



Review of maximum fares for private
ferry services from 2026

Final Report

November 2025

Transport >>



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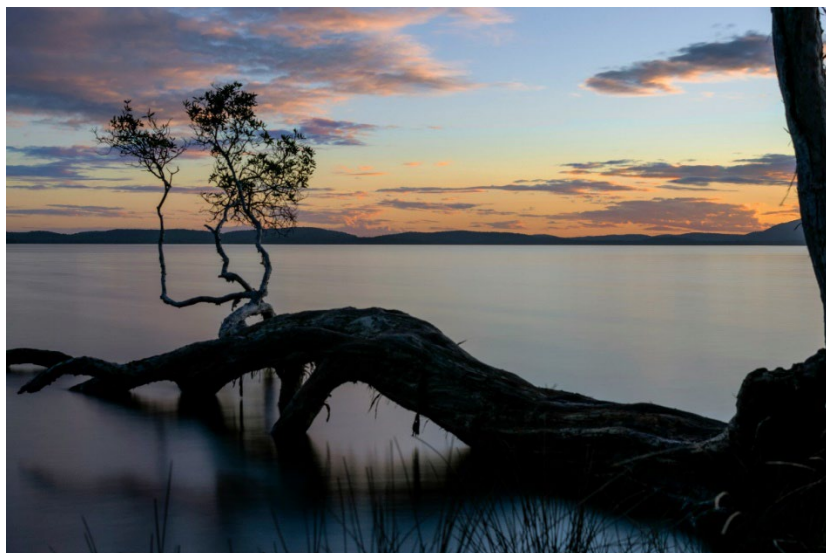


Image taken on Worimi Country (Myall Lakes)

The Independent Pricing and Regulatory Tribunal

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1 Report Summary

Six private ferry operators provide regular passenger ferry services under contract with Transport for NSW (TfNSW), operating in Sydney, the Central Coast and far northern NSW. Maximum fares for routes serviced by these private operators are determined by IPART under a [referral from the Minister](#) issued pursuant to the *Passenger Transport Act 2014*. Operators may charge less than the maximum fare.

Private ferry operators range in size from small, locally owned businesses to larger businesses such as Fantasea Cruising (which is owned by the mutual, the National Roads and Motorists' Association (NRMA)), and Captain Cook Cruises (which is ultimately owned by the publicly listed Kelsian Group). Some operators offer additional services outside of their passenger contract with TfNSW, such as charter and tour services.

Transport for NSW contracts private ferry operators to provide public passenger services, and sets minimum standards of frequency, safety and quality. IPART sets the maximum fares for a single adult ticket on each route served by each private ferry operator to ensure that these important services are provided at a reasonable price. IPART recommends rather than determines fares for the Palm Beach – Ettalong route as it operates under an Instrument of Exemption.

Private ferries deliver important public transport services to their communities and leisure travellers. For many residents, private ferry services are the only available public transport.

1.1 Maximum fares to apply from 1 January 2026

When determining maximum fares for all private ferry routes, we considered matters in our [referral letter](#) from the Minister for Transport and our legislative requirements. We have set a 5-year determination to provide fare certainty for both passengers and ferry operators. We have recommended maximum fares for the Palm Beach – Ettalong route, rather than set maximum fares as the service is not provided under a contract with TfNSW.

Our determination sets maximum fares in real terms for 2026 which are then indexed by the Consumer Price Index (CPI) and any applicable fuel cost adjustment for the remaining years of the Determination. For the Palm Beach – Mackerel Beach route, we have determined that maximum fares (in nominal terms) should be steadily increased over the 5 years of our determination period.

Our maximum fares are presented in Part 2 of the Final Determination. We have set out estimated prices using forecast CPI in Table 1.1 and our recommended fare is presented in Table 1.2. These are presented in this report in nominal dollars based on forecast CPI and do not include any fuel adjustments.

Table 1.1 Maximum fares from 2026 to 2030 (\$, inc GST)

Route	Current maximum fare	2026	2027	2028	2029	2030
Church Point – Scotland Island	\$12.00	\$12.30	\$12.60	\$13.00	\$13.30	\$13.60
Cronulla – Bundeena	\$9.10	\$9.40	\$9.60	\$9.80	\$10.10	\$10.30
Lane Cove – Circular Quay	\$11.90	\$7.90	\$8.10	\$8.30	\$8.50	\$8.70
Palm Beach – Mackerel Beach	\$9.70	\$10.80	\$11.90	\$13.20	\$14.60	\$16.20
Woy Woy – Empire Bay	\$10.20	\$10.50	\$10.70	\$11.00	\$11.30	\$11.60
Yamba – Iluka	\$11.60	\$11.90	\$12.20	\$12.50	\$12.80	\$13.20

a. All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

b. Lane Cove – Circular Quay (\$7.70) and Woy Woy – Empire Bay (\$9.90) routes currently charge adult single fares below the maximum fare.

c. The maximum fares in this table are subject to the fuel cost adjustment mechanism.

Table 1.2 Recommended maximum fares from 2026 to 2030 (\$nominal, inc GST)

Route	2026	2027	2028	2029	2030
Palm Beach – Ettalong	\$15.10	\$15.50	\$15.90	\$16.30	\$16.70

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

1.2 Matters we considered in setting maximum fares

In this review, we have considered the ongoing challenges in delivering private ferry services, including declining patronage on some routes and cost increases. We have balanced setting affordable maximum fares that connect communities and the ongoing viability of the operators.

We reviewed and consulted on operators' fare proposals (if provided), the cost of providing the services, patronage and the affordability of maximum fares. More information on how we arrived at our decisions and recommendations are discussed further in Section 4.

As with previous reviews, we estimated benchmark costs and fares for an efficient operator for each route. In this review, we updated the benchmark costs from our 2021 review to capture changes in operating costs and inflated costs by the appropriate index (such as CPI or Wage Price Index (WPI)). We updated our estimates of capital costs. In our [Draft Report](#), we consulted with both ferry operators and stakeholders on whether any changes were required to benchmark costs.

Increase in maximum fares for the Palm Beach – Mackerel beach route

Our decision for the **Palm Beach – Mackerel Beach** route is to steadily increase the maximum fare over 5 years, up to our estimated benchmark fare. The maximum fare will increase from the current maximum of \$9.70 to \$10.80 in 2026, and by 2030, the maximum fare will be approximately \$16.20, based on forecast costs and inflation rates.

The operator proposed an increase in fares for the Mackerel Beach route to \$15.10 in 2026, and CPI increases after, due to increasing operational and capital costs required to provide the service. In particular, the need to undertake significant capital works on the vessel due to its age. Based on our estimated benchmark costs we assess that there is a requirement to increase the fares for the Palm Beach – Mackerel Beach route so that the operator can remain viable while continuing to provide the service. The increase in fares will allow the operator to recover the cost of providing the ferry service, taking into account the reduced revenue due to a decline in patronage of 5% compared to pre-COVID patronage levels.

We note that the maximum fare is high compared to Opal fares, but to set a lower maximum fare would mean the operator would not recover sufficient revenue to cover the costs of providing the service.

Our decision is to steadily increase fares over the determination period to spread out the impact on passengers rather than applying the full increase to the fare in the first year of the determination period as proposed by the operator. We also considered the impacts of declining patronage on this route, and the impact of fare increases on forecast patronage. Passengers that use this service are a mix of both commuter and leisure travellers. The operator may offer multi-trip discounted fares to limit the impact of fare increases particularly for its regular commuters. We discuss the specific circumstances of this route in Section 3.4.

Decrease in maximum fares for the Lane Cove – Circular Quay route

For the **Lane Cove – Circular Quay** route, our decision is to decrease the current maximum fare from \$11.90 to \$7.90 in 2026 and then increase the maximum fare by CPI for the rest of the determination period. This aligns with the current adult fare charged on this route, adjusted for CPI. We consider that this maximum fare is appropriate and reflects changes in benchmark costs following a renegotiation of the service contract with TfNSW and increased patronage on this route. We discuss the specific circumstances of this route in Section 3.3.

Increase maximum fares by CPI for Church Point – Scotland Island, Cronulla – Bundeena, Woy Woy – Empire Bay, and Yamba – Iluka routes

For the **Church Point – Scotland Island** route, the **Cronulla – Bundeena** route, the **Woy Woy – Empire Bay** route, and the **Yamba – Iluka** route, our decision is to increase maximum fares by CPI. We have increased fares by CPI to allow operators to raise fares in response to increases in the cost of providing services and to keep the fares stable in real terms. This supports the financial sustainability of the operators over the determination period and maintains the affordability of fares for passengers. We discuss the specific circumstances of each route in Section 3.1.

IPART has not set maximum fares for the Brooklyn – Dangar Island route

IPART has not set maximum fares for the **Brooklyn – Dangar Island** service because it has been integrated into the Opal network as of [21 August 2025](#). The Brooklyn – Dangar Island service has been removed from the list of 'private ferry services' in the [Passenger Transport \(Opal and Other Fares\) Order 2016 \(Fares Order\)](#) and is therefore out of scope for this determination. IPART most recently set maximum Opal fares in 2024, see our [website](#) for more information.

1.3 Decision on fuel cost adjustment mechanism

In previous [determinations](#) we have included a fuel cost adjustment mechanism. We have included this to help operators manage significant changes in the price of diesel fuel, which is one of their largest costs. The mechanism only applies if the percentage change in diesel fuel prices increases or decreases by more than 10% in any year.

The fuel cost adjustment is calculated by multiplying the proportion of the operator's benchmark cost spent on fuel by the percentage change in the fuel price.

Our decision is to maintain the fuel cost adjustment mechanism. We have not changed how the fuel cost adjustment mechanism operates from our previous review.

We received submissions from some operators requesting that CPI resume compounding after a fuel cost adjustment trigger year. We considered this feedback and clarified in the Final Determination that the maximum fare in each year from 2027 to 2030 will be the higher of the previous year's maximum fare and the determined maximum fare for that year and route, subject to the fuel cost adjustment mechanism. The maximum fare in a previous year will reflect any fuel cost adjustments applied in that year, meaning that fuel cost adjustments, whether upward or downward, may have an ongoing impact on maximum fares in subsequent years.

1.4 We considered feedback from stakeholders

Throughout this review we have heard from passengers about the importance of private ferry services and their concerns about affordability. 677 private ferry passengers completed our survey on their preferences for private ferry services, see Section 2.1. We also heard from operators about the importance of setting fares to provide certainty and their concerns about escalating costs and declining patronage, see Section 2.2.

Passengers provided feedback on a number of areas, including affordability, the importance of private ferry services, and their preferences around subsidisation of services and integration with the Opal network. In response to the survey one passenger stated:

Residents of Bundeena rely heavily on Cronulla ferries. It is a very important service to our community. Current economic uncertainties and financial strains mean a lot of people would be [affected] by fares increasing.

Private ferry operators raised a number of issues in their submissions including the impact of increasing costs, declining patronage, subsidisation of services, the length of our determination and the fuel cost adjustment mechanism.

One operator stated:

We believe that IPART should be promoting policy settings that protect private operators and passengers from shouldering the entire burden of changes in patronage and outsized cost base escalations, thereby preventing unreasonable fares for the services and their eventual demise.¹

In submissions to our Draft Report and at our [public hearing](#), stakeholders argued that the current contracting framework for private ferries does not support the long-term viability of operators and does not support fleet renewals. Submissions from individuals and Action for Public Transport argued that private ferry fares are not equitable for passengers as they are much higher than fares on the Opal network and passengers do not benefit from daily and weekly caps, and discounts from multi-modal transfers.

As part of this review, we considered the implications of determining maximum fares at a similar level to Opal fares for both passengers and operators. We agree that lowering maximum fares for private ferries to the same level as Opal fares would address some affordability concerns raised by stakeholders and potentially increase patronage. However, our indicative analysis indicates that forecast farebox revenue would fall in the absence of a subsidy and would not cover the costs of providing ferry services. We estimate that annual revenue for operators would fall on average by 30%. See Section 5.4.4 for our analysis.

Establishing new contractual arrangements and integrating private ferries into the Opal network is a matter for TfNSW and the private ferry operators and is outside the scope of this review. We recommend that when TfNSW establishes new contractual arrangements they consider adopting Opal fares as was done for the Brooklyn – Dangar Island route.

Our Determination provides that if a service is integrated into the Opal network, Opal fares would apply rather than our determined maximum fare. However, as long as the six routes listed in Table 1.1 are listed as 'private ferry services' under the Fares Order and this determination has not been revoked or replaced, the operators of these services will remain subject to the maximum fares set under this determination, and TfNSW will remain bound by this determination when negotiating contracts with the operators of these routes.

1.5 Changes from the Draft Report

In response to issues raised in submissions to the Draft Report and issues raised at our public hearing, we have made updates to the benchmark model for the Church Point – Scotland Island route. For Church Point Ferries, we included additional labour and maintenance costs, updated the replacement cost for aluminium ferries and the estimated economic life of ferries. Church Point Ferries did not propose higher maximum fares. In assessing these changes, we have not proposed changes to our maximum fares for the Church Point – Scotland Island route. We describe our approach to benchmarking in section 5.

We have also updated our [Weighted Average Cost of Capital \(WACC\)](#). This has resulted in decreases in estimated nominal fares for the Palm Beach – Mackerel Beach route for 2028 from \$13.30 to \$13.20 and for 2030 from \$16.30 to \$16.20.^a

1.6 List of decisions

Maximum Fares Decision

1. Maximum fares for a single adult ticket for private ferry services are the relevant amount specified for that route and year in Table 1 of the Final Determination in 2026 and, if the fuel cost adjustment does not apply, in 2027.

From 2028, if the fuel cost adjustment does not apply, the maximum fare for a route will be the higher of the maximum fare for the previous year or the amount specified in Table 1 of the Final Determination for that year.

If the fuel cost adjustment does apply, see the Fuel Cost Adjustment Mechanism Decision in 1.3 below.

Fuel Cost Adjustment Mechanism Decision

2. If the average diesel fuel price changes by more than 10% in absolute terms in a year, the maximum fare for the following year would be the higher of the maximum fare for the previous year or the relevant amount specified in Table 1 of the Final Determination for that route and year, multiplied by the fuel cost adjustment for that route and year.

The fuel cost adjustment in 2027 is calculated as follows:

$$(\text{Fuel Cost Proportion for the Route} \times \Delta \text{Average Fuel Price}_{2025-2026}) + 1$$

Where:

$\Delta \text{Average Fuel Price}_{2025-2026}$ is calculated as follows:

$$\frac{\text{Average Fuel Price}_{2025-2026}}{\text{Average Fuel Price}_{2024-2025}} - 1$$

Where:

- a. $\text{Average Fuel Price}_{2025-2026}$ is the Average Fuel Price for the Fuel Cost Review Period ending 30 September 2026; and
- b. $\text{Average Fuel Price}_{2024-2025}$ is the Average Fuel Price for the Fuel Cost Review Period ending 30 September 2025.

The fuel cost adjustment is calculated in each subsequent year using the same formula, adjusting to the relevant years.

^a These fares are estimated using forecast CPI and may vary slightly with actual CPI in the future.

2 What we heard from stakeholders

We sought stakeholder feedback throughout this review. We asked for submissions in response to our [Call for submissions paper](#) and [Draft Report](#). We also ran an online survey and held a [public hearing](#) to provide additional opportunities for stakeholders to provide feedback. As part of our consultation process, we also held meetings with private ferry operators to discuss our draft decisions and modelling. We considered all feedback from stakeholders in preparing this Final Report.

What we heard from passengers:

- Affordability of fares was a concern for half of the passengers we surveyed. Affordability concerns were more prevalent along certain routes such as Church Point – Scotland Island, and Lane Cove – Circular Quay and Palm Beach – Mackerel Beach.
- Passengers generally supported integration with the Opal network. However, one passenger raised concerns about accessibility.
- Passengers told us they highly value private ferry routes and many consider them essential services. We heard that some routes such as Cronulla – Bundeena, and Yamba – Illuka are important transport services when roads are closed due to flooding.
- Some passengers supported further subsidisation to support the financial sustainability of private ferry services, rather than increases in fares.
- Some passengers asked us to consider the external benefits generated by private ferries.
- Passengers had mostly positive views on the service quality of private ferries.

What we heard from private ferry operators:

- One operator told us they value a fares determination that provides certainty.
- Operators that made submissions supported increased subsidisation to meet the cost of providing services rather than higher fares.
- Operators were concerned about the impact of declining patronage on financial sustainability.
- Operators were concerned about the capital costs required to electrify ferries.
- Operators were concerned about increased costs since our 2021 review.
- Some operators suggested we consider adjusting how the fuel cost adjustment mechanism impacts fare increases over the length of the determination.
- One operator proposed changes to our estimate of the benchmark costs for their route to more accurately reflect engine and vessel replacement costs, and the asset life for aluminium ferries.
- Two operators raised concerns about the broader operating framework for private ferries. They argued that the current operating framework for private ferries is not consistent with the approach for Sydney Ferries. The current 5-year recurring contracts for private ferry routes restricts operators' abilities to renew their fleet. The operators note the withdrawal of viability payments by TfNSW will put additional pressure on their operating positions.

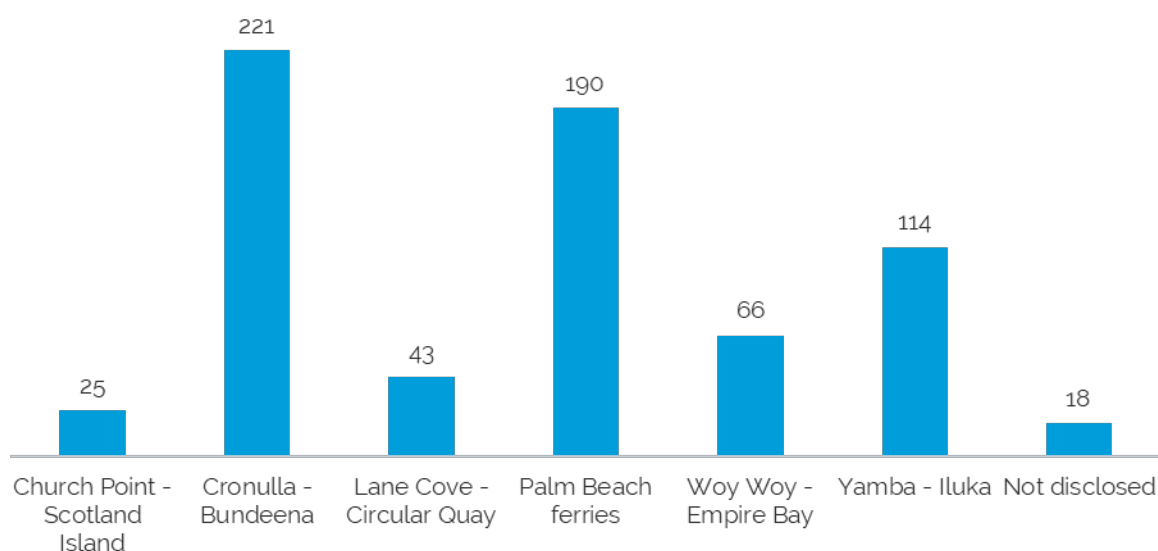
While the survey collected results for the Brooklyn – Dangar Island route, we have not included them in the following analysis as we are not setting maximum fares for the route as the route is now a part of the Opal network.

2.1 Feedback from private ferry passengers

Over a 4-week period we conducted an online survey asking stakeholders to provide their views on private ferry services. We asked passengers to comment on various issues including affordability, integration within the Opal network, the importance of private ferry services, the value of Government subsidies and service quality.

677 stakeholders completed our passenger survey. We received responses from passengers on every ferry route, with the most responses from passengers of the Cronulla – Bundeena and the Palm Beach ferry services. (Figure 2.1).

Figure 2.1 Number of survey responses for each private ferry route



Note: Palm Beach ferries includes Palm Beach to Mackerel Beach, and Palm Beach to Ettalong.

2.1.1 Affordability was a common concern among passengers

Over half of all passengers surveyed said that they either 'disagree' or 'strongly disagree' with the statement '*The current level of fares is affordable*'. These results varied among the passengers surveyed depending on their route. Passengers were more likely to consider fares were not affordable along the following routes:

- Church Point – Scotland Island (70% of respondents).
- Lane Cove – Circular Quay (68% of respondents).

Passengers on the route Yamba – Iluka were most likely to consider fares affordable, less than one third disagreed with the statement that current fares are affordable.

In response to the Draft Report, two submissions raised concerns about the proposed fare increases for the Palm Beach – Mackerel Beach route. One submission questioned the proposed increases to maximum fares, while the second submission stated that the proposed increase in the maximum fare would make it much more expensive than other public transport.²

We note that the Palm Beach fare is high compared to Opal fares. If fares were set in line with Opal fares this may induce an increase in patronage, but our analysis indicates that the operator may not recover sufficient revenue to cover the costs of the service, and this may put the viability of the service at risk. The integration of the private ferry services to the Opal network is a matter for TfNSW and the private ferry operators.

2.1.2 Passengers supported integrating private ferries into the Opal network

Passengers consistently expressed their support for integrating private ferry services into the Opal network. Some passengers considered that Opal integration would promote affordability as the services would be included under the daily and weekly travel caps.^b One passenger argued against integration, stating that the Opal network is less accessible for people living with a disability, or those who struggle to use technology.

At the public hearing, Action for Public Transport expressed strong support for integrating private ferries into the Opal network. Action for Public Transport suggested that moving private ferries onto the Opal network would address fare inequity between Opal fares and private ferry fares and would also make private ferry services more attractive and easier to access, supporting social inclusion and increasing patronage.

As part of this review, TfNSW has asked us to consider the implications of any potential Private Ferry Service that operates within the Opal network area becoming an Opal Ferry Service during the term of the determination. Whether private ferries are integrated into the Opal Network is a matter for TfNSW and is outside the scope of this review. Please see Box 2.1 and analysis in section 5.4.4.

Box 2.1 Integration of Private Ferries into the Opal Network

Integration of private ferry services into the Opal network is a matter between TfNSW and the private ferry operators.

If a private ferry service becomes an Opal service but also remains a 'private ferry service' in the Fares Order, our Final Determination sets out that the appropriate maximum fare will be the relevant Opal fare.

We note that the Brooklyn – Dangar Island service became part of the Opal network on 21 August 2025, is no longer a 'private ferry service' and is not subject to our Final Determination.

^b For adult fare paying passengers the 2025-2026 daily caps are \$19.30 (Monday to Thursday) and \$9.65 (Fridays, Saturdays, Sundays and public holidays). The weekly cap is \$50 (See [TransportNSW.info](https://transportnsw.info))

2.1.3 Passengers value private ferry routes

Some passengers told us that they considered private ferry routes to be an essential transport service. This was particularly the case for passengers using Palm Beach – Mackerel Beach and Church Point – Scotland Island routes, due to the lack of alternative transport modes. For these routes the only alternative is a private vessel or water taxi, which limits accessibility for certain members of the community.

Passengers on other routes, such as between Woy Woy – Empire Bay, Yamba – Iluka, and Cronulla – Bundeena, considered that using public transport alternatives was unrealistic. Further, for some Yamba – Iluka, and Cronulla – Bundeena passengers indicated that the ferry is a back-up route when roads are inaccessible due to flooding.

We asked passengers their preference for using private ferries over other modes of transport. 80% of respondents agreed or strongly agreed with the statement *'I prefer catching the ferry compared to my next best transport option.'* Passengers highlighted factors including time, cost, safety and enjoyment as reasons for using private ferry services.

At the public hearing, Action for Public Transport highlighted that private ferries are essential services, particularly for isolated communities. Maintaining these services is important for social inclusion and community wellbeing.

We considered the importance of private ferry routes when setting our appropriate maximum fares, including the availability of public transport alternatives. See Section 3 for more details on each route.

2.1.4 Some passengers supported subsidising private ferry routes due to the lack of alternative public transport options

Some passengers suggested that in response to rising costs there should be increased subsidisation instead of increased fares. This is due to a lack of reasonable public transport alternatives for residents that use these services. However, we received one response that suggested the public should understand the overall costs and benefits before advocating for subsidies of private ferry routes that have alternative transport options.

At the public hearing, Action for Public Transport advocated for Transport for NSW to work with private ferry operators to move them onto the Opal network and develop a structured viability plan to maintain these essential services.

Increasing subsidisation for private ferry routes is not within the scope of our review. The NSW Government is responsible for determining the subsidies received by private ferries, see Box 2.2.

Box 2.2 Subsidisation of private ferry routes

Private ferry operators receive revenue from passenger fares, and the NSW Government provides subsidies for concession and senior/pensioner passengers and for school students. 3 operators have recently received viability payments.

TfNSW has advised at least 2 operators that viability payments will cease from July 2026. TfNSW has indicated it will continue to have ongoing discussions with the private ferry operators over contracting arrangements. TfNSW has also advised us that there is no contractual obligation for TfNSW to provide operators with viability payments and that the contracting arrangements allow the operators to earn additional commercial revenues such as from operating cruises and charters.

The NSW Government is responsible for determining the appropriate level of subsidies and whether they continue to appropriately support the delivery of private ferry services.

2.1.5 Some passengers said that external benefits should be considered when setting the maximum fares

Some passengers asked us to consider external benefits provided by private ferry routes.

Passengers on several routes stated that private ferry use reduced the impact on road quality and road congestion, while also protecting local wildlife. Several passengers considered that the Clarence River operator supported tourism and local business by connecting Yamba and Iluka.

When setting appropriate maximum fares, we considered the extent to which private ferries generate external benefits, see Section 4.5.

2.1.6 Passengers had mostly positive views on service performance

One of our survey questions asked passengers if they were satisfied with the performance and reliability of private ferry services. About three quarters of passengers that responded either agreed or strongly agreed, and these results were generally consistent across all operators.

However, we received some responses that expressed mixed views on reliability, comfort and quality of service.

When setting appropriate maximum fares, we considered the importance of providing safe and reliable private ferry services. We have considered the costs to deliver and maintain reliable services in our benchmark fares, see Section 5.2.

2.1.7 Passengers had other views outside of the scope of our review

We heard other concerns from passengers that were outside of the scope of our referral from the Minister for this review and the matters that IPART is required to consider for this review (see Appendix A).

A common theme among passengers was requesting more frequent services, extended hours or closer alignment with connecting transport timetables. The ferry schedule is determined by the operator and TfNSW based on the requirements under the contract to provide a passenger service.

Some passengers asked for different fare options, such as multi-tickets, family tickets or yearly passes. They also suggested separate fares for locals and tourists. Operators are allowed to set fares below IPART's determined maximum, and this includes offering discounted tickets. Individual operators make their own decisions on whether to offer such tickets.

Some passengers asked for increased infrastructure at ferry wharves, such as better ramp access to promote accessibility. The owner of the wharf is responsible for making improvements to the wharf infrastructure. The owner of the wharf could be a local council or TfNSW depending on the route.

2.2 Specific feedback from stakeholders

We received submissions from a range of stakeholders including private ferry operators, Action for Public Transport (a public transport user stakeholder group) and individuals.

2.2.1 Operators valued a determination that provides certainty

One operator who commented on the length of the determination thought that 4 years was sufficient but could be extended to 5 years if needed. They said a 4-year determination captures changes in costs and patronage without adverse effects on operators but also minimises the regulatory and administrative burden.³

While the operators value the certainty of a fixed period, they also expressed concern that the transport environment is rapidly changing. They highlight factors such as emissions targets, changing patronage and the potential for opal integration as reasons to allow flexibility within the determination period.

We considered the benefits offered by both shorter and longer determination periods. Our final decision is to set the determination length at 5 years, see Section 4.1.

2.2.2 Operators preferred increased subsidisation instead of higher fares

Operators that made submissions expressed a preference to increase subsidisation from taxpayers instead of charging higher fares to passengers. One operator considered that the 'ever-increasing cost burden' for services would lead to fares that result in a reduction in patronage and operators not earning reasonable returns on their capital, eventually leading to a withdrawal of services from operators. The operator considered that increased subsidisation could be realised through integration with the Opal network. The operator argued that ferry services in the Opal network are already subsidised, and that the Sydney Ferry network recovers between 25-33% of its operating costs from fares.⁴ At the public hearing, both Church Point and Cronulla Ferries argued that it was inequitable that private ferries are required to recover 100% of their costs from fares.

Another operator also considered that a shortfall in revenue to meet operator costs should be paid by taxpayers rather than increasing fares. The operator considered that the ferry service provides an essential transport service to the community and positive externalities by reducing pollution and congestion.⁵

At the public hearing and in submissions, two operators expressed concerns about the sudden removal of viability payments by TfNSW, which previously helped cover operating losses. The operators are concerned that they cannot remain financially viable as fare increases alone cannot make up the shortfall without causing further reductions in patronage.⁶

The level of subsidisation provided to private ferry services is decided by the NSW Government, see Box 2.2.

2.2.3 Operators were concerned about the impacts of a decline in patronage

One operator commented that there was a decline in patronage, potentially caused by the changing demographic of residents serviced by the route.⁷

Another operator expressed concerns that fare increases would lead to a decline in patronage, with passengers instead using private transport to save on costs.⁸

At the public hearing and in their submission one operator discussed the highly volatile patronage, noting that patronage was sensitive to tourism trends and weather events.⁹

We considered the impacts of changing patronage demand in our calculating benchmark fares, see Section 5.4.1.

2.2.4 Stakeholders expressed concerns about the capital investment required to deliver electric ferries

Stakeholders raised concerns about the extensive capital investment needed to acquire electric ferries, exacerbated by the uncertain future. These concerns were expressed despite strong support for sustainable transport.

- The Action for Public Transport group considered the additional costs of electrification would have significant impacts and could potentially challenge the viability of small operators.¹⁰

- One operator stated the current technology is viable for small vessels on slow services with adequate dwell times for charging.¹¹

At the public hearing and in their submissions, 2 operators stated that transitioning to electric ferries is not financially feasible without substantial government support, grants or changes to the current regulatory and policy framework for private ferries (see Box 2.3).¹²

Box 2.3 Cost of electric ferries have not been included in this determination

While some operators have indicated a desire for electric ferries, they have identified several key constraints that will limit their adoption within the short to medium term. These include the current high capital costs of electric ferries, but also the costs associated with new wharf-side infrastructure to allow for charging of electric ferries.

When setting appropriate maximum fares, we calculated a capital annuity based on the estimated capital costs to deliver private ferry services, see Section 5.3.

2.2.5 Stakeholders were concerned about the increasing costs to provide ferry services

The Action for Public Transport NSW stakeholder group shared concerns that increasing capital costs could undermine the financial viability of private ferry operators.¹³

One operator submitted that the cost of providing ferry services has changed since the previous determination. The operator experienced considerable increases in operating costs, particularly in fuel, repairs and maintenance, and insurance.¹⁴

When estimating the costs to operate private ferry services we revised the benchmarking approach from our 2021 review to ensure we captured changes in operating costs and inflated costs by the appropriate index (such as CPI or WPI), see Section 5.2. Similarly, we updated our estimates of capital costs, see Section 5.3.

2.2.6 Some operators submitted the fuel adjustment mechanism could be improved

IPART has included in its Final Determination, see Section 4.4, a fuel cost adjustment mechanism that applies when percentage changes in the cost of fuel exceed $\pm 10\%$ for the year. Further, once the mechanism has been triggered, the maximum fares for the following year are the higher of the previous year's maximum fare or the fare for that year set out in Table 1 of the determination, multiplied by the fuel cost adjustment mechanism.

In their submission, one operator expressed support for the fuel adjustment mechanism and the 10% threshold. However, the operator disagreed with how the mechanism functioned in the years after the mechanism had been triggered. The operator considered that Consumer Price Index (CPI) increases should continue to be applied in subsequent years.¹⁵ Another operator also submitted that CPI should continue to compound after a trigger year because the current mechanism provides minimal relief from spikes in fuel costs for passengers.¹⁶

We considered this feedback and have clarified in the Final Determination that the maximum fare in each year from 2027 to 2030 will be the higher of the previous year's maximum fare and the determined maximum fare for that year and route, subject to the fuel cost adjustment mechanism. The maximum fare in a previous year will reflect any fuel cost adjustments applied in that year, meaning that fuel cost adjustments, whether upward or downward, may have an ongoing impact on maximum fares in subsequent years.

However, for Palm Beach – Mackerel Beach we have set maximum fares at a nominal level that increases on average at 10.9% per year. To protect passengers on this route from larger increases in the maximum fare, the fuel cost adjustment mechanism applied to a previous year will not be carried forward into the maximum fare for the subsequent year.

We considered the impact of our fuel cost adjustment mechanism on an operator's fares over the course of the determination period. However, our decision is to retain our fuel cost adjustment mechanism without any changes, see Section 4.4 for more information.

3 Our assessment of final maximum fares for each ferry route

In this chapter, we describe the factors we gave particular weight to for each private ferry route when setting maximum fares. Depending on the route, we considered factors such as:



In Section 4, we describe how we took into account each of the matters we are required to consider for all of the private ferry services in aggregate, such as the length of our determination period and the fuel cost adjustment mechanism. Section 5 then explains how we estimated benchmark fares for the private ferry services.

3.1 Church Point – Scotland Island

The Church Point Ferry Service operates between Scotland Island and the western foreshore of Pittwater. The operator provided us with cost information and a proposal to increase fares in line with expected CPI, at an average annual increase of 2.8% per year.

We found that increasing the existing maximum fare by CPI would result in a maximum fare that was within the estimated range of benchmark fares and would keep the fare stable in real terms for passengers. Our estimated benchmark fares included updated cost estimates to account for changes in key cost categories such as fuel and labour. In response to our draft report the operator provided additional information on their costs. We have further considered this information and undertaken our own analysis. We have included additional labour hours, maintenance costs and updated the economic life of aluminium ferries.



When setting our final maximum fares for Church Point – Scotland Island, we considered all factors outlined in [Appendix A](#) and in particular, we gave weight to the following considerations:

- Passengers do not have alternative public transport.
- Current maximum fares are within our range of benchmark fares.

We assess that there are no public transport alternatives for the residents of Scotland Island other than water taxi services. We heard that there is limited wharf capacity for private boats at Church Point. We also note that the operator currently offers a range of discounted fares including return and 13 Trip tickets.^c

In the feedback provided to us, the operator and several users of the service spoke to the essential nature of the service, with one passenger stating that it was a 'basic necessity to reach home'. Passengers, particularly regular users, requested that fares be affordable for this reason. The operator suggested that costs should be subsidised by the government as the service generates external benefits. Currently, both pensioner tickets and student travel are fully subsidised, and the operator receives a viability payment.



One third of respondents to our survey reported that they use the ferry over five times per week.

Our decision is to increase existing maximum fares by CPI.

Table 3.1 Decision for maximum fares – Church Point – Scotland Island (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$12.00	\$12.30	\$12.60	\$13.00	\$13.30	\$13.60	2.5%

^c [Ferry fares for offshore Pittwater | Church Point Ferry Service](#)

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

3.2 Cronulla – Bundeena

The Cronulla and National Park Ferry Service operates between Cronulla and Bundeena. The operator did not provide a fare proposal or cost information for this review.

Our decision is that the fares should be increased by CPI for this determination. This sets fares close to our estimated benchmark fares for providing this service and keeps fares stable in real terms for passengers.



When setting our final maximum fares for the Cronulla – Bundeena service, we considered all factors outlined in [Appendix A](#) and in particular, we gave weight to the following considerations:

- Current maximum fares are slightly above the estimated benchmark fare, but still within a reasonable variance.
- Declining patronage numbers for this service and the potential impact on financial sustainability.

We considered that there are no reasonably available public transport services that would create competition with the private ferry.

In response to our survey, over half of the passengers of the Bundeena route that they either disagree, or strongly disagree, that the fare level is currently affordable. We heard this was particularly the case given the added cost of connecting transport such as the train to work or university. We note that the operator offers a range of discounted tickets including family, weekly, and 10 trip tickets.^d



2024-25 patronage for the Cronulla – Bundeena route is 4% lower than the average patronage recorded in post-covid years.

Our decision is to increase existing maximum fares by CPI.

Table 3.2 Decision for maximum fares – Cronulla – Bundeena (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$9.10	\$9.40	\$9.60	\$9.80	\$10.10	\$10.30	2.5%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

^d [Prices – Cronulla Ferries](#)

3.3 Lane Cove – Circular Quay

Captain Cook Cruises has operated the route between Lane Cove and Circular Quay under a net cost contract with TfNSW since 2019. Fare revenue is retained by the operator, and TfNSW also pays the operator the balance of the gross contract payment (i.e. the net cost of operating the service). As part of the contract, the operator does not receive a reimbursement for school students or concession fares (74% of passengers use these ticket types).

We asked TfNSW to propose a fare for this service, because the contract requires TfNSW to make payments equivalent to the net cost of operating the service. TfNSW expressed the preference for fares to be set in line with our benchmark fares.

Our updated cost estimate accounts for changes in key cost categories such as fuel and labour. We revised our capital allocations for the two vessels used by the operator.



When setting our final maximum fares for Lane Cove – Circular Quay, we considered all factors outlined in [Appendix A](#) and in particular, we gave weight to the following considerations:

- The operator already receives a subsidy from the Government (i.e. taxpayers) through its net cost contract payments.
- Public transport alternatives are available to passengers.
- Patronage has doubled on this route since our previous determination.

Passengers of the Lane Cove – Circular Quay route that provided feedback indicated mixed views on the affordability of fares in response to our survey. Around two thirds of respondents said that they either 'disagreed' or 'strongly disagreed' that fares were affordable. However, some respondents expressed a willingness to pay 'double' or an 'increase' if it meant that the ferry was operational.

We considered that passengers have alternative public transport options including train, light rail and bus services.

Our final decision is to set maximum fares in line with the current adult fare charged by Captain Cook Cruises for this route plus CPI, at \$7.90. The 2025 maximum fare is \$11.90. Our reduced maximum fares in this determination period reflect a doubling in patronage since our last determination, and the route's new timetable following a renegotiation of the service contract between the operator and TfNSW in 2023.

While this is a substantial decrease in the maximum fare, we consider setting the maximum fare at \$7.90, in line with fares currently charged, will provide price stability for both passengers and the operator. Lowering the maximum fare to be in line with the fare currently charged prevents potential affordability concerns from fares being increased up to the considerably higher maximum fare in the future. We consider that this decrease in the determined maximum price will have limited impact on the passenger demand for these services given the new maximum fare is close to that currently charged. We note that this also brings the maximum fare closer to the comparable Opal ferry fare.

Table 3.3 Decision for maximum fares – Lane Cove – Circular Quay (\$nominal, inc GST)

Current fare	2026	2027	2028	2029	2030	Average annual increase
\$7.70	\$7.90	\$8.10	\$8.30	\$8.50	\$8.70	2.5%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

3.4 Palm Beach – Mackerel Beach and Palm Beach – Ettalong

Palm Beach Ferries operates 2 routes: Palm Beach to Ettalong via Wagstaffe, and Palm Beach to Mackerel Beach, with stops at Bennets, Bonnie Doon, the Basin and Currawong Beach. IPART has not been asked to set maximum fares for the Palm Beach to Ettalong service, as it is not provided under a contract with TfNSW. However, we have been asked to consider the fares charged on the Ettalong route.

The operator proposed an increase in fares for the Mackerel Beach route to \$15.10 in 2026 and CPI increases after, and a 4% annual increase in fares for the Ettalong route. The operator proposed significant fare increases on the Mackerel Beach route, because of the increasing operational and capital costs required to provide the service. In particular, the need to undertake significant capital works on the vessel due to its age.

Based on our estimated benchmark costs we assess that there is a requirement to increase the fares for the Palm Beach – Mackerel Beach route so that the operator can recover the costs of providing the service. Our updated benchmark costs include changes in key cost categories such as fuel and labour and associated dead running costs.

Our decision is to steadily increase maximum fares over the 5-year determination period to spread the impact of the fare increase on passengers, rather than to apply the full increase in the first year of the determination period as proposed by the operator. We recognise that our decision represents a significant increase in fares, but we consider this is necessary to allow the operator to recover its costs and to remain viable so that it can continue to provide the service to its passengers.

While there may be a demand response to these increased prices for the Palm Beach – Mackerel Beach service, we note that the operator is able to adopt a lower fare or offer multi-trip discounted fares to mitigate impacts on passengers and manage the demand response. Passengers that use this service are a mix of both commuter and leisure travellers.



When setting our final maximum fares for Palm Beach – Mackerel Beach, we considered all factors outlined in [Appendix A](#) and in particular, we gave weight to the following considerations:

- The potential impact on affordability caused by large increases in maximum fares.
- The declining patronage base.

We considered that there are no reasonably available public transport services that would provide a comparable service to create competition with the private ferry.

Around two-thirds of respondents to our survey said that they used a Palm Beach route for social or recreational activities. While the Palm Beach – Ettalong route caters to both commuters and tourists, the Palm Beach – Mackerel Beach route is essential to residential users who lack road accessibility to their properties. However, usage of this route is declining.



The Palm Beach – Mackerel Beach route has experienced a 5% decline in patronage compared to pre-COVID patronage levels.

Our final decision is to increase the maximum fare for the Palm Beach – Mackerel Beach route over the determination period until it reaches the estimated benchmark fare. Our maximum fare is lower than the operator's proposed fare in each year. The operator proposed to increase fares to \$15.10 in 2026 while we have set the maximum fare to \$10.80.

Table 3.4 Decision for Maximum fares – Palm Beach – Mackerel Beach (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$9.70	\$10.80	\$11.90	\$13.20	\$14.60	\$16.20	10.8%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

Our recommendation is for fares on the Palm Beach – Ettalong route to increase by CPI. This means fares will remain stable in real terms.

Table 3.5 Recommendation for maximum fares – Palm Beach – Ettalong (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$14.70	\$15.10	\$15.50	\$15.90	\$16.30	\$16.70	2.6%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI of 2.5% and may vary slightly with actual CPI in the future.

3.5 Woy Woy – Empire Bay

Central Coast Ferries operates from Woy Woy to Empire Bay, with stops at Davistown and Saratoga. The operator did not provide a fare proposal or cost information for this review.

Our final decision is to increase fares by CPI for this determination which will keep fares stable in real terms. We note that Central Coast Ferries operates charters and tours on the Hawkesbury and Brisbane Waters and therefore has other sources of income. Central Coast Ferries has previously received a viability payment from TfNSW.



When setting our final maximum fares for Woy Woy – Empire Bay, we considered all factors outlined in [Appendix A](#) and in particular we gave weight to the following considerations:

- Public transport alternatives are available to passengers.
- The operator receives a subsidy from the Government as a viability payment.

We considered the extent to which reasonable public transport alternatives exist along this route and create competition between private ferry services and other modes of transport. Passengers have the alternative to use bus services.

We understand that passengers of the route believe that there is both a personal and social benefit to catching the ferry. Almost 9 in 10 Woy Woy – Empire Bay users that responded to our survey said that they 'agree' or 'strongly agree' that they prefer catching the ferry compared to their next best transport option. One passenger stated that "On the Central Coast, a better ferry service would take pressure off the roads, especially at peak times (school run) ... The alternative for me is a very poor private bus service".



Over 95% of Woy Woy – Empire Bay passengers received subsidised fares.

Our final decision is to increase existing maximum fares by CPI.

Table 3.6 Decision for maximum fares – Woy Woy – Empire Bay (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$10.20	\$10.50	\$10.70	\$11.00	\$11.30	\$11.60	2.6%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI and may vary slightly with actual CPI in the future.

3.6 Yamba – Iluka

Clarence River Ferries operates between Yamba and Iluka on the Clarence River in Northern NSW. The operator did not provide a fare proposal or cost information for this review.

Our final decision is to increase fares by CPI for this determination which will keep fares stable in real terms. Clarence River Ferries also operates weekly scenic river cruises and private charters in addition to its contracted passenger services.



When setting our final maximum fares for Yamba – Iluka, we considered all factors outlined in [Appendix A](#) and in particular, we gave weight to the increase in fares that would be reasonable for passengers to pay in the absence of a fare proposal or the operator's cost forecasts.

We assess that there are no reasonable public transport services that would provide a comparable service to create competition with the private ferry. This was highlighted to us by some passengers anecdotally.

When asked if the ferry was good value compared to their next transport option, over half of respondents said that they either 'agree' or 'strongly agree'. However, passengers showed a general acceptance that the current level of fares was affordable.



Our survey showed that Yamba – Iluka passengers were more likely to agree that the current level of fares was affordable than disagree.

We consider that passengers are less likely to use the service for essential purposes. Of 135 respondents to our survey, 76% said that their most recent trip was for social and recreational purposes and 96% said that they use it less than once per week.

Our final decision is to increase existing maximum fares by CPI.

Table 3.7 Decision for maximum fares –Yamba – Iluka (\$nominal, inc GST)

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$11.60	\$11.90	\$12.20	\$12.50	\$12.80	\$13.20	2.6%

Note: All fares are rounded within \$0.10. Nominal prices are estimated using forecast CPI and may vary slightly with actual CPI in the future.

3.7 Brooklyn – Dangar Island

The Brooklyn Ferry service operates between Brooklyn and Dangar Island. From 21 August 2025 the Brooklyn Ferry Service has been integrated into the Opal network.

As the service has now joined the Opal network and is no longer a 'private ferry service' under the Fares Order, IPART has not determined maximum fares for this service and Opal fares will apply instead.

Table 3.8 Brooklyn – Dangar Island fares following integration with the Opal network (\$2025, inc GST)

	Previous fare	Current Opal fare
Adult	10.90	7.35
Child/Youth	5.50	3.67
Concession	5.50	3.67
Senior/Pensioner	5.50	2.50

Note: For discounted fares a valid Opal card is required (i.e. a green Child/Youth card, a silver Concession card, or a gold Senior/Pensioner card).

Source: Brooklyn Ferry Service, [fare schedule](#), accessed September 2025.

As part of the Opal network, passengers on the Brooklyn – Dangar Island route should note the following:

- Passengers are required to tap on/off with a valid Opal card or their Credit/Debit card at the Opal reader located at Brooklyn Wharf. Little Wobby and Dangar Island Wharves currently do not have Opal readers due to their isolated location.
- Cash fares will no longer be accepted for the Brooklyn – Dangar Island route.
- Brooklyn – Dangar Island passengers will now receive Opal benefits when using the service, including daily and weekly fare caps and transfer discounts, see [here](#) for more information.

4 How we made our final decisions and recommendations

In the following sections we outline our approach to arriving at our final decisions and maximum fares including:

- the appropriate length of our Final Determination, balancing the importance of providing operators with certainty and regularly reviewing our maximum fares
- the fares proposed by private ferry operators and how they compared to current fares
- balancing passenger affordability with the financial viability of operators
- the appropriateness of our fuel cost adjustment mechanism
- the external benefits generated by private ferry services.

4.1 We set our Final Determination length to 5 years

We considered that both a shorter and longer determination period have respective benefits. On balance our decision is to set a 5-year determination period from 1 January 2026 to 31 December 2030.

A longer determination period of 5 years provides more certainty for both operators and passengers. A preference for a longer determination period was raised in submissions from operators, see Section 2.2.1.

Maximum fares after 31 December 2030 will be indexed by CPI and will continue to be subject to the fuel cost adjustment mechanism if the final determination is not revoked or replaced by a subsequent determination.

4.2 We sought proposed fares and forecast costs from operators

In May 2025 we invited each private ferry operator to propose fares for the years 2026 to 2029. We also asked each operator to provide their forecast operating and capital costs, and their forecast patronage to support their proposed fares. We received fare proposals from 2 operators, see Table 4.1.

The Lane Cove – Circular Quay route operates under a net contract with TfNSW, meaning the operator receives a monthly contract payment net of fare revenue. We invited TfNSW to submit a fare proposal for the route. However, TfNSW advised it prefers the fares for this service be set in line with our benchmark fares to recover estimated costs.

The operators of the Cronulla – Bundeena, Yamba – Iluka and Woy Woy – Empire Bay routes did not submit a fare proposal.

Table 4.1 Operator fare proposals for 2026 to 2029 (\$nominal, including GST)

Route	Current Maximum fare	2026	2027	2028	2029	Average annual increase
Church Point – Scotland Island	12.00	12.30	12.70	13.00	13.40	2.8%
Palm Beach – Ettalong	14.70	15.91	16.30	16.71	17.13	3.9%
Palm Beach – Mackerel Beach	9.70	15.10	15.48	15.86	16.26	13.8%

Note: We requested the proposed fares in \$2026, but operators proposed fares in nominal terms.
Source: Current private ferry fares and fare proposals from operators.

We received proposed operating costs from the operators of the Church Point – Scotland Island and Palm Beach routes. We have not published this information as it is commercial-in-confidence.

4.3 We balanced affordability with financial sustainability

Our maximum fares aim to balance the cost of private ferry services between passengers and taxpayers. We have considered the affordability impacts on passengers if fares were increased to recover estimated costs.

We also considered the impact on private ferry operators. Our maximum fares aim to support the financial sustainability of operators.

When deciding on our maximum fares, we also considered the impact of concession passenger patronage. Increasing fares on routes disproportionately used by concession passengers increases the revenue earned through fares but also increases the subsidy paid by taxpayers.

4.3.1 Passengers supported private ferry subsidies

In our [Call for Submissions](#) paper we discussed the viability payments currently received by 3 private ferry operators from the NSW Government. We asked passengers to provide their feedback via our survey or submissions.

We heard from passengers that private ferry routes provide an essential transport service to many passengers, see Section 2.1.3. Similarly, we heard from some stakeholders that private ferry routes should continue to be subsidised, see Section 2.1.4.

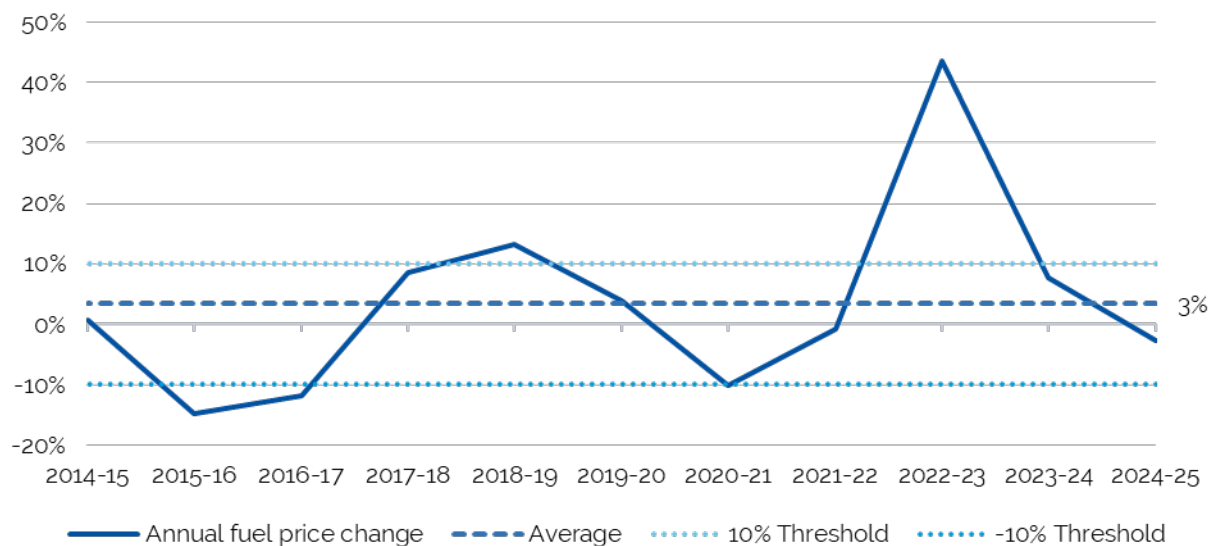
Private ferry operators also highlighted their preference for increased subsidisation to meeting an increasing cost burden caused by both rising prices and low/no patronage growth, see Section 2.2.2.

4.4 Our decision is to maintain the fuel cost adjustment mechanism

In the past we have included a fuel cost adjustment mechanism in our price determinations for private ferry fares. The fuel cost adjustment mechanism applies when the percentage change in the diesel price exceeds $\pm 10\%$ in a single year. Once the threshold has been reached, the whole percentage change in fuel costs is applied in calculating the change in the maximum fare. We have not changed how the fuel cost adjustment mechanism operates from our previous review.

Figure 4.1 shows that the volatility in the percentage change in the price of diesel fuel continued throughout the previous 4-year determination period. Large changes in fuel costs present a risk to private ferry operators, particularly smaller services, as fuel costs are one of the major operating costs for service providers. See Table 4.2 for the fuel costs as a percentage of benchmark costs.

Figure 4.1 Percentage change in the price of diesel fuel



Source: Fueltrac monthly data

Table 4.2 Proportion of fuel costs as a share of benchmark costs

Route	Share of operating cost
Church Point – Scotland Island	5.8%
Cronulla – Bundeena	3.9%
Lane Cove – Circular Quay	16.0%
Palm Beach – Mackerel Beach	5.6%
Woy Woy – Empire Bay	5.9%
Yamba – Iluka	3.5%

Source: Fueltrac, IPART analysis.

There are two key components to the mechanism, the threshold currently $\pm 10\%$ and how it impacts maximum fares across the determination period. We consider that both of these components remain fit for purpose.

In our 2021 determination we lowered the threshold from $\pm 20\%$ to $\pm 10\%$. At the time we changed the threshold because it had not been triggered during the previous determination period despite fuel prices fluctuating significantly in 2018 (13%) and 2020 (-10%).¹⁷ We consider that this threshold is still appropriate as we expect that percentage changes in the price of diesel fuel $\pm 10\%$ would still have a considerable impact on private ferry operators.

We received submissions from some operators, see Section 2.2.6, asking us to adjust how the fuel cost adjustment mechanism impacts subsequent years in the determination period. Our final determination states that the maximum fare in each year from 2027 to 2030 will be the higher of the previous year's maximum fare and the determined maximum fare for that year and route in Table 1 of the Determination, subject to the fuel cost adjustment mechanism. The maximum fare in a previous year will reflect any fuel cost adjustments applied in that year, meaning that fuel cost adjustments, whether upward or downward, may have an ongoing impact on maximum fares in subsequent years.

For Palm Beach – Mackerel Beach, we have proposed increases in maximum fares on average of 10.9% per year. To protect passengers from potentially larger increases, we consider that only the fuel cost adjustment above the nominal fare is to be carried forward in the subsequent year. We assess this is unlikely as fuel prices would have to increase by over 195% in one year.

We have not proposed to change our approach because it provides price stability for passengers over the length of the determination.

In our Final Determination we have used the following calculation for the fuel cost adjustment in 2027.

$$(\text{Fuel Cost Proportion for the Route} \times \Delta \text{Average Fuel Price}_{2025-2026}) + 1$$

Where:

$\Delta \text{Average Fuel Price}_{2025-2026}$ is calculated as follows:

$$\frac{\text{Average Fuel Price}_{2025-2026}}{\text{Average Fuel Price}_{2024-2025}} - 1$$

Where:

- a. $\text{Average Fuel Price}_{2025-2026}$ is the Average Fuel Price for the Fuel Cost Review Period ending 30 September 2026; and
- b. $\text{Average Fuel Price}_{2024-2025}$ is the Average Fuel Price for the Fuel Cost Review Period ending 30 September 2025.

The mechanism would apply if the change in fuel price exceeded $\pm 10\%$.

The fuel cost adjustment mechanism would be applied to fares from 2027 to 2030.

We will publish a notice on the IPART website on or before 20 December every year (commencing in 2026) stating whether or not a fuel cost adjustment will be made in the following year. This notice will also identify what the maximum fares for each route will be after adjustment by CPI and the fuel cost adjustment, if applicable.

Box 4.1 provides an example of how the fuel cost adjustment mechanism would apply.

Box 4.1 Fuel cost adjustment mechanism example

The fuel adjustment for 2027 would be calculated as follows:

$$(\text{Fuel Cost Proportion} \times \Delta \text{Average Fuel Price}_{2025-2026}) + 1$$

For an operator with fuel costs in 2025-2026 of 7.9% of benchmark costs, if the annual fuel price change was 44% like in 2022 the change in fares would be 3.48%.

If the determined fare was \$12.00, this would be increased by \$0.42 and would result in the 2027 maximum fare being \$12.40 (rounded to the nearest 10c).

4.5 We found that private ferries generate external benefits

Passenger transport services provide a direct benefit to passengers as accessible modes of public transport. Passengers fund this direct benefit by paying direct costs in the form of fares. However, passenger transport also receives Government subsidies, which imposes a cost on taxpayers who may not use the service. Community wide costs and benefits are known as external costs and benefits, because they occur externally to the decision of a passenger to use passenger transport.

Private ferries generate a number of external benefits; we can best understand these by considering how individuals might behave if no private ferry service was available.

Passengers who use private ferry routes that service islands, would be required to use a private boat or water taxi to travel. The potential external benefits of funding private ferry services are reduced congestion on waterways and moorings, reduced pollution and fewer boating accidents.

Passengers who use private ferry routes that service destinations with road access could use a private vehicle or alternative modes of public transport such as bus or train. The potential external benefits of funding private ferry services are the reduced road congestion, traffic incidents, pollution and parking congestion.

Without a private ferry service some individuals may choose not to make a trip at all. In these circumstances, the private ferry is creating the external benefit of promoting social inclusion. Social inclusion is the ability of people to access education, employment, services and undertake social activities, regardless of their age or mobility constraints. Social inclusion provides a benefit to the whole community.

We also note that in terms of congestion and pollution, ferries have their own external costs which should be accounted for when determining the total external benefit and cost of providing services.

In this review we examined the likely external benefits provided by each private ferry route. We did not examine the externalities for island routes such as Church Point – Scotland Island. We considered that fuel consumption per journey was approximately equivalent whether the ferry or a private boat / water taxi was used.

For the other routes, we found a wide range of external benefits in both peak and off-peak travel hours. We found that the Lane Cove – Circular Quay service provided almost no external benefits. All other services provided some external benefits, with the most provided by the Palm Beach – Ettalong, and the Palm Beach – Mackerel Beach services.

We have not been asked to consider viability payments in this review. However, we have recognised their economic role as payments in recognition of the external benefits generated by a private ferry service. Based on this perspective we found justification to continue the viability payments for the Cronulla – Bundeena, and Woy Woy – Empire Bay services.

5 We estimated benchmark fares for private ferries

As part of our assessment of appropriate maximum fares, we estimated benchmark fares for each private ferry route. We used a benchmarking approach that accounted for costs such as labour, fuel and insurance, in addition to the patronage of each service. We made several adjustments to the benchmarking approach that we used to set maximum fares under the previous determination. This chapter summarises our approach to estimating benchmark fares.

5.1 IPART's estimated benchmark costs and fares

In 2021 we engaged Indec Pty Ltd to estimate benchmark costs. We have updated the benchmark costs to reflect the most recently available information. Our adjustments include:

- Updating the expected operating hours based on the most recent timetables, with an additional allowance of 1 hour per day for crew to prepare and stow the vessel.
- Updating labour cost assumptions for the Church Point – Scotland Island route and for the Palm Beach to Ettalong route, in line with information provided by operators.
- Inflating benchmarks by the relevant index (CPI, WPI and market fuel prices) rather than the previous standard of 2.5% per year.
- Updating on-cost assumptions.
- Adjusting the capital annuity to account for routes which operate two vessels, see Section 5.3.
- Including weights for patronage, see Section 5.4.2.
- Removing viability payments from the Government as an assumed revenue in our pricing calculations.
- Standardising assumptions, such as dead running ratio, across all private ferry operators.

Church Point Ferries

In response to our draft report the operator provided additional information on their costs. We have further considered this information and undertaken our own analysis. We have made amendments to our benchmark model for the Church Point route to better reflect its operating circumstances, including increasing:

- labour costs
- engine maintenance costs
- ferry replacement costs.

5.1.1 Inputs to estimate benchmark costs

For all operators we used the same set of inputs, these included:

- Forecast inflation in line with CPI. We have forecasted CPI to be 2.8% in 2026, and 2.5% for the remainder of the determination period.

- A benchmark of the estimated operating costs of providing the service including labour, repairs and maintenance and insurance. This is based on the benchmark established by Indec Pty Ltd in our [previous review](#).
- A capital annuity equivalent to the estimated capital cost of operating a new ferry. Our estimated costs should account for the need to replace ferries that have exceeded their economic life. Using ferries past their economic life is not efficient due to the increasing cost of maintenance and repairs, and the impact on service quality.
- A pre-tax WACC of 5.0% used to calculate the capital annuity, and as the discount rate for present value. For more information on IPART's WACC methodology and calculations see our [Market Update](#) for August 2025.
- Private ferry patronage for 2024-2025. Patronage of private ferry services has generally declined across all services since 2023-2024, therefore we have used actual patronage figures in 2024-2025 to estimate benchmark fares for the determination period.

5.1.2 Our benchmark costs are based on publicly available timetables

Private ferry operators are required to provide public passenger services via their contract with TfNSW. These contracts require minimum performance standards when delivering passenger services. However, operators tend to provide services above these minimum standards in order to meet passenger demand on their routes. When estimating the benchmark costs to provide these services we have based our estimates on the publicly available timetables listed on each operator's website. We consider that this is an appropriate basis to use when estimating benchmark costs.

5.1.3 Benchmark fares

We calculated the benchmark fare for most operators in 2025-26. For the Palm Beach – Mackerel Beach route we calculated an appropriate price path for fares to reach our benchmark fare by the end of the determination period. The revised WACC of 5.0% has slightly reduced the annual annuity amount for each operator and reduced the benchmark fares accordingly.

In this report we have presented the maximum fare for each operator in nominal terms each year including forecast CPI and GST.

Fares are also rounded to the nearest \$0.10, consistent with previous determinations.

5.2 We have indexed operational costs

We have indexed the following costs when estimating benchmark costs to account for changes over the last determination period:

- **Labour** — wages, workers compensation, payroll tax and superannuation for all permanent full-time and part-time staff, and any casual employees employed directly by the operator. We have indexed this cost using the Wage Price Index (WPI) – Private; Transport, postal and warehousing; published by the ABS.¹⁸

- **Fuel** — includes the cost of fuel in relation to the provision of regulated ferry passenger services. We have indexed fuel costs based on the Sydney Diesel price collected by FuelTrac.
- **Repairs and maintenance** — should only include parts and consumable costs relating to the repair and maintenance of ferries, e.g. internal and contracted ferry maintenance. We have indexed these costs by CPI – All groups Sydney published by the ABS.¹⁹
- **Insurance** — includes ferry insurance and all other insurance premiums paid by the operator, e.g. public liability. We have indexed these costs by CPI – Insurance Sydney published by the ABS.
- **Mooring** — the annual rent paid for mooring/berths in relation to the provision of ferry passenger services. We have indexed these costs by CPI – All groups Sydney published by the ABS.
- **Other** — includes all other operational costs that aren't accounted for in the above categories, e.g. cash collection costs, office rent, communication costs, financial services, external consultants, advertising, consumables and uniforms. We have indexed these costs by CPI – All groups Sydney published by the ABS.

5.3 We calculated a capital cost annuity for each operator

We have continued using a cost annuity as part of our approach to estimating benchmark fares. In our previous review we decided to estimate capital costs as an annuity rather than using a regulatory asset base (RAB) for each operator. We made this change to provide greater clarity for private ferry operators by smoothing costs across multiple determinations and because it simplifies the calculation.

Our annuity payment includes the estimated capital expenditure to operate the vessel over its entire economic life, such as maintenance costs. This cost is converted into an annuity payment in each year over the determination period.

We adjusted our capital annuity calculation to account for a longer estimated economic life, see Section 5.3.1. We maintained our other assumptions about capital costs, after accounting for inflation, such as engine replacement or refurbishment, and the cost to purchase a new vessel. The annuity provides a capital allocation that could be used to service a loan to purchase a new vessel and undertake repairs and maintenance.

For most operators the annuity accounts for 100% of the cost for a new ferry, and 50% of the cost for a backup ferry. The operators on some routes such as Church Point – Scotland Island and Cronulla – Bundeena receive an annuity for 100% of the costs of the backup ferry due to operational requirements. Similarly, the Lane Cove – Circular Quay operator receives 75% of the cost of a new ferry and 75% of the cost of the backup ferry.

5.3.1 We extended our assumption of ferry economic lives

The calculation of our capital cost annuity is impacted by the assumed economic life of each operator's ferry. In general, having a longer asset life means the capital annuity will be smaller, because it takes more years before the vessel should be replaced.

In our previous review we used a 15-year economic life for fast ferries, and a 25-year economic life for slow ferries.^e Following consultation with stakeholders on our draft report and considering additional information provided, we have set the economic life of aluminium ferries to 25 years. We have extended the economic lives of timber ferries to 39 years. We extended the economic life because we found that operators were consistently continuing to use ferries past the economic life we used in our 2021 review.

5.4 We considered fare and subsidy options

Our approach to considering appropriate fares compared the existing maximum fare with a benchmark fare that would provide operators with the revenue required to meet the estimated benchmark costs of providing private ferry services.

To calculate an operator's required revenue, we estimated the cost of providing services accounting for inflation and the Weighted Average Cost of Capital (WACC). To calculate benchmark fares, we divided the revenue requirement that we estimated by patronage to determine the benchmark price each passenger should pay.

The sections below provide more detail on our benchmarking approach.

5.4.1 We estimated benchmark fares based on 2024-25 patronage

During our 2021 review, operators were experiencing a decline in patronage due to the impact of COVID-19. Since then, a number of routes have recovered to previous levels of patronage, while a number of routes are experiencing stagnant or declining patronage. In general, since 2023-24 there has been a decline in patronage across private ferry routes.

We heard concerns from some operators about the impact of declining patronage on the financial sustainability of services, see Section 2.2.3.

When benchmarking fares, we have used patronage data from 2024-25 rather than forecasting patronage due to the uncertainty in patronage demands.

Our decisions on maximum fares may also impact patronage. For Palm Beach – Mackerel Beach where our fares are increasing by more than CPI, this could lead to a reduction in patronage if customers choose to use alternative transport options or decide not to travel. IPART has set maximum fares, and the operator can choose to offer lower fares which could mitigate impacts on patronage.

^e The only fast ferry for this review operates between Palm Beach and Ettalong. All other routes are currently serviced by slow ferries.

5.4.2 We weighted patronage to exclude the impact of multi-ticket discounts

We considered how discounted prices for multi-ticket passengers impacted our existing approach to benchmarking fares. In this review we implemented different weights for single passenger fares based on the total revenue (fares and subsidies) earned as a proportion of adult fares, see Table 5.1. We consider that excluding the impact of multi-ticket discounts produces more appropriate benchmark fares.

Table 5.1 Passenger patronage weights

Passenger type	Weighting
Adult (single trip)	100%
School Student (single trip)	50%
Pensioner (single ticket ^a)	200%
Child (single trip ^b)	50%
Concession (single trip)	100%

a. Pensioner tickets allow unlimited travel per day and are reimbursed at 200% of the adult ticket price. For every pensioner ticket sold the operator received twice the adult fare, based on the assumption that a return trip would be made.

b. Operators have told us that child fares are charged at 50%, but under existing contract arrangements, TfNSW does not contribute the additional 50%.

5.4.3 Limitations in estimating benchmark costs

The benchmark approach estimates hypothetical costs to provide the private ferry services. The benchmark approach is applied to all 7 individual route schedules, with some adjustments made for individual ferry operators. However, this relies on assumptions that may vary from operator to operator. This may be due to factors such as physical limitations or operational requirements unique to each route.

Another limitation is whether our benchmark fares remain appropriate if there are unexpected shocks to private ferry operators. However, we have attempted to mitigate these concerns. One of the largest potential shocks for operators is changes in fuel prices. For this reason, we have continued to implement a fuel cost adjustment mechanism in our Final Determination, see Section 4.4.

Benchmark operating costs of private ferry routes and contracted operating costs of ferries on the Opal network

In our Draft Report we presented a high-level comparison of our benchmark operating costs for private ferry routes^f and contracted operating costs for ferries on the Opal network, which includes routes in Sydney Harbour and Newcastle. This is a simplified analysis that does not adjust for all differences in the categorisation of costs between ferries on the Opal network and our benchmark model for private ferries. Total contracted operating expenditure for ferries on the Opal network was provided by TfNSW as part of our [2024 Opal Fare Review](#).^g We indexed that total contracted operating expenditure to 2025 dollars.

^f Excluding the Brooklyn – Dangar Island route

^g [2024 OPAL Fare Optimisation Model](#) "MC – public transport" tab

At our [public hearing](#), a private ferry operator requested that we expand on our presentation of this analysis by publishing route-specific comparisons, not just the range across all private ferry routes. We wrote to each of the private ferry operators to seek their consent to publish the route-specific comparison relevant to their private ferry route(s). The majority of private ferry operators did not consent to this data being published, and on this basis, we have decided not to publish route-specific comparisons.

We found that benchmarked operating costs per passenger kilometre for private ferries are between \$0.43 and \$2.38, while the contracted operating cost for ferries on the Opal network is \$2.66 per passenger kilometre. Benchmarking operating cost per passenger journey for private ferries ranged from \$3.26 to \$11.18. The contracted operating cost per passenger journey for ferries on the Opal network is \$12.24.^h

The large range in these measures may partly be explained by variation in operating conditions such as wharf congestion, tides and swell, wharf design and the time taken for passengers to board and disembark the ferry, the size and age of the ferry and any potential economies of scale of operating several ferry routes.

The differences in these measures may also be explained by differences in the categorisation of components of operating costs, due to differences in the contracting arrangements between ferries on the Opal network and the private ferry operators.

This analysis was not used as a basis for the Tribunal's decisions.

5.4.4 Setting maximum fares to the equivalent Opal fare

Some stakeholders that provided feedback to our review told us that private ferry fares should be set at the same level as Opal fares. We considered the implications of setting maximum fares at the equivalent Opal fare for all private ferry routes.

Available information on demand elasticity in the Sydney Ferries network suggests that lower prices would increase demand, such that a 1% decrease in adult fares would lead to a 0.2% increase in adult patronage. For some ferry routes, if Opal fares were adopted, fares would reduce by around 30% – this may mean that the increase in demand is larger. However, we applied this demand elasticity to full and half fare paying passengers (we excluded school students and pensioners where there would be limited change under Opal) to estimate the change in patronage for each route under Opal fares. We then estimated the farebox revenue and existing passenger subsidies provided by TfNSW under the current contractual arrangements. The estimated difference in revenue is the difference between revenue under IPART's maximum prices and equivalent Opal fares based on 2024-25 patronage.

Our indicative analysis found that there would not be a sufficient increase in demand from passengers (and fares) to allow private ferry operators to recover foregone revenue from charging Opal fares. Our indicative analysis was sufficient for us to determine that private ferry operators would not be able to sustainably recover the costs of providing private ferry services if maximum fares are set to Opal fares without changes to the contractual arrangements.

^h We have updated the figures from our Draft Report due to revised passenger travel distance assumptions and indexation methodology.

The integration of the private ferries into the Opal network is a matter between TfNSW and the private ferry operators and is outside the scope of this review.

This indicative analysis has not attempted to incorporate the impact of individual attributes that may lead to different demand elasticities for each route. These routes differ substantially in the passenger catchment, tourism drivers, and the substitutability of the service (e.g. public transport alternatives). These characteristics may have substantial impacts on the demand elasticity for each of the routes.

This indicative analysis is based on the equivalent Opal fare for each route and does not include Opal fare discounts such as intermodal discounts and daily and weekly caps. The provision of these discounts would further increase the subsidy required to maintain viability of the services.

This indicative analysis has not considered the additional costs that may be associated with the increased patronage. These may include increased staffing levels, additional fuel use, increased maintenance, or requirements for additional ferries to meet demand. See Box 5.1.

Having regard to the costs of providing the private ferry services and the revenue needed for operators to continue to provide services safely and reliably, this indicative analysis was sufficient for the Tribunal to consider that setting maximum private ferry fares at the level of opal fares would not be consistent with the Terms of Reference for this review.

Box 5.1 Opal Sunday Fun Day

Around the introduction of Opal in 2012, the NSW Government offered passengers an opal cap of \$2.50 on Sundays, which allowed unlimited travel for a lower fare. This offer co-existed with an Opal initiative which provided free transport on weekends for users who had made over 8 public transport trips during the week. The discounted travel on weekends led to significantly increased transport use such that several Sydney Harbour and Parramatta River based ferries experienced their peak loads on Sundays.

An IPART investigation found that the high demand for ferry services on weekends led to increased costs of providing public transport services. NSW Government invested in new ferries across the routes to meet additional demand.

IPART recommended that the price cap should be increased and applied across the whole weekend, to spread demand.

Source: IPART, [Information Paper – Price of travel on Weekends](#), 2015.

Appendices

A Matters that IPART is required to consider for this review

A.1 Impact if fares were not increased to the appropriate maximum under our Final Determination

IPART is required under section 124(5) of the *Passenger Transport Act 2014* (PT Act) to assess the likely annual cost to the NSW Government Consolidated Fund if fares for a passenger service were not increased to the maximum permitted under our Final Determination and compensation were paid to TfNSW for the revenue foregone by an appropriation from the Consolidated Fund.

Five out of six operators retain the fare revenue earned through providing private ferry services. Therefore, there is no impact on the NSW Government if the operator sets fares below the maximum.

The operator of the Lane Cove to Circular Quay route has a net cost contract with TfNSW. This means that if the operator sets fares below the appropriate maximum, all else being equal, TfNSW would be required to pay more to the operator. Over our 5-year determination period if the operator did not increase fares by CPI, we estimate this would cost \$54,429.

Table A.1 Likely cost to the Government if fares are not increased to the maximum permitted (\$, \$2025-2026)

	2026	2027	2028	2029	2030	Total
Fares not increased in line with CPI	10,886	10,886	10,886	10,886	10,886	54,429

A.2 How we have met the requirements of the Passenger Transport Act and Referral Letter

The PT Act and our [referral from the Minister](#) for this review require us to consider several matters when setting our maximum fares. Table A.2 lists these matters and explains how we have considered them when setting maximum fares.

Table A.2 Matters we are required to consider when setting maximum fares

Source	Matters we are required to consider	How we have considered them
Section 124(3)(a), PT Act	The cost of providing services	To estimate the cost of providing services we updated the benchmarking approach used in our 2021 review, that was developed by Indec Pty Ltd, see Section 5.1.

Source	Matters we are required to consider	How we have considered them
Section 124(3)(b), PT Act	The need for greater efficiency in the supply of services so as to reduce the costs for the benefit of consumers and taxpayers	When setting appropriate maximum fares we considered a number of factors. This included our approach to benchmark fares to recover estimated costs, see Section 5.1, the current fares charged and the fares proposed by operators, see Section 4.2, and the impact of our fare decisions on affordability, see Section 4.3.
Section 124(3)(c), PT Act	The protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service	<p>In Chapter 3 we discuss our analysis and decisions on maximum fares. Our maximum fares are based on our benchmark fares, which is our estimate of the maximum fares that the private ferry operators would need to charge if they were operating in a competitive environment. This approach is intended to prevent the abuse of monopoly power in terms of fares.</p> <p>Ensuring that operators meet minimum standards of service is a matter for TfNSW who is responsible for investigating compliance with the operators' service contracts. However, we have considered the operating and capital costs required to maintain high quality, reliable and safe services, see Section 5.2 and Section 5.3.</p>
Section 124(3)(d), PT Act	The social impact of the determination or recommendation	<p>We considered the external benefits generated by private ferries. These benefits include promoting social inclusion and reducing congestion, see Section 4.5.</p> <p>We also considered the impact of fares on the affordability of services, see Section 4.3.</p>
Section 124(3)(e), PT Act	The impact of the determination or recommendation on the use of the public passenger transport network and the need to increase the proportion of travel undertaken by sustainable modes such as public transport	We considered the impact of maximum fares on the affordability of public transport and how this could impact patronage, see Section 5.4.1.
Section 124(3)(f), PT Act	Standards of quality, reliability and safety of the services	<p>We sought feedback from stakeholders through our passenger survey on the service quality of private ferry services, see Section 2.1.6.</p> <p>We also considered the operating and capital costs required to maintain high quality, reliable and safe services, see Section 5.2 and Section 5.3.</p>
Section 124(3)(g), PT Act	The effect of the determination or recommendation on the level of Government funding	Private ferry services are provided under contract with TfNSW. The Lane Cove to Circular Quay route is operating under a net cost contract, meaning that TfNSW is required to pay the difference between fare revenue and operating costs. We asked TfNSW to provide a fare proposal. However, TfNSW preferred fares be set equal to our estimated benchmark fare, see Section 3.3.

Source	Matters we are required to consider	How we have considered them
		Government funding can also be impacted by concession subsidies offered to private ferry services, and viability payments to promote financial sustainability. These are determined by the Government. IPART has not made any recommendations on these subsidies.
Section 124(5), PT Act	The likely annual cost if fares for a passenger service were not increased to IPART's determined maximum.	The operator for the Lane Cove – Circular Quay service operates under a net cost contract. This means if fares were not increased to the maximum, all else being equal, the NSW Government would be required to pay more. We have estimated the impact if the operator did not increase the maximum fare in 2026 by inflation over the remainder of the determination period, see Section A.1.
Referral letter, matter (1)	The level of competition for other modes for the different routes and resulting implications for fares, other types of transport modes available to customers, as well as gaps or duplication with Sydney Ferries	<p>We investigated the available public transport alternatives to service passenger transport along private ferry routes. There do not appear to be any gaps or duplication between Sydney Ferries and private ferry services.</p> <p>Section 3 discusses the availability of public transport alternatives to the private ferry routes and the impact of alternative public transport on fares.</p>
Referral letter, matter (2)	Any performance metrics, such as service delays or cancellations	<p>We considered the extent to which service performance should impact our maximum fares. Our estimates of benchmark costs considered the operational requirements of the services. For example, we have included some costs for backup ferries. We have not included 100% of the costs for all operators as the backup ferry can be used for other commercial purposes, see Section 5.3.</p> <p>We have not discussed performance metrics in detail in this report as these are managed through the contractual framework under which most of the services operate. However, we have considered the operating and capital costs required to maintain high quality, reliable and safe services, see Section 5.2 and Section 5.3.</p>
Referral letter, matter (3)	Customers' willingness and capacity to pay in the different demographics where the routes operate	We considered the responses to our stakeholder survey on affordability (see section 2.1). We reviewed data on patronage by ticket type including concessions. We discuss our analysis on affordability in section 4.3. In section 4.5 we considered the external benefits of private ferry routes. This included consideration of the different demographics of each route.

Source	Matters we are required to consider	How we have considered them
Referral letter, matter (4)	Fares for ferry services on the Palm Beach to Ettalong route	We have recommended fares for the Palm Beach – Ettalong Route. Further, when setting the maximum fare for the Palm Beach – Mackerel Beach route we have considered the fares on the Palm Beach – Ettalong route. Both routes impact our benchmark fares for the Mackerel Beach route as the service is run by a single operator. See Section 3.4.
Referral letter, matter (5)	Any ongoing impacts of COVID on demand and customer behaviour	We have observed how private ferry routes have experienced different patterns of recovery following COVID-19. Generally, there has been a decline in patronage since 2023-24. Due to the uncertainty with forecasting patronage, we have used patronage in 2024-25 to benchmark fares, see Section 5.4.1.
Referral letter, matter (6),	Changes to fares and ticketing systems	We considered the impact of multi fare tickets on our benchmark fares, see Section 5.4.2.
Referral letter, matter (7)	The implications of any potential Private Ferry Service becoming an Opal Ferry Service during the term of the determination	<p>We have considered the potential impact on integrating private ferry services into the Opal network. The Brooklyn – Dangar Island service has been integrated into the Opal network during this review period; we discuss the impacts in Section 3.7.</p> <p>We have included a provision in our Final Determination that if both private ferries and Opal determinations apply to a private ferry service, the Opal fare would apply rather than the private ferry fare.</p>

A.3 Other matters we considered relevant

Section 124(3)(i) of the PT Act specifies that when IPART conducts an investigation into appropriate maximum fares for a service, IPART is to consider any other matter it considers relevant. Table A.3 lists the additional matters IPART considers relevant to this investigation and explains how we have considered them when setting maximum fares.

Table A.3 IPART consideration of other relevant matters

Matters we consider relevant	Report reference
Economic cost of production	<p>In Chapter 5 we summarise our approach to estimating benchmark fares. As part of our assessment of appropriate maximum fares we estimated benchmark fares for each private ferry route.</p> <p>We used a benchmarking approach that accounted for operating costs such as labour, fuel, insurance and mooring. We have continued using a cost annuity to estimate capital costs. Our annuity payment includes capital expenditure to operate the vessel over its entire economic life, such as maintenance costs.</p>

Matters we consider relevant	Report reference
<p>Past, current or future expenditures in relation to the service</p>	<p>Chapter 3 discusses our analysis and decisions on maximum fares for each route and how our benchmark fares informed our decisions.</p> <p>In Chapter 5 we summarise our approach to estimating benchmark fares. As part of our assessment, we asked operators to provide their forecast operating and capital costs and their forecast patronage as discussed in Chapter 4.</p> <p>Our benchmarking approach accounted for operating costs such as labour, fuel, insurance and mooring. We have continued using a cost annuity to estimate capital costs. Our annuity payment includes capital expenditure to operate the vessel over its entire economic life, such as maintenance costs. It also accounts for the estimated capital cost of acquiring a new ferry.</p> <p>Chapter 3 discusses our analysis and decisions on maximum fares for each route and how our benchmark fares informed our decisions.</p>
<p>Economic parameters, such as discount rates, or movements in a general price index (such as the Consumer Price Index), whether past or forecast</p>	<p>In Chapter 4 we discuss our decision to continue indexing fares by CPI, and that fares will still be subject to the fuel cost adjustment mechanism after 31 December 2030 if our Final Determination is not revoked or replaced by a subsequent determination.</p> <p>In Chapter 5 we summarise our approach to estimating benchmark fares. We used a benchmarking approach to estimate operating costs such as labour, fuel, insurance and mooring. To index wage costs, we used the ABS Australia wide Wage Price Index (WPI), and for insurance costs we used the ABS (Sydney) CPI (Insurance and Financial Services) index.</p>
<p>Rate of return on the assets</p>	<p>In Chapter 5 we explain our approach for setting the weighted average cost of capital (WACC) which is the benchmark rate of return we used to calculate the capital annuity and as the discount rate for present value. We used a pre-tax WACC of 5.0%.</p>
<p>Valuation of the assets</p>	<p>In Chapter 5 we discuss our decisions and approach to estimating capital costs, including our decision to use the capital annuity approach and our consideration of the asset lives of each operator's ferry</p>
<p>Need to maintain ecologically sustainable development (within the meaning of section 6 of the <i>Protection of the Environment Administration Act 1991</i>) by appropriate pricing policies that take account of all the feasible options available to protect the environment</p>	<p>In Chapter 4 we considered the extent to which private ferry services provide a net external benefit to society by reducing pollution from other vehicles. We found private ferries generate external benefits and found this justifies the continuation of viability payments for Cronulla – Bundeena and Woy Woy – Empire Bay services.</p> <p>In Chapter 2 we discuss the high capital costs needed to acquire electric ferries and other constraints that will limit their adoption within the short to medium term. Our determination does not account for the costs to acquire an electric ferry and ferry operators should contact IPART if they decide to acquire an electric ferry during the determination period.</p>
<p>Need to promote competition in the supply of the service</p>	<p>In Chapter 3 we discuss our analysis and decisions on maximum fares. Our maximum fares are based on our benchmark fares, which is our estimate of the maximum fares that the private ferry operators would need to charge if they were operating in a competitive environment</p>

Matters we consider relevant	Report reference
Considerations of demand management (including level of demand) and least cost planning	In Chapter 5 we explain how we have estimated benchmark fares using patronage data. When benchmarking fares, we have used patronage data from 2024-25, rather than forecasting due to the uncertainty in patronage demands

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- ¹ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, p 1.
 - ² Anonymous, [submission to IPART draft report](#), October 2025, p 1. Anonymous, [submission to IPART draft report](#), October 2025, p 1.
 - ³ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, p 7.
 - ⁴ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, pp 1-4.
 - ⁵ Church Point Ferry Service, [submission to IPART call for submissions paper](#), August 2025, p 1.
 - ⁶ Church Point Ferry Service, [submission to IPART draft report](#), October 2025, p 1. Cronulla Ferries, [submission to IPART draft report](#), October 2025, p 1.
 - ⁷ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, p 8.
 - ⁸ Church Point Ferry Service, [submission to IPART call for submissions paper](#), August 2025, p 1.
 - ⁹ Cronulla Ferries, [submission to IPART draft report](#), October 2025, p 2.
 - ¹⁰ Action for Public Transport, [submission to IPART call for submissions paper](#), August 2025, p 1.
 - ¹¹ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, pp 5-7.
 - ¹² Cronulla Ferries, [submission to IPART draft report](#), October 2025, p 3. Church Point Ferry Service, [submission to IPART draft report](#), October 2025, p 1.
 - ¹³ Action for Public Transport, [submission to IPART call for submissions paper](#), August 2025, p 1.
 - ¹⁴ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, pp 3-4.
 - ¹⁵ Fantasea Pty Ltd, [submission to IPART call for submission paper](#), August 2025, pp 4-5.
 - ¹⁶ Cronulla Ferries, [submission to IPART draft report](#), October 2025, p 4.
 - ¹⁷ IPART, [Draft Report – Review of maximum fares for private ferry services for 2022 to 2025](#), October 2021, p 20.
 - ¹⁸ ABS, [Wage Price Index, Australia](#), August 2025.
 - ¹⁹ ABS, [Consumer Price Index, Australia](#), July 2025.