Eleven Reasons to Support Vancouver’s Transportation Tax
20 March 2015

By Todd Litman
Victoria Transport Policy Institute

University of British Columbia’s A Cappella Club Sing TransLink Praise

Is Vancouver’s proposed transportation tax a worthwhile investment? This short report examines the cost efficiency of Vancouver’s current transportation programs and potential benefits from further walking, cycling and public transit improvements, including direct benefits to users and indirect benefits to motorists.
Here are eleven ways that residents benefit from improving walking, cycling and public transit.

1. **Saves households money.** High quality transit helps households save on transportation costs. Residents of transit-oriented communities tend to own fewer motor vehicles, drive less, and spend significantly less money on transport overall (Cervero and Arrington 2008). In a typical situation, a household would own one car, costing about $5,000 annually, if located in a transit-oriented neighborhood, but two vehicles costing about $10,000 annually if located in a more automobile-oriented neighborhood (CNT 2008). Of course, not every household takes advantage of these saving opportunities, but many do. The proposed tax increase would cost average households about $200 annually but provides over $1,000 in annual savings (Litman 2010). Improving affordable travel options is particularly beneficial for lower-income households that depend most on these modes.

![Figure 1 Two-Adult, Low-income Household Transport Expenses Example](image)

As a result, the Vancouver region has the lowest portion of household expenditures devoted to transportation among Canadian cities (see table and graph below).

<table>
<thead>
<tr>
<th>City</th>
<th>Annual Transport Expenditures</th>
<th>Transport Portion of Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>$9,506</td>
<td>12.4%</td>
</tr>
<tr>
<td>Calgary</td>
<td>$11,967</td>
<td>12.6%</td>
</tr>
<tr>
<td>Toronto</td>
<td>$10,676</td>
<td>12.7%</td>
</tr>
<tr>
<td>Montreal</td>
<td>$8,315</td>
<td>13.0%</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>$8,928</td>
<td>13.1%</td>
</tr>
<tr>
<td>Edmonton</td>
<td>$11,068</td>
<td>13.7%</td>
</tr>
<tr>
<td>Saskatoon</td>
<td>$11,432</td>
<td>14.8%</td>
</tr>
<tr>
<td>Regina</td>
<td>$10,371</td>
<td>15.3%</td>
</tr>
<tr>
<td>Averages</td>
<td>$10,283</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

*Vancouver households spend less on transportation than any major Canadian city except Montreal and Winnipeg, and a smaller portion than any of these cities. An average Vancouver household spends about $800 less on transportation each year compared with the Canadian city average.*
2. **Increases safety.** Public transit is much safer than automobile travel, and transit-oriented community residents have much lower per capita traffic casualty rates than in automobile-dependent communities (Litman 2014). The Lower Mainland’s traffic fatality rate (3.9 deaths per 100,000 residents) is among the lowest of all North American cities. This results from the region’s multimodal transport planning which reduces automobile travel, particularly by higher-risk drivers. Everybody benefits from these low crash rates, including motorists who have less risk of being hit due to other drivers’ errors.

*Figure 2*  
**Portion of Household Budget Devoted to Transport** *(Stats Canada, 2010)*

Vancouver households spend a smaller portion of their budget on transport than in any other major Canadian city.

*Figure 3*  
**Traffic Fatality Rates Among North American Cities**

The Vancouver region has 3.9 traffic deaths per 100,000 residents, one of the lowest among North American cities. This results, in part, from high quality public transit and associated high transit ridership.
3. **Congestion reductions.** High quality, grade-separated transit service reduces traffic congestion ([Dachis 2015; Litman 2012](#)). Like all major cities, Vancouver experiences congestion, but it would be much more severe without SkyTrain and bus transit, as indicated by the traffic problems that occur when transit service is curtailed for any reason.

<table>
<thead>
<tr>
<th>How Public Transit Improvements Reduce Traffic Congestion (Litman 2012)</th>
</tr>
</thead>
</table>
| Urban traffic congestion tends to maintain equilibrium: it grows to the point that delays discourage additional peak-period vehicle trips. If congestion increases, some travelers change route, destination, travel time and mode, and if it declines they take more peak-period trips. Reducing the point of equilibrium is the only way to reduce congestion over the long-run.  
  
The quality of travel options influences the point of congestion equilibrium: If alternatives are inferior, fewer motorists will shift mode and the equilibrium level will be high. If alternatives are attractive, travelers are more likely to shift from automobiles to more space-efficient alternatives, reducing the level of equilibrium. To attract discretionary riders (travelers who have the option of driving), transit must be fast, comfortable, convenient and affordable. As a result, the faster the transit service, the faster the traffic speeds on parallel highways.  
  
Improving transit can therefore increase travel speeds for both travelers who shift modes and those who continue to drive. The actual number of motorists who shift to transit may be modest, but is sufficient to reduce delays. Congestion does not disappear, but it never gets as bad as would occur if grade-separated transit service did not exist. Studies indicate that per capita congestion tend to be lower in cities with high quality transit service. |

4. **Reduces parking problems and costs.** Parking costs range from $5,000 per space for surface parking up to $50,000 for structured or underground parking. Everybody bears these costs through user fees, housing expenses and municipal taxes. By reducing vehicle ownership and use, high quality public transit helps reduce parking problems and the number of spaces that developers, businesses and governments must supply in an area, providing large savings and economic benefits, including more affordable housing.

5. **Improves mobility for non-drivers.** In a typical community, 20-40% of residents cannot or should not drive. High quality public transit helps non-drivers access school and jobs, increasing their productivity, and expands the pool of potential employees available to businesses, which supports economic development. It helps achieve social equity objectives by providing basic mobility for physically, economically and socially disadvantaged people.

6. **Reduces chauffeuring burdens.** Improving alternative modes reduces the burden on drivers to chauffeur non-driving family members and friends ([Litman 2015](#)). Many drivers spend several hours per week chauffeuring non-drivers for trips that they could make independently if better transportation options were available. As a result, motorists can benefit from improving walking, cycling and public transit in their communities.

7. **Improves public health.** Virtually every transit trip includes walking and cycling links, and transit-oriented development improves walking and cycling conditions. As a result, transit-oriented community residents tend to walk and bike, are fitter and healthier, and require less healthcare than in automobile-dependent areas ([Frank, et al. 2010](#)).
8. **Supports Economic Development.** By improving accessibility and reducing costs, high quality public transit tends to support economic development. Both theoretical and empirical evidence show that cities with high quality public transit are more economically productive and competitive than they would be with more automobile dependent transport systems ([EDRG 2014](#)); [Sadler and Wampler 2013](#).

**Figure 4 GDP Versus Transit Ridership** ([Litman 2014](#))

![GDP Versus Transit Ridership](image)

Regional GDP tends to increase with per capita transit travel. (Each dot is an urban region.)

9. **Energy conservation and pollution emission reductions.** Residents of transit-oriented communities consume 20-60% less energy, and reduce their pollution emissions by similar amounts.

10. **Supports strategic development objectives (reduces sprawl).** Walking, cycling and public transit improvements can provide a catalyst for creating more compact, livable urban neighborhoods, reduces land consumption and increases transport system efficiency compared with the same number of residents living in more sprawled locations.

11. **Prepares Vancouver for your future.** The future is unpredictable. It is possible that sometime in your life, you and your family members will need better travel options, due to a disability, reduced income or other constraint. Then, your quality of life and economic security will depend on the quality of walking, cycling and public transit service in your community. Just as ships have lifeboats, motorists want options available for those times when they cannot or should not drive.
Critics argue that TransLink is wasteful, citing examples of high executive wages and poor investment decisions, but these are a tiny portion of total costs. Compared with other transit agencies TransLink has relatively good cost efficiency. Of course, it could be better, but it could also be much worse. For example, according to the Canadian Transit Factbook, TransLink’s operating costs and subsidy per passenger-kilometer, farebox recovery rates and per capita transit ridership are average for Canadian cities but much better than in peer cities in other countries. Vancouver region residents should be proud!

Figure 5  TransLink Operating Costs (CUTA 2013)

Greater Vancouver has about average costs per passenger kilometers for Canadian cities, and much lower costs than peer cities in other countries.

Figure 6  Subsidy Per Trip (CUTA 2013)

The Vancouver region’s subsidy per transit passenger-kilometer is about average for Canadian cities and much lower than peer cities in other countries.
These positive outcomes almost certainly result from the region’s relatively low and declining automobile mode share (see graph on the following page), which results from the region’s previous investments in walking and cycling facilities, and public transit services. You would think that information such as this would be highlighted by TransLink and its supporters, but I have not seen it mentioned. TransLink should do more to promote its great work!
Evaluating Criticisms

TransLink Is Inefficient and Wasteful
Critics cite various examples of TransLink’s inefficiency and waste, such as inappropriate public art, costly employee washrooms, and investments in new equipment without acknowledging context. TransLink is a large organization with diverse responsibilities, including roadway planning and design that often incorporates artwork, and workplace comfort and health standards, which require washrooms for bus operators at route ends. Of course, when it comes to public art, everybody is a critic, but there is no doubt that good street design, with furniture and artwork, adds value to a city. Employee washrooms are a necessity, not a luxury as critics imply. Installing new equipment, such as public information monitors and new farecard systems, can be difficult and takes longer than planned; only people who have never been responsible for such projects would criticize TransLink planners for problems and delays, or ignore the agency’s many successes.

TransLink Service is Costly
Public transit service often seems costly, in part, because of the way we account for transportation facilities and services. Public transit budgets include all costs: right-of-way (rail tracks), terminals (stations), vehicles, fuel and drivers. In contrast, automobile travel requires roads, parking spaces at each destination, vehicles, fuel and drivers, the costs of which are seldom totalled. As a result, public transit costs per passenger-mile often seem higher than the costs of building and maintaining roads, but this ignores the costs to consumers of owning and operating their vehicles, and the costs to consumers, businesses and governments of providing abundant parking. When all costs are considered, public transit is often cheaper and more cost effective than automobile travel, particularly under urban-peak conditions when each additional automobile trip increases traffic congestion, and to transport non-drivers (i.e., as an alternative to taxi services). As illustrated above, TransLink costs per passenger-kilometer are lower than most peer transit agencies.

Excessive Executives Pay
There are certainly legitimate reasons to criticize excessive executive pay in general – during recent decades, executive pay has increased relative to average employee pay rates throughout the economy, but there is little evidence that TransLink’s executive pay is greater than industry standards. Surrey transit blogger Daryl Dela Cruz has conducted research comparing the cumulative executive salaries for other metro regions in Canada. He found that in CEO earnings per capita, Vancouver has surpassed Ottawa since Jarvis resigned and Doug Allen stepped in, but it still trails Toronto and Montreal. Similarly, the CEOs of many major private corporations are better paid; for example, the Royal Bank earns about $9 billion annually and pays its CEO $12.7 million, or about $1.4 million/billion, about three times higher than the $0.46 million/billion for TransLink’s CEO.
**TransLink Employees are Overpaid**

Critics who argue that TransLink employees are overpaid must be unfamiliar with the responsibilities and stresses of large city bus operators (drivers) and mechanics who make up the majority of TransLink labor costs. Drivers must operate large vehicles (many are extra-long articulated buses) in dense urban traffic and collect fares, provide directions and deal with sometimes troublesome passengers. They are professionals with heavy responsibilities and stresses. Unlike most jobs, bus operators cannot use a washroom, take a rest break or even rest their eyes when they want – they must give their jobs their full attention for hours at a time, and are responsible for the lives of hundreds of passengers each day.

TransLink wages ($29.78/hr. for operators and $37.87/hr. for mechanics, CUTA 2013, p. G30) are comparable to operators and mechanics in private industry, such as intercity coach drivers, although they have more responsibilities and stress. Critics often claim that large city transit service costs are excessive, citing high wages and high operating costs per vehicle-kilometer, but because of their high load factors and overall efficiency, costs per passenger-kilometer and passenger-trip tend to decline with city size. Of course, living costs tend to be particularly high in large cities such as Vancouver, so transit agencies must pay higher wages to attract qualified employees.

**Conclusions**

Transportation affects every aspect of life: it is essential but also costly. Individual households must often make decisions concerning their own investments in transportation equipment, facilities and services; communities must make similar decisions. Vancouver citizens must now decide whether to invest more to improve their travel options, particularly transit services.

Using standard public transit performance indicators, including cost and subsidy per passenger-kilometer, and farebox cost recovery, Vancouver region transit service performs well compared with peer cities. Similarly, using standard transportation system performance indicators, including automobile mode share (low and declining), per capita transit ridership (high and growing), and per capita traffic fatalities (among the lowest among North American cities) and portion of household budgets devoted to transportation (the lowest of all major Canadian cities), Vancouver performs very well compared with peer cities, providing large direct benefits to households and diverse savings and benefits that benefit the regional economy. These excellent outcomes clearly result, in part, from TransLink’s effectiveness.

Of course, the region can do even better, but contrary to critic’s claims, there is no credible evidence that TransLink is less efficient or more wasteful than other public or private corporations with similar, complex and diverse responsibilities. Critics cherry-picking examples without providing context.

Even people who do not currently use public transit can benefit significantly from transit improvements that reduce traffic and parking congestion, reduce their chauffeuring burdens, and reduced traffic risk. Increasing transit funding is an opportunity to create a more efficient and equitable city. If you vote “no,” don’t complain about Vancouver’s traffic problems.
References


Better Transit and Transportation (www.bettertransit.info).


CNT (2008), Housing + Transportation Affordability Index, Center for Neighborhood Technology (http://htaindex.cnt.org).


Lawrence Frank, Andrew Devlin, Shana Johnstone and Josh van Loon (2010), Neighbourhood Design, Travel, and Health in Metro Vancouver: Using a Walkability Index, Active Transportation Collaboratory, UBC (www.act-trans.ubc.ca); at http://bit.ly/1I0N69F.

HDR Consulting (2015), TransLink Household Cost Savings From the Metro Vancouver Mayors’ Transportation and Transit Plan, Mayors Council (http://mayorscouncil.ca); at http://bit.ly/1GrUk5E.

Seth Klein, Marc Lee and Iglika Ivanova (2015), Why We’re Voting YES To New Transit And Transportation Funding, Policy Note (www.policynote.ca), www.policynote.ca/why-were-voting-yes-to-new-transit-and-transportation-funding.


Reasons to Support Vancouver’s Transportation Tax
Victoria Transport Policy Institute


No TransLink Tax (www.nottranslinktax.ca)


Stats Canada (2010), “Table 203-0001” *Survey Of Household Spending (SHS), Household Spending, Summary-Level Categories, By Province, Territory And Selected Metropolitan Areas*, Statistics Canada (www.statcan.gc.ca); at www5.statcan.gc.ca/cansim/a47.


www.vtpi.org/VanTransitTax.pdf