



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

Submission to the House of Representatives Standing Committee on Economics

January 2026

# Introduction

## Australia needs a strong payments system

A strong, efficient and innovative payments system is central to Australia's economy. ANZ has continually sought to provide its customers with access to safe, reliable and novel forms of payments. These have included digital wallets, with ANZ first offering Apple Pay in 2016, support for financial institutions to access the New Payments Platform (**NPP**) and exploring developments with decentralised finance.

## Innovation is rapid

ANZ welcomes the House of Representatives Standing Committee on Economics considering schemes, digital wallets and payments sector innovation. This inquiry is occurring at a critical time in the recalibration of the payments system. Consumers are moving away from cash and towards digital payments, leaving Australia with the challenge of accelerating digital innovation while ensuring cash remains a viable payment option. Simultaneously, developments here and overseas are raising the prospect of entirely new ways of making payments being more broadly adopted as the world engages with stablecoins, other forms of decentralised finance, and agentic AI.

## Public policy is responding

We are conscious that Government is working hard to positively shape the payments ecosystem to support Australians. New laws have recently been passed to reframe how payments are regulated and the Reserve Bank of Australia (**RBA**) is reviewing its regulation of card payments and surcharging.

ANZ welcomes the focus of public policy on good payment outcomes. We believe that the current payments system is sophisticated, competitive and responsive to the needs of Australians. With the new regulatory framework, we trust that Government and our regulatory agencies have the tools available to support innovation, efficiency and stability.

## Focus of our submission

This submission seeks to provide the Committee with a general overview of the payments system, how it is regulated, some key trends within it and some of our high-level observations. We look forward to the Committee's work in this area.



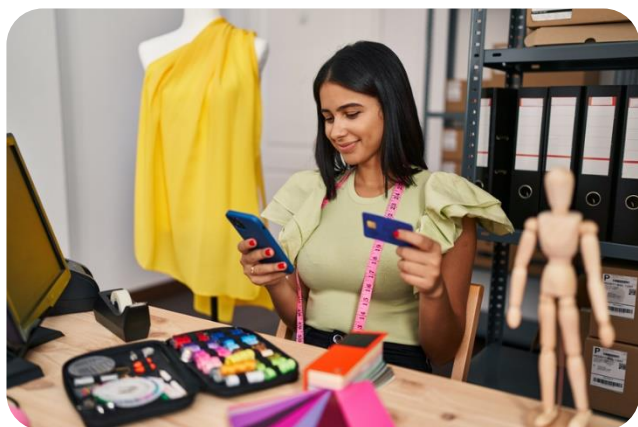
# The payments system

This inquiry relates to schemes, digital wallets and payments innovation. These topics sit within the context of the broader Australian payments system. In this section, we set out a high-level overview of that system.

## Definition

According to the RBA, the Australian payments system refers to arrangements which allow consumers, businesses and other organisations to transfer funds usually held in an account at a financial institution to one another.<sup>1</sup>

These arrangements include payment instruments (such as cards, electronic funds transfers and cash), payment interfaces (such as banking channels, wallets and other platforms), network infrastructure to facilitate the movement and settlement of money between financial institutions, and rules that govern how participants handle payments and deal with related matters.



## Key participants

The actors within the system include consumers, merchants, banks, payments networks and schemes, and other payment service providers (**PSPs**), including digital wallet providers.

As set out in the figure below, the regulators include the Payments System Board of the RBA, the Australian Securities and Investments Commission (**ASIC**), the Australian Prudential Regulation Authority (**APRA**), the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) and the Australian Competition and Consumer Commission (**ACCC**).

The Australian Payments Network (**AusPayNet**) is the self-regulatory body and industry association for Australia's payments sector. It administers the rules that govern the Bulk Electronic Clearing System (**BECS**) (also known as Direct Entry) and the High Value Clearing System, also known as Real-Time Gross Settlement.

Australian Payments Plus (**AP+**) operates the domestic payments schemes and infrastructure, including eftpos, BPAY and the New Payments Platform (**NPP**), which includes the PayID and PayTo services.

Most payments are settled by the Reserve Bank Information and Transfer System (**RITS**), including payments processed through Australia's domestic payments network, international card schemes like Visa, Mastercard and American Express, SWIFT, and other foreign banks and PSPs.

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<sup>1</sup> [Payments System | RBA](#).



## Regulatory architecture of the payments system

### Commonwealth Treasury

The Treasury is responsible for **payments policy** and **legislative reform**.

### Reserve Bank of Australia

Under the *Payment Systems (Regulation) Act 1998* (PSRA), the RBA can **designate payment systems** and **impose rules** such as access regimes and standards.

As part of its regulatory oversight, the RBA is responsible for rules on surcharging and caps on **interchange**.

In September 2025, Parliament passed the *Treasury Laws Amendment (Payments System Modernisation) Act 2025*, which expanded the coverage of the PSRA to include new and emerging payment systems and participants.

### AUSTRAC

AUSTRAC oversees Australia's **anti-money laundering/counter-terrorism** financing regime.

### Australian Competition and Consumer Commission

The ACCC monitors **excessive surcharging** (a surcharge must not be more than what it costs the business to process that payment type) and can issue infringement notices to merchants.

### Scheme, platform and industry association rules

These include the **BECS Procedures, NPP Regulations and Procedures** and the **scheme rules** issued by card payment networks.

### Australian Prudential Regulation Authority

APRA has **prudential regulatory powers over some 'purchased payment facilities'** ('stored value facilities' under proposed reforms), such as issuers of pre-paid accounts and digital wallets that store

### Australian Securities and Investments Commission

ASIC regulates **payment service providers** under the *Corporations Act 2001*. Providers covered by the Act must be licensed and meet obligations associated with providing a financial product and/or financial service.

The Government has consulted on a first tranche of exposure draft legislation to implement a new, expanded regulatory framework for these providers. The proposed framework is based around a set of new 'payment functions', which include payment instruments, stored value facilities (**SVFs**), and tokenised SVFs (payment stablecoins).

The Government has also introduced legislation to update the financial services regulatory framework as it applies to digital asset platforms. Among other things, it introduces two new types of financial products – digital asset platforms and tokenised custody platforms. If the legislation is passed, these platforms would need to be licensed and would be regulated by ASIC.

ASIC also administers the **ePayments Code**, which regulates electronic payment facilities of entities that subscribe to the Code.



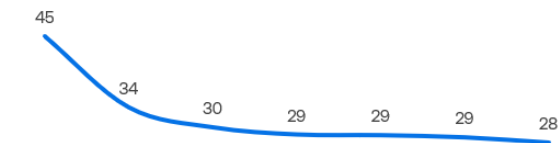
## Key trends<sup>2</sup>

The payments system is constantly evolving in response to customer preferences, technology and regulation.

### There has been a shift away from cash...<sup>3</sup>

The number of ATM withdrawals in Australia has been reducing over the medium to long term.

Number of cash withdrawals in Australia



Nov-19 Nov-20 Nov-21 Nov-22 Nov-23 Nov-24 Nov-25

— Cash withdrawals (number, million)

The value of ATM withdrawals has been relatively constant over the past five years.

Value of cash withdrawals in Australia



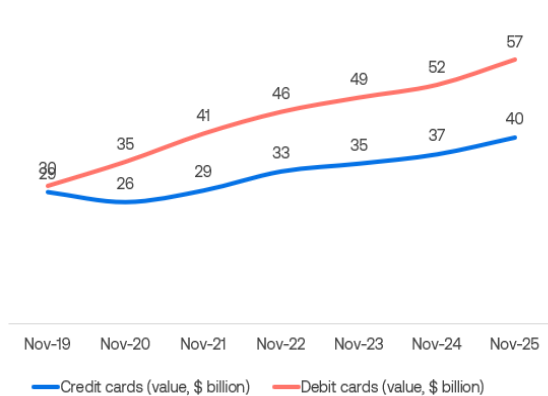
Nov-19 Nov-20 Nov-21 Nov-22 Nov-23 Nov-24 Nov-25

— Cash withdrawals (value, \$ billion)

### ...while debit and credit card usage has increased...<sup>4</sup>

Over the last several years, there has been a shift from credit cards to debit cards, though the split between credit and debit cards has been consistent over the past year.

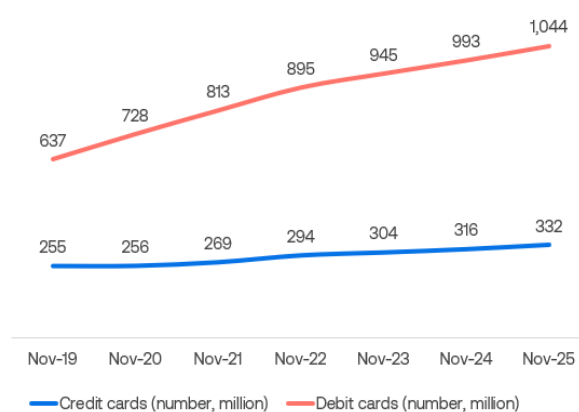
Value of transactions



Nov-19 Nov-20 Nov-21 Nov-22 Nov-23 Nov-24 Nov-25

— Credit cards (value, \$ billion) — Debit cards (value, \$ billion)

Number of transactions



Nov-19 Nov-20 Nov-21 Nov-22 Nov-23 Nov-24 Nov-25

— Credit cards (number, million) — Debit cards (number, million)

### ... there has been a noticeable shift to digital wallets...<sup>5</sup>

The number and value of transactions made using digital wallets are increasing and are making up a greater proportion of card transactions.

<sup>2</sup> Data in this section has been extracted from (or calculated by ANZ based on data from) RBA Payment Data, Source: RBA ([Payments Statistics | RBA](#) as at 30 January 2026).

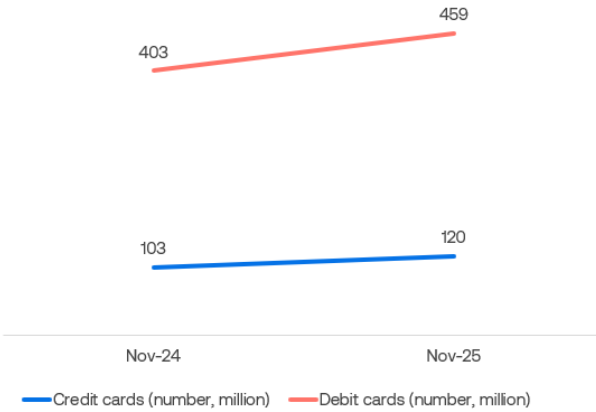
<sup>3</sup> Ibid, Spreadsheet C4 ATMs – Seasonally Adjusted Series.

<sup>4</sup> Ibid, Spreadsheet C1 Credit and Charge Cards – Seasonally Adjusted Series and Spreadsheet C2 Debit Cards – Seasonally Adjusted Series.

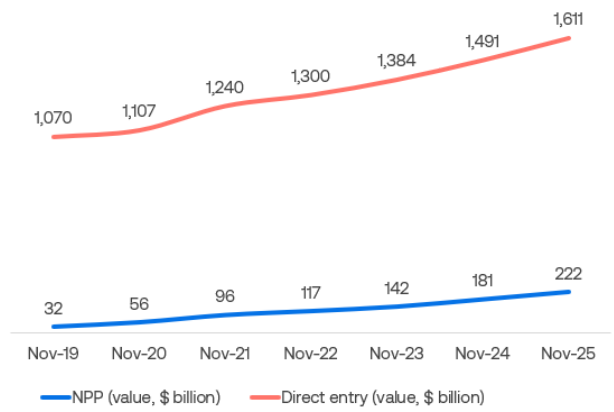
<sup>5</sup> Ibid, Spreadsheet C1.1 Credit and Charge Cards – Original Series – Aggregate Data and Spreadsheet C2.1 Debit Cards – Original Series.



Number of transactions



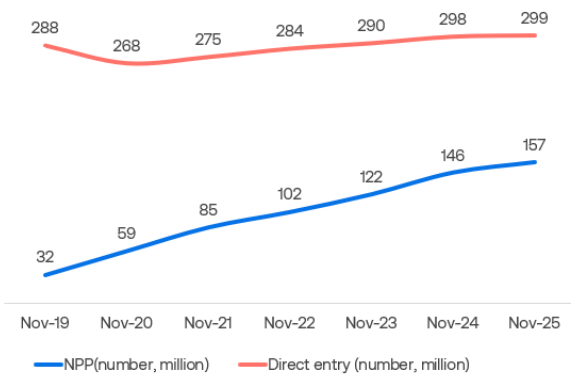
Value of transactions



### ...and more transactions are going through NPP...<sup>6</sup>

The number and value of transactions on the NPP have been increasing, though most bulk-entry account-to-account payments (and the large majority of the value of those payments) remain on the direct entry system.

Number of transactions



### ...and new ways of making payments are emerging...

In recent times, tokenisation has emerged as a mechanism to help improve payment security and security. New forms of currency, such as blockchain-based digital assets, have also emerged.

Separately, the use of AI agents to make payments is also currently being explored.

#### A\$DC and digital assets

In 2022 ANZ successfully executed the first ever Australian-bank issued Australian dollar stablecoin (A\$DC) payment through a public permissionless blockchain transaction.

ANZ is actively involved in regulator-led pilots in Australia (Project Acacia), Hong Kong (eHKD+), and Singapore (MAS Project Guardian).



<sup>6</sup> Ibid, Spreadsheet C6 Direct Entry and NPP – Seasonally Adjusted Series.



# Observations on payments system

Our view on the current state of the payment system is that it is a complex system that is, on the whole, functioning well. It faces a number of challenges that will require a coordinated response from policy makers, regulators and industry.

**The payments system is effective and highly accessible.**

It provides multiple widely-available payment methods and has broad participation across consumers and businesses.

**The payments system is complex and becoming more so.**

It involves technological, process, commercial, and legal arrangements between many parties: any one payment involves at least two parties, and could have more than half a dozen.

For example, as shown in the figure below, a typical card transaction involves a broad range of participants to complete successfully.

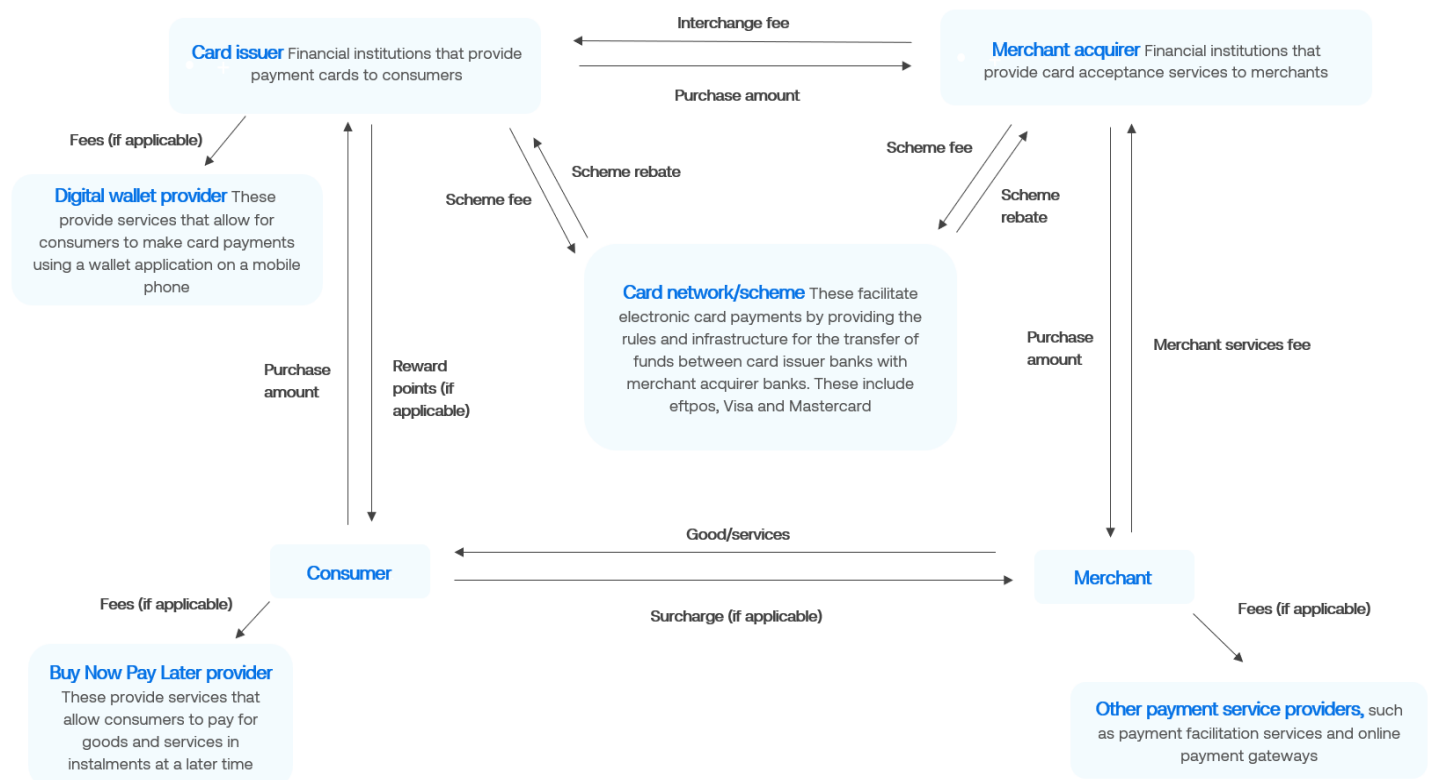
**There are significant costs associated with developing and operating the payments infrastructure.**

These are borne by various participants and underly the economics of the system.

**The system requires payment networks to have sufficient scale to achieve a ‘network effect’.**

This helps ensure the efficiency of the system and a consistent user experience (that is, payers prefer a payment method that is widely accepted by payees, and vice versa).

## The complexity of the payments system – a typical four-party card transaction



## The stability and security of the payments system is paramount.

A ubiquitous, highly resilient and secure payments system is essential to the functioning of the Australian economy. Existing networks perform well at maintaining system availability and protecting customer funds. Financial institutions and other participants invest significant amounts (on an ongoing basis) to ensuring this.

## There is competition and innovation in the payments system.

At the end user level, there is competition to provide customers and/or merchants with an attractive means of making and accepting payments in terms of convenience, look, feel and features

Many of these new end user payments services rely on existing payment network infrastructure to move funds between institutions and settle with the RBA.

Users may be unaware of the underlying payment networks due to the numerous interfaces by which they can be accessed. For the consumer, the choice of payment instrument or platform is driven by the benefits it offers: for example, card payments offer highly convenient real time payment confirmation with broad merchant acceptance and cardholder protections via robust dispute processes (reducing risk).

There is also a level of competition between schemes and networks. The domestic eftpos debit card system (operated by AP+) applies competitive tension to the Visa and Mastercard card schemes. There has also been significant development of the NPP in recent years, introducing opportunities for the account-to-account system to compete with cards for retail transactions.

## Global factors will influence the future direction of the payments system.

The regulatory frameworks of significant international markets guide the research and development of the international payment providers and the formation of

the international standards (such as the EMV (Europay, Mastercard and Visa) standard for cards). While domestic systems can innovate for their own markets, global trends must be considered for interoperability and competitiveness (i.e. too much local customisation may deter market entrants).

For example, several overseas jurisdictions have taken steps to introduce a regulatory framework for stablecoins and other digital assets, including the United States, the European Union, the United Kingdom, Hong Kong and Singapore.

The Trump administration has made the domestic development of stablecoins and digital assets a policy priority for the United States. In July 2025 the US Parliament passed the *Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act)*, which establishes a regulatory framework for USD-backed stablecoins. Under the GENIUS Act, payment stablecoins can be issued by bank subsidiaries or non-banks.

In this context, there is a possibility that Australian consumers will begin to more commonly make payments using stablecoins denominated in a foreign currency and/or issued by a US-based company. We note that, currently, stablecoins are mostly used in the trading of crypto-assets and Decentralised Finance (DeFi) protocols, rather than payments.

It is important for Australian policymakers to consider how increased stablecoin adoption aligns with Australia's strategic priorities for the payments system, and whether changes need to be made to Australia's payments infrastructure or rules to ensure these priorities are realised.

**ENDS**

