

BC Transit

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on BC Transit contact:

520 Gorge Road East
PO Box 9861
Victoria, BC V8W 9T5

250-385-2551

Or visit our website at
bctransit.com

Board Chair Accountability Statement



The 2020/21 – 2022/23 BC Transit Service Plan was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 4, 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Transit’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of BC Transit’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in blue ink that reads "Catherine Holt". The signature is written in a cursive, flowing style.

Catherine Holt
Board Chair

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the government’s newly released A Framework for Improving British Columbians’ Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

BC Transit’s strategic direction, as defined in its [Mandate Letter](#), is to coordinate the provision of transit services to over 130 communities in British Columbia (outside of Metro Vancouver) in support of the government’s commitment to make life more affordable, deliver services that people rely on and build a strong, sustainable, innovative economy that works for all. In keeping with the government’s commitment to fully implement the *Declaration on the Rights of Indigenous Peoples Act*, BC Transit will support the Ministry of Transportation & Infrastructure’s continued efforts to respectfully consult and collaborate with First Nations in British Columbia to develop and deliver transportation projects, policies and services. In alignment with provincial goals and objectives, BC Transit will continue to work with local governments to improve transit across the province, including improving equity between custom and conventional transit services. It is also implementing a Low Carbon Fleet Strategy to transition to a fully electric fleet by 2040 in support of CleanBC’s provincial targets to reduce greenhouse gas (GHG) emissions.

BC Transit is aligned with the Government's key priorities:

Government Priorities	BC Transit Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Objective 5.1 Financial Management and Efficiency
Delivering the services people rely on	<ul style="list-style-type: none"> • Objective 1.1 Safety • Objective 3.1 Ridership • Objective 3.2 Customer Satisfaction • Objective 3.3 Service Delivery • Objective 4.1 Proximity to Transit
A strong, sustainable economy	<ul style="list-style-type: none"> • Objective 2.1 Employee Engagement • Objective 4.2 Partnerships • Objective 5.2 Greenhouse Gas Emissions

Operating Environment

The communities served by BC Transit are varied, with municipalities of all sizes, First Nations and Regional Districts. Yet most are facing the same challenges, including climate change, growing populations, traffic congestion, regionalization of services and affordability. Public transit services offer benefits that help individuals and society meet these challenges. BC Transit has launched a new strategic plan, *Transforming Your Journey*, which sets out how it will work with these communities as they address these important issues. The plan was developed in close partnership with employees, local government partners, the Province, operating companies and customers. It will guide the organization's strategic objectives for the next five years and position BC Transit to be the best transportation solution.

Over the next five years, BC Transit will continue to promote the shift towards public transit by making mobility accessible, safe and enjoyable. Demand for all transit services continues to increase across the province, with ridership increasing by 13 per cent over the past five years. Public transit is the mode of choice for an increasing number of individuals as it provides a lower cost and convenient alternative to private cars.

BC Transit remains committed to reducing GHG emissions and taking action on climate change. It approved its Low Carbon Fleet Program in November 2018 to support provincial targets for GHG emissions and to align with the provincial CleanBC plan. Central to this program is a proposed 10-year fleet strategy to replace over 1,200 existing diesel and gasoline buses and expand the fleet by 350 buses.

The first 10 battery-electric buses are expected to go into service in Victoria in 2021/22, paving the way for the full electrification of the provincial fleet by 2040. A transition pathway has been designed for each bus type and by 2027/28 all buses purchased by BC Transit are expected to be fully electric. Until their eventual transition to electric, heavy duty and medium duty buses will only be replaced with Compressed Natural Gas (CNG) vehicles. BC Transit currently has a fleet of 128 CNG-powered

vehicles to which it will add 34 medium-duty and 68 heavy-duty vehicles starting in 2020. These buses will be introduced in Victoria and the Central Fraser Valley.

Medium-duty, heavy-duty and high-capacity buses are also being retrofitted with full driver doors designed to increase the safety of operators. Approximately 650 buses in the provincial fleet will have doors installed by the end of 2020/21. All new buses procured will have driver doors installed at the factory.

BC Transit will continue to be a responsible steward for the resources and funding with which it is entrusted. Rising operating costs, increasing customer expectations and new services, such as ride-hailing, are challenging transit agencies across North America to deliver their services in more efficient and innovative ways. BC Transit will continue to have strategies to contain costs associated with fuel, labour and maintenance to keep the cost of delivering public transit down and make life more affordable for British Columbians.

BC Transit will work with its local government partners to improve livability and affordability in their communities. Thriving communities need reliable access to public transit to grow sustainably. Over the past few years, there has been significant investments made in transit and BC Transit will continue to build on this positive momentum. In 2019/20, BC Transit expanded services in 15 transit systems with plans to further increase services in 20 transit systems in 2020/21. These service improvements include expanding service to new areas, increasing frequency, improving regional and interregional connections, increasing accessibility and ensuring resources are optimized.

A growing number of British Columbia seniors and persons with disabilities need accessible transit options to help them remain active and able to live independently. In order to meet this growing demand, BC Transit is planning to expand custom transit services in four communities in 2020/21. In addition, it is managing changing needs through its custom registration program, which matches individuals with the most appropriate form of transit available. All conventional buses are low-floor to make boarding as easy as possible for all users. As well as expanding custom services, BC Transit will continue to promote its services towards groups that can use conventional transit but do not feel confident doing so by extending its Travel Training program. BC Transit is also reviewing many aspects of custom transit by progressing recommendations made by BC Transit to the Ministry of Transportation and Infrastructure in 2018. Examples include establishing equitable service standards and documenting a consistent provincial travel training program.

Federal, provincial and local government investment drives benefits in transit systems across the province. The Public Transit Infrastructure Fund (PTIF) has supported the construction of operating and maintenance facilities in Cowichan Valley, Campbell River, Central Fraser Valley and Victoria. The additional space and maintenance support will allow for any future expansion of services in these communities.

BC Transit communities will also benefit from new federal, provincial and local funding contributions through the Investing in Canada Infrastructure Program (ICIP). Over the service plan period, ICIP funding will benefit a range of projects including the building of approximately 100 new transit shelters across the province, a new handyDART operating and maintenance facility in Victoria, the installation of enhanced onboard fare payment technology, the expansion of NextRide technology to more communities, and the purchase of backup generators for transit facilities in Kamloops, Nanaimo and Whistler.

BC Transit has an ambitious program to implement new technologies to improve customers' experience. The NextRide project, a real-time bus information platform, will deliver real-time transit information to 29 communities when completed in 2020/21. BC Transit will also modernize the way it collects fares by implementing a new electronic fare collection system. This transformational project will give customers more convenient and efficient options to pay for their journeys and replace existing systems and technologies that have become obsolete. Customers who need or choose to pay by cash will continue to be able to do so.

Over the life of this service plan, BC Transit will continue to work with the Ministry and local government partners to ensure that public transit continues to be part of the solution to reducing congestion in Southern Vancouver Island. This will be accomplished by designing, implementing and supporting transit services and infrastructure in the Victoria Regional Transit System, including the opening of bus lanes in the new McKenzie Interchange in 2020/21.

As a public sector organization, BC Transit recognizes and respects the value people's financial contributions provide in delivering transit services across the province and will continue to ensure that public transit remains an affordable, sustainable service that British Columbians can rely on.

Performance Plan

In recognition of BC Transit’s new strategic plan, the performance plan section in this service plan has been updated in order to maintain cohesion between the documents. Some performance measures have been revised or replaced and details of these changes are noted alongside the respective objectives.

Goal 1: Always Safe: BC Transit will put safety first in everything it does.

Objective 1.1: Safety: Maintain high levels of passenger and employee safety.

Key Strategies:

- Ensure passenger safety by continuously improving the development of on-road safety programs, such as enhanced preventative driver training and other similar measures.
- Promote a culture of employee safety through the continuous development of workplace safety and awareness programs, training, policies and procedures.
- Continue to deliver programs that aim to reduce the frequency of conflict between operators and passengers (e.g. installation of full bus driver doors).

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1a Passenger injury claims per million passenger trips ¹	1.6	1.9	1.5	1.3	1.1
1.1b Operator assaults per million passenger trips ²	0.6	1.0	0.3	0.2	0.1
1.1c BC Transit employees lost time injury rate ³	9.5	8.0	6.0	5.0	4.0

¹ Data Source: Passenger injury claims as reported by ICBC and BC Transit internal tracking data

² Data Source: BC Transit internal tracking data and reports from BC Transit operating partners

³ Data Source: BC Transit internal tracking data; BC Transit employees only

Linking Performance Measures to Objectives:

- 1.1a The number of passenger injury claims per million passenger trips measures passenger safety with respect to all injuries associated with BC Transit and reported to ICBC. The way in which this measure is calculated reflects passenger injury claims through ICBC and is consistent with industry standard.
- 1.1b The total number of assaults on operators (as defined by the criminal code) per million passenger trips is an overall safety measure for operators.
- 1.1c Measure of lost productivity determined from the number of lost time injuries multiplied by 200,000, divided by the total number of hours worked.

Discussion:

The passenger injury claims per million passenger trips measure is influenced by increased traffic under conditions of greater and more variable congestion, and a trending increase in bodily injury claims. Performance is expected to improve each year as the implementation of closed-circuit television (CCTV) continues to have an impact on reducing the claims going to ICBC and the

delivery of new buses through the fleet renewal program mitigates the risk of passenger falls through improved stanchion locations and lighting. In addition, ongoing defensive driving training and the Ride Check program will continue to improve driving standards for operators and ensure corrective action is taken where needed.

The measure of workplace injuries per 100 employees contained in previous service plans has been replaced with operator assaults and BC Transit employee lost time injury rate, both of which are better suited to monitoring the impact of programs being implemented to improve employee safety overall.

The operator assaults metric measures the effectiveness of programs that intend to improve operator safety. This includes the installation of full driver doors, which will assist in decreasing the frequency of assaults on operators. CCTV and radios will simultaneously continue to reinforce a safe work environment for operators.

The lost time injury rate measure better reflects actual impacts of injuries sustained at work. This measure is also expected to improve over time as strategies to promote mental wellness and safe working practices to promote a healthy workplace are embedded in BC Transit’s business culture. Ongoing training for supervisors and workers continues to raise awareness of risks in the workplace.

Goal 2: Engaged People: BC Transit will support its people to achieve success.

Objective 2.1: Employee Engagement: Improve employee engagement.

Employee engagement is essential to nurturing an innovative workforce that allows BC Transit to do its part to build a strong, sustainable economy in British Columbia.

Key Strategies:

- Continue to focus on growing employee engagement through the work of its Engagement and Culture Group (ECG) who liaise with senior leaders to turn employee feedback into actionable recommendations in all areas of the organization.
- Continued implementation of its people priorities, including the launch of a People and Culture Plan in spring 2020. The plan will aim to grow employee engagement and communication, elevate Human Resources technology and support employee growth and development over the next five years.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1 Employee engagement ^{1,2}	N/A	N/A	68	69	70

¹ Data Source: Annual Work Environment Survey

² The employee survey was conducted every two years until 2019/20 so there is no data available for 2018/19. It will be conducted annually moving forward.

Linking Performance Measures to Objectives:

2.1 Employee engagement measures an employee’s involvement, commitment to, and satisfaction with work. Engagement is assessed through a survey that models what aspects of the workplace influence employee engagement characteristics.

Discussion:

Targets reflect an expectation that employee engagement will continue to grow as a result of the work of BC Transit's ECG, the goals set out in the 2020-2025 People and Culture Plan and the new BC Transit Strategic Plan.

Goal 3: Satisfied Customers: Develop, deliver and continuously improve the transit services which customers and partners can rely on.

Objective 3.1: Ridership: Optimize the effectiveness of provincial transit service to serve more passenger trips.

In 2018/19, BC Transit ridership was just over 57.4 million passenger trips and it is forecasted to reach 60.8 million passenger trips by 2020/21.

Key Strategies:

- For conventional transit (which serves the general population in more urban settings and offers scheduled service that operates on fixed routes), BC Transit will continue to explore ways to make the service more efficient and effective to respond to changes in community growth patterns and customer demand.
- For paratransit (which serves small towns, rural and First Nations communities and some suburban areas using small and medium sized buses and supplemental taxis using flexible routing and schedules), BC Transit will continue to explore ways to ensure that the service continues to support accessibility and reliability.
- For custom transit (handyDART), which offers door-to-door service for passengers who are unable to use the conventional transit system, BC Transit will continue to monitor demand for services and ensure services are appropriately matched to customers' needs.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1a Total ridership (passenger trips, millions), including taxi ¹	57.4	59.1	60.8	58.1	56.9
3.1b Total conventional ridership (passenger trips, millions) ¹	55.1	56.8	58.4	55.8	54.7
3.1c Total paratransit ridership (passenger trips, millions), including taxis ¹	1.2	1.2	1.3	1.2	1.2
3.1d Total custom ridership (passenger trips, millions), including taxis ¹	1.1	1.1	1.2	1.1	1.1
3.1e Conventional passenger trips per service hour ^{1,2}	28.9	29.0	29.1	29.9	30.4
3.1f Paratransit passenger trips per service hour, excluding taxis ^{1,2}	6.4	6.4	6.3	6.3	6.7
3.1g Custom passenger trips per service hour, excluding taxis ^{1,2}	2.7	2.7	2.6	2.7	2.7

¹ Data Source: BC Transit internal tracking data

² Data Source: Passenger trips per service hour measures the effectiveness of, and the demand for, transit services as provided and is determined by dividing passenger trips by service hours

³ Total ridership (3.1a) may not be exactly equal to the sum of 3.1b, 3.1c and 3.1d due to the rounding of numbers

Linking Performance Measures to Objectives:

3.1a-d Measuring the number of passenger trips provides an indication of how development, delivery and improvement of transit service is contributing to ridership.

3.1e-g Measuring the number of passenger trips per service hour provides an indication of the effectiveness of and demand for transit service.

Discussion:

BC Transit will optimize existing services to improve efficiency, which is designed to maximize trips per service hour in the long-term. In particular, for custom transit, this will be supported by continued implementation of the enhanced custom registration program and expanded customer travel training. Access to more robust data to refine routing and scheduling, advanced scheduling software, and the implementation of improvement opportunities identified in the 2018 custom service review will also assist in achieving these targets. As such, conventional, paratransit and custom passenger trips per service hour are forecast to increase over the three year period.

Objective 3.2: Customer Satisfaction: Provide a customer-oriented service.

Customer satisfaction builds the foundation for strong transit use. BC Transit will continue to improve service delivery in order to retain existing customers and attract new ones.

Key Strategies:

- Improve customers’ perceptions of public transit through improvements to services delivered, including a continued emphasis on quality customer service, the implementation of improved technology and service reliability.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.2a Customer Satisfaction ^{1,2}	3.57	3.60	3.73	3.73	3.73
3.2b Customer Satisfaction – Custom Transit ^{1,2,3}	N/A	N/A	3.55	3.55	3.55

¹ Data Source: Annual customer survey, conducted by a third party research firm

² Customer Satisfaction is determined by the average rating of customer tracking survey respondents when asked to rate their overall transit experience from one ("very poor") to five ("excellent"). It currently does not distinguish between conventional and custom

³ This performance measure was introduced in 2018/19; the first set of results will be available in Q1 2020/21

Linking Performance Measures to Objectives:

3.2a Customer satisfaction measures BC Transit’s effectiveness in meeting customers' overall expectations and perceptions of their transit experience. Improvements in customer satisfaction indicate a positive transit experience which is a contributing factor to sustaining and increasing ridership. Improved customer services, such as the investment in real-time service information and enhanced fare technologies, will be a key priority in the next three years.

3.2b This new performance measure summarizes the customer satisfaction for custom transit. It measures BC Transit’s effectiveness in meeting customers’ expectations and perceptions of the

custom transit experience. Improvements in customer satisfaction for custom transit indicate an improved transit experience. The implementation of proposed enhancements to custom transit services in British Columbia identified in the 2018 custom service review will be a key priority in the next three years.

Discussion:

Targets reflect an expectation that customer satisfaction will improve in 2021/22 and then stabilize as efforts to enhance customer perceptions of transit service continue. Factors that are expected to positively impact overall scores include service expansions and the continued roll-out of NextRide to a further 26 communities in 2020/21, advanced fare technologies, improved bus stop amenities, service frequency, ease of connections, service timeliness and safety. The introduction of a satisfaction measure for custom transit customers will also allow BC Transit to measure the impacts on customers' experience of proposed future enhancements to efficiency and effectiveness.

The Online Communication Strategy Effectiveness performance measure contained in previous service plans has been removed. Instead, BC Transit will focus on overall customer satisfaction, regardless of the channel used by customers to reach information or seek resolution when an issue arises. The measure did not reflect the number of different ways that BC Transit information reaches its intended audience, beyond online channels. A combination of performance indicators are being used to monitor specific information channels internally.

Objective 3.3: Service Delivery: Maintain a high quality of service.

Key Strategies:

- Maintain the quality of conventional transit service by continuing to deliver consistent and reliable transit services that customers expect and rely upon.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.3 Planned service delivered in conventional transit systems ¹	99.9%	99.9%	99.9%	99.9%	99.9%

¹ Data Source: BC Transit internal tracking data and reports from BC Transit operating partners

Linking Performance Measures to Objectives:

- 3.3 The percentage of planned service hours delivered in conventional transit systems measures the quality of transit service and is based upon the percentage of trips that are delivered as planned. The reliability of providing scheduled trips has an effect on the customer experience and the overall perception of transit and reflects BC Transit's ability to respond to emerging operational challenges while delivering transit services that are expected, and relied upon, by transit customers.

Discussion:

The projected targets for this measure represent a baseline of a very high level of delivered service, reflecting BC Transit's continued operational efficiency. Performance is expected to remain stable at high levels over the period of the service plan, and BC Transit will strive to maintain these levels. Efforts will persist in managing preventative issues and responding to emerging challenges on the roads.

Goal 4: Thriving Communities: Work with local governments to improve livability and to provide transit service when and where people want it.

Objective 4.1: Proximity to Transit: Deliver operational excellence by expanding conventional, paratransit, and custom services in transit systems in communities across the province.

Key Strategies:

- Continue to work with local government partners to identify service enhancements to improve access to conventional and paratransit service. This includes frequency improvements, expanded routing to new neighbourhoods or the optimization of existing service.
- Continue to improve access to custom transit service by expanding custom transit service in 2020/21 as well as implementing recommendations from the custom transit review.

	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
Performance Measure(s)					
4.1a Conventional service hours per capita ^{1,2}	1.50	1.38	1.40	1.27	1.16
4.1b Paratransit service hours per capita ^{1,3}	0.37	0.36	0.37	0.34	0.31
4.1c Custom service hours per capita ^{1,4}	0.23	0.22	0.22	0.20	0.19

¹ Data Source: BC Transit internal tracking data

² Conventional service hours per capita is determined by the number of conventional service hours delivered divided by the population that lives within 400m of fixed route bus service

³ Paratransit service hours per capita is determined by the number of paratransit service hours delivered divided by the population that lives within 1,000m of fixed route bus service (includes taxi trips)

⁴ Custom service hours per capita is determined by the number of custom service hours delivered divided by the population that lives within 1,500m of fixed route bus service (includes taxi trips)

Linking Performance Measures to Objectives:

4.1a-c Measuring service hours per capita provides an indication of how easily and conveniently customers can access transit services and is based on the level of investment and provision of transit service relative to the population that lives within a reasonable proximity of service routes.

Discussion:

For the first year of the service plan, the targets reflect that the rate of service expansions for conventional and paratransit services are slightly higher than population growth. Custom service expansions are in line with population growth. In years two and three the targets reflect that population is anticipated to increase faster than service hours.

Objective 4.2: Partnerships: Strengthen partnerships by improving partner satisfaction and increasing engagement with Indigenous communities.

Key Strategies:

- Increase partner satisfaction by cultivating strong relationships with local governments, including efforts to improve service delivery and engaging more extensively with partners in identifying and developing solutions to local transit needs.
- Work with First Nations, the Province, and local government partners to explore opportunities to extend or expand transit service to a greater number of Indigenous communities.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
4.2 Partner Satisfaction ^{1,2}	4.08	4.10	4.10	4.10	4.10

¹ Data Source: Annual partner survey, conducted by a third party research organization.

² Partnership satisfaction is determined by the average rating of local government transit partner respondents when asked to rate their customer service received from BC Transit from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

4.2 Partnership satisfaction measures local government partners' perception of BC Transit's customer service.

Discussion:

BC Transit will continue to prioritize collaboration with its partners when planning and implementing transit services across the province. As a result, partnership satisfaction scores are expected to remain stable during the service planning period.

The *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action are driving efforts to expand BC Transit's engagement with Indigenous communities.

Goal 5: Responsible Stewards: Act as a responsible steward for the financial resources that it has been entrusted with.

Objective 5.1: Financial Management and Efficiency: Practice sound corporate financial management by focusing on corporate and administrative cost efficiencies.

Key Strategies:

- Seek to increase the operating cost efficiency of conventional and paratransit services by implementing initiatives that encourage ridership growth while also employing strategies to contain costs associated with fuel, labour, and parts and maintenance.
- Given custom services are typically fully subscribed, BC Transit seeks to increase the operating cost efficiency of custom transit services by focusing on the containment of costs associated with fuel, labour, and parts and maintenance.

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
5.1a Conventional operating cost per passenger trip ^{1,2}	\$3.81	\$3.98	\$4.15	\$4.28	\$4.42
5.1b Paratransit operating cost per passenger trip ^{1,2}	\$12.77	\$13.19	\$13.87	\$14.93	\$14.42
5.1c Custom operating cost per passenger trip ^{1,2}	\$29.49	\$27.32	\$28.02	\$29.01	\$29.30
5.1d Conventional operating cost per hour ^{1,3}	\$110.30	\$115.58	\$120.58	\$128.15	\$134.20
5.1e Paratransit operating cost per hour, excluding taxis ^{1,3}	\$81.10	\$88.34	\$91.74	\$98.41	\$101.84
5.1f Custom operating cost per hour, excluding taxis ^{1,3}	\$79.30	\$89.11	\$92.84	\$99.21	\$102.30

¹ Data Source: BC Transit financial system and audited financial statements

² Operating cost per passenger trip reflects annual operating cost divided by passengers carried. Note: paratransit and custom operating cost per passenger trip includes taxi trip costs and passengers

³ Operating cost per service hour is determined by dividing the total direct operating expenses by total vehicle hours.

Linking Performance Measures to Objectives:

5.1a-c Measuring operating costs per passenger trip provides an indication of the efficiency of providing transit service. Increasing cost per passenger trip indicates that costs are growing at a faster rate than ridership.

5.1d-f Cost per service hour is the average operating cost for each hour of service. It allows BC Transit to compare performance to other transit agencies. Increasing operating cost per hour indicates that costs are growing at a faster rate than service.

Discussion:

Operating cost per passenger trip targets have been set to drive the corporation to sustain efforts to maximise ridership while containing associated operating costs. Operating cost per passenger trip is expected to increase as the combination of inflationary input costs (e.g. fuel, labour, maintenance and technology costs) and costs of planned service expansion are expected to increase at a higher rate than ridership. In addition, three new facilities will come into service in 2020/21 and a number of operating contracts will be retendered over the period of the service plan, increasing both conventional and paratransit operating costs.

Operating cost per hour replaces the operating cost recovery measure used in previous service plans for two reasons. First, cost recovery is determined in part by transit fares, which are set by local government partners and vary by transit system. This lessens the degree of influence that BC Transit has over this metric. Secondly, cost per hour allows a consistent year over year comparison and is more easily benchmarked against other Canadian transit agencies. These operating cost per hour targets reflect inflationary factors impacting operating costs and associated costs for service investments. The forecasted increases over the three year period are due to the expectation that inflationary input costs (e.g., fuel, labour, maintenance and technology costs) and new facility costs in 2020/21 will increase at a higher rate than operating revenue.

Objective 5.2: Greenhouse Gas Emissions: Be accountable for its environmental impact by reducing operational carbon emissions.

Key Strategies:

- Deliver its low carbon fleet replacement strategy to support an overall reduction of GHG emissions, in line with provincial CleanBC targets. By 2027/28, all new vehicles purchased by BC Transit are expected to be electric.
- Continue to assess operational energy consumption and reduce, where possible, through replacement of equipment, changing operational processes and building to lower energy standards (LEED Gold and StepCode).

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
5.2a Total GHG emissions ^{1,3}	60,650	65,100	64,400	60,000	57,500
5.2b Carbon (GHG) intensity per service hour ^{2,3}	27.50	27.50	27.30	27.15	26.80

¹ Data Source: BC Transit fuel, energy and paper consumption data as defined in scope by provincial regulation.

² Data Source: BC Government SMARTTool data and BC Transit internal tracking data.

³ Unit of measure for GHG emissions is tonnes of carbon dioxide equivalent.

Linking Performance Measures to Objectives:

5.2a Measures the overall GHG emissions produced by providing BC Transit services.

5.2b Measures BC Transit's GHG emissions rate.

Discussion:

Reducing the reliance on diesel fueled vehicles is a key objective for BC Transit. The performance measures in this objective illustrate BC Transit's commitment to CleanBC targets for reducing GHG emissions.

The measure in previous service plans related to lower-emission vehicles in the fleet has been replaced by an overall GHG emissions target, which is a better representation of BC Transit's commitment to meeting provincial GHG reduction targets.

GHG emissions are expected to decrease over the next three years. This reflects in part the expected decline in carbon intensity of diesel fuel supplied in B.C., as a result of the Renewable and Low Carbon Fuel Requirements Regulation. Other factors include the introduction and expansion of BC Transit clean energy vehicles through the implementation of the Low Carbon Fleet Strategy. The first 10 battery-electric buses will go in service in Victoria in 2021/22 and new CNG buses will be introduced over the next three years. They also include the energy analysis and resultant changes to our operating locations.

Financial Plan

Summary Financial Outlook

(\$000)	2019/20 Forecast	2020/21 Projection	2021/22 Projection	2022/23 Projection
Total Revenue				
Operations	83,753	85,245	81,398	79,591
Provincial operating	108,111	115,816	122,953	122,953
Local government operating & capital	111,715	117,160	116,612	119,325
Deferred capital contributions ¹	35,991	43,850	51,422	55,560
Investment and other income	4,645	6,057	5,156	4,280
Total Revenue	344,215	368,128	377,541	381,709
Total Expenses				
Operations	183,939	192,741	189,893	189,486
Maintenance	58,629	67,845	66,259	66,582
Administration	31,879	34,677	35,228	35,332
Use of asset	69,768	75,699	86,161	90,309
Total Expenses	344,215	370,962	377,541	381,709
Annual Operating Surplus (Deficit)²	-	(2,834)	-	-
Other non-operational gain (loss) ³	1,451	-	-	-
Total Annual Surplus (Deficit)	1,451	(2,834)	-	-
Total Liabilities⁴	478,390	591,333	690,874	859,300
Accumulated Surplus	27,760	24,926	24,926	24,926
Capital Expenditures	87,447	183,836	166,202	251,897

¹ BC Transit receives capital funding for the construction or acquisition of assets and their use in program/service delivery. Capital contributions are deferred and recognized in revenue over the useful life of the asset, as program/services are delivered, as directed by the Province.

² The Operating Deficit is funded by contributions received and recognized in 2018/19.

³ Non-operational gains largely due to grant recognition in year of purchase of land for future transit facilities.

⁴ Net of sinking funds, consistent with prior years' service plans.

Key Forecast Assumptions, Risks and Sensitivities

Forecasts reflect changes in costs associated with planned levels of service for 2020/21 – 2022/23, estimated labour increases, inflationary pressures related to maintenance, competitive contract negotiations with operating companies, operating costs associated with new facility builds resulting from federal funding programs, new customer focused fleet technology (NextRide) and the price of diesel fuel.

Management’s Perspective on the Financial Outlook

The price of diesel fuel remains a large financial risk to BC Transit services. While the cost of diesel remained slightly below budget in 2019/20, diesel pricing increased on average 3.5 per cent over the last year. BC Transit continues to realize savings from its fuel management supply contracts yet there remains a great deal of uncertainty over the longer term price of oil and the subsequent effect on fuel costs. This risk should decrease in future years as BC Transit has less reliance on diesel vehicles. The Canadian exchange rate also poses risk to the budget as a significant portion of bus parts are manufactured in the USA and Europe.

BC Transit Regulation 30/91 was amended in 2015, establishing the legislated authority of BC Transit to carry an operating reserve. This amendment facilitates BC Transit’s ability to better manage budget pressures throughout the service planning period.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

More information about BC Transit's Senior Leadership Team can be found at:

<https://www.bctransit.com/about/executive>

More information about BC Transit's governance and funding model can be found at:

<https://www.bctransit.com/about/funding-and-governance>

Organizational Overview

More information about BC Transit's vision, mission and values can be found at:

<https://www.bctransit.com/about>

More information about BC Transit's program scope can be found at:

<https://www.bctransit.com/about/facts>

A list of transit systems can be found at:

<https://www.bctransit.com/choose-transit-system>

BC Transit's corporate reports, including Service Plans and Annual Reports, can be found at:

<https://www.bctransit.com/corporate-reports>

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

Incorporated in 2011, BC Transit had four wholly owned subsidiaries that held properties intended for future transit development. In the interim period, they operate as rental properties with net revenues attributed back to the Province. The subsidiaries are:

- 0928624 BC Ltd.
- 0925406 BC Ltd.
- 0922667 BC Ltd.
- 0915866 BC Ltd.

Inactive Subsidiaries

Subsidiary	Incorporated	Date became dormant	Activity
TBC Properties Inc.	16-Nov-10	Incorporation	N/A
TBC Operations Inc.	16-Nov-10	Incorporation	N/A
TBC Vehicle Management Inc.	16-Nov-10	Incorporation	N/A

Operating Segments

BC Transit has no operating segments.

