



# LEGISLATIVE ASSEMBLY

## FOR THE AUSTRALIAN CAPITAL TERRITORY

### SELECT COMMITTEE ON ESTIMATES 2024-2025

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),  
Miss Laura Nuttall MLA

#### ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by: Ms Suzanne Orr MLA

Addressed to: Treasurer

Reference: Uncorrected Hansard Transcript [Page 51-52]

Hearing Date: 24 July 2024

QTON lodgement date: 24 July 2024

Answer Due Date: 30 July 2024

**MS ORR:** Minister, was there any—when they said they were not able to handle the banking needs, was there any information given as to what that would be because I think it is fair to say for a territory with quite extensive banking needs, it is not just a case of making deposits. There are a few more considerations in there.

**Mr Rattenbury:** Yes, it is not just a savings account..

**MS ORR:** We are not sitting here on our Dollarmite account. Can you just run me through what the reasons were and the complexities that might need to be taken into account in choosing a banking provider and how those might be playing into who is and is not suitable?

**Mr Rattenbury:** I would have to take that on notice and check whether the Chief Minister gave me that advice or whether would have to ask treasury and that part of government for the more detailed reasons. In broad terms, the advice I have heard back is it is a question of scale. As you say, it is not just a couple of savings accounts here or there; it is a range of services.

**MS ORR:** It is pay remittances and security profiles and all sorts of things. I can see it is complex.

**Mr Rattenbury:** Yes. So it goes to the capability of a banking institution to provide that spectrum of services. At its most simple, the problem. I am happy to provide what further information I can.

**Andrew Barr MLA:** The answer to the Member's question is as follows:

The requirements of a Government Banking Services provider, for the Territory or any other Government jurisdiction, are extremely complex and extensive. The current Government Banking Services Agreement came into effect as of 1 July 2023. As part of the procurement, the Territory issued both an open Request for Expression of Interest (REOI) and Request for Tender (RFT). The only participants who either responded to the tender, or demonstrated the market capability, counterparty credit rating requirements and balance sheet capacity to provide all the services required were limited to the four largest retail banking providers.

A summary of the required products and services of a Government Banking Services provider, categorised at a high-level include:

- Transactional banking services:
  - Provision of bank accounts including sweeping, set-off / pooling arrangements
  - BPAY
  - Direct Entry Service
  - Systems connectivity – internet banking and host to host systems
  - Gateway transactions and IVR (Interactive Voice Response)
  - Payroll facilitation – STP (Straight Through Processing) and Super Stream
  - Over-the-counter transactions
  - Cross-border banking and transactions
  - Electronic Banking System
  
- Merchant Services:
  - Scheme and EFTPOS acquiring including Least Cost Routing (LCR) / Merchant Choice Routing (MCR) and Open Loop Transport Systems
  - Parking sales transaction processing
  - Terminal rental
  - API connectivity to directorate owned website for card detail collection
  - Compliance with Payment Card Industry Data Security Standards (PCI DSS)
  
- Purchasing / Procurement Card services:
  - Card solutions (physical, virtual, prepaid and credit)
  - Card management system and associated data
  
- Data analytics and reporting:
  - Expenses, Billing and Transaction Data
  - Economic and Statistical Data
  
- Ability to support the Territory to adapt/migrate to new technologies, products, and services, for example:
  - New Payments Platform (NPP) including Osko, PayTo and other products as they become available to the market.

To the extent that all the required services can be consolidated under a single supplier Services Agreement creates significant efficiencies both operationally and through cost effectiveness. Unlike some of the larger jurisdictions, the Territory does not have the relative size or transactional volume to warrant a multi-bank arrangement.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature: 

Date: 31.7.24

By the Treasurer, Andrew Barr MLA