

COMMISSION DETERMINATION

APPLICATION FOR AUTHORIZATION

UNDER SUB-SECTION 88(8) OF THE TRADE PRACTICES ACT 1974

BY

ARROW TAXI SERVICES LIMITED

RELATING TO THE USE OF APPROVED  
TAXI HIRING ACCOUNT SERVICES AND  
CREDIT FACILITIES

REGISTRATION NO: A90449

FILE NO: A86/15

COMMISSIONERS:

W R McComas (Chairman)  
W J Coad (Deputy Chairman)  
J McB Grant  
D Round  
J Braithwaite

DATE: 28 November 1986

## The Application

1.1 Application A90449 was lodged on 16 July 1986 by Arrow Taxi Services Limited of Victoria under sub-section 88(8) of the Trade Practices Act 1974 ('the Act'). Arrow Taxi Services seeks authorization for the following practice:

'The penalising or suspension from the use of radio booking facilities by the Company of members or drivers of the Company or of members (sic) as a result of the failure by members or drivers to display radio numbers and/or decals of taxi hiring account systems which have been approved from time to time by the directors and/or failure of those members or drivers to accept those hiring account systems in satisfaction of fares for any hirings'.

1.2 On 25 February 1986, the TPC granted authorization to a similar practice by De Luxe Red & Yellow Cabs Co-operative Trading Society Limited (A30112) <sup>1</sup>.

## 2. The Statutory Test

2.1 In its determination on the De Luxe application, the TPC characterised the conduct set out in para 1.1 above as third line forcing within the scope of subsection 47(6) or (7) of the Act. The appropriate test for authorization was therefore that set out in sub-paragraph 90(8)(a)(iii) as follows:

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<sup>1</sup> It should be noted that De Luxe at the same time sought authorization to discipline those cab-drivers who displayed decals or offered credit services other than those approved by the Co-operative. The TPC refused to grant authorization to this particular practice.

'90(8) The Commission shall not -

(a) make a determination granting -

: ...  
: ...

(iii) an authorization under subsection 88(8) in respect of proposed conduct to which sub section 47(6) or (7) applies, unless it is satisfied in all the circumstances that the proposed provision or the proposed conduct would result, or be likely to result, in such a benefit to the public that the proposed contract or arrangement should be allowed to be made, the proposed understanding should be allowed to be arrived at, or the proposed conduct should be allowed to take place, as the case may be.'

### 3. Submissions

3.1 The TPC sought and received submissions from a number of parties in relation to the De Luxe application. These submissions are on the public register, and the points they raise were fully debated in the TPC's determination of 25 February 1986 (see para 1.2). Consequently, no further submissions have been sought in relation to this application by Arrow Taxi Services Limited.

### 4. TPC Consideration

4.1 In granting authorization to that part of the De Luxe arrangements which required its cab-drivers to display decals and offer account systems approved by the Co-operative, the TPC agreed with the applicant that consumers should not be misled as to the credit services offered by individual cabs. The TPC accepted that members of De Luxe should be required to display

and offer systems such as Cabcharge, and that such systems should be accepted throughout the Co-operative's network. It also accepted that reasonable requirements to secure this resulted in benefit to the public such that the conduct should be allowed to take place.

4.2 The TPC reaches the same conclusion in respect of the conduct for which Arrow Taxi Services Limited presently seeks authorization.

5. Draft Determination

5.1 On 20 October 1986, the TPC issued a draft determination proposing to grant authorization to the conduct (as set out in para 1.1 above). No pre-decision conference was requested and no objections were raised to the TPC draft.

6. Determination

6.1 Accordingly, the TPC confirms its draft and grants authorization to the following practice by Arrow Taxi Services Limited:

the penalising or suspension from the use of radio booking facilities by the Company of members or drivers of the Company as a result of the failure by members or drivers to display radio numbers and/or decals of taxi hiring account systems which have been approved from time to time by the directors and/or failure of those members or drivers to accept those hiring account systems in satisfaction of fares for any hirings.

6 This authorization does not extend to the penalizing and/or suspension from the use of radio booking facilities by the Company of members or drivers who display decals of accounting systems or who offer credit services (such as Bankcard) other than those systems approved by the directors of the Company.