

# *Austraclear User Group Meeting*

*23 May 2008*

# *Agenda*

- **Welcome**  
Mike Wolyncewicz
- **Advisory Committee**  
Mike Wolyncewicz  
Scott Sinclair (Chair)
- **NZCSD Business Issues**  
Mike Wolyncewicz  
Adrienne Barlow
- **Liquidity in the New Zealand market**  
Dr Ian Nield
- **ESAS/Austraclear Systems Developments**  
Kevin Jamieson  
Donna McDiarmid
- **Other Business**  
Mike Wolyncewicz

The background of the slide is a collage of New Zealand banknotes. A prominent 10-dollar note is in the foreground, featuring the portrait of Kate Sheppard. Other notes for 100 and 50 dollars are visible in the background. The text 'RESERVE BANK OF NEW ZEALAND' and 'THIS NOTE IS LEGAL TENDER FOR' are repeated across the notes. A vertical red bar with horizontal lines is on the left side of the slide.

## *Advisory Committee Updates*

- **Mike Wolyncewicz**
- **Scott Sinclair (Chairperson)**

The background of the slide is a collage of New Zealand banknotes, including a \$100 note with Lord Rutherford, a \$10 note with Kate Sheppard, and a \$10 note with a portrait of a man. The text is overlaid on this background.

# *Advisory Committee progress to date*

**Establishment of User Advisory Committee**

**Successful completion of the ESAS-Austraclear Refresh Project**

**Successful roll-out of a new telecommunications network**

## *Advisory Committee Update cont'd*

**Operationally, the following objectives are:**

- **Have the system available for members for at least 99.5% of core business hours**
- **Achieve a surplus of \$0.8 million on revenue of \$4.0 million**
- **Produce a quarterly newsletter with enhanced content**
- **Survey members' satisfaction levels and report back to members by May 2008**
- **Produce an annual report**

# *Advisory Committee Update cont'd*

## **Upcoming Developments –**

- **Implementation of straight-through processing for most lodges and uplifts.**
- **Applying for designation of the Austraclear New Zealand System**
- **Implementation of greater Automation**
- **Streamline reporting /TRANSACT Screen**
- **Operate system within existing metrics for performance/resilience**

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## *Advisory Committee Update cont'd*

### **Scott Sinclair – update from chair**

# *NZCSD Business Activity*

- **Review of last 6 months**

Mike Wolyncewicz

Adrienne Barlow

**Business activity and fee review**

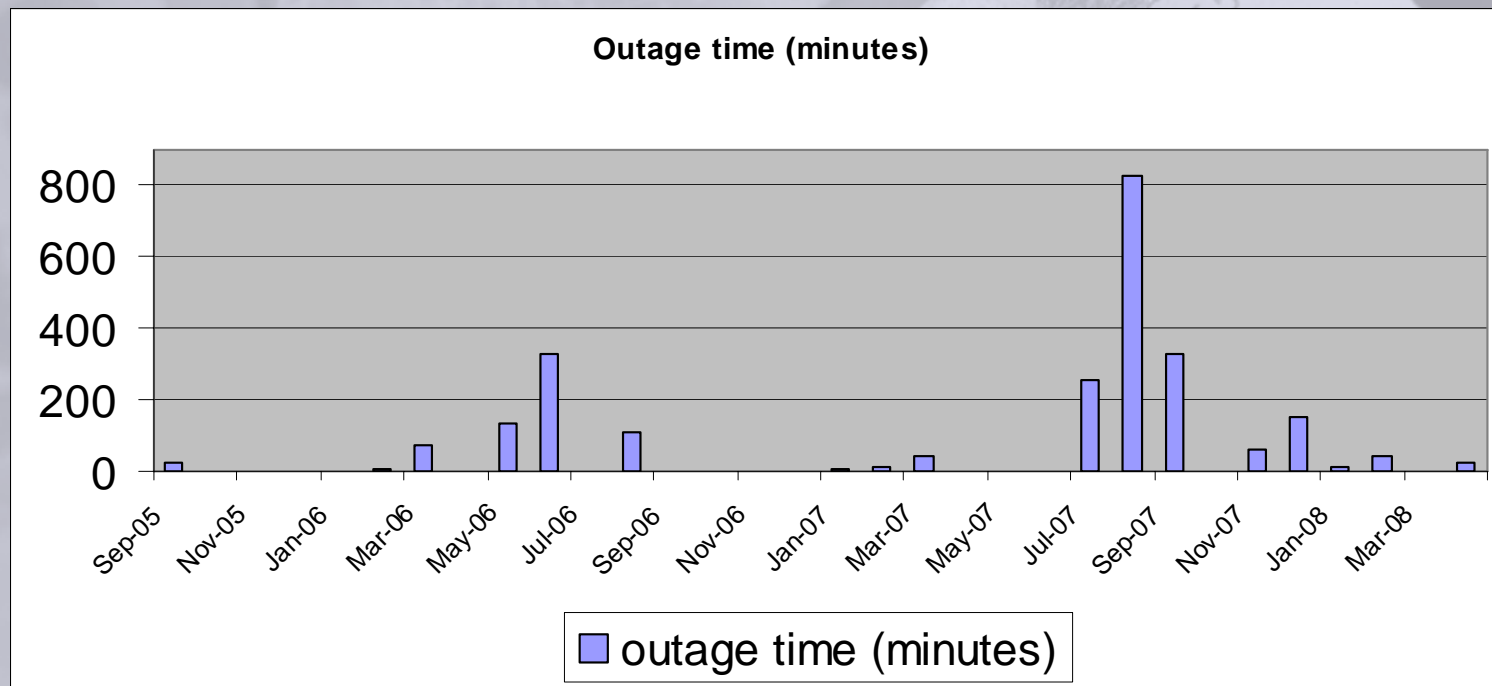
**Daylight Saving**

**Customer Survey**

**KPI's**

**BCP**

# *Outages and system performance*



# *Business Activity and Fee review*

|  | <b>Austraclear</b>  | <b>Exigo</b>   |
|--|---|--|
| <b>Fixed Interest transactions</b>         | <b>NZ (since Oct 07)</b><br><b>\$10.46 av</b>                         | <b>Aust</b><br><b>A\$11.00</b>   |
| <b>Cash Transfers</b>                      | <b>\$1.25</b>   | <b>A\$3.75</b>   |
| <b>Equities</b>                            | <b>\$5.91 av</b>  |  |
| <b>Depository Fee</b>                      |   | <b>\$1-\$3b @ \$0.65 per<br/>\$M per month<br/>up to over \$10b @ \$0.10 per<br/>\$M per month</b> |
| <b>Network</b>                             | <b>recoverable</b><br><b>( zero based)</b>                            |  |
| <b>On-line enquiries</b>                   | <b>no charge</b>  |  |
| <b>Archive enquiries (on-line 10years)</b> | <b>no charge</b>  |  |
| <b>Blended average</b>                     | <b>\$5.78 av (variable)</b><br><b>\$7.34 av (incl. fixed charges)</b> | <b>A\$10.13 av</b>   |

## *Average Daily Volumes*

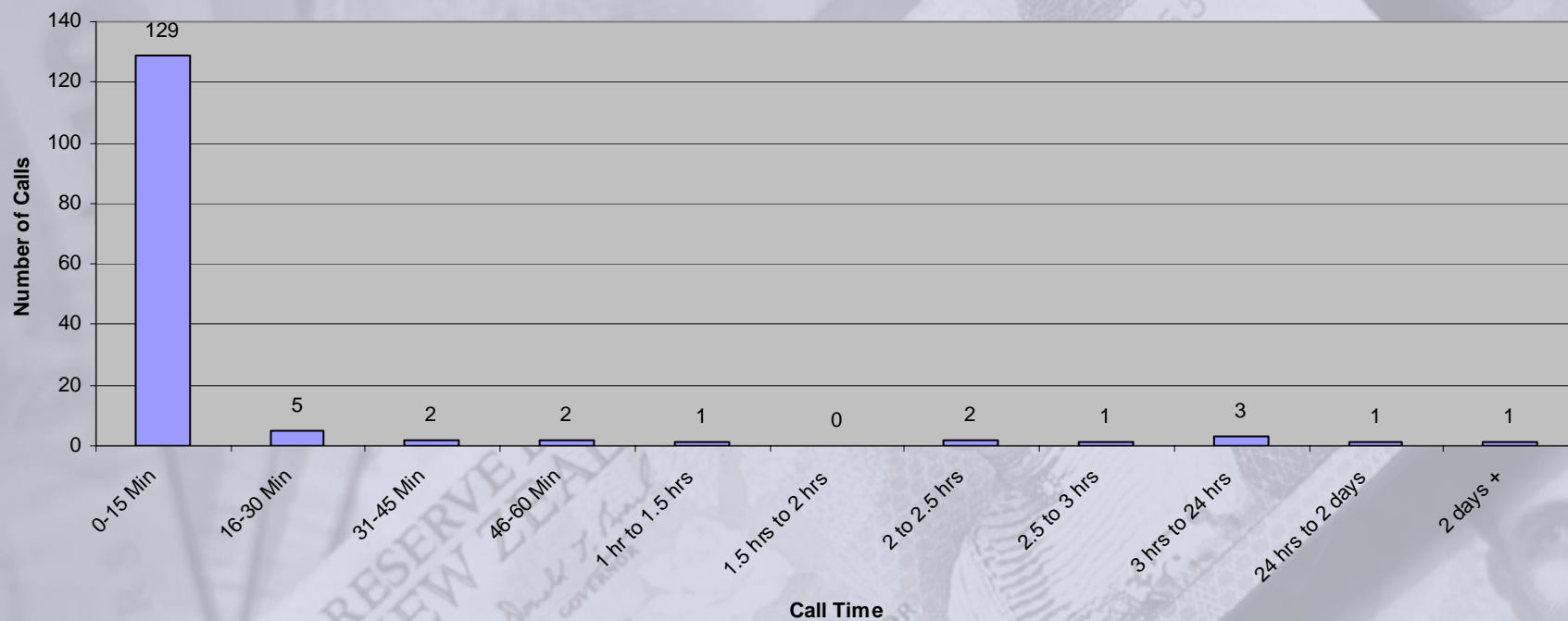
|                       | <b>2004/2005</b> | <b>2005/2006</b> | <b>2006/2007</b> | <b>2007/2008<br/>(10 months)</b> | <b>SFE/Exigo</b> |
|-----------------------|------------------|------------------|------------------|----------------------------------|------------------|
| <b>Equities</b>       | <b>502</b>       | <b>505</b>       | <b>573</b>       | <b>631</b>                       | <b>-</b>         |
| <b>Fixed Interest</b> | <b>315</b>       | <b>330</b>       | <b>252</b>       | <b>233</b>                       | <b>2,800</b>     |
| <b>Cash</b>           | <b>314</b>       | <b>288</b>       | <b>272</b>       | <b>255</b>                       | <b>2,500</b>     |

## *Average Daily Values*

|                       | <b>2004/2005</b> | <b>2005/2006</b> | <b>2006/2007</b> | <b>2007/2008<br/>(10 months)</b> |
|-----------------------|------------------|------------------|------------------|----------------------------------|
| <b>Equities</b>       | <b>\$113m</b>    | <b>\$114m</b>    | <b>\$116m</b>    | <b>\$118m</b>                    |
| <b>Fixed Interest</b> | <b>\$5.2b</b>    | <b>\$5.4b</b>    | <b>\$3.0b</b>    | <b>\$2.6b</b>                    |
| <b>Cash</b>           | <b>\$4.0b</b>    | <b>\$4.0b</b>    | <b>\$3.5b</b>    | <b>\$2.9b</b>                    |

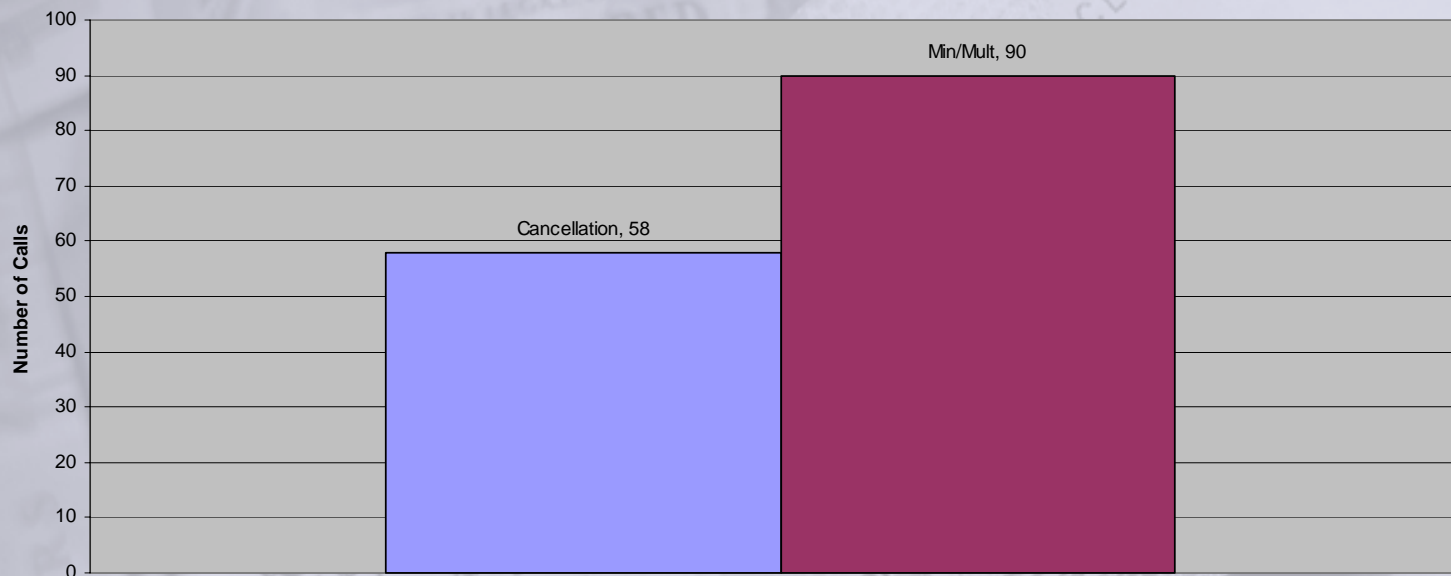
# *KPI Graphs – Jan 08 – May 08*

## **NEW ISSUES - Calls by Time**



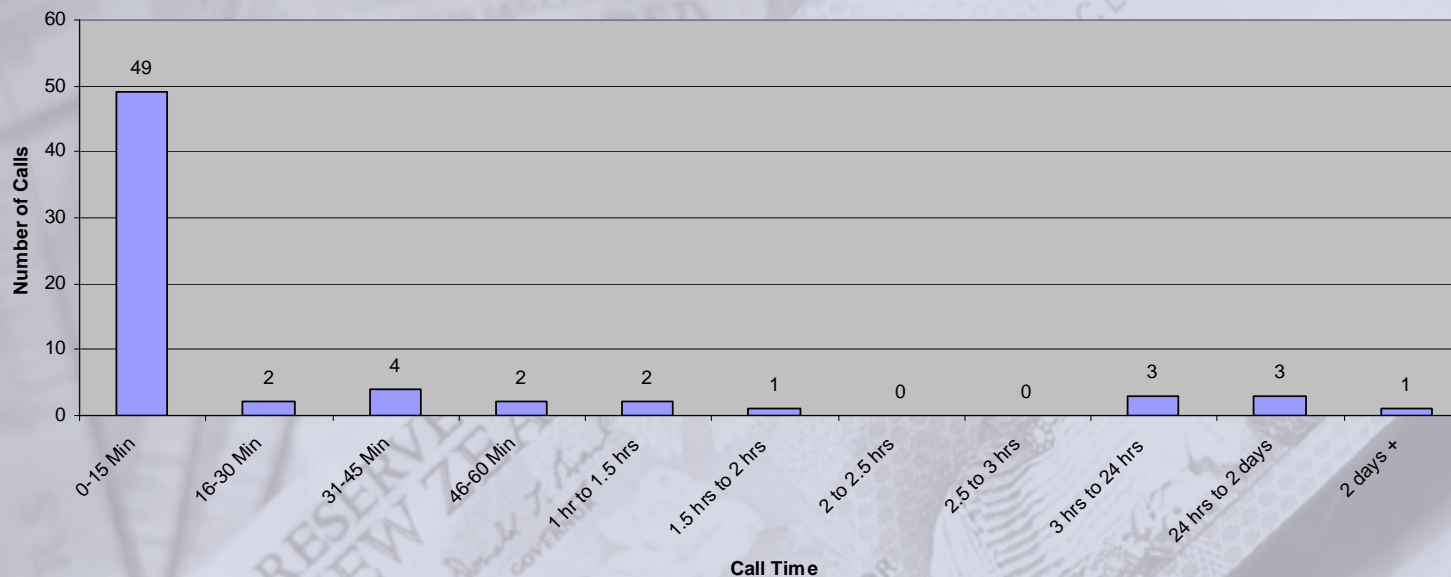
# *KPI Graphs – Jan 08 – May 08 cont...*

STATIC DATA - Calls by Type



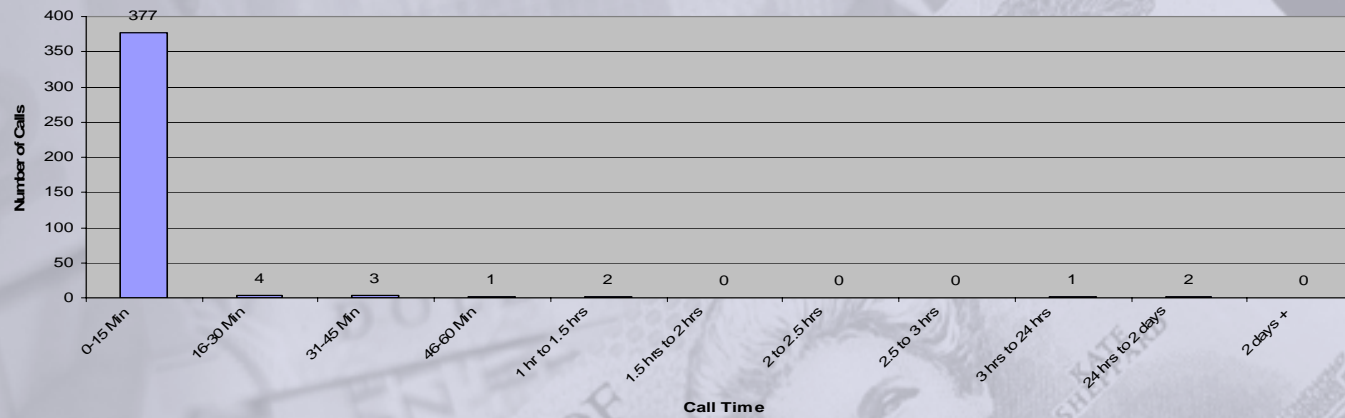
# *KPI Graphs – Jan 08 – May 08 cont...*

**TRANSACTIONS (FIISCONF) - Calls by Time**

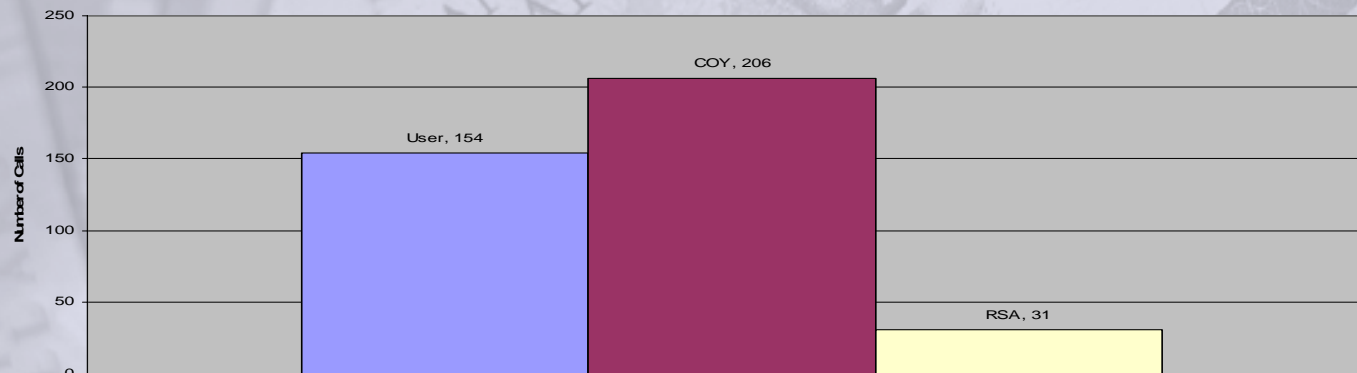


# KPI – Logon Resets

## LOGON RESETS - Calls by Time



## RESETS by TYPE



The background of the slide is a collage of New Zealand banknotes, including 100, 10, and 5 dollar notes, with the Reserve Bank of New Zealand logo and text visible. A vertical red bar with horizontal lines is on the left side.

## *Business Continuity*

- **Systems access from either Wellington or Auckland – alternated monthly**
- **Te Renco house – tested quarterly**
- **Future – out of region site**

The background of the slide is a collage of various New Zealand banknotes, including 100, 10, and 5 dollar notes, with the Reserve Bank of New Zealand logo and text visible. A vertical red bar with horizontal lines is on the left side.

## *Liquidity in the New Zealand Market*

- **Dr Ian Nield from the Reserve Bank of New Zealand – outline of the new liquidity regime.**

## *ESAS/Austraclear – Systems Developments*

- Austraclear SWIFT interface release 2.
- MT950 modification to support HtH\*Lite.
- Enhanced ESAS enquiry screen.
- Upgrading the application front end
  - **Transact.**
  - Enquiry.
  - Reporting.
- **STP enhancements (lodge/uplifts).**
  - Direct registry interfacing (Non-FASTER).
  - NZX Interface (FASTER).
- **Other changes..**
  - Java Runtime v1.6

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***System Developments:  
MT950 Modification to Support HtH\*Lite.***

- **MT950 now includes HTH\*Lite entered reference data.**
- **Changes also align MT950 usage more closely with SWIFT standards.**
- **Currently in UAT.**
- **Scheduled production release 28 June 2008.**

The background of the slide is a collage of New Zealand banknotes. A prominent 10-dollar note is in the center, featuring the portrait of Kate Sheppard. Other visible notes include a 100-dollar note and a 5-dollar note. The Reserve Bank of New Zealand logo and text are also visible on the notes.

## *System Developments: Austraclear SWIFT Interface (release 2)*

- **Released to production 19 May 2008**

# ASI *Process Flow for Fixed Interest and Equity Trades*



ASI User



MT540

MT544  
Completed



Austraclear  
SWIFT Interface

Trade  
Details



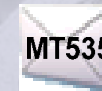
Trade  
Completed

Austraclear

# ASI *Process Flow for Statement Request*



ASI User



Austraclear  
SWIFT Interface



Austraclear



# ASI *Process Flow for Automatic Statement Generation*



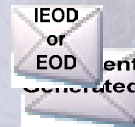
ASI User



**Austraclear  
SWIFT Interface**



**Austraclear**



The background of the slide is a grayscale collage of New Zealand banknotes. A prominent 10-dollar note is in the foreground, featuring the portrait of Kate Sheppard. Other notes for 100, 5, and 20 dollars are visible in the background. The Reserve Bank of New Zealand logo and text are also present on the notes.

*System Developments:  
Enhanced ESAS Enquiry Screen*

The background of the slide is a collage of New Zealand banknotes. A prominent 100-dollar note is in the upper right, featuring Lord Rutherford of Nelson. A 10-dollar note is in the center, featuring Kate Sheppard. Other notes for 5 and 20 dollars are visible in the lower left and bottom. The Reserve Bank of New Zealand logo and text are also present on the notes.

*System Developments:  
Upgrading the application front end*

**Transact**

**Enquiry**

**Reporting**



## *System Developments: STP enhancements –Lodges/Uplifts*

- **Outstanding member request.**
- **Introduce efficiencies for all parties and the market.**
- **Reduce errors, eliminate almost all manual/paper processes and reduce turnaround to minutes rather than hours.**
- **Now possible to implement a solution based on SWIFT.**
- **Two interface development arms:**
  - **Non-FASTER.**
  - **FASTER (NZX-Interface).**

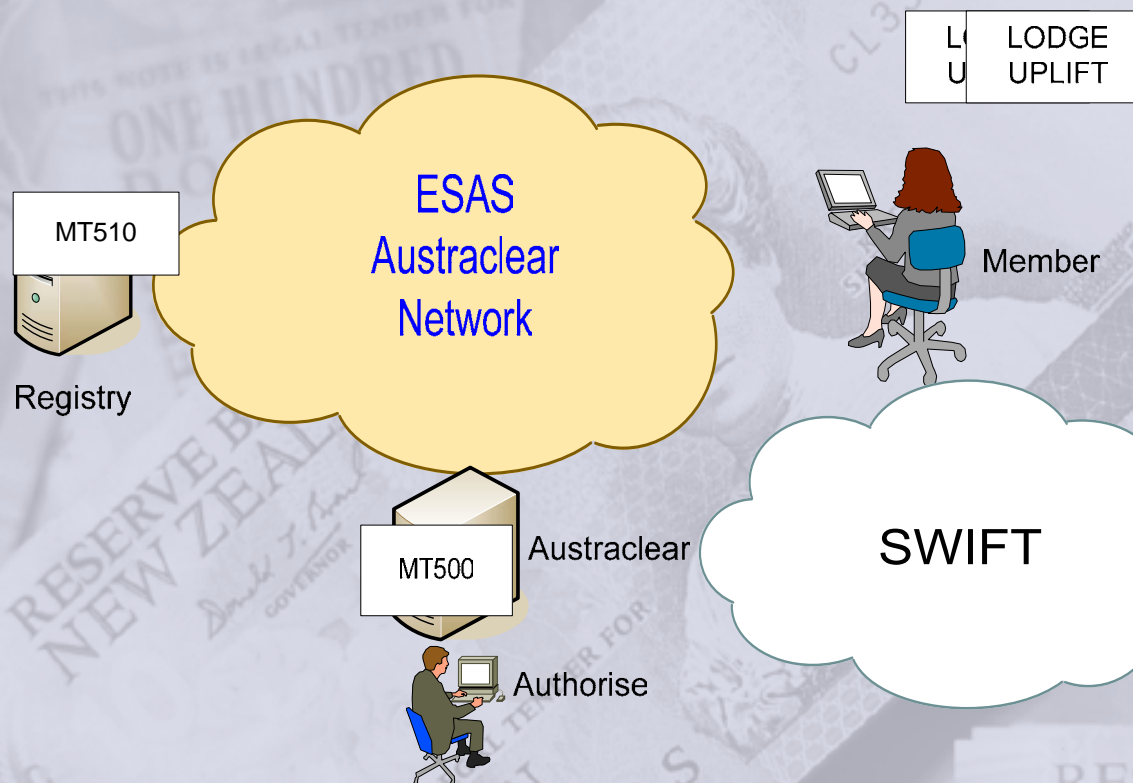
## *System Developments:*

### *STP enhancements –Lodges/Uplifts – Non FASTER*

- For lodges/uplifts between NZCSD and the registry.
- Needs approval under the Security Transfer Act 1991 (S7 – Transfer by electronic means).
- Based on standard SWIFT messaging but routed over the Austraclear network.
- Can be introduced registry by registry.
- Fully automated but can revert at anytime to manual operation (current).

# *System Developments: STP lodges/uptifts – Non-FASTER*

**How will it work....**



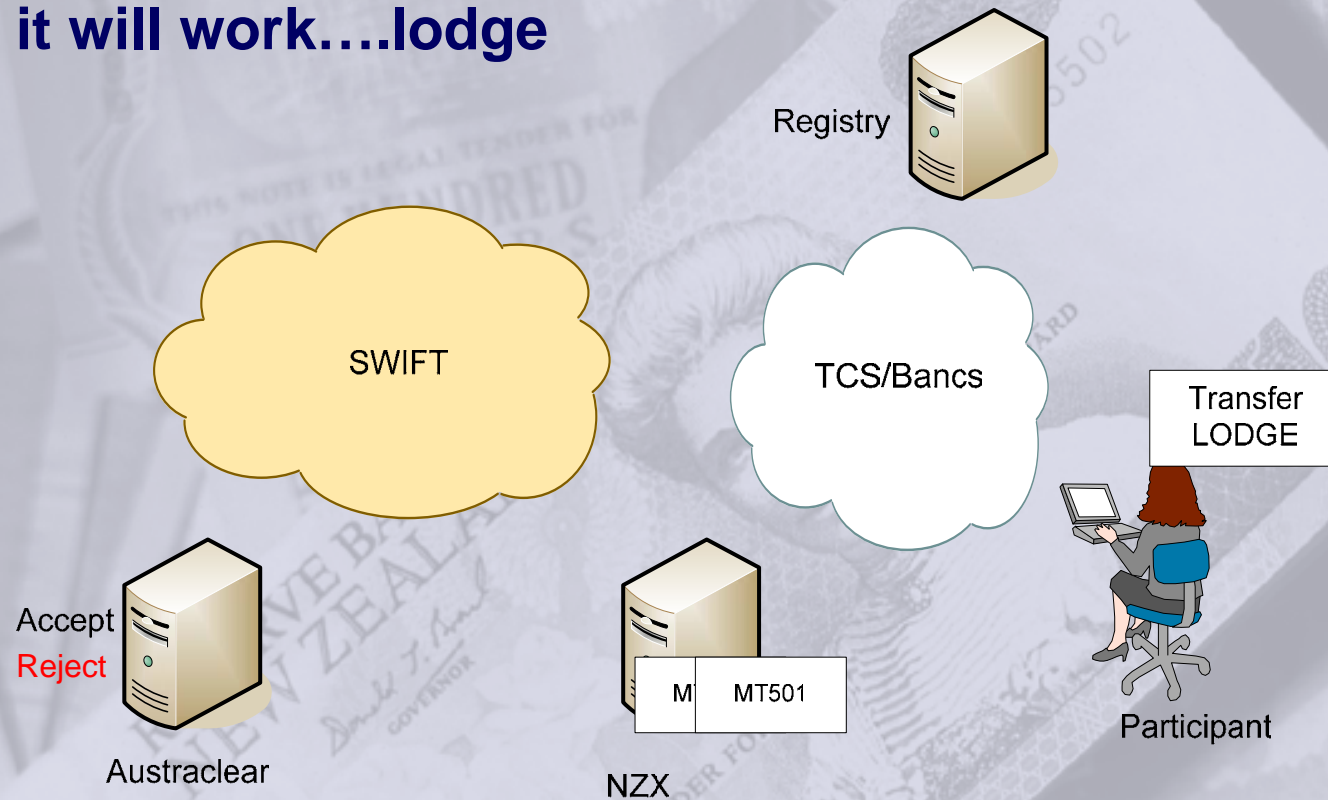


## *System Developments: NZX Integration (TCS/Bancs)*

- Initiative to streamline lodges/uplifts for **FASTER** tradable securities.
- Utilises **SWIFT** messaging
- Specification jointly prepared (completed).
- Currently evaluating the business case and consulting with members.
- Delivery would be synchronised with NZX new system delivery – probably Q1 2009.
- For Austraclear, envisage that there will be no additional charges.

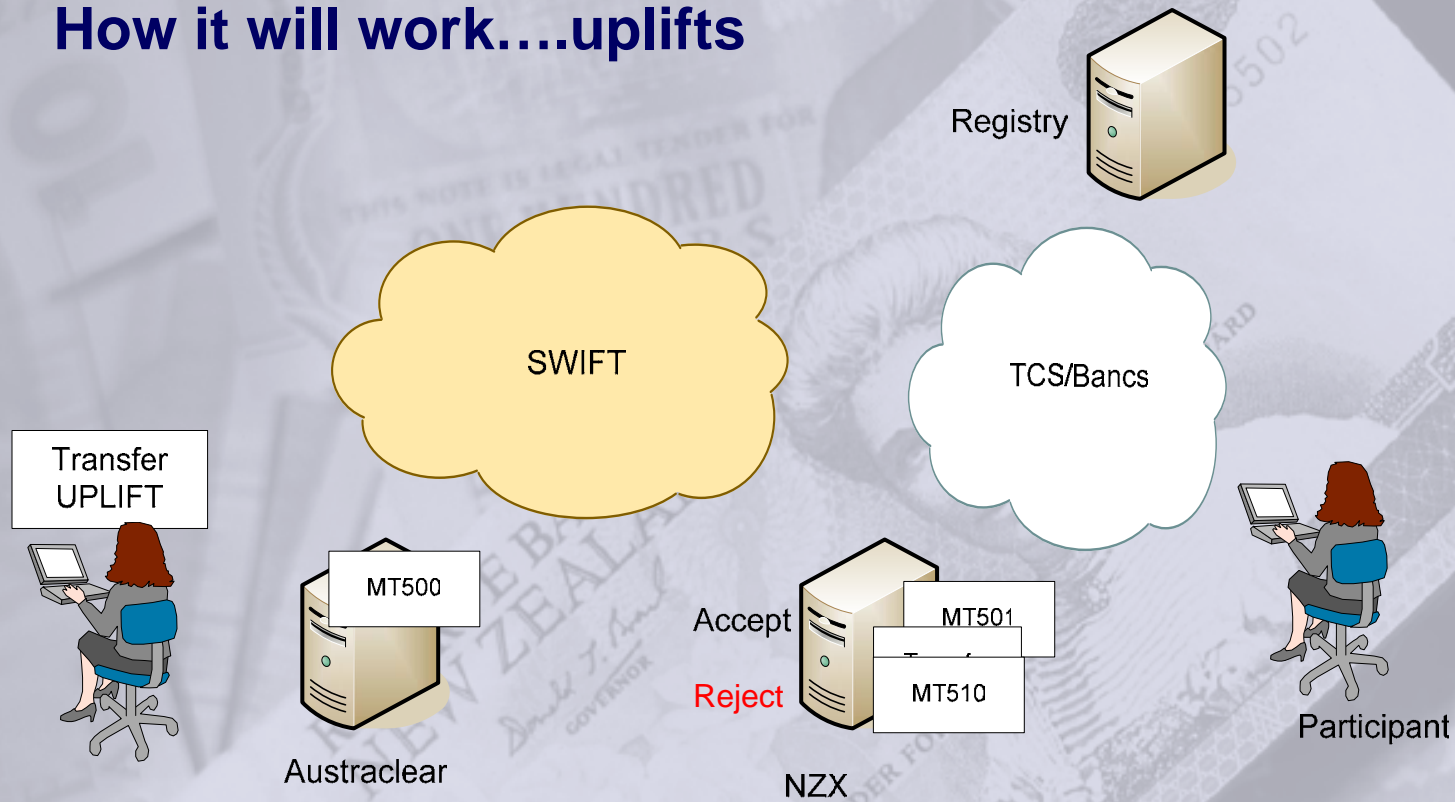
# *System Developments: NZX Interface - FASTER*

## How it will work....lodge



# System Developments: NZX Interface

## How it will work....uplifts



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*System Developments:  
Java Runtime v1.6*

# ***CLOSING***

**Any questions?**