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To: Jason Byrne
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NSW TAXI DRIVERS' ASSOCIATION

INCORPORATING BAILEE TAXI DRIVERS AND OWNER DRIVERS

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Jason Byrne
ACCC

Re Authorization 30112

It would appear that Cabcharge and CCN, the significant beneficiaries of the Authorizations currently being re-examined are seeking to differentiate the "acceptance of the hiring account system in satisfaction of fares" between acceptance of a card or voucher and the processing of the card through an eftpos device.

The position claimed is that a driver may continue to "swipe" cards and use the facilities of a Docket Exchange to encash such processed vouchers. As such the driver is not obligated to use the eftpos system.

There are three issues that arise.

Firstly, without on-line verification of the validity of the card, the driver takes on the risk of a fraudulent transaction.

Secondly, the cover sheet of the blank vouchers supplied by Cabcharge, specifically state that the vouchers are for emergency use only in the event of a terminal malfunction and that dockets manually processed will not be accepted by Cabcharge when the terminal is operational.

Thirdly, the "green vouchers" are not acceptable for debit cards or

Bankcards.

It is an absolutely specious argument to propose that the hiring account system does not now incorporate the use of eftpos devices.

Clearly the intent is to justify the exorbitant fees charged by reference only to paper transactions, and to exclude the preponderant use of electronically processed cards.

The publicly announced intention of Cabcharge to phase out its "blue" vouchers in favour of a new "e-ticket" card [that would also be only processable by a Cabcharge eftpos device] is a further example of their mendacity.

We refer to earlier submissions by Mr Michael Jools and would draw to your attention a process that will further enshrine the monopolistic control exerted by Cabcharge over the Taxi Industry.

The NSW Minister for Transport Services has advised that all Sydney Taxis will be required to have an operational e-tag for electronic tolling. The Ministry of Transport is in process of amending the meter standards to require connectivity of such devices with the meter such that the fare shown reflects all charges. It may or may not be requiring that a printed receipt be available to all passengers at this stage. The trial being conducted on the TTSS [disabled passenger] cards does require a printed receipt from a connected eftpos terminal printer.

Cabcharge has announced that it will set up arrangements with the providers of electronic toll charge systems to provide a bulk charging and billing system for all taxis using e-tags installed by Cabcharge. A discount to Cabcharge of 20 cents per transaction is widely reported. The NSW Taxi Council Limited has announced that network by-laws will be amended to require that all cabs must be fitted with e-tags.

There are current industrial issues between drivers and operators as to the responsibility to provide an e-tag.

It will however, as a gratuitous but not unplanned consequence, require the use of an eftpos device compatible with the Cabcharge systems. Given the commercial reluctance of Cabcharge, already on record, to freely or even reasonably permit access to financial coding, the result is, simply, a continuance of the Cabcharge monopoly.

Any decision that the ACCC may make will be essentially irrelevant in the face of this manoeuvre to retain exclusive control.

It is therefore critical that the ACCC address this issue, complicated as it may be by the intervention of the NSW Government in the exercise of its regulatory functions.

Our Association, which has been recently incorporated, is very concerned with the whole issue of Cabcharge and its current effective control over the industry. We see that this particular issue has major significance for taxi drivers and owner drivers who are currently obliged to accept Cabcharge without adequate guarantee that the credit so given to passengers will be met by Cabcharge itself. If effective monopoly control is maintained by this essentially backdoor regulation process, the competitive independence of taxi drivers remains at risk, to the public detriment.

We are concerned also at the exploitation of consumers by a 10% surcharge on credit type transactions, where such an impost can no longer be justified. And where the taxi driver cops the abuse from passengers who are unaware of the drivers' exploitation by Cabcharge.

We urge the ACCC not only to rescind the Authorization, but also to determine that any hiring account system be able to accept for processing any credit or debit card generally available, in the public interest.

Michael Jools

**Chairman NSW TDA
Wednesday, 15 September 2004**

