

## **Fare hikes not due to GST, say academics**

**MalaysiaKini.com**

**Mar 24, 2015**

Public perception that the recent increase in taxi rates, as well as upcoming hikes in rail and express bus fares, are due to the implementation of the goods and services tax (GST) on April 1 is incorrect, according to academics.

Prof Shazali Abu Mansor, who is a lecturer at Universiti Malaysia Sarawak's Faculty of Economics and Business, said people should realise that public transport operators have had to bear with higher operating costs and workers' salaries.

"To be realistic, it's time to raise transport fares but then, consumers are not willing to accept it wholeheartedly.

"The increase in fares is not in the least due to GST and consumers shouldn't gripe about it because any rise in public transport rates is subject to the current economic conditions," he told Bernama.

He said besides benefiting the operators, the adjustment in public transport fares will also improve the well-being of those involved in this sector.

Last Thursday, Land Public Transport Commission (Spad) chairperson Syed Hamid Albar announced that taxi and hire car fares would be increased by 20 percent to 40 percent with immediate effect, while express bus and rail fares would go up 22.6 percent, effective May 15.

The last time taxi and bus fares were reviewed was six years ago.

The announcement, however, did not go down well with commuters, who felt that the time was not appropriate for a fare rise as they were already burdened with the higher cost of living.

Last Friday, the cabinet decided to postpone the implementation of the new fares for express buses and rail transport to a later date.

Shazali suggested that permits for taxis be given directly to the drivers, instead of middlemen who rented their permits out to taxi drivers.

"Taxi drivers usually work more than 12 hours every day because they've to pay the rentals for their taxi and permit, as well as take care of their vehicle's repairs and maintenance," he said.

He also said that the public transportation system in this country needs to be improved, particularly in terms of their services and quality.

### **'Use wisdom to reason out adjustment'**

Assoc Prof Sivamurugan Pandian, a lecturer with Universiti Sains Malaysia's Centre for Social Science Studies, said the people should use their wisdom to reason out the adjustment in the public transport fares, instead of being influenced by inaccurate sources of information that link the higher fares to the impending GST.

"Clear explanations by the government will enable consumers to understand why the new fares are being implemented. It's also important that accurate information is disseminated to all the people.

"Furthermore, higher fares will also entitle commuters to better services when they use public transport," he added.

- Bernama

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd  
Source : <http://www.malaysiakini.com/news/293082>