

Newsletter Winter 2007

BPAY News and Views_

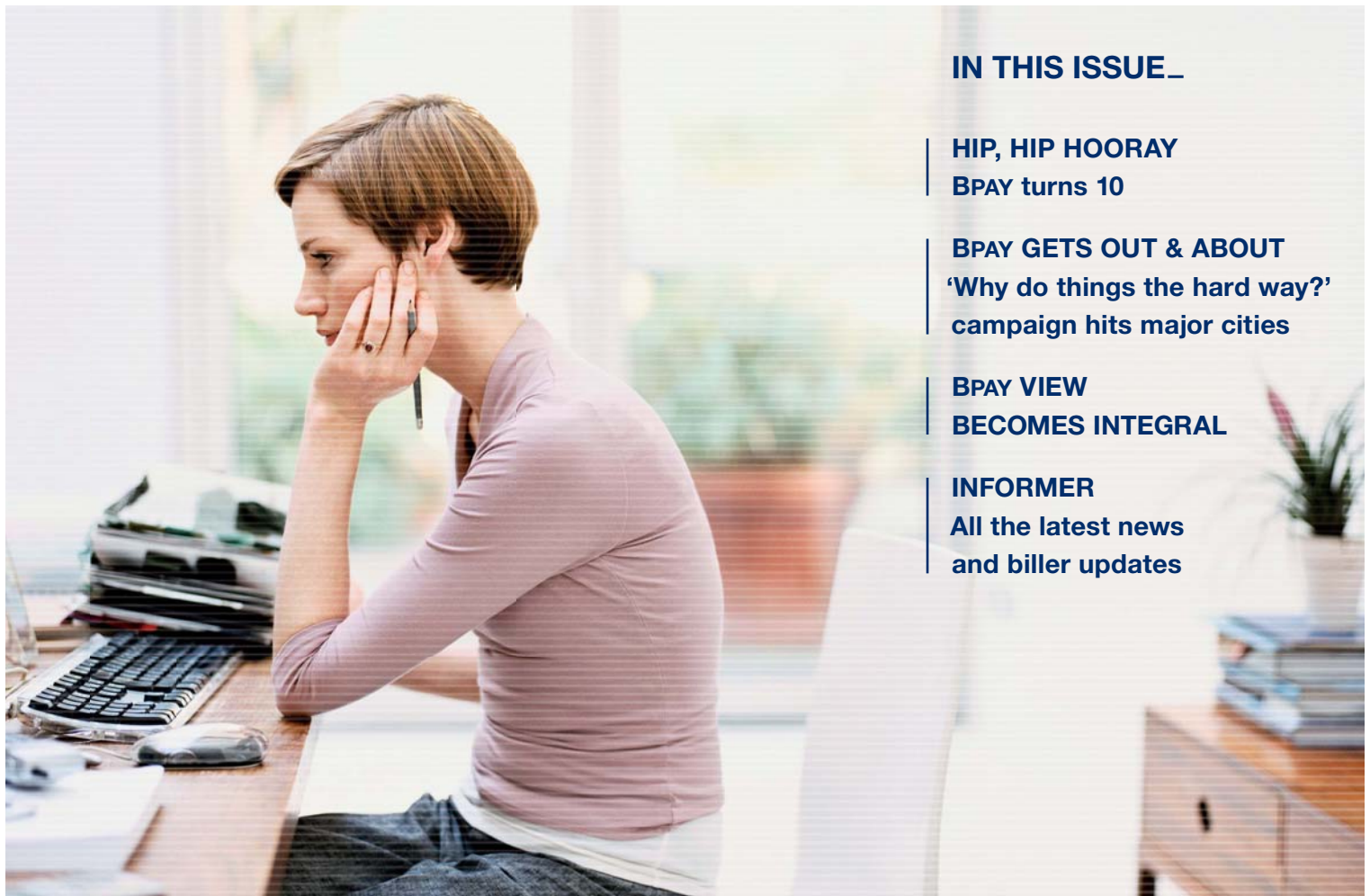
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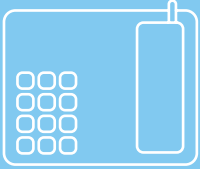
HIP, HIP HOORAY
BPAY turns 10

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campaign hits major cities

BPAY VIEW
BECOMES INTEGRAL

INFORMER
All the latest news
and biller updates





BPAY... a 'super' effort

Did you know Australians now have the option of making more than 15,000 different payments via BPAY?

With the number of billers with BPAY growing by the day, BPAY is no longer simply a vehicle for paying 'recurring' bills such as gas and electricity.

We're continuing to branch into new categories and there are now thousands of different one-off payments that can be made. The range is staggering and includes everything from paying the wedding planner and the wine order to the sports club membership.

For example, we now have more than 100 super providers offering customers the choice of making voluntary superannuation contributions via BPAY.

AMP Superannuation is one such biller, offering BPAY since August 2004. AMP's Director of Savings & Retirement, Peter Nicholas, says BPAY is the business' fastest growing payment method, now representing over 20 per cent of payments.

"Over the past 12 months we have seen a 40 per cent rise in BPAY payments, and we expect a similar growth rate going forward as we position it as the most convenient payment method," Nicholas says.

He says the proportion of cheque payments is declining (from 70 to 80 per cent five years ago to 40 per cent), saving AMP the cost of processing paper cheques by hand.

"It's no surprise given BPAY's benefits. It boils down to speed, cost and convenience," says Nicholas.

"Australian consumers are familiar with BPAY – they're comfortable with it and they don't need training. There are no forms, which means no struggling with paperwork. And being accessible 24/7, it's also convenient and immediate. The manual process of writing and mailing a cheque could mean missing a payment deadline," he says.

Among AMP's customer base are small businesses, and for them, super is a necessary administrative burden.

"Compulsory employee super payments can be time consuming for SMEs, but for those using BPAY they can spend more time on their customers and business," Nicholas says.

BPAY allows SME's to make multiple employee super payments at the one time, anytime, day or night.

"Gone are the days of writing cheques and also the tallying, errors and wasted time that can occur with manual allocations.

SME's can make payments at 1am while doing the accounts at home. It's about making things easier for customers and this is a process that makes 'annoying' tasks that much quicker," Nicholas says.

To promote additional superannuation contributions via BPAY, we are running a tactical ad that will appear in specific press.

Why make super contributions the hard way?

With the June 30 deadline looming, making your super contributions with BPAY will be quick and easy. BPay is the faster, hassle-free way to make super contributions, anywhere, anytime over the phone or via internet banking. And you can pay directly into your own Super account as a one off or you can schedule regular payments in advance. To find out if your super fund offers the convenience of BPay, visit www.bpay.com.au

BPAY Easy as can B. www.bpay.com.au

*Please note: To help protect against fraud and to ensure a maximum superannuation benefit from this use we set a maximum transfer limit of \$10,000 per month. Payments to BPay Pty Limited ABN 69 076 127 are on behalf of BPay Super Services Limited ABN 69 000 225 038. Contact your financial institution to verify if it offers BPay and to get the terms and conditions, or product disclosure statement (PDS). This is general advice - before using BPay please review the PDS and consider whether BPay is suitable for you. *2014-15-16 payments are subject to system availability.

The travel sector is another growth area for BPAY, with new travel providers continuing to join the ranks of our biller database.

We are soon to welcome Air New Zealand onboard as a biller, joining Qantas, Flight Centre and a variety of other travel agents also offering BPAY.

The travel industry's use of BPAY is proving a success, with the number of consumer travel-related payments on the rise.

Qantas, a BPAY biller for just over 12 months, has witnessed over 120% increase in BPAY payments in the past six months. Similarly, Flight Centre has seen over 140% increase in payments over the same period.

In the past year the number of biller codes has grown by an additional 1,000, offering consumers a broader range of bills than ever before.

BPAY View becomes Integral

Integral Energy has joined a growing number of companies offering customers the convenience of BPAY View.

BPAY View enables consumers to receive, view and pay their bills directly and securely at their Internet banking site.

And for Integral Energy customers, that means they can view and pay bills day or night, seven days a week, along with accessing details of bills. With BPAY View, reconciliation is also made easier with records of electronic payments available on the one site.

With our BPAY View biller list now at 26, this technology is increasingly being recognised for its benefits to both billers and consumers.

Hip, hip hooray

Tune up those vocal cords because in a matter of months BPAY will be celebrating its 10th birthday!

That's right, it has been 10 years since we first began processing bill payments on behalf of Australians. That was back in 1997, the same year the blockbuster Titanic hit the big screen and we started exploring Mars.

BPAY's focus on innovation and growth is the reason why we now facilitate over 16 million payments each month, compared with the 6,176 in our very first month of operation.

With our focus squarely on offering Australian billers and consumers even greater benefits than ever before, the next 10 years are set to be just as exciting...



The way Australia pays

News from across the Pacific

The latest data from the US shows online bill payments have turned mainstream, with a new study finding Internet households are increasingly using their PCs – rather than their chequebooks – to pay bills.

The report shows that among US Internet-connected households, online bill payments overtook cheques for the first time. It also found that 74% of these households pay at least one bill online.

In January this year, online bill payments among US Internet households rose while cheque payments fell!

And interestingly, it seems the more bills a consumer pays through a bank's website, the higher the level of satisfaction with their bank? They seem to be more satisfied than those customers who simply check account balances and transfer money online.

In the US, paperless bills seem to be gaining traction as people begin to recognise the security, environmental and convenience benefits. Research by Forrester³ shows the number of bills received online has doubled in the past two years, and is set to increase by 63% over the next five years.⁴

1 Harris Interactive & the Marketing Workshop, 2007, 'Online Bill Payments Surpass Checks for the First Time Among Internet-Connected Households', CheckFree report - The 2007 Consumer Bill Payment Survey. 2 Forbes.com study, 2007, 'Online Bill Payment Key to Customer Satisfaction', FineExtra. 3 Graeber, C, 2006, 'eStatement Adoption: Is the Glass Half-Full or Half-Empty?', Forrester. 4 Graeber, C, 2007, 'EBPP Forecast: 206 to 2011', Forrester

BPAY gets out & about

If you've been out and about or flipping through your daily newspaper in Melbourne, Sydney, Perth, Brisbane or Adelaide lately, you might have noticed BPAY's most recent advertising campaign, 'Why do things the hard way?'

Phase three of our highly effective campaign concluded last month after more than two months in market.

The campaign built on the success of phases one and two, which ran in 2006, and highlighted BPAY's convenience and ease of use.

The ultimate aim of the campaign was to increase our payment volumes, by targeting consumers who would consider using BPAY but are not currently using the service.

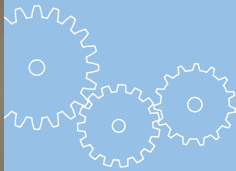
Advertising appeared in daily newspapers in Sydney, Melbourne, Brisbane, Adelaide and Perth; buses, trams and bus shelters appeared in Sydney, Melbourne, Brisbane, Adelaide and Perth; and high-traffic websites such as Hotmail, the Sydney Morning Herald and The Age.

There was also significant member activity associated with the campaign, with more than 14 financial institutions sending out over 4.5 million statement inserts to customers.





The Informer



Keith Brown
Operations Manager

We're delighted to share with you an exciting development at BPAY – the introduction of a new membership category called Payer Institution Member (PIM).

Until recently, access to BPAY has been limited to authorised deposit-taking financial institutions.

Our new member class is an expansion of our membership base, allowing entities such as Church Development Funds, Mortgage Trusts and any other organisation that maintains value accounts for customers to now join the BPAY Scheme.

A Church Fund, for example, could previously arrange cheque payments for customers however, with the fund as a BPAY Payer Institution Member, its customers will now be able to make electronic payments.

BPAY membership criteria are regularly reviewed to ensure a best practice approach to membership.

The decision to expand access to BPAY is timely and aligns with the growth of the financial services sector in Australia. It's also a reflection of the nation's overwhelming acceptance of electronic transactions.

We continue to be Australia's leading electronic payment service and our new membership category will help ensure the service, provided through a linked network of financial institutions, is accessible to all Australians.

It's all about offering a fast and simple bill paying method and offering consumers greater choices as to where and how they pay their bills.

The BPAY Brand Guidelines

Due to the introduction of a new membership category, the requirements for what billers must display on bills has recently changed. The BPAY Brand Identity Guidelines have been changed to include these updates.

Please refer to the attached insert or, for full details see the Brand Identity Guidelines in the Marketing support section of the BPAY website at www.bpay.com.au

BPAY

168 Financial Institutions
15,059 Billers

BPAY View

77 Financial Institutions
26 Billers

Which billers offer BPAY View

3 Australia
Alinta
Bankstown City Council
Brisbane City Council
CityLink Melbourne
Ergon Energy
Horizon Power
Hornsby Shire Council
Integral Energy
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

There are now 77 financial institutions offering BPAY View. Recently we have welcomed onboard:

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

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

Clear2Pay	NetTeller	Data Action
Sandstone Technology	Ultradata	Swift Call

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

CommSecure	HPA	Computershare
E Com Industries	Salmat	QM Technologies



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