

## TAXI COUNCIL SOUTH AUSTRALIA INC.

**MEDIA**



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### **Taxi Council responds to the State Government's announcement on ridesharing**

The State Government's decision to allow a nominal \$85 license fee for Uber operators and those of other ridesharing companies is a hit to small 'mum and dad' investors and a win for big business.

In a double whammy for taxis, the license fee for chauffeured vehicles, which had been \$1912, has also been dropped to \$85.

Taxi Council SA (TCSA) President Jim Triantafyllou says the industry also strongly feels the \$1 levy which has been proposed for all metropolitan trips should have been funded from an increased licence fee for rideshare operators and not from the general public.

Mr Triantafyllou says taxi operators, many of whom are small businesses, have a right to feel disappointed at the massive cost advantage that has been created for its competitors, which will include global multi-billion dollar giant Uber.

"The contrasting costs on the taxi industry, based on the regulatory framework, are astronomically higher," he said.

Less than 12 months ago the State Government sold taxi license plates for up to \$320,000, with the cost to a taxi operator leasing a licence being about \$20,000 dollars a year.

"It's an uneven playing field and it's about more than licence fees. Ridesharers will be able to drive older vehicles and pay less for compulsory third party insurance (CTP)."

Under the reforms, the age limit of vehicles for ridesharing will be 8 years, against 6.5 for the taxi industry.

"In effect this means a ridesharing business could buy a worn-out (but theoretically still "roadworthy") taxi and run it for another 1.5 years, providing yet another cost advantage."

It should be the same age and conditions for all.

Ride-sharing operators will also benefit from compulsory third party insurance fees which are significantly less than those of taxis.

“The taxi industry is worth about \$200 million a year to the state’s economy and provides employment for over 4-thousand people. Taxi Council SA is focused on ensuring their ongoing viability.”

To that end, TCSA says it’s pleased the Government has recognised a requirement for compensation and offered financial assistance which is higher than what’s been offered interstate. The Government has promised a \$30,000 payment for each privately-owned taxi licence. Taxi lessees will also receive \$50 per week for a maximum of 11 months.

“The assistance secured is stronger than that achieved in both New South Wales and the ACT, but the potential impact in the SA market is worse.”

Mr Triantafyllou said Taxi Council SA also argued strongly for a freeze on the release of new taxi plates and commends the Government for their decision to apply a 5 year moratorium.

The application of fixed identification for ride-sharing vehicles, a key issue on which Taxi Council advocated in the interest of passenger safety, has also been adopted in the reforms.

“We also welcome news that all vehicles will be subject to six-monthly road worthiness inspections.”

Under the reforms taxis will continue to have exclusive rights to rank and hail work, pre-booked work and cash fares.

“We commend the Government for the level of consultation undertaken prior to considering these reforms and while it will take some time to assess their full impact, we look forward to getting on with the business of providing safe, effective and reliable transport services to the public.

The South Australian taxi industry has long been recognised as a leader nationally in driving continuous improvements through safety and environmental initiatives, driver training and technology. All SA taxis are fitted with continuous, sophisticated GPS monitoring and tamper-proof CCTV surveillance (inside and outside) for both passenger and driver safety, and that will continue to provide a significant point of difference.

The SA taxi industry will also be rolling out ‘ihail’ in coming months, which will revolutionise the experience for South Australian cab users, by identifying all available taxis in the area, providing an estimated time of pick-up, allowing real-time tracking of the vehicles. ‘ihail’ will also provide the ability to rate the ride and importantly there is no surge pricing during peak times.

“We think commuters will only need to be stung by surge pricing once to be put off ride-sharing, so we’ll continue to focus on what we do best.”

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