

## **Executive Summary**

The Taxi Regulation Review was a wide ranging review carried out in line with a Government decision of June 2011. The review was chaired by Mr. Alan Kelly TD, Minister of State for Public and Commuter Transport. The Review Group included dispatch operators, drivers, consumers as well as Government Departments and regulatory and enforcement agencies. The aim of the review was to allow consumers to have confidence in the taxi system while also ensuring that legitimate and competent operators and drivers can be rewarded fairly by operating under a regulatory framework that is adequately enforced.

### **The Review Group Approach to the Review**

Among the key issues considered by the Review Group were supply and demand in the taxi market, the quality and cost of services to the consumer, driver and vehicle licensing reforms; compliance and enforcement; accessible taxi services for persons with reduced mobility and people with disabilities; fleet management and rental controls; the protection of consumer safety and security and service standards for consumers; taxi services in rural areas; future industry interaction with the regulator taking account of the existing role and structure of the statutory Taxi Advisory Committee.

The review included a public consultation process involving an opportunity for written submissions on the review and for oral presentations from key stakeholder groups. A parallel public consultation was carried out by the NTA on vehicle standards. The public consultation process was of considerable assistance to the Review Group in drawing up its report.

### **Future Approach to the Regulation of the Taxi Market**

To assist it in examining the broader issues of future regulatory policy, the Review Group arranged for an independent economic analysis of the taxi market by Indecon, economic consultants. Indecon's analysis indicates that the significant fall in demand evident over the last 3-4 years has not been matched by a corresponding level of exit from the sector. This has led to an oversupply of SPSV vehicles. While sensitive to methodology used, on a national level oversupply is estimated by Indecon to be in the range of 13-22% of the current SPSV fleet. In Indecon's view, the level of oversupply is influenced by the impact of non-compliant operators in the sector and by the low levels of exit from the industry.

With regard to the cost of SPSV services to consumers the Indecon Report concluded that while taxi prices appear above average in Ireland relative to other countries, they are broadly similar with what would be expected given wages levels, employment and population density in Ireland.

Indecon's view is that, overall, quality of service of Irish taxis appears to be fairly good. This does not, however, suggest that standards are consistently high or that standards have not declined, or that there is no room for improvement, but overall the taxi experience in Ireland is positive.

Indecon makes eight recommendations dealing with among other things, effective enforcement, accommodation of taxi ranks in major cities, new initiatives to deal with people with disabilities and efficiencies that can be achieved through the use of dispatch operators and technology. Indecon recommends that policy makers should ensure that no action is taken which disincentivises appropriate exit from the sector. As there are very low levels of entry, the key issue in addressing

the oversupply imbalance concerns exit from the sector, whether through removing non - compliant operators or by facilitating other means of exit.

The Review Group believes that the Indecon findings support the strengthening of qualitative controls of SPSV licensing, improved standards and effective enforcement and do not justify imposing quantitative restrictions in the sector. The Review Group considers that the National Transport Authority (NTA) will have to keep under review its overall approach to regulation of the sector to ensure that the market operates as efficiently as possible in order to encourage a better balance of supply and demand.

## **Recommended Measures**

The Review Group has identified actions for the short-term (during 2012) and the medium-term (final implementation post-2012) to address the key issues in the taxi sector as follows.

### **1. Driver Licensing**

The short-term actions focus on measures that tackle tax and social welfare non-compliance and illegal operations as well as working time abuses and enable enhanced level of cooperation between the NTA and the Department of Social Protection and the Revenue Commissioners. An individual's PPS number would be central to all driver and vehicle licensing data from now on.

Medium-term actions involve transferring responsibility for driver licensing from An Garda Síochána to the NTA so that the NTA acts as the one-stop shop for licensing with the Gardaí continuing its vetting role for drivers; the reduction of the validity period for driver licensing from 5 to 3 years, with an annual declaration of tax, social welfare and insurance status and employment details and the sharing of information on convictions between the Courts and the NTA to enable continued compliance with suitability and fitness requirements.

### **2. Vehicle Licensing and Standards**

In line with driver licensing reforms, the short-term actions also deal with enhanced level of cooperation between the NTA and the Department of Social Protection and the Revenue Commissioners.

A major anomaly exists in that taxi licences issued prior to January 2009 can be sold or transferred on one occasion. After 1<sup>st</sup> October 2012, all taxi licences will be unique to the person to whom the licence has been issued and cannot be transferred or sold to another individual. The period during which an "inactive" SPSV vehicle licence can be reactivated will be reduced from the current five year period to one year.

In addition, a range of short-term measures with regard to vehicle standards and enforcement are proposed as follows:

- Revised age limit rules on taxi vehicles to encourage the movement to vehicles of 9-years or less
- Prohibition of unsuitable, altered vehicles and vehicle equipment and the introduction of inspection safety criteria in this regard
- To include on the tamper proof licence disc, a QR code (Quick Reaction barcode) containing core licensing information affixed to the windscreen and rear screen

- The design of a new taxi roof sign in consultation with the industry

The integration of revised inspection/testing arrangements for taximeters with the SPSV licensing process is recommended as a medium-term measure.

### **3. Accessible Services**

The vision for accessible services is that they should cater adequately for all regardless of the person's mobility. To address the transport needs of people with disabilities and reduced mobility, the proposed short-term actions address the need for accessible information and booking services, as follows:

- a booking 'contact centre' will be piloted and evaluated, and will assist in gathering better information on Wheelchair Accessible Taxi (WAT) utilization, travel patterns and transport requirements;
- further analysis of the optimum usage of WATs by dispatch operators will also be carried out; and,
- a website and smartphone application to facilitate self-ordering of WATs will be developed.

In the medium-term, the existing specifications for wheelchair accessible taxis and hackneys will be reviewed to facilitate the possible introduction of a wider range of lower cost accessible vehicles.

### **4. Compliance and Enforcement**

The amendment of Section 36 of the Taxi Regulation Act 2003 by way of new legislation to be enacted in early 2012 will provide for mandatory disqualification of persons convicted of serious criminal offences from operating in the industry. In addition, the commencement of Section 35 of the 2003 Act will allow for a strengthened sanctions regime for suspension or revocation of licences.

Improvements to 'on-street' compliance will be assisted by enabling the Gardaí to prosecute 12 Fixed Charged Penalty offences through strengthened collaboration between the Gardaí and the NTA. Legislative amendment will also permit examination of SPSV vehicles for 'roadworthiness and condition' at any location.

Another short-term measure involves monitoring of taxi drivers' skills awareness, for example, through customer complaints, whereby a driver with a number of complaints against him would be required to undertake training and pass the skills development test. Failure to pass the test may result in the revocation or suspension of a licence.

Medium-term measures recommended entail the introduction of CCTV monitoring at selected key taxi ranks in urban areas, to assist with enforcement and security to the public and taxi drivers at these locations; and, the introduction of a system of penalty points specific to the SPSV industry for certain breaches or multiple breaches of regulations, with a potential consequence in terms of licence suspension or revocation.

## **5. Consumer and Industry Assurance**

The short-term measures proposed involve,

- A user-friendly, on-line system for consumers to submit complaints to the NTA;
- Distinctive semi-permanent ‘branding’ of taxis and wheelchair accessible taxis incorporating the ‘Transport for Ireland’ logo; and,
- A smartphone application for driver and licensing verification (which also has benefits for compliance monitoring).

Medium-term actions involve,

- To introduce a review process within the NTA for certain categories of decision particular to an individual licence holder;
- To provide for a system whereby taxi industry representative groups may make a referral to the Taxi Advisory Committee in relation to the introduction or the proposed introduction of industry regulations;
- With regard to cash security, to promote payment of taxi fares by debit and credit cards;
- Consultation with the industry on potential options for certain driver safety equipment in taxis; and,
- The development of a customer service and hospitality course for taxi drivers to encourage professionalism, in particular with regard to the tourism sector.

## **6. Fleet Management and Rental Controls**

Proposals relating to fleet management and rental cover a range of short-term actions as follows,

- A prohibition on the practice of renting taxi licences only (i.e. without vehicle), while facilitating the continuation of ‘full package’ taxi rental which includes the vehicle, complete with roof sign, taxi meter and printer, etc.
- consideration to be given to introducing a new licence to operate a taxi rental business and provision for wheelchair accessible services
- place a system to link SPSV licensed drivers to particular vehicles on a continually updated basis
- introduce arrangements with the insurance industry to enable the real time monitoring and on-going verification of the insurance status of SPSV licence holders
- introduce a requirement for continuous tax compliance as a condition of SPSV licensing with appropriate sanctions for breaches of such compliance.
- introduction of an on-line self-service portal for SPSV operators that would allow more efficient and dynamic licensing, compliance and test/inspection booking services
- investigate, in conjunction with the relevant local authorities, the potential for the introduction of additional “part-time” rank space during night-time hours at key urban locations

A medium-term action is for the planned migration to the use of smart (electronic) technologies in individual SPSVs to address the current challenges in monitoring and regulating a fleet of over 20,000 vehicles; and also to better exploit the potential to integrate the SPSV fleet into the wider public transport system

## **7. Rural Hackney Service**

In recognition of the lower levels of access to taxi or hackney services in rural areas there is a proposal for the introduction of 'Local Area Hackney Licence' in the medium-term. This would allow for low-cost entry to the hackney market in rural areas with identified public transport requirements. The service would feature specified areas of operation outside of major towns and validation of the need for the service by local community or business organisations

### **Next Steps**

It will be the responsibility of the NTA to implement the vast majority of actions. However, certain actions require primary legislation to be enacted to progress them. The Department of Transport, Tourism and Sport will pursue the adoption of the necessary primary legislation amendments in conjunction with the Office of the Parliamentary Counsel to the Government. Responsibility for the enactment of the necessary secondary legislation will rest with the NTA.

The implementation process is intended to commence immediately following the publication of this report and its consideration by the various parties involved in the industry. The process of delivery of the various measures will be planned and managed by the NTA, in consultation with the other relevant parties.

Implementation will involve:

- Short-term actions implemented on a phased basis in 2012
- Medium-term measures commenced in 2012 for delivery post-2012
- The use of technology for implementation where possible, e.g. one website portal *transportforireland.ie*, and consolidating smartphone applications, etc.
- Quarterly progress reports on implementation of the Review by the NTA to the Taxi Advisory Committee and updates on progress on implementation in the NTA's Annual Report.