



## A MODEST FARMER

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### **Feather beds are comfortable if the mob is kept off them**

My interest in feather beds had been stimulated by a pamphlet written by Dr Peter Swan, of the ANU in Canberra.

It is called *On Buying a Job* and describes what happened when the number of taxi licences in Canberra was held artificially low, so presenting a fine feather bed to those who were fortunate enough to have a taxi licence.

The pamphlet was published by the Centre of Independent Studies (CIS) in Sydney. This is a group of enthusiastic people determined to hold high the free enterprise banner.

They do not content themselves with eloquence as do the other groups who claim a similar ideal — they are more interested in action. They have modelled themselves on the Institute of Economic Affairs in Britain which has encouraged the publication of well researched papers which exploded so many socialist myths.

If the CIS can maintain this standard, free enterprise will indeed be well served.

Taxi numbers are held down in Canberra by Government regulation.

There are now 104 taxis or 4.7 per 10,000 people in Canberra. In Queanbeyan, a few miles away, there are 7.1 taxis per 10,000 people.

Because the taxi numbers are held low, a Canberra taxi plate is worth about \$38,500 while a Queanbeyan plate is worth about \$28,000.

The bigger the Government induced scarcity, the greater the value of a licence.

So the taxi owners with licences are dedicated to the continuation of the system, as are the lucky owners of car and clothing quotas.

Feather beds are only comfortable if most of the mob are kept off them.

It may be claimed that, because Canberra has a Commonwealth car pool, it needs less taxis than other places. But the car pool is not used for ordinary taxi tasks or so they claim.

And I know that MPs were frequently carried in taxis late at night so it could be said that, because Canberra taxis get this extra work, more taxis and not less are needed there.

In any case, if Canberra taxis are not kept artificially low in numbers, why are its plates the most expensive in Australia?

It is interesting that, in London, where there is no restriction on taxi numbers but a very tight control on quality of service and vehicles, there are about 12.5 taxis per 10,000 people.

This disposes of the argument that it is necessary to restrict taxi numbers to maintain standards. This could be done by any authority that had the power and the guts.

In Canberra, taxi licences were allocated by ballot and they were eagerly sought after because they did not cost anything and were worth a lot of money.

But now they are allocated on the basis of seniority.

If a taxi driver (not an owner) has been driving for many years, he knows that he must be getting towards the head of the queue if more licences are to be issued so he is naturally keen to leave the present arrangements undisturbed.

If feather beds are to be properly comfortable, they must not be rocked either.

Swan suggests that one reason why the present system is allowed to continue is that others besides the taxi owners and the regulators have a vested interest in not rocking the feather bed.

The Canberra bus system is subsidised in a most generous manner. Swan says:

On average, every dollar spent on bus fares attracts a subsidy of in excess of \$4.35.

One can imagine the outcry if a decision was made to meet the deficit out of local rates instead of it being a burden on all Commonwealth taxpayers as at present.

If Canberra's travellers were to be confronted with the true cost of the bus system, many more would switch to other modes of transport such as taxis.

We should not be surprised that the bureaucratic hub of Australia, Canberra, should lead the country in bureaucratic intervention in the taxi industry, though this is directly opposite to the Liberal Party's much vaunted belief in free enterprise.

But the present situation will not be easily altered. Once individuals or small groups get properly embedded in feather beds they take a lot of digging out.

Many of the present taxi plate holders have paid high prices for their plates, they feel that they have paid for a special place in heaven.

And the civil servants who attend to the feather bed by doing the regulating grow to love the feather bed they serve.

And the poor minister is very busy and so he hates having people rock the bed.

So I suppose things will stay as they are, with only the consumer getting clobbered.

But no one worries about him these days.