

**RESPONSE TO COUNCILLOR QUESTIONS  
ORDINARY MEETING OF COUNCIL 1 MARCH 2017**

**Councillor Question Time – answers to questions taken on notice\***

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**In relation to credit card payments, asked if the mercantile fee that we pay is 1.5%?**

**(Cr Dick Gross)**

**Response**

**Council have charged a 0.5% merchant recovery surcharge fee on invoices or applications that are generated by our core system paid for by credit card since July 2016. Children centre fees are generated outside our core system and do not include the charge.**

**An analysis of bank charges was undertaken in 2016 to determine the average fee Council is paying for credit card transaction across different payment channels (Eservices, Bpoint, over the counter, Aust Post) in order to calculate the appropriate surcharge.**

**Credit card transaction fees include the following:**

- **MasterCard and Visa credit interchange fees**
- **Card scheme fees (eg CBA and non CBA MasterCard and Visa)**
- **Merchant service fee which is a percentage of the value of the transaction**
- **Transaction charges applicable to the payment gateway method eg telephone, ecommerce, direct debit, Australia Post**

**Based on these fees the average charge per \$100 and \$500 transactions are 0.72% and 0.56% respectively. These have been checked against the new contract prices for 2017-2022.**

**The 0.5% fee charged by Council meets the 2016 Reserve Bank regulations and the ACCC requirements that merchants do no on-charge excessive fees over and above what we pay.**

*\*Note: answers to any questions in Councillor Question Time which were answered at the meeting are included in the minutes of that meeting.*