

Determination of Maximum Non-Cash Payment Surcharges for Taxis (from 23 September 2024)

14 August 2024

Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

An appropriate citation for this paper is:

Essential Services Commission 2024, Determination of Maximum Non-Cash Payment Surcharges for Taxis (from 23 September 2024), 14 August

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Preface

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Summary

The determination of non-cash payment surcharges in the taxi industry will be:

- 4 per cent (including GST) for all non-cash payment methods except commercial passenger vehicle specific payment instruments, and
- 6 per cent (no GST payable) for commercial passenger vehicle specific payment instruments (such as Cabcharge payment instruments).

This determination sets out the maximum non-cash payment surcharges (maximum surcharge) for or in respect of non-cash payment transactions supplied by or within the non-cash payment transaction industry for taxis in Victoria.

A non-cash payment surcharge is ‘a fee or charge:¹

- (a) added to the amount otherwise payable by the hirer in respect of the hiring of a commercial passenger vehicle because the payment of the amount otherwise payable is made wholly or partly by means of a non-cash payment transaction; or
- (b) payable by the owner or driver of a commercial passenger vehicle or by all or any of them because the payment of an amount payable in respect of the hiring of the vehicle is made wholly or partly by means of a non-cash payment transaction.’

This determination sets the maximum surcharge at:

- 4 per cent (including GST) for all non-cash payment methods, except commercial passenger vehicle specific payment instruments, and
- 6 per cent (no GST payable) for commercial passenger vehicle specific payment instruments (such as Cabcharge payment instruments).

This determination is made following a review of our existing determination of maximum amounts of non-cash payment surcharges for taxis.² The decision paper is available on our website:

www.esc.vic.gov.au.

¹ Commercial Passenger Vehicle Industry Act 2017, s 112.

² Essential Services Commission 2022, Determination of maximum non-cash payment surcharges for taxis, 31 August.

This determination will take effect on 23 September 2024. A review of this determination will be undertaken no later than two years after it is made.³

³ Commercial Passenger Vehicle Industry Act 2017, s 124(4).

Summary

Determination

Statement of purpose

The Essential Services Commission (the commission) is Victoria's independent economic regulator responsible for determining the maximum amounts of non-cash payment surcharges for or in respect of non-cash payment transactions supplied by or within the non-cash payment transaction industry, for taxis registered to operate in Victoria.

This determination gives effect to these commission responsibilities.

Determination of maximum amounts of non-cash payment surcharges

The commission determines that the maximum amounts of non-cash payment surcharges for or in respect of non-cash payment transactions supplied by or within the non-cash payment transaction industry, for taxis registered to operate in Victoria, are those set out in the Schedule.

In summary, the determination of non-cash payment surcharges in the taxi industry will be:

- 4 per cent (including GST) for all non-cash payment methods, except commercial passenger vehicle specific payment instruments, and
- 6 per cent (no GST payable) for commercial passenger vehicle specific payment instruments (such as Cabcharge payment instruments).

Reasons for the making of the determination

In making a price determination, the commission must adopt an approach and methodology that it considers will best meet its objectives under relevant legislation.⁴ The commission has made this determination following a review of its existing determination⁵ of maximum amounts of non-cash payment surcharges levied in Victoria's taxi industry. This included consideration of the objectives and matters to which the commission must have regard to under the *Essential Services Commission Act 2001* (Vic), the *Commercial Passenger Vehicle Industry Act 2017* (Vic) and the *Transport Integration Act 2010* (Vic). The commission's review of the maximum non-cash payment surcharge, and the objectives and matters the commission must have regard to when making a determination, are detailed in the final decision, available on our website: www.esc.vic.gov.au

⁴ Essential Services Commission Act 2001, s 33.

⁵ Essential Services Commission 2022, Determination of maximum non-cash payment surcharges for taxis, 31 August.

The reasons for making this determination are set out in the commission's final decision dated 14 August 2024.⁶

Nature and effect of this determination

This determination is made under Part 6, Division 3 of the Commercial Passenger Vehicle Industry Act 2017 (Vic), together with Part 3 of the Essential Services Commission Act 2001 (Vic).

The determination is binding on the non-cash payment transaction industry.⁷

This determination sets the maximum amounts of non-cash payment surcharges for or in respect of non-cash payment transactions supplied by or within the non-cash payment transaction industry for taxis in Victoria. It revokes the commission's previous determination made on 31 August 2022.

Date at which this determination takes effect

This determination will take effect on 23 September 2024. This determination has effect until it is amended or revoked by a later determination.⁸

How to obtain a copy of this determination

A copy of this determination may be downloaded from the commission's website:

www.esc.vic.gov.au

Alternatively, a copy may be requested by contacting the commission by post (Essential Services Commission, Level 8, 570 Bourke Street, Melbourne Victoria 3000), by phone (+61 3 9032 1300 or 1300 664 969) or by email: transport@esc.vic.gov.au

⁶ Essential Services Commission, Review of the maximum unbooked taxi fares and non-cash payment surcharges: Final decision, 14 August 2024.

⁷ Essential Services Commission Act 2001, s 35(7).

⁸ Essential Services Commission Act 2001, s 35(6)(a).

THE COMMON SEAL of the **ESSENTIAL SERVICES**)
COMMISSION was affixed pursuant to the authority of)
The Commission on the 16th day of August 2024)



Sitesh Bhojani
Commissioner and Acting Chairperson

Schedule of maximum non-cash payment surcharges for taxis in Victoria

Nature and scope of determination

This determination is binding on the non-cash payment transaction industry.⁹ The maximum amounts of non-cash payment surcharges (maximum surcharges) in this schedule are set under Part 3 of the *Essential Services Commission Act 2001* (Vic) and Part 6, Division 3 of the *Commercial Passenger Vehicle Industry Act 2017* (Vic).

They apply from 23 September 2024 to a fee or charge:¹⁰

- (a) added to the amount otherwise payable by the hirer in respect of the hiring of a commercial passenger vehicle because the payment of the amount otherwise payable is made wholly or partly by means of a non-cash payment transaction, or
- (b) payable by the owner or driver of a commercial passenger vehicle or by all or any of them because the payment of an amount payable in respect of the hiring of the vehicle is made wholly or partly by means of a non-cash payment transaction.

The determination applies from 23 September 2024 to:¹¹

- any person who provides or maintains any equipment (whether or not installed in the commercial passenger vehicle) or any application or software that enables the non-cash payment transaction to be made,
- any person who manages or administers the whole or any part of a system under which non-cash payment transactions may be made, and
- the owner and driver of a commercial passenger vehicle.

Maximum surcharge for all other non-cash payment methods

The maximum surcharge for all non-cash payment methods other than commercial passenger vehicle specific payment instruments is **4 per cent** (including GST).

⁹ Essential Services Commission Act 2001, s 35(7).

¹⁰ Commercial Passenger Vehicle Industry Act 2017, s 112(1).

¹¹ Commercial Passenger Vehicle Industry Act 2017, s 113(5).

Maximum surcharge for commercial passenger vehicle specific payment instruments

The maximum surcharge for commercial passenger vehicle specific payment instruments (such as the Cabcharge payment instrument) is **6 per cent** (no GST payable).

Definitions

A 'commercial passenger vehicle specific payment instrument' means a non-cash payment instrument designed for use only in commercial passenger vehicles. An example of this is the Cabcharge payment instrument issued by A2B Australia (ABN: 99 001 958 390) for use in taxis.