

March 26, 2012

Construction associations advocate dedicated infrastructure fund for Ontario transport ministry fee hikes

KELLY LAPOINTE

staff writer

Announced [provincial increases to Ontario driver and vehicle fees](#) will help pay for Ontario's infrastructure and some construction industry stakeholders are encouraged by this development.

The provincial government anticipates that revenue generated from the increase, in the first 15 years alone, will support the maintenance of the province's 16,500 kilometres of highway and 2,720 km of bridges.

Andy Manahan, [Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#) executive director, said that it is a positive step and he encouraged the provincial government to stay the course on its dedication to infrastructure.

However, he stressed that a separate transportation fund has to be created.

"If it goes into separate revenues, the public will just not buy into it," Manahan said.

Related:

[Infrastructure investment an economic tool: Chiarelli](#)

[2011 a year of expansion and lobbying for Ontario Road Builders' Association](#)

[Residential and Civil Construction Alliance of Ontario aims to make infrastructure a provincial election issue](#)

[Residential and Civil Construction Alliance of Ontario uses YouTube to](#)

"Whether it is increased sales tax or some sort of a road toll, increased parking charges the public will say 'it's a tax, we don't like it.'"

"We do know through various surveys that the public seems to think if they can see where the money is going to, they'll be more likely to accept it."

David Salter, press secretary to Transportation and Infrastructure Minister Bob Chiarelli said government accounting rules don't allow for funds to be directed into a specific program.

"So they become part of the general funding that's available to the Ministry to maintain roads and bridges, that's the same way that much of our infrastructure spending is and continues to be structured."

He pointed out that the province has made a commitment to Ontario's infrastructure.

"[Chiarelli] has been clear that there's a strong priority on maintain Ontario's roads and bridges."

Patrick McManus, [Ontario Road Builders' Association \(ORBA\)](#) policy analyst, agrees that there should be a dedicated infrastructure fund. He said it has been made clear that the fee increase will be used for "cost recovery" and will not be placed "in trust" for specific road and bridge work.

"Because there is such a large infrastructure deficit in the province, we had hoped to see these extra fees go towards projects that have perhaps maintenance or repair [needs] or even replacement that has been deferred for several years instead of being

[promote
infrastructure
investment](#)

used on general revenues.”

There’s a wide range of fees and a wide range of implementation dates. Heavy commercial vehicle licence renewals will be implemented over two years, starting Dec. 1, 2012.

For Heavy Commercial Vehicle Validation, minimum 3,001 to 3,500 kilograms, licence renewal is currently \$109, which will increase to \$142 in 2012 and \$185 in 2013. Vehicles maximum 63,001 to 63,500 kilograms are currently \$2,722 and rise to \$3,539 in 2012 and \$4,601 in 2013.

McManus said the ORBA membership is going to be hit hard by the fee increase.

“This isn’t a small jump and it’s really not being phased in, it’s quite immediate and abrupt.”

Fee increases were one of the recommendations made in the report from the [Commission on the Reform of Ontario’s Public Services, chaired by former TD economist Don Drummond](#).

Increases will impact permit fees for truck and bus operators; permits for trailers and vehicles; new driver licences and renewals; and farm and off-road/snow vehicles.

The government said it will not be moving ahead with the report’s recommendation to charge parking fees at GO Transit parking lots.

The Ontario budget is scheduled for March 27 and Premier Dalton McGuinty has already announced cuts to the creation of municipal infrastructure fund for roads and bridges. Chiarelli has said there will be no cutbacks to the \$35 billion over three years.

“He said we’re on track to spend the 12.8 billion announced in last year’s budget. I’m pretty confident that the government is committed to infrastructure renewal,” said Manahan.