



1 October 2015

AUSTRALIAN CAPITAL TERRITORY

The Government of the Australian Capital Territory (ACT) has indicated that they are proposing to impose a 5% cap (inclusive of GST) on service fees for non-cash Taxi payments.

Although the proposed legislation is still yet to be drafted, the ACT Government has advised that it is to be introduced on 30 October 2015 and will commence sometime in 2016.

Cabcharge currently processes approximately \$33.9m of taxi fares in the ACT each year, giving rise to approximately \$3.1m of taxi service fee income. These amounts include all categories of transactions processed by Cabcharge in the ACT. Approximately 25% of this is channelled back to taxi networks in the ACT to assist their service operations.

If the service fee in the ACT is limited to 5% and if the limitation were to apply across all categories of transactions processed by Cabcharge, Cabcharge's taxi service fee income could be reduced by approximately \$1.8m.

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