

Gilbert Jewel

From: ann [wwestsub@bigpond.net.au]
Sent: Friday, 11 June 2004 12:02 PM
To: adjudication@accc.gov.au
Subject: ACCC Response 11-06-04.doc

11th June 2004

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

West Suburban Taxis Limited was granted a Trade Practices Act Authorization (A40071) by the TPC in April 1994. Our Authorization allowed us to suspend from Radio Work drivers who refused to accept payment according to West Suburban's advertised credit card arrangements.

The TPC found that there were public benefits achieved by granting this Authorization. West Suburban is concerned that the ACCC (successor to the TPC) seeks to revoke or alter Authorization A40071 pursuant to Section 91B.

We submit that the public benefits achieved by the Authorization still exist and ask you to take into account the factors in our submission.

The public benefits flow from simplicity and certainty for our taxi passengers; we think it is important that passengers can reasonably expect to be able to get into any vehicle of West Suburban's and know that the way they paid yesterday can be the way they will pay for today's trip.

The old days (before our Authorization A40071) involved passengers wondering up and down taxi ranks pleading with drivers to accept their particular form of payment; this is embarrassing and hardly the type of customer service that we wish to promote. Of course, taxi ranks present the simplest case for passengers – at least on a rank they can shop between taxis. We ask you to think about the case where there is no rank where a passenger is trying to hail taxis in the street or where a passenger wishes to book one.

We ask you to look more closely at the situation where a passenger books a taxi; it was because of this case that the taxi booking networks asked for authorizations. The outcome of any revocation will be delays and confusion because unless credit and charge arrangements are 100% certain, they may as well not be certain at all. A passenger ringing for a West Suburban cab might have to wait until a particular type of vehicle is available in their area.

Taxis are not like restaurants where a simple call or visit to a website will ascertain the credit card payment options with any certainty. The model for which taxi you get involves probability about which taxis are in your area at a particular point in time and cannot be determined at the time when you ring to book with us.

The passenger may not tell us how they wish to book and the driver may not tell us what charge systems they going to accept. We can also consider the case of drivers who ask other drivers to carry out their regular hirings and places like restaurants who arrange taxis for their patrons. To

11/06/2004

make matters worse, the point of sale in a taxi trip is at the end of the trip and may well be in a residential area away from banks.

One reason that passengers like to use cards in taxis is because the price is not fixed but established according to the taxi meter at the end of the trip. This makes it hard for customers (especially tourists) to know exactly how much cash to carry.

Despite obvious safety concerns, taxi drivers preferences for cash are well known. The ACCC's suggestion that in this day and age, even without a taxi group's rules, the drivers will all accept cards is incorrect. Drivers often have non-English speaking backgrounds, work for several different taxi owners and operators and are unlikely to all act the same way.

The ACCC's notes in relation to revoking West Suburban's Authorization, describe the high acceptance of EFTPOS in New Zealand. If you examine the New Zealand taxi industry, you will find very low rates of EFTPOS in taxis and relatively low rates of credit card acceptance.

The other ACCC's suggestion that drivers and owners are unlikely to accept more than one system forgets that this is already likely because of the disabled subsidy scheme.

There would be a bits and pieces result with no benefit to the public, the competition or simplicity if our Authorization were revoked. West Suburban asks you to reconsider the position, as the changes in the intervening years have not altered the fundamental nature of the taxi business.

*Yours Faithfully
West Suburban Taxis Limited*

*Ann Hutchinson
Secretary*