



PUBLIC TRANSIT FUNDING

Recommended investment:

2017/2018: \$2 billion
Ongoing: \$2 billion/year for 10 years

The Green Budget Coalition recommends that the Government of Canada invest \$2 billion per year for the next 10 years in public transit. Because each dollar invested by Ottawa in transit generates, on average, at least two dollars in additional funding from other levels of government³⁹, the proposed \$20 billion investment could leverage an additional \$40 billion over the next decade.

The GBC commends the federal government for the \$3.4 billion in transit funding over three years announced in Budget 2016, and applauds the commitment to provide up to 50 percent of transit-project costs. These actions indicate that the federal government is serious about improving Canada's transit systems.

To maintain momentum, the federal government must now raise its transit spending to \$2 billion per year. To ensure this money is used wisely, we urge the government to follow spending principles put forth by the Canadian Urban Transit Association (CUTA). CUTA recommends that transit investments be:

1. Ongoing, not merely project-by-project
2. Additional to previous funding
3. Flexible enough to accommodate the diverse needs of large, medium and small communities⁴⁰

We also support CUTA's suggestion that federal dollars should help transit fleets upgrade to low-carbon vehicles and their supporting infrastructure.⁴¹ As the GBC fully endorses a transition away from fossil fuels, we favour vehicles that run on electricity as opposed to those powered by natural gas or so-called "clean diesel."

Rationale

Giving people transportation options beyond cars is vital for a range of reasons, not least because automobile traffic costs Canada's workforce time and money, and reduces our economic productivity. Canadian commuters spend an average of 32 working days a year travelling to and from work.⁴² Congestion in Metro Vancouver costs up to \$1.2 billion annually⁴³, and up to \$11 billion annually in the metro Toronto area.⁴⁴ CUTA research indicates that

every dollar spent on transit generates \$3 in economic activity.⁴⁵

A recent study suggests public-transit investment is an exceptionally strong job-creator, especially compared with other infrastructure projects, with a billion dollars invested in road expansion creating 12,638 direct and indirect jobs, compared to 17,784 jobs for the same investment in mass transit.⁴⁶

Finally, getting Canadians out of cars contributes to public health. The Canadian Association of Physicians for the Environment says, "Each additional hour spent in a car per day is associated with a 6% increase in the likelihood of obesity."⁴⁷

Contact

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39 Canadian Urban Transit Association, 2015

40 "Harnessing the Power of Transit Infrastructure Investment", Canadian Urban Transit Association, 2016

41 Ibid.

42 "Stuck in Traffic", Maclean's magazine, 2011

43 C.D. Howe Institute, 2015

44 C.D. Howe Institute, 2013

45 Canadian Urban Transit Association, 2015

46 James Heintz et al. 2009. The Political Economy Research Institute, University of Massachusetts, Amherst.

47 "The Cardio-Commute", Canadian Association of Physicians for the Environment, undated.