

# Financial assistance

## Point to Point Transport Reforms

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### Who is this factsheet for?

Taxi licence owners. This fact sheet provides an overview of the financial assistance scheme for owners of eligible taxi licences. The fact sheet provides details of the eligibility criteria, and the timing of the application process. The fact sheet also provides answers to common questions.

This fact sheet is intended as a summary guide with more detailed information available on **Transport for NSW's website**.

### What other fact sheets are available?

Another fact sheet is available called "*Transition for taxi licence holders*" that provides an overview of the transition process for anyone currently providing a taxi service. Anyone who owns an eligible taxi licence and provides a taxi service is encouraged to read both factsheets.

Also available is a fact sheet called "*Proof of identity for taxi financial assistance*" that provides an overview of Proof of Identity requirements for the financial assistance scheme for owners of eligible taxi licences.



For the latest updates please visit **Transport for NSW website**.

### Financial assistance for taxi licence owners

A financial assistance scheme with a value of \$760 million will be made available to owners of eligible taxi licences. This will assist taxi licence owners adjust to the removal of any limits on taxi licence supply.

The financial assistance scheme will be funded by the passenger service levy, which will be increased by 20 cents to \$1.20 (ex GST) from 1 July 2023. The levy will remain in place until the end of 2030.

### Important information

The financial assistance scheme will be managed by Transport for NSW, not the Point to Point Transport Commissioner. You will receive a letter in early 2023 with detailed information on how to apply.

The application process for financial assistance will open on 1 February 2023 and close on 31 May 2023.

Applications for financial assistance will be made online.

Eligible taxi licence owners will need to provide certified copies of proof of identity documents and basic information about all the ordinary taxi licences they own.

Eligible licence owners will not need to provide taxi licence certificates as part of an application for financial assistance.

Ensure your contact details are correct and up to date with the NSW Point to Point Transport Commissioner.

A dedicated telephone contact centre is available on 131 727 to help taxi licence owners complete their applications.

## Eligibility for financial assistance

A person who owns a taxi licence of one of the following classes is eligible to apply for financial assistance: TX01, TX01A, TX05, TX06, TX06A, TX08, TX13, TXHAP, TX01New, TX01WoI, TX50, TX50A, TXC1, TX04WoI, TX51, TXHAPTR.

A person must have owned the eligible licence on 21 September 2022 and continue to own that licence on 1 February 2023, the start of the transition period. If the eligible licence is jointly owned by more than one person, the licence must have been owned continuously with the same persons, on 21 September 2022 until 1 February 2023.

## Beneficiaries of a will, probate or property settlement

The beneficiaries of a will, probate or property settlement are eligible to apply for financial assistance, provided they or the previous owner meet all eligibility criteria and owned the eligible licence on 21 September 2022 and continue to own on 1 February 2023.

## Applications for financial assistance

Applications for financial assistance will open on 1 February 2023 and close on 31 May 2023. Applications will be submitted online through Transport for NSW's website. Taxi licence owners can ask for help in applying by calling **131 727**.

## The amount of financial assistance available

The amount of financial assistance available will depend on the operating area of the eligible licence. All of the operating areas in NSW have been grouped into one of five zones. A list of operating areas in each zone can be downloaded from **Transport for NSW website**.

Licence owners will be able to apply for financial assistance for each eligible licence they own that has an operating area that does not include Sydney Metropolitan Transport District.

Licence owners will be able to apply for financial assistance for up to six eligible licences that have Sydney Metropolitan Transport District as an operating area. The table below shows the amount of financial assistance available for eligible licences in each of the five zones.

Sydney	\$150,000
Region 1	\$195,000
Region 2	\$115,000
Region 3	\$85,000
Region 4	\$40,000

## Impact on tax and social security benefits

Transport for NSW is seeking advice from the Australian Taxation Office and the Australian Department of Social Services on the treatment of financial assistance payments. If you are considering applying for financial assistance, you are encouraged to seek financial, tax and legal advice based on your individual circumstances.

# Frequently asked questions

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## Why is the NSW Government offering financial assistance?

The NSW Government announced a financial assistance scheme valued at \$905 million. \$145 million has already been paid to the point to point transport industry. A further \$760 million in financial assistance will be available to eligible taxi licence owners to assist them to adjust to the deregulation of taxi licence supply.

## Why are there different levels of assistance available?

The value of the payments to be made are based on the operating area of each eligible licence. The operating area is the area of the state in which the taxi is authorised to provide rank and hail services. More than 100 operating areas have been grouped into five zones.

Operating areas are allocated to a zone based on the sale price of licences:

- Operating areas with a similar median taxi licence sale price during the pre-reform period, between 2010 and 2015, have been allocated to the same zone.
- Operating areas with a low number of sales during the pre-reform period have been allocated based on sale prices before 2010.
- Operating areas with no taxi licence sales have been allocated to a zone using characteristics such as location, total population, and the number of people per taxi licence.

## What supporting documents will I need to apply for financial assistance?

To make an application for financial assistance as an owner of an eligible licence, you will need to provide certified identity documents and details of your taxi licence. You will not need to provide a copy of your taxi licence certificate, you will only need the licence number, last known registration plate and date the licence was last transferred.

## When will I be paid?

Once an application has been submitted with all required information, Transport for NSW will assess the application and determine whether a payment is to be made. The more complete your application is will mean that it can be processed more quickly. Payments will be made via cheque.

## Will the assistance payments be taxed?

Transport for NSW is seeking advice from the Australian Taxation Office and the Australian Department of Social Services on the treatment of financial assistance payments. Transport for NSW encourages taxi licence owners considering applying for financial assistance to seek tax and legal advice based on their individual circumstances.

## How does the taxi licence transition period relate to the financial assistance?

The transition period will open at the same time as applications for financial assistance, however they are separate processes. Transport for NSW will communicate to owners of eligible taxi licences about financial assistance. The Point to Point Transport Commissioner will communicate with eligible taxi licence holders to assist them in the transition to the new taxi licensing framework.

## **Will I still get an income from leasing out my licence?**

From 1 February 2023, at the start of the transition period, existing taxi licences can no longer be bought, sold or leased. After the transition period concludes, taxi licences issued under the new taxi licensing framework will not be able to be traded or leased. This will mean that it will not be possible to earn an income just from leasing a taxi licence. Taxi licence owners are encouraged to seek advice based on their individual circumstances prior to the start of the transition period.

## **My taxi licence has been cancelled, what does this mean?**

If you have leased your taxi licence out to an operator, they will be entitled to apply for a taxi licence under the new taxi licensing framework. If the licence is approved, the previous taxi licence they were leasing will be cancelled. If your taxi licence is cancelled through the transition process you will still be able to make an application for financial assistance for any taxi licences that meet the eligibility criteria.

## **What will happen to my taxi registration plate?**

There will be no need to take any action in relation to the registration plate associated with your taxi licence. If you have leased your licence out to an operator, they can apply for a new taxi licence issued under the new licensing framework. The lessee (or licence holder) will not need to exchange the registration plate as they can be transferred across to the new taxi licence.

## **Can I renew my lease arrangement?**

Taxi licence owners and holders are advised to carefully consider any lease arrangements in the lead up to 1 February 2023, the start of the transition period. Following the transition period taxi licences will not be able to be leased and will be available only on application to the Point to Point Transport Commissioner. Transport for NSW encourages anyone involved in providing a taxi service to seek their own advice.

## **Will I still be able to buy or sell taxi licences?**

From the start of transition period, taxi licences will no longer be able to be bought, sold or leased which means that there will only be one entity associated with each licence – the licence holder. Each licence holder will be directly involved in the operation of the business and provision of the taxi service.

## **Can I sell or transfer my taxi licence?**

If you sell or transfer a taxi licence you may affect your eligibility to receive financial assistance. You must have owned an eligible licence on 21 September 2022 and continue to own that licence on 1 February 2023, the start of the transition period to be eligible to apply for financial assistance. Beneficiaries of a will, probate or property settlement are eligible to apply, provided they or the previous owner owned the eligible licence on 21 September 2022 and continue to own the licence at the start of the transition period and satisfy all other eligibility criteria.