

**BC Transit**

**2023/24 – 2025/26  
Service Plan**

**February 2023**



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Published by BC Transit

## Board Chair's Accountability Statement



The 2023/24 – 2025/26 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 2023 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.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "Catherine Holt".

Catherine Holt  
Board Chair, BC Transit  
February 16, 2023

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## Strategic Direction

In 2023/24, public sector organizations will continue working to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working towards true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing; strengthened health care; safer communities; and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 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 available for all transit systems such as asset management and construction, procurement, marketing, planning, scheduling, safety, and training expertise. BC Transit also operates the conventional service in the Victoria Regional Transit System.

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

## Operating Environment

BC Transit's primary focus is to build back transit ridership to pre-pandemic levels and continue to support communities across B.C. as they recover from COVID-19. Following the initial ridership decline of up to 80 per cent at the beginning of the pandemic, as of January 2023, total ridership has recovered to more than 90 per cent compared to 2019/20 levels. BC

Transit's Strategic Plan, [Transforming Your Journey](#), released in early 2020, outlines the organization's longer-term goals and objectives to 2025. These include a continued focus on safety, customer satisfaction, engaging employees, facilitating effective partnerships, improving transit access for local communities, and being responsible stewards of financial resources and the environment.

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 over the planning period for fare revenue losses, increased expenses resulting from COVID-19, and motor fuel tax revenue losses for the Victoria Regional Transit System, supporting continued delivery of essential transit service levels to build back ridership.

Major infrastructure projects will be vital in driving ridership growth. Investments in new facilities, exchanges and transit priority measures will be transformational to the services that BC Transit provides across the province. Major infrastructure investments will also be required in support of BC Transit's [Low Carbon Fleet Program](#), the long-term plan guiding low carbon bus fleet investments.

Labour shortages in service industries in B.C. and Canada remain a critical challenge and continue to impact BC Transit's recruitment and retention of transit operators and maintenance staff. These positions are vital for BC Transit's service delivery. Therefore, BC Transit will continue to implement strategies to promote recruitment and retention for transit operators and maintenance staff, supporting efforts to improve service reliability.

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

## Annual Economic Statement

B.C.'s economy has been resilient to pandemic, geopolitical and climate-related disruptions. However, higher interest rates are expected to weigh on the economy in the coming years. Following a rapid recovery from the economic impacts of the COVID-19 pandemic, high inflation led to successive interest rate increases from the Bank of Canada in 2022. The impact of higher interest rates has been evident in housing markets and there is uncertainty over its transmission to the rest of the economy in B.C. and among our trading partners. B.C. is heading into this challenging period in relatively strong position, with a low unemployment rate. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 3.0 per cent in 2022 and expects growth of 0.5 per cent in 2023 and 1.6 per cent in 2024. Meanwhile for Canada, the EFC estimates growth of 3.4 per cent in 2022 and projects national real GDP growth of 0.5 per cent in 2023 and 1.5 per cent in 2024. 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 center around interest rates and inflation, such as the risk of further inflationary supply chain disruptions, the potential for more interest rate increases than expected, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, the emergence of further COVID-19 variants of concern and lower commodity prices.

# Performance Planning

## Goal 1: Maximize Resources and Grow Ridership.

### Objective 1.1: Complete key infrastructure construction projects.

#### Key Strategies

- Complete the Victoria handyDART Operations and Maintenance Centre, and the Nelson transit exchange.
- Plan for Kelowna facility upgrades, the Abbotsford Montrose transit exchange, and other transit infrastructure projects.
- Plan for battery electric bus charging retrofits and additional charging infrastructure across the province.

#### Discussion

This new objective reflects the importance of transit infrastructure in growing ridership. New and expanded facilities create opportunities to expand the bus fleet, and investments in exchanges will increase service capacity, improve customer amenities, and enhance the customer experience.

### Objective 1.2: Optimize the effectiveness and reliability of public transit.

#### Key Strategies

- Maintain reliable service and focus on transit operator recruitment and retention through career transition allowances, the employee referral program, immigration options to recruit prospective immigrants, and BC Transit's Employee Value Proposition.
- Increase access to public transit, and focus on emerging transit and technology trends to improve the customer experience.
- Introduce RapidBus service between Victoria and the West Shore and on-demand transit service in Kelowna.

#### Discussion

BC Transit will pursue numerous recruitment strategies for transit operators and maintenance employees. Transit operators and maintenance employees are vital in delivering service, and having reliable transit service will contribute to increased ridership.

Increasing access to transit through technology improvements will be key in supporting BC Transit's ridership growth in 2023/24. The introduction of technology such as electronic fare collection and real time information will make transit more convenient for current and future customers. The introduction of new services will provide a better experience and attract new customers.



## Performance Measures

Performance Measure[s]	2021/22 Baseline	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
1a Total ridership (passenger trips, millions), including taxi <sup>1, 2</sup>	38.2	47.8	51.4	51.4	51.4
1b Conventional passenger trips per service hour <sup>2, 3</sup>	19.5	24.2	24.4	27.1	29.3
1c Planned delivered service in conventional transit systems <sup>2</sup>	98.11%	98.01%	99.50%	99.50%	99.50%
1d Conventional operating cost per service hour <sup>4, 5</sup>	\$131.72	\$142.43	\$146.99	\$161.10	\$173.02

<sup>1</sup> BC Transit will be working with the Province in 2023/24 to closely monitor ridership recovery to help inform future decisions on service hours for 2024/25 and 2025/26.

<sup>2</sup> Data source: BC Transit internal tracking data and reports from BC Transit operating partners;

<sup>3</sup> 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

<sup>4</sup> Data source: BC Transit financial system and audited financial statements

<sup>5</sup> Operating cost per service hour is determined by dividing the total direct operating expenses by the service hours

## Discussion

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

Over the Service Plan period, BC Transit will continue to advance transformational technology projects, increasing access to public transit and supporting an increase in ridership in 2023/24. Umo, BC Transit's new electronic fare collection system, will be implemented across the province in 2023/24, which will increase access to transit by enabling customers to use new payment methods. BC Transit will continue to expand and update NextRide automatic bus location information systems across the province to enhance the customer experience. NextRide provides real-time bus location information that improves trip planning as well as on-board next stop announcements and displays. Advancing key infrastructure projects such as new transit exchanges, facilities, bus stop improvements and transit priority measures, in partnership with the Province and federal government, will contribute to transit being an attractive choice and reducing commute times. The fare-free transit for children 12 and under program BC Transit launched in September 2021, in partnership with the Province and local governments, will continue to support increased ridership in 2023/24 and promote affordability.

1b measures the effectiveness of transit services provided in responding to demand and maximizing ridership.

BC Transit will optimize existing services to improve efficiency, which is designed to maximize passenger trips per service hour in the long-term. Optimizing resources will help BC Transit

provide more frequent and reliable services. The introduction of a RapidBus service between downtown Victoria and the West Shore will be supported by bus queue jump lanes on the Old Island Highway, making the service faster and more attractive to customers. BC Transit will also plan for future RapidBus services in the Victoria region and regional transit systems in partnership with the Province and local governments. BC Transit will implement Phase 1 of an on-demand service that uses dynamic routing in the Kelowna Regional Transit System, providing experience with a new, flexible service solution that could be applied in other communities across the province in the future. Planned improvements to transit facilities and services in South Vancouver Island will support the province's [South Island Transportation Strategy](#) by relieving traffic congestion 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 service in rural communities over the Service Plan period.

1c measures the percentage of planned service hours delivered in conventional transit systems and is based upon the percentage of revenue hours that are delivered as planned.

BC Transit is working with local government partners to optimize transit service levels as recovery from the pandemic continues. Additionally, transit operator recruitment and retention strategies are expected to contribute to an increase in planned service delivered.

1d measures the total direct operating expenses divided by service hours. 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 is forecast to increase in 2023/24 as service levels are maintained while operating costs are forecast to increase due to higher fuel, labour and maintenance expenses. BC Transit will be working with the Province in 2023/24 to closely monitor ridership recovery to help inform future decisions on service hours for 2024/25 and 2025/26.

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

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

#### **Key Strategies**

- Develop on-road safety programs, such as enhanced driver training focusing on preventative techniques.
- Develop workplace safety and awareness programs, training, policies and procedures, including ergonomics for prevention of musculoskeletal injuries, winter slip, trips and falls prevention, and winter driving and hydroplaning.
- Continue to deliver programs and training that aim to reduce the frequency of conflict between 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. Safe workplace behaviour allows BC Transit employees to provide a high standard of customer service, improving customer satisfaction. On-road safety programs and training to reduce conflict 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.**

#### **Key Strategies**

- Continue to implement the People and Culture Plan and the Work Environment Survey recommendations.
- Implement an Inclusion, Diversity, Equity and Accessibility (IDEA) Strategy, including Indigenous reconciliation, Indigenous Employment Program, GBA+ and IDEA Forum group.
- 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.
- Collaborate with TransLink and BC Ferries to promote a seamless and convenient customer experience across the province, identifying priority actions that can be moved forward.

#### **Discussion**

This objective has been expanded to include improving partner and employee engagement, as well as customer engagement. Improving engagement with partners and the communities BC Transit serves will support customer satisfaction and encourage strong transit use. Engaging

employees, partners and communities will promote BC Transit’s continuous advancement in inclusion, equity, diversity and accessibility. BC Transit is developing a strategy to engage with and improve transit service opportunities for urban and rural Indigenous communities. The implementation of this strategy, beginning in 2023/24, will support meaningful reconciliation. BC Transit’s Indigenous Employment Program Roadmap will help support a diverse workforce and remove barriers for attracting Indigenous employees. BC Transit will also continue to enhance the use of Gender-Based Analysis Plus (GBA+) in service planning and infrastructure projects to gain deeper insights into customer and community needs and ensure they are reflected in policies, programs and processes.

Transformative technology projects 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[s]	2021/22 Baseline	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
2a BC Transit Employees Lost Time Injury Rate <sup>1</sup>	6.0	6.0	4.0	3.5	3.5
2b Preventable Incidents <sup>2</sup>	N/A	7.0	6.9	6.8	6.5
2c Employee Engagement <sup>3</sup>	66	70	72	73	74
2d Customer Satisfaction <sup>4,5</sup>	3.50	3.50	3.52	3.52	3.52
2e Customer Satisfaction – Custom Transit <sup>5,6</sup>	3.85	4.00	4.10	4.15	4.20
2f Partner Satisfaction <sup>7</sup>	4.48	4.20	4.25	4.25	4.25

<sup>1</sup> Data Source: BC Transit internal tracking data; BC Transit employees only

<sup>2</sup> Data Source: BC Transit internal tracking; Number of preventable incidents per million vehicle-kilometres driven

<sup>3</sup> Data Source: Employee Survey

<sup>4</sup> 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.

<sup>5</sup> Data Source: Annual customer survey, conducted by a third-party research firm

<sup>6</sup> 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.

<sup>7</sup> Data Source: Annual partner survey, conducted by a third-party research firm

## Discussion

BC Transit employees lost time 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.

Preventable incidents (2b) is a new measure introduced for 2022/23 and includes bus collisions that have been investigated by in-house safety and training officers and corporate investigators and 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 are predicted to decrease over the planning period, supported by the ongoing promotion of safety through driver training and on-road safety programs. The targets for the employee lost time injury rate have been adjusted to reflect the decrease in reportable injuries to WorkSafeBC, 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.

In 2022, BC Transit replaced the weighted distribution methodology used to calculate the employee engagement score since 2015 with a new methodology that is aligned to market best practice and research on employee engagement. Starting in 2022/23, the employee engagement score will be calculated using a non-weighted distribution of responses to four questions: a. I would recommend BC Transit as a great place to work; b. My organization inspires me to give my very best at work; c. I am proud to tell people I work for BC Transit; and d. I intend to be working at BC Transit a year from now. This approach is more comprehensive, focuses on key outcomes, values and behaviours of employee engagement, and directly supports the advancement of BC Transit's People and Culture vision and plan.

The People Experience Group, a diverse and cross-functional group of employees that was established in January 2023, 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 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.

In 2022, BC Transit launched its Voice of the Rider public engagement surveys, which collect information on customer satisfaction levels and ongoing feedback from riders and non-riders in the province. Voice of the Rider provides insights on who uses transit, and why and how they use it, providing an opportunity to undertake GBA+ to gain deeper insights of current and future customers' needs. Voice of the Rider promotes more community engagement and provides BC Transit and local government partners with ongoing information that guides

improvements to transit service across the province. Over the next three years, improved customer services, such as the implementation of enhanced fare technologies, the introduction of more on-demand services, and ongoing work to create a seamless and convenient customer experience with TransLink and BC Ferries are expected to support an improvement to customer satisfaction.

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 that prevent them from 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. Improvements to vehicle dispatch technology for custom transit service is expected to support an increase to custom transit satisfaction over the next three years.

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 developments including new housing opportunities, creating livable, affordable communities. Advancing engagement with urban and rural Indigenous communities will also remain a priority for BC Transit.

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## Goal 3: Reduce Greenhouse Gas and Localized Emissions.

### Objective 3.1: Transition to a low carbon fleet and implement a fully electric fleet by 2040.

#### Key Strategies

- In support of the [Low Carbon Fleet Program](#), BC Transit's fleet is expected to be fully electric by 2040.
- Purchase renewable fuels to reduce greenhouse gas (GHG) emissions of the combustion fleet, while introducing the first phase of battery electric buses to meet the CleanBC 2025 legislated target of 16 per cent GHG emissions reduction.
- Develop plans for further battery electric bus deployments after 2023, to 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 reductions targets, and BC Transit's commitment to transition to a fully electric fleet.
- 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).

#### Discussion

The 2022/23 Service Plan included an objective of "Greenhouse Gas Emissions: Be accountable for its environmental impact by reducing operational carbon emissions". This has been updated to "Reduce Greenhouse Gas and Localized Emissions". This better reflects BC Transit's responsibility to reduce harmful emissions, contribute to climate action, and support the communities we serve.

Many transit agencies across North America are introducing battery electric buses, with adoption scaling up rapidly. However, the application of this technology is still in the early stages and ongoing development iterations are expected. There are also variations in technological readiness and market supply of BC Transit's different bus fleet classifications (high capacity, heavy duty, medium duty, and light duty vehicles). Renewable fuels will help to support BC Transit's commitments in the next several years while the zero emission technologies continue to develop and the capability to support operation of larger electric fleets is established. Delivering on investments in vehicles and facilities will support the overall reduction of GHG emissions, in alignment with the [CleanBC Roadmap to 2030](#). Investments will also support government to achieve the CleanBC Roadmap to 2030 target of 30 per cent of trips taking place by walking, cycling or public transit by 2030.

As BC Transit continues to work towards a low carbon fleet, coordinated investments in new vehicles, infrastructure, software systems, operational changes, new approaches and collaborative teams will be required over the Service Plan period.

## Performance Measures

Performance Measure[s]	2021/22 Baseline	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
3a Total GHG emissions <sup>1, 2, 3</sup>	63,871	48,500	48,500	48,000	46,000
3b Carbon (GHG) intensity per service hour <sup>1, 2, 3</sup>	26.04	19.00	18.95	18.75	17.95

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

<sup>2</sup> Data Source: BC Government Clean Government Reporting Tool data and BC Transit internal tracking data.

<sup>3</sup> 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.

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.

In 2022, BC Transit secured a source of Renewable Natural Gas (RNG) that is being used by the Compressed Natural Gas bus fleet around the province, contributing to a reduction in GHG emissions in 2022/23.

BC Transit is working to secure additional sources of RNG to support further reductions in GHG 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

(\$000)	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
<b>Revenue</b>				
Operations	73,239	76,823	76,823	76,823
Provincial operating <sup>1</sup>	139,837	150,557	149,579	149,579
Local government operating & capital	140,003	146,120	151,386	160,188
Federal government operating	-	-	-	-
Deferred capital contributions <sup>2</sup>	46,797	42,479	56,917	80,394
Investment and other income	6,156	5,968	6,348	7,039
<b>Total Revenue</b>	<b>406,032</b>	<b>421,947</b>	<b>441,053</b>	<b>474,023</b>
<b>Expenses</b>				
Operations	214,108	229,596	225,012	223,890
Maintenance	75,858	81,454	80,821	79,857
Administration	42,411	41,498	44,598	45,902
Use of asset	74,447	69,399	90,622	124,374
<b>Total Expenses</b>	<b>406,824</b>	<b>421,947</b>	<b>441,053</b>	<b>474,023</b>
<b>Annual Operating Surplus (Deficit)</b>	<b>(792)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other non-operational gain (Loss)	<b>3,676</b>	-	-	-
<b>Total Annual Surplus (Deficit)</b>	<b>2,884</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt</b>	<b>60,557</b>	<b>118,923</b>	<b>204,897</b>	<b>340,701</b>
<b>Total Liabilities<sup>3</sup></b>	<b>555,945</b>	<b>728,815</b>	<b>1,113,819</b>	<b>1,499,426</b>
<b>Accumulated Surplus (Deficit)</b>	<b>23,730</b>	<b>23,730</b>	<b>23,730</b>	<b>23,730</b>
<b>Capital Expenditures</b>	<b>111,025</b>	<b>232,462</b>	<b>485,023</b>	<b>495,414</b>

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

<sup>1</sup> The numbers presented do not include wage increases related to labour agreements that have not been ratified.

<sup>2</sup> 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.

<sup>3</sup> 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 service for 2023/24 – 2025/26 including, inflationary pressures related to fuel and vehicle maintenance, competitive contract negotiations with operating companies and operating costs associated with new customer-focused fleet technology (including electronic fare collection technology). In addition, passenger revenues reflect a moderate rate of recovery as ridership continues to increase following the pandemic.

## Management's Perspective on Financial Outlook

While ridership continues to recover towards pre-pandemic levels, there remains potential affordability risk for local government partners in the Service Plan period given that ridership levels in some communities may continue to lag below pre-pandemic levels. Management will work closely with those local government partners to optimize service, and mitigate and respond to any affordability challenges.

The price of fuel remains a financial risk to BC Transit. Fuel is forecasted to be 30 per cent higher than budget in 2022/23 and diesel pricing remains potentially volatile in 2023/24. 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 are driven 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 forecast of future environmental and financial conditions, which are subject to change.

## Capital Expenditures

<b>Major Capital Projects (over \$50 million in total)</b>	<b>Targeted Year of Completion</b>	<b>Project Cost to Dec 31, 2022 (\$m)</b>	<b>Estimated Remaining Cost to Complete (\$m)</b>	<b>Approved Anticipate d Total Cost (\$m)</b>
Victoria handyDART Operating and Maintenance Facility	2025	\$16.8	\$42.9	\$59.7
The construction of a new handyDART operating and maintenance facility in the Town of View Royal.				

<b>Significant IT Projects (over \$20 million in total)</b>	<b>Targeted Year of Completion</b>	<b>Project Cost to Dec 31, 2022 (\$m)</b>	<b>Estimated Remaining Cost to Complete (\$m)</b>	<b>Approved Anticipate d Total Cost (\$m)</b>
Electronic Fare Collection System	2025	\$4.9	\$18.3	\$23.2
BC Transit has initiated a capital project to implement an Electronic Fare Collection System. This transformational project will improve the customer experience by introducing new forms of payments including mobile app and contactless credit cards.				

## 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



May 27, 2021

Catherine Holt, Chair  
Board of Directors  
BC Transit  
520 Gorge Road East  
Victoria BC V8T 2W6

Reference: 300784

Dear Chair Holt:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province 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 government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for BC Transit, on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to BC Transit about priorities and expectations for the coming fiscal year.

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board's decisions maintain, protect and



enhance the public services people rely on and make life more affordable for everyone.

- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown Agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** 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. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including 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.



- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. The Governing in the Public Interest online certificate program is now available, and all board members are encouraged to complete this new offering.

As the Minister Responsible for BC Transit, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2021/22 Service Plan:

- Rebuild confidence in public transit and support economic recovery from the COVID-19 pandemic by working with local government partners to build back ridership while ensuring the targeted essential service levels under the Safe Restart Agreement are maintained across all transit systems.
- Engage with the Ministry, local governments, TransLink, and other key stakeholders to implement free transit for children up to and including age 12 across British Columbia.
- Guided by the South Island Transportation Strategy, encourage transit-related travel choices by improving transit service and investing in key infrastructure improvements including the UVic Transit Exchange Upgrade and the Victoria handyDART operations and maintenance facility. Continue to work with the Ministry to ensure that the crown lands located at Douglas Street/Uptown in Saanich support the transit-oriented development of a multi-modal transit hub.





- Improve the integrative experience of customers connecting between BC Transit, BC Ferries and TransLink with a focus on opportunities for seamless transfer between services and expanded regional connections and provide a report identifying opportunities by March 2022.
- Make critical investments to support BC Transit's Low Carbon Fleet Program by awarding a contract in 2021/22 for BC Transit's first ten electric buses and charging infrastructure to be ready in 2022/23.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,

A handwritten signature in blue ink that reads "Rob Fleming".

Rob Fleming  
Minister

Date: May 27, 2021

A handwritten signature in blue ink that reads "Catherine Holt".

Catherine Holt, Chair  
BC Transit

Date: June 2, 2021

A handwritten signature in blue ink that reads "Susan Brice".

Susan M. Brice, Director  
BC Transit

Date: June 2, 2021



A handwritten signature in black ink, appearing to read "K. Elliott".

Karen Elliott, Director  
BC Transit

Date: June 2, 2021

A handwritten signature in blue ink, appearing to read "Lyn Hall".

Lyn Hall, Director  
BC Transit

Date: June 2, 2021

A handwritten signature in black ink, appearing to read "Lisa Helps".

Lisa Helps, Director  
BC Transit

Date: June 2, 2021

A handwritten signature in black ink, appearing to read "Wendal Milne".

Wendal Milne, Director  
BC Transit

Date: June 2, 2021

A handwritten signature in blue ink, appearing to read "Blair Redlin".

Blair Redlin, Director  
BC Transit

Date: June 2, 2021



cc: Honourable John Horgan  
Premier

Lori Wanamaker  
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

Douglas S. Scott  
Deputy Minister, Crown Agencies Secretariat  
Ministry of Finance

Kaye Krishna  
Deputy Minister  
Ministry of Transportation and Infrastructure

Erinn Pinkerton  
President and CEO  
BC Transit