



# LEGION CABS

THE SYMBOL OF SERVICE

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1 July 2004

The General Manager  
Adjudication Branch  
Australian Competition &  
Consumer Commission  
P O Box 1199  
DICKSON ACT 2602

Dear Sir/Madam

**RE: Taxi Authorisation A.90441**

We acknowledge receipt of your letter dated 17 June 2004, seeking additional information in relation to the above.

We respond to the questions contained in your letter in the same numerical sequence.

1. Legion Cabs (Trading) Co-Operative Society Limited (Legion Cabs), entered into a merchant agreement with Cabcharge Australia Limited (Cabcharge) for a period of five (5) years on 14 December 1999. The agreement allows Legion its operators and drivers to offer the Cabcharge Payment System and to accept all approved payment cards and Cabcharge account coded dockets.

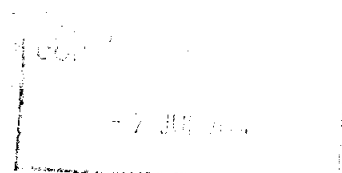
Legion Cabs is a shareholder in Cabcharge.

2. Legion Cabs have 526 taxi-cabs in its fleet.
3. Refer 1 above.
4. Legion Cabs operates its own booking Network and despatch service. Legion Cabs provides a booking and despatch service to St George Cabs Co-Operative Limited and RSL Ex-Servicemens' Cabs and Co-Operative Members Limited.
5. It is our understanding that the approved taxi hire account system is known as the Cabcharge Payment System.

**Legion Cabs (Trading) Co-Operative Society Ltd.**

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6.
  - (i) Cabcharge (cards and docketts)
  - (ii) Visa
  - (iii) MasterCard
  - (iv) Bankcard
  - (v) American Express
  - (vi) Diners Club
  - (vii) JCB
  - (viii) Motorpass
  - (ix) Taxi Transport Subsidy Scheme docketts
  - (x) International Third Party Cards
7. The 10% service fee applies to all accepted cards and vouchers, except Taxi Transport Subsidy Scheme Docketts. TTSS Docketts are processed by Cabcharge and payment to the Co-Operative is less a 2% processing fee. The fee is absorbed by the Co-Operative and operators are paid the full value of the docket.
8. Docketts embossed from Approved Payment Cards which have expired as at the date of the journey and docketts which have been amended or varied as to the detail of the hiring by any person, other than the hirer, are not accepted by Cabcharge and are returned to the operator of the taxi by Legion.

Docketts not properly completed, or illegible, are also returned to the operator and reinput when properly completed.
9. The processing fee for Taxi Transport Subsidy Scheme docketts which is borne by the Network would act as an incentive for drivers to undertake M40 and M50 hirings. No other incentives are available.
10. We are unaware of any EFTPOS terminals, other than Cabcharge terminals in the Legion Network. There were some time ago, a number of operators using and promoting a hand held EFTPOS terminal, however, they do not appear to be now operating.
11. Legion does not require its taxi operators to install a Cabcharge EFTPOS terminal. Most would have terminals fitted, however, may choose not to use.
12. In terms of the market definition, the reference to Co-Operatives alone is not accurate, as there is now a listed public company and a substantial private company in addition to a Co-Operative providing network services in New South Wales.

Whilst the number of stand alone entities providing network services in new South Wales has reduced, the number of organizations offering taxi services and using other Networks to broadcast bookings would not have reduced substantially.

Competition between groups offering taxi services for taxis to join those groups is as vigorous now as would have been the case in 1986.

Yours faithfully



John McPherson  
General Manager