

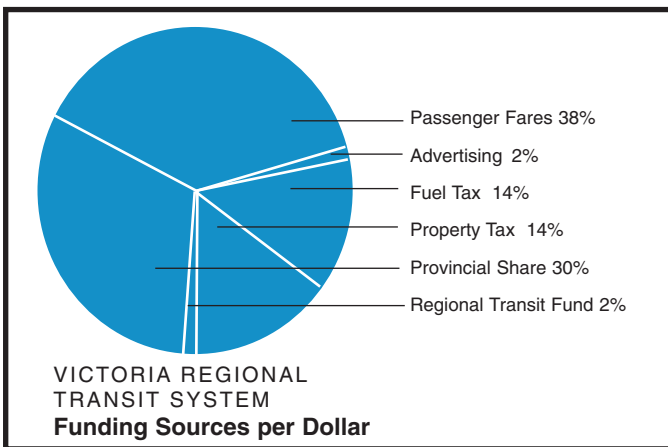
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Who Pays for Transit?

The Victoria Regional Transit System is funded through a partnership between the Victoria Regional Transit Commission and BC Transit.

The total budget for 2003/04 for all transit services in the Victoria region is \$57.1 million. The Commission is responsible for 70 percent of the total cost of the system. This year \$17.2 million of the total budget will come from the Province. The provincial funding is protected at this level for the next two years.

The Transit Commission has various sources of revenue to fund the transit system - transit fares and advertising, local 2.5 cent per litre fuel tax and local property taxes.



Transit fares are the largest sources of funding. The Commission has full control in setting fares. Some tariff products such as UPASS are governed by agreements which can affect the timing of any price change.

Advertising now represents approximately \$800,000 or 2% of total transit revenues.

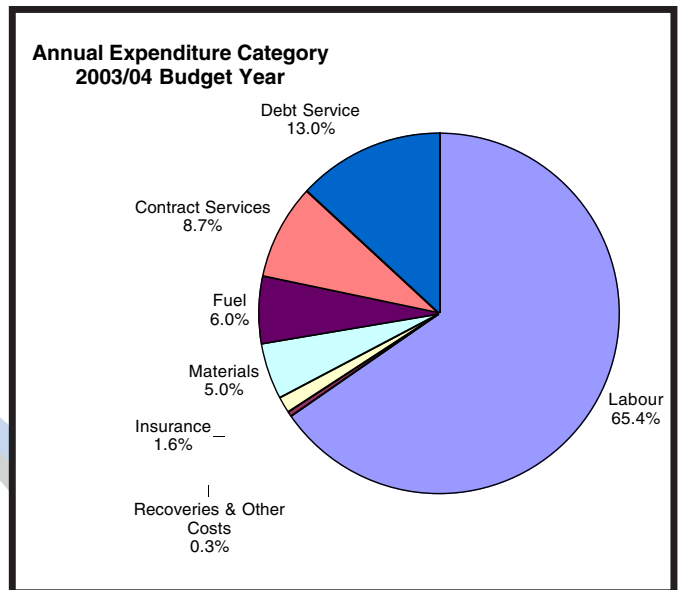
The Commission also has the independent ability to establish local **property taxes**. This must be done by March 31st each year for implementation by municipalities in the calendar year taxation cycle. The average dwelling is assessed just over \$38 per year for transit.

The province currently collects 2.5 cents per litre on local gasoline and diesel sales for the Victoria Regional Transit Commission. Each penny on the **gas tax** raises \$3 million per year to fund transit. The 2.5 cent fuel tax which was set at this level in 1997 can only be changed by legislation amending the Motor Fuel Tax Act.

Why are costs rising?

The Victoria Regional Transit Commission is committed to an efficient system and uses a number of ways to meet goals and service objectives. In the operating budget to run the transit system, these goals include service improvement timing, use of long term fuel contracts, and volume discounts for products used province-wide.

Recently, costs have increased for such items as parts, fuel, employee benefits and insurance. Debt service costs continue to increase due to replacing aging buses with new buses. Contract services costs have stabilized due to the capping of taxi services.



Contract services is custom operating cost and debt service expenses **Other** includes radio equipment, outside services, computer systems and professional fees