

Spare some more change?
A Response to the
Victoria Regional Transit Commission's
Proposal on Fares & Taxation

Submitted by
Bruce Wallace, Research Coordinator
Vancouver Island Public Interest Research Group
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Box 3035, Stn CSC
UVIC SUB B122
Victoria, B.C. V8W 3P3
vipirg@uvic.ca
250-721-8629 (fax) 721-7285

All over the Region people are scurrying about preparing Christmas hampers for the tens of thousands of families who live in poverty in Greater Victoria. But tonight the Victoria Regional Transit Commission is considering a decision that will make living on a low-income even more impossible.

Once again, local mayors and councillors are asking us to approve an increase in bus fares. It is an incredible proposal, one that is unjust, unfair and hurtful to people living in poverty. It is an action that will undoubtedly further stretch food budgets in many households, an action that a few cans of food once a year will not remedy.

The proposal works against all of those citizens who are hoping to alleviate poverty in our communities. It is a proposal that seemingly ignores decades of urban planning, strategic planning, official community plans, regional planning, task forces, global environmental agreements and endless commitments to lessen our dependence on the car, improve the environment and alleviate poverty.

The three questions

Earlier this year the Capital Regional District, the city of Victoria, the district of Saanich and others reported on the widespread poverty and inequality in the capital region. The Capital Urban Poverty Project reported that more than 47,000 people live in poverty in the region, a figure which is about 2.5 times the population of Oak Bay or more than the entire population of the Saanich Peninsula. The project concluded with a question, or rather three questions, questions that I submit back to those who are local mayors and councillors.

“Daily we make decisions that affect others around us. Each decision or action implies values – what we think and believe to be worth cherishing and maintaining. Consider the values that need to be considered when making small and large decisions... Three poverty questions can help clarify the values that guide individual and group decisions, and evaluate actions taken by organizations.

1. Will this decision or action make the situation worse for those living in poverty? How will you know?
2. Will this decision or action make the situation better for those living in poverty? How will you know?
3. Will this decision or action make the situation better for all citizens? How will you be sure? (Capital Urban Poverty Project, 2000:193)

When you think about increasing bus fares are you thinking about poor people who depend on the bus? The National Council of Welfare (1999) reports that three out of four low-income households in Canada rely on buses for transportation. For poor people, buses are a crucial amenity – not a convenience.

Access to the bus means access to look for work, or to get to work. It means better access to nutritious food, health care and childcare. If this commission once again raises fares it will be establishing another roadblock to self-sufficiency and full citizenship in Victoria.

Regardless of your income, consider the three greatest costs in your household this month. Likely they are housing, food and transportation. Local governments appear to be extremely aware of the difficulties when people are unable to afford housing or food. The *homeless* and the *hungry* are how we define poverty. But I argue that lack of transportation is not only a definition of poverty but the costs of transportation for a poor household affect their ability to afford housing and food. Increase the cost of travel for poor people and you are increasing the pressure on food budgets and housing budgets, you are working against your colleagues who are addressing homelessness and hunger in the CRD.

Tod Litman is a local economist and widely respected for his fiscal analysis of urban transportation. He argues that, transit is not “alternative transportation” it is essential transportation. “Adequate mobility is essential for people to participate in society as citizens, community members, producers, and consumers, he says (Litman, 2000).”

Therefore, while the Transit Commission must serve the whole region, it must *best* serve those who lack choices. Statistics Canada has confirmed that raising bus fares generally results in a decrease in ridership, however, they also discovered that many bus riders cannot choose the more competitive alternative, buying a car. Tragically, people with low-incomes will ride the bus regardless of how high you plan on increasing the fares reports Statistics Canada.

Your decision is not only a fiscal one it is also a community health decision, a question of social justice.

The answer to the question

Bus riders have already paid more than their fare share. Transit fares in urban Canada have been increasing almost three times as fast as auto costs (Pucher, 1998). Statistics Canada (2000) reports that transit fares in 1996 rose 13.9 per cent while the overall inflation rate was only 1.4 per cent. While the cost of providing public transit has been increasing over the years, the government’s funding has not kept up leaving the person at the bus stop to cover the difference.

So what should we do? It is proven that we are underpricing automobile driving, even though “it exacerbates every problem related to transportation”, according to Litman (Litman, 1998)”. A wonderful solution to these problems is public transit. To be more equitable the Region can adopt a policy of underpricing riding on the bus while reducing the subsidies to the car driver.

While it is expensive to buy a car, driving a car is very cheap – for the driver. Litman estimates that motorists only pay two-thirds of the actual cost of driving their car. What is most disturbing is that the people who pay the remaining one-third are disproportionately the poor. Our regional policy of subsidizing automobile use is resulting in a tax system that takes more from the poor to pay for the luxuries of the people who drive (During, 1996). Litman explains, “people who drive less are forced to subsidize the travel of people who drive more. This is particularly unfair because vehicle travel tends to increase with income. It makes no sense, for example, that low income non-drivers should pay for parking facilities for wealthier automobile users (Alternatives 24:1;37).”

It is a matter of social justice. When asking who should pay for public transit, you need to also ask the three poverty questions.

In September 2000, the Transportation Association of Canada’s Urban Transportation Council released a report urging Canadian municipalities to access additional funding to improve their public transit. Recognizing that financing transit is a major challenge due to reduced transfer payments from provinces, the Council urges municipalities to look to “new sources of revenue for transportation including user charges such as fuel taxes and vehicle registration taxes or parking surcharges dedicated to transportation (TAC, 2000; 5).” Notice how this National Association defines increased transit “user fees” not as increased bus fares but increased fuel taxes in recognition of the public benefits from public transit. By the way, this organization’s “*New Vision for Urban Transportation*” is not only endorsed by the OECD but also the District of Saanich. It is a vision that clearly chooses fuel taxes and vehicle registration taxes over fare increases to create a sustainable transit system.

Raising transit fares on the other hand, is one further step in maintaining an unsustainable transit system for the Region. By raising fares you will essentially be continuing the traditional transportation policy, despite all of the warnings from experts to do otherwise. Your easiest option is to make the poorest pay the most, traditionally the quietest voice. But the most beneficial option is to finance public transit through increased fuel taxes, an option that would both encourage ridership due to more affordable fares while providing a disincentive to unnecessary driving.

Asking the wrong questions

In the end I believe that the Transit Commission is asking the wrong questions. The debate tonight should not be around raising fares, but the possible effects of reducing fares.

We need to look how BC Transit can better meet the social needs of our communities, not exasperate social problems. Look at the City of Victoria’s LIFE program (Leisure Involvement For All), which is designed to ensure that equitable public access to recreation for all residents regardless of their ability to pay. Eligibility is defined as residents receiving BC Benefits or whose current combined household income is below

the Statistics Canada low-income threshold. Sadly, we do not have “equitable public access” to transportation for all residents.

Even the controversial concept of free transit deserves being talked about. How much would it cost to expand the U-Pass program, a contained experiment in free-fare transit? What would be the costs and benefits of removing the fare box from buses?

In light of the heavy subsidizes for car drivers your introduction of raising bus fares appears to be an extremely negative, even punitive tax. In light of all of the other initiatives that your local governments and organizations are taking in increasing liveability, alleviating poverty, helping youth, and building strong communities, your proposal is totally backwards and deconstructs the expensive work of your staff and advisors.

Bruce Wallace is the Research Coordinator for the Vancouver Island Public Interest Research Group (VIPIRG).

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