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**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY  
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**AUDITOR-GENERAL'S REPORT No. 3/2022  
ACT Taxi Subsidy Scheme GOVERNMENT RESPONSE**

**Presented by  
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## AUDITOR-GENERAL'S REPORT No. 3/2022ACT

### Taxi Subsidy Scheme GOVERNMENT RESPONSE

#### Background

The ACT Taxi Subsidy Scheme (the Scheme) provides subsidised taxi fares to permanent ACT residents with a disability or major mobility limitation that prevents them from accessing public transportation. The Scheme supports social inclusion and economic participation of community members who would otherwise be at risk of social isolation. According to the latest ABS report<sup>1</sup>, approximately 79,700 people live with a disability in Canberra. The ACT audit office estimates 10,800<sup>2</sup> Canberrans with profound or severe core activity limitations face challenges in using public transport. They are likely to experience transport disadvantage<sup>3</sup> and heavily rely on public transportation, such as taxis. The Government provides subsidies to these people so they can use an inexpensive, accessible, high-quality, and secure taxi system.

The Scheme has two membership classifications — general and permanent. A general membership is provided to people who have a medical condition which is likely to improve over time or where it is unclear what the long-term prognosis of the condition is. A permanent membership is granted if the applicant has had their medical condition since birth and will not change or if they have a condition which will not improve over time.

Each member, whether general or permanent, receives benefits based on their level of access. Specifically, depending on whether they can transfer into a standard cab while in a wheelchair, members receive one of the following fees: 50 per cent of total trips price (capped at \$24), 50 per cent of total trips charge plus lift cost (capped at \$37.85), or 75 per cent of total trips fee plus lift fee (capped at \$50.85). Members of the Scheme are provided with a Smart Card, which enables them to automatically receive the subsidy when paying the taxi fare.

There were 8,675 members of the Scheme over the five-year period from 2016-17 to 2020-21, of which 79 per cent were permanent members and 21 per cent were general members. A total of \$9,784,526 subsidies has been provided to members against a total value of taxi fares of \$13,191,788 for 485,551 trips taken under the Scheme. Members of the Scheme have therefore paid the remaining \$3,407,261 out of pocket.

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<sup>1</sup> *Disability, Ageing and Carers, Australia: Summary of Findings 2018*. <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release#data-download>

<sup>2</sup> *ACT Auditor Generals report on ACT Taxi Subsidy Scheme*, p.7.

[https://www.audit.act.gov.au/\\_data/assets/pdf\\_file/0003/2017515/Report-No.3-of-2022-ACT-Taxi-Subsidy-Scheme.pdf](https://www.audit.act.gov.au/_data/assets/pdf_file/0003/2017515/Report-No.3-of-2022-ACT-Taxi-Subsidy-Scheme.pdf)

<sup>3</sup> *Transport: A 'wicked problem' we have the strengths and assets to solve*, September 2016

<https://www.actcoss.org.au/sites/default/files/public/publications/2016-position-paper-transport-a-wicked-problem-we-have-the-strengths-and-assets-to-solve.pdf>

An open consultation on the ACT Disability Strategy took place from March to July 2022. This consultation was co-designed and led by the ACT Disability Reference Group.

The Government is currently reviewing what we have heard during the consultation period and expects to release a listening report on the consultation in December 2022. The Government has a view to launching a 10-year ACT Disability Strategy in mid-2023, along with a 4-year Action Plan. The Auditor General's report and the Disability Strategy consultation's feedback will both be taken into consideration for any potential future change to the Scheme.

### **Auditor General's Conclusion on Audit Criteria**

The ACT Audit Office conducted a performance audit of ACT Taxi Subsidy Scheme from 2016-17 to 2020-21 in order to provide an independent opinion to the Legislative Assembly on the scheme's efficacy and activities to improve the service delivery. The audit focuses on the actions of the ACT Revenue Office and takes into account the following factors:

- The governance arrangements in place to administer the Scheme, including arrangements for monitoring and evaluation;
- Processes for receiving and assessing applications for membership; and
- The management and monitoring of the Scheme usage by members.

The Audit Office conducted interviews and discussions with key staff at the ACT Revenue Office and representatives of community advocacy groups to identify and review information and documentation associated with the administration of the Scheme. The following questions were used as audit criteria:

- Have ACT Government agencies effectively planned for the delivery of the ACT Taxi Subsidy Scheme?
- Have effective administrative arrangements been established and maintained for the Scheme?
- Is the Scheme meeting the needs of the community?

The final report has two main conclusions:

1. The Scheme is hampered by a lack of clarity and specificity, and it is not possible to ascertain whether the subsidy amounts, or subsidy caps are appropriate, and the Scheme is effective.
2. The management of the Scheme is generally sound.

The report has made recommendations on the four areas about the review of the Scheme and administrative improvements, all of which the Government either notes or agrees with.

## **Government Position on Recommendations**

### Recommendation 1: Scheme purpose and objectives

The Chief Minister, Treasury and Economic Development Directorate should:

- a) review and clearly articulate the purpose and objectives of the Scheme; and
- b) use this as a basis for identifying a policy for, and principles associated with, subsidy amounts and subsidy caps.

### Government Position

Agreed in principle

We do not accept the Report's conclusion that the planning and delivery of the Scheme is hampered by a lack of clarity and specificity with respect to the purpose and objectives of the Scheme.

a)

The Scheme contributes to achieve the broader aim of improving affordability of essential services for residents of the ACT in need of assistance. It provides subsidised taxi fares to permanent ACT residents with a severe or profound activity limitation which prevents them from using public transport. In terms of its coverage and breadth, the Scheme is broadly consistent with other jurisdictions.

The ACT Government is undertaking a separate review of the maximum regulated taxi fares and regulation, this will take into consideration the adequacy of taxi fare subsidies.

This separate review will also consider how a range of objectives are being achieved in the taxi industry, including the accessibility and inclusion objectives and the availability of Wheelchair Accessible Taxi (WAT) services.

In order to better inform the community, public documents that are available on the Revenue Office website will describe the eligibility requirements and operating method with more clarity as suggested in recommendation 1(a). We are aware that feedback has been received from the Disability Strategy consultation which may inform any additional work to communicate the guidance associated with the Scheme.

b)

The Government considers the subsidy levels are adequate and consistent with other jurisdictions and are appropriate for most purposes. Over 80 per cent of trips were below the subsidy cap in 2020-21.

Commute distances are fairly uniform in ACT, given the location of the suburbs and key service providers. There is limited evidence that the current ACT cap is having an adverse impact. However, there may be a small number of individual users that require higher levels

of subsidy for specific purposes such as to access unique essential services. The Government may consider these individual needs further, as part of the feedback received for the ACT Disability Strategy.

### Recommendation 2: Review and evaluation

The Chief Minister, Treasury and Economic Development Directorate should periodically review and evaluate the operation of the Scheme. The review should assess the operation of the Scheme against its identified purpose and objectives and be informed by qualitative and quantitative data that is collected in relation to the operation of the Scheme.

### Government Position

Agreed

The Government agrees to review and evaluate the operational documentation currently in use.

- Government will review the operation of the Scheme periodically subject to available resources and other policy priorities.
- ACT Revenue Office is transitioning the administration of the Scheme onto a new workflow management platform and has reengineered aspects of the administrative processes. The operating manuals will be updated at the completion of this process.
- The quantitative data of membership details and Cabcharge information (trip duration, trip cost, smart card etc.) will be helpful in identifying any inconsistency in the scheme's operation. Provision for recording appropriate locational descriptions may be considered to ensure better usage of the Scheme and avoid any misuse.
- ACT Revenue Office will incorporate a survey or feedback form into the member renewal process (in every 3 years) in order to collect the qualitative information.
- The ACT Revenue Office is currently developing a fraud minimisation strategy with the provider, focussing on driver behaviour, using the expertise of the provider from across multiple jurisdictions. This will lead to stronger protection of Scheme members from fraudulent driver activity claiming incorrect trips or subsidy amounts against their membership. This will include:
  - an investigation by ACT Policing of driver's behaviour and activity, and
  - a compliance exercise matching TSS claims data with Wheelchair Access Taxi data and follow up investigations of trips that were identified as potentially suspect.

### Recommendation 3: Policy and procedural guidance

The Chief Minister, Treasury and Economic Development Directorate should review and update the policy and procedural guidance associated with the Scheme.

### Government Position

Agreed

The policy and procedural guidance to administer the Scheme is clearly defined in the ACT Taxi Subsidy Scheme Policy Paper (the Policy Paper) and intended to accomplish the Scheme's stated objective. The Government agrees that a periodic review of the Policy Paper may be helpful for further improvement in managing the Scheme. We are aware that feedback has been received from the Disability Strategy consultation which may inform any additional work to communicate the guidance associated with the Scheme.

Recommendation 4: Application form accessibility

The Chief Minister, Treasury and Economic Development Directorate should explore opportunities to make the application forms associated with the Scheme web-based and able to be completed on-line.

Government Position

Agreed

We agree this has the potential to improve the easy operation of the Scheme. The ACT Revenue Office has already commenced a program of work to include an online solution for applying in the Scheme.