



EVALUATION OF THE FERRY SERVICES CONTRIBUTION PROGRAM

Evaluation Summary, July 2019

i The **Ferry Services Contribution Program** provides financial contributions to the ferry operators to cover operating deficits for three ferry services. To support the Program, TC leases four vessels and six terminals to the ferry operators. The Program provides funds through contribution agreements to the ferry operators to cover operating deficits associated, including the costs to maintain the vessels and terminals.

? TC's Evaluation and Advisory Services used a calibrated approach and focused on the performance of the ferry services; level of usage of the ferries; efficiency of operations; reliability of services; and client satisfaction. The evaluation covered the period of 2009-10 to 2017-18.

PROGRAM INFORMATION

3 FERRY SERVICES PROVIDED WITH FINANCIAL CONTRIBUTIONS

Service between **Îles-de-la-Madeleine, Quebec /Souris, Prince Edward Island** operated by **Coopérative de Transport Maritime et Aérien (CTMA)** with the MV Madeleine

Service between **Caribou, Nova Scotia/Wood Islands, PEI** operated by **Northumberland Ferries Limited (NFL)** with the MV Holiday Island and the MV Confederation

Service between **Saint John, New Brunswick/Digby, Nova Scotia** operated by **Bay Ferries Limited (BFL)** with the MV Fundy Rose

\$38.7M

IN TOTAL FINANCIAL CONTRIBUTIONS IN 2017-18

The Program's contributions have increased over time. The total contributions provided to the three operators over fiscal years 2009-10 to 2017-18 rose from \$22.9 million to 38.7 million respectively.

WHAT WE FOUND:

1 **This Program does not align well with TC's policy framework**, because two of the three services being funded are not remote nor are they required by Canada's constitution. However, the Program is in line with the Government Canada commitment to continue supporting ferry services in Eastern Canada

2 **The ferry operations were reliable, safe, and the users were satisfied with the service.**

3 **The vehicle and passenger traffic has been relatively stable since 2009 for all three ferry services.** The deck-utilization for the services (meaning how full a vessel is) fluctuated throughout operating seasons and reflected the demand for each route during high and low seasons.

4 **All three services operate with sizeable operational deficits.** In the last decade, the cost of delivering the program has significantly increased - nearly three-fold - mostly because of having to maintain an aging fleet of vessels and terminals that TC owns. TC has recently put in place measures to better preserve the ferry assets.

THE EVALUATION REPORT DOES NOT CONTAIN ANY RECOMMENDATIONS.

That is because the fundamental issue related to this program - the ever increasing cost of delivering the program due to having to maintain an aging fleet of vessels and terminals - is well-known and well-documented. The need for a long-term, sustainable approach to supporting these services is also well-documented. Our evaluation did not generate additional recommendations.