Charting the Course

A VISION FOR COASTAL FERRIES

AUGUST 2025

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Territorial acknowledgement

The coastal ferry system operates in the waters along the west coast of British Columbia. BC Ferries acknowledges the enduring ancestral connections of coastal First Nations, on whose beautiful lands and waters we operate every day. We remain committed to furthering long-lasting respectful relationships with the First Nations communities we serve based on good faith, trust, effective working partnerships, and mutual respect.

Message from Board Chairs

A message from the chairs of the B.C. Ferry Authority and BC Ferry Services Inc. boards

British Columbia's coastal ferry system is an essential public service, connecting people, communities, and economies across 1,600 kilometres of coastline. Every day, ferries enable travel for work, school and medical appointments, support tourism and move billions of dollars in goods that sustain our way of life.

Charting the Course is the first long-term vision for the entire coastal ferry system. Developed through the leadership of the B.C. Ferry Authority and BC Ferries, and shaped by thousands of voices from across the coast, including passengers, First Nations, communities, governments, and industry partners — it reflects what people across the province expect from their ferry system over the next 25 years. It also highlights the choices all of us will need to make, the challenges we must overcome and the opportunities before us, to help ensure the system remains reliable, sustainable, and affordable.

The vision identifies five goals to guide decisions in the public interest: reliable and available; convenient and integrated; safe and comfortable; environmentally sensitive and resilient; and, affordable and efficient.

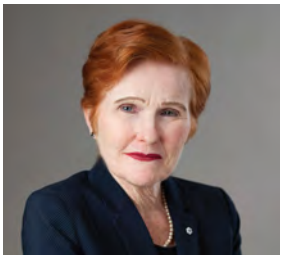
Together, these goals can provide a north star for all who plan, regulate, fund, and deliver ferry services, ensuring decisions are anchored in the evolving needs of British Columbians.

BC Ferries, as the province's primary ferry operator, is focused on delivering safe, reliable, and affordable service every day, while advancing and aligning with these goals through its operations. But progress cannot come from one organization alone. Realizing this vision will depend on governments, First Nations, communities, and other partners working together to align investment, regulation, and funding across the broader transportation system.

This report marks the starting point — not the finish line. *Charting the Course* looks ahead 25 years to the challenges and opportunities facing the coastal ferry system and sets out the goals that will help inform future decisions. The pages that follow provide more detail on those goals, the feedback that shaped them, and the steps that will be required to ensure ferry services continue to support the people, communities, and economies of coastal British Columbia for decades to come.

Peter Lantin

Chair, B.C. Ferry Authority Board of Directors



Joy MacPhail

Chair, BC Ferry Services Inc. Board of Directors

Executive summary

The *Charting the Course* initiative was undertaken with the leadership of the BC Ferries Services Board and the B.C. Ferry Authority Board to establish a vision for a sustainable, resilient and forward-thinking ferry system that not only addresses today's challenges but is also prepared for the future. This involves understanding and integrating community insights to shape services and policies that resonate with the evolving needs of passengers, our people and the communities we serve.

A long-range strategy for coastal ferries is critical to our quality of life and economy

The coastal ferries network provides essential transportation services for people and goods between coastal communities, islands and the mainland of coastal BC. The coastal region is home to almost 4 million people – over 70% of the BC population. It is a place where residents and visitors live, work and play, driving the provincial economy. British Columbia's coastal ferry system is essential to the province's economic vitality, social equity, and environmental stewardship. It connects communities, facilitates trade, enables tourism, and serves as lifelines for people and businesses alike. A long-range strategy for this system is not just prudent — it is critical to maintaining and enhancing the quality of life for residents across the coast and islands.

The coastal region is growing, evolving and changing rapidly and its ferry system, as an integrated part of the broader transportation system, needs to continue to meet the public's needs. It is with this view that the B.C. Ferry Authority Board and BC Ferries Services Board have partnered to create the first long-range strategy for the overall system in discussion with our agency partners at the Provincial, regional and local levels. While change can happen fast and demand can fluctuate, building a transportation network – especially ferries – requires thoughtful advance planning.

Strengthening connections with interest holders and local communities

BC Ferries undertook a robust two-phase public engagement process between Fall 2023 and Spring 2024 to inform its long-term vision for the coastal ferry system. Facilitated by *Charting the Course*, the process prioritized input from passengers, communities, First Nations, elected officials, and sector stakeholders. Engagement activities included workshops, dialogue sessions, surveys, and meetings with 20+ interest groups, generating nearly 26,000 website visits and thousands of responses.

The engagement process revealed strong public support for enhancing ferry service reliability—especially for commuters and medical travel—and expanding flexible pricing to improve affordability and manage demand. Participants emphasized the need for more reservation options, better support for sustainable travel modes like cycling and transit, and equity of access. Indigenous perspectives we received have influenced this vision.

A vision for coastal ferries that will support the public interest

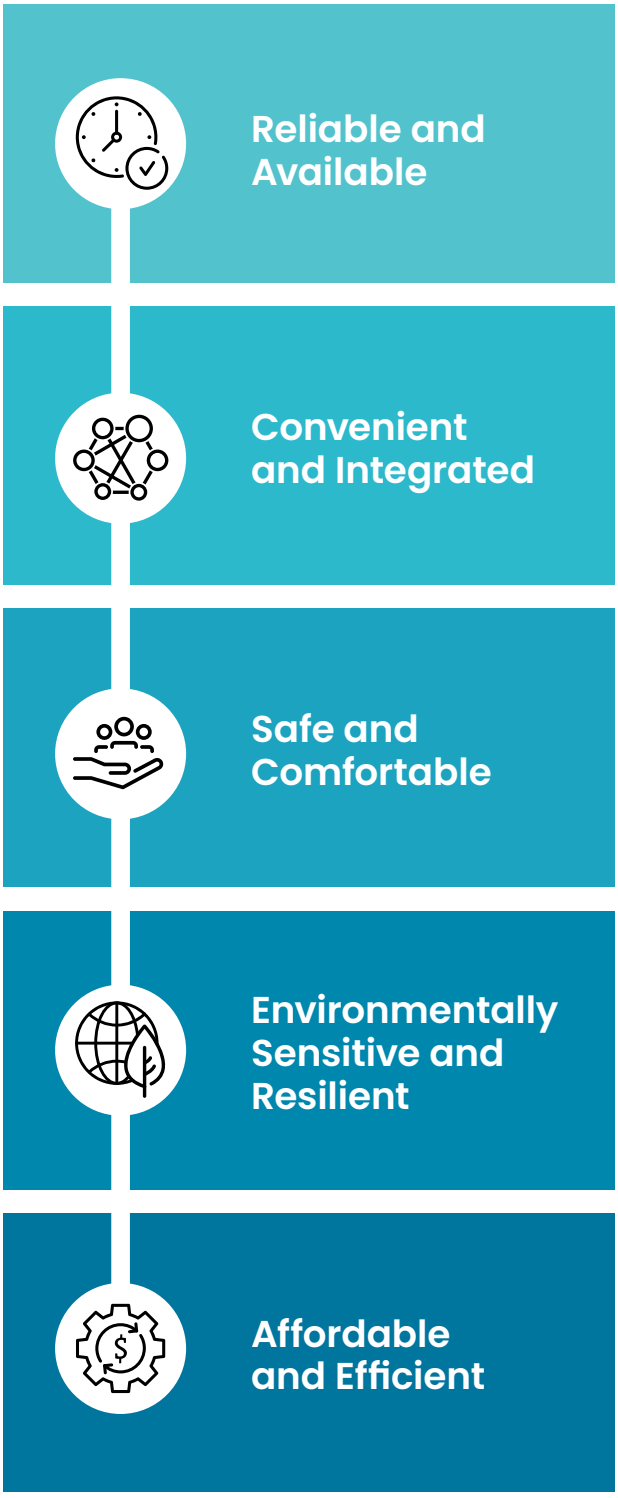
Charting the Course (CTC) provides a meaningful and comprehensive vision framework of five goals areas with measurable objectives for how the coastal ferries should serve the public interest based on extensive public input. This becomes a north star for planning and implementation. The vision also highlights that planning the coastal ferry system isn't done in isolation, it is a multi-party conversation with other transportation providers and regional, local and First Nations leadership.

A commitment to reconciliation and First Nations collaboration

First Nations reconciliation is an integral theme embedded across all five goals, reflecting the commitment to meaningful partnership and shared prosperity.

Strengthening relationships with First Nations is foundational to advancing the goals and objectives of *CTC*. Engagement with Indigenous communities on the vision identified key themes of interest and future collaboration: transportation, environment concerns, culture and recognition, and economic development. These discussions reinforce that reconciliation is not a standalone objective, but a principle that must guide all goals and planning efforts. These partnerships should foster mutual respect, deepen understanding of shared coastal values, and support more inclusive decision-making across the coastal ferries system planning and infrastructure investments.

With these five goals, *CTC* envisions a coastal ferry system that is:



Planning for the future will require forethought and agility

The population of BC is forecast to increase across the coastal region; by 2050 we expect an additional 1.35 million to 2.7 million residents to call this region home. Demand is not just about population: the how, where, when and why people will travel through the system will also change as employment, technology and travel choices evolve. This will create challenges and opportunities to advance the Vision's goals and objectives. In creating this Vision, a new forecasting framework was created and deployed that has assessed not just population but the trips that population will take. Planning has been undertaken for multiple scenarios and the potential stresses they may place on the BC Ferries network. This process has identified likely challenges to convenient access to sailings in the coming years. In parallel, initial opportunities have been recognized for enhancing the travel experience for passengers without vehicles. Over time, demand for ferry travel during peak periods in certain locations is likely to outpace ferry capacity, especially for travel with vehicles. In other areas, the growth in travel demand and longer peak and shoulder seasons could improve the utilization of the existing service capacity and its cost-effectiveness.

*Figure ES-1 2050 projected Automobile Equivalents[1] (AEQ) growth by route**

1 To analyze utilization of deck space all vehicles (Bus, Semi, Commercial, Over-height and Under-height) are converted into Automobile Equivalents (AEQs). Vessel vehicle capacity is measured in AEQs.

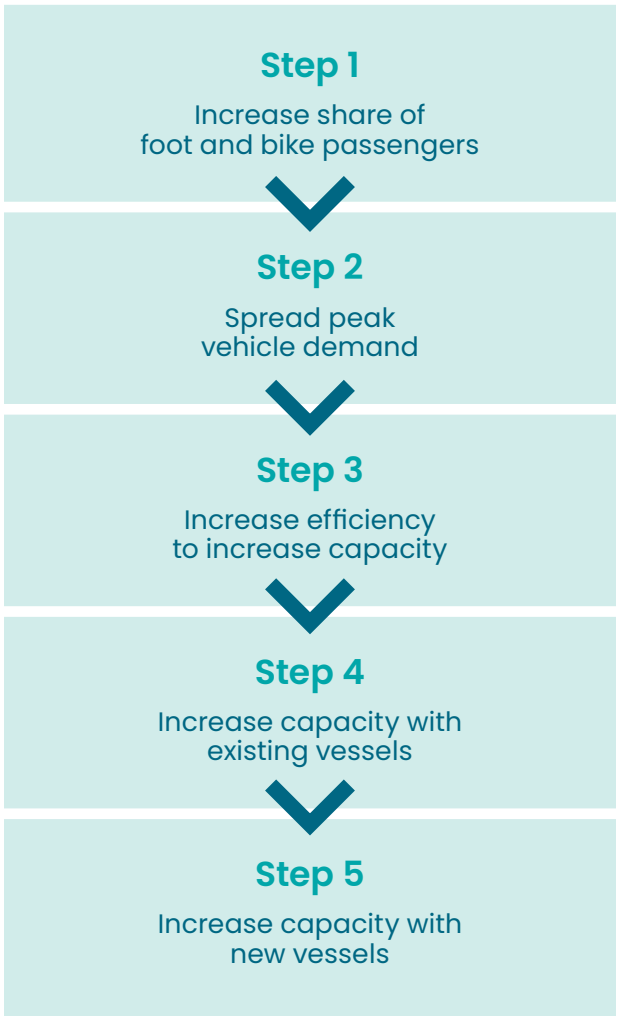
**Map referencing route numbers and names included in appendices.*

The system can be efficient for customers, the public and the environment

Our 2050 forecasts suggest that without any interventions 17 of the 25 routes will be facing potential or known service availability risks. A cost-effective approach will be the only way to tackle these and meet the coastal region's needs.

Adding new ferry services, vessels and infrastructure are expensive and take time. With *CTC* the strategy is to maximize the efficiency of current service and capacity before adding new services. This hierarchy encourages consideration of strategies to address unmet travel demand by people and goods in descending order of cost effectiveness.

Figure ES-2. Hierarchy of Strategies



Walking or biking onto a ferry can be made more convenient through better integration with transit and shared services. Intelligent pricing strategies and customer-focused tools are available to enhance convenience and affordability. Smart travel planning systems can streamline reservations and broaden their accessibility.

This approach will have numerous public benefits:

- It supports system affordability.
- It can reduce overall travel times and improve experiences at terminals.
- It leverages and supports provincial, regional and local government policies to increase active transportation, transit and shared vehicles which improve affordability, decrease traffic congestion and reduce our impact on the environment.
- It improves service availability for the movement of goods, services and travel by personal vehicle that is time-sensitive without alternatives.
- It can reduce peak period availability waits for passengers traveling with vehicles.
- It can maximize the efficiency of new service capacity when aging vessels are replaced or additional vessels are added.

Some routes will require additional capacity for vehicles, goods and passengers

Despite the above hierarchy of strategies, some routes will still also require additional service capacity to meet our public interest goals and objectives. Many of BC Ferries' current vessels will likely require replacement over the next 25 years as they come to the end of their useful life span. These replacements are critical opportunities to match the size and design of the BC Ferries fleet to the anticipated needs.

Passenger-only ferries could play an expanded role in the future system

The increase in urban populations will improve the viability of additional passenger-only ferry services and routes. There are several new connections to Metro Vancouver where these services could reduce travel times for many passengers who want to travel without a vehicle for at least part of their trip. These routes would require smaller vessels and supporting infrastructure with lower operating costs. They could potentially be delivered by commercial operators or BC Ferries.

Implementation will require fiscal resilience and collaboration

This vision won't happen overnight; *Charting the Course* outlines a path that spans 25 years. Current revenue projections - for user fares, supplemental revenues and various existing government contracts and supports - are insufficient to fully fund the rising operating and capital costs of the existing system. Affordable access to the network is a core public interest goal that will be central to solutions to close this fiscal gap and create a solid foundation for the vision.

Charting the Course is designed to be implemented incrementally to reflect both the priority needs of users and system assets balanced with fiscal prudence. Progress will involve implementing strategies and investments over time. Delivering on these strategies will require an increase in revenues over time through a combination of growth in fare revenues, direct funding, and potentially new revenue tools, conceived in partnership with the Province, Federal partners, First Nations, local governments and coastal interest holders.

How communities in the coastal region change and grow will directly drive the demands on the ferry network that they rely upon to thrive. The strategies and investments that governments and partner agencies make in the coastal region transportation system will benefit the public most if they are aligned and support each other.

Collaboration will be key to achieving these shared goals in serving the public interest.

Context

Importance of the ferry system in British Columbia

British Columbia's 1,600 km coastline is home to more than 70% of the province's 5.2 million residents. The coastal ferry network provides an essential transportation link between the mainland, islands and coastal communities – connecting people to services, employment, education and each other. Ferries also play a critical role in the movement of goods that support industries, including tourism, fishing, and forestry.

The system's reliability, affordability, and environmental sustainability are vital to coastal life, and increasingly under pressure. Climate change, new technologies, shifting travel patterns, labour shortages, inflation, and population growth are reshaping transportation across BC and around the world. Many of these forces were accelerated by the pandemic, underscoring the need for a clear, long-term vision for the future of coastal ferry service.

Multiple public and private operators contribute to the success of the coastal ferry system:

Intra-regionally

- **BC Ferries** is the primary operator in the province, delivering the majority of passenger ferry service, and all major personal vehicle transportation.
- **Seaspan** is a private operator that provides commercial goods movement between the Lower Mainland and Vancouver Island.
- **Hullo** is a private operator that provides high-speed passenger-only ferry service between the Lower Mainland and Vancouver Island.
- **Local operators**, including water taxis and small-scale freight carriers, also provide essential connections, including in more remote or smaller communities along the coast.

Inter-regionally

- **Clipper**: FRS Clipper operates a daily direct passenger-only ferry service between Seattle, WA and Victoria, BC.
- **Coho**: Black Ball Ferry Line operates the M.V. Coho passenger and vehicle ferry linking Victoria, BC on Vancouver Island with Port Angeles, WA with multiple daily departures year-round.
- **Washington State Ferries**: Provides service between Sidney, BC and Anacortes, Washington State (Note: this service remains suspended until at least Spring 2030 due to continued significant crewing and vessel availability challenges).
- **Alaska Marine Highway**: A state-operated ferry network that spans over 3,500 miles, connecting coastal communities from Bellingham, WA to Unalaska in the Aleutian Islands and historical but currently inactive service into Prince Rupert.

In addition to marine services, coastal BC is supported by a network of regional and national airlines, including float plane and traditional wheeled aircraft services.

These ferry and air services are in turn supported by the province's roadways and mass-transit systems. Effective coordination between the various service providers, the Ministry of Transportation and Transit (MoTT), and transit agencies such as BC Transit and TransLink, is essential to maintaining the effective flow of people and goods.

In addition to public and private ferry operators, Coastal First Nations, local and federal governments, and the many business, tourism, transportation and marine interest holders play key roles in supporting coastal ferry services. In some cases, they fund or operate unregulated routes to meet the specific needs of their communities. Others partner with operators to improve connectivity, advocate for service improvements, or integrate ferry access with land-based transportation systems.

The long-term success of the coastal ferry system depends on continued collaboration between these partners.

What is the BC Ferries Network?

BC Ferries is a privately owned company that provides an essential public service along the coast of British Columbia. Through the Coastal Ferry Services Contract, BC Ferries delivers critical ferry services, operating a fleet of over 37 vessels on 25 routes that connects 47 destinations across the Lower Mainland and Vancouver Island, the Gulf Islands, the Northern coast, Haida Gwaii, and other coastal communities.

BC Ferries operates under the *Coastal Ferry Act*; this legislation established two key oversight bodies:

- **B.C. Ferry Authority** (BCFA) is the sole voting shareholder which oversees the company's strategic direction in the public interest.
- **BC Ferry Commission** is the independent regulator responsible for monitoring fares, service levels, and major capital investments to ensure accountability and protect the public interest.

(See Appendix 1 – Governance for more on the governance model and regulatory framework.)

Unregulated routes

Outside of the 25 regulated routes that BC Ferries delivers, the company also administers contracted ferry services on 8 unregulated routes that provide crucial links between communities and the larger transportation network.

Unregulated routes typically serve remote communities and First Nations territories ranging from the Broughton Strait to Central, Northwestern, and North Coast Vancouver Island all the way up to Prince Rupert. This includes service in the following communities:

- Alert Bay – Sointula – Port McNeill
- Ahousaht – Hot Springs Cove – Tofino
- Kyuquot – Tahsis – Gold River
- Dodge Cove – Prince Rupert
- Lasqueti Island – French Creek
- Port Alberni – Bamfield
- Metlakatla, Kitkatla, Hartley Bay, Oona River – Prince Rupert

Unregulated routes are operated by independent partners, where the contracts for service are administered by BC Ferries with funding from the province.

The route between Prince Rupert (Aero Point) to Tuck Inlet, is a unique service where BC Ferries leases a vessel to MoTT and the ministry manages a contract for services with the Lax Kw'alaams Band.

The tactics and actions outlined in BC Ferries' role in advancing the *CTC* Vision apply to routes regulated by the Coastal Ferry Services Contract and do not apply to the unregulated routes.

Need for a long-term vision

Given the number of operators involved and the complexity of the coastal transportation system, ferry services should be planned and implemented within the context of a broader, integrated, multi-modal provincial transportation system.

As the largest ferry operator in British Columbia, and in response to the evolving needs of coastal communities, BC Ferries Services Inc, and the BCFA led the development of this visioning initiative, called *CTC*.

CTC identifies what is needed at a system level to keep people, goods, and services in coastal communities connected today and into the future. It sets out how coastal ferry system in British Columbia must continue to evolve to meet the public's growing needs and expectations, while recognizing the influence of global and local trends and challenges, such as climate change, demographic shifts, and technological change.

This document outlines public interest goals and objectives that will guide long-term planning across the BC Ferries Network, which plays a central role in delivering coastal ferry system. It offers a roadmap for providing efficient, affordable, and reliable ferry service, and supports shorter-term operational planning by grounding decisions in a shared long-term vision.

Building upon previous related work

This approach is both a response to current needs and a guide for building a more sustainable and resilient coastal ferry system through 2050 and beyond.

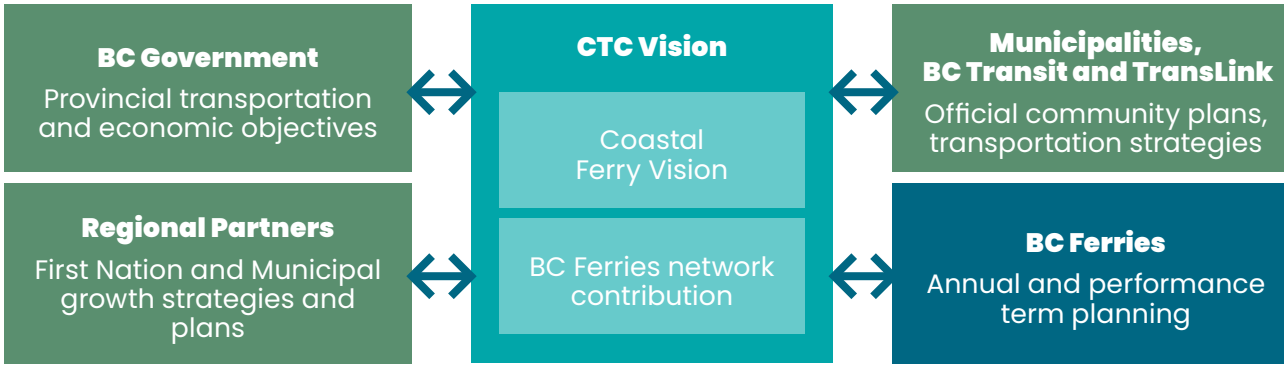
The importance of developing a long-term vision was first highlighted in 2018 by Blair Redlin in his review for the Provincial Government of Coastal Ferry Services. It recommended a more integrated approach to long-term planning within the provincial transportation system.

In response, the Ministry of Transportation and Infrastructure (now MoTT) hosted workshops and engagement sessions throughout 2019 and 2020. These sessions invited input from communities on how ferry services could evolve to better support the people and families who live and work on the coast.

CTC builds on the themes that emerged from that work. It confirms a long-term vision grounded in the public interest that can guide BC Ferries, the BC Ferry Commission and the B.C. Ferry Authority in their planning and decision-making.

Developing the vision means listening to communities and integrating their insights to shape services that reflect the evolving needs of passengers, coastal residents, and the thousands of people who help deliver ferry services. Like the ferry system itself, this strategy is one part of a broader transportation and land-use governance framework. The graphic below outlines how *CTC* fits within the wider system of agencies that plan and deliver coastal services.

Figure 3 CTC Vision within the wider Coastal Transportation system

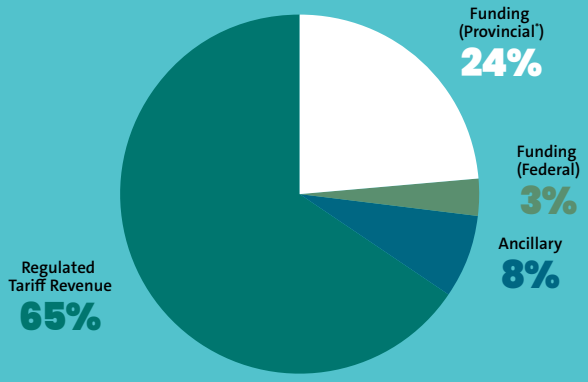


BC Ferries funding model

BC Ferries is funded by two main sources: revenue from customers and funding from governments. The majority of revenue is derived from fares paid to access the ferry network, with regulated caps in place to protect affordability. The other major pillar of funding is government support, including federal and provincial contributions. Canadian ferry operators receive varying levels of support from provincial and federal governments; for example, BC Ferries benefits predominantly from contributions by the Province of British Columbia while Marine Atlantic benefits more heavily from contributions by the Federal government.

Figure 4 BC Ferries Fiscal 2025 Funding Sources

F25 – Funding sources



* Provincial Funding consists of the "Ferry Transportation Fee" which is a fee provided by the Province for ferry transportation services provided by BC Ferries on the Designated Ferry Routes and to pay for the Seniors Discount in accordance with the Coastal Ferry Services Contract, and Fare Affordability Funding for Performance Term 6.

Founded on broad engagement

The development of *CTC* was grounded in significant engagement with the public and a wide range of interest holders to understand what matters most for the future of the coastal ferry system. This input helped shape a clear set of public interest goals, long-term objectives, and near-term priorities.

Achieving these goals, in many cases, will require unprecedented collaboration across the tourism and commercial sectors, with local, provincial and federal governments, and with other transit and transportation providers. While BC Ferries does not operate the entire ferry system, it worked closely with the BCFA to lead the development of this vision. The result is a shared direction that reflects broad public interest objectives and identifies clear actions that BC Ferries is well positioned to implement.

Guiding principles

The development of *CTC* was guided by the following principles:

- **Anticipate and adapt** to long-term trends including population growth, affordability challenges, operating cost pressures, aging infrastructure, technological innovation, societal shifts, the labour force, and environmental changes and expectations.
- **Engage broadly** with interest holders, including our passengers, employees, local communities, First Nations, governments and transportation partners to shape a collective vision for the future of coastal ferry services.
- **Ensure integration and sustainability** of the coastal ferry system within British Columbia's broader transportation network, while remaining responsive to changing travel behaviours and emerging technologies.
- **Recognize both challenges and opportunities** presented by trends such as vehicle electrification, shifting demographics, and evolving infrastructure needs.

Developing *CTC* involved forecasting future population growth and societal trends, confirming goals and priorities with the public and partners, and identifying strategies and actions to advance them.

It is both a long-term vision for the coastal ferry system and a practical framework to guide near-term planning for ferry operators.

The diagram below, Figure 6, illustrates the key components of this visioning process.

Figure 6 Five Stages in Developing the Coastal Ferries Vision

Stage 1: Establishing public interest goals
Confirmed ferry system goals and objectives through engagement with interest holder

Stage 2: Assessing long-term impacts
Evaluated goals against 25-year forecasts and socio-economic forces shaping the ferry system

Stage 3: Developing investments and policies
Worked with subject matter experts to create general policies and investments supporting the vision

Stage 4: Analyzing strategies and demand
Assessed how proposed actions align with future ridership scenarios

Stage 5: Formalizing the Vision Plan
Defined a suite of actions to be explored in future regulatory Performance Term submission

Engaging with interest holders

CTC was informed by a comprehensive engagement process designed to understand the priorities of passengers, communities, First Nations, interest holders and BC Ferries' employees. Feedback was gathered through targeted workshops, dialogue sessions and an online survey.

This process brought forward a diverse range of perspectives, reflecting the many ways people interact with the coastal ferry system, and the different needs and aspirations they hold. The input gathered laid the foundation for a vision that is both grounded in lived experience and responsive to future challenges.

Engagement was carried out in two phases: Fall 2023 and Spring 2024. The first phase focused on gathering broad input on priorities, challenges, and how people use the coastal ferry system. The second phase explored a more detailed set of strategies and actions under consideration, testing alignment with public expectations and projected growth across the coast.

Fall 2023

This first phase of engagement took place from November 8–28, 2023. It included a comprehensive online questionnaire and a series of targeted meetings with key interest holders, including representatives from First Nations, coastal communities, local and regional governments, and sectors such as tourism and commerce. These sessions allowed for in-depth conversations, and the opportunity to provide detailed feedback.

Both the survey and workshops confirmed widespread support for the proposed system goals and objectives, which became the foundation for this vision.

The completed report can be found here: www.bcferriesprojects.ca/bc-ferries-charting-the-course

Spring 2024

In spring 2024, BC Ferries conducted the second phase of engagement, focused on specific strategies and actions under consideration.

CTC was informed by:

- BC Ferries' staff
- Members of BC Legislature
- Local government staff and elected representatives
- Coastal First Nations and Organizations
- Ferry Advisory Committees
- Business associations
- Local Service Providers
- Tourism Organizations
- School Boards
- Trade and Commercial Sector
- Transit agencies (TransLink and BC Transit)
- Accessibility groups and advocates
- Private Service Providers

+25K project website visits

9,366 website surveys complete on goals and objectives

9,689 travel demand surveys completed which focused on routes and desired travel modes

530 workshop attendees

237 staff workshop attendees

17 meetings with agencies and provincial ministries

9 meetings with individual First Nations communities and 3 with First Nations leadership organizations representing an additional 12 Nations.

Six virtual workshops were held with 140 interest holders, including regional and municipal staff, tourism and trade groups, accessibility advocates, and business leaders from all service areas. Additional facilitated sessions were held with First Nations, transit agencies, organizations, and provincial ministries.

These sessions explored key policy areas, including:

- Service level guidelines
- Prioritization of goods and people
- Pricing and demand management
- Strategies for modal shift and transportation integration

The feedback helped shape priority actions to guide investment decisions, ensuring the system remains reliable, efficient, and responsive to an evolving transportation landscape.

A distinct lens: First Nations engagement

A key focus throughout the engagement was meaningful collaboration with First Nations. Through these discussions, it became clear that reconciliation must be central to the vision, not as a separate policy area, but as a perspective that informs all aspects of system growth and evolution.

Truth and Reconciliation with First Nations provides further detail on this work and how Indigenous perspectives are being integrated into decision-making.

Summary of key findings

Feedback from participants varied, but several themes consistently emerged:

- **Improve service frequency and reliability**, especially for those commuting to work and travelling for medical appointments.
- **Support sustainable travel** by enhancing comfort and convenience for transit users, foot passengers and cyclists.
- **Offer more flexible pricing options** to help balance demand, improve customer choice, and optimize system capacity.
- **Expand the reservation** system to improve travel planning and certainty.

Many participants also emphasized the importance of social equity and accessibility in ferry system planning. There was strong support for policies – like low-income fare programmes or commuter passes – that make ferry travel more accessible, inclusive and affordable.

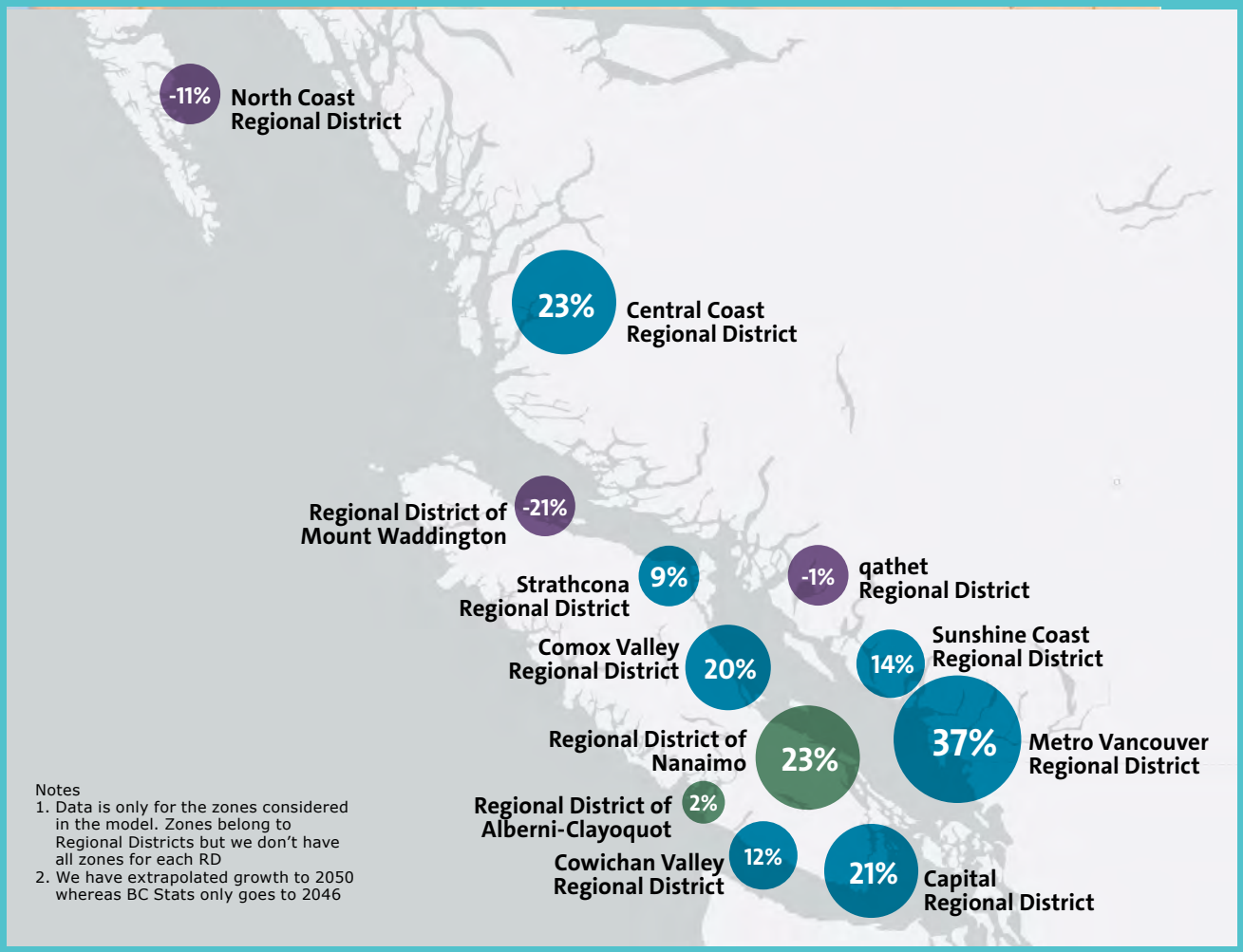
Forces shaping future system needs

B.C.'s coastal population is projected to grow significantly through to 2050. In 2022, the population was estimated at 4.2 million. By 2050, it is expected to grow by 35%, adding between 1.35 million people living, working, and traveling in the coastal region[1].

To account for regional variation, BC Ferries conducted workshops with local and provincial governments to explore differing population and travel patterns. While some areas may see modest or declining population growth, many ferry routes will continue to face intense seasonal demand due to tourism. Destinations like the Gulf Islands, Sunshine Coast, and Haida Gwaii, for example, draw large numbers of summer visitors, placing pressure on ferry capacity regardless of local population trends.

To support sustainable decisions around service levels, capital investments, and pricing, *CTC* adopted a forward-looking, scenario-based planning approach that considers not just how many people will travel, but where, when, how, and why.

Map 1 Regional District Population growth estimated between 2022 to 2050



1 2050 population growth estimated was extrapolated from the BC Stats 2046 projections outlined in the Population Estimates of B.C. Regional District level and Outlook for 2046 updated February 2025.

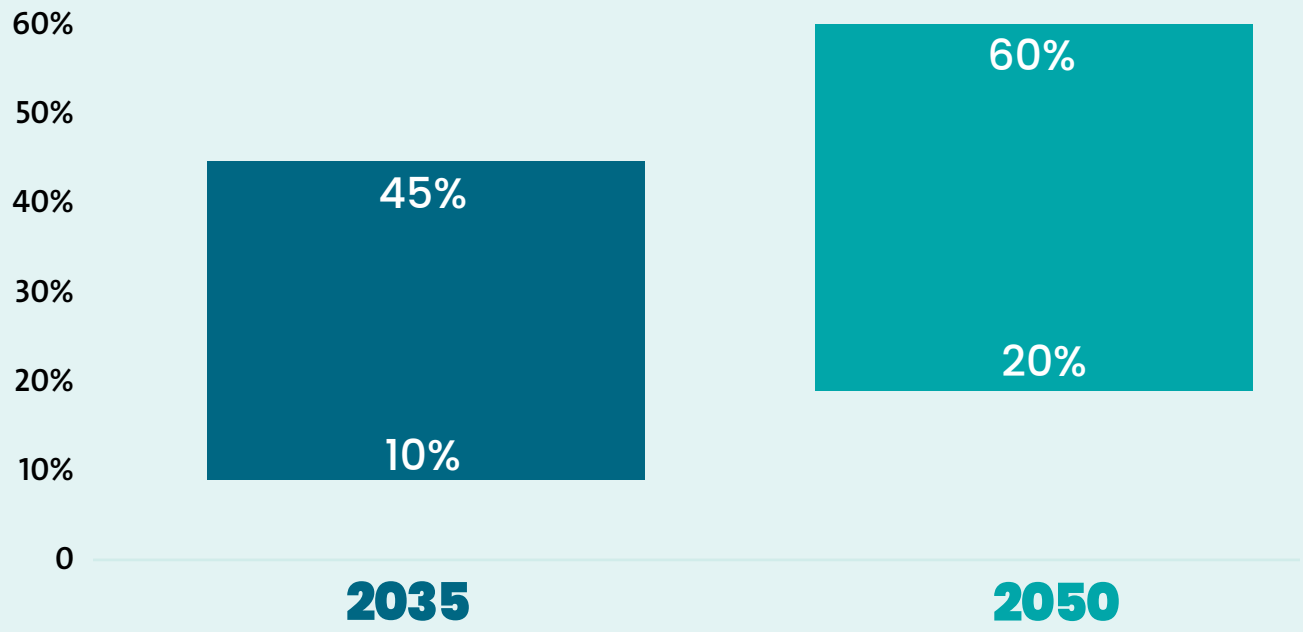
Eight key “Future Forces” have been identified as primary drivers of coastal ferry demand:

1. **Population and Employment Growth:** A projected 35% population increase, and 600,000 new jobs will drive higher demand, especially near employment hubs.
2. **Tourism and Recreation:** Seasonal peaks will remain strong, though infrastructure constraints may limit growth in some areas.
3. **Goods Movement:** Freight transport needs will increase alongside economic growth, particularly if logistics hubs shift geographically.
4. **Shared and Micro-Mobility:** E-bikes, scooters, and car-share models are influencing how people access ferry terminals and plan travel.
5. **Automated, Connected and Electric Vehicles:** The rise of EVs and automation will impact loading procedures, energy infrastructure, and travel behaviour.
6. **Digitization:** Online access to services may reduce some travel but increase demand in leisure or discretionary categories.
7. **Remote Work:** Flexible work arrangements are reshaping commuting patterns and influencing where people choose to live.
8. **Public Transportation Policies:** Government climate and mobility goals are influencing future modal choices across the network.

Recognizing that urban, rural, northern, and southern communities all face different challenges and opportunities, this regional and scenario-based approach allows the ferry system to remain adaptive, inclusive, and future-ready.

Appendix 3 – Future Trends provides further detail on Future Forces and strategic responses tested. However, long-term forecasting always carries a degree of uncertainty. As illustrated in Figure 7, projected demand varies significantly depending on assumptions used. That’s why this vision prioritizes flexibility, ensuring the system can evolve effectively as travel behaviour shifts.

Figure 7 Range in growth between low and high growth scenarios for 2035 and 2050



Population growth vs travel demand

The *CTC* model is a strategic planning tool developed to forecast travel demand across British Columbia's coastal regions through 2050. It divides the region into 50+ zones and estimates trips between them using a modified "2.5-step" approach drawn from traditional transportation planning. It accounts for all travel modes—ferries, cars, public transit, and air travel—and incorporates "latent demand," estimating travel that would occur if ferry capacity were expanded, particularly during peak times.

The model is "capacity unconstrained," aiming to forecast the full potential travel demand levels if it could be accommodated with the current service levels, not just current use. The four future demand scenarios that were modelled draw upon population forecasts (BC government, February 2025) and employment projections (BC Labour Market Outlook, 2021 Census).

At its core, the model links travel demand (trips) directly to population and employment growth. It begins by estimating total trips generated in each zone, predicts where these trips are likely to go, and then simulates the travel modes people would choose factoring in cost, travel time, and service frequency. To forecast future demand, the model anchors to three key years - a base year (2022), a midpoint (2035), and an endpoint (2050), with projections between these years based on linear interpolation. While it represents an average travel day, it doesn't account for seasonal peaks or daily variability. The model's flexibility allows planners to explore alternative future scenarios by adjusting growth assumptions, helping to test how different investment strategies might perform and ensuring planning decisions are resilient to change. For more detail on the *CTC* model please see Appendix 4 – *CTC* Travel Demand Forecasting Models.

CTC Vision

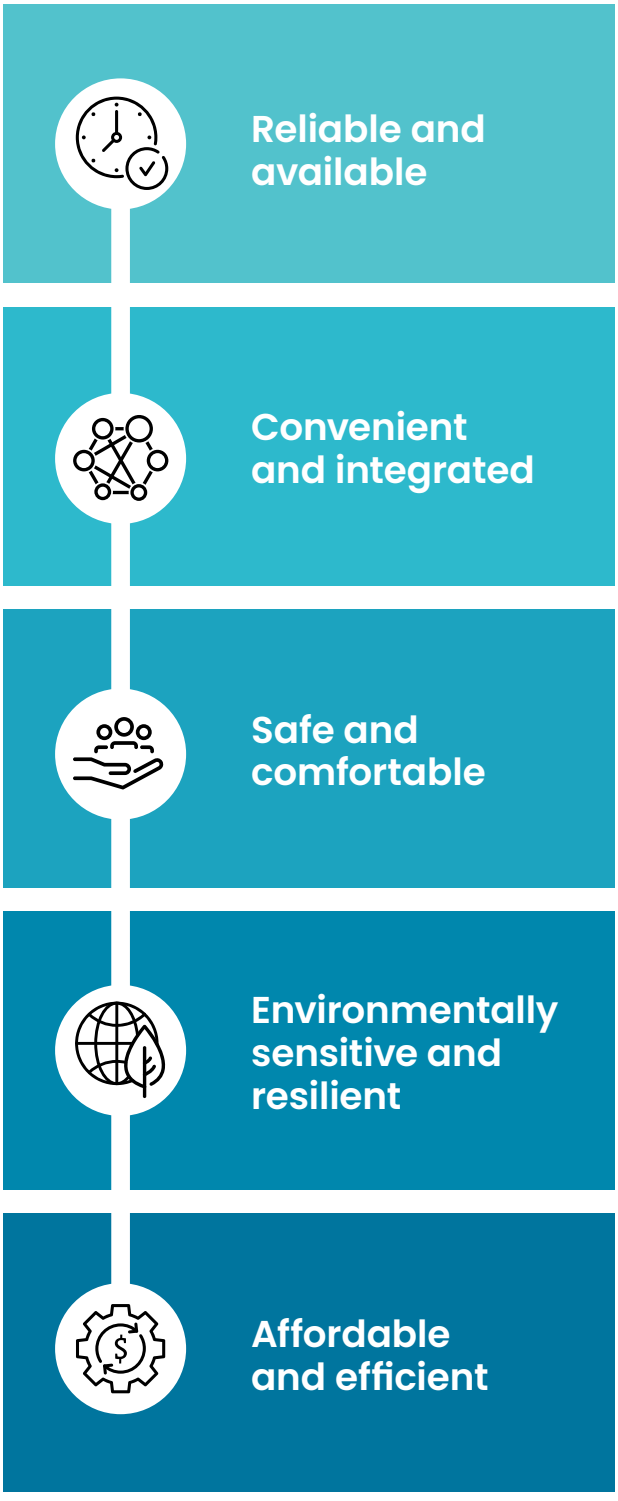
Vision statement

"By 2050, British Columbia's coastal ferry system is a fully integrated, carbon-neutral, people-centred transportation network that connects coastal communities. It provides safe, reliable, efficient and affordable services, and promotes environmental stewardship, economic vitality and strong partnerships with First Nations and governments, interest holders and local communities."

Goals and objectives

Emerging from this visioning process is a clear definition of what makes up the public interest. The public interest is made up of five overarching goals and 18 supporting objectives to inform the long-term planning of BC's coastal ferry system. First Nations reconciliation is an underlying theme embedded throughout all five goals.

The five goals for the coastal ferry system are:



Goal #1
Reliable and available

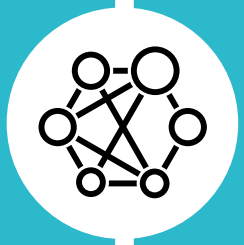
Context

The ferry system is an essential transportation link for residents, tourists, businesses and commercial industries across coastal British Columbia. Reliable services enable people to commute to work, attend medical appointments and connect with loved ones. As the population and tourism grow, the system must continue to meet demand while supporting the movement of goods and services vital to local economies.

Objectives

a. Meets the essential needs of ferry users
b. Meets the needs of users during peak periods
c. Supports efficient movement of commercial goods and services
d. Operates reliably

Goal #2
Convenient and integrated



Context

Ferries are one leg of a broader journey. To meet the evolving needs of communities, ferry services and infrastructure must be planned as part of a regional and multimodal transportation network.

Historically, terminals were located where crossing distances were shortest and vehicle access was easiest. As a result, personal vehicles remain the primary access mode. On average, foot passengers make up 21% of BC Ferries ridership – ranging from just 2% on the Earls Cove and Saltery Bay route to 29% between Bowen Island and Horseshoe Bay.

Shifting travel preferences, affordability concerns, and government transportation and climate policies are now driving demand for more sustainable and accessible travel options. Supporting these shifts benefits both passengers and the system:

- Improves accessibility for a wider range of travellers.
- Uses ferry space more efficiently by accommodating more foot passengers.
- Reduces congestion, lowers emissions, and enhances affordability through collaboration with partners.

Objectives

a. Planned with communities and aligned with regional, economic and tourism strategies

b. Integrated into the broader transportation system to make it convenient to walk, roll or take transit

c. Offers simple, convenient and accessible booking and travel information

What about bridges and tunnels?

Several fixed-link alternatives have been proposed in the past to replace certain ferry routes. For more information on these studies and their findings, see this website: gov.bc.ca/gov/content/transportation/transportation-reports-and-reference/reports-studies/vancouver-island

The studies identified significant challenges and have not resulted in additional analysis. The land use, transportation and technology scenarios identified in *CTC* did not materially differ enough from the foundational assumptions of those studies to warrant revisiting them through this process.

Goal #3
Safe and comfortable

Context

Safety is foundational to marine transportation and is essential for maintaining public confidence. Passengers should feel safe and comfortable, and employees must have a safe work environment. Amenities, accessibility, and community relationships all contribute to a positive travel experience and help support the ferry system's broader social and economic roles.

Objectives

a. Safe for all customers and staff
b. Provides a comfortable journey
c. Accessible to passengers of all abilities
d. A good neighbour and supports safe communities

Goal #4
Environmentally sensitive and resilient

Context

Ferry operators have a responsibility to reduce Greenhouse Gas (GHG) emissions, mitigate against climate change impacts, and support emergency response to events and natural disasters. The long lifespan of vessels and infrastructure means investment decisions made today will shape environmental outcomes for decades.

Resilience is also critical, ensuring continued service during natural disasters, extreme weather and other emergencies. At the same time, the system must minimize ecological impacts to protect sensitive marine environments and support biodiversity, tourism and local economies.

This includes building climate resilience into our marine assets, managing stormwater and water use at terminals and onboard, and preventing spills or contamination.

Objectives

a. Supports government GHG reduction targets by decarbonizing and prioritizing transit and active modes

b. Resilient to natural disasters and climate-related disruptions

c. Supports emergency response to wildfires, seismic events and other emergencies

d. Minimize ecological impacts

Goal #5:
Affordable and efficient

Context

BC Ferries is funded primarily by fares and supplemented with government support. Keeping fares affordable enables economic participation, lowers the cost of living in coastal communities, and facilitates the movement of people and goods.

Improving capacity utilization – fuller vessels — leads to operational efficiencies that help to offset inflationary cost increases and support a more affordable coastal ferries system. Although expanding service levels and the supportive infrastructure can confer substantial public benefits, such undertakings are capital-intensive and may temporarily depress capacity utilization. The efficiency of this increased capacity, however, recovers as growth in demand and corresponding revenues elevate utilization to comparable levels. Ferry operators that can use current and future capacity more effectively, by encouraging off-peak travel, and increasing foot traffic, can deliver greater value to riders—and reduce the pressure on fares. This approach also reduces or defers the need for future service capacity increases.

Objectives

a. Offers affordable fare choices across the ferry system

b. Delivers value through cost effective services

c. Financially sustainable and resilient to market and economic changes

These five goals and their supporting objectives are expanded in BC Ferries' role in advancing the *CTC* Vision which outlines tactics, actions and targets that will inform BC Ferries' long-term strategy.

Table 1 CTC goals and objectives summarized

Goals	Reliable and available	Convenient and integrated	Safe and comfortable	Environmentally sensitive and resilient	Affordable and efficient
Objectives	Meets the essential needs of ferry users	Is planned with communities and aligned with regional, economic and tourism strategies	Is safe for all customers and staff	Supports government GHG reduction targets by decarbonizing and prioritizing transit and active modes	Offers affordable fare choices across the ferry system
	Meets the needs of users during peak periods	Is integrated into the broader transportation system to make it convenient to walk, roll or take transit	Provides a comfortable journey	Is resilient to natural disasters and climate-related disruptions	Delivers value through cost effective services
	Supports efficient movement of commercial goods and services	Offers simple, convenient and accessible booking and travel information	Is accessible to passengers of all abilities	Supports emergency response to wildfires, seismic events and other emergencies	Is financially sustainable and resilient to market and economic changes
	Operates reliably		Is a good neighbour and supports safe communities	Minimize ecological impacts	
	First Nations reconciliation				

Truth and reconciliation with First Nations

Engagement with First Nations was a foundational part of *CTC*, focused on understanding the long-term transportation needs, priorities, and perspectives of Indigenous communities across the coast.

Discussions were held with representatives from 21 First Nations and related organizations whose communities are impacted by the coastal ferry system. These conversations highlighted the need for more inclusive planning practices and the integration of First Nations' perspectives across all aspects of ferry system planning and operations.

Common themes raised during engagement included:

- **Transportation**: Improve and expand water transportation options for students and communities.
- **Environmental concerns**: Issues related to air quality, marine ecosystems and environmentally friendly practices.
- **Economic development:** Create and support opportunities in tourism, accessibility, and sustainable local economies.
- **Collaboration and recognition:** Strengthen relationships and ensure community input is meaningfully reflected in decisions.

These themes reflect deep connections between transportation, environment, culture, and economic opportunity, and reinforce that reconciliation is not a standalone objective, but a principle that must guide all goals and planning efforts. BC Ferries is committed to working in partnership with First Nations and all levels of government to advance reconciliation and support these priorities through long-term system planning. For more information, see Appendix 2 – Reconciliation Framework.

Partnerships

Delivering this vision will require bold leadership and close collaboration across all levels of government, First Nations, service providers, and transportation and tourism partners. No single agency, including BC Ferries, has the authority or resources to achieve this vision alone.

A partner-oriented approach is essential to improving integration across modes, supporting vibrant coastal communities, and ensuring that all travellers – residents, visitors, and businesses – have access to a safe, reliable, affordable, and environmentally resilient transportation network.

As demand grows, especially in tourism and freight, effective partnerships will be key to improving service delivery, expanding access, and meeting shared goals for connectivity, sustainability, and affordability. This will require:

- Shared responsibility
- Integrated planning processes
- Collaboration and revenue solutions

Many of the strategies outlined in *CTC* depend on coordinated efforts between BC Ferries and its partners, including the Province of British Columbia, the Government of Canada, local and regional governments, First Nations, transit agencies, and private operators.

Key roles in supporting the vision

Province of British Columbia

- Oversee a safe and reliable integrated provincial transportation network that keeps people and goods moving and supports economic growth.
- Coordinate strategies and partnerships to improve the interaction and integration of coastal ferry services with transit and active transportation providers.
- Maintain the legislative framework that enables the ongoing delivery of the coastal ferry system
- Provide funding established through the Coastal Ferry Services Contract to support minimum round trips on regulated routes, fare affordability and social programmes.

Government of Canada

- Collaborate on modern, efficient and sustainable maritime regulations

- Provide funding subsidy for operational service delivery of routes in remote communities such as northern and inter-island routes

Local and regional governments

- Align Regional Growth Strategies, transportation plans, and trail networks with coastal ferry plans
- Prioritize safe multi-modal access to ferry terminals

First Nations

- Participate in Crown consultation led by BC Ferries or the Ministry in support of terminal construction projects
- Develop relationships and provide culture, economic and partnership opportunities where possible, in alignment with truth and reconciliation priorities

Economic and tourism organizations

- Align ferry services with regional economic and tourism strategies

Private operators

- Provide alternative transportation options, where appropriate, to complement existing coastal ferry services.

Transit agencies (BC Transit, TransLink)

- Improve and expand public transit connections and service frequency to terminals

By working together, these partners can help deliver a truly integrated and inclusive coastal transportation system – one that supports vibrant communities, resilient infrastructure, and a stronger future for all who rely on ferry service.

BC Ferries' role in advancing the *CTC* Vision

Challenges ahead for coastal ferry system

The evolution of the coastal ferry system is shaped by a variety of dynamic factors, each presenting opportunities and challenges. Achieving the goals and objectives of *CTC* will require navigation through several key pressures. Those most relevant to the BC Ferries Network are highlighted below.

A growing coastal region and increasing demand for service

Population growth of 1.35 million to 2.7 million in coastal regions by 2050, particularly in areas like Greater Vancouver, Vancouver Island, and the Gulf Islands, will increase pressure on ferry services.

In some locations, vehicle travel demand is expected to strain or exceed BC Ferries' capacity. Seasonal surges and commuter volumes may exacerbate peak-period congestion. While vehicle space is limited, most routes still have ample capacity for more walk-on passengers.

Map 2 2050 Automobile Equivalent (AEQ) growth by route

Connectivity with the wider transportation system

Many ferry terminals are in car-oriented, remote locations and lack viable alternatives for travellers without a car. The Province's Clean Transportation Action Plan and TransLink's Transport 2050 both envision significant growth in passenger travel without personal vehicles, supported by land use and transit investments. Achieving these outcomes will depend on strong collaboration across transportation agencies and all levels of government.

Decarbonization of operations

Provincial, federal, and international regulatory bodies are poised to set aggressive greenhouse gas reduction targets, including the International Maritime Organization's target of net zero emissions by 2050. Ferries are challenging to decarbonize due to long asset lifespans and high capital costs. However, advances in propulsion technology and B.C.'s clean electricity grid create meaningful opportunities for transformation.

Climate change impacts

Rising sea levels, storm activity, and extreme weather will impact terminals, schedules, and infrastructure. Climate shifts may also draw more people to coastal communities, further increasing demand. Meeting these challenges requires significant investment in resilient assets, adaptive infrastructure design, and operational flexibility.

Aging assets

Many vessels and terminals are reaching the end of their operational lifespans. Delays in replacing or upgrading infrastructure could lead to breakdowns, service disruptions, and costly emergency repairs. Conversely, asset management enabled by new technologies offers an opportunity to improve maintenance protocols and reliability and reduce costs.

Affordability and funding

The ferry system is under increasing financial pressure. Operational costs are rising due to inflation, aging infrastructure, modernization demands, and higher service expectations. At the same time, the ability to raise revenues is constrained by affordability concerns for passengers, and limited revenue alternatives within the existing legislation. Collaboration between BC Ferries, local and senior governments and other partners will be key in identifying solutions to address these constraints.

Network performance

To understand future risks, BC Ferries assessed each route's ability to accommodate projected growth under different scenarios for 2035 and 2050. These assessments were used to generate route-by-route risk ratings based on vessel capacity, service levels, and projected travel demand. The following maps highlight the risk level for each route at projected range of service demand in both 2035 and 2050 without further capacity investments or strategic interventions.

These maps highlight anticipated areas of pressure in the ferry system where BC Ferries, in coordination with other transportation and regional partners, should focus efforts over the planning horizon.

Map 3 2035 - Risk Map - without implementation of strategies or investments

Map 4 2050 - Risk Map - without implementation of strategies or investments

Summary of key conclusions

- Based on customer expectation and demand growth, almost all routes will likely require some form of expanded service or demand shift over the next 25 years.
- Existing approved vessel replacement programmes (Island Class, New Major Vessels) help avoid reductions in service but do not keep pace with projected capacity needs.
- Some routes are more sensitive to specific demand drivers (e.g., tourism) and require further study to determine future needs.
- To manage capacity cost-effectively and preserve affordability, demand-shaping tactics, such as adjusting sailing frequency, incentivizing off-peak travel, and promoting mode shift, must be considered as alternatives to new vessel capacity.

This evaluation reinforces the need for agile and regionally tailored approaches to long-term service planning. The actions and tactics outlined in the next section will inform BC Ferries' efforts in long-term planning to support the coastal ferry system.

Tactics and actions to support *CTC* Vision

In pursuit of the public interest and considering the challenges identified in "Challenges ahead for the coastal ferry system", a series of proposed tactics and actions have been developed. These actions are organized by goal, although many will support multiple goals concurrently.

Each of the five goals includes a headline key performance indicator (KPI) and a long-term aspirational target for 2035 or 2050, depending on data availability. In some cases, current performance falls short of these targets, reflecting the scale of the challenges the system is working to overcome.

BC Ferries' ability to advance these actions will depend on supportive policy initiatives and strategic investments by provincial and federal governments, fare increases, as well as coordination with local and regional governments and transportation partners. As BC Ferries is one part of coastal ferry system, most goals will only be met through collective effort, and all partners will share in resulting benefits.

Goal #1: Reliable and available

Headline target: Less than 0.3% of scheduled sailings cancelled due to technical issues.

Objective 1a. Meets the essential needs of ferry users

Some ferry trips are discretionary, others are essential. Work, school, medical appointments, and the movement of goods are time-sensitive and critical to the wellbeing of individuals and communities. The ferry system must support both.

Tactics and actions

a. Work with local governments to review growth projections and trends that will impact travel needs relative to ferry and connecting transportation service levels.

b. Work with local governments and the Province to ensure that expectations are aligned on the changing land uses and the necessary investments in public infrastructure, transportation and ferry services.

c. Facilitate priority movement of critical emergency services and first responder resources to protect public interest including Medical Assured Loading for customers requiring expedited ferry access.

What about prioritizing residents or work trips?

The idea of giving priority based on who's travelling (e.g., resident vs non-resident) or why they're travelling (e.g., commuting vs leisure) was raised and carefully considered during development of *CTC*.

Today, priority access is already in place for urgent medical travel, with no plans to change that.

While prioritizing residents or certain trip types could improve service for select groups, it would reduce access for others. Tourism operators and business owners expressed concern that limiting visitor access could negatively affect local economies and those visiting relatives and friends. Coastal ferries are a publicly funded part of B.C.'s transportation system, designed to serve broad public interest. Ferry access is not currently segmented by user group, and doing so would require significant resources to administer. Community support for this approach is mixed.

Alternative options to support access and affordability are being explored. These could include fare products that provide discounts or priority for frequent travellers or those who need to travel during peak times.

Objective 1b. Meets the needs of users during peak periods

Access to preferred sailings, especially during the peak season, is critical for both people and goods but with limited capacity and strong seasonal demand, sailing waits remain a challenge, particularly for customers without a booking.

Not everyone can shift their travel time, but some will—with the right tools, incentives, and information. Managing demand is often more cost-effective than expanding service and can significantly improve both customer experience and system efficiency.

Tactics and actions

a. Ensure convenient and easy access to real-time information on sailing conditions to allow customers to make trip planning decisions.

b. Expand variable pricing where feasible to reward off-peak travel and ease pressure on peak sailings.

c. Work with communities to introduce or expand reservations on more routes where operationally and economically feasible.

d. Improve the accessibility and usability of booking systems to make reservations easier to navigate.

e. Add capacity – through vessel size, frequency, or span of service – after lower-cost demand management strategies have been implemented.

Objective 1c. Supports the efficient movement of commercial goods and services

BC Ferries plays a critical role in goods movement across the province. Maintaining that role supports economic resilience and coastal affordability.

Tactics and actions

a. Maintain ferry-based goods movement in coastal BC, alongside private operators like Seaspan.

b. Collaborate with communities and industry to anticipate future freight needs.

c. Use variable pricing and manage allocation of deck space to support efficient goods movement.

d. Explore late-night or early-morning sailings and dedicated vessel capacity to shift freight outside peak times.

Objective 1d. Operates reliably

Reliability depends on proactive maintenance, flexible scheduling, and strong infrastructure. Customers consistently rank this among their top priorities.

Tactics and actions

a. Adopt real-time asset monitoring and predictive maintenance tools.

b. Build system resilience through relief vessels, standardized fleets, and vessel interoperability.

c. Enhance customer notifications to improve clarity and timeliness during disruptions.

d. Maintain a well-trained, well-supported workforce to deliver consistent service.

Goal #2
Convenient and integrated

Headline target: Increase the ratio of total passengers to total vehicles by 25% by 2050.

Objective 2a. Planned with communities and aligned with regional, economic and tourism strategies

Tactics and actions

a. Collaborate with First Nations, municipalities and senior governments on growth planning.

b. Work with economic development and tourism agencies to align plans and strategies with ferry service needs.

c. Develop shared business cases with transit agencies, local and senior governments and other operators to advance projects that reduce private vehicle travel and increase transit, active mode and shared mobility use to reflect the shared benefits and costs.

Objective 2b. Integrated into the broader transportation system to make it convenient to walk, roll, or take transit

Access to ferries must work for people travelling on foot, by bike, or by transit – not just in cars. Supporting non-vehicle access improves system efficiency and affordability.

Tactics and actions led by BC Ferries

a. Provide a comfortable customer experience for foot passengers, cyclists, and people with mobility needs.

b. Improve facilities for walk-on and rolling passengers including weather-protected waiting areas and secure bike parking.

c. Explore passenger-only ferry routes where travel time advantages or capacity constraints justify it. (See callout box)

   New services could be delivered by private operators on a commercial basis and/or BC Ferries, pending further analysis.

   Areas of potential support for private operations could include access to public terminals, integration facilities and services, travel program contracts, capital infrastructure support.

Tactics and actions – In coordination with transportation partners

a. Improve integration through coordinated planning of transit and ferry services.

b. Work with transit agencies to expand transit service to terminals, including new routes and express options.

c. Improve active transportation connections and safety.

d. Expand transportation mode options to terminals through park-and-rides, secure bike parking, ride sharing, car sharing, shuttles, and on-demand services.

e. Collaborate with 3rd party transit service providers to facilitate and expand end-to-end charter bus service offerings.

f. Identify opportunities for improvements in interregional transportation to allow access to destinations without a personal vehicle and improve connectivity.

g. Pilot interregional travel projects that reduce reliance on personal vehicles.

The following Map 5 illustrates where transit-ferry alignment opportunities exist, either through alignment of schedules, expanding existing service frequency or trialing new transit connections.

Map 5 Opportunities for transit and passenger ferry providers to support Intermodal Connectivity outside Metro Vancouver

Passenger-only ferry

Passenger-only ferries can play a role in meeting future travel demand, particularly in high-density corridors. They offer different advantages compared to vehicle-carrying vessels: lower capital costs compared to vehicle ferries, minimal berth and road access requirements, and better integration with transit and active transportation networks, especially when centrally located terminals are used. These characteristics can reduce overall travel times for some trip patterns.

BC Ferries currently operates a fleet of vessels that are designed to address the demand for customers travelling with vehicles and as foot passengers to serve the broad public interest. Of the 25 routes, only one route is served by passenger-only ferry.

The introduction of the privately owned Hullo Ferry between Nanaimo and downtown Vancouver suggests that passenger-only ferries may be commercially viable.

Passenger-only ferries that operate in corridors with existing vehicle-carrying ferry service may provide a more convenient alternative, and as a result, attract some demand and fare revenues from the underlying ferry service and air services.

New passenger-only ferry routes could be operated by other operators or BC Ferries. Over time, a mix of operators could strengthen the coastal ferry system, introduce more innovations and efficiencies into the system and offer customers more choice.

Objective 2c. Offers simple, convenient and accessible booking and travel information

Tactics and actions

a. Provide accurate, real-time updates on transit and ferry connections.

b. Streamline booking and ticketing across platforms to create a more seamless, user-friendly experience and simplify trip planning.

c. Make travel information easy to find and accessible to all users.

d. Align information and branding across digital touch points to reduce friction.

Goal #3
Safe and comfortable

Headline target: Reduce passenger safety incidents by 5% by 2035.

Objective 3a. Safe for all customers and staff

Tactics and actions

a. Ensure safety for passengers travelling by any mode.

b. Provide passengers with clear and accessible safety information.

c. Coordinate with regulatory partners, local governments and enforcement partners to enhance safety.

Objective 3b. Provides a comfortable journey

Tactics and actions

a. Provide a seamless travel experience that considers at all stages of the customer journey – from trip planning to terminal to onboard experience.

b. Leverage technology to provide timely, easy to find and accessible information.

c. Offer amenities for passenger comfort.

d. Proactively communicate trip information to customers through accessible channels.

Objective 3c. Accessible to passengers of all abilities

Tactics and actions

a. Design terminals and vessels to be accessible and barrier-free.

b. Enhance accessibility with innovative digital tools.

c. Provide personalized service where needed.

d. Train frontline staff to meet a variety of accessibility needs.

Objective 3d. A good neighbour and supports safe communities

Tactics and actions

a. Plan infrastructure and services in collaboration with local communities and First Nations.

b. Support community health and vitality through inclusive, accessible design.

Goal #4
Environmentally sensitive and resilient

Headline target: Reduce greenhouse gas emissions by 27% by 2030 (vs. 2008 baseline) and pursue Net Zero by 2050.

Objective 4a. Supports government GHG reduction targets by decarbonizing and prioritizing transit and active modes

Tactics and actions

a. Reduce emissions through electrification, low-carbon fuels, and fleet modernization.

b. Make it easier and more appealing to travel without a personal vehicle.

c. Design new vessels to be as low emitting as practical.

Objective 4b. Resilient to natural disasters and climate-related disruptions

Tactics and actions

a. Assess physical risks (sea level rise, storm events, temperature extremes).

b. Design terminals and vessels to withstand extreme weather.

c. Integrate climate risk into capital and operational planning.

d. Mitigate risks through ongoing management, monitoring and strategic investments.

Objective 4c. Supports emergency response to wildfires, seismic events and other emergencies

Tactics and actions

a. Ensure baseline service levels are maintained during emergencies.

b. Establish contingency plans for road closures and evacuations.

c. Work with government, First Nations and community partners on coordinated responses.

Objective 4d. Minimize ecological impacts

Tactics and actions

a. Reduce underwater radiated noise.

b. Reduce physical disturbance of marine mammals through investment in technologies and collaboration with partner agencies.

c. Develop invasive species management strategy and contaminated sites mitigation plans.

d. Develop comprehensive storm water management program.

Goal #5
Affordable and efficient

Headline target: Increase the percent of fares sold at a discount to 35% of vehicles and 40% of passenger fares by 2035.

Objective 5a. Offers affordable fare choices across the ferry system

Passengers choosing less busy sailings can be rewarded with discounts, while those traveling during the busiest times will pay slightly higher prices.

Tactics and actions

a. Expand discounted fares for low-demand sailings.

b. Offer more pricing options to encourage flexibility and support affordability.

c. Explore discount products for frequent customers.

d. Improve access to affordable transportation connections, including active transportation, ride sharing, and public transit.

Objective 5b. Delivers value through cost effective services

Tactics and actions

a. Assess lower-cost, strategies like demand management, operational efficiencies, and schedule adjustments - before considering major capital investments such as new vessels or terminal infrastructure.

b. Evaluate the viable strategies for each route and across the network.

Objective 5c. Financially sustainable and resilient to market and economic changes

Tactics and actions

a. Match vessel and terminal investments to long-term travel demand and system capacity, avoiding overbuilding where lower-cost solutions are available.

b. Explore partnerships with agencies and the private sector for innovative and cost-effective solutions.

c. Expand the use of pilot projects to understand new operational processes, gauge customer interest, and improve investment decisions.

Figure 8 Hierarchy of Strategies to Address Service Capacity

Step 1 Increase share of foot and bike passengers	**Step 2** Spread peak vehicle demand	**Step 3** Increase efficiency to increase capacity	**Step 4** Increase capacity with existing vessels	**Step 5** Increase capacity with new vessels
1. Inform, incent, discount	**1.** Inform, incent, discount	**1.** Increase boarding efficiency	**1.** Extend peak season service	**1.** Expand passenger-only ferry service
2. Improve active and shared modes	**2.** Price and manage products	**2.** Reduce run-time	**2.** Extend span of service	**2.** Replace with higher-capacity vessels
3. Improve transit experience	**3.** Manage goods movement	**3.** Reduce out-of-service vessel time	**3.** Deploy larger vessel	**3.** Increase frequency
			4. Increase frequency	

Major routes support Inter-island and Northern routes

BC Ferries' Inter-Island and Northern routes play a vital role in ensuring regional connectivity and accessibility. To support these routes, our partners in the Province of BC and the Federal Government of Canada provide additional funding, however the fares and government subsides do not cover the full costs of operations. BC Ferries therefore relies upon cross-subsidization from the major routes to allow ongoing operations. For more information on a route's financial performance see Appendix 5 – Route Statement Summary.

Stability and growth of our network utilization and revenues from our major routes, provide broad benefit to the fiscal health and stability of the overall BC Ferries network, helping to support the sailings that the people and communities of coastal BC rely upon. Maintaining and growing these revenues will also be key to enabling future investments, such as those required to implement the public interest vision outlined in *CTC*.

Impact of tactics on future service

The strategies, actions, and tactics identified for each Goal and Objective are intentionally designed to be flexible and adaptable — reflecting the diverse contexts and route types across the ferry network. The hierarchy of approaches outlined in Goal 5b supports the full set of goals by expanding alternatives to personal vehicle use, addressing long-term capacity needs, enhancing connectivity, reducing greenhouse gas emissions and ecological impacts, and promoting cost-effective solutions.

However, some routes present challenges. On corridors where personal vehicles are essential—due to limited alternatives or trip characteristics—it may be less feasible or cost-effective to shift travel behaviour. Likewise, spreading demand to off-peak sailings is not always an option on routes with few daily sailings or limited available capacity.

In such cases, strategies further down the hierarchy—such as increased sailing frequency or investment in new vessel capacity—may be necessary to meet future travel demand.

The following table illustrates how different strategies may be applied across the network based on specific route needs and opportunities.

Table 1 Illustrating how the hierarchy of strategies can apply against specific route groups

Strategy	Description	Opportunities	Example Routes include
Increase ratio of passengers to vehicles	Passengers choose their mode of travel based on several factors including costs, time, convenience and comfort. By improving travel for foot, biking, rolling and transit customers or incentivizing customers to carpool, BC Ferries can increase the ratio of passengers to vehicles across the system, reducing pressure on vehicle capacity.	Providing clear and easy to find information on conditions for different sailings can help customers make better decisions on mode of travel. Incentivize passenger volumes through pricing.	All routes
Improve connectivity with the wider transportation network	Improving connections between ferries and active transportation, transit and other options such as car share will encourage more passengers to travel without their personal vehicle. Achieving greater connectivity will require collective effort on the part of transportation agencies, and local, regional, and senior governments.	This includes working with transit partners to assess: • Improved experience for those walking or rolling through terminals. • Improved real-time information about transit-ferry connections. • Opportunity for pilots of new transit service or OnDemand shuttle service. • BC Transit and BC Ferries collaborate to promote transit service offerings. • Expand existing service offering. • Support for local transit provider to offer greater service.	Routes: 4, 5, 7, 19, 23, 30

Strategy	Description	Opportunities	Example Routes include
Spread peak vehicle demand	Some routes have lower demand sailings with available capacity. By encouraging people to shift to less busy times, we can use the space more efficiently and move more people and vehicles.	• Clear and easy to find information on conditions for different sailings can help customers make better decisions and encourage travel during less busy sailings. • Implement and expand variable pricing where operationally and economically feasible to encourage customers to shift to less busy sailings. • Improve the convenience of reservations to enhance customer experience and efficiency of the system. • Spread Nanaimo/Vancouver demand across Routes 2 and 30 to help reduce wait times and make better use of available ferry space.	Routes: 3, 2/30, 4, 5, 7, 17, 18, 9
Increase capacity with existing vessels through higher frequencies and redeploying vessels	On routes where the hierarchy of strategies has been evaluated and approaches to increase foot passengers and use available capacity have been undertaken, overall increases in vehicular capacity using existing vessels can be considered.	Capacity expansion could include: • Increased frequency of sailings • Longer season • Longer operational day • Redeployment of vessels • Late night and early morning sailings that are primarily for goods movement	Routes: 7, 9, 12, 17, 18, 19, 23, 10, 11
Increase capacity through larger replacement vessels and adding incremental vessels	When vessels must retire or existing infrastructure is not sufficient, work with local governments to review growth projections and trends that will impact travel needs relative to ferry and connecting transportation service levels. This will help to understand the capacity investments needed.	• Build larger vessels • Introduce incremental vessels to the system • New services such as goods movement only or passenger-only services	Routes: 1, 2, 30, 6, 20, 22, 24

Earlier in this document, Map 3 and Map 4 highlighted the service risk areas for the system in 2035 and 2050, assuming no additional investments.

This assessment was completed utilizing the hierarchy of strategies and opportunities outlined in Table 1, as well as other actions and tactics. The new risk ratings, depicted in Map 6 and Map 7, illustrate the expected reduction in service availability risks across most routes for 2035 and 2050.

Map 6 2035: Risk Map – with implementation of strategies or investments

Map 7 2050: Risk Map – with implementation of strategies or investments

The following table, Table 2, compares network-wide risk ratings under two scenarios: no investments or strategies, and combined capacity investments and implementation of strategies. The table categorizes routes by their risk level to meet future service availability goals under each scenario.

With the implementation of planned investments and appropriate strategies, it is anticipated that by 2050 the number of routes facing "Potential or Known Service Risk" is expected to decline from 17 to 10, while routes categorized as "Well Served" will increase from 2 to 8.

Table 2 Routes within each risk category, based on scenario (with or without strategy implementation)

Service availability risk	2050 – No additional investments	2050 – With strategy implementation
Well served	2	8
Routes to watch	5	6
Potential service risk	11	10
Known service risk	6	0

** Includes an incremental major vessel in the fleet and future service enhancements to support increase in demand not met through modal shift*

10 routes are projected to remain within the "Potential Service Risk" category. Further assessment will be required once strategies—such as increasing passenger-to-vehicle ratios, enhancing transit connections, shifting demand between the two corridors to reduce congestion at Horseshoe Bay, and implementing other demand management techniques—are in place. For example, Routes 2 and 30 are flagged as 'Potential Service Risks' in 2050 with plan to spread demand across the two routes to best utilize the available vessel capacity. Other areas with Potential Service Risk such as Routes 3, 7, 18, are projecting significantly higher growth than the rest of the BC Ferries network, estimated to be part of the growing and evolving tourism market.

BC Ferries will work closely with local governments and tourism agencies to align with regional plans to accommodate growth in tourism, implementing strategies to support modal shift, increasing passenger travel, improving access to available capacity, then reassessing future growth projections.

Across the network, as BC Ferries collaborates with communities, customers, and transportation partners to optimize system-wide capacity, we will continue reviewing the effectiveness of strategies deployed on each route. This ongoing evaluation will identify the most efficient, effective, and affordable solutions for meeting the evolving needs of the communities served. Acknowledging that traffic patterns and demand projections may change over time, we are building flexibility into these plans to ensure adaptability to changing traffic patterns, customer behaviours and corporate financial conditions. There will be an ongoing effort to continue to tailor these implementation plans across the network as further studies and costing efforts have been completed. The net cost of the proposed near- and medium-term implementation plans and the capital to address capacity needs will be undertaken in future studies and outlined in the Performance Term 7 submission.

Delivering the vision

Advancing the vision within a regulated environment

The Vision looks out to both 2035 and 2050 and is designed to be implemented incrementally, over multiple Performance Terms, to both maximize the benefits and value to the public and pragmatically reflect fiscal realities. BC Ferries prepares a Performance Term (PT) submission every four years for the BC Ferries Commissioner. This submission outlines proposed investments and service plans. The Commissioner reviews the plan and sets a price cap on fares, aiming to balance affordability for users, financial sustainability for the company, and value for taxpayers.

Each PT requires collaboration between BC Ferries and the independent BC Ferry Commission to negotiate a four-year business plan that includes a regulated price cap. This mechanism determines the average annual fare increase allowable across all routes and considers factors such as projected revenues, operating expenses, capital investments, administrative costs, and the service fees and minimum service levels determined by the Province. While fare increases can impact affordability for some passengers, they will be necessary to fund rising operating and capital expenses, support the expansion of services, and/or renewal of vessels and other assets. Achieving a balance between affordability for users and the public is crucial to ensuring reliable and equitable ferry services for the future.

We are currently in PT6 (2024–2028), during which BC Ferries is advancing core service and operational goals using confirmed funding. Planning for PT7 (2029–2032) is now underway and that plan will be informed by the *CTC* vision. PT7 will provide the first major opportunity to start implementing this Vision.

Sustainable funding across performance terms

The initiatives identified in this Vision to maintain, upgrade and expand the coastal ferries network will require increases in revenues both for the coastal ferry system and the connecting transportation services and infrastructure.

BC Ferries is funded by two main sources: revenue from customers and funding from governments (see Figure 4). All revenues are reinvested into the system to support day-to-day operations, train, and develop crew, upgrade terminals and vessels, and replace equipment.

Routes across the system receive varying levels of subsidy depending on how the provincial Ferry Transportation Fees are assigned. For example, Route 1 between Tsawwassen in Metro Vancouver and Swartz Bay near Victoria generated net earnings of $47.5M in 2025, helping subsidize other unprofitable parts of the network. Inter-island routes, by contrast, recover only about one-third of the cost to deliver service and require more than $200M in additional government funding annually to maintain current service levels and fare affordability.

The limited range of revenue-generating options available to BC Ferries, along with the restrictions placed on them, hinders the organization's ability to respond swiftly and strategically. Affordable access to the network is a core public interest goal that will be central to solutions to create a solid fiscal foundation for the vision.

Charting the Course outlines a vision that spans six Performance Terms. Advancing this Vison will require long-term incremental investments that must be built upon a solid financial foundation, which fully addresses the existing financial gap.

Advancing *Charting the Course* investments will require increases in revenues, through a combination of growth in fare revenues, direct funding and potentially the implementation of new revenue tools, conceived in partnerships with the Province, Federal government, First Nations, local governments and coastal interest holders.

As future performance term plans are created, BC Ferries will engage with all its partners, including across all levels of government to identify funding opportunities and solutions.

Governance of vision implementation and performance

With *CTC*, the BCFA has worked closely with BC Ferries and consulted with many other interest holders across the province to help shape and inform a definition of the public interest and frame that public interest definition into specific long-term strategic objectives for the coastal ferry system. As a critical enabler of this system, BC Ferries is committed to advancing these objectives as funding permits.

Through regular engagement and transparent communication, BCFS and the BCFA will work in collaboration and partnership, to identify opportunities to advance this public interest vision and address the financial and funding needs necessary to best serve the people of British Columbia.

Appendices

Appendix 1: Governance

B.C. Ferry Authority

The B.C. Ferry Authority is BC Ferries' sole voting shareholder. It has four core responsibilities:

1. To appoint the board of directors of BC Ferries
2. To establish a compensation plan for the directors of BC Ferries
3. To approve an executive compensation plan for the executives of BC Ferries
4. To oversee the strategic direction of BC Ferries in support of the public interest.

Its vision is "Safe, reliable and affordable coastal ferry service in British Columbia and a service that meets the needs of coastal communities and supports the public's interest in environmental, economic and social objectives". The Authority's Board consists of nine directors:

- Four directors are nominated by coastal regional districts;
- One director is nominated by the trade union representing BC Ferries workers; and
- Four directors are appointed by the Province;
- The Chair is selected by the Board

BC Ferry Services Inc. Board of Directors

The nine-person board of directors of BC Ferries is appointed by the company's sole voting shareholder, B.C. Ferry Authority. The BC Ferries Board of Directors provides strategic direction and makes key decisions to support the organization's financial sustainability and the delivery of reliable ferry service. The Board oversees long-term planning, major investments, and operational performance to ensure services are efficient, fiscally responsible, and aligned with provincial transportation priorities.

British Columbia Ferries Commissioner

The Commissioner is appointed by the province but acts independently of both the Province and BC Ferries, is responsible for monitoring service levels and other matters, and regulating average fare increases. The Commissioner uses a price cap mechanism to establish the fares BC Ferries can charge customers. The Commissioner undertakes this regulation in the public interest in accordance with the following principles defined in the *Coastal Ferry Act*:

- To balance the interests of ferry users, taxpayers and the financial sustainability of ferry operators
- To encourage BC Ferries to meet provincial greenhouse gas emissions targets in its operations and when developing capital plans, and
- To encourage innovation and minimize expenses without adversely affecting safe compliance with core ferry services.

Relationship to the provincial government

BC Ferries has a contract (the Coastal Ferry Services Contract) with the Province to provide passenger and vehicle ferry services on the coast of B.C. BC Ferries' routes and minimum service levels are defined in the Coastal Ferry Services Contract. The contract, originally signed in 2003, is a binding 60-year agreement that is reviewed and updated at four-year intervals, called performance terms. The most recent renewal of the Coastal Ferry Services Contract was completed for PT6 (April 1, 2024 – March 31, 2028), and in total there have been eighteen amending agreements for the contract.

Appendix 2: Reconciliation framework

Role of the provincial government

In B.C., the Province adopted the United Nations Declaration on the Rights of Indigenous Peoples by enacting the Declaration on the Rights of Indigenous Peoples Act in 2019 (DRIPA). DRIPA established the UN Declaration as the Province's framework for reconciliation and was a milestone in building a relationship with Indigenous Peoples based on a path of respect, transparency and collaboration. An Action Plan was developed, with Action Item 3.9 being particularly relevant to the transportation sector:

> *Identify and implement multi-modal transportation solutions that provide support and enable the development of sustainable, safe, reliable and affordable transportation options for First Nations communities.*

Role of the ferry provider in B.C.

CTC acknowledges the 82 First Nations communities whose ancestral lands and waters the ferry system's terminals and vessels use to move people throughout the province. There are two important, comprehensive instruments on the rights of Indigenous Peoples:

- The provincial Declaration on the *Rights of Indigenous Peoples Act* (*Declaration Act*) passed into law in November 2019.
- The Truth and Reconciliation Commission of Canada's Calls to Action, released in 2015.

The foundational Call to Action for companies in Canada is #92: Business and Reconciliation

"We call upon the corporate sector in Canada to adopt the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources. This includes, and is not limited to:

- Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.
- Ensure that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.
- Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal–Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism."

BC Ferries' role as the current service provider

Truth and reconciliation is an imperative for service providers delivering ferry services in B.C. BC Ferries uses a distinctions-based approach when working with First Nations and is evolving its practice, using TRC's Call to Action #92 and BC Ferries' five strategic goals for Indigenous Relations, endorsed by the BC Ferries Board of Directors in 2022:

1. Establish mutually respectful relationships with First Nations communities
2. Proactively support local First Nations culture and communities
3. Foster internal cultural awareness and capacity building
4. Manage risk and support project-based consultation requirements
5. Seek economic participation of First Nations communities through the operations of BC Ferries

Appendix 3: Future trends

When we plan for the future, what sort of future are we planning for? The current BC Ferries service and capital strategies assume a future that looks similar to the past. While forecasting future transportation demand is full of uncertainty, straight-lining past travel patterns into the future is no longer defensible. The rapid shift to remote work that was triggered by the pandemic is just one example of how travel patterns are in flux and can change rapidly.

A robust set of service, capital and management strategies will require us to generate forecasts for demand that include:

- Where- trip origins and destinations
- When- by season, by day of the week, and by time of day
- How-by mode (commercial trucks, coaches, private, vehicle, transit, bike, walk) and what space and weight requirements
- Why-trip purpose

Ferries travel demand patterns and characteristics are impacted by many factors and strategies.

Figure 1. Factors that influence travel demand patterns

Origin and destination	Population and employment	Economic strategies	Housing strategies	Digital access
Mode and size	Mode shift policies and trends	Automated and electric vehicles	Commercial and goods movement	
Seasonality	Population and employment	Tourism and recreation	Economic strategies	
Day of the week	Tourism and economic strategies	Community development	Work from home trends	
Time of day	Community development	Demographic changes		
Trip purpose	Economic strategies	Digital access		

Future forces

Eight forces that could significantly shape travel demand for coastal ferries are detailed below. For each force the potential effects on ferry travel demand are identified. Preliminary forecasts and trends are drawn from recent work led by the Province in consultation with agency partners and the 2019 work of TransLink and Metro Vancouver as well as. For each of these factors, a forecast or set of scenarios will be generated. In addition, the level of impact and variability will be explored to look at the degree of which each force is likely to impact ferries as well as the variability or level of certainty in how and when the forces may unfold.

Both Boards have emphasized that there are notable differences in the travel context in urban versus rural communities that will need to be considered in the assessment of emerging technologies and societal trends. A difference which is also observed in northern versus southern communities, e.g., lower uses of transit, walk and bike.

1. Population and jobs

The quantity, location and type of job opportunities will shape population patterns and overall demand for travel- ferries included. Total demand for mobility and access has historically grown in lockstep with employment and population- although the detailed patterns and mode-choices can and have shifted over time.

Preliminary forecasts: Regional Growth Strategies and BC Stats projects are the source of current forecasts and growth rates vary within the coastal service regions. BC Stats current estimates are for the total population of the coastal area is forecast to grow by about 35% or 1.3 million more people by 2050, including over 600,000 more jobs. Metro Vancouver and TransLink developed scenarios with a range of 0-80%.

2. Tourism and recreation

For periods of the year, a high proportion of ferry traffic is driven by tourism and recreation purposes relative to overall travel on the road network. This is currently most pronounced in the summer periods. Increases in employment and wealth are correlated with increased demand, but local tourism infrastructure and services constraint the demand in the near and medium term.

Preliminary forecasts: The initial input is for continued but uneven growth albeit at a slower rate than forecast population. Capacity issues in tourism-supporting infrastructure in areas like Tofino, Gulf Islands and Sunshine Coast will put constraints on demand, especially in the short and medium-term.

3. Goods movement strategies

The movement of goods and services is critical to communities and the economy, and represents a significant portion of space requirements on vehicle ferries. Local and regional demand for goods movement via ferries is highly correlated with employment and population.

Preliminary forecasts: In progress. The Province and regions have active work underway and have advised that the limited supply of industrial lands in the Lower Mainland may cause a decentralization strategy of interregional and international goods movement activities, increasing demand for ferry connectivity.

4. Automated, connected and electric vehicles

The electrification of passenger vehicles will reduce the marginal cost of driving, incentivizing more driving absent other measures. This includes access to and/or on ferries with private vehicles and congestion pressures on the road networks surrounding ferry facilities. Electric vehicles are heavier and demand for charging facilities at terminals could increase. Connected technology and automation could improve efficiency of vehicle loading and storage. With automation also comes an increased possibility of shared versus privately-owned vehicles. This factor will greatly impact the level of congestion on roads.

Preliminary forecasts: B.C.'s EV market is the fastest growing in North America. The percentage of the provincial light-duty vehicle fleet that turns over annually averages 7%-8%. The transition of the

majority of the personal vehicle fleet is forecast to occur around 2040. TransLink and Metro Vancouver are forecasting that 30-70% of the fleet could be fully autonomous by 2050. This could vary regionally.

5. Shared Vehicles and Micro-mobility

The electrification of bicycles and scooters increases the convenience and viability for short to medium-distance trips instead of via private vehicle or transit. Combined with the cost-savings for ferry travel, this advance could shift the proportion of foot and bike passengers on the ferries. Demand for convenient access, parking and charging could increase along with bike share at some island destinations. Trends in shared vehicles- cars, bikes, scooters- could also impact connectivity patterns and could shift per capita parking requirements at ferry and adjacent facilities. Usage fluctuates by season but aligns with ferry seasonal variations.

Preliminary forecasts: Sales of e-bikes has outpaced forecasts and exceeds electric vehicles. This has been driven by the expansion of the cycling market to new demographics and more trips being viable and convenient. Battery technology and costs continue to drop. Local, regional, and provincial governments are supporting and incentivizing increased use (discussed below). Shared bike and scooter programmes continue to grow, whereas the shared vehicles market has struggled.

6. Digitization

Digitization is changing both how people connect for work, services, and socialization and how they expect to interact with service providers like BC Ferries. This trend was accelerated by the pandemic as more people are accessing government and business services online, e.g., medical consultations, online educations, business consultations. This could alter the reliance on ferry connections for access to these services. However, overall trips per person have been historically very stable and avoided trips are often substituted for trips for other purposes- such as entertainment- which could shift ferry travel patterns by time of day and day of the week.

Preliminary forecasts: None yet available. The Provincial government has been supporting digitization for rural and remote communities, which could change volumes and accessibility needs on low frequency routes.

7. Work From Home

An extension of digitization, remote work has the potential to uncouple job and housing location for a portion of the public. During the pandemic, Work from Home became the norm for roughly half of all jobs. While patterns are still in flux, remote work is now more viable for more people which could impact housing location- increased growth outside major urban areas- and commuter patterns- spreading of the peak.

Preliminary forecasts: TransLink has estimated that on average, people that can work from home will do so 1.5 days per week. Staff will consult with the regional districts on how this force is being incorporated into assumptions for growth rates outside Metro Vancouver and the Capital Regional District.

8. Public Policies for Transportation

Policies that shift how people travel will impact the volume and modes of travel on the entire transportation network, including to the ferry network. Policies and regulations around electrification will shape vehicle purchases and personal preferences. Investment decisions in active mode infrastructure and services in regard to roads, bridges and parking will also influence travel preferences on how people travel to, from and on the ferry network. The choice of mode often varies by the trip and the purpose; additional analysis on the elasticity of demand for ferry trips is necessary as it will vary by route and purpose.

Preliminary forecasts: The Province has set legislated GHG reduction and transportation targets including increasing the share of trips made by public transit and active transportation from 18% today to 30% by 2030, 40% by 2040, and 50% by 2050 and reducing the total light-duty vehicle kilometres travelled (VKT) in B.C. by 25% by 2030. Similar targets and policies exist at the regional and municipal levels.

Appendix 4: *CTC* travel demand forecasting models

At its core, the *CTC* model is a sophisticated long-range planning tool designed to forecast travel patterns across the coastal region of British Columbia through to the year 2050. To accomplish this, the model divides the entire coastal region into more than 50 distinct zones, allowing for a detailed analysis of travel between them. The model is a 2.5-step travel demand model, a specialized version of the standard four-step models widely used in transportation planning. It considers all forms of transportation—including ferries, cars, public transit, and airlines—to create a complete picture of how people move around the region.

The model is "capacity unconstrained". Instead of looking only at the number of people and vehicles currently using ferries, the model estimates the total potential demand for travel. This includes "latent demand"—people who would travel if there were more ferry capacity available, particularly during peak times. Based on customer surveys, an additional 10% latent demand is factored into the BC Ferries portion of the forecast, providing a more realistic picture of future needs. The model is also calibrated using post-COVID travel data, ensuring its projections reflect current travel behaviours.

How population and employment drive travel demand

The engine driving the *CTC* model's forecasts is the projected growth in regional population and employment. These two factors are the fundamental building blocks for estimating future travel demand. The logic is straightforward: as the population in a specific zone grows, and as employment opportunities in another zone increase, the number of trips between these locations is also expected to rise.

The model first estimates the total number of trips starting or ending in each zone based on its population and employment figures (a step known as trip generation). It then determines where these trips are likely to go, linking zones with high population to zones with high employment, for example (trip distribution). Once the model establishes these travel patterns between zones, it simulates how individuals choose their method of travel. This "mode choice" is influenced by the characteristics of each available option. Factors like the relative cost of a ferry ticket versus driving, total travel time, and the frequency of service all play a crucial role in whether a person chooses to take a ferry, drive, or use another mode of transport. This comprehensive process allows the model to predict not just how many people will travel, but how and where they will travel.

The model relies on official government data:

- **Population forecasts:** Sourced from the BC Government's official projections, which are based on the 2021 census data.
- **Employment forecasts:** Derived from the BC Labour Market Outlook. These projections also use the 2021 census as a foundation to predict future job growth in key regions.

Building forecasts and exploring future scenarios

The forecasting process begins by establishing a "Base Forecast," which represents the most probable future for travel demand. This is done by running the model for three key years: a 2022 base year (using actual traffic data), a 2035 midpoint, and a 2050 endpoint. The model then uses a simple linear interpolation to fill in the years between these points. It's important to note that this method provides an estimate for a typical day, extrapolated to a full year, and does not account for specific seasonal peaks (like summer holidays) or daily variations.

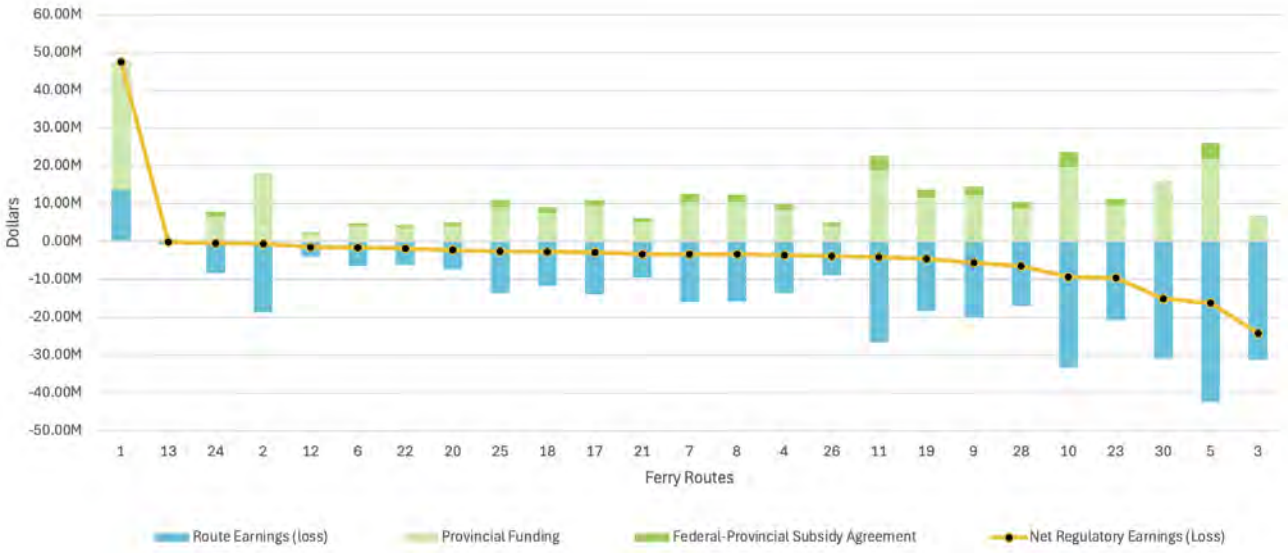
Understanding that the future is uncertain, the model's flexibility allows for the creation of alternative scenarios. These scenarios explore different possible futures by adjusting the core assumptions about population and employment growth in specific regions. By running these different scenarios, BC Ferries can test how various fleet and service investment strategies would perform under a range of future conditions. This ensures that decisions made today are robust and aligned with the long-term needs of British Columbia's coastal communities.

Appendix 5:
Route statement summary – fiscal 2025

Our investment decisions prioritize delivering a safe, reliable, and efficient ferry service while maintaining fare affordability. All earnings are reinvested into operations, crew development, terminal and vessel upgrades, and equipment replacement to ensure long-term sustainability. Ongoing investment is essential to meet population growth and evolving travel patterns while keeping fares affordable. The rising costs of fuel, labor, infrastructure, and general operations continue to pressure fares across the system, affecting long-term planning for construction and vessel purchases. These financial impacts are expected to persist despite strong demand.

As shown in the graph below only one of the 25 routes has a positive Net Regulatory Earning.

F2025 Route Statement Summary



Route Earnings (Loss) includes:
Operating Revenue, Operating Expenses, Cost of Capital, Disposal/Impairment of Capital Assets

The **Federal-Provincial Subsidy Agreement**, established in 1977, provides the Province of British Columbia (BC) with an annual indexed subsidy from the federal government to support ferry and coastal freight and passenger services. In return, the province commits to maintaining specific water links and ensuring "reasonable and adequate" ferry service. The province is responsible for determining the services that need to be funded and is obligated to provide "reasonable and adequate" ferry service. The agreement also includes provisions to support fare affordability and initiatives to reduce greenhouse gas emissions. This agreement has no end date.

Provincial Funding consists of the "Ferry Transportation Fee" is a fee provided by the Province for ferry transportation services provided by BC Ferries on the Designated Ferry Routes and to pay for the Seniors Discount in accordance with the CFSC, and Fare Affordability Funding for PT6.

Items included in Net Regulatory Earnings but not permitted under IFRS:
- Fuel Costs (over) under Set Price
- Fuel Surcharges Collected
- Fuel Price Risk Recoveries Receivable from the Province
- Tariffs in Excess of Price Cap
- Deferred Fare Increase Relief
- Deferred Carbon Reduction Investment Account

Appendix 6: Service availability metric – peak season 2023 and 2024

Service availability

Each route has a "targeted sailing wait" with which most of the demand will be carried. To identify the correct "target" for each route, the frequency of sailings, the time between sailings, the type of travel and the availability of reservations was considered.

Metric

Percentage of Automobile Equivalents carried within targeted sailing wait. The table below provides actual performance for passengers traveling with vehicles, not walk on passengers.

Note: Future demand forecasting includes an estimation of latent demand during peak seasons to account for some desired trips not occurring due to the lack of (or perception of) available capacity at their preferred travel time.

Peak season service availability

Route	Target	2023 Peak Actual	2024 Peak Actual
1	3 hrs		
2	3 hrs		
3	3 hrs		
30	3 hrs		
10	Any sailing		
11	Any sailing		
28	Any sailing		
4	2 hrs		
5	Any sailing		
6	2 hrs		
7	1 sailing		
8	2 hrs		
9	Any sailing		
12	2 hrs		
17	1 sailing		
18	2 hrs		
19	2 sailings		
20	1 sailing		
21	2 sailings		
22	2 sailings		
23	2 sailings		
24	1 sailing		
25	Any sailing		
26	2 hrs		

Well served	Routes to watch	Potential service risk	Known service risk
98 – 100%	90 – 97%	80 – 89%	0 – 80%

Appendix 7: Route map