

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

Name: Name suppressed

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Partially
Confidential

21st May 2020

To The Director, Portfolio Committee No. 6, Parliament House, Macquarie Street, Sydney NSW 2000.

We write to this committee to voice our serious concerns regarding the current Point to Point legislation and Taxi Industry to date.

We strongly believe that there has been an injustice and disservice done to SMSF holders of NSW taxi licence plates, issued by the State Government. No doubt you are more than aware that NSW taxi licence plate values have drastically fallen to financial hardship levels since the blind eye turned to Uber and other rideshare operators' illegal coming in to the industry.

In December 2012, we purchased our taxi plate through our self-managed superannuation fund for \$390,000; plus \$13,040 in stamp duty paid to the State Government, in addition to solicitors' fees. Since the illegal introduction of rideshare operators, our taxi plate has decreased by an average in value by over \$290,000 as a result. Further, the weekly taxi rent that we had relied on for our living expenses during retirement has also decreased dramatically.

The consent of the State Government to allowing these rideshare operators to first illegally operate, and then later operate legally at reduced regulatory conditions, directly contributed to the fall in value of self-managed superannuation funds who rely on the value and associated weekly taxi income to live. We are just one of the thousands of taxi licence plate holders in NSW, many of which are also held through their respective superannuation funds.

As you are perfectly aware, superannuation funds and the respective regulation surrounding them are considered sacrosanct within Australia. For the NSW Government to so wilfully ignore the implications of a sudden collapse in people's Superannuation Fund values as a direct result of the NSW Government's actions should be considered unlawful and unconscionable.

It is particularly morally bankrupt considering the NSW Government benefited greatly from its regulated issuance of Taxi licence plates in NSW and the associated large value of Stamp Duty that it earned off the back of licence holders.

Fundamentally, the NSW Government condoning ridesharing service and operations is both unjust and unfair to taxi plate licence holders. While the NSW Government has enjoyed a large revenue source from taxi plate licence stamp duty, and placed significant regulation on licenced taxi's themselves (such as having to have significant insurance outlays, and training), it has in no way required this same stringent and regulated regime on a company that offers an identical service (UberX).

If the NSW Government is to continue to permit ridesharing companies to operate, it is only fair and just that the NSW Government compensate licence plate holders.

A fair form of compensation would be in the form of a "Buyback" scheme.

The funds paid to licence holders from a buyback scheme should be valued so as to place licence plate values at a level prior to any rideshare operator illegally entering the NSW market:

- As an example, the value consideration for compensation could be the market value high for taxi licence plates in NSW (from when Uber illegally entered the NSW market) against the cost price of the licence plate incurred to purchase the taxi plate.

- The NSW Government must also work with the Federal Government and/or ATO to allow for compensation to be permitted to be added into SMSFs without penalty or additional tax to be paid.
- The NSW Government should withdraw all its recently government issued “yearly” taxi plates, and then commit to not issue any new taxi plates, so as to make it fair for taxi drivers. These newly issued plates are leased out yearly by the NSW Government, and is therefore a lucrative revenue source for the State Government; to the detriment of taxi licence plate holder and drivers.
- The State Government should reduce any fees that are above or in excess of those charged to or paid by ridesharing drivers and their respective network operators such as Uber; this will allow the industry to be a level playing field for all.
- The State Government should ensure that rideshare vehicles that provide a taxi service, pay the same State enforced taxi and regulatory fees, such as insurance, that NSW Government issued taxi licence plate drivers are made to do.

Finally, after contacting the taxi company that leases out our plate, they informed us that our plate is “unsellable”, effectively removing a floor on the value of our plate, and the destruction of a sizeable portion of our Superannuation. We invested in our NSW Government issued taxi plate in good faith, and to have the NSW Government change the regulations underpinning a widely held asset used for Superannuation without compensation is grossly unfair and unconscionable.