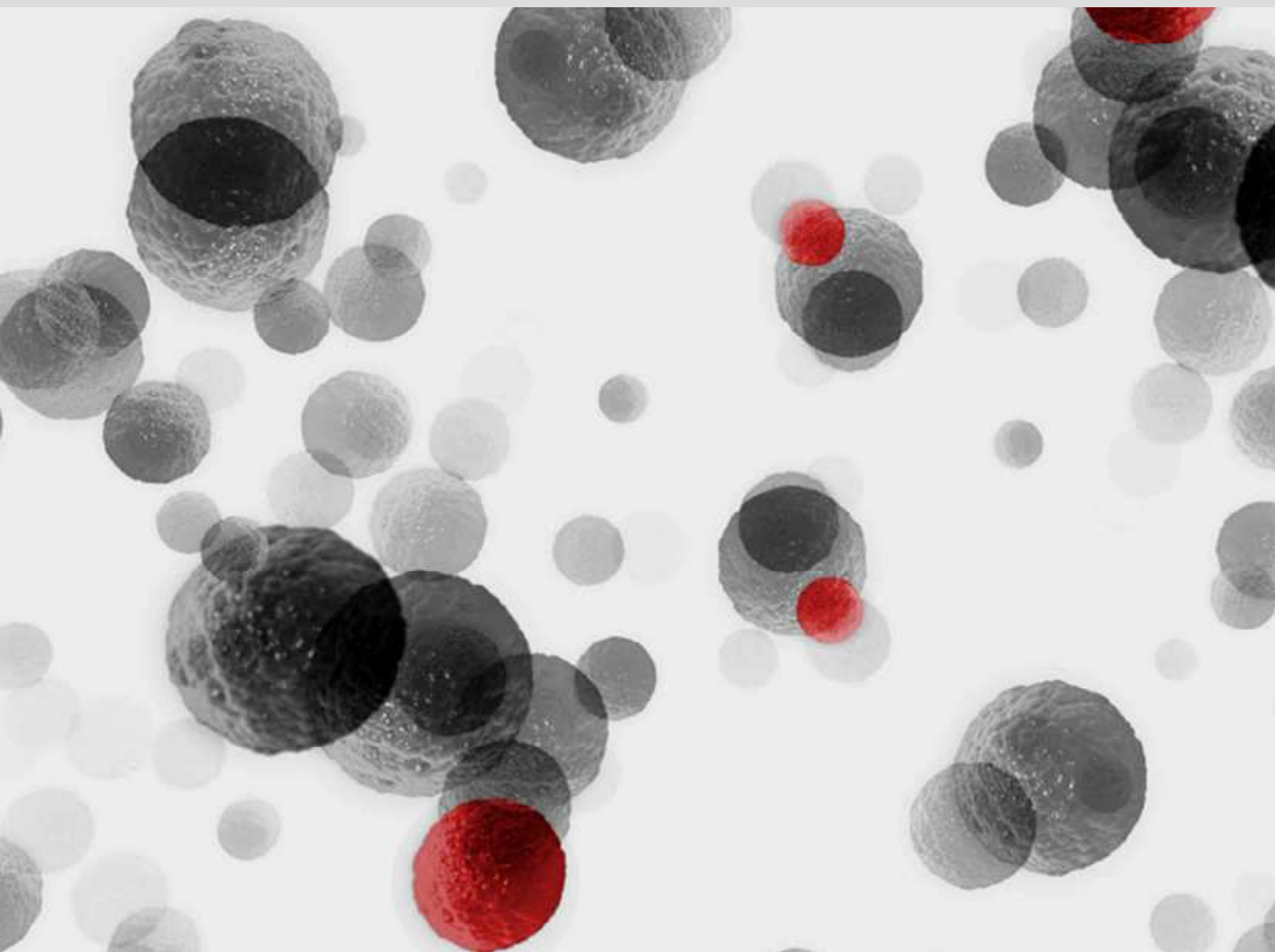




Review of the National Maximum Taxi Fare 2010

Final Report

November 2010



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1

Background and Study Objectives

This section provides background information with regard to the review of the national maximum taxi fare for 2010-2012. The objectives of the study are highlighted, and the review methodology is detailed. An outline of the overall report is also provided.

1.1 Study background

1.1.1 Setting the National Maximum Taxi Fare structure

The Commission for Taxi Regulation (hereafter 'the Commission') introduced a national maximum taxi fare structure in September 2006. It set a unified tariff structure for all taxis in Ireland, replacing the previous arrangement where 35 different taximeter areas existed. The objective of the new tariff structure was to establish a single, simple, transparent system across the country. The taxi structure has the following components:

- Initial charges: a fixed fee which covers an initial distance or time period
- Further travel tariffs: with three time and distance based tariffs (A-C) coming into operation on a graduated basis dependent on a number of factors
- Standard and Premium Rates: with premium rates applicable for unsociable hours, i.e. between 20.00h and 08.00h
- Additional passenger charges: with fixed costs per additional passengers
- Booking fee: a fixed fee where relevant, and
- Soiling charge: a set fee applicable where passengers damage or dirty a vehicle resulting in a loss of service or incurrence of costs for the driver

The Commission set these tariffs in 2006 as part of the establishment of the national maximum taxi fare structure, taking into account a number of considerations. The overall objective of the maximum taxi fare was to ensure that the taxi industry received a fair return for its work, and that further supply was stimulated, that customers received value for their money and that additional demand was created. The tariffs are set as a maximum charge, with drivers (individually or through cooperation with

dispatch operators) free to offer discounts. The existing fare card is outlined as Figure 1.1 for information.

Figure 1.1 Fare card

National Maximum Taxi Fare Effective from 1 November 2008			
Standard rate		Premium rate	Extras <small>Where relevant</small>
8.00h–20.00h		20.00h–8.00h & Sundays & public holidays*	Booking fee €2.00.
INITIAL CHARGE Includes 1km or 170 secs	€4.10 Fixed	INITIAL CHARGE Includes 1km or 170 secs	€4.45 Fixed
TARIFF A Next 14km or 40 mins Up to €18.70	€1.03 per km or €0.36 per min	TARIFF A Next 14km or 40 mins Up to €23.45	€1.35 per km or €0.48 per min
TARIFF B Next 15km or 42 mins Up to €38.90	€1.35 per km or €0.48 per min	TARIFF B Next 15km or 42 mins Up to €47.05	€1.57 per km or €0.55 per min
TARIFF C Over 30km or 85 mins Over €38.90	€1.77 per km or €0.63 per min	TARIFF C Over 30km or 85 mins Over €47.05	€1.77 per km or €0.63 per min
Distance rate applies unless speed drops below 21 km/h when time rate applies.		*A special premium rate applies between Christmas Eve 20:00h to St. Stephen's Day 08:00h and New Year's Eve 20:00h to New Year's Day 08:00h. During these periods Tariff C is applied immediately after the premium rate initial charge.	
		Extra adults: second and additional passengers €1.00 each. Extra children under 12: 1 free 2 or 3 €1.00 4 or 5 €2.00 6 or 7 €3.00. Road toll charges as incurred. Soiling charge €140.00.	

1.1.2 The 2008 Fare Review

The Commission is obliged to review taxi fares at least every two years. The second fare review took place during the summer 2008, making a recommendation on the fare for the following two years.

A dynamic taxi cost index (TCI) was developed which reflected the cost of operating a taxi in Ireland, and was used to estimate how these costs had changed since 2006. The review considered movements in the taxi cost index, together with wider economic factors, including price and wage inflation.

The 2008 review recommended that: the national maximum taxi fare should be increased in line with increases in the taxi cost index (8.3%). This was marginally less than overall price inflation for the same period, as measured by the Consumer Price Index (CPI). The increase was also significantly less than that requested by the majority of industry representatives, who were widely consulted as part of the review.

The soiling charge, payable by a customer who defiles the vehicle, was increased in line with changes in cleaning costs, as indicated by the relevant CPI sub-indices.

The review also recommended that drivers should be given an additional allowance for working between Christmas Eve 20.00h to Stephens Day 08.00h and New Years Eve 20.00h to New Years Day 08.00h, with a move to Tariff C for the entire journey proposed during these times. This was in order to stimulate supply of services during this period, and to ensure a fair return to drivers for operating during these unsociable hours. Figure 1.1 details the resulting fare card.

More information, including the final reports, is available on the publications section of the Commission's website at www.taxiregulator.ie.

1.2 Terms of reference for the 2010 review

1.2.1 Objectives

PA Consulting Group was commissioned to undertake an independent review of the fare in 2010. PA was engaged to conduct a full Regulatory Impact Analysis (RIA) on three scenarios - a marginal increase, no change and a marginal decrease to the overall taxi fare. Recommendations of a national maximum taxi fare for the next two years were then to be presented, based directly on the outcome of the RIA. The analysis was required to take account of a number of factors, including:

- a full update of the Taxi Cost Index (TCI), examining changes in taxi operating costs since the 2008 fare review.
- changes in the demand for and supply of taxi services over the period.
- the impact of any change in the fare on demand and supply, together with the earning capacity of taxi operators.
- wider economic trends and movements in other transport charges.

While the ultimate objective related to the overall fare level, each scenario was to take consideration of the various elements of the existing fare structure. Consideration was also to be given to the impact of the third premium rate, i.e. the increased fare for unsociable hours over Christmas and New Year which was awarded in 2008.

1.2.2 Key deliverables

Key deliverables for the Review were to include:

- an early screening RIA
- support to the public consultation process
- final RIA and Recommendations report (as per this report)
- updated Technical Guidelines and industry information.

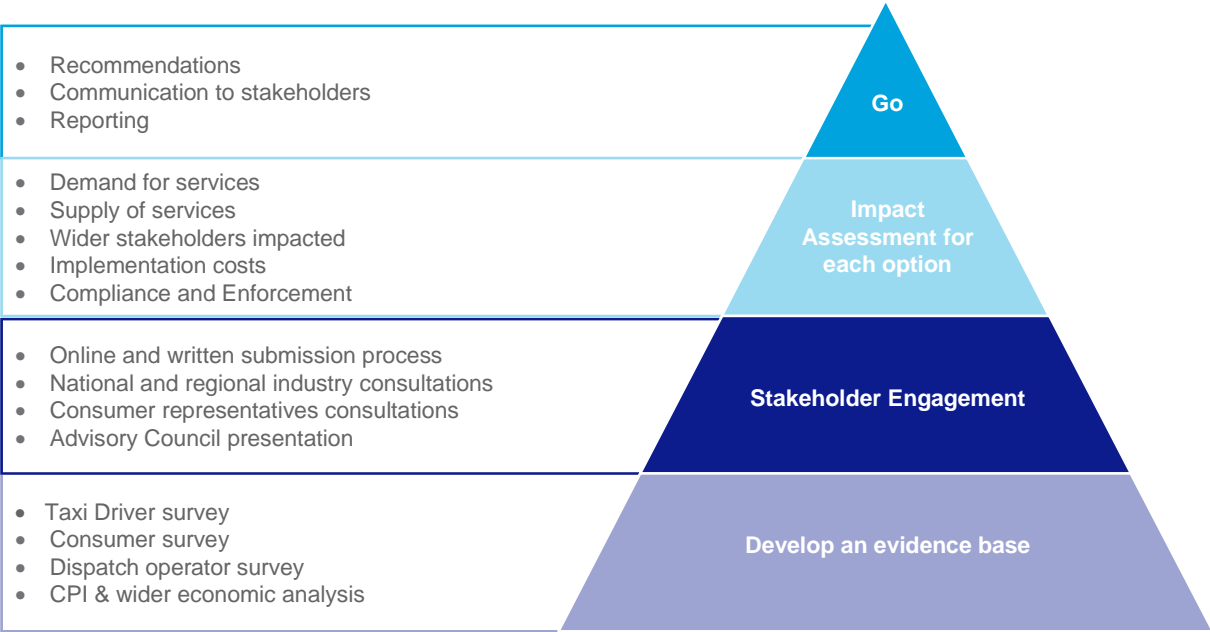
1.3 Our methodology

1.3.1 Our approach

Figure 1.2 summarises our overall approach to undertaking the review. In short, this has included the collection of up-to-date market statistics, wide-ranging stakeholder engagement, and vigorous impact assessment (in line with the Department of An Taoiseach's guidelines for undertaking Regulatory Impact Analysis¹). The outputs from this, together with the subsequent recommendations are presented in the proceeding chapters.

¹ Available at www.betterregulation.ie

Figure 1.2 Summary of overall approach to Taxi Fare review 2010



1.3.2 Guiding principles

Our review of the taxi fare was undertaken with the following principles in mind:

- **Geared to Cost:** tariffs and changes in tariffs, must reflect changes in costs faced in providing the service. Tariffs that do not reflect changes in costs will negatively impact on supply, or reduce the quality of service supplied. In the context of this review, the roll-out of new vehicle standards and licensing requirements over the next two years must be considered.
- **Fair return:** industry must be allowed to make a return over costs that are reflective of the effort required to provide a service to the standards set by the Commission. Failing the offer of such a fair return, SPSV industry participants may move to other sectors, thus reducing supply.
- **Affordability:** tariffs are related to customers’ ability and willingness to pay. Affordable tariffs are likely to stimulate demand.
- **Ability to price differentiate:** cognisance has also to be given to the fact that this is a national maximum fare, and those that wish to offer lower fares to customers are able to do so.

A tariff structure that reflects each of these elements helps to stimulate supply and competition within the industry, while delivering value for money for the customer.

1.4 Structure of this document

This section has outlined the objectives of the review and an overview of our approach. The remainder of this document is set out as follows:

- Section 2 outlines relevant SPSV and wider market developments over 2008-2010
- Section 3 outlines the input from taxi operators, users and their representatives to the fare review process

- Section 4 provides the updated taxi cost index, which outlines changes in taxi operating costs compared to 2008
- Following this, section 5 summarises our impact analysis of the changing the fare and not changing the fare
- Section 6 includes the recommendation for the fare until the next fare review.

2

Market Developments

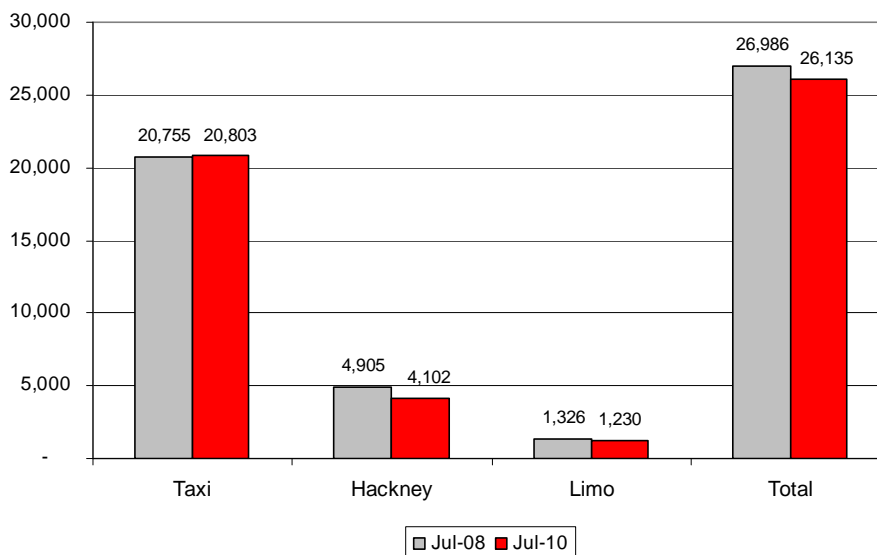
In order to reach reasonable recommendations on taxi fares, it is important to have a deep understanding of current market supply and demand figures. This provides context for the study, and helps to inform the impact analysis

2.1 Supply of taxi services

2.1.1 Number of vehicle licences

Commission licensing figures (see Figure 2.1) show that there were 20,803 active taxi licences (including wheelchair accessible) at the end of July 2010. This is similar to the number at the same period in 2008 (20,755), meaning that there has not been an increase in the level of competition between taxi operators since the last fare review. The number of hackneys and limos, which offer some level of competition to taxi services, have had higher absolute and proportionate decreases over the same period.

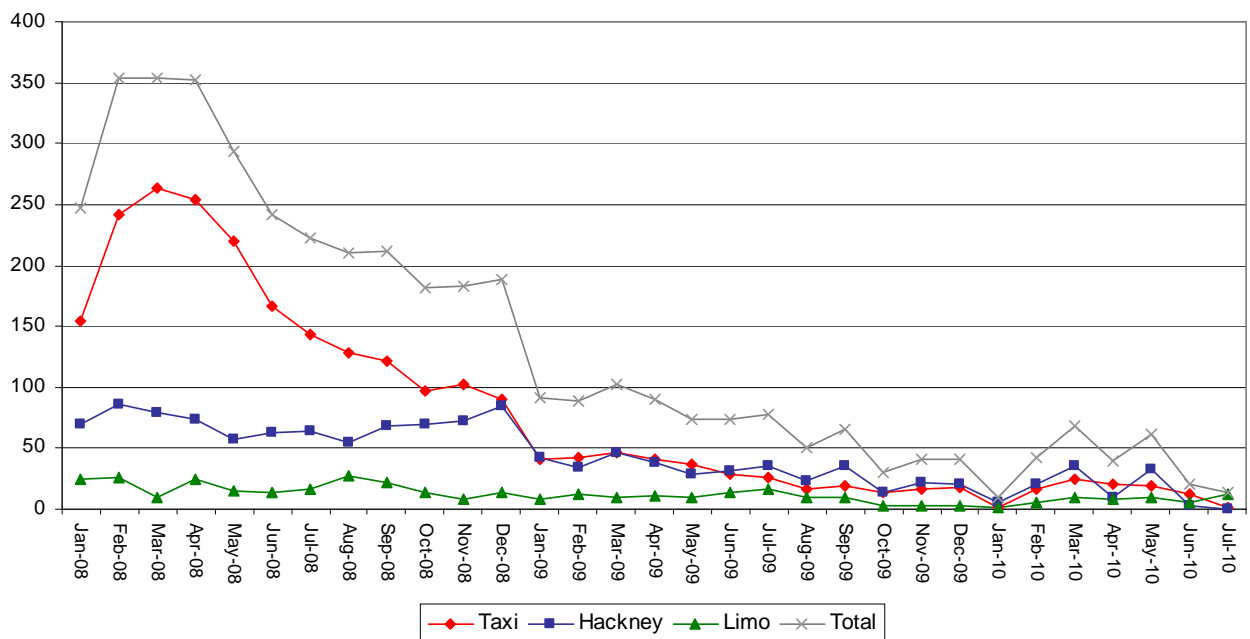
Figure 2.1 Stock of taxi and other SPSVs, 2008 v 2010



Entry into the taxi sector has declined markedly since the last fare review in 2008 (see Figure 2.2). At that time, there was significant demand for new vehicle licences, with 1,982 being issued in that year. However, in the calendar year to July 2010, the Commission issued only 96 new taxi vehicle licences. New regulations which came into effect in June 2010 limit entry to wheelchair accessible or limousine licences only.

The current economic climate, coupled with the new vehicle standards being introduced over the 2010 to 2012 period, means it is unlikely going forward that this trend will change significantly.

Figure 2.2: New taxi and other SPSV licences issued, January 2008 to July 2010

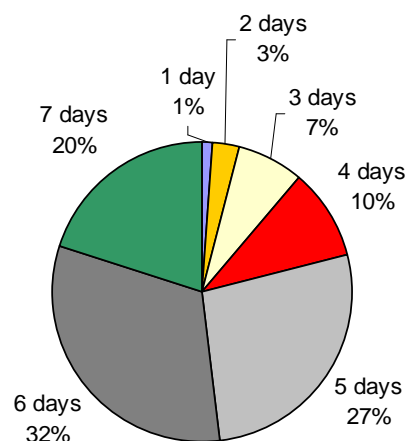


2.1.2 Supply characteristics

The 2010 Taxi Driver Survey highlighted a number of relevant supply characteristics:

- An estimated 88% of taxi drivers are full-time drivers (30 hours a week or more), while 12% operate on a more part-time basis.
- On average, taxi drivers stated they work 52.6 hours per week, a similar figure to that recorded in 2008. Full-time operators (as defined above) work on average 57.6 hours, while part-time operators work 17.5 hours per week.
- Figure 2.3 shows that almost a third of taxi drivers operate on six days a week, while

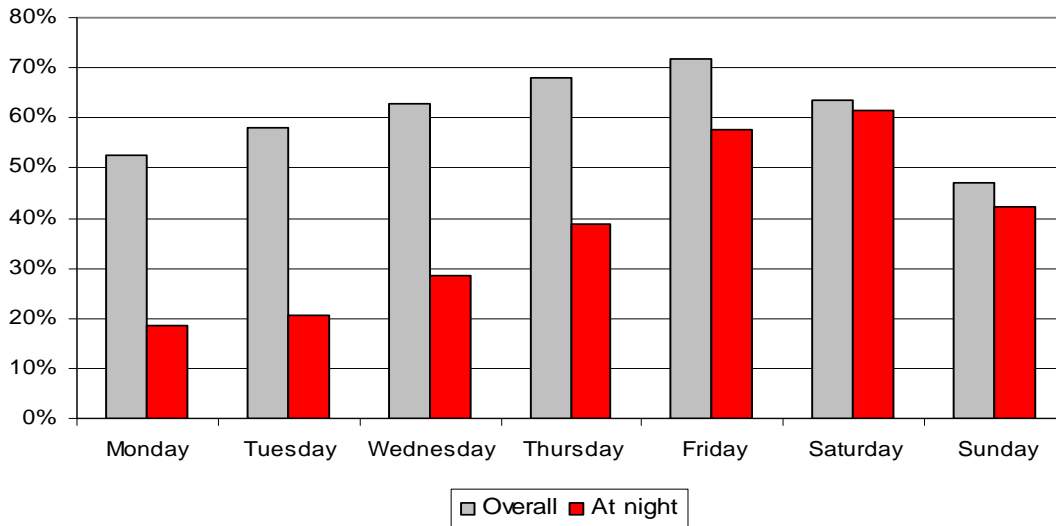
Figure 2.3: Drivers' days worked per week, 2010



27% operate five days a week. The average is 5.4 days per week.

- Supply is greatest on a Friday with 72% of taxi drivers working on that day (see Figure 2.4). Saturday night is the busiest night-time supply of taxis, with 62% of taxi drivers operating then.

Figure 2.4 Proportion of taxi drivers operating by day of the week



2.1.3 Reported earnings

As part of the taxi driver survey, drivers were asked to estimate their average weekly gross income. This data was compared to figures collected in 2008. On average, reported earnings were 30% less in the 2010 survey compared to the 2008 survey.

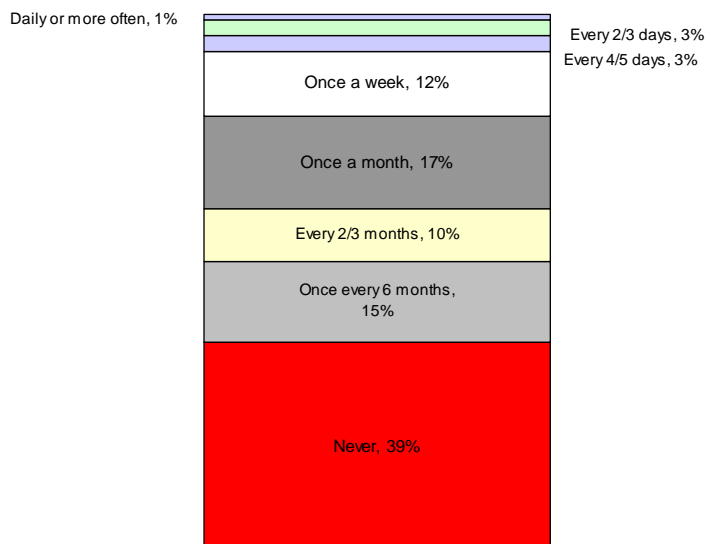
2.2 Demand for taxi services

2.2.1 Frequency of usage

Approximately 61% of adults in Ireland use taxis, according to a recent Red C consumer survey commissioned by the Commission (July 2010). The survey illustrated the following:

- Approximately one in five (20%) adults use a taxi once a week or more often than that, which would be termed heavy users (see figure 2.5).
- The survey found that heavy users are more likely to be male, and be in the 18-34 age group.
- Generally, socialising is the main reason for using taxis.
- Almost two out of five adults stated that they never use taxis. Non-usage levels are highest amongst those aged 55 and over.

Figure 2.5: Frequency of taxi usage, 2010

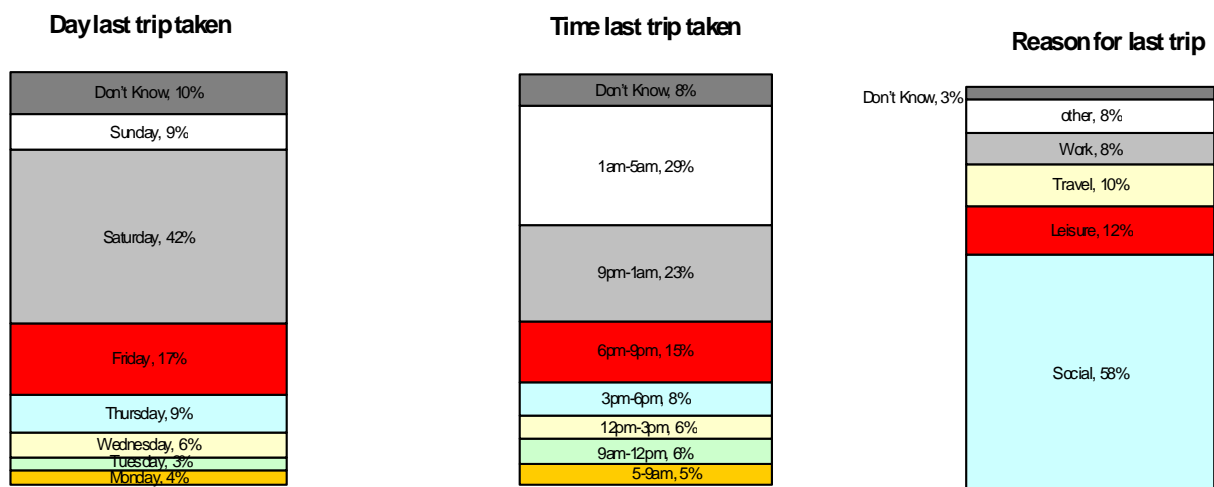


2.2.2 Characteristics

The taxi fare survey of consumers conducted in July 2010 by Red C as part of this review gathered data on trip characteristics. This found the following:

- Saturday is the busiest day, with 42% of users stating that this was last day they used a taxi. This was followed by Friday (17%) and Sunday (9%).
- Night (post 9pm) and late night usage accounts for over half of all journeys, typically when few substitutes are available.
- Unsurprisingly then, the main reasons cited for using taxis is for social reasons, as outlined in figure 2.6 (below).

Figure 2.6: Characteristics of last trip taken by taxi users



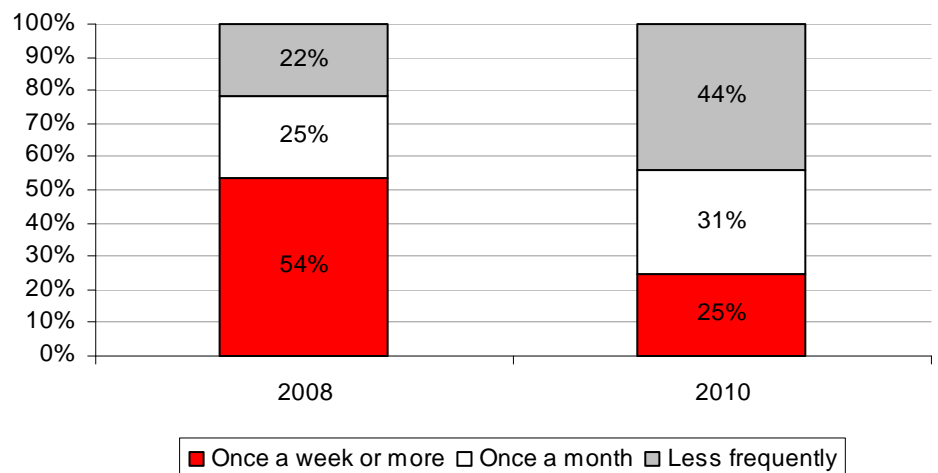
The consumer survey also asked how many passengers were in the taxi at the last journey. This showed that 31% of journeys had one passenger, 36% had two passengers, and the remaining 32% had three or more passengers.

2.2.3 Change in demand for cabs and taxis

It is not possible to directly compare taxi usage in 2010 and 2008 (the last fare review). However, there are several indicators that point to a medium to significant decline in demand for taxis over the course of the last two years. These include:

- Of those using cabs (including both hackneys and taxis), the level of heavy usage has declined significantly, as outlined in Figure 2.7. While a similar portion of the population are using cabs, they seem to be using them a lot less frequently.

Figure 2.7: Frequency of use, by cab users, 2008 and 2010

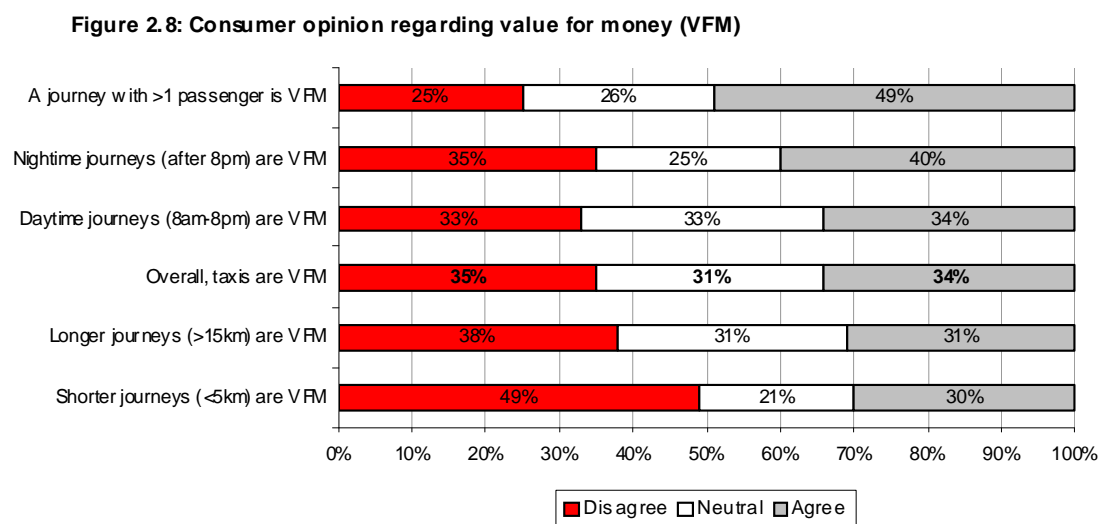


- The Commissions' research shows that people that use taxis for work purposes are a key category of 'heavy users'. Given that the number of unemployed has jumped 88% since the last fare review, with an additional 220,000 people on the live register, it is unsurprising to see the proportion of those using a taxi once or week or more has declined.
- Tourists are an important customer group for taxi drivers, especially for day-time taxi operators. Central Statistic Office figures show that the number of overseas visitors to Ireland dropped 12% in 2009 (compared to 2008), and this trend has likely continued.
- The Commission's taxi fare survey found that 22% of consumers stated that their level of usage had decreased in the past twelve months. The biggest declines were for those using taxis for social reasons, and for those living in the Connaught and Ulster regions.
- Almost all dispatch companies and taxi drivers surveyed as part of the fare review noted a decline in demand for their services over the last year.

2.2.4 Taxis and value for money

The Commission's Taxi user survey (July 2010) sought to establish characteristics regarding value for money and taxi services, as they relate to the current taxi fare structure and price levels. Some of the most relevant findings were:

- Approximately 61% of those surveys felt that overall fares should decrease, while 36% stated they should remain the same.



- Opinion is evenly split as to whether taxis offer good value for

money. A third agreed that they do (34%), while another third stated they disagreed (35%), with the remainder neither agreeing nor disagreeing (see Figure 2.8).

- Fewer consumers thought shorter journeys of less than 5km (30%) and longer journeys greater than 15km (31%) are good value for money. The taxi user survey enquired as to the length of the user's last journey, with an average of just over 10km being reported.
- There is greater support for taxis as a value for money proposition when the journey is shared with another passenger (49%) and for journeys at night time (40% believe it represents good value for money).

2.2.5 Discounts on the fare

As part of the review, data was also gathered on the incidence of the discounts on the price of a taxi journey.

The consumer survey found that just over three in ten adults (31%) were aware that the meter fare is a maximum and that the driver can charge less than what actually appears on the meter. A smaller

percentage (23%) reported that they had actually received a discount on a taxi fare. The most likely discount received was a percentage off the total fare (in 52% of the discounted cases), while over a third (37%) of discounts received was in the form of rounding down. A discount or removal of the call out fee accounted for 19% of the discounts received.

2.3 Wider economic context

2.3.1 Macroeconomic developments 2008 - 2010

Since the last fare review in 2008, Ireland's economy has been characterised by negative and then minimal economic growth, rapidly increasing unemployment, and general price deflation. More precisely:

- There are over 200,000 more people on the live register than two years ago. This is relevant in that it will have likely had a negative impact on both business and social taxi usage;
- For those that have remained in employment, recent Central Statistics Office figures show that weekly earnings had reduced by 3.8% in the year to Q1 2010. It is unsurprising then, given increase in unemployment and decrease in earnings, that the CSO has also reported declines in consumer spending;
- Overall the Consumer Price Index (CPI) has dropped by 6%. In this environment, it is more likely that consumers will expect to see prices to be revised downwards. However, as discussed later, constituent costs relating to transport have either increased, or have not decreased to the same extent as general price deflation.

At the time of writing, the economic forecasts for Ireland from sources such as the Central Bank, ESRI, IMF and OECD, over the next two years indicate marginal growth rates coupled with slow declines in unemployment and minor price inflation. A case regarding the possibility of a "double-dip" recession also still exists.

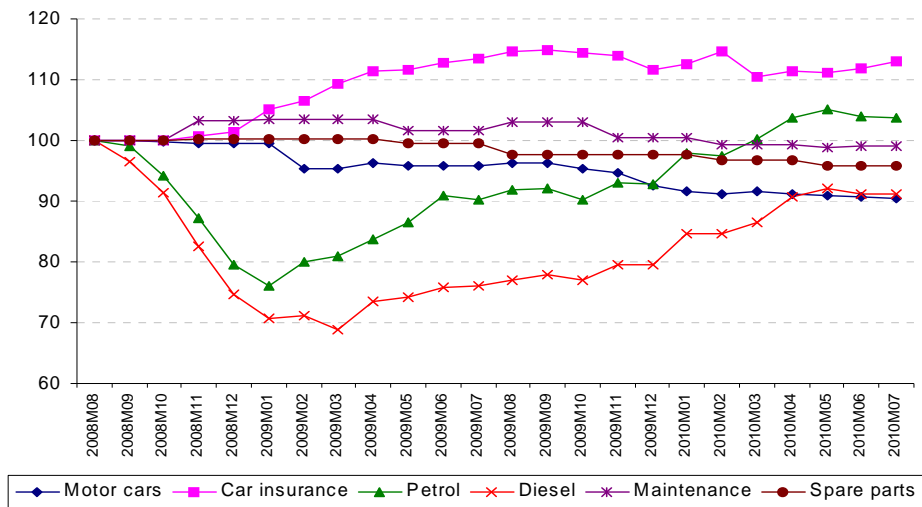
In short, the possibility of a swift return to previous demand and spend on taxis seems highly unlikely, if this is to be driven by wider economic developments alone.

2.3.2 Taxi-vehicle related price movements 2008 - 2010

As noted above, in general consumer prices have declined by 6% since the last fare review. However, analysis with regard to the movements of the cost of owning and operating a car show that these costs have moved in varying degrees (see figure 2.9). CSO figures show that the average price of petrol and diesel were significantly lower than 2008 levels for the majority of the last two years, while car insurance premiums were generally higher.

The Commission's Taxi Cost Index, which gauges more accurately the change in overall taxi-vehicle operating costs, is outlined in section 4.

Figure 2.9 General vehicle-related price movements 2008-2010 (CSO sub-indices)

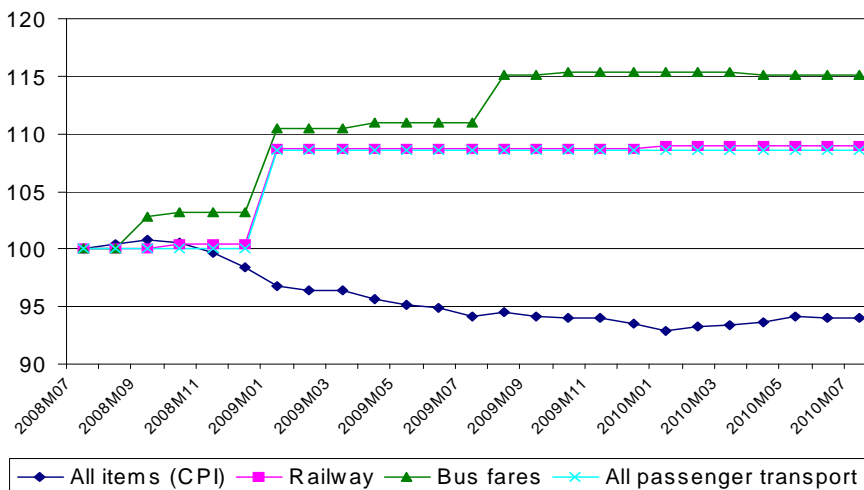


2.3.3 Transport-related price movements 2008 - 2010

Despite the reduction in consumer prices over the last two years, the cost of public transport services has not declined. For example, CSO consumer price index data (see Figure 2.10) shows:

- Bus fares have increased by approximately 15%;
- Train fares have increased by 9%;
- Aggregate passenger transport services (including road, rail, air and sea) are up 9%.

Figure 2.10 Transport services price movements 2008-2010 (CSO sub-indices)



2.4 Conclusions relevant to the fare review

Based on the data provided by taxi drivers, taxi operators are working similarly long hours in 2010 compared to 2008, but for significantly less income. This is due to a significant decline in demand for taxi services, and not as a result of increased competition from other SPSV providers.

While there is a similar proportion of the population using taxis today as in 2010, the level of heavy usage (once a week or more) has declined significantly. This is not unexpected, when you consider

the increase in unemployment and decreases in earnings, coupled with the fact that the majority of taxi usage is associated with social use at night time and business use during the day. The outlook for the economy is not one of strong earnings or employment growth, in the short-term at least.

The majority of consumers (61%) surveyed believe that taxi prices should decrease, although it is difficult to find incidences of consumers looking for price increases for any product or service. Given this figure, it may seem surprising that only 24% of consumers have received a discount on a taxi fare. This may be based, in part, by the fact that the majority of consumers are unaware that drivers can offer discounts on the metered fare, with only 31% stating they understood that the metered fare is a maximum (based on the consumer surveys undertaken in conjunction with the fare review).

Finally, while generally prices have been declining since the previous fare review, public transport provision costs have not moved in the same direction. Also, as section four will show, while taxi operating costs have decreased, this has not been as significant as general price deflation.



3

Stakeholder Engagement

In order to ensure that all stakeholders' viewpoints were considered during the taxi fare review, an extensive stakeholder engagement process was employed. This process ensured a representative consultation, involving industry, consumers and policy bodies. Engagement included one-to-one consultations, group consultations, the provision of surveys and a submission process. More detail on the stakeholder engagement process, together with the resulting outputs, are discussed in this section.

3.1 Objectives and approach

Stakeholders were engaged with a number of objectives in mind. These included:

- Ensuring that relevant parties were allowed to express their opinions with regard to any possible changes to the fares;
- Helping to gauge the likely impact of the three options under consideration, i.e. an increase, a decrease, or no change in fares;
- The collection of data and evidence to inform the impact analysis and subsequent decision making process.

Stakeholders were given three main avenues to make a contribution to the fare review.

The first was the public submission process. Following promotion through national and regional media, any stakeholder that wished to make a submission on the fare review could do so. This could be done in writing, or online. Background information on the fare review was available to all parties.

In conjunction with this, face-to-face consultations were offered to a wide range of industry representatives, consumer groups, and policy bodies. This also included bodies that the Commission is statutorily obliged to consult as part of the fare revision process.

Finally, nationally representative surveys were also conducted with consumers, taxi drivers and dispatch companies. This included collecting data on whether the fare should change, as well as collecting relevant supply and demand data.

3.2 Survey results on fare levels

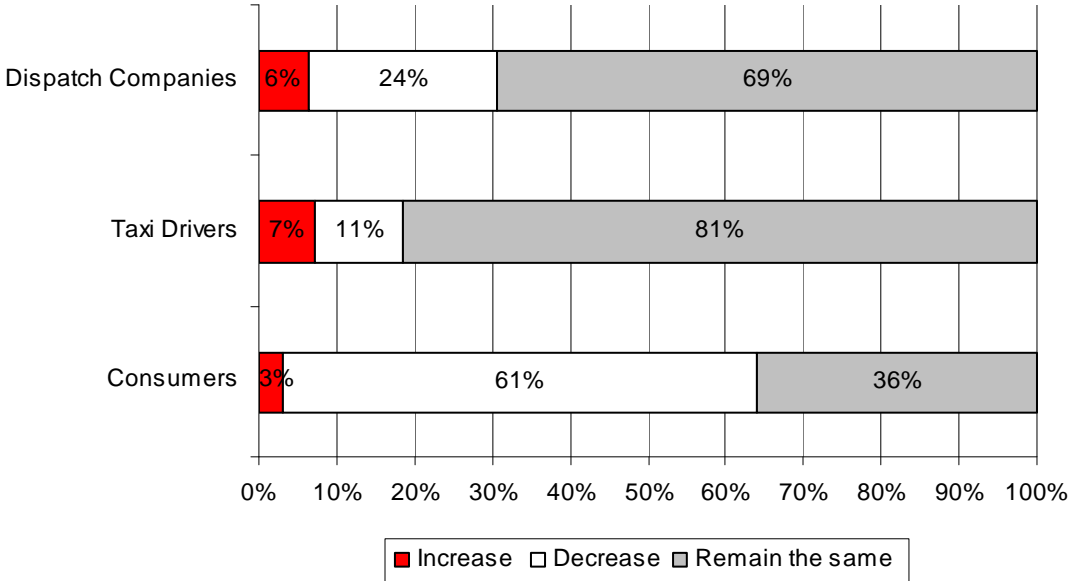
Three separate surveys were undertaken with a view to providing data for the fare review. This includes:

- a consumer survey, which surveyed 1,004 adults on a regionally representative basis.
- a taxi driver survey, with 1,055 active taxi drivers undertaking the survey.
- a survey of dispatch operators, with 50 companies currently licensed by the Commission for Taxi Regulation undertaking the survey.

These surveys were designed to be as representative as possible, and engaged the largest number of stakeholders in absolute terms. Due to the nature of each survey, it did not gather qualitative information, but simply asked whether respondents thought fare should increase, decrease or remain the same (as well as gathering other data).

As outlined below (Figure 3.1), there was very little demand for an increase in fares among any of the stakeholder groups. The vast majority of taxi drivers and dispatch companies stated they thought that fares should remain the same as at present. This was less so with consumers, with only 36% stating fares should remain the same, while 61% said they should be decreased.

Figure 3.1 Various survey results regarding changes to the fares



3.3 Consultations

3.3.1 Overview

Consultations were offered to a wide range industry representatives, consumer groups, and policy bodies. This also included bodies that the Commission is statutorily obliged to consult as part of the fare revision process. In summary, this included:

- One to one consultations with four national driver representative bodies, namely SIPTU Taxi Branch, the Irish Taxi Drivers Federation, the National Taxi Drivers Union, and the National Private Hire and Taxi Association.

- A series of five regional meetings held in Cork, Naas, Drogheda, Tullamore and Sligo, where on average three regional representative bodies were invited to attend to input into the fare review process.
- A workshop with the Joint Taxi Council members - comprising four national unions mentioned above.
- Consultation with the Consumer Association of Ireland.

A broader range of consumer and user representative groups were invited to be consulted, but chose either to make a submission only or make no input in to the review. A summary of the opinions and information presented at these consultations is summarised below. It should be noted that these do not necessarily represent the viewpoint of every single person, as opinions likely differ on certain issues.

A more detailed summary of each individual submission and consultation is presented in Appendix A.

3.3.2 Industry views

Fare levels

There was overwhelming support for the metered fare to remain the same.

Industry representatives felt that a reduction in the fare level would simply reduce driver income as it wouldn't be sufficient to stimulate sufficient additional demand for taxis. Their feeling was that this would be in the context of already significantly diminished incomes, due to decrease in demand for taxi services.

A key concern was that the drivers would incur meter recalibration and sealing costs if a fare change was introduced, with figures quoted of up to €150 or €200 being mentioned. Driver representatives believed this would be a key concern for drivers, making the point that some were already in financial difficulty.

Many representatives also felt that operating costs had increased since the last fare review in 2008, although had no data to support this other than pointing to a change in driver licence fee (which is less than 1% of operating costs). To this end, some representatives felt that while an increase in the fares could be justified, the cost of recalibration, together with the possible negative impact on demand, meant that it was better to leave the fares the same.

A number of regional representatives also felt that consumers were only recently getting familiar with the existing fare levels.

Rates and tariffs

Following from above, there was no substantial call for an immediate change to tariff rates or the initial charge. A number of representatives stated that many of the longer journeys (which would involve a move to the higher Tariff C rate) would likely be for a negotiated fare, rather than being charged per the meter.

Very few representatives offered an opinion as to the impact of these. Those that did are documented in Appendix A.

Extras

A number (but not all) of urban based representatives were eager to discuss the possibility of re-introducing a separate luggage charge, at least at transport terminals, but with the possibility of extending this to all journeys that involve luggage carriage. The rationale being that this would

encourage drivers and reward them for the additional labour and vehicle wear and tear when luggage is involved. It was also felt that this would not decrease demand for taxis, as passengers with baggage have few alternatives but to use a taxi, plus they would understand the rationale for a luggage charge.

Outside of urban areas, there was no discussion of introducing any new extras. Conversely, a number of regional representatives stated that in many instances they would not charge existing extras, particularly if they knew the customer personally.

Discounts

Driver representatives stated that discounts offered via dispatch companies were more likely redistributing the same number of journeys between competing companies, rather than stimulating additional demand for taxis. Therefore, they felt that this was to the benefit of particular dispatch companies, rather than individual drivers.

They also noted an increased prevalence of discounted rates to corporate accounts, again primarily to the benefit of the dispatch company, rather than the driver.

A number of regional representatives pointed out that drivers would sometimes give discounts, or forgo adding the due extras to the fare, for repeat customers or in particular circumstances.

Use of the meter

Certain regional representatives noted that some customers in their areas are still reluctant to engage a driver if he or she uses the meter, preferring instead to have a negotiated fee, which may have been the traditional way of engaging a taxi in the area. This causes tension if the driver insists on engaging the meter in order to meet his regulatory obligations. It was also noted that some customers see the addition of any extras, even when warranted, as illegal behaviour.

3.3.2 Consumer representative bodies

The Consumer Association of Ireland (CAI) was the only user representative body that took the opportunity to engage in consultation with the taxi fare review team (although numerous user representative groups did make a submission, as outlined below).

The CAI was of the opinion that at the very least fares should remain the same, and that there may be scope for a reduction.

This was primarily based on an overall reduction in disposable income among user groups, pointing to a reduction in income among those employed (through increased income taxes and levies, reduced working hours, and wage decreases). They also pointed to a decrease in income for certain welfare recipients, including older people. The newly unemployed also would also have significantly less disposable income.

The CAI also stated that they have seen very little evidence of discounts being given, and they felt that taxis are still generally seen by consumers as an expensive way to travel.

3.4 Submissions

3.4.1 Profile of submissions

The submission process began on the 14th July and ended on the 16th August 2010. A total of 322 online and written submissions were received. The submissions were analysed in their entirety and categorised according to their stakeholder group:

- About half of the submissions were from industry related parties, the majority of which were from individual taxi drivers. There were also a number of submissions from industry representative bodies, together with singular submissions signed by multiple drivers.
- The remainder were made by or on behalf of consumers. The majority were from individual consumers, while a number of representative bodies also made a submission. This included bodies such as the National Council for the Blind, Disability Federation, Irish Wheelchair Association, Senior Citizens Parliament, Disability Interest Group, Deaf Hear, and Louth Age Friendly.

The emerging key messages are detailed below, and further details of representative bodies' submissions are in Appendix A.

3.4.2 Industry submissions

Fare level

The submissions largely mirrored the sentiments expressed by the industry consultees, with the vast majority of submissions stating that fares should be kept at the same level as at present. The main reasons given included:

- Discounting is already occurring, so consumers have a choice
- A decrease in the fare will not sufficiently stimulate demand for taxis
- Drivers would find it difficult to meet the recalibration costs at this time
- Consumer confusion will increase with a change in fare, and this would cause negative sentiment towards taxi service providers.
- A small number of industry submissions stated fares should be increased, on the basis that they believed operating costs had increased.

Tariffs and rates

Overall, there was mostly a call for the status quo to be maintained for now with regard to the initial charge, tariffs (A-C) and rates (standard daytime and premium). There were a number of individual submissions with regard to the possible extension of premium rate times (e.g. starting earlier in the evening than 8pm) and allowing extending the additional premium rate currently allowed for certain times over the Christmas holiday period. However, given that any changes in this regard would require a change to the meter; these were to be considered as part of future fare reviews.

Extras

The submissions mirrored the consultation results in regard to extras. Any calls for an increase to extras was from city based industry representatives or taxi drivers. These mostly called for the re-introduction of the distinct baggage charges, with airport pick-up charges and "late night extras" also mentioned.

Methods to increase demand

Those that were intending to make a submission were asked to offer an opinion as to how demand for taxis could be stimulated. This could involve changes to the fare or other initiatives. Suggestions included:

- Increase demand from older people and people with disabilities, through subsidising trips for these consumer groups, and making taxis more accessible
- Address any confusion among consumers with regard to the fare structure and the need to engage the meter at the start of the journey
- Introduce fixed cost fares for a journey that runs along a particular route, but on the basis that the customer may have to share the taxi
- Introduce a loyalty card, which may lead to discounts, that can be used across taxis as a whole.

There were also a number of suggestions that do not directly relate to the fare. For example, the increased promotion of the value of a taxi journey over other modes of transport, highlighting a taxi's unique features (e.g. time saving, door-to-door service, professional driver, the fact that your journey is not subsidised by the State). It was also suggested that demand could be increased by allocating more resources to enforcement, and by increasing rank space.

3.4.3 Users and user representatives

Fare level

The majority of submissions from this group stated that fares should decrease, primarily on affordability grounds.

Tariffs and rates

The level of the initial charge was criticised in a number of submissions. A number of consumers stated that this made short journeys poorer value for money. A small number of submissions also pointed to longer journeys being relatively expensive (which would involve the journey running into Tariff C).

A number of submissions also queried the value of extras, stating that booking charges and charges for additional passengers, together with the initial charge, means that a journey is already expensive before you travel any distance. The fairness of charging an extra for additional passengers was also queried, with some consumers feeling that the fare should remain the same regardless of the number of passengers.

Methods to increase demand

In addition to suggestions from industry and consumers, policy bodies made suggestions that may increase demand, but more importantly will increase accessibility to the elderly and disabled groups. These included:

- Subsidies for travel for individuals and personal assistants (in line with services offered in UK, New Zealand, Australia, US).
- Subsidies for essential journeys (e.g. hospital appointments).
- Integration with travel pass.
- Introduction of a wheelchair accessible vehicle (WAV) incentive scheme in rural areas, where taxis may be the only means of transport. It was suggested that a levy system could be developed

whereby taxis which are not accessible are levied to subsidise those taxi operators who are wheelchair accessible.

3.5 Conclusions relevant to the fare review

Industry stakeholders want the fare level to remain the same for the next two years, reasoning both the cost of recalibrating their meter and the possible negative reaction by consumers to a price increase. They believe that price decreases are not warranted, as this would not stimulate additional demand, rather it would reduce driver incomes further. There would be some support from industry, primarily in urban areas, for the introduction of a distinct baggage charge as an additional extra, which by definition would not require a change to the meter (although this would require a change to the fare card).

Conversely consumers as a whole believe fare levels should be reduced on affordability grounds, and in the context of general price decreases in the economy. There is evidence to suggest that some consumers see extras as distinct from the cost of providing a taxi journey, and as such view them as unfair.



4

Taxi Cost Index 2008 - 2010

This section of the report illustrates the changes in costs faced by operators over the 2008 to 2010 period. This draws on data from the driver survey, together with centrally held data by the Central Statistics Office (CSO), and other relevant agencies.

4.1 Approach and key assumptions

4.1.1 Guiding principles

Individual taxi drivers will have their own unique operating costs, and this may differ significantly depending on their operating characteristics and approach to running their business. Therefore the taxi cost index does not claim to represent the absolute operating costs for such a diverse industry. Rather, in developing and updating the index, we seek to determine the *percentage* change in costs relating to the cost of operating a similar vehicle in 2010 compared to 2008. In doing this, the following were principles were adhered to:

- **Representative:** where possible the assumptions reflect the practice of the majority of drivers. For example, our analysis found that the most popular model of vehicle deployed as a taxi was the Toyota Avensis (used by almost one-in-four drivers), while the majority were found to drive diesel cars. Therefore these two assumptions were used in the establishment of the costs in the index;
- **Industry practice:** our assumptions are based on a driver following taxi industry good practice, ensuring, for example, that the vehicle is comprehensively insured, regularly cleaned and serviced frequently. The survey of drivers is used to validate the assumptions regarding operating practice.

4.1.2 Costs included in the index

The cost components included in the index are based on the survey of drivers, and validated through consultation with industry. These are listed in Table 4.1 below.

Table 4.1: Individual Costs Incurred in the Operation of a Taxi in Ireland

Running Costs	Fuel; Servicing; Cleaning; Tyres; Spares; Miscellaneous Running Costs.
Fixed Costs	Radio Rental; Car Finance; Insurance; Equipment Replacement; Vehicle License Renewal; Road Tax; Airport Charges; NCT Vehicle Testing; Meter Verification; Meter Calibration; SPSV Drivers Licence; national driver licence
Labour Costs	Fair Return for Labour.

4.1.3 Some key assumptions

Each of the cost components that comprise the taxi cost index is derived via a range of assumptions that are considered to best represent the existing situation within the taxi industry. There are number of key assumptions that have driven a number of the costings including:

- Car model: assumed to be the Toyota Avensis, with data held by the Commission for Taxi Regulation showing this to be the most popular SPSV model (23% of vehicles). To estimate the exact associated costs, it has been further assumed to be a 2007 Saloon 5-door model with 2.0 litre engine. The purchase cost of this vehicle type, and car prices overall, are down significantly compared to 2008. This is a key factor with regard to estimates for car finance and insurance costs.
- Fuel Type: assumed to be diesel, with the primary sources of data confirming this to be the preferred type of fuel across the taxi industry. Despite recent increases, average diesel prices are lower in 2010 compared to 2008.
- Mileage: based on average annual mileage figures (approximately 36,000 miles per annum) reported in the national survey of taxi drivers. This is a 10% increase compared to 2008. This is important in determining annual operating costs.
- Labour costs: assumed that in order to offer a fair return to industry above costs, the labour cost element should be increased in line with non-agricultural industrial wages.

With these assumptions driving the development of the taxi cost index, the changes in this index from 2008 to 2010 are examined in the sections below.

4.2 Changes in costs

4.2.1 Running costs

Overall running costs have increased marginally, by approximately 1% when compared to 2008, as outlined in Table 4.2. More specifically:

- Overall fuel costs, which are determined by diesel cost and mileage figures, have increased marginally by 1%. This is because, although annual mileage figures have increased, the average price of diesel in 2010 (to date) is still lower than in the same period in 2008.
- The survey of drivers show similar frequency of servicing as reported in 2008. The cost of vehicle servicing has decreased marginally (-1%), in-line with the relevant CSO sub-indices.
- The cost of tyres is impacted by mileage figures (and therefore replacement frequency) and movements in the tyre sub-indices in the CPI. Taken together, the taxi cost indicates shows that the spend on tyres to have increased by 12%.

- Other running costs have been adjusted in with the relevant sub-indices in the consumer price index. There was no evidence from the driver survey to suggest a need to change the underlying assumptions with regard to driver operating behaviour with regard to these costs centres.

Table 4.2: Taxi Cost Index: Running costs 2010

	2008	2010	% Change
Fuel	€3,911	€3,946	1%
Servicing	€1,208	€1,196	-1%
Spares	€494	€500	1%
Tyres	€507	€566	12%
Cleaning	€812	€804	-1%
Miscellaneous Running Costs	€342	€318	-7%
Total Running Costs	€7,275	€7,331	1%

4.2.2 Fixed costs

Overall estimates for fixed cost show a decrease in the region of 1% compared to 2008 (see Table 4.3).

Table 4.3: Taxi Cost Index: Fixed costs per annum 2008 to 2010

	2008	2010	% Change
Radio Rental	€4,195	€4,659	11%
Car Purchase & Finance	€3,777	€3,169	-16%
Insurance	€1,706	€1,679	-2%
Equipment Replacement	€218	€209	-4%
Taxi Vehicle License Renewal	€125	€125	0%
Road tax	€79	€82	4%
Airport Charges	€64	€64	0%
NCT	€49	€50	2%
SPSV Driver Licence	€0.6	€50	8233%
Meter Verification	€45	€45	0%
Meter Calibration	€30	€30	0%
Driver's Licence	€2.5	€2.5	0%
Total Fixed Costs	€10,294	€10,165	-1%

More specifically with regard to the larger fixed cost centres:

- Car finance costs have dropped 16%: while interest rates are significantly higher compared to 2008, vehicle prices are significantly less, resulting in a reduction in purchase and finance costs.
- While in the wider economy car insurance costs have risen, our survey of insurance companies for quotes for the relevant taxi vehicle were marginally less (2%) than in 2008;
- Reported radio rental costs were 11% higher than in 2008.

- The table also shows that the SPSV driver licence fee, as set by the Commission, has increased significantly in percentage terms. However, at an annual cost of €50, this is a tiny fraction of annual operating costs and therefore has a minimal impact on movements in the taxi cost index.
- The other fixed costs are relatively small in absolute terms and have been adjusted in line with their price movements.

4.2.3 Labour and overall costs

Since the previous review, the Central Statistics Office (CSO) has amended its approach to the collection and reporting of movements in earnings. Allowances for labour costs in the taxi cost index have been adjusted in line with the CSO survey on Earnings Hours and Employment Costs (EHECS), which runs on a quarterly basis. The 2008 labour cost allowance has been adjusted in line with changes in average weekly earnings between the first half of 2008 and the same period in 2010 (with data only available to Q2 2010), where average earnings have declined by 2.6%.

Table 4.4: Taxi Cost Index: Labour cost and overall adjustment

	2008	2010	% Change
Labour Costs	€29,644	€28,879	-2.6%
Non-Labour Costs (Fixed and running costs)	€17,569	€17,495	-0.4%
Total Costs	€47,214	€46,375	-1.8%

As Table 4.4 outlines, the taxi cost index has declined approximately 1.8% since the last fare review in 2008.

4.3 Conclusions relevant to the fare review

Non-labour costs in relation to the operation of a taxi vehicle have decreased only marginally compared to 2008. This hasn't been as significant as general price deflation in the economy as a whole.

This is particularly important message for consumers, who given overall declines in the wider consumer price index may have expected that drivers' operating costs were also down significantly.

From a driver's perspective, it is important to note that while certain prices may have been rising in recent months (e.g. fuel), the taxi cost index measures changes compared to 2008, which was a period characterised by higher input prices and general price inflation.



5

Impact Assessment

This section of the report summarises our analysis of the impact of a change to the metered fare, and the impact of keeping the fare the same as at present. Both primary and secondary impacts were considered, each in the context of different future economic scenarios.

5.1 Introduction

The terms of reference stated that the likely impact of three options be considered, i.e. a small increase, small decrease or no change in fares. The timeframe for consideration is the next two years, up to the next fare review, currently scheduled for the third quarter of 2012.

Due to the current economic uncertainty, we thought it prudent to consider these options under three economic scenarios, namely further recession, as-is (stagnation to very low growth) and moderate to higher growth.

Currently, the broad economic consensus is for very low economic growth over the next two years, with little improvement in the unemployment rate. Our hypothesis is that the latter is a significant driver of demand for taxi services, as business use is key to day-time demand, and social use is vital to night-time demand (see section 2). Further, it also possible that both those in employment and those on welfare will have less income going forward, due to increased employment taxes and government spending cuts respectively. These will be likely to last for the next two years, and therefore even if moderate or higher economic growth returns, this is unlikely to result in a sharp increase in demand for taxi services in the short-term.

5.2 No change in fare

A summary of the impact analysis with regard to not changing the fare level is outlined in Table 5.1 below. In short, not changing the metered fare places the emphasis on drivers to offer discounts if and when they see appropriate. This would be more likely should the economy enter further recession, with resultant reductions in demand for taxis.

Table 5.1 Summary of impact analysis of no change in fare

No fare change	Moderate/Higher Growth	Stagnation to very low growth	Further Recession
Demand and affordability	Demand should increase if higher growth leads to increased disposable income, and associated socialising.	Demand for taxis remains at existing levels Those that feel taxi prices are too high have the option of looking for a discount either through a dispatch company or directly with the driver (although this is not always possible).	Assume a further decrease in discretionary demand, i.e. taxis are only used when completely necessary and where no substitutes are available. Likely lead to increased demand for discounted taxi services.
Supply and Driver income	Perhaps see an increase in demand for taxi services, therefore increase income through greater volume of fares.	Incomes remain at similar levels as at present, assuming the decline in drivers income has bottomed out. Some drivers will seek to innovate re price of their own accord or in reaction to customer demand. Low proportion of existing operators leave the industry rather than meet quality standards being implemented between 2011 – 2012.	Further downward pressure on incomes. Higher proportion of drivers likely to offer discounts Significant pressure on meeting/offering higher vehicle standards for those not currently meeting these standards. Higher proportion of drivers not currently meeting the 2011 and 2012 standards choose to exit.
Implementation Costs	There are no implementation costs if the fare remains the same (regardless of economic climate). Drivers do not have to have their meters recalibrated for fare adjustment purposes, and the Commission does not have to re-design and distribute in-car information.	There are no implementation costs if the fare remains the same (regardless of economic climate). Drivers do not have to have their meters recalibrated for fare adjustment purposes, and the Commission does not have to re-design and distribute in-car information.	There are no implementation costs if the fare remains the same (regardless of economic climate). Drivers do not have to have their meters recalibrated for fare adjustment purposes, and the Commission does not have to re-design and distribute in-car information.
Monitoring and Compliance	Increased demand for services likely reduces incentive for driver to be non-compliant.	No significant change expected.	Certain operators may use a decrease in income as rationale for certain offences (e.g. overcharging)

5.3 Small decrease in fares

Of the three options considered, a marginal decrease in fares poses the most significant risk to driver incomes at this time. This is on the basis that a small decrease doesn't increase demand sufficiently and therefore reduces income further, which leads to quality and compliance issues. This is outlined in table 5.2 in more detail.

Table 5.2 Summary of impact analysis of a marginal decrease in fares

Marginal decrease in fare	Moderate/Higher Growth	Stagnation to very low growth	Further Recession
Demand and affordability	<p>Demand should be accentuated by a publicised decrease in taxi fares.</p> <p>This should increase if higher growth leads to increased disposable income, and associated socialising.</p> <p>However, this may take some considerable time to feed through to stimulating additional taxi demand, especially given Ireland's current economic situation.</p>	<p>Positive impact on affordability, relative to at present. However, this is dependent on no further decrease in disposable income, which is not guaranteed in the present climate.</p> <p>Also, a decrease in the maximum fare may also impact on the level of discounts offered, by drivers and/or dispatch companies.</p>	<p>Marginal decrease may not be sufficient to offset impact of decrease in disposable income (through job losses, wage reduction, increased taxi burden).</p>
Supply and driver income	<p>A decrease in the fare may send a signal to prospective new entrants, causing a reconsideration of the sector entry decision.</p>	<p>Key concern would be that the decrease in fare (average price per trip) is not sufficiently offset by an increase in demand and therefore overall income is likely to decrease.</p> <p>This may lead to drivers leaving the fleet, or a reduction in the quality of service provided.</p>	<p>Issues previously mentioned are accentuated.</p>
Implementation costs	<p>Cost to driver of recalibrating the meter and having it re-sealed (up to €200).</p> <p>Cost to the Commission of redesigning, producing and issuing new fare cards.</p>	<p>Cost to driver of recalibrating the meter and having it re-sealed (up to €200).</p> <p>Cost to the Commission of redesigning, producing and issuing new fare cards.</p>	<p>Cost to driver of recalibrating the meter and having it re-sealed (up to €200).</p> <p>Cost to the Commission of redesigning, producing and issuing new fare cards.</p>
Monitoring and compliance	<p>Knock on industrial relations impacts, with small number of drivers likely to protest.</p>	<p>If the reduced fare results in decreased income, a small number of drivers likely to use this as rationale for certain offences</p>	<p>More drivers likely consider being non-compliant for economic reasons.</p>

5.4 Increase in fares

Increasing the fares, regardless of the economic climate, makes taxis less affordable for some user groups. Even if the economy was to return to moderate to higher growth over the next two years, the pressure on disposable income is such that it would be unlikely to lead to a significant turnaround in taxi demand in the short-term. In any case, very low growth is more likely, and in this and the recessionary scenario, an increase in fares would have significant downsides for both industry and consumers (see Table 5.3)

Table 5.3 Summary of impact analysis of a marginal increase in fares

Increase fares	Moderate/Higher Growth	Stagnation to very low growth	Further Recession
Demand and affordability	An increase in fares makes taxis less affordable over night, while economic growth (if it does leads to increased income) will likely take longer to filter through.	Decrease in demand likely, especially during the day when alternatives are available, in the short term at least. May also make hackneys seem more affordable.	More significant decrease in demand for taxi services as they become less affordable (and less necessary due to reduced business and social use). Higher demand for discounts on the fare likely.
Supply and driver income	May increase entry to the taxi sector as some drivers equate an increase in fares as an increase in income (which may not be the case).	Day-time driver incomes put under pressure if customers react negatively and seek alternatives and/or discounted services. This may lead to drivers leaving the fleet, or a reduction in the quality of service provided.	Significant decrease in driver income. More drivers likely to leave the industry Quality of supply diminished.
Implementation costs	Cost to driver of recalibrating the meter and having it re-sealed (up to €200). Cost to the Commission of redesigning, producing and issuing new fare cards.	Cost to driver of recalibrating the meter and having it re-sealed (up to €200). Cost to the Commission of redesigning, producing and issuing new fare cards.	Cost to driver of recalibrating the meter and having it re-sealed (up to €200). Cost to the Commission of redesigning, producing and issuing new fare cards.
Monitoring and compliance	No significant impact expected.	If the increased fare results in decreased income, a small number of drivers likely to use this as rationale for certain offences	More drivers likely consider being non-compliant for economic reasons.

5.5 Conclusions relevant to the fare review

The outlook for 2010 to 2012 (when the next fare review takes place) is expected continued pressure on incomes, whether that income is from employment or the welfare system.

In this context then, an increase in fares would negatively impact on demand for taxis both during the day and at night time, with a resultant negative impact on driver income and required working hours.

A marginal decrease in fares also poses a risk to driver income, as a very small decrease is not likely to significantly impact night-time demand.

Any change which has a negative impact on driver income and required working hours, will also have a potentially negative impact on the quality of vehicle and service provided, together with possibly increasing the incidence of compliance issues.

Any change to the metered fare brings an associated implementation cost, to both vehicle owners and the Commission.

However, keeping fares the same is not without its potential downsides. If the economic climate deteriorates further, and taxis become less affordable, then drivers will have to seek to differentiate their offering to customers. The most obvious of these is to offer a discount on the metered taxi fare, which is an existing option.



6

Conclusions and Recommendations

Following directly from the preceding analysis, this section summarises our overall findings and outlines the recommendations for the national maximum taxi fare for the 2010 - 2012 period.

6.1 Key findings

On average, driver income is down significantly when compared to 2008, the time of the last fare review. The key reason for this is an overall reduction in demand for taxi services. While a similar proportion of adults are using taxis as were in 2008, recent consumer research undertaken by the Commission noted a significant decline in the incidence of 'heavy users'.

This is unsurprising given the change in the economic climate over the past two years, which has been characterised by reduced earnings, increased unemployment, and cuts in certain welfare payments.

The number of taxis is relatively similar to that in 2008, and therefore the same number of taxis have been competing for fewer fares.

While general prices have declined since 2008, taxi operating costs are only marginally less in 2010 when compared to 2008 (as outlined in section 4). Finally, approximately one in four customers have reported receiving a discount on their taxi journey, and there is evidence from the survey of drivers that they are willing to offer a discount when they deem it necessary or beneficial.

6.2 Recommendations

6.2.1 The national maximum taxi fare

The national maximum taxi fare should remain at the current level until the next fare review, currently scheduled for 2012.

There is no case for an increase in taxi fares at this time. On average, operating costs are marginally less than in 2008, and therefore increasing operating costs are not a factor. Furthermore, affordability concerns abound, and an increase at this time would accentuate this.

There would be a number of issues with reducing the fare in line with the taxi cost index (-1.8%) at this time. The main concern is that it would be likely to result in a further drop in income for drivers, following the already significant decline since 2008. This is based on the assumption that a 1.8% decrease would not stimulate sufficient additional number of trips to compensate for the reduced income per trip. The cost of implementing the change, through the recalibration and sealing of the meter is also a consideration at this time.

Finally, drivers are free to offer a discount on the fare, and customers have access to discounted fares, should they so wish. Therefore, maintaining the maximum fare level at the current level is the preferred option at this time.

6.2.2 Extras

There were a number of calls from, mainly urban-based representatives, to introduce a distinct baggage charge, as an additional extra. However, the introduction of any new extras is de-facto an increase in the national maximum taxi fare. Therefore, it is not recommended at this time.

There are also a number of particular issues with the possible introduction of a distinct baggage charge. For example, the initial charge was originally set with an allowance for baggage included. On that basis, if a separate baggage charge was to be introduced, the initial charge may have to be recalculated. The introduction of a new extra will also require a special consumer and driver awareness campaign, and thus is not without cost to the industry.

6.2.4 Special premium rate at Christmas

Consumers did not raise any issues with regard this rate during the submission and consultation process. Industry representatives noted an increase in supply over the period. Therefore it is recommended that this be maintained.

6.2.5 Use of the meter

A number of regional representative groups raised the issue that some customers had issues when the driver engaged the meter, thereby pressurising the driver to work without using the meter. If possible, an effort should be made to ensure customers are aware that the driver is obliged to use the meter.

6.3 Future considerations

6.3.1 The initial charge

The consumer survey carried out as part of the fare review highlighted that consumers found shorter journeys (less than 5km) as offering the least value for money service (of the options provided). The survey also found that a change to the initial charge would likely have a more positive impact on demand than other changes to the fare structure.

The general feeling was that some customers had issues with having to incur a perceived high cost before the journey begins, and were less likely to see this in the context of the overall fare. Customers

may be also unaware that the initial charge covers the first 1km or 170 seconds of the journey. Consultations with regional representatives also pointed this to this as an issue, in both making hackneys seem relatively more affordable, and resulting in pressure for taxis operators not to engage the meter at all.

However, driver representatives have argued that a certain level of initial charge is needed to ensure a minimum return for short journeys.

As part of the next fare review, the possibility of a lower initial charge, perhaps including a corresponding decrease in the time and distance the initial charge covers, should be considered.

6.3.2 Tariff C

Results from the consumer survey show that very few journeys (5%) are of sufficient distance such as that it would invoke Tariff C (the highest tariff). A low percentage of longer journeys is unsurprising, given the main reasons for, and time of taxi use (see section 2).

A number of regional driver representatives have also noted that longer journeys are more likely to be for a fee agreed in advance.

As part of the next fare review, consideration should be given to the necessity of the third tariff rate, noting that there would be both costs and benefits to its removal.



A

Consultations and submissions

This section provides more detail on the issues raised and points made in the consultations and submissions.

A.1 Industry representatives

Joint Taxi Council (JTC)

- While an increase in the time and distance element of the fare may be warranted, the JTC believes that the majority of drivers believe that this should remain the same as at present
- On extras
 - There is scope for changes in extras to increase driver income. Drivers know their market and customers tolerances for extras (and therefore would only apply them as appropriate).
 - The introduction of distinct baggage charge is feasible, and should be introduced. This would compensate drivers for additional workloads with regard to baggage handling.
- On overcharging
 - Based on Taxi Regulator statistics, c63% of complaints are in relation to over-charging, while making up only 3% of prosecution. This may be an indicator that customers do not understand the basis of which they are being charged, and are claiming to be overcharged when in fact they are not.
- On decreasing the fare level
 - Result in a decrease in income for drivers, and therefore push even more drivers into financial hardship;
 - While the CPI may have decreased over the last two years, taxi operating costs have likely increased, especially in areas such as insurance, fuel, maintenance.
- On promoting increased use of taxis
 - The practice of discounting re-distributes fares between companies, but does not increase the usage of taxis overall.
 - Many non-users have a misperception about the prices of taxi journeys and how much they are likely to cost. Frequent users are more likely to see it as value for money.
 - Taxi rank guidelines need to be used by local authorities as an evidence base to increase the provision of taxi rank space in areas where people are more likely to use a taxi e.g. in front of shops
 - The allowance of areas outside of popular venues to be "temporary" taxi ranks for 30 minutes after the venues closure/event is finished.
 - Signage: greater provision of signage of where the nearest rank is at popular attractions and venues.
 - Allowance for taxis to compete with buses and other public transport providers
 - Phones at ranks: people will call a rank phone on the basis that the service will be at the door quicker than if

they call a Dispatch Company.

- Government assistance/vouchers to facilitate taxi use among certain groups such as people with disabilities and the elderly
- Customers don't compare like-with-like when considering the additional value of a taxi journey: e.g. door-to-door service; travelling privately etc. They also don't consider the true costs of a subsidised public transport journey. For example, when you take the Public Service Obligation payments into account, a journey costs a lot more than what you give a bus driver at point of entry. If these issues were addressed, there may be an increase in demand for taxis.
- Some people think a WAV will cost more than a regular taxi and therefore wait for a saloon to come by. Should provide information to address this.
- Review of Fares going forward
 - On the basis that fares could be increased now, when fares are reviewed in 2012, 2008 should be the base year.
 - As at present, fare reviews should be based on the facts and figures, and kept independent from political decision making.

Drogheda Taxi Owners Association

- Fare levels should stay the same
 - If fares were decreased, customers would want a discount on the reduced price.
 - Insurance costs likely to go up, as 9 year rule means people have to have a newer car
- Taxi companies advertise fixed prices in local papers. Drivers can discount as they see appropriate.
- Incidences of drivers touting for business is increasing, due to hardship.
- Extras can cause issues for consumers- there is a perception that a journey is more expensive
- Support baggage charge at transport terminals
- Need to increase awareness of fare structure, and increase public confidence in fare level
- Increased incidences of fare dodging noted
- Changing usage patterns: i.e. journeys home from town, but rarely in to town
- Longer journeys rarely go on meter

Newbridge and District Taxi Association

- Fares should remain the same
 - Due to the lack of demand and the cost of meter calibration and verification.
 - Drivers simply don't have the spare cash and downtime for re-calibrating and sealing of meter
- Discounting: given to regulars, known customers, some companies offering a set price for local fares of €6
- Reducing the fare level may encourage some extra demand
- Totting up additional extras annoys customers. Means that when multi-passengers, drivers more likely to use a fixed price per head.
- MPV - some people are put off from using it on an individual basis

Irish Taxi Drivers Federation (ITDF)

- No increase in the fare rates (although an increase could be justified), as it would mean drivers need to spend the money on recalibration;
- Luggage charge should be re-introduced
 - customers didn't previously mind paying it as it was justified, and it may also encourage drivers to buy more spacious cars
- Airport pick-up charge, as a significant portion of airport jobs are loss-making runs.
- Charge for the first child;
- Encourage more use
 - telephones should be installed on taxi ranks, whereby a customer calls the rank nearest them, and the driver goes and picks them up.
- Discounting
 - the current practice of discount taxi firms is not increasing the demand for taxis. Rather it is redistributing the same number of customer journeys between competing companies.

Killarney Taxi Owners and Drivers Association

- Fares should be kept the same as they are now, as drivers should not have to face the cost of meter recalibration.
- They believe the economic climate is a bigger drag on demand than fare prices
- Discounting: locals especially get good prices on trips, while this is also extended to tourists in some cases
- The premium rate at Christmas was not a problem for consumers - regular customers unlikely to be charged the higher rate;
- Drivers are not yet leaving the industry, and are unlikely to leave as they have nowhere to go;
- Fare dodging hasn't increased;
- Changing usage patterns, e.g. using them to go home, but getting a lift into town;
- No evidence that Tariff B or C is having a negative effect on longer journeys - perhaps given that regulars know how much it is likely to be in advance.

Cork Taxi Drivers Association

- Fares should remain the same.
 - A decrease would not increase supply, as the demand isn't out there. People that aren't currently using taxis will likely never use taxis.
- Fares should be simpler for customers to understand
- Tariff B and C possibly being too high, perhaps dissuading longer journeys
- Tariff A might be increased - worth considering
- Concerned about why people are increasingly reluctant to use a taxi
 - see this being mainly due to increase in distrust in drivers and poor quality/dishonest service offered by small proportion of drivers
- Baggage charge should be introduced
 - as it does involve extra work for the driver and has an adverse impact on the condition of the vehicle
- Christmas premium rate should kick off at 8am rather than 8pm, as the business is done on the morning time of New Years Eve and Christmas Eve etc.
- Ongoing decreases in income, due to over supply and a lack of demand, will result in only lower quality orientated drivers, or part-timers, remaining in the industry.
- Not a lot of bargaining re: prices in Cork

- If there were to be alterations to the meter, the Department should fund the cost of the change, to push back on its history of not investing in the industry.

National Private Hire and Taxi Association (NPHTA)

- Standard fare could remain the same: although more should be done centrally to stimulate demand for taxi services especially among user groups on fixed income e.g. old age pensioners, people with a disability;
- Additional "Extra" charge for premium rate times on Friday and Saturdays
 - The imposition of an additional extra for operation on Friday and Saturday nights in order to increase driver income, and because drivers operating at these times have to deal with a lot of anti-social behaviour.
 - Assumption: customers on a Friday and Saturday are not very price sensitive (as some are socialising, while there are also fewer alternatives to taxis at these times).
 - Recommend using an extra rather than a meter change, so that drivers don't have to bear the expense of meter re-calibration;
- A baggage charge should be introduced at public transport terminals.
 - Waiting times for operators are longer, and therefore need to increase income associated with offering this service, as it costs more to provide (drivers time). Plus the argument of increased chance of injury and greater operational costs (greater fuel costs etc).
 - Not concerned that this will adversely impact on demand for taxis at transport terminals as those that use taxis usually only do so as they have bags which make using buses not a reasonable alternative.
- Decreasing fares will not increase demand for taxis- demand for taxis is now primarily necessity use rather than discretionary, i.e. people only using taxis when they need to;
- If a change in the fare requires a change in the meter, the length of time to recover that cost must be considered.
 - The fare change should warrant the cost of the meter recalibration and sealing, which can be up to €200;
- Discount taxi drivers are not considering the full cost and benefit of their service provision, especially when you take dispatch fees into consideration;
 - Some types of drivers are more likely to be able to meet higher costs and standards and/or offer discounts, most notably those with an alternative income source (e.g. those collecting social welfare, those with a second job).
 - Full-time drivers, reliant on income from taxi services only, find it more difficult to meet higher costs or offer discounts;
- Increased number of taxis, increased competition from other modes of transport, increased waiting times, and a lack of rank space are all pushing up driver costs;
- Ability to remove the "Maximum" from the taxi fare should be considered.
 - This would facilitate drivers being able to earn extra money by offering additional or superior service e.g. guaranteed pick-up at busy events such as festivals; mini-tours of the city;
- Drivers need to better understand their income and operating costs

Services, Industrial, Professional and Technical Union (SIPTU)

- Discounting: Prices were set at a cost reflective rate in 2008. The current incidences of discounting therefore are more a product of lack of demand and oversupply than fares being set at the wrong level.
- Day-time users generally only use taxis as a necessity. Points to Goodbody report which said that Businesses were the most important day-time users.
 - All are securing significant discounts with their taxi companies, to the detriment of drivers who have no alternative.
- Likely attrition from the industry in 2011 and 2012 with the nine year rule and the new standards.
- In better economic times younger people wouldn't walk very far - this trend is reverting back, greater proportion using public transport now
- While CPI has dropped, TCI are likely to be on the up, notable insurance.

- Ability for drivers to get finance, any type of finance, is very limited.

National Taxi Drivers Union (NTDU)

- Fares levels should be kept the same:
 - a decrease would not result in increased demand and an increase would decrease demand;
 - Dublin Bus, and Bus Eireann, which make a loss and are subsidised by the State, do not reduce fares to increase demand
- An additional luggage charge should be introduced
 - taxis are being (ab)used in the roll of transporting goods;
- Government subsidies/voucher scheme should be made available for Senior Citizens and those with special needs to encourage the use of taxis.
- Taxi firms enforce this to their own benefit, not for drivers or customers benefit.
 - Drivers are moving away from these companies (being temporarily replaced by new drivers)
 - Corporate accounts are all getting discounts.
 - Discounting is a race to the bottom.
- Insurance premium set to rise significantly.
- The additional premium rate at Christmas should be extended.
- Idea for increasing taxi use: Taxi sharing, possibly at peak periods only, to encourage substitution from buses. Prices could be at competitive rates (or at least better value for money). Customer gets better value for money, and may be more likely to use a taxi in the future, and the driver gets the increased demand. May need assistance from Commission for Taxi Regulation.

Tullamore Taxis

- Taxi fares should remain the same, and reviewed going forward.
 - Rationale: An increase in taxi fares would reduce demand for taxis, and further the perception that taxis are of less value than hackneys. A decrease in fares would not stimulate further demand, at least not sufficiently to offset the decrease in price per journey. Rather, it may result in customers looking for a further discount.
- Discounts: Customers frequently look for discounts or fix the fee before the journey begins. This can sometimes result in the meter not being used. It can also lead to customer confusion (e.g. a taxi journey was €10 yesterday is €12 today) which can lead to abuse towards drivers.
- Greater effort, with help of assistance of Commission if possible, should be made to educate consumers about the cost of a taxi journey versus the cost of a similar journey in a hackney.
- Hackneys have a longer history of operating in Tullamore, and probably take a greater proportion of cab demand than would be expected. Hackneys have succeeded, to some extent, in convincing customers that hackneys are cheaper than taxis, which may not always be the case.

African Taxi Drivers Association

- Fares should remain the same, should the economy improve then the fares should be reviewed
 - Downturn in economy/increasing dole queues has led to decrease in demand for taxis
 - Added to this, certain non-African drivers are influencing customers not to use African drivers and African drivers are often skipped at ranks
- Taxi drivers offer discounts when approached/requested by customer
- Further, legally using the meter puts a lot of customers off as they want a fixed fare - and they don't understand that the driver will give them the reduced fare but must still legally put on the meter. Suggested that the Commission provide an information campaign on use of the meter.

Carlow County Taxi Association

- Changes in running costs may warrant an increase, but due to economic/demand reasons most drivers will want the fares to remain the same.
- The area has seen an increase in joblessness (Braun/Apple) which has reduced demand (and increased supply)
- Also competition from non-Carlow taxi drivers that (legally) operate in Carlow for the student market
- Drivers would leave the market but can't, as they can't sell their licence. A scheme should be introduced whereby the Commission buys-back the licences and redistributes them if there is a demand for them
- Discounting: In general there is a level of discounting off the meter, e.g. fixed price runs, or not putting on the booking fee. Advertising and deals through dispatch companies
- Quality: people only seek quality when they have the time to choose quality
- Large PSV vehicles (e.g. minibuses and buses) are operating akin to taxis
- Examples of deals: if we drop you in, we'll prioritise you on the way home

A.2 User representative bodies

Consumer Association of Ireland

- Fares should not change, indeed there could be an argument made for a decrease;
 - Public servants income down due to levies and taxes
 - Welfare recipients, exc OAPs, down 4-5%
 - Private sector employees, reduced wage levels, reduced working hours, or made unemployed.
 - 2008 - 2010 a period of general price deflation.
- Taxis are generally an expensive way to travel - very little evidence of discounts been given.
- Keep fares the same at a minimum, and review in 2 years.

Disability Federation of Ireland

- Introduce "free travel" concessions to taxi services in areas where public transport is limited/non-existent.
 - Door to door service is a necessity for many, but problematic due to affordability.
- Introduce a "user subsidy" or voucher scheme for taxi services for those with a disability
- Introduce a cost neutral policy in place for a personal assistant who is accompanying a person with a disability
- People with disabilities cannot taxi share to the same extent as able bodied people, thus increasing cost
- Introduce an incentive scheme for WAV in rural locations
 - Rural wheelchair accessible taxis - limited.
- Renewed Programme for Government (2009) has committed to mainstreaming of services for people with disabilities. This requires that services will be provided and accessible to disabled people in the same way that they are provided to every other citizen in Ireland. This is a government commitment and must be honoured.
- Dept. of Transport has suggested that a subsidy arrangement is the appropriate response to this issue

Irish Wheelchair Association

- Taxis can provide door to door service for wheelchair passengers in urban and rural areas
 - According to 2009 Goodbody Economic Review, 47% wheelchair users stated they cannot afford to pay the current taxi fares
- Public transport may be inaccessible to many wheelchair passengers with a free travel pass
- Implement a subsidy scheme for passengers with disabilities, as practiced in New Zealand, UK, Australia or London's "Taxicard" scheme.

National Council for the Blind of Ireland (NCBI)

- Taxis are critically important to people who are blind/visually impaired. It enables them to be independent.
- Essential journeys for people with disabilities should be subsidised, without the taxi driver losing income
- Link new public services card (replacing the free travel pass) be linked to a method of payment for taxis
- People with disabilities should be provided with a sufficient number of accessible taxis
 - Drivers should receive an adequate fare and training in how to deal with customers with disabilities
- Examples of subsidies for taxis in UK, Australia, US, Netherlands, Sweden