

BC Coastal Ferries Community Engagement 2013

Submission by Gabriola Island Ferry Advisory Committee

Gabriola Ferry Advisory Committee (FAC) has consulted widely in the development of this response; in particular we are grateful to the Islands Trust's Transportation Advisory Commission (TAC) and Gabriola Arts Council for their assistance and support in researching the potential impacts of the proposed ferry cuts and to so many members of the Gabriola community who have communicated through public meetings, social media and the FAC website the impact that these proposals would have on their daily lives. This submission is supported by a joint TAC/FAC report prepared for the Gabriola Local Trust Committee (attached) and should be read in conjunction with that report.

From the outset, we must emphasise that the FAC shares the view expressed by so many that this so-called “community engagement” process is deeply flawed. Presented as a vehicle for public consultation, in reality it has exposed a political decision that was arrived at using questionable evidence, no socio-economic impact assessment and having no regard to the effect it would have on the lives, employment and businesses of gulf islanders.

Since the 2012 consultation took place, the FAC has been consistently told by BC Ferries (BCF) that their obligation to the Province was limited to the provision of operational and financial data and it was the Province that would be developing route-specific proposals which (we assumed) would align with the policy principles applied through section 38 of the Coastal Ferry Act to the role of the BC Ferry Commission, which are “to protect the interests of ferry users, taxpayers and ferry operators”.

We find, however, that the proposals now before us have been developed exclusively by the ferry operator, largely to protect the interests of the ferry operator; delivering the government’s financial objective using methodology that pays no regard to the interests or needs of ferry users. In particular, we believe that the process has been deliberately manipulated to divert attention away from the very significant potential cost savings that are available from the major route network within which one route alone (Route 30) incurred a financial loss of \$25 million in fiscal 2012/13, despite the service reductions implemented in the winter of 2012/13 that formed the major part of a \$4 million savings plan identified in 2012.

As a result, we find that the government has put forward a hugely distorted plan that now sets out to deliver the vast majority (\$7 million out of \$9.5 million) of annual cost savings from the network of minor routes (including the Northern routes) which in totality represent only 44% of BCF’s cost base. In particular, it appears that Route 19 between Nanaimo and Gabriola, which incurs just 1.4% of BCF’s expenditure, has been singled out to deliver more than 4% of the targeted annual savings despite being one of the most heavily used of the non-major routes, with annual utilization of vehicle space at 45.5%. Thirteen of the 17 car-carrying minor routes have lower annual utilization, yet only two of the minor routes will suffer a proportionately higher share of service cuts than Route 19. **This cannot be considered an equitable approach.**

The fact that Gabriola currently receives a more comprehensive level of ferry service (15-16 round trip sailings per day) than most other gulf islands should not be regarded as an indicator of over-provision. Gabriola is, by comparison, a community that is more dependent than most on services and facilities that can only be accessed by ferry. With 70% of Gabriola’s private dwellings occupied by permanent residents [source: *Census Canada*] it has the highest permanent residency of most of the Southern Gulf Islands. Our proximity to Nanaimo naturally means that residents of Gabriola look to Nanaimo for employment, schools, university, hospital and acute

healthcare, shopping (beyond basic needs), business, leisure and entertainment. For young people in particular, access to social and sporting activities revolves around the availability of late evening ferry services, without which such resources would be denied to them.

During the course of this community engagement period, the FAC and TAC worked together to gather evidence of the social and economic impacts of cancelling 32 weekly Route 19 sailings (including all evening sailings after 9 pm) on the residents, organizations and businesses of Gabriola Island. The following activities were undertaken:

- a 59-question on-line survey (902 responses as of Dec. 11th)
- interviews of passengers on 26 of the sailings in question from Nov. 26 to Dec. 1 (307 responses)
- a 12-question on-line survey for businesses in downtown Nanaimo (37 responses to Dec. 11th)
- invitations to local organizations to provide feedback

The results of these investigations are documented in the attached report submitted to the Islands Trust Gabriola Local Trust Committee and endorsed by Islands Trust on December 16th.

Overwhelmingly, the evidence we have obtained from these surveys reinforces the high level of dependence that our community places on these services, with more than a third (35%) of all passengers on the affected sailings using them to access work or education. In particular, on the 10:25pm and 11:30pm departures from Nanaimo and the 5:25am (Saturdays) departure from Gabriola, more than 40% of passengers using the service were travelling to or from work and the loss of these sailings would lead to a loss of work opportunity for more than half, including several essential healthcare workers engaged in shiftwork at Nanaimo Regional General Hospital. Only 38% of passengers using the affected sailings are car drivers, so the assumptions used in the identification of potential service cuts (based solely upon vehicle capacity utilization) are a significant understatement of the important role that these sailings have to the community.

The loss of late evening services would also impact significantly on sporting, recreational, cultural activities. Many Gabriola residents using these sailings are regular participants in sporting activities, choirs, orchestras and theatre and cultural events in Nanaimo, which would be inaccessible without the late evening sailings (particularly the 10:25) back to Gabriola. In addition, Gabriola is home to many musicians who earn a living performing off-island. Performing is their livelihood; as with any other employment it provides income to enable families to stay on the island and without late evening ferries their ability to perform off-island is gone. Overall, 46% of respondents to our surveys believed that the sailing cuts could lead them to reconsider their decision to live on Gabriola.

A high proportion of the 190 Gabriola business owners who responded to our survey predict that the cancellation of late-evening sailings will impact on their businesses, especially the late sailings from Nanaimo that bring visitors from the mainland. Residents of the lower mainland who work a full day on Friday will simply not be able to reach Gabriola by Friday evening and potential visitors will choose to go elsewhere. We learned that the loss of the evening sailings could prejudice up to 176 jobs on Gabriola and lead to business losses of more than \$5 million annually. Our survey of Nanaimo businesses also revealed major concerns about loss of customer access and the difficulty that would be created for the Gabriola residents they employ.

We are confident that, had a socio-economic impact assessment been carried out by government, these findings would have been confirmed and the true impact of the proposals would have been evident long before they were presented to the community. Instead, we are faced with service cuts that have been selected arbitrarily by the ferry operator as the most convenient way of delivering reductions in their labour and fuel

costs with no evident regard for the impact on our community. Even then, repeated requests for clarification of how the projected savings have been calculated have been ignored, leading inevitably to the conclusion that the whole basis of the process is deeply flawed.

The current level of ferry provision to Gabriola costs \$7 million in direct operating costs, of which almost 83% is recovered from ferry users through fares or social program fees. In recent years, that proportion has increased progressively, whereas support for government has largely remained flat. The additional burden of financing and amortization of capital assets has further increased the funding gap, revealing the inequity of the government's approach to transportation infrastructure across the province. Direct comparisons with highway maintenance, winter road clearance, transit investment and the funding of the inland ferry system point to a hugely disproportionate reliance on service users to meet delivery costs and, as a result, leading to a level of user fees that is now widely regarded as unaffordable.

We believe that the coastal ferry delivery model put in place in 2003 has substantially failed in its objectives and now needs to be dismantled. In particular, we find that there is compelling evidence that coastal ferry users – especially those for whom the minor routes are an essential lifeline – are paying the price of excessive overhead, management and administration costs within the Ferry Corporation that are vastly disproportionate to the operation of routes such as the Nanaimo-Gabriola service.

The FAC considers the time has come to suspend the Coastal Ferry Services Contract in its present form and to rebuild the governance and operational structure of the ferry system to properly reflect the very different needs and dependencies of the “minor” routes from those of the major routes to and from the mainland. Unless this is acknowledged by government, we foresee a continuing and deepening financial crisis in the delivery of essential ‘lifeline’ routes to coastal communities that goes far beyond the \$10m annual cost reductions now being sought and leading inexorably to major hardship and widespread damage to the coastal economy.

Gabriola Ferry Advisory Committee urges government to defer any further action on these proposed service cuts for at least one year, to permit the necessary socio-economic impact study to be completed and a thorough independent review commissioned into the governance, management and delivery of coastal ferry services in British Columbia. More specifically, we call on government to halt any reduction in the number of sailings on the minor routes (including the Gabriola route) until an objective, independent appraisal of the provision of the major routes, ferry terminals and potential service delivery options has been conducted.

We also consider that, over the past twelve months, the role and status of Ferry Advisory Committees has been damaged. FACs exist to facilitate constructive two-way dialogue between the community and the Ferry Corporation on matters of local operational significance, yet our offers of input and requests for clarification of even the most basic assumptions and methodology from BC Ferries and the government have been consistently declined throughout this engagement process.

Ferry Advisory Committees are (as the name implies) advisors, yet throughout this process our advice has been largely ignored by both BC Ferries and the Provincial government. Our role as liaison with our communities can only continue while the community has respect for the effectiveness of that role and we believe that effectiveness has been severely damaged by the intransigence and lack of engagement of both the government and BC Ferries.

We therefore put forward the following resolutions to government:

1. We urge the government to recognize that the Coastal Ferry Act as implemented in 2003 did not achieve the governments' commitment to provide a **"vibrant, properly managed ferry system that improves customer service, creates new jobs for coastal communities, ensures stable rates and is sustainable for the future"** *[Transportation Minister Judith Reid, Dec 9th, 2002]*. Go back to the drawing board and design a system that separates the management and delivery of the large routes from that of the small routes. Treat the small routes as what they are: a commuter service no different than any other public transportation service that links communities in the same way that the Sky Train, the highway system, and public transit do in other communities.
2. Fund local ferry services with the primary costs being born by the provincial government through the provision of annual funding increases that keep fares at an affordable level.
3. Engage with coastal communities to design the service that best meets the unique needs of each community.
4. Instead of Ferry Advisory Committees whose advice is so frequently disregarded, create a governance capacity at the local level for each service route or cluster of routes that engages the ferry operator, local government and community organizations in planning the delivery of service.

For our part, Gabriola Ferry Advisory Committee has demonstrated that collaborative working with other community organisations and local government has ensured the most effective assessment possible of the impacts of the proposed ferry cuts within the time that we have been allowed. We have established a working relationship and understanding of community needs that far exceeds what could have been achieved by the FAC alone. We have urged BC Ferries to engage with the community at a local level, with input from local managers and ferry crews, to deliver local solutions to local problems - and we firmly believe that this approach will provide options for cost-effective service delivery that will be widely supported by the community.

Throughout the current engagement process, the FAC has heard evidence from many quarters of excessive costs imposing undue pressure on the sustainability of our ferry service. We have also heard a range of suggestions for reducing the cost of operating Route 19 with much less impact on the community. In particular, we believe the community would be receptive to alternative proposals that incorporate some or all of the following:

- The retention of at least one round trip late sailing from Gabriola after 10 pm, returning from Nanaimo between 10:45 and 11pm daily;
- The retention of a late sailing from Gabriola at 11pm, returning from Nanaimo at 11:30pm on Fridays and Saturdays, and on the occasion of significant public events on Gabriola which attract audiences from Vancouver Island;
- Retention of the early morning (5:25 am) sailings from Gabriola throughout the week which are routinely used by shiftworkers;
- A potential reduction in the number of daytime sailings to reintroduce a service break between the early and late shifts (ie between 2-3pm) when the demand for service is more flexible
- A potential reduction in vessel sailing speeds on the route to reduce fuel consumption and reduce greenhouse gas emissions - we understand that fuel saving of up to 75% is achievable by reducing vessel speed from 11.5 knots to 8 knots.
- The introduction of a pilot scheme of discounted fares on evening and weekend sailings to encourage additional travel at off-peak times when ferry utilization is lower.

The FAC will be developing options for consideration by BC Ferries and the community over the coming weeks.

We also endorse the response and recommendations adopted on December 16th by the Islands Trust Gabriola Local Trust Committee, as follows:

- 1) *We feel that it is critical to stress that Gabriola has had late evening and early morning ferry service for several decades, and therefore that the majority of individuals and families living here now have moved here on the understanding that they will be able to travel back and forth from Vancouver Island at times that will allow them to engage in shift work, take advantage of cultural and recreational opportunities, and travel to other areas. We feel that this represents a social contract between BC Ferries and the residents of Gabriola, and that to change it arbitrarily and without meaningful consultation, as they have proposed to do, is a breach of that contract.*
- 2) *We have found that the implications of the proposed sailing cuts will be both profound and widespread. They are likely to result in hundreds of job losses, millions of dollars in business losses, tens of millions of dollars in property losses, disruption of the lives of thousands of residents and non-resident property owners, and deterioration in the quality of life for all Gabriolans.*
- 3) *We believe that the extent of sailing cuts proposed for the Gabriola-Nanaimo route (19) is disproportionate and must be reduced. According to the ministry data provided, Route 19 has the second highest utilization factor of all of the southern Gulf Islands minor routes, and yet the proposed cuts on this route are greater than any of these routes.*
- 4) *The overwhelming message from those that we have surveyed and those that expressed their views at the Gabriola Community Engagement meeting on December 10th, is that the late evening and early morning sailings on Route 19 are an essential part of our essential ferry service. There have been numerous suggestions that if sailing cuts need to be made they should be in the middle of the day. We have also been informed that the Quinsam could achieve significant savings in fuel consumption if operated at a slower speed. We would be strongly in favour of an option that reduces greenhouse gas emissions.*
- 5) *At the BC Ferries Engagement meeting on Gabriola on December 10th, Ministry of Transportation and Infrastructure spokesperson Kirk Handrahan promised that the Ministry and BC Ferries would be returning to Gabriola "in the new year" in order to meet with the Ferry Advisory Committee and others to discuss alternative options for changes to the Route 19 schedule. We recommend that organizations on Gabriola, led by the Local Trust Committee, take a pro-active approach in regard to this meeting, including insisting on the following:*
 - *that it be held early in the new year (sometime between January 18th and February 16th 2014) so that we can find a solution to this question before even more damage is done to the lives of Gabriola islanders and to the island's economy,*
 - *that the list of Gabriola invitees include at least the following: the Ferry Advisory Committee, representatives of both the officers and crew of the ferry, the Local Trust Committee, the RDN Regional Director and representatives of the Transportation Advisory Committee, Gabriola Island Chamber of Commerce and Gabriola Arts Council,*
 - *that the Ministry send a representative who is actually able to commit to a decision, and*
 - *that the meeting be organized and run by Gabriola-based facilitators.*

Appended to this submission is the joint TAC/FAC Report to the Islands Trust Local Trust Committee.

Submitted on behalf of Gabriola Island Ferry Advisory Committee by John Hodgkins, FAC Chair.
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