

Assessing ferry fare projections

07 February 2011 – Recently reported coastal ferry fare increases are a realistic assessment of what will happen in the absence of additional government support or of service reductions, say the Ferry Advisory Committee Chairs (FACC), which represent residents of coastal communities.

While projections may change if conditions change, the FACC see these factors as realities:

The major and non-major route groups are different.

- The major routes (Vancouver to Vancouver Island) make a profit, are not subsidized, and face the problems of a business in a downturn.
- Legislation forbids major route profits subsidizing the other, non-major routes.
- Non-major routes need subsidies to exist. Without them fares would be too high to be viable.
- Fare hikes and traffic drops on non-majors have been greater than on the majors.

Only the provincial government can substantially reduce projected fares.

- By far the biggest ferry costs are fixed. The Ferry Commission controls BC Ferries spending in some areas. In other areas, even huge cuts would barely tweak fares.
- The main impact on non-major fares is from government contribution. The legislated deadline for the Province to set this for the coming term is June 30, 2011.

Basic provincial support for the ferry system is \$92M a year.

- "The basic \$92M has not been increased since 2003. Comparisons with an earlier date, which had a different financial structure, would be like comparing apples and railroad ties," says Brian Hollingshead of Saturna Island.
- Additional support for northern routes started in 2008. Last year it was \$34M.
- The federal government contributes annual funding, indexed to inflation. Last year it was \$27M.
- The Province also supports operators on non-BC Ferries routes, and pays for travel by seniors, students and patients. (Similar programs in other rural areas also support student and medical travel.) Last year this type of funding was \$24M.
- The total of above (less annual dividend BC Ferries pays to government) was \$170M last year.
- The \$200M in recent reports may be the equivalent total for the current fiscal year, but no actuals are available yet.
- Above figures are found in this funding table: <http://preview.tinyurl.com/6hspvfe>
Also found here under 'Data and Tables': <http://gabriola.org/facc/fpNewsRelease.php>

Coastal communities are like any rural BC community.

- Coastal communities and their residents are diverse, and the vast majority are not affluent.
- "Community viability depends on retaining this diversity in people and families," says Tony Law of Hornby Island. "They need affordable transportation."

Additional ferry funding makes good economic and public policy sense.

- Coastal communities are in the same fight for survival as all rural communities.
- Transportation is not only fundamental to economic development, it's also fundamental to health care, education and every other aspect of public life.
- Ferry subsidies are modest compared with government support for other forms of transportation.

Imagine BC without affordable public access to the coast.

- BC's coast is part of what makes this province distinctive and is a draw for people from all over the world, as well as for many British Columbians.

The FACC calls again on government to support the ferry system to a level that keeps fare increases in line with inflation. The \$92M as basic support is no longer sufficient.

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