

We will start at 1:02 pm



Please mute your microphone



This session will be recorded



Cameras are optional



Private ferry draft maximum fares from 1 January 2026

Public hearing – 16 October 2025



Introduction and housekeeping

Andrew Nicholls PSM
Chief Executive Officer

Agenda

- 01 Welcome and introduction

- 02 IPART Presentation

- 03 Q&A and feedback session

- 04 Our considerations for each private ferry route

- 05 Presentations from stakeholders

- 06 Q&A and feedback session

- 07 Closing remarks



Welcome

Acknowledgement of Country

Dr Darryl Biggar
Tribunal Member



IPART Presentation

Draft Decisions

IPART Presentation

This will cover:

- IPART's role setting maximum fares for private ferries
- What we heard from stakeholders
- IPART's draft maximum fares
- IPART's approach to proposing draft maximum fares
- Other Draft Decisions



IPART's role is setting
maximum fares for private
ferries

IPART will set and recommend private ferry maximum fares from 1 January 2026



IPART will set 6 private ferry maximum fares from 1 January 2026

We will also recommend maximum fares for the Palm Beach – Ettalong route



Private ferry services are public passenger ferry services provided by a private operator under contract with Transport for NSW, not including Opal services



In this review, IPART has been asked to consider several factors such as passengers' willingness and capacity to pay and the impacts on the passenger transport network



The Brooklyn to Dangar Island service is now part of the Opal Network and will not be part of our determination of maximum fares

We received 677 responses to our passenger survey



Affordability was an important issue for half of all passengers



Passengers generally supported **integration with the Opal network** – but this was not universal



Passengers highly valued **private ferry routes as an essential service** and considered they should be **supported through Government subsidies**



Some passengers considered **private ferries generate external benefits** for the community – which we should consider when setting rates

Key aggregate survey results



said that they either 'disagree' or 'strongly disagree' with the statement '*The current level of fares is affordable*'.



said that they 'agree' or 'strongly agree' with the statement 'I prefer catching the ferry compared to my next best transport option'



said that they either 'agree' or 'strongly agree' that they are satisfied with the performance and reliability of services

We received submissions from 2 private ferry operators and 1 consumer group



One operator valued a determination that provides **certainty**



Operators favoured **subsidisation to meet their increasing costs** rather than higher fares



Operators highlighted the potential impacts of **declining patronage** on financial sustainability



Action for Public Transport NSW said that increasing capital costs threaten the financial viability of private ferry operators.



IPART's draft maximum fares

Draft maximum fares for most routes will increase by CPI

- Under our draft decisions, maximum fares for 4 routes would rise in line with the Consumer Price Index (CPI):
 - **Church Point – Scotland Island** (increase from \$12.00 to \$12.30 in 2026)
 - **Cronulla - Bundeena** (increase from \$9.10 to \$9.40 in 2026)
 - **Yamba - Iluka** (increase from \$11.60 to \$11.90 in 2026)
 - **Woy Woy - Empire Bay** (increase from \$10.20 to \$10.50 in 2026)
 - These prices would also increase by CPI each subsequent year from 2027 to 2030.
- The draft maximum fare for:
 - **Lane Cove - Circular Quay** would decrease from \$11.90 to \$7.90 in 2026 and would also increase by CPI each subsequent year from 2027 to 2030.
 - **Palm Beach - Mackerel Beach** would increase steadily from \$9.70 to \$10.80 in 2026, up to \$16.30 in 2030

Our draft maximum fares (\$nominal, incl GST)

Operator	Current maximum fare	2026	2027	2028	2029	2030
Brooklyn – Dangar Island	\$11.20	We have not set draft maximum fares as the service has been integrated into the Opal network				
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	\$12.00	\$13.30	\$14.70	\$16.30
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

Note: All fares are rounded within \$0.10



IPART's approach to setting draft maximum fares

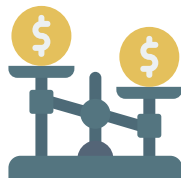
We balanced
several
factors when
determining draft
maximum fares



We considered the fares proposed by operators and the fares currently charged



We considered our model of benchmark fares for each route



We considered an appropriate balance between affordability and the financial viability of operators

We updated our previous benchmark fares



We updated our 2021 approach to benchmarking fares, developed by consultants Indec Pty Ltd



We have updated our cost assumptions to include changes in operating hours and labour costs. We inflated costs by the relevant index (CPI, WPI, etc)



We did not take viability payments into account in setting benchmark fares

We calculated a capital cost annuity



We included a capital cost annuity for each operator



This reflects the annual cost to undertake capital repairs and maintenance and to ultimately replace a vessel at the end of its economic life



In this review, we used a longer economic life, 23 years for fast ferries and 39 years for slow ferries

Seek Comment: How might extending our assumption of ferry economic lives impact operating costs?
How might our assumption influence an operator's decision to replace a vessel?

We considered the impact of patronage and subsidies



We set our estimates of patronage numbers for this review at the 2024-25 level when estimating benchmark fares



We set weights for patronage to exclude the impact of multi-ticket discounts and produce more appropriate benchmark fares



We considered the impacts of benchmark fares on passenger affordability and operator financial sustainability

We considered the external benefits generated by ferries



We estimated the external benefits generated by private ferries including reduced congestion and social inclusion



We recognised that the external benefit varies significantly between routes. Most routes generated external benefits



We recognised the economic role of viability payments as recognition of external benefits



Other Draft Decisions

Our draft determination period is 5 years

- More certainty for operators, providing confidence to make long term decisions
- Certainty for passengers on their travel costs
- Reduces the regulatory burden on small private operators to engage with IPART
- Better aligns with service contracts between operators and the Government



We would like to hear
your feedback on our
proposed
determination period

Our draft decision
is to index
maximum fares by
CPI after 2030 if
our determination
is not revoked or
replaced

- Our draft decision is that after 31 December 2030 maximum fares will continue to be indexed by CPI if our determination is not revoked or replaced
- The fuel cost adjustment mechanism would also continue to apply if our determination is not revoked or replaced in future
- We consider this provides several benefits:
 - The NSW Government retains flexibility to determine the best approach to setting maximum fares on these routes
 - Private ferry operators will continue to have reasonable increases in maximum fares to support increases in costs
 - Passengers will have stable fare increases that remain constant in real terms

Seek Comment: What are your views on indexing maximum fares by CPI and continuing to subject maximum fares to the Fuel Cost Adjustment Mechanism after 31 December 2030 if the Draft Determination is not revoked or replaced by a subsequent determination?

We propose to maintain the fuel cost adjustment mechanism



The fuel cost adjustment mechanism varies maximum fares when there are shocks to fuel prices



One operator told us they supported the mechanism, but that we should change its impact on fare increases in subsequent years



Our draft decision is to not change the mechanism because it currently provides price stability for passengers over the length of the determination

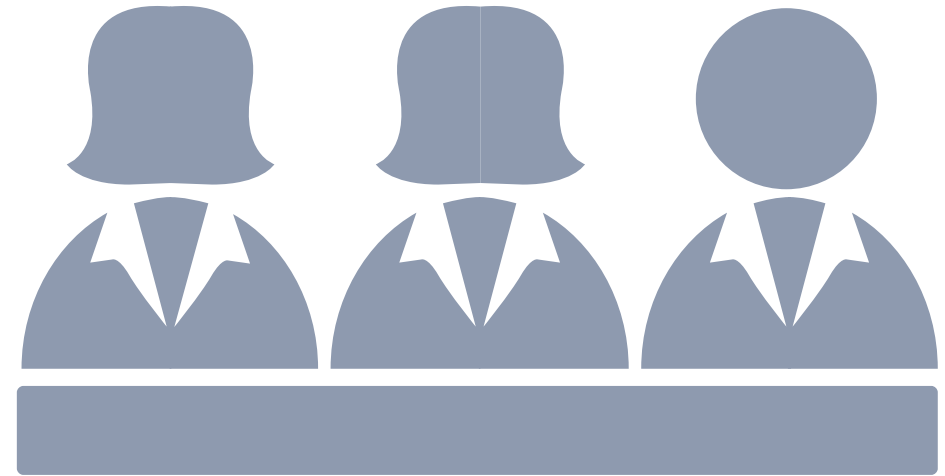
Seek Comment: The fuel cost adjustment mechanism is designed to compensate operators for significant changes in the price of fuel during the determination period. What are your views on the fuel cost adjustment mechanism and how it is calculated?

We are seeking feedback on the fuel cost adjustment mechanism

- The fuel cost adjustment mechanism is triggered when the percentage change in the diesel price is $\pm 10\%$
- The mechanism calculates a fuel cost adjustment and multiplies the draft determined maximum fare in the relevant year by the fuel cost adjustment amount
- In the following year, the maximum fare is the higher of the previous year's fare or the determined maximum fare for that year, plus or minus any change for the fuel cost adjustment mechanism

Seek Comment: Our draft determination sets the maximum fare unless the fuel cost adjustment mechanism is triggered. Where the fuel adjustment mechanism is applied, the new maximum fare is the higher of the previous year's fare and the fare set out in our draft determination. What are your views on this component of the mechanism?

Questions and comments





Our considerations for each private ferry route

Church Point – Scotland Island: Draft maximum fares will increase by CPI

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%

Key considerations:

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

Cronulla – Bundeeena: Draft maximum fares will increase by CPI

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%

Key considerations:

- Current maximum fares are slightly above the estimated benchmark fare, but still within an appropriate variance
- Alternative public transport is not reasonable
- Declining patronage numbers for this service and the potential impact on financial sustainability of the operator

Lane Cove-Circular Quay: Draft maximum fares will be reduced and then increase by CPI

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$11.90	\$7.90	\$8.10	\$8.30	\$8.50	\$8.70	2.5%

Key considerations:

- The operator receives a large subsidy through its net cost contract
- Alternative public transport is available
- Patronage has double since the 2021 determination

Palm Beach – Mackerel Beach: Draft maximum fares will gradually increase to our benchmark fare over 5 years

Current maximum fare	2026	2027	2028	2029	2030	Average annual increase
\$9.70	\$10.80	\$12.00	\$13.30	\$14.70	\$16.30	10.9%

Seek Comment: We have steadily increased maximum fares over the course of the determination. What are your views on this steady increase in maximum fares?

Key considerations:

- We did not accept the operator's proposed fares which would have been a much larger increase
- We steadily increased maximum fares over 5 years to limit affordability impacts on passengers
- No alternative public transport available

Palm Beach – Ettalong: Recommended maximum fares

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%

Key considerations:

- IPART has not been asked to set maximum fares for Palm Beach – Ettalong
- We have recommended maximum fares increase by CPI – which would make prices constant in real terms
- Passengers do not have alternative public transport

Woy Woy – Empire Bay: Draft maximum fares will increase by CPI

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%

Key considerations:

- The operator receives a moderate subsidy through its viability payment
- Alternative public transport is available

Yamba – Iluka: Draft maximum fares will increase by CPI

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%

Key considerations:

- We increased maximum fares by a reasonable amount to ensure affordability in the absence of a fare proposal or the operator's cost forecasts
- No reasonable public transport alternative available

Brooklyn-Dangar Island: We have not set draft fares

	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

Key considerations:

- Brooklyn – Dangar Island has been integrated into the Opal network from August 2025
- IPART will not set maximum fares
- Opal fares are already being charged



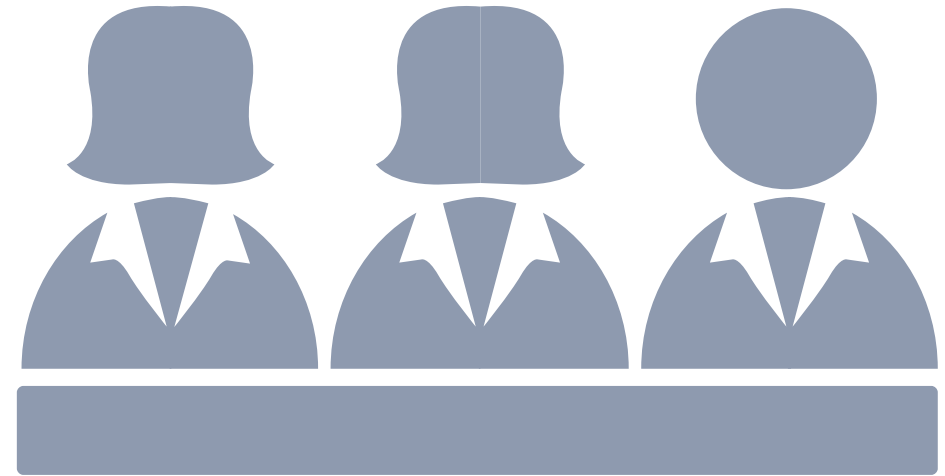
Presentations from stakeholders

Operator presentations

We will hear from:

- Church Point Ferry Service
- Cronulla Ferries
- Action for Public Transport

Questions and comments



Next steps



Contact us

Sheridan Rapmund

 (02) 9290 8430

 Sheridan.Rapmund@ipart.nsw.gov.au

Albert Jean

 (02) 9290 8413

 Albert.Jean@ipart.nsw.gov.au

Visit our website

<https://www.ipart.nsw.gov.au/review/transport-private-ferries/review-private-ferries-fares-1-january-2026>