



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

BLACK & WHITE CABS TO PAY \$120,000 PENALTIES, COSTS FOR UNLAWFUL CONDUCT

The Federal Court in Melbourne has ordered that Black and White Cabs Pty Ltd pay \$120,000 because it required some taxi operators as part of a sub-lease agreement to exclusively use the Cabcharge Payment System when processing electronic payments.

This is third line forcing, and is in breach of the *Trade Practices Act 1974*. Third line forcing involves the supply of goods or services on condition that the purchaser acquires goods or services from a particular third party or a refusal to supply because the purchaser will not agree to that condition.

ACCC chairman Graeme Samuel welcomed the decision, noting it would send a clear signal to taxi networks that they needed to adjust to the increased availability and use of systems other than Cabcharge's for non-cash payment of fares.

Black and White Cabs admitted to the third line forcing contraventions for a period of three months in 2009, involving 14 operators running 23 taxis.

Black and White Cabs and the ACCC jointly submitted agreed penalties and other orders to the court for consideration.

Justice Finkelstein made a declaration that the conduct contravened section 47(1) of the *Trade Practices Act 1974* and made the following orders:

- imposed a penalty of \$110,000 (payable in three instalments over two years)
- restrained Black and White Cabs from engaging in similar conduct for a period of 5 years
- required Black and White Cabs to send letters to all of its affiliated taxi operators regarding its unlawful conduct
- required Black and White Cabs to implement a trade practices compliance program, and
- required Black and White Cabs to pay a contribution of \$10,000 towards the ACCC's costs.

Mr Samuel said the \$120,000 figure incorporated a discount for a plea before trial. The conduct was for a period of three months in 2009. It ceased on the ACCC expressing its concern.

Mr Samuel further noted that this decision follows shortly after the conclusion in late September of ACCC proceedings against Cabcharge Australia Limited for misuse of market power where penalties of \$14 million were imposed together with other orders.

Media inquiries

Mr Graeme Samuel, chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Ms Lin Enright, director, media unit, (02) 6243 1108 or 0414 613 520

General inquiries

Infocentre: 1300 302 502

NR 244/10

4 November 2010