



# NEWS RELEASE

## CABCHARGE PENALISED FOR MISUSE OF MARKET POWER

The Federal Court in Melbourne has today made declarations and orders that Cabcharge Australia Limited pay \$15 million in penalties and costs for three contraventions of section 46 of the *Trade Practices Act 1974*.

ACCC chairman Graeme Samuel welcomed the conclusion of the proceedings noting that it is the highest penalty imposed in misuse of market power (section 46) proceedings brought by the ACCC.

"The decision reflects the determination by the ACCC to seek significantly higher penalties for breaches of the competition provisions of the *Trade Practices Act* under the higher penalty regime that applies to post 2007 contraventions," Mr Samuel said.

Two contraventions related to a refusal by Cabcharge to allow competing suppliers of electronic payment processing services for taxis to process Cabcharge branded non-cash payment products. The third contravention related to the below cost supply of Cabcharge taxi meters and associated fare schedule updates for an anti-competitive purpose.

Cabcharge admitted to three contraventions and with the ACCC jointly submitted agreed penalties and other orders to the court for consideration.

Justice Finkelstein made declarations for each of three contraventions of section 46(1) of the *Trade Practices Act 1974* admitted by Cabcharge and ordered that Cabcharge pay a pecuniary penalty of \$14 million for the contraventions, allocated as follows:

- a. \$9 million in relation to Cabcharge's refusal to deal with Mpos Australia Pty Ltd in 2008;
- b. \$2 million in relation to Cabcharge's refusal to deal with Travel Tab Australia Pty Ltd in 2005; and
- c. \$3 million in relation to Cabcharge's supply of taxi meters and fare schedule updates below cost between 2004 and 2007.

The court also made orders requiring Cabcharge to pay a contribution of \$1 million towards the ACCC's costs and to implement a trade practices corporate compliance program.

Justice Finkelstein advised that he would shortly publish written reasons for judgment.

Mr Samuel said the \$14 million figure incorporated a discount for a plea before trial in what would have been complex, lengthy and expensive litigation.

"The penalties imposed are a sharp reminder of the need for companies with market power to exercise such power wisely and legally," Mr Samuel said.

**Media inquiries**

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