

9 February 2009

Ms Michele Bullock
Head of Payments Policy
Reserve Bank of Australia
GPO Box 3947
SYDNEY NSW 2001

Dear Michele

ATM Reform: Progress Report 6 – February 2009

The purpose of this letter is to provide the RBA with a quarterly progress report on the development of the ATM Access Code and implementation of the direct charging reforms, ahead of the Payments Systems Board (PSB) meeting on 16 February 2009. Given the 3 March 2009 implementation date, this will be the last progress report we provide.

In the RBA's media release of 31 August 2007, the PSB asked both APCA and the ABA to provide quarterly progress reports. As such, a joint progress report from both APCA and the ABA was prepared in November 2007. However given that APCA has had carriage of the elements of the reforms progressed this quarter, this progress report has not been prepared with the ABA, although we have provided them with a copy of this letter.

We report as follows:

Access Code Development

- 1 As we have discussed we expect to be publishing the finalized ATM Access Code (and other associated documents) during the week of 23 February 2009, to operate from 3 March 2009.

Industry Project Plan and Testing

- 2 All industry participants are currently reporting that they are on track to meet the 3 March 2009 implementation date.
- 3 Testing between bilateral counter-parties is well advanced and either complete or nearing completion. To-date this testing has not identified any issue which would jeopardize the implementation time line.
- 4 In addition, a limited (non-public) pilots will be run in the weeks of 16 and 23 of February 2009 to verify operations in a live production environment.

Public Communications

- 5 A direct charging 'mini-site', containing information about direct charging for the general public, was launched on 10 December 2008. The url for the mini-site is: <http://www.apca.com.au/atmdirectcharging>.
- 6 APCA's brochure, containing information about direct charging for the general is available on the mini-site and is being distributed by most institutions to their customers, as part of their education programs.

7 As you know there has been a large amount of media coverage in January and February.

Conclusion

8 We are pleased to say that we are on track for 3 March 2009.

Yours sincerely

A handwritten signature in black ink, appearing to be 'CH', with a long horizontal stroke extending to the right.

Chris Hamilton
CHIEF EXECUTIVE OFFICER