

WHY HAS THE NEW ZEALAND TAXI FEDERATION DECIDED TO "SPECIAL LEVY" ITS MEMBER TAXI COMPANIES AT THE RATE OF \$100.00 PER CAB?

Some Answers For Taxis Palmerston North And First Direct Taxis Operators, From Aerial Director And Former Taxi Federation Executive Director Tim Reddish:

The short answer is that as a result of the Government's Review of Small Passenger Legislation announced earlier this year, the Federation has been dragged into a very expensive campaign to prevent the taxi industry being totally decimated by allowing the unrestricted entry of non-compliant smart phone App providers such as Uber.

The Federation's response to the Review involved assembling a team of the best and most experienced legal practitioners, the best and most experienced public relations and government lobbyists to prepare a robust and legal argument based submission to the review. The cost of producing the submission was approximately \$130K; another \$50k was spent on a nationwide roadshow to all member companies at which both our legal experts and our PR consultants were involved in explaining the Federation's campaign strategy to representatives of member companies.

The reality is that this expenditure has only covered the initial stages of the campaign and that more will have to be spent when the review's recommendations/legislative changes/rules changes are announced by Government. It is estimated that up to another \$200k may be needed if the reviews outcomes are likely to impact negatively on the industry.

Prior to the review being announced the Federation had about \$300k in reserve funds, so it is easy to see that allowing for normal running costs that extra funds will be soon be needed to continue with the campaign and to maintain the Federations viability.

Faced with this situation the Federations National Executive decided to levy all member companies a special levy of \$100 per cab. In taking this decision the National Executive took the view that \$100.00 per cab was not an unreasonable price to pay for the considerable effort being mounted to preserve the incomes of taxi operators and the taxi companies they belong to.