

**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 Mastercard**

**From Committee Chair, the Hon Ed Husic MP:**

1. During Mastercard's appearance before the committee, Mastercard held that mandates are only used when they relate to security issues.
  1. Can Mastercard confirm that mandates are no longer used for any other reason than security?
  2. When was the last time a mandate was used for something other than security?

*Mastercard typically uses network-wide updates (through bulletin announcements) to inform customers on required changes or impacts for security, fraud prevention, or perhaps systemic resilience purposes, all in order to protect consumers, merchants and participants. This ensures consistent protection across the network.*

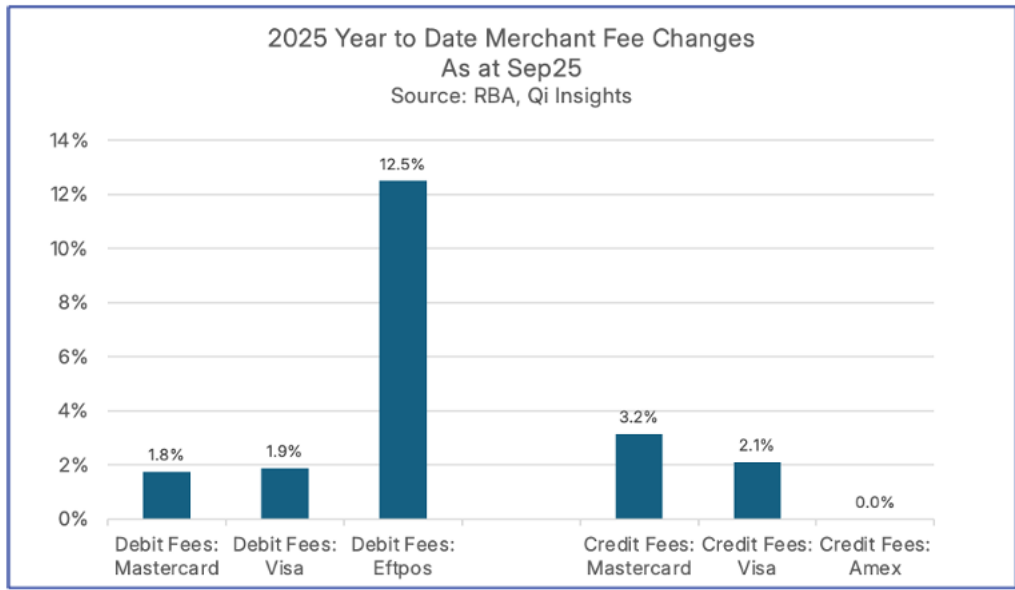
*Given the dynamic and evolving payment landscape (with the growing use and adoption for example of artificial intelligence), it is not possible to definitively state that bulletins will no longer be used for any reason than security as there can be other risks that arise that would require Mastercard to consider whether a bulletin is required across the network. The integrity and resilience of the network is of paramount importance for the benefit of all participants and the broader economy.*

*Whenever Mastercard makes a change, bulletins/announcements along with included rationale is provided to our customers together with direct engagement and support from our relationship teams. So, regardless of what the bulletin covers, rationale is always provided to our customers.*

2. The RBA has noted that in 2024/25, Australian acquirers and issuers paid \$2.0 billion in scheme fees after rebates. This was an 11 per cent increase from the previous year. Growth in net scheme fees for domestic transactions has noticeably outpaced transaction growth since 2021/22.
  1. What specific services were delivered in Australia in the last year account for that increase?

*The RBA's reported 11 per cent increase in net scheme fees reflects an industry-wide aggregate across Visa, Mastercard and eftpos, not the experience of any single scheme.*

*Independent analysis of RBA data below illustrates that fee growth has varied significantly between schemes, with eftpos debit fee increases almost seven times higher than Mastercard debit fees in 2025.*



Source: *Independent Payments Forum Submission, p.g. 7* ([link](#))

*While Mastercard cannot comment on competitor schemes, we can outline industry trends driving increased scheme services in Australia.*

*Over the past year, card-not-present transactions have continued to grow, requiring greater investment in fraud prevention, authentication and risk management services delivered at the scheme level. At the same time, tokenised transactions have expanded, particularly through digital wallets and in-app commerce. Tokenisation provides enhanced security but involves additional lifecycle management and monitoring services for issuers and acquirers.*

*These developments have increased the service intensity per transaction, helping explain why net scheme fees have grown faster than transaction volumes since 2021/22, as observed by the RBA.*

3. Do Mastercard's scheme fee structures differ in ways that disproportionately affect merchants with low transaction volumes or higher e-commerce share?

*Our scheme fees are the same for a given transaction type regardless of a merchant's size or volume, Acquirers are not charged different scheme fees based on low volume merchants or larger merchants for the same transaction. E-commerce transactions attract higher scheme fees because they involve higher fraud risk (constituting around 90% of all fraud on Australian card payments) and require additional security, authentication and risk management services.*

*As noted in our testimony and submission, small businesses that participate in our small-business program benefit from a strategic rate that provides a 50% discount on most scheme fees, meaning these merchants typically pay less overall compared with standard rates.*

4. What direct investment has Mastercard made in Australian payments infrastructure over the past decade?

*Mastercard is a global payments technology company, connecting Australian businesses and consumers to a network spanning 220+ countries and territories and over 3.7 billion cards worldwide. We have made material global investments that directly benefit Australian merchants, businesses and consumers.*

*Since 2018, we have invested over USD \$10.7 billion globally in cybersecurity related acquisitions and investments, including the acquisition of Recorded Future, and globally built AI driven tools like Safety Net, which have prevented approximately USD \$50 billion in potential fraud losses over the past three years.*

*Please refer to our written submission and testimony for further information.*

**From Mr Jerome Laxale MP:**

1. How many global agreements/arrangements does Mastercard have for card payments that encompass global businesses and/or global merchants that operate in Australia and accept card payments?

*Mastercard partners with a range of merchants and payment providers through global framework agreements that support consistent acceptance, security and interoperability across markets including Australia. These arrangements are designed to provide predictability for businesses operating in multiple jurisdictions, including those with operations in Australia.*

*We do not publicly disclose the number or identity of these global arrangements, as they are commercially confidential and negotiated on an individual partner basis.*

2. Do these global deals have any restraining effect on the ability of those global merchants that operate in Australia to negotiate and/or choose alternative card schemes to process their Australian transactions

*No, global agreements are negotiated by global merchants for all markets that they operate in, to achieve commercial outcomes in their best interests, and this includes competitive commercial outcomes in each market including Australia.*

3. How do you define or classify a merchant as a “small business” in Australia for:
  - a. scheme fee programs;
  - b. rebate eligibility; and
  - c. any other pricing concessions.

*A merchant is considered a small business where it has a turnover of less than AUD \$10 million per annum. This definition is consistent with definitions adopted by Australian regulators such as the ATO.*

4. What turnover, transaction volume, or other criteria must be met for a merchant to qualify as:
  - a. a “strategic merchant”;

- b. a “preferred partner”; or
- c. any other discounted category?

*We take into account multiple factors tailored to each merchant including small businesses, and any so-called strategic merchant or equivalent discounted category is established on a bilateral, commercially confidential basis.*

5. How many Australian merchants currently qualify for “strategic” or equivalent discounted interchange categories?

*See response to question four above. We also have a small business program for small businesses where it has turnover less than AUD \$10 million per annum.*

6. What proportion of your FY2024/25 gross revenue was returned to:
- a. issuers;
  - b. acquirers; and
  - c. large merchants,

via rebates, marketing incentives, or volume-based arrangements?

*Any rebates and incentives that Mastercard may provide to issuers, acquirers and large merchants are commercially confidential, and we do not publicly disclose the proportion of our gross revenue allocated to these arrangements. However, in accordance with the RBA’s annual regulatory reporting requirements, Mastercard does provide information pertaining to issuers and acquirers, and on a confidential basis.*