



26 June 2009

At 2:10pm on 26 June 2009 Cabcharge Australia Limited (Cabcharge) was contacted by the ASX in relation to a release allegedly issued by the Australian Competition & Consumer Commission (ACCC) indicating that they had instituted proceedings in the Federal Court against Cabcharge for alleged breaches of the Trade Practices Act 1974.

Unfortunately, Cabcharge can offer no explanation to the ASX as they have not been served with any initiating proceedings, nor has the ACCC been in contact with Cabcharge in relation to their release.

Sharon Doyle
Company Secretary



Australian
Competition &
Consumer
Commission

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[Consumer & business
directory](#)

[Employment](#)

[ACCC home](#) → ACCC institutes action against taxi industry giant Cabcharge

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ACCC institutes action against taxi industry giant Cabcharge

The Australian Competition and Consumer Commission has instituted legal proceedings in the Federal Court, Melbourne against Cabcharge Australia Limited for alleged breaches of the *Trade Practices Act 1974* in relation to its conduct in the Australian taxi industry.

Cabcharge is a leading supplier of products to the taxi industry including the provision of Cabcharge payment products, processing services for non cash taxi fare payments, taxi meters, and dispatch and network services.

Alleged refusal to deal and taxi meter conduct

The ACCC has alleged that Cabcharge used its market power in the provision of non-cash taxi fare payment processing services and taxi specific payment products to refuse to enter into agreements with competing suppliers of processing services that would have allowed Cabcharge's payment products to be processed through alternative EFTPOS terminals.

The ACCC has also alleged that Cabcharge used its market power to supply a significant number of taxi meters and fare schedule updates either free of charge or below cost for anti-competitive purposes in relation to taxi meters and processing services.

Section 46 of the Act prohibits corporations with a substantial degree of market power from using that power to engage in conduct for certain anti competitive purposes.

Alleged Townsville conduct

The ACCC has further alleged that Cabcharge entered into an arrangement with Townsville Taxis to acquire their charge account business and approximately 130 rival EFTPOS terminals then in use by the taxi network and replace them with Cabcharge EFTPOS terminals.

Section 45 of the Act prohibits corporations from entering into arrangements for the purpose or with the likely effect of substantially lessening competition.

The ACCC is seeking:

declarations that Cabcharge's conduct contravened the Act

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findings of fact
pecuniary penalties
a compliance program, and
costs of the proceeding.

The matter has been listed for directions on July 21 2009 at
9.30am before Justice Finkelstein.

Release # NR 151/09
Issued: 26th June 2009

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