

Taxi Fare Review

ISSUE

Taxi fares permitted to be charged for taxi trips are regulated in Bylaw No. 9651, the Vehicles for Hire Bylaw, 2019. Administration reviews a Taxi Cost Index annually to ensure taxi fares remain aligned with costs of operating a taxi. Results of the Taxi Cost Index for 2024 show the cost of operating a taxi increased and a change to taxi fares is warranted. Should taxi fares be increased, and if so, to what amount?

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council that the City Solicitor be requested to prepare amendments to Bylaw No. 9651, The Vehicles for Hire Bylaw, 2019. to:

1. Increase total taxi fares by approximately 5% by decreasing the distance rate of \$0.25 for each additional 117 metres to \$0.25 for each additional 110 metres or a portion thereof; and
2. Increase the hourly taxi fares of \$2.14, for each additional kilometre, in excess of 16 kilometres to \$2.25, for each additional kilometre, in excess of 16 kilometres.

BACKGROUND

Representatives of the taxi industry and Administration collaborated to develop a Taxi Cost Index (TCI) in 2011. The cost of operating a taxi is reviewed annually by Administration using the TCI, which monitors operating costs by using monthly data from Statistics Canada. This review includes data analysis on costs associated with gasoline, vehicle parts, maintenance, repair, vehicle insurance and hourly wage. The TCI provides an objective method for ensuring taxi fares are aligned with inflation.

Increases have been recommended every four years, with previous increases adopted in 2016 and 2020. In 2023, due to high inflationary pressures on drivers, Administration recommended increasing the minimum taxi fare one year early and to review a distance rate increase in 2024, to align with the four-year pattern.

City Council, at its Regular Business [meeting](#) on June 28, 2023, adopted an amendment to [Bylaw No. 9651, Vehicles for Hire Bylaw, 2019](#), to increase the minimum taxi fare for taxis and transportation network companies from \$3.75 to \$4.75.

This report addresses additional reporting regarding changes to distance rate.

DISCUSSION/ANALYSIS

Taxi Cost Index

A TCI review for the period of March 2022 to February 2024, was completed (see Appendix 1) and found an average increase of 32.5% over the base index from January 2011. This is equal to a 10.2% increase over current rates.

The increase is primarily attributable to the rising cost of insurance. Minor increases to fuel, vehicle cost and maintenance also contributed to the increase in cost of operation.

Taxi Fares Increase

Administration sought to recommend fare increases every four years and to align proposed fare increases closely to the TCI. However, a municipal scan has shown it is not a common practice for other municipalities. The table below shows current fares in other Canadian municipalities, when they were last increased, and sorted by estimated fare for a 5-kilometre trip:

City (Year of last increase)	5 Kilometres	10 Kilometres	30 Kilometres
Kelowna (2023)	\$16.95	\$29.91	\$81.85
Saskatoon (10% increase)	\$16.75	\$28.95	\$78.00
Montreal (2022)	\$16.60	\$29.10	\$79.10
Kitchener-Waterloo (2024)	\$16.00	\$27.27	\$73.50
Saskatoon (5% increase – recommended)	\$16.00	\$27.25	\$72.75
Saskatoon (2023 - current)	\$15.25	\$26.00	\$68.75
Victoria (2023)	\$15.05	\$26.19	\$71.15
Vancouver (2023)	\$14.55	\$25.41	\$68.95
Regina (2022)	\$14.50	\$24.58	\$65.25
Calgary (2022)	\$13.93	\$23.44	\$61.77
Winnipeg (2022)	\$13.26	\$22.76	\$60.76
Edmonton (2022)	\$13.35	\$22.37	\$59.60
Toronto (2022)	\$12.75	\$21.48	\$56.50

The table shows Saskatoon's existing taxi fares and what the fares would be if they were increased by 5% and 10%. Saskatoon currently ranks fourth highest in taxi fares of the cities in the scan based on 5 kilometre trip lengths. If taxi fares were increased by 5%, Saskatoon would continue to have the fourth highest fares with the cost of a 5 kilometre trip increasing from \$15.25 to \$16.00. If increased by 10%, Saskatoon's fares would be the second highest of the cities in the scan. Administration is not aware of any taxi fare reviews currently being conducted in other municipalities.

Results of the TCI are provided annually to taxi industry stakeholders for their consideration. Administration shared results of this year's TCI with all taxi brokerages, and the United Steelworkers who represent most drivers and single taxi licence owners. Feedback was received from: Riide; Hey Taxi; Captain Taxi; Saskatoon Radio Cabs taxi brokerages and the United Steelworkers. All stakeholders are in support of increasing fares by 5%.

Taxi Fare Review

In consideration of the TCI, municipal scan and industry stakeholders who participated in engagement, Administration is recommending taxi fares be increased by approximately 5%, by decreasing the distance rate from \$0.25 for every 117 metres to \$0.25 for every 110 metres.

The following table provides the historical, existing, and proposed taxi fares for Saskatoon.

Date Implemented	Drop Rate		Distance Rate		Wait Time Rate	
	Rate	Metres	Rate	Metres	Rate	Seconds
Aug 2024 (10% increase)	\$ 4.75	125.00	\$ 0.25	102.00	\$ 0.25	35.00
Aug 2024 (5% increase) (Proposed Fare)	\$ 4.75	125.00	\$ 0.25	110.00	\$ 0.25	35.00
Jul 2023 (Current Fare)	\$ 4.75	125.00	\$ 0.25	117.00	\$ 0.25	35.00
Oct 2020	\$ 3.75	125.00	\$ 0.25	117.00	\$ 0.25	35.00
Aug 2016	\$ 3.75	130.00	\$ 0.25	130.00	\$ 0.25	35.00
May 2011	\$ 3.75	142.00	\$ 0.25	142.00	\$ 0.25	35.00

In addition to the general meter fares, Bylaw No. 9651, the Vehicles for Hire Bylaw, 2019, specifies an hourly fare, currently \$40.00 per hour up to 16 kilometres and \$2.14 for each additional kilometre, in excess of 16 kilometres. To align the hourly fares with the proposed taxi fare increase, Administration is recommending the hourly fare be increased to \$2.25 for each additional kilometre, in excess of 16 kilometres.

OTHER IMPLICATIONS

There are no financial, privacy, legal, social or environmental implications identified.

NEXT STEPS

Should City Council adopt the recommendations of this report, the City Solicitor will prepare necessary amendments to the Bylaw for City Council to consider at its regular business meeting on July 31, 2024. Should the Bylaw amendments be adopted, information on the City's website will be updated to reflect the new fares. An inspection of all taxis to ensure they are charging the correct fares will be conducted. Fare information displayed on taxis will also be updated.

APPENDICES

1. Taxi Cost Index Review as of February 2024

REPORT APPROVAL

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SP/2024/CS/Trans/Taxi Fare Review/mt