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Committee Secretary
Standing Committee on Economics
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Australian Payments Network (AusPayNet) welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Economics (the Committee) Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector (the Inquiry).

AusPayNet is the industry association and self-regulatory body for the Australian payments industry. We manage and develop standards and guidelines governing payments in Australia. Our purpose is to create confidence in payments by: setting enforceable industry standards for a safe, reliable and effective payments system; leading transformation in payments to drive efficiency, innovation and choice; and being the home for ecosystem collaboration and strategic insight.

AusPayNet currently has more than 160 members, including financial institutions, payment system operators, major retailers, financial technology companies, and non-bank payment service providers (PSPs). While timing constraints have not permitted a full member consultation process for this Inquiry, and this submission has therefore been prepared by AusPayNet Management, the views expressed draw on extensive member engagement on similar policy issues over recent months. Different member cohorts might have differences in views on the policy issues being considered by the Committee, reflecting their diverse roles in the payments ecosystem. These varied perspectives will be detailed in our members' individual submissions to the Inquiry. Our submission focuses on key policy considerations from an industry-wide perspective, to help set the context for the issues being examined by the Committee and to support a well-calibrated policy response.¹

Executive Summary

The Australian payments ecosystem provides critical infrastructure that underpins the smooth functioning of the economy, enabling the safe and efficient transfer of funds between individuals, businesses and institutions. This infrastructure delivers significant value to both consumers and merchants, as evidenced by recent analysis showing that the card payment systems alone added \$38.7 billion of value to the Australian economy in 2022.² This value is underpinned by substantial and ongoing industry investment in security, reliability, and innovation to meet the evolving needs and expectations of both consumers and businesses.

¹ We also note that many of the matters included in the Terms of Reference directly relate to competition and pricing outcomes between different payments system participants, many of which are AusPayNet members. This submission does not seek to adjudicate between commercial positions, or provide views on competition or fee levels specific to different member cohorts.

² Deloitte Access Economics (2024), [The Value of Australia's Retail Payments System](#), 3 December.

From a policy perspective, there is considerable evidence that Australia's payments ecosystem is generally functioning well: merchant service fees have declined consistently over the past decade; operational reliability has remained at very high levels; and competition and innovation have continued to drive enhancements in payment services and options for both consumers and merchants. At the same time, the Australian payments ecosystem has become considerably more complex over the past two decades, with many new entities now involved in the payments value chain. This has delivered many benefits for both consumers and businesses, although some new risks and issues have also been introduced. We therefore welcome the Government's and the Reserve Bank of Australia's (RBA's) continued focus on ensuring that the regulatory framework supports the continued development and safety of the payments ecosystem.

In this context, our submission highlights several critical system-wide considerations to assist the Committee's assessment of the issues being examined, and help mitigate any unintended consequences that could undermine the safety, reliability and long-term sustainability of Australia's payments ecosystem. The submission covers three key themes:

- *The Australian retail payments ecosystem*: providing context on how the payments landscape has evolved, the value it delivers to consumers and businesses, and the ongoing investment required to maintain its security and reliability.
- *Emerging payment technologies*: addressing the Committee's interest in new and emerging technologies in payments, and broader regulatory considerations for supporting safe innovation.
- *Principles for policy development*: outlining considerations that we believe should help guide the Committee's assessment of the issues before it, including the importance of regulatory coherence across various reform processes and segments of the payments ecosystem; taking a holistic view of efficiency that extends beyond pricing alone; the practical effectiveness of transparency measures; and the risks of unintended consequences from regulatory complexity.

Key Recommendations

Drawing on the considerations outlined in this submission, AusPayNet offers the following recommendations for the Committee's assessment:

1. The regulatory framework needs to be consistent and coherent across the (payments) ecosystem, based on the principle of 'similar activity, similar risk, same rules'. That is why the extension of the Payment Systems (Regulation) Act 1998 (PSRA, to include, for example, digital wallets and buy-now-pay-later), the establishment of regulatory frameworks for PSPs and digital assets (which are currently unregulated), and the development of a cross-sectoral Scams Prevention Framework (SPF, to include digital platforms and telcos) are critical to protect consumers and support innovation.
2. That regulatory framework also needs to have appropriate flexibility and agility, to enable it to continue to protect consumers and support innovation as new payment technologies emerge. An appropriate balance between legislation, regulation, and self-regulation and standards-setting – provided by bodies like AusPayNet – is critical in this regard.
3. As with any network, there needs to be ongoing investment in maintaining the security, reliability, sustainability and innovation of payments. Hence, any policy settings on payments economics need to be holistic, taking account of benefits and investments as well as costs, and the appropriate balance of all three between stakeholders.

Australia's Retail Payments Ecosystem

In its inaugural Strategic Plan for Australia's Payments System, the Government set out its vision for a "modern, world-class and efficient payments system that is safe, trusted and accessible, and enables greater competition, innovation and productivity across the economy."³

The Australian payments ecosystem has long been delivering on this vision. This includes playing a vital role in supporting economic growth and productivity by enabling secure and efficient commerce across all sectors of the economy. Collectively, the card and account-to-account payment networks in Australia process around 20 billion transactions worth over \$20 trillion annually, including everyday retail purchases, salary and welfare disbursements, peer-to-peer transfers, cross-border remittances, and critical business payments.⁴

The Australian payments ecosystem has evolved significantly over the past two decades. Continued innovation in digital payments has provided safer and more convenient payment mechanisms for all users, and enabled businesses to meet changing customer preferences and expectations while maintaining security and reliability. A key enabler of the rapid growth in e-commerce over the past decade, for example, was the development of secure digital payment capabilities that give consumers the confidence to transact online. Continued improvements in payment services have also helped drive productivity by improving checkout efficiency, enabling faster payments settlement, and providing businesses with better data and insights about their operations. Merchant acquiring in particular has seen significant growth in the number of providers over the past decade, with new entrants offering a range of service models tailored to different merchant segments.

Much of the innovation in payments products and services over the past decade has generally occurred on the existing payment rails – rather than required the formation of new, alternative payment rails – and would not have been possible without the safe and reliable underlying infrastructure provided by the card schemes and the New Payments Platform (NPP).

Indeed, the security and reliability of Australia's payments ecosystem has been crucial to maintaining confidence in digital commerce and the broader financial system. As acknowledged by the RBA, any disruption to the provision of digital payments services could have "serious impacts on customers, businesses and the broader economy", with a single outage having the potential to cause economic harm for affected end-users and transmit systemic issues across the payments system and economy. At the same time, RBA analysis has shown that payment services in Australia have maintained "high aggregate levels of reliability", with card payments in particular having the highest service availability.⁵

Financial institutions, payment system operators, and PSPs have also been developing increasingly sophisticated capabilities to protect customers and merchants from the rapidly growing threat of fraud, scams and other forms of economic crime. In 2024, the value of payment card fraud in Australia had increased to \$913 million, and the value of reported losses to scams reached \$2.03 billion.⁶ As the scale and complexity of economic crime continue to increase, financial institutions, payment system operators, and PSPs have been continuously enhancing their fraud detection and risk management

³ Australian Government (2023), [A Strategic Plan for Australia's Payments System](#), 7 June, p.2.

⁴ [RBA Retail Payments Statistics](#), Tables C1.1, C2.1, C2.2, and C6.1.

⁵ Griffiths and Joyce (2024), [The Reliability of Retail Payment Services](#), RBA Bulletin, 17 October.

⁶ Australian Payments Network (2025), [Australian Payment Fraud Report 2025](#), 14 August; Australian Competition and Consumer Commission (ACCC) (2024), [Targeting Scams: Report of the National Anti-Scam Centre on Scams Data and Activity 2024](#), 11 March.

tools to keep pace with the emerging threats. These investments are making a significant difference across the economy and society. One of the global card networks, for example, helped prevent over US\$40 billion in fraudulent transactions in the year to September 2023, almost twice as much as in the previous year.⁷ In Australia, the same card scheme helped financial institutions prevent over \$700 million of fraud.⁸ Card networks also provide customers with chargeback and forward delivery risk protections, in the event that anything does go wrong with the purchase.

The value of all of these benefits arising from Australia's safe, reliable and efficient digital payments infrastructure is significant. Recent analysis found that the electronic card payment systems alone added \$38.7 billion of value to the Australian economy in 2022 (1.8 per cent of GDP), with \$16 billion in extra revenue for businesses from a larger and more productive economy.⁹ This context is important for any policy considerations affecting the payments ecosystem, to ensure that the broader benefits of the system are not inadvertently undermined.

The Cost of Providing Payments Services

There has been increased public attention on end-user payment costs in recent years, and we note that this is a key issue being examined in the Inquiry. In considering this matter, it is important to also consider the value received by those users, and the costs of providing this value borne by financial institutions, payment system operators, and PSPs.

The benefits provided by the payments ecosystem have only been possible through substantial and ongoing investment by payments system participants. Regardless of the 'maturity' of the relevant payment networks, these costs continue to be incurred by all participants in these networks. The high levels of operational reliability of Australia's payment networks, for example, are only possible due to continued investment in infrastructure, cybersecurity, business continuity arrangements, and other risk management capabilities. Similarly, innovating and developing new products and services to meet changing consumer and business needs, integrating new technologies and payment methods, operating customer service and dispute resolution functions, and providing chargeback protections to shield consumers from losses, all necessarily generate significant ongoing costs for financial institutions, payment system operators, and PSPs.

In terms of security and fraud protection alone, examples of industry investment include: Visa and Mastercard investing around US\$17 billion over the past five years to help reduce fraud and increase network security; Australian banks collectively investing \$100 million in a new industry confirmation of payee system; and one of the major banks alone investing \$800 million in greater security measures to combat fraud, scams, cyber and financial crime in FY2024.¹⁰ Extrapolating such examples across the many players in the payments ecosystem only begins to provide a sense of the magnitude of ongoing investment required to ensure the resilience and reliability of Australian payments.

More broadly, the payments system continues to invest in modernisation, for example through the recent migration to the ISO 20022 messaging standard, the ongoing program to migrate Australian

⁷ Visa (2024), [Visa's Growing Services Business Infused with New AI-Powered Products](#), 28 March.

⁸ Visa (2024), [Visa prevents more than \\$700 million in fraud from disrupting Australian businesses](#), 12 March.

⁹ Deloitte Access Economics (2024), [The Value of Australia's Retail Payments System](#), 3 December.

¹⁰ Visa (2024), [Visa's Growing Services Business Infused with New AI-Powered Products](#), 28 March; Bloomberg Intelligence, [Visa, Mastercard spur gen-AI adoption among payment companies](#), 4 October; Australian Banking Association (2023), [Banks unite to declare war on scammers](#), 24 November; Commonwealth Bank of Australia (2024), [CommBank's strong financial position provides extended support to customers](#), 14 August.

card payments to the Advanced Encryption Standard, tokenisation-related upgrades, and the transition away from BECS and cheques.

Such investment is further compounded by the growing compliance costs faced by the industry, reflecting increasing regulatory requirements, such as the establishment of the PSP licensing and scams prevention frameworks, and the reforms to the AML/CTF regime. While our members support these changes and recognise the benefits these changes will deliver, their implementation costs should not be underestimated. The cost of financial crime compliance alone, for example, was estimated at around \$5.3 billion for Australian financial institutions in 2023 (and \$200 billion for financial institutions globally).¹¹

Understanding these cost dynamics is important context for any policy considerations affecting payment pricing. While the focus of public debate is often on the fees charged to merchants and consumers, these fees ultimately reflect the substantial investment required to deliver safe, reliable and innovative payment services across the economy.

Emerging Payment Technologies

The Inquiry's terms of reference include consideration of new and emerging payment technologies, including digital currency and blockchain technology, and account-to-account payments. AusPayNet recognises the potential for continued technological developments to contribute to the ongoing evolution of Australia's payments ecosystem, and we welcome the Government's and the RBA's work on evaluating and addressing both the opportunities and risks that may arise as a result.

Digital Currencies

Digital currencies and blockchain technology remain areas of ongoing development both in Australia and internationally. The RBA and a growing number of industry participants – including AusPayNet – have been actively engaged in research and experimentation in this area over the past few years, including through a number of public-private collaboration initiatives (for example, through Project Acacia).¹²

These developments may create opportunities in areas such as cross-border payment efficiency, programmability in certain contexts, and new models for asset transfer and settlement. At the same time, they introduce risks that require careful consideration, including consumer protection, operational resilience, and financial crime vulnerabilities. We support the continued research and careful consideration of how these technologies might be appropriately integrated into Australia's payments infrastructure, while ensuring that appropriate safeguards are in place to protect consumers and maintain financial system stability. AusPayNet will continue to engage with the RBA and its research partners as this work progresses, and stands ready to continue to assist as required.

Account-to-Account Payments

Account-to-account (A2A) payments have been a core part of the Australian payments ecosystem for decades through the Bulk Electronic Clearing System (BECS) – Australia's direct entry system for low-

¹¹ Forrester Consulting (2023), [True Cost of Financial Crime Compliance Study, Asia Pacific](#), November; Forrester Consulting (2023), [True Cost of Financial Crime Compliance Study 2023](#), 26 September.

¹² For more information, see: [Project Acacia: Exploring the Role of Digital Money in Wholesale Tokenised Asset Markets](#).

value A2A payments, used to exchange and settle critical payments including welfare, pension, salary and bill payments. In 2024, BECS facilitated 3.5 billion payments worth \$17.4 trillion, almost 90 per cent of Australian retail A2A payments value. AusPayNet plays a central role, in managing the regulations, procedures, policies, and standards that govern BECS.

However, the development of the New Payments Platform (NPP) has significantly expanded the capabilities and potential of A2A payments, enabling real-time transfers with richer data, smart addressing and new overlay services, on a 24/7/365 basis.

Aligned with the Government's *Strategic Plan for Australia's Payment System* and priority to modernise national payment infrastructure, AusPayNet is currently actively partnering with industry to shape the future of A2A payments. This work is being progressed through extensive industry consultation and an industry A2A Payments Roundtable that brings together AusPayNet (as facilitator), Australian Payments Plus (AP+, the operator of the NPP), the RBA and Treasury.

The A2A Payments Roundtable will, over the course of 2026, establish a shared vision for the future of A2A payments which supports Australia's digital economy and the evolving needs of end-users (including individuals, businesses and governments). This vision will provide an anchor for ongoing alignment between the industry and its stakeholders, guiding the transition from the current state to the desired future state for A2A payments.

The A2A Payments Roundtable – in consultation with A2A payments participants and end-users – will also develop an industry roadmap to realise that vision. The industry roadmap will comprise two elements:

- a shared industry plan outlining the common infrastructure, standards and capabilities required to deliver the A2A vision; and
- financial institutions and PSPs' individual roadmaps for their own product, technology and customer propositions.

The shared industry plan will provide clarity on roles, responsibilities and interdependencies across participants; define implementation timelines and risk-management mechanisms; and establish processes for coordination, while preserving flexibility as the vision evolves. It will also incorporate appropriate governance structures, including mechanisms to manage potential conflicts of interest and ensure compliance with competition boundaries under ACCC oversight where required.

In parallel, individual service providers will retain the freedom to innovate and differentiate through proprietary roadmaps, ensuring a competitive, modern, and end-user-focused A2A ecosystem.

Key Principles for Regulation & Policy Development

Broader Innovation & Regulatory Considerations

Innovation in payments is not limited to the development of new payment 'rails'. As noted earlier, a significant amount of innovation in payments over the past two decades has occurred on existing infrastructure, leveraging broader technological developments (including continued advancements in artificial intelligence). This includes innovation in security and authentication (such as tokenisation, advanced cryptography, biometrics, and behavioural analytics), data and messaging improvements that enable richer remittance information and reconciliation, and product and service innovation that improves user experience and supports new business models.

New and enhanced payments products and services have the potential to increase competition and choice, where they provide merchants and consumers with safe, reliable, interoperable, and user-friendly alternatives. Within this, trust is perhaps the most foundational element for payments. While policy settings should support innovation across all layers of the payments ecosystem, maintaining safety and trust will be essential to realising the benefits of new payment technologies for Australian consumers and businesses.

In this context, we note that there are several ongoing regulatory initiatives aimed at addressing any risks and inefficiencies arising from both technological developments and the resulting market structure changes in the Australian payments ecosystem. These include reforms to the *Payment Systems (Regulation) Act 1998* (PSRA), the establishment of regulatory frameworks for PSPs and digital assets, and the development of a cross-sectoral Scams Prevention Framework (SPF). AusPayNet has been engaging closely with Treasury and the relevant regulators on much of this work, and would be willing to provide more information to the Committee on any specific initiatives as required.

At an overarching level, AusPayNet supports regulation that is technology-neutral, and based on the principle of ‘similar activity, similar risk, same rules’. We consider that regulation should focus on the risks and outcomes associated with particular payment activities, instead of the specific technology or business model used to deliver them. This will help ensure that innovation can occur safely, that regulation does not inadvertently favour incumbent technologies or providers over emerging alternatives (or vice versa), and that Australia’s regulatory frameworks remain adaptable as payment technologies continue to evolve.

In this context, we also note that consumer and merchant outcomes are shaped by multiple layers of the value chain, not solely by scheme rules or issuer and acquirer arrangements. For example, digital wallets can influence the consumer interface, tokenisation, authentication and default payment selection. Payment gateways and other intermediaries can influence routing and acceptance options for merchants, and their technical arrangements can create switching frictions that may affect a merchant’s practical ability to change providers. In scams, UK data suggests that 66 per cent of scam cases were enabled by online platforms, and 17 per cent by telecommunications.¹³

Policy measures focused narrowly on one part of the value chain may therefore not address the full range of factors that ultimately shape end-user outcomes. A holistic view of how value and control are distributed across the ecosystem will be important for designing effective regulatory responses.

The Importance of Holistic and Coherent Regulation

The Australian payments ecosystem has become considerably more complex over the past two decades, with many new entities now involved in the payments value chain. PSPs in particular now play a significant role in the payments industry. These developments have delivered many benefits for Australian consumers and businesses, although some new risks and issues have also been introduced. For a long time, however, the established regulatory frameworks had not kept pace with these developments, leading to potential inconsistencies in customer outcomes and an uneven playing field between different providers of payment services.

We have therefore welcomed the series of reforms initiated by the Government and the RBA over the past few years to ensure that the regulatory framework supports the continued development and

¹³ UK Finance (2025), [Half Year Fraud Report 2025](#), 24 October.

safety of the payments ecosystem. Most notably, this included updating the PSRA to expand the RBA's powers to a broader range of payment systems and participants – including digital wallet providers, buy-now-pay-later (BNPL) firms, payment facilitators, and payment gateways – and the development of a PSP licensing regime to help promote access and competition while appropriately controlling risk.

Unfortunately, these reforms have progressed at a somewhat slower pace than anticipated. The Government's *Payments System Review* – which had prompted many of the ongoing regulatory reforms – was completed in August 2021. However, the updated PSRA was only passed in September 2025, and the legislation for the PSP licensing framework is still being drafted. In the meantime, a series of other critical reforms – including the development of the SPF and the RBA's *Review of Merchant Card Payment Costs and Surcharging* (the RBA Review) – are continuing to be progressed in parallel.

Our members have raised concerns that the slow pace of reforms and the resulting fragmentation between different regulatory initiatives could lead to unintended distortions in competition and efficiency across the broader (payments) ecosystem. As noted earlier, AusPayNet strongly supports regulation that is competitively neutral and grounded in the principle that similar activities presenting similar risks should be subject to similar rules. However, this principle is difficult to uphold when regulation can only be applied to some participants in the market, or when regulatory complexity and overlap lead to disconnect between different policy initiatives. This occurred in the case of the current RBA Review, which ended up focusing on card payments in isolation due to the unforeseen delays in the passage of the PSRA reforms, and therefore could not consider digital wallets and BNPL, for example. We are also seeing this in the case of the SPF, where banks are expected to be designated at a much earlier date than non-bank PSPs.

Relatedly, we note that many of the issues raised in the Inquiry's terms of reference – including matters relating to competition and efficiency across card payment schemes, digital wallets, and emerging payment technologies – are also within the scope of the ongoing RBA work. This includes both the ongoing RBA Review, which is focused on card payments, and the upcoming consultation planned for mid-2026, which will consider the RBA's regulatory priorities under the expanded PSRA.

This presents an opportunity for the Committee's work to complement the detailed policy analysis being undertaken by the RBA. The RBA's technical expertise, access to detailed industry data, and established consultation processes position it well to develop carefully calibrated policy responses that consider the full range of costs, benefits, investments, and potential unintended consequences.

We therefore encourage the Committee to consider how this Inquiry can add value in areas where Parliamentary input is particularly valuable – such as the broader strategic vision for how the Australian payments ecosystem can support the Government's productivity agenda, oversight of how regulatory reforms are being implemented, and the implications of emerging technologies for legislation – while allowing the RBA to complete its detailed technical work on specific regulatory measures to support this vision. This approach would support regulatory coherence and provide stakeholders with greater long-term certainty about the policy environment.

A Broader View of Efficiency

Another key policy concern among our members relates to an overemphasis on costs – especially merchant payment costs – as a measure of efficiency and competition in the payments industry. This emphasis is also evident in the Inquiry's Terms of Reference. While we agree that competitive pressure

driving down costs is an important indicator of system efficiency, it is not the only one. This is acknowledged in both the Government's Strategic Plan and the RBA's explanation of its approach to regulation (emphasis added):¹⁴

*An efficient system is one in which competitive pressures drive down payment costs. Efficiency in payment systems is productivity enhancing as it **empowers industry to allocating resources effectively to innovate, and respond to new developments** and changing consumer preferences. **An efficient payments system provides end-users with certainty** by ensuring payments are made and received in a timely, seamless, and predictable manner, with users appropriately informed about where their payment is going, when it will arrive and the associated costs.*

– A Strategic Plan for Australia's Payments System

In promoting the efficiency of the payments system, the Bank focuses on three things:

- *technical efficiency – can processes be improved to reduce costs or **improve the quality of the product?***
- *allocative efficiency – are resources being allocated in the most efficient way across the payments system as a whole?*
- *dynamic efficiency – **do processes, products and the allocation of resources adjust over time?***

– RBA Payments System Regulation: Approach to Regulation

These broader aspects of efficiency are clearly evident in the Australian payments ecosystem today. Technical efficiency, for example, is reflected in the high operational reliability of payment services and sophisticated fraud prevention capabilities that enhance the quality and security of transactions. Continuous investment in the development of these capabilities has created a payment system that users can depend on, while protecting them from growing threats of fraud and other forms of economic crime.

Dynamic efficiency can be seen in how the system has continued to evolve to meet changing needs and adopt new technologies. The growth in e-commerce has been enabled by innovations in digital payments, while new threats have been met with increasingly sophisticated fraud detection systems. Maintaining this adaptability requires ongoing investment in new technologies and capabilities. While such investments may increase certain costs (and hence may increase end-user prices), they are essential for maintaining an efficient, secure and innovative payments system.

The Committee will receive evidence from others on a range of fees and costs across the payments ecosystem. In interpreting that evidence, we encourage the Committee to explicitly consider these broader aspects of efficiency. This includes assessing how costs are distributed across the value chain, whether a reduction in one fee category may lead to cost-shifting elsewhere, rather than an overall improvement in efficiency for end-users. For example, while lowering interchange fee caps might reduce immediate costs for merchants, there is a risk that it could also affect investment incentives in ways that ultimately reduce technical or dynamic efficiency. This underscores the importance of taking a holistic view of efficiency, and the economics of payments, that considers not just costs, but also

¹⁴ Australian Government (2023), [A Strategic Plan for Australia's Payments System](#), 7 June, p.10; RBA, [Payments System Regulation: Approach to Regulation](#), accessed January 2026.

benefits, and investment in the quality, security, innovation and the long-term sustainability of the payments system.

Industry Self-Regulation

Supporting discrete industry developments and regulatory processes, a key enabler of safe innovation in payments is effective standard-setting and collaboration across the ecosystem, including on interoperability, security requirements, and incident response. In its role as the payments system regulator, the RBA maintains an explicit presumption in favour of industry self-regulation, with regulatory intervention occurring only where the industry is unable to address a public interest concern.¹⁵ Similarly, the Government's Payments System Review recognised the need for technical standards set by authorised industry bodies.¹⁶ This approach recognises that industry participants often have strong incentives and the necessary expertise to develop effective solutions to emerging challenges, and that such solutions – in the form of self-regulation or standards, can more agile than legislation or regulation, coupled with appropriate regulatory oversight to ensure that all public interest objectives continue to be met.

AusPayNet's role as the industry self-regulatory body illustrates the effectiveness of this approach in practice. In many instances, industry participants have proactively invested in implementing global best practices and developing new capabilities to meet evolving user needs, without waiting for regulatory mandates. For example, AusPayNet recently initiated an industry-wide program to migrate Australian card payments to the Advanced Encryption Standard (AES), to proactively uplift system security in response to the emerging threat of quantum computing. Our standards development process involves extensive stakeholder consultation to ensure that the solutions are practical, proportionate, achieve their intended outcomes, and deliver benefits, including policy objectives, without prescriptive mandates.

Conclusion

AusPayNet welcomes the Government's ongoing interest in the Australian payments sector. The payments ecosystem provides critical infrastructure that supports economic activity across Australia, and the Committee's Inquiry provides an important opportunity to consider how Australia can maintain a payments ecosystem that is safe, competitive and efficient as technology continues to evolve. Our submission has sought to provide context on the payments landscape and offer considerations that we hope will assist the Committee in evaluating the range of issues and stakeholder views it receives.

AusPayNet would welcome the opportunity to continue engaging with the Committee as the Inquiry progresses, including by attending the forthcoming hearings to discuss these issues further and answer any questions the Committee may have.

¹⁵ RBA, [Payments System Regulation: Approach to Regulation](#), accessed January 2026.

¹⁶ Australian Government (2021), [Payments System Review](#), 30 August.

Yours sincerely,

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