

Committee Secretary
Standing Committee on Economics
PO Box 6021
Parliament House
Canberra ACT 2600

Mr Nick Creevey
Director, Corporate Affairs A/NZ
Airwallex
29 Balfour Street
Chippendale NSW 2008

Tuesday, 20 June 2023

RE: Question on Notice

Dear Secretary,

With regards to the Question on Notice from the Committee's hearing on 3 May 2023 for the *Inquiry into promoting economic dynamism, competition and business formation*, Airwallex provide the following response:

Chair: ...The 2019 ACCC best practice guidance recommended that there be disclosure of total price. But I think there's a feeling that in some ways some additional costs aren't necessarily being transparently disclosed. This is an area where I think there's a feeling from some that it's still difficult for consumers to make informed decisions. Arguably that can make it hard for new entrants, because there's a lot of inertia in some respects for incumbents. I'm just interested in anybody's observations around that whole area of international payments and ways in which we might make disclosure more transparent or any other kinds of reforms people might think could be pro-competitive. That might be something more for this afternoon, I think, because we've got a few entities that are more in that international payment space.

Ms Hamer : I'm happy to take that on notice as well and get you back some thoughts, if that's helpful.

Airwallex research has found Australian businesses are still paying \$5.74bn each year in excess foreign exchange fees.

Despite the ACCC's guidance, businesses are paying on average 3.97 per cent more for their foreign exchange fees with a bank compared to Airwallex.

Airwallex has also done specific calculations on the impact on the retail sector, finding Australian retailers on average are being charged on average \$45,279 in excess fees each year, compared with \$5,786 on average across all types of businesses.



These figures amount to an 'inertia tax' businesses are paying to their banking provider and intervention to assist businesses to make more informed decisions about their international payments would help promote further competition and downward pressure on costs.

Should you or any members of the Committee have further questions, please don't hesitate to contact me

Kind regards,

Nick Creevey
Director, Corporate Affairs ANZ
Airwallex