



# Cowichan Valley Regional Transit System Fare Review Report

Cowichan Valley Regional District

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## Overview

BC Transit has prepared this Fare Review report for the Cowichan Valley Regional District (CVRD). The Fare Review process allows for the evaluation of fare strategy to account for increases in operational costs due to inflation and investments. With the COVID-19 pandemic, the Fare Review process has been delayed for all BC Transit systems since 2019. The goal of the Fare Review is to produce fares that maximize revenue, attract and retain ridership, and maintain affordability, while also aligning with BC Transit's Fare Guidelines.

In October 2023, BC Transit presented initial background and timelines of the Fare Review process to CVRD staff. During this meeting, BC Transit reviewed the existing fare structure in the Cowichan Valley Regional Transit System, which included the interregional Route 70 NCX Nanaimo – Cowichan Express (NCX) and Route 66 – CVX Cowichan – Victoria Express (CVX) and Route 99 – SVX Shawnigan – Victoria Express (SVX). As interregional routes are governed and funded jointly, any changes proposed for the NCX require approval from the Regional District of Nanaimo before being implemented. As well, any changes to the CVX and SVX require approval from the Victoria Regional Transit Commission.

The Fare Review evaluates fare options against BC Transit's Fare Guidelines and similar transit. The fare options within this report also comply with the Safe Restart Funding Agreement requirements that limit fare increases to 2.3% until the agreement's expiration in April 2025.

## Current Fare Structure

The Cowichan Valley Regional Transit System's fares were last changed in 2020, when the DayPASS Onboard was introduced and transfers were eliminated. Prior to this, fares were reviewed in 2018 and several fare increases were implemented, as seen below:

- Cash fare increased from \$2.00 to \$2.25
- Adult Monthly Pass increased from \$48 to \$50
- Student/Senior Monthly Pass increased from \$36 to \$38
- Post-Secondary Semester Pass increased from \$115 to \$125
- Commuter weekday fare (routes 66 and 99) increased from \$8 to \$10
- Commuter Monthly Pass Zone A (route 66 and 99) increased from \$192.00 to \$204.00
- Commuter Monthly Pass Zone B (route 66 and 99) increased from \$232.00 to \$246.00

The introduction of funding for the Children 12 & Under program was initiated on September 1<sup>st</sup>, 2021 by the Province, replacing existing fares for this age demographic. With the launch of Umo in November 2023, minor changes to fare products to improve customer ease of use were introduced. The Monthly Pass was replaced with a 30-Day Pass to provide more flexibility for customers. As well, automatic daily fare capping was enabled on conventional transit routes, granting any rider who has taken two trips with Umo in one day to take additional trips without incurring any additional costs beyond the second fare, without the need to request the pass upon boarding. For those who choose to pay with Cash a paper DayPASS onboard will continue to be available for purchase if the customer requires multiple trips in one day, or a Single Ride can be purchased via Cash.

As fare capping is incompatible with the 10-Ticket product, it was discontinued as of September 30, 2024. To align the fare structures between conventional local transit and the NCX, CVX, and SVX, the 10-Ticket product was also removed from these regional fare structures as of September 30, 2024.

As the existing fare structure applies to both conventional (fixed route) transit and custom (handyDART) transit in the Cowichan Valley Regional Transit System, any change to fares that are approved will be applied to both forms of transit service. At this time, Umo is only available on conventional fixed route transit and not on custom transit.

Table 1: Conventional Fare Structure

Fare Type	Audience	Price
Single Ride	All	\$2.25
DayPASS	All	\$4.50
30-Day Adult Pass	Adult	\$50.00
30-Day Concession Pass	Senior (65+)/Youth (12-18)	\$38.00
30-Day University Pass	Post-Secondary Students	\$38.00
Semester Pass	Post-Secondary Students	\$125.00

Table 2: Custom Fare Structure

Fare Type	Audience	Price
Single Ride	All	\$2.25
5-Tickets	All	\$11.25

Table 3: NCX Nanaimo – Cowichan Express Fare Structure

Fare Type	Audience	Price
Single Ride	All	\$7.50
30-Day NCX Zone C Pass	All	\$175.00
30-Day NCX Zone D Pass	All	\$245.00

Table 4: CVX Cowichan – Victoria Express and SVX Shawnigan Lake – Victoria Express

Fare Type	Audience	Price
Single Ride	All	\$10.00
30-Day CVX/SVX Zone A Pass	All	\$204.00
30-Day CVX/SVX Zone B Pass	All	\$246.00

## BC Transit Fare Guidelines

BC Transit's Fare Guidelines are based on industry best practice for public transit and have been developed to provide guidance to local governments in setting fares. The Fare Guidelines promote a balance between maximizing fare revenues while maintaining affordability and growing ridership. BC Transit's fare strategy focuses on fare products that are attractive to customers, encourage ridership, and are easy for vendors to sell.

The Cowichan Valley Regional Transit System current menu of fare products is consistent with BC Transit's recommended products. However, the Concession 30-Day Pass currently falls below the Fare Guideline, and the Semester Pass is slightly higher than the Fare Guideline. Any recommended fare changes included in this Fare Review should aim to align with the Fare Guidelines outlined below.

Table 5: BC Transit Fare Guidelines

Core Fare Product Structure		
Product	Audience	Price
Single-Ride	All	Base
DayPASS Onboard	All	2 Times Base Fare
Adult 30-Day Pass	All	20 to 30 Times Base Fare
Concession 30-Day Pass	Senior/Youth/Student	Adult 30-Day Pass less 15%
University Semester Pass	Post-Secondary Student	4 times Concession 30-Day Pass less 20%
No Fare Transfers		

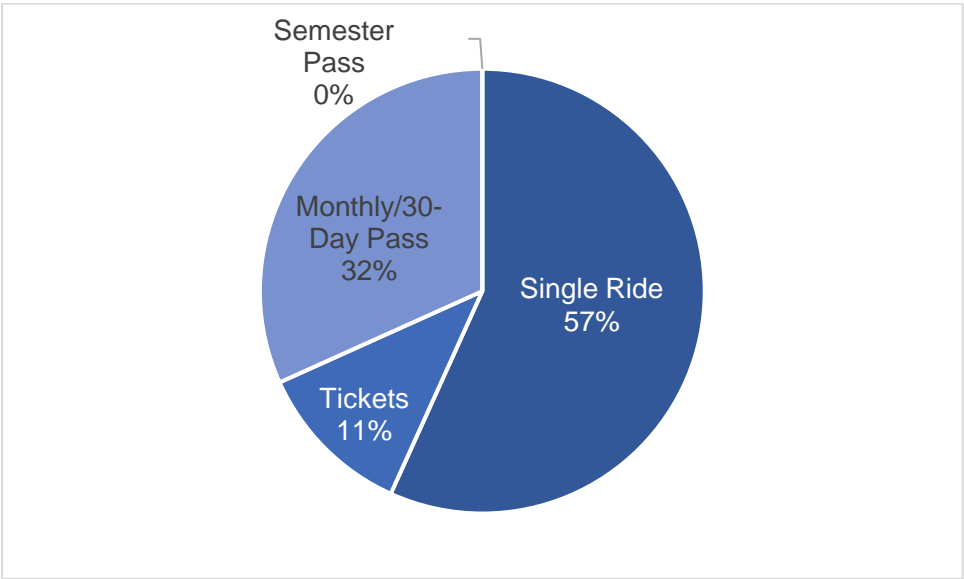


# Sources of Fare Revenue

The Cowichan Valley Regional Transit System has several sources of fare revenue from existing fare products. Most fare revenue comes as cash in the farebox, which accounts for 57 per cent of total fare revenues in the 2023/24 fiscal year. Tickets make up 11 per cent of overall revenues and have been discontinued as of October 1<sup>st</sup>. As legacy fare products are replaced with Umo fare payment, it is expected that users of the ticket fares will use the cash balance feature of Umo paying the Single Ride fare. Monthly passes, now 30-Day passes in Umo, make up 32 per cent of fare revenue and constitute the second highest fare revenue type.

The Cowichan Valley Regional District can set fares for all sources of fare revenue with the two exceptions of the BC Bus Pass and the Free Transit for Children 12 and Under program, which are provincially funded initiatives and applied to the local government’s budget according to provincial allocation models. BC Transit has agreements with the province to deliver these programs across all of BC Transit, and as such they fall beyond the scope of this fare review.

Figure 1: Composition of Cowichan Valley Regional Transit System Conventional Fare Revenue for 2023/2024



With the NCX, CVX, and SVX regional routes, the legacy ticket fare product has been eliminated within Umo and only 30-Day Passes and Single Ride fares, in the form of Stored Value, remain. The NCX regional route also does not benefit from funding from the Children 12 and Under program as it was created past the inception of this program.

Figure 2: Composition of NCX Fare Revenue for 2023/2024

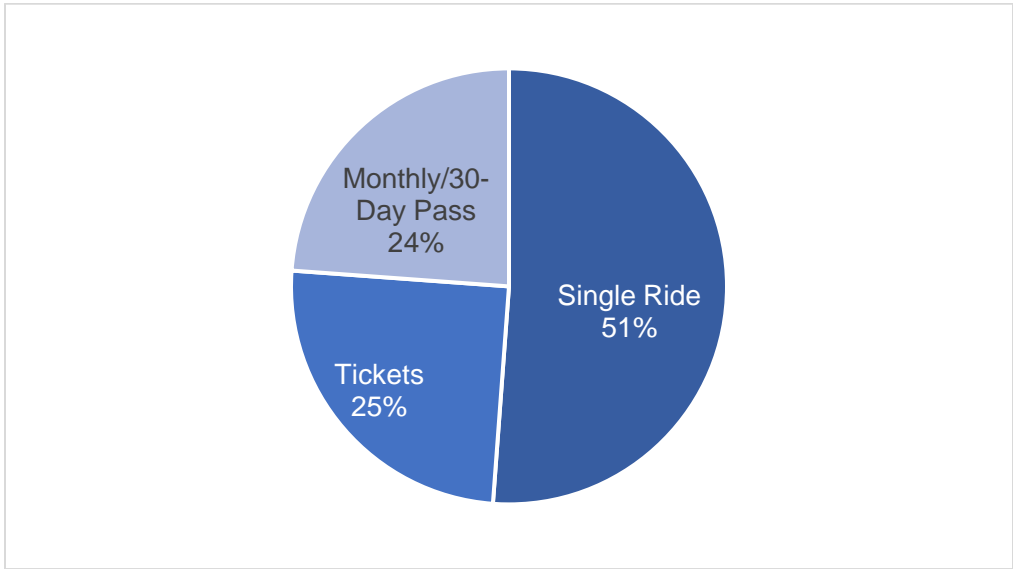
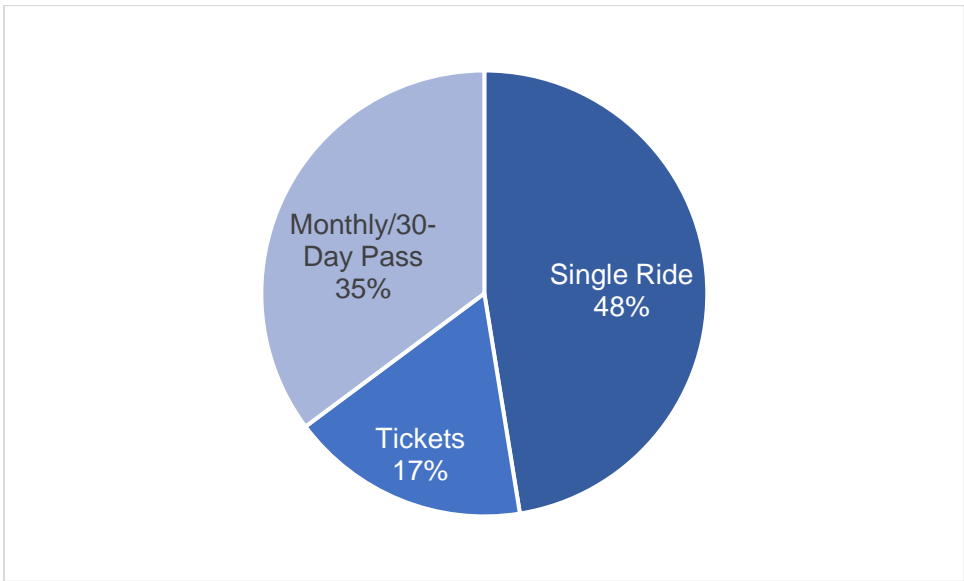


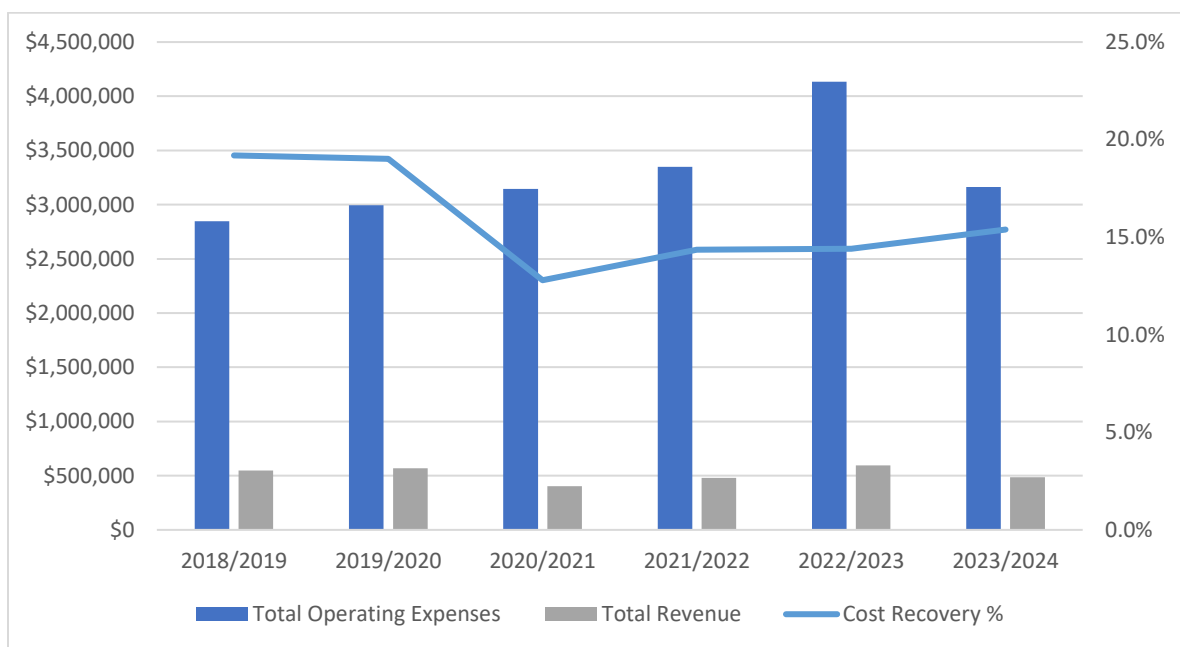
Figure 3: Composition of CVX/SVX Fare Revenue for 2023/2024



### Cost Recovery

Over the past five years, ridership and therefore fare revenue has been impacted by the COVID-19 pandemic, fares have not kept up with inflation and pandemic-driven cost impacts that have diminished cost recovery in the Cowichan Valley Regional Transit System. With continuing inflation of core transit costs (labour, bus parts, etc.) cost recovery is expected to continue to decline. As well, planned service expansion that will improve transit and encourage ridership has added costs that must be funded. The following table shows total revenues, total operating costs (excluding asset lease fees for fleet, equipment and facility or building costs), and the corresponding cost recovery over the past five years. When comparing the existing cost recovery rate in the Cowichan Valley Regional Transit System to other Tier 2 BC Transit systems, the cost recovery falls slightly behind the average of 19 per cent.

Figure 4: Cowichan Valley Regional Transit System Conventional Cost Recovery 2018 - 2023



## Supportive Transit Programs

The Cowichan Valley Regional Transit System has several programs that exist to ensure populations that require assistance have equitable access to transit.

### BC Bus Pass Program

The BC Bus Pass Program is a province-wide program funded by the Ministry of Social Development and Poverty Reduction that provides a universal bus pass for low-income seniors and persons with disabilities receiving assistance. More information about the BC Bus Pass program can be found at the Province's [BC Bus Pass webpage](#). To support this program, the Cowichan Valley Regional Transit System receives funding from the Provincial government which is not accounted for in the previous assessment of fare revenue.

### Complimentary and Discounted Fare Products

The Cowichan Valley Regional District (CVRD), in partnership with United Way British Columbia (UWBC) distributes 450 complimentary single-use transit tickets (now Umo QR tokens) monthly to social services agencies in the Cowichan region, to support transportation needs of recipients. As well, supportive organizations have the opportunity to purchase Single-Use fares at a buy-one-get-one discounted rate.

## Comparison of Similar Transit Systems

To determine reasonable fare levels for the Cowichan Valley Regional Transit System, the following table provides a comparison of British Columbia transit systems that serve similar population sizes and have similar total annual ridership or are in close proximity to the Cowichan Valley. The data provided is based on the Canadian Urban Transit Association (CUTA) 2022 Operating Data report.

The Victoria Adult Cash Fare price indicated below will be effective as of April 1, 2025. As well, Nanaimo, Comox Valley, and Campbell River all have pending Fare Reviews for the 2025 fiscal year that may see changes to the listed fare prices indicated below.

Table 6: Comparison of Fares in Neighbouring and Comparable Transit Systems

Transit System	Population Served	Ridership	Adult Cash Fare	Adult Pass	Concession Pass*
Cowichan Valley, BC	65,500	410,221	\$2.25	\$50.00	\$38.00
Nanaimo, BC	121,723	3,131,673	\$2.50	\$65.00	\$40.00
Victoria, BC	391,169	22,117,092	\$3.00	\$85.00	\$45.00
Comox Valley, BC	50,738	774,073	\$2.00	\$55.00	\$35.00
Campbell River, BC	36,271	537,756	\$2.00	\$55.00	\$35.00
Penticton, BC	32,802	384,566	\$2.25	\$45.00	\$35.00
Vernon, BC	37,171	496,933	\$2.50	\$55.00	\$40.00
<i>Average</i>			<i>\$2.36</i>	<i>\$58.57</i>	<i>\$38.29</i>

As connector routes, the NCX, SVX and CVX have unique fare structure that would be best compared to similar routes. The Fraser Valley Express (FVX) provides regional transit between Chilliwack, Abbotsford, Langley, and Burnaby. A comparison of these inter-regional fares can be found below in Table 7.

Table 7: Comparison of fares of Inter-Regional Transit Routes

Regional Transit Route	Adult Cash Fare	Single Zone Pass	Dual Zone Pass
Nanaimo - Cowichan Express	\$7.50	\$175.00	\$245.00
Fraser Valley Express	\$5.00	\$100.00	-
Cowichan – Victoria Express	\$10.00	\$204.00	\$246.00



## Pre-Paid Fare Programs

BC Transit is continuously looking to support our regional transit systems with new fare program opportunities that increase transit ridership, while also bringing in new revenue opportunities. With the rollout of Umo, BC Transit is now able to facilitate and administer pre-paid fare programs. Pre-paid fare programs provide new sources of fare revenue and enhance cost recovery. BC Transit is currently looking to introduce the following pre-paid fare programs to all suitable transit systems.

### UPASS

The UPASS program is a BC Transit bus pass program for post-secondary institutions in British Columbia. The UPASS program gives students unlimited access to transit services in their local transit system for a heavily discounted rate.

Most UPASS programs provide semester passes to all students that pay student union fees and have at least one course on campus during the given semester. Unique considerations specific to a post-secondary institution can be included in the planning of a UPASS agreement to allow for opt-out or opt-in clauses. Generally, BC Transit recommends the Semester fee for the UPASS is applied to each eligible student at the rate of one Post-Secondary 30-Day pass per Semester.

Although currently there is no indication that a UPASS program would be successfully approved from local post-secondary institutions, BC Transit can assist in further consultation as requested to help facilitate the introduction of this program.

### ProPASS Employer Facilitated Fare Program

ProPASS is a convenient annual program available to employees through employer facilitated payroll deductions. ProPASS offers employees unlimited travel in their local transit system at a discounted rate, to further incentivize transit usage. Many employers in the Victoria Regional Transit System, which has a large ProPASS enrollment, have found this program beneficial as it aids in reducing demands on parking and is an excellent value add benefit for their employees.

The ProPASS program includes a discount of 15 per cent less the price of an Adult 30-Day pass, allowing for the program to fluctuate with any potential changes to fare pricing in the transit system. The program asks employees to commit to a minimum one-year enrollment period, with the ability to exit the program for legitimate reasons such as the end of employment. Any employer is eligible with a minimum of five employees required to enroll.

BC Transit is looking to introduce this program regionally to support large employers who have employees in multiple transit systems and would like to extend the program to the entire organization. Island Health is one such employer that currently offers a substantial subsidy that further reduces the cost of the ProPASS for employees, which has contributed to the high enrollment in Victoria. Island Health has already indicated their intention to join the ProPASS program if launched in the Cowichan Valley.

With the introduction of Umo, ProPASS is easier to administer and no longer requires local government partners to provide administration of the program or approve businesses for enrollment. BC Transit will provide employers with the means to enroll in the program and provide Umo benefit codes directly to enrolled organizations for distribution to employees, removing the demand on CVRD resources.

Table 8: ProPASS Program Pricing for Cowichan Valley Regional Transit System

Adult Pass Fare	\$50.00
Annual Cost	Adult Pass Fare - 15% discount x 12 = \$510.00
Monthly Cost	Adult Pass Fare - 15% discount = \$42.50

### EcoPASS Developer Pass Program

EcoPASS is an existing fare program in the Victoria Regional Transit System used by property developers to incentivize transit use and reduce vehicle use. Developers can invest in transit access for residents of their development in exchange for variances to reduce the municipal parking requirements. BC Transit is encouraging the expansion of the EcoPASS program to additional transit systems to support the new Province's new housing legislation.

The EcoPASS program allows developers to invest in a transit fund that all residents of a development have access to, thereby creating more opportunities for residents to use transit as their mode of choice. Enrolled participants receive transit access on demand through Umo, which allows participants to draw a Single Ride fare from the transit fund each time they ride the bus. The EcoPASS transit fund would remain in place until the fund is exhausted, and if the program is well utilized by residents, strata organizations could also take advantage of the program once developer funds are depleted.

To participate in the EcoPASS, developers make a financial contribution based on direction from local municipalities in the Cowichan Valley. If introduced, EcoPASS would be an option for municipalities and the CVRD when approving development applications and negotiating possible parking variances. The program provides data insights that can be reported back to municipalities, the CVRD and developers to help shape future transit plans as well.

To incentivize developers to increase their investment, a proposed discount structure is included below for the program. This discount would apply to the developer's total transit fund investment.

Table 9: EcoPASS Discount Structure

Discount Tier	Amount Spent	% Discount
Tier 1	\$5,000	5.00%
Tier 2	\$10,000	5.50%
Tier 3	\$20,000	6.00%
Tier 4	\$30,000	6.50%
Tier 5	\$40,000	7.00%
Tier 6	\$50,000	7.50%
Tier 7	\$100,000	10.00%
Tier 8	\$150,000	12.50%
Tier 9	\$200,000	15.00%

## Fare Change Options

The fare change options presented below were developed using BC Transit's Fare Guidelines, which are detailed in Table 5 of this report. Fare changes were developed with consideration to support cost recovery to enable ongoing service expansions while maintaining affordability. The impact to the total number of annual rides and annual revenue of the fare options were calculated using established industry-standard fare product elasticity models commonly applied in transit fare analyses. These models use established studies in larger metropolitan areas and do not take into account local considerations in the Cowichan Valley and therefore are provided as high level estimates only. The fare change options apply to both conventional and custom transit, as the fare structures for both transit types are aligned. The ridership and revenue impacts however do not take into account custom transit, and are only applied to fixed-route conventional transit. A comparison of the fare options to BC Transit's recommended fare guidelines is also included, with the variance indicated in red.

Fare change options are included for the CVX and SVX routes, although the recommendation from BC Transit would be to retain the existing fares due to the high fare price currently set. Any potential fare changes would require approval from the Victoria Regional Transit Commission, which has not expressed a desire to see fares increase. The revenue estimates included would be split between both the Victoria Regional Transit System and the Cowichan Valley Regional Transit System as the two parties that fund this route.

The NCX fare options below all meet BC Transit's recommended fare guidelines. Any approved fare change for the NCX will require approval from both the Regional District of Nanaimo and the Cowichan Valley Regional District, as both revenue and costs are shared evenly between the two Regional Districts. Similarly to the estimates for the CVX and SVX routes, the revenue estimates included would be split between both the Nanaimo Regional Transit System and the Cowichan Valley Regional Transit System as the two parties that fund this route.

The fare changes outlined below for the NCX were developed from input with CVRD staff and according to feedback from the Regional District of Nanaimo's Transit Committee requesting that affordability and access be prioritized over cost recovery.

Table 10: CVX and SVX Fare Change Options

Fare Type	Audience	Existing	Option1	Option 2	Option 3
Single Ride	All	\$10.00	\$11.00 ↑	\$11.00 ↑	\$12.00 ↑
30-Day CVX/SVX Zone A Pass	All	\$204.00 20 Times Base Fare	\$204.00 ↑ <b>19 Times Base Fare</b>	\$220.00 ↑ 20 Times Base Fare	\$220.00 ↑ <b>18 Times Base Fare</b>
30-Day CVX/SVX Zone B Pass	All	\$246.00 25 Times Base Fare	\$246.00 ↑ 23 Times Base Fare	\$275.00 ↑ 25 Times Base Fare	\$275.00 ↑ 22 Times Base Fare
Estimated Annual Revenue Impact			\$11,274 (3%)	\$16,567 (5%)	\$26,002 (8%)
Estimated Annual Ridership Impact			-850 (-2%)	-1,684 (-4%)	-2,535 (-6%)

Table 11: NCX Fare Change Options

Fare Type	Audience	Existing	Option1	Option 2
Single Ride	All	\$7.50	\$5.00 ↓	\$5.00 ↓
30-Day NCX Zone C Pass	All	\$175.00 23 Times Base Fare	\$125.00 ↓ 25 Times Base Fare	\$150.00 ↓ 30 Times Base Fare
30-Day NCX Zone D Pass	All	\$245.00 32 Times Base Fare	\$175.00 ↓ 35 Times Base Fare	\$200.00 ↓ 40 Times Base Fare
Estimated Annual Revenue Impact			-\$16,261 (-17%)	-14,201 (-15%)
Estimated Annual Ridership Impact			2,543 (13%)	2,116 (11%)

Table 12: Cowichan Valley Regional District Fare Change Options with Estimated Annual Revenue and Ridership Impacts

Fare Type	Existing	Fare Guidelines	Option 1 Cash Fare Only Increase	Option 2 Small Fare Change	Option 3 Medium Fare Change	Option 4 Large Fare Change
Single Ride	\$2.25	Base	\$2.50 ↑	\$2.50 ↑	\$2.50 ↑	\$2.75 ↑
DayPASS OnBoard	\$4.50	2 Times Base Fare	\$5.00 ↑	\$5.00 ↑	\$5.00 ↑	\$5.50 ↑
30-Day Adult Pass	\$50.00	20 – 30 Times Base Fare	\$50.00 – 20 Times Base Fare	\$50.00 - 20 Times Base Fare	\$55.00 - 22 Times Base Fare	\$55.00 ↑ 20 Times Base Fare
30-Day Concession Pass	\$38.00 Adult 30-Day Pass less 24%	Adult 30-Day Pass less 15%	\$38.00 – Adult 30-Day Pass less 24%	\$40.00 ↑ Adult 30-Day Pass less 20%	\$42.00 ↑ Adult 30-Day Pass less 23%	\$45.00 ↑ Adult 30-Day Pass less 18%
30-Day Post- Secondary Pass	\$38.00 Adult 30-Day Pass less 24%	Adult 30-Day Pass less 15%	\$38.00 – Adult 30-Day Pass less 24%	\$40.00 ↑ Adult 30-Day Pass less 20%	\$42.00 ↑ Adult 30-Day Pass less 23%	\$45.00 ↑ Adult 30-Day Pass less 18%
University Semester Pass	\$125.00 4 times Post- Secondary 30-Day Pass less 18%	4 times Post- Secondary 30-Day Pass less 20%	\$125.00 – 4 times Student 30- Day Pass less 18%	\$125.00 – 4 times Student 30- Day Pass less 22%	\$135.00 ↑ 4 times Student 30- Day Pass less 20%	\$140.00 ↑ 4 times Student 30- Day Pass less 22%
5-Tickets (handyDart)	\$11.25	5 times Base Fare	\$12.50 ↑	\$12.50 ↑	\$12.50 ↑	\$13.75 ↑
Estimated Annual Revenue Impact*			\$19,264 (5%)	\$21,729 (5%)	\$26,545 (6%)	\$42,814 (10%)
Potential Annual Ridership Impact*			-7,510 (-3%)	-9,802 (-4%)	-13,969 (-5%)	-23,770 (-9%)

\*estimates are for conventional transit only



## Fare Option Recommendation

BC Transit recommends the introduction of the EcoPASS and ProPASS pre-paid fare programs to the Cowichan Valley Regional Transit System. As well, BC Transit recommends Option 1 for the Nanaimo-Cowichan Express, no change for the Cowichan – Victoria Express and Shawnigan – Victoria Express, and Option 3 for the Cowichan Valley Regional Transit System as the approved fare changes. Both fare change options have been selected based on the following factors:

- Alignment with BC Transit's recommend fare guidelines:
  - o NCX: This fare change option continues to align with BC Transit's recommended fare guidelines.
  - o Cowichan Valley Regional District: Option 3 best aligns the pricing of pass products with BC Transit's recommendations.
- Comparison to similarly sized transit systems:
  - o NCX: The fare change option is more in line with similar regional transit fares provided in the earlier analysis.
  - o Cowichan Valley Regional District: The fare changes within Option 3 are comparable to similar and neighbouring transit systems.
- Improving cost recovery in Cowichan Valley Regional District Transit System
  - o Cowichan Valley Regional District: Option 3 has the greatest net increase to revenue, while still maintaining affordability and conforming within BC Transit Fare Guidelines