



National Maximum Taxi Fare Review 2024 Public Consultation Fact Sheet

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 annual fixed and running costs of an average taxi based on the activity levels determined, together with labour costs (based on CSO data)
- Assess the appropriateness of the current fare structure and make a recommendation on whether there should be any change in maximum fares chargeable by operators.

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 National Maximum Fare Review 2022 resulted in an increase in the National Maximum Taxi Fare of a weighted average of 12%.

A summary of the results of the National Maximum Taxi Fare Review 2024 can be found below. Further details can be obtained from the accompanying National Maximum Taxi Fare Review Report 2024.

Running costs

| | Activity Level | |
|------------------------------------|-------------------|------------------------|
| | 2024 CSO Estimate | 2024 Drivers' estimate |
| Index Component | <i>28,034 km</i> | <i>49,800 km</i> |
| Fuel | €1,969 | €3,486 |
| Servicing | €462 | €820 |
| Cleaning | €1,311 | €1,311 |
| Tyres | €417 | €741 |
| Spares | €295 | €524 |
| Miscellaneous Running Costs | €300 | €300 |
| Total Running Costs | €4,754 | €7,182 |

Fixed costs

| Index Component | 2024 Cost |
|--|----------------|
| Car Purchase and Finance | €5,021 |
| Insurance | €1,895 |
| Radio and app service affiliation costs | €2,997 |
| Equipment Replacement – regulatory requirements | €322 |
| Taxi Vehicle Licence Renewal | €134 |
| Motor Tax | €95 |
| Airport Charges | €33 |
| National Car Test (NCT) | €67 |
| Meter Verification | €43 |
| Meter Calibration and Programming | €60 |
| SPSV Driver Licence | €50 |
| National Driver Licence | €6 |
| Total Fixed Costs | €10,723 |

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

Labour Costs

€ 32,819

Adjusted TCI changes, 2022 - 2024

| | CSO Activity Levels | | Driver Reported Activity Levels | |
|--------------------|---------------------|-----------|---------------------------------|-----------|
| Year | 2022 | 2024 | 2022 | 2024 |
| KM | 30,352 km | 28,034 km | 42,000 km | 49,800 Km |
| Running Costs | €4,873 | €4,754 | €6,217 | €7,182 |
| Fixed Costs | €9,360 | €10,723 | €9,360 | €10,723 |
| Labour Costs | €30,083 | €32,819 | €30,083 | €32,819 |
| Total Costs | €44,316 | €48,296 | €45,659 | €50,724 |
| % Change 2022-2024 | | 9.0% | | 11.1% |

Summary

The recommendations for the 2024 increase in the TCI is a maximum of 9%, given the potential impact that an increase in fares would have on consumer demand. The proposed maximum fare structure is weighted in favour of the Premium Rate period, with the extension of the Special Rate to the weekend peak. The key features of the proposed structure are:

1. Fares increase is less at Standard Rate (*applies 08.00 to 20.00, Monday to Saturday*) and more at Premium Rate (*applies 20.00 to 08.00, Monday to Saturday, all day Sunday and all day on public holidays except Christmas and New Year*);
2. The Special Rate (*already in existence between Christmas Eve 20:00h and St. Stephens Day 08:00h & New Years Eve 20:00h and New Years Day 08:00h*) is extended to include a late-night weekend peak period of midnight to 4am; and
3. A 50% increase in the value of the Booking Fee rising from €2.00 to €3.00.

Application of Increase

The tables below shows how the weighted average increase of 9% would be applied to the existing fare structure.

| | Standard Time | | | Premium Time | | | Special-Premium (Weekends & Christmas Time) | | |
|--------------------|---------------|----------|----------|--------------|----------|--------|---|----------|----------|
| Fare Elements | Existing | Proposal | Change % | Existing | Proposal | Change | Existing | Proposal | Change % |
| Initial Charge | € 4.20 | €4.40 | 5% | €4.80 | €5.40 | 13% | €4.80 | €5.40 | 13% |
| Tariff A | €1.30 | €1.32 | 2% | €1.71 | €1.81 | 6% | €2.00 | €2.20 | 10% |
| Tariff B | €1.65 | €1.72 | 4% | €2.00 | €2.20 | 10% | €2.00 | €2.20 | 10% |
| Extra: Passenger | €1.00 | €1.00 | 0% | €1.00 | €1.00 | 0% | €1.00 | €1.00 | 0% |
| Extra: Booking Fee | €2.00 | €3.00 | 50% | €2.00 | €3.00 | 50% | €2.00 | €3.00 | 50% |

Taximeter Calibration and Verification

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 cost of LMS Verification as of July 1st 2024 is €90.41 (inclusive of VAT). Over two years this equates to €45.20 per year for Verification and €60 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.

Review Period

NTA aims to undertake a National Maximum Taxi Fare Review every two years. To encourage more taxi services during peak times, the application of the current proposed fare increase is weighted towards the nighttime period at weekends.

NTA will review the impact of this fare increase 12 months after implementation. Should the results of this review show that related service availability has not been improved as a result of the taxi fare increase, NTA reserves the right to amend the increased fare application approach at that time.