

**TRANSPORT ACTION ONTARIO - DEPUTATION TO TORONTO EXECUTIVE
COMMITTEE
DECEMBER 1, 2016**

**RE AGENDA ITEM 20.2 TORONTO'S IMMEDIATE AND LONGER-TERM REVENUE
STRATEGY DIRECTION**

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I am representing Transport Action Ontario, a long-standing province-wide NGO focussing on rail-based public transportation.

As an organization that spans well beyond Toronto into the rest of the province, we wish to thank Toronto for opening up a serious conversation about new revenue sources. TA has long supported new revenue tools for transit, and that they need to be developed at all levels of government, including municipal. Toronto is not the only GTHA municipality facing budget shortfalls, especially in transportation. For example, York Region is supportive of studying road pricing and regional councillors have openly mused about Land Transfer Taxes and HST increase. TA has been discussing new revenue sources with other GTHA municipalities and it is good to be able to point to Toronto.

Just as important, the province needs to show leadership on new revenue tools. We need region-wide seamlessness to prevent economic disparities within the region. All sorts of expert panels have reported to the province on this, but other than some baby steps on HOT lanes, Development Charge Act amendments and carbon pricing, the province has not made significant moves. Keep pushing the province, just as we are, hopefully together with your municipal colleagues.

The staff report covers many revenue sources, but the media has focussed on expressway tolls, so let's discuss those first. This bold idea is a good start, but is insufficient to fill the revenue gap. Tolls should be implemented, but need to be done right. To avoid travel distortions, particularly where short-distance trips

avoid the expressways, a fare by distance approach, with entry and exit detection, is needed. It is more costly to build, but more effective in the long run.

But to fill the gap, other big and smaller ticket revenue items are needed. We are supportive of evaluating all the tools recommended in the staff report.

Particularly important are the big ticket items:

- Residential property tax. This should be migrated to a rate equivalent to the GTHA midpoint. As the staff report says, Toronto's at-or-below inflation increases is moving the City away from the Ontario norm, and could make it more difficult to get financial cooperation from other levels of government. To avoid hardship to low income citizens, the measures in Appendix E should continue to be in force.
- Gaining a share of an increased HST, as recommended by all expert reports
- Increasing the corporate income tax, as recommended by the Premier's Advisory Panel

All three of these items need to be on your short list.

Lastly, as I am sure you know, there is a lot of public cynicism and mistrust about how well government spends our hard earned taxes. As mentioned by the Mayor, the funds for capital from these new sources will go into a Build Toronto fund. This fund needs to be dedicated to capital, transparent, audited and reported back to the public.

Transport Action Ontario Deputation Ex20.2

- Other GTHA municipalities should follow Toronto lead
- Provincial leadership needed
- Expressway tolls a good start
 - Do it right. Fare by distance
- Need other big-ticket items, as well as small
 - Residential property tax - to GTHA midpoint
 - Increase HST (provincial - allocate back)
 - Increase corporate income tax (provincial-allocate back)
- Transparency and accountability of Fund needed