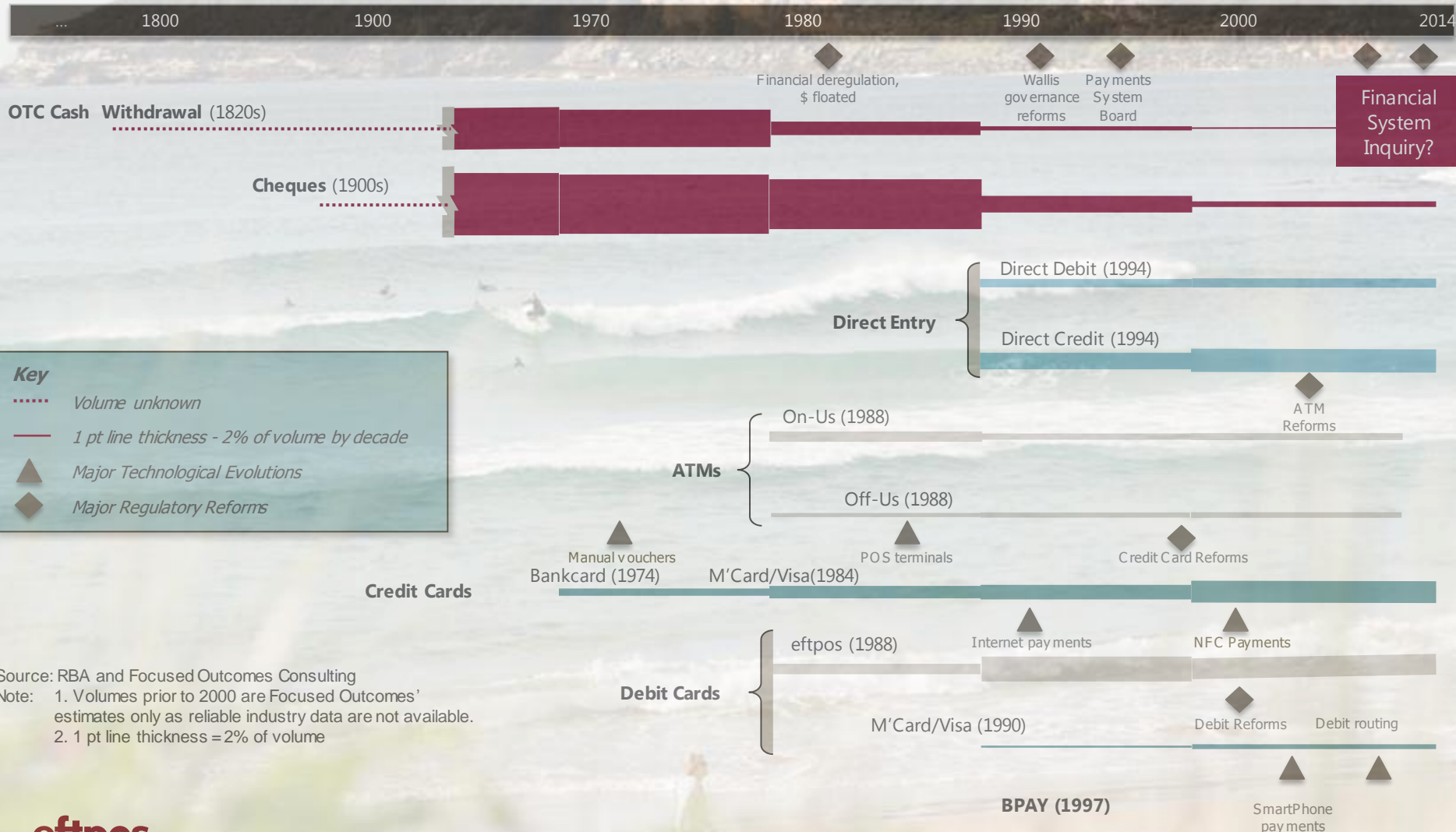
eftpos CEO, Bruce Mansfield

A short history



Australia's payments evolution has been guided by both technological innovation and regulatory reform

100% of transaction volume by decade

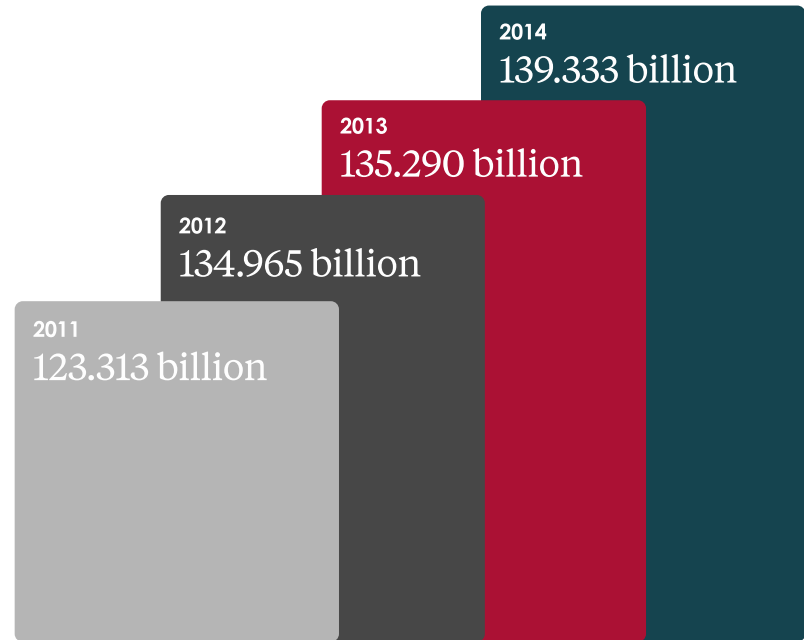


Source: RBA and Focused Outcomes Consulting
 Note: 1. Volumes prior to 2000 are Focused Outcomes' estimates only as reliable industry data are not available.
 2. 1 pt line thickness = 2% of volume

From test transactions in 1984 ...



Number of eftpos enabled cards on issue in Australia
– millions



\$ Value
– billions (issuing)

Source – RBA debit card statistics (C5) and eftpos data

Regulation and debit in Australia

Regulations are currently being reviewed as part of the Financial System Inquiry.

Currently, eftpos, MasterCard and Visa are designated payment schemes under the Payment Systems Regulation Act.

Standards cover issues such as:

- Interchange fees, and
- Removal of restrictions on merchants re surcharging.

Interchange caps

Designated payment schemes ensure that the “**weighted-average**” value of their interchange fees complies with:

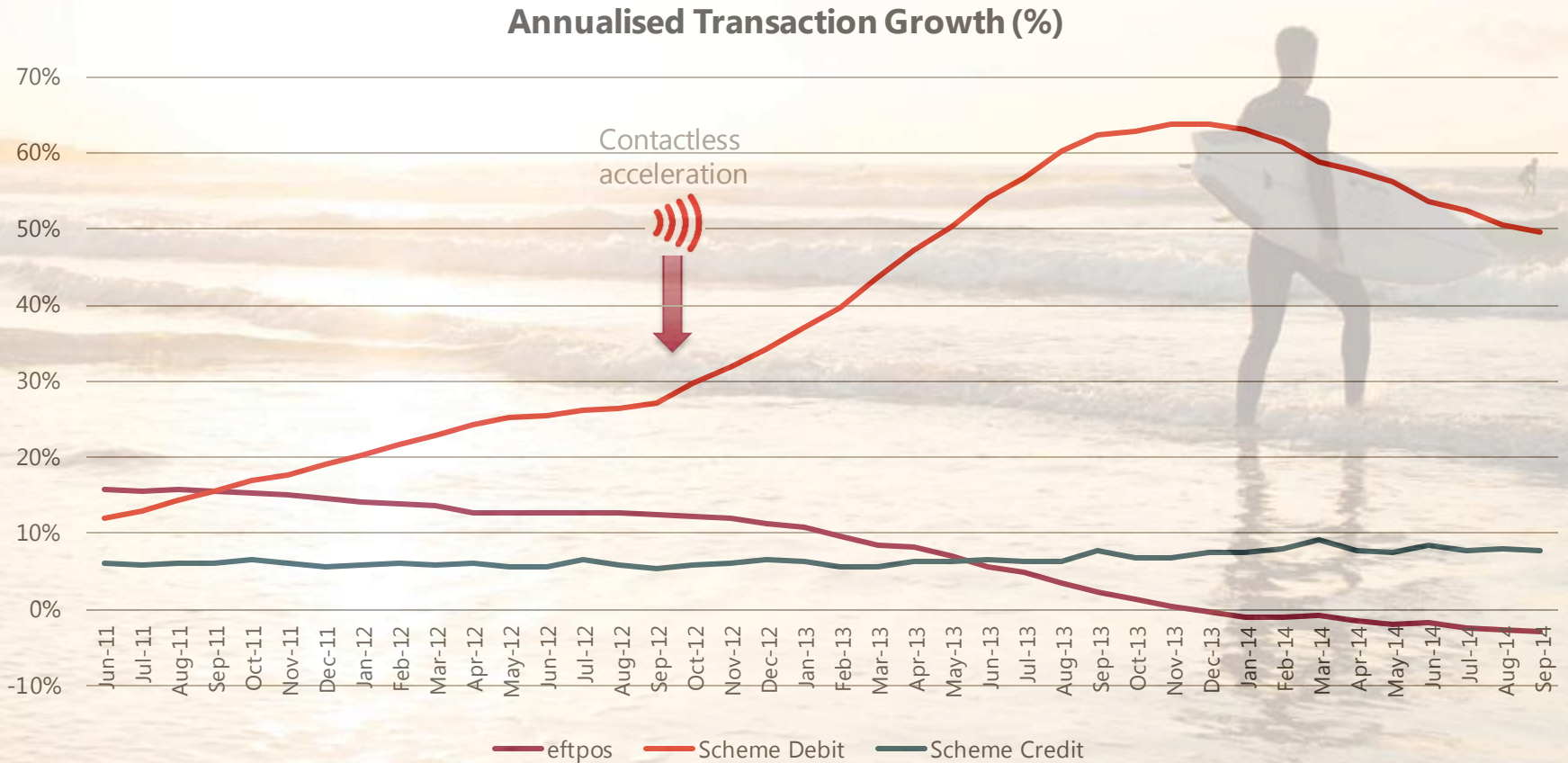
- 0.5 % of the value of transactions for credit card schemes, and
- 12 cents per transaction for debit card schemes.

Interchange fees are not applied evenly to all transactions. Instead, schemes must ensure that weighted-average fees fall below the cap. Variations in fee rates are not always visible to merchants.

Surcharging

The RBA has required payment schemes to remove ‘no surcharge’ rules so merchants can pass on the reasonable costs of card acceptance, such as merchant service fees, to cardholders.

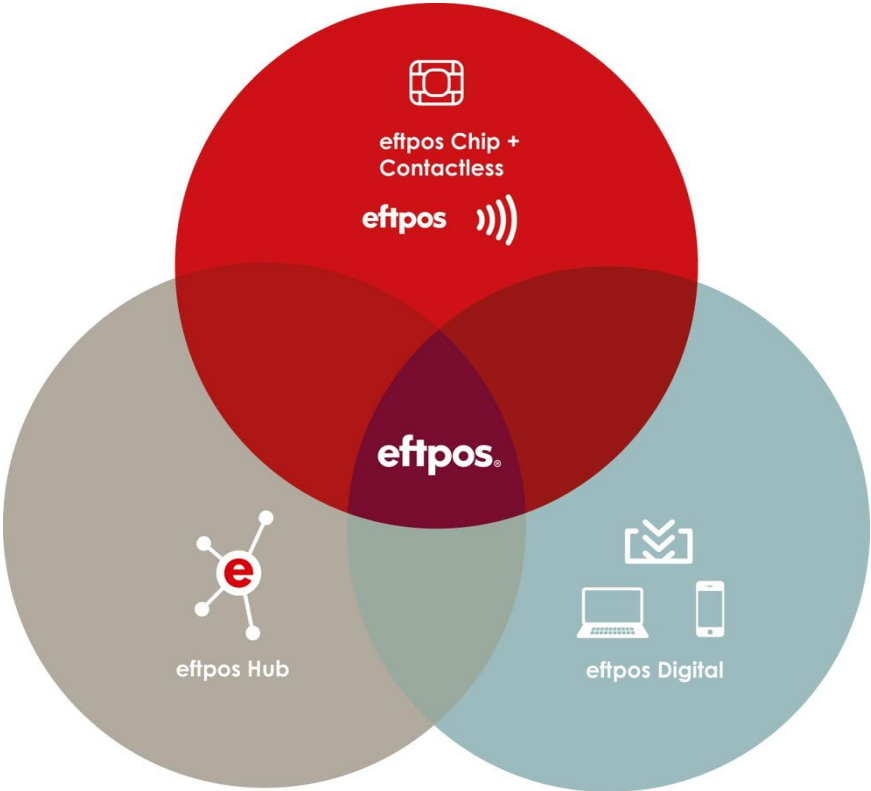
Debit still growing but technology impacting eftpos



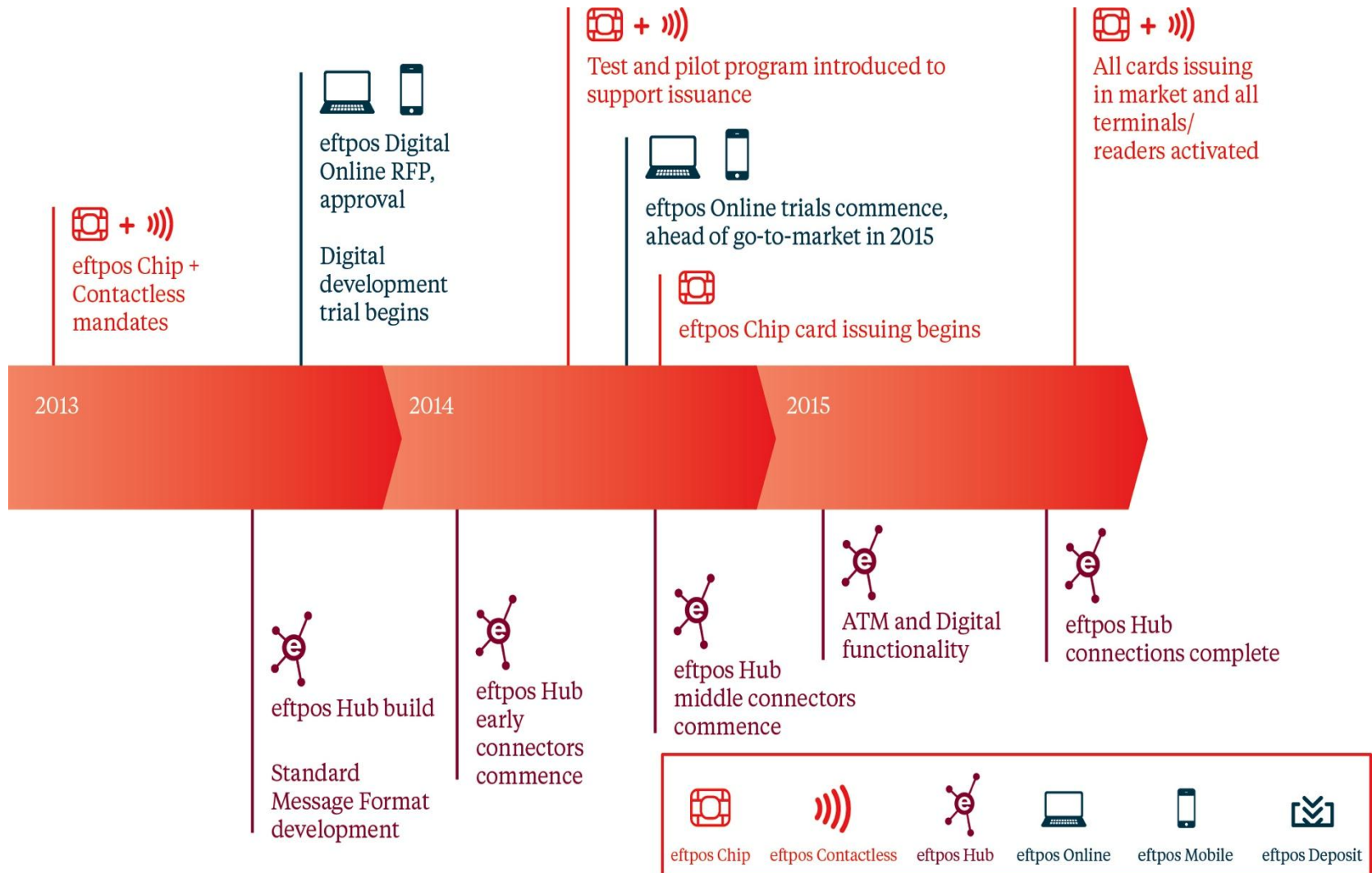
Source – RBA and eftpos data

eftpos transformation program

Three key platforms progressing well



Moving domestic debit to new platforms



A new dawn for eftpos and domestic debit in Australia



*the **eftpos** transformation*



eftpos[®]
my money

eftpos Payments Australia Limited
ABN 37 136 180 366

Head Office

Suite 1, Level 9
60 Carrington Street
Sydney NSW 2000
Telephone: 02 8270 1800
info@eftposaustralia.com.au
www.eftposaustralia.com.au