

**RECORD OF TELEPHONE CONVERSATION**

**between**

**Australian Competition & Consumer Commission**

**and**

**Suburban Transport Services Pty Ltd**

11 August 2004, 1130 am

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Participants:

Jason Byrne, Adjudication Branch, ACCC

Mr Chris Burkitt, Manager - Finance/Administration, Suburban Transport Services

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Suburban was granted authorisation in 1988 and in response to a letter from the Australian Competition and Consumer Commission, indicated that authorisation was no longer required due to considerable changes in the taxi industry. The purpose of the telephone call to Mr Burkitt was to seek further information on what the considerable changes in the taxi industry were.

Mr Burkitt explained that when authorisation was granted to Suburban in 1988 there was considerable reluctance from drivers to accept anything other than cash for the payment of fares. Since then the industry has changed considerably. Debit/credit cards and EFTPOS are now widely accepted and are an integral part of business.

Mr Burkitt indicated that Suburban does not force operators or drivers to accept cards or vouchers. In effect the authorisation is no longer being used and is not required.

Mr Burkitt indicated that drivers accept cards and vouchers on their own accord to meet the demand created by passengers. Drivers also have electronic facilities available to accept card payments. All of the 260 cabs have a Cabcharge EFTPOS terminal. Other types of terminals are not used because under the current processing arrangements, the Cabcharge card can only be processed using a Cabcharge terminal.

Mr Burkitt was of the view that payments processed electronically have a significant advantage over paper docketts as payment acceptance is immediate and the driver knows payment has been approved. This has reduced the number of fraudulent transactions and therefore reduced the losses previously borne by the taxi operator.

Mr Burkitt explained that when credit cards were first introduced it was the practice for the telephonist to ask the person making the booking if payment was on Bankcard/Visa. This was to ensure the taxi allocated for that job was able to accept

that form of payment. This procedure no longer applies as electronic payments are accepted by all taxis in the Suburban fleet.

Mr Burkitt claimed that around 60 per cent of transactions were non-cash, meaning if a driver did not accept these payments they would lose about 60 per cent of their income. Mr Burkitt was of the view that drivers could not survive financially if they did not accept cards and vouchers. They would lose too much of their income. Mr Burkitt expects the shift from cash to non-cash to continue in the future.

Mr Burkitt indicated that Suburban is an agent for Cabcharge which provides radio booking and dispatch services to taxi operators and drivers. There are around 260 taxi cabs affiliated with Suburban operating in Adelaide.