

BC Transit

**2024/25 – 2026/27
Service Plan**

February 2024



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Board Chair's Accountability Statement



The 2024/25 – 2026/27 BC Transit Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 2024 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.

Sherri Bell
Board Chair, BC Transit
February 7, 2024

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Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and deliver initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 Service Plan outlines how BC Transit will support the government's priorities and selected action items identified in the most recent [BC Transit Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

BC Transit is the provincial Crown agency charged with coordinating the delivery of public transportation across British Columbia, except for those areas serviced by TransLink (Metro Vancouver). More than 1.8 million British Columbians in over 130 communities across the province have access to BC Transit local and regional transit services.

BC Transit's shared services model helps to ensure the most efficient and effective delivery of transit services across all transit systems. In most regional transit systems, service is provided through a partnership between BC Transit, a local government, and a contracted transit management company. Under this partnership model, BC Transit provides a variety of shared services for all transit systems, including asset management and construction, procurement, marketing, planning, scheduling, safety, and training expertise. BC Transit directly operates the conventional service in the Victoria Regional Transit System.

The funding of transit service is provided through customer fares, advertising revenues, and a regional motor fuel tax (in the Victoria system), with the remainder funded through a partnership between local governments and the provincial government through BC Transit.

Operating Environment

BC Transit's primary objective continues to be providing transit services that meet the needs of people in communities across BC and growing ridership to build on the recovery to pre-pandemic levels that was reached in fall 2023 for conventional transit. To guide this effort, BC Transit's [Strategic Plan](#) outlines long-term goals and objectives, emphasizing safety, customer satisfaction, employee engagement, effective partnerships, improved transit access, and responsible financial and environmental stewardship. The Strategic Plan, which was published in 2020, will be updated in 2024 to reflect changes in the operating environment.

Major infrastructure projects will be vital in supporting ridership growth and electrification of BC Transit's bus fleet over the next three years. Investments in new and upgraded transit passenger exchanges, operating facilities and transit priority infrastructure will be supportive of improvements to the services that BC Transit provides across the province. BC Transit's implementation of its [Low Carbon Fleet Program](#), the long-term plan guiding the transition to a low carbon bus fleet, will be supported by investments in fleet and facilities, innovating transit systems across British Columbia. The introduction of battery electric buses is central to this transformation, requiring modifications to core business operations.

BC Transit will also continue to modernize its operations by embracing innovative technologies over the service planning period. [Umo](#), BC Transit's electronic fare collection system, will improve customers' transit experience and attract new customers. Umo will also provide new data to support service planning. Additionally, BC Transit intends to introduce a new, technology-driven on-demand service model in the Kelowna Regional Transit System in 2024/25 that will offer dynamic routing and will adapt to individual passenger requests. This model could be applied in the future to other communities throughout the province, depending on the outcomes of the service model in Kelowna.

Transit-oriented development areas and the continued densification of communities along transit corridors offer opportunities for BC Transit to support the development of livable and affordable communities. Close collaboration with local government partners and the Provincial and Federal governments to make investments in transit infrastructure is essential to make transit the preferred transportation choice in communities across B.C.

In fall 2020 and March 2022, the Government of Canada and the Province of B.C. announced the provision of a total of \$1.28 billion in [Safe Restart](#) funding, of which BC Transit received \$116.4 million. Safe Restart funding will continue to directly compensate local government partners through 2024/25 for fare revenue losses and motor fuel tax revenue losses for the Victoria Regional Transit System. This relief funding supports the continued delivery of essential transit service levels to maintain and build ridership.

As BC Transit continues to recover from the impacts of the COVID-19 pandemic, the transit agency faces the ongoing challenge of labour shortages in the service industry, which affect the recruitment and retention of transit operators and maintenance staff. These roles are critical to service delivery, and BC Transit is committed to implementing strategies that promote recruitment and retention to enhance service reliability.

BC Transit will continue to ensure that public transit remains an affordable, inclusive, and sustainable service that British Columbians can rely on.

Annual Economic Statement

B.C.'s economy posted modest growth last year as interest rate increases weighed on the economy, and employment continued to expand, supported by immigration. Inflation in the province continued to ease and the Bank of Canada has not raised its policy interest rate since July 2023. The impact of higher rates on borrowing costs and elevated household debt led to lower consumer spending and reduced home sales. Lumber, natural gas and coal prices declined in 2023, reducing the value of the province's goods exports. Meanwhile, there was a record number of housing starts in the province in 2023. There is uncertainty over the transmission of high interest rates to the residential construction sector and the duration of slower growth for the rest of the economy in B.C. and among our trading partners. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 0.9 per cent in 2023 and expects growth of 0.5 per cent in 2024 and 2.1 per cent in 2025. Meanwhile for Canada, the EFC estimates growth of 1.1 per cent in 2023 and projects national real GDP growth of 0.5 per cent in 2024 and 1.9 per cent in 2025. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook continue to center around interest rates and inflation, including the risk of price increases stemming from geopolitical conflicts, the potential for interest rates remaining higher for longer, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, lower commodity prices, climate change impacts and the volatility of immigration levels.

Performance Planning

Goal 1: Maximize Resources and Grow Ridership.

Objective 1.1: Complete key infrastructure projects.

Transit infrastructure plays a crucial role in supporting ridership growth. Expanded and new transit facilities and exchanges ensure that the transit system has capacity to grow ridership.

Key Strategies

- Advance construction of the new Victoria handyDART Operations and Maintenance Centre.
- Begin upgrades to existing operating and maintenance facilities in Kelowna and Victoria.
- Advance work on new transit exchanges including Abbotsford Montrose, downtown Nelson, and downtown Nanaimo.
- Begin retrofits of transit operations and maintenance facilities across the province to accommodate battery electric bus charging and plan for additional infrastructure supporting fleet electrification across the province.

Discussion

Transit infrastructure investments will remain a critical component of growing ridership. New and expanded facilities create opportunities to expand the bus fleet, and investments in transit passenger exchange facilities will increase service capacity, improve customer amenities, and enhance the customer experience. The new Victoria handyDART Operations and Maintenance centre will provide opportunities to grow the handyDART fleet, helping to provide a more accessible service. Retrofits of transit operations and maintenance facilities will support operation of a new electric fleet, further supporting transit as a sustainable travel option for British Columbians.

Objective 1.2: Expand services and optimize the effectiveness and reliability of public transit.

Optimizing transit service enhances efficiency, reliability, and accessibility, attracting more people to use transit and contributing to increased ridership.

Key Strategies

- Expand services in fast growing communities to support ridership growth.
- Continue to install technology improvements in transit systems across the province, such as the new electronic fare collection system. Introduce Phase 1 of an [on-demand transit service](#) in the Kelowna Regional Transit System.
- Maintain reliable service and focus on recruitment and retention for transit operators and maintenance employees through career transition allowances, the employee

referral program, immigration options to recruit prospective immigrants, and BC Transit’s Employee Value Proposition.

Discussion

Increasing access to transit through expanding services will be key in supporting BC Transit’s continued ridership growth over the service plan period. Service expansion will provide a better customer experience, providing more frequent service and increased hours of service and creating more connections and access to new areas. BC Transit will continue to roll out technology improvements such as its new electronic fare collection system, which will make transit use more convenient for current and future customers. The introduction of new on-demand service will provide a better experience and attract new customers in the Kelowna Regional Transit System. Additionally, focusing on recruitment for transit operators and mechanics ensures that reliable service can be delivered.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
1a Total ridership (passenger trips, millions), including taxi ^{1,2}	49.2	55.0	56.9	59.2	60.8
1b Conventional passenger trips per service hour ^{1,3}	25.2	27.8	26.5	27.1	27.8
1c Planned delivered service in conventional transit systems ¹	97.23%	93.69%	99.50%	99.50%	99.50%
1d Conventional operating cost per service hour ^{4,5}	\$145.43	\$153.75	\$154.35	\$160.60	\$166.98

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

² Total ridership includes conventional, custom and paratransit ridership.

³ 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.

⁴ Data source: BC Transit financial system and audited financial statements.

⁵ Operating cost per service hour is determined by dividing the total direct operating expenses by the service hours.

Discussion

Total ridership (1a) measures the number of passenger trips to provide an indication of how the development, delivery and improvement of transit services are contributing to ridership growth.

The expansion of services in 2024/25 will contribute to ridership growth. Throughout 2024/25, BC Transit will continue to advance transformational technology projects, increasing access to public transit and supporting ridership growth. Umo, BC Transit’s new electronic fare collection system, will be implemented in all conventional transit systems by the end of 2024/25. Umo will increase access to transit by enabling customers to use new payment methods, including a

reloadable card and the Umo app. Advancing key infrastructure projects such as new transit exchanges, operations and maintenance facilities, bus stop improvements and transit priority measures, in partnership with the Province and the federal government, will contribute to transit being an attractive choice and reducing commute times.

Conventional passenger trips per service hour (1b) measures the effectiveness of transit services provided in responding to demand and maximizing ridership.

BC Transit will continue to optimize existing services to improve efficiency, which is designed to maximize passenger trips per service hour in the long term. In 2024/25, BC Transit will optimize service in the Crawford area of the Kelowna Regional Transit System. A technology driven on-demand service that uses flexible routing will be introduced in place of fixed-route service, providing experience with a new, flexible service solution that could be applied in other communities across the province in the future. Building on the successful introduction of the Downtown Victoria to West Shore [RapidBus](#) service in Victoria in 2023, BC Transit will also plan for additional future RapidBus services in the Victoria region and other regional transit systems in partnership with the Province and local governments.

Planned improvements to transit facilities and services in South Vancouver Island will support the implementation of the province's [South Island Transportation Strategy](#) by relieving traffic congestion with the introduction of transit priority measures, and improving capacity, safety, reliability, connections and choices for transit and other sustainable transportation modes. BC Transit will also explore opportunities with partners to create a more integrated transportation corridor on Highway 1 through the Fraser Valley. Additionally, BC Transit will continue working with local government partners to improve transit services in rural areas over the Service Plan period.

Planned delivered service in conventional transit systems (1c) measures the percentage of planned service hours delivered in conventional transit systems and is based on the percentage of revenue hours that are delivered as planned. Continued implementation of recruitment strategies for transit operators and maintenance employees will help support the delivery of planned service levels.

Conventional operating cost per service hour (1d) measures the total direct operating expenses divided by service hours for conventional fixed-route and fixed schedule transit services. It allows BC Transit to compare cost efficiency performance to other transit agencies, as it is one of the most universally used measures by the North American transit industry. These comparisons are important to highlight the effectiveness of BC Transit's shared services model. Operating cost per service hour targets reflect inflationary factors impacting operating costs and associated costs for service investments.

Goal 2: Increase Customer Satisfaction and Encourage Strong Transit Use.

Objective 2.1: Maintain high levels of passenger and employee safety.

Safety is paramount for transit passengers as it builds trust in public transit and encourages ridership by providing a secure and reliable experience. Employee safety promotes a positive work environment and contributes to customer satisfaction by ensuring reliable services.

Key Strategies

- Continue to deliver and improve on-road safety programs, such as enhanced BC Transit driver training focusing on preventative techniques.
- Continue to implement and develop workplace safety and awareness programs, training, policies and procedures that support employees' physical and psychological safety.
- Continue to deliver programs and training that aim to reduce the frequency of conflicts between transit operators and passengers.

Discussion

Safety remains a core value at BC Transit and is at the forefront of both daily operations and future planning initiatives. Promoting both physical and psychological safety allows BC Transit employees to provide a high standard of customer service, improving customer satisfaction. On-road safety programs and training to reduce conflicts between operators and passengers will promote passenger safety, contributing to a better transit experience and encouraging strong transit use.

Objective 2.2: Improve employee, partner, and community engagement.

Employee engagement drives a motivated workforce, ensuring excellent service and customer satisfaction; partner engagement provides insights into communities served, aiding in the delivery of quality services; and community engagement, through building trust and positive relationships, offers insights into community desires to support effective service delivery.

Key Strategies

- Continue to implement the People and Culture Plan and the Work Environment Survey recommendations.
- Continue to advance inclusion, diversity, equity, and accessibility (IDEA) through an Indigenous Relations Strategy and an Indigenous Employment Program to support reconciliation with Indigenous communities and by undertaking Gender-Based Analysis Plus (GBA+) to better understand our customers and the IDEA forum group to promote an inclusive work environment.

- Improve customers' perception of public transit through service and technology improvements, and customer engagement.
- Work with local government partners to build relationships and improve transit service in their communities.
- Continue to collaborate with [TransLink](#) and [BC Ferries](#) to promote an integrated and convenient customer experience across the province, identifying priority actions to improve the customer experience.

Discussion

Engagement with partners and the communities BC Transit serves is vital to supporting customer satisfaction and strong transit use. BC Transit will continue to advance its draft Indigenous Relations Strategy by engaging with Indigenous communities for collaborative development, gathering feedback to refine themes, goal activities and successful outcomes, maintaining the strategy in draft form until co-creation is completed. The Strategy will be used to advance reconciliation efforts, including trust-based relationships, employment and education, governance, funding and access to transit. The implementation of BC Transit's Indigenous Employment Program will help support a diverse workforce and remove barriers to attracting Indigenous employees. Continuing to advance IDEA with the support of diverse employees who make up the IDEA forum group will support an engaged workforce. BC Transit will also continue to promote the use of GBA+ to gain deeper insights into customer and community needs and ensure they are reflected in policies, programs and processes.

New technology and BC Transit's collaboration with TransLink and BC Ferries will enhance the customer experience and encourage the use of transit.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
2a BC Transit Employees Total Recordable Injury Rate ¹	3.7	7.0	5.5	5.3	5.2
2b Preventable Incidents ²	9.5	8.5	6.7	6.7	6.7
2c Employee Engagement ³	70	76	74	74	75
2d Customer Satisfaction ^{4,5}	3.40	3.43	3.52	3.52	3.55
2e Customer Satisfaction – Custom Transit ^{5,6}	3.95	4.10	4.10	4.15	4.15
2f Partner Satisfaction ⁷	4.41	4.25	4.25	4.26	4.26

¹ Data Source: BC Transit internal tracking data; BC Transit employees only.

² Data Source: BC Transit internal tracking; Number of preventable incidents per million vehicle-kilometres driven.

³ Data Source: Employee Survey.

⁴ 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.

⁵ Data Source: Annual customer survey, conducted by a third-party research firm.

⁶ Customer satisfaction – Custom Transit is determined by the average rating of respondents when asked to rate their experience out of 100. This score is then converted to a mark out of five.

⁷ Data Source: Annual partner survey, conducted by a third-party research firm.

Discussion

BC Transit employees total recordable injury rate (2a) measures lost productivity determined from the number of lost time injuries multiplied by 200,000, divided by the total number of hours worked. Representing 100 employees working 50 weeks or approximately one year, 200,000 is the generally accepted baseline for this measure. Monitoring employee total recordable injury rates allows BC Transit to identify areas for improvement in safety programs and implement preventative measures to create a safe work environment and productive workforce.

Preventable incidents (2b) include bus collisions that have been investigated by in-house safety and training officers and corporate investigators who determined the transit operator was at fault. These collisions can involve stationary objects, pedestrians, private motor vehicles or other buses. This metric is tracked monthly and measured against millions of vehicle-kilometres driven.

Preventable incidents targets have been adjusted as this metric is predicted to remain level over the planning period, supported by the ongoing promotion of safety through driver training and on-road safety programs. The targets for the employee total recordable injury rate have been adjusted to decrease in future years, supported by ongoing safety and awareness programs.

Employee engagement (2c) measures an employee's involvement, commitment to, and satisfaction with work. Engagement is assessed through an annual survey that models aspects of the workplace that influence employee engagement characteristics. Targets have been increased as employee engagement achieved a record high result in 2023/24.

The People Experience Group, a cross-functional group of employees, will support the monitoring and communication of engagement recommendations and actions. To support an engaged work environment, BC Transit will continue to advance IDEA initiatives including the creation of e-learning courses and hosting of engagement events to build awareness and capacity in the organization.

Customer satisfaction (2d) 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.

Customer satisfaction – custom transit (2e) summarizes the satisfaction levels of custom transit (handyDART) users. It measures BC Transit's effectiveness in meeting customers' expectations and perceptions of the custom transit experience. HandyDART is a distinct transit service for people with permanent or temporary disabilities who may experience challenges

using fixed-route transit without assistance from another person. As the experience of handyDART is significantly different from other transit services, it is important to separately measure custom transit satisfaction.

Partner satisfaction (2f) measures local government partners' perception of BC Transit's customer service. Partner collaboration is essential to BC Transit's success in providing transit services across the province.

BC Transit will continue to prioritize collaboration with its partners when planning and implementing services across the province and will work with local governments to ensure alignment with transit-oriented development areas including new housing opportunities, to create livable, affordable communities. Advancing engagement with urban and rural Indigenous communities will also remain a priority for BC Transit.

Goal 3: Reduce Greenhouse Gas and Localized Emissions.

Objective 3.1: Transition to a low carbon fleet to meet provincial GHG targets by 2040.

While public transit is already a sustainable transportation option, the shift to a low-carbon fleet will further decrease greenhouse gas emissions associated with public transit.

Key Strategies

- Continue to advance the [Low Carbon Fleet Program](#) to support the electrification of BC Transit's fleet.
- Continue to purchase renewable fuels to reduce greenhouse gas (GHG) emissions of the combustion engine fleet, while introducing the first phase of battery electric buses to meet the CleanBC legislated target of 16 per cent GHG emissions reduction in 2025.
- Continue to assess operational energy consumption and reduce, where possible, through replacement of equipment, changing operational processes, and building to lower energy use standards in BC Transit buildings and facilities (LEED Gold and StepCode).

Discussion

Introducing battery electric buses is a crucial strategy for BC Transit to reduce GHG emissions, although it necessitates significant changes to processes in the organization. Building on the first 10 battery electric buses going into service in Victoria in 2024/25, an additional 115 battery electric buses and charging equipment are planned to be purchased over the next 3 years. BC Transit will work with the Province to develop plans for further battery electric bus deployments after 2026. These investments will support the CleanBC legislated target of 40 per cent reduction in GHG emissions by 2030, the pathway to zero emissions to support 2040 and 2050 GHG emissions reduction targets, and BC Transit's commitment to transition to a fully electric fleet. In the interim, renewable fuels will play a key role in supporting BC Transit's sustainability goals while zero-emission technologies continue to evolve and the infrastructure for larger electric fleets is established. By investing in both vehicles and facilities, BC Transit

can effectively reduce GHG emissions, aligning with the [CleanBC Roadmap to 2030](#) objectives. These investments combined with transit service improvements will also contribute to the government's target of achieving 30 per cent of trips made by walking, cycling and public transit by 2030.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
3a Total GHG emissions ^{1,2,3}	49,208	48,500	48,500	46,000	44,800
3b Carbon (GHG) intensity per service hour ^{1,2,3}	20.25	18.95	17.90	17.30	15.96

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

² Data Source: BC Government Clean Government Reporting Tool data and BC Transit internal tracking data.

³ Unit of measure for GHG emissions is tonnes of carbon dioxide equivalent and carbon (GHG) intensity is kg of GHG per service hour.

Discussion

Total GHG emissions (3a) measures the overall GHG emissions produced by providing BC Transit services. Carbon intensity per service hour (3b) measures BC Transit's GHG intensity in kilograms of GHG per service hour emissions rate. The targets from previous Service Plans have been updated to reflect planned service expansion and updated reporting requirements mandated by the provincial government to recognize the refrigerant losses in the bus fleet that are contributing to emissions.

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

BC Transit's Compressed Natural Gas bus fleet is using Renewable Natural Gas, contributing to reduced emissions. In future years, further GHG emissions reductions are expected to be primarily obtained from the introduction of battery electric buses, with renewable liquid fuels and improvements to facility energy consumption contributing as well. The new Victoria handyDART Centre, planned to open in 2025, will be built to achieve Leadership in Energy and Environmental Design (LEED) Gold requirements, ensuring energy efficiencies.

Financial Plan

Financial Summary

\$000s	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Revenues				
Operations ¹	79,984	83,499	87,254	91,361
Provincial operating contributions	149,734	162,593	168,626	175,340
Local government contributions	129,488	164,131	188,067	211,579
Deferred capital contributions ²	45,907	58,531	88,066	113,217
Investment and other income	40,135	8,240	8,897	8,236
Total Revenue	445,248	476,994	540,910	599,733
Expenses				
Operations	226,104	244,155	257,027	266,554
Maintenance	85,973	95,154	102,715	108,528
Administration	46,916	45,786	46,836	47,643
Use of asset	73,568	91,899	134,332	177,008
Total Expenses	432,561	476,994	540,910	599,733
Annual Operating Surplus	12,687	-	-	-
Other non-operational gain ³	51,258	93,420	550	-
Total Annual Surplus	63,945	93,420	550	-
Total Debt⁴	109,348	141,794	265,174	387,675
Total Liabilities⁴	683,989	953,090	1,397,840	1,526,947
Accumulated Surplus	84,322	177,742	178,292	178,292
Capital Expenditures	205,824	515,305	573,848	288,153

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

¹ Includes a Provincial contribution of \$2M annually in fare revenue compensation provided to participating Local Government Partners for the Free Transit for Children Age 12 and Under program.

² 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.

³ Other non-operational gain relates primarily to contributions for strategic land acquisitions.

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 transit services for 2024/25 – 2026/27 including inflationary pressures related to facility and vehicle maintenance and operations, competitive contract negotiations with operating companies, collective agreements for BC Transit employees and operating costs associated with customer-focused fleet technology (including electronic fare collection technology).

In addition, passenger revenues are forecasted to continue to have moderate annual increases as ridership grows. The availability of funding for service expansion will see passenger revenues exceed pre-pandemic levels during the Service Plan period.

Management's Perspective on Financial Outlook

While ridership continues to increase, there remains a potential affordability risk for local government partners in the Service Plan period because of increasing costs, including pressures related to labour cost inflation and the financial impacts of capital projects. Management will work closely with local government partners to optimize service and mitigate and respond to any affordability challenges.

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 will decrease in future years as BC Transit relies less on diesel vehicles and transitions towards a lower emission fleet.

Use of asset costs continue to be driven upward by the transition towards a fleet of battery electric buses and as enhanced customer technologies, such as the electronic fare collection system, are implemented.

The Canadian exchange rate also poses risk to the budget as a significant portion of materials are manufactured in the USA and Europe. BC Transit and the Ministry of Transportation and Infrastructure will work closely to respond to any changing conditions and adjust the assumptions of future service periods as required. Finally, this Service Plan is based on management's best current forecasts of future environmental and financial conditions, which are subject to change.

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Victoria handyDART Operating and Maintenance Facility	2025	\$33.0	\$50.5	\$83.5
Objective: The construction of a new handyDART operating and maintenance facility in the Town of View Royal.				

Significant IT Projects (over \$20 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Electronic Fare Collection System	2025	\$12.2	\$12.6	\$24.8
<p>Objective: The implementation of the Electronic Fare Collection System will improve the customer experience by introducing new forms of payments including mobile app and contactless credit cards.</p>				

Appendix A: Subsidiaries and Operating Segments

Active Subsidiaries

Incorporated in 2011, BC Transit has 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.

Operating Segments

BC Transit has no operating segments.

Appendix B: Mandate Letter from the Minister Responsible



June 19, 2023

Sherri Bell, Chair
Board of Directors
BC Transit
520 Gorge Road East
Victoria BC V8W 9T5

Dear Chair Bell:

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations – including Crowns, Health Authorities and Post Secondary Institution Boards – support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home – in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for BC Transit, sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

...2/

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office (CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well as ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy and planning.

In addition to continuing to make progress on your [2021 mandate letter](#), I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,



Rob Fleming
Minister



Sherri Bell, Chair
BC Transit
Date: June 23, 2023



Marianne Alto, Director
BC Transit
Date: June 23, 2023



Gladys Atrill, Director
BC Transit
Date: June 23, 2023



David Cubberley, Director
BC Transit
Date: June 23, 2023



Paul Horn, Director
BC Transit
Date: June 23, 2023



Blair Redlin, Director
BC Transit
Date: June 23, 2023



Ryan Windsor, Director
BC Transit
Date: June 23, 2023

cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Kaye Krishna
Deputy Minister
Ministry of Transportation and Infrastructure

Marianne Alto, Director:
BC Transit

Gladys Atrill, Director:
BC Transit

David Cubberley, Director
BC Transit

Paul Horn, Director
BC Transit

Blair Redlin, Director
BC Transit

Ryan Windsor, Director
BC Transit

Erinn Pinkerton
President and CEO
BC Transit