

NEWS RELEASE – from the FACC (Ferry Advisory Committee Chairs)
Higher than Predicted Ferry Fare Hikes and No End in Sight

20 SEPTEMBER 2007 - Final fare figures from the BC Ferry Commission, released Tuesday, exceed preliminary figures released in March. Yet, representatives of ferry-dependent communities predict that even higher fares are likely.

Fare increases in the next four years will be determined by a formula, tied to the Consumer Price Index (CPI). If the CPI remains at current levels, fares on smaller routes face the following increases:

- 4.4% in November '07 (announced previously)
- 4% in April '08 (up by 0.4% from preliminary figures released in March)
- 7.2% each year for three following years - if the CPI remains unchanged (up by 0.5% per year from preliminary figures released in March.)

The latest figures give a total of 12 fare hikes since the restructured ferry system took effect in 2003, with a cumulative fare increase of 90%. The most likely factors to drive fares past that point will be rising fuel prices and the instability of the CPI.

In addition, the Coastal Ferry Act requires the smaller routes to become increasingly paid by users. So, users are covering fuel costs, capital costs of updating long-neglected vessels and terminals, labour costs, 14% return on equity for investors, all in addition to the general cost of inflation.

"We're more than ready to pay normal inflationary costs, as does any traveller on any of BC's highways," says Jakob Knaus, of the Southern Sunshine Coast Ferry Advisory Committee. "The trouble with this set-up is that we're also doing the equivalent of paying directly for the asphalt, the gravel, the abutments and the work crews' wages, in contrast to taxpayer-funded highways."

Coastal residents increasingly call on government to consider how essential ferry transportation is to the existence of dozens of coastal communities. Their representatives, the 12 Ferry Advisory Committees and their chairs (FACC), note that the Coastal Ferry Act recognizes the necessity of government support for the smaller routes.

The FACC ask the government to moderate its push toward user pay, and increase the service fees according to CPI, to help keep fare increases to a scale that families in small communities can bear.

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