



News Release

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ISLANDS TRUST ASKS PROVINCE TO REDUCE FERRY FARES ON MINOR ROUTES BY 25%

VICTORIA — The Islands Trust Council is asking the Province of British Columbia to invest an additional \$11 to \$14 million annually for four years to reduce fares on all BC Ferries' minor routes. This request is timed to influence negotiations for BC Ferries' Coastal Ferry Services Contract from 2016 to 2020.

In May 2015, the Islands Trust hired Perrin Thorau & Associates, a public policy consulting firm with expertise in BC Ferries' markets, to calculate the cost of lowering fares on all minor ferry routes. The consultants built a model using recent BC Ferries operating results and fare information, allowing examination of how ridership will rebound in response to lower fares. The consultants calculated that an additional \$11 to \$14 million is needed annually to reduce fares by 25 per cent from today's prices, on all minor routes on B.C.'s coast.

"Ferry-dependent communities are struggling under the weight of ferry fares that have increased at a pace well above the rate of inflation," said Peter Luckham, Islands Trust Council Chair. "We have a constructive proposal. By strategically investing an additional \$11 to \$14 million annually, the Province can lower fares on BC Ferries' minor routes by 25 per cent. Affordable fares would attract more customers into the ferry system, bolster B.C.'s economy and result in increased provincial tax revenues - a win-win for everyone."

Since the enactment of the *Coastal Ferries Act* in 2003, fare increases on some minor routes have increased four to five times higher than inflation. The BC Ferry Commissioner has proposed an additional 1.9 per cent annual fare increase during BC Ferries' next four-year performance term.

For 10 years, the Islands Trust Council and local government partners have raised concerns that the fares for ferry-dependent communities have reached the tipping point where they are causing economic challenges and reducing ferry ridership.

"For years, we've heard clearly from our communities that ferry fare increases have been too steep and are causing hardship for coastal families and businesses. I appreciate the work that has been done to keep future fare increases lower than in the past, but remain concerned that present fares are unaffordable for our communities," said Luckham. "Current negotiations for a renewed Coastal Ferry Services Contract are a perfect opportunity for the government to invest in coastal communities. Our funding estimates give the Province credible information to make a sound investment decision. We believe a well-advertised drop in fares on the minor routes would help our communities bounce back and give us all time to work on longer-term solutions with the Province."

The Islands Trust is a federation of local government bodies representing 25,000 people living within the Islands Trust Area and another 10,000 non-resident property-owners. The Islands Trust is responsible for preserving and protecting the unique environment and amenities of the Islands Trust Area through planning and regulating land use, development management, education, cooperation with other agencies, and land conservation. The area covers the islands and waters between the British Columbia mainland and southern Vancouver Island. It includes 13 major and more than 450 smaller islands covering 5200 square kilometres.

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Background:

Perrin Thorau & Associates May 2015 report: [Calculating Investment Needed to Reduce BC Minor Routes Fares by 25%](#)

Preserving **island** communities, culture and environment

Bowen, Denman, Hornby, Gabriola, Galiano, Gambier, Lasqueti, Mayne, N. Pender, Salt Spring, Saturna, S. Pender, Thetis