Our Ref:

C2011/814

Contact Officer: Anna Giannakos

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Dear Mr Sak

Notification N95566 submitted by First Class Taxis Pty Ltd -- Interested party submissions

I refer to your client's notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 27 September 2011.

As you are aware, on 21 October 2011 the ACCC wrote to interested parties seeking submissions in relation to the notification. The ACCC requested submissions be provided by 4 November 2011.

The ACCC has received submissions from the following interested parties:

- Cabbiexpress International Limited
- Tyro Payments Limited
- National Billing Group Pty Ltd

Copies of these submissions are posted on the ACCC internet site at www.accc.gov.au/exclusivedealingregister

If you wish to comment on any of the submissions, please do so by cob 24 November 2011. Alternatively, if you would like to provide comments orally, please contact Anna Giannakos on (03) 9290 6920 to organise an appropriate time.

We note that First Class Taxis has decided to remove the requirement that Approved EFTPOS Suppliers must "provide a charge account system which gives passengers a line of credit to pay for taxi fares and related charges", which was the subject of some comment in the above submissions.

While you may comment on any issue raised by the submissions, the ACCC particularly invites you to respond to the following issues raised thus far through the consultation process:

Multiple terminals

- 1. Please indicate whether handheld EFTPOS terminals could (either through some modification or otherwise) deliver the outcomes sought by First Class Taxis, without the need for them to be physically hardwired; please explain why or why not;
- 2. Please indicate the costs associated with installing a second hardwired EFTPOS terminal into a taxi;
- 3. Please indicate the number of First Class taxis which currently have a secondary terminal installed, and specify whether the secondary terminals are hardwired;
- 4. Are there any restrictions or impediments to the installation of more than one EFTPOS terminal into a taxi, or any disadvantages to operators who do so?

Real time visibility

- 5. Please explain how real time visibility will be achieved as a result of the operation of hardwired EPTPOS terminals; will this take into account only electronic transactions?
- 6. What is the ratio of electronic fares to cash fares typically received over a day?
- 7. Are there any other means to achieve real time visibility?
- 8. I understand that First Class Taxis currently uses an MT Data Dispatch System. Please indicate why the MT Data Dispatch System currently utilised cannot adequately provide real time visibility to meet First Class Taxis' objectives.

Proposed criterion that requires 'A Payment system which allows the Bailee to process non-cash and other payment systems as mandated by law'

- 9. Could you please clarify what is intended by the phrase 'as mandated by law' in this context. This expression may be open to multiple interpretations, one of which may effectively restrict eligible suppliers to Cabcharge only, given the requirements imposed on taxi operators under the Taxi Subsidy Scheme.
- 10. Which suppliers of EFTPOS terminals (if any) does First Class Taxis consider would be ineligible to become Approved Suppliers of payment systems on the grounds that they do not meet this criterion?;
- 11. Which suppliers of EFTPOS terminals (if any) currently meet this criterion?

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Anna Giannakos on (03) 9290 6920 or by email at anna.giannakos@accc.gov.au

Yours sincerely

David Jones

Director

Adjudication Branch