

**House of Representatives Standing Committee on Economics**

***Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector***

*Follow-up questions from public hearing on 24 February 2026*

**Additional Questions for Australian Payments Plus (AP+)**

**Q1. Please explain how banks and non-banks currently access the NPP infrastructure and any plans that AP+ has to make it easier for non-banks (fintechs) to connect.**

**The NPP**

Launched in 2018, the New Payments Platform (**'the NPP'**) is national infrastructure that supports real-time data-rich account to account payments for the Australian economy 24/7. The NPP includes services such as PayID, Osko and most recently, PayTo – a solution allowing merchants and businesses to initiate real time payments from customer bank accounts.

**Connecting to the NPP today**

The deliberate design of the NPP currently facilitates the access of non-bank payment service providers. Since its 2018 launch, the NPP now has 120 participating organisations, of those only 15 are direct participants, who each have an Authorised Deposit-taking Institution (**ADI**) licence from APRA (one of these is Wise, which has a Purchased Payment Facility (PPF) licence). The NPP was intentionally designed to be 'open access', encouraging broad participation across the payment ecosystem, subject to not introducing undue risk.

Organisations currently have several ways to connect to the NPP - as an NPP Direct Participant, Connected Institution or Identified Institution. To connect to the NPP today, entities currently need to meet a range of technical, security, and compliance standards. Depending on the participation path (Direct Participant, Connected Institution, Identified Institution or via a product like PayTo) some entities will also need to comply with the standards and requirements of their sponsoring financial institution or NPP gateway provider. The choice of how to connect often depends on whether the entity is a small bank, fintech, or large business wanting real-time payments.

AP+ believes that in the future, there are opportunities for non-bank PSPs to connect to the NPP directly, including as a non-bank 'Connected Institution' for payment initiation, or indirectly as many do today via a sponsor. A critical component of this is the new payments licensing regime.

Payments are highly regulated in Australia and the NPP and eftpos payment systems have also been deemed 'Critical Infrastructure' under the Security of Critical Infrastructure Act 2018 (SOI Act). The duties and obligations of AP+ (as scheme operator) for the payment infrastructure under our control has grown – including how those obligations also apply to those entities that connect to our payment schemes.

Therefore, Australia must ensure we develop a payment licensing regime (discussed in next section) that facilitates enhanced access (lower cost, simpler pathways) for new entrants while also protecting systemically important payment systems and facilitating competition that will benefit the Australian economy.

**AP+ ambitions for competition.**

AP+ remains a committed supporter of Treasury's 2021 Payment System Review (**Review**).

Australia has a payment licensing gap which the Review sought to address, and the government is progressing the final stages of enabling legislation for these licensing reforms. Comparable jurisdictions (UK, Europe and Singapore) have already modernised their payments licensing regimes, by introducing new authorisations in the form of e-money licences.

We want to encourage more direct connection to Australia's payment rails, while also not introducing significant new risks to this systemically important payment infrastructure.

AP+ will consider whether the reforms ultimately support the creation of new paths for PSPs to connect to the NPP directly, as either an NPP Direct Participant or Connected Institution. This AP+ position is predicated on an effective regulatory regime for those PSPs who due to their direct connection introduce new risks for Australia's payment system which need to be managed.

Our recommendation in our submission to this Committee sought continued support for the vision set out in Treasury's 2021 Payment System Review. The recommendation also recognised that the Australian payment ecosystem is both critical infrastructure and evolving at speed – thus, the design of the licensing regime is critical. If collectively we do not get the final settings right, then the licensing regime will not yield the benefits sought.

Our recommendation to the Committee was:

**Payment Licensing Reforms:** In regard to the government's current work to introduce a payments licensing framework for payment service providers (PSPs), we ask that the Committee recommend that ASIC, APRA, and the RBA approach the design and finalisation of their segments of regulatory framework in close cooperation with the industry, including entities like Australian Payments Plus. As the operator of Australia's domestic payments infrastructure, we have the visibility and payment expertise to support Treasury, ASIC and APRA in their considerations of what the future of payments looks like in Australia. Participants in Australia's payment ecosystem are evolving their ambitions and product offerings at a rapid pace, and we seek to assist in the futureproofing of the licensing reforms.

We recommend this approach as Australia must ensure we develop a licensing regime that facilitates enhanced access (e.g. lower cost, new and easier pathways to connect to payment infrastructure), that protects systemically important payment systems and facilitates greater competition. Such an important and complex technical reform to support efficient access to critical national payment infrastructure is best done in close cooperation with the payment schemes that will ultimately facilitate these new entrants.

## 2. The Committee heard evidence from Block on being barred by eftpos from using the eftpos scheme when they initially launched in Australia in 2016, please explain the circumstances of that decision.

Evidence provided to the Committee by the Block Inc. executives regarding the eftpos debit card scheme, is not accurate. The claim that the eftpos debit card scheme, the eftpos board and/or the eftpos debit card scheme members “prohibited” Block from using the eftpos scheme for their launch of Square in 2016 is not correct.

Square was able to access the Visa and Mastercard networks (via Cuscal) from 2016.

Square was not able to access the eftpos network until 2018 because the Square Reader was not then an approved device under the Australian industry standards administered by APCA (now AusPayNet) because PIN numbers were entered on a mobile phone screen and not via an approved PIN entry device.

AusPayNet is the self-regulatory body for the Australian payments industry (with 163+ members) and develops regulations, procedures and standards governing the various payments clearing and settlement systems in Australia. AusPayNet then administers those rules that apply to framework participants when they use the various “rails” and associated infrastructure to conduct transactions with other framework participants.

Once AusPayNet included the Square Reader as an ‘approved device’ under their industry standard, support for eftpos chip-enabled cards was activated on 11 June 2018 by Square and eftpos. Since that time, the eftpos scheme has processed billions of Square transactions.

eftpos is Australia’s debit card network. It is a cost-effective, secure and reliable in-store and online payments rail for businesses and consumers operating since 1984 - and provides valuable competition to the global card schemes.

AP+ (which was formed in 2022) already supports allowing non-banks (similar to Block Inc.) to connect directly to our payments infrastructure if the risks are managed appropriately. Today, of the 28 entities that are eftpos scheme members, 11 are not banks.

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