

MEDIA RELEASE



IMMEDIATE RELEASE 31/03/2026

R&CA responds to RBA card surcharge ban: reform without real support falls short for operators

Restaurant & Catering Australia (R&CA) has acknowledged today's announcement by the Reserve Bank of Australia's Payments System Board to ban card payment surcharges on EFTPOS, Mastercard and Visa transactions from 1 October 2026.

The RBA has paired the surcharge ban with a reduction in interchange fees, lowering the cap on consumer credit card fees from 0.8 per cent to 0.3 per cent. While that reduction will ease some of the burden on businesses, particularly smaller operators, it does not eliminate the cost of accepting card payments.

R&CA National President John Hart OAM said the organisation understands the consumer sentiment behind the reform, but stressed that hospitality operators will feel the practical impact of this change at a time when margins are already under significant pressure.

"We understand why consumers want straightforward pricing at the checkout. Nobody likes unexpected fees. But we need to be clear about what this reform means in practice for restaurants, cafes and catering businesses across Australia," Mr Hart said.

"Card surcharges have never been a revenue stream for hospitality operators. They exist because processing payments costs money, and operators have been passing on those costs rather than absorbing them into already tight margins.

"From 1 October, those costs do not disappear. The question for every operator is: what does this mean for my business? And the answer, for most, is that menu prices will need to be adjusted. The cost of accepting card payments will now sit alongside food costs, labour, energy and rent as another operating expense built into the price of a meal.

MEDIA RELEASE



"For an industry processing millions of low-value, high-volume transactions every week, that adjustment is not insignificant. A restaurant turning over hundreds of card transactions a day will need to recalculate its pricing to absorb costs that were previously recovered at the point of sale.

"We acknowledge that the reduction in interchange fees will help offset some of that impact. But the offset is partial, not complete. And it is worth noting that not all card networks are covered by this reform, which means operators will continue to face higher processing costs on certain transactions with no mechanism to recover them.

"What we need now is a genuine commitment from the Government and from payment providers to support small hospitality businesses through this transition. That means ensuring payment providers pass on the full benefit of reduced interchange fees to operators, not just to their own bottom line. And it means recognising that hospitality businesses will need time to restructure their pricing ahead of October.

"Our members are resilient. They have navigated rising food and energy costs, labour shortages, and wave after wave of regulatory change. They will adapt to this as well. But this is a cost shift, and the industry needs that to be acknowledged rather than dressed up as a saving."

The surcharge ban takes effect on 1 October 2026, with caps on foreign card interchange fees and additional transparency measures for card networks scheduled for 1 April 2027.

R&CA will continue to engage with the Government on behalf of operators and will provide members with further information on the reforms in the coming weeks.

Media Contact:

Venessa Barnes
Media and Communications
Restaurant and Catering Australia
vbarnes@rca.asn.au 0413 732 652

About Restaurant & Catering Australia (R&CA):

The Restaurant & Catering Association is the national industry body representing over 57,000 cafés, restaurants and catering businesses across Australia. R&CA advocates on behalf of its members to the government, supports industry development, and champions a sustainable and prosperous hospitality sector.