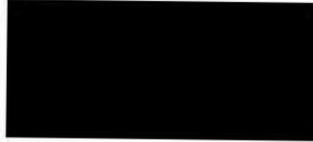


16 June, 2019



The Secretary
 Legislative Council, Economy and Infrastructure Committee
 Parliament House, Spring Street
 EAST MELBOURNE VIC 3002

Re: Taxi Industry Inquiry

Confidential – Please make my story public without my name

Dear Sir/Madam;

Please accept my submission to the Taxi industry Inquiry

Questions:

1. Our family were license holders of one perpetual metropolitan Taxi License since 1993
2. -
3. Our business was reduced to zero income from \$27,000 /year and Assets reduced to \$100,000 from \$500,000 at its peak.
4. Almost no personal interaction with the regulator. However they are responsible for implementing a whole range of regulatory changes that biased illegal rideshare industry – Uber. This targeted attack on Taxi industry, starting with the Prof. Fells report, saw the dramatic reduction in Taxi License value and income. They basically assisted the illegal Uber operation to flourish instead of protecting the industry they created and its stakeholders.
 - Introduced new yearly licences in direct competition with existing licences at reduced price approx 23000/year.
 - Allowed illegal operators to flood the market place without any charges being made.
 - They made the taxi knowledge test too difficult so many drivers did not pass and moved to illegal operators. As a result a large number of Taxis were garaged, forcing broken leases , lower prices and lost revenue for all.
 - Routine vehicle inspections were made very tough forcing drivers off the road for minor issues.
 - These examples amount to serious devaluation of the taxi licences, orchestrated by the Taxi Services Commission, immoral.
 - In recent years, the Taxi Services Commission has allowed many licences to be sold for large sums of money, \$500,000, while at the same time actively planning to abolish the system. This is culpable and totally immoral.
5. -
6. We are no longer members of the Commercial Passenger Vehicle Industry
7. As follows

Inadequate compensation for reforms are impacting the very people that built this country. Hard working Australians, honest, law abiding, tax payers which do not want to be welfare dependant, ideal citizens! Thousands of taxi licence holders, invested in this industry in order to build a future for their families & retirement, are now facing certain financial stress or bankruptcy. All due to the Andrew's governments unfair reforms.

The Taxi Directorate created licences, a business model and a highly regulated industry for people to invest in securely and make a livelihood. The Taxi License was considered an asset, similar to a property and was also promoted as a form of super fund / retirement fund. Like us, most people borrowed large amounts of money and worked a life time to acquire this asset.

Abolishing taxi licences without fair and equitable compensation package was unjust and immoral and against the very things that our country stands for. It is basically robbing people of their lifetimes work and destroying their future. This is not positive reform, its destruction of an industry and all the families behind it.

I Urge the government to properly and justly compensate Taxi License holders for the assets that were taken from us, at their highest market value, before the attack on the taxi industry. It is unjust that license holders that paid to enter the governments taxi industry, now are forced to pay for the reforms. While multinational operators are handed the industry for free.

Our story :

Our family (3 shares) originally purchased a perpetual Taxi licence in 1993 for \$137,000
We borrowed money and paid this off over many years.

In 2007 , the Licence value was \$450,000
My father sold his 1/3 share to our partner's for \$150,000, paid from savings
Total paid for this Taxi license \$240,000

In 2011 - Taxi Licence value peaked

- Asset value \$500,000
- Income \$27,700 gross

In 2016

- Taxi Licence value devalued after government interventions, illegal operators and industry uncertainty
- Asset value \$150,000
- Income \$20,000 gross

In 2017

- Asset & Income further reduced & Government abolished the Taxi License.
- We were paid compensation \$100,000 and zero from the Fairness Fund
- We lost Asset value \$400,000 and perpetual income of <\$25000 /year
- We lost \$140,000 in cash from initial investment

We are lucky that we are not left with a debit like many others. However this has left a big hole in our savings & retirement planning. It is very difficult no move into future investments due to lost assets & cash flow. This will definitely increase our dependence on a pension in the future.

If we had of invested in a house back in 1993 we would now have <\$800,000 asset + income.
These reforms are so unjust, its unbelievable .

Yours sincerely


Damiano Messina