



Visa submission to the House  
of Representatives Standing  
Committee on Economics  
Inquiry into Schemes, Digital  
Wallets and Innovation in the  
Payments Sector



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## Group Country Manager Letter

30 January 2026

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

Via email: [economics.reps@aph.gov.au](mailto:economics.reps@aph.gov.au)

Dear Committee Secretary,

**Subject: Visa's submission to the House of Representatives Standing Committee on Economics Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector**

Visa welcomes the opportunity to engage with the House of Representatives Standing Committee on Economics (the Committee) on its Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector (the Inquiry).

Transformative technologies – from Artificial Intelligence (AI) and agentic commerce to real-time account-to-account (A2A) payments, digital wallets, and stablecoins – are rapidly changing today's payments landscape and providing increasing choice and accessibility for all Australians. These innovations carry substantial upside for Australian consumers and businesses, both small and large, and can make the Australian payments system safer, stronger, and more inclusive and robust – but only if continued innovation, security, and consumer and business protection remain at the core.

How Australia approaches these innovations will shape the country's economic competitiveness, the security of our payments system, and the everyday experience of millions of Australians. Visa, therefore, views the Inquiry as an important opportunity to share more about our role and contribution in advancing digital payments technology, and the value we deliver to both consumers and businesses in Australia.

Visa continues to support our Australia-based clients, from established banks to emerging fintechs, to help everyday Australians and businesses maximise the opportunity of digital payments today, and into the future. We invest in advanced security, new technology platforms, and partnerships that help consumers, businesses, and particularly small businesses, operate with more efficiency, more certainty, and less risk. Our global experience of operating in more than 200 countries and territories around the world, paired with our longstanding contribution to

the payments industry in Australia, means we are ready to help deliver the next phase of growth in a way that is safe, competitive, and innovation-led.

Visa is strongly committed to working closely with the Committee, Government, regulators, and industry to ensure Australia continues builds a payments system worthy of its ambition – one that is future-ready, resilient, trusted, and secure for all Australians.

Yours sincerely,

Alan Machet  
Group Country Manager  
Australia, New Zealand and Pacific Islands

## Overview

In the inaugural *A Strategic Plan for Australia's Payments System* (the Plan), Australia's Treasury Department (Treasury) outlines a bold vision for a "modern, world-class and efficient payments system that is safe, trusted and accessible."<sup>1</sup> Central to this vision is ensuring that Australia remains at the forefront of the global payments landscape, driving productivity, innovation, and competition across the economy and for the benefit of consumers and merchants.<sup>2</sup> The Plan makes clear that a high-performing payments system is foundational to Australia's digital economy,<sup>3</sup> fuelling economic growth and attracting foreign investment. The Plan underscores this point, stating that "[w]ith so many payments made daily, even relatively small inefficiencies can have significant implications for the broader economy."<sup>4</sup>

Similarly, Treasury's 2021 Review of the Australian Payments System final report states that "a world-class digital economy needs a world-class payments ecosystem."<sup>5</sup> It regards the capability and agility to respond to, and encourage, innovation as underpinning the ecosystem.<sup>6</sup> Indeed, a key finding of the report was that Australia's payments regulatory architecture needs to "provide a clear strategic direction for the payments ecosystem and be simplified to encourage innovation and support the uptake of new payment services by consumers and businesses."<sup>7</sup>

Visa shares the ambition to build a robust, productive, and forward-looking digital economy, supported by a payments ecosystem that is secure, accessible, and innovative for all Australians. Our goal is to foster balance, security, and stability, while growing the overall payments ecosystem to the benefit of the country. The fundamental promise of digital payments is their ability to securely connect people and businesses and facilitate commerce.

More specifically, consumers can use their Visa card at more than 175 million locations<sup>8</sup> worldwide and online, allowing a seamless transaction experience to pay for goods and services. When a person pays with Visa, we analyse hundreds of data points in under a second to check it is them and not a fraud attempt. And we guarantee that a consumer will not be held responsible for any unauthorised charges on their Visa card.

For small businesses in particular, Visa creates a level playing field where they are able to compete alongside larger competitors. We give them access to a global marketplace, with more than 4.9 billion credentials, which includes paying by phone or watch as well as card, across over 200 countries and territories, and the ability to quickly and securely accept payments in different

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<sup>1</sup> Treasury (2023), [A Strategic Plan for Australia's Payments System](#), p1.

<sup>2</sup> Businesses that make sales using digital payments are known as merchants, sellers, or retailers in the payments industry.

<sup>3</sup> Treasury (2023), [A Strategic Plan for Australia's Payments System](#), p5.

<sup>4</sup> Treasury (2023), [A Strategic Plan for Australia's Payments System](#), p5.

<sup>5</sup> Treasury (2021), [Review of the Australian Payments System – Final report](#), p(v).

<sup>6</sup> Treasury (2021), [Review of the Australian Payments System – Final report](#), p(ix).

<sup>7</sup> Treasury (2021), [Review of the Australian Payments System – Final report](#), p(ix).

<sup>8</sup> Visa (2025), [Visa Fact Sheet](#).

currencies.<sup>9</sup> Australian businesses of all sizes know that they will get paid because Visa stands behind every transaction. And by connecting to our network, any small town or rural store, or small e-commerce site, benefits from Visa's world-class security and fraud-fighting tools so they can better compete with even the largest retailers and technology platforms.

The benefits for businesses in accepting digital payments extend beyond the acceptance of fast, cost-effective, and secure payments across borders. A study by KoreFusion found that half of card-accepting businesses in the Asia-Pacific region, including Australia, saw an increase in sales, with net-new sales accounting for nearly half of all card payments. It also found that card acceptance streamlines reconciliation, meaning less time spent on paperwork, and reduces the financial costs of waiting for payment as payment settles faster and late payments are reduced.<sup>10</sup> And Visa Business and Economic Insights research regarding Australia's small businesses found that digital infrastructure and tools can help these businesses expand and boost Australia's productivity.<sup>11</sup> This is supported by a recent study that found that digital payment technology can improve labour productivity both in the retail industry and in the overall economy. In fact, boosting investments in digital payments by 10 percent converts to a productivity jump of 0.5 percent per employee.<sup>12</sup> This is in line with the Government's ambition to increase productivity and economic growth through advancements in technology.<sup>13</sup>

Payments in Australia is an intensely competitive environment, with more choice than ever before to make and receive payments. Against that backdrop, Visa contributes to achieving the goal of building a robust, productive, and forward-looking digital economy by focusing on world-class reliability and security, and staying at the cutting edge of innovation for the benefit of our Australia-based consumers, businesses, clients, and partners.

As background, open loop networks like Visa connect all participants in the payments ecosystem through the 'four-party model' – the four parties being: (i) cardholders; (ii) businesses making sales using digital payments; (iii) issuers (banks and other financial institutions which issue payment cards to consumers), and (iv) acquirers (banks and other providers of acquiring which serve businesses making sales using digital payments). As a business-to-business (B2B) company, Visa generally does not have direct relationships with consumers or businesses. Instead, we partner closely with clients – from established financial institutions to fintechs – to enable Australian consumers and businesses to buy and sell both locally and internationally. Financial institutions issue Visa cards, set interest rates, and customer fees on those products, and compete to offer rewards and other benefits to cardholders. Similarly, acquiring financial institutions (whose clients are merchants – businesses large and small) set up those businesses for card acceptance, competing for business based on the services they offer and the fees they

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<sup>9</sup> Visa (2025), [Visa Fact Sheet](#).

<sup>10</sup> Visa (2025), [Card payments: the productivity dividend for Australian businesses](#).

<sup>11</sup> Visa (2026), [Entrepreneurship & Productivity: Practical Levers for Australia's Small Business Hubs](#)

<sup>12</sup> Visa Economic Empowerment Institute (2025), [Do digital payments increase productivity?](#)

<sup>13</sup> Treasury (2025), [The Hon Dr Jim Chalmers MP - Press conference, Canberra](#); Productivity Commission (2025), [Harnessing data and digital technology – Inquiry report](#).

charge to those businesses. An alternative to the four-party model is the three-party model, where the issuer and the acquirer are the same entity.<sup>14</sup>

Visa seeks to continue providing value to consumers and businesses in Australia, even within the constraints of current interchange regulation and particularly in light of other more expensive payment options in the Australian market. For example, looking at the average transaction costs for cards issued in Australia, the Reserve Bank of Australia (RBA) has stated that debit cards cost businesses around 0.4 percent, credit cards about 0.8 percent, and charge cards, like those offered by American Express, around 1.3 percent. It has also noted that the average Buy Now Pay Later (BNPL) transaction costs a business around 3.5 percent of a transaction's value to accept.<sup>15</sup> And, according to Boston Consulting Group research announced in 2024, cash payments cost businesses approximately 3.9 percent to accept – more than double the cost of card payments.<sup>16</sup>

The Committee's inquiry is taking place at a pivotal time. Australia is currently in the midst of several regulatory reviews focused on payments and innovation, including:

- The RBA's Review of Merchant Card Payment Costs and Surcharging, which is examining issues around competition, costs, and regulatory parity between different types of payment networks, including Visa which the RBA has regulated since the early 2000s. However, three-party networks such as American Express, digital wallets, and BNPL providers - key participants in the digital payments ecosystem in Australia - are not being assessed in the Review due to being outside the regulatory perimeter. The RBA's conclusions are due in March 2026.<sup>17</sup>
- Payments licensing reforms, which modernise the regulatory framework for payment service providers (PSPs). Treasury is consulting on these reforms in tranches.<sup>18</sup>
- New digital assets laws that introduce regulation for businesses that hold digital assets on behalf of consumers. The laws are currently before the House of Representatives.<sup>19</sup>

In addition, the RBA intends to begin a consultation process in mid-2026 on the recent Payments System (Regulation) Act (PSRA) reforms<sup>20</sup>, which expand the RBA's regulatory perimeter to include three-party networks, digital wallets, and BNPL providers.<sup>21</sup>

Everyday across Australia, consumers and businesses transact with cash, pay with BNPL, send and receive funds on Australia's A2A network, make use of global money transfer services or personal transfer apps, pay bills with BPAY, use Australia's cheque system, transact with digital

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<sup>14</sup> Examples of this model include American Express and JCB.

<sup>15</sup> Reserve Bank of Australia (2025), [Online Retail Payments – Some Policy Issues | Speeches | RBA](#)

<sup>16</sup> Commonwealth Bank of Australia (2024), [Opening remarks to the House of Representatives Standing Committee on Economics](#)

<sup>17</sup> Reserve Bank of Australia (2025), [Review of Retail Payments Regulation](#).

<sup>18</sup> Treasury (2025), [Payments licensing reforms](#).

<sup>19</sup> Treasury (2025), [New digital asset laws to unlock innovation and safeguard investment](#).

<sup>20</sup> Reserve Bank of Australia (2025), [Speech – Resilience, Innovation and the Future of the Payments System](#).

<sup>21</sup> Parliament of Australia (2025), [Treasury Laws Amendment \(Payments System Modernisation\) Bill 2025](#).

assets, or choose a card network like Visa to pay for goods and services. In the face of the many choices available, the world is also entering a transformative phase driven by AI and other emerging technologies – developments that Treasurer Jim Chalmers has called a “game-changer,”<sup>22</sup> with which we strongly agree. The Productivity Commission (PC) estimates that AI and related innovations could add over AUD116 billion<sup>23</sup> to the Australian economy in the next decade. In the payments sector, this technological shift is bringing forward new capabilities, such as agentic commerce (AI-driven, autonomous transactions), accelerated adoption of stablecoins and tokenised money and deposits,<sup>24</sup> next-generation authentication methods, and advanced fraud prevention tools designed to keep pace with increasingly sophisticated fraudsters. Crucially, these innovations are already being developed and deployed globally.

These innovations have been developed and deployed at speed, made possible by significant and continuous investments over many years by payment networks, issuers, acquirers, and technology providers – in Australia and internationally. Based on public reports from Australian financial institutions and a forward-looking perspective of the requirements needed for the rise of agentic commerce, next-generation payments authentication, and security in light of evolving threats, Visa estimates conservatively that at least AUD2 billion a year worth of investment will be required over the next two to three years alone.<sup>25</sup> Such investments will be required so Australia stays at the forefront of global commerce and can take part in the AI economy, while also ensuring these new innovations are secure and resilient to the level that people expect of any Visa payment. Ensuring Australia’s policy settings encourage – rather than impede – such investment is critical.

A regulatory environment that supports sustainable economics in digital payments has historically unlocked the deployment of cutting-edge technologies, strengthened payments security, and ensured that small businesses can thrive by accessing modern payment products and services. The most visible evidence of this in Australia is the widespread adoption of contactless card payments where coordinated ecosystem investment, robust security and standards, and business-first enablement quickly scaled consumer habits into ubiquitous acceptance. It shows how disciplined, in-market capital and partnerships can unlock network effects, grow safe digital commerce, and deliver tangible benefits for all.

Increasingly, new technologies and platforms – including real-time A2A payments, and digital currencies like stablecoins – are part of consumers’ daily lives in Australia and around the world. Visa is actively embracing this evolution. For example, we have developed capabilities to

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<sup>22</sup> Treasury (2025), [The Hon Dr Jim Chalmers MP - Press conference, Canberra.](#)

<sup>23</sup> Productivity Commission (2025), [Interim Report - Harnessing data and digital technology.](#)

<sup>24</sup> McKinsey & Company (2025), [The 2025 McKinsey Global Payments Report: Competing systems, contested outcomes.](#)

<sup>25</sup> This estimate is derived from publicly disclosed major issuer card payments technology expenses, include Commonwealth Bank Australia’s (CBA) over AUD900 million investment in fraud protection and National Australia Bank’s (NAB) over AUD1.6 billion investment to improve technology capabilities, including ongoing refinement of biometrics technology and fraud prevention. For further details, see: Commonwealth Bank of Australia (2025), [Press release](#); National Australia Bank (2024), [Investor presentation](#).



integrate stablecoins into our network and piloted stablecoin settlement transactions globally<sup>26</sup> (including Australia) because we see the potential for blockchain-based innovations to complement existing payments infrastructure, creating efficiencies and growth for Australian businesses. We are also applying our expertise to enhance A2A payments: by way of example, our Visa Protect solution uses sophisticated AI models to monitor and score real-time bank transfers, intercepting scams and fraud attempts in real-time payment systems.<sup>27</sup> Looking forward, the future of payments will be interoperable and inclusive – where cards, bank transfers, and digital currencies all have roles, and Australian consumers can choose the best option for their needs without sacrificing security or convenience.

This environment of innovation and competition amongst regulated networks in Australia's payments sector has already delivered significant value and affordability for consumers and businesses. Australia's payments ecosystem will continue to benefit from the focus on supporting ongoing innovation and choice with the investments required.

Visa's fees represent a relatively small part of the overall cost of payment acceptance, and interchange fees for four-party networks have long been regulated in Australia. However, the issue of competition and affordability is complicated by the fact that the most expensive forms of payment - three-party networks and BNPL providers - are not yet included in the regulatory perimeter. Furthermore, the RBA has indicated that it would not undertake the related consultation process to correct this unlevel treatment until mid-2026, and the entire process may take up to a couple of years.<sup>28</sup> For as long as this distortion remains in place, regulated networks, including Visa, effectively cross-subsidise more expensive, unregulated three-party networks, and businesses' savings are increasingly eroded.

In the detailed response that follows, Visa provides its perspectives on each of the Committee's specific terms of reference – from scheme fee transparency and small business costs to competition in the payments landscape and the emergence of stablecoins, digital wallets, and other new technologies. Visa is committed to working collaboratively with the Government and regulators to continue building a digital payments system that supports Australia's economic ambitions and delivers secure, efficient, and inclusive outcomes for all Australians.

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<sup>26</sup> Visa (2025), [Visa Launches Stablecoin Settlement in the United States, Marking a Breakthrough for Stablecoin Integration](#).

<sup>27</sup> Visa (2026), [Visa Protect for Account-to-Account Payments reduces real-time payment fraud and scams](#).

<sup>28</sup> Commonwealth Parliament (2025, December 3), [Senate Estimates: Economics Legislation Committee](#), p19.

## Visa's Response to the Inquiry's Terms of Reference

### *1. Card based payment schemes and digital wallets and whether the current payment schemes landscape is fair and accessible<sup>29</sup>*

#### ***a. Transparency and affordability of scheme fees for payments services providers***

Visa's fees cover a broad spectrum of services and solutions that enable our clients to best serve Australian consumers and small businesses. As outlined above, this includes everything from consumers being able to shop in-person and online in Australia or overseas, access to a global marketplace for small businesses, and enhancing the productivity of small-town shops. These benefits are available as a result of VisaNet, the global network that processes Visa transactions.<sup>30</sup> It is available globally 24/7 and delivered across a set of geographically separated, synchronised, state-of-the-art data centres, which are capable of processing 83,000 transactions a second, with 99.999 percent network up time.<sup>31</sup>

Scheme fees – charged to our clients in a traditional B2B model – fund advancements in critical services that underpin the payments ecosystem, with Australian consumers, businesses, financial institutions, and the broader economy benefiting from these continuous improvements. In addition to VisaNet, these services include advanced fraud prevention capabilities, tokenisation<sup>32</sup> infrastructure, contactless payments, and real-time risk management tools. For example, Visa's risk solutions helped prevent over AUD62 billion in attempted fraudulent transactions globally in 2023 alone.<sup>33</sup> In Australia, Visa's AI-based real-time payments fraud monitoring solution helped Australian financial institutions prevent AUD714 million in fraud from disrupting the nation's businesses in a single year.<sup>34</sup>

In terms of supporting Australia's time- and resources-challenged small businesses specifically, the RBA's current regulatory approach with respect to scheme fees - which is focused on monitoring Merchant Service Fees (MSF) of which scheme fees are but a minor component - is the correct pathway. This framework, whereby MSFs are monitored and disclosed by the RBA, provides transparency where it matters for businesses – i.e., the full cost that they ultimately pay. This approach requires industry to disclose certain information to the RBA in a regular cadence. It also enables already intense four-party network competition to continue and achieves the RBA's

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<sup>29</sup> Section headings in this submission are drawn directly from the Inquiry's Terms of Reference. House Standing Committee on Economics (2026), [Terms of Reference](#).

<sup>30</sup> Visa (2026), [About VisaNet](#).

<sup>31</sup> Visa (2025), [The future is here at the Visa Payments Vault](#).

<sup>32</sup> A process that replaces sensitive card details with a random string of characters called a 'token'.

<sup>33</sup> Visa (2025), [Visa Unveils its Scam Disruption Practice, Helping Protect Consumers and the Financial Ecosystem Globally](#). All figures converted to AUD at rate of 1 USD = 1.55 AUD.

<sup>34</sup> In the 12 months ending March 2023. Visa (2024), [Visa prevents more than \\$700 million in fraud from disrupting Australian businesses](#).

objectives regarding transparency, while supporting continued innovation and growth within Australia's payments ecosystem through scheme fees funding new products and services that consumers and businesses can use.

Visa's scheme fees are applied to our clients (issuers and acquirers) who participate in the Visa network and serve consumers and businesses. Clients pay for the value they receive, based on their business models, and this enables Visa to continue investing in innovations that meet evolving market needs specific to Australia. As a result, Visa's scheme fees are allocated according to usage and value.

Furthermore, Visa has a framework that ensures client engagement on Visa's scheme fees, including via new scheme fee announcements. The framework ensures that any adjustments to scheme fees are provided with sufficient notice to clients, with a focus on clear articulation of the underlying services and solutions supported and the value provided to Visa's clients and their end-users. Post-announcement, ongoing transparency is provided via an online portal through which issuers and acquirers in Australia can access schedules of the fees that apply to them. These mechanisms are designed to enable clients to understand and manage their costs effectively, thereby supporting a competitive and innovative payments ecosystem.

Importantly, these fees represent only a small, marginal component of the total cost of card acceptance (that is, the full set of fees and charges a business pays to accept card payments). This is evident in the RBA's own data – including in Graph 1 on the Average Merchant Fees of Card Payments in 2023-2024 in the Backgrounder on Interchange and Scheme Fees in the RBA's Issues Paper on the Review of Merchant Card Payment Costs and Surcharging.<sup>35</sup>

### ***b. The inequity of payment costs for small businesses***

As outlined above, a core attribute of the Visa network is that it levels the playing field between small and large businesses by connecting small businesses with larger customer bases, particularly online and overseas. Every business that accepts Visa can transact securely with billions of Visa cards across the globe and know that they will get paid because our network stands behind every Visa transaction. By connecting into our network, any main-street, small-town, or rural store, or any small business e-commerce site, can benefit from Visa's world-class security and fraud-fighting tools so they can better compete with even the largest retailers and technology platforms.

By way of example, because Visa merchants are guaranteed to receive payment on Visa transactions authorised by their customers' bank in accordance with Visa rules, businesses do not need to be concerned whether the financial institution that issued the card will be able to complete the payment. While this peace of mind benefits all businesses, it is particularly important for small businesses that do not have the technologies and resources of their larger

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<sup>35</sup> Reserve Bank of Australia (2024), [Merchant Card Payment Costs and Surcharging - October 2024](#), p35.

competitors to manage these risks. Delivering on these promises and providing unparalleled reliability requires constant, ongoing investment by the entire payments ecosystem. This is necessary to support the roll-out of major innovations, such as contactless and tokenisation, which research estimates will have saved Australian consumers and businesses over AUD4.8 billion in the ten years to 2027, as well as to stay ahead of the increasingly challenging fraud and cybercrime landscape globally.<sup>36</sup>

Small businesses benefit from Visa's continual investment in strengthening the security and resilience of the payments ecosystem. Our investment covers preparation for next-generation encryption requirements, such as postquantum cryptography and advanced encryption standard migrations, enhancing cyber defence capabilities, and supporting operational resilience initiatives across the Australian market. These investments help ensure the network remains secure, reliable, and able to withstand evolving operational and cyber risks.

While Visa provides these benefits to all, we have gone further to deliver preferential rates to Australian small businesses. In Australia, competition between networks for debit card volumes has pushed interchange fees<sup>37</sup> down below the debit benchmark for all businesses, both large and small. This is a great example of market-driven dynamics and competition resulting in fee reductions. For example, Visa launched a refreshed Acquirer SMB Program (ASP) in Australia in May 2025, offering preferential interchange rates for domestic debit transactions to acquirers who support small business growth on the Visa network. The ASP delivers headline debit interchange rates of 2 cents for card present transactions and 3 cents for card not present transactions, which are rates significantly below the current debit interchange benchmark of 8 cents.

In addition to the ASP, Visa has encouraged the RBA and Payments System Board (PSB) to consider a more targeted and sustainable approach to support small businesses, rather than broad regulatory caps that risk unintended consequences. A one-size fits all regulatory regime will likely cause more harm for small business and limit the flexibility in accepting payments. As a result, we have provided the RBA with information on Visa's Small Merchant Interchange Program in Canada, which supports small businesses processing less than AUD334,000 annually.<sup>38</sup> We have encouraged the RBA and PSB to consider a similar framework that balances affordability, innovation, and competitive neutrality. Such programs also allow for dynamic adjustments based on the needs of Australian businesses and market conditions, ensuring long-term viability and effectiveness.

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<sup>36</sup> Visa (2025), [Visa response to the Reserve Bank of Australia's Merchant Card Payment Costs and Surcharging Consultation Paper](#), p9.

<sup>37</sup> Interchange fees are the mechanism that a digital payments network like Visa uses to balance the investment, costs, risks, and needs of digital payments ecosystem participants, in order to support the continued evolution of the ecosystem. Interchange is paid by the acquirer to the issuer, and so is a fee between banks. Specifically, interchange fees earned by issuers allow them to cover the costs and risks associated with issuing payment cards (whether prepaid, debit, or credit), including the administrative costs associated with maintaining a card-issuing business, fraud management, funding, and bad debt costs.

<sup>38</sup> Visa (2025), [Small Merchant Interchange Program](#). All figures converted at rate of 1CAD = 1.11AUD.

Through these initiatives, Visa demonstrates its commitment to ensuring that Australia's small businesses can participate fully and competitively in the digital economy. By offering targeted support, maintaining dynamic and sustainable programs, and advocating for regulator support for such programs, Visa helps foster an environment where small businesses can thrive alongside larger competitors.

***c. The extent to which consolidated market power between payment schemes has impacted choice and accessibility to alternative payment systems***

Visa competes in one of the most dynamic sectors in the world. Driven by new and innovative technologies, consumers and businesses are demanding – and now have – more payment options than ever when choosing how to pay and be paid. As referenced earlier in this submission, each day across Australia, consumers and businesses transact using a wide range of payment services, including cash, BNPL products, Australia's A2A network, BPAY, the cheque system, or a card network like Visa. As a result, competitive pressure has never been more intense on all participants in the industry – including Visa – to maintain and improve the value, reliability, efficiency, security, and innovation of their offerings. Like other payment providers, Visa's continuing success is contingent on its ability to compete, innovate, and deliver even greater value for consumers and businesses.

The wide variety of competitors, from small fintechs to large technology platforms, is matched by a wide variety of approaches on delivering further innovation to the Australian market. There are some technology players focused on home-grown or closed systems, others partner with businesses, and still others enable new services through networks like Visa because they want to build on top of the security, reliability, and reach of an existing payments network to develop their own creative payment solutions. Visa and participants in its system face competition from every one of these possible approaches. This rich mix of multiple levels of innovation – between networks, between established and emerging payment technologies and brands, and among issuers, fintech players, and banks, all seeking to best meet consumer and business payments needs – leads to robust, dynamic, and multi-layered competition in the consumer payments sector.

In addition to the competitive dynamics described above, the Australian payments landscape is undergoing significant transformation driven by regulatory and technological developments. The introduction of open banking under the Consumer Data Right (CDR) is expected to accelerate competition by enabling consumers to share their financial data securely with accredited third parties, resulting in new entrants and innovative business models in payments and financial services. At the same time, the New Payments Platform (NPP) has established a modern, real-time payments infrastructure that supports account-to-account transfers, facilitates direct access for fintechs, and provides businesses and consumers with alternatives to traditional card-based payments. These developments, alongside ongoing reforms and the

growth of digital wallets and alternative payment methods, are expanding choice and accessibility for both businesses and consumers.

Recent industry data from the RBA and Australian Payments Plus (AP+) highlights the increasing adoption of real-time payments and the proliferation of new payment options, underscoring the dynamic and evolving nature of the local market.<sup>39</sup> For instance, the RBA's recent retail payments statistics indicate that NPP transaction value has grown 22.5 percent year-on-year, while AP+ states that almost AUD7 billion moves via the NPP each day.<sup>40</sup> In addition, the Australian Banking Association (ABA) has found that the value of mobile wallet payments has grown twenty-three-fold since 2019.<sup>41</sup>

As noted earlier in this submission, the Australian payments sector is already largely subject to significant regulatory scrutiny and reform. At the same time, we note that three-party networks, such as American Express, digital wallets, and BNPL providers, continue to remain outside the RBA's regulatory perimeter. Ensuring such payment providers are subject to a level playing field, alongside regulated entities such as Visa, would advance competition to the benefit of both consumers and businesses. In this context, we welcome the recent reforms to the PSRA, which expand the RBA's regulatory perimeter. However, we have expressed deep concern that the characteristics of three-party networks will make equivalent regulation with four-party networks challenging. Three-party networks are inherently more expensive and will, therefore, continue to erode merchants' savings.

In addition, we remain concerned about the timeline for expanding the RBA's regulatory perimeter. For example, the RBA Governor, Michele Bullock, has stated publicly that any regulatory changes related to the PSRA reforms may take "a couple of years", given the time required for the relevant consultation processes.<sup>42</sup> As a result, unregulated entities may remain outside the regulatory period for a considerable period, leading to negative outcomes for competition and for Australia's consumers and businesses.

Moreover, in the context of the RBA Review of Merchant Card Payment Costs and Surcharging, Visa strongly encouraged the PSB to consider delaying the release of the Review's conclusions. This would allow for full and thorough consideration of a comprehensive pathway forward on regulating entities such as Visa that are already regulated, as well as payment providers that may now be considered for designation.<sup>43</sup>

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<sup>39</sup> Reserve Bank of Australia (2025), [Retail Payments - November 2025](#).

<sup>40</sup> Australian Payments Plus (2025), [An update on the Move to NPP](#).

<sup>41</sup> Australian Banking Association (2025), [Mobile wallet payments soar amid digital banking boom](#).

<sup>42</sup> Commonwealth Parliament (2025, December 3), [Senate Estimates: Economics Legislation Committee](#), p19.

<sup>43</sup> Visa (2025), [Visa response to the Reserve Bank of Australia's Merchant Card Payment Costs and Surcharging Consultation Paper](#), p13.

## **2. New and emerging payment technologies in the payments space**

### **a. Digital currency and blockchain technology**

The broad and diverse applications of digital assets – including central bank digital currencies (CBDCs), tokenised deposits, stablecoins, and crypto – offer significant potential for the future of payments. In particular, stablecoins are emerging as one of the most promising tools to enable faster, more accessible transactions and complement traditional payment methods. Paired with Visa's technology stack, stablecoins can help modernise global money infrastructure while maintaining security and reliability. Clarity in regulatory frameworks and a strong emphasis on trust and security will pave the way for stablecoins and blockchain to drive the next wave of payment innovation to the benefit of consumers, businesses, and the Australian economy.

In the near term, Visa is using stablecoins in four key ways:<sup>44</sup>

1. Reducing cost and increasing speed to settle global trade, modernising settlement infrastructure by integrating stablecoins into our network and treasury systems and piloting USDC settlements, which build on years of active stablecoin settlements across the globe, including Australia. Visa's global stablecoin settlement volume is projected to reach over AUD5.4 billion (USD3.5 billion) in fiscal year 2026, based on current monthly volumes,<sup>45</sup> and we have plans to expand capabilities, add more stablecoins, and enable seven-day-a-week settlement.
2. Making it faster and easier to move money overseas, enhancing cross-border money movement by integrating stablecoins into Visa Direct to accelerate settlement, improve liquidity, and support growing demand for cross-border currency holdings. This solution is currently being piloted in the United States and Visa intends to bring this capability to the Asia-Pacific region, including Australia, in 2026.
3. Making digital money work with built-in automatic rules, enabling programmable digital money through smart contracts and Visa's Tokenised Asset Platform sandbox, which allows banks to manage stablecoins and develop innovative financial products.
4. Making it easier to switch between stablecoin, crypto and fiat currency, creating on- and off-ramps for cards, supporting stablecoin-linked cards, and facilitating over AUD153 billion (USD100 billion) globally in crypto purchases and AUD54 billion (USD35 billion) in crypto spending globally, including Australia, with new programs in progress.<sup>46</sup>

The use of stablecoins can benefit Australia's businesses and consumers in various ways. For example, stablecoins can improve the competitiveness and efficiency of existing payments settlement infrastructure. They can also enhance cross-border money movement – which is crucial for a trade-dependent economy such as Australia and particularly so for its small businesses that operate across international borders – by improving speed of settlement. This is

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<sup>44</sup> Visa (2025), [Visa's role in stablecoins](#).

<sup>45</sup> As of November 30, 2025. Visa (2025), [Visa Launches Stablecoin Settlement in the United States, Marking a Breakthrough for Stablecoin Integration](#). All figures converted to AUD at rate of 1 USD = 1.55 AUD.

<sup>46</sup> All figures converted to AUD at rate of 1 USD = 1.55 AUD.



especially in regard to low-value, high-volume transfers, such as remittances. Additionally, the use of blockchain technology in stablecoin settlements allows for enhanced transparency of money flows and increases the security of transactions.

More broadly, the evolution of digital asset technologies presents both opportunities and new challenges for policymakers. As these technologies continue to develop, it is crucial that policymakers consider the implications for financial stability, and existing regulatory frameworks. Ensuring regulatory clarity and robust oversight will be essential to mitigate risks associated with unregulated digital assets and to foster innovation in a secure and transparent manner. Additionally, there is value in prioritising consumer education and awareness to enhance adoption and trust in these new financial instruments. Collaboration between public and private sectors that takes into account input from diverse market participants and enables innovation will be key to harnessing the potential of digital assets to improve efficiency, transparency, and inclusivity in the global financial system.<sup>47</sup>

Global best practices for stablecoin regulation emphasise robust safeguards such as one-to-one reserve backing with high-quality liquid assets, and clear redemption obligations. These principles have been adopted by jurisdictions such as the United States, the European Union, United Arab Emirates, Singapore, and Hong Kong<sup>48</sup> to enhance trust, stability and consumer protection. Looking ahead, it will be important for effective frameworks to remain risk-sensitive and globally interoperable, thereby balancing innovation with trust and resilience while avoiding fragmentation or regulatory arbitrage.<sup>49</sup> Lawmakers should also consider passporting of stablecoins issued under similar regulatory regimes to reduce duplicative regulatory burdens.

Visa is uniquely positioned to support Australia in this area and has participated in recent Treasury-led consultations on the licensing framework for payment service providers, which includes tokenised Store Value Facilities.<sup>50</sup> Our scale – settling payments across a network of more than 175 million Visa-accepting merchant locations and more than 14,500 financial institutions<sup>51</sup> – enables us to remove market roadblocks for trade-dependent economies such as Australia and realise the potential of digital assets and blockchain technology. We operate as a trusted bridge, helping connect both platforms and new technologies, with our global network to provide fair and open access to banking services.

## ***b. Account to account-based payments***

Visa recognises the crucial role that A2A payments play in Australia's economy, particularly for consumers and small businesses. We consider that a successful and thriving A2A system is best

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<sup>47</sup> Visa (2025), [Update on Key Digital Asset Technologies](#).

<sup>48</sup> McKinsey & Company (2025), [The 2025 McKinsey Global Payments Report: Competing systems, contested outcomes](#).

<sup>49</sup> Visa Economic Empowerment Institute (2025), [How new regulations could potentially impact the future of stablecoins](#).

<sup>50</sup> Visa (2024), [Response to Treasury on the Payments System Modernisation \(Regulation of Payment Service Providers\)](#); Treasury (2025), [Regulation of Payment Service Providers – Tranche 1a draft legislation](#).

<sup>51</sup> Visa (2025), [Visa Fact Sheet](#).



served by embracing trust, convenience, and choice. These principles support greater levels of business participation, consumer adoption, and accountability in the digital ecosystem. As such, driving trust, convenience, and choice can be achieved through the strongest possible protections for all payments ecosystem participants, enabling seamless integration, and supporting interoperability across both A2A and non-A2A payment methods. Safety, certainty, and transparency in the payments experience for both consumers and businesses are critical to drive trust in the A2A payments system. Ensuring convenience in the A2A system involves delivering deep, frictionless integration into consumer and business interfaces, particularly for use cases such as batch payments.

A challenge faced in Australia is how to effectively support consumers and businesses regarding more complex digital payment experiences, particularly those that require considerable integration efforts as well as clear rules and protections for all participants. These needs must be balanced with the financial sustainability required to support ongoing investment, including regarding security and innovation in the system. In addition, the UK's experience with managing Authorised Push Payments (APP) fraud on real-time A2A systems shows that without effective fraud detection and prevention at the point of payment, scams and fraud can rapidly erode public trust in the digital ecosystem.<sup>52</sup> Visa wants to ensure that Australia's consumers and small businesses in particular are protected as much as possible from such possibilities.

In response to these challenges, Visa has deployed risk solutions that provide a multi-financial institution and multi-network approach to monitor and prevent real-time payment fraud and scams.<sup>53</sup> Visa Protect for Account-to-Account Payments incorporates deep learning AI detection models to score account-to-account transactions in real-time. This technology helps to intercept suspected fraudulent transactions in real-time, stopping scams before money leaves a potential victim's bank account.

The solution was piloted in collaboration with payment operators in the UK and Latin America. Results from the pilot in the UK showed that Visa's technology identified 54 percent of fraudulent transactions which had already passed through UK banks' sophisticated fraud detection systems. It indicates that such AI technology can play a crucial role in protecting real time payments, potentially saving AUD676 million (GBP330 million) for UK consumers, businesses, and the economy.<sup>54</sup> In Australia, Visa is currently engaging with several financial institutions on this solution, to help protect Australians from fraud and scams.

To enable greater choice for end users, a key expectation is the ability for card and non-card transactions to co-exist and interoperate seamlessly. Interoperability between A2A, cards, and other payment methods streamlines payments and message exchange. This could result in more timely notifications, transparency, and ease of recourse. In addition, simple payments and

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<sup>52</sup> UK Finance (2025), [Fraud continues to pose a major threat with over £1 billion stolen in 2024](#).

<sup>53</sup> Visa (2025), [Visa Protect for Account-to-Account Payments](#).

<sup>54</sup> Visa (2024), [Visa's new AI tool for Faster Payments could help save UK over £330m a year on fraud and APP scams](#). (All figures converted to AUD at rate of 1 GBP = 2.05 AUD).

trusted flows work well with A2A payments, typically for peer-to-peer (P2P) use cases. Features of the NPP, such as being always-on and real-time, meet public expectations for instant banking. However, as noted in the Findings Report on the future vision for A2A payments in Australia by Australian Payments Network (AusPayNet) and Australian Payments Plus (AP+), higher levels of adoption are hindered by limitations to current NPP functionality, such as the lack of a mature, scalable solution for real-time bulk payments, as well as relatively complex onboarding processes and compliance requirements, which may disadvantage smaller institutions.<sup>55</sup>

The evolution of A2A payment technologies is directly aligned with the Committee's focus on enhancing competition, expanding consumer and business choice, and driving innovation in the payments sector. Enabling seamless, secure, and real-time transfers between bank accounts encourages healthy competition among payment providers, fosters the development of new business models and services, and provides end users with more options on how they pay and get paid. Visa is committed to supporting this competitive landscape by investing in interoperable infrastructure, advanced fraud prevention, and partnerships that ensure A2A payments are accessible, efficient, and safe for all participants in Australia's payments ecosystem.

***c. Opportunities for Australia to increase competition and consumer choice, and decrease fees in the digital payment processing industry***

As discussed in our response to 1c above, Australia's payments sector is already characterised by robust competition, diverse payment options, and continuous innovation. Building on this strong foundation, there are opportunities for Australia to continue enhancing competition and consumer choice in the digital payment processing industry.

Importantly, the current environment of innovation is delivering significant increased choice for consumers and businesses. The payments ecosystem is embracing new technologies, such as A2A payments, digital wallets, and open banking frameworks, thereby expanding options for consumers and businesses. Interoperability between payment systems is being prioritised, providing a level playing field for new entrants. Visa is committed to ongoing investment in infrastructure, partnerships with fintechs, and support for policy frameworks that enable innovation, competition, and transparency.

In addition, as Australia considers the future of competition in payments, it will be important to ensure a genuinely level playing field across all network types. As noted earlier in this submission, the RBA has indicated that the implementation of PSRA reforms – including expansion of its regulatory perimeter – will require additional consultation to determine how these reforms will apply in practice. Visa is concerned with the delay that this consultation process will result in and that it will likely be incomplete with regard to competitive neutrality, including due to the specific characteristics of three-party networks. American Express' vertically integrated business model

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<sup>55</sup> AusPayNet and AP+ (2025), [Public consultation on the future vision for account-to-account payments in Australia: Findings Report](#).

results in different underlying economics and, usually, higher costs for businesses. Ensuring that all network types are subject to equivalent regulatory expectations will help preserve competitive outcomes, while supporting sustainable economics and continued security investment across the ecosystem.

Additional opportunities include supporting digital literacy and inclusion initiatives, collaborating with fintechs to bring new solutions to market, and maintaining active engagement with regulators to ensure policy settings remain balanced and innovation-friendly. By maintaining this trajectory, Australia's payments system will remain world-class, delivering value, security, and choice for all participants.

## About Visa

Visa is a world leader in digital payments. Our mission is to connect the world through the most secure, reliable and innovative payments network – enabling individuals, businesses and economies to thrive. Our innovative technologies facilitate global commerce and money movement across more than 200 countries and territories and among consumers, financial institutions, businesses, strategic partners, and government entities.

Visa has operated in Australia since the early 1980s and currently has offices in Sydney and Melbourne. Together with our partners, we are committed to building a future of commerce that fosters Australia's economic growth, security, and innovation. Over a five-year period, Visa has invested AUD15.5 billion in systems resilience, fraud management, and cybersecurity, including tokenisation, AI, and blockchain-based solutions, to bring even more security to every transaction.<sup>56</sup> For example, in the 12 months ending March 2023, Visa Advanced Authorisation (VAA), Visa's AI-based real-time payments fraud monitoring solution, helped Australian financial institutions to prevent AUD714 million in fraud from disrupting the nation's businesses.<sup>57</sup>

Beyond payments, Visa welcomes being able to make wider contributions to Australia. Globally, Visa is one of the world's most active sponsors of women's football, as the first-ever standalone sponsor of UEFA women's football (since 2018) and first global FIFA women's football partner. In Australia, Visa is proud to be the Official Global Supporter of the AFC Women's Asian Cup Australia 2026 and was a partner for FIFA World Cup Australia & New Zealand 2023. In addition, Visa sponsors the Australian Olympic Team, as well as Team Visa Olympians Scotty James, Flynn Southam, Ellie Carpenter, and Molly Picklum, and Paralympian Jaryd Clifford.

In 2025, Visa announced the launch of the Visa Vibe Grants program, supporting local businesses to grow, adapt and deliver vibrant after-dark offerings that keep cities and communities thriving. More broadly, through the Visa Foundation, we are dedicated to fostering inclusive economies where individuals and communities can thrive. In Australia, the Visa Foundation is an investor in the First Australians Capital Catalytic Impact Fund, which aims to promote and support Indigenous businesses and enterprises, helping Indigenous people to achieve greater economic independence. To date, the Visa Foundation has committed AUD2 million to the Impact Fund.<sup>58</sup>

In 2025, Visa announced the opening of a new regional office in Suva, Fiji, which will enhance our ability to support partners and clients in Fiji and the Pacific Islands, and reinforce our commitment to fueling innovation and accelerating the region's digital transformation. Visa has been working with several partners in the Pacific Islands, including not-for-profit Good Return, to promote the adoption of secure, convenient, and reliable payment solutions through financial education. The

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<sup>56</sup> Visa (2024), [Security Roadmap Australia 2025-2028](#). All figures converted to AUD at rate of 1 USD = 1.55 AUD.

<sup>57</sup> Visa (2024), [Visa prevents more than \\$700 million in fraud from disrupting Australian businesses](#).

<sup>58</sup> Visa (2025), [Empowering First Nation small business owners in Australia](#).

Visa x Good Return initiative training has resulted in significant improvements in financial capability and a boost in trust for mobile payments.<sup>59</sup>

Visa is proud to support Papua New Guinea's national rugby league team, the PNG Kumuls, as their first global sponsor. We also support two Pacific Islands rugby players as Visa Ambassadors: Jerry Tuwai, Fijian Olympic gold medalist, and Stanley Gene, PNG rugby league legend. These partnerships reflect our commitment to Fiji's and Papua New Guinea's development and sport's unifying power.

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<sup>59</sup> Visa (2025), [Visa launches office hub in Fiji, setting a new path for growth across the Pacific Islands](#).