

28 February 2023

Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

Thank you for the opportunity to respond to the consultation on the Strategic Plan for the Payments System.

About the Tech Council of Australia (TCA)

The TCA is Australia's peak industry body for the tech sector. The Australian tech sector is a pillar of the Australian economy, contributing \$167 billion to GDP per annum and employing over 860,000 people. This makes the tech sector equivalent to Australia's third largest industry, behind mining and banking, and Australia's seventh largest employing sector.

The TCA represents a diverse cross-section of Australia's tech sector, including startups, venture capital funds, and online platforms that link Australians to global markets. This also includes local industry leaders in FinTech such as Afterpay (part of Block inc.), Airwallex, Finder, Tyro and Zepto.

Summary of recommendations

1	Adopt a more ambitious vision for the future of Australia's payments system, aimed at positioning Australia as a global leader in payments innovation, safety and transparency.
2	Retain the proposed principle of 'accessibility' and take action to support this by: a. Reducing barriers to access the NPP b. Ensuring the Government takes on greater responsibility over the NPP.
3	Improve transparency by: a. Explicitly including a principle on transparency in the Strategic Plan b. Ensuring regulators provide clearer and more transparent rules and requirements for payment service providers.
4	Prioritise growth of the FinTech sector by: a. Explicitly including a priority to support the growth of the FinTech sector and position Australia as a leader in responsible payments innovation b. Acknowledging the need for complementary actions across Government to grow the FinTech sector, including to support talent and investment.
5	Ensure the proposed single, tiered payments licensing framework is transparent and fit-for-purpose and conduct further consultation on the ePayments Code before it is made mandatory.
6	Ensure alignment with developments in the broader digital economy such as CDR, digital identity and digital assets.
7	Ensure there is greater coordination and strategic leadership across the payments ecosystem by:

	<ul style="list-style-type: none">a. Providing the Treasurer with an enhanced leadership role and appointing a payments industry convenorb. Ensuring there are clear lines of responsibility and accountability on the designation powers, and that designation powers are clearly defined between the RBA and Treasury.
8	Ensure the strategic initiatives are prioritised and sequenced appropriately with priority given to the payments licensing framework and implementing changes to the Payments Services Regulation Act (PSRA).

Overview and vision for the payments system

The growth of Australian FinTech businesses – and the high-paid, high-skilled jobs they create – is one of the great success stories of Australia’s tech sector over the last decade. Australia’s sophisticated financial services sector as well as digitally savvy population, has proven fertile soil for globally scalable innovation. Payment technology companies (PayTech) have played a crucial role in this growth.

Australian PayTechs have promoted competition in payments systems by introducing new and innovative products such as buy now, pay-later (BNPL), digital wallets and digital assets. They have delivered better outcomes for consumers by reducing transaction costs, providing greater control over money, and making payments easier, safer and more secure. They have also benefitted businesses by providing a wider range of financing options and enabling businesses to offer better services and payment experiences. Companies including Airwallex, Afterpay and Brighte among many others have built and grown globally scalable businesses; delivering positive outcomes and significant economic and jobs benefits to Australia. However, it should be noted that these success stories have come despite the existing system and regulations, not because of them.

There is a significant opportunity for Australia to be a leader in PayTech, and FinTech more broadly. Our research shows that PayTech is one of the top 5 tech segments in Australia and an area where we already have a comparative advantage globally.¹ Australia has a disproportionate share of global PayTech startups (2.6%) relative to our contribution to global GDP (1.6%) (See Figure 1). FinTech more broadly is one of the top 3 areas for venture capital funding in Australia, alongside business and consumer software. It is also an area where Australia attracts relatively more investment than global peers, demonstrating the advantage we currently have in this part of the tech sector (See Figure 2).

¹ [Turning Australia into a regional tech hub](#)

Figure 1: Australia has a disproportionate share of global PayTech startups, relative to our contribution to global GDP

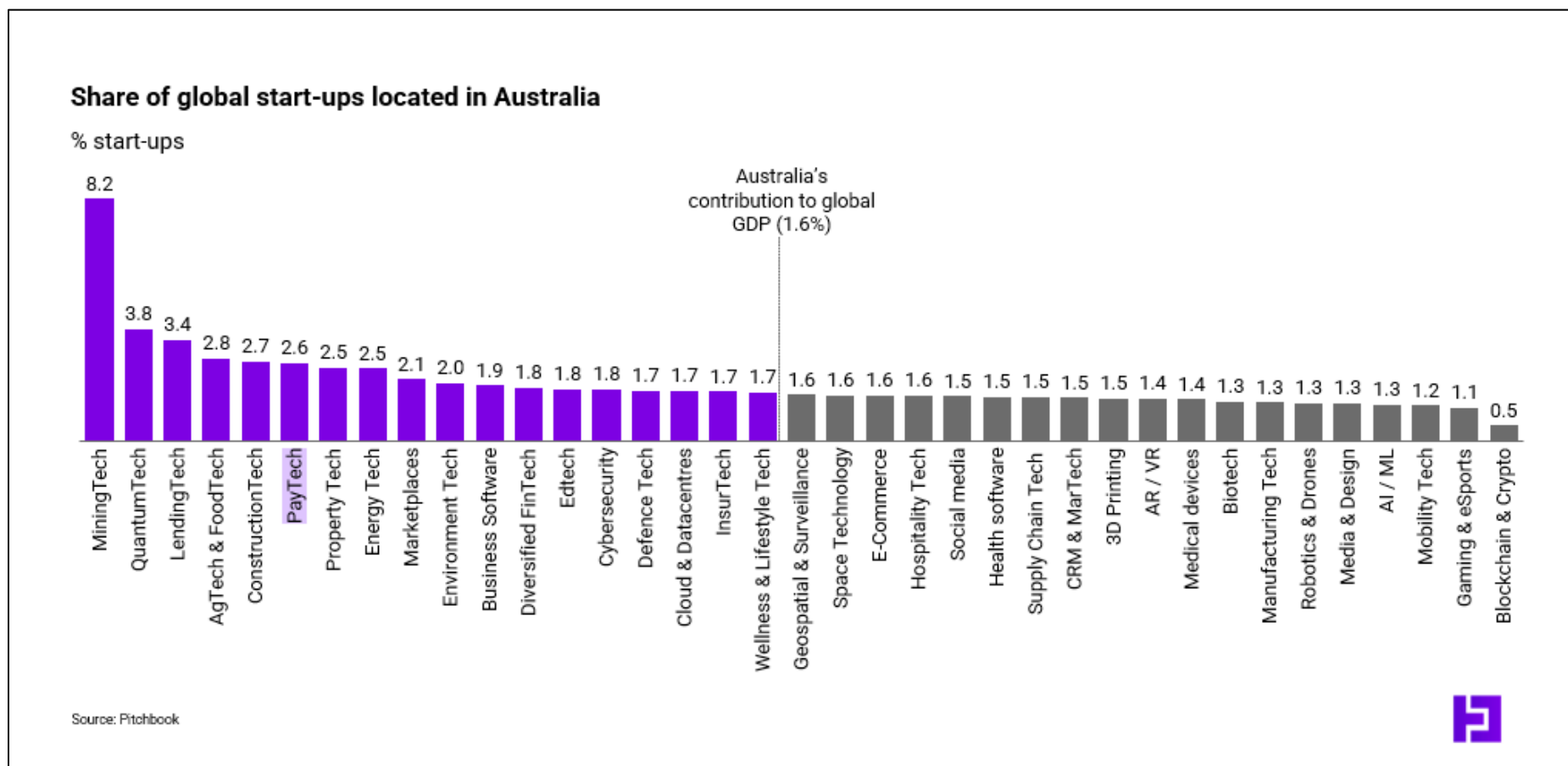
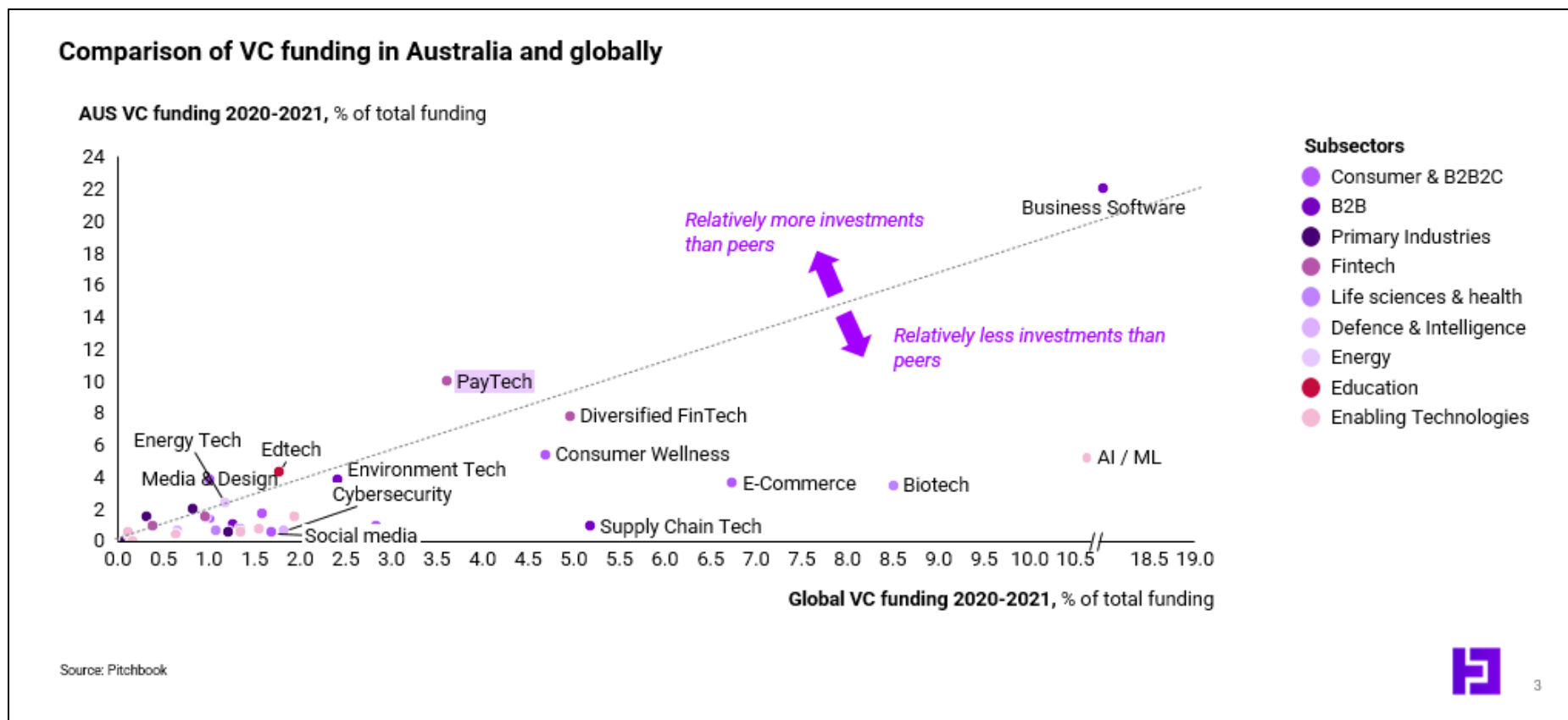


Figure 2: Australia attracts relatively more investment in PayTech than global peers



As consumer and economic activity continue to shift towards digital and e-commerce solutions, FinTech companies will play an increasingly important role in payments systems, particularly in promoting competition and innovation among payment service providers, which leads to reduced costs and greater choice for consumers and businesses. However, there are concerns that innovation and competition in payments is being stifled by the current regulatory framework which was designed more than two decades ago, during a time when large financial institutions were the main providers of payment services.

As highlighted in the Farrell Review of the Australian Payments System, the current regulatory framework is no longer fit-for-purpose and does not reflect the needs and concerns of new and emerging service providers such as FinTech companies and their growing customer bases.² There are concerns that the current framework consolidates the position of large incumbents rather than promoting competition and innovation, to the detriment of new entrants as well as consumers and businesses.

For instance, new entrants must often cooperate with incumbents to obtain access to payments systems. This can place new entrants at a competitive disadvantage as larger incumbents may not have the incentive to cooperate and may offer competing services at much lower prices to out-compete new entrants. This can lead to higher barriers to entry for new entrants, reducing their ability to innovate and compete, and thereby disincentivising their participation in payments systems.

There are also concerns that incumbents have played an outsized role in shaping the regulatory framework and continue to own and guard access to critical infrastructure such as the New Payments Platform (NPP), at the expense of new entrants and smaller providers. As noted in the RBA's Conclusion Paper on NPP Functionality and Access, the slow and uneven roll-out of NPP services by major banks has slowed the development of new functionality that would have improved consumer experiences and made transactions more efficient.³

To ensure the payments system can continue to innovate and deliver better outcomes for consumers and businesses, it is critical that Australia embrace a more ambitious vision for the payments system that emphasises the opportunities and benefits provided by payments innovation, and the importance of creating a competitive and level playing field for service providers to enable that innovation. The current vision outlined in the paper – for the Australian payments system to maintain its reputation internationally – doesn't reflect the opportunity available to our nation.

A more ambitious vision should also be underpinned by a transparent and fit-for-purpose regulatory framework that is developed in collaboration with industry, particularly new and emerging service providers who might not have had the chance to contribute meaningfully to the development of payments policy.

Achieving this vision will enable Australia to be a global leader in delivering choice and lower costs for consumers and businesses through payments innovation, safety and transparency. It will help Australia compete with global peers such as Singapore, whose progressive regulatory framework towards FinTech has led to exceptional growth in the local sector,

² [Review of the Australian Payments System – Final report](#)

³ [NPP Functionality and Access Consultation: Conclusions Paper](#)

while providing improved outcomes for consumers and businesses. It will also help address Australia's broader challenges of declining productivity and economic dynamism, which are a major focus of the Government's economic agenda.

We have made a series of targeted recommendations on the principles, priorities and strategic initiatives outlined in the Strategic Plan, aimed at ensuring the Plan can achieve its vision of a safe, transparent and innovative payments system.

Recommendation 1: The Government adopt a more ambitious vision for the future of Australia's payments system, aimed at promoting innovation and positioning Australia as a global leader in delivering choice and lower costs for consumers and businesses through payments innovation, safety and transparency, supported by a regulatory framework that promotes competition and the growth of the FinTech sector.

Recommendation 2: Improving accessibility

We strongly support the proposed inclusion of a principle on accessibility in the Strategic Plan, and the Plan's emphasis on reducing unnecessary restrictions on access to payment networks for service providers. Feedback from TCA members indicates that many FinTech companies have difficulties accessing payments systems and platforms due to opaque access requirements that can be overly onerous relative to risks.

The NPP is a prime example of this. The NPP is a core pillar supporting the digital transformation of Australian banking and financial services. It was specifically designed to be open-access and support participation from a range of businesses across the payments system. It should be widely accessible to the growing number of FinTech companies who are playing an increasingly important role in providing affordable and innovative payment services to consumers and businesses, as well as facilitating improvements to payments systems such as through infrastructure upgrades and investments.

However, requirements for NPP direct participants to be Authorised Deposit-Taking Institutions (ADI) as well as shareholders in the NPP have limited the participation of new and emerging providers. This reduces competition and innovation in the payments system, and leads to poorer outcomes for consumers and businesses.

Enabling pathways to direct access to the NPP

As direct access to the NPP is contingent on providers being licensed as ADIs, non-ADI providers must engage a party that is directly connected to the NPP, such as a bank, to perform key functions such as clearing and settlement services via the NPP. In some cases, this leads to providers seeking to be licensed as ADIs even if they do not want to engage in deposit-taking services.

This reduces competition in payments as emerging payments businesses wishing to access the NPP must rely on incumbents, who can block or complicate their participation in the NPP. Incumbents can refuse to provide services to competitors to gain a competitive advantage, and de-prioritise new initiatives such as facilitating faster international payments with little justification and transparency. This disadvantages new entrants and smaller providers and reduces innovation in the payments system, ultimately resulting in higher costs and less efficient transactions for Australian consumers and businesses.

We recommend the Government enable pathways for businesses that do not hold an ADI license to have access to the NPP by developing clear and appropriate governance arrangements (including operational, security and financial requirements) for non-ADIs, as recommended by the RBA's Conclusion Paper on NPP Functionality and Access.⁴ This will ensure that access to the NPP is fair and consistent across the industry, and that the obligations imposed on participants reflect the functions they are performing in the payments system.

The requirement for NPP participants to be a shareholder of NPP Australia (NPPA) is a significant barrier to entry for new and emerging service providers. New participants are expected to purchase a minimum of \$2 million of NPPA shares which are more like a membership fee than an investment as the shares are not expected to pay dividends, are not transferable and cannot be meaningfully redeemed.⁵ This places an undue cost on small providers and reduces their ability to innovate, leading to poorer outcomes for consumers and businesses.

We recommend the Government further examine the need for amendments to the shareholding requirements, including whether to introduce graduation and create additional lower bands, so that subscription requirements can be more closely tied to an entity's size or expected contribution to transaction volumes, as recommended in the RBA's Conclusion Paper on NPP Functionality and Access.⁶ Doing so would reduce costs for new and emerging providers and incentivise their participation in the NPP. This would increase transaction volumes and improve the transaction revenue received by the NPPA, allowing it to more easily recoup the costs of establishing and operating the NPP.

Importantly, ensuring common access to the NPP can be achieved with or without the introduction of a payments licence, reform of the Payment Systems (Regulation) Act, and/or progress on the other initiatives identified in Treasury's consultation paper. Therefore, it can be decoupled by any timing constraints associated with the other initiatives in Treasury's plan.

There is also a clear opportunity for the Government to play a larger role in the management of the NPP and the delivery of its features and initiatives. Doing so would promote a healthy and well-functioning payments system focused on helping promote competition and innovation across the payments system and delivering better outcomes for consumers and businesses.

Recommendation 2.1: Retain the proposed principle of "accessibility" and back-this up by reducing barriers to direct access to the NPP, including by enabling pathways for businesses that do not hold an ADI license and explore the need for potential amendments to NPPA Shareholding Requirements (such as payment graduation and creating additional lower bands).

Recommendation 2.2: Ensure the Government takes on greater responsibility and oversight in the management of the NPP and the delivery of its features and initiatives to generate improved competition and consumer outcomes.

⁴ [NPP Functionality and Access Consultation: Conclusions Paper](#)

⁵ [NPP Functionality and Access Consultation: Conclusions Paper](#)

⁶ [NPP Functionality and Access Consultation: Conclusions Paper](#)

Recommendation 3: Improving transparency

We recommend the Government ensure the Strategic Plan prioritises transparency in the payments system. Transparency is a prerequisite for a safe, trusted and innovative payments system. Transparency in the prices of payments services enables consumers and businesses to make more informed decisions when choosing between services. In addition, transparency in the rules and requirements of payments system regulation promotes greater competition among payment service providers and reduces risks such as fraud and data breaches. Lastly, transparency in transaction data ensures consumers and businesses have greater control and visibility over their data.

Transparency in prices

Price transparency allows consumers and businesses to compare prices more easily between products and services, and seek out the cheapest and most suitable options. In doing so, price transparency can also improve competition among providers, as they are incentivised to offer lower prices to compete for customers.

However, price transparency is not always common for customers. For instance, consumers often rely on financial service providers to make decisions on foreign exchange and international payments. The opaque and complex nature of foreign exchange advice means that there is an information asymmetry between consumers and financial providers, who can charge consumers unreasonable and inflated rates and fees. A 2019 ACCC report into the State of Foreign Exchange found that consumers lost over \$150m in 2017-2018 due to poor foreign exchange rates and charges.⁷

The Government could further consult on the feasibility of fees/cost transparency requirements for licensed payments operators, particularly for foreign exchanges. This would help consumers and businesses make more informed decisions and promote competition among providers.

Transparency in rules and requirements

A transparent payments system that has clear rules, requirements and expectations communicated by regulators can promote competition and innovation among service providers by reducing regulatory uncertainty. This enables providers to dedicate more resources towards innovation and service delivery, and promotes investor confidence in the FinTech sector. Transparency in regulatory rules and expectations can also help new entrants compete on the same terms as incumbents, who can dedicate more resources towards compliance, and are often in a better position to respond to regulatory uncertainty. Clear rules also help providers better understand their obligations and help reduce risks such as fraud and data breaches, which can result from unclear cyber security and data security requirements.

However, as mentioned in the Farrell Review, there is a general reluctance on the part of regulators to be open with industry on regulatory requirements.⁸ The Review found that both existing and new providers in the ecosystem were unable to receive basic information on

⁷ [Foreign currency conversion services inquiry – Final Report](#)

⁸ [Review of the Australian Payments System – Final report](#)

their regulatory obligations. Feedback from TCA members indicates that this lack of regulatory guidance has negatively impacted providers, particularly new entrants, who find it difficult to navigate the different regulatory frameworks, and require guidance around when and where regulations apply, as well as specific use cases to demonstrate how they apply.

We recommend the Government ensure there are clearer rules and requirements for payment service providers (noting there is a fine balance to ensure rules are not so prescriptive as to hamper innovation). As a first step, we recommend this be done through a transparent and fit-for-purpose payments licensing framework. We also strongly support Treasury's proposed initiative to 'enable greater collaboration between payment system regulators'. Coordination of regulators can provide more detailed guidance to the payments industry.

Transparency in transactions

As transactions become more complex and actors involved become harder to ascertain, there is a need for transaction data to be stored and managed transparently. We recommend the Government ensure there is a high degree of transparency in the way transactions are passed across payment rails. Doing so would promote confidence and trust in the payments system, and enable consumers and businesses to have greater visibility and control over their transactions so they can identify irregularities and make more informed decisions.

Recommendation 3.1: Explicitly include a principle on transparency in the Strategic Plan.

Recommendation 3.2: Ensure regulators provide clearer and more transparent rules and requirements for payment service providers, developed in consultation with industry. As a first step, this can be examined as part of the reform of the payments licensing framework.

Recommendation 4: Prioritise growth of the FinTech sector and responsible payments innovation

To support the development of a safe, transparent and innovative payments system that puts consumers first, it is critical that the Government continue to support the FinTech sector through ensuring regulation is harmonised and fit-for-purpose, and supporting investment and talent attraction to the sector. Doing so would allow us to become a leader in responsible payments innovation and compete with global peers such as Singapore, whose multi-faceted approach to growing the local sector has led it to become a global FinTech hub.⁹

For instance, to support their vision of empowering innovation and inclusion in the FinTech sector, the Monetary Authority of Singapore provides grants and support packages for FinTechs, supports regional and global partnerships between the sector and international bodies such as the ASEAN Financial Innovation Network, and pilots the use of new and emerging technologies such as decentralised finance applications.¹⁰

⁹ [Digital Assets in Australia](#)

¹⁰ [Monetary Authority of Singapore](#)

In a similar vein, the Australian Government can expand on its role as a regulator, and play an important role as catalyst in the sector, for example by supporting critical infrastructure, improving administration of foreign investment review processes to remove barriers to important sources of foreign venture capital investment, addressing talent gaps (e.g. through streamlining skilled migration) and supporting pilots of new technologies in areas like digital assets. This would also help underpin the broader shared commitment by the tech sector and the Government to reach 1.2m tech jobs by 2030.

Such an approach would support the development and maturity of the FinTech sector and help solve critical challenges around investment and talent. This would allow the sector to continue innovating as it evolves, while delivering positive for consumers and businesses. This would also raise Australia's international standing as a leader in FinTech, and therefore, attract greater investment and talent to the sector.

Recommendation 4.1: Explicitly include a priority to support the growth of the FinTech sector and position Australia position as a leader in responsible payments innovation to deliver improved outcomes for consumers.

Recommendation 4.2: Acknowledge the need for complementary actions across Government to grow the FinTech sector, including in talent and skills, improved foreign investment review processes, supporting infrastructure and pilots of new technologies in areas like digital assets.

Recommendation 5: Ensure the proposed single, tiered payments licensing framework is transparent and fit-for-purpose

We support the introduction of a single, tiered payments licensing framework, as recommended in the Farrell Review.¹¹ Such a framework will streamline the authorisation process for new entrants by providing greater clarity on the types of payment activities that are regulated, and by reducing the need to deal with multiple regulators to obtain authorisation, which can lead to confusion and substantial delays.

We recommend the Government ensure the licensing framework is fit-for-purpose and facilitates transparency in access to payments systems to encourage new entrants to enter the Australian market, thereby fostering competition. The framework should also be sufficiently flexible to support payment service providers with multiple functions.

We also support mandating the ePayments Code for participants in the payments system and bringing the Code into the payments licensing framework, as recommended by the Farrell Review.¹² The Code plays an important role in protecting consumers and reinforcing consumers' confidence and trust in the payments system. This is critical for promoting a safe, transparent and innovative payments system.

¹¹ [Review of the Australian Payments System – Final report](#)

¹² [Review of the Australian Payments System – Final report](#)

However, as noted in the Farrell Review, the standards under the Code are inconsistent and can lead to confusion among consumers, businesses and payment service providers. The Review also found that the Code does not extend to small businesses which are a critical component of the payments system and face similar risks of fraud as consumers.

There are also concerns that the Code is not reflective of new and emerging payment service providers such as FinTech businesses. This is because the Code was written in its original form more than a decade ago, with only minor adjustments since. Many new and emerging FinTech businesses would not have had the opportunity to discuss its contents or provide suggestions on how it could be made more effective.

Recommendation 5.1: Prioritise work on the proposed single, tiered payments licensing framework and ensure it is transparent and fit-for-purpose.

Recommendation 5.2: Ensure there is adequate consultation with the FinTech sector on the ePayments Code before it is made mandatory and brought into the payments licensing framework.

Recommendation 6: Ensure alignment with developments in the broader digital economy

We welcome the Strategic Plan outlining a priority on ensuring alignment with key developments in the broader digital economy including the CDR. Aligning requirements between different regulatory frameworks will reduce regulatory overlap and costs, making it easier for service providers to obtain authorisations and comply with requirements. In addition to the proposed initiative to ensure the payments system is aligned with developments under the CDR framework, we recommend the Government also ensure there is alignment with developments in digital identity and digital assets, which are critical components of a safe, thriving and innovative payments system.

Developments in digital identity

As noted in the Farrell Review, strengthening and modernising the management of identity credentials is critical to supporting a safe, transparent and innovative payments system.¹³ Digital identity technologies enable faster and more secure payments and lead to improved customer experiences by reducing the friction associated with onboarding and verification processes, which often require customers to gather a mix of hardcopy documents and online login credentials.

We recommend the Government ensure there is alignment with developments in digital identity, such as the expansion of the Trusted Digital Identity Framework across the economy. This could help streamline regulatory obligations for providers, reduce burden on consumers and enable faster access to payments services.

¹³ [Review of the Australian Payments System – Final report](#)

Developments in digital assets

Responsible digital assets innovation presents a significant opportunity for the payments systems, if underpinned with the right safeguards and regulatory frameworks. Digital assets such as central bank digital currencies (CBDC), stablecoins and cryptocurrencies can promote efficiency and innovation in payments by decentralising governance and administrative structures, and enabling greater transparency and traceability in transactions.¹⁴

Overall, digital assets have significant potential to make payments and transactions easier, better and safer. This includes supporting instant settlement of transactions, enabling instant international payments, and protecting businesses from fraud. They are expected to contribute to a further 80% reduction in retail payment costs by 2050, and help consumers save almost \$4B per year in international transaction fees.¹⁵

Responsible digital assets innovation also present a significant economic opportunity for Australia. With the appropriate policy and regulatory settings, digital assets could add up to \$60B per year to GDP.¹⁶ As noted in the Farrell Review, Australia is already home to a thriving ecosystem of digital assets businesses including network infrastructure providers, trading platforms and code auditors among many others.¹⁷

However, as mentioned in the Farrell Review, digital assets also present new challenges for Australia's regulatory frameworks. Therefore, we recommend the Government ensure the payments system is aligned with developments in the digital assets sector, such as the Government's token-mapping exercise and the development of a fit-for-purpose and transparent licensing and custody framework for digital assets.

Recommendation 6.1: Ensure payments regulation is aligned with key developments in the broader digital economy such as the CDR. In particular, ensure alignment with CDR action and payment initiation as well as CDR trial period provisions to allow providers time to trial new products before they are subject to mandatory data sharing obligations.

Recommendation 6.2: Ensure payments regulation is aligned with developments in digital identity, such as the expansion of the Trusted Digital Identity Framework across the economy.

Recommendation 6.3: Ensure payments regulation is aligned with developments in digital assets, such as the Government's token-mapping exercise, and prioritise the development of a licensing and custody framework for digital assets.

¹⁴ [Digital Assets in Australia](#)

¹⁵ [Digital Assets in Australia](#)

¹⁶ [Digital Assets in Australia](#)

¹⁷ [Review of the Australian Payments System – Final report](#)

Recommendation 7: Ensure there is greater coordination and strategic leadership across the payments ecosystem

As the payments system continues to develop at pace, there is a need for high-level policy coordination across regulators. However, as noted in the Farrell Review, regulators tend to focus on meeting their individual remits, leading to siloed policymaking and inconsistent and fragmented regulatory frameworks.¹⁸

Feedback from TCA members indicates that regulators often focus on delivering on a single objective (such as reducing merchant costs) at the expense of balancing other objectives (such as delivering cost savings and more efficient payments for consumers). Therefore, we recommend the Government ensure there is greater coordination and strategic leadership across the payments ecosystem. Doing so would bolster confidence and trust in the system by reducing overlapping regulatory approaches and regulatory uncertainty, and setting out a clear vision, priorities and objectives that can serve as a guide for decision-making and to which the Government can be held accountable.

As such, we are supportive of the Farrell Review's recommendation to provide the Treasurer with an enhanced leadership role to coordinate regulators to respond to developments that do not fit neatly within their individual remits. Doing so would allow the Treasurer to reduce inconsistencies in the development of payments policy, make trade-offs between competing policy objectives, and evaluate the impacts of payments policy on broader economic objectives such as innovation, competition and efficiency. Overall, this will lead to more coherent and coordinated payments policy development which is critical for a safe, transparent and innovative payments system.

We support the Treasurer having the power to designate payments systems and participants, as recommended in the Farrell Review. We recommend the Government ensure there are clear lines of accountability and adequate checks and balances (such as requirements to consult with industry) on the ministerial power, and that the designation powers are clearly defined between the Treasurer and RBA. This ensures decisions that have the potential to impact large parts of the payments system and economy are made in a transparent and accountable manner.

Lastly, we recommend the appointment of a payments industry convenor to provide strategic advice and support on payments policy, as recommended in the Farrell Review. The payments industry convenor will play a critical role in bringing together stakeholders from across the industry (including consumer groups, industry groups, payment service providers and regulators) to develop advice and provide clarity to the Treasurer on key payments issues. This could initially be done on a time-limited basis to drive the delivery of the strategic plan, with extension subject to review, if there are concerns about establishing a permanent structure at this time.

Recommendation 7.1: Ensure there is greater coordination and strategic leadership across the payments ecosystem, including by providing the Treasurer with an enhanced

¹⁸ [Review of the Australian Payments System – Final report](#)

leadership role and appointing a payments industry convenor to provide strategic advice and support on payments policy, and drive implementation and accountability of the Strategic Plan.

Recommendation 7.2: Ensure there are clear lines of accountability and adequate checks and balances (such as requirements to consult with industry) on the Treasurer's ministerial power to designate payments systems and participants. Ensure that the designation powers are clearly defined between the Treasurer and RBA.

Recommendation 8: Ensure the strategic initiatives are prioritised and sequenced appropriately, with clear timeframes

We recommend the Government ensure the initiatives outlined in the plan are prioritised and sequenced appropriately to deliver faster progress on the foundational regulatory architecture, ensure the reform agenda is cohesive, and give industry adequate time to prepare for the rollout of the Plan.

As a first step, we recommend the Government prioritise the development of an overarching payments licensing framework to ensure there is clarity on what payment functions are to be regulated, and what obligations and requirements providers will face. Doing so will reduce regulatory uncertainty for payment service providers and enable them to continue to innovate and deliver better outcomes for consumers and businesses.

We also recommend the Government prioritise implementing changes to the Payment Services Regulation Act (PSRA), including a Ministerial designation power, to ensure the regulatory framework is fit-for-purpose, and enables the Treasurer to address payment issues outside the scope of the RBA's public interest powers and ensure appropriate coverage of new and emerging payments service providers.

Recommendation 8.1: Ensure the strategic initiatives are prioritised and sequenced appropriately, with priority given to developing an overarching payments licensing framework and implementing changes to the PSRA.

We appreciate the opportunity to contribute feedback on the Strategic Plan on the Payments System and look forward to ongoing dialogue.

Yours sincerely,

Tom McMahon

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