

Level 8
175 Eagle Street
Brisbane QLD 4000
AustraliaGPO Box 617
Brisbane QLD 4001
AustraliaTel: +61 7 3069 6200
Fax: +61 7 3069 6201
www.bakermckenzie.com

Our ref: AUSJDP:AUSRKD

By email
Gavin.Jones@accc.gov.auAsia Pacific
Bangkok
Beijing
Brisbane
Hanoi
Ho Chi Minh City
Hong Kong
Jakarta*
Kuala Lumpur*
Manila*
Melbourne
Seoul
Shanghai
Singapore
Sydney
Taipei
Tokyo
YanongEurope, Middle East
& Africa
Abu Dhabi
Almaty
Amsterdam
Antwerp
Bahrain
Baku
Barcelona
Berlin
Brussels
Budapest
Cairo
Casablanca
Doha
Dubai
Dusseldorf
Frankfurt/Main
Geneva
Istanbul
Jeddah*
Johannesburg
Kyiv
London
Luxembourg
Madrid
Milan
Moscow
Munich
Paris
Prague
Riyadh*
Rome
St. Petersburg
Stockholm
Vienna
Warsaw
ZurichLatin America
Bogota
Brasilia**
Buenos Aires
Caracas
Guadalajara
Juarez
Lima
Mexico City
Monterrey
Porto Alegre**
Rio de Janeiro**
Santiago
Sao Paulo**
Tijuana
ValenciaNorth America
Chicago
Dallas
Houston
Miami
New York
Palo Alto
San Francisco
Toronto
Washington, DC* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados

18 June 2015

Gavin Jones
Director - Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Gavin

Further information regarding ihail Pty Ltd application for authorisation

We wish to provide some subsequent information to assist with your ongoing consideration of ihail Pty Ltd's application for authorisation.

Specifically, we wish to provide further information in relation to the mechanism that the application will use to process payment, as well as to determine the fare that will be charged to the consumer. As noted in the application, ihail Pty Ltd does not have any involvement in setting the prices that individual taxi companies charge to consumers: fare prices are determined independently by every taxi company that has an agreement with ihail Pty Ltd, including whether or not that taxi company wishes to provide consumers with a discounted price from the government-regulated maximums, as well as any instance where an individual driver wishes to negotiate a lower fare with a consumer. ihail Pty Ltd is not involved in setting these prices in any way.

Importantly, ihail Pty Ltd maintains this distance from the pricing negotiation between companies and consumers by the process of entering fares into the driver side of the application. At the conclusion of a taxi job, if the job was booked through the ihail app, the driver will be required to enter the amount of the fare that was charged to the customer. This may be the metered fare, however, the driver is also able to enter a price into the driver side of the application that is below the metered fare if he or she has negotiated that lower price with the consumer. ihail Pty Ltd will only take the price that has been entered by the driver into the driver side of the app and will not take any price information directly from the meter.

While ihail Pty Ltd notes that there is, in every jurisdiction that it is planning to launch in, a government-regulated maximum price that taxi companies can charge to consumers (generally based on a time and distance calculation), it does not require drivers or taxi companies to charge the metered price, nor does it intend to impact on any ability of cab drivers to negotiate a price below the metered price with individual consumers.

ihail Pty Ltd notes that its application does contain a "fare estimator", similar to those seen in a number of other taxi or ride sharing applications. This fare estimation will be based on the standard government regulated maximum price along with the estimated time and distance that the taxi will have to cover. The estimation is explicitly stated not to represent the actual value of the fare, but is only to give an indication of what the charge may be. This fare estimation has no legal effect on the ability of the driver to engage in price negotiation.

As such, ihail Pty Ltd will have no involvement in setting the prices that individual consumers will be charged, nor does the use of the ihail application alter the existing price negotiation relationship between the customer and the driver. Because of this, ihail Pty Ltd does not believe that its application for authorisation needs to be extended to cover potential price fixing activities between its licenced taxi operators.

Please feel free to contact us if you would like any further information on this process.

Kind regards



Jo Daniels
Partner
+61 7 3069 6220
Jo.Daniels@bakermckenzie.com

Rowan Kendall
Associate
+61 7 3069 6223
Rowan.Kendall@bakermckenzie.com

Cc: Natalie Plumridge
Australian Competition and Consumer Commission
By email: Natalie.Plumridge@accc.gov.au