

Huge ferry fares loom without more \$\$\$



Fulford ferry terminal. Gulf Islands residents could face a 50 per cent increase in fares between 2012 and 2016, says BC Ferries.

Driftwood file photo by Derrick Lundy

By [Elizabeth Nolan - Gulf Islands Driftwood](#)

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The campaign to get more government funding for BC Ferries in the next performance term is getting renewed attention as the deadlines for two decisions loom nearer.

Ferries CEO David Hahn made headlines last week after his warnings about large fare increases were broadcast on the Shaw television program Voice of B.C. Catching most people's attention was his suggestion that unless the provincial subsidy is increased by \$25 million, fares would have to rise between

20 and 100 per cent over the next four years, depending on the route in question.

“You could be looking at somewhere between a four and five per cent per year price cap increase for each of the years on the major routes, and it could be somewhere between 12 and 14 per cent on the minor routes, and in the north — this’ll blow everybody away — it’s 26 per cent . . .” Hahn said on the Shaw TV show.

A 14 per cent annual increase on Gulf Islands routes would equal a 50 per cent fare hike by 2016. Without the higher government service fee, Hahn said, the only other option is to cut service.

The proposal to increase fares is now before BC Ferry Commissioner Martin Crilly, who will make his ruling on fare caps in the 2012 to 2016 term based on the CEO’s report by March 31. The provincial government will in turn announce its service fee contribution in June.

Members of the Ferry Advisory Committee Chairs group are not surprised by the projected fare hikes since the issue was reported by Hahn and media outlets some months ago. According to information monitored by the FACC, BC Ferries is presenting an accurate assessment.

“The numbers that David Hahn handed out and the numbers that were sent to the ferry commissioner were pretty right on,” said Salt Spring Ferry Advisory Committee chair Harold Swierenga.

“The FACC has known about these figures for months.”

The problem, according to the FACC, is that since BC Ferries became a private corporation in 2003, the government’s funding to offset fares on the minor and northern routes has stayed constant at \$92 million, while inflation and costs have risen.

That’s not what the province is saying. According to a fact sheet issued by the Ministry of Transportation and Infrastructure on Feb. 5, the government put \$200 million into the ferry system in the past year alone.

FACC opposes that version, however, since most of the funding didn’t go toward subsidizing fares, and some of it didn’t even come from the province.

“We don’t dispute they’re spending that money, but it isn’t going to BC Ferries to help them reduce fares,” said Brian Hollingshead, chair of the Southern Gulf Islands FAC.

“They include things in their numbers that we don’t believe are appropriate for the setting of fares.”

Included on that list is \$27 million of federal funding. The FACC also objects to the inclusion of \$24 million in funding for student, senior and patient fares, which doesn't go to BC Ferries but directly to those individuals.

Swierenga observed the province's treatment of BC Ferries has changed considerably since W.A.C Bennett established the crown corporation in 1960.

"There's been a change in government attitude that's not good — that sees the ferries not as a generator of economic activity but as a nuisance, a utility that should be nickled and dimed to keep costs and services down."

The current Liberal Party leadership campaign may produce a favourable political climate for changing that attitude, the FACC members said.

"Now that there's a leadership review there's a number of issues on the table that weren't up for discussion, including the service fee," Hollingshead said.

"The people who would like to be premier are now obliged to put their ideas on paper for people to see them."

Swierenga agreed, "I think it's a good time to do it because it makes them take a position — whereas all they did before was repeat the mantra 'We put in \$200 million, what's your problem?'"

Swierenga and Hollingshead said they are cautiously optimistic the province will respond to the outcry from coastal communities and find a way to increase its contribution in some way.

"I think there are things that can be done to generate some economy and I think the government will do something about the service fee. But there's a lot of work to be done, no question," Swierenga said.

Hollingshead said he believes the commissioner will set the fare cap high enough that the government will be forced to deal with it.

"And I don't think service cuts will be the answer — I think the service fee will probably be adjusted somehow."