

**From:** [REDACTED]  
**To:** [taxiinquiry](#)  
**Subject:** To the Economy and Infrastructure Committee  
**Date:** Friday, 28 June 2019 1:07:13 PM  
**Attachments:** [REDACTED]

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27th June 2019

Dear Economy and Infrastructure Committee,

We are Luca and Sacha Matarazzo, two brothers who have invested time and resources in the Taxi Industry since 2014 and opened our first company as holder of two Taxi licences left to us in a family will.

One was leased out until the 23<sup>rd</sup> of August 2016, (day of the taxi industry reforms), since then we have had a financial loss, due to the compulsory acquisition of our assets, a rough estimate of \$30.000 a year, (total of \$90.000 for 3 years) according to the price market at that moment in time.

As part of the Transition Payments, according to the governments buyback scheme, unfortunately we only received the amount of \$150.000 for the two taxi licences (valuated at that moment in time at around \$550.000 each which means a reimbursement of only 13,63% of the existing capital). Total Loss of \$950.000

We applied, on the 24<sup>th</sup> April 2017, for the “Un” Fairness Fund, dedicating a lot of time to provide all the documentation necessary which was required to hopefully satisfy their requirements. As of the 9th October 2017, we have not had any source of income from our perpetual licences as they no longer exist. On the 9<sup>th</sup> March 2018 (after 11 months) we received the response from the Department of Economic Development, Jobs, Transport and Resources; sadly they responded by saying that we didn’t meet the criteria for the Fund and we were not qualified for the payment. That result was final with no opportunity for review.

Back in 2014, after a careful valuation of our possibilities the bank advanced us loans up to 60% of Taxi licences (valued at \$1.1 million) to invest in properties; now we are struggling to pay back Capital and keep up with bills and taxes after paying out business expenses. Today valued / leased licences and income related to the Industry have vanished; therefore it is very difficult to continue working to pay back our debts. We have two loan accounts with Bendigo Bank. We are having difficulty servicing those loans because of the compulsory acquisition of our perpetual licences and the corresponding loss of income. Our bank has contacted regarding this matter. There is a risk that we will lose our homes and other assets.

Since the invasion of Uber, 2015, the impact on the income has influenced the financial capacity to pay back loans, therefore we begged our friends and family to help us with our financial commitments. At this point in time, we cannot predict if or when they can be repaid, this obviously leaves us in a deeper black hole. Like so many people we invested in this Industry because we believed and trusted our government. Rather than investing elsewhere; houses, super or other investments, we chose the Taxi Industry. We now find ourselves ‘flat on our feet’ with no way out. All our hard work has only caused us stress. We worry constantly about our present and future plans; we don’t have any left. Our financial situation is declining each day leaving us with a negative impact on our lives.

Not only have our retirement plans or Super been affected but our friends’ and families’ as well. The reduction income has not allowed us to accumulate our savings towards such. Relatives and others have donated their savings to help us financially, not knowing if they will be reimbursed because we are going towards bankruptcy. In our case, with great regret, our mum and dad, with no other choice have to keep working long after retirement age to sustain our enormous financial

loss. This situation makes us feel fully dependant on our hard working parents. It is degrading at our age having to realize our financial failure which is affecting all of us.

The Government has taken away our assets and income, leaving us with a massive debt as well as unbelievable stress related health concerns. With the continuous changes in the Industry mental health issues are arising from undue pressure created by these proposals including depression and anxiety. Working longer hours to compensate the loss of income, has declined our social life completely impacting on our emotional and physical health. Our eating and sleeping habits are being forced to adapt to the Industry changes creating lack of sleep and constant mental pressure. Hyper tension, headaches and lower back pain are related to our physical health impacting the ability of working hours. We are truly concerned that these issues could relate to future heart attacks, strokes or potential suicide (12 cases have already been reported).

We are still seriously and personally involved in the taxi industry as stated above. We have worked hard since the beginning and harder than ever especially now due to the increased competition.

We followed all regulations imposed to enter the Industry and paid taxes on time. We are dedicating all our resources in operating and driving the business forward.

Still operating a double shift taxi on the road we have with no doubt experienced the consequences of the disastrous reforms. From our perspective, the percentage of people hailing a taxi on the road has declined by at least 70% compared to only 2 years ago, radio jobs (in our case Silver Top) have decreased by at least 50%. To survive nowadays industry it is crucial to rely on private customers, even though that is not the purpose of a taxi service (that was called a pre-booked hire car service), but even proving a high standard service it is still hard to compete with the unlimited number of cars and network service providers. Comparing the income, of a 24/7 running taxi, of years previous to the reforms, it has declined by a rough estimate of around 40% but operational costs have remained the same. (Network service providers, insurance, maintenance costs of vehicle, etc)

Without having the operating costs that apply to the rest of the Taxi and Hire car Industry, Uber, Ola, Didi and others have been able to offer their services far more cheaply than would otherwise be possible and as such, have gained significant market share. Taxis have kept their prices stable and consistent with regulation rules; ridesharing services haven't. All Taxi owners are expected to pay taxes and other payments; ridesharing services don't.

The fine empty words of the government, "fairness", and creating a "level playing field", showed promise and have delivered nothing but pain and grief.

We only want to be adequately compensated for the compulsory government acquisition of privately owned assets, which the government itself pegged at a high level, and from which the government garnered huge financial rewards, and now, has decided unilaterally, are to be deemed worth only a fraction of the cost.

Thank you for taking in consideration our words,

Sacha Matarazzo

Gianluca Matarazzo