

**INQUIRY INTO OPERATION OF THE POINT TO POINT
TRANSPORT (TAXIS AND HIRE VEHICLES) ACT 2016**

Name: Name suppressed

Date Received: 6 May 2020

Partially
Confidential

I'm a NSW Taxi Licence Plate Owner since 2012. I brought into this asset because it was perceived to be a steady asset which had a modest (yet stable) income earning stream, to supplement my home mortgage repayments. There was also the potential of becoming an owner driver, if my employment situation changed unexpectedly prior to my retirement. Since the 2015 Reforms within the Point to Point Transport sector, I've seen both this income stream and the asset value halved. (and this was before the current pandemic situation).

I'm cognizant of the economic points of competition, market forces and Supply & Demand to provide a better service to the end user. But when I brought my taxi plate, there was a Government controlled monopoly over the industry and it was tightly regulated, which gave the assurance that financially, while the income earning stream may vary, the asset would hold value. So overall this was a low risk stable investment.

However in 2015 with the disruption caused by the new entrants, the Government may not have attempted to protect their investors, citing that the opening up of the P2P Transport sector would be good for consumers. Agreed, that objective was good, as competitive forces would improve the service quality provided to give the consumer more choices. Being that the sector was government controlled and if their intent was to relinquish their control, then they should have flagged to all stakeholders of their intent and buyback all the assets at the pre 2015 market value, so that investors would not be financially disadvantaged. Instead, they stepped back from their position, and let the plate owners incur losses, which was unconscionable.

Further, for some years after the arrival of the new entrants, the operating conditions of the existing taxi industry was not a fair and level playing field, as the new entrants did not have to incur similar operational costs (CTP, Vehicle inspections costs etc.). However the erosion in both leasing fees and asset value had started. Again the government was slow to react on this front. It did provide a one-off compensation payment, which equated to a "top up" to the loss in earned income for 12-18 months.

I appreciate there needs to be a regulatory control over the P2P transport sector, but as the Government has relinquished its monopoly over Taxi Plates availability, and really wants an open market where entrants fairly compete in this sector, then they should compensate the plate holders with a plate buyback to enable owners to recoup some of the pre-2015 asset value. This then recalibrates the industry and they can start anew, with service providers interested in supporting this transport sector.

I've been to my Taxi Industry meetings, and from what I can see, many of the taxi plate holders brought into the taxi industry to access a stable investment that delivers a modest regular income and potential asset appreciation. The reasons for their investments is really not relevant, but the decision to invest in a taxi plate was strongly swayed by the fact that it was a Government controlled industry that was considered low risk. The government should offer to buyback the plates, as part of their reconfiguration of this transport sector.