

Deputy Premier
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Minister for Infrastructure and Transport
Minister for Planning



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Mr JM Burman
By email: wim.burman@gmail.com

- 9 JAN 2023

Dear Mr Burman

I refer to your further correspondence of 16 November 2022 relating to ride-share regulation, taxi licence compensation and the use of taxi licences as an investment vehicle.

As outlined in previous correspondence, the Tasmanian Government remains committed to supporting the taxi industry in providing high quality services as part of an evolving on-demand passenger transport sector. The new regulatory framework being implemented is designed to also provide the taxi industry with time to adapt to this changing environment.

While the Tasmanian Government remains committed to the implementation of the full suite of on-demand transport reforms to improve competition and create a level field across the taxi industry and ride-source providers, there are no plans to provide a compensation scheme for the taxi industry in response to market demand for licences or ride-source platforms entering Tasmania.

The Government's approach is to instead create an environment which:

- allows competition on a level basis
- provides appropriate regulation to ensure that the industry can operate safely and to enable consumer choice
- manages the regulatory transition over a five-year period to allow taxi industry time to adapt

This approach will provide consumers the opportunity to choose to travel by taxi or ride-source vehicles based on their preference and assessment of the best option to meet their needs.

As outlined in previous correspondence to you, a number of changes have recently commenced in terms of accreditation and also in relation to matters such as taxi driver medical requirements. This shows the Government's on-going commitment to levelling the playing field where possible and where it does not compromise safety.

The purpose of taxi licences has always been about providing market access to operators and enabling service delivery to the end user. Creating a financial instrument capable of capital growth, investment returns, or retirement funding has never been the intended purpose. While Tasmanian taxi licences may have provided returns in the past, they are not intended as an investment vehicle.

In short, government is not offering compensation to holders of taxi licences due to the market changing and evolving with time to offer new choices for customers. I trust you can appreciate the rationale as set out.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Ferguson". The signature is written in a cursive, flowing style.

Michael Ferguson MP

Deputy Premier

Minister for Infrastructure and Transport