

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

**Name:** Name suppressed

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Partially  
Confidential

19/05/2020

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

Dear Sir/Madam

We purchased our taxi licence in 2010 as a means of self-employment and wish to make a submission for the Upper House Parliamentary Inquiry into the Operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016 by offering the following viewpoints.

Ride share providers came to this country intent on changing our regulations to suit their business model and were allowed to operate illegally in Australia for a period of time.

New Point to Point regulations were passed to legally allow the ride share industry into the booked market of the taxi industry and these regulations were changed to suit the ride share providers to the detriment of the taxi industry who had been providing privately funded public transport.

These new Point to Point regulations allow anyone to enter the booked market which was previously exclusive to the taxi industry, for very little upfront cost, and this has led to a significant drop in value of taxi licence plates.

Taxi owners purchased licence plates at significant cost believing they were a solid investment, one that would provide them with a decent living and also form part of their superannuation. Licence plates are no longer valuable assets and the reality is they have lost their resale value and are much less attractive to those wishing to enter the industry. Taxi businesses are no longer seen as viable business propositions and are now either impossible to sell at a break-even price, *if at all*.

Those who have entered the market with the lower upfront costs do not have the over-heads that the traditional taxi owner/operators have. Why would anyone purchase a taxi licence when they can get into the market without one?

The changes to Point to Point regulations have also had a direct impact on taxi earnings. They have, in some areas, led to an over-supply of providers all competing for the same limited number of jobs. The end result is that no-one has the ability to make a decent living. And it would follow, that this drop in earning capacity would also cause a drop in the resale value of that business.

With regard to the implementation of the industry assistance package to the taxi industry, this was grossly inadequate and we strongly disagreed to the fact that the federal government imposed income tax on it.

As well, the Passenger Service Levy which was introduced in February 2018 as a means for the government to re-coup the funds they paid out in the industry assistance packages was to have been a temporary measure put in place for a maximum of two years but is still in effect. When it was introduced the extra \$1.10 charged to passengers sometimes meant the difference between being able to afford their taxi fare or not and taxi operators and drivers wore the brunt of disgruntled passengers. At the time of its implementation the ATO website instructed taxi operators the PSL would form part of their assessable income. These funds are collected on behalf of the government and paid to the government so we believe they should never form part of our income; they just artificially inflate both our income and expenses on our profit and loss. They should be treated the same as the collection and payment of GST.

Change is not always a bad thing, but implementation of change needs to consider existing stakeholders. The consequences of the changes to the Point to Point regulations have created much uncertainty, stress and financial pressure within the taxi industry.

The government needs to buy back taxi licences at their original full sale price plus annual CPI from each licence owner and move forward to a new system of issuing licences for the delivery of Point to Point public transport.