

Ferry rate jumps hurting region

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There is more bad news for the Island economy in the latest ruling on B.C. Ferries fare increases. Fares on the main routes will rise by up to 2.7 per per cent on April 1. The other routes, including the northern service, will increase an average 5.7 per cent.

The cost of travel has soared since the government made B.C. Ferries a hybrid public-private company in 2003. These increases mean the cost of getting to the Island has jumped more than 40 per cent; the cost of travel to Gulf Islands has increased more than 60 per cent.

Those increases have hurt travellers.

And they have damaged the region's economy, particularly the tourism sector. B.C. Ferries' own analysis found an eight per cent fare increase would result in a 2.3 per cent drop in traffic. Some of the lost business comes from local people who reduce trips. But tourists are also deterred by rising fares. And Islanders pay more for all the goods shipped here by ferry as a result of rising fares.

The risk of increasing damage is serious. The government provides a small subsidy to the service, compared with support for other public transit.

The subsidy covered 22 per cent of corporation expenses in 2003; it has shrunk to 16 per cent since then. The legislation requires the corporation to collect the rest of the money from users.

The result is a vicious circle. Fares increase to cover costs; traffic declines as a result; and fares must be raised even higher to make up for the reduced passenger revenue.

This is not the fault of B.C. Ferries; the provincial government set the rules in place.

Ferry commissioner Martin Crilly, responsible for ensuring fare increases are justified, has warned the failure to meet ridership targets is creating serious long-term problems.

The government has been slow to respond, despite complaints from communities.

Transportation Minister Shirley Bond says some action is likely this spring on a November report from the province's comptroller general that found sloppy governance and excessive compensation for directors and managers.

Those are not the most important issues, however.

Comptroller Cheryl Wenezenki-Yolland also found a fundamental flaw in the legislation setting up the new corporation. There is no requirement, or even provision, for the interests of ferry customers and local communities to be considered in setting rates or B.C. Ferries' direction.

The focus on the profitability of the ferry operator "could be at the expense of the public service goals of the ferry system by not considering fully the interests of users of the ferry system, local communities and taxpayers," she found. There is no independent complaint process, no public review of service levels and no

consideration of the long-term impact of service and fares on communities.

And the result has been problems for ferry users, communities and businesses.

The damage is becoming increasingly serious. Government action to ensure the public interest is considered in providing ferry service is overdue.

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