



Restaurant  
& Catering

**RESERVE BANK OF AUSTRALIA**

**REVIEW OF RETAIL PAYMENTS REGULATION**

**'MERCHANT CARD PAYMENT COSTS AND  
SURCHARGING'**

**DECEMBER 2024**

## **INTRODUCTION**

[1] The Restaurant and Catering Industry Association of Australia Incorporated (R&CA) are pleased to provide a submission for the Review of Retail Payments Regulation.

### **ABOUT THE RESTAURANT & CATERING ASSOCIATION**

[2] Founded in 1922, R&CA is the national industry association representing the interests of more than 57,000 restaurants, cafés, and catering businesses across Australia. The café, restaurant, and catering sector is vitally important to the national economy, generating over \$35 billion in retail turnover each year as well as employing 580,000 people.

[3] R&CA delivers tangible outcomes to small businesses within the hospitality industry by offering evidence-based solutions to various industry challenges. Our aim is to improve regulations and policies that impact the sector's operating environment to foster robust and prosperous businesses across Australia.

[4] We work to ensure the industry is respected for its integrity, professionalism, and dedication to excellence. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the industry to the Australian way of life.

[5] Given our remit, footprint, engagement with the sector, and ongoing advocacy, we provide you with the following submission and speak with authority.

### **RETAIL PAYMENTS REGULATION**

[6] R&CA acknowledges the Reserve Bank of Australia's (RBA) Review of Retail Payments Regulation (Review) and this submission is for the first phase focusing on merchant card payment costs and surcharging.

### **BACKGROUND AND ISSUES**

[7] The RBA is conducting a review of merchants' card payment costs and surcharging. The RBA has regulatory powers in respect of payment systems and their participants under the *Payment Systems (Regulation) Act 1998 (PSRA)*.

**[8]** R&CA acknowledge the key questions raised in Section 2 of the Merchant Card Payment Costs and Surcharging – Issues Paper – October 2024.

**[9]** The pressures on cost-of-living have squeezed margins for small businesses, especially in the hospitality sector.

### **OUR POSITION**

**[10]** R&CA appreciates the complexity of merchant fees and the trends in consumer behaviour. Our position rests fundamentally that businesses should be enabled to pass on expenses, specifically that merchant fees and surcharges be allowed to be on charged.

**[11]** R&CA thank the Reserve Bank of Australia for their consideration, and welcome engagement on 1300 722 878 or [policy@rca.asn.au](mailto:policy@rca.asn.au).