

**Submission
No 10**

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

Name: Mr Stephen Harapin

Date Received: 12 May 2020

12th May 2020

THE DIRECTOR

MR. STEPHEN HARAPIN

PORTFOLIO COMMITTEE NO. 6
PARLIAMENT HOUSE
MACQUARIE ST, SYDNEY NSW 2000

Dear Director,

I have been associated with the point to point transport industry since 1965 when I started driving Limousine Hire cars. I then became involved with the Taxi Industry in 1979, when I purchased my taxi plates. I drove my own Taxi for over 30 years and raised a family from the income. I purchased the Government plates knowing I could derive an income in later life as well, and planned for the plate value and regular income to act as my superannuation in my retirement.

As an owner/driver I always supported Red Deluxe cabs as a small investor and shareholder, later continuing to do so, once the company listed as CabCharge on the ASX. I then had incremental Taxi Industry income from the dividends provided by CabCharge derived from the Point to point Taxi Industry. My objectives in doing so, were to ensure I had a say in how my industry was run, given so many of us were small individual owner/operators.

My income has been SEVERELY impacted due to the deregulation of the industry to allow non licensed, personally owned vehicles to provide taxi services via companies such as UBER, without the strict security, regulation and controls of the Taxi Industry. This poorly thought through decision has meant that my personal income and retirement security has been reduced significantly.

In 2016 I was receiving **\$1,859** per month from the lease of my taxi Plate. That quickly reduced to **\$1,525** in 2018, **\$1,114** in 2019 and as of January 2020 (prior to any impact from the Corona Virus) is was at **\$619** per month. This equates to a **67%** drop in monthly income. As an 85 Year old, with this as my primary source of retirement income, the impact on my life and ability to manage financially has been overwhelming.

Additionally, the value of my Taxi plate had been worth over \$420,000 or more and since the unstructured deregulation, enabling non licensed and untrained or certified drivers, the value is \$80,000 approximately. This had been my superannuation asset, which I invested in with the backing of the NSW Government, given it was their license they sold to me. I was at no stage advised the Government would then allow anyone to become a 'taxi' enabling the value of the government provided license to be decimated with little compensation provided for a life's work. This value has reduced approximately 81% with more likely, almost wiping out my life savings.

In five years time, with the current approach to licensing, I see little future for the licensed taxi industry whatsoever.

The Government assistance was an extremely poor attempt to provide compensation for the 81+% reduction in value. \$420,000 approximately to \$80,000, being \$340,000 loss of value, of the Government provided and back assets, is obviously insufficient compensation for the NSW Government to provide license owners, for the enablement of a private Industry to enable private car drivers to flood and destroy the public point to point transport industry.

Additional to the definite need to provide much higher level of compensation for license plate asset values, the resultant income loss for owners, as stated being over 66% per month, has been provided zero compensation, and this area must be looked at in conjunction with the desperate and much needed compensation for Government sold Taxi plate asset owners.

Perhaps a higher fee charged to passengers of private drivers of ride share companies is worth examining, to enable greater and more appropriate compensation to license plate holders.

The disabled and wheelchair requirement is an example of the criticality of the formal taxi industry. The ride share companies provide ZERO support for the less profitable transportation needs of the NSW and Australian Public. So the Taxi Industry must be supported to continue to provide these services. However, if ride share companies are allowed to take all the profit, then it will in no way make any financial sense for an operator to continue provide wheelchair services unless charges and costs are significantly increased.

In summary, I encourage the Committee to recommend appropriate compensation for the owners of taxi license plates, especially those owner/operators, such as myself, who have come to rely on their investment for income.

I would be more than happy to speak directly to the committee if that would help provide more colour and detail on the personal and industry impact of the decisions made to this point.

YOURS SINCERELY

STEPHEN HARAPIN