



# #8 Fare Strategy

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September 2023

# Purpose

- BC Transit has prepared this presentation for the Victoria Regional Transit Commission as part of the fare review process
- This fare review will provide fare options that improve cost recovery in the VRTS while also ensuring fares are affordable, in line with similarly sized transit systems, and aligned with BC Transit's recommended Fare Guidelines
- BC Transit will be seeking APPROVAL of three fare change options to take forward for public consultation

# Outline

- Fare Review Background
- Current Fare Structure
- VRTS Fare Revenue
- VRTS Supportive Transit Programs
- Pre-Paid Fare Programs
- Fare Change Options
- Fare Change Summary
- Recommendations

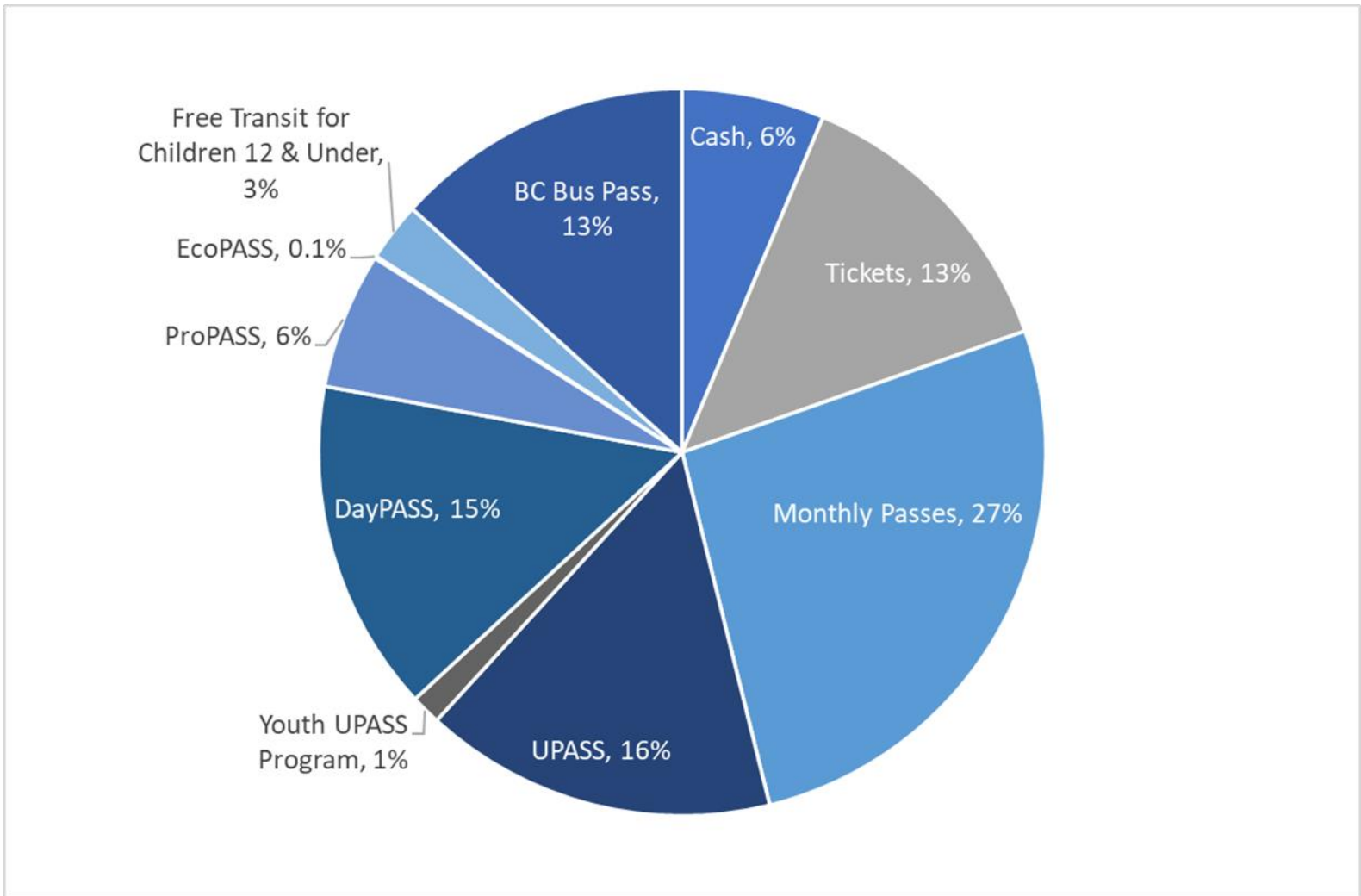
# Fare Review Background

- Fare Review Purpose: Allow for the evaluation of fare strategy on a regular basis to account for increases in operational costs due to inflation and investments
- Fare Review Objective: Produce Fares that maximize revenue, attract and retain ridership, and consider affordability
- VRTS Fare Review History
  - 2016: Alignment of Fare Products with BC Transit's Fare Guidelines: Removal of transfers and introduction of DayPASS Onboard, Removal of Senior/Youth Tickets
  - 2013: Increase of the Adult Monthly Pass, Decrease of the Senior/Youth Monthly Pass, Removal of Senior/Youth Cash Fare
  - 2010: Increase of the Cash Fare

# Current Fare Structure

Fare Type	Fare Strategy Guidelines	Fare Price	Variance
Cash Fare	Base Fare	\$2.50	-
Tickets	<del>9 times Base Fare</del>	<del>\$22.50</del>	-
DayPASS	2 times Base Fare	\$5.00	-
Adult 30-Day Pass	20 – 30 times Base Fare	\$85.00	34 times Base Fare
Concession 30-Day Pass	Adult 30-Day Pass less 15%	\$45.00	Adult 30-Day Pass less 47%

# VRTS Fare Revenue



# VRTS Supportive Transit Programs

- Low-Income Transit Assistance Program (LITA)
  - BC Transit provides tickets and passes at a 50% discount to the Community Social Planning Council (CSPC) for residents in the VRTS
  - Fare products are distributed to 70 organizations that work with low-income people needing access to critical programs and services
- Refugee Pass Program
  - Provides free transit for a one-year period to help support refugees in Greater Victoria with their transition to a new community

# Pre-Paid Fare Programs

- ProPASS
  - Existing employer administered monthly transit pass program offering a 14.2% discount
  - Opportunity to expand program with improvements to administration through Umo
  - BC Transit recommends increasing discount to 15% for ease of marketing and administration
- Large Employer Pass Agreement
  - 10% discount provided to employers who must match the discount, bringing the total discount for employees to 20%
  - Currently only University of Victoria is a participant



# Pre-Paid Fare Programs

- EcoPASS
  - Existing annual transit pass program for developers meeting their Transportation Demand Management plans
  - Underutilized due to current constraints
    - Ongoing administration is required by the developer
    - Competition from RideShare and Bike Storage
    - Does not offer a long-term transit solution
    - No guarantee of use
- BC Transit is reviewing a Standardized Discount Structure
  - Opportunities include:
    - EcoPASS
    - Conferences/Events
    - Company-Wide Transit Usage

# Fare Review Options

- BC Transit is providing five fare change options for review prior to undertaking public consultation
- Options will include a 2024 consideration that aligns with the Safe Restart Funding agreement restrictions, and a further 2025 increase past the expiration of the agreement
- Proposed fare options were developed with the following considerations:
  - BC Transit's Recommended Fare Guidelines
  - Similarly sized transit systems
  - Balance affordability while maximizing revenue

## Fare Review Options

- Option 1: \$2.75 Cash Fare and \$50 Concession Pass (A)

Fare Type	Existing Fare	2024 Fare	2024 Change	2025 Fare	2025 Change	Fare Guidelines Variance
Cash Fare	\$2.50	\$2.55	\$0.05 ↑	\$2.75	\$0.20 ↑	-
DayPASS	\$5.00	\$5.10	\$0.10 ↑	\$5.50	\$0.40 ↑	-
Adult 30-Day Pass	\$85.00	\$85.00	-	\$85.00	-	31 times Base Fare
Concession 30-Day Pass	\$45.00	\$47.50	\$2.50 ↑	\$50.00	\$2.50 ↑	Adult 30-Day Pass less 41%

2024 Estimated Impact:

Revenue: \$291,372 (1%)

Ridership: -128,426 (-1%)

2025 Estimated Impact:

Revenue: \$710,103 (2%)

Ridership: -275,870 (-1%)

## Fare Review Options

- Option 2: \$2.75 Cash Fare and \$55 Concession Pass

Fare Type	Existing Fare	2024 Fare	2024 Change	2025 Fare	2025 Change	Fare Guidelines Variance
Cash Fare	\$2.50	\$2.55	\$0.05 ↑	\$2.75	\$0.20 ↑	-
DayPASS	\$5.00	\$5.10	\$0.10 ↑	\$5.50	\$0.40 ↑	-
Adult 30-Day Pass	\$85.00	\$85.00	-	\$85.00	-	31 times Base Fare
Concession 30-Day Pass	\$45.00	\$47.50	\$2.50 ↑	\$55.00	\$7.50 ↑	Adult 30-Day Pass less 35%

2024 Estimated Impact:

Revenue: \$291,372 (1%)

Ridership: -128,426 (-1%)

2025 Estimated Impact:

Revenue: \$957,815 (3%)

Ridership: -417,260 (-2%)

## Fare Review Options

- Option 3: \$2.75 Cash Fare and \$50 Concession Pass (B)

Fare Type	Existing Fare	2024 Fare	2024 Change	2025 Fare	2025 Change	Fare Guidelines Variance
Cash Fare	\$2.50	\$2.70	\$0.20 ↑	\$2.75	\$0.05 ↑	-
DayPASS	\$5.00	\$5.40	\$0.40 ↑	\$5.50	\$0.10 ↑	-
Adult 30-Day Pass	\$85.00	\$85.00	-	\$85.00	-	31 times Base Fare
Concession 30-Day Pass	\$45.00	\$45.00	-	\$50.00	\$5.00 ↑	Adult 30-Day Pass less 41%

2024 Estimated Impact:

Revenue: \$576,534 (2%)

Ridership: -209,794 (-1%)

2025 Estimated Impact:

Revenue: \$416,578 (1%)

Ridership: -200,870 (-1%)

## Fare Review Options

- Option 4: \$3.00 Cash Fare and \$55 Concession Pass

Fare Type	Existing Fare	2024 Fare	2024 Change	2025 Fare	2025 Change	Fare Guidelines Variance
Cash Fare	\$2.50	\$2.70	\$0.20 ↑	\$3.00	\$0.30 ↑	-
DayPASS	\$5.00	\$5.40	\$0.40 ↑	\$6.00	\$0.60 ↑	-
Adult 30-Day Pass	\$85.00	\$85.00	-	\$85.00	-	-
Concession 30-Day Pass	\$45.00	\$45.00	-	\$55.00	\$10.00 ↑	Adult 30-Day Pass less 35%

2024 Estimated Impact:

Revenue: \$576,534 (2%)

Ridership: -209,794 (-1%)

2025 Estimated Impact:

Revenue: \$1,315,029 (4%)

Ridership: -591,217 (-3%)

## Fare Review Options

- Option 5: \$3.00 Cash Fare, \$55 Concession Pass, \$90 Adult Pass

Fare Type	Existing Fare	2024 Fare	2024 Change	2025 Fare	2025 Change	Fare Guidelines Variance
Cash Fare	\$2.50	\$2.55	\$0.05 ↑	\$3.00	\$0.30 ↑	-
DayPASS	\$5.00	\$5.10	\$0.10 ↑	\$6.00	\$0.60 ↑	-
Adult 30-Day Pass	\$85.00	\$85.00	-	\$90.00	\$5.00 ↑	-
Concession 30-Day Pass	\$45.00	\$47.50	\$2.50 ↑	\$55.00	\$10.00 ↑	Adult 30-Day Pass less 39%

2024 Estimated Impact:

Revenue: \$291,372 (1%)

Ridership: -128,426 (-1%)

2025 Estimated Impact:

Revenue: \$2,117,173 (7%)

Ridership: -743,983 (-4%)

# Fare Review Options Summary

Fare Type	Existing Fare	Option 1		Option 2		Option 3		Option 4		Option 5	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Cash	\$2.50	\$2.55	\$2.75	\$2.55	\$2.75	\$2.70	\$2.75	\$2.70	\$3.00	\$2.55	\$3.00
DayPASS	\$5.00	\$5.10	\$5.50	\$5.10	\$5.50	\$5.40	\$5.50	\$5.40	\$6.00	\$5.10	\$6.00
Adult 30-Day Pass	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$85.00	\$90.00
Concession 30-Day Pass	\$45.00	\$47.50	\$50.00	\$47.50	\$55.00	\$45.00	\$50.00	\$45.00	\$55.00	\$47.50	\$55.00

Revenue Impact		\$291,372 (1%)	\$710,103 (2%)	\$291,372 (1%)	\$957,815 (3%)	\$576,534 (1%)	\$416,578 (1%)	\$576,534 (1%)	1,315,029 (4%)	\$291,372 (1%)	\$2,117,173 (7%)
Ridership Impact		-128,426 (-1%)	-275,870 (-1%)	-128,426 (-1%)	-417,260 (-2%)	-209,794 (-1%)	-200,870 (-1%)	-209,794 (-1%)	-591,217 (-3%)	-128,426 (-1%)	-743,983 (-4%)



# Recommendation

It is recommended that the Victoria Regional Transit Commission **APPROVE** the following three fare change options be taken forward for public consultation:

- Option 1: \$2.75 Cash Fare and \$50.00 Concession Pass (A)
- Option 2: \$2.75 Cash Fare and \$55.00 Concession Pass
- Option 4: \$3.00 Cash Fare and \$50.00 Concession Pass