



Fact Sheet on Public Consultations 2022

1. Small Public Service Vehicle (Cashless Payment Facility) Regulations

Introduction

This proposal for a Cashless Payment Facility Regulation concerns only the fleet of taxis in Ireland, which makes up 84 per cent of the total SPSV fleet. Hackneys and limousines are excluded from this proposal being pre-booked vehicles, where payment can be made prior to the journey as the fares are agreed in advance rather than calculated in real time on a taximeter.

Providing cashless payment options in each taxi aligns with Government policy as set out in the National Payments Plan 2013 and aligns with the actions or stated intent of most taxi drivers in recent years but particularly strongly since the advent of Covid-19. The most recent research (February 2022) indicates that 92% of drivers offer this payment option, with only 3% stating that they do not wish to offer these options at all.

Guidelines and Training

If the Board ultimately approves this draft regulation, NTA will publish “Guidelines for the Acceptance of Cashless Payments in Taxis” on our website. This will include general process and in vehicle safety requirements, together with signposting the requirements of the Data Protection Commission and the Central Bank of Ireland and card scheme providers relating to point of sale terminals and their use to meet their standards, payment transaction processes and protocols.

2. National Maximum Taxi Fare Review

Section 24 of the Consolidated Taxi Regulation Acts 2013 & 2016 empowers the NTA Board to make a “Maximum Fares Order” fixing the maximum fare that may be charged by the driver of a taxi for any journey.

Objectives

The objectives of the National Maximum Taxi Fare Review were to:

- Estimate the average activity level of taxis in a year based on survey data and Central Statistics Office (CSO) data.
- Update each element of the Taxi Cost Index (TCI), including the “fixed cost” of an average taxi, the running costs of an average taxi based on the activity levels determined and labour costs.
- Assess the appropriateness of the current fare structure.

Taxi Cost Index

The Taxi Cost Index (TCI) is a quantitative tool used by NTA to assess the change in the costs associated with operating a taxi. The TCI is recalculated approximately every two years based on published price indices and industry prices and provides a standardised approach for analysing cost changes in the taxi industry and assessing the need for fare adjustments.

Individual taxi drivers face unique and diverse operating costs that depend on their individual operating characteristics, as well as wider market conditions. The TCI does not seek to represent the overall cost faced by any individual driver, but rather provide an estimate of the costs faced by taxi drivers on average. This approach is guided by the following principles:

- The TCI must be representative and reflect the changes in costs faced by a significant proportion of the industry.
- It should reflect a fair return for the labour provided by the taxi driver.
- It should be based on a driver that follows industry-leading practice.
- The costs included in the TCI consist of all major running and fixed costs, as well as a labour cost component, with the costs being combined to achieve an overall indicative cost of taxi operation per annum.

The 2019 Fare Review recommended an increase in the National Maximum Taxi Fare of 4.5 per cent however, due to the disruption to the hospitality, tourism, leisure and, thus, taxi industries, with the onset of the Covid-19 pandemic and travel restrictions and in recognition of passenger reaction to an increase at that time, the Advisory Committee on Small Public Service Vehicles and taxi industry group representatives advised that the commencement of the Maximum Fares Order be postponed. NTA and the Department of Transport accepted this recommendation. Therefore, this fare review is to account for the 2019 fare review also.

The costs included in the TCI consist of three components – Running Costs, Fixed Costs and Labour Costs. The build-up of each of these is set out in the tables below. Further details can be obtained from the 2022 National Maximum Taxi Fare Review Report. Mandatory acceptance of card payments in taxis is also proposed to be introduced in tandem with this fare adjustment, and an allowance has been included in the proposed adjustment, under the heading Miscellaneous Running Costs, to take account of additional costs arising.

Running costs

Index Component	Activity Level	
	2019 CSO Estimate	2019 Drivers' Estimate
Index Component	30,352 km	42,000 km
Fuel	€2,390	€3,307
Servicing	€436	€603
Cleaning	€1,073	€1,073
Tyres	€389	€539
Spares	€284	€393
Miscellaneous Running Costs	€300	€300
Total Running Costs	€4,873	€6,216

Fixed costs

Index Component	2021 Cost
Car Purchase and Finance	€3,899
Insurance	€1,867
Affiliation – traditional dispatch operator/ app service	€2,872
Equipment Replacement – regulatory requirements	€230
Taxi Vehicle Licence Renewal	€150
Motor Tax	€95
Airport Charges	€41
National Car Test (NCT)	€62
Meter Verification	€43
Meter Calibration and Programming	€45
SPSV Driver Licence	€50
National Driver Licence	€6
Total Fixed Costs	€9,360

Labour Costs (Taken from a CSO Index for "Production, transport, craft and other manual workers")

Index Component	2021 Costs
Labour Costs	€ 30,083

Adjusted TCI changes, 2017 - 2022

Year	CSO Reported Activity Levels			Driver Reported Activity Levels		
	2017	2019	2022	2017	2019	2022
KM	32,624 km	29,951 km	30,352 km	49,000 km	42,000 km	42,000 km
Running Costs	€4,309	€4,235	€4,873	€5,825	€5,430	€6,216
Fixed Costs	€11,480	€11,321	€9,360	€11,480	€11,321	€9,360
Labour Costs	€23,945	€25,878	€30,083	€23,945	€25,878	€30,083


Total Costs	€39,734	€41,435	€44,315	€41,250	€42,629	€45,658
% Change 2017-2022			11.5%			10.7%
Recommended TCI increase 2022*			12.5%			11.7%

Summary

Overall, the TCI increased between 10.7 and 11.5 per cent between 2017 and 2022. The 2019 Fare Review recommended a further adjustment of the TCI of 1% for the extra costs (transaction fees and hardware provision) associated with cashless payment facilities. Including this provision for cashless payments, the recommended 2022 Maximum Fare increase is **12%** to reflect the increase in operating costs faced by taxi drivers as per the change in the TCI, together with the introduction of cashless payment facility mandate (1%).

Application of Increase

The tables below show how the increase of **12%** would be applied to the existing fare structure.

Existing Maximum Fare Structure			Possible Maximum Fare Structure		
	Standard (08.00h-20.00h)	Premium (20.00h-8.00h, Sundays and Bank Holidays)		Standard (08.00h-20.00h)	Premium (20.00h-8.00h, Sundays and Bank Holidays)
Initial Charge	€3.80	€4.20		€4.20	€4.80
Tariff A (Up to 15 kms)	€1.14 per km €0.40 per min	€1.45 per km €0.51 per min		€1.30 per km €0.46 per min	€1.71 per km €0.60 per min
Tariff B (Over 15kms)	€1.50 per km €0.53 per min	€1.80 per km €0.64 per min		€1.65 per km €0.58 per min	€2.00 per km €0.71 per min

Using the above “Possible Maximum Fare Structure”, and based on (i) weighting between Standard and Premium Time and (ii) distance charging with inclusion of the average value of extras for additional passengers or call-out, the above revised structure would result in average fare increases across most journey lengths of **12%**.

Mandatory acceptance of card payments in taxis is also proposed to be introduced in tandem with this fare adjustment, and an allowance has been included in the proposed adjustment to take account of the additional costs arising.

Taximeter Calibration and Verification

There are approximately 36 taximeter models in use in the nearly 16,000 taxis licenced to ply for hire in Ireland. Taximeters work on a calendar of up to 5 years, where all relevant tariffs for each time and date are programmed into each meter along with details of the dates that future bank holidays fall on.

Where a change in the National Maximum Taxi Fare is made, all taximeters must be programmed (calibration) by private taximeter software installers to calculate that new fare, and then each device must be verified by the NSAI Legal Metrology Service's ("LMS") Authorised Verifier as accurately calculating the maximum fare.

The current cost of LMS Verification is €86.10 The cost of the taximeter calibration varies, but the basic average cost in 2022 is €91.60, Over 2 years this equates to €43.05 for Verification (unchanged since the last fare review) and €45.80 for reprogramming and calibration.

Timelines for Reprogramming and Verification

There are various activities required after a new National Maximum Taxi Fare is adopted.

The first action is that the suppliers of the various taximeters have to prepare new software programmes for each meter to incorporate the revised fare structure.

Each software programme has to be provided to the NSAI Legal Metrology Service who review and approve or reject the submitted programme. Only when the software programme is approved by the Legal Metrology Service can installers / suppliers commence installing the programme into the individual taximeters. The process of preparing the new programmes and getting approval from the Legal Metrology Service, takes about two months.

Following approval of the programme, the supplier / installer of that taximeter can then commence replacing / updating the programmes in individual taximeters. The length of this process will be dependent upon the number of installers and the number of vehicles which have that particular taximeter. A period of about two months is required to complete the updating.

Subsequent to each vehicle's reprogramming, but concurrent with the overall fleet taximeter updating process, vehicles have to be tested and verified as correct by Legal Metrology Service's Verifier.