

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

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Mr Endre Kovacs
President, Taxi Plate Owners Tasmania Association

Email: secretary@tlotas.com.au

Dear Mr Kovacs

Thank you for your emails of 10 and 29 May 2024, wherein you advocate for the implementation of a buyback program for Tasmanian perpetual taxi licences on behalf of the Taxi Plate Owners Tasmania Association. Thank you also for our phone conversations on 28 May and 29 July 2024 regarding this same matter.

I appreciate you taking the time to share your views and the views of members of your association with me. I understand the on-demand passenger transport sector has changed significantly over the past several years and I acknowledge the impact it has had on the industry. Having worked as a taxi driver in past times, I understand the importance of a fair and competitive taxi industry.

While Tasmanian taxi licences may have provided owners with returns in the past, there has never been a guarantee of ongoing future returns. Tasmanian taxi licences were never intended as an instrument for financial growth or the provision of investment returns. The primary focus of the regulatory regime for taxis has always been to provide for a safe and responsive taxi system that meets the needs of consumers.

Notwithstanding this, many licence purchasers determined to take up a licence for that purpose. As with any asset purchased as an investment, standard advice applies that previous performance does not guarantee future performance.

Regarding the effect of new providers entering the market, the Tasmanian Government has implemented a suite of on-demand transport reforms to create a level playing field between the taxi industry and ride-source providers. Ride-source providers and taxi operators work within similar regulatory frameworks and the taxi industry continues to benefit from exclusive access to some market sectors including rank and hail work and the Taxi Subsidy Program which contributed over \$5 million to the industry in 2023.

The Government also supported the taxi industry through this transition period and the downturn in patronage as a result of global pandemic by introducing a number of assistance measures. For example, as a licence owner you will be aware that the Government has not collected the annual licence administration fee since 2020.

The Tasmanian Government consulted extensively with the taxi industry as a part of the on-demand passenger transport review. Throughout that review it was made clear that there are no plans to use taxpayers' funds to purchase taxi licences or compensate licence holders for the impact of changes to the market. This position has not changed.

While I appreciate it is not the answer you were hoping for, I trust this information is of assistance to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eric Abetz'.

Eric Abetz MP
Minister for Transport

PS - I appreciated our chat the other evening
