

## NSW Payments Digital Reform – Digital Payment Adoption

**This Circular seeks to drive the adoption of digital and contactless payment options across the NSW public sector and reduce/eliminate cash and cheque handing. The circular applies to GSF Agencies under the Government Sector Finance Act 2018 (GSF Act), these Agencies will be required to implement the arrangements noted as part of ongoing business improvement plans in conjunction with the NSW Treasury.**

The NSW Payments Digital Reform agenda supports adoption of contactless and digital payment methods for NSW, to eliminate the use of cash and cheques where possible. This multi-faceted approach improves safety for citizens and staff in the face of COVID-19, while supporting our digital vision.

Implementation levers include:

- 1. PCards to be used for adhoc transactions up to \$10,000:**
  - a. Where payments are low value, adhoc or irregular in nature and up to \$10,000, PCards must be adopted as the preferred payment option, where viable.
  - b. GSF agencies have the discretion to use a higher threshold where appropriate controls, fraud and risk management frameworks are in place, as required under section 3.6 of the GSF Act.
- 2. Virtual Cards to be adopted as preferred card payment option for regular payments**
  - a. Where payments are typically regular payments of low value, high volume to agreed suppliers the new Virtual Card (vCard) payment must be adopted as the preferred payment option where viable.
- 3. Agencies should review their PCard limits under the GSF Act**
  - a. If an increase is warranted to support a card adoption strategy, the agency will need to liaise with NSW Treasury in the first instance.
- 4. All payments into and out of NSW Agencies, where viable, should be moved to digital and contactless payment channels to reduce/eliminate the handling of cash, cheques and money orders. This includes payments:**
  - a. **from** citizens in relation to the payment of government services
  - b. **to** citizens or suppliers for the provision of services, refunds or rebates
  - c. **between** government departments.
- 5. In addition to increasing usage of both physical and virtual cards for payments, there are a range of payment options available to support the State's transition to digital payments. These include:**
  - a. BPay to ensure appropriate reference is captured
  - b. New Payments Platform (NPP) to facilitate real-time settlement of funds
  - c. Direct Entry, if adequate reference can be captured/retained.

These payment options provide safer alternatives for NSW employees to the use of cash, cheques and money orders, will deliver a more efficient payment process for NSW agencies and ensure more immediate payment for NSW citizens and suppliers.

GSF Agencies are required to establish an appropriate adoption strategy, and related targets to comply with this policy and to work with NSW Treasury to implement the changes. GSF Agencies should review their PCard limits currently in place under the GSF Act and if an increase is warranted to support a card adoption strategy, liaise with the NSW Treasury in the first instance.

All other relevant NSW Government statutory and policy requirements are to be complied with when making these policy changes to processes and systems.

A revised policy and guidelines for Pcard and vCard use is issued in conjunction with this Treasury Circular TPP 21-02 - Use and Management of NSW Government Purchasing Cards is now available on the Treasury website at [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)

The policy will be **mandatory** and will apply to all GSF Agencies, government officers and accountable authorities under the GSF Act.

Michael Pratt AM  
Secretary

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