

Taxi Regulator  
An Rialálaí Tacsaithe



Commission For Taxi Regulation  
An Coimisiún Um Rialáil Tacsaithe

# Improving Accessibility to SPSV Services

Commission for Taxi Regulation's  
Regulatory Impact Analysis (RIA)  
of proposed actions for building  
on progress to date

October 2009

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## **Glossary and Key Terms**

ATC: Accessible Taxi Consortium

ECWVTA: European Commission Whole Vehicle Type Approval

SPSV: Small Public Service Vehicles

WAT: Wheelchair Accessible Taxi

WAV: Wheelchair Accessible Vehicle

PWD: People/person with a disability

RIA: Regulatory Impact Analysis

Cab fleet: Taxi, hackneys and wheelchair accessible taxis. Excludes limousines

Net cost to the Exchequer: The cost of a subsidy less the VAT and VRT returns generated.

# 1. Background & Key Challenges

## 1.1 Introduction

One of the Commission's stated objectives under Section 9 of the Taxi Regulation Act (2003) is to promote the development of a high quality cost effective service by small public service vehicles (SPSVs) and their drivers that meets a wide range of customer needs including those of passengers with mobility or sensory impairments. A further stated objective is to promote access to small public service vehicles by persons with disabilities (PWD). Indeed, the SPSV sector is the only public transport service which provides a door to door service for persons with disabilities on a 24/7 basis.

To this end, the Economic Review of the SPSV Industry (2009), hereafter "the Economic Review", examined recent trends in cab usage by persons with a disability. This found that cab usage among this group was down compared to 2005. The main reasons given for this were the lack of availability of suitable vehicles when ordered, and affordability issues for users. The Economic Review concluded by recommending that greater provision of services for persons with a disability should be sought.

Following the publication of the Economic Review, in April 2009 the Commission invited submissions from interested parties regarding the Economic Review's recommendations. A number of submissions were received regarding improving accessibility to SPSV services for people with disabilities, from both user representative and industry representative groups. Following a review of these submissions, the Commission organised a consultation process with interested parties. Actions for improving accessibility were discussed with a wide-range of user representative groups, driver representative groups and dispatch operators.

The Commission has now evaluated the proposed actions for improving accessibility to SPSV services for people with disabilities. The primary objective of this document is to summarise the evaluation of the proposed actions, and present the Commission's intended actions for improving access to SPSV services going forward. This follows the Department of An Taoiseach's Revised Guidelines on Regulatory Impact Analysis. The remainder of the document is structured as follows:

- The remainder of *Section 1* summarises the current policy context, outlines existing Commission initiatives on improving accessibility, and highlights the key challenges to improving accessibility to SPSV services;
- *Section 2* outlines the internally (Commission) and externally suggested actions for improving accessibility;
- Following this, *Section 3* presents the Commission's evaluation of the proposed actions;
- *Section 4* outlines the consultation process and summarises the views of stakeholders with regard to accessibility issues;

- *Section 5* presents the Commission's planned actions for moving forward, together with the associated enforcement and review considerations;
- *Finally*, Appendix A provides detailed data and considerations regarding the costs and benefits of financial assistance for upgrading the WAV fleet.

## 1.2 Understanding User Requirements

The Commission is cognisant of the wide range of disabilities faced by existing and potential SPSV users. This group includes the mobility, visual and hearing impaired, and those with learning difficulties. These groups have differing difficulties in terms of accessing SPSV services, and have differing requirements. In short:

- Mobility impaired people: this can include wheelchair users and non-wheelchair users. These people have specific vehicle entry and compartment height requirements, may require the use of ramps, and may have additional safety requirements when the vehicle is operational. The mobility impaired are more likely to book a service via a dispatch operator. Accessible ranks may be required for on-street hire;
- Visually impaired passengers require higher level of colour contrast, sufficient space for a guide dog, and/or additional tactile or audio commentary;
- The hearing impaired may require a loop system and have location difficulties. This user group have specific but differing requirements in terms of being able to book a service;
- People with a learning disability may be especially reliant on the personal relationship or trust in the driver or company providing the SPSV service.

These issues and requirements were further investigated in a workshop with the Accessible Taxi Consortium and Deafhear, two user representative groups, as part of this process. They were also discussed in a workshop with dispatch operators and driver representative groups.

## 1.3 Initiatives to Date

### 1.3.1 REPRESENTING SPSV SERVICES IN WIDER POLICY DEVELOPMENT

The Commission is a member of the Public Transport Accessibility Committee (PTAC), which was established under the Programme for Prosperity and Fairness in July 2000. This is the primary consultative forum on the issue of public transport accessibility. The Committee's original remit was to advise the Minister for Transport on the accessibility aspects of public transport investment, projects and on other public transport accessibility issues. However, in line with a commitment in Transport Access for All, PTAC's remit was expanded so that stakeholders have a monitoring role in

relation to progress in implementing the Sectoral Plan and evaluating the impact of the plan. The Committee is chaired by a senior official of the Department of Transport.

The Commission also works closely with representative bodies of people with disabilities, including the following: National Disability Authority (NDA); Irish Wheelchair Association; Disability Federation of Ireland; National Council for the Blind; Inclusion Ireland and; various Access Groups at local authority level.

In the development of the Commission's new actions for moving forward, a workshop was held with the Accessible Taxi Consortium and Deafhear. Various user representative groups were also consulted as part of the development of the recently launched Skills Development programme and in the establishment of vehicle standards. The Advisory Council to the Commission for Taxi Regulation has included a permanent member from the National Disability Authority since the Council's inception.

The Commission is also committed to considering the SPSV needs of people with disabilities when consulting with other transport and infrastructure providers. For example, the Commission is currently developing guidelines for local authorities on best practice regarding taxi rank planning and provision, a key aspect of which will be guidance on best practice regarding accessibility of taxi ranks.

### **1.3.2 ACCESSIBLE BOOKING SERVICES**

The Commission has already rolled out a number of actions aimed at making it easier for persons with a disability to book a SPSV service. As part of the licensing process for dispatch operators, the Commission requires all dispatch operators to provide disability friendly communications and booking system. More specifically they must provide at least one non-voice dependent means of booking.

At least one person from each dispatch operator is also required to have a Skills Development Programme Certificate, and all base operators must receive disability awareness training.

### **1.3.3 SETTING VEHICLE STANDARDS**

The Commission has developed new standards for accessible vehicles which better meet the needs of users and also include specifications for the introduction of the category of wheelchair accessible hackney (subject to the availability of subsidy). These were published in the 2007 "National Vehicle Standards (Requirements for Small Public Service Vehicles)" publication following extensive consultation on same. However these have not been introduced to date, for either existing operators or new entrants, as the cost of achieving these without financial assistance in the first instance is

prohibitive. The Commission's new standards also take into account potential issues related to the introduction of European Commission Whole Vehicle Type Approval (ECWVTA) process.

Furthermore, under new licensing conditions introduced in 2009, new taxi or hackney vehicles require a specific luggage capacity capable of accepting a folded wheelchair.

#### **1.3.4 ENCOURAGING SUPPLY OF WHEELCHAIR ACCESSIBLE VEHICLES**

Wheelchair users have specific vehicle requirements which are not usually satisfied by typical saloon cars. The greater the number of wheelchair accessible vehicles in the fleet, and the greater the proportion of the fleet that are wheelchair accessible, then the greater the likelihood a suitable vehicle will be available for potential SPSV users. On this basis, to date the Commission has done the following to encourage an increase in the number of accessible vehicles in the fleet:

- The Commission charges €6,300 for a new vehicle licence. However, new entrants who operate a wheelchair accessible vehicle pay a reduced fee of €125;
- An application to the Minister of Transport (January 2007) for a subsidy to aid the purchase, or upgrade, of vehicles to make them accessible taxis or hackneys, on the basis that financial incentives are necessary to offset the saloon versus wheelchair accessible vehicle purchase costs. An updated submission was made in January 2008. This has not been put in place to date;
- Disability awareness training for drivers as part of the Skills Development Programme, which should help to dispel perceived difficulties in servicing people with disabilities and therefore encourage supply.

The Commission understands that the supply of wheelchair accessible vehicles is a particular concern for user representative groups and Government. In line with its accessibility objectives for transport, the existing Programme for Government (2007 – 2012) has a stated undertaking to ensure that cities have 100% wheelchair accessible taxi fleets. A number of accessibility groups have stated a target of 20% for wheelchair accessible vehicles as a proportion of the overall cab fleet. The Commission's existing target for wheelchair accessible vehicles as a proportion of the overall cab fleet is 10%.

#### **1.3.5 ENSURING SERVICE PROVISION TO PEOPLE WITH DISABILITIES**

The Commission has implemented several measures to further ensure service provision to people with disabilities based on the existing fleet. The Commission has put regulations in place to ensure that *all operators* are required to carry passengers with mobility aids or assistance dogs and there are no additional charges for this. In addition under the National Maximum Taxi Fare, which originated in 2006, the "old" luggage charge was abolished.

The Commission has introduced a requirement for wheelchair accessible licence holders to provide their contact details to the Commission for the purpose of booking their services. A register of all wheelchair accessible taxi operators, their contact details, area and hours of operation was commenced in 2008. SPSV users can access this register by contacting the Commission.

The Commission has also introduced regulations whereby wheelchair accessible licence holders must give priority to bookings from people with disabilities and people who wish to travel in their wheelchairs.

The Commission has also investigated the extension of travel concessions for people with disabilities. To date the Department of Social Welfare has confirmed it will not extend free travel or provide travel vouchers for people with disabilities to use SPSVs. The Commission has requested that some form of assistance be kept under consideration.

## **1.4 Key Challenges**

### **1.4.1 INTRODUCTION**

Access to SPSV services is a function of the ability to book or hail a vehicle that meets user requirements and standards; the willingness and ability of service providers to provide the service, and the ability of the customer to pay for the service.

The Commission therefore seeks to ensure that there is sufficient supply of acceptable vehicles, that booking these is as easy as possible, and that service provision is both incentivised and enforced, if necessary.

In achieving this, and in achieving the wider accessibility targets, the Commission, Government, and both SPSV service providers and users face a number of challenges, including: high vehicle costs; the challenge of meeting high standards and targets in a challenging economic environment; incentivising and enforcing supply and; matching supply and demand. These are discussed below.

### **1.4.2 VEHICLE PURCHASE COSTS**

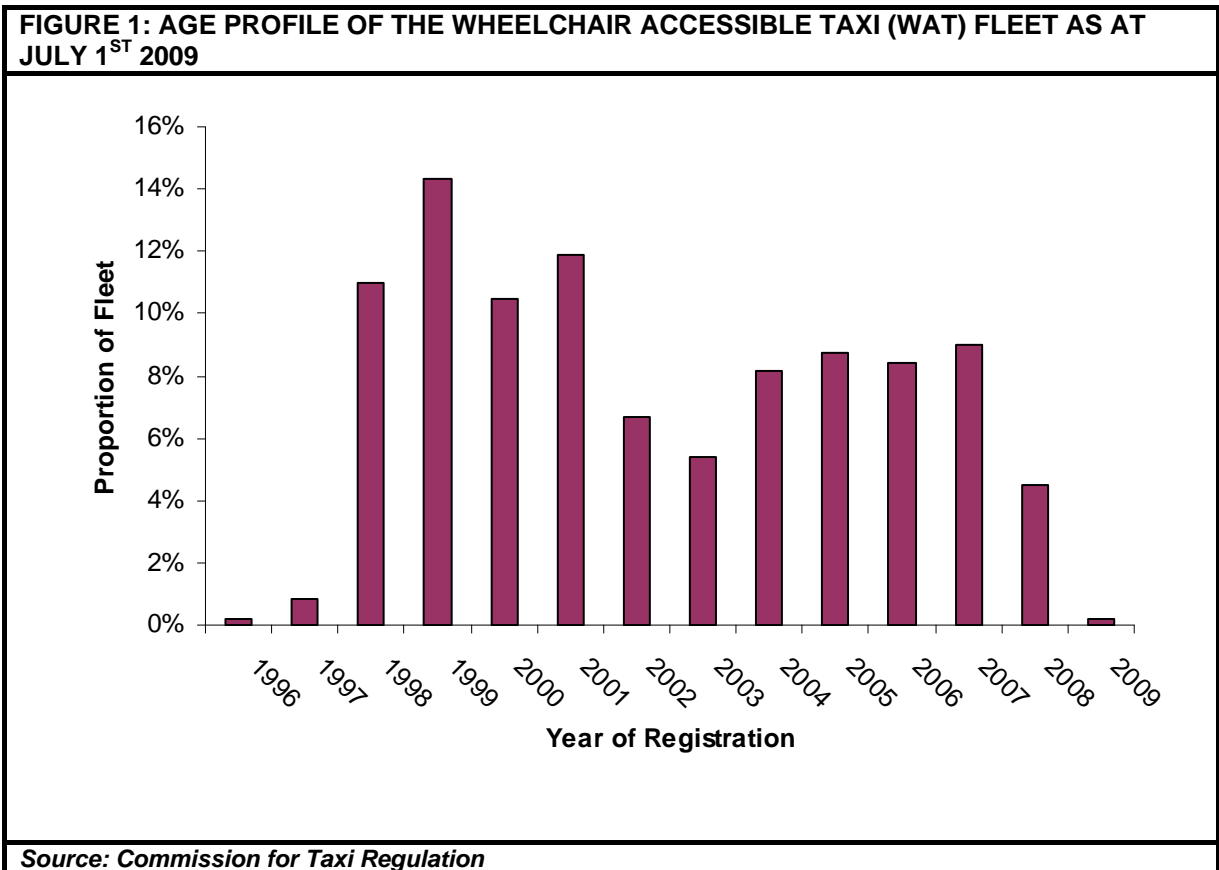
The cost of a wheelchair accessible vehicle (WAV) is significant, both in its own right and when compared to a saloon vehicle. For example, as Table 1 shows, a new WA Fiat Scudo is approximately €13,000 (48%) more expensive than a new Toyota Avensis. These increase further when compared to a WAV that meets the Commission's proposed standards. There are also significant differences in vehicle prices on the second hand market (see Table 1).

<b>TABLE 1: ESTIMATED COST OF SALOON AND WHEELCHAIR ACCESSIBLE VEHICLES (€)</b>		
<b>Vehicle Type</b>	<b>New (2009)</b>	<b>2 yrs old (2007)</b>
Saloon	26,985	16,000
WAV (Existing Standards)	40,000	25,000
WAV (Proposed Standards)	44,500	30,700

Note: Estimated costs include all taxes. The saloon estimate is based on a Toyota Avensis. The WAV to current standards is based on a FIAT Scudo. The estimate for a new WAV that would meet the proposed standards is a FIAT WAV. However, the estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a UK import of a Peugeot Expert E7, as a second-hand market is not readily available in Ireland at present.

**Source: Consultation with dealers in Ireland and UK (June 2009)**

These high costs, especially in the current economic conditions, are making it more difficult for drivers to upgrade their vehicles, to either the current or proposed wheelchair accessible standards. Consequently almost half of the existing wheelchair accessible fleet are eight years old or more (see Figure 1).



The age of the current wheelchair accessible taxi (WAT) fleet, and the associated quality considerations, is of concern to the Commission and user representative groups. While saloon drivers are currently required to meet the nine year vehicle age limit from 2012, WAT drivers are exempt for fear that if drivers were forced to upgrade their fleet without financial assistance, an unacceptable proportion of the existing fleet would be lost.

### 1.4.3 VEHICLE OPERATING COSTS

Annual operating costs for wheelchair accessible vehicles are likely to be at least 25% higher than for those operating a saloon car (see Table 2). Higher purchase costs means that the annual finance costs are almost double that of a saloon. Wheelchair accessible vehicles will also have higher fuel consumption rates (+27%), which is a major annual cost for drivers.

<b>TABLE 2: ANNUAL OPERATING COST (ESTIMATES) SALOON VERSUS WAV</b>				
<b>Annual Costs</b>	<b>WAV (2007)</b>	<b>Saloon (2007)</b>	<b>Higher WAV costs €</b>	<b>Higher WAV costs %</b>
Fuel	4,296	3,370	+926	+27%
Vehicle Finance (5 year package)	6,998	3,662	+3,336	+91%
<b>Total Operating Costs</b>	<b>21,170</b>	<b>16,909</b>	<b>+4,262</b>	<b>+25%</b>
Note: The saloon estimate is based on a Toyota Avensis. The estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a Peugeot Expert E7.				
<b>Source: Commission for Taxi Regulation, based on Taxi Cost Index update</b>				

Other costs may also be higher for WAV operators, particularly insurance, and vehicle equipment repair and maintenance costs, although these aren't included in the above calculations. Together, vehicle purchase and subsequent operating costs may be seen to be significant barrier to the take up of wheelchair accessible vehicle licences, especially when the option of cheaper saloon vehicle purchase and operation is available.

Given the high WAV replacement and operating costs outlined above, existing operators and potential new entrants may find it difficult to afford the cost of meeting the new WAV standards. This is especially true in the current economic climate given that:

- The Economic Review of the SPSV Industry (2009) estimated that drivers' nominal income had fallen by 5% between 2005 and 2008, and that on average cab drivers were earning less than the average industrial wage. It is unlikely that this has changed since the publication of the Review;
- Private financial institutions may be unlikely to give credit for the full purchase price of a WAV in the current climate.

### 1.4.4 ENCOURAGING NEW ENTRANTS

The greater the proportion of accessible taxis as part of the fleet, the greater the chance of reducing the issue of lack of availability. Currently wheelchair accessible taxis represent 6% of the overall cab fleet, although the figure is less than this in some counties (see Table 3).

WATs as a proportion of the overall cab fleet has been decreasing slowly but consistently over the last number of years as the demand for taxi and hackney licences outstrips that for wheelchair accessible vehicles. More specifically, over the past twelve months there have been on average 16

new WAT licences issued per month compared to 51 per month for taxis, and 50 for hackney licences.

<b>TABLE 3: WHEELCHAIR ACCESSIBLE TAXIS AS A PROPORTION OF THE OVERALL CAB FLEET JULY 2009</b>			
	<b>Number of WATs</b>	<b>Total Cab (excl Limo)</b>	<b>WAT as % of all Cabs</b>
<b>Carlow</b>	25	181	13.8%
<b>Cavan</b>	14	223	6.3%
<b>Clare</b>	17	446	3.8%
<b>Cork</b>	104	2253	4.6%
<b>Donegal</b>	28	562	5.0%
<b>Dublin</b>	695	12,703	5.5%
<b>Galway</b>	80	1175	6.8%
<b>Kerry</b>	22	468	4.7%
<b>Kildare</b>	94	1143	8.2%
<b>Kilkenny</b>	26	247	10.5%
<b>Laois</b>	41	295	13.9%
<b>Leitrim</b>	14	105	13.3%
<b>Limerick</b>	37	863	4.3%
<b>Longford</b>	13	120	10.8%
<b>Louth</b>	49	705	7.0%
<b>Mayo</b>	19	416	4.6%
<b>Meath</b>	83	1359	6.1%
<b>Monaghan</b>	8	124	6.5%
<b>Offaly</b>	19	236	8.1%
<b>Roscommon</b>	12	169	7.1%
<b>Sligo</b>	14	194	7.2%
<b>Tipperary</b>	4	362	1.1%
<b>Waterford</b>	30	337	8.9%
<b>Westmeath</b>	46	385	11.9%
<b>Wexford</b>	35	377	9.3%
<b>Wicklow</b>	30	482	6.2%
<b>Total</b>	<b>1,559</b>	<b>25,930</b>	<b>6.0%</b>

*Source: Commission for Taxi Regulation*

It seems therefore that the practice of offering a reduced licence rate for new WAT vehicle licences (€125 as opposed to €1000 for hackneys and €6,300 for taxis) is not sufficient incentive to result in more new WAT licence entrants than other licence type entrants. This may be because the reduced licence fee is not sufficient to offset additional WAV purchase costs, and as such entry costs on a WAV licence are between 34%- 38% higher than saloon entry cost (see Table 4).

<b>TABLE 4: SPSV MARKET ENTRY COSTS (VEHICLE AND VEHICLE LICENCE) (€)</b>				
<b>Vehicle Type</b>	<b>WAV</b>	<b>Saloon Taxi</b>	<b>Higher WAV Costs €</b>	<b>Higher WAV costs %</b>
New (2009)	44,625	33,285	11,340	+34%
2 year old (2007)	30,825	22,300	8,525	+38%

Note: Includes vehicle purchase and vehicle licence costs only. Estimated costs include all taxes. The saloon estimate is based on a Toyota Avensis. The estimate for a new WAV that would meet the proposed standards is a FIAT WAV. However, the estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a UK import of a Peugeot Expert E7. A saloon taxi licence from the Commission costs €6,300. In order to decrease entry costs, and thus incentivise take-up, wheelchair accessible vehicle licences are €125.

*Source: Consultation with dealers in Ireland and UK (June 2009)*

In summary then, WAV operators face higher market entry, vehicle replacement, and operating costs when compared to their saloon counterparts. Consequently, a “do nothing approach” will likely result in the continued decrease in WATs as a proportion of the overall fleet.

#### **1.4.5 NEW STANDARDS AND THE SUPPLY OF VEHICLES**

The Commission has developed new standards for wheelchair accessible SPSVs which better meets the needs of users. These were developed in 2007, but the Commission has not implemented them to date as without financial assistance, existing drivers and new entrants would be unlikely to meet the vehicle purchase and operating costs.

The Commission’s standards are also in line with the European Commission Whole Vehicle Type Approval (ECWVTA) process. The ECWVTA process requires that, in 2012, a new vehicle presenting as wheelchair accessible will only receive registration documents if in compliance with the various specifications contained within the new ECWVTA standards.

The vast majority of current vehicles in operation would not meet the Commission’s 2012 standards. It is only very recently that a number of dealers have begun to offer *new* vehicles that will satisfy the Commission’s new standards (and therefore ECWVTA standards too). A second hand market for these vehicles is not developed in Ireland currently, due to the fact that the standards (Commission and ECWVTA) are only coming on to the radar for suppliers and operators, with the 2012 implementation date in mind. Second hand vehicles that meet the standards are available in the UK however, and dealers would likely import these were there a sufficient demand.

At present there is also a reliance on conversion of existing van-type vehicles to create WATs. The current domestic vehicle convertors have historically based their wheelchair accessible vehicles on a light goods vehicle (category N1) platform. Under the ECWVTA laws this is likely to be less attractive as a method, as the finished converted vehicle has to pass a range of passenger car (category M1) approval tests before it may be registered.

Consequently, a ready supply of new and second hand vehicles that meet the standards will only emerge if adequate demand exists. The Commission believes that the introduction of the new standards could result in the demand for wheelchair accessible vehicle licences being less than today (due to the high cost and affordability concerns outlined above, together with very limited second hand supply).

#### **1.4.6 ENSURING SERVICE PROVISION**

While the proportion of accessible vehicles of the overall cab fleet has been decreasing, it should be noted that the absolute number of WATs has increased compared to three years ago (although these don’t meet the Commission’s new standards). For example, there were 1,205 active WAT

vehicle licences in September 2006, 354 less than the 1,559 total at the end of July 2009. In that respect, the reported increase in the unavailability of services in the Economic Review cannot be attributed to a decrease in fleet representation alone.

One reason may be that some WAT drivers are not providing the service, instead using the larger vehicle for standard jobs or to carry multiple passengers. One indicator of this is the proportion of WAT licence holders which have provided their details for the Commission's WAT register. One of the licensing conditions of receiving the reduced cost WAT licence is that drivers provide their service contact details and hours of availability. Local contact details are then made available by the Commission to local service users, on request. However, to date only approximately 70% of WAT licence holders have provided their details. However, the Commission has recently issued a final reminder to all WAT licence holders requesting the mandatory information, on pain of prosecution in the District Court.

There are also some more genuine barriers to service provision by operators. Some drivers may have an exaggerated perception of the length of time it may take to service a person with additional requirements, much of which may be unpaid. Others may fear that they lack the skills or understanding of how to deal with prospective clients.

#### **1.4.7 DEMAND FOR SPSV SERVICES BY PWD**

The Economic Review also concluded that usage of cabs by people with disabilities was due to affordability considerations for users. Indeed, in many countries subvention is given to users with a disability to address affordability concerns.

A lack of knowledge may also be hampering demand. For example, potential SPSV customers may not be using SPSV services as they are not aware of the availability of accessible booking services or accessible vehicles in their areas. Consultations with various user groups point to a "latent demand" for services among various user groups, together with the need to greater promotion of accessible services to users.

## 2. Objectives and Options

### 2.1 Summary of Objectives

In light of the challenges outlined above, the Commission has explored a number of options to achieving the following objectives:

1. Upgrading the existing wheelchair accessible vehicle fleet to the new standards, while maintaining as many of the existing wheelchair accessible service providers in absolute terms as possible in the process;
2. Encouraging as many of new wheelchair accessible vehicle entrants at the new standards as possible;
3. Focusing on better matching supply and demand, thereby making it easier for users to access the services, and making it easier for drivers to provide a service;
4. Ensuring that service is provided when requested, where possible;
5. Encouraging the release of any 'latent demand' that may exist for SPSV services by people with additional booking and access requirements;
6. Ensuring that the Commission is party to any forum aimed at improving transport services for people with disabilities.

It should be noted that improving accessibility to SPSV services will only be achieved if progress is made in achieving *each* of these objectives. A number of potential options for achieving each of these objectives are outlined below. These were put forward during internal Commission workshops, stakeholder submissions following the Economic Review, as well as in consultations and workshops with user representative groups and industry representatives.

### 2.2 Options for encouraging new wheelchair accessible entrants

The Commission has previously offered reduced licence fees to try and offset the additional entry cost associated with purchasing a wheelchair accessible vehicle. While this has been successful in aiding *some* wheelchair accessible vehicles to enter, it has not been enough to encourage wheelchair accessible entry at a greater rate than "standard" taxis or hackneys. Consequently, the proportion of the fleet that is wheelchair accessible has fallen. The introduction of the new standards for new entrants will exacerbate this trend, unless one or more of the following options are adopted:

- New vehicle licences are only issued for hackneys or taxis that meet the proposed wheelchair accessible standards, for a limited time or until a specific target is met;
- Financial assistance from the Commission and/or the Exchequer for new wheelchair accessible vehicle licences (existing saloon drivers and new entrants) that subsidises vehicle purchase costs;
- A licensing condition whereby all cabs are to be accessible within 5 – 7 years.

A summary of the impact of these initiatives is presented in Section 3. Full costings and assumptions are outlined in Appendix A.

## 2.3 Options for retaining and upgrading the existing fleet

Both the Commission and user representative groups want to see the upgrading of the existing wheelchair accessible fleet to the new standards as soon as possible. Meeting these more suitable standards will also result in the average age of the wheelchair accessible fleet dropping significantly.

However, the cost of purchasing and operating a wheelchair accessible vehicle is a barrier to this. The new standards add an additional cost, especially in the short-term until a second hand market in vehicles that meet the new standards develops. It may also be the case that the domestic vehicle conversion industry will be on a learning curve and may only make the necessary investments if demand appears evident.

With these points in mind, a number of options are considered:

- Funding from the Commission reserves, although the Commission could only afford limited intervention, and this may only be feasible if operated as a part of a direct subsidy approach;
- A direct subsidy from the Exchequer that would offset 55% of vehicle costs to drivers, a level that the Commission believes is sufficient to limit fleet attrition as it brings the WAV operating costs broadly in line with that of a saloon vehicle. The Net Cost to the Exchequer is considerably less than this, due to VAT and VRT returns as well as the stimulus in economic activity that this may bring;
- A VAT/VRT rebate for the purchase of vehicles that meet the new standards. This would be equivalent to a subsidy rate of approximately 44% per vehicle;
- Co-funding from the Commission reserves and a subsidy and/or VAT/VRT rebate from the Exchequer;
- Additional income to operators by increasing fares to account for WAV operating and replacement costs.

Funding levels required, together with funding options, are discussed in Section 3, and more detail is provided in Appendix A.

## 2.4 Options for Better Matching Supply and Demand

Increasing the number of wheelchair accessible vehicles in the fleet will not, in and of itself, completely solve accessibility challenges, especially in the short term. Greater efforts to better match supply and demand are also required. Proposed options include:

- Audit and promotion of dispatch operators providing an accessible booking service to a greater audience;
- Audit the WAT register and greater promotion of its availability to user groups;
- Identification and promotion of dispatch operators with a significant wheelchair accessible fleet to potential users and user representative groups;
- Development of a national WAT/Accessible booking line, whereby customers use one number and the intermediary person locates an available service provider in your area. That is the intermediary searches across service providers on the customers' behalf.

A summary of the impact of these options is presented in Section 3.

## 2.5 Enforcing and Incentivising Service Provision

A number of options to encourage the provision of services to customers with additional requirements have been put forward and are discussed in Section 3:

- Greater sanctions on wheelchair accessible licence holders if they refuse to provide service;
- The provision of additional disability awareness training for efficient service provision, thereby removing some of the perceived and real economic disincentives which discourage some drivers from dealing with customers with additional accessibility requirements;
- A mandatory licensing requirement for dispatch operators to have a minimum proportion or number of wheelchair accessible vehicles as part of their fleet.

A number of submissions suggested that public sector contracts should be restricted to dispatch operators that meet minimum accessibility requirements or ratios. However, the setting of such regulations is beyond the remit of the Commission.

# 3. Costs, Benefits and Impact

## 3.1 Do Nothing Scenario

<b>OPTION 1: DO NOTHING: INTRODUCTION OF THE NEW STANDARDS WITHOUT FINANCIAL ASSISTANCE</b>		
<p><b>Description:</b> Wheelchair accessible vehicle licence holders required to meet the new vehicle standards on renewal of their vehicle licence during 2012. This will mean that the vast majority of the existing wheelchair existing fleet will need to upgrade or replace their vehicle. In this scenario, no funding assistance is made available to meet any of the cost of meeting the new standards.</p> <p><b>Likely Impact:</b> If the new standards were to be introduced without significant financial assistance, the wheelchair accessible fleet would be decimated as licence holders struggle to meet the additional costs. This would be exacerbated by the fact that a second hand market in these vehicles is not readily available. Also vehicle converters are less likely to invest in being able to convert vehicles to meet the new standards if they believe that there is likely to be little demand. Thus the wheelchair accessible fleet would drop significantly below current levels (to less than 2% of the overall cab fleet), and may take many years to reach 2009 absolute numbers.</p>		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	No direct subsidy required	<p>Failure to meet programme for Govt targets, although the Commission would argue that these need to be revised.</p> <p>Political fall-out, especially from disability lobby groups.</p> <p>Likely pressure on other stretched transport services (community and public health etc.)</p> <p>Possible EU comment</p>
New Entrants	None.	The introduction of the new standards means that, until the second hand market matures, they will face increased vehicle purchase costs if they wish to drive a wheelchair accessible vehicle.
Existing Drivers	None	<p>The full cost of replacing their vehicle to meet the new standards and comply with the regulations.</p> <p>Some drivers will be required to change their vehicle sooner than otherwise would have been the case.</p> <p>A significant proportion of operators may not be able to source finance for the full cost of an upgraded vehicle and therefore may have to leave the industry.</p>
SPSV Users	Very limited. Only a very small number of the higher standard vehicles will be available for quite some time.	Greatly reduced access to accessible vehicles over the medium-long term as the wheelchair fleet is decimated without financial assistance or other intervention.
Dispatch Operators	None	<p>Reduce number of affiliated drivers for operators with drivers that cannot meet the new standards.</p> <p>Inability to provide services as required under regulations.</p> <p>Potential loss of public sector contracts.</p>
Fleet Owners/Multiple Licence Holders	Will likely push a significant number of existing WAT operators in to the rental market if they do not want to meet the	Cost of upgrading the wheelchair accessible fleet.

	<p>new standards themselves.</p> <p>Could create a moderate increase in price of non-WAT licences in the secondary market especially if existing drivers look to surrender their WAT licence and buy a saloon licence.</p>	<p>Further mismatch between supply and demand</p>
The Commission	None	<p>Failure to meet key statutory objectives. Under a do-nothing scenario, it's feasible that the wheelchair fleet reduces from 6% in 2009 to less than 2% by the end of 2012.</p> <p>Decrease in vehicle licence renewal fees as existing WAT vehicles become obsolete and are not replaced.</p> <p>Further pressure from industry as potential increase in standard licences as previous wheelchair accessible taxi licences transfer to this sector.</p>

## 3.2 Encouraging New Wheelchair Accessible Entrants

### 3.2.1 OPTIONS

<b>OPTION 2: ISSUING ONLY WHEELCHAIR ACCESSIBLE VEHICLE LICENCES FOR A PERIOD</b>		
<p><b>Description:</b> Issuing new wheelchair accessible taxi and wheelchair accessible hackney licences only (at the proposed new standards), in order to increase the number of wheelchair accessible vehicles, and wheelchair accessible vehicles as a proportion of the overall cab fleet. Specific targets or timeframes would be set. This would require that existing wheelchair accessible vehicle drivers upgrade their vehicle in the short-medium term. It would also require a restriction on transferability of existing saloon licences.</p> <p><b>Likely Impact:</b> This would result in an increase in the number of wheelchair accessible vehicles in the fleet, as a portion of those that would have entered on a taxi or hackney licence will now enter on a wheelchair accessible licence. Other drivers may decide to rent. The number of active taxi or hackney licences would remain static or decline, and as such wheelchair accessible vehicles will constitute a higher proportion of the fleet. The wheelchair vehicle only licensing rule would create demand for these vehicles that might not otherwise have existed. As such, vehicle importers and converters are more likely to invest in providing these vehicles, which may help to develop a more affordable market for these vehicles.</p>		
Stakeholder	Benefits	Costs
Exchequer	None	None
New Entrants	None	<p>An increase in entry costs as wheelchair accessible vehicles at the new standards are more expensive than saloons. The gap in cost may reduce as the second hand market develops.</p> <p>These costs could be reduced if the Exchequer agreed to some sort of tax rebate or funding assistance, or if other funding assistance from other sources are made available. This would also mean that the licensing condition could be lifted sooner.</p>
Existing Drivers	Existing WAT drivers have to meet the new standards in 2012. If this rule is in place between 2010 and 2011, vehicle converters and importers of second hand vehicles may have created a more affordable market for replacement vehicles.	Existing wheelchair accessible vehicle operators will also have to meet the new standards in 2012, which without financial assistance will not be possible in many cases.

	Reduction in SPSV applications over the short-term – drivers may find it easier to make their target income.	Depending on the impact on application numbers and the number of new entrants, licence renewal fees may need to be adjusted.
SPSV Users	<p>Gradual increased access to safer, higher quality wheelchair accessible vehicles over the 2010 to 2011 period.</p> <p>This would hopefully go some way towards offsetting the attrition from the existing WAV fleet in 2012 (see “Do Nothing Scenario” above), therefore increasing the possibility of a consistent supply of accessible vehicles.</p> <p>The increase in the quality of vehicles entering the market will benefit all consumers, not just people with a disability.</p>	None.
Dispatch Operators	Improves the quality of vehicle they dispatch to customers which may have commercial benefits.	The do-nothing scenario may reduce number of affiliated drivers as a number of existing WAT operators will exit the market in 2012 if financial assistance is not available, or if vehicle costs are not reduced significantly. However, the WAV only rule might help to offset some of this loss.
Fleet Owners/Multiple Licence Holders	<p>Revenue as new entrants may rent non-WAT licence rather than face additional entry costs.</p> <p>Create a <i>significant</i> increase in price of non-WAT licences in the secondary market if transferability is not restricted.</p>	Increased cost of fleet building.
The Commission	<p>Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles in the medium term.</p> <p>In the absence of any financial assistance, for at least existing WAT licence holders, this is the only measure available to the Commission to try to ensure that a fleet of wheelchair accessible vehicles at the new standards are available at the end of 2012.</p> <p>At best however, this will only be sufficient to maintain wheelchair accessible vehicles at current levels. To reach high accessible vehicle targets, some element of financial assistance will be needed.</p>	<p>Significant reduction in new vehicle licence fees.</p> <p>Cost of informing operators of new standards and what vehicles will qualify.</p> <p>Cost of building administration and testing centres.</p> <p>Cost of liaising with vehicle suppliers and vehicle convertors</p>
<p><b>Critical Success Factors:</b> Clear communication of the new vehicle standards to vehicle suppliers and purchasers. Measures to ensure that cost of second-hand saloon licences do not reach artificially high levels akin to pre-liberalisation levels.</p>		
<p><b>Other Requirements/Issues:</b> The introduction of the higher standards would reduce the number of applications to enter the industry, in the short-term at least. Consequently, the Commission will need to evaluate whether the benefits of this action outweigh the potential negative impact in competition. The Commission would have to put whatever possible measures in place to mitigate possible negative impacts. Effectiveness and impact on competition would need to be monitored on ongoing basis.</p>		

**OPTION 3: NEW WAV LICENCE FUND**

**Description:** Financial assistance for potential new entrants or existing saloon taxi or hackney licence holders that wish to operate a wheelchair accessible vehicle which meet the proposed standards. This could take the form of a direct subsidy or a VAT/VRT rebate for the purchase of the vehicle.

**Likely Impact:** the higher the rate of financial assistance available, the greater the number of new entrants that would be incentivised into purchasing a wheelchair accessible vehicle. For example, if it was decided that €12mn was available, a direct subsidy rate of 55% of vehicle cost would cover approximately 640 vehicles.

These vehicles would be of a higher quality than those already in the fleet, and as such the quality of the fleet would be improved. This fund would also boost demand for WAVs at the new standard, and this will help create a new and second hand market for these vehicles. It will also mean that accessibility targets are met sooner than otherwise would be the case.

Stakeholder	Benefits	Costs
Exchequer	<p>Exchequer seen to be investing in ensuring accessible services for people with disabilities in a sector where private funding only has been forthcoming to-date.</p> <p>Additional benefits of economic activity among user groups.</p> <p>Depending on funding method and level, there could be a net economic benefit to the Exchequer (see Appendix A for more detail).</p>	<p>Depends on the funding levels available. For example, if funding assistance of €12mn was available, the VAT and VRT generated under the direct subsidy option would be in the region of €9.6mn.</p> <p>Exchequer costs could also be offset if the Commission were to co-fund some of the financial assistance (see Appendix A).</p> <p>A VAT/VRT relief scheme would mean that the relief given is equal to the VAT/VRT generated.</p> <p>There may be a direct Exchequer cost to administer the VAT/VRT scheme (less so if the Commission ran a direct subsidy scheme).</p>
New Entrants – Wheelchair accessible vehicle drivers	<p>Reduced cost to enter the market on a wheelchair accessible vehicle licence.</p> <p>Depending on the level of the subsidy, operators would have a vehicle that is worth more than they paid for it for a period of time.</p>	<p>The new standards add additional vehicle cost - although this may be offset by the subsidy.</p>
Existing Drivers	<p>Funding some new entrants may create a demand for WAVs at the new standards sooner than would have been the case. This may reduce the cost of replacing their vehicles in 2012.</p>	<p>Increased competition from wheelchair accessible drivers who are being subsidised.</p> <p>Existing drivers will argue that new entrants are aware of the regulations before they get into the market – and therefore shouldn't receive funding to meet the additional cost of the new regulations, unless they too receive assistance.</p>
SPSV Users	<p>Access to a higher volume of safer, higher quality wheelchair accessible vehicles. User representative groups have continually called for the upgrading of the fleet, both in terms of meeting the new standards and a vehicle age limit.</p>	<p>None.</p>
Dispatch Operators	<p>Improves the quality of vehicle they dispatch to customers which may have commercial benefits.</p>	<p>None</p>
Fleet Owners/Multiple Licence Holders	<p>May push small number of operators in to the rental market if they do not want to meet the new standards themselves.</p>	<p>Cost of upgrading their wheelchair accessible fleet, where applicable.</p>

The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	<p>Direct costs if the Commission co-funds this initiative from reserves. The actual cost of the scheme would have to be capped in order to be able to maintain a sustainable budget.</p> <p>There will be a cost to administer and monitor the scheme.</p> <p>The Commission would also have commit resources to informing operators of the new vehicle requirements, and investigate the possibility of identifying suppliers of new and second hand vehicles.</p>
<p><b>Critical Success Factor:</b> Any funding assistance would have to be tied to strict licensing conditions which ensure service provision to people with additional accessibility requirements.</p>		
<p><b>Other Requirements/Issues:</b> Financing new entrants and not incumbent service providers may be inequitable. Exact conditions for operation of the scheme and conditions for qualifying for financing would be finalised after the source and level of funding is determined.</p>		

<b>OPTION 4: GRADUAL REQUIREMENT THAT ALL CABS ARE WHEELCHAIR ACCESSIBLE IN NEXT 5-7 YEARS.</b>		
<p><b>Description:</b> Only issue wheelchair accessible vehicle licences for taxis and hackneys that meet the proposed vehicle standards. Introduce requirement that all vehicle licence renewals from 2014, for example, have to meet the new wheelchair accessible standards. Financial assistance at 55% to upgrade all saloon and existing wheelchair vehicles would cost in the region of €500mn, depending on the assumptions.</p>		
<p><b>Likely Impact:</b> Without financial assistance, for both new entrants and existing drivers to upgrade their vehicles, this would result in the decimation of the entire cab fleet. Financial assistance (e.g. VAT/VRT rebate) would go some way to mitigate this, but the level required is not feasible at this time.</p>		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	<p>Additional VRT and VAT related taxes on higher cost vehicles.</p> <p>Accessibility targets for taxis more likely to be met</p>	<p>Direct subsidy to cover the cost of the existing saloon fleet would be in the region of €500mn, although the VAT/VRT generated would offset a portion of this.</p> <p>Foregone tax assuming funding is from VRT/VAT rebate or subsidy – although this will be somewhat offset by a number of revenue generating impacts.</p>
New Entrants	None	Significant increase in entry costs.
Existing Drivers	Those that can afford to remain in the industry will face a reduction in competition.	<p>Depends on the level of funding assistance – but significant vehicle upgrade costs, especially until a second hand market develops.</p> <p>Costs more difficult to bear for older drivers, with less time for them to get a return on their investment.</p> <p>Difficult to obtain finance in current economic climate.</p> <p>Part-time operators likely to exit the industry.</p> <p>Could lead to increase in driver licence and vehicle licence application and renewal fees.</p>
SPSV Users	Significant increase in access to accessible services.	Additional operating costs (annual financing and fuel costs associated with larger vehicles) may result in increase in fares. This may negate any additional demand created by increased availability of accessible SPSV

		<p>services.</p> <p>Reduced consumer choice, as the availability of saloon type cars diminishes.</p> <p>Peak demand may not be met if this results in significant exits from the industry.</p>
Dispatch Operators	None	Reduction in the number of vehicles may result in decrease in the number of affiliated drivers.
Fleet Owners/Multiple Licence Holders	<p>Short-term revenue as new entrants may rent non-WAT licence rather than face additional entry costs;</p> <p>Create a <i>moderate</i> increase in price of non-WAT licences in the secondary market over the implementation period.</p>	Cost of meeting the new licensing requirements.
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	<p>Significant reduction in new vehicle licence fees.</p> <p>Reduced driver licence and vehicle licence renewal income.</p> <p>Licensing and enforcement costs.</p>
<p><b>Critical Success Factor(s):</b> Funding assistance for the purchase and upgrading of vehicles, otherwise there will be a dramatic exit from the industry. The development of a second hand market to make it more affordable to some is also necessary.</p>		
<p><b>Other Requirements/Issues:</b> Requiring the entire fleet to upgrade to wheelchair accessible vehicle standards would likely increase the overall CO2 emissions.</p>		

## 3.3 Retaining and Upgrading the Existing Fleet

### 3.3.1 OPTIONS

<b>OPTION 5: SUBSIDISE COST OF REPLACEMENT OF EXISTING WHEELCHAIR ACCESSIBLE FLEET</b>		
<p><b>Description:</b> Wheelchair accessible vehicle licence holders required to meet the new vehicle standards on or before renewal of their vehicle licence in 2012. This will mean that the vast majority of the fleet will need to upgrade or replace their vehicle. Under this option, funding would be provided to meet part of the purchase or upgrading cost to the licence holder. The source of the funding, level of funding, and implementation has still to be confirmed.</p> <p><b>Likely Impact:</b> The implementation of the new standards will result in a higher quality wheelchair accessible fleet, and reduce the age of the fleet. The higher the level of the subsidy, the smaller the number of WAT drivers that are likely to exit the industry as a result of not being able to meet the new standards.</p>		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	<p>A subsidy will generate demand for new vehicles which otherwise would not have taken place. Depending on funding method and level, there could be a net economic benefit to the Exchequer (see Appendix A for more detail).</p> <p>The Commission may be in a position to part-fund this initiative.</p> <p>Additional benefits of economic activity among user groups.</p>	<p>The Commission estimates that funding assistance at the level of 55% would cost €23.4mn over 3 years. However, the net cost of the subsidy, when VAT and VRT returns are considered, would be only €4.7mn. If the Commission co-funded the initiative, there could be a net economic benefit to the Exchequer. This could cover 1,247 vehicles (see Appendix A).</p> <p>There may be a direct Exchequer cost to administer the VAT/VRT scheme (less so if the Commission ran a direct subsidy scheme).</p>
New Entrants	<p>None. New entrants would not receive the subsidy under this option as they are aware of the regulations and cost before making the decision to enter the industry.</p>	<p>The introduction of the new standards means that they will face increased vehicle purchase costs than otherwise would have been the case. This will lessen over time, as the second hand market matures.</p>
Existing Drivers	<p>Reduces replacement costs for existing wheelchair accessible vehicle drivers. The vehicle will be worth more than they paid for it for a period of time.</p> <p>Drivers operating a higher quality vehicle that better suits the needs of their customers. This may stimulate demand for their services.</p>	<p>The cost of replacing their vehicle to meet the new standards and comply with the regulations.</p> <p>Some drivers will be required to change their vehicle sooner than otherwise would have been the case.</p> <p>A number of operators may find it economically unviable to meet the proposed standards.</p>
SPSV Users	<p>Access to safer, higher quality wheelchair accessible vehicles. User representative groups have continually called for the upgrading of the fleet, both in terms of meeting the new standards and a vehicle age limit.</p> <p>Commission estimates that under the direct subsidy approach 5% of the cab fleet would be wheelchair accessible at the new standards in 2012. Under the VAT/VRT scheme, 4% would be accessible. (See Appendix A).</p>	None
Dispatch Operators	<p>Improves the quality of vehicle they dispatch to customers which may have commercial benefits.</p>	None
Fleet Owners/Multiple Licence Holders	<p>May have more demand from licensed operators who could previously afford to run their own vehicle.</p>	<p>Cost of upgrading their wheelchair accessible fleet, where applicable.</p>

	Could create a moderate increase in price of non-WAT licences in the secondary market especially if existing drivers look to surrender their WAT licence and buy a saloon licence.	
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	<p>Direct costs if the Commission co-funds this initiative from reserves. If the Commission is required to commit reserves to this measure, it may have to investigate its existing licence application and renewal fees.</p> <p>There will be a cost to administer and monitor the implementation of the scheme. Specifically to ensure there is no abuse.</p> <p>Small reduction in vehicle licence renewal and driver licence renewal fee income if exits occur.</p> <p>The Commission would also have to commit resources to informing drivers of the new vehicle requirements, and investigate the possibility of identifying suppliers of new and second hand vehicles.</p>
<p><b>Critical Success Factor(s):</b> Funding assistance for the purchase of vehicles must be significant enough to address the affordability concerns of operators; otherwise the fleet will be decimated as operators exit the industry, or seek to operate non-wheelchair accessible vehicles.</p>		
<p><b>Other Requirements/Issues:</b> Once funding levels and sources have been agreed, certain funding conditions will have to be set. Any funding assistance would have to be tied to strict licensing conditions which ensure service provision to people with additional accessibility requirements.</p>		
<p>The overall cost to drivers, the Exchequer, and the Commission, will be greatly reduced following the development of a second hand market of suitable vehicles. This is not present in Ireland at the moment (EC Type Approved accessible vehicles have been rare in the past in Ireland).</p>		

#### OPTION 6: ADDITIONAL "EXTRA" ON FARE STRUCTURE FOR WAV OPERATORS

**Description:** WAV operators and saloon taxi operators currently operate off the same fare structure. This option would seek to provide additional income to WAV operators by increasing fares to account for WAV operating and replacement costs

**Likely Impact:** An additional €0.5 per fare would yield drivers an extra €1900 per annum, assuming there was no adverse impact on demand for services by the cost increase to consumers. If a WAV operator replaced his vehicle every seven years, with a 2 year old vehicle, the additional fare income would be equivalent to 43% of his vehicle replacement costs. However, this additional cost to consumers may reduce the demand for WAV services. Also, the new vehicle standards will be implemented in 2012. This will not give drivers enough time to build up reserves of cash to meet the new standards. Furthermore, the next fare review will not be completed until Q2/Q3 2010. Any changes cannot be implemented until Q3/Q4 2010.

This approach may be better considered as part of a number of approaches to ensuring that operators are aware of the fact that financial assistance will be available on a once-off basis and that they face the full cost of replacing their vehicle going forward.

Stakeholder	Benefits	Costs
Exchequer	Reduces the need for Exchequer intervention.	<p>No direct costs.</p> <p>The introduction of this measure as the only assistance would result in a reduction of the WAV fleet, as a significant portion of the fleet would not be able to afford to meet the new standards.</p>
New Entrants	None.	<p>This measure would not reduce the entry cost for new entrants.</p> <p>The introduction of the new standards means that they will face increased vehicle purchase costs than otherwise would have</p>

		been the case. This will lessen over time, as the second hand market matures.
Existing Drivers	<p>Potential (but not certain) additional income.</p> <p>In the short-term, this would be unlikely to generate sufficient additional funds for operators to be able to meet the cost of meeting the new standards over the next three years.</p>	<p>The cost of replacing their vehicle to meet the new standards and comply with the regulations.</p> <p>Some drivers will be required to change their vehicle sooner than otherwise would have been the case.</p> <p>A number of operators may find it economically unviable to meet operate at the proposed standards.</p> <p>If the tariff was introduced in 2010, it would not give operators sufficient time to save the additional revenue and put towards the immediate replacement costs.</p> <p>The additional tariff would have the potential to reduce demand for WAV services, and in a worst-case scenario result in an actual decrease in income.</p>
SPSV Users	Limited. In the short-term this measure alone would not be sufficient to limit significant attrition from the WAV fleet.	<p>Additional cost of hiring a WAV.</p> <p>Reduction in the number of available WAVs.</p>
Dispatch Operators	None	Additional cost to customers may impact on demand for their services.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	None	Limited. The Commission can consider the implementation of a change to the fare structure to reflect WAV operating costs as part of the next fare review.
<p><b>Critical Success Factor(s):</b> the implementation of any fare change to reflect changing costs has to be cognizant of the impact on demand, i.e. that an increase in fares does not result in a net reduction in income. This needs to be considered as part of the wider fare review in 2010.</p>		
<p><b>Other Requirements/Issues:</b> Replacement costs for vehicles that meet the new standards will likely be lower in the medium-long term than they will be over the 2010 – 2012 period. Consequently, drivers may face less affordability concerns. The Commission will need to consider a number of actions to ensure that drivers plan for the full (lower) cost of future WAV replacement: including: explicitly informing drivers that they will be liable for the replacement of their vehicle going forward; consider introducing an age limit for vehicles, which sets a re-investment horizon for the operators. This was not present to date; Communicate to drivers that the additional income generating activity for WAVs over saloons (wheelchair customers, public sector contracts, ability to carry more people than a saloon at €1 per additional passenger per journey) needs to be used to offset future vehicle replacement costs.</p>		

### 3.3.2 FUNDING OPTIONS

As stated previously, without funding assistance to address affordability concerns, the majority of existing operators may not be able to meet the cost of the new vehicle standards. Any financial assistance provided needs to be sufficient to address the affordability concerns for operators. The higher the subsidy rate, the smaller the attrition rate that will be caused by the introduction of the new standards. This could take the form of:

- an additional 'extra' on the fare structure which would allow WAV operators earn additional income to cover operating and vehicle replacement costs;
- vehicle purchase assistance from the Commission
- vehicle purchase assistance from the Exchequer, either in the form of a direct subsidy or tax relief;
- a combination of the above.

The pros and cons of each of these are outlined in Table 5 below. This takes a number of factors into account, including real cost to the Exchequer (taking tax revenues into account), efficient administration, whether sufficient funds are available, and the impact on licence fees. *These are further discussed in Appendix A.*

<b>TABLE 5: POTENTIAL FUNDING SOURCES</b>		
<b>Source</b>	<b>Pros</b>	<b>Cons</b>
<b>Customers</b> Incorporate an additional 'extra' on fares	No ongoing administration costs or impact on licence fees.  Could be used as one (of many) measures to ensure operators account for future vehicle replacement costs.	Would not generate sufficient revenue for operators for them to meet the new standards by 2012. Therefore, insufficient to limit attrition. May work better for the future replacement of vehicles (post-2012).  Could not be implemented until late 2010.  Increase in costs to customers in the short-term may have adverse impact on demand for services.
<b>Commission for Taxi Regulation: Reserves</b>	Some monies may be available. This would reduce the burden on the Exchequer.	Commission reserves alone would be insufficient to create a subsidy level that could significantly limit attrition.  The greater the on-going commitment from the Commission, the higher the required increase in licence application and renewal fees for existing drivers and new entrants.  If the Exchequer were to fund the replacement of the existing fleet to a sufficient level, the Commission could use its reserves to fund a limited number of new entrants or existing saloon licence holders, thus reaching accessibility targets in a more timely manner.
<b>Exchequer: Direct Subsidy</b>	At low levels, a direct subsidy could cost less to the Exchequer than the generated VAT/VRT. However, setting the subsidy rate too low will impact on the effectiveness of the measure, i.e. an unacceptable level of attrition may occur.  The greater the level of funding from the Exchequer, the less pressure on the Commission to increase licence application and renewal fees for existing operators.	Requires a level of administration, which could bring additional time and costs. That said, the Commission would likely carry this burden.
<b>Exchequer: VAT/VRT Rebate Scheme</b>	Sufficiently large to address affordability concerns for significant number of operators – although a higher subsidy level may be preferable.  Real cost to the Exchequer would be less than the	VAT and VRT rebate may be less than the direct subsidy. Therefore the Exchequer may not be seen to be making an "investment" as such.

	<p>foregone VAT/VRT amount as the scheme will generate demand that otherwise would not have existed.</p>	<p>Need to determine how this is administered (e.g. at the supplier, or through a refund to the driver etc). Could investigate the possibility of using the administration processes in place as part of the existing Tax Relief for Vehicles Purchased for use by People with Disabilities Scheme.</p> <p>May be more difficult to “turn off” compared to a capped subsidy scheme.</p> <p>Would require the coordination of a number of stakeholders (Commission, Revenue, dealers etc).</p> <p>Could take longer to roll out.</p> <p>Less attractive to existing WAV operators than a subsidy scheme.</p>
<p><b>Commission and Exchequer: Co-funding</b></p>	<p>Sufficiently large to address affordability concerns for significant number of operators.</p> <p>Shares the cost burden.</p> <p>Would relieve the pressure on the Commission to increase licence fees (if the Commission was the sole provider of financial assistance – licence and renewal fees could increase significantly)</p> <p>A direct subsidy approach could be a net income to the Exchequer, as it receives VAT and VRT from 100% of the vehicles that are funded, while only being responsible for subsidising a portion of these.</p> <p>If the Exchequer were to fund the replacement of the existing fleet to a sufficient level, the Commission could use its reserves to fund a limited number of new entrants at the new standards, thus reaching accessibility targets in a more timely manner.</p>	<p>Need to agree burden and design administration accordingly.</p>

### 3.4 Matching Supply and Demand

<b>OPTION 7: PROMOTION OF ACCESSIBLE BOOKING SERVICES</b>		
<p><b>Description:</b> The Commission to build on its existing list of dispatch operators with accessible booking services, and make this available on its website and through potential user representative groups. This will involve the Commission updating its existing list of dispatch operators, and may require regular updates from dispatch operators on the booking services they provide. The Commission will then provide regular updates of this information to user representative groups, so that they can provide this information to their members. The Commission will also hold this information on its website.</p> <p><b>Likely Impact:</b> users and user representative groups will find it easier to identify service providers that will be in a position to provide accessible SPSV booking services in their area. Dispatch operators with accessible booking systems may see an increase in bookings from customers with additional accessibility requirements.</p>		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	None	None
New Entrants	None	None
Existing Drivers	The greater the awareness of available accessible booking systems among potential customers, the more likely new market segments are opened. Benefits mainly to those affiliated to a dispatch operator.	WAT operators will need to affiliate to a dispatch operator to access potential extra customers.
SPSV Users	Makes it easier for users to find a dispatch operator that meets their requirements.	None
Dispatch Operators	Increases their customer base.	Minor administration cost of updating the Commission when new booking methods become available or cease to be available.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Minor administration costs on updating lists and monitoring service provision  Redevelopment of website for provision of information relevant to customers with additional accessibility requirements.
<p><b>Critical Success Factor(s):</b> Promotion- User representative groups willingness to proactively provide this information their members or to direct them to the Commission's website (where relevant). Also, this information has to be kept up-to-date, or customers will not use it.</p>		
<p><b>Other Requirements/Issues:</b></p>		

<b>OPTION 8: AUDIT THE WAT REGISTER AND GREATER PROMOTION OF ITS AVAILABILITY</b>		
<p><b>DESCRIPTION:</b> Wheelchair accessible licence holders receive a discount on their licence. As part of the licensing conditions holders undertake to provide contact and availability details and the Commission makes this available to potential users. The Commission to build on its existing WAT register, update regularly, and make this available through potential user representative groups. Cognisance to be given to not providing unnecessary personal service provider information.</p> <p><b>Likely Impact:</b> users and user representative groups will find it easier to identify service providers that will be in a position to provide accessible SPSV services in their area. Wheelchair accessible vehicle operators may see an increase in bookings from customers with additional accessibility requirements.</p>		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	None	None
New Entrants	None	None
Existing Drivers	The greater the awareness of available accessible booking systems among potential customers, the more likely new market segments are to be opened.	Minor administration costs associated with updating the Commission with regard to contact details and availability.

SPSV Users	Makes it easier for users find a service provider that meets their requirements.	None
Dispatch Operators	None	None
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Admin costs on updating the register.  Redevelopment of website for provision of information relevant to customers with additional accessibility requirements.
<b>Critical Success Factor(s):</b> Promotion - User representative groups willingness to proactively provide this information their members or to direct them to the WAT register (where relevant). Also, this information has to be kept up-to-date, or customers will not use it.		
<b>Other Requirements/Issues:</b> Data protection concerns, ensuring only necessary operator information is publicly available.		

<b>OPTION 9: IDENTIFICATION AND PROMOTION OF DO WITH SIGNIFICANT WAT FLEET</b>		
<b>Description:</b> The Commission to build a list of Dispatch Operators with a high number/proportion of wheelchair accessible vehicles, and make this available on its website and through potential user representative groups. This would be updated on a regular basis.		
<b>Likely Impact:</b> users and user representative groups will find it easier to identify companies that will be in a position to provide accessible services. Dispatch operators with accessible booking systems and a sufficient wheelchair accessible fleet may see an increase in bookings from customers with additional accessibility requirements.		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	None	None
New Entrants	None	None
Existing Drivers	The greater the awareness of available accessible services among potential customers, the more likely new market segments are opened.  Benefits mainly to those affiliated to a dispatch operator.	WAT operators will need to affiliate to a dispatch operator to access potential extra customers
SPSV Users	Makes it easier for users identify a dispatch operator that meets their requirements.	None
Dispatch Operators	Increases their customer base.	Minor administration cost of providing the Commission with regular updates on the number of the number of wheelchair accessible vehicles they have in their fleet.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Minor admin costs on updating lists.  Redevelopment of website for provision of information relevant to customers with additional accessibility requirements.
<b>Critical Success Factor(s):</b> Promotion - User representative groups willingness to proactively provide this information their members or to direct them to the Commission's website (where relevant). Also, this information has to be kept up-to-date, or customers will not use it.		
<b>Other Requirements/Issues:</b>		

**OPTION 10: DEVELOPMENT OF A NATIONAL WAT/ACCESSIBLE BOOKING LINE**

**Description:** One number to contact for an accessible vehicle, call recipient locates suitable available vehicle in customer’s area. Therefore it is the responsibility of the call recipient to link in with local SPSV service providers to find a suitable available service for the user. Idea generated in response to assertion that some people with additional accessibility requirements do not use SPSVs because they cannot locate suitable providers – and this could be sorted if one point of contact had sight of all available accessible SPSV services in an area. A key question is “how would this be funded”?

**Likely Impact:** Assuming the technology was available, and regional dispatch operators and service providers signed up, this could help reduce the incidence of unavailability of services reported by people with disabilities.

Stakeholder	Benefits	Costs
Exchequer/Govt	None	May require Exchequer funding.
New Entrants	None	none
Existing Drivers	The greater the awareness of available accessible booking systems among potential customers, the more likely new market segments are opened.  Benefits mainly to those affiliated to a dispatch operator.	If service providers have to pay to sign up, then this would be a direct cost.  Operators likely to be unwilling to sign-up unless there were demonstrable financial benefits.  May require investment in new technology
SPSV Users	Would reduce time spent searching for an accessible SPSV service.	If service users have to finance the cost of the service, this may negate additional demand created by the additional service.
Dispatch Operators	May increase the number of affiliated drivers. Fewer benefits for small operators or those in rural locations.	May require investment in new technology.  May be required to pay an affiliation fee – unlikely to do so unless financial benefits are obvious.  Staff would need to be trained.  Rural/Small companies may not be able to meet these costs.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Depends on who has responsibility for designing, implementing and then managing the line.  Promotional costs.

**Critical Success Factor(s):** Finding a delivery model – incl available, low cost technology. Significant additional cost to either operator or service users may diminish business case. Promotion of service to stimulate demand (and thus warrant investment) is crucial. Business case may not be viable if only for SPSV services only.

**Other Requirements/Issues:** Design issues: e.g. if you are not with a DO how are you contacted? How do you ensure nationwide coverage? How do you ensure off-peak coverage? How do you prioritise/distinguish bookings for people with disabilities?

### 3.5 Ensuring Service Provision

<b>OPTION 11: SANCTIONS ON WAT LICENCE HOLDERS WHO REFUSE TO PROVIDE SERVICE</b>		
<p><b>Description:</b> Licence holders that have received a discounted licence to be sanctioned if they continually refuse to provide wheelchair accessible service to people with a disability when requested to do so. There are a number of ways of proving this, including “mystery shopping” or requiring that Dispatch Operators keep a record of refusals to provide services.</p> <p>The sanctions are to be determined, but could include a fixed fine, a claw-back of the discounted licence fee, or withdrawal of the wheelchair accessible licence from the operator.</p> <p><b>Likely Impact:</b> Greater provision of services to those that need wheelchair accessible vehicles. Also, the identification of the proportion of the wheelchair accessible fleet using their vehicle for carrying multiple passengers only, rather than providing wheelchair accessible services.</p>		
Stakeholder	Benefits	Costs
Exchequer/Govt	None	None
New Entrants	None	None
Existing Drivers	Decreased incidence of “cherry-picking” by certain wheelchair accessible vehicle drivers who use their vehicles for higher-value multi-person trips.	Sanction costs - only to drivers found to be refusing service provision to people with additional accessibility requirements.
SPSV Users	Increased service provision for persons with additional requirements.	None
Dispatch Operators	None	Minor administration costs related to collecting data. Larger companies will find it easier to do this.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Additional enforcement and compliance costs.
<p><b>Critical Success Factor(s):</b> Establishing the correct level of proof required and associated sanctions.</p> <p><b>Other Requirements/Issues:</b> If an operator is refusing to provide a service, need to establish why this is the case and identify ways of overcoming this.</p>		

<b>OPTION 12: REQUIRE DOS TO HAVE A MINIMUM PROPORTION OR NUMBER OF ACCESSIBLE VEHICLES</b>		
<p><b>Description:</b> The Commission to enforce a licensing condition on dispatch operators which requires that they have a minimum number, or minimum proportion of their fleet, as wheelchair accessible.</p> <p><b>Likely Impact:</b> If all DOs had a certain number or proportion of their fleet wheelchair accessible, reported incidence of unavailability may drop. However, this measure could reduce the overall number of cabs affiliated to dispatch operators. For example, if a proportional target is set, DOs might be forced to reduce the number of cabs they have affiliated to them if they cannot encourage a sufficient number of wheelchair accessible vehicles to sign-up.</p>		
Stakeholder	Benefits	Costs
Exchequer/Govt	None	None
New Entrants	None	Might act as a barrier to affiliation for non wheelchair accessible vehicle operators.
Existing Drivers	None	Might act as a barrier to affiliation for non wheelchair accessible vehicle operators.
SPSV Users	Greater access to wheelchair accessible vehicles.	None
Dispatch Operators	None	Might act as a barrier to affiliation for non wheelchair accessible vehicles, thus reducing revenue.

		Implementation difficulties for all DO, but especially small or regional DOs.
Fleet Owners/Multiple Licence Holders	None	None
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Minor additional enforcement and compliance costs.
<b>Critical Success Factor(s):</b> Setting the minimum requirement at an achievable level for the dispatch operator.		
<b>Other Requirements/Issues:</b> If implemented, the use of SPSV services would have to be promoted to potential users and to user representative groups.		

<b>OPTION 13: PROVIDE ADDITIONAL DISABILITY AWARENESS TRAINING FOR EFFICIENT SERVICE PROVISION</b>		
<b>Description:</b> Building on the Skills Development Programme (SDP), additional training to be available to wheelchair accessible operators on how to efficiently operate vehicle equipment and deal with customers with additional requirements.		
<b>Likely Impact:</b> Practical training may reduce the time it takes to secure a wheelchair user and associated equipment in to a vehicle, thus reducing any economic disincentive operators may have for providing services to customers with additional requirements.		
<b>Stakeholder</b>	<b>Benefits</b>	<b>Costs</b>
Exchequer/Govt	None	None
New Entrants	Reduce the time it takes to service a customer	May be some direct training cost to operators.
Existing Drivers	Reduce the time it takes to service a customer.	May be some direct training cost to operators.
SPSV Users	Greater access to wheelchair accessible vehicles.	None
Dispatch Operators	None	None
Fleet Owners/Multiple Licence Holders	None	May have to subsidize direct training cost of operators who are renting a wheelchair accessible vehicle
The Commission	Allows the Commission to reach its goal of ensuring people with disabilities have access to high quality suitable vehicles.	Training feasibility, design and implementation costs.
<b>Critical Success Factor(s):</b> Subject to design and affordability considerations.		
<b>Other Requirements/Issues:</b> This could be considered as part of a wider up-skilling programme for operators. Current SPSV driver licence not linked to category of vehicle used.		

## 3.6 Other Impacts

### 3.6.1 OVERVIEW

Figure 2 (overleaf) summarises the Commission's evaluation of the impact of the actions, giving consideration to the themes to be examined under the Department of the Taoiseach's Revised RIA guidelines (2009). While the impact on the market and competition, as well as on socially excluded has been discussed in detail above, this is summarised below. The Commission has also summarised the environmental impact of the proposed actions; together with looking at national competitiveness; the rights of citizens; compliance burden and; North-South and East-West relations.

### 3.6.2 MARKET IMPACT

A number of the proposed actions would have a *negative* impact on the SPSV market. *Option 4*, requiring that all cabs become wheelchair accessible to the new standards, would have a significant negative impact. If no funding assistance was available, all new entrants would face a significant increase in entry costs to the market. Furthermore a significant number of existing drivers would likely leave the market rather than meet these new standards and associated costs. This may be especially true for older drivers that would have less time to get a return on their investment. The reduction in the size of the market, together with increased operating costs for the drivers, would likely mean that consumers see a reduction in supply of services, plus an increase in fares.

Introducing the new standards for the existing fleet without financial assistance (*Option 1*) will also have a negative impact on the market. A significant number of the existing fleet may not be able to afford or obtain finance and as such will be forced to leave the market.

This would be offset were financial assistance to be made available to all existing wheelchair accessible vehicle drivers (*Option 5*). Not only would the financial assistance mean that existing drivers will not be driven from the market because of the new standards, but this would also facilitate the development of a second-hand market for vehicles at new standards. This will help reduce the barrier to entry for new entrants by reducing the entry costs. The new standards would benefit consumers that have access to higher quality vehicles.

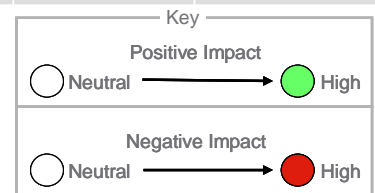
A licensing condition whereby all new entrants are wheelchair accessible only for a limited period (*Option 2*) would temporarily limit entry to the SPSV market. This is because of the additional cost of a wheelchair accessible vehicle over that of saloon vehicle, which currently acts as a barrier to entry for potential WAV drivers. While this would temporarily reduce the number of new entrants, it would not necessarily stop new drivers from entering the industry, because:

- as demand for the new standard wheelchair accessible vehicles increases, a secondary, and more affordable market will develop;
- drivers will still have the opportunity to enter the SPSV industry in the rental market;
- there may be limited scope to enter the market on a transferred saloon licence;
- the licensing condition will be for a limited time period.

This would not have a negative impact on consumers, as the availability of cab services would not be significantly impacted over this short timeframe. Indeed, consumers would benefit from the increased quality of the overall fleet, as the new vehicle entrants will be of higher quality than some of the existing SPSV fleet. The average age of these vehicles will also serve to reduce the average age of the fleet.

**Figure 2: Summary of Impacts of Proposed Actions**

	Market Impact	Socially Excluded or Vulnerable Groups	Environmental	National Compet	Rights of Citizens
<b>Do-Nothing</b>					
Option 1: introduction of the new standard w/o financial assistance					
<b>Encouraging New Entrants</b>					
Option 2: issuing only wheelchair accessible taxi/hackney licences for a limited time					
Option 3: financial assistance for new WAV Licences (existing saloon drivers and new entrants)					
Option 4: gradual requirement that all cabs are wheelchair accessible in next 5-7 years.					
<b>Upgrading Existing fleet</b>					
Option 5: subsidise cost of replacement of existing wheelchair accessible fleet					
Option 6: Incorporating additional WAV costs into fare structure					
<b>Matching Supply and Demand</b>					
Option 7: Promotion of accessible booking services					
Option 8: Audit the WAT register and greater promotion of its availability					
Option 9: Identification and promotion of DO with significant WAT fleet					
Option 10: Development of a National WAT/Accessible booking line					
<b>Ensuring Service Provision</b>					
Option 11: Sanctions on WAT licence holders who refuse to provide service					
Option 12: Require DOs to have a minimum proportion or number of accessible vehicles					
Option 13: Provide additional disability awareness training for efficient service provision					



The implementation of *Option 3*: financial assistance for new WAT licences (new entrants and existing saloon licences) would also serve to counter the negative market impacts of Option 2, as it reduces to cost barrier for new entrants. It would also mean that the associated accessibility target is met sooner, and therefore the licensing condition in Option 2 could be lifted sooner.

Each of the options for better matching supply and demand (*Options 7 - 10*) have a small positive market impact, as they remove information asymmetries from the market and do not create a barrier to entry or exit.

Finally, the option of requiring all Dispatch Operators to have a minimum number or proportion of their affiliated fleet as wheelchair accessible (*Option 12*) would have a negative market impact. It could act as a barrier to affiliation for non wheelchair accessible vehicle drivers. It could also reduce the number of dispatch operators (especially small companies or those in rural areas) if they cannot meet these conditions.

### **3.6.3 SOCIALLY EXCLUDED OR VULNERABLE GROUPS**

People with a disability, including the mobility, hearing and vision impaired, will benefit from all the options that increase the quantity and quality of accessible vehicles, or make booking and obtaining a service more accessible.

The one option with a significant negative impact in this regard would be the do-nothing scenario: new vehicle standards were introduced without financial assistance (Option 1). This would be because, in the short-medium term at least, the accessible fleet size would be decimated.

### **3.6.4 ENVIRONMENTAL CONCERNS**

Requiring that all SPSV sector vehicles are wheelchair accessible to the new standards (Option 4) would have a net negative environmental impact. On one hand, this would likely reduce the overall fleet size. However, all remaining wheelchair accessible vehicles would likely have a higher CO2 emission per vehicle than their saloon equivalent.

### **3.6.5 NATIONAL COMPETITIVENESS**

None of the options have a negative impact on national competitiveness. The measures that stimulate economic activity, both in terms of the motor trade and among end users, may have small-to-negligible positive impacts in this regard.

### **3.6.6 RIGHTS OF CITIZENS**

The options which improve access to accessible transport can be seen as having a positive impact on the rights of citizens. However, Option 4, which requires that all vehicles are wheelchair accessible, may have a negative impact in this regard. This is because this measure would reduce consumer choice as saloon vehicles are phased out, and in limited cases may make SPSVs inaccessible to some users.

### **3.6.7 OTHER CONCERNS**

None of the proposed actions have significant compliance burdens or impact on and North-South and East-West relations.

# 4. Consultations

## 4.1 Introduction

This section outlines the consultation process, and summarises the views expressed by various stakeholders. These views have helped to develop the proposed actions and have informed the Commission's analysis of the costs, benefits and impact of each measure.

It should be noted that this section gives only a high level summary of views expressed in the consultation process, as to re-iterate all views would be an unnecessarily burdensome task. Furthermore, the Commission is cognisant that the views of certain representatives may not be aligned to that of every single stakeholder.

## 4.2 The Consultation Process

The Commission seeks to consult with stakeholders on an ongoing basis. Following the publication of the Economic Review, the Commission invited interest parties to make a submission regarding the Economic Review recommendations. A number of these submissions addressed the subject of accessibility, both highlighting issues and in some cases suggesting actions for improvement.

Following the receipt and review of the submissions, the Commission ran a national and regional consultation process to discuss this subject, together with wider industry issues. This concluded in June 2009. This included face-to-face consultations, phone consultations, and workshops. Improving accessibility to SPSV services were discussed with a broad range of stakeholders, including:

- **National driver representative groups:** The Commission held a number of one-to-one consultations with national driver representative groups, including SIPTU, the National Taxi Drivers Union (NTDU), Irish Taxi Drivers Federation (ITDF) and the National Private Hire and Taxi Association (NPHTA). A workshop with the umbrella group for these four organisations was also held;
- **Regional representatives:** The Commission invited over 25 regional representatives to workshops around the country. In the cases where representatives could not attend these meetings, the Commission made a number of follow-up telephone calls to these, to discuss accessibility and other issues;
- **Dispatch operators:** The Commission held a workshop with the Taxi Company Owners Association (a representative group) together with City Cabs, Xpert Cabs, and National Radio Cabs;
- **User representative groups:** a workshop on improving accessibility was held with representatives from the Accessible Taxi Consortium (ATC) together with Deafhear, a group

that promotes the welfare of deaf people and their families. The ATC includes representatives from the Irish Wheelchair Association; Disabilities Federation of Ireland; REHAB group; National Council for Blind in Ireland and the Not For Profit group;

- **Policy Groups:** the Commission discussed accessibility issues and actions with the Competition Authority and the National Disability Authority (NDA).

Following the conclusion of consultation process, the Commission presented a summary of the process to the Advisory Council. Feedback from the Advisory Council has also informed this process.

### 4.3 User representatives

User representative groups have called for an upgrading of the existing wheelchair accessible fleet to the higher standards, and encouragement to new accessible vehicle entrants, in both the taxi and hackney sector. The ATC called for financial assistance to encourage this, with a VAT/VRT rebate scheme suggested.

The ATC suggested that public sector SPSV contracts should be reserved for wheelchair accessible operators (or those with minimum proportion of their fleet as accessible). The ATC also suggested that a publicly-funded call centre for people with disabilities which is linked to dispatch companies should be introduced to better match supply and demand.

It was also suggested that SPSV companies need to be more actively promoted to users, based on the assertion that latent demand for accessible taxi services exist. The Deafhear group recommended that greater efforts be made with regard to accessible booking services, both in terms of their availability and their promotion to users with hearing impairments.

The ATC and Deafhear re-iterated the fact that accessible service provision has to be fully considered in terms of all user groups and a lack of accessible transport services is one of the main contributing factors to the social exclusion of users. They stressed the importance of SPSV services to people with disabilities as accessible public transport services do not always link together and SPSV services are the mode of transport best suited to solving this issue at present.

While the ATC stressed the importance of accessible transport services for all they also stated that there is a pressing need to focus on 'black spots' where little or no accessible transport services are available and to set regional targets in this regard as a priority. They also stated that further disability awareness training would be of great benefit.

## **4.4 Driver representatives**

The issuing of new licences to the new wheelchair accessible vehicle standards only was a common suggestion. With regard to financial assistance to stimulate supply, a number of representatives made the point that it would be unfair to existing drivers if only new entrants received a subsidy. It was also suggested that any developments to increase the number of accessible vehicle has to be complemented with greater promotional campaigns to stimulate demand for these services.

A number of driver representatives suggested that many of the wheelchair accessible vehicle licence holders were using their vehicles for the sole purpose of carrying large numbers of people rather than servicing people with a disability.

## **4.5 Dispatch Operators**

Dispatch operators argued that requiring companies to have a minimum portion of its fleet as wheelchair accessible could result in some companies having to refuse non-WAT drivers looking to affiliate. They also said that smaller companies and those in rural areas may have difficulties achieving this. Initial discussion on the idea of a national booking line for wheelchair accessible vehicles was met with a mixed response, with queries this with regard to its design, necessity, cost, and feasibility.

## **4.6 Policy Groups**

The Competition Authority raised concerns about the possibility of issuing new licences only for vehicles that meet the new wheelchair accessible standards. In short the Competition Authority sees any measure which in its impact will restrict entry as against competition policy. With the introduction of new standards, the degree to which this is deemed restrictive is linked to the cost of achieving the standard (proportionality), the effectiveness of it (for instance if the benefit was only restricted to a small population of beneficiaries this could cause concern) and whether it unreasonably excludes entrants that would have met the conditions prior to the change in standards for entry. The Commission has considered these aspects in its regulatory impact analysis of the overall proposal and reports on these in section 3.6.2.

The National Disability Authority re-iterated the fact that accessibility has to be considered in terms of saloon cars as well as wheelchair accessible vehicles, as different user groups have different requirements. The NDA see the ready availability of accessible vehicles and a degree of 'certainty of price' as two key factors in releasing latent demand among certain user groups. The perception that the service is difficult to obtain and that it is very expensive leads to an under utilisation of SPSV services among the elderly for example. They also stated that further mechanisms to better match supply and demand need to be considered and further training in disability awareness for all service providers would be very beneficial.

# 5. Actions & Dependencies

## 5.1 Introduction

Following from the Commission's evaluation of the proposed options, this section presents the Commission's preferred actions for moving forward. Consideration is then given to how these actions will be enforced, and the arrangements that will be put in place to periodically review their effectiveness.

## 5.2 Actions

### 5.2.1 ENSURING A SUPPLY OF VEHICLES IN 2012

#### **ACTION 1 All new entrants (hackney and taxi) to be wheelchair accessible at the Commission's 2012 standards**

In 2012, existing wheelchair accessible taxi licence holders will have to meet the Commission's new accessible vehicle standards, as announced in 2007. Due to the cost of these vehicles, it is probable that a significant portion of the existing fleet will not be in a position to meet these costs, and as such the accessible fleet will be decimated. This would reduce service levels to those most dependent upon door-to-door transport, and also cause unemployment in the SPSV industry.

The Commission is seeking to avoid this situation. Starting in 2010, the Commission will only issue taxi and hackney licences for vehicles that meet Commission's 2012 accessible vehicle standards. This is the only option available to the Commission in the absence of financial assistance.

Introducing this measure in 2010 will stimulate vehicle suppliers and convertors to provide vehicles that meet the new standards over the next two years. This should increase the supply of more affordable vehicles in 2012, compared to today, and therefore help to limit attrition from the existing wheelchair accessible fleet.

This measure also seeks to increase the stock of vehicles that meet the new standards over the next number of years. These 'new' entrants will offset (to some degree) those that exit the industry in 2012, and therefore help to maintain a supply of accessible vehicles.

At best however, this will only be sufficient to partially offset some of the attrition from the accessible fleet in 2012. To reach higher accessible vehicle targets, some element of financial assistance will be needed. The Commission will monitor the effectiveness of this action and will remain in contact with the Department of Transport regarding the need and availability of funds.

The Commission would monitor entry to the industry at regular intervals. Should there be no new entrants, the Commission would re-consider the issue of standard hackney and taxi licences to ensure effective competition.

**ACTION 2 Information campaign with vehicle suppliers and convertors**

In order to help stimulate supply of suitable vehicles, the Commission will continue to liaise with vehicle suppliers and convertors regarding the new standards, so that they are in a position to supply vehicles as soon as possible.

**ACTION 3 Information campaign to existing WAT licence holders**

The Commission will contact existing WAT licence holders as soon as possible, reminding them of their licensing obligations in 2012, and initiatives planned to reduce the affordability concerns in 2012.

**ACTION 4 Consider WAV operating and replacement costs in the next Fare review**

The Commission will consider the various options available regarding incorporating WAV operating and replacement costs as part of the national maximum taxi fare structure as part of the next Fare review (summer 2010).

## 5.2.2 MATCHING SUPPLY AND DEMAND

**ACTION 5 Greater promotion of accessible booking services**

The Commission will build on its existing list of dispatch operators with accessible booking services, and make this available on its website and through potential user representative groups.

**ACTION 6 Audit the WAT register and greater promotion of its availability**

The Commission will build on its existing WAT register, update regularly, and make this available through potential user representative groups. Only information relevant to booking a service from WA licence holders will be provided to users.

**ACTION 7 Identification and promotion of DO with significant wheelchair accessible fleet**

The Commission to build a list of Dispatch Operators with a high number/proportion of wheelchair accessible vehicles, and make this available on its website and through potential user representative groups. This would be updated on a regular basis.

**ACTION 8 Support third party initiatives that aim to address issues that restrict people from using SPSV services**

The Commission will continue to provide input and support (where feasible) to disability group initiatives aimed at increasing accessibility to SPSV services. For example, this could include initiatives to develop national accessible booking services (including, but not exclusively for SPSV services), addressing the affordability for users (e.g. the roll out of a taxi voucher scheme) and so on.

#### 5.2.4 ENSURING SERVICE PROVISION

**ACTION 9 Sanction those refusing to provide services**

Licence holders that have received a discounted licence will be sanctioned if they continually refuse to provide wheelchair accessible service to people with a disability when requested to do so.

**ACTION 10 Consider further training for operating wheelchair accessible vehicles and dealing with customers with additional requirements**

The Commission will include accessibility requirements as part of its wider quality improvement initiatives, which may include additional training opportunities.

#### 5.2.5 PROMOTING SPSV SERVICES TO PEOPLE WITH A DISABILITY

**ACTION 11 Redevelopment of the Commission website as an information source for those with additional accessibility requirements**

As part of the Commission's ongoing development of its website as an information provision tool, the Commission will develop a particular section with information relevant to users with additional accessibility requirements.

**ACTION 12 Ongoing and proactive information provision to user representative groups to disseminate up-to-date information**

The Commission will continue to meet regularly with user representative groups and provide current information that will be of use to its members in accessing SPSV services.

### 5.3 Enforcement and Compliance

The Commission expects that current WAV licence holders that can afford to meet the new standards (and remain in the industry) will comply with the introduction of the new standards. The Commission will build the new requirements into its licensing procedures. Compliance will be

checked as part of the annual vehicle licence renewal procedures, which is the responsibility of the Commission.

Imposing sanctions on those that unreasonably and continually refuse to provide accessible services to those that require them will be the responsibility of the Commission.

## 5.4 Reviewing the Effectiveness of the Actions

The overall effectiveness of these actions can be gauged by two main metrics, namely:

- The reported incidence of unavailability of services, which will require a survey of users;
- Wheelchair accessible vehicles as a proportion of the overall cab fleet, which can be monitored on a monthly basis using the Commission vehicle licence database.

The Commission will also monitor data that highlights the impact of the actions on market entry and exit on an ongoing basis, including:

- **Attrition:** Analysis relative to the numbers deciding to let their vehicle licence lapse rather than upgrade their vehicle (in 2012);
- **New entrants:** The Commission will monitor the number of applications and new entrants on a monthly basis.

The Commission is satisfied that there is enough easily accessible data available to monitor the effectiveness of these measures, and therefore will be in a position to alter these actions if necessary.

# A1. Financial assistance for the WAV fleet: Need, Cost and Benefits

## A.1 Overview

This appendix draws specific attention to the necessity of short-term, once-off financial assistance for the small public service vehicle (SPSV) wheelchair accessible fleet. In particular, it highlights the following facts and figures:

- A number of imminent and mandatory changes to wheelchair accessible vehicle (WAV) licensing and testing requirements have the potential to *decimate* the wheelchair accessible fleet. The Commission estimates that without financial assistance, the implementation of these changes will mean that WAVs will represent only 2% of the cab fleet at the end of 2012 (from 6% today). This would have significant repercussions for those most-dependent on the door-to-door SPSV services, together with causing unemployment in the SPSV sector;
- Significant additional vehicle purchase costs (+65% to +92%) and annual operating costs (+25%) faced by WAV operators compared to their saloon counterparts seriously limits their ability and willingness to provide wheelchair accessible services. The introduction of the new licensing and vehicle testing conditions will accentuate this problem;
- The application of financial assistance, which would facilitate a change in licensing conditions, can be applied to ensure that by the end of 2012 around 11% of the cab fleet is wheelchair accessible at the new standards. This could feasibly be achieved at either a cost neutral or net economic benefit to the Exchequer over a three year period, under various assumptions.

In order to minimise the disruption to WAV service providers and their service users, and to ensure the new licensing and testing requirements are met in a timely manner, the Commission believes that the requirement to comply with the new standards should be phased in over a three year period (2010 – 2012). To that end, the Commission has prepared the proceeding analysis which outlines the necessity for, and affordability of a WAV financial assistance scheme which needs to be designed and implemented as soon as possible.

## A.2 Imminent changes which could decimate the fleet

Wheelchair accessible SPSVs play a key role in meeting the door-to-door transport needs of people with additional accessibility requirements. Consequently, user representative groups have called for 20% of the SPSV fleet to be wheelchair accessible. Government also appreciates this, and has set a target of ensuring that 100% of SPSVs in city areas are accessible (as set out in the latest Programme for Government).

However, there were 1,559 active wheelchair accessible taxis (WAT) at the end of July 2009, equivalent to only 6% of the overall cab fleet. Indeed WATs as a proportion of the cab fleet have been decreasing slowly but steadily in recent years.

The Commission has new standards for Wheelchair Accessible Vehicles that must be implemented by the end of 2012. These were originally announced in 2007. These standards both better meets the needs of users and are also in line with the European Commission Whole Vehicle Type Approval (ECWVTA) process. (The ECWVTA process requires that, in 2012, a new vehicle presenting as wheelchair accessible will only receive registration documents if in compliance with the various specifications contained within the new ECWVTA standards). The Commission’s proposed standards have not been implemented to date, for either existing operators or for new entrants, due to the high vehicle costs outlined below. It is likely that the vast majority of current vehicles in operation would not meet these standards.

Thus, the Commission estimates that due to affordability concerns, the introduction of the new standards could result in c1000 vehicles and their drivers being forced to exit the industry by the end of 2012. WAVs would then only represent about 2% of the overall cab fleet, and accessibility to SPSV services for people with disabilities would deteriorate significantly.

## A.3 Cost as a barrier to entry and operation

### A.3.1 VEHICLE PURCHASE COSTS

A critical obstacle to the take-up of wheelchair accessible vehicle licences, and the implementation of the new standards, is the high purchase and operating cost of wheelchair accessible vehicles. New vehicles that meet the new standards are available in Ireland at an on the road cost of approximately €44,500. Of this, approximately €19,600 (c44%) is accounted for by VAT and VRT.

The cost of a two year old second hand vehicle is approximately €30,700. There is not a significant supply of second hand vehicles in Ireland to date. However, this would develop subject to their being significant demand. This is unlikely to happen without the availability of financial assistance. Vehicle purchase costs and the associated VAT and VRT element are outlined in Table A1.

<b>TABLE A1: WHEELCHAIR ACCESSIBLE VEHICLE COSTS AND DIRECT TAX REVENUE (€)</b>		
	<b>New (2009)</b>	<b>2 yrs old (2007)</b>
W.A.V. On the Road Cost to Driver	44,500	30,700
Estimated VAT and VRT	19,594	13,519
Note: The estimate for a new WAV that would meet the proposed standards is based on a FIAT WAV. The estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a UK import of a Peugeot Expert E7.		
<b>Source: Consultation with dealers in Ireland and UK (June 2009)</b>		

The Commission estimates that the purchase cost of a new wheelchair access vehicle is approximately 65% higher than that of a saloon car (e.g. a Toyota Avensis, which is one of the most

popular vehicle types for taxis). Second hand WAVs are also considerably more expensive (+92%), although this may shorten as the market develops.

<b>TABLE A2: ESTIMATED COST OF SALOON AND WHEELCHAIR ACCESSIBLE VEHICLES (€)</b>			
<b>Vehicle Type</b>	<b>WAV</b>	<b>Saloon</b>	<b>Higher WAV %</b>
New (2009)	44,500	26,985	+65%
2 year old (2007)	30,700	16,000	+92%

Note: Estimated costs include all taxes. The saloon estimate is based on a Toyota Avensis. The estimate for a new WAV that would meet the proposed standards is a FIAT WAV. However, the estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a UK import of a Peugeot Expert E7, as a second-hand market is not readily available in Ireland at present. These costs may decrease as a market develops in Ireland.

**Source: Consultation with dealers in Ireland and UK (June 2009)**

### A.3.2 OPERATING COSTS

Annual operating costs for wheelchair accessible vehicles are likely to be at least 25% higher than for those operating a saloon car (see Table A3). Higher purchase costs means that the annual finance costs are almost double that of a saloon. Wheelchair accessible vehicles will also have higher fuel consumption rates (+27%), which is a major annual cost for drivers.

<b>TABLE A3: ANNUAL OPERATING COST (ESTIMATES) SALOON VERSUS WAV</b>				
<b>Annual Costs</b>	<b>WAV (2007)</b>	<b>Saloon (2007)</b>	<b>Higher WAV costs €</b>	<b>Higher WAV costs %</b>
Fuel	4,296	3,370	926	+27%
Vehicle Finance (5 year package)	6,998	3,662	3,336	+91%
<b>Total Operating Costs</b>	<b>21,170</b>	<b>16,909</b>	<b>4,262</b>	<b>+25%</b>

Note: The saloon estimate is based on a Toyota Avensis. The estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a Peugeot Expert E7.

**Source: Commission for Taxi Regulation, based on Taxi Cost Index update**

Other costs may also be higher for WAV operators, particularly insurance, and vehicle equipment repair and maintenance costs, although these aren't included in the above calculations.

### A.3.3 MARKET ENTRY COSTS

In order to incentivise new entrants on a wheelchair accessible licence, the Commission offers WAV licences for a reduced fee of €125. This compares to €6,300 for a saloon taxi licence and €1,000 for a hackney licence. However, due to the high vehicle purchase costs, entry costs for a WAV are still between 34% and 38% higher than for those on a saloon licence (see Table A4).

<b>TABLE A4: SPSV MARKET ENTRY COSTS (VEHICLE AND VEHICLE LICENCE) (€)</b>				
<b>Vehicle Type</b>	<b>WAV</b>	<b>Saloon Taxi</b>	<b>Higher WAV Costs €</b>	<b>Higher WAV costs %</b>
New (2009)	44,625	33,285	11,340	+34%
2 year old (2007)	30,825	22,300	8,525	+38%

Note: Includes vehicle purchase and vehicle licence costs only. Estimated costs include all taxes. The saloon estimate is based on a Toyota Avensis. The estimate for a new WAV that would meet the proposed standards is a FIAT WAV. However, the estimate for the 2 year old WAV meeting the proposed wheelchair accessible standards is based on a UK import of a Peugeot Expert E7. A saloon taxi licence from the Commission costs €6,300. In order to decrease entry costs, and thus incentivise take-up, wheelchair accessible vehicle licences are €125.

**Source: Consultation with dealers in Ireland and UK (June 2009)**

Higher market entry and operating costs means that wheelchair accessible licences are less in demand than taxi and hackney licences. Consequently, over the last twelve months (to July 2009) the Commission has, on average, issued 101 taxi and hackney licences per month, compared to only 16 wheelchair accessible vehicle licences per month.

#### **A.3.4 AFFORDABILITY CONCERNS**

Given the vehicle replacement and operating costs outlined above, operators may find it difficult to afford the cost of upgrading the vehicles to the new standards. This is especially true in the current economic climate given that:

- The Economic Review of the SPSV Industry (2009) estimated that drivers' nominal income had fallen by 5% between 2005 and 2008, and that on average cab drivers were earning less than the average industrial wage. It is unlikely that this has changed since the publication of the Review;
- Private financial institutions may be unlikely to give credit for the full purchase price of a wheelchair accessible vehicle in the current climate.

Financial assistance would both reduce the amount of capital operators have to source for themselves, and make it easier for financial institutions to extend lines of credit to operators. This latter point is particularly true given that operators would initially have an asset that is worth more than they paid for it.<sup>1</sup>

## **A.4 The impact of financial assistance for operators**

### **A.4.1 IMPACT OF A SUBSIDY ON VEHICLE PURCHASE AND OPERATING COSTS**

The Economic Review of the SPSV industry noted that other jurisdictions provide financial assistance for the purchase of wheelchair accessible vehicles in the SPSV sector. The above analysis highlights the need for this in Ireland, especially given the forthcoming changes in licensing and testing standards.

For prospective and existing operators, the greater the level of financial assistance, the more likely an operator will enter the market or replace their vehicle with a WAV. Table A5 shows the impact of various subsidy levels on the cost of a vehicle to operators, and compares this to the cost of a saloon vehicle. For example, if a subsidy of 55% was given towards the purchase price of a vehicle, then the purchase cost of a new WAV to operator's would be €20,025. This would be 26% less than the cost of a new saloon car.

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<sup>1</sup> Note that assistance and licensing conditions will be put in place to ensure that the operators cannot abuse the scheme and to ensure service provision. These conditions can only be finalised when the level of funding and funding source is confirmed.

<b>TABLE A5: IMPACT OF VARIOUS SUBSIDY LEVELS ON COST OF PURCHASING A WAV</b>					
<i>Subsidy/relief Levels</i>	<b>0%</b>	<b>44%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>
<b>Cost of New WAV to operator (€)</b>	44,500	24,920	22,250	20,025	17,800
<i>Compared to new saloon (€26,985)</i>	+65%	-8%	-18%	-26%	-34%
<b>Cost of 2 year old WAV to operator (€)</b>	30,702	17,192	15,351	13,816	12,281
<i>Compared to 2 year old saloon (€16,000)</i>	+92%	+7%	-4%	-14%	-23%
Note: vehicle purchase costs based on consultations with dealers in UK and Ireland (June 2009).					
<b>Source: Commission for Taxi Regulation calculations</b>					

Reduced vehicle purchase costs serve to reduce annual financing costs. Table A6 shows that a subsidy level of 55% would bring a WAV operator's annual operating costs broadly in line with that of a saloon operator. This is due to the receipt of the financial assistance to purchase the vehicle, which reduces the WAV operators' annual financing costs to a level below that of a saloon operator. However, this is not sufficient to fully offset the additional fuel costs faced by WAV operators.

<b>TABLE A6: ANNUAL OPERATING COST (EST) SALOON VERSUS SUBSIDISED WAV AT 55%</b>				
<b>Annual Costs</b>	<b>WAV (2007)</b>	<b>Saloon (2007)</b>	<b>Higher WAV costs €</b>	<b>Higher WAV costs %</b>
Fuel	4,296	3,370	926	27%
Vehicle Finance (5 year package)	3,149	3,662	- 513	-14%
<b>Total Non-Labour Costs</b>	<b>17,332</b>	<b>16,909</b>	<b>423</b>	<b>+3%</b>
Note: The Commission has developed a taxi cost index to monitor annual operating costs. Equivalent figures for a second hand WAV were used to compare to a second hand saloon. Fuel costs are based on applying CSO data to MPG figures for the two vehicles. Annual financing costs are based on a survey of financial institutions.				
<b>Source: Commission for Taxi Regulation, based on Taxi Cost Index update</b>				

#### **A.4.2 THE CASE FOR A SUBSIDY IN THE REGION OF 55% OF VEHICLE COSTS**

The Commission believes that there are a number of strong arguments for a subsidy rate in the region of 55% per vehicles cost. This includes:

- **It would be sufficient to limit attrition from the existing fleet**, as it greatly reduces the capital costs to the driver. This will make it easier for operators to secure funding;
- **It brings WAV operating costs in line with that of a saloon vehicle**, which will incentivise take-up by existing drivers and potential new entrants.

Furthermore, analysis in the following sections highlight that this may be an affordable level of financial assistance for the Exchequer, especially if the Commission participates in co-funding a direct subsidy financial assistance scheme.

#### **A.4.3 INCORPORATING ADDITIONAL WAV COSTS INTO THE FARE STRUCTURE**

An alternative approach to subsidising the cost of replacing vehicles to meet the new standards over the 2010 – 2012 period would be to build an additional charge into the fare structure so that operators have additional income to offset the costs of vehicle replacement.

<b>TABLE A7: SCENARIO: IMPACT OF 50 CENT 'EXTRA' PER FARE FOR WAV OPERATORS</b>		
	<b>New (2009)</b>	<b>2 year old (2007)</b>
Vehicle Purchase Price (€)	44,500	30,700
Years before replacement	9	7
Additional income generated per annum	1,900	1,900
<i>Additional</i> Income generated before replacement (over 9 and 7 years respectively)	17,100	13,300
<b>Net Vehicle Replacement Cost to Operator</b>	<b>27,400</b>	<b>17,400</b>
Implied subsidy rate	38%	43%
<small>Note: The additional income generated by the 'WAV extra' is calculated by adding €0.50 to the average fare earned by a taxi driver and multiplying this by the number fares collected in a year. The number of fares and average fare price used are as per the Economic Review of the SPSV industry (2009). On average, a €0.50 extra per fare would result in an additional c€1,900 per annum. However, this assumes that the increase in fare price does not have a negative impact on demand. The additional income generated before replacement is the annual figure (€1900) multiplied by the number of years a new (9 years) and 2 year old vehicle (7 years) can operate before requiring replacement (assuming a nine year life cycle).</small>		
<b>Source: Commission for Taxi Regulation</b>		

For example, if WAV operators were to receive an additional €0.50 cent per fare for nine years (the SPSV life of a new vehicle), they might generate an additional €17,100 in income on average (see Table A.7). This additional income could be used to offset the vehicle replacement cost.

The key issue with this approach however, is that it results in an increase cost to SPSV users, which in turn will impact on demand for WAV services. This could reduce or possibly negate any additional income generating by the WAV extra.

A second issue is that, given that the Commission's new WAV standards have to be met in 2012, this would not leave enough time for WAV operators to build up sufficient reserves to be able to afford to meet the new standards.

However, the Commission believes that this warrants further investigation as part of the next fare review (Summer 2010) and could be used as one (of many) measures to ensure operators account for future vehicle replacement costs following the roll-out of the new WAV standards.

## **A.5 Cost of Achieving Accessibility Targets**

### **A.5.1 SCENARIOS**

The Commission has estimated what proportion of the cab fleet could feasibly be wheelchair accessible in 2012 under various funding scenarios and licensing conditions.

As stated, the introduction of the new standards without financial assistance will mean that by the end of 2012 the wheelchair accessible vehicle fleet would be decimated, with only 2% of the fleet being wheelchair accessible.

Furthermore, incorporating an additional charge for WAVs in the fare structure in the short term will not be sufficient to limit attrition from the WAV fleet up to 2012. However, this approach needs to be considered in the context of the medium-long term replacement of WAV vehicles, and the Commission will consider this as part of future fare reviews.

In short, the higher the level of assistance, the greater the proportion of the existing fleet that will take up the assistance and make their own investment in a new vehicle. As outlined above, assistance in the region of 55% of vehicle costs would be optimal. This would also generate VAT and VRT that otherwise would not have accrued to the Exchequer.

The Commission is a potential source of funding, subject to consent from the Departments of Transport and Finance. For example, on the basis of committing €12mn, the Commission could assist approximately 639 vehicles (see Table A7). If this were the only funds available for upgrading the existing fleet, then the Commission estimates that between 2% and 3% of the cab fleet would be accessible in 2012, down from 6% in July 2009. However, if the Commission were to co-fund a new initiative with the Exchequer, significant accessibility targets could be reached within a short timeframe. This would benefit SPSV users, operators, and the Exchequer.

On this basis, two further funding options are considered, namely a direct subsidy in the region of 55% of vehicle costs, and then a VAT/VRT relief for drivers. The latter is relief equivalent to approximately 44% of vehicle costs (and therefore a relatively less attractive option to operators). However, under both funding options operators still have to source a significant amount of money, and meet associated licensing conditions for receipt of the funds. This may mean that some drivers opt to surrender their WAT licence, preferring to enter the rental market, buy a cheaper saloon car and vehicle licence, or leave the industry.

The impact of each funding option is considered under the following scenarios:

- **Existing WAV Fleet Assistance: Financial assistance being made available to existing wheelchair accessible operators only.** This financial assistance will be sufficient to limit a significant amount of attrition from the existing fleet (of 1,559 vehicles). However, the increased entry cost created by the necessary introduction of the new standards means that applications for new wheelchair accessible licences may decrease in line with these increased costs. At the same time, the Commission has assumed that the applications for saloon licences will remain at its current level. On this basis:
  - A direct subsidy of 55% per vehicle would mean that by the end of 2012 approximately 5% of the cab fleet would be wheelchair accessible at the new standards. In absolute terms, there would be approximately 1,295 wheelchair accessible vehicles in the fleet, about 264 fewer than in July 2009. The cost of this subsidy would be approximately

€23.4mn. However, the implementation of the new standards would create VAT and VRT revenues of €18.7mn. Thus the net cost would be approximately €4.7mn.

- VAT and VRT relief for existing drivers is assumed to be less effective in retaining existing WAV operators (compared to the higher subsidy), and results in a wheelchair accessible fleet of 4% by the end of 2012. There would be approximately 1,058 WAVs in the fleet, which is 500 less than today. The cost of the VAT and VRT relief would be in the region of €15mn.
- In *addition* to the above, a **€12mn New WAV Licence Fund**: this financial assistance would be made available to existing saloon licence holders and potential new entrants. Therefore, there would be a strong demand for this, which would mean that there would be a significant increase in the WAV fleet very quickly. On this basis:
  - By the end of 2012, the direct subsidy level of 55% approach would mean that 8% of the cab fleet would be wheelchair accessible. In absolute terms there would be approximately 1,902 vehicles, an increase of 343 compared to 2009. Subsidies in the region of €35mn will have been paid, and generated VAT and VRT of €28mn. Therefore the net cost of reaching this target would be approximately €7mn;
  - Together with the relief for existing entrants, a VAT/VRT relief fund of €12mn for new WAV licences would result in 8% of the cab fleet being accessible by 2012. There would be approximately 1,816 WAVs in the fleet, 257 more than today. The total VAT and VRT relief allocated would be in the region of €27mn.
- In *addition* to both the Existing WAV Fleet Assistance, and the New WAV Licence Fund, a **licensing condition whereby all new hackney and taxi vehicle licences issued must meet the new wheelchair accessible vehicle standards**: financial assistance is a pre-requisite for reaching accessibility targets. However, at the available funding levels outlined above, it is not sufficient to reach targets of 10% or more. However, the licensing condition would mean that a significant number of new wheelchair accessible licences are added to the fleet, as a proportion of those that would have entered on a saloon licence now enter on a WAV licence. This will especially be the case in the second and third year, as the financial assistance for the existing fleet and new wav licence fund help develop the availability of lower cost WAVs to perspective entrants. On this basis, the Commission has estimated the impact of the licensing condition whereby 30% of those that may have applied for a saloon (taxi or hackney) licence now apply for a WAV licence, without financial assistance. The Commission therefore estimates that approximately 807 vehicles (that have not received financial assistance) will have been added to the fleet by the end of 2012. The culmination of these three measures would mean that:
  - The direct subsidy approach, together with the licensing condition means that by the end of 2012 approximately 11% of the fleet may be wheelchair accessible. There would be approximately 2,558 wheelchair accessible vehicles in the fleet, almost 1,000 more than in 2009. The overall level of subsidy afforded would be €35.4mn, with VAT and

VRT generated of €28mn. The net cost of this is in the region of €7mn. The Commission may be able to meet some of the subsidy costs, which would **result in a net economic benefit to the Exchequer** (see section A.4.2 below).

- The VAT/VRT relief approach will also result in an 11% accessible fleet by the end of 2012. In absolute terms the fleet would be approximately 2,473, an increase of over 900 compared to July 2009. The total VAT and VRT relief allocated would be in the region of €27mn.

More detail on these figures is provided in the tables below.

<b>TABLE A8: ACHIEVABLE WAV FLEET AT THE END OF 2012 UNDER VARIOUS FUNDING SCENARIOS</b>				
<b>Scenario</b>	<b>Proportion of fleet by end 2012</b>	<b>Financial Assistance</b>	<b>VAT/VRT generated by assistance</b>	<b>Financial Assistance less VAT/VRT</b>
<p><b>0. Do Nothing:</b> Introduce new standards w/o financial assistance</p> <p><i>Assumptions:</i> Approximately 66% of existing fleet (1,000+ vehicles and drivers) do not upgrade and new applications for WAVs decrease in line with the increased entry costs. Applications for saloon cabs remain static.</p>	2%	€0mn	€0mn	€0mn
<p><b>0a:</b> Incorporating additional WAV costs into the fare structure.</p> <p><i>Assumptions:</i> Couldn't be implemented until late 2010 at earliest. Additional fare generating capability (assuming no adverse impact on demand) is insufficient to offset affordability concerns for operators. Approximately 66% of existing fleet (1,000+ vehicles and drivers) do not upgrade and new applications for WAVs decrease in line with the increased entry costs. Applications for saloon cabs remain static.</p>	2%	€0mn	€0mn	€0mn
<b>DIRECT SUBSIDY OPTIONS</b>				
<p><b>1. Commission only funding of €12mn, giving financial assistance rate of 55% per vehicle on a first come first serve basis.</b></p> <p><i>Assumptions:</i> A €12mn pot would be sufficient to subsidise 639 vehicles at 55%. New issue for WAVs decrease in line with the increased entry costs. New issue of licences for saloon cabs remain in line with the last 12 months.</p>	2%-3%	€12mn	€9.6mn	€2.4mn
<p><b>2. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet only</b></p> <p><i>Assumptions:</i> Approximately 80% of existing fleet take the subsidy (20% let the licence lapse). New issue for WAVs decrease in line with the increased entry costs. New issue of licences for saloon cabs remain in line with the last 12 months.</p>	5%	€3.4mn	€18.7mn	€4.7mn
<p><b>3. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet.</b></p> <p><b>Plus</b> a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles. Fund set at €12mn, which would approximately cover 639 vehicles at the 55% vehicle cost rate (for new entrants existing hackney and taxi licence holders).</p> <p><i>Assumptions:</i> Approximately 80% of existing fleet take the subsidy (20% let the licence lapse). The €12mn covers 639 vehicles, likely to be drawn down in year one.</p>	8%	€35.4mn	€28.3mn	€7.1mn

New issue for WAVs decrease in line with the increased entry costs. New issue of licences for saloon cabs remain in line with the last 12 months.				
<p><b>4. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet.</b></p> <p><b>Plus</b> a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles. Fund set at €12mn, which would approximately cover 639 vehicles at the 55% vehicle cost rate (for new entrants or existing hackney and taxi licence holders).</p> <p><b>Plus</b> a licensing condition that all <i>new</i> taxi and hackneys are wheelchair accessible for a limited time.</p> <p><i>Assumptions:</i> Approximately 80% of existing fleet take the subsidy (20% do not). The €12mn covers 639 vehicles, likely to be drawn down in year one. The licensing condition means that in year 2 and 3, approximately 30% of those that would have applied for a saloon vehicle licence now apply for a wheelchair accessible vehicle licence. These will not receive funding.</p>	11%	€35.4mn	€28.3mn	€7.1mn
<b>VAT/VRT RELIEF OPTIONS</b>	<b>Proportion of fleet by end 2012</b>	<b>Financial Assistance</b>	<b>VAT/VRT generated by assistance</b>	<b>Financial Assistance less VAT/VRT</b>
<p><b>5. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet only</b></p> <p><i>Assumptions:</i> Approximately 64% of existing take the subsidy. New issue for WAVs decrease in line with the increased entry costs. New issue of licences for saloon cabs remain in line with the last 12 months.</p>	4%	€15.0mn	€15.0mn	€0mn
<p><b>6. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet.</b></p> <p><b>Plus</b> a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles. Fund set at a cost of €12mn, which in terms of VAT/VRT relief rates would approximately cover 798 vehicles (for new entrants or existing hackney and taxi licence holders).</p> <p><i>Assumptions:</i> Approximately 64% of existing WAV fleet take the subsidy. The €12mn covers 798 vehicles, likely to be drawn down in year one.</p>	8%	€27.0mn	€27.0mn	€0mn
<p><b>7. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet.</b></p> <p><b>Plus</b> a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles. Fund set at a cost of €12mn, which in terms of VAT/VRT relief rates would approximately cover 798 vehicles (for new entrants or existing hackney and taxi licence holders).</p> <p><b>Plus</b> a licensing condition that all <i>new</i> taxi and hackneys are wheelchair accessible for a limited time.</p> <p><i>Assumptions:</i> Approximately 64% of existing WAV fleet take the subsidy. The €12mn covers 798 vehicles, likely to be drawn down in year one. The licensing condition means that in year 2 and 3, approximately 30% of those that would have applied for a saloon vehicle licence now apply for a wheelchair accessible vehicle licence. These will not receive funding</p>	11%	€27.0mn	€27.0mn	€0mn
<p>Note: Cost of subsidies are on the basis that one in four vehicles are new and the remaining are two years old. Costs are estimated over a 36 month implementation period. VAT and VRT estimates per vehicle are based on the Revenue Commissioners guides on VAT and VRT for the respective vehicles.</p>				

Assumptions regarding the number of applications are based on average taxi, hackney and wheelchair accessible vehicle licence issue figures for the previous twelve months.

**Source: Commission for Taxi Regulation**

<b>TABLE A9: ABSOLUTE SIZE OF THE WAV FLEET IN 2012 UNDER VARIOUS SCENARIOS</b>						
	Existing Fleet	New Entrants and changes from taxi/hackney to WAV		Potential WAV Fleet Size end 2012 (assuming 5% attrition)	Fleet size 2012 v 2009	Fleet as portion of Cab fleet
	Assisted	Assisted	Not Assisted			
<b>Direct Subsidy Options</b>						
1. Commission only funding of €12mn, giving financial assistance rate of 55% per vehicle on a first come first serve basis.	639	0	116	717	-842	2-3%
2. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet only	1,247	0	116	1,295	-264	5%
3. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet.  <i>Plus a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles.</i>	1,247	639	116	1,902	+343	8%
4. Financial assistance of 55% per vehicle to upgrade existing wheelchair accessible fleet.  <i>Plus a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles.</i>  <i>Plus a licensing condition that all new taxi and hackneys are wheelchair accessible for a limited time.</i>	1,247	639	807	2,558	+999	11%
<b>VAT/VRT RELIEF OPTIONS</b>						
5. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet only	998	0	116	1,058	-501	4%
6. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet.  <i>Plus a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles.</i>	998	798	116	1,816	+257	8%
7. Financial Assistance of VAT/VRT relief for upgrading existing wheelchair accessible fleet.  <i>Plus a financial assistance fund for new entrants or existing hackney and saloon taxi drivers that want to switch to wheelchair accessible vehicles.</i>  <i>Plus a licensing condition that all new taxi and hackneys are wheelchair accessible</i>	998	798	807	2,473	+914	11%

for a limited time.						
Note: Assumptions regarding the number of applications are based on average taxi, hackney and wheelchair accessible vehicle licence issue figures for the previous twelve months. Scenario assumptions are as per Table A7.						
<b>Source: Commission for Taxi Regulation</b>						

It is worth noting the impact of funding assistance could have when compared to a “do-nothing” scenario. For example, the total subsidy package (existing fleet assistance plus new the wav licence fund) would mean that there are 1,303 *more* WAVs at the new standards in 2012 compared to a do nothing scenario (see Table A10). The funding also facilitates the introduction of the temporary WAV only licensing condition. Together with the funding, this would result in there possibly being 1,959 *more* vehicles at the new standards in 2012 compared to a do-nothing situation. Therefore, the financial assistance is hugely effective in addressing the SPSV accessibility problem (while also having potential net revenue for the Exchequer of €5mn, see below).

<b>TABLE A10: IMPACT OF DIRECT SUBSIDY ASSISTANCE VERSUS DO- NOTHING</b>				
<b>Scenario</b>	<b>Fleet Size July 2009</b>	<b>Potential Fleet Size End 2012</b>	<b>End 2012 v 2009</b>	<b>Compared to do-nothing</b>
Do Nothing (Scenario 0)	1,559	599	-960	0
Existing WAV fleet assistance (2)	1,559	1,295	-264	+696
<i>Plus</i> New WAV Licence Fund (3)	1,559	1,902	+343	+1,303
<i>Plus</i> WAV only licensing condition (4)	1,559	2,558	+999	<b>+1,959</b>
Note: see assumptions in Table A8. Relates to direct subsidy options 2,3 and 4.				
<b>Source: Commission for Taxi Regulation</b>				

## **A.5.2 NET COST AND BENEFIT TO THE EXCHEQUER**

The Commission has analysed the net cost to the Exchequer of a direct subsidy versus VAT/VRT relief approach to reaching a target of having 10% or more of the cab fleet accessible at the new standards. A direct subsidy approach would require the commitment of funds in the region of €35.4mn over three years (as outlined above). However, subject to consent from the Department, the Commission may be placed to commit €12mn from its reserves to the subsidy fund. Therefore, required Exchequer funding would be reduced to €23.4mn over the three years.

This would be sufficient to provide financial assistance to 1,886 vehicles, including both the existing fleet and a targeted number of new wheelchair accessible vehicle licences (new entrants and those that previously operated on saloon vehicle licences).<sup>2</sup> As Table A11 shows, a **direct subsidy approach would actually result in net revenue for the Exchequer, of approximately €5.0mn over the three years**. This is because the Exchequer receives VAT and VRT on 100% of the vehicles subsidised, but shares the burden of subsidising the vehicles with the Commission.

<sup>2</sup> The design of this is subject to the confirmation of the availability of funding, its level, and form.

<b>TABLE A11: NET REVENUE TO EXCHEQUER OF A DIRECT SUBSIDY APPROACH</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
Subsidised Vehicles	629	629	629	1,886
<b>Total Subsidy Required (€mn)</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>35.4</b>
Commission Subsidy(€mn)	4.0	4.0	4.0	<b>12.0</b>
Exchequer Subsidy (€mn)	7.8	7.8	7.8	23.4
Total VAT + VRT to Exchequer (€mn)	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>28.4</b>
<b>Net Revenue to Exchequer (€mn)</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>+5.0</b>
Note: the total subsidy cost and VAT and VRT revenues are calculated on the assumption that one in four vehicles are new, with the remainder being second hand.				
<b>Source: Commission for Taxi Regulation</b>				

Under the scenarios outlined above, the operation of a VAT/VRT scheme would provide financial assistance for approximately 1,796 vehicles, with total relief in the region of €27mn. This would not involve funding assistance from the Commission, and as such this approach is cost neutral, i.e. the VAT/VRT generated is equal to the relief given (see Table A12).

<b>TABLE A12: COST NEUTRAL IMPACT TO EXCHEQUER OF VAT/VRT RELIEF</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
Subsidised Vehicles	599	599	599	1,796
<b>Total VAT/VRT relief required (€mn)</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>27.0</b>
Commission Contribution (€mn)	0.0	0.0	0.0	<b>0.0</b>
Exchequer VAT/VRT Relief to operator (€mn)	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	27.0
Total VAT + VRT to Exchequer (€mn)	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>27.0</b>
<b>Net Revenue to Exchequer (€mn)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Note: the total subsidy cost and VAT and VRT revenues are calculated on the assumption that one in four vehicles are new, with the remainder being second hand.				
<b>Source: Commission for Taxi Regulation calculations</b>				

It should be noted that either approach will generate economic activity among user groups, which is also of benefit to the Exchequer. The activity generated in the motor industry may also be beneficial. A lack of financial assistance to meet the new standards may also cause unemployment in the SPSV industry, which could be a cost to the Exchequer.

### **A.5.3 DIRECT SUBSIDY VERSUS VAT/VRT RELIEF**

The Commission estimates that by the end of 2012, financial assistance together with other licensing measures, could result in wheelchair accessible vehicles representing circa 11% of the overall cab fleet. As Table A13 shows, a direct subsidy (as opposed to VAT/VRT relief) results in marginally greater number of vehicles assisted, a greater wheelchair accessible fleet in 2012, and generates net revenue to the Exchequer (subject to the Commission's participation in the subsidy fund).

<b>TABLE A13: BENEFITS OF DIRECT SUBSIDY AND VAT/VRT RELIEF SCHEME</b>			
<b>Approach</b>	<b>Vehicles Assisted</b>	<b>Fleet Size (end 2012)</b>	<b>Net Revenue to Exchequer</b>
Direct Subsidy	1,886	2,558	€5.0mn
VAT/VRT Relief	1,796	2,473	€0.0mn
Note: see above tables for assumptions.			
<b>Source: Commission for Taxi Regulation calculations</b>			

The Commission believes that the direct subsidy approach is *preferable* to VAT/VRT relief for a number of other reasons:

- **Better for existing providers:** It will have a greater impact in ensuring that existing wheelchair accessible vehicle service providers can meet the new standards and remain in the industry. This is important as existing drivers have greater knowledge of operating in the industry and of meeting the needs of users with additional requirements;
- **Easier to roll-out:** Regardless of what approach is taken, the Commission will have to design the scheme and the associated licensing conditions. This can be done more efficiently for a subsidy scheme as the Commission would be managing this internally. The alternative relies heavily on coordinating external stakeholders. The Commission and the external stakeholders (such as Revenue) will have to create data sharing arrangements, coordinate IT, co-ordinate personnel and so on. This could delay the implementation of the scheme;
- **Easier to enforce licensing and funding conditions:** internal control and operation of the scheme would facilitate enforcement by the Commission's own enforcement team. This would fit in with the Commission's wider and ongoing compliance activities;
- **Provides an ability to put a time horizon and cap on a subsidy:** the subsidy would be set at a certain level, under the proviso that when the monies are spent the scheme comes to an end. This is more easily understood by stakeholders who may see a VAT/VRT relief scheme as a measure that can be continually extended.

While the Commission sees a direct subsidy as the optimal solution from an effectiveness, affordability and operational perspective, it would develop or co-develop a scheme based on other financing models (where feasible).

## **A.6 Measures in the absence of funding**

The above analysis highlights the need for financial assistance being available if acceptable wheelchair accessible SPSV fleet targets are to be met. However, if funding is unavailable, the Commission must consider alternative measures in order to attempt to limit the attrition from the wheelchair accessible fleet in 2012.

One such measure would be the implementation of a licensing rule whereby the Commission only issues new licences for vehicles that meet the Commissions accessible vehicle standards.

For example, in the 12 months to July 2009 the Commission issued 1,404 vehicle licences. If the Commission introduced the new licensing rule, and this resulted in only 30% of those that otherwise would have demanded a licence, then 842 new WAV licences would be issued over a 24 month period.

<b>TABLE A14: NEW WAV LICENCES ISSUED 2010 – 2012 (24 MONTHS) UNDER VARIOUS SCENARIOS</b>					
<b>Scenario</b>	<b>Proportion of existing demand that enter on WAV</b>				
	<b>10%</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>	<b>50%</b>
Demand decreases (-25%) 1,053 per annum	211	421	632	842	1,053
Existing trend (100%) 1,404 per annum	281	562	842	1,123	1,404
Demand Increase (+25%) 1,755 per annum	351	702	1,053	1,404	1,755
Read: At current demand levels, the CTR issues 1404 new SPSV vehicle licences per annum (based on July 2008 – July 2009 figures). Assuming this level of demand to enter SPSV industry were to be maintained, if the WAV only rule was introduced, and 30% of those that would have entered still do so, then 842 new WAVs in total would enter over the 24 month period.					
<b>Source: Commission for Taxi Regulation calculations</b>					

On the plus side, this would increase the stock of wheelchair accessible vehicles prior to 2012. This could help offset any attrition from the existing fleet. Furthermore, implementing the WAV only rule in 2010 may mean that vehicle convertors and importers also seek to source more affordable and/or second hand vehicles sooner than 2012 (when the standards come in to play for existing operators). This would make replacing vehicles in 2012 more affordable than otherwise would have been the case.

However, there are a number of caveats to this, including:

- Demand for new SPSV licences has been on a significant downward trend in recent months. The WAV only rule will accentuate this trend;
- The effectiveness of this measure will be further diluted due to the fact that new entrants can enter the industry by other means, namely purchasing a transferred licence or renting.

Consequently, the Commission would not expect that the number of new WAV licence issued over the period to be sufficient to offset the number of existing WAT drivers that may cease to provide accessible services in 2012 (due to the inability to replace their vehicle). In the absence of financial assistance however, this may be the only option left.

## **A.7 Conclusions**

The imminent introduction of the new standards for wheelchair accessible vehicles has the potential to decimate the existing wheelchair accessible taxi fleet. This is because many SPSV operators will find it very difficult to secure finance from private institutions for these high-cost vehicles. Those that can secure financing may be reluctant to do so due to the additional operating cost. This would

have negative repercussions for those employed in the industry, for those most dependent on accessible SPSV services, and to the Exchequer.

The Commission believes that once-off funding assistance is essential, affordable and can have a great impact. By the end of 2012, it is feasible that approximately 11% of the cab fleet is wheelchair accessible at the new standards. This can only be achieved subject to the availability of sufficient financial assistance together with the introduction of the related licensing conditions which increases the number of new entrants at the higher wheelchair accessible standards.

The Commission believes that a direct subsidy scheme, possibly co-funded by the Commission and the Exchequer, is preferable, and could deliver a net economic benefit to the Exchequer of €5mn over a three year period.

The implementation of the scheme can only be designed when the Commission has certainty about the availability of funding assistance, its level, and whether it will take the form of a subsidy or VAT/VRT relief. Licensing and funding assistance conditions will be designed to ensure that the scheme is not abused, and that the scheme reaches its objectives in a cost-efficient manner.

Measures would be put in place to ensure that operators are aware that this scheme is available on a once off basis only, and that the onus is on the operator to meet the cost of future vehicle replacement. The existing financial assistance is required due to the implementation of the new standards, coupled with a lack of availability of low cost vehicles and associated affordability concerns. However, in the medium term, these standards will no longer be “new”, and more affordable vehicles should be available due to the stimulus provided by the financial assistance outlined above.

Finally, if financial assistance is unavailable, the Commission may need to introduce licensing conditions whereby it only issues new licences for vehicles that meet its accessibility standards. While this is unlikely to be sufficient to fully offset attrition from the existing fleet in 2012, it may be the only available option remaining.