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Reprint from Volume 28 Number 17

August 25, 2016

Early summer traffic continuing cause for dancing in the halls - Brian Hollingshead, Chair FACC

Some observations on BC Ferries traffic: 1. Vehicle traffic is up 5.16% over last June; passenger traffic up 3.31%. Good news.

2. Across the system, vehicle traffic, where the serious revenue is, is up substantially more than passenger traffic, both this month and YTD; and

3. The strong growth trend appears likely to sustain throughout the summer.

The Nitty and the Gritty ...

All route groups are showing substantial traffic growth for the month over what was a strong June last year. Anything over 4% is a big deal, particularly when it's in the wheeled category. This is consistent over almost all of the routes, with a few notable exceptions (Texada, Rte 18; Thetis, Rte 20; Gabriola, Rte 19 and Quadra, Rte 23)

The June traffic jump is consistent with increases for the year thus far. While the minor routes have shown stronger traffic growth than the majors so far this year, June saw the majors with heftier gains.

Both Northern/Central Coast routes are up with double digit increases this month. On Rte 10, the growth appears largely between Prince Rupert and Port Hardy, with the Central Coast destinations continuing to lag. The effect of the 'Demise of Rte 40' will become more pronounced when July and August stats area available.

This is the second June showing substantial recovery. This looks as if traffic has caught up to where it used to be. However, bear in mind that 2009, the year we started to get this online data, was at the bottom of the cliff for traffic as the global recession took big bites out of everything, including ferry traffic. So it happens that 2009 becomes the default baseline point. Though the increase is legit, it just isn't as rosy in the bigger picture as it appears here.

The Minor Route June traffic is showing a second year bump similar to the system-wide one. Not quite back to even 2009 level, but it has to dig out of a deeper hole than the system traffic. The direction and magnitude are consistent with the system numbers.

While the YTD numbers for April, May and June are robust

in themselves, the 13-month look, back into last year, shows that the current gains are part of a year-long growth trend. August 2015 was the only no-growth month, suggesting it could have rained every other day this August and we'd still see a continuing traffic gain.

The Northern/Central Coast routes continue to shine, though not as brightly (so far) as last year. Like the system growth, vehicle gains are leading passenger gains. Tourism strength is undoubtedly a factor. (I just drove to and from Calgary. Lots of rented RVs on the road and European visitors in stopping points. So they are here and some will be found on a ferry near you.)

If the current trend continues, as it likely will, the 2017 increases will bring traffic substantially closer to where it was in FY2008. Given the growth in GDP and population, the traffic since 2008 was substantially lower than what it would have been if we had only had inflation-based fare increases. Something less than a resounding success story. Two more years of 5% growth across all routes after this year would be a genuine cause for rejoicing, insofar as BCF revenue would be concerned.

But there's a long way to go to just break even with traffic levels of eight years ago.

Ferry Dependent Communities

BC has enjoyed and is enjoying a huge tourism resurgence last year and this. It's undoubtedly a factor in ferry traffic recovery, though it's masking the fare and service cut impacts on ferry-dependent communities. Tourist traffic is great for BCF, and undeniably valuable to tourism businesses in our communities, but doesn't do much for our local residents. And we know that tourism can expand and contract with the value of the Canadian dollar, border security issues, SARS-type scares, the price of gasoline, US politics, etc. It's a fickle benefactor. Perhaps more attention needs to be placed on Experience Card discounts for residents and local businesses so their interests don't end up getting sacrificed for the hoped-for tourist traffic.

Sizing The New Route N^o9 Ferries

Those of us who've been here a while recall the widely-heralded Demographics Report, which led BCF to the conclusion that

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'This article was published (August 25, 2016) in 'Island Tides', an independent, regional newspaper distributing on the Canadian Gulf Islands, on Vancouver Island and, via the internet, worldwide.'

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Reprint from ISLAND TIDES, August 25, 2016, Page 2

traffic was almost certainly aimed at a steady decline, as the best of times were behind us. Local communities all aging faster than a year at a time and fewer 'workers' are commuting to Vancouver Island. Less demand, thus, smaller ferries for the future.

This seems to have been a factor in sizing the new intermediate class ferries (ICFs) being acquired for Routes 9 and 17. The advertised capacity increase on Route 9 is in part the

result of adding summer sailings that could as easily be added to the existing schedules. The point however is that if the current traffic trend sustains, the earlier assumptions were dead wrong and need to be re-thought before BCF commits to the next generation of minor route boats.

Cheer up. You could be in the US deciding who you really, really want to vote for! ☞