Supporting rural development and community capacity building

Transportation Requirements for the Town of Fogo Island
March 30, 2016
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An Introduction to Fogo Island

The story of Fogo Island begins with a 240 square kilometer land mass moored solidly in the North Atlantic Ocean. The North Atlantic is one tough spot - a site of rough seas, heavy pack ice and vicious storms. A brief consultation with any map will apprise one of the fact that Fogo Island is the largest inhabited Newfoundland island; an island that is farthest from mainland Newfoundland and Labrador and an island farthest removed from the media Meccas of our province. Not only is Fogo Island located in a ‘tough’ spot - it is also rock solid. The waters surrounding it provide an abundance of renewable resources while the rocky landscape combines with the ever changing sea to produce immense physical beauty. As one recent visitor to our shores put it, “I see this Island as a beautiful crown embedded by nine jewels that ring its coastline, each so different yet all so much alike” (the jewels being referenced are our nine coastal towns).

The people who inhabit Fogo Island are and have always been ‘shakers and movers’. At no time was this more evident than during the late 1950’s and the 1960’s when local salt fish merchants refused to change with the times and withdrew from our fishing landscape. Local people with local leadership then stepped forward and formed the Fogo Island Co-op, built their own larger boats and went further offshore to fish. Without any great amount of government largesse, certainly not to the extent of that given to big, privately-owned fish companies, Fogo Island took charge of its own destiny. At that same time we said “No Thank You,” to the invite from then premier Mr. Smallwood to uproot and settle elsewhere. We stayed on Fogo Island and we made it on our own! The Fogo Island Co-op has been a great ‘people’ success story. Today Fogo Islanders, through our Co-op, send millions of dollars’ worth of processed seafood products to all parts of the world bringing ‘new’ dollars to Fogo Island and to Newfoundland and Labrador. Over the past 50 years, this locally driven and locally managed economy has become a great rural Newfoundland success story.

On other levels, Fogo Islanders were pro-active as well. During the 1970’s, Fogo Island consolidated its education system some twenty years before the province ventured down the same road. The benefits of that change are enormous.

Fogo Islanders have taken their talents to worldwide locales. Home and abroad they have become leaders and ambassadors for Fogo Island and our country. Of course many of us stayed and became the volunteer army that endured the winds and waves and nurtured our Fogo Island community through such periods of change. Indeed those who stayed made sure the home fires were kept burning!

In recent years, all Fogo Island communities regionalized their municipal structures into the Town of Fogo Island creating better economies of scale and a more pronounced Fogo Island identity. Fogo Island has also encountered some good fortune, especially in the area of its already developing...
tourism industry. An ex-patriot Fogo Islander returned home bringing business acumen, investment, passion and commitment to our fledgling industry. The remainder of this story can be summed in one word: ‘Shorefast’. A partnership has now been structured that includes local Government, Shorefast Foundation and the Fogo Island Co-op and a new vision has been set as tourism and our traditional industry marches forward in unison further enhancing and expanding Fogo Island’s already buoyant economy.

However there is still a ‘glitch’ or ‘bump’ in Fogo Island’s drive toward further growth and success: the ferry system must improve! It must be more dependable! There must be more crossings while ferry rates must be reasonable. And it’s not only the ferry system that needs refining: our roads and air service need to improve to meet the needs of our fishing and tourism industries. Government must realize that these are pivotal infrastructure items for a growing rural NL economy.

This presentation now joins the ongoing efforts of our Fogo Island transportation committee to improve this critical transportation system. Please remember that Fogo Island is now a well-known entity on the world scene. We are a destination for world travelers, the world is also our market and we, the people, made it happen.

**Demographics**

As 2016 is a census year, the most recent census information available is five years old, and does not accurately reflect the current population of Fogo Island. Unlike many rural areas in this province, Fogo Island has seen very real growth and potential since the last census, buoyed by the emerging tourism industry and the ever-present fishery.

**Population**

While census records indicate that the population on Fogo Island has declined over the last number of years, the island is now experiencing a turn-around: in 2013, births on Fogo Island increased by 300% (source: [http://nl.communityaccounts.ca/profiles.asp? =vb7En4WVgaauzXhIw_](http://nl.communityaccounts.ca/profiles.asp? =vb7En4WVgaauzXhIw_)) and school enrollment began to increase during this same period (source: [http://www.ed.gov.nl.ca/edu/publications/k12/stats/](http://www.ed.gov.nl.ca/edu/publications/k12/stats/)). More and more young people have been moving to the Island and many former residents are moving ‘back home’, taking advantage of the many economic opportunities that were non-existent even as little as five years ago. The boom in the tourism industry has spread to other sectors, increasing job opportunities in a variety of fields.

Over the last five years, there were 25 new homes constructed on Fogo Island, and many homes that once stood vacant are now occupied, due to this influx of people. We are confident that the new census numbers will show a significant increase in our overall population, particularly in the 0-39 age bracket.
Economy

When compared to other provincial ferry services across Newfoundland, Fogo Island is unique in that it is the only ferry service with a dual-mandate: to provide a service for the residents, but also to support the economy of the Island. Primarily working in either the tourism or fishing industry, Fogo Island is home to 1,430 workers (out of a population of 2,395), earning approximately $40,000,000 in combined annual income (source: http://nl.communityaccounts.ca/profiles.asp?=vb7En4WVgaauzXhlWw__).

Tourism

Fogo Island is home to a number of tourist attractions and events: the Town itself operates a Visitor Information Centre, as well as ten historic sites/museums, which saw over 16,000 visitors in 2015. In addition, the Town has a license to operate seven walking/hiking trails in the municipality, and is currently working on a major proposal with government partners for upgrades and improvements to this trail system.

There are a number of volunteer organizations around the Island, many of whom are dedicated to offering tourism initiatives such as the Brimstone Head Folk Festival, the Ethridge’s Point SeaSide Fest, the Great Fogo Island Punt Race: To There and Back, Fëlle Tìlting, and the Fogo Island Partridgeberry Harvest Festival, just to mention a few. Some of these festivals have been attracting tourists to the Island for over thirty years, and they are still going strong, drawing in tourists from around the globe. The effects of these events are far-reaching: generating revenue for many businesses on the Island including those who offer accommodations, eateries and arts/craft shops.

When construction began on the Fogo Island Inn in 2010, the geo-tourism industry on Fogo Island really launched. The service side of the industry was impacted first, as the Island’s accommodations and food services needed to grow to accommodate the large influx of people tasked with building the Inn. However, this boom in the industry continued, and over the last six years, 19 new tourism-based enterprises have opened (see “New Business”). And the Shorefast Foundation, which operates a number of tourism-based businesses and organizations on Fogo Island, is leading the pack. With investments totaling $72 million, the Foundation is committed to this Island, and doing its part to ensure that Fogo Island thrives (see chart below).
As mentioned, the largest employer in the tourism sector is the Shorefast Group which is comprised of the Shorefast Foundation, the Fogo Island Inn, Fogo Island Shop, Fogo Island Fish and Fogo Island Arts. The Group employs 135 staff, with an annual payroll of $3.6 million, and the vast majority of their staff work directly on Fogo Island. Shorefast’s annual purchasing contributes $1.5 million directly to Fogo Island’s economy and their combined revenues for the last five years totaled $46.7 million.

In addition to its “Fogo Island” brand of organizations, the Shorefast Group also operates a number of programs and initiatives on the Island: The Great Fogo Island Punt Race: To There and Back, the Geology Research and Education Centre, the Academic Residency Program, Ocean Ethic Program, Business Assistance Fund, and the Annual ‘Stay at the Inn’ Lottery. As well, the Foundation supports the Fogo Island Partridgeberry Harvest Festival and the Winds and Waves Artisans’ Guild.

The Shorefast Foundation is committed to using its social enterprises to strengthen Fogo Island’s economy, as well as preserving Fogo Island’s cultural and heritage assets, and making Fogo Island an international travel destination. However, there are major challenges to this: namely, transportation access.

**Fishery**

In 1967, the Fogo Island Co-operative Society Ltd. was formed. With the need to survive and the will to thrive, Fogo Islanders rejected re-settlement and founded the Fogo Island Co-operative Society Ltd, a community-based enterprise that built the economy of Fogo Island, with the overall goal of diversifying the Island’s economy through an expanded fishery.

The Co-op was first known as the Fogo Island Shipbuilders and Producers Co-operative Society Limited, and began the process of diversification by building a fleet of 30 long liners that could allow its fishers to go further from shore and fish other species. Around the same time, it also began taking over, and investing in, onshore facilities left vacant by other operators. Eventually, it
began investing in new processing capabilities as it began to expand into the fresh and fresh/frozen fish markets and processing other ground fish species caught offshore.

In 1983, when the crab fishery commenced in the fishing area adjacent to Fogo Island, the Co-operative lobbied hard to get four full-time crab harvesting licenses for Fogo Island fishers and invested heavily in a crab processing facility onshore. In 1999, when the inshore shrimp fishery came on stream in Area 6, the fishers responded by investing heavily in new and/or larger boats and expensive gear and equipment to take part in this fishery. The Co-operative followed suit by entering into a joint venture with two Icelandic firms and investing heavily in a shrimp processing operation for Fogo Island. It later bought out its partners and became sole owner of the operation. The Co-operative has also pursued the sea cucumber fishery, where it has worked hard with both levels of government and the Marine Institute to develop harvesting and processing methods that could allow them to enter the international marketplace and obtain a suitable financial return for its product to make it a viable fishery for all involved and provide valuable employment onshore.

Most recently, the Co-op has been working with the Shorefast Foundation, the Marine Institute and local fishers to develop a cod-pot fishery and also a hand-lined fishery that would greatly improve the quality of fish landed, and allow entry into high-end markets that will provide a significantly higher return for this product. This is a key step towards developing our returning northern cod fishery into a quality- oriented, sustainable fishery for the future that will significantly contribute to our province’s economy.

Now a global company with $25 million in annual sales, and markets in Canada, the United States, Japan, China, Taiwan, Sweden, Russian, Denmark, the United Kingdom and Germany, the Co-op has remained competitive, strong, resilient, and focused on the future; a company that continually evaluates its processes in order to compete in the ever-changing fishery, a skill which has allowed it to thrive, despite the adversities in this industry.

All members invest a percentage of their wages and/or catch into the Co-operative share capital, and many have also invested by providing loan capital. To date, well in excess of $5,000,000 has been invested by its members to support the continued operation of the Co-operative. With over 300 employees and 600 fisherman across a fleet of 30 long liners and many smaller inshore vessels, the Co-op is poised to take on future challenges.

**Other Business**

Although the Fogo Island Co-op and the Shorefast Group are the two largest employers on the Island, Fogo Island is home to over 85 businesses, across a variety of sectors.
Since the five municipalities on Fogo Island amalgamated in 2011, 24 new businesses have opened on Fogo Island, nearly 80% of which are tourism-based. In this same period, only three businesses closed.

To further expand and diversify Fogo Island’s economy, the Town of Fogo Island, the Shorefast Foundation and the Fogo Island Co-op, have partnered to form the Fogo Island Economic Development Partnership. This partnership shares the same common goal: “We, the people of Fogo Island, with creativity and cooperation, will grow our economy, create jobs and sustain our community through our fishery; being responsible stewards of our culture and natural environment; and becoming a global travel destination of distinction” (from A Partnership for the Economic Development of Fogo Island, July 18, 2015).

In November 2015, the partnership hired an Economic Development Officer (EDO) who is working with several new potential businesses, as well as working with investors, both public and private, on a number of projects. According to the EDO, all of these businesses are “…dependent on efficient and dependable transportation to and from the Island.”

Investments

Infrastructure

The Department of Municipal and Intergovernmental Affairs has invested over $4.2 million dollars in capital works, as well as other projects, on Fogo Island since amalgamation in 2011. This
investment has provided infrastructure to the Town in the form of water and sewer systems, street paving, and a new Visitor Information Centre which opened in 2015.

In conjunction with funding from the provincial government, the Town of Fogo Island has also invested heavily into infrastructure. The Town paid 10% towards the cost of all their capital works projects, which totaled almost $500,000. In addition, just in this past year, the town invested $1.2 million on street paving, as well as $400,000 to extend a water and sewer services project, completely paid through its own funds.

**Tourism**

In 2009, the Governments of Canada and Newfoundland and Labrador announced their partnership with the Shorefast Foundation on what has since become a $78 million geo-tourism project, which now boasts the Fogo Island Inn, a world renowned tourist destination. Both the federal and provincial governments invested a combined $16 million into this venture, with the Shorefast Foundation contributing the remaining portion with monies raised through private philanthropy.

While the Fogo Island Inn is the driving force behind the tourism industry on Fogo Island, there have been many other tourism initiatives over the last four years. The Town of Fogo Island has been fortunate to have a very active Council, one who consistently searches out funding opportunities and partnerships which help grow our Island’s economy. Since 2012, the Town of Fogo Island has been the recipient of tourism funding from both federal and provincial partners. In 2015 alone, the Town invested over $250,000 on the Fogo Island Tourism Project in partnership with the Department of Business, Tourism, Culture and Rural Development (BTCRD) and the Atlantic Canadian Opportunities Agency (ACOA). This funding enabled the Town to increase their tourism infrastructure in the areas of signage, ferry enhancements, rest stops, and marketing, as well as the development of a Town of Fogo Island logo and brand (on-going).

The Town has also received $260,000 in funding for the Targeted Initiative for Older Workers, a federal/provincial funding program. This program is designed for individuals aged 55-64 and provides them with training and work experience for new employment opportunities. In 2015, the Town of Fogo Island had 14 participants in its tourism initiative program. A major component of the tourism industry is ‘experiential tourism’, which is giving visitors the opportunity to experience culture and heritage first-hand, rather than just reading about it. Program participants were placed in the various tourist sites throughout the Island, and visitors were given the opportunity to gain insight into our distinct culture and heritage by drawing on the experiences and knowledge of these individuals.

Also in 2015, the Town of Fogo Island received funding to conduct a trail assessment of the Town’s seven trails, again with the assistance of BCRD and ACOA. This funding was to provide an assessment of the Town’s seven hiking trails, and following that assessment, to develop a plan for
upgrading the trails for destination tourism and safety. Currently, the Town is working on a two-phase funding proposal to undertake some of the upgrading and improvements recommended in the assessment.

**Transportation**

Transportation to and from Fogo Island is mainly serviced by the Intra-provincial Fogo Island-Change Islands Ferry Service. This service runs from Farewell (approx. one hour from Gander) to Man O’War Cove (Stag Harbour) and takes approximately 45 minutes, if traveling directly from Farewell, or 60 minutes if via Change Islands.

**Ferry System**

When the ferry system was developed for Fogo Island, its mandate was to provide transportation for medical appointments and emergencies, as well as the delivery of consumable goods to the Island. While the residents did have some travel needs, they were indeed limited. With the advent of the Fogo Island Co-op in 1967, the transportation mandate expanded to include providing export services and other accesses for that business, the main driver of our local economy.

Today, the Fogo Island Ferry Service is the only provincial service with a dual-mandate: to provide the residential and commercial services above, while also meeting the increasing demands of the burgeoning tourism industry on Fogo Island. As the charts below indicate, the passenger rate begins to increase significantly during the spring months, with a dramatic increase by June:
Passenger rates in the first two quarters of 2015 are up 22% (11,507 passengers) over the same period last year, and some months are up as much as 35% over the prior year. As the charts indicate, passenger rates are increasing across all seasons, with the most dramatic increases in the colder months. What this means for our ferry service is that there is a major increase on the demands of the ferry, and it is critical that Fogo Island receive a reliable, dependable, consistent service, in order to sustain its growing economy.
Air Service

With any ferry service, there are a number of occasions when the ferry will be unable to make a crossing, be it either weather related or due to mechanical issues. In the past, air service has been put in place if the ferry will be out of service for 24 hours or longer. However, as noted in the Transportation Strategy (see appendix), the current set-up for utilizing this service is not adequate. As suggested in the strategy, having air services put in place more quickly (3 hours vs 24 hours) and having better communication with travelers would dramatically improve this service.

There are further improvements that could be made to the air service as well. The airstrip on Fogo Island is only 3,000 feet, which drastically limits the size of aircraft that can utilize the runway. With the growing demands of high-end tourism and niche fresh fish markets, a longer airstrip would add a great deal to the economies of Fogo Island, allowing planes with higher passenger and weight capacities to land here. There is a very real and urgent need to increase the length of the air strip to meet current business and travel needs; business is already being lost in the high-end tourism market due to the air strip’s inability to accommodate larger air craft, particularly private jets.

Conclusion

As the picture unfolds, the story is told of a people who went down to the sea in boats; of a people who often faced terrible odds and of a people who often paid terrible human prices. It is also a story of people – defiant, risk-taking and ever ready to rise to a challenge and be a part of change.

The parade of years were often unkind to Fogo Islanders; however, for the most part those years were also filled with poignant lessons for those who lived on an isolated North Atlantic island – lessons from hard working ancestral forbearers; lessons from the wild, yet bountiful natural setting we inhabited; and lessons and realizations that came from deep within the human soul. The will to not just survive, but to change and succeed made a rural town like Fogo Island destined to prosper.

We are not here today bowed and bent, leaning on our gaffs, cap in hand, asking! We are not here, as some too often say, as rural beggars who have no valid reason to live in our rural homes. We are here as shakers and movers. We are here as producers; as contributors to our Newfoundland and Labrador economy; as people continuing the upward march that our forefathers began centuries ago.

As the statistical ledger swings open, it reveals millions of dollars’ worth of product going into the world’s marketplace, it reveals tourism efforts bringing new dollars to our province and meaningful, dignified employment for our people. Our locally owned and managed fishery has diversified and modernized. It has utilized and benefitted fellow Newfoundlanders and sister towns by requiring their services and skills. Our tourism industry, to positively use a current world negative, has “exploded”. New participants, new infrastructure, a rich cultural past and a gregarious and
welcoming people have propelled Fogo Island to world status as a travel destination. Incidentally, during this past Easter weekend, it has been said that the elite of our own country, including family members, could not resist the lure of Fogo Island and came by for a visit. Yes, Fogo Island is indeed a town in motion!

However, Fogo Islanders are, if nothing else, brutally honest. In our march forward we have had some help and for this we are indeed grateful. We kindly remember the efforts of Memorial University! We thank the National Film Board for its involvement in the “Fogo Process” and we recognize the various governmental agencies that lent a hand. All these supports played a significant role in Fogo Island’s coming of age. However, it was the hard work and dedication for Fogo Islanders themselves that set the course and they doggedly followed it though to fruition.

Today we still have needs here on Fogo Island; very great needs. We need key infrastructure items upgraded to a level to allow our economic efforts to keep expanding and moving forward. The current ferry system must become much more than the paper reality that it is today. The ferry system is the piece of our infrastructure system that must be made more dependable, more accommodating and more user-friendly. Our growing economy cannot be allowed to be held prisoner by the current lack of that dependability! We need more trips, reasonable rates and better management.

Let us also add that going forward this may be an opportune time to upgrade Fogo Island’s air services particularly by lengthening our air strip. Tourism access and the export of fresh seafood to world markets make this a logical investment.

We thank you for your time and for listening to our presentation. We appreciate the fact that these are difficult financial times for government; however, Fogo Islanders feel the way forward is to do the things that grow and diversify our local economics and produce local wealth. Create the economy and revenues and jobs will grow!

Thank you,

The Town of Fogo Island