

## **RECORD OF MEETING**

**between**

**Australian Competition & Consumer Commission**

**and**

**Murrell Group - Bay City Cabs**

17 August 2004, 9.15 am

11 - 15 Douro Street, North Geelong, Victoria, 3215

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### Present

ACCC: Ms Isabelle Arnaud, Adjudication Branch  
Mr Jason Byrne, Adjudication Branch

Bay City Cabs: Mr Daryl Murrell, General Manager  
Ms Lyn Foley, Administration Manager

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Ms Arnaud began the meeting by providing an overview of the review of the authorisations in the taxi industry and explained that the conduct related to the provision of radio booking services to taxi operators and drivers on the condition they accept the taxi hiring account system approved by the Network and display the decals of that system, otherwise risk suspension from the radio booking service. The taxi hiring account system is known as the Cabcharge Account System and covers acceptance of most major cards and vouchers.

Mr Murrell proceeded to provide an overview of their operations. The Murrell Group owns Bay City Cabs which has a fleet of 77 taxi-cabs and is a Network operating out of Geelong with their own booking and dispatch service. Bay City Cabs owns all the licences and leases these out to operators (assignees) who have drivers (bailees) to work shifts. Their operations used to be part of Geelong Radio Cabs and formed Bay City Cabs in 1987. Bay City Cabs competes with other Networks in the area like Geelong Radio Cabs and uses strategies such as marketing, quality, service and presentation to gain a competitive advantage.

Bay City Cabs indicated that when they take a booking, generally, the only passenger details taken is the pick up address and if it is a booking in advance, the time at which the passenger requires the taxi. The booking is then dispatched to a driver who has logged into the zone. If there are a number of drivers in the zone, the booking will be dispatched to the driver at the top of the queue who has a number of seconds to accept the job. If the driver declines the job, it goes to the driver next in the queue.

Bay City Cabs indicated that drivers compete against each other to attract direct mobile phone bookings and on general knowledge of which suburbs have the most

work and any regular bookings. They try to build their private client base and give themselves a competitive advantage by presenting well, maintaining the cleanliness of the taxi and in general being courteous and providing a level of service greater than that offered by other drivers.

Bay City Cabs indicated that drivers do not compete on fares charged to passengers as these are regulated by government, or on the colours and markings of the taxi as the Network livery is approved by government.

Bay City Cabs indicated that nowadays more and more people pay by card. In Bay City Cabs' experience, drivers like card payments because with a long trip they know the passenger will be able to pay, whereas with cash there is a risk they won't have enough money to cover the cost of the fare. The method of payment makes little difference to drivers as long as they get paid.

Bay City Cabs could only recall one situation where a driver refused to accept a card payment, however noted it was a very rare occurrence and the last time it happened was over 5 years ago.

Bay City Cabs indicated that nearly all non-cash transactions are now electronic transactions. Drivers prefer EFTPOS because it is an efficient way of making a transaction, it helps to reduce fraud and allows drivers to get their money faster. Paper vouchers are very slow to process and if not filled out correctly are returned which further delays payment to the driver. Paper-based transactions increase the risk of fraud both on the part of the passenger and the driver.

Bay City Cabs noted that the trend to move away from manual transactions is continuing in favour of electronic transactions. Bay City Cabs' taxis are all fitted with Cabcharge EFTPOS terminals to allow electronic transactions and the Cabcharge decals are also displayed.

Bay City Cabs indicated that the increase in non-cash payments has partly been a result of the introduction of the M40/50 smart card under the Multi Purpose Taxi Program. This program now requires the use of a Cabcharge EFTPOS terminal and smart card. As a result paper subsidy vouchers are now very limited in use.