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Councillor Marianne Alto
City of Victoria

No gas tax increase from the Province of BC leads to service expansion deferrals and potential reductions for the Victoria Regional Transit System

The Victoria Regional Transit Commission (VRTC) is extremely disappointed that the expected two cent per litre increase to the gas tax was not included by the Province of BC in this year's budget. As requested by the Province of BC, the VRTC, local governments and local businesses in the Capital Region wrote letters to the Minister of Transportation and Infrastructure and the Minister of Finance to demonstrate support for the gas tax increase as the preferred method to fund transit improvements in the Capital Region. The Ministry of Transportation and Infrastructure and the Ministry of Finance have confirmed an increase to the gas tax was not included in the budget tabled today.

"The Commission made it very clear to the Province of BC that any transit service expansion was contingent on an increase to the gas tax," said Susan Brice, VRTC Board Chair. "The decision from the Province of BC to not increase the gas tax, as requested and expected, means the VRTC will defer service expansion and look at potential service reductions to stay within our available operating budget."

The VRTC has three funding levers that it can utilize for transit: fares, property taxes and the gas tax. In 2016, the VRTC made significant changes to the fare structure to maximize fare revenue, including the elimination of transfers. The property tax levy has increased by over 200 per cent over the past ten years. On the other hand, the gas tax has not changed in over eight years.

An increase in operating funds is required to maintain transit service level with past performance. Multiple factors have contributed to declining on-time performance including increased traffic congestion, lane reductions and reduced speed limits. Without the gas tax, planned transit expansion for September 2017 will have to be put on hold and service reductions will have to be reviewed.

The review of service reductions and other options to reduce operating costs will be discussed at the upcoming Commission meeting on February 28, 2017. We apologize to our customers in advance for the impact this may have on their daily commute. The VRTC will continue to work with the Province of BC to identify funding options to support transit services in the Capital Region.

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