

# STATES OF JERSEY



## **DRAFT ACT ANNULLING THE MOTOR TRAFFIC (CABS – FARES AND CHARGES) (JERSEY) ORDER 2017 (P.64/2017): COMMENTS**

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**Presented to the States on 11th September 2017  
by the Minister for Infrastructure**

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**STATES GREFFE**

## COMMENTS

Senator S.C. Ferguson lodged a proposition ([P.64/2017](#)) – “*To adopt an Act to annul the Motor Traffic (Cabs – Fares and Charges) (Jersey) Order, and to request the Minister for Infrastructure to enter into discussions with the Taxi Drivers Association under the supervision of a mediator.*”

### **BACKGROUND TO THE TAXI-CAB REGULATORY REFORM PROGRAMME:**

The Minister for Infrastructure’s obligation under the [Motor Traffic Law \(Jersey\) 1935](#) (“**the Motor Traffic Law**”) is to ensure that “*there is an adequate, efficient and reasonably priced cab service available throughout Jersey at all times*” (‘cab’ in the context of the Motor Traffic Law refers to all types of taxi-cab, whether rank or private hire).

The 2010 States of Jersey’s [Sustainable Transport Policy](#) (“**STP**”) noted of taxi-cabs; “*The system has changed little in decades and with advances in technology and an expectation of increased demand, modernisation is overdue.*” It continued, “*Potential changes to bring about a better service would be based on one class of signed taxicab with each cab able to access ranks and linked to an operator using GPS to track vehicle location... [with] one set of tariffs with a booking fee*”

In conclusion, the States’ STP required the Minister for Infrastructure to “*gather that evidence and develop proposals by 2012, to enable the taxi service to provide a **simplified system**<sup>1</sup> which meets the future growing needs of the public, and ensure its full implementation by 2015*” [**emphasis added**].

In March 2012, the Minister for Infrastructure published a formal ‘Green Paper’ consultation titled ‘[Taxi Regulatory Reform](#)’, which explored the options for taxi-cab regulation, providing both national and international context. The consultation took place in a variety of different ways with the public, businesses and taxi-cab industry stakeholders. Meeting opportunities were provided to every individual taxi-cab driver, company and driver’s association, including the Jersey Taxi Drivers Association (“**JTDA**”).

In October 2013, the Minister formally published results of the consultation in a ‘White Paper’ consultation titled ‘[Taxi Regulatory Reform – Recommendations](#)’, setting out the Minister’s intentions for Policy changes. In addition to presenting the Industry’s views, the paper summarised the 742 responses received from the public, the highest response to a States’ consultation to that time.

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<sup>1</sup> The current system has been described as a complex ‘one and a half tier’ hybrid model of taxi-cab regulation, where private hire cabs must undertake at least 80% pre-booked work and public rank taxis must undertake at least 80% immediate hire work from on-street, but on other occasions each may undertake the other’s type of work. Clearly, it is impossible to effectively monitor or enforce this. Public and industry consultation has shown that this model with its white, yellow and red licence plates creates confusion for the public, complexity for the regulator and tension within the industry, with ongoing accusations of poaching work. In particular, it has not solved the problems regarding the perceived cost of and confusion between the fares for different types of taxi-cab, gaps in availability at peak times, improved access for disability, customer service quality and the lack of opportunities for young drivers and innovation.

In its conclusion, supported by the consultation results, the ‘White Paper’ rejected the JTDA’s assertion that customers are best served by the current one and a half tier hybrid system and recommended that, “*The current two-tier taxi licencing system should be replaced with a single-tier system*”.

On 16th May 2014, the Minister wrote to all the taxi-cab companies and drivers’ associations, including the JTDA, advising, “...*an issue that appears to have unanimous backing from customers and the industry is introducing an industry wide maximum tariff.*” The letter continued, “*In view of the unanimous backing for an Industry-wide maximum tariff, I propose introducing a maximum tariffs at an early date*” to provide certainty of cost for the customer. The letter was publicised by media statements, in which the Minister noted of the 742 individual responses received in the Green Paper consultation, over 90% agreed that the Minister for Transport and Technical Services should set a maximum level of fares for all taxis.

Following the above Green and White Paper consultations the Minister published, in September 2015, a report by TAS Partnership titled ‘Taxi Regulatory Reform – Final Recommendations’ (“**the TAS Report**”)<sup>2</sup> setting an outline programme for implementing the policy changes. On 15th September 2015, the Minister presented the key recommendations at a meeting attended by all sectors of the industry, including the JTDA.

Subsequent to this, on 28th September 2015, Ministerial Decision [MD-T-2015-0079](#) was made initiating the implementation phase for the reforms. The Minister noted in the introduction to the Report accompanying the decision –

*“The Reform Programme has been through Green Paper and White Paper stages. There is general support from the public and stakeholders for the approach that successive Ministers have been developing. However, there remains disagreement within the industry, in particular in respect of any actions that open up the ranks to more vehicles. Considerable time has been dedicated to discussions with industry representatives, but there is no reasonable prospect of reaching a compromise agreement across the industry on this issue, which is fundamental to reform.”*

The Minister has been clear in all his efforts that his primary concern has been to improve the level of service for customers. A secondary concern has been for drivers (and other taxi-cab industry participants) and their reasonable expectations of making a living. Experience elsewhere shows that a disregard for the industry results in short to medium-term disruption that does not serve passengers well. Therefore, successive Ministers have rejected a ‘big bang’ approach and adopted a phased approach to reform.

However, the JTDA continued to oppose the reform programme and following a wildcat action to disrupt town traffic in December 2015, the Minister invited the JTDA to meet with his officers to put forward proposals for transitional arrangements with representatives from other drivers groups.

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<sup>2</sup><https://www.gov.je/md/MDAttachments/Transport%20and%20Technical%20Services/Decisions%20in%202015/mdt20150079sd1.pdf>

Following discussions, in March 2016 the Minister met with the JTDA and agreed to a document ‘Industry Proposals for Transitional Arrangements V2’ which was later finalised and amended to V3 (see **Appendix 1**): This document recorded a number of compromises negotiated by the JTDA on behalf of their members. These included ‘grandfathering rights’ to extend the time (up to 5 years) for existing drivers (i.e. those with licence plates on or before 1st March 2016) to meet new requirements such as the requirements to attach to a booking entity, to undergo customer service and disability awareness training and to provide equipment to assist customers with disability.

Industry Proposals for Transitional Arrangements “*Transitional Arrangements – Provide existing Yellow Plate drivers (as at 31/03/16) opt out option for affiliating to booking entity for up to 5 yrs*” was agreed by the JTDA with the Minister and the representative for Private Hire drivers, in March 2016.

Thus, within the context of the reform programme and how best to match supply with demand, the JTDA tacitly support the introduction of a single tier to release the innate operational inefficiencies created by the current one and a half tier hybrid system, over the alternative of deregulating quantity control of taxi-cab numbers recommended by CICRA<sup>3</sup>. It has been estimated that 40-50 percent of mileage done by a taxi-cab is “dead” mileage where the vehicle travels without any passenger/s. Improving efficiency by co-ordinating the workload more effectively reduces dead mileage and the time that drivers are sitting around waiting for a job, thus keeping fares lower and reducing the environmental impact. However, the JTDA’s overriding preference is no regulatory change in this respect, to preserve the protected market they currently enjoy. The Minister does not consider this to be acceptable or in the public interest.

The JTDA continued to meet regularly with the Minister’s representatives to discuss the detail of the reforms until June 2017, when the Minister acted to implement the next stage of reform. At this point, the JTDA recommenced wildcat actions to disrupt traffic.

While a number of concessions have been made, it should not be surprising that the negotiations have not concluded to the JTDA’s complete satisfaction or considered unusual. There are parties other than the JTDA who the Minister must first consider, namely the travelling public and it is clear that further delaying implementation of the service improvements is not in their interest.

Having failed to negotiate all of their objectives and to preserve their vested interests and privileged advantages of the existing system, the JTDA are now taking action on a number of fronts to attempt to frustrate and delay the implementation of the changes, so that the political opportunity for improvement will be lost in the approach to the next elections. This position is not supported by the public, in a JEP poll this summer 77% of readers did not agree with taxi drivers’ concerns about the planned changes to regulation.

This Proposition is yet another attempt by the Jersey Taxi Drivers Association (JTDA), to frustrate change and preserve their position of privilege within the current complex ‘one and a half tier’ hybrid system of regulation.

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<sup>3</sup> Jersey Competition Regulatory Authority (now CICRA) December 2010 Position Paper <http://www.cicra.gg/cases/2010/c60210-taxi-regulation/c60210-report-taxi-regulation-in-jersey/>

## MINISTER'S COMMENTS

The Senator's Proposition is to annul the Order made on 1st July, 2017 which provides a 4.6% RPI(Taxi) rise on base tariff, plus a consolidated 20p allowance for extras<sup>4</sup> (**Appendix 2**), for the period 2014 to 2017 calculated in conjunction with the States Statistics Unit. This is an attempt by the JTDA to continue to pursue their demand of further above inflation increases, and to double extras, through a commercial mediator (**Appendix 3**)<sup>5</sup>.

SUMMARY OF JTDA TARIFF INCREASE CLAIM	1st July 2017 Order 4.6% RPI(Taxi)	JTDA demanded tariff Increases
<b>Tariff 1</b> Monday – Saturday 7.00 a.m. to 11.00 p.m.	4.6% + 20p	7% + 40p
<b>Tariff 2</b> Monday – Sunday 11.00 p.m. to 7.00 a.m. All day Sunday and Public Holidays	4.6% + 20p	10.5% + 40p
<b>Tariff 3</b> Christmas Eve & Boxing Day 7.00pm to 7.00 a.m. New Year's Eve 7.00 p.m. to 7.00 a.m. on 2nd January	4.6% + 20p	14% + 40p

Effect of JTDA Claim on Fares - Example 'Airport to Town' Fare				
Tariffs	Previous Tariff 2014 – 2017	New 1st July 2017 Tariff	JTDA Demanded Tariff	JTDA Claim % increase on previous tariff
<b>Tariff 1</b>	£12.69	£13.29	£13.98	<b>10%</b>
<b>Tariff 2</b>	£17.58	£18.29	£19.78	<b>12.5%</b>
<b>Tariff 3</b>	£20.87	£21.86	£28.22	<b>35%</b>

The Senator's Report makes the following points to support the logic of the proposed annulment:

1. The Minister does not have the *vires* to set tariffs for cabs.
2. The tariffs provided under the Order were not set using an objective methodology and are 'somewhat arbitrary'.
3. The work to create a simpler single tier system for taxi-cabs with one set of regulation has been unsuccessful.

<sup>4</sup> 'Extras' were fixed at £1 per item sums charged for bags or additional passengers over one and were not related journey distance or time. To increase fare transparency these charges have been removed and consolidated in the 20p per journey allowance added to the July 2017 4.6% RPI (Taxi) rise. This included in the 'flag', the initial minimum amount payable when a taxi trip begins (**Appendix 2**).

<sup>5</sup> E-mail JTDA to DVS 5th May 2017 (**Appendix 3**).

4. Following due consultation, it is appropriate for a Government Regulator to have mediation imposed upon its decision, by a minority group seeking to protect a privileged commercial position.

**The response to these points is as follows:**

**1. The Minister does not have the *vires* to set tariffs for cabs.**

**Not true:** Article 38 of the Motor Traffic (Jersey) Law 1935 provides that –

“(1) *It is the duty of the Minister to prescribe by Order such matters as it is necessary or convenient to prescribe to ensure that, insofar as it is practicable to do so, there is an adequate, efficient and reasonably priced cab service available throughout Jersey at all times.*

(2) *The Minister may, in particular, prescribe –*

(a) *the fares and charges payable for the hire of cabs;*”

‘Cab’ in the context of the Motor Traffic Law refers to all types of taxi-cab, whether rank or private hire, see Law’s ‘*Interpretation*’<sup>6</sup> –

- “*cab*” means a motor vehicle being used to provide a cab service;
- “*cab service*” means a service that consists of the carriage by motor vehicles of passengers for hire or reward under a contract expressed or implied for the use of the vehicle as a whole at a fixed rate or for an agreed sum.

This change was first announced on 16th May 2014, when the then Minister for Transport and Technical Services, Deputy K.C. Lewis of St. Saviour, wrote to all the taxi-cab companies and drivers’ associations, including the JTDA, *advising*, “...*an issue that appears to have unanimous backing from customers and the industry is introducing an industry wide maximum tariff.*” The letter continued, “*In view of the unanimous backing for an Industry-wide maximum tariff, I propose introducing a maximum tariffs at an early date*” in order to provide certainty of cost for the customer.

The letter was publicised by media statements, in which the Minister, Deputy Lewis, noted of the 742 individual responses received in the Green Paper consultation, over 90% agreed that the Minister for Transport and Technical Services should set a maximum level of fares for all taxis.

**2. Tariffs set are “somewhat arbitrary”**

**Not true:** A structured methodology, verified by the States’ Statistics Unit, was used to calculate the new tariff, which examined the ratio of ‘extras’ to fares using representative sample data collected from rank meters.

In March 2017, DVS asked the JDTA to explain anomalies in the meters control and locking commands. DVS were not aware that this could have implications for the data.

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<sup>6</sup> [https://www.jerseylaw.je/laws/revised/Pages/25.200.aspx#\\_Toc468095622](https://www.jerseylaw.je/laws/revised/Pages/25.200.aspx#_Toc468095622)

In the event it transpired that there had been certain ‘non-standard’ settings applied to some JTDA taxi meters’ operating systems that would allow drivers to manually ‘zero’ certain registers for totalising extras earned, normally drivers should not have access to this. The JTDA have been unable to explain this.

I have offered to review the allowance within the tariff, if the JTDA can provide substantive data to evidence that the ratio previously agreed is incorrect. No information has been supplied to-date.

The JTDA have stated to DfI that 5.5% of their earnings are derived from extras. Given that they have been unable to provide substantive evidence for my consideration, it can only be concluded that this figure is conjecture.

### **3. Work to create a simpler single tier system for taxi-cabs has not been successful**

**Not true:** Good progress is being made with the regulatory changes to improve the service to the public. Measures to improve the accessibility of all vehicles have been made (e.g. visibility strips on handles for visually impaired) and an increase in the number of wheelchair accessible vehicles has been achieved. Disability awareness, safeguarding and customer service training has been introduced. Family friendly measures, such as the carrying of child booster seats have been established. New shared rank space for taxis and cabs has been provided (as an interim measure to a single tier) to clear late night crowds from town more efficiently and the requirement for taxi-cabs to accept bankcard and electronic payments has been made.

The JTDA have been engaged within this, having negotiated a number of concessions on behalf of their members including ‘grandfathering rights’ to extend the time (up to 5 years) for existing drivers (i.e. those with licence plates on or before 31st March 2016) to meet new requirements. These requirements include the need to attach to a booking entity, undergo customer service and disability awareness training and provide equipment to assist customers with disability, reduction in original wheelchair requirements. Furthermore, a process for the issue of extra licence plates was agreed based upon the results of unmet demand surveys.

However, the JTDA’s overriding preference is no regulatory change in this respect, to preserve the protected market they currently enjoy. I cannot consider this to be acceptable or in the public interest.

### **4. It is appropriate for a Government Regulator to have mediation imposed upon its decision**

**Not true:** The new system of maximum tariff setting provides price transparency to the customer<sup>7</sup>. While a number of concessions have already been provided at the JDTA’s request (**Appendix 4**), such as higher tariffs for Sundays and Public Holidays, with additional premiums for Christmas and New Year’s Eve, it should not be surprising that the negotiations have not concluded to their complete satisfaction or considered unusual. There are other parties who the Minister must first consider, namely the travelling

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<sup>7</sup> The tariff set is the **maximum** chargeable to protect customers, taxi-cabs are free to compete, advertise and charge a lesser amount should they choose to do so.

public. That a special interest group representing a minority of drivers is not content is not a cause for the Regulator to enter mediation.

Would the Jersey Financial Services Commission or the Channel Island Competition Regulatory Authority, Planning, Environment or Social Security (Health and Safety) expect to be required to undertake mediation each time a special interest group object to a duly consulted upon and legally made decision, under statute?

Jersey taxi-cab tariffs are already among the sixth most expensive in the UK<sup>8</sup>. If the JTDA's demands were conceded to through mediation, Jersey's tariff would be among the fourth most expensive, above central London and just below Heathrow Airport, though through the manner that JTDA wish to introduce the increase would mean much of it would be hidden to the public in 'extras'.

How would this outcome serve the Minister's primary duty to the public that "*there is an adequate, efficient and reasonably priced cab service available throughout Jersey at all times*"?

A single set of consolidated base tariffs is fundamental to taxi-cab regulatory reform. The purpose of rationalising tariffs is to reduce the complexity that has developed over the years, in order to increase competition and price transparency.

Of the 742 individual responses received in the Taxi Regulatory Reform consultation (the highest response rate of any consultation to that time), over 90% agreed that the Minister should set a maximum level of fares for all taxi-cabs and there should be a simpler single tier system.

This Order sets, for the first time, transparent taxi-cab tariffs, with a provision for a pre-declared booking fee for pre-booked journeys. The principle behind the changes is that customers benefit from simplified and transparent pricing, and from open competition.

This Proposition has been brought on behalf of the JTDA, to undermine service improvements, to protect a privileged position and is not in their customers' interest, the travelling public.

## CONCLUSION

Taxi-cab drivers choose to pursue a career in a regulated profession partly because they benefit from the economic protection that restricts the number of persons permitted to operate cab services. In other words, the regulatory barriers to entry that are designed to protect the public and the public service offered have a secondary effect of restricting the market and protecting incomes of existing drivers. However, members of the industry cannot reasonably expect to enjoy these benefits without accepting the accompanying consequences of belonging to a regulated industry. In fulfilling the duties provided by Article 38 of the Motor Traffic Law, the Minister for Infrastructure must regulate the industry according to the public interest and this does not mean acting only in the interests of 150 rank taxi drivers or the 90 odd drivers who belong to the JTDA.

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<sup>8</sup> 'Private Hire and Taxi Monthly' journal's August table for 2-mile journeys on Tariff 1 (weekday daytime rates).



The taxi-cab industry is in need of reform and my team at DfI have worked hard with the Industry to bring this about. We have already made several concessions and opted for a phased, transitional reform as opposed to a ‘big bang’ approach. These transitional measures are purely for the benefit of the industry and have no meaningful benefit to the public and as such, any further delays or concessions are not in the public interest. As mentioned above, there are certain ‘grandfathering rights’ afforded to rank drivers as part of this programme. These were agreed with the JTDA following negotiations and form part of the ‘Industry Proposals for Transitional Arrangements’ document. The JTDA is now renegeing on this agreement in bad faith.

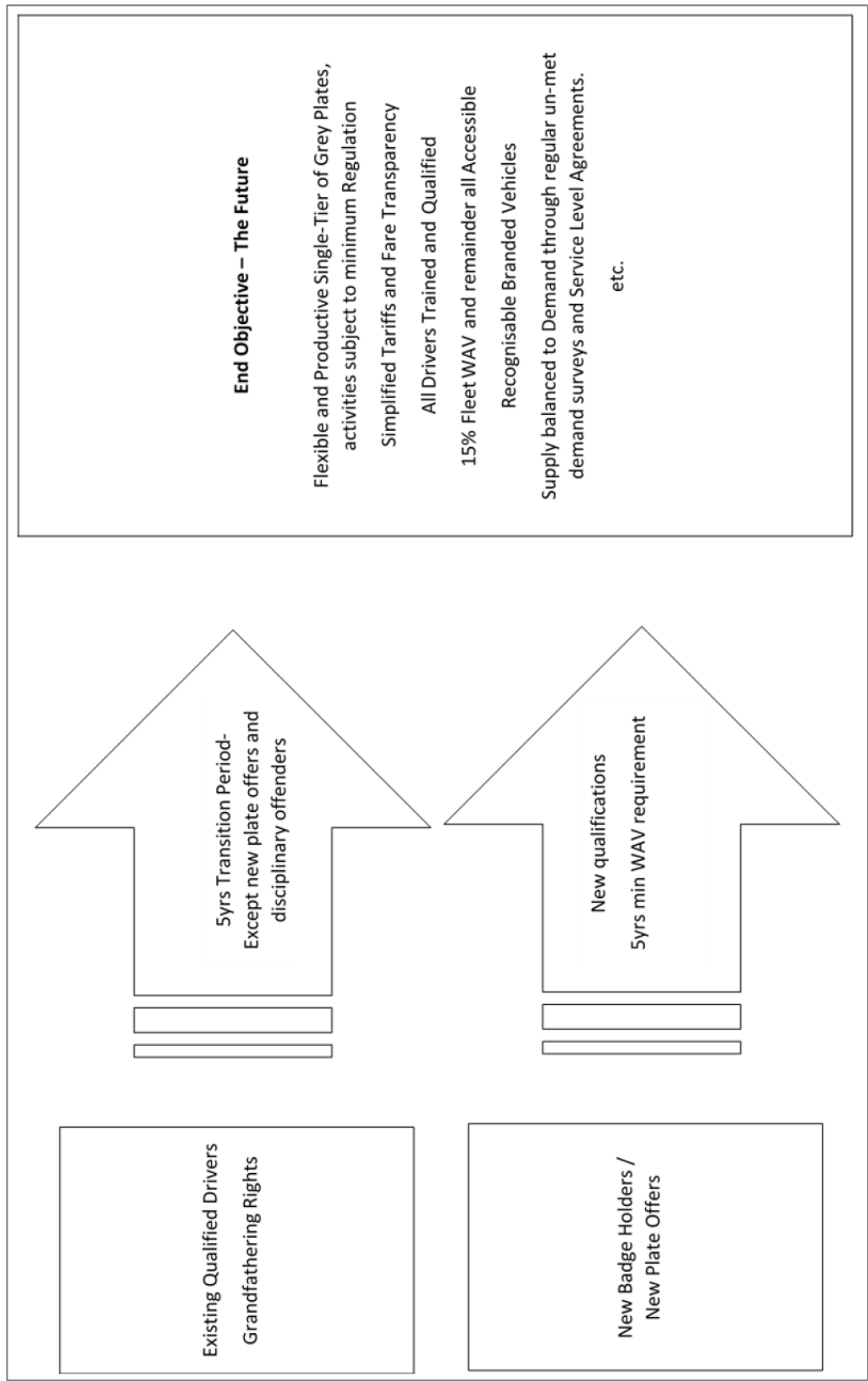
The States’ Sustainable Transport Policy required the Minister for Infrastructure to bring forward proposals to reform taxi regulation. It is clear the reform proposals have overwhelming public support from the many respondents to the formal Green and White Paper consultations and even the more recent June 2017 JEP readers’ poll.

Given this, no change is not an option. I think it only fair to remind everyone of the policy options that were available to me, the transitional reform as set out in the TAS reports or the more direct open market approach recommended by the Channel Competition Regulatory Authority’s (CICRA) December 2010 Position Paper. Given recent events and the behaviour of the JTDA, perhaps with hindsight, I should have been less sensitive to the drivers concerns about disruption and been more open to the 2010 CICRA recommendations.

My door is always open for further discussion with the JTDA and the wider industry. However, I cannot neglect the public and allow a vocal minority of rank taxi drivers to disrupt or delay any much-needed further reform of the industry. Should the current transitional approach fail, serious consideration of the alternative will be required.

**Accordingly, the Minister for Infrastructure urges States Members to reject this proposition.**

Taxi-Cab Regulatory Reform - Industry Proposals for Transitional Arrangements V3					
Industry Proposals	Uniform Industry	Fair Fares	Quantitative Controls	Quality Controls	Vehicles
Overall Objective	Productive and flexible taxi-cab service able to respond to changes in customer demand.	Fare transparency for customers	Balanced supply and demand	Recognise existing good practice and provide for industry development.	Ensure vehicles and accessories available to meet customer needs
Proposal	On-street 'peak period' open part time ranks to improve productivity. Rank fare to be charged	Transparent basis for fares (Vehicle running costs / wage). Specified meter standards, all sealed.	Remove all minimum mileage requirements by allowing vehicles to be GPR trackable for anonymised data.	New PSV Badge Holders – Medical every 5yrs, DBS check every 3yrs Revised Island Knowledge, Spoken English.	Industry wide requirement for 20% WAV All remaining vehicles to be Accessible non-WAV by 1/1/19.
	Remove all operational restrictions (pre-booked / immediate hire) for flexibility	Extras for 4+ passengers, Sundays and Bank Holidays (inc. Xmas & New Yr.)	Immediate hire and pre-booked Taxi-cab licence plate numbers to be based upon service level agreements and 'unmet demand surveys'	Customer Service Training – NVQ Passenger Care, Wheel Chairs, Disability Awareness, Safe Guarding Young Persons	New Red Plates to be allocated by fixed% of fleet rules, with minimum WAV quantity or % requirement
	Yellow Plates for new drivers to be replaced with 'Purple Plates'	Convenience charge for chip and pin (based upon cost recovery)	Yellow Plates to be replaced with Purple Plates by unmet demand results or retirements.	Clear disciplinary policy including points system and code of conduct. Establish industry liaison group to review industry performance	Possibly all future new licence plate holders to operate WAV for minimum 5yrs. To be investigated further.
	Purple Plate drivers to have access to Ranks but to remain affiliated to booking entity.	Pre-booked work to be charged at: rank rates + max % (10% – 20 %) So public are clear. No booking fee to be introduced as unworkable.	Anonymised vehicle activity data to be made available to inform un-met demand and complaints when requested by DVS.	No touting zone agreement at full time ranks – requires enforcement.	Branding to be removable vinyl or similar and may include a windscreen visor.
	Purple Plates to be issued for WAV vehicles during 2016, to be offset by withholding retiring Yellow Plates – initial 20% of fleet.	Set up a 'Go Compare' type taxi-cab cost comparison website / App – Ask Consumer Council for support. Tariff indicator lights	Booking/dispatching entity to have local presence and be regulated by DVS.	Clear conditions of carriage, soiling charges etc. Complaints information on all publicity and in vehicles	Booster seats for children
Transitional Arrangements (Grandfathering)	Provide existing Yellow Plate drivers ( as at 31/03/16 ) opt out option for affiliating booking entity for up to 5yrs,	Provide for cost of additional taxi-cab equipment in tariff. Implement new tariffs with reference to time required to update Company Business Plans.	Service level agreements and unmet demand surveys, with review points.	Existing badge holders 5yrs transitional arrangements. Except where complaints received by DVS or new plate offered to driver. Allows experienced drivers close to retirement to leave industry (cost /benefit), detailed criteria to be developed	Silver / Grey / Black livery requirement to be phased in as existing vehicles replaced
End Goal	More Flexible and productive taxi-cab Industry subject to minimum Regulation.	Objectively set simplified tariff and fare transparency for customers.	Balanced Supply and Demand	Excellent customer service developed	Vehicles available to meet all customer needs.



## TAXI AND PRIVATE HIRE CABS TARIFF COMPARISON CHART

Valid from 1st July 2017	TAXI* <b>Flag</b> Initial charge for first 1/10 mile	TAXI* <b>Drop</b> Subsequent charges	Private hire cab fares (for pre-booked journeys)
*TAXI means a vehicle which pick up from a public rank or hailed on Street			<b>Ashfieldcabs</b> +25%
<b>TARIFF 1 - DAY TIME</b> Monday - Saturday 7.00am to 11.00pm	<b>£3.00</b>	<b>21p</b> per 1/10 mile or each 51 seconds whichever is the greater	<b>Call-a-Cab</b> +20%
<b>TARIFF 2 - EVENINGS</b> Monday - Sunday 11.00pm to 7.00am All day Sunday and Public Holidays	<b>£3.10</b>	<b>31p</b> per 1/10 mile or each 45 seconds whichever is the greater	<b>Citicabs</b> +14%
<b>TARIFF 3 - CHRISTMAS / NEW YEAR</b> Christmas Eve & Boxing Day 7.00pm to 7.00am New Years Eve 7.00pm to 7.00am on 2nd January	<b>£5.40</b>	<b>34p</b> per 1/10 mile or each 28 seconds whichever is the greater	<b>Domino</b> +20%
			<b>Liberty cabs</b> +25%
			<b>Luxicabs</b> +27%
			<b>Yellow cabs</b> +20%
			<b>YesTaxis</b> +20%

**ADDITIONAL CHARGES**  
Maximum of 50p for card and electronic payments  
£1 per passenger for the 5th and subsequent passengers



**Email JTDA to DVS 5 May 2017 – Taxi-Cab Industry Review and Fare Increase**

Sent: 05 May 2017 4:03 PM

To: [REDACTED] [DVS Officers]

Cc: [REDACTED]

Subject: Taxi -cab Industry Review and Fare increase

Good Afternoon [REDACTED],

Now that I have had time to gather the thoughts and feelings of the JTDA Committee and feedback from [REDACTED] [Taxi Drivers] and in further response to your email sent to me on Wednesday, I would like to raise the following points.

Only allowing any further plates to come onto the Public Rank through "unmet demand" surveys is part of our request and providing as we have already stated, that the surveys are carried out in a clear and transparent way to give a true picture and are across the whole industry including Private Hire and give us time to address any shortfall, then I feel that we can tick this part off.

The main areas that immediately and seriously concern us and our members are that the "dispatching entity" document has gone to the Law Draughtsmen whilst still in draft form and as far as we know still contains parts which should never have been included. By this I mean the removal of "extras" from the fare structure and changing the distances to tenths of a mile instead of the industry standard of yards/metres and which could introduce "pennies" into the fare structure. None of the above is agreeable to us in it's current form and should be withdrawn from the Law Draughtsmen until proper agreement is reached.

On the subject of fares/tariffs as you know [REDACTED] [States of Jersey's Stats Unit] has been working on this and you had my views on the offer of 4.6% the other day.

We feel that the increase should be at least 7% to take into account the lost revenue from A) not taking 1.1% last year (as it was not worth the cost of changing meters) and B) The fact that T2 has not been giving a true percentage for some time C) the current 4.6% offer gives no mention of the extra costs that were promised to be included in any future fare increases. So far we have had to finance booster seats, Enhanced DBS checks, Electronic Card machines coming online by October this year, the fact that some drivers have undertaken WAV training and the fact that DVS charges for annual Taxi inspection and PSV Badge renewal has increased by an average of 2.5% every year.

In addition the significant increase in the charges being levied to fit meters/radios/taxi accessories which has more than doubled the cost of this service and which will no doubt also see the charge for re-programming meters following fare/tariff review also increase significantly.

I have also indicated that over the years the various tariffs have got out of kilter and that this is an opportunity to give the Minister 3 tariffs only as he indicated. This is also an opportunity to reset the tariffs and to allow a fare structure making us more equitable to other parts of the industry by giving more of an increase to Tariff 1 whilst giving the Public a reducing scale of increase over 7 mile journeys on Tariff 2.

I am proposing that Tariff 1 is the benchmark tariff from 07.00am until 11.00pm daily and should increase by 7% for the above reasons.

Tariff 2 is from 11.00pm until 07.00 am daily including Sundays and Bank Holidays or any other Public Holidays and should be (as it always was), 50% more than tariff 1 and that it should start at 50% more. However any journey over 7 miles could start to taper off and not increase by so much.

Christmas and New Year (times already discussed) should double Tariff 1, as they always used to be and is what the Public expect and will encourage more drivers to work over the festive period. No other industry would be paid less.

To encourage 5.6 and 7 seater Public Rank Taxis a £1 per passenger over 4 passengers should be allowed (I believe already agreed).

Extras should rise to 40p per item of luggage or extra passenger over one passenger. The extras have not risen for many years and are industry standard across the UK. Isle of Man 50p. Removing these or the current proposal of 20p on all fares is A) a decrease in earnings. B) Discriminating against single passengers with no luggage. We will not move on removing extras.

A soiling charge of £100 should be also included (again I believe already agreed).

The current waiting time needs to be reviewed also and the speed at which a taxi travels when it switches over to waiting time should be no more than 5mph.

We also feel strongly that no further Ministerial Decisions should be made until all parties have agreed on the policy. Currently there appears to be an effort to rush things through without fully considering the full implications or impact on the Taxi-cab service or the Public's best interest.

Allowing multi tariff meters onto the rank is not proving to work in the Public's best interest as it is wide open to abuse and does not give the clarity or transparency of fares that the Minister is seeking to achieve. The current purple plated WAV vehicles should be made Public rank fares only with immediate effect.

On the 17th February this year I sent an email outlining the main points that we would and could possibly agree on going forward in an effort to remove grey areas and misunderstandings, this is still the basis of our current stance.

We have withdrawn from industrial action at this time and are pleased to hear that further dialogue will continue soon and which will hopefully reach settled agreements going forward and not the dictatorial stance which appears to be the case on certain important issues at this time.

Best Regards,



President JTDA



**SUMMARY OF NEGOTIATED CHANGES BY JTDA**

1. 4.6% increase to basic tariffs instead of only 1.7% for the last 12 months. E.g. backdated since last rise in 2014.
2. Taxi RPI calculated using March 2017 index not December 2016.
3. Change in tariff 2 to include all day Sundays instead of tariff 1 being used between 7am and 11pm on a Sunday. JDTA fought for this as a required incentive to get more taxis out during the day.
4. Min Soiling charge to be included in tariff charges subject to law drafting.
5. Grandfathering rights until March 2021 (five years grace) for rank driver re training, dispatching entity affiliation, vehicle accessibility standards. Grandfathering rights only lost if driver is disciplined re conduct etc.
6. No increase in the overall number of taxi-cab plates unless Unmet Surveys indicate otherwise
7. Reduction in number of WAV vehicles in Industry fleet from 100% to 20% and remaining vehicles to meet an accessible standard.
8. Customer Service and Disability Awareness training requirement to be a one-day course not a number of modules as per NVQ requirements etc.
9. Generally, the negotiations have lengthened the implementation programme, which has meant delay to the changes to the benefit of rank drivers.