

# Taxi and Chauffeur Vehicle Industry Reform – Update for Industry



## BACKGROUND

The State Government initiated a comprehensive review of the taxi and chauffeur vehicle industry in June 2015 appointing a three-member panel to lead the review with 12 terms of reference.

These reforms better encourage new technologies, innovations and choices for passengers, while ensuring the long-term sustainability of the industry.

On 1 July 2016, South Australia introduced a new regulatory regime to:

- regulate the introduction of new on-demand transport operators to provide consumers greater choice and flexibility;
- ensure the industry can grow and facilitate fair competition by requiring new operators to comply with the same regulatory requirements as existing operators; and
- reduce red tape and fees across the board to drive innovation, promote efficiencies and support growth in the industry.

## FROM 1 OCTOBER 2016

- Taxi fares will increase by 3% - this is the first time fares have been raised in three years and a welcome increase in earning opportunity for taxi drivers;
- Introduction of a peak period payment of \$2 per trip occurring between 12.01 am and 6.00 am Saturdays, Sundays, public holidays and declared periods – this \$2 payment will go to drivers as incentive to work overnight weekend shifts;
- Non-cash payment surcharges of payments of taxi fares via card will be capped at 5% (previously up to 10%). This regulation does not apply to chauffeur vehicle (including hire cars and 'rideshare') journeys as their maximum fares are not regulated by the State Government. Information on the Reserve Bank of Australia (RBA) website states that card payments for hire cars and ridesharing will be within the scope of the RBA's surcharging standard. Further information on the standard is available here:

<http://www.rba.gov.au/payments-and-infrastructure/review-of-card-payments-regulation/q-and-a/card-payments-regulation-qa-conclusions-paper.html>;

- Introduction of a \$1 levy on all metropolitan taxi, chauffeur and 'rideshare' vehicle trips completed from 1 October 2016 regardless of when the booking was made and/or paid for (i.e. if the fare has been pre-paid, the \$1 levy will still apply to that trip).

The Department of Planning, Transport and Infrastructure (DPTI) will be in contact with you in the near future to provide further detail around the information provided above, for example, how the levy will be collected and the minimum requirements for recording and/or reporting to government.

## COMMUNICATION WITH THE PUBLIC

DPTI will notify the public of the above changes via a comprehensive communication plan which will commence shortly. This is to include a media release, radio and press advertising, social media and display signage.

## NEW TRAINING REQUIREMENTS

The recent reforms include enabling Transport Booking Services (Centralised Booking Services) to become responsible for the training of their drivers. As such, the booking services can provide their own training for drivers, or accept drivers that have been trained by registered training organisations.

As part of the accreditation process, booking services are required to provide detail of their training program, which must meet the minimum standards set by the Minister. The minimum standards have recently been developed and will be made available to industry shortly.

## FEES FOR DRIVER AND OPERATOR ACCREDITATION

Amendments to the fee levels for taxis and chauffeur vehicles have reduced regulatory costs and ensure a level playing field across the point-to-point industry.

Details of the fees and charges effective 1 July 2016 are available here:

[http://www.dpti.sa.gov.au/\\_data/assets/pdf\\_file/0010/256744/Taxi\\_Review\\_factsheet\\_6.pdf](http://www.dpti.sa.gov.au/_data/assets/pdf_file/0010/256744/Taxi_Review_factsheet_6.pdf)

## INDUSTRY ASSISTANCE PACKAGE

The \$1 levy will allow for the government to provide assistance of \$30,000 per taxi licence for those held as at 12 April 2016.

Lessees (taxi operators who do not own licences but 'rent' them from licence holders) will be assisted with \$50 per week for up to 11 months per leased licence. This will be a one-off payment to minimise red tape. This assistance will be made available to current holders of a lease on a taxi licence at the time of payment assistance.

This package recognises that while taxis will now face increased competition from other point-to-point service, they retain exclusivity to around 50% of their work which is rank and hail, cash trips and subsidies through the South Australian Transport Subsidy Scheme (SATSS).

The date from which the Industry Assistance Package will be available is still to be determined. Further information will be communicated with industry members.

## COMPLIANCE ACTIVITIES

As part of the recent reforms, DPTI has employed additional compliance officers to ensure a committed approach to regulation of the industry.

The department is committed to monitoring the behaviour of the taxi and chauffeured vehicle industry (including 'rideshare') through increased compliance activity.

Details provided by industry regarding breaches of the *Passenger Transport Act 1994* and Passenger Transport Regulations 2009 have been referred to the department's investigation and/or compliance unit for appropriate action. We encourage industry to provide details of specific incidents and vehicles believed to be in breach of the passenger transport legislation to [DPTI.ALCEnquiries@sa.gov.au](mailto:DPTI.ALCEnquiries@sa.gov.au)

## FURTHER INFORMATION

Details of the taxi and chauffeur vehicle industry reform:

<http://www.dpti.sa.gov.au/TaxiHireCarReview>

Taxi and chauffeur vehicle industry reform frequently asked questions:

<http://www.dpti.sa.gov.au/TaxiHireCarReview/faq>

Information on applying for South Australian driver or operator accreditation:

<http://www.sa.gov.au/topics/transport-travel-and-motoring/transport-industry-services/taxi-and-passenger-transport>