

Section 9

Update on the implementation of
recommendations from:

**Changing Course – A New Direction for
British Columbia’s Coastal Ferry System:
A Review of the Transformation of BC Ferries**

December 2006

April 2009

RECOMMENDATION STATUS SUMMARY
Changing Course – A New Direction for British Columbia’s Coastal Ferry System
As at January 30, 2009

(Please tick implementation status for each recommendation)

Auditor General’s Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. Government should establish criteria for evaluating how well the coastal ferry system is achieving the objectives of the transformation and conduct evaluations of that performance, at least once in every performance term, in order to determine when or if changes to the <i>Coastal Ferry Act</i> should be made.				√	
2. The Ministry of Transportation should issue, separately or as part of its annual service plan report, a comprehensive summary report on the coastal ferry system.				√	
3. The Ministry of Transportation and BC Ferries should develop performance measures relating to the quality of service, as required by the <i>Coastal Ferry Services Contract</i> .	√				

PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM

Changing Course – A New Direction for British Columbia’s Coastal Ferry System
As at January 30, 2009

General comments

The Ministry of Transportation and Infrastructure has considered the views contained within the Auditor General’s report and has taken specific action aimed at addressing the recommendations contained within the report.

Progress by recommendation

For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p>Recommendation 1:</p> <p>Government should establish criteria for evaluating how well the coastal ferry system is achieving the objectives of the transformation and conduct evaluations of that performance, at least once in every performance term, in order to determine when or if changes to the <i>Coastal Ferry Act</i> should be made.</p> <p>AA</p>	<p>While formal criteria have not been developed, the ministry continually assesses the effectiveness of the model.</p> <p>The ministry monitors the decisions of the Ferry Commission and the actions of BC Ferry Services to determine the extent to which these two integral components of the new coastal ferries model are achieving their intended objectives. The main goal of the new model is that coastal ferry services be provided in a commercial/business manner. The ministry reviews the Ferry Commission’s performance against the regulatory principles set out in the <i>Coastal Ferry Act</i>. The ministry views these principles as underlying the government’s objectives for the operation of coastal ferry services in BC.</p>	<p>When the ministry concluded negotiations with BC Ferries for the second performance term of the contract, the objectives of the new coastal ferry model were taken into consideration. As a result, aside from a taxpayer supported increase for the Northern Strategy which was contemplated within the original coastal ferry contract, the province has not increased its annual service fees contributions for the second four-year performance term.</p> <p>To improve customer service, agreement was reached for the second performance term of the contract to allow BC Ferries to better match demand by providing flexibility in the number of sailings delivered each day, while maintaining core service levels.</p>

Status

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>For example, one of government's objectives was to ensure BC Ferries could borrow funds to replace its ageing vessels. As such, the Ferry Commission is to place priority on the financial sustainability of the ferry operator. BC Ferries publishes audited financial statements each year which allow the province to assess its financial position, credit worthiness and progress in meeting its capital investment plans. Among other regulatory activity, the Ferry Commission also includes a productivity factor within the price cap formula that provides an incentive to BC Ferry Services to be innovative and reduce costs.</p> <p>A key objective of the new model is that coastal ferry services be delivered in a safe, reliable and customer-service driven manner. The Ministry monitors BC Ferries operations against these objectives. In its Annual Reports, BC Ferries provides reporting on detailed Performance Measures which are directly linked to government's objectives. Performance Measures are used to assess financial and operational performance, safety and customer service.</p> <p>The ministry is in regular communication with BC Ferry Services and the Ferry Commission. The ministry has also engaged coastal community stakeholders to discuss coastal ferry services.</p>	<p>In assessing the coastal ferry system, the province has taken into consideration the challenges facing the ferry system as a result of skyrocketing fuel prices and the global economic downturn by providing additional targeted funding on a one-time basis to address these specific challenges.</p>
<p>Recommendation 2: The Ministry of Transportation and Infrastructure should issue, separately or as part of its annual service plan report, a comprehensive summary report on the coastal ferry system.</p>		
AA	<p>While there is no single report that covers all aspects of the ferry system, the ministry believes independent entities such as BC Ferry Services are best positioned to report on their activities on a timely basis.</p> <p>In order to address the concern raised in the report that information about the ferry system is no longer available through a single source, the ministry determined it would be beneficial to provide links to relevant information on the website.</p> <p>There are two primary sources of information on coastal ferry services. The Ferry Commission publishes extensive information including an Annual Report required under the <i>Coastal Ferry Act</i>. BC Ferry Services</p>	<p>In 2007, the ministry's website was redesigned to provide more information on the coastal ferry model and easier access to the large amounts of publicly reported information. The website provides clear links to the various sources of information on coastal ferries. The website is continually updated as new information becomes available.</p>
<p>Status F or S – Recommendation has been fully or substantially implemented P – Recommendation has been partially implemented AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding NA – No substantial action has been taken to address this recommendation</p>		

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	Inc also publishes extensive information on its website. Some examples are Annual Reports, audited Financial Statements, and Annual Reports to the Ferry Commission that include Customer Satisfaction Surveys, operational information and route financial information.	
Recommendation 3: The Ministry of Transportation and Infrastructure and BC Ferries should develop performance measures relating to the quality of service, as required by the <i>Coastal Ferry Services Contract</i> .		
F	Reporting relating to the quality of service has been developed in the areas of on-time performance, customer satisfaction and traffic congestion. The ministry had further discussions with BC Ferries on additional Performance Measures relating to safety, operational reliability and value for money.	Starting in 2006/07, BC Ferries added new performance measures in their Annual Report. The new measures relate to employee safety, passenger safety, reliability and cost per passenger.

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