

FUEL TAXES &  
ROAD  
EXPENDITURES:  
MAKING THE LINK

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A study examining federal and  
provincial road-related  
revenues & expenditures  
across the Prairies

*November 1999*

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# **FUEL TAXES & ROAD EXPENDITURES: MAKING THE LINK**

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## **Preface**

The Transport Institute was commissioned by United Grain Growers to undertake a study of government fuel tax revenue and its relationship to expenditures on roads. In the main this involved the collection of data from a number of different sources and compiling them to come up with an accurate account of fuel tax revenues and road expenditures at the federal, provincial, local and modal level. The resulting report is more descriptive than analytical. The unstated assumption behind the report is that the numbers very much speak for themselves. In particular, the issue of dedicated fuel taxes is politically sensitive and lies beyond the scope of the present study.

## **Acknowledgements**

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Every effort has been made to ensure that the information provided has been represented fully and accurately in this report; the Transport Institute takes full responsibility for any errors or omissions.

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## I. Introduction

The purpose of this brief report is to shed additional light on an emerging issue in the transportation industry and, in particular, on those aspects most closely affecting grain handling and transportation in the prairie provinces. It presents data on fuel taxes and other road-related revenues as well as relevant information on tax issues in Canada and in the three prairie provinces. Fuel tax revenues are broken down by mode of transportation (which is to say type of fuel), and by province for the purposes of basic comparisons with road spending at the federal, provincial and local levels.

## II. Fuel Tax Rates and Policies

### Federal Taxes

Tables 1,2 and 3 show the federal and provincial excise tax<sup>1</sup> rates on road gasoline, road diesel and rail (locomotive) diesel respectively for the years 1994-1999. Although federal excise tax rates have not changed a great deal in recent years (see Table 1) there were significant increases in the 1980s, particularly for road gasoline, which was only 1.5 cents/litre in 1984/85. Since then, the federal excise tax on road gasoline has increased at an annual average rate of 19.4 percent to arrive at its present 10.0 cents/litre. Federal taxes on other fuels (e.g. diesel), previously non-existent, were also added in 1984/85. Neither farmers nor any others are exempt from the federal excise tax on fuels.

In addition to federal excise taxes, which are hidden, farmers also pay GST on fuels at point of consumption, although they are eligible for GST refunds (i.e., as an input tax credit).

### Provincial Taxes

The provinces also collect taxes on fuel. Provincial rates are generally higher than federal rates; they too have changed very little over the 1994-1999 period, with the notable exception of rail diesel taxes in Alberta and Manitoba.

The provincial average for gasoline taxes is 14.7 cents per litre, ranging from a low of nine cents per litre in Alberta to a high of 19.7 cents per litre in Quebec. Saskatchewan is slightly above the average while Manitoba is below.

Provincial taxes on rail diesel fuel (locomotive) also vary considerably, from a high of 15.0 cents/litre in Saskatchewan to zero in Newfoundland and Nova Scotia. Manitoba lowered its locomotive diesel tax in 1995; Alberta lowered its rail diesel tax rate from 9.0 cents/litre in 1997 to 6.0 cents/litre in 1998 and subsequently to 3.0 cents/litre in 1999.

**TABLE 1 FEDERAL AND PROVINCIAL GASOLINE TAX RATES  
1994 – 1999 (Cents/Litre)**

Jurisdiction	Year					
	1994	1995	1996	1997	1998	1999
Federal	8.6	10.0	10.0	10.0	10.0	10.0
Manitoba	11.5	11.5	11.5	11.5	11.5	11.5
Saskatchewan	15.0	15.0	15.0	15.0	15.0	15.0
Alberta	9.0	9.0	9.0	9.0	9.0	9.0

Source: Provincial Departments of Finance

<sup>1</sup> An excise tax is defined as an “indirect” tax as it is applied at the manufacturer’s level and is “hidden” in the price paid at point of consumption; it is not, therefore, a consumption tax such as the GST which is visibly charged at point of consumption. The federal excise tax on gasoline was first implemented in 1975.

**TABLE 2 FEDERAL AND PROVINCIAL ROAD DIESEL TAX RATES  
1994 – 1999 (Cents/Litre)**

Jurisdiction	Year					
	1994	1995	1996	1997	1998	1999
Federal	4.0	4.0	4.0	4.0	4.0	4.0
Manitoba	10.9	10.9	10.9	10.9	10.9	10.9
Saskatchewan	15.0	15.0	15.0	15.0	15.0	15.0
Alberta	9.0	9.0	9.0	9.0	9.0	9.0

Source: Provincial Departments of Finance

**TABLE 3 FEDERAL AND PROVINCIAL RAIL DIESEL TAX RATES,  
1994 – 1999 (Cents/Litre)**

Jurisdiction	Year					
	1994	1995	1996	1997	1998	1999
Federal	4.0	4.0	4.0	4.0	4.0	4.0
Manitoba	7.5	6.3	6.3	6.3	6.3	6.3
Saskatchewan	15.0	15.0	15.0	15.0	15.0	15.0
Alberta	9.0	9.0	9.0	9.0	6.0	3.0

Source: Provincial Departments of Finance

## Provincial Exemptions<sup>2</sup> and Rebates

Farmers in Manitoba and Alberta are exempt from provincial fuel excise taxes when using **marked fuel** (purple gas/purple diesel). Saskatchewan farmers (and others, such as commercial fisherman, loggers and trappers) must pay the tax on all gasoline - in this case 15 cents/litre - whether bulk or retail, but may apply for an annual rebate of up to a maximum of \$900 per individual.<sup>3</sup> According to the Saskatchewan Department of Finance, in 1998/99 the province paid out total rebates of \$40.7 million, 90 percent of which went to farmers. Since 1996/97 rebates to farmers have averaged \$38 million.

Alberta offers similar rebates, with no maximum limit, on fuel tax paid when marked fuel is “not reasonably available” and to licensed and unlicensed commercial operations that are **off-road**. These averaged between \$35 and \$40 million in the last few years.<sup>4</sup> Manitoba’s Public Accounts in 1998/99 indicate “refunds” of approximately \$15 million for gasoline and motive fuels, but it is not known what portion went to farmers (or others). Unlike in Manitoba, Saskatchewan reports the dollar amount of tax-exempt fuel sold (purple diesel and bulk propane) - over \$80 million in 1998/99 - thus illustrating the importance that exemptions hold for farmers.

<sup>2</sup> Provincial sales taxes are not levied on fuel purchases in the three prairie provinces.

<sup>3</sup> May include more than one individual in the same farming operation (i.e., husband and wife) as long as appropriate criteria are met. Includes only fuel used in unlicensed farm vehicles and Class “F” registered vehicles.

<sup>4</sup> Alberta Department of Treasury.

### III. Fuel Tax and Road Related Revenues

Both the federal government and the provinces collect excise taxes on all fuels while the provinces also collect vehicle and licensing fees.

#### Federal Fuel Tax Revenue

Revenue from fuel taxes in general represents a growing percentage of gross federal government revenues. In 1985/86 fuel taxes represented less than 1 percent of all federal revenues; today they are over 3 percent.

Fuel taxes also represent a growing percentage of gross *transportation* revenues as well. In 1986/87 fuel taxes comprised only 40 percent of all transportation revenues - today they comprise approximately 80 percent. Transportation fuel tax revenues in 1997/98 are 62 percent higher than 1987/88 levels. Consequently, fuel taxes and a host of issues related to them (e.g. competitiveness, infrastructure spending) have become significant issues for Canada's transportation industry.

Table 4 presents revenues by types of fuels, mode of transportation as well as total revenues derived from transportation and total revenues derived from all sources. The latter includes fuels used outside transportation, mainly in primary industries such as logging or mining. In the aggregate federal fuel tax revenues were over \$4.8 billion in 1998/99. Total transportation fuel tax revenues represent 90 percent of the total. Most importantly, some 95 percent (\$4.2 billion) of all transportation fuel tax revenue, at the federal level is attributable to road fuels.

Table 5 presents federal road fuel tax revenues by prairie province. Combined, the prairie provinces accounted for over \$850 million, or 20.2 percent of the total from all provinces and territories. The road networks of the three provinces combined, however, constitute over 52 percent of the national road/highway system and 26 percent of the National Highway System (NHS).<sup>5</sup>

Year	Road Gasoline	Road Diesel	Rail Diesel	Other Fuels*	Total Transportation	Total All Industries
1991-92	2,653	330	83	85	3,151	3,438
1992-93	2,702	339	81	96	3,169	3,454
1993-94	2,768	354	81	100	3,303	3,659
1994-95	2,830	391	86	108	3,415	3,820
1995-96	3,266	418	86	107	3,877	4,180
1996-97	3,384	437	78	126	4,025	4,360
1997-98**	3,557	462	77	89	4,185	4,780
1998-99**	3,730	487	76	97	4,390	4,828

Note: Figures may not add up due to rounding  
 \*Includes aviation gasoline and jet/turbo fuel, and marine fuel  
 \*\*Estimate  
 Source: All industries, Statistics Canada, fuel types, Transport Canada (ACAD)

<sup>5</sup> Transport Canada figures (*Transportation in Canada 1998, Annual Report*).

**TABLE 5 FEDERAL ROAD\* FUEL TAX REVENUES BY PRAIRIE PROVINCE, 1991/92 - 1998/99 (\$Millions)**

Year	Province			Prairies Total	Canada Total
	Manitoba	Saskatchewan	Alberta		
1991-92	119	120	363	602	<b>2,983</b>
1992-93	120	143	363	626	<b>3,041</b>
1993-94	121	137	379	637	<b>3,122</b>
1994-95	124	134	395	653	<b>3,221</b>
1995-96	140	147	444	731	<b>3,684</b>
1996-97	145	157	471	773	<b>3,821</b>
1997-98**	151	166	496	813	<b>4,019</b>
1998-99**	157	175	521	853	<b>4,217</b>

Note: Figures may not add up due to rounding

\*Includes gasoline and road diesel

\*\*Estimate

Source: Transport Canada (ACAD)

## Provincial Fuel Tax Revenues

Table 6 presents provincial road and rail fuel tax revenues for the last four fiscal years. Given that most provincial excise tax rates are higher than federal rates (Tables 1-3), it is not surprising that the combined total revenue from all provinces and territories, on all fuels, was \$6.2 billion in 1998/99 compared to \$4.8 billion in federal fuel tax revenue (see Table 4). Although the national totals in Table 6 include other fuels, making it difficult to be exact on the relative shares of each province's road fuel tax revenues, revenue from these other fuels constitute a relatively small percentage of the total.<sup>6</sup>

**TABLE 6 PROVINCIAL ROAD/RAIL FUEL TAX REVENUES\*, 1995/96 - 1998/99 (\$Millions)**

Year	Province											Canada Total***
	Manitoba			Saskatchewan				Alberta				
	Road Gasoline	Motive Fuel**	Total	Road Gasoline	Road Diesel	Rail Diesel	Total	Road Gasoline	Road Diesel	Rail Diesel	Total	
1995-96	153.8	62.8	216.6	233.4	97.8	34.6	365.8	355.3	143.5	17.1	515.9	<b>5,526</b>
1996-97	153.2	65.4	218.6	243.0	113.5	34.2	390.7	363.7	159.9	16.8	540.4	<b>5,638</b>
1997-98	152.3	66.0	218.3	233.5	118.1	34.3	385.9	383.4	177.9	17.8	579.1	<b>5,931</b>
1998-99	155.8	68.8	224.6	237.5	114.3	32.8	384.6	399.6	198.1	18.2	615.9	<b>6,240</b>

\*Gross not including adjustments, rebates; Canada totals include other fuels.

\*\*Includes diesel used in both modes and other fuels such as propane and butane; the lion's share, however, is road diesel

\*\*\*Include taxes on all fuels; excludes provincial sales tax revenues

Source: Public Accounts of the three provinces; Provincial Departments of Finance

<sup>6</sup> In Saskatchewan their share is less than 3 percent.

## Provincial Revenues from Licensing Fees

The provinces, through the respective departments of highways and transportation, collect automobile and motor carrier licenses and fees. As indicated in Table 7 these are substantial, particularly in Saskatchewan and Alberta. In 1998/99 these road-related revenues added an additional \$337 million to prairie provinces's coffers.

**TABLE 7 PROVINCIAL REVENUE FROM VEHICLE LICENSING FEES\***  
1995/96 - 1998/99 (\$Millions)

Year	Province			Total
	Manitoba	Saskatchewan	Alberta	
1995-96	45.5	90.5	165.0	<b>301.0</b>
1996-97	52.0	91.7	179.0	<b>322.7</b>
1997-98	56.3	94.6	180.3	<b>331.2</b>
1998-99	56.7	98.7	182.0	<b>337.4</b>

\* does not include driver licensing fees

Source: *Public Accounts* of the three prairie provinces

## IV. Road Expenditures

The federal government has limited involvement with roads. Roads under direct federal jurisdiction<sup>7</sup> represent only a small proportion of the Canadian road network (e.g., national parks) - the vast majority are owned and maintained by provincial or local governments. In 1997/98 the total spending on roads at all three levels of government was \$11.2 billion.

### Federal Road Expenditures

The federal government contributes to road infrastructure (highways and bridges) primarily through bilateral cost-sharing agreements with individual provinces and territories administered by Transport Canada. They generally take the form of special programs, the most notable of which, from the perspective of the prairie provinces, was the Strategic Capital Investment Initiative (SCII). These programs are administered on an ad hoc basis<sup>8</sup> and thus vary greatly from year to year and province to province.<sup>9</sup>

- Federal Highway Contribution Programs (Transport Canada)

From 1987/88 to 1997/98, the federal government contributed slightly more than \$1.6 billion through these agreements. Of the \$1.6 billion, the prairie provinces have received \$100 million, or 6 percent of federal expenditures. The distribution in terms of dollars and on a percentage basis for

<sup>7</sup> As of December 1998 highways/roads under federal jurisdiction amounted to only 15,080 km (2-lane equivalent) out of a total system length of 901,903, or 1.6%. Since 1919 the federal government has provided financial contributions to provincial and local governments, most notably in the 1950s and 60s to help build the Trans-Canada Highway.

<sup>8</sup> The federal government (Transport Canada) has not updated its 1974 policy on national highways; while the concept of National Highway System was articulated in 1988, there is still no comprehensive NHS policy guiding Transport Canada's highway spending decisions.

<sup>9</sup> The federal government establishes the broad parameters for highway investment programs, including setting funding levels. Program objectives and cost-sharing arrangements vary significantly from program to program. In short, it is arbitrary, although all programs share certain broad objectives such as supporting regional economic development, improving highway safety or creating employment.

all the provinces is shown in Table 10. Total road expenditures are estimated to be approximately \$2.3 billion by the end of 2003.

- **Road Spending by Other Departments and Other Programs**

Federal departments other than Transport Canada (e.g. Public Works and Government Services, Canadian Heritage [Parks Canada], Agriculture and Agri-Food Canada, and Indian and Northern Affairs) contribute to the operating, maintenance and capital subsidizing of inter-provincial, provincial and municipal roadways. Special infrastructure programs also account for significant road spending; these include the Canada Infrastructure Works Program (CIWP) and the Canada Agri-Infrastructure Program (**CAIP** – see below). According to the Auditor General, between 1987/88 and 1996/97 these other departments and programs contributed \$1.9 billion to roads/highways. The total spent by all departments under all programs is therefore estimated at \$3.5 billion. The breakdown by department/program is shown in Table 8.<sup>10</sup>

Data methodology and interpretation of federal road expenditures differ between Transport Canada and Statistics Canada data sources.<sup>11</sup> According to the latter, total federal road expenditures for all departments over the 1991/92-1998/99 period were \$4.37 billion. This is presented in Table 9.

<b>TABLE 8: ROAD SPENDING BY FEDERAL DEPARTMENT/PROGRAM 1987/88 – 1996/97</b>	<b>(\$Millions)</b>
Transport Canada	1,621
Canada Infrastructure Works Program*	561
Indian and Northern Affairs	501
Canadian Heritage (Parks Canada)	439
Public Works & Government Services	387
Agriculture and Agri-Food Canada	21
<b>Total</b>	<b>3,529</b>

\*Because the CIWP includes non-road spending it can be difficult to isolate the exact amount spent on roads at the provincial level. Some 60% are said to go toward roads, bridges and water/sewer combined. Using a 60% estimate, it was possible to arrive at the following estimates of the *federal portion* spent in the prairies between 1994 and 1998: Man. \$39.6 million, Sask. \$38.1 million, Alta. \$101.6 million for a total of \$179.3 million.  
*Source: Auditor General (see footnote 10)*

<b>TABLE 9 ROAD SPENDING BY ALL FEDERAL DEPARTMENTS, ALL COSTS, 1991/92-1998/99</b>	
<b>Year</b>	<b>(\$Millions)</b>
1991-92	402
1992-93	445
1993-94	465
1994-95	528
1995-96	690
1996-97	822
1997-98	485
1998-99	533
<b>Total</b>	<b>4,370</b>

*Source: Statistics Canada, CANSIM Matrix 3315*

- **CAIP** is a three year program (1998-2001) under the \$300 million Western Grain Transportation Adjustment Fund (WGTAFF). The CAIP is intended for investments in rural infrastructure that

<sup>10</sup> Auditor General's Report 1998, Chapter 25-Transport Canada: Investment in Highways (December 1998): www.oag-bvg.gc.ca

<sup>11</sup> For instance, Statistics Canada data on federal road expenditures is not available prior to 1989.

may be affected by the loss of the WGTA subsidy.<sup>12</sup> Many of these expenditures, it is assumed, will go toward roads and bridges.<sup>13</sup>

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<sup>12</sup> Distributed according to the kilometers of grain-dependent branch lines in each province, totaling \$145 million. The breakdown is: Manitoba (\$26 million); Saskatchewan (\$85 million); Alberta (\$29 million); B.C. (\$5 million). Only Manitoba's share was completely allocated at time of writing; in Saskatchewan funds are to be disbursed over a five-year period.

<sup>13</sup> In 1998/99 \$1.7 million went toward roads (*Source: Transport Canada*).

TABLE 10 FEDERAL HIGHWAY CONTRIBUTION PROGRAMS 1987/88-2202/03 (\$Millions)							
Program	87/88- 97/98	98/99	Forecast				Total
			99/00	00/01	01/02	02/03	
<b>Newfoundland</b>							
T.C.H.	235	34	34	34	34	34	405
R.T.R.	149	28	20	20	16	2	235
SHIP/STIP	10	0	0	0	0	0	10
AFTP	11	5	4	1	0	0	21
Nfld. Total (24.8%)*	405	67	58	55	50	36	671
<b>P.E.I.</b>							
FLINK	21	0	0	0	0	0	21
AFTP	8	10	3	0	0	0	21
PEI Total (1.8%)	29	10	3	0	0	0	42
<b>Nova Scotia</b>							
HIP	69	3	2	0	0	0	74
HIP (SCII)	30	0	0	0	0	0	30
SHIP	57	11	3	0	0	0	71
AFTP	48	28	9	0	0	0	85
N.S. Total (12.5%)	204	42	14	0	0	0	260
<b>New Brunswick</b>							
HIP	183	20	34	50	52	0	339
HIP (SCII)	20	0	0	0	0	0	20
SHIP	130	0	0	0	0	0	130
FLINK	22	0	0	0	0	0	22
AFTP	110	10	1	0	0	0	121
N.B. Total (28.4%)	465	30	35	50	52	0	632
<b>Quebec</b>							
Henri-Bourassa	21	0	0	0	0	0	21
SHIP	75	0	0	0	0	0	75
AFTP	46	14	18	0	0	0	78
Que-Outaouais Agreement	180	6	5	5	5	72	273
Que. Total (19.7%)	322	20	22	5	5	72	446
<b>Ontario (4.3%)</b>							
STIP	70	27	0	0	0	0	97
<b>Manitoba (2.1%)</b>							
SHIP	35	0	0	0	0	0	35
<b>Sask. (2.1%)</b>							
SHIP	35	0	0	0	0	0	35
<b>Alberta (1.8%)</b>							
SHIP	30	0	0	0	0	0	30
<b>B.C. (1.8%)</b>							
SHIP	30	1	0	0	0	0	31
<b>Yukon (0.6%)</b>							
SHIP	10	0	0	0	0	0	10
<b>N.W.T.</b>							
STIP	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,634</b>	<b>198</b>	<b>132</b>	<b>110</b>	<b>106</b>	<b>108</b>	<b>2,288</b>

Note: Totals may not add up due to rounding

\*Percentages refer to the 1987/88-1997/98 period and not forecast totals

Source: Transport Canada

TCH (1987-2003)	Canada-Nfld. Trans-Canada Hwy. Agreement
RTR (1987-2003)	Canada-Nfld. Regional Trunk Roads Agreement
SHIP (1993-1999)	Strategic Highway Improvement Program
STIP (1993-1999)	Strategic Transportation Improvement Program
FLINK (1994-1998)	Fixed Link Highway Improvement Program
AFTP (1995-2001)	Atlantic Freight Transition Program
HIP (1987-1999)	Highway Improvement Program
HIP (SCII) (1993-1999)	Strategic Capital Investment Initiative

#### Program Descriptions<sup>14</sup>

- **Newfoundland Transportation Initiative** - \$640 million for improvements to the Trans-Canada Highway and Regional Trunk Roads following the closure of the Newfoundland Railway.
- **Strategic Highway/ Strategic Transportation Improvement Programs (SHIP/STIP)** - \$845 million announced in December 1992 as part of the **Strategic Capital Investment Initiative**. Of the total amount \$585, or 69%, was for highways and bridges; the remainder went toward rehabilitation of the federally owned Montreal bridges (\$125 million), upgrading the TCH in National Parks (\$95 million) and to the Alaska Highway (\$40 million).
- **Atlantic Freight Transition Program (AFTP)** - Initiated after the elimination of the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act. The program provides for \$326 million to the four Atlantic Provinces and Quebec.
- **Fixed Link Highway Improvement Program (FLINK)** - \$43 million to New Brunswick and Prince Edward Island to assist with additional expenses expected as a result of increased traffic on their highway systems after opening of the Confederation Bridge.
- **Highway Improvement Programs (HIP)** - \$307 million initiative in the Maritimes (Nova Scotia - \$98.5 million, New Brunswick - \$208.3 million).
- **Strategic Capital Investment Initiative** - \$500 million for work on provincial highways and federal infrastructure in national parks. By spring 1998 most of the funds were exhausted; by March 1999 all remaining agreements under the initiative will have expired.

<sup>14</sup> Amounts are the federal contribution over the course of the entire program; in some cases (e.g., Newfoundland) the actual amount spent exceeds or is forecast to exceed the originally stipulated program total.

## Provincial and Local Road Expenditures

Provincial and local road expenditures are displayed in Tables 11 and 12 respectively. The provinces and local municipalities in Canada historically spend very similar amounts on roads. Total provincial/territorial spending has averaged \$5.75 billion annually in each of the years over the 1991/92-1998/99 period. Local spending has averaged \$5.45 billion annually during the same period. Since 1995/96 both provincial and local road expenditures have declined.

**TABLE 11 PROVINCIAL ROAD SPENDING,  
1991/92-1998/99 (\$Millions)\***

Year	Province			Canada Total
	Manitoba	Saskatchewan	Alberta	
1991-92	216	249	653	<b>5,990</b>
1992-93	222	213	604	<b>5,759</b>
1993-94	194	226	690	<b>5,678</b>
1994-95	213	223	632	<b>5,906</b>
1995-96	223	216	630	<b>6,050</b>
1996-97	211	213	615	<b>5,500</b>
1997-98**	232	215	618	<b>5,377</b>

\*Net of federal transfers

\*\*Estimated

Source: Statistics Canada, Public Institutions Division

**TABLE 12 LOCAL GOVERNMENT ROAD EXPENDITURES,  
1994/95 – 1997/98 (\$Millions)\***

Year	Province			Canada Total
	Manitoba	Saskatchewan	Alberta	
1994-95	215	209	763	<b>5,339</b>
1995-96	282	249	813	<b>5,724</b>
1996-97	224	217	767	<b>5,532</b>
1997-98	225	272	824	<b>5,336</b>
1998-99**	215	266	931	<b>5,360</b>

\*Net of federal transfers but not of provincial transfer payments; the latter are in most cases given as unconditional grants. It is therefore not possible to determine how much is spent on transportation.

\*\*Estimated

Source: Statistics Canada, CANSIM Matrices 7093-7099, 8489-8493

## V. Conclusion: Making the Link

Historically, the most important federal link to provincial highway infrastructure spending has been Transport Canada. The link between federal fuel tax revenues and federal road expenditures is best understood by noting that of the \$4.2 billion in road fuel taxes collected by the federal government in 1998/99, only \$198 million (4.7 percent) was invested back into the National Highway System and provincial/local roadways under Transport Canada Highway Programs. Even if all the road-related expenditures (including operating and maintenance costs) made by all other federal entities and programs are included, the total amount spent on roads in 1998/99, \$533 million, is still only 12.7 percent of road tax revenue. Over the 1991/92-1998/99 period, Statistics Canada data indicates that the percentage of federal road taxation dollars reinvested in roads (all costs) is only 15.5 percent (this represents the highest estimate obtained from all documented sources).

On a prairie-wide basis provincial governments spend nearly \$1 on roads for every \$1 collected in road fuel taxes. Within the prairie provinces, Saskatchewan spends the smallest percentage, Alberta the most. The breakdown for 1997/98 for all three provinces is displayed in Table 14.

Province	Road Expenditures (\$ Millions)	Road Fuel Tax Revenue* (\$ Millions)	Road Expenditures as a % of Fuel Taxes
Alberta	618	523	118%
Saskatchewan	215	314	68%
Manitoba	232	218	106%
<b>Total Prairies</b>	<b>1,065</b>	<b>1,055</b>	<b>101%</b>

\*net of rebates

The provincial governments also collect significant revenues from vehicle licensing fees. In 1997/98, these revenues amounted to \$180 million in Alberta, \$95 million in Saskatchewan and \$57 million in Manitoba. When these are factored in, road expenditures as a percentage of road related revenue falls to 77% on a prairie-wide basis.

Province	Road Expenditures (\$ Millions)	Road Fuel Tax* Revenue & Other Revenues** (\$ Millions)	Road Expenditures as a Percentage of Fuel Tax & Other Revenue
Alberta	618	703	88%
Saskatchewan	215	409	53%
Manitoba	232	274	85%
<b>Total Prairies</b>	<b>1,065</b>	<b>1,386</b>	<b>77%</b>

\*net of rebates  
\*\* does not include driver licensing fees