

## RECORD OF MEETING

between

**Australian Competition & Consumer Commission**

and

**Canberra Cabs**

1 July 2004, 10 am

ACCC Canberra Office, 470 Northbourne Avenue, Dickson ACT

---

### Present

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

Canberra Cabs: Mr Mark Bramston, Chief Executive

---

**Mr Byrne** gave a brief overview of the review that the Commission is conducting in relation to authorisations granted in the taxi industry across New South Wales, Victoria and South Australia. Mr Byrne explained the conduct authorised relates to the provision of radio booking services to taxi operators and drivers on the condition that they accept the taxi hiring account system and display the decals of that system. The approved system is known as the Cabcharge Account System and includes most major credit and charge cards. Mr Byrne indicated that the purpose of the meeting was to look at other taxi companies and co-operatives where authorisation does not exist to see if credit facilities were still offered to passengers in taxis.

**Mr Byrne** asked about the size and operations of Canberra Cabs.

**Mr Bramston** indicated that there are 241 taxi licences issued in the ACT. Around 150 of these are held by investors, around 80 are licence owners and operators, and the remainder are operators who employ bailee drivers. There are around 1,400 registered drivers and around 800 of those work on a regular basis.

Canberra Cabs is a co-operative which provides a network radio booking service. It also provides an arrangement whereby taxi operators can have their vehicles fitted with security cameras, metres, EFTPOS terminals and decals. This is done on a fee-for-service basis.

**Mr Byrne** asked whether it was a requirement for taxi operators and drivers to accept credit payments from passengers.

**Mr Bramston** indicated there was nothing requiring taxi operators or drivers to accept credit, they do not have to accept credit if they do not want to. But in practice

the vast majority of taxi operators and drivers accept credit as it is in their commercial interest to do so. Mr Bramston was of the view that it would be commercially unviable not to accept cards and vouchers. Mr Bramston could not recall ever suspending anyone from the radio booking service for not accepting cards or vouchers.

As far as Mr Bramston was aware, all of the 241 licenced taxis accept credit and have EFTPOS terminals installed. A taxi operator could elect not to have an EFTPOS terminal, but this would be unlikely given the advantages of electronic payment facilities. All of the EFTPOS terminals installed are Cabcharge EFTPOS terminals.

**Mr Byrne** asked why taxi operators and drivers are willing to accept credit if there was nothing requiring them to do so?

**Mr Bramston** indicated that taxi operators and drivers could not survive commercially if they did not accept credit. Mr Bramston commented that the amount of Cabcharge work is staggering and if a significant number of passengers choose to pay by credit, it is in the interest of the taxi driver to accept the payment offered.

**Mr Byrne** asked whether manual transactions still take place using imprinters?

**Mr Bramston** indicated that the manual system is still used if there is no radio signal. Without a radio signal the EFTPOS terminal is unable to transmit the details of the transaction for processing. Where a manual transaction takes place there is a greater risk of fraud and the driver would have to bear the cost of any fraudulent transactions.

Mr Bramston indicated that Cabcharge vouchers are accepted at most service stations and are used by drivers to refuel the taxi at the end of a shift. The Cabcharge vouchers are as good as cash.

**Mr Byrne** asked whether Canberra Cabs has a merchant agreement.

**Mr Bramston** indicated that Canberra Cabs has a merchant agreement with Cabcharge for the processing of card and voucher transactions. Canberra Cabs used to have their own credit provider system but they sold this business to Cabcharge.

**Mr Byrne** asked whether Canberra Cabs was opposed to revocation of authorisation.

**Mr Bramston** indicated that Canberra Cabs had consulted on this issue with the Canberra Taxi Proprietor's Association and they have no objections to revocation. The system for Canberra Cabs works quite well without authorisation so they do not see a need for it.