

Taxi industry requests deregulation of fees due to economic pressures

Taxi fares in Aurora were last increased in 2021, but rising costs of fuel and other factors in a competitive industry has led to companies requesting the ability from the Town to regulate both tariffs and fares.

?The taxi industry has approached our Manager of Bylaw and expressed a concern regarding that we are regulating this given costs of fuel and in competition with other vehicles for hire, it has created some issues,? said Techa van Leeuwen, Director of Corporate Services, at last week's General Committee meeting.

?So, they have? requested that we remove the Town from regulating the tariffs and then they have the authority to modify fares.?

Under the currently approved Taxicab Fare Structure, a one-way trip in a taxicab originating at 100 John West Way, Aurora and terminating at 1 Henderson Drive, Aurora would cost between \$9.40 - \$12.20. Comparatively, the same trip in a vehicle for hire, for example Uber or Lyft, ranges between \$12.15 - \$15.84.

In 2022, members of the Town's taxi companies contacted Bylaw Services to discuss financial hardships being experienced in the industry. During staff's discussions with the industry, it was indicated that rising fuel costs, insurance costs, and the unregulated VFH (Vehicles for Hire) industry (ex. Uber, Lyft, Steer) are contributing to a steady decline in business and wage sustainability.

Manager of Bylaw Services Alexander Wray said that it was two owners of two companies that operate in the Town of Aurora who reached out to him last year.

?They expressed difficulty operating in part due to the pandemic, in part due to rising costs, and the vehicle for higher industries such as Uber and Lyft, because of the low fare tariff rates, a lot of taxi drivers were leaving these companies and pursuing opportunities with competitors, such as Uber and Lyft, for example. So, it is taking some taxi cabs off the road in Aurora; it's shifted the drivers to other sources of income,? Wray said.

?Based on the conversations with the industry, and doing an overview of this section, we feel that by removing the tariffs, it would create a more competitive marketplace for the taxi industry.?

The report received by Council noted that the changes will allow the taxi industry to adjust their tariffs when factors such as wages, fuel prices, insurance costs and service demand impact operating abilities. Additionally, deregulation of taxicab tariffs will not change the Town's current approach to taxicab licensing and inspections.

Deregulating tariffs will allow the taxicab industry to remain competitive with vehicles for hire, while also considering ongoing economic pressures, the report said.

If approved, taxicabs will be required to display their tariff rates on a tariff card inside the vehicle so passengers can still expect a strong level of consumer protection while being made aware of rates and additional charges that may impact their trip.

Furthermore, the report suggested that implementing a regulatory framework for VFHs will assist in ensuring the Town's public transportation industry remains safe and competitive.

Regulation of VFHs has been achieved successfully in municipalities such as Newmarket, Markham, Pickering, Vaughan, Toronto, and Whitby, the report said.

?Generally speaking, what that looks like is working with the specific vehicle for hire companies to ensure that they are conducting proper medicals, proper vehicle inspections, background checks on the drivers, and essentially, Bylaw Services would act in an audit capacity to ensure that they are complying with the provisions of the bylaw and making sure that the vehicle for hire drivers are

meeting the standards that are very similar to what our current taxicab industry has to meet," said Wray.

Ward 5 Councillor John Gallo said that while he is in support of having a regulatory framework, he is concerned that it will be difficult to monitor.

"I think everyone would want to make sure that whoever is driving us around go through some type of regulatory frameworks; I'm in support of that, I just don't know how you can accomplish it," he said.

Wray confirmed that the taxi industry, in part, believes the current regulatory framework to be unfair.

"The taxi industry has raised concerns about the fairness of the existing process amongst their competition," he said.

Wray said staff will report back with a proposed framework for Council to consider which would require a bylaw amendment if it was supported.

By Elisa Nguyen