NSW Treasury

NSW Payments Strategy

June 2026

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country, and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:
Regeneration by Josie Rose

Regeneration

Josie Rose is a Gumbaynggirr woman who expresses her contemporary Gumbaynggirr cultural heritage through art. For *Regeneration* her chosen medium is acrylic paint on canvas and the design embodies both creative and cultural expression. The inspiration for her artworks comes from a deep place of spiritual connection to her family, community, culture and respect for Mother Earth. Gumbaynggirr Country, on the Mid North Coast, is beautiful land with both freshwater and saltwater waterways which inspire her holistic connection to the Ancestors.

Josie Rose | Gumbaynggirr Nation
Artist

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Foreword

Payments are the quiet engine of the NSW economy. They enable essential services to operate, businesses to grow and communities to thrive.

Payments are the quiet engine of the NSW economy.

They enable essential services to operate, businesses to grow and communities to thrive.

Each day, millions of transactions ensure workers are paid, families access essential goods and services and enterprises of every size move money safely and efficiently across the state.

The payments landscape is changing rapidly.

The shift to digital and real time payments, increasing cyber threats and scams, and the rise of artificial intelligence and digital currencies are reshaping how payments are made and managed.

This period of change is exciting but disruptive and it demands direction from government.

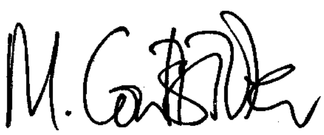
Within this rapidly evolving environment, the Australian Government's Strategic Plan for Australia's Payments System sets the national framework.

The plan outlines a modern, worldclass payments system built on safety, trust and accessibility, while driving competition, innovation and productivity.

As a major player in Australia's payments system, the NSW Government has an important role to guide and drive reform.

The NSW Payments Strategy sets a clear vision for a modern, safe and trusted payments system, aligned with the national framework.

It provides a foundation for consistent, customer-focused payment experiences across government, and supports better outcomes for people and businesses.



Michael Coutts-Trotter
Secretary

1. Introduction

The Australian payments landscape is changing quickly. Digital wallets, real-time payments and new technologies are reshaping how we pay for things.

At the same time, the Australian Government is updating the rules for payments and phasing out older methods.

The NSW Payments Strategy sets out how our state will respond to these changes and deliver safer, faster and simpler payments to and from NSW Government.

The strategy provides a clear path across three horizons:

- **Horizon 1 – Transaction optimisation**
  Prioritise payment methods that are efficient and safe for customers, suppliers to the NSW Government and to NSW agencies.
- **Horizon 2 – Scale optimisation**
  Shift NSW agencies to core and common platforms providing standardisation, security compliance, and a reduced cost of change and innovation.
- **Horizon 3 – Customer-centric payments**
  Deliver a unified, simpler, safer, secure customer-centric payments experience. Assess and adapt market developments to deliver better outcomes of NSW citizens and businesses.

Across all horizons, the NSW Payment Strategy aligns NSW with national reforms, and positions the state to respond to emerging technologies and growing cyber threats. It focuses on providing inclusive, simple and secure payment experiences for the customers and suppliers who transact with the NSW Government.

Horizon 1
Transaction optimisation

Horizon 2
Scale optimisation

Horizon 3
Customer-centric payments

2. Strategic context

Australia's payments ecosystem is rapidly shifting toward modern, digital infrastructure. With its scale and reach, the NSW Government is one of the largest participants and plays a critical role in how it operates.

New rules and reforms – including the removal of surcharging and the wind-down of Australia's cheque system – are changing how people and businesses expect to make and receive payments. These national reforms set the direction for the broader environment in which NSW operates.

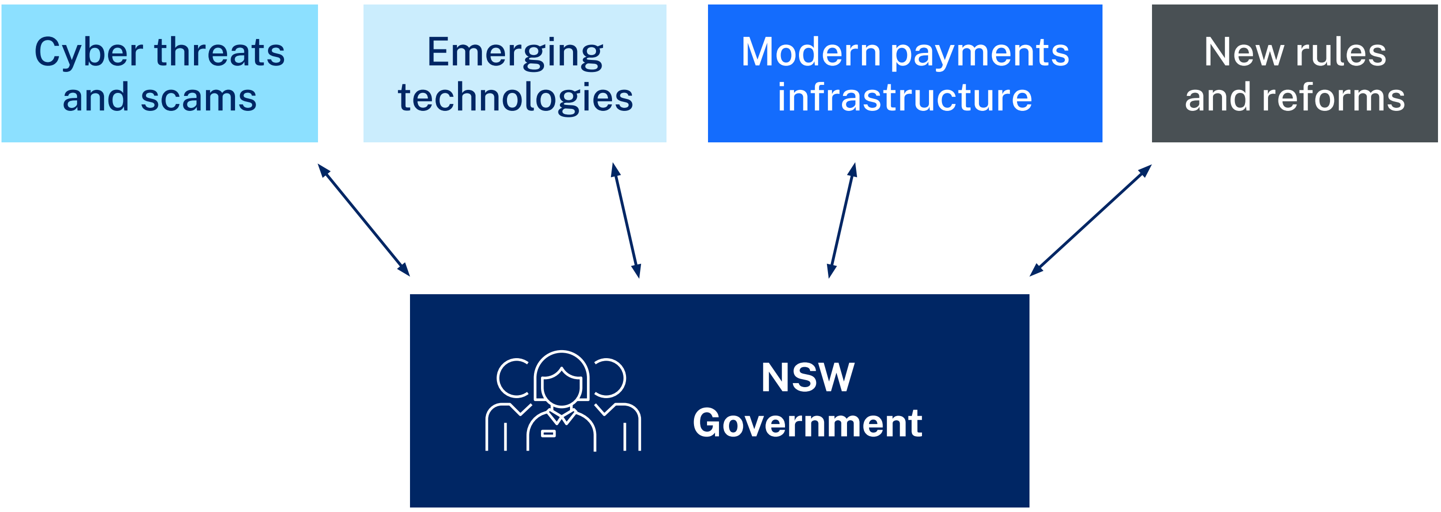
Since the release of the Strategic Plan for Australia's Payments System in 2023, the pace of change has accelerated. New technologies (such as artificial intelligence and digital currencies), rising cyber risks, the reduction in the use of cash accelerated by the COVID lockdowns and the growing use of real-time digital payments are reshaping customer expectations. People and businesses now expect payment options to be digital, secure and accessible.

The NSW Government is one of the largest participants in the national payments system. This places us in a strong position to help advance national reforms.

The NSW Government processes the largest payroll and transit files in Australia, manages $40 billion in annual procurement and handles around 230 million domestic payments each year. We support 8 million citizens, 896,000 businesses and 65,000 registered suppliers, and work closely with banks and industry partners across the payments sector.

The continued shift in technology, regulation and customer expectations makes it essential to refresh the NSW Payments Strategy and set a clear direction for the years ahead.

Figure 1: Developments impacting the payments system



National strategy for the payments system

The Commonwealth Treasury's Strategic Plan for Australia's Payments System sets out the national direction for modernising payments. It incorporates the recommendations from the 2021 Review of the Australian Payments System.

The national plan outlines a vision for a modern, world-class payments system that is safe, trusted and accessible. It aims to promote competition, support innovation and lift productivity.

The plan identifies five priorities:

1. promoting a safe and resilient system
2. updating the payments regulatory framework
3. modernising national payments infrastructure
4. supporting competition, innovation and productivity
5. positioning Australia as a global leader in payments.

Transition to modern payments infrastructure

There has been a strong shift from non-digital payments to digital and real-time methods.

Data from the Reserve Bank of Australia shows sustained growth in digital and real-time transactions (Figure 2). In the past financial year, non-digital payments accounted for less than 3 per cent of all payment volumes in line with an overall decrease in cash and non-digital payments since FY20.

New rules and reforms

The planned wind-down of cheques by 2030 – combined with the removal of surcharging across most NSW Government agencies – will further accelerate the move away from legacy payment methods.

Increase in cyber threats and scams

Growth in digital transactions has been matched by growth in cyber threats.

Malicious actors are using a range of methods to capture funds or personal information, including phishing, payment redirection (invoice hacking) and the misuse of stolen credentials.

In response, in 2023 the Australian Government invested $58 million to establish the National Anti Scam Centre to address scams and online fraud. Despite recent declines in losses, the volume of reports remains high, with almost half a million scam reports and around $2 billion in losses in 2023–24 (National Anti-Scam Centre 2025).

This highlights the need for strong data security, payments integrity, and ensuring that an organisation only receives and retains customer data that is essential for a given service.

Emerging technologies

New technologies are reshaping how payments are designed, managed and secured.

Artificial intelligence, automation and advanced analytics are beginning to support faster detection of anomalies and real time risk assessment – driving smarter, faster and more secure payment experiences.

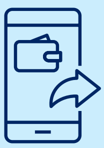
Digital currencies – including stablecoins – are also emerging and may offer faster and more programmable payment options over time.

While still in development, these technologies create opportunities to simplify payment processes and improve security – but they also require careful consideration, oversight and alignment with national regulation.

Figure 2: The changing landscape of payments

74%

of all payments were made via card in FY25

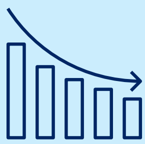


8%

of all payments were made via NPP* in FY25

34%

growth in NPP payments from FY20 to FY25



7%

decline in cash and non-digital payments since FY20

*New Payments Platform (NPP)

3. Strategic direction

The NSW Payments Strategy sets a clear direction for how the NSW Government will continue to modernise our payment services, so they continue to be safe, secure and simple for both customers and suppliers now and into the future.

The strategy outlines how NSW will respond to national reforms, harness emerging technologies and deliver a more consistent and customer-centred experience across government.

Vision

Our vision is a unified, customer-centric payments experience that ensures simple, safe and secure payments for people and businesses transacting with the NSW Government.

Scope

The strategy covers all payments between the NSW Government and people, businesses and suppliers:

- **customer payments-in** – payments made by people and businesses to the NSW Government
- **customer payments-out** – payments made by the NSW Government to people and businesses
- **supplier payments** – payments made by the NSW Government to our suppliers.

Five principles

The strategy is guided by five principles that inform the design of policies, priorities and solutions, and set expectations for how NSW works with banks, fintechs and technology providers.

Customer centricity

Payment solutions should help citizens, businesses, suppliers and agencies to achieve their policy, service and payment outcomes. They should be convenient, fair and easy to use.

Digital end-to-end

Digital, end-to-end payment solutions should simplify and improve efficiency for all participants across the payment journey, while ensuring people who need support can still participate fully.

Transparency

People and businesses should be able to see what they need to pay, how to pay, when payments are due and the status of payments made or received.

Accessibility

Payment accessibility should be enabled in a way that allows equal participation of all citizens including our most vulnerable (such as the elderly, First Nations, Regional and Remote Communities and those with disabilities), are inclusive and considerate of their needs.

Safety and security

Customer data, payment data and funds must be protected. We will promote secure systems, strengthen controls and help customers, particularly vulnerable cohorts such as the elderly, understand how to protect themselves from scams and cyber threats.

4. Delivering the strategy

The Strategy's vision and principles will be delivered through three reform horizons, guiding agencies from immediate improvements to long-term transformation.

Three horizons of change

The strategy sets out three horizons that together form a path from immediate improvements to long-term transformation to deliver our vision and principles.

These horizons are supported by the *Government Sector Finance Act 2018*, NSW Treasury policy and guidelines, and the government's multi-bank partner model. Together they ensure consistency, compliance and access to innovation as NSW continues to modernise its payments environment.

Horizon 1 – Transaction optimisation	Prioritise the adoption of payment methods that are safe, secure, fast, accessible and efficient. Encourage the shift to modern digital options – including PayID, PayTo and e-invoicing – so customers and suppliers can access faster and more secure payment pathways.
Horizon 2 – Scale optimisation	Standardise payment, debt and back-office platforms (ERPs) across NSW Government agencies by adopting shared platforms. Shared systems reduce duplication, strengthen security and make innovation easier to apply across government.
Horizon 3 – Customer-centric payments	Create visibility and management of payments and obligations for citizens and businesses interacting with the State and enable choice and flexibility in how they are managed. Identify and assess how developments in external markets may be applied to ensure the best outcomes are delivered for NSW citizens and businesses.

Horizon 1 – Transaction optimisation

Prioritise payment methods that are efficient and safe for customers, suppliers to the NSW Government and to NSW agencies.

Horizon 1 focuses on maximising the efficiency, safety, security and speed of payments made to and from the NSW Government.

Government agencies are encouraged to adopt modern digital payment options – such as PayID, PayTo and e-invoicing – so customers and suppliers can access faster, safer, more accessible and more convenient ways to transact.

This horizon aims to deliver:

- secure payment methods that give customers and suppliers confidence
- modern digital options that support participation and inclusion
- confident, faster settlement to reduce delays
- cost-effective payment pathways for both customers and agencies.

Horizon 2 – Scale optimisation

Shift NSW agencies to core and common platforms providing standardisation, security compliance, and a reduced cost of change and innovation.

Horizon 2 focuses on shifting core processes and systems to common platforms so payments, debt and back-office processes are standardised across NSW Government agencies.

Platforms such as the Customer Payments Platform (CPP), myWorkZone ERP and State Debt Recovery Services help the government to efficiently scale processes and better respond to changes in the external environment.

This horizon supports:

- consistent payment options for customers transacting with NSW Government
- centralised change management, reducing burden on individual agencies
- consistent security and compliance settings, fraud protection and management
- innovation that can be applied once and used by all
- economies of scale in platforms and services.

The benefits of Horizon 2 can be maximised with ongoing government investment and agency adoption.

Scaling customer payments

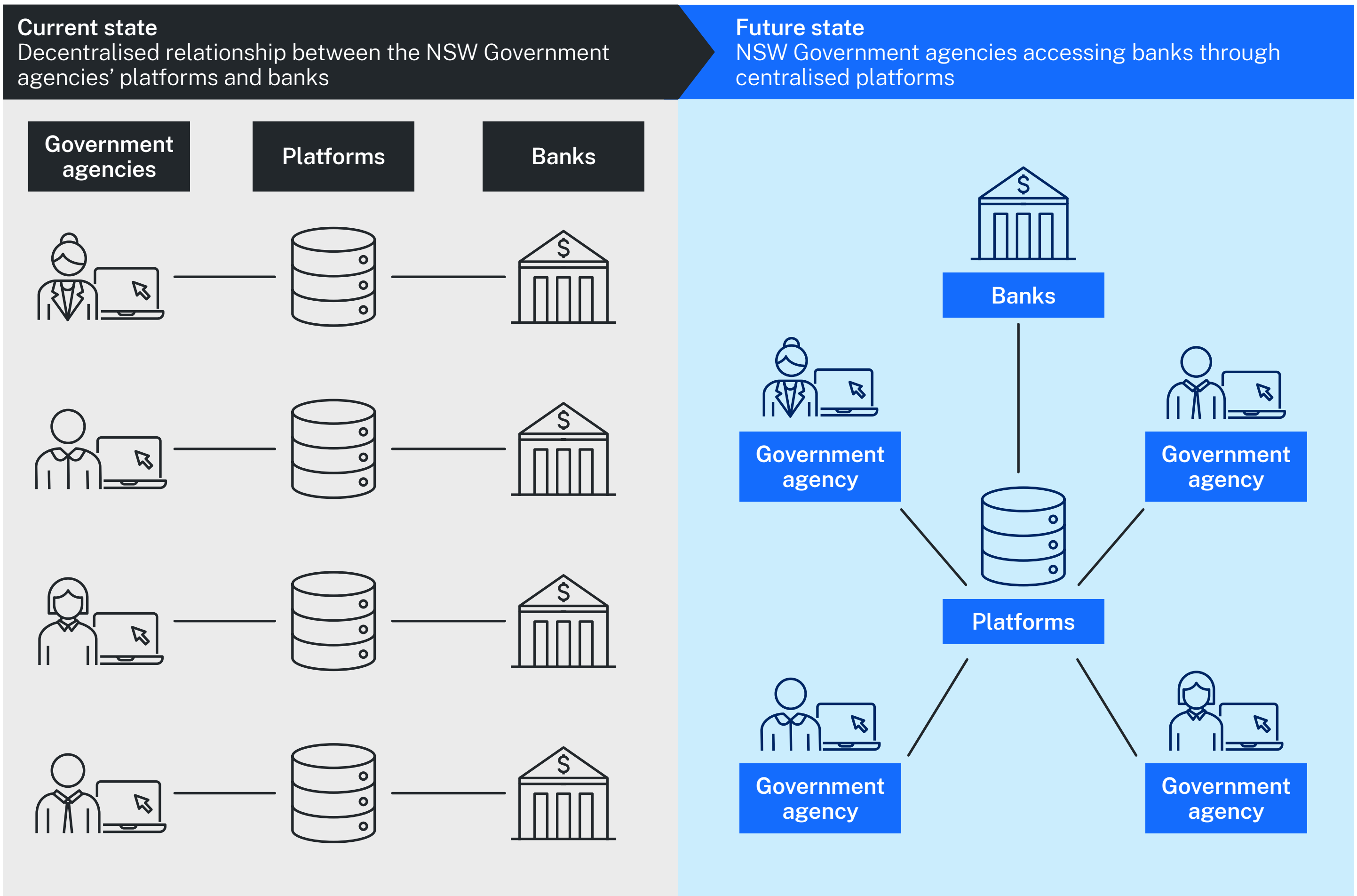
The Customer Payments Platform (CPP) is a central, state digital asset that processes customer payments for government agencies that have adopted the platform.

CPP currently supports more than 50 NSW Government agencies. It processes over 60 million transactions and $19 billion in flows each year, supporting online and in person payments across a range of payment methods.

As a single platform, changes can be made once for all participating agencies. It provides secure and compliant payment processing – including PCI DSS and ISO aligned controls – and reduces the cost of ongoing maintenance and upgrades.

Agencies that have not adopted CPP can still meet the goals of Horizon 2 by ensuring their own payment systems apply change, security, compliance and innovation, in a consistent and centralised way.

Figure 3: Delivering a scale shift to core and common platforms



Scaling back-office systems

The government's ERP strategy is a major enabler of the NSW Payments Strategy. The myWorkZone ERP consolidation program and the move to a government shared-services model – covering more than 80 agencies by 2026 – will reduce duplication and standardise back office systems. This will result in four key shared platforms central to the payments system in NSW.

myWorkZone's ISO standard file formats support easier integration with the payment system and flow through of benefits associated with new payment methods.

Shared services simplify processes, improve efficiency and ensure agencies benefit from consistent, secure and compliant back-office systems.

Centralising these functions also reduces the cost of change and allows payment related innovations to be delivered once and adopted widely.

Scaling debt recovery operations

State Debt Recovery Services (SDRS) is a centralised debt recovery platform for agencies across NSW Government. It provides early intervention and debt recovery in an inclusive, customer-focused, cost-efficient way. SDRS currently supports around 21 agencies and manages an estimated 16 per cent of total NSW Government debt, with significant opportunity to expand.

SDRS plays a key role in the broader NSW Payments Strategy. While the government aims to provide clear and flexible payment options at the point of interaction, this must be supported by an effective and consistent hardship and debt management approach.

Centralising debt recovery helps to:

- improve debt management
- improve support for customers experiencing hardship
- provide greater visibility across government.

Horizon 3 – Customer-centric payments

Deliver a unified, simpler, safer, secure customer-centric payments experience. Assess and adapt market developments to deliver better outcomes of NSW citizens and businesses.

Horizon 3 is the most expansive of the three horizons. It focuses on creating more customer-centred payment experiences for people and businesses interacting with the NSW Government. This horizon looks beyond improving individual transactions – it considers how customers view and manage all their payments and obligations to the state.

This horizon focuses on:

- improving how customers see and manage their payments
- increasing choice and control over payment interactions
- making payments more available to the vulnerable and disadvantaged
- monitoring emerging technologies and threats to ensure NSW remains responsive.

Key building blocks

Progress in horizons 1 and 2 – particularly the work of Service NSW – has created a stronger foundation for a more unified experience. There is now an opportunity to give customers clearer visibility across services, offer more choice in how payments are managed, and make interactions simpler, faster and more secure.

Safer, simpler identity

The NSW Identity Council is improving how identity is managed across NSW Government. Its work aims to deliver more secure, consistent and convenient identity experiences for customers, which supports safer payment interactions.

Single entry point for payments

More than 9 million people have Service NSW customer accounts secure with multi-factor authentication. These accounts provide a reliable and consistent way for customers to authenticate themselves and access payment information across services.

One place to track refunds

Customers can track refunds through the Service NSW Portal, including reference numbers, descriptions, submission dates and payment status.

Notifications platform

The notifications platform provides agencies with a trusted way to send real-time alerts to customers. It supports multi-channel delivery, automated triggers and API integration to connect with agency systems, allowing payment-related updates to be delivered quickly and securely.

Bank Connect service

Bank Connect provides a single place for customers to store and update their bank details, which can then be used to pre-fill online transaction forms. This reduces repeated data entry and improves the accuracy of payments.

Beyond customer centricity

Horizon 3 looks to the future. As new technologies reshape how payments are made, NSW will need to continue monitoring emerging risks and opportunities. Horizon 3 ensures the strategy remains flexible, maintains safety and security, and puts the customer at the centre of every payment interaction.

5. Positioning NSW for the future of payments

Regulatory change, technological innovation and customer expectations are driving rapid change in payments.

The NSW Payments Strategy responds with a clear program of reform to support safe, simple and inclusive payments for the people and businesses of NSW.

NSW needs a clear and coordinated approach to stay ahead of these shifts and ensure payments remain efficient, fast, safe and inclusive for citizens and businesses.

The NSW Payments Strategy provides this direction. It sets out a staged and sustainable path for improving payments across government, built around three horizons:

- **Horizon 1** – Transaction optimisation. Maximising the efficiency, safety and security and speed of payment methods used by NSW Government agencies to receive payments from, and make payments to, NSW citizens and businesses.
- **Horizon 2** – Scale optimisation. Shifting to common and core platforms such as the CPP, MyWorkZone and the State Debt Recovery Services.
- **Horizon 3** – Customer centricity and beyond. Placing the customer at the centre of the payments journey and identifying and incorporating the latest developments in the payments ecosystem across each horizon.

The strategy will be implemented in partnership with platform owners and government agencies. Partnerships will help ensure the benefits of each horizon are realised – from more consistent customer experiences to stronger security, better value for money and a more modern payment system across NSW.

Individually and collectively, the horizons position the NSW Government as a leader in payments modernisation. They provide a clear program of reform that supports safe, simple and inclusive payments for the people and businesses of NSW, now and into the future.

NSW Treasury
Published by NSW Treasury

First published April 2026

0326-09

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