

Press Release: Councillor Michael Ford Calling on Province of Ontario to Cap Food Delivery Service Fees October 25th, 2020

This week at Toronto City Council, Councillor Michael Ford will be tabling a members motion, seconded and supported by Mayor John Tory, which will be requesting the Province of Ontario to implement a temporary cap on the commissions of food delivery service companies.

As the City of Toronto continues to fight this second wave of COVID-19, the restaurant sector across our city is being severely impacted financially due to significantly decreased diner and takeout volumes. Over the past week alone, overall diner volumes in Toronto were down almost 90% compared to the same time last year.

With many small and independently owned restaurants now relying on takeout and delivery, affordable food delivery services are critical. Some of Toronto's smallest "mom-and-pop" shops are being charged up to 30% off their bottom line, which is unsustainable. We have also seen some restaurants not even open their doors because it is unviable for them to do so.

Throughout the pandemic, the restaurant industry has worked closely with us to curb the spread of COVID-19. Now, we must work to help support them.

The City of Toronto does not have the municipal authority to regulate food delivery services companies or cap the fees that they charge. Therefore, Councillor Ford is recommending the City of Toronto to call on the Province of Ontario to support our small businesses in the restaurant industry by placing a temporary cap on the commissions taken by food service delivery companies.

Quotes

"Throughout the pandemic we have been urging food delivery companies to substantially help their restaurant customers so they can stay in business. While some companies have offered some help, we have heard from restaurants that more needs to be done right now which is why we are advocating for this emergency action. We will continue to do everything we can at the City to help restaurants get through this pandemic."

- Mayor John Tory

"At a time when so many sectors and industries have stepped up to do their part to support local business, this call to temporarily rein in commissions is about trying to do everything we can to help their businesses that are the heart of our communities."

- Councillor Brad Bradford, Ward 19 - Beaches East-York

"The vast majority of restaurants generate a profit of 2 to 3% from delivery services, with many operating at a loss. The issue is disproportionately more punitive to smaller businesses. A permanent solution is required through a regulation that caps commission fees. We thank Toronto City Council for their consideration of this motion."

-Tony A. Elenis - President & CEO of the Ontario Restaurant Hotel & Motel Association (ORHMA)

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