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FELS REPORT 'A STEP IN RIGHT DIRECTION' FOR TAXIS

"The Fels Report released today is a step in the right direction for taxis in Victoria, but the government should go further," said Richard Allsop, Research Fellow with the free market think tank the Institute of Public Affairs.

"The Taxi Industry Inquiry Chair Allan Fels' recommendation that there be an unlimited number of new fixed term licences for an annual fee of \$20,000 will certainly increase the supply of taxis.

"But the price of these new licences should be much lower if Victorians are to realise the full benefits of reform," IPA Research Fellow, Richard Allsop said today.

"A number of countries including Ireland, New Zealand and Sweden have deregulated their industries much further than Fels recommends and produced big improvements.

"In Victoria, taxis are expensive for customers, yet drivers are amongst the lowest paid members of the workforce," said Mr Allsop.

The report also contains a number of other useful recommendations such as moving from fixed to maximum fares and increasing the range of vehicles that qualify for use as a hire car.

"The Fels Report is an important test for the Baillieu Government. It is vital that many of the reforms proposed by Fels are fully implemented and not watered down to appease elements of the taxi industry who will undoubtedly oppose them," said Mr Allsop.

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