

Further consultation for taxi surcharge proposal

Most taxi users will save on taxi fares with the state's price regulator [proposing a 1 per cent reduction](#) in the maximum surcharge taxi operators can charge for users paying with common credit cards or other cashless options*.

The Essential Services Commission has proposed a two-tiered surcharge of 4 per cent for most cashless payment methods and 6 per cent for Cabcharge payments.

The commission's director of pricing Marcus Crudden said with non-cash payment transactions continuing to grow, scrutiny of the fees is more important than ever.

"The maximum rates we are proposing are designed to ensure taxi users only pay reasonable fees, but processors are also able to recover their costs," he said.

In May, the commission released an initial draft decision to lower the cap from 5 to 4.5 per cent but has developed a new proposal based on information received during the review.

Mr Crudden says analysis of the underlying cost of providing the service is generally lower than 4.5 percent except for Cabcharge payments.

"Our analysis shows a surcharge of 4 per cent is likely to be more appropriate for most operators, allowing them to recover their payment processing costs.

"Cabcharge however operates a commercial payment processing system with higher underlying costs so a surcharge of 6 per cent may be more appropriate," he said.

Stakeholders are now being given an opportunity to provide feedback on the commission's new proposal of a two-tiered surcharge.

Submissions on the new draft decision will be accepted until 16 December 2019 with a final decision in early 2020.

The current surcharge will remain in place until implementation of a final decision in May 2020.

*Non-cash payment surcharges are fees charged to passengers, on top of the standard taxi fare, for paying by any method other than cash.

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