

Draft Account-to-Account Vision consultation paper feedback

The Victorian Department of Treasury and Finance (DTF) welcomes the draft *Vision for Account-to-Account Payments in Australia* as an important first step towards building a trusted, resilient and future-ready payments capability. A modern and effective account-to-account (A2A) system will play a critical role in supporting economic activity and public service delivery.

As a large user of payment systems, the Victorian Government relies on a range of mechanisms to make and receive payments across agencies and programs, including payroll, emergency relief, welfare-related payments, supplier payments and revenue collection. The payments system is therefore central to service delivery. It is essential that the future A2A system reflects the practical needs and priorities of end-users. The Victorian Government strongly encourages continued engagement with end-users throughout the next stages of development, including roadmap design and implementation planning.

DTF believes that feedback from end users is critical and appreciates the opportunity to respond to the *Draft-Account to-Account Vision* consultation paper (Consultation Paper). Responses to the questions specified in the Consultation Paper have been provided in the table below. DTF is available to clarify or add to any of our comments.

No	Topic	Question	Response
1	Vision resonance	<p>How strongly does this A2A payments vision resonate with you?</p> <p>Please rate on a 7-point scale, where 1 means 'does not resonate at all' and 7 means 'resonates very strongly', and explain your response.</p>	<p>We rate the Vision at 5 out of 7.</p> <p>The Vision provides a solid foundation for developing a future A2A payments system. A higher rating would be supported by:</p> <ul style="list-style-type: none"> • Clearer articulation of how the Vision will translate into an end-state model, including the development of a conceptual system design and greater specificity on features. • Recognition that a single technology or infrastructure solution is unlikely to meet the full range of user and payment needs across the economy.
2	End-user objectives	<p>To what extent do the proposed end-user objectives (chapter 3) reflect what the future A2A system should deliver for end-users like yourself?</p> <p>What are your top priorities across the five end-user objectives?</p> <p>What, if anything, is missing or requires further explanation?</p>	<p>The Victorian Department of Treasury & Finance (CTF) has actively contributed to the development of the draft Vision and supports the focus on defining clear end-user objectives.</p> <p>We believe that "safe", "reliable" and "low cost" are fundamental to maintaining trust and confidence in the future A2A system.</p> <p>From a government perspective:</p> <ul style="list-style-type: none"> • Inclusion should be treated as a critical objective, given more vulnerable cohorts may be less digitally confident and access to legacy payment methods (e.g. cash and cheques) continues to decline. • Cost impacts should be carefully managed. The design of the system should avoid introducing distortions in cost allocation (e.g. similar to loyalty program cross-subsidies in card payments). • Fraud risk in high-value transactions requires clear focus. A clear framework for risk allocation and management is

			needed to avoid disproportionate burden on end-users.
3	System characteristics	<p>How well do the proposed system characteristics (chapter 4) meet end-user objectives and support the future state of A2A payments?</p> <p>What, if anything, is missing or requires further explanation?</p>	<p>DTF broadly supports the proposed system characteristics, including accessibility, resilience, security and commercial viability. However, from a large-user perspective, not all features deliver equal value across user groups, and often ‘the devil is in the detail’.</p> <p>Some newer payment products have been developed on the assumption that users will place a premium on faster settlement and enhanced data capabilities. While beneficial in some contexts, these features are not universally required or provide benefit to the end user, particularly when the costs outweigh the benefit.</p> <p>As a major user of the Bulk Electronic Clearing System (BECS), the Victorian Government continues to rely on a capability that is low cost, reliable and operationally effective for high-volume transactions where same-day or overnight settlement is sufficient.</p> <p>Additional observations:</p> <ul style="list-style-type: none"> • There is a potential trade-off between tailored functionality and standardised products. Highly tailored solutions may increase vendor dependency and reduce the ability to switch providers. • Data capabilities are critical for reconciliation requirements. Experience with New Payments Platform free-form data fields suggests they do not consistently support structured reconciliation and have been open to misuse.
4	Priorities for delivering the vision	What should be the key priorities for industry in the near-term to deliver	DTF strongly supports the development of a detailed industry roadmap to support delivery of

this vision and inform the development of the industry roadmap, particularly in relation to system characteristics?

What opportunities, risks or barriers do you see in delivering these priorities?

the A2A Vision that encompasses feedback from end users.

Key elements should include defined dates, clear milestones, implementation sequencing, transition arrangements and governance mechanisms. These are critical to enable agencies to assess system impacts, manage operational risks, and plan for investment and budget requirements.

Greater clarity on implementation timeframes and industry direction will be essential to support informed adoption decisions.

It is also important that a clear conceptual model based on the Vision principles, tested against practical system scenarios, by end users.

Additional DTF believes that there will need to be clarity on the future roles of NPP, BECS and BPAY within the A2A ecosystem.

Any transition to alternative payment methods or infrastructure should be supported by a clear and compelling business case for end users, particularly where new services involve materially higher transaction or implementation costs without commensurate operational benefits.

DTF also supports the guiding principles outlined in the Vision, particularly the focus on public interest and technology neutrality.

- A strong public interest lens is essential to ensure system design reflects end-user needs, rather than being disproportionately driven by provider interests.
- Any future A2A solution should not assume a single technology or infrastructure solution will meet all use cases. A future A2A ecosystem should support multiple payment methods and processing models to

accommodate differing volumes, use cases and cost considerations.

DTF acknowledges the significant investment in the New Payments Platform (NPP), which has improved certain use cases (e.g. emergency and payroll payments). However, experience suggests it has at times been positioned as a replacement for bulk clearing arrangements without fully meeting state and commonwealth government operational and technical requirements.

Risks will likely relate to old legacy systems that are expensive to update which is prevalent across government departments. The cost of upgrading or adopting new technology can be dependent on governments interest and willingness to invest.

5 Other feedback

Do you have any additional comments or feedback?

Consideration as to how eInvoicing can play a part in the end-to-end payments process for business users. Given the Commonwealth Government's objective to roll out eInvoicing across Commonwealth departments and is actively encouraging state governments to adopt this capability, its connectivity into a future A2A system should be considered.

And finally, DTF would encourage incorporating international experience and insights into the work of the Account-to-Account Payments Roundtable.