



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC GRANTS CONDITIONAL AUTHORISATION TO IHAIL TAXI BOOKING APP

The Australian Competition and Consumer Commission has issued a final determination authorising, with some conditions, a joint venture arrangement between taxi networks and other industry participants, including Cabcharge (ASX:CAB), to launch and operate a new smartphone taxi booking app.

The initial members of the ihail joint venture include Yellow Cabs, Silver Top Taxi Service, Black and White Cabs, Suburban Taxis and Cabcharge. As well as providing in-taxi payment terminals to most taxis in Australia, Cabcharge also operates taxi networks in Sydney, Melbourne, Adelaide and Brisbane.

Following the ACCC's draft decision proposing to deny authorisation to the arrangements, ihail made a number of significant modifications to its app. These include now giving passengers a choice to pay their fare in the taxi (rather than just via the app), and the ability to choose their preferred taxi network based on certain performance information during the booking process or the nearest available taxi (regardless of network).

"The app will provide an additional platform for passengers to book taxis from a large pool of taxi networks and drivers. The ACCC accepts this is likely to reduce waiting times, particularly in peak periods, which is a benefit to the public," ACCC Chairman Rod Sims said.

"The ACCC considers the ownership structure underpinning the ihail app is still likely to allow the participants to quickly establish a larger network of taxi drivers than any other app, and that this initial competitive advantage will not be gained from offering a better product to drivers and passengers but through ihail's ownership structure alone."

"However, the ACCC considers that ihail will still face competition from other taxi booking apps and ridesharing apps which have established brands and customer bases. There is also nothing in the arrangements preventing drivers using other booking apps," Mr Sims said.

"The ACCC has imposed conditions of authorisation requiring ihail to explicitly inform drivers that they remain free to use competing booking apps. These conditions also prohibit ihail and its shareholder networks from preventing drivers using other booking apps or disadvantaging drivers who do so in preference or in addition to the ihail app."

"These factors should mitigate the extent of the reduction in competition and associated public detriment due to the competitive advantage ihail will have as a result of its ownership structure," Mr Sims said.

The ihail app will initially operate in major metropolitan and regional centers across Australia and some cities overseas.

Other taxi networks can sign up to the ihail app, without becoming members of the joint venture. Taxi drivers working for any participating taxi network will need to opt-in to receive ihail bookings over their existing dispatch systems. Drivers and networks will still be free to use other booking services, including other booking apps.

The ACCC was initially concerned that because Cabcharge is the exclusive provider of payments processing services to ihail, and originally ihail passengers would only have been able to pay for fares through the app, emerging competition between Cabcharge and other providers of taxi payment processing services would have been dampened.

However, the changes made to the app to allow passengers to pay in the taxi means that other payments processing providers are able to compete to provide services to ihail customers. These modifications to the ihail app and the conditions imposed by the ACCC reduce the extent of the ACCC's previous concerns by helping to ensure potential public detriments are mitigated.

Further information, including a copy of the decision, is available from the ACCC's [Public Register](#).

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the *Competition and Consumer Act (2010)*.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

Media inquiries

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MR 33/16

22 March 2016