

14th January, 2013

To IPART

Re: IPART Proposal to Significantly Increase Sydney Taxi Licence

Dear Sir/Madam,

As an owner of a taxi plate I am greatly concerned regarding the recent announcements and proposals made by IPART in relation to the introduction of a substantial number of new taxi licenses in Sydney.

Although I understand that change in the taxi industry is sometimes necessary in order to meet new demands and increase efficiency, I am concerned that the recently announced changes will have major negative impacts at all levels throughout the industry.

The proposed changes will not only have a major negative impact on persons such as my husband and myself who currently own an unrestricted taxi plate which we purchased to help fund our own retirement/superannuation, but also on the actual drivers who are already struggling under current arrangements to make a reasonable living and will face even more pressure from increased competition for jobs.

As investors in a taxi plate, we made significant sacrifices to purchase our plate, borrowing a great deal of money by taking a second mortgage on our home in the hope that the plate would eventually help fund our retirement, and, as self funded retirees, we would not be a burden on the social security system and ultimately the tax payer. Furthermore, we paid a great deal in interest repayments over the time it took to repay the loan. During the introduction of the GST we saw great falls in plate values as well as great reductions in the rental income, but we were still obliged to continue paying the loan interest at the same rate.

It has been a slow recovery from 2000 and we now once again feel comfortable about our investment decision. However, with the recently announced IPART proposals we are now once again facing a new threat of even greater falls in income and even greater financial losses to our investment, not too mention the associated stress and worry about the impact the above will have on our livelihood. Already, we have lost income and asset value in our regular superannuation scheme and share market investments due to the GFC and global economic uncertainty, and financial institutions are no longer paying the high interest rates on term deposits they were a few years ago. The IPART recommendation will be yet another hard blow to the diminishing livelihood of self funded retirees.

It seems greatly unfair to me that government and/or related bodies such as IPART can make such drastic changes without any consideration, or any form of compensation given to those who purchased taxi plates under previous government rules and regulations which were supported by both sides of politics over the years.

I am also very concerned that if IPART's theoretical modeling outcomes prove to be incorrect in practice, that there is no recourse to reverse the devastating consequences the changes will have on all participants in the industry once the changes have been implemented.

If even the actual drivers do not believe the proposals are a good idea and feel it will lead to losses in their current income levels, then surely IPART need to rethink this experiment, or at least the modeling parameters used.

I plead with you to please reconsider the proposed changes and develop an alternative which is more equitable to all participants and which also includes taking into consideration mum and dad investors, such as ourselves, who have made great sacrifices in order to invest in a taxi plate in the hope of funding our own retirement and not placing further strain on the social security system and other tax payers.

I thank you for your time and for taking the above matter into consideration.

Regards,
A Sydney Plate owner.

