



NEWS RELEASE

**For Immediate Release  
December 14, 2006**

**The Office of the Auditor General says that the changes to the coastal ferry system have achieved their immediate purpose, but periodic evaluation of the system is needed.**

VICTORIA - The Office of the Auditor General stated today that the transformation of BC Ferries, undertaken in 2003, has allowed BC Ferries to control its own financial and operating decisions, including the timing and cost of ferry replacement.

In a report released today, entitled *Changing Course – A New Direction for British Columbia’s Coastal Ferry System*, the Office concludes that government’s immediate objective in transforming the corporate structure of BC Ferries has been achieved.

However, Deputy Auditor General, Errol Price, cautioned “BC Ferries’ increased independence means that it is no longer answerable to government as shareholder.” He said the Office has recommended that government establish criteria to evaluate the performance of the new ferry system and conduct periodic evaluations to determine when or if changes should be made to the Coastal Ferry Act.

Other recommendations made in the report focus on improved monitoring and reporting. The report also suggests that any concerns raised by the British Columbia Ferries Commissioner in his annual report should be addressed.

Mr. Price also noted that “Although the operating company is legally owned by the independent B.C. Ferry Authority, significant risks and benefits of ownership remain with the Province.”

Mr. Price stressed that, despite its initial success, the real test of the new ferry system is still in the future. The effectiveness of processes for determining levels of service, service fees and price caps on fares, for example, cannot be judged before the start of the second performance term in 2008.

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2006/07 Report #8 – Changing Course: A New Direction for British Columbia’s Coastal Ferry System

This report is available:  
On the Internet at the Office of the Auditor

By contacting:  
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General homepage: <http://bcauditor.com/AuditorGeneral.htm>

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