

Thinking Outside the Fare-Box

VIPIRG's Submission to the Greater Victoria Transit
Commission

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Introduction

As transit services are being cut, fare increases are being threatened, and faith in the system crumbles, the Transit Commission is facing some difficult choices. These choices have been laid out in a pragmatic fashion with three service and three revenue possibilities.

Most people appreciate choices. Unfortunately, however, for the twenty percent of Victoria residents living in poverty, riding the bus is less of a choice than it is a necessity. For many low-income families and individuals the current \$1.75 fare is already a barrier. Raising the fare makes public transportation, which is an essential transportation, less accessible for the 47, 000-plus Victoria residents living below the poverty line.

The funds for public transportation must come from somewhere other than raising fares. It is our recommendation that the Transit Commission consider more innovative ways of generating revenue; momentarily, however, we suggest revenue generation come from a combination of fuel/property tax increases and a push for greater investment by the provincial government.

Why Not A Fair Increase?

Seemingly, the simplest solution is to raise fares at the box. Current estimates suggest that a 25-cent fare increase combined with a \$7 monthly pass increase will generate \$3 million annually, though still falling \$1 million short of the money needed to maintain current service levels. Perhaps the fare increase is the easiest solution because those who are most affected, namely people living in poverty, often go unheard.

People living in poverty, including low-income working people and low-income families, comprise a significant portion of transit riders. Raising fares poses yet another roadblock to low-income individuals and families who are looking for work, going to work, or attempting to access necessities such as nutritious food, health care, childcare and other integral components of life in Victoria.

While homelessness and hunger typically define poverty, access to affordable transportation is an often-overlooked factor. For the single person receiving \$510 per month on income assistance, of which \$185 is for all living expenses, three round trips per week within one zone at the current fare price accounts for almost 23% of their living expenses. Realistically, transport costs that exceed 20 % of a household's income are generally considered unaffordable (Litman 2003). This inequity is further magnified by the inherent difficulties associated with poverty. Importantly, the Victoria Transit Policy Institute (2003) cited making "lower fares for transport services that tend to be used by disadvantaged populations" as being an important equity measure.

Living in poverty is a fact of life for 20 % of Victoria residents. Fully one out of five residents struggle to afford the basics, including transportation. If BC Transit decides to raise fares they will be contributing to increasing disparity and social exclusion

in the region. It must be recognized that even a twenty-five cent increase in fares is a significant difference to people on low-incomes. There will be increased hardships if transit fares increase by 12% while income assistance rates have been reduced by 6%. A recent study asked what's left after a family pays for food and shelter (Dietitians of Canada, 2003). A family of four on welfare is left \$17 in the hole every month – before paying for transportation, clothing, school supplies and other necessities. Consider what a fare increase would mean for these families.

Furthermore, we must ask if raising fares is an economically feasible solution. North American transit studies show us that fare increases, often coupled with cutting services, has a legacy of decreasing ridership by up to four percent. In “Putting the Public Back in Transportation,” Dave Olson, (2003) cites a clear history of the “downward spirals” of numerous riderships following both fare increases and service cutbacks. Although increasing the fare might provide some momentary fiscal benefits, from a holistic perspective it erodes the already compromised stability of the system.

Is increasing the fare a socially just solution? Local economist Todd Litman asserts that “adequate mobility is essential for people to participate in society as citizens, community members, producers and consumers” (Litman 2000). Raising transit fares adds a quality of exclusivity to a public service, making it less accessible to low-income users. It will contribute to social exclusion, which Litman (2003) describes as: “constraints that prevent people from participating adequately in society.”

Is increasing the fare an environmentally sustainable solution? Certainly, public transit is an environmentally responsible alternative to ever more congested roadways and thus reduces pollution. Increased fares typically mark a drop in ridership, meaning some people (those who can afford it) are likely to resort to less environmentally sound means of transportation. Transit fares should encourage rather than discourage the use of buses.

Money From Where?

Sources of funding, outside of raising fares at the box certainly exist. Indeed, the Transportation Association of Canada's urban transportation council has urged Canadian municipalities to seek and access new sources of funding, some of which might include “user charges such as fuel taxes and vehicle registration taxes or parking surcharges dedicated to transportation.” Vancouver did it. Why are we so fearful of adding another public transportation tax to the price of gas? As VIPIRG researcher, Bruce Wallace, notes, “To be more equitable the region can adopt a policy of underpricing riding on the bus while reducing the subsidies to the car driver” (Wallace, 2000).

Currently the average residential levy through property taxes for transit is around \$38.50 per home, a rate which saw a \$1 increase in 2001. By Canadian standards this rate is low, and an increase in both gas tax and property tax will be more easily absorbed and financially viable than a fare-box increase.

The Transit Commission must also insist that the provincial government bear its fair share of the cost of public transit. Public transit is a provincial as well as a local responsibility. The provincial government raised gasoline taxes by three cents a litre during the past year, and yet devoted none of this money to public transit. The Transit Commission has a responsibility to advocate on behalf of the residents of Victoria so that the provincial government can no longer shirk its role in public transit.

Although the Transit Commission has laid out the three basic scenarios, replete with three basic schemes of revenue generation, I still believe that the commission is looking in the wrong direction. Rather than increasing fares, a Transit Commission that is committed to vibrancy and community health ought to be preoccupied with how to reduce fares. Globally, the most vibrant public systems have decreased, fully eliminated, or eliminated fares in their downtown sectors; ridership, accessibility, safety and transit vitality have increased dramatically in these regions.

The idea of reduced or free public transit often becomes labeled as “idealistic,” “unrealistic,” or even “impossible”. Cities in the Pacific North West, such as Portland and Seattle are proving the skeptics wrong, however, and their systems are growing as the result of progressive vision. Local writers such as G.E. Mortimore (2003) have recently cited the benefits of various “smart-transit programs”, and how, in areas such as Denver and Boulder, bus ridership has increased by as much as 50 per cent, essentially harmonizing “good service, high ridership and low fares.” Other cities such as Edmonton, Pittsburgh, Boston, Vail, Marseilles and Munich are likewise providing free fares and thus experiencing an enormous growth in ridership (Olson, 2003).

As a student utilizing a U-Pass, and thus receiving the benefits of a significantly lowered monthly fare, I am appalled that more/all Victoria residents do not have access to a similar pass. No longer should the U-Pass be exclusive to students, rather, widespread implementation of such a pass should occur, with a particular focus on providing accessible transportation for low-income individuals and families.

Conclusion

Perhaps the Victoria Transit Commission is missing the tripartite social, environmental and economic benefits of implementing such a system. I hope that the primary objective of any Transit Commission would be to continually increase ridership and improve services. That being the case, deciding to have riders drop another quarter into the bus-box-slot-machine is sure to be a dangerous gamble with losing odds.

Public transit is a public service that must serve the public good. What is a more appropriate measure of success than how well public transit meets the transportation needs of the most vulnerable?

The Transit Commission’s public responsibility is, firstly, to make public transportation affordable for all citizens of Victoria. The Transit Commission needs to be concerned with ways of decreasing rather than increased fares, so that people in poverty have access to transportation for the necessities of employment, education, health care,

recreation and community involvement. The sustainability of regional public transportation is dependent upon utilizing innovative funding strategies, and ultimately thinking outside of the fare-box. It is imperative that services should be maintained and appropriately improved through a combination of gasoline/property tax increases and greater investment on the part of the provincial government.

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