

## **TERMS OF REFERENCE**

### **INDEPENDENT REVIEW OF BC TRANSIT**

#### **BACKGROUND**

BC Transit is a provincial Crown corporation providing public transit services directly and with partners in communities throughout British Columbia outside Metro Vancouver. The corporation's mandate, as set out in the *British Columbia Transit Act*, is to plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans and the economic development of transit service areas and to provide for the maintenance and operation of those systems. BC Transit is required under the *Act* to consult with local government within a transit service area about provision of transit services.

Local government partners have raised concerns about aspects of BC Transit operations that affect their communities. On November 2, 2011 the Minister of Transportation and Infrastructure announced an independent review of BC Transit to examine transit system operations and performance, governance, funding and local government consultation and communication processes. (Attachment 1 – News Release)

The Minister of Transportation and Infrastructure is appointing a three person panel to undertake the review. The panel will provide its findings and recommendations to the Minister. The Minister will receive the panel recommendations for consideration of any Provincial actions.

#### **REVIEW PANEL**

Panel members have been selected for their expertise in transit service planning and operations, local government finance and operations, and senior government program governance, finance and management.

#### **TIMEFRAME**

The panel will report back to the Minister by the end of August 2012.

#### **PANEL TERMS OF REFERENCE**

The panel will review and evaluate matters through clear problem definitions with supporting evidence, and make recommendations on this basis. The panel will prepare and submit a report to the Minister of Transportation and Infrastructure on the following matters:

- **Operations and Performance** – Examination of the efficiency and effectiveness of transit services provided by BC Transit, including comparisons based on industry-recognized performance measures of operations in the various regions of BC and with transit operations in other reasonably comparable jurisdictions. "Efficiency" includes "value for money".

Specifically the review will:

- Identify performance measures to be reviewed – make use of measures already collected and reported for government and industry statistical purposes (e.g. Stats Canada, CUTA) and hence not anticipated to involve new data collection for the purposes of the Review – and then evaluate to identify trends or summary conclusions with respect to:
    - Differences and similarities between regional systems within BC
    - Differences and similarities between regional systems in BC and the rest of Canada
  - Where differences are found, consider potential explanations for the differences, including the unique circumstances of particular communities, the scale of operations and other potential factors. The Review Panel may categorize their findings according to the existing BC Transit Tiers 1, 2 3 and Greater Victoria, or suggest some other categorization scheme with reasons for preferring it.
  - Identify specific opportunities for improvements to those systems that are not performing as well as other comparable systems.
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- **Governance** – Examination of the regulatory framework, structure, processes and policies in place for BC Transit. Governance comprises the steps in the process of planning and delivering services, which bodies participate and their role(s) in each step. This will include but not be limited to the role of regional and local government in the planning, expansion and operation of services.

Specifically the review will:

- Document the current governance framework as defined in legislation, regulation, annual operating agreements and other documents.
  - Define the specific roles and responsibilities of BC Transit, local government and the Province within the current governance framework.
  - Identify the strengths and weaknesses of the framework and opportunities for improvement.
  - Describe the different local governance structures that partner with BC Transit to administer a transit system.
  - Identify the strengths and weaknesses of the different structures.
  - Examine the role of all parties in ensuring affordability of decisions, that is, that responsibility and accountability for decisions are matched to fiscal capability and accountability of the bodies that must pay the costs that result.
  - The Capital Regional District has requested that they perform the functions of the Victoria Regional Transit Commission. Identify the pros and cons of implementing this request.
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- **Funding Relationship** – Examination of the processes for capital planning, budgeting and operating expenditures within BC Transit and local governments by which funding available for transit services is allocated, priorities set, charges imposed and expenditures monitored. This

will include a review of the timing for information gathering and exchange within the annual and multi-year planning and budgeting processes, development and communication of financial estimates and the confirmation of commitments and tracking of expenditures. For clarity, the focus of this section is on the funding relationship. The Province and local government agree that the Independent Review will not consider issues and provide recommendations that have the potential to lead to increases in funding to, or change the funding formula for, BC Transit.

Specifically the review will:

- Identify how transit is funded in BC (outside of Metro Vancouver), and compare to other jurisdictions across Canada.
  - Document how operating and capital grants from the Province to BC Transit are allocated by BC Transit and what changes could be made to the process to improve transit performance.
  - Identify what factors drive the cost of transit.
  - Examine how expenditure and funding decisions are made by BC Transit. (For example, management fees, debt service and maintenance costs, allocation of service hours and vehicles, etc.)
  - Within the existing framework, identify where improvements can be made to the expenditure and funding decision process.
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- **Consultation and Communication processes** – Examination of the communications and consultation processes in place between BC Transit and local governments in the context of the relative roles and responsibilities of each in regard to providing safe, effective and affordable solutions to meet identified transit needs in communities of all sizes and in all regions of BC.

Specifically the review will:

- Document the consultation and communication processes used by BC Transit to engage local government.
- Document local government information requirements to support decision making on transit matters.
- Given the specific roles and responsibilities of BC Transit (including the requirement to consult with local government under the Act), local governments and the Province, advise on whether the timeliness, level and quality of the consultation and communication is appropriate.
- Within the existing framework, identify specific opportunities where improvements can be made.

The following is out of scope for the review:

- Increases of provincial or local government funding to the BC Transit system, changes to the funding formulae found in the BC Transit Act and/or consideration of new or extended sources of funding for transit.
- The status of BC Transit as a provincial Crown corporation.
- The creation of regional transportation authorities.
- Issues related to transportation aside from public transit.
- Any transit issue within the TransLink service area.

**The Panel will:**

- Meet with and seek input from local government representatives within the BC Transit service area from all 3 Tiers and Greater Victoria for the purposes of arriving at their recommendations.
- Consult with staff from local government, BC Transit or Ministry of Transportation and Infrastructure to validate factual findings and/or seek comments on proposed recommendations, but the findings and recommendations will be those of the reviewer(s) alone and not subject to change or veto by any other party prior to being submitted to the Minister.
- Make use of a common information base including but not limited to previous reviews of governance and performance, industry comparative studies (e.g. CUTA), and local government and BC Transit financial and operating information.
- Operate in a manner that encourages open and frank discussion, and ensures that materials, comments, perspectives and opinions provided to the Panel are treated confidentially and used only for the purposes of the Review.
- Focus primarily on recommendations that can be actioned within existing legislation. Categorize recommendations that can be accomplished within existing legislation and those that require legislative change.
- Make recommendations based on consensus of the reviewers. The internal discussions of the reviewers on how consensus was achieved will not be published in the Review report or released at a later date.
- Be accountable to and report to the Minister. The panel's recommendations should focus on defining the outcomes to be achieved. The Minister will determine the appropriate Provincial actions to be taken and the method of implementation.

The panel will submit a final report to the Minister of Transportation and Infrastructure by August 31, 2012.

**The Ministry of Transportation and Infrastructure will:**

- Provide the panel with financial and organizational support, including project management and technical expertise and/or contract management for external resources with specific expertise; and
- Provide the panel with relevant background material.

