

Road tolls: Liberals urged to move on tolls, parking levies

Depending on the gas tax that the government already collects may not be enough to build the transit Toronto needs, says one study.

By: [Tess Kalinowski](#) Transportation reporter, Published on Sun Jul 06 2014



Premier Kathleen Wynne's promise to set up a dedicated transit fund for the Toronto region is a great start. But it needs new money, say groups that supported her early calls for new taxes and [tolls](#).

A fresh [Liberal majority](#) means it's time to act, and a new study shows that dependence on the existing gas tax — the funding source the Liberals most rely on to pay for transit — will decline, says the **Residential Civil Construction Alliance of Ontario** (RCCAO).

It sent the premier and MPPs a letter urging Queen's Park to move on its rather vague 2013 promise to pilot High Occupancy Toll lanes. It also wants the province to work with municipalities to build a parking levy that would raise revenue and discourage cars from cruising for cheap parking.

Early in her term as Liberal leader, Wynne insisted residents were ready to look at new tolls and taxes for transit. But she backed away prior to the June election. A new majority government gives her a window in which to act, said RCCAO's executive director Andy Manahan.

“It’s never a perfect time to bring in controversial tools. The longer you wait, the tougher it is,” he said.

The government has promised to dedicate \$15 billion to new transit projects in the Toronto region in the coming decade, including electrified 15-minute, two-way GO service. But it’s not new money. Most of the fund will be a reallocation of the gas tax and HST already being collected.

Manahan points to a study by Trent University economist Harry Kitchen, released by the RCCAO in June. It says that depending on fuel taxes isn’t a sustainable strategy.

“Over the next decade or two . . . a range of factors are likely to lead to declining fuel tax revenues. This includes the continuing push for more energy efficient vehicles, increasing reliance on electric and hybrid vehicles, the trend where younger adults, especially those living in highly urbanized areas like the GTHA, are driving less, and retiring baby boomers who are driving less than when they were younger,” concludes the study, which is called, [Taxing Motor Gas and Diesel Fuel in the GTHA Will This Generate Sufficient Revenue?](#)

Road pricing targets those who drive and High Occupancy Toll lanes provide drivers with the choice to travel faster. But it leaves the option of regular lanes for those who don’t want to pay, says Kitchen.

A HOT lane pilot shouldn’t depend on the gantry system used on Highway 407, said Manahan. Instead, an electronic GPS-based in-car metering system could be tested by 1,000 or 2,000 motorists within a year. The University of Toronto has the technology to help the government with such a pilot, he said.

Where the existing HOV lanes are already nearing capacity, the province could raise the occupancy requirement for the HOT lanes to three per vehicle rather than current rule of two.

The RCCAO isn’t the only voice still pushing for new taxes and levies.

[Move the GTHA](#), an alliance of health, environmental and non-profit groups, has also written the government. In a June 25 letter, the coalition of health, environmental and non-profit groups, said, “We would like to see . . . additional new revenue tools for transportation investment as soon as possible, in order to ensure sufficient operating and capital funds and tackle our region’s congestion challenge.”

The Liberal budget’s dedicated transit fund “is fabulous, an historic step,” said Sevaun Palvetzian, CEO of the [Greater Toronto CivicAction Alliance](#), one of the letter’s signatories.

But, she said, “It’s a foundation on which to build.

“Certainly with a majority government and the fact that there is still much more to do, I would hope that we would see this foundation built upon by introducing new revenue tools . . . to advance the relief of some of this gridlock,” she said.

The timing will never be better, said Palvetzian. “Sometimes the planets align and one would be remiss to not take advantage of the fact that they do.”