

IPART: FERRY PRICING

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Issues-Paper-Private-Ferries-fares-for-2021-June-2021.PDF

Lynda Newnam 6th August 2021

Thank you for facilitating a process that encourages 'community participation'. As a volunteer citizen I think this is critical in accessing 'knowledge, ideas and expertise' that may otherwise be absent because of the constraints under which paid employees/consultants operate.

Community Participation is an object in the Environmental Planning and Assessment Act 1979 (strengthened in the 2017 Amendment). Considering that the price of a service is a critical factor in establishing consumer support for a major project, it is unfortunate that IPART's economic expertise is not sought (as far as I can find on public record) at early stages in project development of public infrastructure dependent services.

I am writing this submission to your Ferry Pricing Review because the State and Federal Governments agreed in April 2018 to build ferry wharves at La Perouse and Kurnell

https://www.federalfinancialrelations.gov.au/content/npa/environment/project-agreement/Kamay_250th_Anniversary_Project.pdf It is a project where the proponent is Transport for NSW, the same Department required to provide taxpayer subsidies which you are now evaluating for 7 comparable ferry services. I think the conduct of the process provides relevant insights.

Photographs below taken on the day of agreement for construction of ferry wharves:



The Department of Planning has this State Significant Infrastructure project on exhibition (from 14th July to 11th August while Sydney is in COVID lockdown).
<https://www.planningportal.nsw.gov.au/major-projects/project/34291>

In the Environmental Impact Statement (EIS) claims are made that are factually incorrect, eg. that the Ferry Service will run from 7am to 7pm daily yielding 36 trips. There are 'disclaimers' in some parts of the EIS eg. and I paraphrase: 'we are only here to build the wharves and it will be up to an operator' and in one answer to a question in the Consultation section regarding the use of Gold OPAL cards 'the wharves can accommodate OPAL readers but that's not our brief'. Notwithstanding, it is apparent from the information within sections of the EIS and in particular in the record of Consultation sessions that participants may well have been led to understand that the ferry service would be both reliable and of a reasonable frequency.

On examination, however, the numbers don't add up. For example, the consultants (Arups) state that the crossing takes 20 minutes with idling time at 15 minutes (unload and upload). That's a maximum of 21 trips with frequency not of 40 minutes as inferred by the figure of 36 trips but 1 hour 10 minutes at each site. By 2036 there are estimated to be 149,600 passengers annually but that yields only 20 per crossing. The size of the ferry is anticipated at between 100 and 250. There is no mention of the likely price which would need to be around \$20 per adult a round trip. Palm Beach to Wagstaff is currently \$25 per adult. While those surveyed in the IPART process are positive of ferry travel none of these 'compete' with container ships and associated vessels such as pilot and tugs nor are the conditions (just inside the heads of Botany Bay) as problematic. It was frequently unsafe for the original La Perouse ferry to make the crossing with the wharf being 'famously' destroyed in a storm in 1974. The conditions are now arguably more difficult because of extensive dredging of the shipping channel and the construction of Port Botany and other modifications impacting the bay's processes.

Positive feedback, and hence support and justification for the project are based on perceptions of the cost, frequency and reliability. For instance, one respondent stated on a cycling Facebook page that she would be able to commute to work from Kurnell to the CBD by bicycle. She may not be deterred by \$100 per week, however, whether she would be prepared for unreliability (weather) and infrequency may be another matter. Riding to La Perouse from the CBD and then having to backtrack around the Container Port and Airport to get home might not appeal. When required in the past, ferries have run successfully for special events such as the Kurnell Festival of the Sails weekend. On those occasions existing wharf facilities at Kurnell and the beach at La Perouse have been used.

Most of the consultation has been with National Parks. Although Transport for NSW are the proponent, the 'client' is National Parks with the wharf at Kurnell to be located in the Park. Additional car spaces are to be provided with all day parking currently at \$8. A commuter from Kurnell might pay \$8 for parking, \$20 for ferry, then a minimum 1 hour bus + Light Rail at \$6 (\$12 return). This information has not been part of the 'promotional material' circulated.

When public expectations are raised, as they have been by claims in consultation sessions, there may well be demands to provide higher than comparable subsidies and at a subsequent Ferries Price Review IPART may be asked to 'rationalise'.

NPWS listed the reinstatement of the ferry connecting La Perouse to Kurnell in their 2000 Botany Bay National Park Plan of Management. As with other items on the wish list there was no basic Benefit to Cost conducted let alone any priority order. At no time prior or since, have they conducted genuine reviews at La Perouse of visitor numbers, preferences and unmet demand let alone met accountability targets in the basics of weed and feral control, track maintenance and interpretation of natural and built heritage. Given the lack of benefit (based on potential customers), It has been suggested that the ferry might have attracted serious support when sites were considered for a Cruise Terminal to increase cruise capacity in Sydney. In that case both the Hawke (2011) and the Collins review in particular recommended Garden Island on Sydney Harbour. Successive Federal Governments led by Prime Ministers, Turnbull and most notably, Morrison, have ruled out Garden Island.

When selected interests dominate major infrastructure decision-making (see Productivity Commission's review of Public Infrastructure) the public does not get the best value. I am reminded of the CBD-SE Light Rail/Tram (not recommended by Infrastructure NSW) and where the focus was on interests such as UNSW, Randwick Racecourse, Sydney Cricket Ground and City of Sydney George Street rather than delivering better value public transport for the majority of users.

In the case of the Kurnell Ferry project, the infrastructure is being evaluated in isolation of the major service it is supposed to provide.



Get some patients - Yes, Minister - BBC

(Photograph from Yes Minister episode “The Compassionate Society” first screened 1981, of the award winning fully staffed hospital that had no patients).

Regarding the pricing task I make the following comments:

1. IPART needs to clearly distinguish between NEEDS and WANTS/Created Demand. For the latter direct beneficiaries should be identified and ideally contribute to operations. The State, through its agency Transport for NSW, has an obligation to ensure NEEDS are addressed fairly. In my research I found a Change.org petition about the impacts of COVID restrictions on the reliability of service for Bundeena residents. It also raises issues regarding cross-subsidies. In the case of Bundeena-Cronulla Bundeena some residents need to travel by ferry for essentials while for visitors from Cronulla the trip is discretionary.

<https://www.change.org/p/bundeena-ferry-service-bundeena-ferry-priority-bording-for-residents-383cc644-1eb9-4364-8275-40111a3935ae>

Note Cronulla is represented by Liberal MPs at State and Federal levels, Speakman and Morrison respectively, and Bundeena by Labor at State and Independent (former Liberal) at Federal.

2. External costs should be factored in. For example, the viability of the Palm Beach to Wagstaff Ferry is linked to on-going dredging. There are costs in the dredging itself and possible environmental costs not currently/yet to be evaluated.
<https://coastcommunitynews.com.au/central-coast/news/2021/03/responsibility-for-funding-channel-dredging-resolved/> Who derives the main benefits? Is the service primarily delivered because residents have no alternatives or is it primarily a visitor service. Who benefits from that service? If it is a single destination, then how is the benefit shared. Is the ferry journey itself the prime attraction?
3. Finally, is there provision for new entrants, as per the case outlined above. If there is no provision in the Transport budget, then are existing services with demonstrated NEED negatively impacted by commensurate price increases at future reviews. Note, that nowhere in the Kurnell Ferry EIS has the proponent produced evidence that transport subsidies on other services, eg. Cronulla Train and Kurnell and La Perouse buses would be 'redirected' by potential customers.

I recognise that the Kurnell Ferry Project is outside the IPART Terms of Reference nevertheless I do think it brings into focus some of the issues around taxpayer funded subsidies and the State's obligations to meet needs equitably

With regards,

Lynda Newnam [REDACTED]