



13 June 2014

Western Australia

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.

ABC News has reported that Western Australia's Transport Minister is 'looking to lower [card surcharges] from 10% to 5%'. If the service fee in Western Australia does in fact become 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.

Of course 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. Other mitigating factors could include a reassessment of the merchant fee arrangements with taxi networks.

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Company Secretary