

TransLink: Supporting Metro Vancouver's Future Growth

September 20, 2024

InterVISTAS

Executive Summary

The availability of reliable public transport is integral to sustaining and supporting social and economic growth in communities. TransLink has played a significant role in providing and facilitating public transport services to Metro Vancouver residents and businesses. Since TransLink's inception in 1999, public transit services have grown significantly matching Metro Vancouver's population and economic growth during this period.¹

TransLink's current financial reality

TransLink faces a net revenue shortfall of approximately \$600 million annually, between the years 2026 to 2033. TransLink is constrained in its ability to significantly change its financial outlook without service cuts.² Any such cuts would have a significant economic impact on the Metro Vancouver region and directly impact the lives of the 1 in 3 Metro Vancouverites who use TransLink at least once per week.³

To avoid service cuts, bold and urgent public policy action is required to generate additional revenues for TransLink. Close coordination with provincial and federal governments is needed to create a sustainable funding model that safeguards TransLink's ability to provide essential transportation services.

TransLink has analyzed two potential scenarios for service cuts, as follows:

- **Scenario 1: Maximize ridership.** This would begin by cutting the least productive routes, leaving only higher fare revenue-producing lines so that overall service levels can remain higher. That is, under this scenario, certain routes would be removed from the network, while maintaining remaining services. These routes are generally concentrated in Vancouver, Burnaby, Richmond, and central Surrey. Consequently, much of the rest of the region would be left with little to no transit access – particularly in the Northeast sector, Langley, White Rock, South Delta, and much of the North Shore.
- **Scenario 2: Maximize coverage.** This would cut a mix of low and higher-productivity services, maintaining lower-productivity routes to continue basic coverage. More cuts to productive routes result in more services overall needing to be cut to reach the reduction target. Routes that remain would have a lower frequency and span of service compared to Scenario 1.

Impacts of TransLink services cuts

Should TransLink proceed with enacting service cuts to Metro Vancouver's public transit system, the potential impacts on people, businesses and communities, include:

1. Overall increased travel times
2. Long-term impacts on household costs and affordability

¹ TransLink commissioned InterVISTAS to compile and summarise evidence around the impacts of potential reductions in TransLink's services on users, non-users and the wider economy and community. This report uses materials and information from range of relevant academic and industry sources including TransLink itself. Where we have relied on data, analysis and financial information from TransLink, we have not audited or verified the accuracy of this information.

² Ibid.

³ TransLink's funding gap, explained. TransLink – YouTube. <https://www.youtube.com/watch?v=EyggwqNiz4rQ>

3. Compromising Metro Vancouver's comparative advantage

TransLink may choose to manage a service cut by maximizing ridership or coverage, leading to different impacts across Metro Vancouver's regions depending on the chosen approach.⁴ However, regardless of the alternative chosen, between 500,000 and 675,000 people would no longer be within walking distance of a transit stop.⁵ The impacts on regional mobility and economic output from such a change would be immediate and severe, especially for employers and employees. Reductions in employment, aggregate wage levels, business activity, and GDP are all expected consequences of a service cut.

Importantly, the impact of service cuts on Metro Vancouver residents will be uneven, with low-wage earners, students, and newcomers being disproportionately affected by service reductions. Individuals in low-wage industries often require increased travel and have a limited ability to work from home. Students who often rely on transit each day to access their education and often cannot afford other transportation options will also be negatively affected. Newcomers to Metro Vancouver, who often do not have a private vehicle and rely on transit services to access employment and basic daily services, are also likely to feel disproportionate impacts.⁶ Ultimately, it is the individuals who are least likely to be financially able to access other means of transportation who would be most impacted by TransLink service cuts.

Overall increased travel times

The impact of the service cuts under the two scenarios were modelled using TransLink's Regional Transportation Model (RTM). This modelling indicates that services would negatively impact everyone living in the region, both transit and non-transit users. Road congestion would increase by up to 20% with over 200 million hours of automobile and truck congestion added to the region. Additionally, travel times are expected to increase significantly for transit and non-transit users alike. This also impacts the region's first responders, who will need to navigate through greater traffic and congestion, causing further delays to their live saving services.

In line with the increased travel time, when capacity and frequency of transit services are reduced, the already existent overcrowding challenges would worsen. In addition to driving more people away from using the public transportation network,⁷ overcrowding would reduce operating speeds, waiting times, and the reliability of service. Overcrowding will also reduce passenger well-being, with greater risks for passengers' safety, security, and privacy. Overcrowding will also disproportionately impact individuals with mobility challenges by making access to seating and space more limited.⁸ In sum, the overcrowding that any additional service cuts would create could have profound health, safety, and timeliness impacts for Metro Vancouverites.

Long term impact on household costs/affordability

Reduced transit options (including access and frequencies) can lead to decisions regarding vehicle ownership. Residents may need to consider purchasing a vehicle, spending on ridesharing, or spending on car-sharing platforms to get to work, services, and amenities. The potential for increased vehicles on the road, both personal and through sharing services, comes at a direct cost to households. With an increase in personal vehicles on the road, traffic volumes would also increase. TransLink estimates an

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ 2023 Transportation Trends and Three-Year Outlook. TransLink.

⁸ Transit Service Performance Review 2023. TransLink. https://www.translink.ca/-/media/translink/documents/plans-and-projects/managing-the-transit-network/tspr/2023_transit_service_performance_review.pdf

additional 300 million vehicle kilometres would be travelled annually. This would cost households more than \$55 million in operating and maintenance costs each year.⁹

With reduced transit options, and reduced reliability of the transit system, residents of Metro Vancouver will be faced with issues related to housing and access to work and other amenities. As well, the reduction in transit (and subsequent increase in road congestion) has spin-off impacts for the price of goods in the region. There are costs associated with delayed supply chains, and those costs can eventually be passed through to consumers through higher prices.

TransLink and Metro Vancouver have previously explored the relationship between household transport and housing costs to reveal that these are largely substitute goods.¹⁰ This means that people who spend more on housing to obtain a preferred location will spend less on transportation as they have to travel less frequently or as far to access jobs and amenities. With reduced access to transit, residents may need to consider spending more on housing to reduce the need for travel, or conversely, need to spend more on travel as the higher cost of housing is unattainable.

Compromising Metro Vancouver's comparative advantage

Metro Vancouver retains a robust competitive advantage as a region because of its unique profile as a place to work, study, visit, and live. Access to health and other public services in addition to its integration into the natural environment have contributed to the region's appeal. Moreover, the region's strategic location as a trade hub and as Canada's gateway to the Asia-Pacific region and the U.S. West Coast have contributed to the growth of a diverse array of industries.

A significant reduction in transit services within Metro Vancouver would have immediate and lasting consequences for the region's competitive advantage. Metro Vancouver's standing as a region with a high quality of life would quickly become compromised as fewer individuals are able to access employment and the region's overall connectivity declines. Rising unemployment, aggregate wage declines, and reductions in GDP are all likely consequences of transit services being reduced. Moreover, Metro Vancouver would face challenges attracting and retaining businesses and skilled labour within the region. This will compromise Metro Vancouver's current and future growth trajectories, limiting economic prosperity and driving greater inequity.

TransLink's Regional Transportation Model Results

In summary, the key results generated in TransLink's Regional Transportation Model for Scenario 1 (Ridership Focus) and Scenario 2 (Cover Focus). Total impacts are in the range of \$1 billion for both scenarios, per annum. On a per household basis, the average impact is nearly \$1,000 per year. See section 6.1 for more detailed results.

⁹ Based on TransLink RTM Modelling.

¹⁰ The Metro Vancouver Housing and Transportation Cost Burden Study, Metro Vancouver, <https://metrovancouver.org/services/regional-planning/Documents/housing-and-transportation-cost-burden-report-2015.pdf>

Contents

Executive Summary	i
<i>TransLink's current financial reality</i>	i
<i>Impacts of TransLink services cuts</i>	i
1 Introduction	1
1.1 Current Operations & Future Plans	1
1.2 TransLink and Economic Growth	3
2 Current Situation and Potential Future Reality	5
2.1 Changing Trends	5
2.2 Impacts of Transit Service Cuts on Metro Vancouverites	6
3 Impact of Service Cuts on Travel Times	10
3.1 Modelling the Impact.....	10
4 Impact on Household Costs and Affordability	14
4.1 Impacts Related to Vehicle Costs.....	14
4.2 Impacts Related to Cost of Housing and Goods	17
5 Compromising Metro Vancouver's Competitive Advantage	21
5.1 A Regional and Global Economic Hub	21
5.2 The Impacts of a Transit Service Cut	22
5.3 Economic Impacts on the Workforce.....	25
5.4 The Result of a Service Cut.....	27
6 Summary and Conclusion	28
6.1 Impacts of TransLink services cuts	28
6.2 TransLink's Regional Transportation Model Results	29
Appendix A: Overview of TransLink's Regional Breakdown	30
Appendix B: TransLink's Financial Overview	33

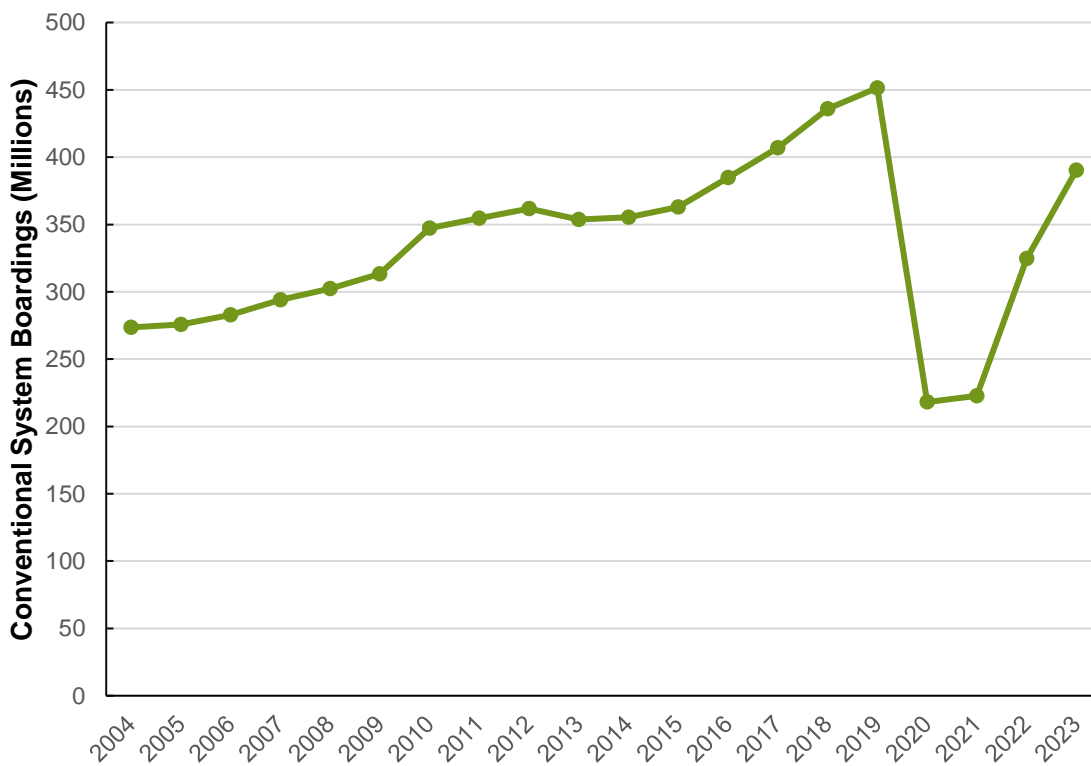
1 Introduction

1.1 Current Operations & Future Plans

The first four months of 2024 have seen almost 126 million passengers boarded across TransLink’s operations. In fact, data suggests that overcrowding on bus services already rivals that of 2019, and plans have already been approved to increase bus service routes and hours.¹¹

Figure 1-1 below highlights TransLink’s steady increase in ridership from 2004 to 2019, as well as the impacts of the COVID-19 pandemic on annual ridership. 2024 ridership data suggests that current ridership is already surpassing pre-COVID levels.¹²

Figure 1-1: TransLink Historic Ridership Trend, 2004-2023



Source: Ridership. The Conventional System refers to the Bus, SkyTrain, SeaBus and West Coast Express. This data does not include HandyDART services. TransLink. <https://www.translink.ca/plans-and-projects/data-and-information/accountability-centre/ridership>

¹¹ TransLink ridership rebounds to pre-pandemic overcrowding levels. TransLink. <https://www.translink.ca/news/2024/april/translink%20ridership%20rebounds%20to%20pre-pandemic%20overcrowding%20levels>

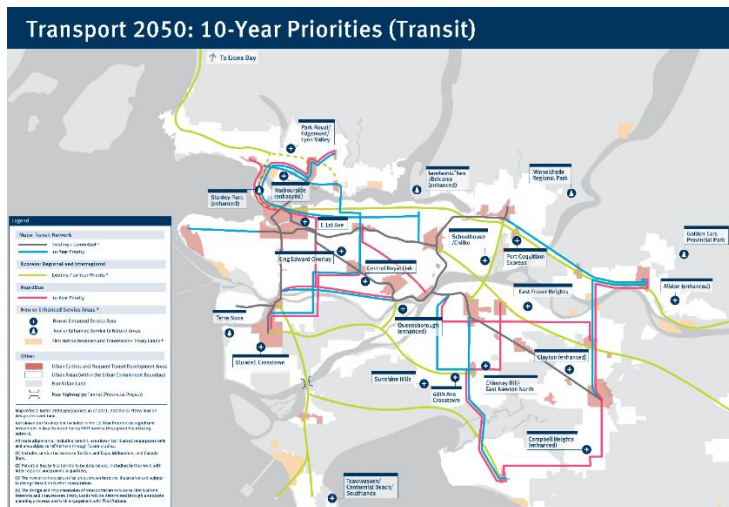
¹² Ibid.

TransLink continues to invest for the future in expanding the network and supporting riders throughout Metro Vancouver. The following are recent and ongoing projects:

- In January 2024, the new R6 Scott Road RapidBus line opened in Surrey, and marked TransLink’s largest service expansion since 2020.¹³
- The SkyTrain system is also undergoing numerous ongoing projects. The extension of the Millenium Line from VCC-Clark Station to Broadway-City Hall Station and Arbutus, dubbed the Broadway Subway Project, has been in construction since 2021 and is expected to come to completion in 2027.¹⁴ In addition, the Capstan Station, a new Canada Line station in the heart of Richmond, is slated to open in 2024.¹⁵
- TransLink also announced plans to further expand the Expo Line along Fraser Highway, adding eight stops from King George Station in Surrey to Langley City Centre. Surrey is anticipated to be the most populous city in the region by 2029, according to BC Stats.¹⁶

Figure 1-2 maps out TransLink’s future Rapid Transit Network plans, with these future SkyTrain Stations highlighted in pink.¹⁷

Figure 1-2: Future TransLink Network Map



Source: TransLink

¹³ New RapidBus line launches in the new year. TransLink.

<https://www.translink.ca/news/2023/december/new%20rapidbus%20line%20launches%20in%20the%20new%20year>

¹⁴ Broadway Subway Project. TransLink. <https://www.translink.ca/plans-and-projects/projects/rapid-transit-projects/broadway-subway-project>

¹⁵ Capstan Station. TransLink. <https://www.translink.ca/plans-and-projects/projects/rapid-transit-projects/capstan-station>

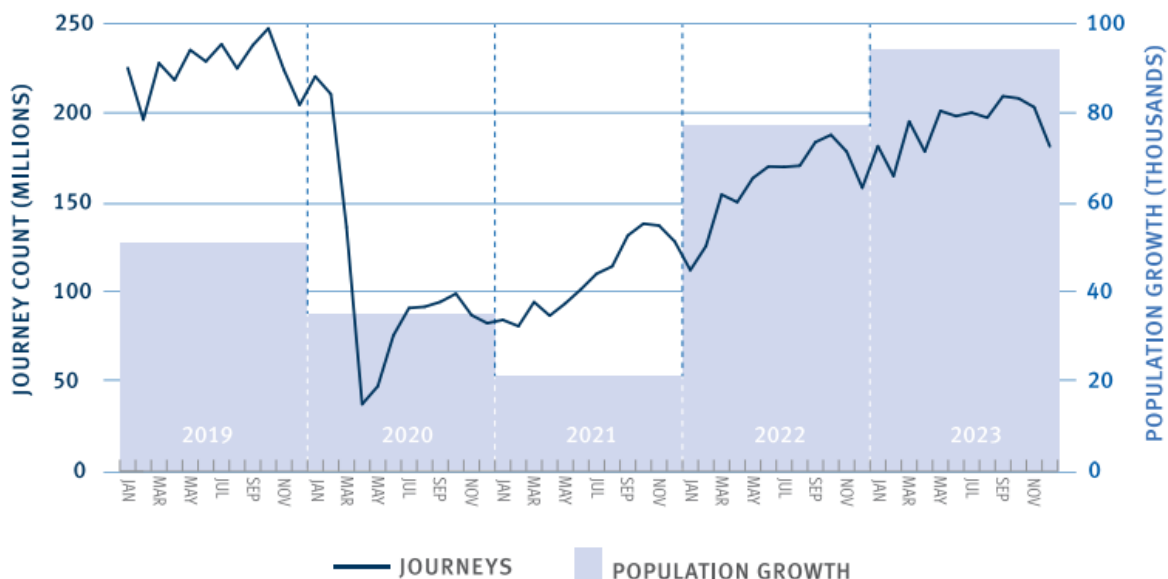
¹⁶ Source: [Metro Vancouver's booming population will reach three million in 2024 | Vancouver Sun](https://www.metrovancouver.ca/news/metro-vancouver-booming-population-will-reach-three-million-in-2024)

¹⁷ Transit Service Performance Review 2023. TransLink.

1.2 TransLink and Economic Growth

As TransLink’s current SkyTrain development projects demonstrate, the public transportation network is closely tied to Metro Vancouver’s economic development; strong public transit has encouraged economic growth within the region, and local economic growth has prompted better connectivity through public transit. Last year, 900,000 people, or almost one third of the population of Metro Vancouver, used public transit each week, a number that is consistently getting larger.¹⁸ As demonstrated in **Figure 1-3**, regional population and ridership are increasing in tandem.¹⁹ Weekly unique ridership has increased by about 50,000 since fall of 2022— rising to 430,000 last year—highlighting the importance of TransLink’s services to new workers, students, and families.²⁰ Ridership and population growth together means that Vancouver’s public transportation system needs to expand services to accommodate increasing demand.

Figure 1-3: System-Wide Monthly Journeys and Regional Annual Population Growth, 2019-2023



Source: TransLink Transit Service Performance Review 2023, Figure 1, Page 4.

Although Vancouver is only the 22nd most populous city in North America, it boasts the 4th highest rapid rail transit system ridership and 3rd highest bus ridership.²¹ This shows that Metro Vancouver’s public transportation system is vital to the functioning of its residents, more so than many other cities in Canada and North America. Each municipality in Metro Vancouver has its own level of connection and

¹⁸ Ibid.

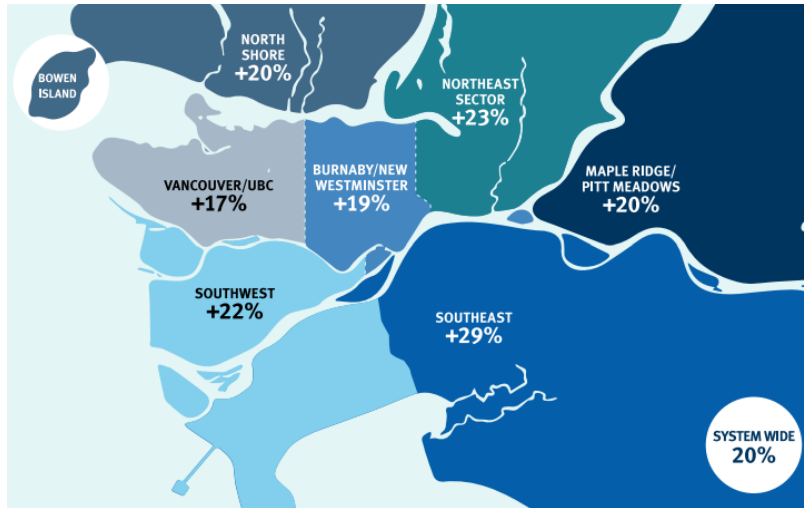
¹⁹ Ibid.

²⁰ Managing the Transit Network. TransLink. <https://www.translink.ca/plans-and-projects/strategies-plans-and-guidelines/managing-the-transit-network>

²¹ Metro Vancouver’s SkyTrain is now the 4th busiest subway system in Canada and USA. Daily Hive. <https://dailyhive.com/vancouver/metro-vancouver-skytrain-ridership-north-america-comparison-recovery>

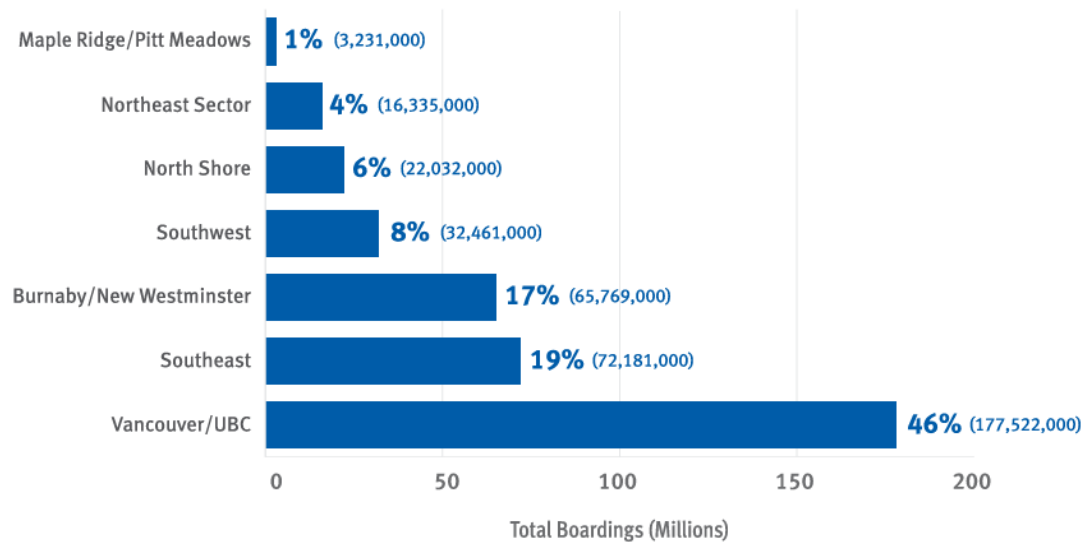
dependency on TransLink’s different routes. **Figure 1-5** highlights the growth in annual ridership between 2022 and 2023. **Figure 1-6** shows the share of ridership represented by each Metro Vancouver sub-region. ²²

Figure 1-4: Annual Ridership Growth by Sub-Region, 2022-2023



Source: Transit Service Performance Review 2023. TransLink.

Figure 1-5: TransLink Ridership Share by Sub-Region, 2023



Source: Transit Service Performance Review 2023. TransLink. **Appendix A** contains an overview of the different regions in which operations are carried out.

²² TransLink 2023 Transit Service Performance Review. https://www.translink.ca/-/media/translink/documents/plans-and-projects/managing-the-transit-network/tspr/2023_transit_service_performance_review.pdf

2 Current Situation and Potential Future Reality

The financial management of TransLink was severely challenged by the impacts of the COVID-19 pandemic, which has required the support of different levels of government through the provision of relief funding.²³ However, the cost environment in which TransLink operates has worsened in the aftermath of the pandemic, with inflation driving higher labour and maintenance costs.²⁴ Despite this, TransLink faces record-setting population growth and more consistent ridership patterns across the Metro Vancouver transit network. Weekday overcrowding on many bus routes in Metro Vancouver has already returned to pre-pandemic levels.²⁵ These realities require TransLink to be prepared to address existing service needs while planning for network expansions to support growing regional demand now and into the future. However, TransLink's ability to execute on these areas is dependent upon consistent and reliable sources of revenue and funding. In recent years, TransLink has been navigating several financial headwinds including reduced revenues from senior government capital contributions, fuel taxes, and development cost charges.²⁶

2.1 Changing Trends

As a result of current trends in revenues and expenses, TransLink is expected to have a funding gap starting in 2026 that will continue to increase as revenues rise at a slower rate than costs.²⁷ Between 2026 and 2033, TransLink's estimates see the total funding gap reaching \$5.3 billion.²⁸

TransLink has already begun the process of seeking additional revenues and identifying cost saving measures. In June 2024, TransLink released a series of efficiency measures which would generate approximately \$91 million per year by both reducing \$75 million in costs and generating \$16 million in new revenues, saving TransLink \$739 million between 2024 and 2033.²⁹

Accounting for the cost saving and revenue generating measures, it is estimated that TransLink still faces a \$600 million shortfall in funding per annum that requires TransLink to additional measures to fill the gap.

On the cost optimization front, TransLink plans to streamline administrative processes, operationalize operational workflows, and more efficiently allocate resources.³⁰ This will include proactive software license management and optimization of bus services.³¹ TransLink also plans to eliminate unfilled and vacant positions within the organization and reduce its reliance on external consulting and contract

²³ 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf

²⁴ Ibid.

²⁵ TransLink ridership rebounds to pre-pandemic overcrowding levels. TransLink.

<https://www.translink.ca/news/2024/april/translink%20ridership%20rebounds%20to%20pre-pandemic%20overcrowding%20levels>

²⁶ 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf

²⁷ Management Action Plan on the Efficiency Review Results. TransLink. <https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/managements-action-plan-on-the-efficiency-review-results.pdf>

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

services.³² TransLink has also committed to a proactive debt management strategy that will reduce overall interest expenses and reduce requirements for contributions to sinking funds.³³ TransLink's current cost cutting efforts do not include any impacts to transit services or disruptions to service expansion plans.³⁴

On the revenue optimization front, TransLink is planning to achieve an increase in revenue from fares by reducing fare evasion.³⁵ TransLink has also said that it will optimize the management of its reserve funds and investment portfolio to derive more long-term investment income.³⁶ Additional commercial revenues and carbon credit revenue optimization, among other miscellaneous revenue changes, will also improve TransLink's overall collections.³⁷

As noted, despite these positive developments in TransLink's efficiency measures, they will only partially address the fiscal headwinds TransLink faces. The organization will still face a significant fiscal cliff averaging \$600 million each year between 2026 and 2033. As an efficient organization with 85% of all costs used to deliver services, TransLink is constrained in its ability to significantly change its fiscal outlook without service cuts.³⁸ Such cuts would have a significant economic impact on the Metro Vancouver region and directly impact the lives of the 1 in 3 Metro Vancouverites who use TransLink at least once per week.³⁹ To avoid service cuts, bold and urgent public policy action is required to generate additional revenues for TransLink. Close coordination with provincial and federal governments is needed to create a sustainable funding model that safeguards TransLink's ability to provide essential transportation services.

Appendix B contains details of TransLink's financial overview.

2.2 Impacts of Transit Service Cuts on Metro Vancouverites

2.2.1 Impact to Transit Services

TransLink staff outlined two potential scenarios to reduce requisite levels of service in order to maintain financial solvency for a ten-year period in a report to the Mayors' Council on July 25th, 2024.⁴⁰ Service reductions would only come after reductions in non-transit areas of expenditure are made first. The two service options are:

- **Scenario 1: Maximize ridership.** This would begin by cutting the least productive routes, leaving only higher fare revenue-producing lines so that overall service levels can remain higher. That is, under this scenario, certain routes would be removed from the network, while maintaining remaining services. These routes are generally concentrated in Vancouver, Burnaby, Richmond, and central Surrey. As a consequence, much of the rest of the region would be left with little to no

³² Ibid.

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ TransLink's funding gap, explained. TransLink – YouTube. <https://www.youtube.com/watch?v=EyqwqNiz4rQ>

⁴⁰ TransLink, Report on Potential Transit Impacts. [report_2024-07_potential_transit_impacts_public_mc.pdf \(translink.ca\)](#)

transit access – particularly in the Northeast sector, Langley, White Rock, South Delta, and much of the North Shore.

- **Scenario 2: Maximize coverage.** This would cut a mix of low and higher-productivity services, maintaining lower-productivity routes to continue basic coverage. More cuts to productive routes result in more services overall needing to be cut to reach the reduction target. Routes that remain would have a lower frequency and span of service compared to Scenario 1.

TransLink has not quantified the impacts of such pivotal reductions in its role and function as a multimodal planning and transportation authority. If it is not tenable to reduce enterprise functions by this magnitude, then even deeper cuts to transit service would be required to maintain financial solvency over the long term. For the purposes of this report, only the impacts of transit service reductions have been readily quantified as it is difficult to accurately project the long-run effects of dramatically scaling back TransLink’s multimodal purpose and function. However, as the world’s first multimodal authority⁴¹ there is little doubt that having a central transport body with formal powers and resources to coordinate the implementation of transport plans has served the region well over the past 25 years. The effectiveness of TransLink’s functions can be measured in terms of achieving stated transportation outcomes and reducing costs and administrative fragmentation⁴². Devolving this multimodal outlook and the corresponding regional functions to 23 local authorities will mean that the recent progress will be hindered, and at worst, reversed.

After reducing the corporate and multimodal functions of the enterprise, TransLink would still need to reduce transit service levels, equivalent to approximately \$365 million annually to maintain financial solvency over the long term. Per TransLink’s assessment, this represents approximately a 45%-50% reduction in bus, 15%-30% reduction in SeaBus, 10-30% reduction in SkyTrain, 35% reduction in HandyDart and potential elimination of West Coast Express services.⁴³ These moves would have long-term economic ramifications for Metro Vancouver as a whole, as well as implications for individuals who depend on the public transportation network and road system. Service cuts could begin as soon as late 2025 if a solution for the funding model is not achieved.⁴⁴

2.2.2 Implications for Metro Vancouver Residents and Businesses

There would be a number of impacts related to the service cuts outlined above: increased travel times, decreased affordability, and loss of regional competitive advantage, overcrowding and disproportionate impacts on the region’s most vulnerable residents. These are outlined below.

1. **Increased Travel Times:** A primary impact of service cuts will be increases in travel times. This will affect individuals who rely on transit services to get to work, school, medical appointments, leisure activities, and much more. Notably, increases in travel times will also drive many

⁴¹ [OECD Regional Development Papers: Metro Vancouver Region 2020.pdf \(oecd.org\)](https://www.oecd.org/publications/2020/04/oeCD-Regional-Development-Papers-Metro-Vancouver-Region-2020.pdf)

⁴² OECD (2015), *Governing the City*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264226500-en>

⁴³ DailyHive (2024), TransLink collapse, <https://dailyhive.com/vancouver/translink-metro-vancouver-public-transit-service-cuts-2026>

⁴⁴ TransLink releases corporate cost-cutting plan to address funding gap. TransLink. <https://www.translink.ca/news/2024/june/translink%20releases%20cost-cutting%20plan%20to%20address%20funding%20gap>

individuals to opt out of using public transportation.⁴⁵ This will significantly increase the number of vehicles on Metro Vancouver roadways which will have negative climate impacts and delay commutes for additional thousands of Metro Vancouverites.⁴⁶ Traffic congestion has impacts for quality of life, health, safety, and the performance of the overall regional economy.⁴⁷ Congested roadways can limit the efficient and effective movement of goods around the city,⁴⁸ which can delay when products are delivered to businesses and individuals and make them more expensive. In a world of increasing e-commerce and food delivery services, this can have major impacts. Overall, the impact of service cuts on travel times would not only inconvenience Metro Vancouverites but would also reduce the overall health and safety of its communities. Part of this would be the impact of congestion on the ability of First Responders to quickly get to where they are needed. In line with the increased travel time, when capacity and frequency of transit services are reduced, the already existent overcrowding challenges would worsen. In addition to driving more people away from using the public transportation network,⁴⁹ overcrowding would reduce operating speeds, waiting times, and the reliability of service. Overcrowding will also reduce passenger well-being, with greater risks for passengers' safety, security, and privacy. Passengers on overcrowded transit may also encounter greater feelings of stress and anxiety. Overcrowding will also disproportionately impact individuals with mobility challenges by making access to seating and space more limited.⁵⁰ In sum, the overcrowding that any additional service cuts would create could have profound health, safety, and timeliness impacts for Metro Vancouverites.

2. **Decreased Affordability:** When individuals are pushed to use alternative forms of transportation due to the unreliability of public transit, they often must spend more. In most cases, public transportation is substantially more affordable than driving, ridesharing, or using taxi services when all costs are included. Commuting by transit is one-third to one-half the cost of commuting by car in major cities in Canada, according to the Canadian Urban Transit Association.⁵¹ Access to reliable public transportation also promotes the development of additional affordable housing near transit stations,⁵² which not only improves mobility but also reduces costs for households and the negative aspects of urban sprawl. Service cuts would worsen Metro Vancouver's existing housing affordability challenges and create direct and immediate costs to many households that rely on TransLink's services on a daily, weekly, or even monthly basis. Greater road traffic could also lead to more accidents and higher insurance premiums.⁵³ Increases in road accidents will also put more of a strain on the health care system and result in higher health care costs. Increased vehicular traffic will also put a strain on existing infrastructure and raise maintenance costs. Furthermore, in a city that is already experiencing inflationary pressures and a

⁴⁵ 2023 Transportation Trends and Three-Year Outlook. TransLink.

⁴⁶ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

⁴⁷ Metro Vancouver Mobility Pricing Study. TransLink. https://www.translink.ca/-/media/translink/documents/plans-and-projects/managing-the-transit-network/mobility-pricing/mpic_commission_report_-_final_-_digital_version.pdf

⁴⁸ Ibid.

⁴⁹ 2023 Transportation Trends and Three-Year Outlook. TransLink.

⁵⁰ Transit Service Performance Review 2023. TransLink. https://www.translink.ca/-/media/translink/documents/plans-and-projects/managing-the-transit-network/tspr/2023_transit_service_performance_review.pdf

⁵¹ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

⁵² Transport 2050: 10-Year Priorities for TransLink. TransLink. https://accessforeveryone.ca/wp-content/uploads/2023/05/Transport_2050_10yr-Priorities.pdf

⁵³ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

disproportionately high cost of living compared to the rest of Canada, service cuts could ultimately lead to emigration and negative financial impacts for residents that already struggle to make ends meet.

- 3. Loss of Regional Competitive Advantage:** TransLink's services incentivize development, create additional economic opportunities, and enable residents and visitors to move around the city with ease.⁵⁴ Without TransLink's services, a significant portion of the public would not be able to access the range of services that it currently can, nor would they be able to reach public spaces and experiences in the natural environment of British Columbia easily.⁵⁵ These are all factors that contribute to a high quality of life and Metro Vancouver's competitive advantage against other cities internationally, enabling the region to attract talent from around the world. With service cuts, Metro Vancouver risks damaging this competitive advantage and the unique way of life and high degree of mobility that businesses can promote in Vancouver.⁵⁶ Moreover, reduced access to well-paying jobs will damage the region's ability to attract and retain talent. This would have negative long-term consequences for Metro Vancouver's economic growth.

Importantly, the impact of service cuts on Metro Vancouver residents will be uneven, with low-wage earners, students, and newcomers being disproportionately affected by service reductions. Individuals in low-wage industries often require increased travel and have a limited ability to work from home. Students who often rely on transit each day to access their education and often cannot afford other transportation options will also be negatively affected. Newcomers to Metro Vancouver, who often do not have a private vehicle and rely on transit services to access employment and basic daily services, are also likely to feel disproportionate impacts.⁵⁷ Ultimately, it is the individuals who are least likely to be financially able to access other means of transportation who would be most impacted by TransLink service cuts.

⁵⁴ Transport 2050: 10-Year Priorities for TransLink. TransLink. https://accessforeveryone.ca/wp-content/uploads/2023/05/Transport_2050_10yr-Priorities.pdf

⁵⁵ Ibid.

⁵⁶ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

⁵⁷ Ibid.

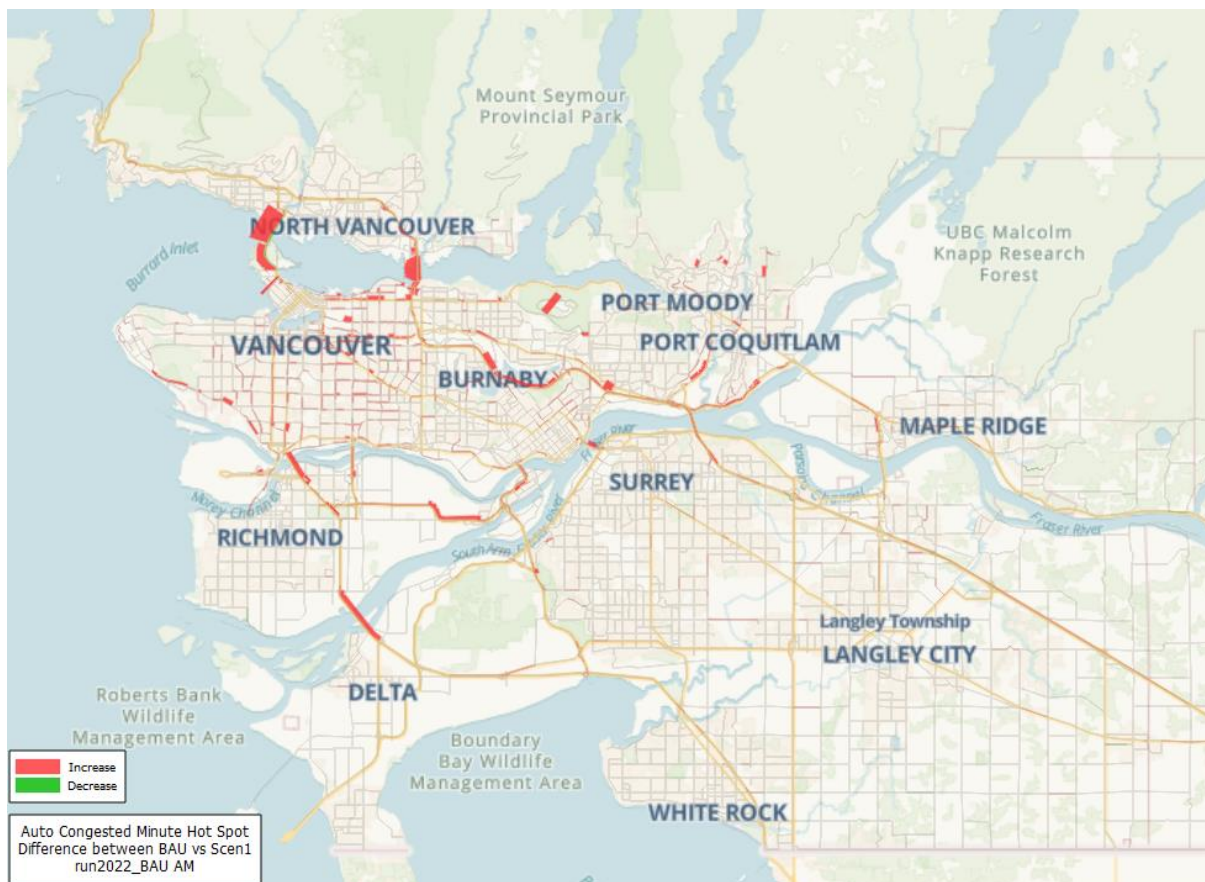
3 Impact of Service Cuts on Travel Times

3.1 Modelling the Impact

TransLink Staff have used the [Regional Transportation Model \(RTM\)](#)⁵⁸ to quantify aspects of potential transit service cuts. The model produces a cross-sectional look at travel behaviours on a typical fall weekday, and values are annualized with a multiplier. The RTM is a strategic travel demand model typically used by thousands of regional transportation and planning authorities around the world. TransLink’s model also utilizes a truck module to estimate the amount of truck travel in the region.

The regional model results indicate the magnitude of service cuts contemplated in order to maintain financial solvency would impact virtually everyone in the region, not just transit users. Road congestion would increase by up to 20% with over 200 million hours of automobile and truck congestion.

Figure 3-1: Location of road-congestion ‘hotspots’ on the regional network at the am peak (Scenario 1)

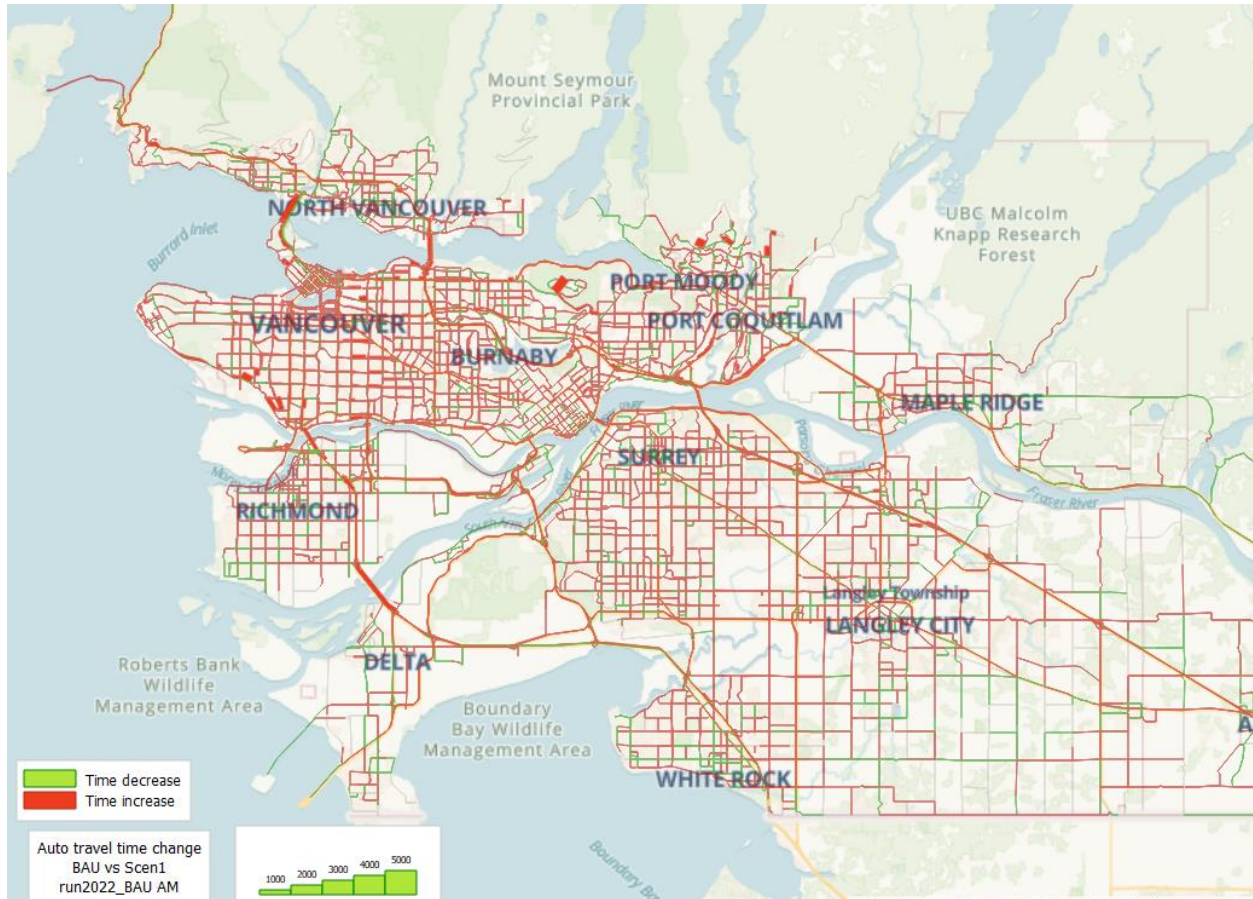


Source: Results from TransLink’s Regional Transportation Model.

⁵⁸ See <https://translinkforecasting.github.io/rtdm/doc/>

As depicted in **Figure 3-1**, the delay is most acute on bridgeheads, highways and arterials but collectively almost every link on the network will experience worse travel times resulting from the hundreds of millions of additional kilometres travelled in personal vehicles each year (**Figure 3-2**).

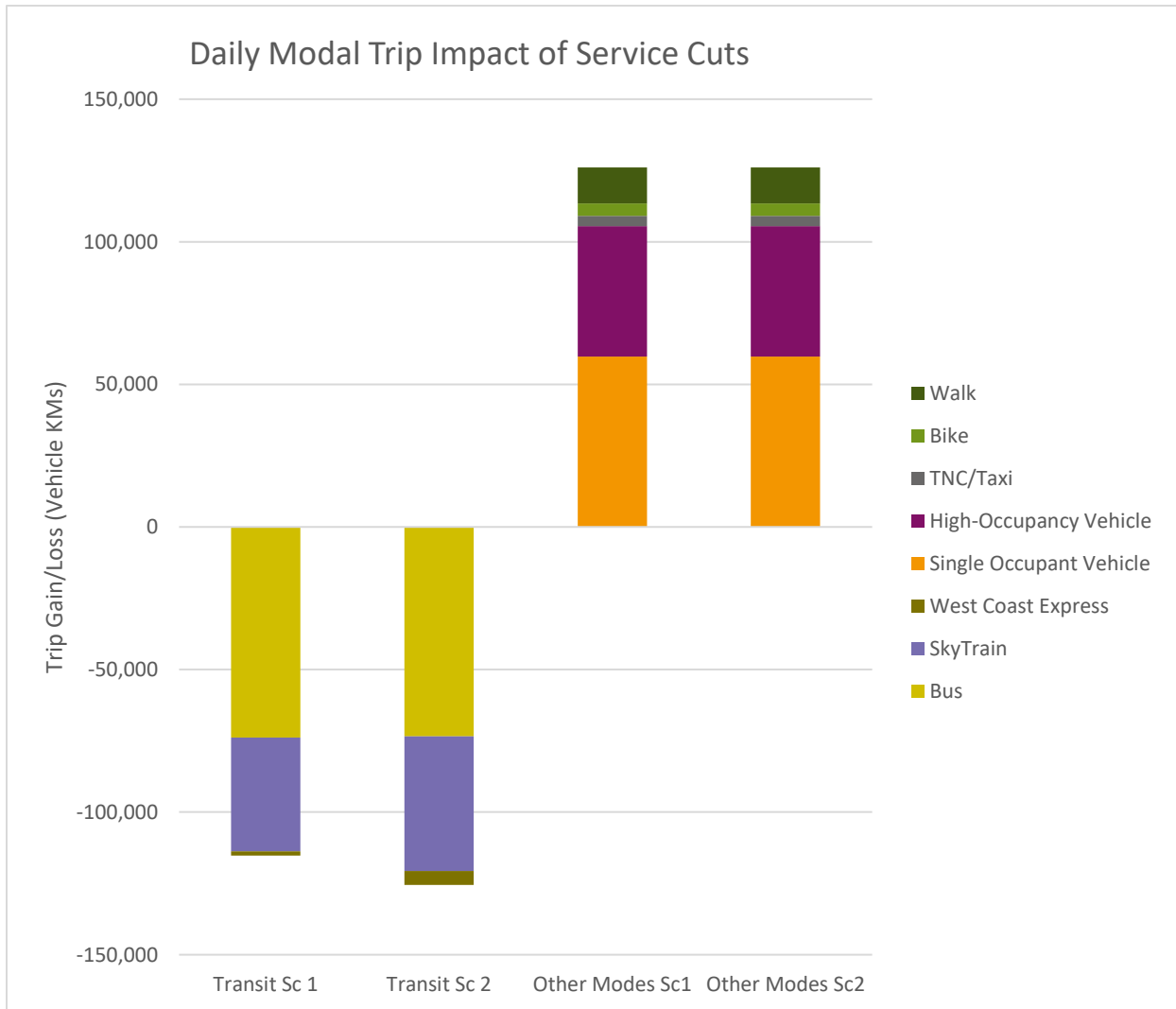
Figure 3-2: Road travel time change on network links



Source: Results from TransLink's Regional Transportation Model.

The modelling results for both scenarios yields similar results. The travel behaviour response to the service cuts would result in an additional 300 million vehicle kilometres travelled annually across the region's road network (an increase of about 2.5%). While the relative incremental vehicle-kilometre traffic impact may be small (+2.5%), the resultant impact to congestion and delay is much larger (+20% congestion-hours). This non-linear impact is largely a product of mode switching from transit to automobile (**Figure 3-3**).

Figure 3-3: Daily Modal Trip Impact of Service Cuts



Source: Results from TransLink's Regional Transportation Model.

With overall regional transit mode share experiencing a significant decline (approximately 17-18% fewer trips), the overall sustainable mode share (walk, bike, and transit) in the region also drops from 24% of all trips to 22%.

The potential impacts of any service reductions in Metro Vancouver are supported by studies conducted in other jurisdictions. In a study carried out for the Chicago Transit Authority in 2024, a hypothetical complete removal of transit was expected to increase automobile ownership by 30% with households with no cars buying one and households that already have one car buying a second.⁵⁹ In addition, the study

⁵⁹ Mobility, Equity, and Economic Impact of Transit in Chicago Region. Chicago Transit Authority. [https://www.transitchicago.com/assets/1/6/May2024 - MIT ANL Public Presentation.pdf](https://www.transitchicago.com/assets/1/6/May2024_-_MIT_ANL_Public_Presentation.pdf)

examined how the removal of transit and increase in car ownership would increase traffic congestion and travel times. The study also pointed to mass cancellations in both work and non-work activities and growing financial burdens on those who rely on transit, especially women and low-income earners.⁶⁰

The findings from the Chicago study are echoed by findings from San Francisco which projected significant increases in traffic congestion and travel times from the hypothetical reduction of service on the city's BART rail system.⁶¹ The San Francisco study also reinforced the disproportionate impacts that would result from service cuts, noting that young people have lower rates of car ownership and prefer to live near transit to easily reach work opportunities.⁶² Both studies also pointed to significant increases in pollution and the cost of living that would negatively impact quality of life.

These studies further support the case that TransLink service reductions would undoubtedly have consequences that would exacerbate the cost-of-living crisis and set the region behind in its ability to reach its economic potential and sustainability targets.

⁶⁰ Ibid.

⁶¹ BART's Role in the Region. Bay Area Rapid Transit. https://www.bart.gov/sites/default/files/2024-07/2024-07-03_RITR_Report.pdf

⁶² Ibid.

4 Impact on Household Costs and Affordability

Transit is an important option for many households throughout Metro Vancouver, providing residents with access to school, work, and mobility throughout the larger community. Even for those that do not regularly use transit, their mobility is still impacted by transit, as transit usage helps relieve congestion on roads. Sufficient and efficient transit impacts much more than general mobility; in the longer-term, it can impact overall affordability for the population in a region, both riders and non-riders.

4.1 Impacts Related to Vehicle Costs

Reduced transit options (including access and frequencies) can lead, in the medium to long-term, to decisions regarding vehicle ownership due to unreliability of the transit system. Residents may need to consider purchasing a vehicle, spending on ridesharing, or spending on car-sharing platforms to get to work, services, and amenities. The increased vehicles on the road, both personal and through sharing services come at cost, not only the cost of congestion. With an increase in personal vehicles on the road, traffic volumes would also increase. TransLink estimates an additional 300 million vehicle kilometres would be travelled annually. This would cost households more than \$55 million in operating and maintenance costs each year.⁶³

4.1.1 Increase in Automobile Ownership and Operating Costs

Based on the RTM output, initial modelling of the service cut scenarios suggests the economic costs could be significant. The added travel time and mode switching translates to substantial impacts to households across the region. With reduced levels of service, automobile ownership in the region may increase by up to 21,000 vehicles as people switch modes in order to access jobs and other activities. In Q2 2024 the average price of a used car sold in BC was \$40,651⁶⁴ meaning that households would have to spend over \$850 million to maintain the same level of transportation access that they were receiving for a fraction of the price (see **Figure 4-1**).

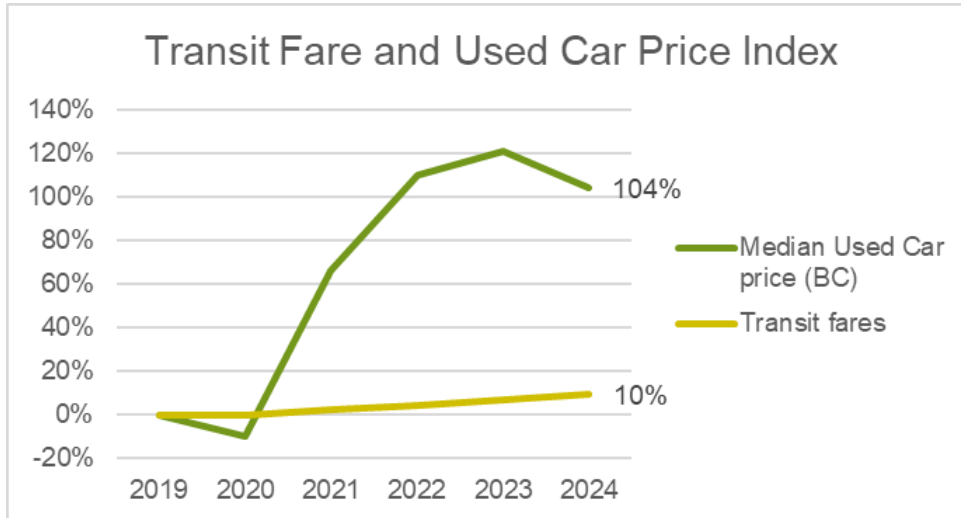
As noted, aside from outright ownership, residents may also look to car-sharing options in the region to replace transit use, which would be less than the cost of vehicle ownership (for example, the cost of BCAA's Evo service is only \$35 to sign up, and \$2 annually for membership),⁶⁵ but usage fees are higher than transit (as these programs generally charge on a time basis, and increased congestion would increase the cost of using these services). While these car share services are a good supplement to efficient and reliable transit services, they are not a replacement. See **Figure 4-2**.

⁶³ Based on TransLink Modelling.

⁶⁴ AutoTrader Price Index [2024-q2.pdf \(autotrader.ca\)](#)

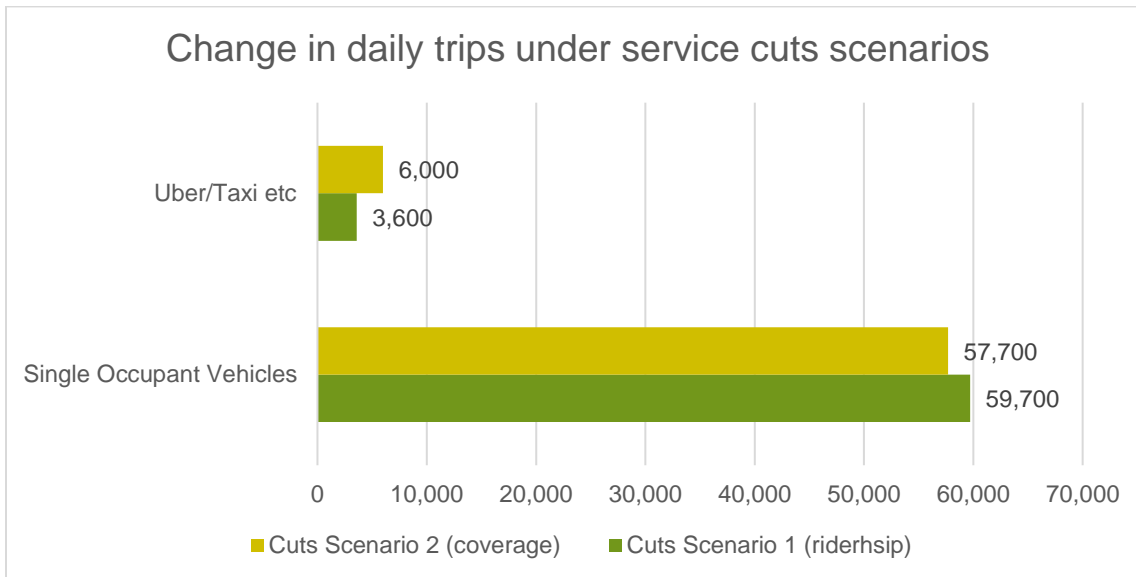
⁶⁵ Evo Car Share (2024), Rates, <https://evo.ca/rates>

Figure 4-1: Comparing transit fare inflation to automobile price inflation



Source: Analysis of data from TransLink and AutoTrader.ca

Figure 4-2 - Estimate daily change in single occupant vehicle and taxi trips



Source: Results from TransLink's Regional Transportation Model.

For those transit users who are not able to operate a vehicle, ridesharing or taxi services are the next options available. TransLink modelling estimates that between 3,600 and 6,000 additional taxi/ride-sharing trips would be undertaken each day. These trips, which are more expensive than transit, would be also

plagued by the same issues related to increased congestion. This is also the case for many senior riders as well as those with disabilities, who would need to rely on other options for transportation (in many cases with much more limited options).

In the end, there is a loss in what economists refer to as consumer surplus. Consumer surplus is a measure of economic welfare that refers to the amount that consumers benefit by being able to purchase a product for a price that is less than they would be willing to pay. A loss of consumer surplus results when some consumers (i.e., transit users) are faced with an increased cost and some consumers are priced out of the market. This loss is also experienced by remaining riders who endure longer travel times, and lost riders who now have to use more expensive, unpreferred modes. TransLink modelling quantified the loss of consumer surplus between \$613 and \$715 million annually.

4.1.2 Increase in Collisions and Insurance Impacts

With the projected increase in the number of vehicles on the road, transportation modelling shows that traffic accidents and collisions will also increase, potentially increasing the number of injuries or fatalities occurring each year. The estimated cost of these collisions would be more than \$55 million per year, based on modelling using the costs of collisions.⁶⁶ Given the increase in collision frequency, some if not all of these costs will eventually flow through to higher auto insurance premiums. ICBC states on its website:

Where your vehicle is located is a factor in your premiums because traffic and other driving risks vary around the province. For example, there is generally more risk of a crash in more populated, urban areas...⁶⁷

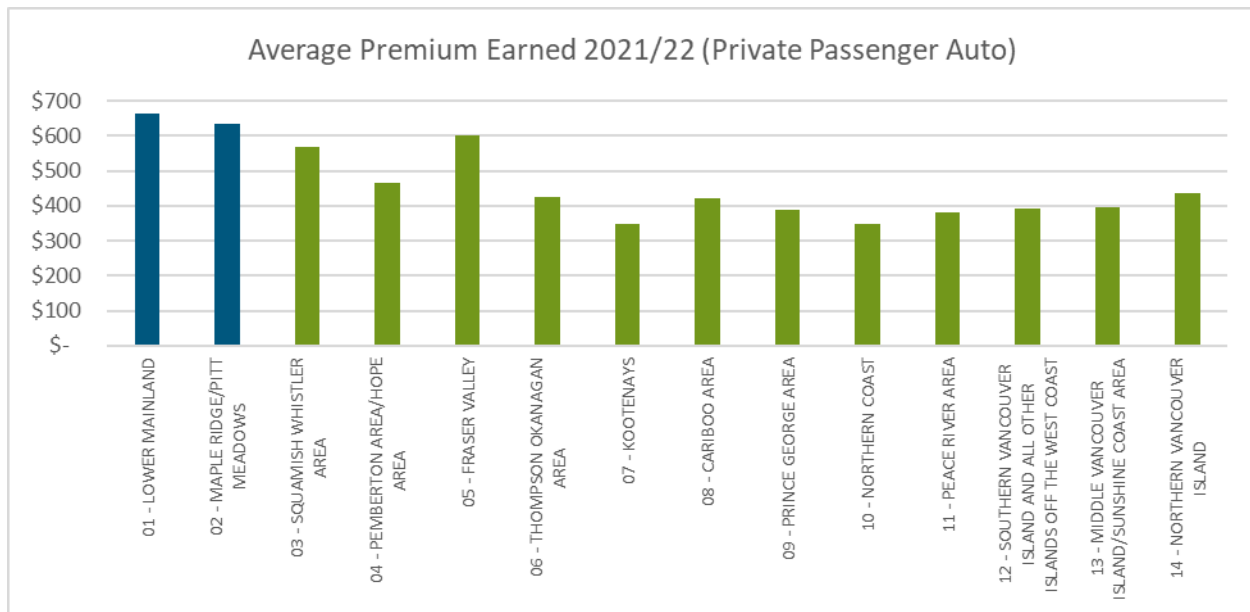
The Metro Vancouver region⁶⁸ already pays the highest rate premiums in BC due to collision risk factors. While the collisions induced by transit services cuts may not have an immediate effect on ICBC premiums in the short-run, it stands to reason that they will in the long-run.

⁶⁶ Value of Fatal, Injury, and Property Damage Only collisions derived from [default values-benefit cost analysis.pdf \(gov.bc.ca\)](#)

⁶⁷ ICBC, Territory and Rate Class, <https://www.icbc.com/insurance/costs/territory-rate-class>

⁶⁸ ICBC splits the Metro Vancouver region into two rate classes 01 – Lower Mainland, and 02 - Maple Ridge Pitt Meadows

Figure 4-3: ICBC Basic Insurance Premiums



Note: Territories in the Vancouver Region highlighted

Source: ICBC, [basic-insurance-information-sharing.pdf \(icbc.com\)](https://www.icbc.com/basic-insurance-information-sharing.pdf)

4.2 Impacts Related to Cost of Housing and Goods

With reduced transit options, and reduced reliability of the transit system, residents of Metro Vancouver will be faced with issues related to housing and access to work and other amenities. As well, the reduction in transit (and subsequent increase in road congestion) has spin-off impacts for the price of goods in the region. There are costs associated with delayed supply chains, and those costs can eventually be passed through to consumers through higher prices.

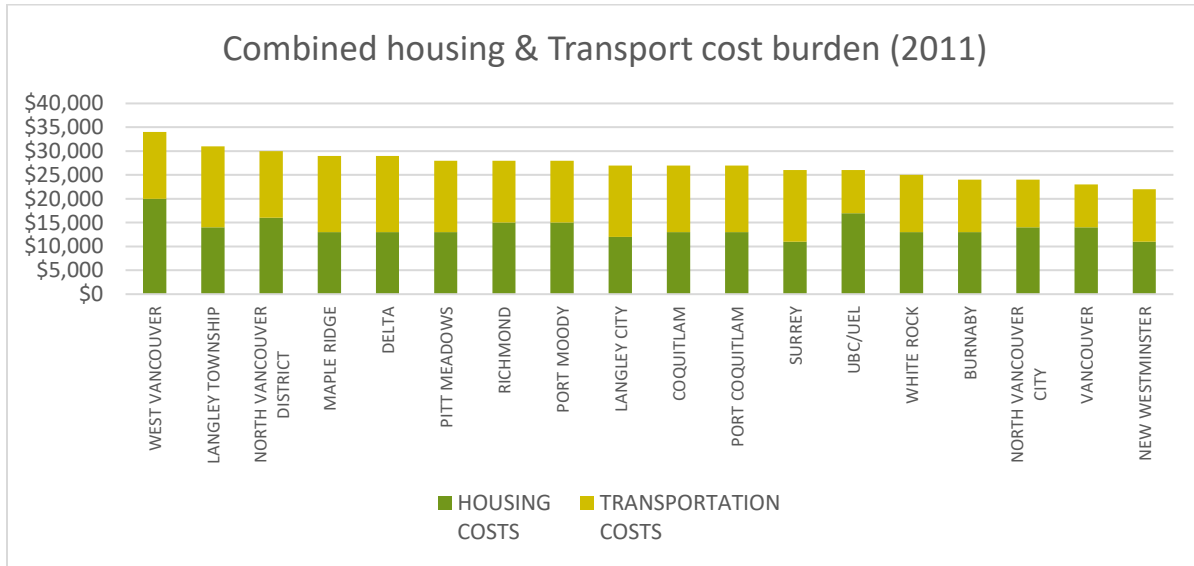
4.2.1 Housing-Transport Cost Burden

Housing affordability in Metro Vancouver is a major issue, with housing prices amongst the highest in Canada and the world. Annual studies benchmarking international housing costs have found Vancouver to sit within the top 3 spots for the last 16 years.⁶⁹ Vancouver ranked third in the most recent report, behind Sydney and Hong Kong. TransLink and Metro Vancouver have previously explored the relationship between household transport and housing costs to reveal that these are largely substitute

⁶⁹ Global News (2024) “‘Impossibly unaffordable’: Housing report ranks Vancouver 3rd most expensive in the world,” <https://globalnews.ca/news/10572326/impossibly-unaffordable-housing-vancouver-report/>

goods.⁷⁰ This means that people who spend more on housing to obtain a preferred location will spend less on transportation as they do not have to travel as far or as frequently to access jobs and amenities.

Figure 4-4 – Data from 2015 Metro Vancouver housing and transportation cost burden study



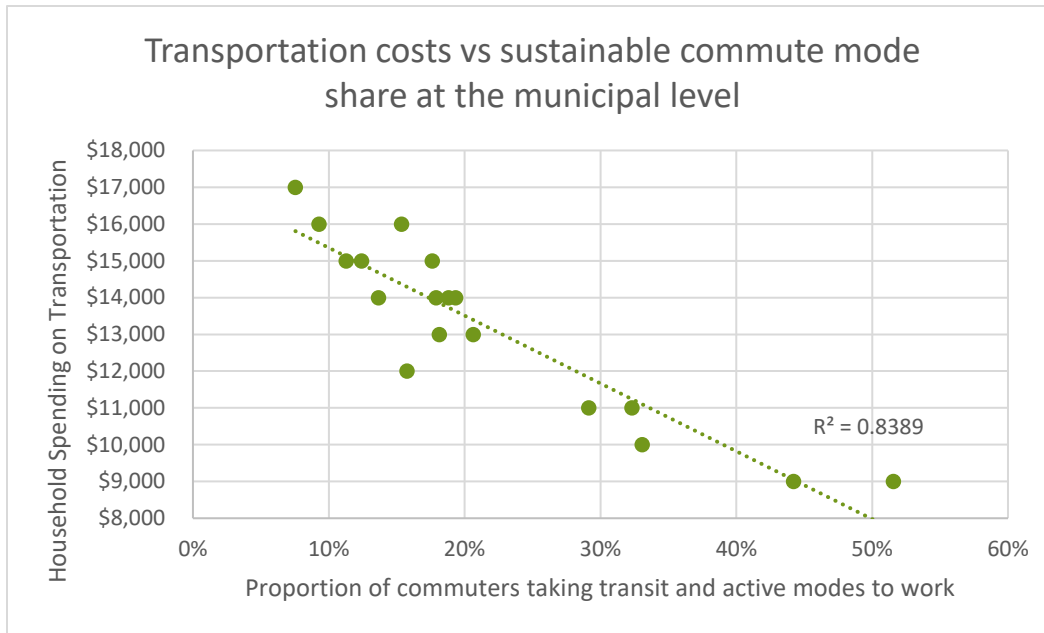
Source: Metro Vancouver (2015) Housing and Transportation Cost Burden Study

Given that walking, cycling and transit are orders of magnitude less expensive than auto ownership,⁷¹ there tends to be a linear negative correlation between rates of active and public transit use and overall spending on transit (**Figure 4-5**). At the municipal level, the findings suggest that for each percentage point increase in sustainable modes of commuting, households will save around \$185 annually (based on 2011 dollars/data). TransLink and Metro Vancouver are working on an update to the 2015 cost burden study and initial findings suggest this relationship has gotten stronger over time as automobile costs have increased.

⁷⁰ Metro Vancouver (2015), The Metro Vancouver Housing and Transportation Cost Burden Study, [housing-and-transportation-cost-burden-report-2015.pdf \(metrovancouver.org\)](https://www.metrovancouver.org/files/public/2015/06/housing-and-transportation-cost-burden-report-2015.pdf)

⁷¹ The 2021 Survey of Household spending estimated that the average household in BC spent more than \$10,000 on automobile ownership and operation and less than \$500 annually on public transit.

Figure 4-5 – Household Transport Spending and sustainable commute mode share⁷²



Source: Analysis of Statistics Canada and Metro Vancouver Data

The theory between transport and housing cost substitution has been supported by several studies around the world, specifically examining the interplay between affordability and transit, in relation to housing affordability. A study by Liu, Kwan, Kan and Song looked at the issue of housing and transport affordability for Chicago, noting that there is an interplay between housing affordability and transportation costs.⁷³ In general, areas outside of major urban centres tend to have lower housing costs, but also have higher transportation costs (both in terms of value and availability). Transit connections may not exist, or be limited, requiring greater use of personal vehicles. Other studies have noted the interplay between housing and transportation costs, albeit with a greater focus on inequalities inherent in the issue of affordability.⁷⁴ A reduction in transit options will not help the continued issue of housing affordability in Metro Vancouver, particularly in the context of the trade-off between housing and transportation costs (if riders are required to shift to more expensive forms of transportation to get to and from work or other activities).

⁷² Statistics Canada. [Table 98-10-0462-01 Main mode of commuting, age and gender: census subdivisions](#)

⁷³ Liu, Kwan, Kan, and Song (2021) "An integrated analysis of housing and transit affordability in the Chicago metropolitan area," <https://rgs-ibg.onlinelibrary.wiley.com/doi/full/10.1111/geoj.12377>

⁷⁴ See Hartell (2016) <https://www.tandfonline.com/doi/full/10.1080/10511482.2016.1220402> and IRPP (2024) <https://irpp.org/research-studies/rethinking-urban-mobility/>

4.2.2 Increased Freight Costs

Traffic congestion doesn't just affect private passenger vehicles: freight and goods movement are also negatively impacted by additional congestion. Trucks deliver food to grocery stores and restaurants, construction materials, equipment and other inputs and finished products to sites and residential areas. In recent years, e-commerce has seen significant growth, with parcel deliveries to and from businesses and consumers growing substantially and causing congestion both on highways and in neighbourhoods.⁷⁵ Transportation is a fundamental component of the supply chain in Metro Vancouver (and supply chains more broadly). This means that congestion costs are substantial for the trucking industry, the economy, and society. For the trucking industry, the private costs of congestion result in wasted time, extra fuel, higher risk of accidents, lost productivity, and lower employee morale. Most of these private costs are internalized within the trucking industry and increase the overall costs of doing business. Because most freight and goods movement vehicles are largely confined to freight routes, it is not forecast for there to be a significant increase in vehicle operating costs or kilometres. However, goods vehicles will still experience delays affecting not just carriers, but also shippers, receivers, and end consumers. TransLink modelling suggests that trucks will experience approximately 200,000 hours of additional delay due to increased traffic. The economic impact of even these delays can be difficult to quantify. The BC Ministry of Transportation and Infrastructure suggests default values for Benefit Cost Analysis⁷⁶ to include at a minimum the truck driver value of time, which would equate to approximately \$7.5 million annually in added freight costs.⁷⁷

However, that analysis only takes into account the costs associated with the trucking companies and does not take into account the larger impacts to the supply chain from congestion and delays. Efficient and effective supply chains are important in Metro Vancouver and Canada generally – Canada is a trading nation, and the importance of supply chains were noted with the creation of the National Supply Chain Office in 2023. Research completed for the United States Federal Highway Administration noted that congestion had significant impacts on shipper's costs, largely through the need for shippers to hold larger inventory stocks and the cost of logistics.⁷⁸ This has been a long-studied issue, including a major piece completed for the National Cooperative Highway Research Program (NCHRP Report 463 – Economic Implications of Congestion).⁷⁹ This report highlighted the importance of (and difficulty with) modelling the business cost impacts of congestion (such as inventory costs, market impacts, workforce impacts, customers, etc.) beyond travel time and truck driver wages. While not calculated, it is important to note that these costs can be significant, and for Metro Vancouver, go well beyond the roughly \$7.5 million estimated for truck driver impacts.

⁷⁵ See report from Metro Vancouver "Impacts of E-commerce on Industrial Lands and Transportation Systems," <https://metrovancover.org/services/regional-planning/Documents/colliers-impacts-e-commerce-industrial-lands-transportation-systems.pdf>

⁷⁶ See BC Ministry of Transportation and Infrastructure (2018) https://www2.gov.bc.ca/assets/gov/driving-and-transportation/transportation-infrastructure/planning/tools/default_values-benefit_cost_analysis.pdf

⁷⁷ In 2023 dollars, based on 2018 estimates of the truck driver value of time.

⁷⁸ See Winston & Shirley (2004) "The Impact of Congestion on Shippers' Inventory Costs," <https://www.fhwa.dot.gov/policy/otps/060320d/060320d.pdf>

⁷⁹ NCHRP (2001) Report 463, Economic implications of Congestion, https://www.trb.org/publications/nchrp/nchrp_rpt_463-a.pdf

5 Compromising Metro Vancouver's Competitive Advantage

Metro Vancouver retains a robust competitive advantage as a region because of its unique profile as a place to work, study, visit, and live. Access to health and other public services in addition to its integration into the natural environment have contributed to the region's appeal. Moreover, the region's strategic location as a trade hub and as Canada's gateway to the Asia-Pacific and U.S. West Coast have contributed to the growth of a diverse array of industries.

5.1 A Regional and Global Economic Hub

The region is home to a growing and diverse economy with sectors including technology, film and television, digital entertainment, and the green economy, among many others and the region is considered a top ranked startup ecosystem.⁸⁰ The region also benefits from immigration policies that attract a diverse workforce of skilled and qualified talent. Collaboration between educational institutions and industry create opportunities for incubators, accelerators, and entrepreneurs in the region.⁸¹ By 2050, Metro Vancouver is expected to grow to a population of 3.8 million, up 1 million from today, and have over 2 million jobs.⁸²

5.1.1 Cost of Doing Business

Metro Vancouver offers a low-cost, sustainable advantage in business operating costs compared to other peer cities, with office costs ranking lower than U.S. technology hubs like San Francisco, New York, and Seattle.⁸³ Locating a 100-person office in Vancouver would save a business \$67 million over 10 years compared to starting in San Francisco, \$50 million compared to New York, and \$45 million compared to Seattle.⁸⁴ Businesses also benefit from the fact that Metro Vancouver remains well-connected to the province, country, and world in which it resides. The region boasts Canada's largest port which handles \$305 billion in cargo annually across four terminals and generates \$11.9 billion in GDP across Canada.⁸⁵ Metro Vancouver is also situated in a region with road and rail access to the rest of Canada and the United States. Metro Vancouver's international air connections also remain robust with over 780 weekly flights to 58 international destinations.⁸⁶

⁸⁰ 7 Reasons Vancouver is a Leading City for Doing Business. Vancouver Economic Commission. 2023. https://vancouvereconomic.com/blog/vecs_take/7-reasons-vancouver-is-great-for-business/

⁸¹ A Global Workforce: Attracting and Retaining Top Talent. Invest Vancouver. <https://investvancouver.ca/metro-advantage/Pages/global-workforce.aspx>

⁸² Strategic Growth: A Progressive Approach to Innovation. Invest Vancouver. <https://investvancouver.ca/metro-advantage/Pages/strategic-growth.aspx>

⁸³ 7 Reasons Vancouver is a Leading City for Doing Business. Vancouver Economic Commission. 2023. https://vancouvereconomic.com/blog/vecs_take/7-reasons-vancouver-is-great-for-business/

⁸⁴ Ibid.

⁸⁵ 2023 Key Facts. Vancouver Fraser Port Authority. 2023. <https://www.portvancouver.com/wp-content/uploads/2024/03/2024-03-12-Brochure-2023-key-facts-English-web.pdf>

⁸⁶ Strategically Situated: Uniquely West Coast. Invest Vancouver. <https://investvancouver.ca/metro-advantage/Pages/strategically-situated.aspx>

5.1.2 Quality of Life

Metro Vancouver is consistently considered a top city globally in international rankings for overall liveability. Metro Vancouver is ranked 7th on the Economist Intelligence Unit's 2024 list of the most liveable cities in the world and is one of only two Canadian cities in the Top 10.⁸⁷ In Mercer's 2024 cost of living city ranking, Metro Vancouver is ranked as the 101st most expensive among 226 major global cities, placing it as more affordable than many international peers but the second most expensive in Canada.⁸⁸ Despite affordability challenges, these rankings are a testament to the region's competitive advantage, specifically in its ability to attract talent. Retaining this talent in the region requires consistent investment in the factors that impact liveability, including access to public services, affordable housing, and reliable transportation.

5.1.3 Transit's Role in Competitiveness

Relative to 19 other peer cities studied, the Greater Vancouver Board of Trade cites the region standing out in sustainability while also outperforming in rankings on well-being for residents, skills & talent, and place & space.⁸⁹ The Board of Trade cites the importance of efficient transportation infrastructure to “achieve agglomeration advantages” as connectivity enables the movement of “people, goods, clients, customers and services.”⁹⁰ Metro Vancouver retains a high share of people who can easily walk to high-capacity public transport at 40% of residents, much higher than the average across major cities of 25%.⁹¹ The region also has shorter wait times than the average of the 19 benchmarked peer cities in the Board of Trade study.⁹² Although system improvements are needed to make transit in Metro Vancouver even more reliable and connected to a greater number of residents, the system's essential role in maintaining our regional competitive advantage cannot be understated. Continuous and timely investment in public transit can improve Metro Vancouver's scores in areas where it was behind the peer city average such as time taken to get to work and last-mile connectivity.⁹³ Ultimately, a strong public transit system helps residents and businesses grow and develop by facilitating the movement of employees on various transit services. Public transit drives economic prosperity and makes Metro Vancouver a destination for talent and innovation.

5.2 The Impacts of a Transit Service Cut

A reduction in transit services would have profound consequences for Metro Vancouver's competitive advantage. According to a report by TransLink to the Mayor's Council on Regional Transportation, should TransLink's current financial gap not be filled, transit reductions could result in the cancellation of 145 bus routes, reductions in SkyTrain, SeaBus, and HandyDART service, and the potential elimination of the West Coast Express.⁹⁴ The report also projects reductions in funding for walking, cycling, and roads

⁸⁷ The Global Liveability Index. Economist Intelligence Unit. 2024. <https://www.eiu.com/n/campaigns/global-liveability-index-2024/>

⁸⁸ Cost of Living City Ranking 2024. Mercer. 2024. <https://www.mercer.com/insights/total-rewards/talent-mobility-insights/cost-of-living/#full-ranking>

⁸⁹ Benchmarking Greater Vancouver. The Greater Vancouver Board of Trade. 2024.

<https://www.boardoftrade.com/files/advocacy/2024-benchmarking-vancouver-report/benchmarking-vancouver-report-2024.pdf>

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Ibid.

⁹³ Ibid.

⁹⁴ Report on Potential Transit Impacts. TransLink – Mayor's Council on Regional Transportation. 2024. https://www.translink.ca/-/media/translink/documents/about-translink/governance-and-board/council-minutes-and-reports/2024/july/report_2024-07_potential_transit_impacts_public_mc.pdf

programs. TransLink may choose to manage a service cut by maximizing ridership or coverage, leading to different impacts across Metro Vancouver's regions depending on the chosen approach.⁹⁵ However, regardless of the alternative chosen, between 500,000 and 675,000 people would no longer be within walking distance of a transit stop.⁹⁶ The impacts on regional mobility and economic output from such a change would be immediate and significant, especially for employers and employees. Reductions in employment, aggregate wage levels, business activity, and GDP are all expected consequences of a service cut.

5.2.1 Impact on Employment

The Metro Vancouver region had 1.58 million employees in 2023, with 15% in goods-producing industries and 85% in service-producing industries.⁹⁷ The industries with the highest number of employees in Metro Vancouver were wholesale and retail trade, professional/scientific/technical services, and healthcare and social assistance. Construction, accommodation and food services, and educational services also represent large contingents of the Metro Vancouver workforce. Employee reliance on transit varies across these industries and employees' place of residence.

Employment levels overall would be significantly affected by transit cuts. An estimated 175,000 to 265,000 jobs would no longer be accessible by transit with a service cut.⁹⁸ This estimate represents 11.0 to 16.7% of all Metro Vancouver employees who would no longer be able to reach their place of employment. This has the effect of making the labor market effectively smaller and less productive due to weakened agglomeration (see Section 5.3).

While some individuals may be able to find other means to access their places of employment, such as driving or car-sharing, many transit-dependent riders in Metro Vancouver would not be able to find alternatives and may need to seek alternate employment options. Moreover, transit-dependent riders who lose access to transit from their place of residence will be affected regardless of whether their place of employment is transit-accessible. Some individuals may also experience wage declines from no longer being able to reach a higher-paying jobs or jobs where skills are being developed that would increase their wages in the long term.

Overall, significant disparities in economic opportunities would result depending on one's financial status and the location of one's residence and employer. Transit creates greater equity and reduces barriers to employment. Cutting service will do the opposite – entrenching inequities and heightening barriers. Fewer individuals will be motivated to move to Metro Vancouver and the region's competitive advantage would decline.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Employment by industry, census metropolitan areas, annual (x 1,000) 1. Statistics Canada.

⁹⁸ Ibid.

5.2.2 Impact on Business Activity

Transit services have several positive impacts on businesses across Metro Vancouver. For example, businesses that are willing to pay higher wages to attract workers in congested areas can save on the labour cost premium as traffic congestion is reduced, leading to a lower cost of doing business and improved productivity.⁹⁹ Businesses also become more productive when public transit enables their access to larger labour markets with greater diversity and specialization in skillsets.¹⁰⁰ The changes in consumer spending stimulated by access to public transit (driven by reduced cost of transportation and greater access to public spaces) can also result in higher levels of sales for businesses.

Businesses that rely on access to skilled talent and seek rapid growth often maintain the greatest interest in the productivity impacts from transit. High growth industries, primarily those that are service-oriented and knowledge-driven, rely on a feedback loop effect created when firms cluster together and share a concentrated pool of knowledge workers and research institutions.¹⁰¹ Metro Vancouver, as a regional hub for rapidly growing industries such as digital media and entertainment, life sciences, and high-tech services, can take advantage of this feedback loop effect. However, incumbent on this feedback loop's success are transit services that enable the creation of large talent pools.

A reduction in services would significantly dampen the ability for Metro Vancouver's businesses to grow and could initiate a decline in business activity. This will be especially true for businesses in high growth sectors that rely on access to skilled talent pools, businesses in dense urban areas looking to take advantage of the cost savings from congestion reduction, and businesses that benefit from the consumer spending stimulated by those riding public transit.

5.2.3 Impact on Economic Activity and Gross Domestic Product

A study conducted for the Chicago Transit Authority found that for every \$1 USD invested in transit, \$13 USD are generated in economic activity and travel time savings in the Chicago region.¹⁰² This analysis was conducted for a Chicago Transit Authority that had a \$2.7 billion annual operating budget.¹⁰³ Unlike TransLink, the Chicago Transit Authority only operates public transportation services and is not involved in the maintenance of major roadways. As well, metro Chicago has a larger population (approx. 9 million) than compared to Metro Vancouver of approximately 3 million people. The key message conveyed in the study completed for the Chicago Transit Authority is that investment in transit yields a high return on investment that is lasting and benefits many economic sectors. Thus the loss of transit services would be detrimental to Metro Vancouver's long term economic growth.

⁹⁹ Economic Impact of Public Transportation Investment – 2020 Update. American Public Transportation Association. 2020. <https://www.apta.com/wp-content/uploads/APTA-Economic-Impact-Public-Transit-2020.pdf>

¹⁰⁰ Ibid.

¹⁰¹ The Role of Transit in Support of High Growth Business Clusters in the U.S. American Public Transportation Association. 2013. <https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/TransitHighGrowthClustersUS-Final2013-1124-1.pdf>

¹⁰² MOBILITY, EQUITY, AND ECONOMIC IMPACT OF TRANSIT IN CHICAGO REGION. U.S. Department of Energy & Massachusetts Institute of Technology, 2024. https://www.transitchicago.com/assets/1/6/May2024_-_MIT_ANL_Public_Presentation.pdf

¹⁰³ Ibid.

A service cut would also affect the economy by increasing congestion on major roadways. The costs of congestion include commuter costs (lost time and wasted fuel), safety costs (crash costs), freight costs, environmental and public health costs, and reduced competitiveness.¹⁰⁴ In Minnesota's Twin Cities, commuter congestion costs alone were \$2.07 billion USD per year, as of 2023.¹⁰⁵ Minneapolis metro area residents spent 15 hours per year in rush hour traffic compared to 55 hours per year for Metro Vancouverites, according to an index ranking by TomTom.¹⁰⁶ Based on this scale, Metro Vancouver's commuter congestion costs could stand at up to \$7.6 billion USD, or \$10.5 billion CAD, without any transit cuts.¹⁰⁷ The addition of more cars on Metro Vancouver roadways could also see increased crashes and emergency response times. Moreover, the delays of congestion could cause fuel wastage and strain supply chains, resulting in higher prices for consumer goods. Congestion also has a limiting effect on the labour pool and reduces overall accessibility of jobs. The economic costs of congestion that would ensue from a transit cut would exacerbate commuter costs and deteriorate regional competitiveness.

A study conducted by the Canadian Urban Transit Association pegged the economic benefit of Canada's existing transit infrastructure at a minimum of \$19 billion annually.¹⁰⁸ The study also identified that the national increase in GDP from public transportation investment was \$6.2 billion annually.¹⁰⁹ As a major Canadian metropolitan region, Metro Vancouver stands to benefit considerably from investing further in its transit network. Investing in transit leads to GDP from increased employment in construction, professional services, research, and other areas.¹¹⁰ Cutting services would not only have an immediate consequence on GDP levels by reducing mobility around the region but it would also reverse a trend of consistent investment and growth in the transit network that has made Metro Vancouver economically prosperous for decades.

5.3 Economic Impacts on the Workforce

Public transportation has a substantial positive impact on the productivity and economic efficiency of cities by encouraging compact development and more optimal uses of scarce land.¹¹¹ The improved mobility offered by TransLink's services connects people to employment opportunities across Metro Vancouver that they would not otherwise have access to. Thus, the economic impacts of potential TransLink service cuts are wide-ranging, directly impacting both businesses and employees as well as stunting regional job growth. The exact magnitude of the impact will depend on the specific routes and services across the region that will be affected. According to results of the analysis conducted within TransLink's Regional Transportation Model, the removal of service will mean that as many as 263,000

¹⁰⁴ White Paper #1: The Negative Effects of Traffic Congestion on the Twin Cities and the State of Minnesota. Metropolitan Council, 2020. <https://metro council.org/Transportation/System/Highways/Congestion/Mobility-Needs-Analysis/The-Negative-Effects-of-Traffic-Congestion.aspx>

¹⁰⁵ Ibid.

¹⁰⁶ Traffic Index – Ranking 2023. TomTom, 2023. <https://www.tomtom.com/traffic-index/ranking/?country=CA%2CMX%2CUS>

¹⁰⁷ FX Conversion Rates via Forbes. 1 USD = 1.372 CAD.

¹⁰⁸ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. 2018. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

¹⁰⁹ Ibid.

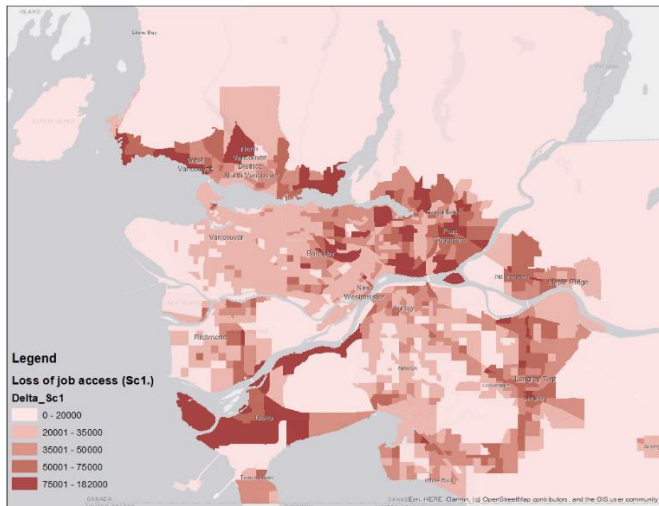
¹¹⁰ Ibid.

¹¹¹ The Economic Impact of Transit Investment in Canada. Canadian Urban Transit Association. https://cutaactu.ca/wp-content/uploads/2021/01/final_issue_paper_50_cuta_v2.pdf

jobs will be affected, requiring employees to walk further or switch to more expensive modes of transport such as driving (**Figure 5-1** and **Figure 5-2**).

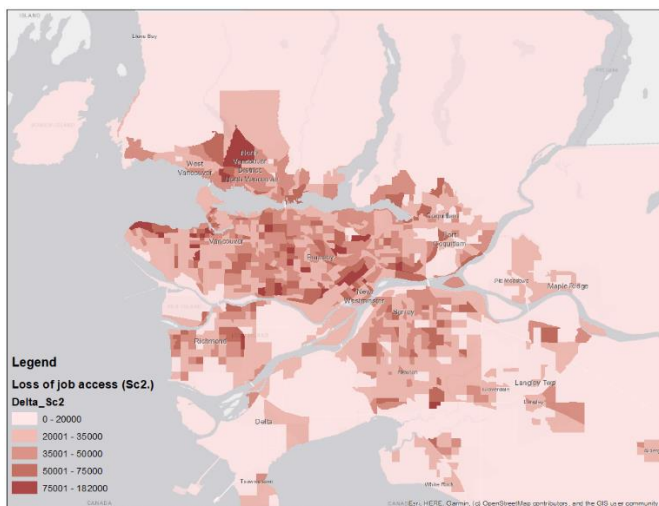
This reduction in access to jobs will have material impacts on both firms and workers. Fewer people will be willing to switch and take higher-paying jobs in a scenario with limited travel choices and unpredictable journeys. In effect, the labour pool gets smaller, hindering growth and productivity in the region's economic output.

Figure 5-1: Impact of reduced job accessibility on transit for each Traffic Analysis Zone in the region (Scenario 1)



Source: Results from TransLink's Regional Transportation Model.

Figure 5-2: Impact of reduced job accessibility on transit for each Traffic Analysis Zone in the region (Scenario 2)



Source: Results from TransLink's Regional Transportation Mode

The clustering of large numbers of workers and firms together in a region such as metro Vancouver induces 'Agglomeration Effects'. In essence, agglomeration is the increase in gross domestic product (GDP) for different economic sectors resulting from increased proximity among business clusters. These gains arise because firms can share inputs, match skills with needs, and learn from each other through knowledge spillovers.

Literature and guidance on quantifying economic agglomeration impacts is extensive and is commonly used in the United Kingdom to appraise the macroeconomic benefits of major transportation projects.¹¹² TransLink uses methods based on UK guidance to estimate the impact of potential service cuts at between \$93 and \$139 million annually.¹¹³ However, these are likely conservative estimates given that only 'static' agglomeration is factored into the model. That is, the productivity increase resulting from clustering for the *existing* labour force. The friction of congestion, travel time unreliability, and transit accessibility induced by proposed cuts would likely have an impact on the supply and demand for labour within the region. This may result in some existing firms or workers leaving the region and slow the rate of *future* business and labour migration to Metro Vancouver.

Furthermore, what cannot be accurately predicted is the impact on individuals who are dependent on transit to engage in social, recreational and employment opportunities. Nearly 400,000 people rely on transit each day in Metro Vancouver.¹¹⁴ Traffic models cannot estimate the number of people who may exit the workforce as a result of job inaccessibility.

5.4 The Result of a Service Cut

A significant reduction in transit services within Metro Vancouver would have immediate and lasting consequences for the region's competitive advantage. Metro Vancouver's standing as a region with a high quality of life would quickly become compromised as fewer individuals are able to access employment and the region's overall connectivity declines. Rising unemployment, aggregate wage declines, and reductions in GDP are all likely consequences of transit services being reduced. Moreover, Metro Vancouver would face challenges attracting and retaining businesses and skilled labour within the region. This will compromise Metro Vancouver's current and future growth trajectories, limiting economic prosperity and driving greater inequity.

¹¹² See UK Department for Transport, [webtag-productivity-impacts-tag-unit-a24.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/webtag-productivity-impacts-tag-unit-a24.pdf)

¹¹³ TransLink RTM model

¹¹⁴ TransLink's funding gap, explained. TransLink – YouTube. <https://www.youtube.com/watch?v=EyqwqNiz4rQ>

6 Summary and Conclusion

The availability of reliable public transport is integral to sustaining and supporting social and economic growth in communities. TransLink has played a significant role in providing and facilitating public transport services to Metro Vancouver residents and businesses. Since TransLink's inception in 1999, public transit services have grown significantly, matching Metro Vancouver's population and economic growth during this time period.

To avoid service cuts, bold and urgent public policy action is required to generate additional revenues for TransLink. Close coordination with provincial and federal governments is needed to create a sustainable funding model that safeguards TransLink's ability to provide essential transportation services.

The financial management of TransLink was severely challenged by the impact of the COVID-19 pandemic, which has required the support of different levels of government through the provision of relief funding.¹¹⁵ However, the cost environment in which TransLink operates has worsened in the aftermath of the pandemic, with inflation driving higher labour and maintenance costs.¹¹⁶ TransLink faces a net revenue shortfall of approximately \$600 million annually, between the years 2026 to 2033. TransLink is constrained in its ability to significantly change its financial outlook without service cuts.¹¹⁷ Any such cuts would have a significant economic impact on the Metro Vancouver region and directly impact the lives of the 1 in 3 Metro Vancouverites who use TransLink at least once per week.¹¹⁸

TransLink has analyzed two potential scenarios for service cuts, as follows:

1. **Scenario 1: Maximize ridership.** This would begin by cutting the least productive routes, leaving only higher fare revenue-producing lines so that overall service levels can remain higher. That is, under this scenario, certain routes would be removed from the network, while maintaining remaining services. These routes are generally concentrated in Vancouver, Burnaby, Richmond, and central Surrey. Consequently, much of the rest of the region would be left with little to no transit access – particularly in the Northeast sector, Langley, White Rock, South Delta, and much of the North Shore.
2. **Scenario 2: Maximize coverage.** This would cut a mix of low and higher-productivity services, maintaining lower-productivity routes to continue basic coverage. More cuts to productive routes result in more services overall needing to be cut to reach the reduction target. Routes that remain would have a lower frequency and span of service compared to Scenario 1.

6.1 Impacts of TransLink services cuts

Should TransLink proceed with enacting service cuts to Metro Vancouver's public transit system, the potential impacts on people, businesses and communities, include:

1. Overall increased travel times

¹¹⁵ 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf

¹¹⁶ Ibid.

¹¹⁷ Ibid.

¹¹⁸ TransLink's funding gap, explained. TransLink – YouTube. <https://www.youtube.com/watch?v=EyqwqNiz4rQ>

2. Long-term impacts on household costs and affordability
3. Compromising Metro Vancouver's comparative advantage

6.2 TransLink's Regional Transportation Model Results

In summary, **Figure 6-3** provides the key results generated in TransLink's Regional Transportation Model for Scenario 1 (Ridership Focus) and Scenario 2 (Cover Focus). Total impacts are in the range of \$1 billion for both scenarios, per annum. On a per household basis, the average impact is nearly \$1,000 per year.

Figure 6-3: TransLink's RTM Results, Total Region and Per Household Impacts

	<i>Total Region Cost (2026-2033) - \$millions (m)</i>	
	Scenario 1 (Ridership)	Scenario 2 (Coverage)
Cost to find alternative modes	\$617 m	\$715 m
Lower wages and productivity (due to lack of job access)	\$227 m	\$266 m
Vehicle operating costs	\$57.2 m	\$56.0 m
ICBC premiums (from increased crashes)	\$55.7 m	\$57.2 m
Increased costs of goods and consumables (due to freight and truck congestion)	\$10.0 m	\$10.5 m
Total	\$967 m	\$1,105 m

Source: Results from TransLink's Regional Transportation Model

	<i>Per Metro Vancouver Household Total Cost (2026-2033)</i>		
	Scenario 1 (Ridership)	Scenario 2 (Coverage)	Scenarios Average
Cost to find alternative modes	\$592	\$685	\$638
Lower wages and productivity (due to lack of job access)	\$218	\$255	\$236
Vehicle operating costs	\$55	\$54	\$54
ICBC premiums (from increased crashes)	\$53	\$55	\$54
Increased costs of goods and consumables (due to freight and truck congestion)	\$10	\$10	\$10
Total	\$927	\$1,059	\$993

Note: Based on 1,043,320 Metro Vancouver Households.

Appendix A: Overview of TransLink's Regional Breakdown

The following section provides an overview of various sub-regions within Metro Vancouver in terms of TransLink service and ridership.

Vancouver, Downtown & UBC

The 2021 Census puts the population of Downtown Vancouver at almost 122,000.¹¹⁹ It is the most densely populated city centre in all of Canada as of 2022. The population is even larger (approximately 660,000) taking into account other areas of Vancouver, ranging from East Vancouver to UBC.¹²⁰ The importance of the Vancouver region as a hub for transportation cannot be understated; the region boasts 46% of all TransLink ridership, with a total of 177 million passenger boardings in 2023. Considering that this sub-region contains some of the busiest SkyTrain stations across Metro Vancouver, including Waterfront Station (9.9 million boardings in 2023), Commercial-Broadway Station (6.2 million boardings in 2023), and Granville Station (5.8 million boardings in 2023), this sub-region of Metro Vancouver is by far the most active.¹²¹

The introduction of efficient bus routes directly to the University of British Columbia located on the far western side of Vancouver—namely the R4 41st Avenue, as well as the 99-B Line Broadway—has also been successful. The ongoing work to further develop SkyTrain access along Broadway Street, the province's second-largest commercial hub, will only amplify these positive externalities as Vancouver continues to grow.

Richmond, South Delta & Tsawwassen (Southwest)

The city of Richmond has benefitted significantly from the introduction of the Canada Line SkyTrain, which reached target ridership levels three years earlier than forecasted. With a population of just over 200,000,¹²² Richmond is the fourth most populous municipality in the Greater Vancouver region, but also critically houses the Vancouver International Airport, the second-busiest airport in Canada. Welcoming almost 25 million passengers in 2023,¹²³ the airport serves as a critical trans-Pacific hub for Canadian trade to east and southeast Asia. Richmond also provides direct transit connections to Delta and the Tsawwassen Ferry Terminal via the 620 Tsawwassen Ferry Express.¹²⁴ As the largest ferry terminal in North America, BC Ferries transported 9.4 million vehicles and 21.6 million passengers in fiscal year 2023

¹¹⁹ Downtown Vancouver is Canada's most densely populated city centre: census. Daily Hive.

<https://dailyhive.com/vancouver/downtown-vancouver-population-density-canada-city-centres-statistics>

¹²⁰ Statistics Canada. Table 98-10-0003-01. Population and dwelling counts: Census metropolitan areas, census agglomerations and census subdivisions (municipalities).

¹²¹ The top 10 most popular SkyTrain stations in 2023. The Buzzer Blog. <https://buzzer.translink.ca/2024/04/the-top-10-most-popular-skytrain-stations-in-2023/>

¹²² Population Hot Facts. City of Richmond. https://www.richmond.ca/shared/assets/Population_Hot_Facts6248.pdf

¹²³ December 2023 Traffic Update. Vancouver International Airport.

¹²⁴ Seattle is Vancouver's greatest threat to Trans-Pacific airport hub supremacy: YVR CEO. Daily Hive.

<https://dailyhive.com/vancouver/seattle-vancouver-airport-passenger-trans-pacific-hub>

between the Tsawwassen Ferry Terminal and terminals across Vancouver Island.¹²⁵ Together with Delta and Tsawwassen, the southwest sub-region comprises roughly 8% of TransLink's ridership.

Burnaby & New Westminster

With significant portions of both the Expo Line and Millennium Line—some of TransLink's oldest, and most popular infrastructure—running through the heart of Burnaby and the Expo Line also running through New Westminster, Skytrain service in these communities is critical. Burnaby has seen a handful of upgrades to various stations in recent years: the Phibbs Exchange, while located on the North Shore, is a key connector to Burnaby and East Vancouver was recently renovated and reopened in early 2024, and the Brentwood Town Centre Station is also currently undergoing construction. Currently, TransLink is planning the Burnaby Mountain Gondola, a project that would connect Production Way-University Station directly to Burnaby Mountain and SFU.¹²⁶ With a combined population of about 330,000,¹²⁷ this sub-region of Metro Vancouver saw a 19% growth in annual ridership between 2022 and 2023.

Surrey, Langley, North Delta & White Rock (Southeast)

Although the City of Vancouver holds the most significant share of Metro Vancouver ridership, ridership in Surrey and Langley is the most quickly growing, seeing a 29% increase from 2022 to 2023. BC Stats forecasts that Surrey will be the region's most populous city by 2029, surpassing Vancouver.¹²⁸ By 2050, the region is expected to see a 420,000 increase in population in addition to 147,000 new jobs.¹²⁹ In recognition of rising demand for rapid transit in the region, TransLink has already initialized the Surrey Langley SkyTrain Project, which will see the Expo Line extended 16 kilometres to better connect both cities to New Westminster, Burnaby and Downtown Vancouver. This sub-region accounted for 19% of TransLink's ridership in 2023, second only to Vancouver and UBC.

Coquitlam, Port Coquitlam Port Moody, Anmore & Belcarra (Northeast)

Together, Coquitlam, Port Coquitlam, Port Moody, Anmore and Belcarra are home to a population of roughly 245,000.¹³⁰ Despite representing only 4% of TransLink's ridership right now, growth in demand for public transit in this sub-region is among the highest in Metro Vancouver's sub-regions, surpassed only by the Southeast sector. In 2022-2023, ridership in this area increased 23%. Notably, the West Coast Express (Vancouver's commuter rail service) stops at Moody Centre and Coquitlam Central SkyTrain stations as it makes its way from Waterfront Station in downtown Vancouver towards Mission. Thus, this commuter train service plays a vital role in connecting Coquitlam and Port Moody to larger commercial hubs in downtown Vancouver and Vancouver proper.

¹²⁵ 2023 Annual Report to the BC Ferries Commissioner. British Columbia Ferry Service Inc.

¹²⁶ Burnaby Mountain Gondola. TransLink. <https://www.translink.ca/plans-and-projects/projects/rapid-transit-projects/burnaby-mountain-gondola>

¹²⁷ Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed July 25, 2024).

¹²⁸ Source: [Metro Vancouver's booming population will reach three million in 2024 | Vancouver Sun](#)

¹²⁹ Surrey Langley SkyTrain Project - Project Overview. <https://surreylangleyskytrain.gov.bc.ca/>

¹³⁰ Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed July 25, 2024).

Maple Ridge & Pitt Meadows

Maple Ridge, Pitt Meadows, and the surrounding regions are connected to the rest of Metro Vancouver primarily through the West Coast Express as well as the R3 Lougheed Highway bus service. With a population of more than 100,000, this sub-region was the fastest to rebound in ridership after the impacts of the COVID pandemic and saw a 98% increase in ridership in fall of 2022.¹³¹ Development has also begun to better connect both Maple Ridge and Pitt Meadows to Langley. In anticipation of the extension of the Expo Line as part of the Surrey Langley SkyTrain Project, a new 22-kilometre rapid transit corridor with dedicated bus lanes is being built to better connect the three cities, supporting regions with some of the fastest rates of population and job growth.¹³²

North & West Vancouver and surrounding areas (North Shore)

The SeaBus from Waterfront Station to Lonsdale Quay connects the City of North Vancouver and by extension the Districts of North and West Vancouver, the Village of Lions Bay, Bowen Island, Squamish Nation and Tsleil-Waututh Nation to the rest of Metro Vancouver. Considering its importance in bridging the region to downtown Vancouver, the North Shore saw the completion of the \$14.7 million Lonsdale Quay Exchange upgrade project in 2020, with TransLink updating the station's facilities to allow for more bus routes and improved accessibility.¹³³ In addition, the Phibbs Exchange, which serves over 5,000 customers daily, opened in May 2024 after a year of construction and has been upgraded to include new bus shelters, bike lockers, and commercial retail space.¹³⁴ The R2 Marine Drive bus line connects Phibbs Exchange to Lonsdale Quay, Capilano University and further east towards the Horseshoe Bay Ferry.

¹³¹ TransLink ridership continues to rebound in 2022. TransLink. <https://www.translink.ca/news/2023/april/translink%20ridership%20continues%20to%20rebound%20in%202022>

¹³² Three new rapid transit corridors for Metro Vancouver. TransLink. <https://www.translink.ca/news/2023/november/three%20new%20rapid%20transit%20corridors%20for%20metro%20vancouver>

¹³³ Lonsdale Quay Exchange upgrades complete. TransLink. <https://www.translink.ca/news/2020/december/lonsdale%20quay%20exchange%20upgrades%20complete>

¹³⁴ Bus Projects. TransLink. <https://www.translink.ca/plans-and-projects/projects/maintenance-and-upgrade-program/bus-projects#phibbs-exchange>

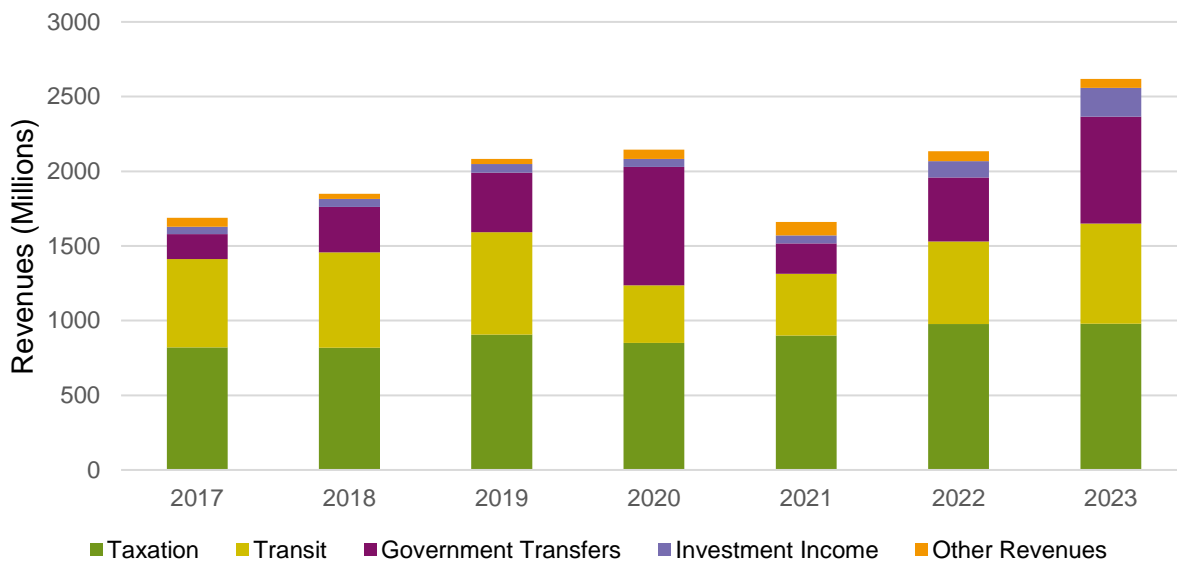
Appendix B: TransLink’s Financial Overview

For the year-ended December 2023, when excluding senior government relief funding, TransLink had a deficit of \$6.0 million, \$11.2 million lower than its budget.¹³⁵ When including senior government relief funding, TransLink had a surplus of \$473 million for the year, highlighting the importance of senior government relief funding to TransLink’s current finances. TransLink’s challenging future financial position is the result of long-term trends in declining fuel tax revenues and inflationary pressures on costs. TransLink is expected to reach a revenue shortfall in the years ahead and see its deficit grow as the financial headwinds continue. As most of TransLink’s expenses are service-related, future deficits could necessitate service cuts for TransLink to reduce costs. This is a worst-case scenario for TransLink. The forecasted consequences across the Metro Vancouver region from service cuts are substantial and would have both immediate and long-term economic impacts on the region. Securing stable, long-term funding source annually is imperative for TransLink to maintain current service levels.

Revenues and Expenses

TransLink’s primary sources of revenue are taxation, transit fares, government transfers, investment income, development cost charges, and other miscellaneous revenues.¹³⁶ The largest of these sources are taxation, transit fares, and government transfers. Error! Reference source not found. shows how these amounts have changed over time, with government transfers and investment income accounting for a larger portion of revenues over time. Transit revenue has still not returned to pre-pandemic levels.

Figure B-1: TransLink Revenue by Type, 2017-2023

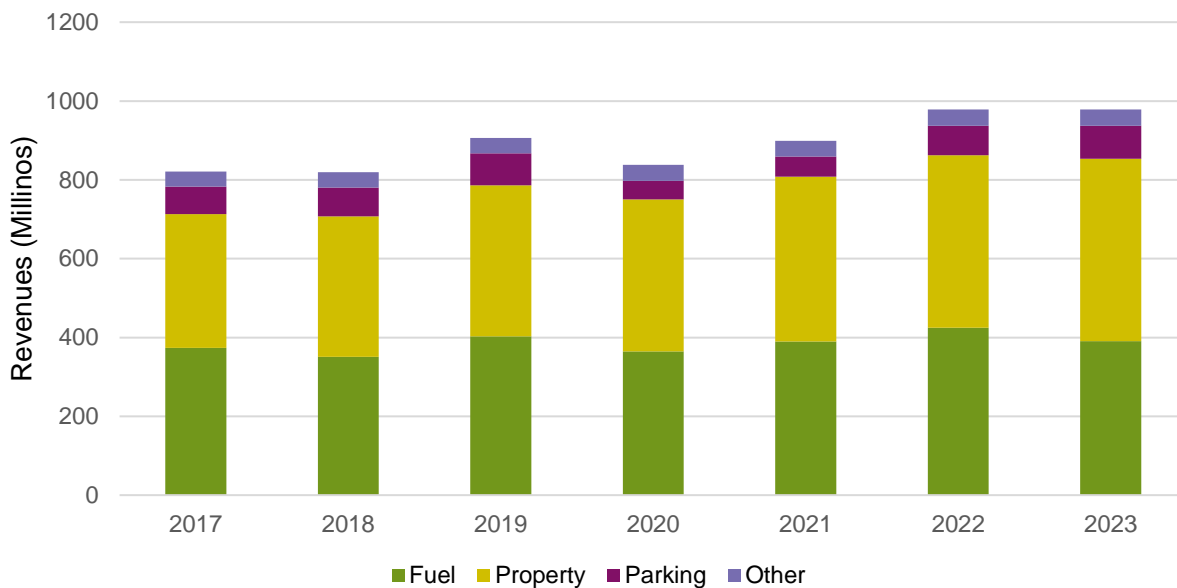


Source: TransLink. 5-Year Performance Trends - 2021, 2022, and 2023 Year-End Financial and Performance Reports. (<https://www.translink.ca/about-us/about-translink/corporate-reports>)

¹³⁵ Ibid.
¹³⁶ Ibid.

Revenues from taxation include fuel taxes, property taxes, parking sales tax, and hydro levies. The largest of these types of taxation revenues are property taxes and fuel taxes, which accounted for \$391 million and \$463 million, respectively, in 2023.¹³⁷ While legislative increases from taxation as well as new construction, have contributed to growth in property taxes, growth in fuel tax revenue has stagnated.¹³⁸ TransLink collects a flat fee of \$0.185 per litre of clear gasoline and diesel purchased in the South Coast British Columbia transportation service region (SCTA).¹³⁹ Because of this flat-fee system, fuel tax revenues are dependent on overall gasoline usage within the SCTA. This has and will continue to decline with the increasing adoption of zero-emission vehicles in the Metro Vancouver region.¹⁴⁰ In 2023, TransLink brought in \$34 million less revenue from fuel taxes than in 2022.¹⁴¹ **Figure 2-2** shows that while property tax revenues have grown, fuel tax revenues have not and currently are around 2017 levels.

Figure B-2: TransLink Revenue from Taxation by Sub-Type, 2017-2023



Source: TransLink. Taxation - 2018, 2019, 2020, 2021, 2022, and 2023 Year-End Financial and Performance Reports. (<https://www.translink.ca/about-us/about-translink/corporate-reports>)

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Motor fuel tax and carbon tax rates on fuels and substances. Government of British Columbia.

<https://www2.gov.bc.ca/gov/content/taxes/sales-taxes/motor-fuel-carbon-tax/publications/motor-fuel-tax-and-carbon-tax-rates#translink>

¹⁴⁰ Management Action Plan on the Efficiency Review Results. TransLink. <https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/managements-action-plan-on-the-efficiency-review-results.pdf>

¹⁴¹ TransLink releases corporate cost-cutting plan to address funding gap. TransLink. <https://www.translink.ca/news/2024/june/translink%20releases%20cost-cutting%20plan%20to%20address%20funding%20gap>

Revenues from transit largely comprise of fare charges and program revenues. Program revenue includes the U-Pass BC and BC Government Bus Pass programs.¹⁴² In 2023, overall ridership stabilized and re-aligned with expected seasonal fluctuations.¹⁴³ As noted in **Figure 1-1**, TransLink’s overall ridership grew by approximately 20% in 2023 on a year-over-year basis.¹⁴⁴ This corresponded with a 21.5% increase in total transit revenue in 2023, reaching over \$671 million. In line with growing costs, TransLink has increased fares as of July 1, 2024, although fare increases remain well below the overall rate of inflation.¹⁴⁵ Fares have been held below inflation to ensure affordability as the region recovered from the COVID-19 pandemic.¹⁴⁶ Future increases are planned to ensure service levels can be maintained; however, there may still be a shortfall as fuel tax revenues are likely to continue to decline in the future.

As shown in **Figure B-1**, government transfers increased from 2022 to 2023 due to a large amount of senior government relief funding in March 2023.¹⁴⁷ Governments make regular contributions to specific capital projects that TransLink undertakes, however, relief funding was specifically provided to sustain the organization throughout the course of the COVID-19 pandemic. Government relief funding has enabled TransLink to maintain services near pre-COVID-levels.¹⁴⁸ Relief funding has also enabled TransLink to keep its income statements in a state of good repair. However, this funding will run out by 2026, which will may a revenue shortfall to set in particularly if fuel tax revenue continues to drop below pre-COVID levels. The absence of government funding will reveal the full impact of lower fare increases and declining fuel tax revenues on TransLink’s budget.

TransLink’s primary expenses are associated with bus operations, rail operations, transit police, corporate operations, and roads and bridges. TransLink also contributes to the capital costs for infrastructure projects that expand its services, although most of the capital for new infrastructure is committed through existing government funds and one-time government contributions. Inflation has had a significant impact on TransLink’s costs, with TransLink’s operating and debt servicing costs having risen and expected to rise significantly in future. Inflation has specifically affected the cost of construction, labour, fuel, maintenance, and new vehicles.¹⁴⁹ Between 2022 and 2023 alone, TransLink’s total expenses rose by over 7% to approximately \$2.2 billion.¹⁵⁰ As TransLink looks to launch the Broadway Subway and Surrey-Langley SkyTrain, as well as expand bus services, operating costs will continue to rise.

¹⁴² 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ Pricing and Fare Zones. TransLink. <https://www.translink.ca/transit-fares/pricing-and-fare-zones#future-fares-in-effect-july-1-2024>

¹⁴⁶ Management Action Plan on the Efficiency Review Results. TransLink <https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/managements-action-plan-on-the-efficiency-review-results.pdf>

¹⁴⁷ 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf

¹⁴⁸ Management Action Plan on the Efficiency Review Results. TransLink. <https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/managements-action-plan-on-the-efficiency-review-results.pdf>

¹⁴⁹ TransLink releases corporate cost-cutting plan to address funding gap. TransLink. <https://www.translink.ca/news/2024/june/translink%20releases%20cost-cutting%20plan%20to%20address%20funding%20gap>

¹⁵⁰ 2023 Year-End Financial and Performance Report. TransLink. https://www.translink.ca/-/media/translink/documents/about-translink/corporate-reports/quarterly_reports/2023/2023-year-end-financial-and-performance-report.pdf



Prepared by

InterVISTAS Consulting Inc.

480 Southwest Marine Drive
Vancouver, BC, V5X 0C3

Telephone: +1-717-1800

www.intervistas.com