



British Columbia Hotel Association

BC Hotel Association

BC Ferries Position Paper

November 2011

About the BC Hotel Association

Established in 1917, the British Columbia Hotel Association is the advocate and spokesperson for the interests of the Hotel Industry throughout British Columbia.

The BCHA has approximately 650 hotel members and 200 associate members, representing an industry with revenue in excess of \$3.2 billion, 78,000 rooms and more than 58,000 employees. We are a significant component of BC's \$13.8 billion tourism trade and have members in nearly every community throughout BC.

Introduction

We support the review of the coastal ferry model and the increased efforts geared toward defining and considering the interests of ferry users.

The current pricing model is not sustainable and continuing to offload expenses onto the consumer will continue to impact ridership levels and the economic wellbeing of many of our coastal communities.

Reductions in BC Ferries' ridership and service, not only impact the communities directly serviced by BC Ferries, but also affects traveller mobility and tourism throughout the entire province. The BC Ferries system is a vital component to our provincial travel-tourism infrastructure.

The BC Hotel Association firmly believes that the Ferries system cannot be a full user-pay system if it is going to reflect and meet the needs of British Columbians and small business operators across the province alike; as part of our provincial highway network, it must be an appropriately subsidized system.

Making BC Ferries more affordable will help in facilitating the movement of people across our province's waterways, ultimately benefiting communities across the entire province.

We support 3 key recommendations:

1. **Keep rates affordable for the travelling public:** Ridership demand has continued to drop and we believe it to be a factor of the economic times, combined with high rates. For example, a family who used to plan four trips per year via the ferry system may find themselves making that excursion only twice per year in an effort to offset increased fares. Cost is of particular concern on the northern and minor routes; including the Inside Passage route which costs a family of four over \$1000.00 for a one way trip. Notably, fares on the minor routes have risen an average of 60 per cent since 2003.

The BC Hotel Association supports freezing rates at current levels until a new framework is introduced. We oppose the scheduled increase to rates in 2012/2013.

2. **Increase to the provincial subsidy:** The BC Ferry system should be considered an extension of the provincial highway system and should be funded as such; it requires an enhanced investment structure from the

Province in order to operate in an affordable and sustainable manner – broader than currently exists. Comparatively, the cost of building and maintaining roadways to connect coastal communities is far greater than subsidizing the ferry service.

- 3. Increased marketing partnerships:** Increased efforts for marketing BC Ferries in partnership with Tourism BC and the regional/community DMOs needs to be explored. BC Ferries should work closer with its destination marketing partners to leverage their efforts. BC Ferries is a monopoly and it is not effective to market itself in a silo; rather, greater efforts should be made to market destinations and experiences to which BC Ferries is a conduit.

Circle tours are an important part of the summer tourism business. Not only do coastal communities benefit, but of other communities along the route see a great economic impact as well. Co-operative marketing will not only benefit BC Ferries, but all the tourism operators along the route.

Furthermore, we do not support maintaining an independent BC Ferries Vacation Centre in downtown Vancouver, as we feel the money invested in maintaining this facility would be better leveraged in partnership with our DMOs who are already mandated with marketing our province and encouraging travel to and within British Columbia.