

# Media Release



Federation of  
Community Legal Centres  
VICTORIA

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## Community lawyers strongly endorse Fels tax recommendations

The Federation of Community Legal Centres strongly endorses Allan Fels' proposal to end the use of bailment in the Victorian taxi industry, and to make comprehensive insurance compulsory. Community lawyer Lucie O'Brien said that Professor Fels' draft recommendations were an important step towards a safer, fairer workplace for Victorian taxi drivers.

"In Victoria, taxi drivers have hardly any rights, earn very little money and have almost no bargaining power in the workplace," Ms O'Brien said. "Most drivers in Melbourne are either international students or recent immigrants. Some of them have come to Australia as refugees. These drivers have limited chances to work and they depend on taxi driving to support themselves and their families. They are often reluctant to complain about unfair treatment by taxi owners, for fear of losing their jobs."

Last year, the Federation and Footscray Community Legal Centre established the Taxi Driver Legal Clinic to help low income taxi drivers with legal problems. The Federation will soon release its own report, setting out ways to protect the rights of low income drivers.

"As a result of our work with low income drivers, we know that the Victorian taxi industry needs urgent, radical reform," Ms O'Brien said. "This has to start with a rethink of drivers' status as 'bailees'. As 'bailees,' non-owner drivers are treated as independent business operators. In reality, they have all the obligations of an employee, with none of the benefits that most employees take for granted. They have no minimum wages, sick leave, annual leave, superannuation or rights against unfair dismissal."

"As a result, many drivers struggle to meet their day to day living expenses, despite working 12 hours a day, five or six days a week. In our view, these drivers represent a new and disturbing category of the 'working poor' in Australia," Ms O'Brien said.

"The Victorian Government should take action to address exploitation in the taxi industry and to ensure drivers enjoy basic workplace entitlements."

"The Government must also act to address chronic underinsurance in the Victorian taxi industry. Underinsurance is a major cause of legal problems for low income taxi drivers. Most taxis are not properly insured. This means that if drivers have an accident on the job, they can face legal claims as high as \$20,000, for damage to other drivers' cars. Many taxi drivers in this situation end up declaring bankruptcy."

"To address this problem, the Victorian Government must follow the recommendation of the Fels Inquiry and introduce compulsory comprehensive insurance in the taxi industry."

"At the Taxi Driver Legal Clinic, we have seen many taxi drivers facing ruinous debt after having an accident on the job. It's simply not fair that ordinary people should have to run this huge financial risk, just to earn a basic living," Ms O'Brien said.

### Further information:

Lucie O'Brien 0421 491 054

Denis Nelthorpe (Manager, Footscray Community Legal Centre) 0414 545 290

[www.communitylaw.org.au](http://www.communitylaw.org.au)