

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

**Organisation:** Name suppressed

**Date Received:** 25 May 2020

---

Partially  
Confidential

The Director  
Portfolio Committee No. 6  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

25 May 2020

Dear Director,

**Re: Operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016  
Submission for the Upper House Parliamentary Inquiry**

holds 4 taxi licences in trust for its beneficiaries. acquired its first taxi licence on 27/04/2009 and its second taxi licence on 16/06/2009. With further purchases on 7/05/2010 and 14/10/2014. Total of 4 taxi licences owned by at a total cost of \$1,568,282 (**one million five hundred and sixty eight thousand two hundred and eighty two dollars**) including stamp duty.

In respect to the terms of reference items c & d have particular relevance to our current financial position.

**Terms of Reference item (c)**

In respect to this item we do not believe it has been equitably applied. After years of anguish and waiting to receive an additional assistance payment from the additional assistance payment scheme we received a letter dated 5 July 2019 from the Scheme Manager stating that we are **NOT eligible** to receive any additional assistance payment.

Our bank loan borrowings as stated in our application at the time for the tax plates was \$501,968, the interest rate due to the high risk applied by the bank was 7.9% for one loan and 9.65% for the second loan.

Our income per month for the taxi plates at the time was \$3,600 and our repayment commitments were \$7,150. The shortfall of \$3,550 per month is causing us severe financial hardship and emotional stress to my family.

We are also in a predicament where we cannot refinance the loans as the plates have no value and we do not have enough security/equity.

The criteria applied to the additional assistance payment scheme was not fair or equitable as it did not take into account the direct impact of the point to point reforms on our entity's financial position.

The other item we believe was unfair was the payment of the initial \$20,000 per plate for the transitional assistance scheme which only applied to a maximum of 2 taxi licence plates. We have 4 taxi plates and only received payment for 2 of the plates because they were in the same legal entity. If the taxi licence plates were owned by two separate entities we would have received payment for the 4 plates instead of the 2. This is discriminatory and absurd.

**Terms of Reference item (d)**

Taxi plate values have substantially declined since the point to point industry reforms in 2015 and the Government has done nothing to compensate for this. owns 4 taxi licence plates with an

average purchase price of \$392,000 each plate. The latest published taxi plate values are from July 2019 at \$71,250 per plate. The current taxi plate values are most probably close to NIL.

Our investment into taxi plate licences has been destroyed with over \$1 million of losses.

We have a current bank loans of \$410,000 (for the purchase of the taxi licences) at high interest rates (over 9% p.a.) due to the high risk of the industry. We cannot refinance the loans as the plates have no value and we do not have enough security/equity.

We had purchased the taxi licence plates to live off the income and equity in our retirement. Not only do we not have any income from the plates there is also no value to sell the plates. We have lost years of hard earnings for our family and also our equity in purchasing the plates. The tragedy is we are left with a loan that we are struggling to service and are on edge with anxiety month to month for the last 5 years which has taken a toll on our health.

We recommend the NSW Government buyback the taxi licence plates to alleviate these losses from taxi licence plate owners. The buyback scheme will be at a zero net cost to the Government as it would be funded through the passenger service levy (PSL). Further the Government would be able to lease the taxi licence plates to drivers/operators and earn a monthly income which would be a perpetual purchase for the Government for many decades in the future. The Government has currently been leasing taxi licence plates to drivers directly. The buyback scheme will simply expand this to all taxi licence plates.

We would sincerely appreciate if you could consider the above in your review and look forward to a positive outcome for taxi licence plate owners such as ourselves to relieve this financial nightmare.