



27 January 2015

### **Western Australia**

Cabcharge has been advised that the Government of Western Australia is proposing to impose a 5% cap (inclusive of GST) on what it refers to as 'non-cash taxi surcharges'.

Although the proposed Regulations are still in draft form and are yet to be gazetted, the Government of Western Australia is intending to make its draft Regulations effective from 24 February 2015.

Cabcharge currently processes approximately \$90m of taxi fares in Western Australia each year, giving rise to approximately \$8m of tax service fee income. These amounts include all categories of transactions processed by Cabcharge in Western Australia. Approximately 25% of this is channelled back to taxi networks in Western Australia to assist in their service operations.

If the service fee in Western Australia is limited to 5% and if the limitation were to apply across all categories of transactions processed by Cabcharge, Cabcharge's tax service fee income could be reduced by approximately \$4m.

The impact on Cabcharge of a reduction in the level of service fee in Western Australia may be mitigated by an increase in electronic payments generally and/or a decrease in the level of competition in the transaction processing market in Western Australia.