Foreword

Australia's payments system is something we can be proud of. It provides efficient and reliable payment services that support households, businesses and governments across the country. At the same time, the payments landscape continues to evolve rapidly, driven by technological innovation, changing user expectations and new business models. Industry is investing in the modernisation of payments infrastructure to deliver services that are faster, safer and more convenient. However, a more uncertain global and operational environment means that resilience remains critical. Against this backdrop, the Payments System Board has continued to focus on promoting the safety, efficiency and competitiveness of Australia's payments system.

A key priority for the Board over 2025/26 has been strengthening the resilience of the payments system. Australia's payments system operates as a highly interconnected network, so disruptions affecting a single participant, service provider or piece of infrastructure can have wider consequences across the system. The Board supports work to identify and address system-wide vulnerabilities, including risks associated with common service providers and critical infrastructure. During the year, the RBA engaged with industry and regulatory agencies on arrangements to support payments continuity under a range of disruption scenarios. The Board also continued to focus on the availability of cash as an important payment option and a valuable back-up to electronic payment systems, particularly during periods of disruption. Supervision of clearing and settlement facilities remained an important component of the Board's work. Throughout the year, the RBA's oversight of domestic and overseas financial market infrastructures operating in Australia focused on governance, operational resilience and financial risk management, while work continued to operationalise reforms to the regulatory framework for financial market infrastructures and strengthen crisis management arrangements.

The Board also focused on promoting a competitive, accessible and innovative payments system. A major milestone during the year was the completion of the Review of Merchant Card Payment Costs and Surcharging. Following extensive consultation, the Board concluded that a package of reforms to remove card surcharging, reduce interchange fee caps and improve transparency of payment costs would be in the public interest and promote greater competition and efficiency in the payments system. The year also marked a step-up in focus on the future of account-to-account payments in Australia. Through its participation in the Account-to-Account Payments Roundtable, the RBA contributed to the development of a common vision for the future of account-to-account payments in Australia. The Board continued to support efforts to improve cross-border payments, which have the potential to deliver faster, cheaper and more transparent payment services for Australian households and businesses. Looking ahead, the publication of the Review of Payments System Regulation Issues Paper provides an opportunity to consider how the regulatory framework should evolve in response to technological change and emerging competition, efficiency and safety issues.

The Board has also focused on shaping the future of money so that it continues to meet the evolving needs of the community, the economy and the financial system. A major milestone in 2025/26 was the completion of Project Acacia, the RBA's joint initiative with the Digital Finance Cooperative Research Centre examining how innovations in digital money and settlement infrastructure could support the development of tokenised asset markets in Australia. The project found significant potential for tokenisation and new forms of digital money to improve the efficiency, resilience and functionality of financial markets, while also highlighting the importance of continued collaboration between industry and the public sector. Building on this work, the Board has supported a broader program of initiatives designed to help support responsible innovation in wholesale financial markets.

RBA staff have continued to support the Board's work with professionalism, expertise and dedication. On behalf of the Board, I thank staff for their outstanding contribution over the past year and for their ongoing commitment to supporting the safety, efficiency, competitiveness and resilience of Australia's payments system.

Michele Bullock
Governor and Chair
Payments System Board
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