

STATES OF JERSEY



DRAFT ACT ANNULING THE MOTOR TRAFFIC (CABS – FARES AND CHARGES) (JERSEY) ORDER 2017

Lodged au Greffe on 7th July 2017
by Senator S.C. Ferguson

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to adopt an Act as set out in Appendix 1 to this proposition, annulling the Motor Traffic (Cabs – Fares and Charges) (Jersey) Order 2017, and to request the Minister for Infrastructure to enter into discussions with the Taxi Drivers' Association under the supervision of a mediator.

SENATOR S.C. FERGUSON

REPORT

There has been an attempt to merge the Rank Taxi business and private hire business (Cabs).

This has been unsuccessful, as the Minister for Infrastructure does not have the *vires* to dictate prices to Cabs.

The intention of the Department of Infrastructure (“DoI”) has been to simplify the tariff structures so that the Public finds them easier to understand. The number of tariffs has been reduced from 4 to 3, but Cabs have different tariffs to the Rank Taxi tariffs. Since this was combined with an attempt to merge the 2 types of business, the result has been that private hire Cabs have dual tariff meters and the Rank Taxis have only their own tariffs.

Under the plans of the DoI, there are certain Ranks where private hire Cabs can pick up passengers at certain hours of the night or at a time where there is a shortage of Taxis. If Cabs pick up passengers on the Ranks they are expected to charge Rank Taxi fares. However, there are examples where Cabs are picking up passengers from the specified Ranks but are charging Cab fares.

In previous years, the increase allowed in tariffs for Taxis has been based on RPI (Taxi). The changes imposed by DoI are somewhat arbitrary. In addition, as can be seen by the submission by the President of the Rank Taxi Drivers’ Association (“RTDA”) (**Appendix 3**), some increases will impose higher tariffs on passengers, and some tariffs are based on readings from meters which appear faulty.

All the drivers are asking for is the ability to meet with the Minister for Infrastructure and sort out the tariffs. For this to be effective, it would be helpful to engage the services of a mediator, and the Order should be annulled and brought back once agreement has been reached.

Financial and manpower implications

There are no significant financial or manpower implications for the States arising from the adoption of this Proposition.

**DRAFT ACT ANNULLING THE MOTOR TRAFFIC
(CABS – FARES AND CHARGES) (JERSEY)
ORDER 2017**

Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of the Subordinate Legislation (Jersey) Law 1960¹, annulled the Motor Traffic (Cabs – Fares and Charges) (Jersey) Order 2017².

¹ [chapter 15.720](#)

² [R&O.62/2017](#)

**TABLE OF CAB FARES AND CHARGES
IMPOSED BY THE MINISTER FOR INFRASTRUCTURE**

Journey charges	
1. Hire starting after 7 a.m. but before 11 p.m. on any day except on a Sunday, public holiday or bank holiday (subject to 3 below)	
Distance fare – For the first 176 yards or any shorter journey –	£3.00
For each additional 176 yards or part of any additional such distance –	21p
Waiting charge – For each 51 seconds, whether consecutive or not, during which the cab is stationary –	21p.
2. Subject to 3 below, hire starting –	
<ul style="list-style-type: none"> • after 11 p.m. but before 7 a.m. on any day; or • after 7 a.m. but before 11 p.m. on a Sunday, public holiday or bank holiday 	
Distance fare – For the first 176 yards or any shorter journey –	£3.10
For each additional 176 yards or part of any additional such distance –	31p
Waiting charge – For each 45 seconds, whether consecutive or not, during which the cab is stationary –	31p.
3. Hire starting –	
<ul style="list-style-type: none"> • after 7 p.m. on 24th December but before 7 a.m. on 27th December; or • after 7 p.m. on 31st December but before 7 a.m. on 2nd January 	
Distance fare – For the first 176 yards or any shorter journey –	£5.40
For each additional 176 yards or part of any additional such distance –	34p
Waiting charge – For each 28 seconds, whether consecutive or not, during which the cab is stationary –	34p.
Additional charges	
1. For each passenger in excess of 4 passengers being carried	£1.00
2. For every fare not paid in cash	50p.

APPENDIX 3

SUMMARY OF THE TAXI-CAB INDUSTRY REVIEW TO DATE

PRODUCED BY MR. MICK TOSTEVIN, PRESIDENT, J.T.D.A.

6TH JULY 2017

The complete picture of the Jersey Taxi and Cab Industry and its journey from past to present would take several volumes and many hours of writing and reading for the uninitiated to understand; a bit like the roots of a tree, it has many offshoots.

To summarise where we are today, following the new proposals being brought about by the current Minister for Infrastructure, Deputy E.J. Noel of St. Lawrence, which have led to him making various Ministerial Decisions, and recently an amendment to the Motor Traffic (Cabs – Fares and Charges) (Jersey) Order 2008, made on 19th June 2017 and tabled as R&O.62/2017 in the States Sitting of 4th July 2017. The Order came into force on 1st July 2017.

As the representative of approximately 90 of the Island's 150 Public Rank Taxi-drivers, but also in conjunction and agreement with the majority of non-Association members, we are dissatisfied with the way in which the Minister for Infrastructure has handled much of the Taxi-Cab industry review process, and the separate application of his new fare structure.

The Minister's version of the review was first put before the whole Taxi-Cab industry back in September 2015 as a "done deal".

Many of his proposals were far-reaching and not in keeping with the recommendations of the TAS Partnership Limited, who were the UK Company tasked with assisting the Minister in the Taxi-Cab review. They had clearly stated from the outset that the Taxi-Cab industry in Jersey was not in crisis and just needed some adjustments.

We feel that the Minister was then responsible for thrusting the Taxi-Cab industry into a crisis, which has been hanging over the heads of the drivers and their families for several years now, causing a lot of stress and anxiety.

One of his original proposals was to make ALL Public Rank Taxis wheelchair-accessible. This was thrown out by public pressure as unwarranted, even from the disabled community and the elderly, who require a mix of various types of vehicle to meet their various needs.

However, decisions like this have set the tone for much of what this Minister has done or tried to bring about within many of his proposals, always suggesting that he is under tremendous pressure from the likes of CICRA to totally deregulate our industry, meaning that anyone with the very minimum of qualifications should be allowed to have a Taxi-Cab Licence.

One has to take a slight step back in time to understand what this review is all about and where it started.

Back in 2010 and as part of the Island's effort to lower our carbon footprint by 15% by the year 2015, the States brought out a Sustainable Transport Policy.

This was scrutinised by the Environment Scrutiny Panel at the time, who looked at various parts of the Policy, including the Taxi-Cab industry. Having held public meetings, they made the following statements on 12th November 2010 –

“Section 8.9 The Taxi Service

Complaints about pricing tended to relate to private hire services, whose fares are not controlled and can sometimes be 25% or more higher than rank taxi fares, 71% of written comments to the consultation about taxis complained of excessive fares.

Other potential problems revolved around difficulties in obtaining taxi services in the country areas especially at night, a lack of 24 hour cover and services to the Airport.”

In defence of the private hire side of the industry, they obviously have overheads that the Public Rank Taxis do not, paying to rent a depôt and all the associated costs, providing staff to run the office, to answer the phones, etc.; although more recently some have been allowed to set up private companies without much of the aforementioned, causing an unlevel playing field within that section of the industry.

Most of the private hire companies also offer account services, which to the finance industry are vital. This not only has to be administered, but also some persons or individual has to bankroll the debt until it is paid.

Ironically, prior to 2006 most of the local private hire firms were members of the Jersey Cab Drivers' Association, who once a year sat together and set a fare structure, which was then only about 10% to 15% above the Public Rank fares. It was then that the JCRA (now CICRA) who stepped in and stopped this practice, calling it 'price-fixing' and 'collusion'. Since then, the Cabs Association has all but disbanded, and only has about 10 individual members, and subsequently private hire fares have risen significantly.

Moving back to recent developments, the Association is extremely dissatisfied with large parts of what the current Minister for Infrastructure is trying to bring about, and he has not listened to us through much of the process. Furthermore, he is not going to achieve his “key objectives” which was to bring clarity and transparency for the Public on Taxi-Cab fares.

The Minister was told at the start that he cannot control private hire fares because they are exactly that ... private; and each company has different running costs and business models. Public Rank Taxis are totally different, and he already has control of our fares, which are calculated by the States' Statistics Unit using a longstanding and agreed formula called the RPI (Taxi).

This formula looks at the headline RPI and takes the motoring section which is fuel, garage costs, insurance, etc., and multiplies this by 4 or 5 (not exactly sure of the exact multiplier), saying that a Taxi-driver would use 4 or 5 times more than a normal motorist.

The RPI (Taxi) calculated up to March 2017 was 3.6% and was added to the 2 previous years; 2015 was minus 0.1% and 2016 was 1.1% and deemed by the drivers as not worth taking at the time, due to the costs of changing meters, etc. However, adding the 3 years together, this came out at 4.6%, and although the Association had stated 4.7%, we agreed not to argue over 0.1%.

This figure should be applied to ALL sections of the Public Rank fare structure, but it has not been. In fact, the calculations that have been made by ourselves and our financial advisers are showing that in many scenarios we are actually seeing a decrease in fares, and therefore our takings.

To make matters worse, the Minister has decided to take away the “extras” that we charge for baggage and other large items such as golf-bags, skis, medical equipment (hospital staff returning from UK), and for each passenger above the first passenger. The current charge is 20p per item or person and has been 20p since 2007, and should have increased in itself, not be taken away.

Normal industry practice across the UK and most parts of Europe is “Extras” charged by Public Rank Taxis. The Minister was shown several Tariff cards from various locations across the UK, demonstrating that charges for “extras” were normal practice, but the Minister dismissed this as he was not interested in what happens in the UK.

To offer to “buy out” our “extras”, the Minister made various offers through his appointed project manager, who calculated various offers starting at 2p per mile, then 3p per mile, and then out of the blue we were told that it would be a 20p surcharge added to ALL fares.

We seriously challenge the data used in calculating this 20p surcharge, which we also feel discriminates against the passenger who has no baggage. In our meetings with the Officers appointed by the Minister to negotiate with us, when the subject of our “extras” was discussed, we offered the figure of 5.5% as an average figure of what “extras” were worth to a Public Rank Taxi-driver; this was backed up by evidence supplied by a longstanding Taxi-driver who made a point of noting all of his fares and extras over many years.

They deemed this evidence as “anecdotal”, and asked if more data from our meters could be provided, and directed myself on how to obtain the data required. With the permission of about 8 drivers, I investigated their meters and abstracted the information which was then passed anonymously to the project manager, who also then informed me that “they” had also interrogated the meters of about another 8 taxis who had been into the DVS for their annual inspections.

However, as the data was investigated it became obvious that there was a flaw and a big difference between certain vehicles with fare ratios to “extras” being as high as 43.25%. This was clearly not correct and deemed unreliable, and an e-mail from the project manager dated 19th January 2017 indicates that he agrees that there is a problem with the data, and in fact he states in paragraph 3 that “the conclusion is that there is a fault with the machine”.

Since then it has come to light that apparently the running total of “fares” will “zero” itself automatically when it reaches a figure of £10,000; however, the “extras” total would take a lot longer to reach £10,000 at 20p per movement, and therefore it would be unreliable to compare the 2 sets of data.

In another more recent e-mail, the Association was accused of not bringing this to the attention of DVS earlier. The reply to that is that it is not the job of drivers to understand the inner workings of a Taxi-meter; however, as regulators of the Taxi-Cab Industry, DVS should be fully conversant with this piece of measuring equipment.

Nevertheless and despite the proof that the data taken and interrogated in the first place was unreliable, it was still used in calculating the replacement of our “extras”, and this should never had happened.

Our financial adviser has calculated various fares, both before and after the so-called replacement of our “extras”, which are supposed to also incorporate our 4.6% fare increase. The calculations are attached, but it is clear to see that apart from this not being a 4.6% increase in most cases, in certain scenarios it is actually a decrease.

Furthermore, and without any apparent reason, the Minister has also reduced the “waiting time”. This is when the vehicle is stationary but still “on hire”, and also comes into force when the vehicles speed drops below a certain miles per hour. Before the increase this was £21.18 per hour and should now be 4.6% more at £22.20, but has in effect been reduced by around 30% to £14.82 per hour.

In addition, the Minister has decided that all Taxis will now calculate their fares in tenths of a mile instead of the accepted industry-wide measurement of yards and/or metres, which are easier to work with when a fare increase is applied because of the smaller increment.

For example, if before a fare increase the passenger travels 164 yards (150 metres), for each 30p then after a 2% fare increase they may only get 161 yards (147 metres). There may still be a certain degree of “rounding up or down” to achieve the nearest 10p; however, because the Minister has decided to enforce his own ideology, we are now having to work with fares that have introduced “pennies” into the meter. This means that drivers will now have to carry bags of small change with them.

The Minister was also insistent that we only have “three tariffs” 1, 2 and 3 on our meters. Previously we had four tariffs –

Tariff 1 was from 07.00 a.m. until 11.00 p.m.

Tariff 2 was from 11.00 p.m. until 07.00 a.m. and is 50% more than Tariff 1.

Tariff 3 was for Sundays and Bank Holidays and is 33% more than Tariff 1.

Tariff 4 was used at Christmas/New Year and is approx. 60% more than Tariff 1.

Under the Minister’s new fare structure of only three tariffs, this means that Tariff 2 will be used for Sundays and Bank Holidays, costing the public at least 12.7% more to travel on these days.

We did ask that the Christmas/New Year tariff should be double Tariff 1, but the Minister refused this, despite that historically it used to be double fare, the increase given is around 4%.

So there is clear evidence of unreliable data being used in calculating the replacement of our “extras”; incorrect application of the agreed 4.6% increase which leads to a decrease in some scenarios; a blatant decrease on our “waiting time” of 30%; and an increase of 12.7% on Sundays and Bank Holidays, plus a refusal to pay us a decent rate for working over the festive period.

In his proposals looking ahead in 2021, (which was set at this date to allow us “Grandfathering rights”), the Minister is stating that ALL Public Rank Taxi-drivers MUST attach themselves to a company or “dispatching entity”; but on 1st January 2019 any private hire driver who chooses to obtain the necessary “accessibility equipment” and to undertake training in the use of the said equipment, can have access to the public Ranks if they want, or can remain as private hire drivers. They are being given a choice, and it appears the Rank Taxis are not.

To go back to the beginning, the whole point was to achieve clarity and transparency for the passenger. The Rank Taxi-drivers’ understanding is that from 1st July, private hire drivers will have meters which have both the rank tariffs and the private hire tariffs, which will be even more confusing for passengers.