



NEWS RELEASE

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February 28, 2002

TRUST MEETS WITH MINISTER REID TO TALK FERRIES

VICTORIA — The Executive Committee of the Islands Trust met today with the Honourable Judith Reid, Minister of Transportation, to discuss its response to the Wright Report. It encouraged the provincial government to recognize the ferry service as an essential part of the provincial infrastructure and to fund it accordingly.

"Island sustainability is very dependent on the ferry service, so we wanted the minister's assurance that island communities and ferries advisory committees would be closely consulted should any plans be made to change inter-island transportation," said David Essig, Chair of the Island Trust Council. "We find that the Wright Report makes unconvincing arguments and is extremely narrow in scope".

The Wright Report, prepared by independent consultant Fred Wright, assesses BC Ferries as if it were a commercial enterprise and makes a number of assumptions and recommendations on that basis. The Islands Trust response identifies several key areas where the Wright Report is inaccurate or lacks context

The Trust rejects Wright's suggestion that the minor island ferry routes are money losers. "The system is truly a network, with the smaller routes feeding into the major ones and vice versa," said Kim Benson, an Islands Trust Vice-chair who has extensive experience on ferry advisory committees and who led development of the Islands Trust response. "To assess them as separate components is just inaccurate."

"When compared to other parts of the provincial transportation network, BC Ferries actually looks quite good", continues Benson, "For example, it recovers over 110% of its direct operating expenses from the fare box and receives only about 20% of its revenue from taxation and subsidies. In comparison, taxes support over 70% of provincial road costs. We understand the system can't be free, but everyone should realize it does better than break even. Ferry users and taxpayers from ferry-dependent communities contribute substantially to BC Ferries revenues and subsidies through taxation and other means. They should reasonably expect the provincial government to use a portion of their tax contributions to fund the public ferry system in addition to public roads throughout the province."

The Trust disputes Wright's implication that the ferry system in the southern Gulf Islands is an expensive 'perq' that serves only the resident population of 15,000. "BC Ferries' own data show that in the peak season, less than a quarter of travellers are residents and in the off-peak season, residents make up just over half of ferry travellers", said Benson. "Any proposed change must take into account the impacts on island economies, off-island property owners and provincial tourism".

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The Trust response includes a number of its own recommendations to improve the financial performance of BC Ferries. It suggests that costs savings can be found within the administration, that items such as VIP travel should be funded by appropriate ministries, and that the ferry system should not be burdened with debts arising from the fast ferry initiative. The Trust concludes its response by encouraging the Minister to listen closely to BC Ferries' Stakeholders Committees and the Coastal Council, when looking for ways to reduce costs. "Islanders use the ferry system regularly and we believe they can make the best suggestions for improving both the ferry service and the bottom line," said Essig.

The Islands Trust response and a summary are both available on the Islands Trust website under News Releases, at www.islandstrust.bc.ca

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Background attachment: *Executive Committee response to the Wright Report*