

Reprint **Island Tides**

Visit www.islandtides.com for more interesting articles on other BC, national & international topics

Reprint from Volume 25 Number 9

May 9, 2013

Ferry finance should be part of highways: Gordon Wilson

How is BC Ferries going to pay for the dozen or so new vessels it will need in the next ten years? It already owes \$1.3 billion.

Gordon Wilson starts his report by looking briefly at the history of the coastal ferry service. The way it used to be: when WAC Bennett first started BC Ferries, by taking over the Black Ball route and building the first BC Ferries, the *Queen of Tsawwassen* and *Queen of Sidney*, he financed the capital needs of the Corporation through the BC Toll Bridges and Highways Authority, along with the purchase of the Lions Gate Bridge, and the building of the Deas Island tunnel.

The ferries were, Bennett reasoned, a 'government sanctioned tolled highway service'; the government commitment to regional economic growth.

That's the starting premise in a report written by Gordon Wilson of Powell River, and made public a few weeks ago. Many people will remember him: he was the Leader of the BC Liberal Party from 1987 to 1993; defeated for the leadership by Gordon Campbell, he founded and led the Progressive Democratic Alliance from 1993 to 1999, then joined the NDP government of Glen Clark, becoming, among other things, Minister responsible for Ferries and Minister of Finance. He retired from politics in 2001.

This means he's well qualified to write about BC Ferries. He

was the Minister during the Ferry Corporation's days as a Crown Corporation, and he refers to both BC Hydro and the Liquor Distribution Board, both of which are monopolies which charge the same price for their product no matter where in the province you are. Revenue from the entire province backs their debt, capital, and operational costs.

So this report is mostly about fairness; 'fiscal fairness' in Wilson's words.

He says that the coast—20% of the province, providing 36% of tax contributions—only benefits from 6% of capital expenditure on ferries and highways. That's not fair, says Wilson.

The current structure of BC Ferries, he says, 'fails the test of fiscal fairness and discriminates against those who live in coastal communities'. He thinks that BC Ferries should become a subsidiary of the BC Highways Finance Authority, where it would benefit from the gasoline taxes collected by the Provincial Government, some \$500 million annually.

Which takes us back to where we came in, treating the ferries as a tolled portion of the province's highways, with its cost amortization equitably shared by all BC. WAC Bennett would feel thoroughly vindicated. ☞