

Newsletter Autumn 2007

# BPAY News and Views\_



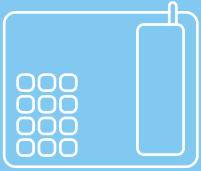
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## BPAY Uptake Accelerates

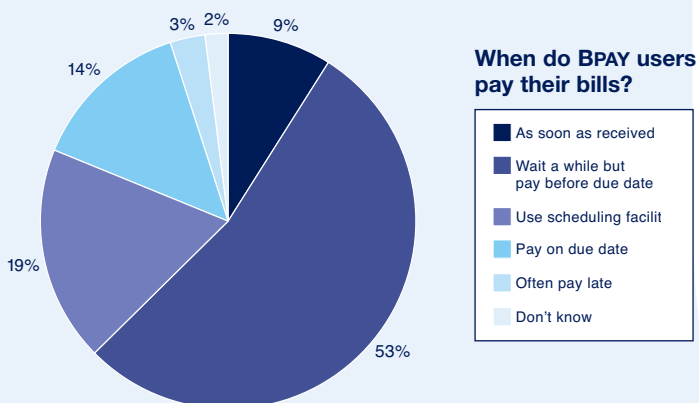
The recently-released 2006 Usage and Attitudes consumer research commissioned annually by BPAY from TNS illustrates that the range of bill payment options has expanded significantly since BPAY entered the financial services landscape 10 years ago.

The continued uptake of e-commerce options by consumers points to how Australians are looking for an easy, convenient and secure way to support effective financial management.

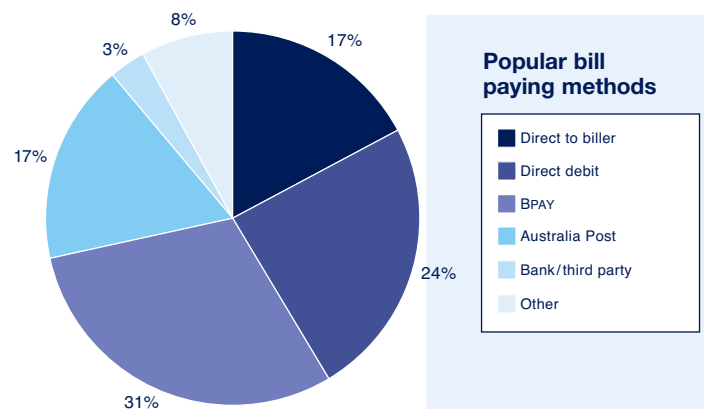
Interestingly, the rate of growth in internet payments over the past four years mirrors the rate of decline in cheques and over-the-counter payments.

Also revealed in the research were noteworthy consumer bill paying habits. For instance, when a consumer receives a bill that they intend to pay with BPAY, 95% of the respondents indicated that they would make the payment on or before the due date.

Lending additional weight to this statistic, an increasing number of BPAY users are using the advanced features, like the scheduling facility, which allows the consumer to plan a future payment for a day that suits them.



In the past year, BPAY is the only payment method that has grown its number of users when compared with Australia Post, direct debit and other direct to biller methods. Not surprisingly then, in terms of share of bills, BPAY is the most popular payment method (31%).



“We know that one of the biggest consumer concerns relating to internet use is fraud,” said BPAY General Manager, Andrew Arnott. “But the research showed that half of bill payers see the level of security surrounding BPAY transactions as one of the key benefits.”

Even more reassuring, 88% of BPAY internet users stated that they could think of many good reasons to continue using BPAY and see no reason to change their existing bill paying habits.

When respondents were asked to name positive attributes associated with BPAY, the most commonly cited answers included: convenient, easy to use, 24-hour access, efficient, and control.

The research also included information on the awareness and use of BPAY View. More than one in three Australian bill payers (34%) are now aware of BPAY View. And more than one in four respondents (27%) not currently using BPAY View would consider its use in the future.



## Workplace Productivity Gets Personal

According to the Australian Employee Productivity Survey recently conducted by BPAY, almost one in two Australians who have internet access at work spend up to three hours a week using it to complete household administration tasks, like bill paying.

Despite this, almost 90% of them say that it does not compromise their productivity. In fact, 48% of those who use the internet during work hours for household administration say it makes them more productive.

“With more than three quarters (77%) of Australians with internet access at work reporting that their employers openly allow its use for personal administration, perhaps the boss isn’t such a bad person after all,” said BPAY General Manager Andrew Arnott.

The survey also revealed that 32% of Australians who have internet access at work would need to spend between four and 10 hours a week outside the office to accomplish the personal administration tasks they complete online while at work.

“The internet and BPAY have transformed the way we manage our households. It’s a bit like the washing machine of the 1940s. It’s a massive time-saver for basic household administration chores,” said Arnott.

## Marketing Medals

Created by advertising agency BMF, BPAY’s 2006 ‘Why Do Things The Hard Way?’ campaign received a bronze award for Effectiveness in the Banking Finance, Insurance and Investment category at the 2006 Australian Direct Marketing Association (ADMA) Awards.

The ADMA Awards salute the talents of direct marketers, highlighting the best direct-response marketing campaigns of the year.

BPAY’s new microsite ([www.bpay.com.au/guide](http://www.bpay.com.au/guide)), developed by Loaded Technologies, also accepted a Platinum Award from the Australian Web Designers Network. The humorous and

## Marketing Medals (continued)

user-friendly microsite gives consumers the opportunity to navigate the site based on their knowledge and needs. The recognition is judged upon such criteria as graphics, artwork, layout, navigability, functionality and originality.

## BPAY Builds Better Business

Historically, consumer-to-business payments have represented the majority of BPAY’s growth and volume. Recently however, there has been a significant increase in business-to-business payments led by Australia’s thriving SME community.

“BPAY is particularly attractive to SMEs since not only is it easy to use, but it does not require any infrastructure enhancements or training costs,” says Member & Biller Liaison Manager, Alan Priestley, “SMEs driving BPAY uptake include operators in the health, hospitality and building industries.”

The most compelling advantages of being a BPAY biller include:

- Payments are easier to reconcile than other channels, thereby reducing workload.
- Payments are cleared funds overnight – no dishonoured cheques or stopped payments.
- BPAY eliminates the cost of reconciliation and tracking dishonoured or returned payments.
- Payments are primarily flat-fee transactions so costs are not related to the value of the transaction.
- BPAY’s fast, convenient and secure service enhances a biller’s customer service proposition.

In addition, businesses choosing to pay using BPAY are able to increase efficiencies when compared to writing cheques.

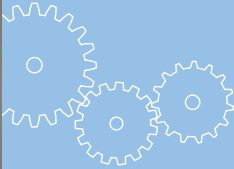
“Business-to-business payments are a growing source of BPAY payments,” says Priestley. “BPAY is becoming a vital business accounting process both for paying invoices and accepting payments from other businesses or consumers.”



## The Informer



**Keith Brown**  
Operations Manager



### Fast Stats

In 2006, BPAY growth continued at a healthy pace of 17%, representing 185 million payments worth \$122 billion. October was the strongest month with more than 16.5 million payments processed, which is attributed to taxation payments and the Telstra share offer.

The number of BPAY internet payments continues to grow, increasing from 72% in 2005 to 78% in 2006.

We have also maintained our focus on the expansion and acceptance of BPAY View, welcoming four new biller codes in 2006 and presenting a record two million bills via BPAY View. Currently, 76 Payer Institutions offer BPAY View, giving more than 90% of the online banking community access to the service.

### Batch a Bunch of Bills

Businesses can eliminate manual payment processes by making batch BPAY payments, enabling them to easily and seamlessly deliver multiple payments on behalf of customers.

Commonly used by real estate agents and payroll companies, which regularly pay an assortment of bills on behalf of clients, a batch payment is one transaction that consists of numerous payments to various billers.

A batch payment eliminates the need to write separate cheques or make multiple BPAY payments. A company, simply enters the bill details they wish to pay into one electronic batch file. The bank then accepts the file, processes the individual payments and provides a receipt for each payment.

Businesses that make payments on behalf of multiple customers are encouraged to contact their financial institutions to talk about the service.

**There are now 76 financial institutions offering BPAY View. Since last edition we have welcomed onboard:**

Members Equity Bank  
Police Credit Union (SA)  
First Option Credit Union

### Which billers offer BPAY View

3 Australia  
Alinta  
Bankstown City Council  
Brisbane City Council  
CityLink Melbourne  
Ergon Energy  
Horizon Power  
Hornsby Shire Council  
Logan City Council  
Monash City Council  
Optus Mobile  
Optus Phone  
Optus TV/Net Cable  
Penrith City Council  
Primus Telecommunications  
South East Water  
Sydney Water  
Synergy  
Telstra Mobile  
Telstra Residential  
Townsville City Council  
TRUenergy Dual Fuel  
TRUenergy Electricity  
TRUenergy Gas  
Yarra Valley Water

### Coming Soon:

Integral Energy

**To find out more about BPAY and BPAY View, billers should contact their financial institution, visit the BPAY web site [www.bpay.com.au](http://www.bpay.com.au), or contact one of these certified BPAY View Service Providers:**

CommSecure	HPA	Computershare
E Com Industries	Salmat	QM Technologies

**Financial institutions should contact BPAY or one of these certified BPAY View Service Providers:**

Clear2Pay	NetTeller	Data Action
Sandstone Technology	Ultradata	Swift Call



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