

Are Toronto drivers paying their fair share?

Many experts assert that if the costs of car-related greenhouse gas emissions, gridlock, and collisions are factored in, it becomes clear that drivers aren't paying nearly enough.



One expert argues it would be unfair to implement hefty new driving charges without first creating viable alternatives to car use by investing heavily in public transit. (Randy Risling / Toronto Star file photo)

By Ben Spurr Staff Reporter - Tues., May 3, 2016

Few issues have polarized Torontonians in recent years like the prospect of charging drivers more to use the city's roads.

But almost six years after voters elected a mayor who promised to end "the war on the car," road pricing is again on council's agenda.

Faced with mounting [infrastructure costs](#), including a \$2.6 billion price tag for rehabilitating the Gardiner Expressway, last June council voted to study the idea of [tolling the Gardiner](#) and the Don Valley Parkway. A final report is expected later this year.

Even those who backed the [report](#) aren't thrilled about the idea of tolling drivers. "No one likes road tolls. I don't like road tolls," said Councillor John Campbell. "But road tolls are a means by which we'll be able to better fiscally manage our capital needs."

His ambivalence might have something to do with how hard it is to answer the question that councillors must consider before hitting up car-owners for more cash: to what extent are drivers already paying their fair share?

Experts say the answer is elusive, and depends entirely on [how the cost of driving is defined](#).

"It's very messy to sort out who actually pays for what," said Eric Miller, director of the University of Toronto Transportation Research Institute. He noted that while many drivers assume gas taxes go toward roads, the money actually disappears into general government revenue. "There's no direct link" between what drivers pay at the pump and how much money is spent on driving infrastructure, he said.

Figures published by Transport Canada suggest that in the simplest terms road users aren't paying enough. In 2010-2011, the total road expenditure by federal, provincial, and municipal governments was \$28.9 billion, while revenue from road users in the form of fuel taxes, licensing fees, and other sources was \$15.5 billion.

More sophisticated 2013 research by the Conference Board of Canada looked specifically at Ontario. The study was funded by the Canadian Automobile Association, and compared the cost of roads — which could include construction, operation and maintenance, and policing — with driver revenues like fuel taxes, lot levies, parking fees, and fines.

It determined that the drivers of light duty vehicles paid between 66.5 and 93.2 per cent of road costs in the province, depending on the calculation method.

But according to the study, car drivers in the Greater Toronto and Hamilton Area paid more than their fair share, at about 146 per cent of the cost of public road use. The study said the difference was "due to greater traffic density and higher fuel consumption" in the city compared to rural areas, which raised the amount of revenues collected per kilometre of road.

However, the report's results were based only on infrastructure costs, not the "social" costs of greenhouse gas emissions, air contamination, gridlock and automobile accidents. Many experts assert that if these costs are factored in, it becomes clear drivers aren't paying nearly enough.

While Toronto is responsible for building and maintaining 5,600 km of streets and 130 km of expressways, the city doesn't directly collect a gas tax, which is the main source of driver-generated revenue for Queen's Park and Ottawa. The city does however receive transfers of gas tax revenue from the other levels of government.

According to Steve Johnston, a spokesperson for the Toronto transportation department, it costs about \$310 million a year to operate Toronto's roads and a further \$180 million to \$200 million

is spent annually on capital repairs to roads and bridges, for a total of \$490 million to \$510 million.

The revenue the city takes in directly from drivers doesn't come close to covering those costs. The Toronto Parking Authority's projected net revenue in 2016 is \$52.2 million, while parking enforcement is expected to net \$36.7 million, for a total of \$88.9 million.

The gas tax transfers from the provincial and federal governments are expected to total \$328.9 million, meaning all driver-specific revenue sources destined for city coffers add up to \$417.9 million, which is about \$70 to \$90 million short of the annual capital and operating costs of Toronto's roads.

As difficult it can be to determine how much drivers are paying, simply accounting for building and operating roads doesn't tell the whole story. Many experts assert that if the costs to society of car-related greenhouse gas emissions, gridlock, and collisions are factored in, it becomes clear drivers aren't paying nearly enough to compensate for the impact they have.

"If I get in my car and get on the road, I pay for depreciation, insurance, gas, et cetera. What I don't pay for is the cost that I impose on others in terms of congestion or pollution," said Enid Slack, director of the Institute on Municipal Finance and Governance at the Munk School of Global Affairs.

Slack said imposing congestion charges or other forms of road pricing that account for these effects would not only more accurately reflect the "external costs" of driving but also provide incentives for drivers to limit their impact.

"If you had to pay the true cost of getting on that road, you might make a different decision about whether you drive your car or not."

Harry Kitchen, a professor emeritus at Trent University's economics department, predicts the need for road pricing schemes will increase in the coming years.

"I think what's going to happen as we continue to get more and more efficient cars, and as we move into hybrids and electric cars, gas tax revenues are going to dwindle, they're going to drop right off," he said.

Kitchen said that one way to more accurately charge car users would be to enable government to track vehicles through licence plate tags, and charge owners precisely according to how many kilometres they drive.

Murtaza Haider, an associate professor at the Ted Rogers School of Management, argued it would be unfair to implement hefty new driving charges without first creating viable alternatives to car use.

"We have to provide sustainable alternatives first before we start blaming people (who drive)," he said. "If everyone leaves their car tomorrow, do you think the TTC can handle it?"