

Cabcharge Australia Limited

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1 July 2004

Australian Competition & Consumer Commission P.O. Box 119

DICKSON ACT 2602 By Facsimile: 02 6243 1199

Attention: Ms Arnaud

Dear Ms Arnaud,

PROPOSED REVOCATION OF AUTHORISATION A30112 DELUXE RED & YELLOW CANS CO-OPERATIVE TRADING SOCIETY LTD YOUR REF: C2003/158-02

We refer to the above matter and to your letter dated 17 June 2003 and advise (sequentially in accordance with your questions):

As you are aware Combined Communications Network Limited (CCN) –
formerly Deluxe Red & Yellow Cabs Co-operative Trading Society Limited is a
wholly owned subsidiary of Cabcharge. There is currently no formal Merchant
Agreement between CCN and Cabcharge however we confirm that CCN is bound
by the same terms of Merchant Agreements currently in place between Cabcharge
and other Taxi Networks.

We confirm that CCN receives no other merchant benefits from Cabcharge different to that of any other Cabcharge merchant.

- 2. The 10% surcharge applies to all accepted cards and vouchers in the approved taxi hire account system except those vouchers used as payment pursuant to the Transport Subsidy Scheme.
- 3. The Agreement between Cabcharge and CCN provides for a range of payment systems. The method of payment is determined by the consumer and we accept payment in any form that is offered whether it be Cabcharge, Third Party or Bank issued cards.

There is a Cabcharge sign which is placed on the interiors of taxicabs (approved by ASIC, ACCC and Department of Fair Trading) making consumers fully aware of the conditions of use of the various cards when used as payment for taxi fares.

- 4. Cabcharge bears liability for all transactions except in the case of blatant fraud (for example, where dockets have been altered by the taxi driver, etc).
- 5. We are unaware of any such arrangements.
- 6. The decision of the Trade Practices Commission in Silver Top Taxi Service Limited (1995) ATPR p.50-209 suggests that within the Taxi Industry the services provided by Taxi Networks are separated into two interrelated markets:
 - the provision of radio booking services to taxi operators; and
 - the provision of pre-booked taxi services to the public.

We believe if the words "including the facilitation of credit account and charge facilities for taxi services" were added to "the provision of pre-booked taxi services to the public" it would represent a more succinct definition.

Yours faithfully,

Company Secretary