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**British Columbia Ferry Services Inc.**

Annual Report  
to the  
British Columbia Ferries Commissioner

**Year Ended March 31, 2016**

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## Introduction

In accordance with Section 66 of the *Coastal Ferry Act* (the "Act"), British Columbia Ferry Services Inc. ("BC Ferries" or the "Company") is pleased to submit its annual report for the year ended March 31, 2016 (the "fiscal year" or "fiscal 2016"), to the British Columbia Ferries Commissioner (the "Commissioner").

This report is a compilation of information on the services BC Ferries has provided during the fiscal year on designated ferry routes, and includes information on the costs and quality of services provided to deliver services on those routes. This report responds to the specific information requirements conveyed to BC Ferries by the Commissioner and as identified in the Act.

### Part 1: Services on Designated Routes

In fiscal 2016, BC Ferries delivered coastal ferry services on 24 designated ferry routes under the Coastal Ferry Services Contract (the "Contract") between BC Ferries and the Province of British Columbia (the "Province") as represented by the Ministry of Transportation and Infrastructure. These ferry routes are regulated under the Act.<sup>1</sup> In accordance with the Contract, BC Ferries also manages ferry transportation services on other unregulated routes through contracts with alternative service providers ("ASPs").

BC Ferries is required by Section 69 of the Act to seek ASPs on designated ferry routes when so ordered by the Commissioner. During the fiscal year, no such Orders were issued by the Commissioner, and no actions were required or taken by the Company in respect of this matter.

Part 1 of this report contains financial statistics as well as information on traffic levels and operating and performance statistics for the fiscal year for each of the 24 designated ferry routes.

In fiscal 2016, BC Ferries carried 8.1 million vehicles<sup>2</sup> and 20.7 million passengers and delivered 76,871.5 round trips on the designated ferry routes. For the fiscal year, the Company's on-time performance rate system-wide was 90.8%, while its fleet reliability score was 99.72%. This reliability score means that only 0.28% of scheduled sailings in fiscal 2016 were cancelled for reasons considered to be within the control of the Company, such as mechanical issues related to the vessels or dock infrastructure.

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<sup>1</sup> In this report, the "Major Routes" refer to the three designated routes connecting Metro Vancouver with mid and southern Vancouver Island and the designated route connecting Horseshoe Bay and Langdale; the "Northern Routes" refer to the two designated routes operating on the British Columbia coast north of Port Hardy on Vancouver Island; and the "Minor Routes" refer to the 18 designated routes primarily serving the northern and southern Gulf Islands and the northern Sunshine Coast. One of the Minor Routes is operated under contract by an alternative service provider.

<sup>2</sup> Equivalent to 9.2 million automobile equivalents (see the Operations Report in Part 1 of this report for more information).

Over the fiscal year, BC Ferries experienced a 4.9%<sup>3</sup> increase in vehicle traffic and a 4.5% increase in passenger traffic compared to the year ended March 31, 2015 (“fiscal 2015”). Capacity utilization increased 2.2% compared to fiscal 2015 as a result of an increase in vehicle traffic partially offset by an increase in capacity provided due to the variation in the size of vessels utilized.

Traffic was favourably impacted by lower fuel prices, the lower Canadian dollar, a general increase in tourism and economic activity in British Columbia and promotional fare incentives. With respect to the latter, the Company believes that discounts to passenger fares had a positive impact on both passenger and vehicle traffic, and that these pricing promotions played a part in shifting some discretionary traffic to off-peak sailings, resulting in higher capacity utilization and, to a small degree, an increase in traffic compared to the prior year. Traffic in the fiscal year was also positively impacted by the Easter holiday, with two Easter holiday weekends falling in fiscal 2016 compared to one in fiscal 2015.

During the fiscal year, BC Ferries continued to take proactive measures to contain and manage its expenses as prudently as possible without compromising safe operations. These measures were recognized by the Commissioner in his report on the Performance Review of the Efficiency of BC Ferries released in March 2015. The report included an assessment of the efficiency of operating, maintenance, administration costs, labour costs and the organizational design. The significant report findings indicate that the Company is demonstrating good cost control while obtaining good outcomes with customer satisfaction and passenger and employee safety and that it appears to have a strong culture of efficiency. The report concludes that the financial and management controls and processes addressing planning, budgeting, reporting and internal controls appear to be appropriate.

Over the past 10 years, BC Ferries has invested heavily in workplace and operational safety, including launching the SailSafe program, introducing new bridge protocols and simulator training, implementing the Standardized Education and Assessment (“SEA”) program, establishing an Operations and Security Centre, developing a comprehensive heavy weather policy for ships and terminals, installing voyage data recorders on all vessels and implementing real life operational readiness exercises.

The Company’s investments in safety and security have yielded significant and positive results. Injuries to passengers continue to decline. In fiscal 2016, BC Ferries had a 1.3% decrease in passenger injuries compared to fiscal 2015. Since 2009, the number of injuries to passengers has been reduced by half. Time loss injuries to employees have also shown marked improvements. Over the last 10 years, the number of time loss injuries experienced each year has dropped from over 360 to 150 and the number of days lost due to injury has declined from over 12,000 per year to under 4,000 per year.

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<sup>3</sup> Equivalent to 4.8% when calculated on the basis of automobile equivalents.

BC Ferries received the Certificate of Recognition (“COR”) from WorkSafeBC in fiscal 2014. A COR recognizes companies that go beyond the legal requirements of the *Workers’ Compensation Act* and the Occupational Health and Safety Regulations by taking a best practices approach to implementing health, safety and return to work programs. In fiscal 2015, the COR audit resulted in a combined score of 94.1%, and in fiscal 2016, the COR audit resulted in a 96% score in Health and Safety and 92% in Injury Management for a combined score of 95.7%. In fiscal 2014 and 2015, WorkSafeBC provided BC Ferries with a rebate on each of its 2013 and 2014 assessed premiums of approximately \$600,000, and the Company recently received a similar rebate on its 2015 assessed premiums.

The Company continued to invest in its human resources in fiscal 2016. During the year, BC Ferries conducted 7,820 personal training days (“PTDs”) of operational training, an increase of 7.9% compared to the prior year. Operational training focused on several programs including confined space entry, hazardous materials, and oil spill response.

In fiscal 2016, BC Ferries’ SEA program also delivered 12,209 PTDs, an increase of 37.9% PTDs over fiscal 2015. The SEA program leverages technology and e-learning to enhance hands-on training in a phased, auditable and sustainable manner. This program is an innovative, award-winning approach that is transforming training in the marine industry through the use of technology. Since inception of the SEA project, programs have been developed for 35 operational positions identified for SEA training.

BC Ferries is currently undergoing a multi-year major fleet and asset renewal program which has involved upgrading and replacing a large share of the Company’s major vessels and terminal assets. Over the next 12 years, the Company plans to invest over \$3 billion to replace 14 aged vessels, as well as to upgrade terminals and other infrastructure. In fiscal 2016, capital expenditures included \$114.2 million in vessel upgrades and modifications, \$24.3 million in terminal marine structures, \$10.8 million in terminal and building upgrades and equipment, and \$31.9 million in information technology.

In February 2016, BC Ferries’ new cable ferry, the *Baynes Sound Connector*, commenced regularly-scheduled service on route 21 (Buckley Bay - Denman Island) following extensive crew training and familiarization and Transport Canada certification. The *Baynes Sound Connector* accommodates 50 vehicles and 150 passengers and crew. The cable ferry will provide environmental benefits and significant fuel cost savings, using less than half the fuel of the *Quinitsa*, which was previously on the route, and will serve the route for the next 40 years.

During the fiscal year, work continued on the construction of three new Salish (intermediate) Class vessels. BC Ferries entered into contracts with Remontowa Shipbuilding S.A. of Gdansk, Poland in July 2014 to build these vessels. The new vessels will be dual-fuel capable, designed to run primarily on liquefied natural gas (“LNG”) with marine diesel fuel as a backup. The *Salish Orca* will replace the 51-year-old *Queen of Burnaby* on route 17 (Little River - Powell River) and the *Salish Eagle* will replace the 52-year-old *Queen of Nanaimo* on route 9 (Tsawwassen - Southern Gulf Islands). The *Salish Raven* will augment service

on route 9 during the peak and shoulder season and provide relief when other vessels are in refit. All three vessels are expected to be in service by summer 2017.

In March 2016, BC Ferries announced the award of a contract totalling \$140 million to Remontowa Ship Repair Yard S.A. of Gdansk, Poland to conduct mid-life upgrades of its two Spirit Class vessels which operate on route 1 (Swartz Bay - Tsawwassen), including conversion to dual-fuel capability. The upgrade of the *Spirit of British Columbia* is expected to be completed during the spring of 2018, and the upgrade of the *Spirit of Vancouver Island* is expected to be completed the following year. The Company expects the conversion of these vessels to result in significant savings, as LNG costs are significantly less than marine diesel.

During the fiscal year, the Company signed an agreement to receive up to a \$10 million contribution from FortisBC Energy Inc. as part of the Natural Gas for Transportation incentive funding. This funding will go towards partially offsetting the capital cost of converting the Spirit Class vessels to dual fuel capability. While this agreement does not obligate BC Ferries to purchase LNG from FortisBC, the funding is conditional upon a number of factors, including a long-term LNG procurement contract for these vessels.

BC Ferries continues to look for innovative ways to serve its customers and actively pursues opportunities for growth. Business activities such as BC Ferries' drop trailer service, BC Ferries Vacations and food and retail services, among others, are making positive contributions to net income and, as such, are helping keep fares lower than they would otherwise need to be.

## **Part 2: Service Quality**

### ***Customer Satisfaction Tracking***

As in past years, the Company commissioned an independent professional consulting organization to conduct and document a comprehensive customer satisfaction survey. Part 2 of this report contains a copy of the 2015 customer satisfaction tracking report along with an overview of the key findings and the actions taken by BC Ferries to respond to the survey results.

### ***Complaints Resolution Report***

Part 2 of this report also includes BC Ferries' complaints resolution report for fiscal 2016. This report contains a summary of the feedback BC Ferries has received during the fiscal year, the lessons learned and the actions taken in response.

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## Part 1

# Services on Designated Routes

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## Part 1: Services on Designated Routes

### Overview

This section contains financial statistics as well as information on traffic levels, and operating and performance statistics for fiscal 2016 for each of the designated ferry routes.

The following three reports are included:

### Operations Report

This report provides the following information for the designated ferry routes, presented in numeric format for each route:

#### ➤ **Round Trips**

The total number of round trips BC Ferries delivered on each of the designated ferry routes is presented.

On a system-wide basis, BC Ferries delivered a total of 76,871.5 round trips during the fiscal year, which exceeded by 592 the annual number of round trips required to be delivered under the Contract, as amended for performance term three (April 1, 2012 – March 31, 2016). All core service level requirements were met in fiscal 2016, with the exception of one round trip each on route 12 (Mill Bay - Brentwood Bay) and route 20 (Chemainus - Thetis Island - Penelakut Island), which were cancelled because of accumulated traffic delays.

#### ➤ **Vessel Capacity**

For each designated ferry route, the vessel capacity BC Ferries provided in the fiscal year is presented along with the calculation of capacity utilization. Capacity is calculated on the basis of AEQs. An AEQ represents the amount of vessel capacity occupied by a particular vehicle type, expressed as the number of under height vehicles it displaces (e.g. a bus which displaces three under height vehicles – or cars – would have an AEQ of 3). In fiscal 2016, BC Ferries provided capacity sufficient to carry the previous year's traffic, with capacity utilization on the designated ferry routes ranging from 29.9% to 76.4%. As compared to the prior fiscal year, capacity utilization in fiscal 2016 increased 2.2% system-wide.

#### ➤ **Traffic and Revenue**

Vehicle traffic (AEQs) and passenger traffic carried on each of the designated ferry routes during fiscal 2016 is presented and compared to the traffic carried in the previous fiscal year. The associated tariff revenue generated from each route is also shown.

In fiscal 2016, vehicle and passenger traffic increased 4.9%<sup>4</sup> and 4.5%, respectively, compared to fiscal 2015. Revenue from vehicle and passenger traffic on the designated ferry routes in fiscal 2016 totalled \$561.2 million, an increase of \$41.2 million from the prior fiscal year.

➤ **On-Time Performance**

On-time performance is defined as the percentage of sailings departing or arriving, as applicable, within 10 minutes of the scheduled time and has provided for each of the designated ferry routes.<sup>5</sup> On-time performance can be impacted by delays due to weather, vessel substitution, terminal dock maintenance or closures and periods of unusually high traffic demand. Meeting customer service expectations in a safe and reliable manner is an important factor in the focus on on-time performance. As compared to the prior fiscal year, on-time performance in fiscal 2016 decreased 0.9%, primarily due to higher traffic levels and delays due to weather, but remained strong at 90.8%.

### Temporary Service Disruptions Report

This report describes how the services provided by BC Ferries during the fiscal year compared to the core service levels set out in the Contract, as amended for performance term three. There are four sections of this report:

1. Cancelled Round Trips by route and route grouping,
2. Cancelled and Extra Round Trips by route and route grouping,
3. Cancelled Round Trips by Days For route and route grouping, and
4. Round Trip Service Delivery and On-Time Performance.

For each designated ferry route, the cumulative and consecutive number of days for which round trips were missed and the causes of the missed round trips are noted. As noted above, in fiscal 2016, BC Ferries exceeded by 592 the annual number of round trips required to be delivered under the Contract. Many of these additional round trips were delivered in the summer on route 21 (Buckley Bay - Denman Island) and route 22 (Denman Island - Hornby Island) to accommodate peak period traffic demand. A number of additional round trips were also provided on route 4 (Swartz Bay - Fulford Harbour) and route 6 (Crofton - Vesuvius) to retain capacity and mitigate service disruptions to Salt Spring Island while the *Skeena Queen* was 'shared' on route 5 (Swartz Bay - Gulf Islands) while the *Queen of Cumberland* was undergoing its mid-life upgrade.

In the "Round Trip Service Delivery and On-Time Performance" section of the report, certain elements of reporting are graphically presented including the scheduled and actual round trips, and on-time performance. The percentage of sailings departing or arriving, as applicable, within 10 minutes of the scheduled time is provided for each of the designated ferry routes, as well as the reasons for the delays.

<sup>4</sup> Equivalent to 4.8% when calculated on the basis of AEQs.

<sup>5</sup> On-time performance on the Non-Northern routes is defined as the percentage of sailings departing within ten minutes of the scheduled time. On-time performance on the Northern routes is defined as the percentage of sailings arriving within ten minutes of the scheduled time.

This report also provides information on “overload sailings” which is defined as a sailing for which one or more vehicles waiting to travel could not be accommodated. Overall, 9.5% of the sailings on the designated ferry routes were overloaded in fiscal 2016, which is an increase from 8.5% in fiscal 2015, primarily reflecting higher traffic levels.

## **Route Financial Report**

This report provides financial information for the fiscal year with comparative figures for the previous fiscal year for each of the designated ferry routes.

The information is provided by individual route and is also summarized corporately and by Major, Northern and Minor routes. Revenues and expenses are assigned directly to a route where possible or allocated to routes where direct assignment is not possible. Allocation to routes is based on various factors which reflect the activity that gave rise to the revenue or expense.

As of fiscal 2013, all of BC Ferries’ financial reporting is prepared in accordance with International Financial Reporting Standards.

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**Operations Report**  
**Year Ended March 31, 2016**

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### Operations Summary Report for the Year Ended March 31, 2016

Routes	A Actual Round Trips	B Capacity Provided (AEQ's)	C AEQ's Carried Fiscal 2016	D Capacity Utilization Fiscal 2016 (C / B)	E Capacity Utilization Fiscal 2015	F AEQ's Carried Fiscal 2015	G AEQ Growth (C - F)	H AEQ Tariff Revenue Fiscal 2016 Note 2	I AEQ Tariff Revenue Fiscal 2015 Note 2	J AEQ Tariff Revenue Growth (H - I)
1	3,845.0	2,905,800	2,218,744	76.4%	73.2%	2,100,417	118,327	\$ 126,173,436	\$ 115,496,149	\$ 10,677,287
2	3,070.5	2,235,360	1,319,957	59.0%	57.4%	1,267,009	52,948	71,111,889	65,921,987	5,189,902
3	3,059.0	2,213,992	1,254,649	56.7%	55.2%	1,205,768	48,881	28,145,512	25,916,436	2,229,076
30	2,707.0	1,739,700	914,074	52.5%	49.6%	860,670	53,404	62,262,624	56,561,313	5,701,311
<b>Major Routes</b>	<b>12,681.5</b>	<b>9,094,852</b>	<b>5,707,424</b>	<b>62.8%</b>	<b>60.4%</b>	<b>5,433,864</b>	<b>273,560</b>	<b>287,693,461</b>	<b>263,895,885</b>	<b>23,797,576</b>
10	84.0	29,511	14,788	50.1%	48.0%	14,528	260	4,317,105	4,221,428	95,677
11	143.0	31,960	20,661	64.6%	57.6%	18,213	2,448	3,615,186	3,268,601	346,585
<b>Northern Routes</b>	<b>227.0</b>	<b>61,471</b>	<b>35,449</b>	<b>57.7%</b>	<b>52.9%</b>	<b>32,741</b>	<b>2,708</b>	<b>7,932,291</b>	<b>7,490,029</b>	<b>442,262</b>
4	2,982.0	575,234	319,566	55.6%	54.1%	309,840	9,726	3,647,297	3,364,147	283,150
5	3,481.0	642,472	270,473	42.1%	36.5%	258,883	11,590	3,398,985	3,125,532	273,453
6	4,574.0	640,360	252,716	39.5%	38.3%	241,843	10,873	3,153,602	2,895,374	258,228
7	2,511.0	576,780	193,115	33.5%	29.4%	183,657	9,458	4,568,060	4,124,955	443,105
8	5,394.0	1,064,300	489,839	46.0%	53.0%	475,576	14,263	5,779,155	5,381,246	397,909
9	807.0	348,970	164,600	47.2%	43.5%	153,347	11,253	7,446,783	6,700,330	746,453
12	2,669.0	117,436	68,016	57.9%	56.3%	79,501	(11,485)	804,998	896,234	(91,236)
13	4,116.0	<i>Pass. Only</i>	<i>Pass. Only</i>			<i>Pass. Only</i>	<i>Pass. Only</i>	(2,815)	(1,732)	(1,083)
17	1,338.0	476,647	169,836	35.6%	30.9%	158,159	11,677	6,465,710	5,787,098	678,612
18	2,904.0	268,041	86,684	32.3%	32.3%	84,862	1,822	626,865	653,924	(27,059)
19	4,915.0	687,820	355,561	51.7%	49.6%	344,445	11,116	3,133,430	2,886,918	246,512
20	3,709.0	237,184	88,402	37.3%	34.8%	82,675	5,727	782,001	687,114	94,887
21	5,446.0	544,900	251,414	46.1%	43.7%	238,282	13,132	1,817,207	1,729,693	87,514
22	4,276.0	256,590	113,298	44.2%	40.4%	103,840	9,458	898,253	725,170	173,083
23	5,785.0	808,080	385,750	47.7%	45.1%	367,569	18,181	3,225,133	2,926,306	298,827
24	2,083.0	124,950	60,877	48.7%	45.0%	57,174	3,703	604,102	532,331	71,771
25	3,960.0	237,360	93,174	39.3%	38.5%	84,632	8,542	997,452	894,585	102,867
26	3,013.0	156,364	46,679	29.9%	27.9%	44,938	1,741	454,543	422,359	32,184
<b>Minor Routes</b>	<b>63,963.0</b>	<b>7,763,488</b>	<b>3,410,000</b>	<b>43.9%</b>	<b>42.1%</b>	<b>3,269,223</b>	<b>140,777</b>	<b>47,800,761</b>	<b>43,731,584</b>	<b>4,069,177</b>
<b>Total</b>	<b>76,871.5</b>	<b>16,919,811</b>	<b>9,152,873</b>	<b>54.1%</b>	<b>51.9%</b>	<b>8,735,828</b>	<b>417,045</b>	<b>343,426,513</b>	<b>315,117,498</b>	<b>28,309,015</b>

Note 1

**Note 1)** Revenue arises from bike traffic and freight.

**Note 2)** Obligations deferred or settled reflect the following:

Fiscal 2016 - The settlement of tariff in excess of the price cap reflects the difference between the balances at March 31, 2015 (\$0.6 million and \$0.4 million for vehicle and passenger, respectively) and zero balances at March 31, 2016.

Fiscal 2015 - At March 31, 2015, the routes were over price cap by \$1 million (\$0.6 million and \$0.4 million for vehicle and passenger, respectively).

**Note 3)** Indicates percentage of sailings departing within 10 minutes of scheduled departure for the Major and Minor Routes, and arriving within 10 minutes of scheduled arrival for the Northern Routes.

Obligation deferred (settled)

(615,054)

615,054

**342,811,459**      **315,732,552**

### Operations Summary Report for the Year Ended March 31, 2016

Routes	K	L	M	N	O	P
	Passengers Fiscal 2016	Passengers Fiscal 2015	Passenger Growth (K - L)	Passenger Tariff Revenue Fiscal 2016 Note 2	Passenger Tariff Revenue Fiscal 2015 Note 2	Passenger Tariff Revenue Growth (N - O)
1	5,962,339	5,656,166	306,173	\$ 88,940,525	\$ 82,390,745	\$ 6,549,780
2	3,409,340	3,286,455	122,885	50,900,877	48,005,476	2,895,401
3	2,595,660	2,483,071	112,589	15,932,459	14,938,072	994,387
30	1,482,019	1,393,271	88,748	22,120,263	20,203,146	1,917,117
<b>Major Routes</b>	<b>13,449,358</b>	<b>12,818,963</b>	<b>630,395</b>	<b>177,894,124</b>	<b>165,537,439</b>	<b>12,356,685</b>
10	40,585	39,617	968	5,238,123	4,970,380	267,743
11	40,283	35,491	4,792	1,437,683	1,283,027	154,656
<b>Northern Routes</b>	<b>80,868</b>	<b>75,108</b>	<b>5,760</b>	<b>6,675,806</b>	<b>6,253,407</b>	<b>422,399</b>
4	647,887	621,888	25,999	3,253,747	3,052,628	201,119
5	478,674	460,196	18,478	2,359,217	2,185,447	173,770
6	471,004	444,853	26,151	1,985,936	1,830,294	155,642
7	338,817	324,841	13,976	2,077,938	1,923,831	154,107
8	1,155,629	1,120,017	35,612	3,970,684	3,755,457	215,227
9	460,976	434,628	26,348	5,781,842	5,309,735	472,107
12	131,308	154,738	(23,430)	735,621	830,387	(94,766)
13	40,490	41,814	(1,324)	186,632	179,133	7,499
17	362,259	341,819	20,440	4,370,948	4,113,684	257,264
18	156,435	154,586	1,849	525,680	533,811	(8,131)
19	767,364	748,066	19,298	2,381,668	2,263,367	118,301
20	245,605	237,706	7,899	677,888	632,063	45,825
21	462,185	446,682	15,503	1,388,076	1,282,624	105,452
22	219,640	197,861	21,779	672,973	550,529	122,444
23	802,012	769,888	32,124	2,322,477	2,159,748	162,729
24	102,270	95,843	6,427	407,455	371,090	36,365
25	229,088	223,090	5,998	865,117	831,772	33,345
26	87,218	83,435	3,783	285,782	263,790	21,992
<b>Minor Routes</b>	<b>7,158,861</b>	<b>6,901,951</b>	<b>256,910</b>	<b>34,249,681</b>	<b>32,069,390</b>	<b>2,180,291</b>
<b>Total</b>	<b>20,689,087</b>	<b>19,796,022</b>	<b>893,065</b>	<b>218,819,611</b>	<b>203,860,236</b>	<b>14,959,375</b>

% Sailings Within 10 Min. (Note 3)		
Fiscal 2014	Fiscal 2015	Fiscal 2016
88.7%	87.7%	82.4%
72.5%	74.0%	76.2%
76.6%	77.4%	73.2%
92.6%	93.2%	91.9%
<b>82.7%</b>	<b>83.1%</b>	<b>80.7%</b>
89.8%	88.6%	89.6%
96.0%	94.6%	96.2%
<b>91.6%</b>	<b>90.0%</b>	<b>91.0%</b>
96.2%	96.6%	96.4%
88.2%	91.3%	88.1%
87.8%	86.6%	91.8%
88.7%	95.1%	91.5%
92.5%	89.0%	82.2%
89.1%	86.3%	84.9%
94.6%	93.7%	94.1%
99.8%	99.8%	99.7%
88.8%	94.2%	91.4%
86.9%	95.4%	96.3%
95.8%	90.1%	96.4%
82.3%	91.3%	89.2%
99.2%	97.2%	97.6%
98.5%	98.4%	97.1%
98.2%	98.0%	98.0%
92.8%	91.8%	93.9%
87.3%	85.4%	83.9%
99.0%	98.3%	96.5%
<b>92.9%</b>	<b>93.2%</b>	<b>92.6%</b>
<b>91.5%</b>	<b>91.7%</b>	<b>90.8%</b>

Obligation deferred (settled) (397,898) 397,898

Total passenger revenue 218,421,713 204,258,134

Total vehicle and passenger revenue 561,233,172 519,990,686

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# **Temporary Service Disruptions Report**

## **Year Ended March 31, 2016**

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# CANCELLED ROUND TRIPS BY ROUTES

## Performance Against CFSC Requirements - Annual Core Service Levels

Fiscal 2016 Year Ended March 31, 2016				Cancellations of Required Round Trips for Reasons Specified in Schedule A, 2(a) of the Coastal Ferry Services Contract										Cancellations of Required Round Trips for Other Reasons			Total Cancels	% of Required Round Trips Cancelled	
Routes	Terminal 1	Terminal 2	Major Incident	Weather	Emerg. Response	Medical Emerg.	Regulatory Issue	Terminal / Dock Maint.	Terminal / Dock Mech. Failure	Vessel Maint.	Vessel Mech. Failure	Fire	Labour Dispute	Allowed Cancels	Community Event	Traffic			Other Cancels
Route 01	Swartz Bay	Tsawwassen		3										3.0			0.0	3.0	0.10%
Route 02	Horseshoe Bay	Departure Bay		4										4.0			0.0	4.0	
Route 03	Langdale	Horseshoe Bay									1			1.0			0.0	1.0	
Route 30	Duke Point	Tsawwassen		2							2			4.0			0.0	4.0	
<b>Major Routes</b>			<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>12.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>12.0</b>	<b>0.10%</b>
Route 10	Port Hardy	Prince Rupert												0.0			0.0	0.0	0.00%
Route 11	Skidegate	Prince Rupert												0.0			0.0	0.0	0.00%
<b>Northern Routes</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.00%</b>
Route 04	Fulford Harbour	Swartz Bay												0.0			0.0	0.0	0.00%
Route 05	Swartz Bay	Four SGIs					1							1.0			0.0	1.0	0.03%
Route 06	Crofton	Vesuvius Bay												0.0			0.0	0.0	0.00%
Route 07	Earls Cove	Saltery Bay									7			7.0			0.0	7.0	0.28%
Route 08	Horseshoe Bay	Bowen Island												0.0			0.0	0.0	0.00%
Route 09	Tsawwassen	Long Harbour		7										7.0			0.0	7.0	0.86%
Route 12	Mill Bay	Brentwood Bay	8			5	3				15			31.0		1	1.0	32.0	0.99%
Route 13*	Langdale	Gambier/Keats												0.0			0.0	0.0	0.00%
Route 17	Little River	Powell River		37							1			38.0			0.0	38.0	2.78%
Route 18	Texada	Powell River		7										7.0			0.0	7.0	0.25%
Route 19	Nanaimo Harbour	Gabriola Island												0.0			0.0	0.0	0.00%
Route 20	Chemainus	Thetis Island												0.0		1	1.0	1.0	0.03%
Route 21	Buckley Bay	Denman West												0.0			0.0	0.0	0.00%
Route 22	Denman East	Hornby Island		6										6.0			0.0	6.0	0.15%
Route 23	Campbell River	Quadra Island		17										17.0			0.0	17.0	0.29%
Route 24	Quadra Island	Cortes Island		57							2			59.0			0.0	59.0	2.75%
Route 25	Port McNeill	Alert Bay		5				1		2	2			10.0			0.0	10.0	0.25%
Route 26	Skidegate	Alliford Bay		9										9.0			0.0	9.0	0.31%
<b>Minor Routes</b>			<b>8</b>	<b>145</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>192.0</b>	<b>0</b>	<b>2</b>	<b>2.0</b>	<b>194.0</b>	<b>0.30%</b>
<b>TOTAL</b>			<b>8.0</b>	<b>154.0</b>	<b>0.0</b>	<b>5.0</b>	<b>4.0</b>	<b>1.0</b>	<b>0.0</b>	<b>2.0</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>	<b>204.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>206.0</b>	<b>0.27%</b>

% of Minimum Required Round Trips Cancelled

0.05% 0.92% 0.00% 0.03% 0.02% 0.01% 0.00% 0.01% 0.18% 0.00% 0.00% 1.21% 0.00% 0.01% 0.01% 1.22%

\*Note: Route 13 core service levels include some round trips that are deliverable only 'on demand.'

## CANCELLED & EXTRA ROUND TRIPS BY ROUTES

<b>Fiscal 2016 Year Ended March 31, 2016</b>			
Routes <sup>(1)</sup>	Terminal 1	Terminal 2	
	Route 01	Swartz Bay	Tsawwassen
	Route 02	Horseshoe Bay	Departure Bay
	Route 03	Langdale	Horseshoe Bay
	Route 30	Duke Point	Tsawwassen
<b>Major Routes</b>			
	Route 10	Port Hardy	Prince Rupert
	Route 11	Skidegate	Prince Rupert
<b>Northern Routes</b>			
	Route 04	Fulford Harbour	Swartz Bay
	Route 05 <sup>(3)</sup>	Swartz Bay	Four SGIs
	Route 06	Crofton	Vesuvius Bay
	Route 07	Earls Cove	Saltery Bay
	Route 08	Horseshoe Bay	Bowen Island
	Route 09	Tsawwassen	Long Harbour
	Route 12 <sup>(4)</sup>	Mill Bay	Brentwood Bay
	Route 13	Langdale	Gambier/Keats
	Route 17	Little River	Powell River
	Route 18	Texada	Powell River
	Route 19	Nanaimo Harbour	Gabriola Island
	Route 20	Chemainus	Thetis Island
	Route 21	Buckley Bay	Denman West
	Route 22	Denman East	Hornby Island
	Route 23	Campbell River	Quadra Island
	Route 24	Quadra Island	Cortes Island
	Route 25	Port McNeill	Alert Bay
	Route 26	Skidegate	Alliford Bay
<b>Minor Routes</b>			
<b>TOTAL</b>			

Performance Against CFSC Requirements Annual Core Service Levels Year Ended March 31, 2016				
Actual Round Trips <sup>(1)</sup>	Round Trips Required <sup>(2)</sup>	Variance - Net Extra / Short Round Trips	Required Round Trips Cancelled	Total Extra / Short Round Trips
3,845.0				
3,070.5	12,254.0	427.5	12.0	439.5
3,059.0				
2,707.0				
<b>12,681.5</b>	<b>12,254.0</b>	<b>427.5</b>	<b>12.0</b>	<b>439.5</b>
84.0	84.0	0.0	0.0	0.0
143.0	139.0	4.0	0.0	4.0
<b>227.0</b>	<b>223.0</b>	<b>4.0</b>	<b>0.0</b>	<b>4.0</b>
2,982.0	2,887.0	95.0	0.0	95.0
3,481.0	3,482.0	-1.0	1.0	0.0
4,574.0	4,452.0	122.0	0.0	122.0
2,511.0	2,518.0	-7.0	7.0	0.0
5,394.0	5,351.5	42.5	0.0	42.5
807.0	814.0	-7.0	7.0	0.0
2,669.0	3,224.0	-555.0	32.0	-523.0
4,116.0	4,074.0	42.0	0.0	42.0
1,338.0	1,367.0	-29.0	38.0	9.0
2,904.0	2,822.0	82.0	7.0	89.0
4,915.0	4,913.0	2.0	0.0	2.0
3,709.0	3,710.0	-1.0	1.0	0.0
5,446.0	5,278.0	168.0	0.0	168.0
4,276.0	4,072.0	204.0	6.0	210.0
5,785.0	5,800.0	-15.0	17.0	2.0
2,083.0	2,142.0	-59.0	59.0	0.0
3,960.0	3,970.0	-10.0	10.0	0.0
3,013.0	2,926.0	87.0	9.0	96.0
<b>63,963.0</b>	<b>63,802.5</b>	<b>160.5</b>	<b>194.0</b>	<b>354.5</b>
<b>76,871.5</b>	<b>76,279.5</b>	<b>592.0</b>	<b>206.0</b>	<b>798.0</b>

**Notes:**

<sup>(1)</sup> In certain circumstances (e.g. vessel or dock breakdown, mechanical failure or maintenance) round trips may be provided by contracted service providers (e.g. water taxi, tug & barge, flights).

<sup>(2)</sup> For the Major Routes, the annual number of round trips required under the Coastal Ferry Services Contract is an aggregate total for the four routes (Routes 1, 2, 3 and 30).

<sup>(3)</sup> Route 5 - The Queen of Cumberland underwent a mid-life upgrade (MLU) from November 21, 2015 to April 17, 2016. For the duration of the MLU, service was provided by a combination of the Skeena Queen and the Bowen Queen. As part of this service modification, the Skeena Queen began its morning transiting to Sturdies Bay from Fulford Harbour instead of from Swartz Bay, as specified in the Coastal Ferry Services Contract.

<sup>(4)</sup> Route 12 - The Klitsa was in refit for 59 days (523 round trips) in Q1 F2016. Section 2(c) of Schedule "A" of the Coastal Ferry Services Contract allows for a temporary service disruption of up to 65 days every four years to refit the vessel.

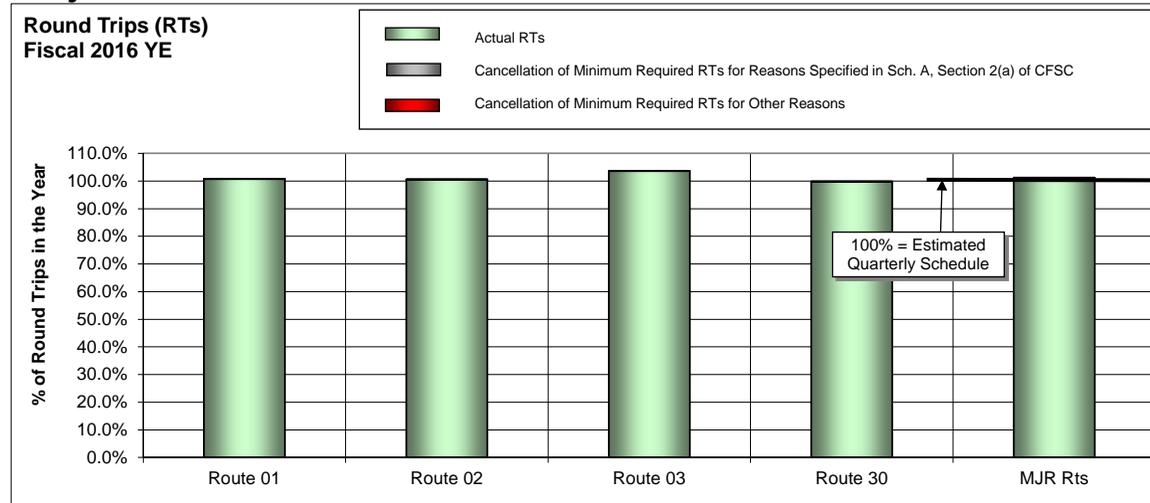
## CANCELLED ROUND TRIPS BY ROUTES

*(For Cancellations of Minimum Required Round Trips for Reasons Specified in Schedule A, Section 2(a) of the Coastal Ferry Services Contract)*

<b>Fiscal 2016 Year Ended March 31, 2016</b>				<b>Performance Against CFSC Requirements Annual Core Service Level</b>	
<b>Routes</b>				<b>Cumulative Days When Round Trips Missed <i>Allowed 30 Days / Route</i></b>	<b>Highest Consecutive Days when Round Trips Missed <i>Allowed 20 Days / Route</i></b>
<b>Major Routes</b>	Route 01	Swartz Bay	Tsawwassen	1.0	1.0
	Route 02	Horseshoe Bay	Departure Bay	2.0	1.0
	Route 03	Langdale	Horseshoe Bay	1.0	1.0
	Route 30	Duke Point	Tsawwassen	2.0	1.0
<b>Northern Routes</b>	Route 10	Port Hardy	Prince Rupert	0.0	0.0
	Route 11	Skidegate	Prince Rupert	0.0	0.0
<b>Minor Routes</b>	Route 04	Fulford Harbour	Swartz Bay	0.0	0.0
	Route 05	Swartz Bay	Four SGIs	1.0	1.0
	Route 06	Crofton	Vesuvius Bay	0.0	0.0
	Route 07	Earls Cove	Saltery Bay	3.0	1.0
	Route 08	Horseshoe Bay	Bowen Island	1.0	1.0
	Route 09	Tsawwassen	Long Harbour	6.0	2.0
	Route 12	Mill Bay	Brentwood Bay	7.0	2.0
	Route 13	Langdale	Gambier/Keats	0.0	0.0
	Route 17	Little River	Powell River	20.0	3.0
	Route 18	Texada	Powell River	5.0	1.0
	Route 19	Nanaimo Harbour	Gabriola Island	0.0	0.0
	Route 20	Chemainus	Thetis Island	0.0	0.0
	Route 21	Buckley Bay	Denman West	0.0	0.0
	Route 22	Denman East	Hornby Island	3.0	1.0
	Route 23	Campbell River	Quadra Island	5.0	2.0
	Route 24	Quadra Island	Cortes Island	27.0	3.0
Route 25	Port McNeill	Alert Bay	5.0	1.0	
Route 26	Skidegate	Alliford Bay	7.0	1.0	

# Round Trip Service Delivery and On-Time Performance Fiscal 2016 Year Ended March 31, 2016

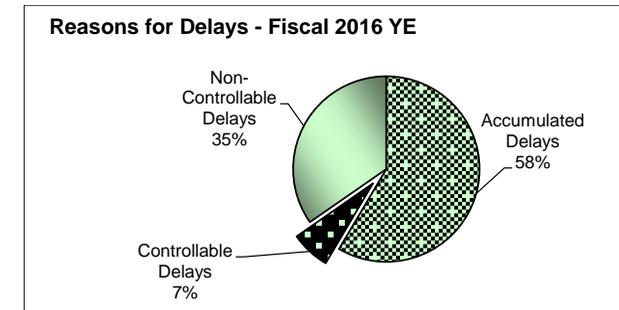
## Major Routes



Routes	Route Description	Actual RTs	Round Trips Required <sup>(1)</sup>	Net Extra RT (Short RT)	% Sailings Overloaded
Route 01	Swartz Bay-Tsawwassen	3,845.0	12,254.0	427.5	49.6%
Route 02	Horseshoe Bay-Nanaimo	3,070.5			28.3%
Route 03	Langdale-Horseshoe Bay	3,059.0			20.6%
Route 30	Nanaimo-Tsawwassen	2,707.0			23.2%
<b>MAJOR ROUTES TOTAL</b>		<b>12,681.5</b>	<b>12,254.0</b>	<b>427.5</b>	<b>31.8%</b>

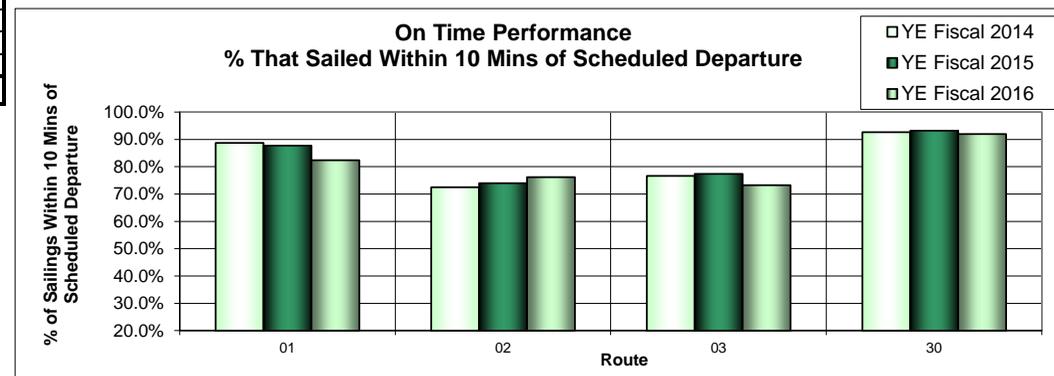
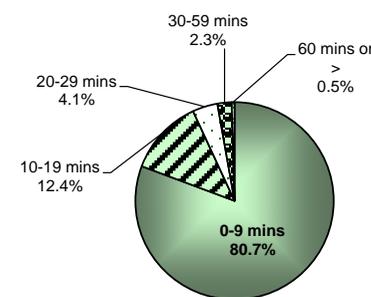
**Note:**

<sup>(1)</sup> For the Major Routes, the annual number of round trips required under the Coastal Ferry Services Contract is an aggregate total for the four routes (Routes 1, 2, 3 and 30).



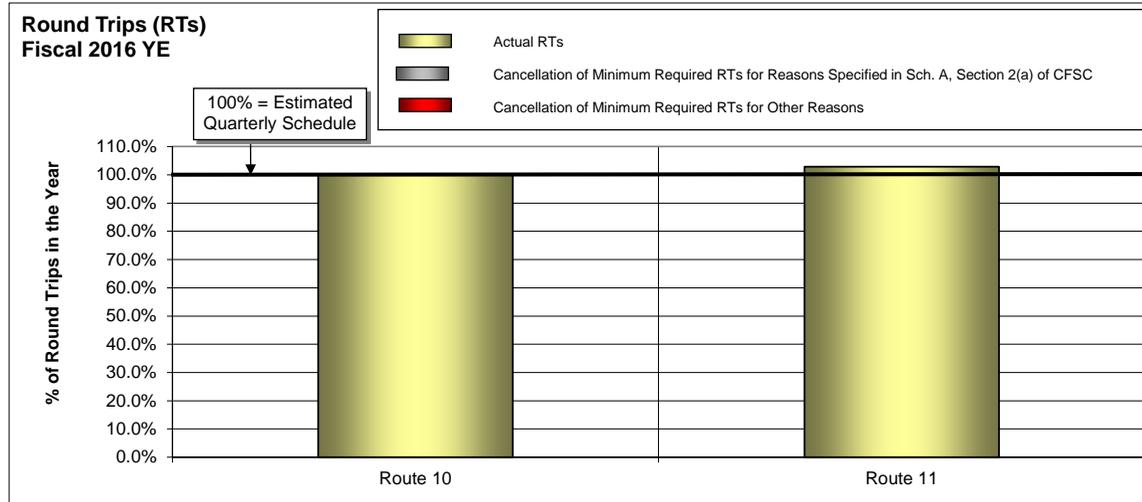
**Controllable** = Under the control of the company (loading procedure, fuelling, etc.)  
**Non-Controllable** = Out of the control of the company (bad weather, medical, etc.)  
**Accumulated** = Delays accumulated over the course of the day as a result of an earlier delay

### On Time Performance Fiscal 2016 YE

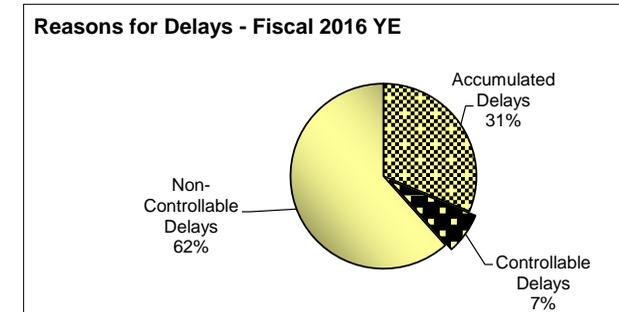


# Round Trip Service Delivery and On-Time Performance Fiscal 2016 Year Ended March 31, 2016

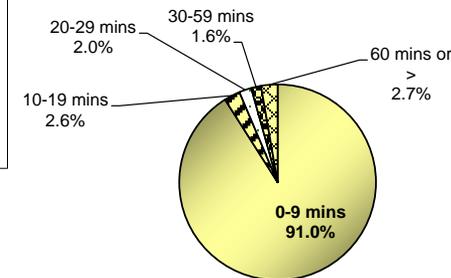
## Northern Routes



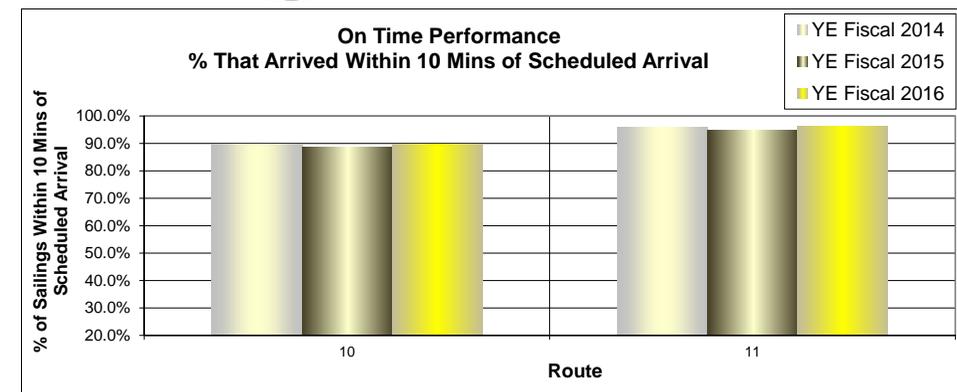
Routes	Route Description	Actual RTs	Round Trips Required	Net Extra RT (Short RT)	% Sailings Overloaded
Route 10	Port Hardy-Prince Rupert	84.0	84.0	0.0	0.0%
Route 11	Skidegate-Prince Rupert	143.0	139.0	4.0	2.8%
<b>NORTHERN Routes Total</b>		<b>227.0</b>	<b>223.0</b>	<b>4.0</b>	<b>0.6%</b>



**On Time Performance Fiscal 2016 YE**

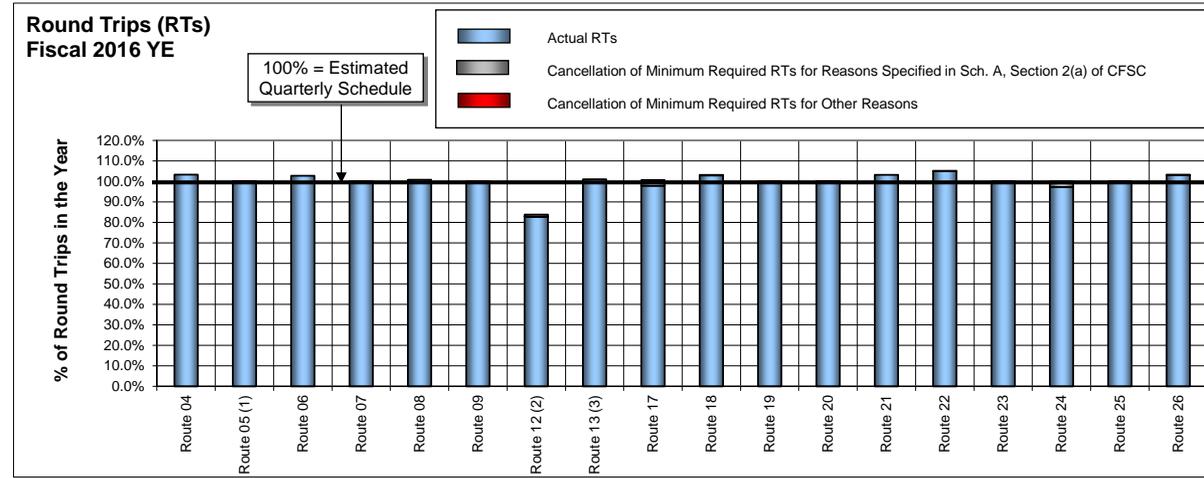


**Controllable** = Under the control of the company (loading procedure, fuelling, etc.)  
**Non-Controllable** = Out of the control of the company (bad weather, medical, etc.)  
**Accumulated** = Delays accumulated over the course of the day as a result of an earlier delay

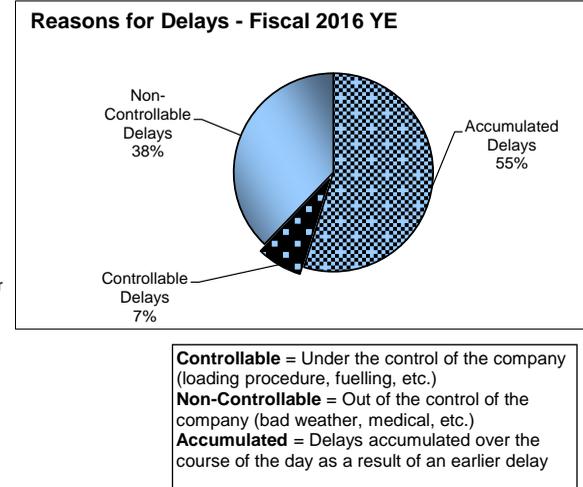
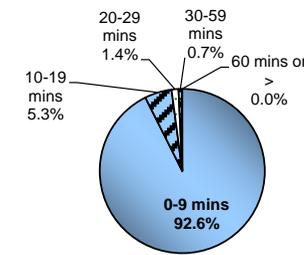


# Round Trip Service Delivery and On-Time Performance Fiscal 2016 Year Ended March 31, 2016

## Minor Routes



### On Time Performance Fiscal 2016 YE



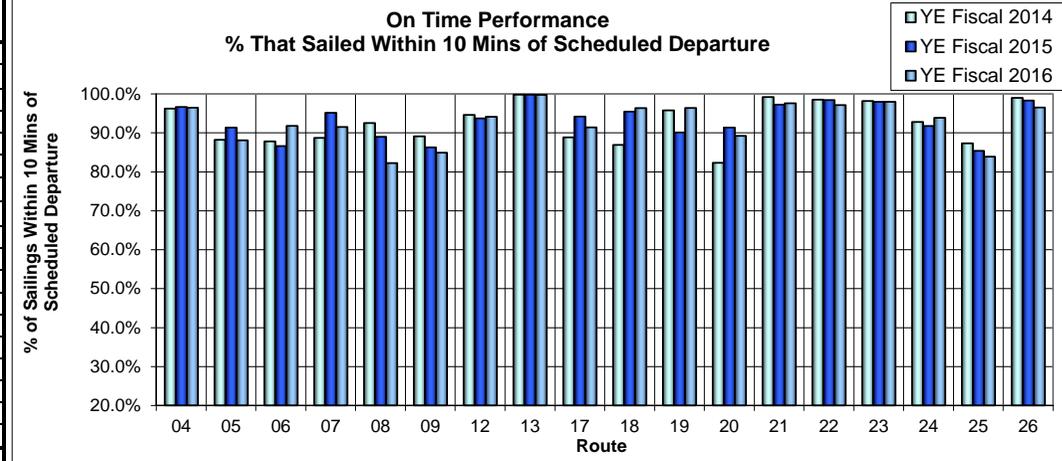
Routes	Route Description	Actual RTs	Round Trips Required	Net Extra RT (Short RT)	% Sailings Overloaded
Route 04	Swartz Bay-Fulford Harbour	2,982.0	2,887.0	95.0	9.0%
Route 05 (1)	Swartz Bay-Gulf Islands	3,481.0	3,482.0	-1.0	4.2%
Route 06	Crofton-Vesuvius Bay	4,574.0	4,452.0	122.0	3.7%
Route 07	Earls Cove-Saltrey Bay	2,511.0	2,518.0	-7.0	3.0%
Route 08	Horseshoe Bay-Bowen Island	5,394.0	5,351.5	42.5	7.6%
Route 09	Tsawwassen-Southern Gulf Islands	807.0	814.0	-7.0	3.2%
Route 12 (2)	Mill Bay-Brentwood Bay	2,669.0	3,224.0	-555.0	3.8%
Route 13 (3)	Langdale-Keats/Gambier	4,116.0	4,074.0	42.0	Pass only
Route 17	Little River-Powell River	1,338.0	1,367.0	-29.0	0.7%
Route 18	Powell River-Texada	2,904.0	2,822.0	82.0	2.2%
Route 19	Nanaimo Harbour-Gabriola Island	4,915.0	4,913.0	2.0	5.6%
Route 20	Chemainus-Thetis/Penelakut	3,709.0	3,710.0	-1.0	2.0%
Route 21	Buckley Bay-Denman West	5,446.0	5,278.0	168.0	8.9%
Route 22	Gravelly Bay-Hornby Island	4,276.0	4,072.0	204.0	7.6%
Route 23	Campbell River-Quadra Island	5,785.0	5,800.0	-15.0	9.4%
Route 24	Quadra Island-Cortes Island	2,083.0	2,142.0	-59.0	6.6%
Route 25	Port McNeill-Sointula/Alert Bay	3,960.0	3,970.0	-10.0	3.3%
Route 26	Skidegate-Alliford Bay	3,013.0	2,926.0	87.0	2.1%
<b>MINOR Routes Total</b>		<b>63,963.0</b>	<b>63,802.5</b>	<b>160.5</b>	<b>5.3%</b>

Note:

(1) Route 5 - The Queen of Cumberland underwent a mid-life upgrade (MLU) from November 21, 2015 to April 17, 2016. For the duration of the MLU, service was provided by a combination of the Skeena Queen and the Bowen Queen. As part of this service modification, the Skeena Queen began its morning transiting to Sturdies Bay from Fulford Harbour instead of from Swartz Bay, as specified in the Coastal Ferry Services Contract.

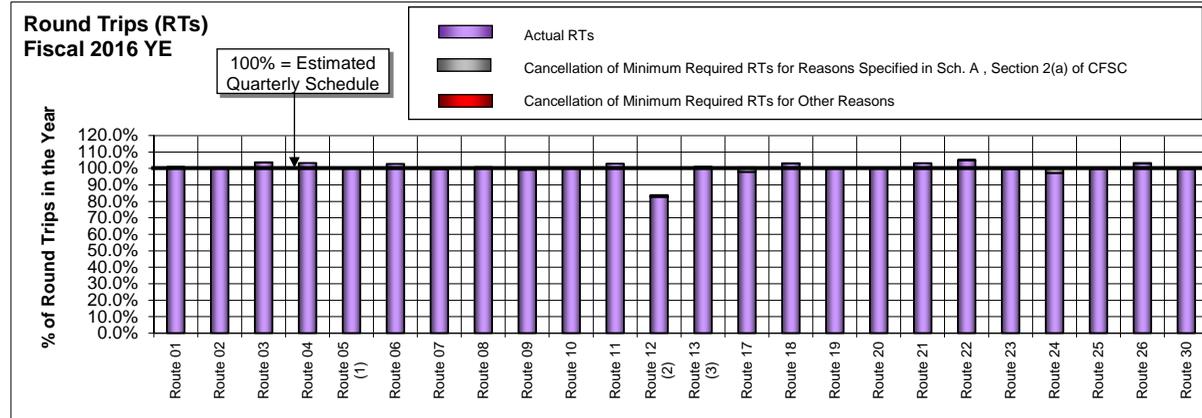
(2) Route 12 - The Klitsa was in refit for 59 days (523 round trips) in Q1 F2016. Section 2(c) of Schedule "A" of the Coastal Ferry Services Contract allows for a temporary service disruption of up to 65 days every four years to refit the vessel.

(3) Route 13: Core service levels include some round trips that are deliverable only 'on demand.'

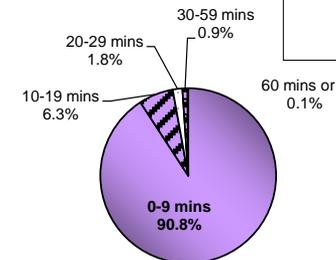


# Round Trip Service Delivery and On-Time Performance Fiscal 2016 Year Ended March 31, 2016

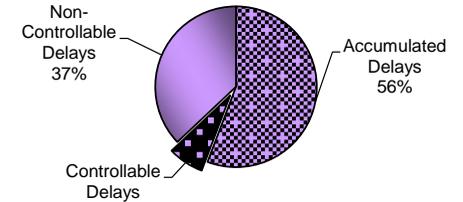
## All Routes



**On Time Performance  
Fiscal 2016 YE**



**Reasons for Delays - Fiscal 2016 YE**



**Controllable** = Under the control of the company (loading procedure, fuelling, etc.)  
**Non-Controllable** = Out of the control of the company (bad weather, medical, etc.)  
**Accumulated** = Delays accumulated over the

Routes	Route Description	Actual RTs	Round Trips Required	Net Extra RT (Short RT)	% Sailings Overloaded
Route 01	Swartz Bay-Tsawwassen	3,845.0			49.6%
Route 02	Horseshoe Bay-Nanaimo	3,070.5			28.3%
Route 03	Langdale-Horseshoe Bay	3,059.0	12,254.0	427.5	20.6%
Route 30	Nanaimo-Tsawwassen	2,707.0			23.2%
Route 04	Swartz Bay-Fulford Harbour	2,982.0	2,887.0	95.0	9.0%
Route 05 <sup>(1)</sup>	Swartz Bay-Gulf Islands	3,481.0	3,482.0	-1.0	4.2%
Route 06	Crofton-Vesuvius Bay	4,574.0	4,452.0	122.0	3.7%
Route 07	Earls Cove-Saltery Bay	2,511.0	2,518.0	-7.0	3.0%
Route 08	Horseshoe Bay-Bowen Island	5,394.0	5,351.5	42.5	7.6%
Route 09	Tsawwassen-Southern Gulf Islands	807.0	814.0	-7.0	3.2%
Route 10	Port Hardy-Prince Rupert	84.0	84.0	0.0	0.0%
Route 11	Skidegate-Prince Rupert	143.0	139.0	4.0	2.8%
Route 12 <sup>(2)</sup>	Mill Bay-Brentwood Bay	2,669.0	3,224.0	-555.0	3.8%
Route 13 <sup>(3)</sup>	Langdale-Keats/Gambier	4,116.0	4,074.0	42.0	Pass only
Route 17	Little River-Powell River	1,338.0	1,367.0	-29.0	0.7%
Route 18	Powell River-Texada	2,904.0	2,822.0	82.0	2.2%
Route 19	Nanaimo Harbour-Gabriola Island	4,915.0	4,913.0	2.0	5.6%
Route 20	Chemainus-Thetis-Penelakut	3,709.0	3,710.0	-1.0	2.0%
Route 21	Buckley Bay-Denman West	5,446.0	5,278.0	168.0	8.9%
Route 22	Gravelly Bay-Hornby Island	4,276.0	4,072.0	204.0	7.6%
Route 23	Campbell River-Quadra Island	5,785.0	5,800.0	-15.0	9.4%
Route 24	Quadra Island-Cortes Island	2,083.0	2,142.0	-59.0	6.6%
Route 25	Port McNeill-Sointula/Alert Bay	3,960.0	3,970.0	-10.0	3.3%
Route 26	Skidegate-Alliford Bay	3,013.0	2,926.0	87.0	2.1%
<b>All Routes Total</b>		<b>76,871.5</b>	<b>76,279.5</b>	<b>592.0</b>	<b>9.5%</b>

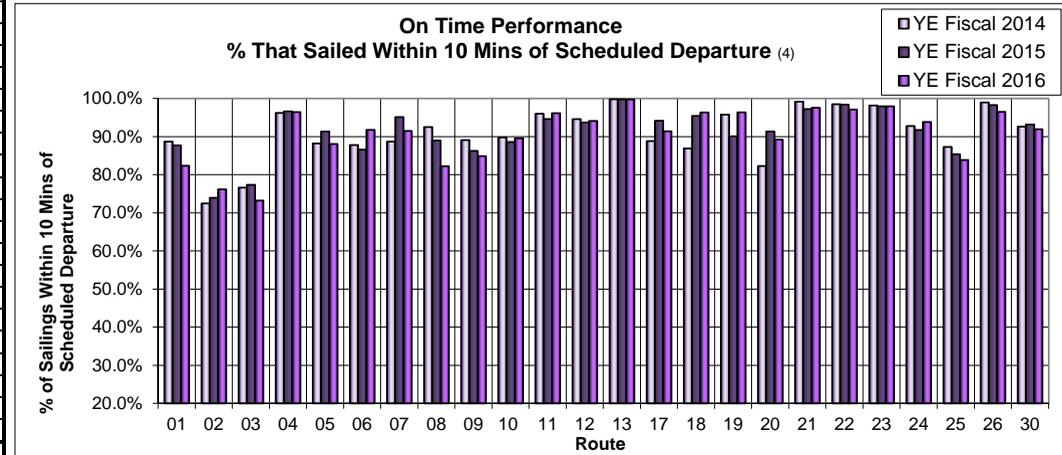
Note:

<sup>(1)</sup> Route 5 - The Queen of Cumberland underwent a mid-life upgrade (MLU) from November 21, 2015 to April 17, 2016. For the duration of the MLU, service was provided by a combination of the Skeena Queen and the Bowen Queen. As part of this service modification, the Skeena Queen began its morning transiting to Sturdies Bay from Fulford Harbour instead of from Swartz Bay, as specified in the Coastal Ferry Services Contract.

<sup>(2)</sup> Route 12 - The Klitsa was in refit for 59 days (523 round trips) in Q1 F2016. Section 2(c) of Schedule "A" of the Coastal Ferry Services Contract allows for a temporary service disruption of up to 65 days every four years to refit the vessel.

<sup>(3)</sup> Route 13: Core service levels include some round trips that are deliverable only 'on demand.'

<sup>(4)</sup> Within 10 minutes of scheduled arrival for the Northern Routes 10 and 11.



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**Route Financial Report**  
**Year Ended March 31, 2016**

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**British Columbia Ferry Services Inc.**  
**Route Statement**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	Corporate Total		Major Routes		Northern Routes		Minor Routes		Unregulated Routes	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	580,324	533,489	483,317	443,660	14,646	13,779	82,361	76,050	-	-
Ancillary Revenue	64,949	60,846	56,107	52,625	3,813	3,533	5,029	4,688	-	-
Social Program Fees	25,024	23,458	14,110	13,160	1,150	1,052	9,764	9,246	-	-
Contracted Routes Fee	2,521	2,419	-	-	-	-	-	-	2,521	2,419
<b>Total Operating Revenue</b>	<b>672,818</b>	<b>620,212</b>	<b>553,534</b>	<b>509,445</b>	<b>19,609</b>	<b>18,364</b>	<b>97,154</b>	<b>89,984</b>	<b>2,521</b>	<b>2,419</b>
<b>Total Operating Expenses</b>	<b>574,297</b>	<b>538,027</b>	<b>375,793</b>	<b>352,106</b>	<b>42,596</b>	<b>38,854</b>	<b>153,387</b>	<b>144,648</b>	<b>2,521</b>	<b>2,419</b>
<b>Earnings (Loss) from Operations</b>	<b>98,521</b>	<b>82,185</b>	<b>177,741</b>	<b>157,339</b>	<b>(22,987)</b>	<b>(20,490)</b>	<b>(56,233)</b>	<b>(54,664)</b>	-	-
Depreciation and Amortization	(145,602)	(142,887)	(88,396)	(87,832)	(15,257)	(15,500)	(41,949)	(39,555)	-	-
Financing Expense	(60,568)	(64,689)	(34,770)	(38,457)	(9,140)	(10,051)	(16,658)	(16,181)	-	-
<b>Cost of Capital</b>	<b>(206,170)</b>	<b>(207,576)</b>	<b>(123,166)</b>	<b>(126,289)</b>	<b>(24,397)</b>	<b>(25,551)</b>	<b>(58,607)</b>	<b>(55,736)</b>	-	-
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	<b>(40)</b>	<b>(9,131)</b>	<b>(27)</b>	<b>(7,448)</b>	<b>8</b>	<b>(295)</b>	<b>(21)</b>	<b>(1,388)</b>	-	-
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>(107,689)</b>	<b>(134,522)</b>	<b>54,548</b>	<b>23,602</b>	<b>(47,376)</b>	<b>(46,336)</b>	<b>(114,861)</b>	<b>(111,788)</b>	-	-
Ferry Transportation Fees	143,758	147,548	-	-	54,790	56,226	88,968	91,322	-	-
Federal-Provincial Subsidy Agreement	28,730	28,355	-	-	7,372	7,275	21,358	21,080	-	-
<b>Net Regulatory Earnings (Loss)</b>	<b>64,799</b>	<b>41,381</b>	<b>54,548</b>	<b>23,602</b>	<b>14,786</b>	<b>17,165</b>	<b>(4,535)</b>	<b>614</b>	-	-
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>										
Fuel Costs Deferred	10,971	(9,108)	8,022	(6,246)	566	(1,189)	2,383	(1,673)	-	-
Fuel (Rebates Paid) Surcharges Collected	(6,356)	13,195	(5,295)	11,034	-	-	(1,061)	2,161	-	-
Provincial Contributions to Fuel Deferral Accounts	1,070	2,510	945	998	(157)	1,200	282	312	-	-
Amortization of Deferred Costs	82	82	67	67	2	2	13	13	-	-
Tariffs in Excess of Price Cap	(1,013)	1,013	(838)	838	(27)	27	(148)	148	-	-
<b>Net IFRS Earnings (Loss)</b>	<b>69,553</b>	<b>49,073</b>	<b>57,449</b>	<b>30,293</b>	<b>15,170</b>	<b>17,205</b>	<b>(3,066)</b>	<b>1,575</b>	-	-

The British Columbia Ferries Commissioner has authorized the use of deferred fuel cost accounts whereby differences between actual fuel costs and approved fuel costs used to develop regulated price caps are deferred for settlement in future tariffs. Also as authorized by the Commissioner, the Company collects fuel surcharges or provides fuel rebates which are applied against deferred fuel cost account balances.

Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.



**British Columbia Ferry Services Inc.**  
**Route Statement**  
**Major Routes**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	01-Tsawwassen - Swartz Bay		02-Horseshoe Bay - Nanaimo		03-Horseshoe Bay - Langdale		30-Nanaimo - Tsawwassen		Major Routes	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	223,418	204,426	127,145	118,245	45,787	42,239	86,967	78,750	483,317	443,660
Ancillary Revenue	27,744	26,013	14,364	13,703	5,744	5,253	8,255	7,656	56,107	52,625
Social Program Fees	4,575	4,180	4,470	4,190	3,380	3,240	1,685	1,550	14,110	13,160
Contracted Routes Fee	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>255,737</b>	<b>234,619</b>	<b>145,979</b>	<b>136,138</b>	<b>54,911</b>	<b>50,732</b>	<b>96,907</b>	<b>87,956</b>	<b>553,534</b>	<b>509,445</b>
<b>Total Operating Expenses</b>	<b>153,277</b>	<b>144,996</b>	<b>99,284</b>	<b>90,334</b>	<b>42,489</b>	<b>40,701</b>	<b>80,743</b>	<b>76,075</b>	<b>375,793</b>	<b>352,106</b>
<b>Earnings (Loss) from Operations</b>	<b>102,460</b>	<b>89,623</b>	<b>46,695</b>	<b>45,804</b>	<b>12,422</b>	<b>10,031</b>	<b>16,164</b>	<b>11,881</b>	<b>177,741</b>	<b>157,339</b>
Depreciation and Amortization	(32,772)	(35,192)	(25,906)	(23,582)	(10,558)	(9,776)	(19,160)	(19,282)	(88,396)	(87,832)
Financing Expense	(14,472)	(17,128)	(8,733)	(8,523)	(2,851)	(3,159)	(8,714)	(9,647)	(34,770)	(38,457)
<b>Cost of Capital</b>	<b>(47,244)</b>	<b>(52,320)</b>	<b>(34,639)</b>	<b>(32,105)</b>	<b>(13,409)</b>	<b>(12,935)</b>	<b>(27,874)</b>	<b>(28,929)</b>	<b>(123,166)</b>	<b>(126,289)</b>
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	<b>(13)</b>	<b>(3,429)</b>	<b>(7)</b>	<b>(1,995)</b>	<b>(3)</b>	<b>(739)</b>	<b>(4)</b>	<b>(1,285)</b>	<b>(27)</b>	<b>(7,448)</b>
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>55,203</b>	<b>33,874</b>	<b>12,049</b>	<b>11,704</b>	<b>(990)</b>	<b>(3,643)</b>	<b>(11,714)</b>	<b>(18,333)</b>	<b>54,548</b>	<b>23,602</b>
Ferry Transportation Fees	-	-	-	-	-	-	-	-	-	-
Federal-Provincial Subsidy Agreement	-	-	-	-	-	-	-	-	-	-
<b>Net Regulatory Earnings (Loss)</b>	<b>55,203</b>	<b>33,874</b>	<b>12,049</b>	<b>11,704</b>	<b>(990)</b>	<b>(3,643)</b>	<b>(11,714)</b>	<b>(18,333)</b>	<b>54,548</b>	<b>23,602</b>
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>										
Fuel Costs Deferred	2,879	(2,396)	2,178	(1,667)	789	(617)	2,176	(1,566)	8,022	(6,246)
Fuel (Rebates Paid) Surcharges Collected	(2,437)	5,036	(1,405)	2,945	(527)	1,097	(926)	1,956	(5,295)	11,034
Provincial Contributions to Fuel Deferral Accounts	353	374	252	267	93	96	247	261	945	998
Amortization of Deferred Costs	30	30	18	18	7	7	12	12	67	67
Tariffs in Excess of Price Cap	(386)	386	(222)	222	(80)	80	(150)	150	(838)	838
<b>Net IFRS Earnings (Loss)</b>	<b>55,642</b>	<b>37,304</b>	<b>12,870</b>	<b>13,489</b>	<b>(708)</b>	<b>(2,980)</b>	<b>(10,355)</b>	<b>(17,520)</b>	<b>57,449</b>	<b>30,293</b>

The British Columbia Ferries Commissioner has authorized the use of deferred fuel cost accounts whereby differences between actual fuel costs and approved fuel costs used to develop regulated price caps are deferred for settlement in future tariffs. Also as authorized by the Commissioner, the Company collects fuel surcharges or provides fuel rebates which are applied against deferred fuel cost account balances.

Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.



**British Columbia Ferry Services Inc.**  
**Route Statement**  
**Northern Routes**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	10-Bear Cove - Bella Bella - Prince Rupert		11-Prince Rupert - Skidegate		Northern Routes	
	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	9,573	9,208	5,073	4,571	14,646	13,779
Ancillary Revenue	2,448	2,294	1,365	1,239	3,813	3,533
Social Program Fees	557	506	593	546	1,150	1,052
Contracted Routes Fee	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>12,578</b>	<b>12,008</b>	<b>7,031</b>	<b>6,356</b>	<b>19,609</b>	<b>18,364</b>
<b>Total Operating Expenses</b>	<b>25,683</b>	<b>23,312</b>	<b>16,913</b>	<b>15,542</b>	<b>42,596</b>	<b>38,854</b>
<b>Earnings (Loss) from Operations</b>	<b>(13,105)</b>	<b>(11,304)</b>	<b>(9,882)</b>	<b>(9,186)</b>	<b>(22,987)</b>	<b>(20,490)</b>
Depreciation and Amortization	(8,570)	(8,779)	(6,687)	(6,721)	(15,257)	(15,500)
Financing Expense	(5,439)	(5,947)	(3,701)	(4,104)	(9,140)	(10,051)
<b>Cost of Capital</b>	<b>(14,009)</b>	<b>(14,726)</b>	<b>(10,388)</b>	<b>(10,825)</b>	<b>(24,397)</b>	<b>(25,551)</b>
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	<b>2</b>	<b>(177)</b>	<b>6</b>	<b>(118)</b>	<b>8</b>	<b>(295)</b>
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>(27,112)</b>	<b>(26,207)</b>	<b>(20,264)</b>	<b>(20,129)</b>	<b>(47,376)</b>	<b>(46,336)</b>
Ferry Transportation Fees	29,984	30,757	24,806	25,469	54,790	56,226
Federal-Provincial Subsidy Agreement	1,433	1,414	5,939	5,861	7,372	7,275
<b>Net Regulatory Earnings (Loss)</b>	<b>4,305</b>	<b>5,964</b>	<b>10,481</b>	<b>11,201</b>	<b>14,786</b>	<b>17,165</b>
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>						
Fuel Costs Deferred	381	(813)	185	(376)	566	(1,189)
Fuel (Rebates Paid) Surcharges Collected	-	-	-	-	-	-
Provincial Contributions to Fuel Deferral Accounts	(106)	821	(51)	379	(157)	1,200
Amortization of Deferred Costs	1	1	1	1	2	2
Tariffs in Excess of Price Cap	(18)	18	(9)	9	(27)	27
<b>Net IFRS Earnings (Loss)</b>	<b>4,563</b>	<b>5,991</b>	<b>10,607</b>	<b>11,214</b>	<b>15,170</b>	<b>17,205</b>

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Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.



**British Columbia Ferry Services Inc.**  
**Route Statement**  
**Minor Routes**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	04-Swartz Bay - Fulford Harbour		05-Swartz Bay - Gulf Islands		06-Vesuvius Bay - Crofton		07-Salter Bay - Earls Cove		08-Horseshoe Bay - Snug Cove		09-Tsawwassen - Gulf Islands		12-Mill Bay - Brentwood	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	6,901	6,417	5,781	5,333	5,215	4,795	6,646	6,049	9,750	9,137	13,316	12,075	1,541	1,727
Ancillary Revenue (Note 1)	281	291	349	369	34	34	431	456	499	440	1,651	1,524	16	16
Social Program Fees	676	631	966	949	601	585	502	477	1,222	1,160	620	546	126	152
Contracted Routes Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>7,858</b>	<b>7,339</b>	<b>7,096</b>	<b>6,651</b>	<b>5,850</b>	<b>5,414</b>	<b>7,579</b>	<b>6,982</b>	<b>11,471</b>	<b>10,737</b>	<b>15,587</b>	<b>14,145</b>	<b>1,683</b>	<b>1,895</b>
<b>Total Operating Expenses</b>	<b>10,550</b>	<b>9,977</b>	<b>18,512</b>	<b>19,683</b>	<b>6,514</b>	<b>5,330</b>	<b>13,422</b>	<b>13,035</b>	<b>13,480</b>	<b>12,790</b>	<b>20,635</b>	<b>19,213</b>	<b>2,923</b>	<b>2,289</b>
<b>Earnings (Loss) from Operations</b>	<b>(2,692)</b>	<b>(2,638)</b>	<b>(11,416)</b>	<b>(13,032)</b>	<b>(664)</b>	<b>84</b>	<b>(5,843)</b>	<b>(6,053)</b>	<b>(2,009)</b>	<b>(2,053)</b>	<b>(5,048)</b>	<b>(5,068)</b>	<b>(1,240)</b>	<b>(394)</b>
Depreciation and Amortization	(1,839)	(1,960)	(2,972)	(2,799)	(1,718)	(1,690)	(3,200)	(3,304)	(3,532)	(2,667)	(5,773)	(4,972)	(794)	(606)
Financing Expense	(895)	(1,100)	(1,241)	(1,271)	(262)	(254)	(1,825)	(2,181)	(1,665)	(1,226)	(607)	(771)	(216)	(198)
<b>Cost of Capital</b>	<b>(2,734)</b>	<b>(3,060)</b>	<b>(4,213)</b>	<b>(4,070)</b>	<b>(1,980)</b>	<b>(1,944)</b>	<b>(5,025)</b>	<b>(5,485)</b>	<b>(5,197)</b>	<b>(3,893)</b>	<b>(6,380)</b>	<b>(5,743)</b>	<b>(1,010)</b>	<b>(804)</b>
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	<b>(12)</b>	<b>(190)</b>	<b>(1)</b>	<b>(97)</b>	<b>-</b>	<b>(79)</b>	<b>(1)</b>	<b>(100)</b>	<b>(1)</b>	<b>(157)</b>	<b>(1)</b>	<b>(207)</b>	<b>-</b>	<b>(28)</b>
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>(5,438)</b>	<b>(5,888)</b>	<b>(15,630)</b>	<b>(17,199)</b>	<b>(2,644)</b>	<b>(1,939)</b>	<b>(10,869)</b>	<b>(11,638)</b>	<b>(7,207)</b>	<b>(6,103)</b>	<b>(11,429)</b>	<b>(11,018)</b>	<b>(2,250)</b>	<b>(1,226)</b>
Ferry Transportation Fees	2,622	2,692	16,362	16,791	2,622	2,691	10,852	11,140	5,511	5,657	9,583	9,837	1,305	1,340
Federal-Provincial Subsidy Agreement	1,266	1,249	3,986	3,934	12	12	2,644	2,610	1,343	1,325	2,335	2,304	-	-
<b>Net Regulatory Earnings (Loss)</b>	<b>(1,550)</b>	<b>(1,947)</b>	<b>4,718</b>	<b>3,526</b>	<b>(10)</b>	<b>764</b>	<b>2,627</b>	<b>2,112</b>	<b>(353)</b>	<b>879</b>	<b>489</b>	<b>1,123</b>	<b>(945)</b>	<b>114</b>
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>														
Fuel Costs Deferred	218	(129)	432	(351)	42	(28)	252	(200)	264	(221)	363	(286)	16	(14)
Fuel (Rebates Paid) Surcharges Collected	(85)	173	(72)	154	(66)	136	(79)	168	(126)	242	(140)	333	(22)	61
Provincial Contributions to Fuel Deferral Accounts	22	24	54	63	5	4	31	35	32	32	43	46	2	3
Amortization of Deferred Costs	1	1	1	1	1	1	1	1	2	2	2	2	-	-
Tariffs in Excess of Price Cap	(13)	13	(10)	10	(9)	9	(12)	12	(18)	18	(23)	23	(3)	3
<b>Net IFRS Earnings (Loss)</b>	<b>(1,407)</b>	<b>(1,865)</b>	<b>5,123</b>	<b>3,403</b>	<b>(37)</b>	<b>886</b>	<b>2,820</b>	<b>2,128</b>	<b>(199)</b>	<b>952</b>	<b>734</b>	<b>1,241</b>	<b>(952)</b>	<b>167</b>

The British Columbia Ferries Commissioner has authorized the use of deferred fuel cost accounts whereby differences between actual fuel costs and approved fuel costs used to develop regulated price caps are deferred for settlement in future tariffs. Also as authorized by the Commissioner, the Company collects fuel surcharges or provides fuel rebates which are applied against deferred fuel cost account balances.

Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.



**British Columbia Ferry Services Inc.**  
**Route Statement**  
**Minor Routes**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	13-Langdale - Gambier Island - Keats Island		17-Comox - Powell River		18-Texada Island - Powell River		19-Gabriola Island - Nanaimo Harbour		20-Thetis Island - Penelakut Island - Chemainus		21-Denman Island - Buckley Bay	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	184	177	10,958	9,993	1,155	1,188	5,515	5,150	1,460	1,319	3,205	3,012
Ancillary Revenue (Note 1)	18	19	857	795	116	100	89	89	37	39	170	100
Social Program Fees	35	33	1,456	1,380	287	290	873	836	334	318	506	484
Contracted Routes Fee	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>237</b>	<b>229</b>	<b>13,271</b>	<b>12,168</b>	<b>1,558</b>	<b>1,578</b>	<b>6,477</b>	<b>6,075</b>	<b>1,831</b>	<b>1,676</b>	<b>3,881</b>	<b>3,596</b>
<b>Total Operating Expenses</b>	<b>589</b>	<b>602</b>	<b>16,903</b>	<b>16,181</b>	<b>4,999</b>	<b>5,351</b>	<b>6,856</b>	<b>6,607</b>	<b>4,367</b>	<b>4,525</b>	<b>6,083</b>	<b>4,784</b>
<b>Earnings (Loss) from Operations</b>	<b>(352)</b>	<b>(373)</b>	<b>(3,632)</b>	<b>(4,013)</b>	<b>(3,441)</b>	<b>(3,773)</b>	<b>(379)</b>	<b>(532)</b>	<b>(2,536)</b>	<b>(2,849)</b>	<b>(2,202)</b>	<b>(1,188)</b>
Depreciation and Amortization	(6)	(7)	(5,389)	(5,647)	(1,610)	(1,889)	(2,157)	(2,204)	(971)	(1,150)	(2,665)	(1,804)
Financing Expense	0	0	(1,488)	(1,549)	(529)	(736)	(809)	(937)	(451)	(529)	(1,690)	(828)
<b>Cost of Capital</b>	<b>(6)</b>	<b>(7)</b>	<b>(6,877)</b>	<b>(7,196)</b>	<b>(2,139)</b>	<b>(2,625)</b>	<b>(2,966)</b>	<b>(3,141)</b>	<b>(1,422)</b>	<b>(1,679)</b>	<b>(4,355)</b>	<b>(2,632)</b>
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	-	(3)	(1)	(178)	(4)	(23)	-	(89)	-	(24)	-	(52)
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>(358)</b>	<b>(383)</b>	<b>(10,510)</b>	<b>(11,387)</b>	<b>(5,584)</b>	<b>(6,421)</b>	<b>(3,345)</b>	<b>(3,762)</b>	<b>(3,958)</b>	<b>(4,552)</b>	<b>(6,557)</b>	<b>(3,872)</b>
Ferry Transportation Fees	298	306	7,512	7,712	4,191	4,302	2,778	2,852	4,125	4,234	3,962	4,066
Federal-Provincial Subsidy Agreement	72	71	1,830	1,807	1,021	1,008	677	668	1,005	992	965	953
<b>Net Regulatory Earnings (Loss)</b>	<b>12</b>	<b>(6)</b>	<b>(1,168)</b>	<b>(1,868)</b>	<b>(372)</b>	<b>(1,111)</b>	<b>110</b>	<b>(242)</b>	<b>1,172</b>	<b>674</b>	<b>(1,630)</b>	<b>1,147</b>
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>												
Fuel Costs Deferred	(10)	(22)	294	(103)	60	(13)	92	(60)	43	(31)	30	(23)
Fuel (Rebates Paid) Surcharges Collected	(16)	25	(137)	290	(22)	37	(79)	145	(23)	41	(45)	86
Provincial Contributions to Fuel Deferral Accounts	-	-	36	40	6	7	10	13	5	6	3	4
Amortization of Deferred Costs	-	-	2	2	-	-	1	1	-	-	1	1
Tariffs in Excess of Price Cap	-	-	(19)	20	(2)	3	(10)	10	(3)	3	(6)	6
<b>Net IFRS Earnings (Loss)</b>	<b>(14)</b>	<b>(3)</b>	<b>(992)</b>	<b>(1,619)</b>	<b>(330)</b>	<b>(1,077)</b>	<b>124</b>	<b>(133)</b>	<b>1,194</b>	<b>693</b>	<b>(1,647)</b>	<b>1,221</b>

The British Columbia Ferries Commissioner has authorized the use of deferred fuel cost accounts whereby differences between actual fuel costs and approved fuel costs used to develop regulated price caps are deferred for settlement in future tariffs. Also as authorized by the Commissioner, the Company collects fuel surcharges or provides fuel rebates which are applied against deferred fuel cost account balances.

Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.



**British Columbia Ferry Services Inc.**  
**Route Statement**  
**Minor Routes**  
**For the Twelve Months Ended March 31, 2016**  
**(in \$ 000's)**

	22-Hornby Island - Denman Island		23-Quadra Island - Campbell River		24-Cortes Island - Quadra Island		25-Alert Bay - Sointula - Port Mcneill		26-Skidegate - Alliford Bay		Minor Routes	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Tariff and Reservation Revenue	1,571	1,276	5,548	5,086	1,012	903	1,863	1,727	740	686	82,361	76,050
Ancillary Revenue (Note 1)	86	79	100	109	73	49	156	113	66	66	5,029	4,688
Social Program Fees	97	79	912	845	218	205	276	226	57	50	9,764	9,246
Contracted Routes Fee	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>1,754</b>	<b>1,434</b>	<b>6,560</b>	<b>6,040</b>	<b>1,303</b>	<b>1,157</b>	<b>2,295</b>	<b>2,066</b>	<b>863</b>	<b>802</b>	<b>97,154</b>	<b>89,984</b>
<b>Total Operating Expenses</b>	<b>3,067</b>	<b>3,058</b>	<b>10,900</b>	<b>7,829</b>	<b>3,903</b>	<b>4,026</b>	<b>6,032</b>	<b>5,818</b>	<b>3,652</b>	<b>3,550</b>	<b>153,387</b>	<b>144,648</b>
<b>Earnings (Loss) from Operations</b>	<b>(1,313)</b>	<b>(1,624)</b>	<b>(4,340)</b>	<b>(1,789)</b>	<b>(2,600)</b>	<b>(2,869)</b>	<b>(3,737)</b>	<b>(3,752)</b>	<b>(2,789)</b>	<b>(2,748)</b>	<b>(56,233)</b>	<b>(54,664)</b>
Depreciation and Amortization	(1,055)	(958)	(2,320)	(2,209)	(1,885)	(1,493)	(2,362)	(2,604)	(1,701)	(1,592)	(41,949)	(39,555)
Financing Expense	(837)	(873)	(577)	(690)	(895)	(681)	(1,929)	(1,545)	(742)	(812)	(16,658)	(16,181)
<b>Cost of Capital</b>	<b>(1,892)</b>	<b>(1,831)</b>	<b>(2,897)</b>	<b>(2,899)</b>	<b>(2,780)</b>	<b>(2,174)</b>	<b>(4,291)</b>	<b>(4,149)</b>	<b>(2,443)</b>	<b>(2,404)</b>	<b>(58,607)</b>	<b>(55,736)</b>
<b>Gain (Loss) on Disposal and Revaluation of Capital Assets</b>	-	(20)	-	(88)	-	(16)	-	(29)	-	(8)	(21)	(1,388)
<b>Route Earnings (Loss) Before Ferry Service Fees &amp; Federal Contract</b>	<b>(3,205)</b>	<b>(3,475)</b>	<b>(7,237)</b>	<b>(4,776)</b>	<b>(5,380)</b>	<b>(5,059)</b>	<b>(8,028)</b>	<b>(7,930)</b>	<b>(5,232)</b>	<b>(5,160)</b>	<b>(114,861)</b>	<b>(111,788)</b>
Ferry Transportation Fees	3,314	3,402	2,952	3,030	2,611	2,679	4,242	4,355	4,126	4,236	88,968	91,322
Federal-Provincial Subsidy Agreement	808	797	719	710	636	628	1,034	1,020	1,005	992	21,358	21,080
<b>Net Regulatory Earnings (Loss)</b>	<b>917</b>	<b>724</b>	<b>(3,566)</b>	<b>(1,036)</b>	<b>(2,133)</b>	<b>(1,752)</b>	<b>(2,752)</b>	<b>(2,555)</b>	<b>(101)</b>	<b>68</b>	<b>(4,535)</b>	<b>614</b>
<b>Items Included in Regulatory Earnings (Loss) not Permitted Under IFRS</b>												
Fuel Costs Deferred	16	(12)	96	(62)	56	(37)	96	(66)	23	(15)	2,383	(1,673)
Fuel (Rebates Paid) Surcharges Collected	(19)	34	(84)	145	(12)	26	(24)	47	(10)	18	(1,061)	2,161
Provincial Contributions to Fuel Deferral Accounts	1	2	11	12	7	7	12	11	2	3	282	312
Amortization of Deferred Costs	-	-	1	1	-	-	-	-	-	-	13	13
Tariffs in Excess of Price Cap	(3)	2	(10)	10	(2)	2	(4)	3	(1)	1	(148)	148
<b>Net IFRS Earnings (Loss)</b>	<b>912</b>	<b>750</b>	<b>(3,552)</b>	<b>(930)</b>	<b>(2,084)</b>	<b>(1,754)</b>	<b>(2,672)</b>	<b>(2,560)</b>	<b>(87)</b>	<b>75</b>	<b>(3,066)</b>	<b>1,575</b>

The British Columbia Ferries Commissioner has authorized the use of deferred fuel cost accounts whereby differences between actual fuel costs and approved fuel costs used to develop regulated price caps are deferred for settlement in future tariffs. Also as authorized by the Commissioner, the Company collects fuel surcharges or provides fuel rebates which are applied against deferred fuel cost account balances.

Included in the amounts disclosed in the above statement are fuel surcharges added to, or fuel rebates applied against, tariffs paid by the Province of British Columbia on behalf of customers travelling under Social Programs. During the year ended March 31, 2016, the Province received fuel rebate of \$0.3 million (March 31, 2015: the Province paid fuel surcharge of \$0.6 million).

In 2015, the Company recognized impairment loss of \$8.7 million, included in the Loss on Disposal and Revaluation of Capital Assets.

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## Part 2

# Service Quality

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## Part 2: Service Quality

### Overview

This section provides information on the feedback customers have provided BC Ferries on its services and amenities.

The following two reports are included:

#### **Customer Satisfaction Tracking Report**

As in past years, the Company commissioned an independent professional consulting organization to conduct and document a comprehensive customer satisfaction survey. In addition to meeting BC Ferries' obligations under the Contract, the survey is an important part of the Company's ongoing market research program that supports various operational and marketing initiatives. For comparative purposes, each year's survey since 2003 has included an identical set of questions, with periodic minor modifications.

A copy of the 2015 customer satisfaction tracking annual report is provided, along with an overview of the key findings and the actions taken by BC Ferries to respond to the survey results.

#### **Complaints Resolution Report**

BC Ferries' current customer complaints process has been in place since 2005. Hearing from customers helps BC Ferries to understand if it is meeting or exceeding their expectations, or conversely, what areas need to be focussed on to improve service quality and support the Company in continuing to realize its vision and mission. The complaints resolution report contains a summary of the feedback BC Ferries has received during the fiscal year, the lessons learned and the actions taken in response.

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# **Customer Satisfaction Tracking Report**

**2015**

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## 2015 Customer Satisfaction Tracking (CST) Results

### Opportunities to Enhance the Customer Experience

#### Key Findings and Actions Taken

##### Summary

The 2015 CST results indicate that there have been slight improvements in *overall satisfaction*, and specifically with the *overall experience at the terminal and onboard*. Ratings have been mostly stable on specific service aspects, but increases in satisfaction with *on-time departures* and *value for money of fares*, two key drivers of *overall satisfaction*, have likely contributed to these improved ratings.

Areas of success identified by the CST, with average scores of 4.0 or higher (out of a potential score of 5.0), in no particular order are:

- Usefulness of the website;
- Staff at the terminal and onboard;
- Ticket purchase: efficiency of transaction and staff customer service;
- Cleanliness of pre-boarding and onboard lounge seating;
- Availability of terminal washrooms;
- Availability and cleanliness of onboard washrooms;
- Cleanliness of pre-boarding lounge seating;
- Cleanliness and comfort of onboard lounge seating;
- Appearance of terminals;
- Variety/selection in onboard gift shop/ news stand;
- Availability and cleanliness of seating area of onboard food/beverage services;
- Availability of tourist and travel information;
- Outside decks and overall appearance of vessels;
- Procedures for loading and unloading; and
- Safety of ferry operations and loading/unloading.

Areas of opportunity to enhance the customer experience, with average scores of 3.5 or lower, in no particular order are:

- Value for money of fares, parking, food/beverages, and retail merchandise both at the terminal and onboard;
- Ease of using automated phone system;
- Ability to connect;
- Ferry sailing frequent enough; and
- Latest ferry late enough.

The factors thought to contribute to the lower scoring of these attributes, and the actions that have and/or will be taken in response, are provided in this report.

## Overall Satisfaction with BC Ferries

A total of 87% of surveyed passengers in 2015 reported to be satisfied overall with their experience travelling on BC Ferries, resulting in an average score of 4.14 and representing a slight increase from that recorded in 2014 (4.11 average score, 85% satisfied). *Overall satisfaction* scores are stable by route, except levels have improved on route 19 (Nanaimo Harbour – Gabriola Island; 3.98 average following the low of 3.46 in 2014). Furthermore, levels have improved among Vancouver Island and South Gulf Island residents after more critical ratings were provided last year.

Correlation analysis that measures the strength of the relationship between survey variables in the research data reveals the drivers of total passenger overall satisfaction with BC Ferries are:

- Overall experience at terminal;
- Professionalism of terminal staff;
- Overall experience onboard ferry;
- Ability to get desired sailing;
- Value for money of fares; and
- Ferry departing on time.

CST research shows that passengers rate BC Ferries as being overall successful in delivering on the majority of these satisfaction drivers, with the exception of *value for money of fares*. When examining satisfaction drivers by those routes with weakening results, *value for money of fares* continues to be an important driver; however, it is surpassed in importance by *ability to get on desired sailing* and *ferry departing on time*.

## Value for Money of Fares

While the average satisfaction rating for *overall value for money of fares* has somewhat improved from the decline in 2014 (2.76 score in 2014 to 2.86 in 2015), this continues to be an opportunity due to the rating consistently registering low averages (i.e., below 3.5).

### Response:

BC Ferries understands that having an affordable ferry system continues to be an important consideration for its customers and the communities it serves, and that the public expectation is that ferry fares should be affordable and should grow at rates that are reasonable and predictable over time.

BC Ferries' fares are regulated by the Commissioner in accordance with a price cap model. Prior to the start of performance term four ("PT4") (April 1, 2016 – March 31, 2020), the price caps and the fares the Company charged rose at a level greater than the growth in the cost of living. There are many reasons for this. BC Ferries' direct costs have risen significantly, some due to factors beyond the control of the Company such as fuel prices, new taxes and regulatory requirements. Indirect costs, such as amortization and interest have risen sharply as well, due to necessary capital investments in vessel replacements, terminal upgrades and other infrastructure. Though now stronger, traffic volumes have in past years been soft, which effectively requires that the costs of the service must be borne by a lower volume of riders. The Company's service contract with government has not enabled BC Ferries to optimize service delivery and, at times, has limited its ability to consider opportunities to enhance efficiency and productivity.

On April 1, 2015, tariff increases were 3.9% on average on the Major and Minor routes. On the Northern routes, fares were increased by 2% on average. These increases were directly associated with increased operating costs and capital replacement costs. Also on April 1, 2015, due to lower fuel prices, a fuel rebate of 1% was implemented on Major and Minor Routes which helped to lessen the impact of the tariff increase. No fuel surcharges or rebates were implemented on the Northern Routes in the fiscal year.

The upward pressure on fares for PT4 and beyond has been significantly reduced by a combination of price caps in performance term three, which were above the rate of inflation, additional funding contributed by the Province, and BC Ferries' continued efforts to contain costs and improve efficiency. This resulted in price cap increases set by the Commissioner for PT4 at 1.9% per year, an amount comparable to the forecasted rate of inflation. When the tariff increase of 1.9% on average was implemented by BC Ferries on April 1, 2016, a fuel rebate increase of 1.9% was also implemented across the system. The increase in fuel rebate completely offset the increase in average tariff.

There were several fare reduction opportunities available to customers during fiscal 2016:

- Fare discounts are available year-round for customers travelling the Minor Routes and route 3 (Horseshoe Bay – Langdale). Fare discount programs have been in place since 1961 for all Gulf Islands, and since 1972 for the Sunshine Coast, and are currently available by using the BC Ferries Experience™ Card;
- From mid-September through mid-October 2015, a 50% passenger fare discount was offered on off-peak sailings on the Major and most Minor Routes. Throughout the month of October 2015, the same discount was offered on all sailings on the Northern Routes and on route 26 (Haida Gwaii: Graham Island– Moresby Island);
- From mid-November through mid-December 2015, a 50% vehicle fare discount was offered on off-peak sailings on the Major and most Minor routes and on all sailings on the Northern Routes as well as route 26;
- For approximately three weeks in March 2016, spanning spring break and the Easter long weekend, a 30% passenger fare discount was offered on off-peak sailings on the Major and Minor Routes and on all sailings on the Northern Routes;
- In the summer of 2015, BC Ferries brought back the “size up the savings” promotion, which was first used in the summer of 2014. On off-peak sailings from mid-June through mid-September, customers with vehicles longer than 20 feet paid only \$2.00 per foot additional length charge on routes 1 and 30 (Swartz Bay – Tsawwassen and Tsawwassen – Nanaimo).

The Company is planning to continue with select pricing promotions. These promotions provide customers with a fare reduction opportunity and give BC Ferries the ability to test variable pricing in preparation for a future variable pricing model, while obtaining information on traffic trends, customer responses and impacts to operations.

BC Ferries is striving to contain expenditures, manage its capital portfolio and grow traffic and non-tariff revenues to support reasonable and predictable future tariff increases, as discussed below:

➤ ***Expenditure Management***

The Company continues with cost containment measures, managing costs as prudently as possible without compromising safety and reliability. In his Performance Review of the Efficiency of BC Ferries released in March 2015, the Commissioner concluded that: "BC Ferries is demonstrating good cost control," and went on to say that "cost control has been achieved while obtaining good outcomes with customer satisfaction and passenger and employee safety."

The Commissioner has set an efficiency target for the four years of PT4 of \$27.6 million. BC Ferries is projecting to meet or exceed this target.

BC Ferries' largest expense is wages. In fiscal 2016, a five-year collective agreement was ratified with the BC Ferry & Marine Workers' Union. This agreement provides for wage increases of 1.71% on average per year, less than the 1.9% price cap increase. This agreement helps ensure uninterrupted ferry service for customers and marks 17 years of labour stability. The Company strives to maximize labour efficiency but is constrained by Transport Canada regulations on crew size.

Fuel is the second largest operating expenditure incurred by BC Ferries and is, for the most part, an uncontrollable cost to the Company. However, with the implementation of an effective fuel hedging program, the impact on customers can and has been managed somewhat. Fuel hedging is used by BC Ferries to reduce fuel price volatility and add a fixed component to the inherent floating nature of fuel prices. Fuel price hedging instruments are used solely for the purpose of reducing fuel price risk, not for generating trading profits. Fuel forward contracts are only entered into when there is a reasonable likelihood that the hedge will result in a net procurement cost per litre less than or equal to the set price per litre established by the Commissioner. Thus, it reduces the likelihood of future fuel surcharges. At March 31, 2016, a significant portion of the forecast fuel consumption to the end of 2017 was locked in. BC Ferries intends to continue to monitor the market and enter into fuel forward contracts when economically prudent to do so.

As detailed in BC Ferries' PT4 Fuel Management Plan,<sup>6</sup> a wide variety of fuel-saving measures have been implemented by the Company, ranging from operating the vessels more efficiently to installing new, more fuel-efficient engines on some vessels, fuel monitoring systems on others and designing and building new vessels to meet or exceed current environmental standards. BC Ferries intends to continue to seek ways to reduce fuel consumption as well as emissions on the vessels.

BC Ferries' new cable ferry service, introduced on route 21 in the fiscal year, will provide significant cost savings and environmental benefits. This is an innovative initiative and is part of ongoing efforts to identify and pursue opportunities that have the potential to enhance the ability to improve cost effectiveness and environmental impact in delivering sustainable, safe and reliable ferry service.

BC Ferries is also actively pursuing natural gas options for new vessels and vessels undergoing major retrofits where economically and technically feasible. A move to natural gas would reduce emissions as well as costs.

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<sup>6</sup> Submitted to the Commissioner on March 30, 2016.

The Contract stipulates, among other things, the number of round trips that must be provided for each designated ferry route in exchange for ferry transportation fees paid by the Province. On March 31, 2014, the Contract was amended and BC Ferries implemented the Province's service level reduction plan, which had as its objective a better alignment of service levels with demand in order to help ensure the coastal ferry system is affordable, efficient and sustainable. As the Company commences PT4, it continues to recognize cost savings from these service level adjustments.

➤ ***Capital Portfolio Management***

While BC Ferries continues to focus on productivity improvements, operating efficiencies and innovative ways to grow the business, many of its minor and intermediate sized vessels are at the end, or are nearing the end, of their economic lives, necessitating a significant capital investment in new vessels. In addition to new ships, BC Ferries must invest in its terminal marine structures and information technology. Within the context of controlling upward pressures of fares, BC Ferries must manage capital costs of approximately \$3 billion over the 12 fiscal years ending March 31, 2026.

➤ ***Traffic***

Increased traffic volume effectively reduces the cost per individual customer, as it allows the cost of service to be borne by a larger volume of riders. As previously discussed, in fiscal 2016, vehicle traffic increased 4.9% and passenger traffic increased 4.5% compared to the prior year. Traffic was favourably impacted by a number of uncontrollable factors including lower fuel prices, the lower Canadian dollar and a general increase in tourism and economic activity in British Columbia. The Company believes that promotional fare incentives also had a small impact on traffic levels.

➤ ***Non-tariff Revenues***

Managing expenditures and growing traffic are two ways to keep fares as low as possible, while increasing non-tariff revenues is another. The Company's commercial services, BC Ferries Vacations and catering and retail services have all been significant contributors to the Company's bottom line.

Through the use of the travel centre and an integrated marketing approach, the Company is able to leverage the core business to drive incremental ferry traffic as well as generate commissions from the related services. Packaged vacations are the fastest growing segment within the Company. In fiscal 2016, the number of vacation packages sold generated \$5.7 million in revenue, an increase of 31.9% over the prior year.

Other non-tariff revenues include the drop-trailer business and catering and retail services. In fiscal 2016, drop trailer traffic increased 2.8% and revenue increased by 6%. BC Ferries has also experienced strong growth in retail services which include food service and gift shops. The Company generated \$87 million in revenue from its retail services in fiscal 2016, representing in the order of 10% of the Company's total annual revenue. On a year-over-year basis, revenue from retail services in fiscal 2016 increased by 8%.

BC Ferries believes that as the economy continues to strengthen, and with expanded marketing efforts, traffic volumes and incremental non-tariff revenue will increase, further reducing the pressure on future fare increases.

➤ **Other Factors**

The *value for money of fares* can be affected by the customer's perception of the value of the product offered by BC Ferries. For example, BC Ferries offered a pilot project that allowed reservations at no cost for foot passengers travelling from Tsawwassen to any island serviced on the Tsawwassen-Southern Gulf Islands route from May 1 through September 7, 2015. Customers responded favourably and, in response to their feedback, BC Ferries expanded the opportunity to include foot passenger reservations for travel from Salt Spring, Galiano, Saturna, Pender or Mayne Islands to Tsawwassen from April 11 through September 5, 2016.

The Company is also working towards business transformation strategies designed as a value-added improvement enabled by new information technology infrastructure. The Fare Flexibility and Digital Experience Initiative will introduce a new system to manage fares at the sailing level, improve operational efficiency through better capacity management, provide customers with greater online functionality and booking options, and provide better access for mobile, tablet and desktop channels.

### **Value for Money of Parking**

Following a decrease in 2014, the results have stabilised for *value for money of parking* at the Major terminals (2.87 in 2015). Although stability is reflected in average scores for all terminals measured, as with *value for money of fares*, this continues to be an opportunity due to the average rating below 3.5.

**Response:**

There have been no material changes to parking facilities or parking rates since January 2010. Parking rates at terminals in Metro Vancouver are slightly higher than Vancouver Island terminals due to the impact of the 21% transit tax implemented in 2010.

As a result of system upgrades, customers extending their parking time now interact with a live agent for increased customer service rather than an automated phone menu system. Fewer complaints have been received due to more accurate time extension transactions. This service is in place at Tsawwassen, Horseshoe Bay, Swartz Bay, Duke Point and Departure Bay terminals.

An additional initiative under development will make use of smart phone applications to pay for parking. Systems under consideration are the currently established applications in use at other pay parking facilities: "Pay by Phone" in Greater Vancouver and "Passport" on Vancouver Island.

### **Value for Money of Terminal Food/Beverages and Retail Merchandise**

*Value for money of terminal food and beverages* decreased from 3.10 in 2014 to 3.02 in 2015. Although average ratings by individual terminal have not significantly changed from 2014, slight dips in all but Horseshoe Bay are the contributing factors.

*Value for money of retail at the terminal* is unchanged from 2014 (3.36 to 3.34 score in 2015), but consistently yields a low average. Terminal averages from lowest to highest score in 2015 are Departure Bay at 3.28, Langdale at 3.29, Swartz Bay at 3.31, Horseshoe Bay at 3.37, and Tsawwassen at 3.42.

## Response:

### ➤ **Food and Beverages**

BC Ferries endeavours to keep food and beverage price increases to a minimum while maintaining high quality food product standards, and generally increases food and beverage prices to match cost of goods increases. Lands End at Swartz Bay is the only terminal at which BC Ferries' food is offered. Food items offered at Tsawwassen Quay, for example, are managed by individual vendors who set pricing independent of BC Ferries. Vending machine offerings at terminals are priced in-line with equivalent beverage and snack items onboard.

### ➤ **Retail Merchandise**

Items for sale by vendors at the two Terminal Quays are not managed by BC Ferries. Vendors are selected and managed by Quay Property Management, and all product pricing is set by individual vendors.

## **Value for Money of Onboard Food/Beverages and Retail Merchandise**

Although satisfaction ratings for *value for money of onboard food/beverages* (3.16) and *the gift shop* (3.34) are unchanged from 2014, the average scores continue to be weaker than other onboard services.

## Response:

### ➤ **Food and Beverages**

BC Ferries generally increases food and beverage prices to match cost of goods increases. By using cost control initiatives, BC Ferries endeavours to keep food and beverage price increases to a minimum. Limited-time promotions are also offered throughout the year to provide greater value to customers. Examples include:

- Save \$1 when you combine a soup and sandwich;
- Save \$1 when you add a pie to any entrée;
- Celebrate BC White Spot Bundle at 50 cents lower than individual purchases and \$1.00 less than White Spot Restaurants;
- Buy one get one free (BOGO) entry into the buffet (any meal service) with the purchase of a BC Ferries Vacations package;
- Value added pricing for Beef Dip entrée; Beef Dip with fries and add side salad for \$15.49; and
- Refreshed food and beverage offerings in the Seawest Lounge and Pacific Buffet outlets that provide improved menu items for enhanced value for money.

### ➤ **Retail Merchandise**

BC Ferries' pricing of retail merchandise is competitive with pricing of similar products offered by local merchants. BC Ferries offers monthly, pre-planned, in-store promotions that provide savings and/or add value by providing a gift with purchase. This is comparable with industry promotional offers. Examples include:

- 30% off men's golf shirts;
- Free zip bag with the purchase of shorts or capris;
- \$15 off any purchase of \$75 or more;
- Buy one get one free stretch rings; and
- 30% off any Roots wallet, buy a 2nd and get 50% off.

## **Ease of Using Automated Phone System**

While the *ease of use of the automated phone system* rating has been stable for many years, the score of 3.30 in 2015 continues to be lower than other services offered prior to arrival at the terminal.

### **Response:**

There have been a number of technical issues with the automated phone system used to provide customers with information regarding schedules, card balances, reserved boarding and access to a customer service agent. The service provider has upgraded its server software which has resolved the majority of the issues.

A replacement of the Call Centre, automated call distribution software is also underway and should be completed by December 2016. This software replacement is expected to eliminate the remaining technical issues experienced by customers over the last year.

## **Ability to Connect**

After declining from 3.35 in 2013 to 3.05 in 2014, satisfaction ratings for the *ability to connect* have stabilised overall (3.10 in 2015). However, there continues to be opportunities for improvement, especially on routes with low averages in 2015, specifically route 19 (Nanaimo Harbour – Gabriola) at 2.92, route 2 (Horseshoe Bay - Nanaimo) at 3.02, route 1 (Swartz Bay – Tsawwassen) at 3.40, and route 3 (Horseshoe Bay – Langdale) at 2.56.

### **Response:**

#### ➤ ***Route 19 (Nanaimo Harbour – Gabriola Island)***

Declining satisfaction on route 19 is likely due to the service level adjustments made in 2014. It is important to some route 19 customers that they be able to connect with the first sailing of the day on route 2 (Horseshoe Bay - Nanaimo), but with sailing adjustments made at the request of the community representatives in 2015, the connection to the 06:30 route 2 sailing departing Departure Bay was lost.

The 2014 service level adjustments were mandated by the Province and optimised through community consultation. BC Ferries is not contemplating any changes to the early morning schedule, nor are any presently requested by the community.

In March 2016, BC Ferries agreed with the Gabriola Ferry Advisory Committee for a two year pilot of additional sailings midday Saturday and Sundays during the summer peak season. These additional sailings commenced in late June, 2016. While not strictly a connectivity issue, these sailings are expected to enhance accessibility to the island during the peak summer weekend periods.

➤ **Route 2 (Horseshoe Bay - Nanaimo)**

Route 2 seasonal schedule changes and on-time performance can make connections to route 19 (Nanaimo Harbour – Gabriola) a challenge. Route 2 schedules change seasonally to allow sufficient time to load the vessel to maintain satisfactory on-time performance. Improved on-time performance usually follows these changes swiftly as crew adjust to the new schedules.

Berth congestion and cross traffic are experienced frequently at Horseshoe Bay and can negatively impact on-time performance. Terminal development planning and community consultation will commence in fiscal 2017 to begin to address these operational challenges.

➤ **Route 1 (Swartz Bay - Tsawwassen)**

Declining satisfaction likely stems from through-fare travel at Swartz Bay where route 4 (Swartz Bay - Fulford Harbour) and route 5 (Swartz Bay - Gulf Islands) connect with route 1. Connection issues are caused by tight sailing schedules and logistical challenges at the Swartz Bay terminal.

In June 2016, BC Ferries implemented a through-fare pilot project which aims to improve connectivity from route 1 at Swartz Bay with routes 4 and 5. The process provides for early unloading from the upper vehicle deck of route 1 vessels which in turn greatly improves the likelihood that a customer from route 4 or 5 will make the connecting route 1 sailing.

At present, the pilot is only for travel from Tsawwassen to Swartz Bay and the Southern Gulf Islands (i.e., southbound). This is because the Gulf Island terminals, for the most part, do not have ticketing facilities (toll booths) needed to allow the through-fare process to function in the other direction.

Customer reaction to the pilot process has been very positive in its early stages. Travellers are reporting high rates of connectivity success and reduced levels of dissatisfaction.

In June 2016, BC Ferries concluded its Southern Gulf Island scheduling process. The process resulted in new schedules being developed in advance of the arrival of the Salish class vessels. The process involved more than a year of consultation with customers and stakeholders. While not all suggested changes could be included, BC Ferries believes the resulting schedules represent the best achievable consensus amongst all users. All islands receive higher levels of service (measured as number of sailing opportunities) under the new schedules. A public communications process will inform ferry users of the changes commencing fall 2016. The new schedules take effect late spring 2017.

➤ **Route 3 (Horseshoe Bay – Langdale)**

Connectivity concerns on route 3 likely stem from the challenge of connecting to route 7 (Earls Cove - Saltery Bay) and the upper Sunshine Coast. There are two main factors: route 3 on-time performance and the driving time between Langdale and Earls Cove.

Route 3 on-time performance in fiscal 2016 suffered due to marine berth congestion at Horseshoe Bay, increased requirements for clearance procedures, traffic congestion within the terminal at Horseshoe Bay, increased levels of traffic and seasonal changes

to schedules. BC Ferries has since undertaken a major effort to improve on-time performance, including a dedicated task force of senior operations management studying ways to improve performance. This has resulted in many operational changes in ship and terminal operations which together have led to some on-time performance improvement. However, on-time performance still remains below acceptable levels. BC Ferries continues to look to ways to address this issue.

## Ferry Sailing Frequent Enough

Following a decrease in overall satisfaction with *ferry sailing frequent enough* in 2014 (3.40), the overall average has improved somewhat to 3.49 in 2015. However, sailing frequency registers a lower average compared to some of the other sailing schedule aspects measured. The routes with low average satisfaction in 2015 are route 3 (Horseshoe Bay – Langdale) at 2.96, Southern Gulf Island routes (route 5, Swartz Bay – Gulf Islands; route 9, Tsawwassen – Southern Gulf Islands) at 3.16, route 19 (Nanaimo Harbour – Gabriola) at 3.24 and route 4 (Swartz Bay – Fulford Harbour) at 3.41.

### Response:

#### ➤ **Route 3 (Horseshoe Bay – Langdale)**

As part of the service level adjustments mandated by the Province in 2014, Sunday service on route 3 was reduced from eight to seven round-trips during the fall/winter/spring schedule, creating a midday gap in service. The schedule was optimised through public consultation to reduce the midday gap.

In spring 2016, BC Ferries, at the request of the Southern Sunshine Coast Ferry Advisory Committee, studied the feasibility of adding additional sailings to the Sunday morning schedule. BC Ferries' analyses showed adding such sailings would reduce overall operating costs by easing congestion and overtime later in the day. As a result, BC Ferries added Sunday morning sailings effective April 2016, eliminating the midday gap.

#### ➤ **Southern Gulf Island routes (route 5, Swartz Bay – Gulf Islands; route 9, Tsawwassen – Southern Gulf Islands)**

The system of service in the Southern Gulf Islands is the most complex within BC Ferries and was largely untouched during the service level adjustments mandated by the Province in 2014. The service was not changed on routes 4, 5, 5A and 9A, while service on route 9 had short, single day reductions in the winter. Only route 6 (Crofton – Vesuvius) which exclusively serves Salt Spring Island had service level reductions on a continuous basis. The schedules in the Southern Gulf Islands have seen very few changes in the past decade and the nature of the system does not easily support changes in sailing frequency.

During the last year BC Ferries has consulted extensively with the communities about schedule changes to be implemented with the upcoming introduction of the Salish Class ferries. There was significant interest and concern regarding how future schedules would impact the communities.

The low satisfaction likely stems from an unusually high awareness of the service and impending, but uncertain, changes that will result with replacing the *Queen of Nanaimo* in 2017. Subsequently, the new schedule changes were widely released in June 2016 and have received generally positive public response.

➤ **Route 19 (Nanaimo Harbour – Gabriola)**

Following the service level adjustments mandated by the Province in 2014, BC Ferries, at the request of the Gabriola Ferry Advisory Committee, has reviewed and revised the sailing schedules on three occasions. These revisions have supported the community's interest in maintaining very late night sailings, with the result that there are mid-day gaps in the schedule around which customers have a higher degree of discretion. Low satisfaction likely arises from the inconvenience of the mid-day gaps in not providing continuous sailings.

In spring 2016, BC Ferries, at the request of the Gabriola Ferry Advisory Committee, studied and commenced a two year pilot of scheduling sailings during the mid-day gap during summer weekends. The premise is to test strong indicators that tourist and day trip traffic will incrementally increase to cover costs and generate revenue.

➤ **Route 4 (Swartz Bay – Fulford Harbour)**

Low satisfaction on route 4 likely stems from the modified sailing schedule that was in place while the *Queen of Cumberland* was undergoing a mid-life upgrade (November 2015 to April 2016). Many sailing times on route 4 were changed under the modified schedule. The normal schedule, in effect for many years, was restored following the completion of the mid-life upgrade project.

## **Latest Ferry Late Enough**

Overall satisfaction with *latest ferry late enough* has returned to an average score of 3.52 after a slight dip to 3.45 in 2014. The routes which averaged the lowest scores in 2015 are route 3 (Horseshoe Bay – Langdale) at 3.07, route 4 (Swartz Bay – Fulford Harbour) at 3.14 and route 2 (Horseshoe Bay – Nanaimo) at 3.36.

### **Response:**

➤ **Route 3 (Horseshoe Bay – Langdale)**

The schedule on route 3 changes seasonally. The last sailing of the day is later in the peak season schedule than it is in the shoulder or off-peak schedule. The most customer concern about latest sailings likely occurs when the peak season schedule ends. BC Ferries is considering this issue in the context of broader schedule changes.

➤ **Route 4 (Swartz Bay – Fulford Harbour)**

Like route 3 (Horseshoe Bay – Langdale) and the routes to the Southern Gulf Islands, the schedule on route 4 has been in effect for many years and the latest sailing time has not changed in recent times. Low satisfaction may stem from concerns about connectivity of through-fares from Tsawwassen to the last sailings of the day to the Islands. The new through-fare pilot project (described above) should help mitigate these concerns.

➤ ***Route 2 (Horseshoe Bay – Nanaimo)***

BC Ferries has added service on route 2 during periods of high demand and curtailed service during periods of low demand. Service to and from central Vancouver Island is also provided on route 30 (Tsawwassen to Nanaimo) with late sailings at 10:45 p.m. Since October 2009, winter service on route 2 has been reduced in the evening.

Low satisfaction is likely tied to winter schedules when the last departure on Mondays to Thursdays from Horseshoe Bay to Nanaimo is at 7:00 p.m. (with 8:15 p.m. and 10:45 p.m. sailings on route 30 from Tsawwassen to Nanaimo).

# Customer Satisfaction Tracking Annual Report 2015

## British Columbia Ferry Services Inc.

### **Presented to:**

British Columbia Ferry Services Inc.  
Victoria, British Columbia



MUSTEL GROUP

402 – 1505 West Second Avenue Vancouver BC V6H 3Y4

general@mustelgroup.com www.mustelgroup.com Tel 604.733.4213 Fax 604.235.1359

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# Executive Overview

## Background

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British Columbia Ferry Services Inc. (BC Ferries), conducts a Customer Satisfaction Tracking (CST) study each year. The CST study is designed to monitor customer satisfaction with various aspects of service on BC Ferries in order to determine areas that passengers believe are performing well and areas that require improvement. This study is part of a regular program of ongoing research conducted each year by BC Ferries.

The following report provides annual customer satisfaction results for the following:

- Overall ferry service
- Service prior to arriving at the terminal
- Service at the ferry terminal
- Service onboard the ferry
- Service pertaining to loading/unloading
- Overall safety of operations, and
- Value for money of fares paid

For each of the more than sixty attributes, the scores for the last four years are shown on the graphs, to allow for easy comparison.

In addition to graphs showing the overall scores, the Appendix in this report includes detailed tables by route showing satisfaction scores for each of the service attributes for 2013. The Appendix also includes detailed satisfaction scores for each of the terminal-related attributes, shown separately for each of the main terminals.

## Methodology

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The research involves a two-phased approach. First a random sample of passengers are intercepted onboard to collect key data including frequency of travel on BC Ferries, purpose of trip, area of residence, origin/destination, and standard demographic questions. Immediately following this screener, passengers are given a longer follow-up survey to complete *after* they disembark and leave the terminal area.

Interviews are distributed across nine routes in total, both larger and smaller, during three different time periods: June, August and November. In 2014, a total of 10,570 screeners were completed and 4,438 questionnaires returned. A more detailed explanation of the research design is included in the *Research Methodology* section, in the Appendix of this report.

## Findings

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Customers were asked to rate their satisfaction with over sixty different aspects of the services they received from BC Ferries on a scale from 1 to 5 where 1 means 'very dissatisfied' and 5 means 'very satisfied'.

### Satisfaction with BC Ferries Overall

- A total of 87% of passengers in 2015 reported to be satisfied overall with their experience travelling on BC Ferries, resulting in an average score of 4.14 and representing a slight increase from that recorded in 2014 (4.11 average score, 85% satisfied).
- Overall satisfaction scores are stable by route except levels have rebounded on Route 19 (3.98 average following the low of 3.46 in 2014). Furthermore, levels have also improved among Vancouver Island and South Gulf Island residents after more critical ratings were provided last year.

### Satisfaction before Arriving at Terminal

- The average score for the on-line reservation system has increased to 3.97 and continues the upwards trend since the low of 3.78 recorded in 2011.
- Ratings remain stable for *usefulness of BC Ferries phone service* and *ease of using the automated phone service*.

### Satisfaction at the Terminal

- Following a dip last year, 84% are now satisfied with the experience at the terminal before boarding (average score of 4.07), with the increase at Tsawwassen the main contributor (89% satisfied, 4.17 average).
- Most passenger and demographic segments also register increases in satisfaction at the terminal. Most notable changes from 2014 are averages registered by Gulf Island residents (3.95, compared to 3.74) and business passengers (3.98, up from 3.86).

### Satisfaction Onboard

- A total of 88% of passengers in 2015 were satisfied with their overall experience onboard (average of 4.10), slightly higher than the previous measure (86% and 4.07 average). Increases in onboard satisfaction by route are recorded for Route 19 (3.96, up from 3.71) and South Gulf Island routes 5/9 (4.17, compared to 4.02).
- Although since 2012 there is a gradual decline in overall satisfaction by those travelling for business purposes, levels are more or less consistent to previous measures on all other aspects of onboard services.

### Satisfaction with Sailing Schedules

- Satisfaction levels with most aspects of sailing schedules have not only stabilised this year after decreases recorded in 2014, there are improvements in satisfaction for *ferry sailing frequent enough* (3.40 to 3.49) and *ferry departing on time* (3.73 to 3.82).

### Satisfaction with Safety

- Perceptions of both safety of ferry operations and loading/unloading have also improved compared to 2014.

### Satisfaction with Overall Value

- The overall value for money of fares is an average of 2.86 this year, increasing from the 2014 average of 2.76.

## Key Conclusions

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In summary, there have been slight improvements in overall satisfaction and specifically with the overall experience at the terminal and onboard. Ratings have been mostly stable on specific service aspects, but increases in satisfaction with on-time departures and value for money of fares, two key drivers of overall satisfaction, have likely contributed to these improved ratings.

The key areas of success in 2015 are in the following areas:

- Usefulness of the website
- Staff at the terminal and onboard
- Ticket purchase: efficiency of transaction and staff customer service
- Cleanliness of pre-boarding and onboard lounge seating
- Availability of terminal washrooms
- Availability and cleanliness of onboard washrooms
- Cleanliness of pre-boarding lounge seating
- Cleanliness and comfort of onboard lounge seating
- Appearance of terminals
- Variety/selection in onboard gift shop/ news stand
- Availability and cleanliness of seating area of onboard food/beverage services
- Availability of tourist and travel info
- Outside decks and overall appearance of vessels
- Procedures for loading and unloading
- Safety of ferry operations and loading/unloading

Areas of opportunity to enhance the customer experience continue to include:

- Ease of using automated phone system
- Value for money of fares, parking, food/beverages, and retail merchandise both at the terminal and onboard
- Ability to connect
- Ferry sailing frequent enough
- Latest ferry late enough

## Detailed Findings

The following section shows the detailed findings from the study. It graphically displays the satisfaction scores for each of the 74 service attributes, showing both the average satisfaction score out of 5 as well as the percentage for each level of satisfaction, that is, 'Very Dissatisfied', 'Dissatisfied', 'Neither Satisfied/Dissatisfied', 'Satisfied' and 'Very Satisfied'. The ratings are shown for all surveyed BC Ferry routes combined and, where appropriate, the route-by-route scores are shown as well.

**NOTE:** When route numbers are shown in the graphs, please refer to the following table that explains each route number.

Ferry Routes Included in Customer Satisfaction Survey - 2015	
Route No.	Description of Route
Route 1	Tsawwassen-Swartz Bay
Route 2	Horseshoe Bay-Departure Bay
Route 3	Horseshoe Bay-Langdale
Route 30	Tsawwassen-Duke Point
Route 4	Swartz Bay-Fulford Harbour, Salt Spring Island
Route 19	Departure Bay–Descanso Bay, Gabriola Island
Route 5/9	Southern Gulf Islands (from Swartz Bay/from Tsawwassen)

## Overall Satisfaction with BC Ferries

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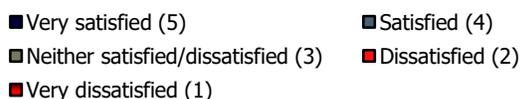
A total of 87% of passengers in 2015 reported to be satisfied overall with their experience travelling on BC Ferries, resulting in an average score of 4.14. These findings represent a marginal increase from that recorded in 2014 (4.11 average score, 85% satisfied).

Overall satisfaction scores are stable by route with the exception of Route 19 where the level has rebounded to a 3.98 average following the low of 3.46 in 2014.

**[NOTE: Refer to page 5 for route number codes]**

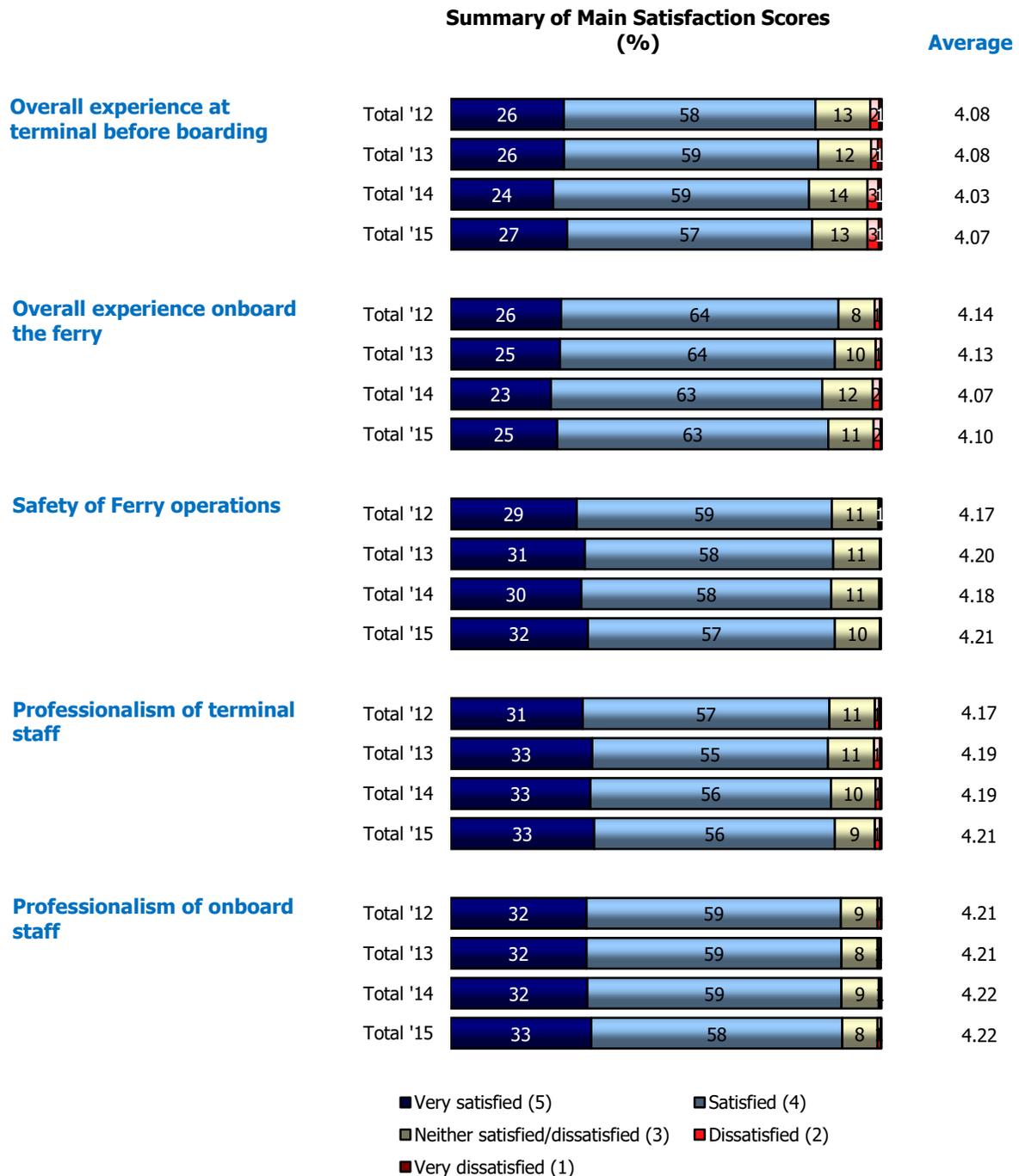
**Overall Satisfaction Level with Recent Experience Travelling with BC Ferries (%)**

					Average		
<b>All BC Ferries Routes</b>	Total '12	36	53	8	3	4.19	
	Total '13	35	52	9	3	4.17	
	Total '14	32	53	10	4	4.11	
	Total '15	33	54	8	3	4.14	
<b>Route 1</b>	Total '12	43	50	5	2	4.32	
	Total '13	42	50	7	2	4.30	
	Total '14	40	52	6	2	4.29	
	Total '15	38	53	6	1	4.27	
<b>Route 2</b>	Total '12	28	58	9	3	4.07	
	Total '13	29	57	9	4	4.08	
	Total '14	29	55	10	4	4.07	
	Total '15	29	57	10	3	4.12	
<b>Route 3</b>	Total '12	32	52	11	4	4.11	
	Total '13	27	52	13	6	3.96	
	Total '14	23	56	13	6	3.91	
	Total '15	27	51	10	7	3.88	
<b>Route 30</b>	Total '12	37	53	7	2	4.21	
	Total '13	36	52	8	3	4.21	
	Total '14	34	52	9	3	4.16	
	Total '15	34	55	8	2	4.19	
<b>Route 4</b>	Total '12	35	53	9	3	4.18	
	Total '13	37	48	12	2	4.18	
	Total '14	37	50	10	3	4.19	
	Total '15	34	51	11	4	4.13	
<b>Route 19</b>	Total '12	34	50	11	5	4.11	
	Total '13	36	48	11	3	4.13	
	Total '14	17	39	23	14	6	3.46
	Total '15	25	56	12	6	2	3.98
<b>Route 5/9</b>	Total '12	31	55	10	4	4.12	
	Total '13	31	57	8	3	4.15	
	Total '14	29	55	11	4	4.08	
	Total '15	36	51	8	4	2	4.15



Q.1) How satisfied or dissatisfied were you, overall, with your recent experience travelling with BC Ferries?

The following chart summarizes the results from overall measures of each main point of contact and specifically with BC Ferries staff. While there are slight increases in terminal experience before boarding as well as onboard overall and safety of ferry operations, ratings have diminished somewhat in customer service levels for ticket purchase and food service onboard.



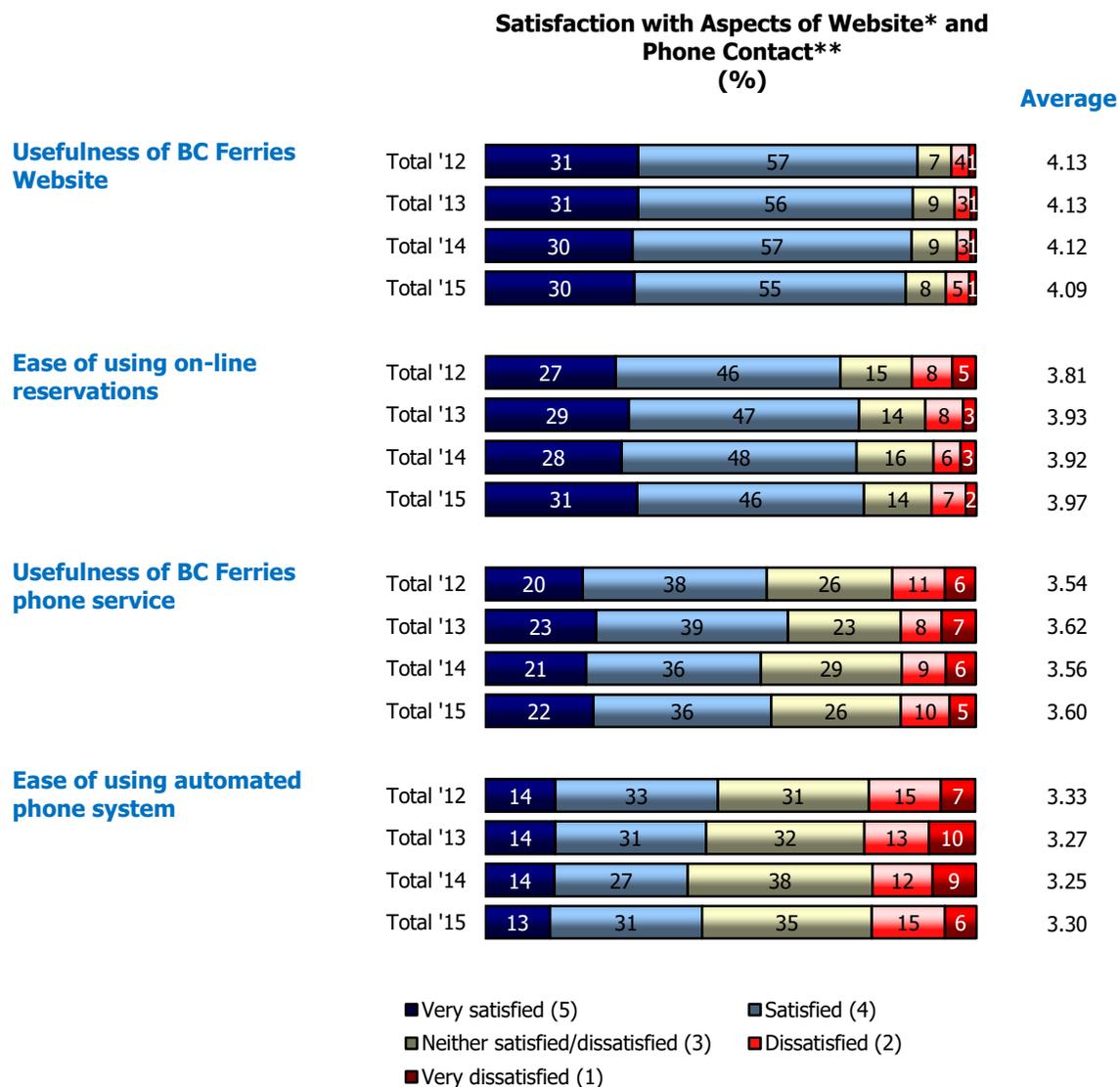
Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

## Before Arriving at Terminal

### Website and Phone Contact

While satisfaction with the website is similar to that recorded in 2014, the average score for the on-line reservation system has been on an upwards trend since the low rating of 3.78 in 2011.

Ratings continue to be consistent for *usefulness of BC Ferries phone service* and *ease of using the automated phone service*.



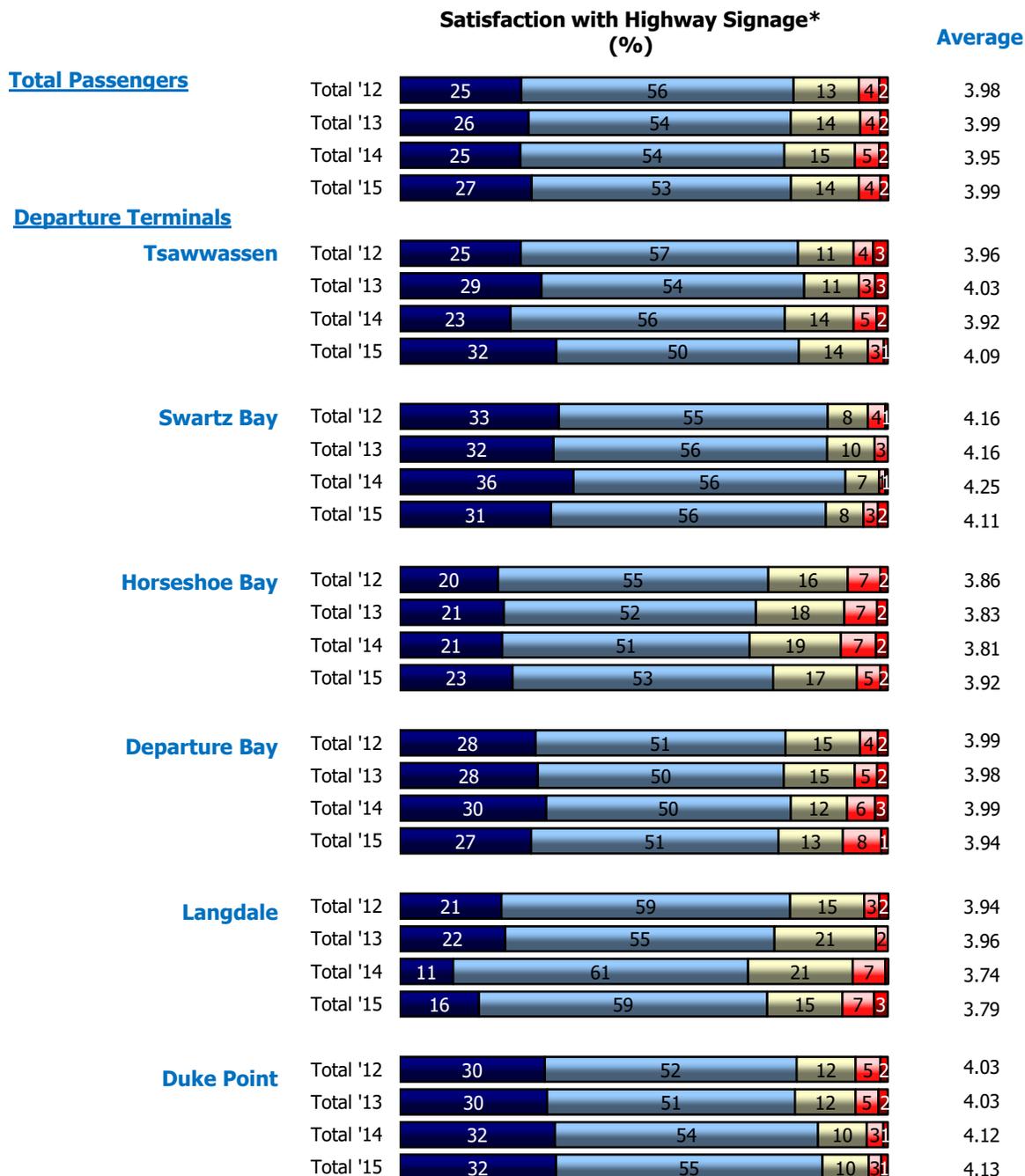
Q.2) Please rate how satisfied or dissatisfied you were with each of the following.

\* 70% usage website, 35% for on-line reservations

\*\* 17% usage phone service, 14% for automated system

### Highway Signage

The overall rating for highway signage has returned to the average of past years.



Q.2) Please rate how satisfied or dissatisfied you were with each of the following.

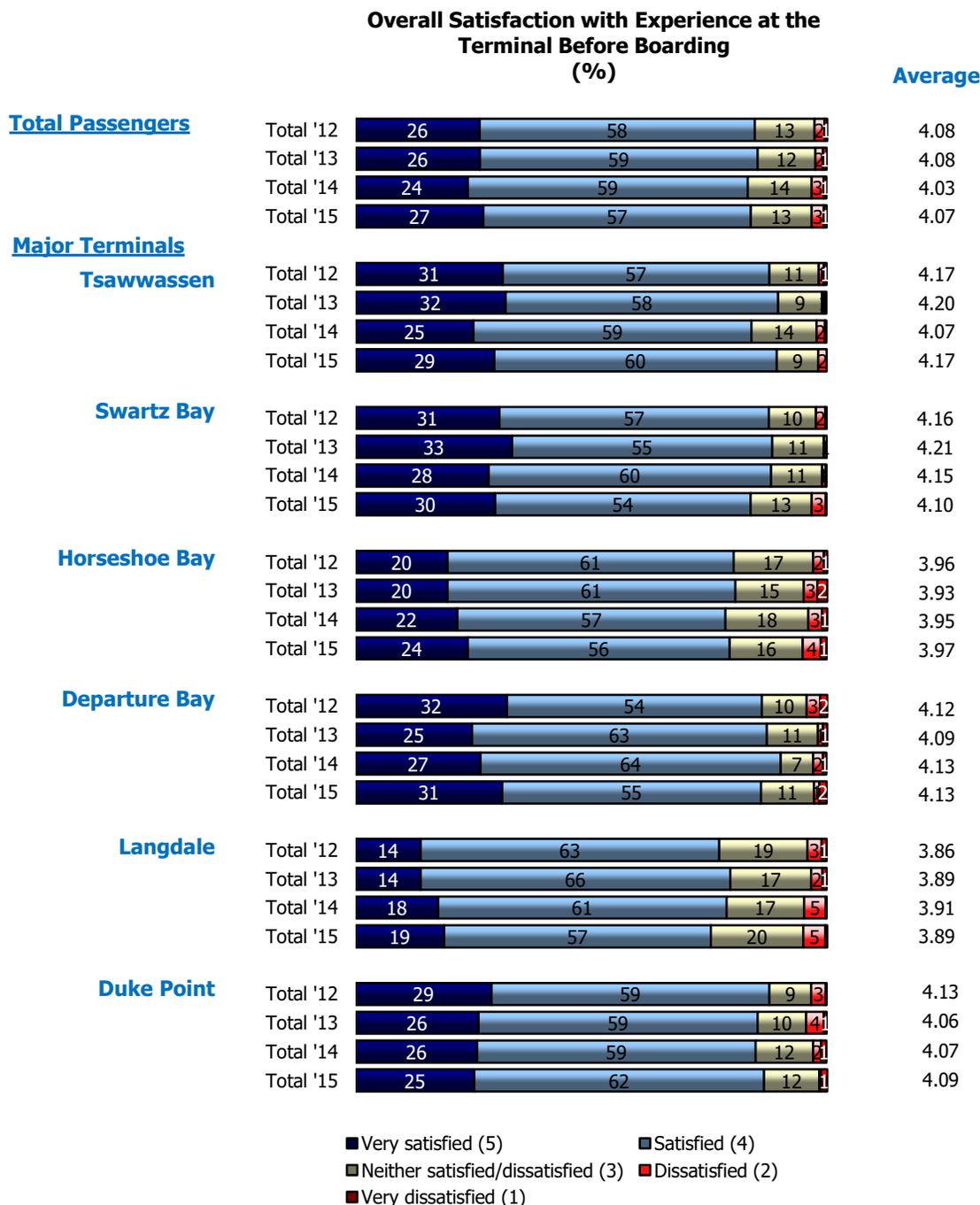
\* Usage: 77%

- Very satisfied (5)
- Satisfied (4)
- Neither satisfied/dissatisfied (3)
- Dissatisfied (2)
- Very dissatisfied (1)

## At the Terminal

### Overall Experience at the Terminal

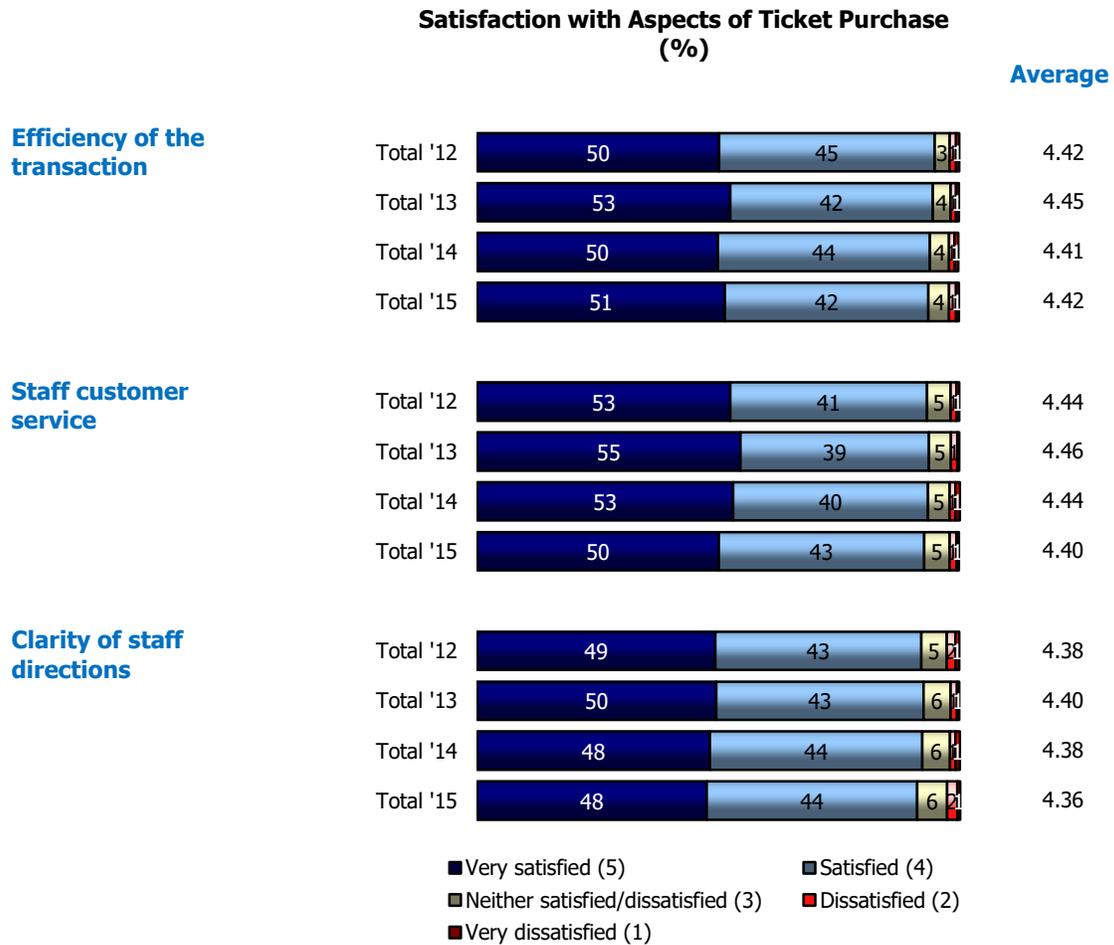
Following a dip last year, overall satisfaction with the experience at the terminal before boarding is 84% satisfied and an average score of 4.07, with an increase at Tsawwassen the main contributor (89% satisfied, 4.17 average).



Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

**Ticket Purchase**

Satisfaction levels continue to be high with all aspects of the ticket purchase process, with average ratings similar to a year ago.

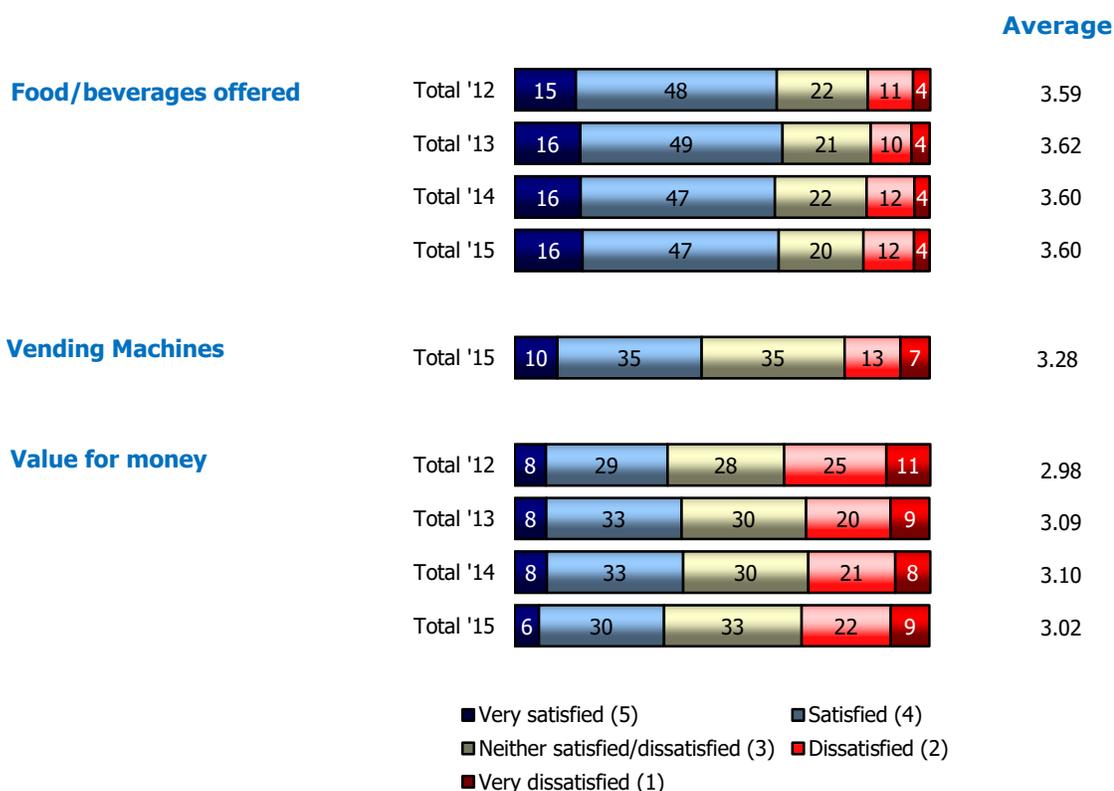


Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

**Food/Beverage Services at Terminal**

Although satisfaction levels with *food and beverages offered* continue to be stable, food & beverage *value for money* score has decreased (from 3.10 in 2014 down to 3.02). Ratings for terminal vending machines is a new addition to the tracking program in 2015 and an overall average of 3.28 is recorded with Tsawwassen registering the highest score (3.44).

**Satisfaction with Aspects of Food and Beverage Services at Terminal\* (%)**

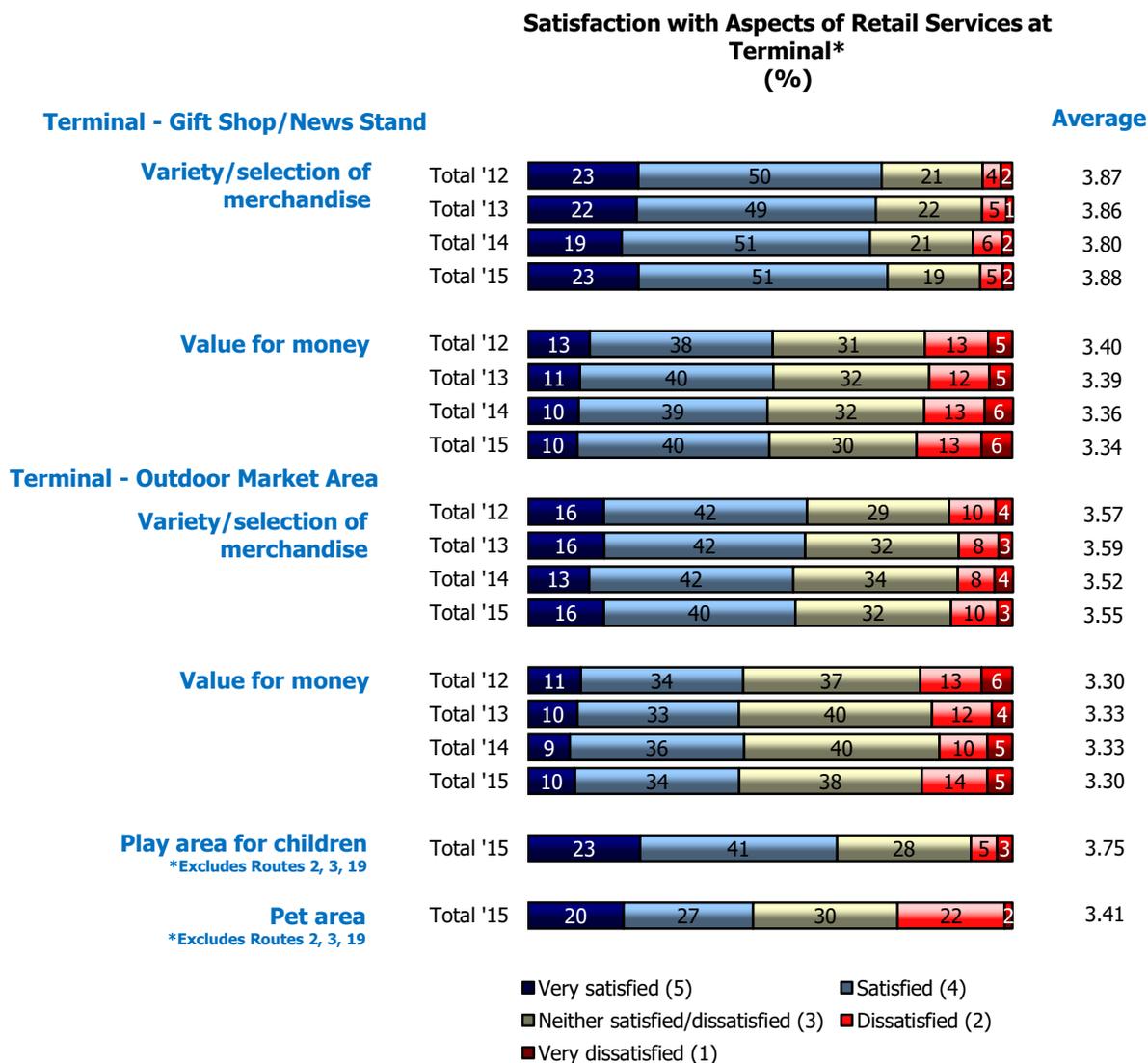


Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

\* 44% usage overall; excluding Route 19.

**Retail Services at Terminal**

Satisfaction with the *variety/selection of merchandise* at the terminal gift shop/news stand has rebounded from an average of 3.80 to 3.88. All other aspects of terminal retail services are unchanged. Note newly added terminal average scores for children’s play area (3.75) and pet area (3.41).

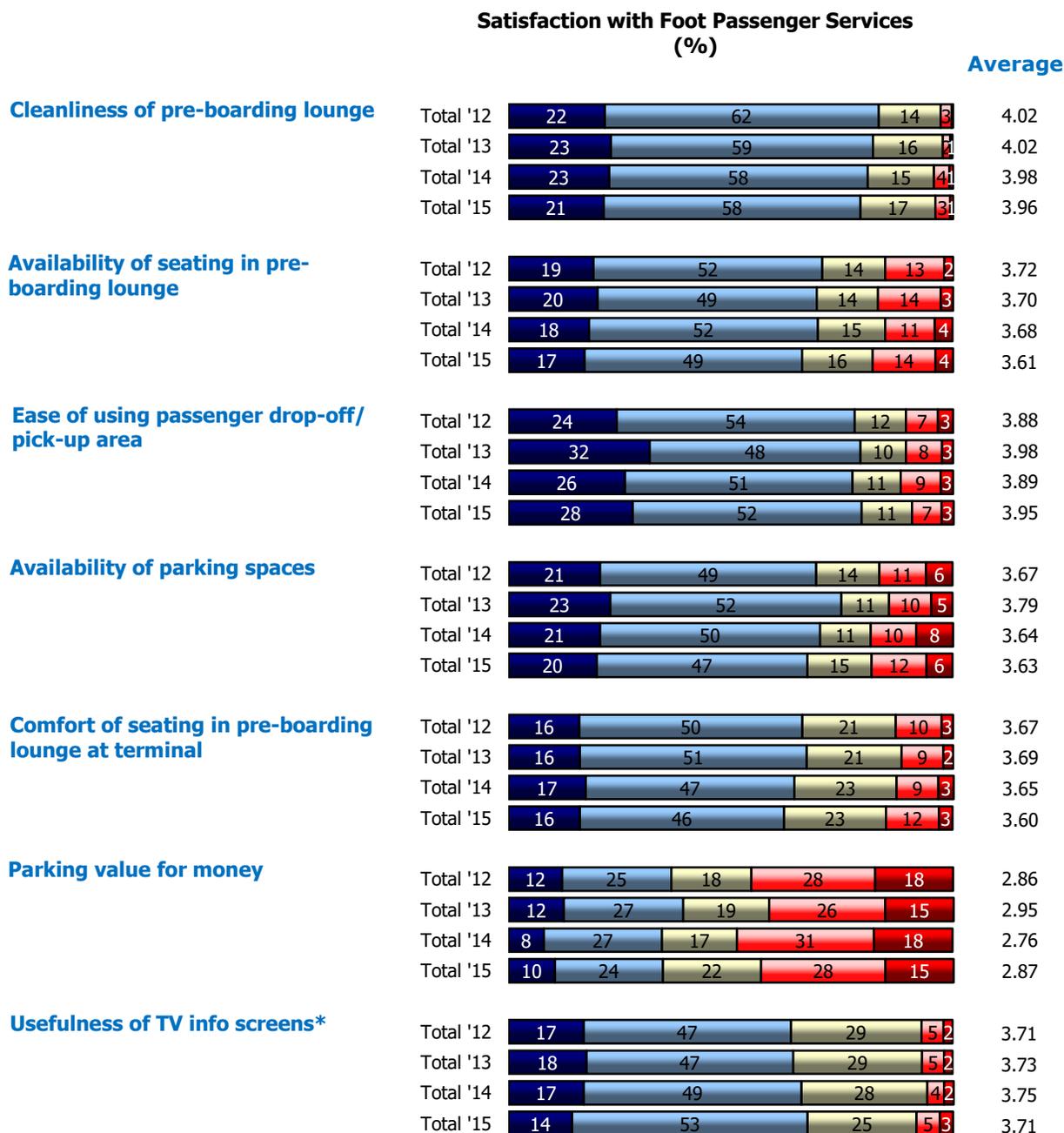


Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

\* Usage: 37% gift shop, 24% outdoor market; excluding Route 19.  
11% play area for children, 2% pet area; excluding Route 2, 3, 19.

**Foot Passenger Services**

Following decreases in ease of using the drop-off/pick up area, availability of parking spaces and parking value for money last measure, results are stable with respect to these and all other foot passenger services at the terminal before boarding.



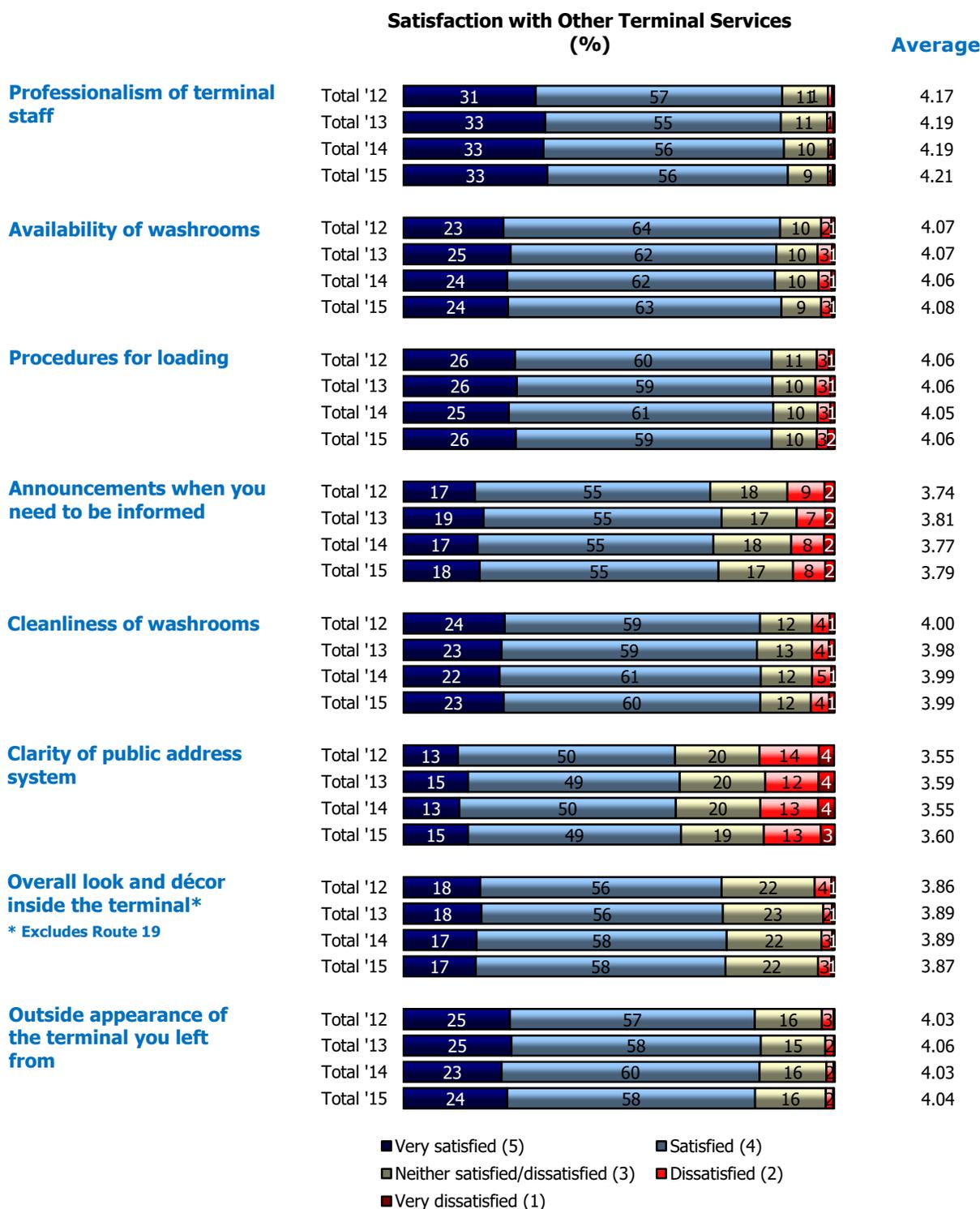
Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

Usage: 33% are foot passengers (including bus).

- Very satisfied (5)
- Satisfied (4)
- Neither satisfied/dissatisfied (3)
- Dissatisfied (2)
- Very dissatisfied (1)

**Other Terminal Services**

Satisfaction levels are stable on all other terminal services as well.

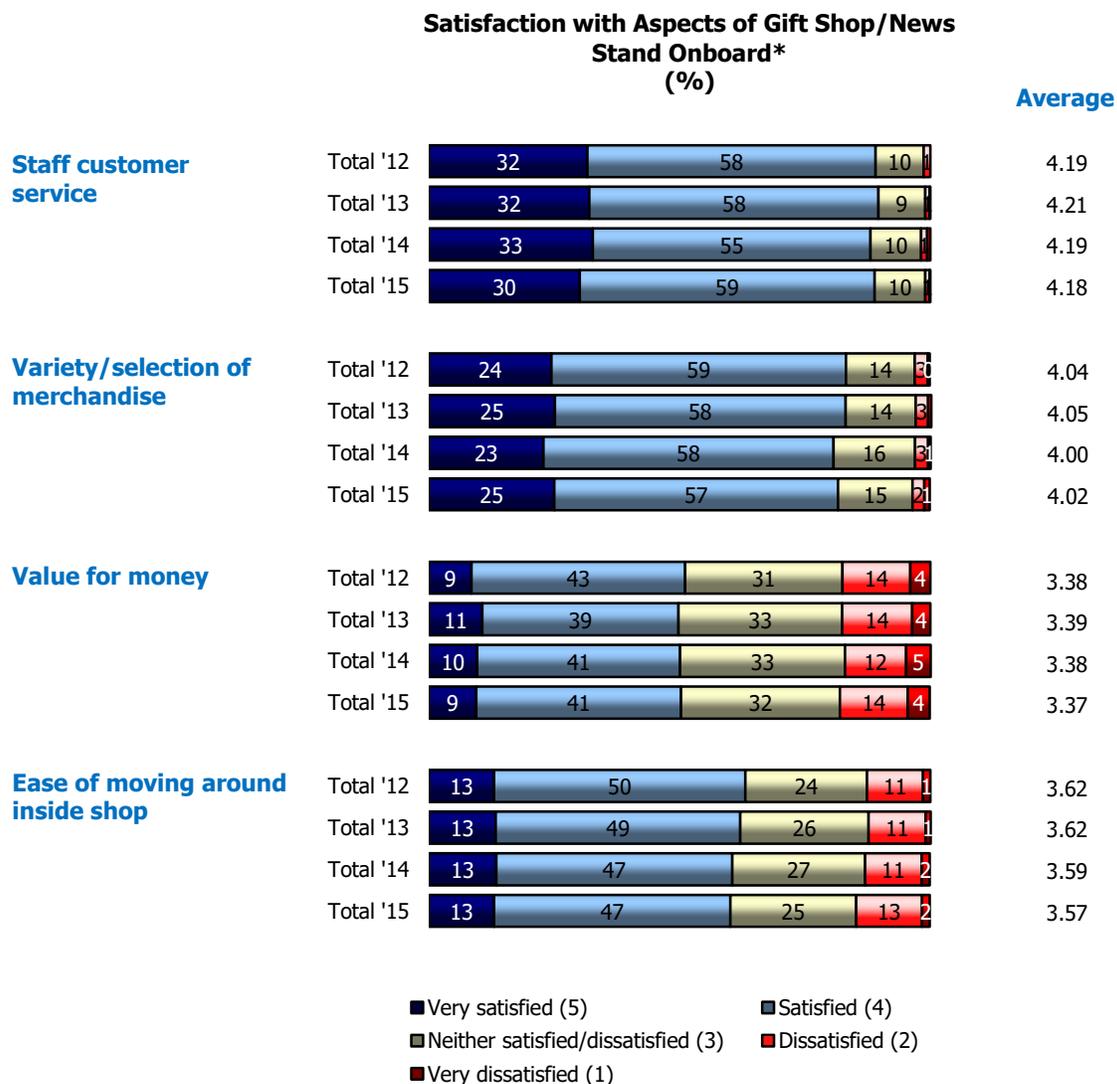


Q.3) Please rate how satisfied or dissatisfied you were with each of the following.



**Onboard Gift Shop/News Stand**

No changes are registered in satisfaction ratings for different aspects of the onboard gift shop/news stand.



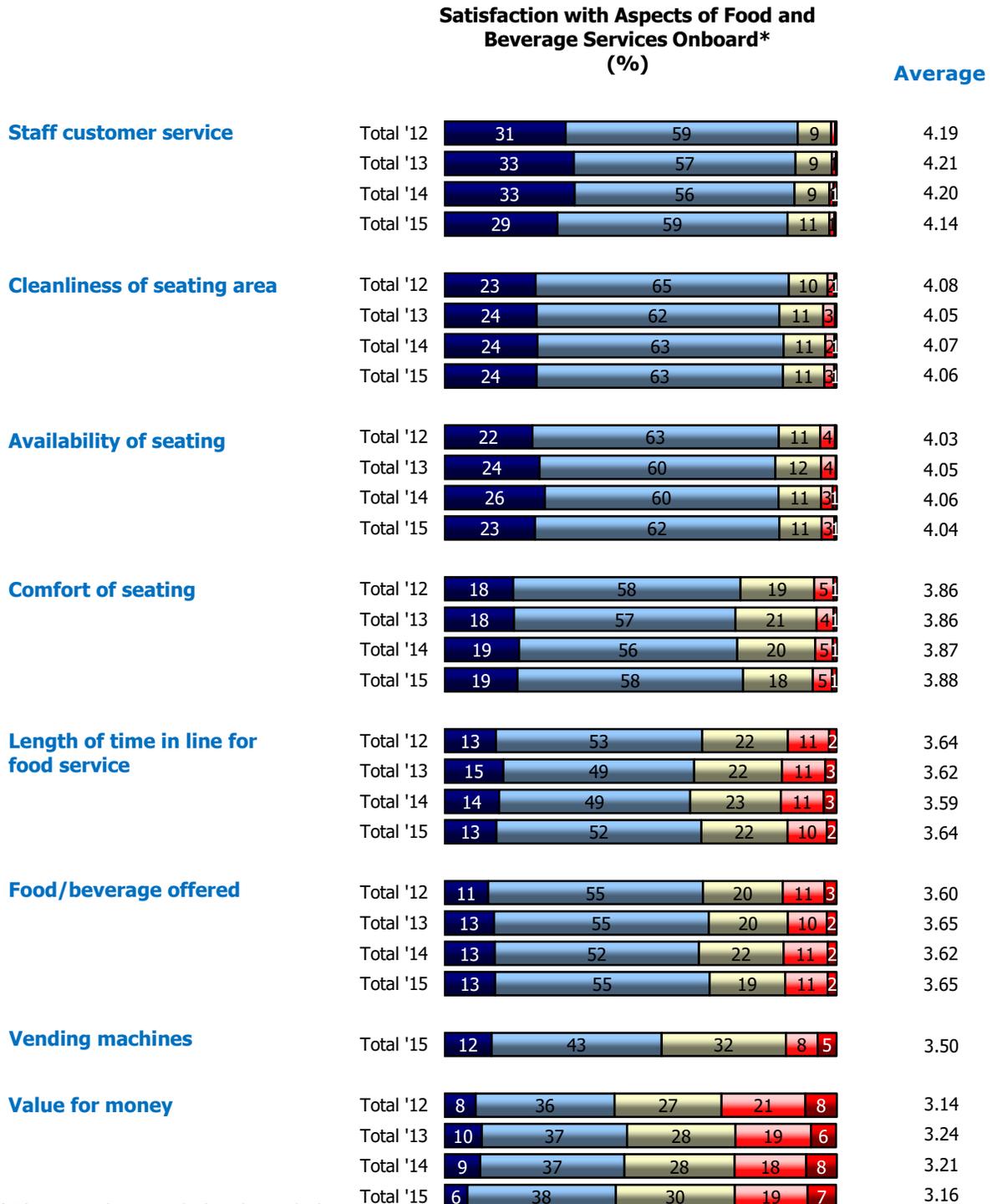
Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

\* Excludes Routes 4 & 19.

Usage: 56% gift shop/news stand.

**Onboard Food Services**

Aside from a decrease for staff customer service, satisfaction levels with other onboard food services are unchanged. Satisfaction with onboard vending machines, a new service aspect added to the tracking program in 2015, registered an average score of 3.50.



Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

\* Excludes Routes 4 & 19.

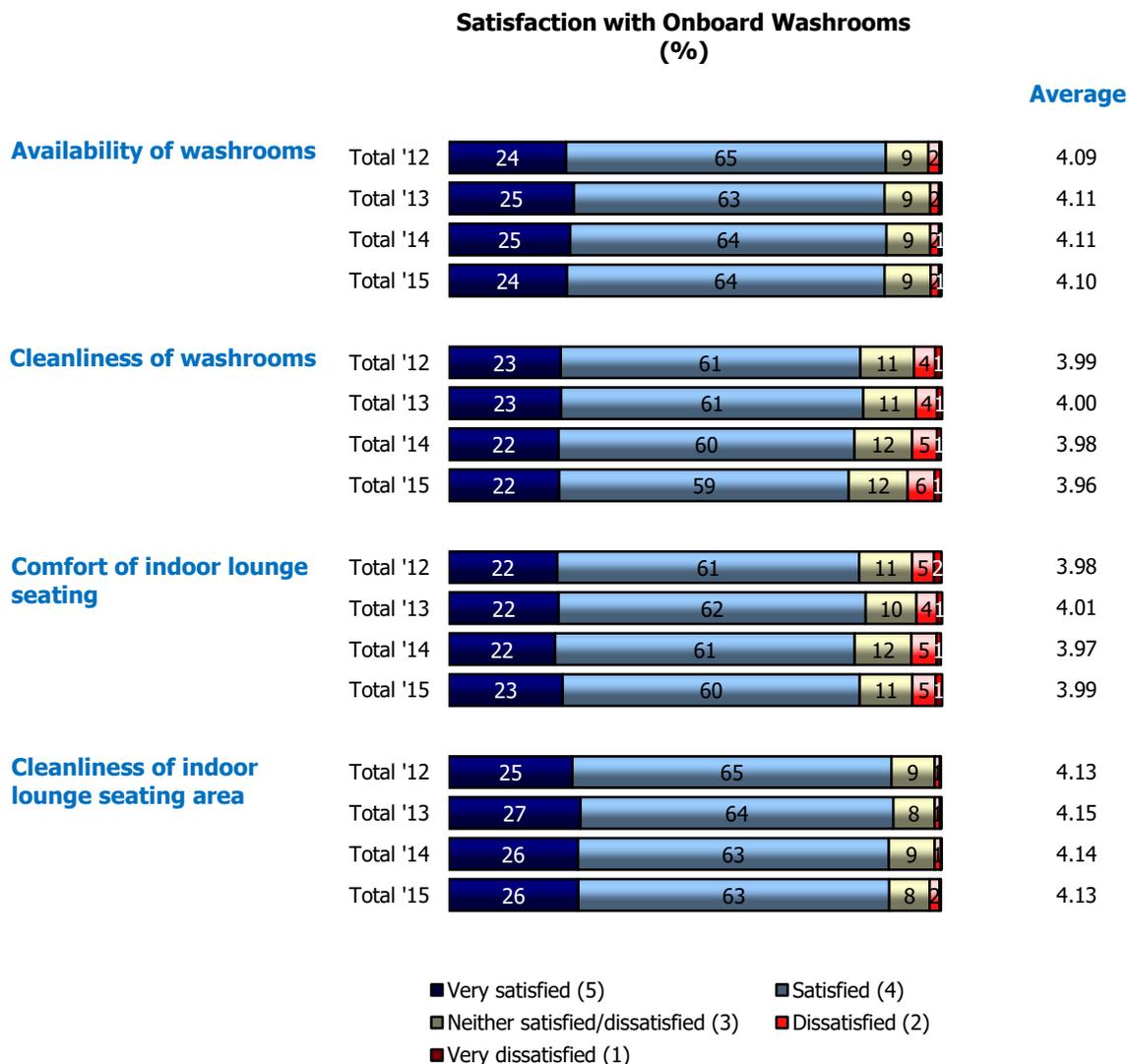
Usage: 70% food & beverage services.

- Very satisfied (5)
- Satisfied (4)
- Neither satisfied/dissatisfied (3)
- Dissatisfied (2)
- Very dissatisfied (1)

**Onboard Washrooms and Onboard Seating**

Washroom availability and cleanliness ratings continue to be stable.

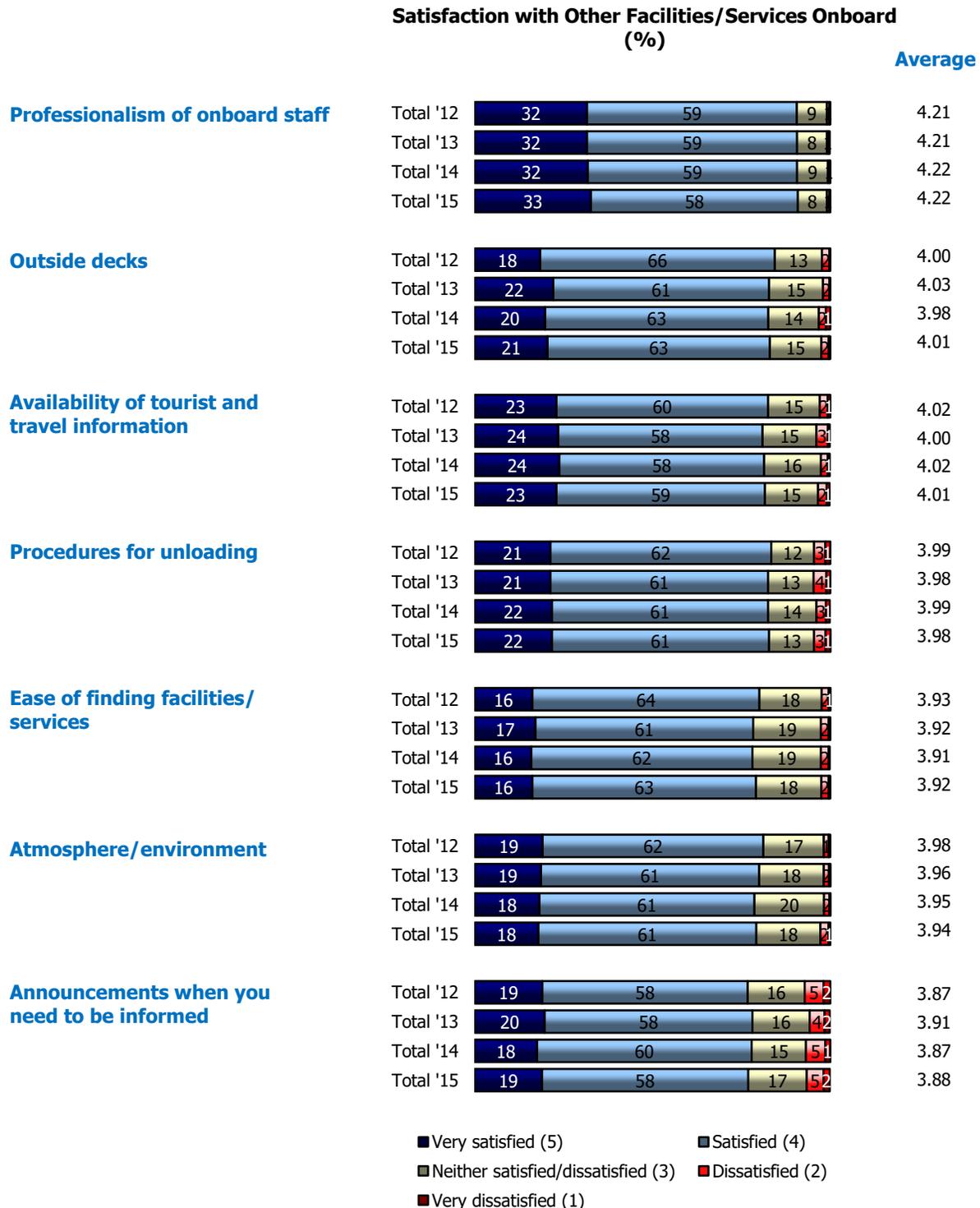
As well, ratings are also relatively unchanged for onboard seating.



Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

**Other Onboard Facilities/Services**

Furthermore, satisfaction levels with other onboard facilities and services remain consistent. Pet area satisfaction, a new onboard service aspect added in 2015 registers a 3.28 average score.



Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

**Satisfaction with Other Facilities/Services Onboard  
(cont'd) (%)**

					<b>Average</b>		
<b>Outside appearance of the vessel overall</b>	Total '12	21	58	19	2	3.97	
	Total '13	21	60	18	1	4.00	
	Total '14	20	60	18	2	3.97	
	Total '15	19	60	19	2	3.95	
<b>Play area for children*</b>	Total '12	18	47	22	10	3	3.68
	Total '13	16	48	25	7	4	3.64
	Total '14	13	47	28	8	5	3.56
	Total '15	14	43	28	11	4	3.51
* Excludes Routes 4 & 19.							
<b>Pet area*</b>	Total '15	18	17	40	24	3.28	
* Excludes Routes 4 & 19.							
<b>Work stations*</b>	Total '12	18	57	18	6	1	3.84
	Total '13	15	57	18	7	2	3.76
	Total '14	13	49	23	11	4	3.55
	Total '15	14	51	23	10	3	3.63
* Excludes Routes 4, 19, 5 & 5A.							
<b>Clarity of public address system</b>	Total '12	16	55	17	9	3	3.73
	Total '13	17	53	19	8	3	3.74
	Total '14	15	54	18	10	3	3.70
	Total '15	17	53	19	9	3	3.73
<b>Video arcade*</b>	Total '12	15	35	38	8	4	3.49
	Total '13	17	41	30	7	5	3.57
	Total '14	10	35	42	7	7	3.34
	Total '15	15	29	38	12	7	3.33
* Excludes Routes 4 & 19.							
<b>Ease of access for people with disabilities</b>	Total '12	18	51	20	8	3	3.74
	Total '13	19	49	21	8	4	3.70
	Total '14	19	51	19	7	3	3.75
	Total '15	17	49	22	9	4	3.67
<p> <span style="display: inline-block; width: 10px; height: 10px; background-color: #000080; border: 1px solid black;"></span> Very satisfied (5)                          <span style="display: inline-block; width: 10px; height: 10px; background-color: #000080; border: 1px solid black;"></span> Satisfied (4)                 </p> <p> <span style="display: inline-block; width: 10px; height: 10px; background-color: #808080; border: 1px solid black;"></span> Neither satisfied/dissatisfied (3)                          <span style="display: inline-block; width: 10px; height: 10px; background-color: #FF0000; border: 1px solid black;"></span> Dissatisfied (2)                 </p> <p> <span style="display: inline-block; width: 10px; height: 10px; background-color: #800000; border: 1px solid black;"></span> Very dissatisfied (1)                 </p>							

Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

## Sailing Schedules

### Various Aspects of Sailing Schedules

Following decreases in many aspects of sailing schedules in 2014, results have mostly stabilised but with improvements in satisfaction for *ferry sailing frequent enough* (3.40 to 3.49) and *ferry departing on time* (3.73 to 3.82).

	Satisfaction with Sailing Schedules (%)					Average	
<b>Earliest ferry early enough</b>	Total '12	28	56	9	5	3	4.02
	Total '13	28	55	10	5	2	4.01
	Total '14	26	55	10	6	4	3.94
	Total '15	26	57	9	5	3	3.97
<b>Ferry departing on time</b>	Total '12	26	51	13	8	3	3.89
	Total '13	25	48	14	9	4	3.80
	Total '14	22	48	16	9	5	3.73
	Total '15	25	49	14	8	4	3.82
<b>Ability to get on to desired sailing</b>	Total '12	24	55	11	6	3	3.90
	Total '13	25	51	12	8	4	3.85
	Total '14	22	51	14	8	5	3.76
	Total '15	23	50	14	9	5	3.78
<b>Ferry sailing frequent enough</b>	Total '12	18	48	16	13	6	3.59
	Total '13	17	46	17	14	6	3.54
	Total '14	16	41	18	16	8	3.40
	Total '15	16	46	17	14	7	3.49
<b>Latest ferry late enough</b>	Total '12	20	44	13	15	9	3.52
	Total '13	19	45	13	14	8	3.52
	Total '14	19	43	13	15	10	3.45
	Total '15	18	47	11	14	9	3.52
<b>Ability to connect with other sailings*</b>	Total '12	14	38	18	17	13	3.24
	Total '13	14	46	14	13	13	3.35
	Total '14	10	36	22	14	18	3.05
	Total '15	12	38	15	17	18	3.10

\* Based on total connecting to another ferry (n=289).

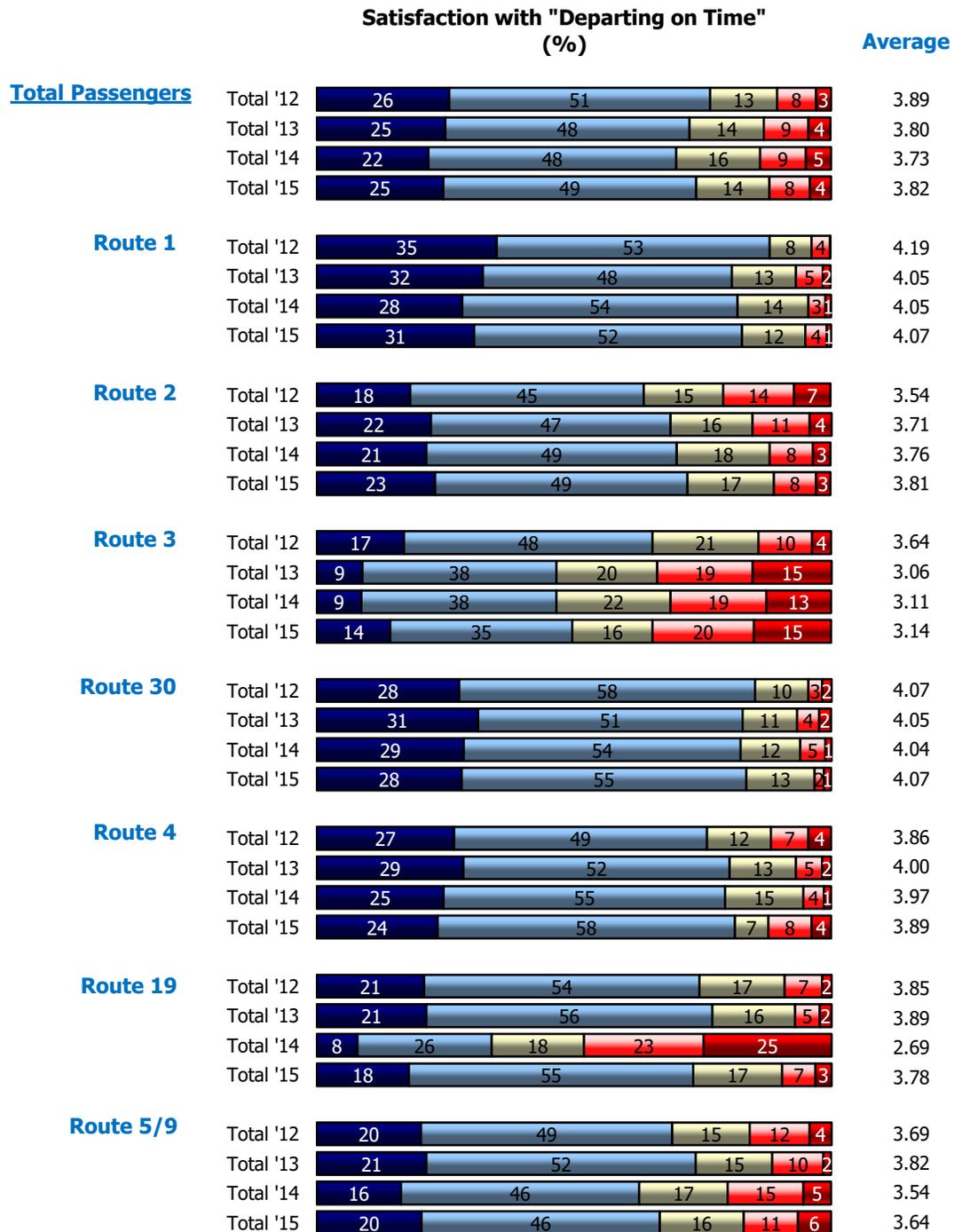
Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

- Very satisfied (5)
- Satisfied (4)
- Neither satisfied/dissatisfied (3)
- Dissatisfied (2)
- Very dissatisfied (1)

**Departing on Time**

The following chart details the ratings for “departing on time” by route. Most register slight increases, particularly on Route 19 where after a significant drop the average score has rebounded (3.78, up from 2.69).

[NOTE: Refer to page 5 or page 34 for Route number codes]

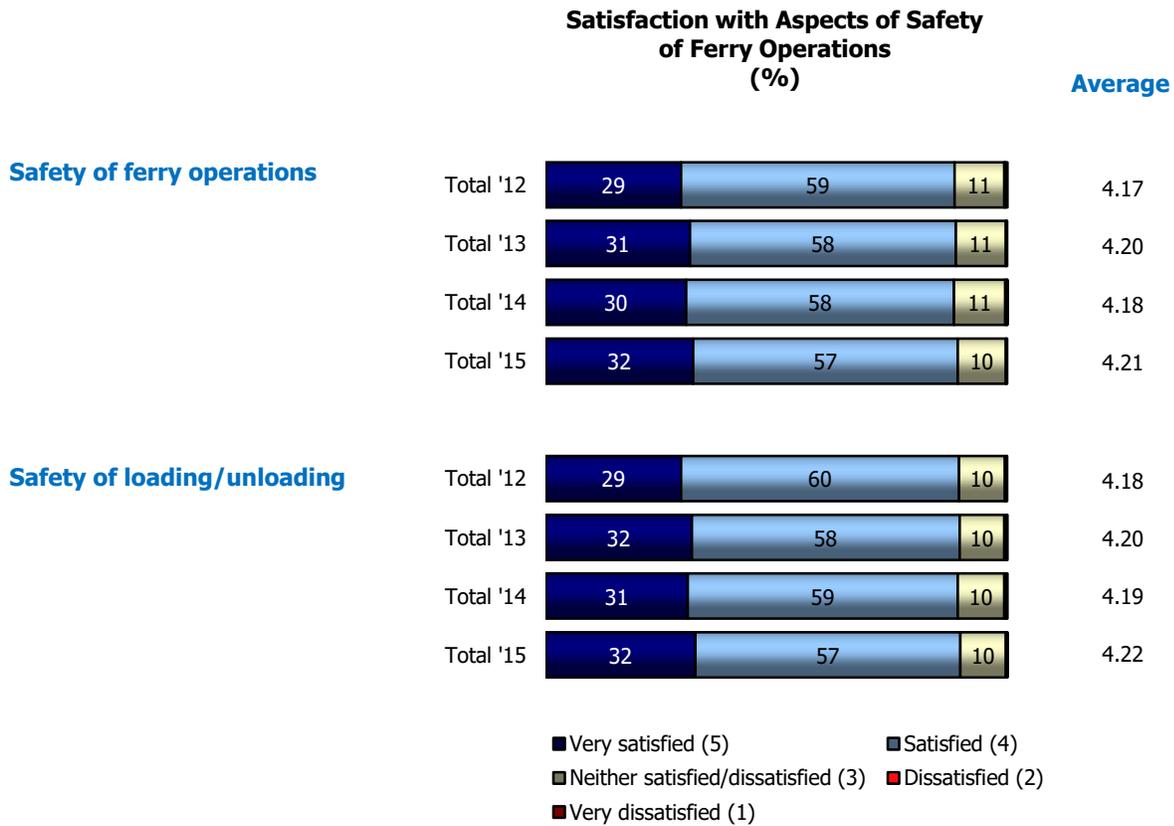


Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

- Very satisfied (5)
- Satisfied (4)
- Neither satisfied/dissatisfied (3)
- Dissatisfied (2)
- Very dissatisfied (1)

## Safety

Perceptions of safety aspects have improved compared to the past year.

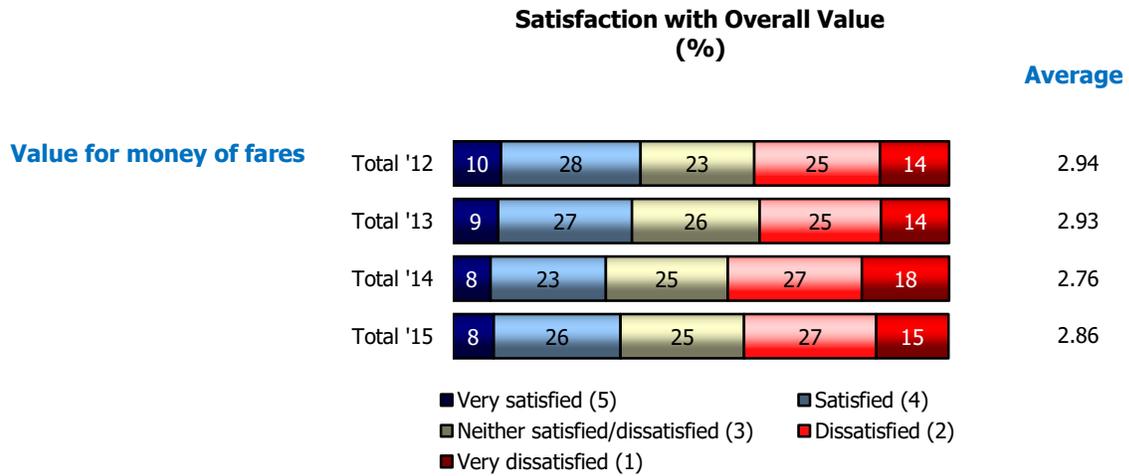


Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

## Overall Value

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The average satisfaction rating for overall value for money for fares stands at 2.86 in 2015, rebounding following the drop to 2.76 score last year.



Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

## Appendices

### Route-by-Route Satisfaction Score for Each Attribute

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Ferry Routes Included in Customer Satisfaction Survey - 2015	
Route No.	Description of Route
Route 1	Tsawwassen-Swartz Bay
Route 2	Horseshoe Bay-Departure Bay
Route 3	Horseshoe Bay-Langdale
Route 30	Tsawwassen-Duke Point
Route 4	Swartz Bay-Fulford Harbour, Salt Spring Island
Route 19	Departure Bay–Descanso Bay, Gabriola Island
Route 5/9	Southern Gulf Islands (from Swartz Bay/from Tsawwassen)

**NOTE:** Combined, these routes represent approximately 80% of the annual passenger traffic volume on BC Ferries.

Average Satisfaction Ratings by Route – All Waves 2015											
(See page 27 for Route Number Codes)											
	Total	Larger Routes					Route 3	Smaller Routes			
		Total	1	2	30	Total		4	19	5/9	
<b>OVERALL EXPERIENCE</b>											
Trip overall	4.14	4.21	4.27	4.12	4.19	3.88	4.1	4.13	3.98	4.15	
<b>BEFORE ARRIVING AT TERMINAL</b>											
Usefulness of BC Ferries website	4.09	4.16	4.14	4.20	4.12	3.89	3.98	4.05	3.92	3.99	
Ease of using on-line reservations	3.97	4.06	4.07	4.10	3.98	3.69	3.78	3.52	3.71	3.90	
Usefulness of BC Ferries phone service	3.60	3.69	3.89	3.55	3.46	3.09	3.64	3.56	3.19	3.89	
Ease of using automated phone service	3.30	3.41	3.60	3.24	3.18	2.83	3.33	3.32	2.88	3.55	
Highway signage	3.99	4.05	4.12	3.93	4.07	3.84	3.85	3.93	3.77	3.85	
<b>TERMINAL EXPERIENCE</b>											
Terminal overall	4.07	4.11	4.14	4.07	4.11	3.90	4.06	4.05	3.96	4.12	
Outside appearance of the terminal	4.04	4.08	4.10	4.05	4.10	3.87	3.99	3.94	3.87	4.09	
<b>Ticket Purchase</b>											
Efficiency of the transaction	4.42	4.46	4.49	4.42	4.43	4.23	4.44	4.38	4.40	4.49	
Staff customer service	4.40	4.44	4.44	4.42	4.45	4.21	4.44	4.36	4.49	4.45	
Clarity of staff directions	4.36	4.39	4.40	4.38	4.40	4.19	4.36	4.29	4.46	4.33	
<b>Food &amp; Beverage Services at the Terminal</b>											
Food beverages offered	3.60	3.64	3.66	3.58	3.70	3.50	3.43	3.11	-	3.57	
Vending machines	3.28	3.38	3.41	3.40	3.29	3.15	2.95	2.69	2.91	3.12	
Value for money	3.02	3.06	3.11	2.96	3.07	2.87	2.93	2.70	2.62	3.14	
<b>Gift Shop/ News Stand at the Terminal</b>											
Variety/ selection of merchandise	3.88	3.89	3.89	3.90	3.85	4.00	3.59	3.24	-	3.72	
Value for money	3.34	3.34	3.40	3.28	3.31	3.40	3.21	2.71	-	3.43	
<b>Outdoor Market Area at the Terminal</b>											
Variety/ selection of merchandise	3.55	3.64	3.70	3.64	3.51	3.12	3.54	3.42	-	3.61	
Value for money	3.30	3.36	3.38	3.32	3.36	2.98	3.34	3.10	-	3.47	
Play area for children	3.75	3.82	3.87	-	3.76	-	3.47	3.42	-	3.51	
Pet area	3.41	3.34	3.35	-	3.31	-	3.55	3.20	-	3.67	
<b>Other Terminal Services</b>											
Clarity of public address system	3.60	3.62	3.64	3.59	3.64	3.57	3.49	3.59	3.24	3.57	
Announcements when you need to be informed	3.79	3.83	3.84	3.77	3.87	3.72	3.69	3.76	3.50	3.75	
Overall look & décor inside terminal	3.87	3.91	3.90	3.92	3.89	3.71	3.86	3.69	-	3.95	
Availability of washrooms	4.08	4.11	4.13	4.07	4.13	4.01	4.04	4.03	3.93	4.12	
Cleanliness of washrooms	3.99	4.02	4.05	3.94	4.04	3.82	4.07	4.01	4.02	4.14	
Procedures for loading	4.06	4.11	4.17	4.01	4.10	3.90	3.99	3.99	4.01	3.98	
Professionalism of terminal staff	4.21	4.24	4.28	4.18	4.21	4.07	4.22	4.18	4.30	4.20	

continued...

Average Satisfaction Ratings by Route – All Waves 2015											
(See page 27 for Route Number Codes)											
	Total	Larger Routes					Route 3	Smaller Routes			
		Total	1	2	30	Total		4	19	5/9	
<b>Foot Passenger Services at the Terminal</b>											
Usefulness of TV info screens	3.71	3.73	3.74	3.67	3.79	3.64	3.53	3.53	-	-	
Availability of parking spaces	3.63	3.77	3.85	3.61	3.95	3.44	3.22	2.81	2.68	4.04	
Parking value for money	2.87	2.76	2.84	2.66	2.78	3.09	3.13	2.57	3.34	3.17	
Ease of using passenger drop-off/ pick-up area	3.95	3.97	4.01	3.87	4.07	4.04	3.83	3.68	3.58	4.10	
Availability of seating in pre-boarding lounge at terminal	3.61	3.53	3.39	3.66	3.93	3.66	3.89	3.8	3.82	4.00	
Comfort of seating in pre-boarding lounge at terminal	3.60	3.60	3.54	3.64	3.74	3.54	3.66	3.64	3.41	3.87	
Cleanliness of pre-boarding lounge	3.96	3.96	3.91	4.01	4.13	3.87	4.02	3.9	3.95	4.12	
<b>ONBOARD EXPERIENCE</b>											
Onboard overall	4.1	4.13	4.17	4.06	4.12	4.02	4.07	4.01	3.96	4.17	
<b>Gift Shop/ News Stand</b>											
Variety/ selection of merchandise	4.02	4.03	4.02	4.06	4.01	4.02	3.88	-	-	3.88	
Staff courtesy	4.18	4.19	4.23	4.19	4.07	4.13	4.22	-	-	4.22	
Ease of moving around inside shop	3.57	3.57	3.69	3.41	3.55	3.48	3.73	-	-	3.73	
Value for money	3.37	3.37	3.47	3.28	3.28	3.3	3.59	-	-	3.59	
<b>Food Services</b>											
Length of time in line for food services	3.64	3.64	3.69	3.58	3.60	3.59	3.74	-	-	3.74	
Food/ beverages offered	3.65	3.66	3.67	3.64	3.69	3.69	3.38	-	-	3.38	
Staff customer service	4.14	4.15	4.19	4.09	4.15	4.08	4.20	-	-	4.20	
Availability of seating	4.04	4.03	4.01	4.02	4.14	4.04	4.13	-	-	4.13	
Comfort of seating	3.88	3.87	3.87	3.85	3.91	3.86	3.96	-	-	3.96	
Cleanliness of seating area	4.06	4.06	4.05	4.05	4.10	4.04	4.13	-	-	4.13	
Vending machines	3.50	3.56	3.63	3.47	3.56	3.47	3.10	2.72	-	3.23	
Value for money	3.16	3.19	3.25	3.12	3.14	3.04	3.15	2.70	-	3.26	
<b>Washrooms</b>											
Availability of washrooms	4.10	4.11	4.13	4.08	4.12	4.07	4.05	3.98	3.95	4.14	
Cleanliness of washrooms	3.96	3.97	4.01	3.89	4.01	3.83	4.01	3.85	3.91	4.14	
<b>Lounge Seating</b>											
Comfort of indoor lounge seating	3.99	4.02	4.07	3.94	4.05	4.01	3.80	3.51	3.55	4.06	
Cleanliness of indoor lounge seating area	4.13	4.15	4.18	4.09	4.16	4.07	4.09	3.90	3.97	4.23	

continued...

Average Satisfaction Ratings by Route – All Waves 2015										
(See page 27 for Route Number Codes)										
	Total	Larger Routes				Route	Smaller Routes			
		Total	<u>1</u>	<u>2</u>	<u>30</u>	<u>3</u>	Total	<u>4</u>	<u>19</u>	<u>5/9</u>
<b>Other Onboard Facilities/ Services</b>										
Play area for children	3.51	3.56	3.79	3.32	3.47	3.44	3.07	-	-	3.07
Pet area	2.32	2.33	2.12	2.17	2.88	2.72	1.91	-	-	1.91
Video arcade	3.33	3.35	3.59	3.13	3.08	3.21	3.44	-	-	3.44
Work stations	3.63	3.62	3.70	3.45	3.68	3.66	3.62	-	-	3.62
Outside decks	4.01	4.05	4.10	3.97	4.02	3.91	3.92	3.94	3.80	3.98
Outside appearance of the vessel overall	3.95	3.99	4.07	3.88	3.96	3.82	3.89	3.93	3.86	3.88
Availability of tourist and travel information	4.01	4.05	4.06	4.04	4.01	3.98	3.84	3.76	3.42	4.03
Ease of access, overall, for people with disabilities	3.67	3.77	3.80	3.65	3.93	3.46	3.45	3.39	3.19	3.70
Ease of finding facilities/ services	3.92	3.94	3.94	3.94	3.92	3.89	3.86	3.71	3.68	4.02
Clarity of public address system	3.73	3.75	3.71	3.73	3.93	3.79	3.59	3.68	3.17	3.77
Announcements when you need to be informed	3.88	3.89	3.87	3.86	4.04	3.85	3.80	3.77	3.51	3.97
Atmosphere/ environment	3.94	3.95	3.95	3.93	4.03	3.92	3.88	3.74	3.73	4.04
Procedures for unloading	3.98	4.02	4.07	3.93	4.04	3.85	3.94	3.94	3.86	3.99
Professionalism with onboard staff	4.22	4.24	4.28	4.20	4.20	4.13	4.23	4.21	4.26	4.22
<b>Experience with the Sailing Schedule</b>										
Earliest ferry earliest enough	3.97	4.01	4.01	4.02	4.02	3.99	3.81	3.95	3.55	3.89
Latest ferry late enough	3.52	3.65	3.79	3.36	3.74	3.07	3.45	3.14	3.49	3.59
Ferry sailing frequent enough	3.49	3.66	3.86	3.42	3.49	2.96	3.25	3.41	3.24	3.16
Ability to get onto desired ferry	3.78	3.87	4.02	3.67	3.77	3.37	3.76	3.83	3.44	3.91
Ability to connect with other sailings (based on those connecting)	3.10	3.30	3.40	3.02	3.95	2.56	3.33	3.54	2.92	3.52
Ferry departing on time	3.82	3.99	4.07	3.81	4.07	3.14	3.74	3.89	3.78	3.64
<b>Safety</b>										
Safety of ferry operations	4.21	4.24	4.29	4.17	4.20	4.10	4.16	4.18	4.12	4.18
Safety of loading/unloading	4.22	4.25	4.30	4.19	4.20	4.12	4.18	4.20	4.16	4.17
<b>OVERALL VALUE</b>										
<b>Value for money of fares</b>	<b>2.86</b>	<b>2.90</b>	<b>3.05</b>	<b>2.72</b>	<b>2.79</b>	<b>2.69</b>	<b>2.84</b>	<b>2.84</b>	<b>2.66</b>	<b>2.96</b>

<b>TERMINAL ATTRIBUTES ONLY - Satisfaction Ratings by Terminal - All Waves 2015-</b>							
	<b>Total</b>	<b>Terminals</b>					
		<b>Tsawwassen</b>	<b>Swartz Bay</b>	<b>Horseshoe Bay</b>	<b>Departure Bay</b>	<b>Langdale</b>	<b>Duke Point</b>
<b>OVERALL EXPERIENCE</b>							
Trip overall	4.14	4.22	4.29	4.00	4.14	3.92	4.16
<b>TERMINAL EXPERIENCE</b>							
Terminal overall	4.07	4.17	4.10	3.97	4.13	3.89	4.09
Outside appearance of the terminal	4.04	4.13	4.07	3.94	4.19	3.79	4.07
<b>Ticket Purchase</b>							
Efficiency of the transaction	4.42	4.47	4.48	4.36	4.44	4.15	4.50
Staff customer service	4.4	4.46	4.42	4.35	4.43	4.17	4.45
Clarity of staff directions	4.36	4.41	4.37	4.31	4.39	4.15	4.46
<b>Food &amp; Beverage Services at the Terminal</b>							
Food beverages offered	3.60	3.73	3.58	3.47	3.62	3.60	3.57
Vending machines	3.28	3.44	3.32	3.05	3.67	3.28	3.13
Value for money	3.02	3.14	3.06	2.92	2.94	2.92	2.96
<b>Gift Shop/ News Stand at the Terminal</b>							
Variety/ selection of merchandise	3.88	3.88	3.85	3.96	3.91	3.96	3.80
Value for money	3.34	3.42	3.31	3.37	3.28	3.29	3.16
<b>Outdoor Market Area at the Terminal</b>							
Variety/ selection of merchandise	3.55	3.64	3.74	3.39	3.68	3.16	3.34
Value for money	3.30	3.35	3.42	3.24	3.27	2.97	3.28
Play area for children	3.75	3.96	3.63	-	-	-	3.74
Pet area	3.41	3.54	3.19	-	-	-	2.76
<b>Other Terminal Services</b>							
Clarity of Public address system	3.60	3.60	3.65	3.59	3.59	3.57	3.75
Announcements when you need to be informed	3.79	3.80	3.86	3.75	3.78	3.72	3.98
Overall look & décor inside terminal	3.87	3.90	3.88	3.80	4.02	3.62	3.89
Usefulness of TV info screens	3.71	3.78	3.69	3.64	3.75	3.52	3.81
Availability of washrooms	4.08	4.10	4.14	4.00	4.13	4.04	4.16
Cleanliness of washrooms	3.99	4.06	4.02	3.83	4.05	3.83	4.07
Procedures for loading	4.06	4.17	4.12	3.91	4.07	3.96	4.15
Professionalism of terminal staff	4.21	4.26	4.26	4.11	4.21	4.09	4.24
<b>Foot Passenger Services at the Terminal</b>							
Availability of parking spaces	3.63	3.73	3.93	3.61	3.48	3.45	4.17
Parking value for money	2.87	2.58	3.01	2.78	2.55	3.42	3.21
Ease of using passenger drop-off/ pick-up area	3.95	4.02	4.00	3.89	3.91	4.15	4.13
Availability of seating in pre-boarding lounge at terminal	3.61	3.37	3.51	3.58	4.04	3.35	4.14
Comfort of seating in pre-boarding lounge at terminal	3.60	3.52	3.62	3.54	3.92	3.32	3.75
Cleanliness of pre-boarding lounge	3.96	3.90	3.94	3.91	4.16	3.78	4.21
<b>OVERALL VALUE</b>							
Value for money of fares	2.86	2.96	3.06	2.67	2.77	2.72	2.76

## Research Methodology

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### ***Background***

British Columbia Ferry Services Inc. (BC Ferries) commissioned tracking research to gauge customer satisfaction on specific BC Ferries Routes to determine and monitor areas of service that patrons believe are performing favourably and areas requiring improvement. Ultimately, this research will contribute to product and service enhancements for an improved service for BC Ferries travellers.

### ***Project Overview***

The 2003 Customer Satisfaction Tracking Study acted as a baseline for the newly formed B.C. Ferry Services Inc. and was designed to track performance on satisfaction levels overall and with specific service attributes. Once a year, the annual satisfaction scores will be published on the BC Ferries website as required by the Coastal Ferry Services Contract.

The study is designed to provide input to the Corporate Strategic Plan and to regular service and marketing plans.

### ***Research Objectives***

The specific objectives are as follows:

- Determine BC Ferries' customers' satisfaction levels overall with BC Ferries' service,
- Determine satisfaction with the specific attributes of the service,
- Uncover the relative importance of attributes,
- Measure satisfaction with attributes that span the entire range of points of customer contact with BC Ferries,
- Track changes in satisfaction over time, and across customer segments,
- Identify the critical improvements to the current service offering that will have the greatest impact on customer satisfaction,
- Ensure the tracking research is relevant and credible enough to pass internal and external scrutiny.

## **Quantitative Tracking Research**

First, a random sample of passengers was intercepted onboard to collect key “screener” data including frequency of travel on BC Ferries, purpose of trip, area of residence, origin/destination, and standard demographic questions. Each questionnaire also included coding of the route, the departure time, location of interview, the vessel name and any other information of value for analysis. This information was collected in the form of a “batch header”, which was attached to all the “screeners” completed on each sailing.

Immediately following this “screener”, passengers are given a longer follow-up survey to complete after they disembark and leave the terminal area. The method for returning the completed survey has been via a postage pre-paid envelope but starting in June 2015, this was modified to include the option to complete online. This is accomplished by adding a web survey address and unique survey code to the printed survey handed to passengers agreeing to participate. Respondents are instructed to complete the survey as to their preferred method (either on paper or online) within 48 hours of receiving it to ensure top-of-mind experiences are recorded.

This self-administered portion of the survey was designed to capture satisfaction and usage information from all potential points of contact for the *last* trip—from initial information requests, access to terminal, and ticket sales, to onboard, disembarking and post-travel experience. It included:

- an overall satisfaction measure
- service/facility attribute satisfaction ratings
- expenditure data
- problems encountered and responsiveness of personnel in resolving problems
- suggested changes or additions that would enhance the experience

The survey instrument was designed in full consultation with BC Ferries.

### **Sample Size**

The total sample of placements was disproportionately distributed across larger and smaller routes to ensure a minimum number of interviews per route for reliability. In June 2015, and continuing since, minor reductions in sample sizes were applied to Route 4 and to the South Gulf Island routes, bringing their proportions more inline with actual passenger traffic while still maintaining statistical reliability.

Routes surveyed and the number of screeners and completed returned surveys from each route during this measure are as follows:

	<b>All Waves 2015</b>	
	<b>Screeners</b>	<b>Returns</b>
Route 1: Tsawwassen-Swartz Bay	1,653	694
Route 2: Horseshoe Bay-Departure Bay	1,728	725
Route 3: Horseshoe Bay-Langdale	1,309	509
Route 30: Tsawwassen-Duke Point	1,027	498
Route 4: Swartz Bay-Fulford Harbour, Saltspring Island	822	341
Route 19: Departure Bay–Descanso Bay, Gabriola Island	945	366
Route 5/9: Southern Gulf Islands	1,514	689
<b>TOTAL</b>	<b>8,998</b>	<b>3,822*</b>

\* Return method: 85% paper, 15% online

### **Sample Validation and Weighting**

The data was weighted to bring them into their correct proportions, based on known statistics for the field period. Data was weighted to match actual passenger distribution:

- within each wave, by routes selected for surveying,
- within each route by daypart,
- within each route by weekday and weekend traffic, and
- by known BC Ferries traffic volume by wave

The weighting procedures have been professionally scrutinized and approved by a professional statistician specializing in transportation research.

The table following outlines the actual and weighted distributions of the sample.

<b>Actual &amp; Weighted Distribution of the Sample</b>				
<b>–All Waves 2015 –</b>				
	<b>Screeners</b>		<b>Returns</b>	
	<u>Actual</u> (8,998) %	<u>Weighted</u> (8,998) %	<u>Actual</u> (3,822) %	<u>Weighted</u> (3,822) %
<b>Weekend</b>				
Route: 1	6	13	6	14
2	7	7	7	8
3	4	5	4	5
30	5	3	5	4
4	3	1	3	1
19	3	1	3	1
5/9	7	2	7	2
<b>Weekday</b>				
Route: 1	12	24	12	23
2	12	14	12	14
3	10	11	10	10
30	7	6	8	7
4	6	3	6	3
19	7	4	7	4
5/9	10	4	11	5

## ***Data Collection***

The interviewers for this study were personal intercept staff who have completed rigorous training and are experienced with general public studies as well as business-to-business studies. A detailed briefing of interviewing staff was attended by the field director, supervisory staff and the project director.

So that a proper representation of ferry travellers was interviewed, interviewers were trained in the following techniques and randomization procedures, which were strictly adhered to:

- Passengers were approached as soon as they were seated and where necessary, minimum age verified (18 years and over).
- An interview with every 5th person was attempted.
- Passengers in small as well as large groups were approached; respondents were instructed to complete the survey individually, not as a group.
- All areas of the vessel were covered - cafeteria, snack bar, all lounge areas, outer decks and vehicle; interviewers moved to each of these areas every 15 minutes on major routes and every 5 minutes on minor routes.
- Both foot and vehicle passengers were approached.
- Where possible, and to correct for inherent bias of foot to vehicle passengers (foot passengers are first on and last off), interviewing was conducted on parking decks with vehicle passengers after the announcement signaling arrival to port
- Interviewers were instructed not to accommodate patrons requesting a survey; however, if individuals were persistent a specially marked copy was provided allowing for its removal from the total.

## ***Data Analysis***

Senior coding staff was briefed on relevant information and nuances. Categories for open-end responses were developed under the guidance of the senior researcher and verification was performed by the coding supervisor.

The data entry system used for this study includes an internal edit, which is custom programmed. This immediate verification during the data entry process reduces entry errors and a further more detailed computer edit is performed after entry of the data.

For standard cross-tabulations, software designed expressly for marketing research was employed. Special editing and cleaning features of this database package ensure that the records are data entered and coded with accuracy. Further rigorous checks for inherent logic and consistency were performed prior to data tabulation.

## Response Rate

The following outlines the response rates achieved in 2015.

Response Rates	
<b><u>All Waves 2015</u></b>	
Route 1	42%
Route 2	42%
Route 3	39%
Route 30	48%
Route 4	41%
Route 19	39%
Route 5/9	46%
<b>Overall response</b>	<b>42%</b>

Overall, the tolerance limits for this measure at the 95% level of confidence, based on the most conservative case (i.e., a statistic of 50%) are as follows:

Tolerance Limits –All Waves 2015		
	<b><u>Actual Sample Size</u></b>	<b><u>Approximate Tolerance Limits % Points</u></b>
Total Screeners	8,998	+/- 1.0 %
Total Returns	3,822	+/- 1.5 %
<b>Individual Route Returns</b>		
Route 1	694	+/- 3.9%
Route 2	725	+/- 3.4%
Route 3	509	+/- 4.2%
Route 30	498	+/- 3.7%
Route 4	341	+/- 4.7%
Route 19	366	+/- 4.9%
Route 5/9	689	+/- 3.3%

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# **Complaints Resolution Report**

**Year Ended March 31, 2016**

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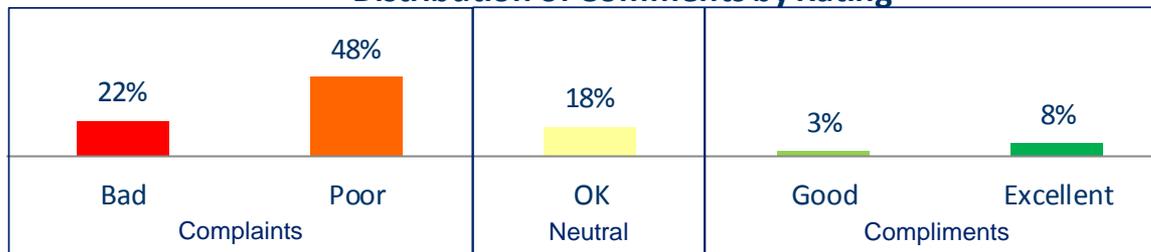
# Complaints Resolution Report Fiscal 2016



# Feedback Summary

- During the 2015/16 fiscal year (“Fiscal 2016”) 20.6 million customers travelled with BC Ferries
  - BC Ferries received 8,071 comments in Fiscal 2016
  - The average time to respond to customers was 4.8 days in Fiscal 2016

**Distribution of Comments by Rating**



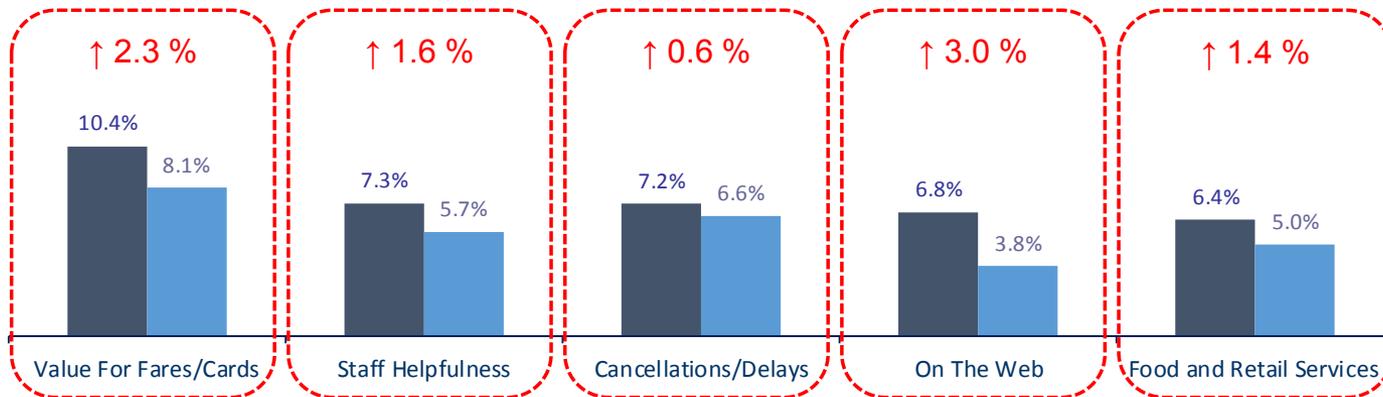
- Customer initiated feedback tends to be negative. 11% of all customer feedback received in Fiscal 2016 was complimentary
- “Value for Fare/Cards” was the top issue: 759 complaints\* were made, representing 10.4% of the total comments received in Fiscal 2016
  - Top five complaints combined represent 38% of all complaints received in Fiscal 2016
- “General” comments are excluded from this analysis, along with comments with no rating:
  - 659 “General” comments were received which were primarily made up of company information (418), community issues (185), and environment (56). 130 comments were provided with no rating.

\*Complaints = “bad” or “poor” rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to Mar 31, 2016

# Top Complaints\*: Corporate

#	Complaint	Fiscal 2016		Fiscal 2015	
		Complaints*	% of Comments (n=7,282)	Complaints*	% of Comments (n=7,215)
1	Value For Fares/Cards	759	10.4%	588	8.1%
2	Staff Helpfulness	531	7.3%	411	5.7%
3	Cancellations/Delays	527	7.2%	477	6.6%
4	On The Web	496	6.8%	275	3.8%
5	Food and Retail Services	466	6.4%	361	5.0%

## % of Comments



\*Complaints = "bad" or "poor" rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016  
 Fiscal 2015 = April 1, 2014 to March 31, 2015

■ Fiscal 2016 ■ Fiscal 2015

# Value For Fares/Cards

## Sample of Customer Comments:

### Complaints

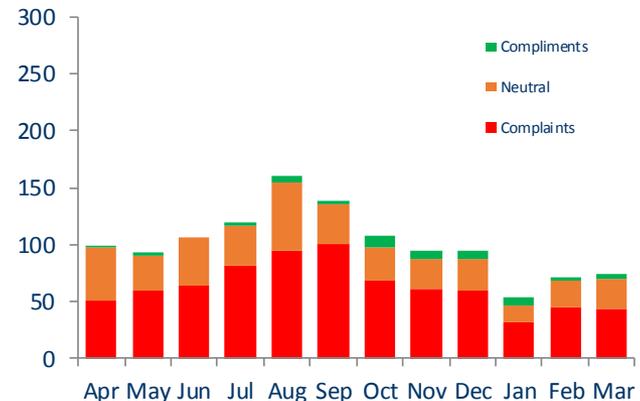
- “Got to Tsawwassen for travel on Tuesday, September 8th hoping to take advantage of the advertised discount rates but was very disappointed to be told at the ticket booth that I would be paying the full price for myself and passenger because we were not travelling between 11am and 3pm. We were on the 10am ferry and never heard/read anything about this detail in the advertising heard on CBC radio or written publications. So disappointed but I guess to be expected of BC Ferries.”
- “We are two retired seniors living in BC interior on fixed income. We recently decided to fulfill a dream to make the Prince Rupert to Port Hardy BC Ferry trip or if less costly use Port Hardy to Bella Coola. Now we are shocked to learn that the cost would be \$1200.00 for our SUV & tent trailer and the 2 of us. Good Grief!”

### Compliments

- “We really appreciated the discount RV fare this summer. As seniors on a fixed income it was great to be able to tow our trailer off Vancouver Island and enjoy a holiday in northern BC for a lot less by going on a Wednesday evening. Sad that the discounted fares ended before we came back. As seniors we tend to travel in the off season, maybe next year extend the discount through September?”
- “I am so HAPPY BC Ferries has finally lowered its fares, that I have pinned your url to my Twitter page! Thank you soooo much. Big ehug here!”

## Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Discount Fares/Promotions	224	153	40
Fares: Value for Fares Paid	211	25	6
Fares: Errors	139	47	2
Fares: Experience Card	100	100	5
Fares: Assured Loading Card	66	65	2
Fares: Credit/Debit Card	19	9	0
<b>% of all comments (7,282)</b>	<b>10.4%</b>	<b>5.5%</b>	<b>0.7%</b>



\*Complaints = “bad” or “poor” rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016

# Value For Fare/Cards

**Root Cause:**

Underlying our customers' views on value for fares are perceptions of fare affordability, service quality, efficiency and travel certainty. Changes in tariffs, whether they be system-wide adjustments or targeted discounts and promotions, will generate significant customer feedback on the overall value proposition of the BC Ferries travel experience.

**Lessons Learned:**

Fare affordability is a major concern for our customers and we continuously look for efficiencies as well as other opportunities to contain costs and increase ancillary revenue to reduce the upward pressure on fares.

Previously-offered fare promotions were well received by customers, and further promotions will be offered. The information BC Ferries gathers from these promotions about how customers respond to variable pricing options will help us as we prepare strategies for the launch of the Fare Flexibility and Digital Experience Initiative.

## Action Taken:

Throughout Fiscal 2016, BC Ferries offered the following promotions:

On select sailings from June 17 through September 13, 2015, customers with vehicles longer than 20 feet paid only \$2.00 per foot additional length charge on the Tsawwassen – Swartz Bay and the Tsawwassen – Duke Point routes. The promotion applied to Wednesday and Saturday sailings starting at 4:00 p.m. and Sunday sailings before 9:00 a.m. for both routes, departing from either terminal.

From September 8 to October 15, 2015, regular passenger fares were discounted by 50% on off-peak days of the week and certain off-peak times of the day on the major and minor routes. Customers travelling on the Northern Routes received this discount on all sailings from October 1 to 31, 2015.

From November 16 to December 19, 2015, standard vehicle fares were discounted by 50% on select Monday through Thursday and Saturday sailings on the major and minor routes. From November 15 to December 20, 2015, standard vehicle fares were discounted by 50% on all sailings on the northern routes.

From March 10 to 29, 2016, regular passenger fares were discounted by 30% on select Monday through Thursday and Saturday sailings on South Coast routes. From March 10 to 29, 2016 regular passenger fares were discounted by 30% on all sailings on North Coast routes.

On February 24, 2016, BC Ferries announced that for the first time in 13 years the average fares would remain effectively unchanged for the new fiscal year starting on April 1, 2016. Fares for vehicles and passengers were announced to rise by 1.9% on average on April 1, 2016. At the same time, an increase in the fuel rebate of 1.9% was implemented across the system, which completely offset the tariff increase and resulted in no net increase to our customers.

BC Ferries also announced that the cost of reservations, assured loading tickets and the buy-in level for Experience Cards would not increase on April 1, 2016.

# Staff Helpfulness

## Sample of Customer Comments:

### Complaints

- “We made a reservation today for the 3pm ferry on Sunday August 30. Our reservation number was xxx. The attendant accused us of booking it incorrectly and that we only made a reservation from Tsawwassen to Swartz Bay. Instead of accusing us of doing this wrong, she should have asked to check her system again. I thought this was very poor service and created unnecessary anxiety. We eventually sorted this out, but I think this could have been handled differently.”
- “I recently travelled on the ferry from Victoria to Vancouver and was served in the cafe by one of your employees. He was unbelievably rude and surly. He positively sneered in his rudeness. He has zero customer relations skills, appears to loathe his job and the customers. He was so rude to me and we then observed his rudeness to all other customers.”

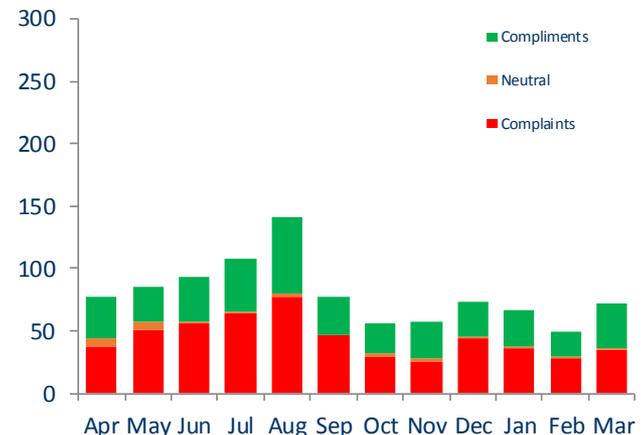
### Compliments

- “Hello! I am totally blown away by the service experience I received on Saturday, September 19th. xxx is a SERVICE HERO beyond measure. She stepped into a tricky situation (put on her cape) and came up with an amazing solution!! I commend her. I hope you do too.”
- “Shout out to the first aid attendant on the 10:00am sailing to Powell River who helped me when I really needed it! Got me in a wheel chair and safely to my mom who took me to the hospital. I don't remember your name but thank you so much! My mom and I hope this message reaches the woman on that ferry we are so grateful for her amazing customer service and help.”

\*Complaints = “bad” or “poor” rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016

## Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Inside the Terminal: Staff Helpfulness	269	13	115
On the Ship: Staff Helpfulness	120	9	218
Outside the Terminal: Staff Helpfulness	68	1	25
On the Phone: Information Accuracy	48	7	4
On the Phone: Agent Helpfulness	26	0	35
<b>% of all comments (7,282)</b>	<b>7.3%</b>	<b>0.4%</b>	<b>5.4%</b>



# Staff Helpfulness

**Root Cause:**

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employees can lead to customer dissatisfaction.

**Lessons Learned:**

Customer feedback represents opportunities to identify areas of improvement in customer service in general and with individual employees.

**Action Taken:**

Complaints regarding employees are investigated on a case-by-case basis. The customer is sent a response with an apology and, if appropriate, an explanation of policies to prevent future disappointment.

Compliments for employees will be shared with the individual via the management team.

Ambassadors of the Customer Service Enhancement initiative continue to develop customer service training tools to aid supervisors and managers in training staff.

Improvements to customer service are reflected in relatively high number of staff compliments received during Fiscal 2016, most notably for the category of 'On the Ship: Staff Helpfulness' where compliments far exceeded complaints.

# Cancellations/Delays

## Sample of Customer Comments:

### Complaints

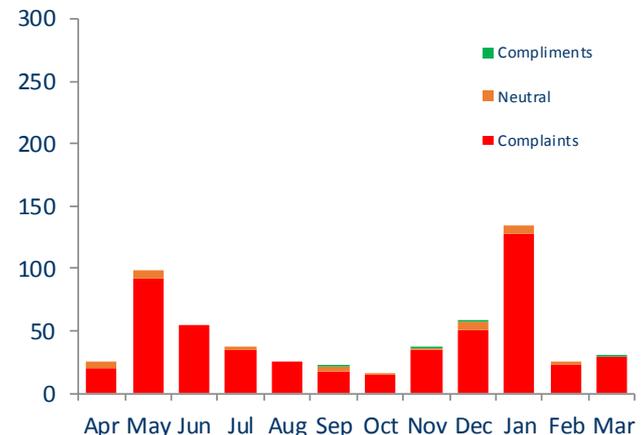
- "I was travelling from Quadra to Cortes and the final crossing was cancelled due to extreme weather. This was a real inconvenience and I would like the cost for my hotel reimbursed."
- "The Queen of Burnaby has been consistently late every day this week, and this makes it impossible to plan for anything. Will miss my appointment."
- "Well, what can one say...hours after an unavoidable medical emergency, patrons are forced to wait hours at the terminal because the BC Ferries Corporation is too mean and tight fisted to organize an extra sailing so that travellers can arrive at their destinations relatively 'on time!'"

### Compliments

- "Wow! The Queen of Surrey was 20 min late. Why is this excellent? Because I was 8 minutes past cut off, and you kept the booth open, allowing me through!! This kind of flexibility is enormously appreciated."
- "Good morning social media friends! Complimentary drinks for pax due to late departure is a really nice gesture."

## Cancellations/Delays includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Delays	277	10	3
Sailings: Cancellations	250	26	1
<b>% of all comments (7,282)</b>	<b>7.2%</b>	<b>0.5%</b>	<b>0.05%</b>



\*Complaints = "bad" or "poor" rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016

# Cancellations/Delays

**Root Cause:**

Operational delays are often caused by situations that occur during the loading or unloading of the vessels (stalled vehicles, lost key, driver not in vehicle, etc.). Other impacts on service include medical emergencies, marine emergencies, mechanical issues and adverse weather conditions such as were the case on November 12, 2015.

**Lessons Learned:**

Sailing delays have an adverse affect on the daily life of our many commuting customers. If sailings have to be cancelled or the vessel has to be taken out of service, every effort must be made to restore service as soon as it is safe to do so.

**Action Taken:**

BC Ferries has a Service Interruption Plan that helps guide employees in managing delays and cancellations of service. However, each incident is reviewed and managed on a case-by-case basis to ensure the needs of the specific communities and customers are taken into consideration. The primary focus is always the restoration of full service as soon as possible.

In a specific example, on November 12, 2015 sailings were delayed or had to be cancelled due to adverse weather conditions on the following routes: Route 17 (Comox – Powell River), Route 24 (Quadra Island – Cortes Island), Route 11 (Prince Rupert – Skidegate), Route 18 (Powell River – Texada Island), Route 9 (Tsawwassen – Southern Gulf Islands), Route 1 (Swartz Bay – Tsawwassen), Route 8 (Horseshoe Bay – Bowen Island), and Route 30 (Duke Point – Tsawwassen).

Customers were kept informed of the status of sailings via service notices.

BC Ferries does not provide compensation for delays or cancellations caused by adverse weather conditions.

# On The Web

## Sample of Customer Comments:

### Complaints

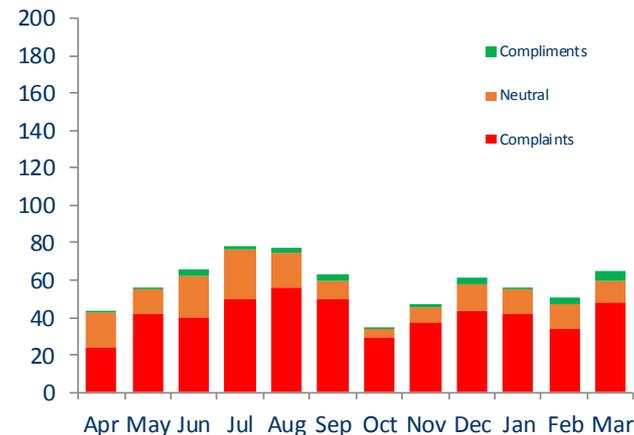
- "Just thought that I should let you know that your online reservation system is really, really, really slow. Each user interaction is followed by a long delay (between 8 - 25 seconds) when the wheel icon spins. I am using Safari 7.1.8, and Firefox on Mac OS 10.9.5, and iPad with iOS 8.4.1. The performance is equally bad on each."
- "Hi. Not being able to cancel a reservation online is confusing given I made the reservation online. There isn't even a message saying you have to call. I was forced to call a US number, which is also very confusing."
- "Arriving for the 11:30 sailing with new schedule reading 'Sunday Excluding March 27 only'. I was not the only one to misinterpret the schedule; lane 10 and 11 are full to board the 11:30 departure. Clarification in wording would be helpful 'Sundays Only Excluding March 27'."

### Compliments

- "I am so impressed by the clarity and comprehensiveness of your website that I felt I had to thank you. If only more companies were so thoughtful. Kind regards."
- "SSL Labs gives bcferrys website an A- rating for security! Well done! In the past the site had an F rating. Great work!"

## On The Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Design and Usability	124	23	7
On the Web: Information/General	111	72	8
Reservations: Online Reservations	93	32	6
On the Web: Travel Planning	52	27	6
On the Web: Service Notices	50	5	1
On the Web: Current Conditions	44	10	1
On the Web: Login/Passwords	22	5	0
<b>% of all comments (7,282)</b>	<b>6.8%</b>	<b>2.4%</b>	<b>0.4%</b>



\*Complaints = "bad" or "poor" rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016

**Root Cause:**

Themes emerging from incoming customer feedback have touched on user interface design; the need for better trip planning and fare calculating tools; site accessibility with certain browsers, operating systems and devices; and timing of e-mail notifications about service interruptions.

Many of these issues stem from technology limitations. The current website is built on an aged platform that predates the diversity of browsers, devices and social media channels that define user experience expectations today.

**Lessons Learned:**

Ongoing customer input has helped BC Ferries prioritize issues to be addressed going forward. Account accessibility, browser and mobile device compatibility, travel planning tools, usability refinements and timeliness of e-mail notifications are at the top of the list.

**Action Taken:**

Issues identified through customer feedback channels have been earmarked for resolution as part of the Fare Flexibility and Digital Experience Initiative. Improvements, including mobile apps, are on the horizon.

# Food and Retail Services

## Sample of Customer Comments:

### Complaints

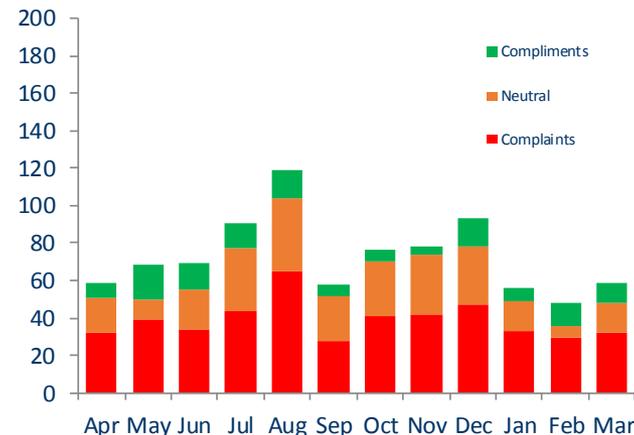
- “So what’s the point of providing Wi-Fi if half the websites are blocked?”
- “Could you please provide at least one vegetarian sandwich option? I travel frequently and don't always have the time/desire to wait in a long line for a hot entry. I would like the option of grabbing a quick meal at the coffee snack bar. Meat eaters can eat veggies but we can't eat meat so a veggie sandwich is more inclusive.”
- “I am writing to ask for a replacement photo of her majesty Queen Elizabeth's portrait aboard the Baynes Sound Connector as I believe the extremely faded version on display now is a discredit to HRH on a brand new vessel of this kind, sure to be seen by tourists from all over the world, as well as caring locals.”

### Compliments

- “I liked the Pacific Buffet on my return trip from Vancouver Island earlier this summer. While the price is somewhat more expensive than a typical buffet restaurant with similar offerings, the food was excellent and the buffet provides better value for money than the other on board restaurant options.”
- “Appreciated vegetarian tomato basil soup with ‘vegetarian’ indicated so I did not have to ask. It was delicious too.”

## Food and Retail Services includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	295	60	18
Food and Retail Services: Food Selection/Quality	79	13	12
Food and Retail Services: Staff Helpfulness	27	1	11
Food and Retail Services: Lounge/Buffer/Coffee Bar	23	10	6
Food and Retail Services: Retail Value	21	6	1
Food and Retail Services: Food Value	11	2	2
Food and Retail Services: Retail Selection	10	186	80
<b>% of all comments (7,282)</b>	<b>6.4%</b>	<b>3.8%</b>	<b>1.8%</b>



\*Complaints = “bad” or “poor” rating accompanied by a comment  
 Note: Fiscal 2016 = April 1, 2015 to March 31, 2016

# Food and Retail Services

## Root Cause:

### Amenities / Wi-Fi:

For the past five years, BC Ferries has been offering a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is currently available at the Swartz Bay, Tsawwassen, Departure Bay, Duke Point, Horseshoe Bay and Langdale terminals, as well as onboard select vessels that travel to and from these terminals.

A standard global filtering service is restricting access to websites tagged as displaying inappropriate content. Furthermore, streaming websites are restricted in order to allow all customers shared access to the limited wireless bandwidth available on our networks for basic web browsing and e-mail usage. To allow streaming media would impact other customers' ability to use the free resource efficiently.

## Lessons Learned:

Customers need to be kept informed of the restrictions that do apply to the free Wi-Fi service to avoid disappointment.

## Action Taken:

The BC Ferries website provides information about the complimentary Wi-Fi service in general as well as the challenges associated with offering this service at sea. The website further offers a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

A printed brochure was produced and is available onboard to communicate Wi-Fi locations and restrictions.

BC Ferries continues the process of installing the latest in ship-to-shore radio technologies onboard all major route vessels and at shore-based locations. These new radios have much higher connectivity and throughput capabilities than the previous generation radios and improvements to access issues have been noted.

Customer feedback regarding Wi-Fi issues continues to be predominantly about the lack of access to streaming media. Efforts are underway to improve messaging regarding the restriction of streaming media during the sign-on process to avoid disappointment.

# Food and Retail Services

## Root Cause:

Food selection for customers with food sensitivities and/or preferences:

The rising number of people with various food sensitivities and preferences have led to a higher demand in specific food options.

## Lessons Learned:

Customer feedback shows an increased demand for more variety in food options for special dietary needs and preferences when travelling onboard BC Ferries.

## Action Taken:

BC Ferries is actively monitoring the various dietary needs and when possible is responding by adding items to the food selection. New menu options are tested for quality, value and feasibility while monitoring demand and the potential for increased waste. BC Ferries further has a ban on food items containing MSG, and procedures are in place to avoid cross contamination such as can be the case when handling seafood.

Detailed lists of ingredients are available at all onboard food outlets for customers to make educated decisions on what menu item to choose in case of food allergies or preferences.

