

Coastal Community Ferry Advisory Committee Meeting (CCFAC)

11:00 am Friday, January 25, 2008
Nanaimo, BC

A Perspective on Traffic Trends Minors (Group 4) and Route 3 (Group 2)

Presenter: Doug Snyder

Conclusions

1. Although there are differences in Context between Route 3 (Southern Sunshine Coast) and Minors (Gulf Islands), traffic is trending down on both Groups, driven by Price increases
2. Residents are changing travel patterns and traveling less (Prepays are down)
3. Cash tickets have increased
4. The documented assumptions behind the BC Ferries' forecasts seem to be missing a key determinant for the Minors and Route 3 "Price"
5. The forecasts for the Minors and Route 3 are optimistic

Contrasting the Groups

Economics

Economic Climate
Dollar Exchange
Border Traffic
Gasoline Prices
Fuel Surcharges
BC Ferry Fare Increases

	Majors	Non-Majors
Economic Climate	Y	Y
Dollar Exchange	Y	Y
Border Traffic	Y	Y
Gasoline Prices	Y	Y
Fuel Surcharges	Y	x2
BC Ferry Fare Increases	Y	x2

Purpose of Travel

Business
Vacation/Visiting/Amusement
Accessing Essential Services

	Majors	Non-Majors
Business	M	L-H
Vacation/Visiting/Amusement	M	L-M
Accessing Essential Services		H

← What makes these communities "Ferry dependent"

NOTE: L=Low, M=Med, H=High ... estimates by the FACC

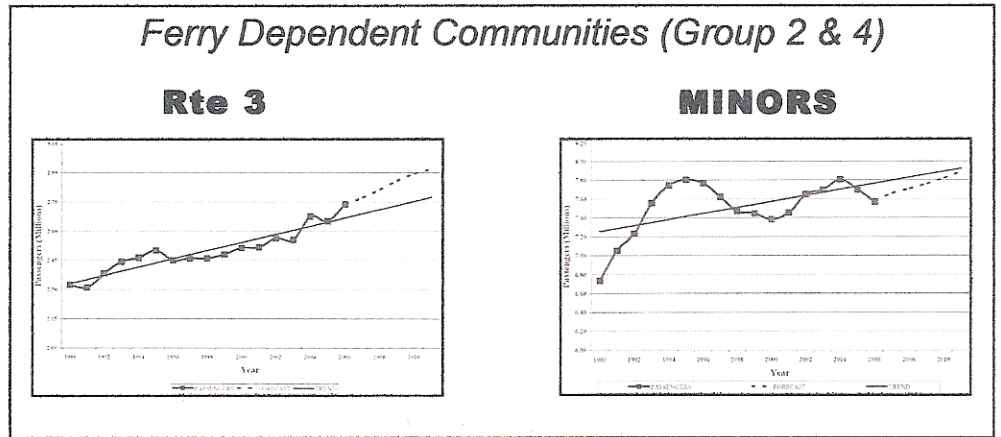
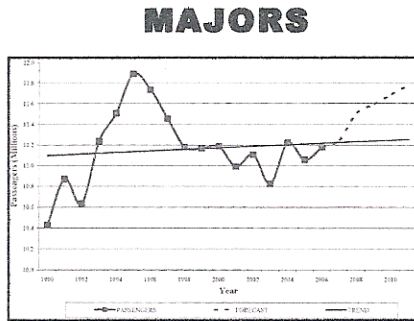
Data Sources

1. Forecasts: BC Ferry Commission, April 2007, data from Pricewaterhouse Coopers
2. Traffic Stats: BC Ferries
3. Indexed Fares and Fuel Surcharges: BC Ferry Commission, Mar 2006 Frequently Asked Questions
4. Tourism Indicators: Tourism British Columbia Research Services
Tourism Indicators Data Tables December 2007
5. Population: StatsCan 2006 versus 2001

WHAT WAS "FORECASTED" TO HAPPEN TO TRAFFIC

Route group Passenger Traffic Forecasts (2007-2011)

Source: BC Ferry Commission, April 2007, data from PricewaterhouseCoopers



WHAT HAS HAPPENED SO FAR (2007)

Current Tourism (Traffic) Indicators (2007 over 2006)

Source: Tourism British Columbia Research Services - Tourism Indicators Data Tables December 2007

ARRIVE

Custom Entries

US: +5.9%
International: +1.8%

Air Passengers

Vancouver: +2.9%
Victoria: +5.1%

Highways

Coquihala: +4.5%

MOVE

Highways

Route 4: +1.8%
(Tofino/Uclulet)

BC Ferries

Total: +0.1%
Group 1: +1.1%
Group 3: +29.0%

STAY

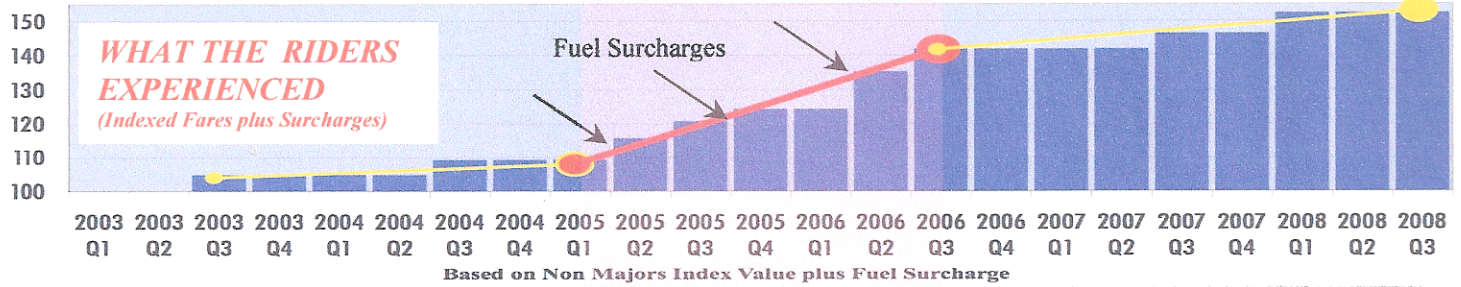
Hotel Occupancy

Vancouver: +1.8%
Victoria: +1.7%
Nanaimo: +4.2%

Group 2 & 4: -1.0%

Increase
Decrease

Minors



HOW THEY RESPONDED

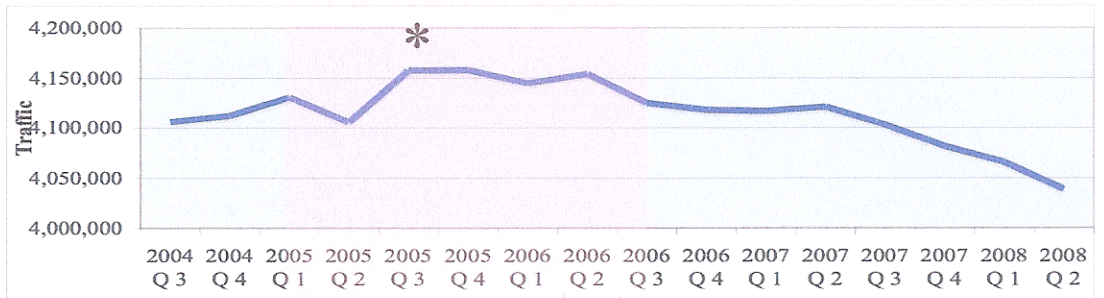
1. After 2005 surcharge
 - slight drop, recovery, then a slow fade
 - slow increase in % of Prepays

2. After 2006 surcharges
 - start of the abrupt drop
 - significant reduction in Prepays for both Vehicles & Passengers

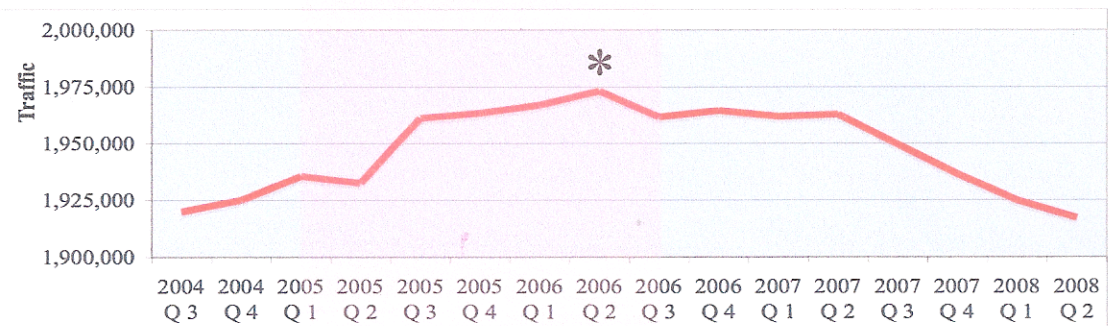
CONTEXT:

- Population up 10%, double Prov average
- Seniors up 24%
- Local Retail struggling to remain competitive or close
- Fares force Ferry Travel reassessment
 - Combining trips
 - Families can't afford to visit so some move
 - Seniors shift to Mon-Thurs
 - Car pooling

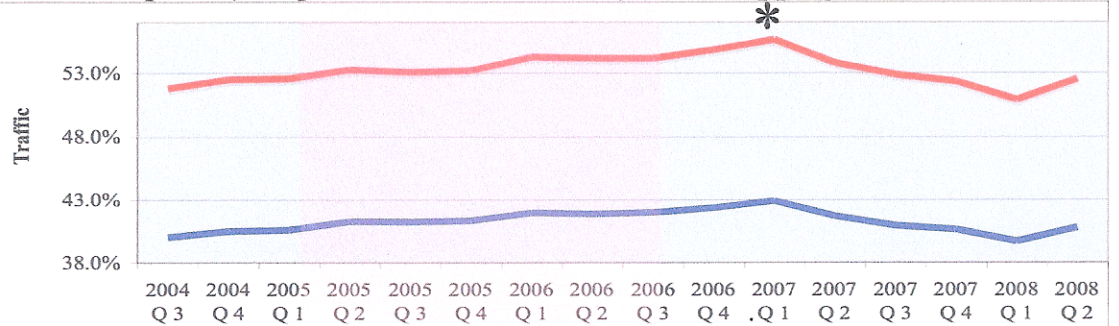
A. Passenger Traffic starts dropping 2005 Q3



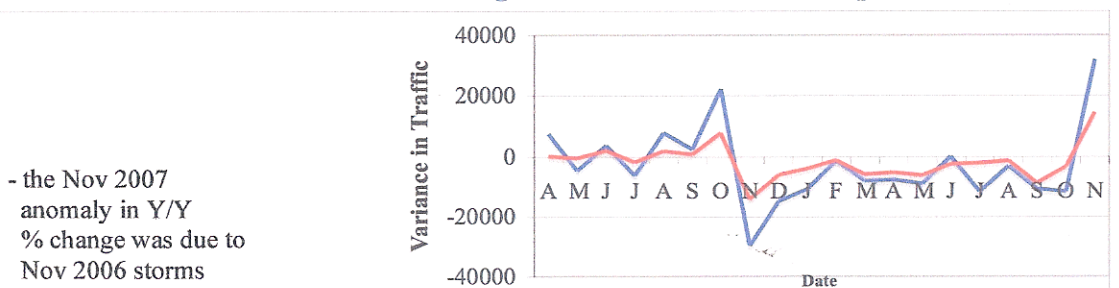
B. Vehicle Traffic starts dropping 2006 Q2



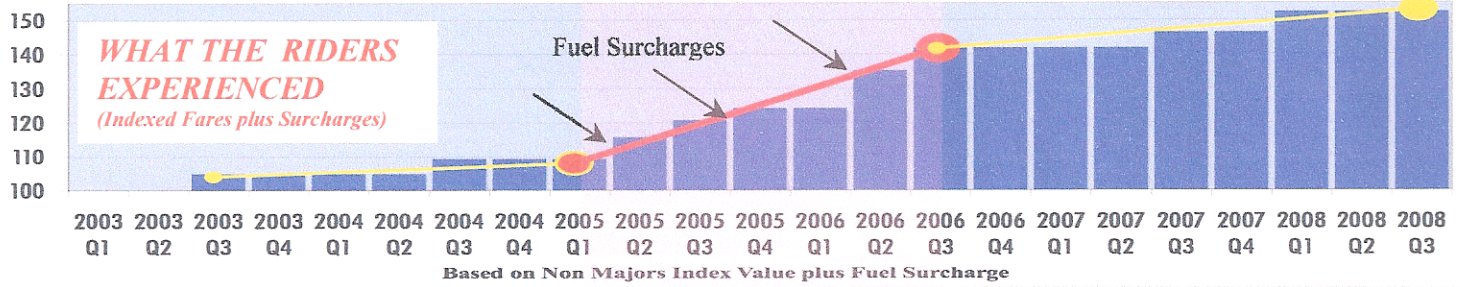
C. All Prepays (as a percent of Total Traffic) start dropping 2007



Note: Same month Y/Y traffic changes show detail of the abrupt downward shift



Route 3



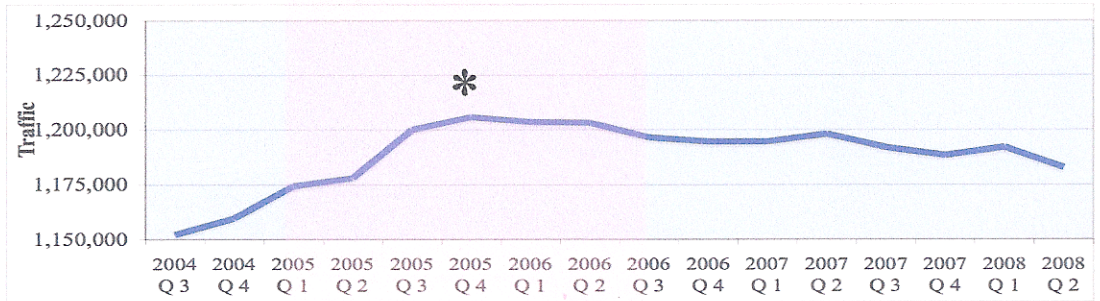
HOW THEY RESPONDED

- 1. Passenger Traffic**
- starts to drop 1 Q later than Minors
- 2. Vehicle Traffic**
- starts to flatten in 2005 Q3
- 3. Prepays**
- significant drop in 2005 Vehicles & Passengers recovers in first half of 2006, then continues downward

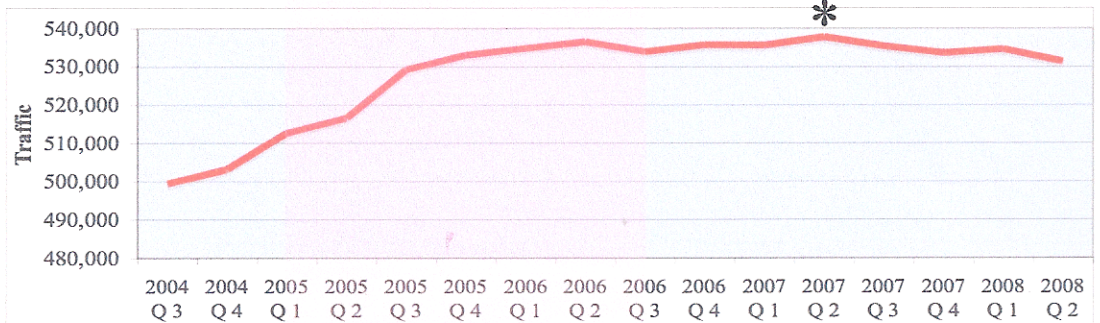
CONTEXT:

1. Population up 8.4%, 3.1% over Prov average
2. Seniors are double rest of Province
3. Local Retail more competitive
4. Commercial traffic steady
5. Fares force to reassess Ferry Travel
 - Combining trips
 - Vancouver discounts <Fare increases
 - Families can't afford to visit so some move to Mainland
 - No to/from Airport
 - Seniors shift to Mon-Thurs
 - Low income use buses less

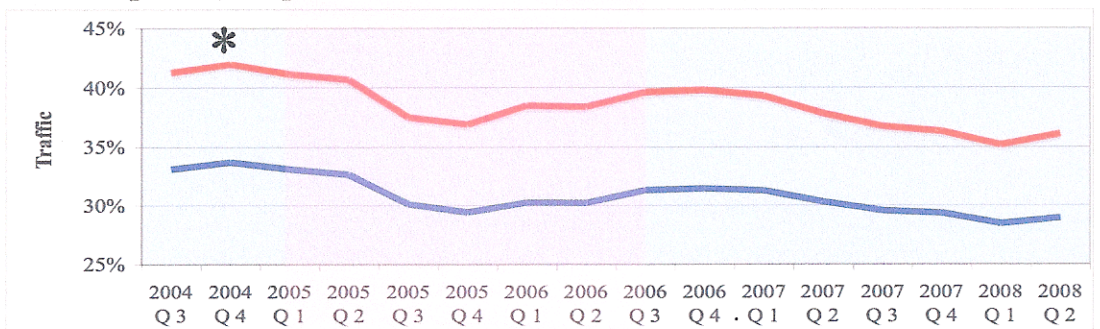
A. Passenger Traffic starts dropping 2005 Q4



B. Vehicle Traffic starts dropping 2007 Q2



C. All Prepays (as a percent of Total Traffic) start dropping 2004 Q4



Note: Same month Y/Y traffic changes show detail of the abrupt downward shift

