

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

Name: Name suppressed

Date Received: 19 May 2020

Partially
Confidential

21 May 2020

To Whom it May Concern,

Re: Upper House Enquiry into the Point to Point Transport (Taxi and Hire Vehicle) Act 2016.

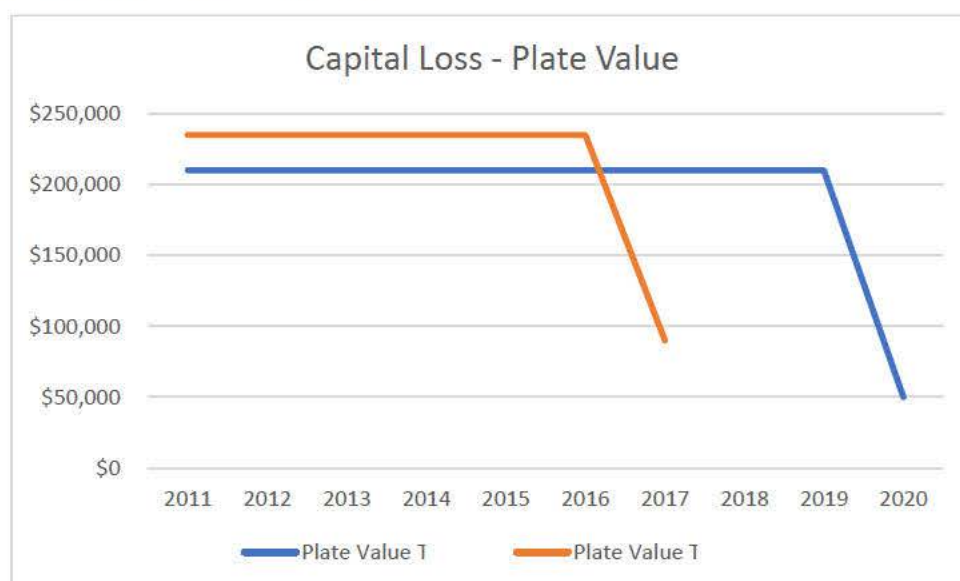
Thankyou for the opportunity to submit a personal reflection on the impact changes made to the "Point to Point Transport" by the Government has had on us.

As a regional taxi plate owner in Newcastle, NSW since 2011; we have seen significant changes in this Industry which has had substantial financial implications for our family. With the emergence of Ride Sharing services, this identified shortfalls in the longstanding taxi operations but also brought positive changes of a newly improved and more efficient taxi service model. However, the impact upon the industry investors and stakeholders such as us, was needless to say blindsiding, extremely stressful and financially devastating.

We are like many other small family investors, who as outlined by correspondence received from the NSW Taxi Industry Association in February 2019; "brought the taxi plate in good faith, in what was effectively a partnership with the government, in accordance with the regulations that applied. You had an entitlement to believe that a government asset was solid and safe". The government made significant policy reforms without appropriate consideration of the financial impact to a long-standing industry, which was funded by investors and owner operators.

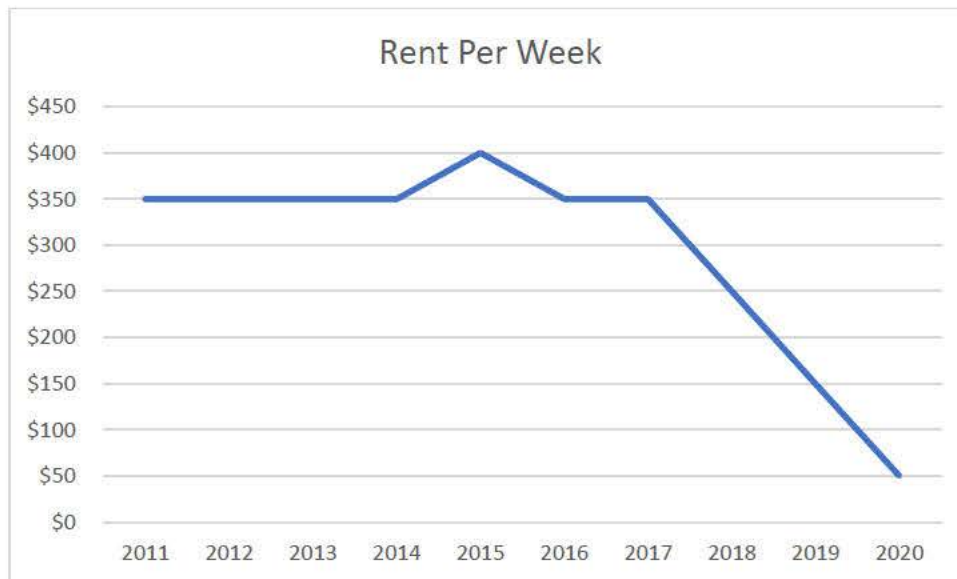
The reforms made by the Government were completely out of our control, no consultation or opportunity to prepare or assist financially for the potential transport reforms and financial implications. We were blindsided by the governments legalisation of the Ride Share model, and the crippling effect this directly had on the NSW taxi industry. Since the legislation, the NSW taxi industry has remained under tremendous pressure due to the onslaught of an unequal playing field from app-dispatched services. Our investment asset has been drastically reduced. Which unquestionably created an investment nightmare for us, leading to considerable financial losses that will now continue to impact us for an ongoing period. To put this into context for the personal impact upon us, we refer you to the below table which clearly depicts the financial picture.

A) Taxi Plate Value – Capital Loss



Taxi Plate	T	T
Purchase Price	\$210 000	\$235 000
Year of Purchase	6/2011	4/2013
Price Sold (Year)	Still current investment*	\$90 000 (7/2017)
Estimated Current Market Value	\$50 000	n/a
Capital Loss	n/a	\$145 000
Estimated Capital Loss	\$160 000	n/a
Estimated Total Loss		\$305 000

B) Summary of Rent Loss - Taxi Lease Payments



Obviously, the plate values and lease rent payments are directly related, and it is very evident from above that both have experienced a significant steep decline since the government introduced the transport reforms in 2015. Whilst we acknowledge an income assistance package was rolled out in July 2018, this has well and truly been exceeded by the income loss since 2015. We acknowledge an assistance package was rolled out and accepted the token payment, but it was extremely disappointing and frustrating that such compensation could not directly offset some of our capital losses. Instead the compensation was viewed as income which consequently saw a substantial percentage returned to the tax department via our income tax.

We are your average 2 parent/2 children family, with one parent working fulltime as a shift worker and the other parent working part time. We have no background or experience in accounting, finance or economics likely to be required to fully understand the commercial operation of the Taxi model. However, we pay our income and duties tax (T \$5840 and T \$6540) with the expectation and understanding contributions would be used to effectively manage the Government Transport Industry including Taxi Operations. One can assume the government would employ educated professionals to provide the required strategic expertise to ensure an effective, viable and sustainable plans for the taxi and ride share industry. Contributions to employ such expertise to diligently review and approve new legislation reforms to protect and maintain the existing equity of the taxi industry. Furthermore, considering the significant changes from such transport reforms, one would assume such expertise would adequately identify, risk assess and implement a fair compensable approach for eligible

stakeholders. Government decision making was greatly influenced by the multinational conglomerate UberX and other commercial ride sharing transport suppliers. It is evident that there was and continues to be substantial underestimation or rather complete ignorance to the financial ramifications to the stakeholders within the taxi industry. And as further insult, the government has continued to refuse the loss of equity and hardship faced by people just like us.

Personally, we believe immediate changes need to be considered, such as

- a) The \$0.10c/km Passenger Service Levy on ride share fares be increased significantly to level the playing field between ride share and taxi transport and provide further compensation to already affected taxi stakeholders.
- b) A special clause be introduced to allow everyday investors, people like ourselves to claim the capital losses from taxi plate investments against our yearly taxable income over an agreed period.
- c) Buy back scheme previously proposed by the NSW Taxi Association, whereby taxi plates would be transferred back to the NSW Government with fair and just compensation paid to taxi plate owners.
- d) Regulation system applied for management of number of ride share providers, as applied to NSW taxi plate allocations. To allow and manage an equal share of transport market.
- e) For those taxi plate owners prior to the 2015 legislation changes, removal of Government costs when a taxi licence is transferred from one licence owner to another.
- f) Insurance premiums and CTP costs should be equivalent for both Taxi and Ride Share operators.

We acknowledge the need for change and accept the transport industry required an element of improvement to meet the market and service needs. Whilst we can support the idea and integration of a ride share style model, we do not feel the financial fallout should be the sole burden upon the ordinary investors. Investing in the taxi industry, meant joining in a partnership with the NSW government and supporting a long-standing industry servicing the NSW communities. Entering a partnership whereby regulation, policy and governance should have been paramount for the benefit of a sustainable and viable taxi industry. Versus an unfavourable approach, that has left a trail of financial devastation for the ordinary investor and the crippling of the NSW taxi industry.

Lastly, we appreciate the opportunity to outline how the changes to Point to Point legislation has personally affected us and our family. We hope through the 2 pending NSW parliament reviews, that the Point to Point Commissioner and relevant government parties, can establish and implement a fair and reasonable approach to further protect and compensate current investors. Acknowledging the significant equity burdens created from government legislative changes and providing a systematic approach to ensure the long-term viability of the taxi industry.