



## 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
<b>Index Component</b>	<i>28,034 km</i>	<i>49,800 km</i>
<b>Fuel</b>	€1,969	€3,486
<b>Servicing</b>	€462	€820
<b>Cleaning</b>	€1,311	€1,311
<b>Tyres</b>	€417	€741
<b>Spares</b>	€295	€524
<b>Miscellaneous Running Costs</b>	€300	€300
<b>Total Running Costs</b>	<b>€4,754</b>	<b>€7,182</b>

### Fixed costs

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

**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
<b>KM</b>	30,352 km	28,034 km	42,000 km	49,800 Km
<b>Running Costs</b>	€4,873	€4,754	€6,217	€7,182
<b>Fixed Costs</b>	€9,360	€10,723	€9,360	€10,723
<b>Labour Costs</b>	€30,083	€32,819	€30,083	€32,819
<b>Total Costs</b>	<b>€44,316</b>	<b>€48,296</b>	<b>€45,659</b>	<b>€50,724</b>
<b>% Change 2022-2024</b>		<b>9.0%</b>		<b>11.1%</b>

**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.

Fare Elements	Standard Time			Premium Time			Special-Premium (Weekends & Christmas Time)		
	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 1<sup>st</sup> 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.

Immediately following the signing of the Max Fares Order, the Taximeter Installer Technical Guidelines are released on the websites of both NTA and NSAI Legal Metrology Service (LMS) for all private taximeter suppliers to finalise any required changes to their programmes. The 2024 proposal increases all tariffs and extends time periods for one current tariff. These particulars have been available at high level in the draft maximum fares order issued in the public consultation (04.07.2024) and are not a surprise to programmers. It may be, of course, that changes are required following the consultation but any such changes can only be very limited or a brand new public consultation on any significant change would be required.

LMS organises meetings relating to the taximeter programme approval, calibration and verification process and procedures for private suppliers with any queries. NTA's technical assessor attends these meetings and is available for consultation. The suppliers of the various taximeters (currently about 10 taximeter makes encompassing 41 models) update their software for the revised fare structure.

The LMS taximeter programme approval process starts when it receives an updated programme from the private supplier. The process of getting approval from LMS depends on when it receives the revised programme and the accuracy of the programme; it can be days or weeks dependent on the quality of the programme received by LMS. This is a factor the private supplier holds as its own risk.

When the software programme is approved by LMS, installers can open their prebooked installation appointments with individual taxi owners. The length of this process will be dependent upon the number of private installer resources available.

Subsequent to each taximeter's reprogramming, it has to be tested and verified as correct by Applus on behalf of LMS.

Taxi services can be provided, for a period, after the new fare commencement so long as the new fare is operating on the meter and there is formal evidence from Applus that a booking for programme verification and meter sealing has been made. Historically, although 86% of taximeters could have had the increased fare installed and verified by Applus before the new fare commencement date, only 7% of taxi owners did this, leading to a completely unnecessary backlog. The vast majority of taximeters in use are capable of dual programming with an automatic changeover on the prescribed date and we encourage all owners to have their taximeters updated and verified early to avoid income loss.

## 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.