

Re: Item No. 15.1.5

HALIFAX

**Administrative Order
#39 Amendment,
Vehicle for Hire Rate
Increase**

Regional Council
May 17, 2022

2022-05-16

Presentation Overview

- Recommendations
- Background
- Proposed amendments to Administrative Order 39

Background

AO #39 - Annual Rate Review Process to include consideration of some or all of the following:

- Statistics Canada Consumer Price Index - NS Annual January Report information;
- survey of other Canadian municipalities;
- input from industry stakeholders;
- independent review from the Greater Halifax Partnership; and
- any other information that Council wishes to consider

Rate review initiated as per

- the AO,
- requests from the industry and Councillors,
- recent fuel price increases, and
- the length of time since the last rate adjustment.

Discussion

History and CPI

- The last rate increase was October 23, 2012
 - blended rate increase of 12.76%
- October 6, 2015 - an annual rate review completed
 - no rate adjustments were made
- Combined % change in the Nova Scotia CPI as follows:
 - since the last increase in 2012 - 2021 - 13.9%
 - since last review 2015 – 2021 - 10.5%
 - 2020 - 2021 - 4.4%

Discussion (cont'd)

Jurisdictional scan:

- 15 Canadian Municipalities
- HRM's current rate is below average rates for the other Municipalities.
- Proposed rate is slightly higher than the average
- Rate reviews also being completed by other municipalities

Discussion (cont'd)

Halifax Partnership

...“that relevant prices for the Vehicle for Hire industry may be increasing faster than the CPI as a whole, the suggested fare 16.1% price increase appears consistent with the aggregate data. While inflation was low and stable for most of the past 30 years, price levels have spiked in recent months and the possibility of a prolonged period of elevated inflation is real.”

Discussion (cont'd)

Industry Input

	Current	Option #1
Drop Rate	\$3.20	\$4.70/up to 142.8m
Per Km Charge	\$1.69	\$1.75
Incremental Level	\$0.13 for 76.7 metres	\$0.25 for 142.8m
Wait time	\$26.80	\$30.00
Taxi Hourly Rate	\$32.40	Remove
Limousine Hourly Rate	\$64.80	\$75.23
Cruise Ship Passenger Hourly Rate	\$50.75	\$58.92

Discussion (cont'd)

Option #1

Distance	Current Fare	Option # 1 Fare	Increase	Percentage Increase
3km	\$8.14	\$9.70	\$1.56	19.19%
5km	\$11.52	\$13.20	\$1.68	14.46%
10km	\$19.97	\$21.96	\$1.99	9.95%
25km	\$45.32	\$48.22	\$2.90	6.3%

- Average increase across the range of fares is 16.1%
- Average distance of all trips is 4.7 km
- Majority of users will see an approximate increase of 14.46%.

Alternative

Option #2

	Current	Option #2
Initial Charge “Drop Rate”	\$3.20	\$4.00/up to 142.8m
Per Km Charge	\$1.69	\$1.96
Incremental Level	\$0.13 for 76.7 metres	\$0.28 for 142.8m
Wait time	\$26.80	\$30.00
Taxi Hourly Rate	\$32.40	Remove
Limousine Hourly Rate	\$64.80	\$76.20
Cruise Ship Passenger Hourly Rate	\$50.75	\$59.68

Alternative (cont'd)

Option #2 - blended rate approach

Average increase across a range of fares is 17.4%.

Staff does not recommend this option.

Distance	Current Fare	Option # 2 Fare	Increase	Percentage Increase
3km	\$8.14	\$9.60	\$1.46	17.97%
5km	\$11.52	\$13.52	\$2.00	17.4%
10km	\$19.97	\$23.33	\$3.36	16.81%
25km	\$45.32	\$52.74	\$7.42	16.37%

Recommendations

It is recommended that Halifax Regional Council:

1. Suspend Schedule 7 (Transportation Standing Committee Terms of Reference) of Administrative Order One, the Procedures of Council Administrative Order;
2. Adopt the amending Administrative Order, as set out in Attachment B to this report.