

Chris Steel MLA
Minister for Transport and City Services
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Member for Murrumbidgee

Mr Peter Cain
Chair
Standing Committee on Justice and Community Safety (Legislative Scrutiny Role)
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Dear Mr Cain

The Standing Committee on Justice and Community Safety (Legislative Scrutiny Role) in Scrutiny Report 26 of March 2023 sought further information on:

- a) the increase in fares associated with hiring or using a taxi outlined in the *Road Transport (Public Passenger Services) Maximum Fares for Taxi Services Determination 2022 (No 1)* (DI2022-252); and
- b) the increase in several different waste management fees outlined in the *Waste Management and Resource Recovery (Fees) Determination 2022 (No 2)* (DI2022-255).

You sought clarification about these Disallowable Instruments in connection with two other instruments involving fees and charges. I thank the Committee for its consideration of DI2022-252 and DI2022-255 and provide the following comments in response, as requested.

Changes to fees and charges, levies and taxes by annual decisions or different indexation arrangements are driven by a range of policy considerations. Indexation is largely linked to growth in wages to cover the cost of Government employees providing services to the community, while ensuring the indexation does not create undue cost of living pressures. Where a different indexation is used, it usually reflects the changes in prices of goods and services acquired by households (i.e. the Consumer Price Index), or seeks to align with the intended policy objectives of the fees and charges.

DI2022-252 - Road Transport (Public Passenger Services) Maximum Fares for Taxi Services Determination 2022 (No 1)

As noted in Scrutiny Report 26, DI2022-252 determines fares, and methods for calculating fares, for the hire or use of taxi vehicles.



Taxi fare increases are implemented by reference to the Consumer Price Index (CPI) and are not collected by government. The ACT CPI increase over the 2021-22 financial year was 6.3%. Fares were last increased on 1 July 2021 by 1.75%, through the [Road Transport \(Public Passenger Services\) Maximum Fares for Taxi Services Determination 2021 \(No 1\)](#). Since that increase, costs of operating taxis have significantly increased, due to the current state of global markets; the increased cost of living; reinstatement of the full fuel excise rate on 29 September 2022; and the residual impacts of COVID, including significant lost income for operators.

This increase is just one method that the ACT Government can utilise to provide continued support to the taxi industry. It is also worth noting that Transport Canberra and City Services (TCCS) is currently in the process of engaging an external provider to conduct a taxi fare review. The review will include an analysis of the current regulation of fares and consideration of regulatory options to promote competition in the ACT taxi industry, and a proposed methodology for calculating future fare increases.

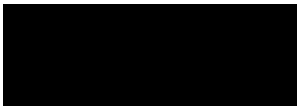
DI2022-255 - Waste Management and Resource Recovery (Fees) Determination 2022 (No 2)

As also noted in Scrutiny Report No 26, DI 2022-255 determines fees and rates of interest under the *Waste Management and Resource Recovery Act 2016*.

Waste Management and Resource Recovery Fees were not increased in 2020-21 in line with the Government's response to the COVID-19 pandemic. In July 2022, fees were increased by WPI of 3.25% as seen in Waste Management and Resource Recovery (Fees) Determination 2022 (No 1). The January 2023 fee increase of 1.75% will bring the fees back into alignment while limiting the cost burden on customers.

I trust that this response addresses the Committee's concerns.

Yours sincerely



Chris Steel MLA
Minister for Transport and City Services
27 March 2023