

**SYNERGY — MERCHANT SERVICE FEES**

644. Hon Martin Aldridge to the minister representing the Minister for Energy:

I refer to recent Synergy bills issued, stating that from 1 March 2022, merchant service fees will be charged for all card payments, and I ask:

- (a) was Ministerial approval sought and given for the application of merchant fee cost recovery;
- (b) what are the applicable merchant fee rates from 1 March 2022;
- (c) what were the applicable merchant fee rates prior to 1 March 2022;
- (d) what is the expected revenue from merchant fee cost recovery to Synergy; and
- (e) did Government contemplate delaying such a decision given the rising cost of living pressures and the likelihood customers may become more reliant on credit cards to settle essential bills such as these?

**Hon Matthew Swinbourn replied:**

- (a) Ministerial approval is not required for merchant fee cost recovery.

The application of card payment surcharges was introduced by the Barnett Government in 2014. As a result of By-law amendments made by the McGowan Government in 2017, Synergy's complies with the Reserve Bank of Australia's Surcharging rules per Standard No. 3 of 2016, and passes through only the actual charges it incurs.

- (b)–(c) The applicable merchant fee rates are provided in the table below. The only changes introduced from 1 March 2022 were rate reductions for three of the five applicable Schemes.

	From 1 March 2022	Prior to 1 March 2022	Change
Visa Credit	0.89%	0.89%	0.00%
Visa Debit	0.38%	0.39%	–0.01%
MasterCard Credit	0.73%	0.76%	–0.03%
MasterCard Debit	0.31%	0.33%	–0.02%
American Express	0.84%	0.84%	0.00%

- (d) During the 2021/22 financial year, Synergy expects to recover \$3,255,420 in merchant fees.

- (e) The Government does not have a role in approving merchant fee cost recovery changes.

However, the State Government and Synergy are committed to supporting customers experiencing bill payment difficulties, with a range of programs and payment arrangements available. Impacted customers are encouraged to contact Synergy directly.