



2021/22 – 2023/24 Service Plan

April 2021



For more information on BC Transit contact:

520 Gorge Road East

PO Box 9861

Victoria, BC V8W 9T5

Or visit our website at

bctransit.com

Published by BC Transit

Board Chair's Accountability Statement



The 2021/22 – 2023/24 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 2021 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 fluid and cursive.

Catherine Holt
Board Chair

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Strategic Direction and Alignment with Government Priorities

In 2021/22, British Columbians continue to face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and the Government of British Columbia. The government has identified five foundational principles that will inform each Crown agency’s policies and programs and contribute to COVID-19 recovery: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas commitments, and a strong, sustainable economy that works for everyone.

BC Transit’s strategic direction and mandate have been set by the Minister Responsible, the Minister of Transportation and Infrastructure, as per the [2021/22 Mandate Letter](#).

Operating Environment

Shortly after BC Transit released its Strategic Plan, [Transforming Your Journey](#), in early 2020, COVID-19 was declared a pandemic. While this brought new and unexpected challenges, BC Transit was able to continue providing essential service to the communities of British Columbia. Although the focus shifted to short-term solutions while responding to the new normal, BC Transit also strengthened its commitment to longer-term goals and the overall Strategic Plan and its objectives remain the same in 2021/22 and beyond.

BC Transit will continue to provide service to First Nations, Regional Districts and municipalities and will work with partners and stakeholders to address safety, ridership and economic recovery during the pandemic and in the post-pandemic era.

For many people in B.C., public transit is the only way they can travel to their jobs, to school and access essential services needed to live their lives. Further to this, the challenges that public transit helps address, including climate change, affordability and congestion, will exist long after the COVID-19 pandemic is over. Although transit ridership dropped by up to 80 per cent in the initial phase of the pandemic, demand is recovering and more than 40-50 per cent of customers are returning to BC Transit's services. Over the next year and beyond, BC Transit is committed to build back, regain lost ridership and continue to provide high quality service to customers.

In the fall of 2020, the Government of Canada and the Province of B.C. announced the provision of \$1.08 billion in Safe Restart funding, of which BC Transit received \$86 million to directly compensate local government partners for fare revenue losses and increased expenses resulting from COVID-19. The federal and provincial governments recognized the importance of transit and BC Transit is working with its local government partners to maintain transit service levels while moving into the pandemic recovery period. Continuing to provide stable and reliable transit service is expected to contribute to the economic recovery of communities across the province.

BC Transit has always focused on safety, and will continue to act on public health measures during the pandemic. This includes reduced vehicle capacity to allow physical distancing, face mask compliance and intensified cleanliness measures. By the end of 2020, full driver doors were installed on almost 700 buses in the fleet, providing a physical barrier between operators and customers, and leading to a safer work environment for transit operators. This represents all high capacity, heavy and medium duty buses in the fleet. New buses will come with the doors already installed. BC Transit will continue to act on the advice of the Provincial Health Officer to safeguard the health of both customers and employees. New safety awareness programs and preventative training for employees will continue and measures will be adjusted as public health guidance changes and evolves in 2021/22 and subsequent years.

The COVID-19 pandemic has changed the demand patterns for transit and BC Transit will respond to evolving customer needs by carefully monitoring ridership and mobility preferences, as well as work with post-secondary institutions and major employers to support the return to in-person learning and working. Most transit systems will receive a ridership performance review to explore opportunities to adapt service levels to increased ridership and changing demand as the economy recovers.

BC Transit has an ambitious program to implement new technologies that will transform the delivery and perception of transit in the coming years. Notable projects in 2021/22 include modernizing bus fare collection by continuing to develop a new electronic fare collection system, and expanding the real-time information platform, NextRide, to 19 more transit systems. A study of digital on-demand transit will also be explored in order to evaluate innovative new services.

BC Transit continues its transition towards a data driven culture to enable more timely decision making. As the amount of data being collected increases, it will be critical that BC Transit continues to refine its data strategy to minimize risks, increase insights and evidence-based decision-making and ensure that it is gaining the maximum value from this key asset. To support the transition to a more insights driven organization, in 2021/22 BC Transit will continue to adapt the organizational structure to maximize data efficiencies as well as develop organizational standards, guidelines and processes.

BC Transit has an ambitious capital program, supported by provincial and federal Investing in Canada Infrastructure Program (ICIP) funding that will enable investment in a low bus emission fleet, construction of operations and maintenance facilities, transit exchanges and park and rides, and modernized smart technologies. Over the Service Plan period, new projects in the planning stages will include operating and maintenance facilities in Victoria and Kelowna in addition to transit exchanges in Nelson, Nanaimo, Central Fraser Valley and Kelowna. These infrastructure investments allow for future service expansions in these communities. BC Transit will also begin construction on the new Victoria Regional Transit System handyDART facility in 2021/22, begin detailed design and procurement for the University of Victoria transit exchange and further the progress on the RapidBus Implementation Strategy for the Victoria region and other transit initiatives outlined in the [South Island Transportation Strategy](#).

In alignment with CleanBC, BC Transit remains committed to reducing greenhouse gas emissions and taking action on climate change. Building off the momentum generated from the approval of the BC Transit Low Carbon Fleet Program announced in 2019, BC Transit will continue to progress to a fully electric fleet by 2040. The deployment of the first 10 electric buses, as well as continued expansion of the CNG fleet across the province will represent major milestones in the transition to a greener fleet. BC Transit is also committed to exploring strategic partnerships with other organizations to leverage shared benefits, maximize financial benefits of low carbon implementation and mitigate risk.

BC Transit will collaborate with other transportation providers, particularly TransLink and BC Ferries, to ensure a seamless and convenient customer experience across the province. Recognizing the unique needs of transit systems throughout the province, BC Transit is working with communities to create multi-modal active transportation plans. BC Transit will work with TransLink to provide advice and expertise to the Ministry on the planning of a fare-free program for children up to and including age 12. This program will be designed to attract new riders and will create more affordability for families. BC Transit has worked with selected local government partners within the province to provide similar pilot programs, from which learning can be leveraged.

Through the continued delivery of transit services and associated infrastructure investments, BC Transit will play a critical role in the economic recovery of the province. While there is still uncertainty around the long-term changes resulting from the pandemic, BC Transit proved itself to be an industry leader in its operational response and will continue to adjust and adapt to future customer expectations. As a public sector organization, BC Transit recognizes the importance of its accountability to its customers, and will continue to ensure public transit is a safe, affordable, inclusive, reliable and sustainable service for all British Columbians.

Government's Economic Statement

The COVID-19 pandemic significantly reduced economic activity in B.C. in 2020. The ongoing evolution and economic cost of the pandemic on B.C. and its trading partners remains highly uncertain. The Economic Forecast Council (EFC) estimates a 5.1 per cent decline in B.C. real GDP in 2020 and expects growth of 4.9 per cent in 2021 and 4.3 per cent in 2022. Meanwhile for Canada, the EFC projects national real GDP growth of 4.7 per cent in 2021 and 4.2 per cent in 2022, following an estimated decline of 5.4 per cent in 2020. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. The pandemic has increased risks to B.C.'s economic outlook, such as the timing of the global vaccination rollout, extended travel restrictions, a weaker global recovery, and the continued impact of a slower recovery in some sectors of the B.C. economy. Further risks include ongoing uncertainty regarding global trade policies and lower commodity prices.

Performance Planning

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.

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.1a Passenger injury claims per million passenger trips ¹	1.5	3.0	2.8	2.7	2.5
1.1b Operator assaults per million passenger trips ²	0.9	0.8	0.6	0.5	0.3
1.1a BC Transit employees lost time injury rate ³	4.2	8.1	7.0	6.5	6.0

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

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

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

Linking Performance Measure to Objective

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 forecast/target passenger injury claims per million passenger trips measure has been adjusted compared to the last Service Plan to reflect reduced ridership. Although the performance measure is forecast to be higher in 2020/21, actual injury numbers are lower than in 2019/20 and targets have been adjusted to reflect modest improvement in the coming years. Even though ridership is lower, the factors that cause on board injuries remain. These include sudden movements in the vehicle, moving while the bus is in motion and falling while accessing or egressing the bus. 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. Operator training will continue to focus on awareness of the contributing factors to passenger injuries and an online campaign related to passenger safety awareness will also be undertaken.

The operator assaults metric measures the effectiveness of programs that intend to improve operator safety. Full driver doors have been installed on buses in the BC Transit fleet, which will assist in decreasing the frequency of assaults on operators. The installations were accelerated in response to COVID-19 and new buses will arrive with the full driver door pre-installed. Physical assaults against operators have reduced in numbers; however, threats and general assaults are on the rise. CCTV and radios will simultaneously continue to reinforce a safe work environment for operators.

The lost time injury rate measure reflects actual impacts of physical and mental health injuries sustained at work. The forecast/targets for this performance measure are being influenced by ongoing mental health and soft tissue injuries. It is 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. A new operator's manual will highlight the risks associated with preventable accidents and proactive techniques for operator awareness. An updated personal protective equipment program is expected to reduce injuries. Ongoing training for supervisors and workers continues to raise awareness of risks in the workplace.

BC Transit will continue to follow directions from the Provincial Health Officer to provide a safe and healthy working environment for employees and safe transportation for customers during the COVID-19 pandemic.

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 contribute to economic recovery 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, following the launch of a People and Culture Plan in spring 2020. The plan aims to focus on three specific goals by 2025: grow employee engagement and communication, elevate Human Resources technology and support employee growth and development.

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.1a Employee engagement ¹	64	70	71	72	73

Data source: Employee survey.

¹ Target values for 2021/22, 2022/23 and 2023/24 were adjusted based on 2020/21 Actual results.

Linking Performance Measure to Objective

2.1a 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 BC Transit Strategic Plan, as well as the increased employee engagement score in 2020/21. The ECG develops recommendations from the annual work environment survey based on employee feedback. For example, these recommendations led to creating more training and development opportunities in all areas of the organization and preparing to launch a leadership development program in 2021.

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 2020/21, BC Transit ridership was forecasted to increase by 3.6 per cent over the prior year, however, the COVID-19 pandemic has had a dramatic impact on ridership. Following an initial decline of up to 80 per cent in April 2020, as of the beginning of 2021, ridership recovered to an average of 40-50 per cent compared to prior years across all transit systems. BC Transit is committed to rebuilding its ridership over the course of the Service Plan period.

BC Transit will work with local government partners to maintain essential transit service levels and support the [BC Restart Plan](#) moving into the pandemic recovery period.

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 and implement solutions 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 and implement solutions 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 explore and implement solutions to ensure services are appropriately matched to customers' needs.

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.1a Total ridership (passenger trips, millions), including taxi ^{1,3}	58.7	26.6	32.3	33.7	35.7
3.1b Total conventional ridership (passenger trips, millions) ¹	56.4	25.6	31.0	32.2	33.8
3.1c Total paratransit ridership (passenger trips, millions), including taxis ¹	1.2	0.6	0.7	0.8	1.0
3.1d Total custom ridership (passenger trips, millions), including taxis ¹	1.1	0.4	0.6	0.7	0.9
3.1e Conventional passenger trips per service hour ^{1,2}	29.1	13.6	15.9	20.5	22.4
3.1f Paratransit passenger trips per service hour, excluding taxis ^{1,2}	6.3	3.1	3.4	4.0	5.4
3.1g Custom passenger trips per service hour, excluding taxis ^{1,2}	2.6	1.2	1.4	1.6	2.1

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 Objective

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

The COVID-19 pandemic has had a profound impact on BC Transit ridership, with many post-secondary institutions transitioning from in-person to online classes, businesses temporarily closing, changing business practices or supporting work from home and other factors. Over the duration of the Service Plan and beyond, BC Transit is committed to recovering ridership, and providing high quality service to customers so they will return to transit.

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 implementation of the enhanced custom registration program in Victoria, expanded customer travel training and flexible service options. Access to more robust data to refine routing and scheduling, efficiency in conventional systems and the implementation of proposed enhancements to custom transit services in B.C. will be a key priority in the next three years.

In 2021/22, BC Transit will undertake a ridership recovery marketing campaign, implement targeted service changes that adapt to changing demand patterns, increase customer reach and implement a customer experience program with improved engagement to inform future service decisions. As such, conventional, paratransit and custom passenger trips per service hour are forecast to increase over the three year period. The fare-free transit program for children up to and including age 12 will be designed to attract new riders to help increase ridership over the Service Plan 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, encourage previous customers to return 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, safety and the implementation of improved technology and service reliability.

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.2a Customer Satisfaction ¹	3.55	3.55	3.60	3.60	3.60
3.2b Customer Satisfaction – Custom Transit ^{1,2}	3.85	3.55	3.55	3.55	3.55

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

¹ 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

² 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.

Linking Performance Measures to Objective

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 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 such as expansion of customer travel training programs and flexible service options, will be a key priority in the next three years.

Discussion

Targets reflect an expectation that customer satisfaction will remain stable over the Service Plan period. Targets have decreased slightly from the previous year Service Plan to reflect the ongoing work to rebuild customer confidence in using transit and regaining ridership lost during COVID-19. Efforts to enhance customer perceptions of transit service will continue in the coming years. Factors that are expected to positively impact overall scores include, improved service reliability, improved cleaning protocols, advanced fare technologies, the second phase of the NextRide program, improved bus stop amenities, ease of connections, service timeliness and safety. The satisfaction measure for custom transit customers allows BC Transit to measure the impacts on customers' experience of proposed future enhancements to efficiency and effectiveness.

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)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.2 Planned service delivered in conventional transit systems ¹	99.6%	96.8%	99.9%	99.9%	99.9%

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

Linking Performance Measure to Objective

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 revenue hours 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 \$86 million in Safe Restart funding provided by the Government of Canada and the Province of B.C. will help to ensure that essential levels of transit service can be maintained throughout the pandemic recovery period. The federal and provincial governments recognized the importance of transit and BC Transit is working with its local government partners to maintain transit service levels while moving into the pandemic recovery period. This

contribution provides certainty for communities who rely on transit and allows BC Transit to continue to provide stable and reliable service across B.C. 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 create more responsive and reliable services including exploring emerging trends within public transit.
- Continue to improve access to custom transit service by expanding custom transit service in 2021/22 as well as implementing recommendations from the custom transit review.

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
4.1a Conventional service hours per capita ¹	1.37	1.31	1.33	1.02	0.97
4.1b Paratransit service hours per capita ²	0.36	0.35	0.36	0.35	0.33
4.1c Custom service hours per capita ³	0.22	0.19	0.22	0.21	0.21

Data source: BC Transit internal tracking data

¹ 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

² 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)

³ 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 Objective

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

BC Transit will be able to maintain transit service levels in 2021/22 due to the \$86 million Safe Restart funding provided by the Government of Canada and the Province of B.C. 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)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
4.2 Partner Satisfaction ¹	4.04	4.00	4.10	4.10	4.10

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

¹ 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 Measure to Objective

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. With the Government of Canada and the Province of BC providing \$86 million in Safe Restart funding in 2020, BC Transit is working with local government partners to maintain essential service levels as we recover from the COVID-19 pandemic and ensure people can get to jobs, to school and to access essential services.

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)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
5.1a Conventional operating cost per passenger trip ^{1,2}	\$4.00	\$8.98	\$8.02	\$7.30	\$6.97
5.1b Paratransit operating cost per passenger trip ^{1,2}	\$13.24	\$28.19	\$27.84	\$24.81	\$19.58
5.1c Custom operating cost per passenger trip ^{1,2}	\$28.57	\$64.64	\$57.91	\$50.99	\$39.38
5.1d Conventional operating cost per service hour ^{1,3}	\$110.30	\$122.20	\$127.67	\$149.61	\$156.45
5.1e Paratransit operating cost per service hour, excluding taxis ^{1,3}	\$81.10	\$90.86	\$96.99	\$102.19	\$107.22
5.1f Custom operating cost per service hour, excluding taxis ^{1,3}	\$83.39	\$85.05	\$93.31	\$97.14	\$98.00

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 the service hours.

Linking Performance Measures to Objective

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 (performance measures 5.1a-5.1c) are forecast to increase significantly in 2020/21 compared to 2019/20 and then forecast to decrease in 2021/22, 2022/23 and 2023/24. The sharp increase in 2020/21 is primarily due to the significant decline in ridership due to COVID-19 (see Performance Measure 3.1a-3.1g). In other words, operating costs are being spread out over a lower number of passengers. An additional factor impacting this performance measure is the fact that overall operating costs are forecast to increase in 2021/22 due to labour costs, inflationary pressures related to maintenance, competitive contract negotiations with operating companies, operating costs associated with new customer focused fleet technology (NextRide 2.0 and electronic fare technology), infrastructure projects to promote enhanced customer service, COVID-19 related expenses and the price of diesel fuel.

Operating cost per passenger trip targets have been established to drive BC Transit to recover its ridership while continuing to practice responsible financial stewardship. Operating cost per passenger trip for all modes is estimated to decline over the Service Plan period as ridership is regained at a higher rate than the associated operating costs increases (e.g. fuel, labour and maintenance). A stronger than forecast ridership recovery will have a positive impact on this performance measure going forward.

Operating cost per service hour (performance measures 5.1d-5.1f) is forecast to increase in 2021/22 as service levels are maintained while operating costs are forecast to increase for the reasons cited above. For 2022/23 and 2023/24, operating cost per service hour is expected to further increase in line with increasing operating input costs. Operating cost per service hour forecasts for conventional transit also reflect the assumption that service hours decrease in 2022/23 and 2023/24. BC Transit will be working with the Ministry in 2021/22 to closely monitor ridership recovery to help inform future decisions on an appropriate level of service hours. Increasing service hours will have a positive impact on this performance measure going forward.

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 use standards (LEED Gold and StepCode).

Performance Measure(s)	2019/20 Actuals	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
5.2a Total GHG emissions ^{1,2,3}	65,159	59,000	61,000	55,000	53,400
5.2b Carbon (GHG) intensity per service hour ^{1,2,3}	27.0	24.9	24.6	26.0	26.0

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.

Linking Performance Measures to Objective

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.

GHG emissions are expected to decrease over the next three years however targets have been increased slightly to reflect service level changes, the most recent fleet plan, fuel efficiencies and average yearly kilometres travelled by each class of vehicle. 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 be procured in 2021/22 and 20 new CNG buses will be introduced in 2021/22.

Financial Plan

Financial Summary

(\$000)	2020/21 Forecast	2021/22 Projection	2022/23 Projection	2023/24 Projection
Total Revenue				
Operations	46,330	51,619	53,664	56,797
Provincial operating	156,144 ¹	125,926 ⁶	125,926 ⁶	125,926 ⁶
Local government operating & capital	53,067	153,676	141,863	137,551
Federal government operating	44,047 ²	-	-	-
Deferred capital contributions ³	37,877	44,834	51,767	56,538
Investment and other income	6,828	5,817	4,648	4,122
Total Revenue	344,293	381,872	377,868	380,934
Total Expenses				
Operations	174,367	194,741	185,807	185,931
Maintenance	68,787	72,860	68,086	66,419
Administration	34,214	38,733	39,938	39,981
Use of asset	67,092	75,538	84,037	88,603
Total Expenses	344,460	381,872	377,868	380,934
Annual Operating Surplus (Deficit)	(167)	-	-	-
Other non-operational gain (loss)	587	-	-	-
Total Annual Surplus (Deficit)⁴	420	-	-	-
Total Liabilities⁵	543,795	557,087	681,894	858,444
Accumulated Surplus	29,720	29,720	29,720	29,720
Capital Expenditures	113,528	113,029	198,925	256,845

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

¹ Provincial operating revenues for 2020/21 includes a one-time contribution of \$43 million Safe Restart Funding.

² Federal government operating revenues for 2020/21 includes a one-time contribution of \$43 million Safe Restart Funding.

³ 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.

⁴ Gains largely due to grant recognition in year of purchase of land for future transit facilities.

⁵ Net of sinking funds, consistent with prior years' Service Plans.

⁶ The Provincial operating grant is projected to increase (forecast is \$113.144M prior to addition of \$43M in Safe Restart funding in 2020/21) to \$125.926M in 2021/22. In 2022/23 and 2023/24, the Provincial operating grant is projected to be \$125.926M. BC Transit will be working closely with the ministry to monitor ridership and service levels during the pandemic recovery, which will help inform future decisions with respect to operating funding.

Key Forecast Assumptions, Risks and Sensitivities

Forecasts reflect changes in costs associated with levels of service for 2021/22 – 2023/24, estimated labour increases, inflationary pressures related to maintenance, competitive contract negotiations with operating companies, operating costs associated with new customer focused fleet technology (NextRide 2.0 and electronic fare technology), infrastructure projects to promote enhanced customer service, COVID-19 related expenses and the price of diesel fuel. In addition, passenger revenues reflect a moderate rate of recovery as ridership continues to move towards pre-COVID-19 levels.

Management’s Perspective on the Financial Outlook

There is some affordability risk for local government partners in the outer years of the plan period if ridership and revenue do not return as forecasted. Management will need to work closely with local government partners to mitigate and respond to any potential affordability challenges. The price of diesel fuel remains a large financial risk to BC Transit services. While the cost of diesel remained below budget in 2020/21, diesel pricing remains potentially volatile with price fluctuations of 30% in 2020/21. 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 has less reliance on diesel vehicles. In addition, key infrastructure investments over the Service Plan period, such as battery electric buses, are requiring longer lead times than prior procurements. This may require asset investment decisions to be made in advance of service levels being finalized. There is also increasing pressure on insurance premiums in all areas which could potentially impact operating costs over this Service Plan period. The Canadian exchange rate also poses risk to the budget as a significant portion of bus parts are manufactured in the USA and Europe. Finally, this Service Plan is based on our best forecast of future environmental and financial conditions and are subject to change. 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.

Appendix A: 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.