



News Release

200 - 1627 Fort Street Victoria BC V8R 1H8

Telephone **250.405.5151** FAX: 250.405.5155

Toll Free via Enquiry BC in Vancouver 604.660.2421. Elsewhere in BC **1.800.663.7867**

information@islandstrust.bc.ca www.islandstrust.bc.ca

September 19, 2011

No. 2011-20-IT

TRUST COUNCIL ASKS BC FERRY COMMISSIONER TO HELP RESTORE BC'S MARINE HIGHWAY

VICTORIA — The Islands Trust, representing 13 island communities that depend on BC Ferries, has asked new BC Ferry Commissioner Gordon Macatee to recommend changes to the *Coastal Ferry Act* that would see BC Ferries manage the marine highway as an essential part of the public infrastructure similar to provincial highways. The commissioner is currently reviewing the *Act* to assess how it has performed to date in achieving the original public policy objectives, meeting with ferry-dependent communities along the coast.

During a September 15 presentation to Macatee at the Islands Trust Council meeting on Salt Spring Island, Islands Trust Chair Sheila Malcolmson noted that island communities had developed over the past 50 years in step with the coastal ferry system, just as other communities in BC grow in relation to the provincial road network. She noted that former provincial representatives treated the coastal ferry network as an important element in BC's economic development – as important as the highways they built into BC's hinterland. Island communities developed based on repeated assurances that 'ferries are highways.'

However, in 2003, the province brought in the *Coastal Ferry Act*, transforming the public transportation network into a private company, wholly-owned by the Province of BC. The minister of the day indicated the new *Act* was intended to have many benefits for island communities -- fares would remain affordable and predictable, the ferry service would flourish and it would support tourism, island economies and ways of life.

"The *Coastal Ferry Act* has failed to deliver," Malcolmson told the commissioner. "Since 2003, provincial funding to the ferry service has been frozen and increasingly referred to as a 'subsidy', implying it is not a legitimate government contribution to essential provincial infrastructure," she said. Malcolmson's presentation included graphs that illustrated precipitous increases in ferry fares (an average of 60% and as much as 125% on some routes) with the corresponding drops in ridership levels that are having grave impacts on island communities. Her presentation illustrated how other parts of the regional transportation system have remained buoyant, countering the notion that a slumping economy or exchange rates are to blame for plummeting ridership. "As elected representatives of island communities, we know that our friends and neighbours stay home when fares go up," she said.

"This is setting up a negative cycle of impacts," said Malcolmson. "As fares increase, ridership drops, then businesses close and families leave -- threatening the social and economic stability of island communities. When ridership levels drop once again, BC Ferries' only option is to further increase fares, continuing the downward cycle. Instead of the promised improvement, we've seen skyrocketing fares, seriously slumping ridership and a ferry service that doesn't appear able to sustain itself. The cost of goods and services on the islands has gone up substantially, as well as the costs of essential trips to see doctors, dentists, family and friends. Contrary to some suggestions, our communities are not wealthy, with average family income below or close to average BC levels."

Malcolmson's presentation included information about islanders' satisfaction with various aspects of the ferry service compared with their importance, determined through an on-line survey of trustees. She reported general satisfaction with safety but dissatisfaction in other areas of high importance to islanders such as fare affordability, fare stability and support for business, tourism, the economy and the flow of goods and services essential to island life.

"We recommend the commissioner focus on the areas of least satisfaction and highest importance to ferry users, and on the sustainability of the ferry system itself," added Malcolmson. "In 2006, an Islands Trust's position paper warned that rising fares could lead to decreased ridership, threatening the system's viability. The latest information about revenues indicate these concerns are becoming reality," she noted. She also noted the negative impacts on the provincial economy, as decreased ridership translated to decreased economic activity and declining provincial revenues.

Preserving **island** communities, culture and environment

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

Malcolmson concluded with a number of recommendations for the commissioner. These included:

- a significant increase in the provincial contribution, to enable drastic and immediate fare cuts and fare freezes
- that subsequent fare increases be at a level consistent with the Consumer Price Index
- changes to the *Coastal Ferry Act* to recognize BC Ferries as an essential part of the public infrastructure, similar to provincial highway
- a long term strategy for BC Ferries' service to the minor routes that considers the socio-economic impact of ferry fares and schedules and the sustainability of the ferry service itself
- identification, in consultation with Ferry Advisory Committees, communities and local governments, options for modifying service to increase efficiency while meeting the needs of ferry-dependent communities

"Fares have risen continually with no assessment of the socio-economic impacts on our communities and we urge the government to take immediate action, while longer term solutions are developed," concluded Malcolmson.

The commissioner is visiting all coastal communities dependent on ferry service and his schedule and mandate are available here: <http://www.bcferrycommission.com/>

Slides from the Chair's presentation to the BC Ferry Commissioner and links to all other Islands Trust positions on BC Ferries are on-line: <http://www.islandstrust.bc.ca/poi/bcferriesinfo.cfm>

The *Islands Trust Act* charges the Islands Trust with preserving and protecting the unique amenities and environment of the Islands Trust Area for: 25,000 residents, 13,000 non-resident property owners, hundreds of thousands of visitors and all British Columbians. The area covers the islands and waters between the BC mainland and southern Vancouver Island. It includes 13 major and more than 450 smaller islands covering 5200 square kilometres. For more information on the Islands Trust go to: www.islandstrust.bc.ca.

- 30 -

CONTACT

Linda Adams, Chief Administrative Officer
250.405.5160

Sheila Malcolmson, Chair, Islands Trust Council
250.247.8078 (cell: 250.713.1957)