



Review of Private Ferries fares

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Transport »

Tribunal Members

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The Independent Pricing and Regulatory Tribunal (IPART)

Further information on IPART can be obtained from [IPART's website](#).

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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Review of Private Ferries fares

Housekeeping and agenda

Ms Livingstone: Well let's make a start and thank you again for joining us. My name is Liz Livingstone and I'm the CEO of the Independent Pricing and Regulatory Tribunal (IPART) and I'll be facilitating our session today.

I'm just going to start with a few housekeeping notes so that it all runs smoothly. Can you please keep your microphone muted when you're not speaking, that helps avoid feedback and background noise for everybody. We would like you if your internet connection's up to it to keep your camera on. I think that helps us all connect a little bit better online.

We are going to record the session today. It's being recorded to YouTube; however, we're not going to make it publicly available until after the event. We'll also transcribe the hearing today and we'll place links to both the transcript as well as the YouTube recording on our website in a few days.

This is a public hearing so the media and anybody else present today are free to publish and refer to what's said during the event. That said we're very keen that everybody participates, and we have good discussion today. I'll do a quick check, but I don't think anybody's on the phone, but has anybody joined us via phone could you speak up if you have? No, okay we'll keep an eye on that, because we do want to include those who we might not see on the Zoom video and allow them opportunity to speak. That's the housekeeping out of the way.

A brief overview of the agenda, we'll have 3 presentations to kick us off. We'll have one from our IPART review team, one from Indec, they were the consultants who looked at the efficient costs of the ferry operators, and then Cronulla Ferries is going to present to us as well. Following those presentations, we'll have a question and answer session, where you have the opportunity to ask our IPART Tribunal members, and team and Indec, the consultant questions.

This is also an opportunity to provide comments or feedback more generally on our review, again I encourage everyone to share your views or ask questions. We should have plenty of time for everyone to have an opportunity to speak. I'm now going to hand over to IPART's Chair Carmel Donnelly, who'll provide some opening remarks.

Welcome and Acknowledgement of Country

Ms Donnelly: Thank you Liz, and hello everybody my name's Carmel Donnelly. I'm the Chair of the Independent Pricing and Regulatory Tribunal, known as IPART for short. It's great to have you here for this public hearing into our review of fares for private ferries. I'm joined today by my fellow Tribunal Members Deborah Cope and Sandra Gamble. And also, by Liz Livingstone, who you've met already, who is the CEO of IPART, and a number of the IPART secretariat including Fiona Towers, Jennifer Vincent, Heather Dear and other members of the review team. We're also joined by Indec, some independent consultants and representatives of Transport for NSW and representatives of the Private Ferry operators as well. And it's good to have you here.

I'll just begin by acknowledging the traditional custodians of the land wherever we're joining from today and pay our respects to Elders, past, present and emerging and we extend that respect to all our Aboriginal colleagues and stakeholders and customers. Thank you very much for joining us.

The purpose today is really to outline what IPART has found so far in this review and to hear from you and as Liz said there will be opportunities for question and answers later. So far, I would also like to thank everyone who has provided data and participated in the passenger and resident surveys, written submissions and had discussions with staff, and thank you again for being here today.

IPART has had a role in determining the maximum fares for private ferries for many years, and this review is looking for us to determine the fares that will apply for the next 4 years starting from the first of January next year.

So far in the review, IPART has invited the ferry operators to provide their proposed fares, and also forecasts of their costs and patronage for the next 4 years and we've also looked into the impact and the interests and views of customers.

We know that private ferries are playing an important role in their local communities, and as part of this review we undertook surveys of residents in the local areas serviced by the ferries, and also with the cooperation of several of the operators we also did on-board passenger surveys. And the results of these surveys confirmed our understanding that many residents consider the ferry service useful, and several of the services are considered essential by their local communities.

Also, in this review we engaged some independent consultants Indec to review efficient costs of each of the operators and we will hear from Indec today as Liz said, around their methodology. We have already published earlier in the review an Issues Paper and called for submissions and received those submissions and considering them.

We have more recently published a Draft Report and a Draft Determination and today in particular, we invite your feedback on those documents. We will also be receiving submissions up to the 5th of November. The Tribunal will consider all the issues raised today, and in those submissions when making its final decisions and the final report. As you can see on your screen is due and the final report and the determination are due to be released in December. So, with that I might hand over to Liz, so we'll get on with the hearing.

Ms Livingstone: Thanks Carmel. Thank you and we are going to use the chat box in Zoom today to help us know when you've got a question. So, if you do have a question, let us know by the chat box. You don't have to put all the details there, but it just helps us know who to go to and I thought I'd mention that before we start the presentations because a question might strike you while people are speaking, so feel free to start using that even before we finish the presentations.

Our first presentation is from Heather Dear. Heather is an IPART staff member who has been leading a lot of the analysis for this work. Over to you Heather.

Presentation of Draft Report – IPART

Ms Dear: Thanks Liz and good morning everyone. As Carmel mentioned, IPART has had a role in setting the maximum fares for private ferries for many years however, this review we've also been asked by the Minister for Transport to look at the additional payments that some of the operators receive and whether they're still needed to help operators remain viable.

To do this we've tried to balance the cost of passengers through fares as well as the impact on taxpayers in terms of the subsidies that are paid to operators; and of course, the cost to the operators of running their ferry services. I'll now discuss the decisions we made for each of the operators.

Starting off with **Brooklyn Ferry Service**, we found that their operating costs or rather Indec found that their operating costs are relatively efficient. However, our modelling found that fares would need to increase by about 20% each year to recover these efficient costs.

We consider this would be unreasonable for passengers, particularly as there is no alternative public transport for residents on Dangar Island. Instead we've made a draft decision to increase fares in line with inflation.

The operator receives a set amount from the government each month, net of fare revenue via its net cost contract. We consider that with this payment, and the fares we are recommending, there is an appropriate balance of costs between passengers and taxpayers.

Central Coast Ferries proposed a fare increase of about 10% a year. However, we have not recommended this as we consider it too large an increase to pay for both passengers and taxpayers (through the concession and school student payments). Instead we made a draft decision to increase fares in line with inflation.

We found that a very large increase in fares and or the viability payment would be required to meet estimated efficient costs. However, given the availability of alternative public transport in the area, we have not recommended an increase in their existing viability payment from government – but we have recommended it continue at its current level.

Church Point Ferry Service proposed a fair increase in line with inflation, and we accepted their proposal. We estimate fares at this level along with their current viability payment, will recover the efficient costs of operating the service. We've also recommended that the viability payment continue at its current level, given the importance of the ferry to the local community and lack of public transport alternatives.

Clarence River Ferries did not propose fares or provide any cost information. Indec tried to estimate their efficient costs and we used this, and we found that a very large fare increase of more than 20% each year would be required to cover these costs. Again, we consider this is not an appropriate increase for passengers.

However, we don't know how close these estimated efficient costs are to the actual cost of Clarence River Ferries, and whether they're an appropriate benchmark to use for the service. But in the absence of better data, we have made a draft decision to increase fares for Clarence River Ferries in line with inflation.

The largest increase in fares we've recommended is for the **Lane Cove to Circular Quay route operated by Captain Cook Cruises**. This route operates under a net cost contract with Transport for NSW. As with Brooklyn Ferry Service, we asked transport to propose fares for this route and their preference was for us to set fares in line with efficient costs.

Our modelling found that with the current fares, the operator receives a very large implied subsidy via their net cost contract. And given that there are alternate public transport options available, and the route is serviced by public buses, we've tried to balance the cost of the service more appropriately between taxpayers and passengers, and have made a draft decision to increase fares for the Lane Cove route by 11.1% each year. However, it is important to note that a large proportion of passengers using this service are school students on passes, and as such will not be impacted by this increase.

Cronulla and National Park Ferry Service proposed a fare increase for around 5% each year. However, our modelling found that this was more than what it was needed to cover efficient costs. Instead we have made a draft decision to freeze fares at their current maximum.

Even at this level of fares, and without a viability payment, we estimate that the operator would be able to generate a surplus. However, to allow time to transition to efficient costs, we have recommended that the viability payment should remain for next year and be gradually removed over the determination period.

Palm Beach Ferries operates both the Palm Beach to Ettalong via Wagstaffe route, and the Palm Beach to Mackerel Beach route. They proposed annual fare increases of 3.1% and 2.8% respectively for these routes.

We found that taken together, the proposed fare for each route will recover the efficient costs of operating both services. Palm Beach Ferries do not receive a viability payment and at the proposed fares, do not require one. We consider the increases proposed and not excessive for passengers to pay. As such we accepted the proposal for the Mackerel Beach route and have suggested that the increase for the Ettalong route should also apply.

Outside of the scenarios we modelled we also considered the risk adjustment mechanism for fares if fuel costs change significantly during the determination period, and also the ongoing impact of COVID-19 on future patronage and revenue.

First of all, we've proposed to change the fuel cost adjustment mechanism – both the threshold trigger and the way it's applied. Currently it's only triggered if fuel prices move by 20% either way, up or down in the year September. And although there's been large changes in fuel costs over the current determination, it hasn't reached this 20% trigger. Given this, we've made a draft decision to reduce the threshold for fuel costs down to 10% in absolute terms.

We've also recommended that the whole percentage change in the fuel price be applied in the new fare calculation, ensuring that the impact of fuel price fluctuations are better reflected in fares.

In our modelling of fares, we use the average patronage for the 3 years prior to the COVID-19 pandemic, that is the average of patronage over 2017 to 2019, as the forecast for the 4 years of the coming determination. We know that COVID-19 has meant lower patronage in 2020 and 2021 not only due to lockdowns and the reduction in commuters and tourists, but also because of social distancing requirements which have impacted the capacity of some of the ferry services.

It has also made it very difficult to forecast patronage for the coming 4 years. However, if we had used the lower patronage from last year to set fares, the revenue required for it to run each ferry service would need to be recovered from fewer passengers, in other words it would mean higher fares.

This in turn could potentially lead to a further decline in patronage, exacerbating the situation. You end up with a downward spiral of increasing fares and declining patronage. Therefore, as I mentioned, we've made our draft determination for fares using the average patronage for the 3 years prior to the pandemic.

We expect that patronage will continue to be lower at least for a while due to the impact of COVID-19 than it was for this prior period. This means that revenue is likely to be impacted going forward, and there'll be a revenue shortfall if patronage doesn't recover in coming years.

How any shortfall in fare revenue is shared between operators and taxpayers needs to be considered in the context of other Government assistance provided to deal with the impact of COVID-19.

Thank you, I'll now hand back to Liz.

Ms Livingstone: Thanks very much Heather, and that gives everyone a sense of what's proposed for each route and some of the broader considerations for this review. Our next presentation is from David Blom of Indec, and he'll present to us about their work estimating the efficient costs of the ferry operators. David, I'll hand over to you now.

Consultant presentation – Indec

Mr Blom: Thank you, great thanks Liz. Well good morning everybody. Yes, my name's David Blom I'm a principal at Indec Consulting, and I led the preparation of the efficient cost review on behalf of our organisation. If we could just move to the agenda, please Tom.

I'm just with regards to the agenda and what I want to cover today. Clearly, I just want to focus on the approach and methodology we adopted for undertaking the review. So, apologies if it's a bit bland, but that's the nature of these things. There's a fair bit of content, so I'll try and be as succinct as possible, and of course there's an opportunity for questions later on, if anyone would like further information or clarification. Thanks Tom.

Just before I launch into it, a little bit of background about Indec as an organisation. We're an Australian-based infrastructure advisory business. We've been operating in Sydney, Melbourne and Brisbane for around 30 years now. We're about 80 staff in total, and we've got a long history of working in the private ferry sector.

Back in 2009 with the MOT we were part of the original review that looked at contracting arrangements for private ferries. Since that time, we've done efficient cost reviews for IPART in 2014 and 2015 for private ferries, and more recently we've worked with Greater Wellington Regional Council looking at the efficient costs of ferry operations in Wellington.

Just in terms of the scope of our work specifically, and without stating the obvious, we've covered the 7 operators providing services across 8 different routes. And as most of us would be aware, the majority of those routes are in outer metropolitan or regional areas with one service in Sydney Harbour. So, there's quite a I guess quite a distinction between the nature of operations going on.

Our role was clearly to determine the efficient costs for each of those routes, and that covered looking at the annual operating costs of each service provider. We also looked at the forecast capital expenditures and we undertook this evaluation across the full 4-year period of the review so from 2022 to 2025. Thanks Tom.

I just wanted to spend a little bit of time talking about you know the information provided by operators, and the way we engage around that and look at clearly engagement with industry is a really important component of our review, and I might just spend a little bit of time explaining how that looked during this review, and what we got out of it.

Firstly, for an exercise of this nature the data provided by operators is a critical input for us. That's really clear. It not only provides a basis for our comparisons, but it also gives us insights into how costs are trending across industry and it also helps us identify any outliers that we might have in our own cost figures or benchmarks that we're using.

Prior to the review commencing and operators are all provided with a standard information template to complete, which really forms the basis of the work or the inputs that we use, and this provides a fairly basic breakdown of all operating costs according to pretty standard operating categories.

And operators are invited to add additional items if they'd like to provide more granularity and give us more detail into the specific cost items they're experiencing. They're also asked to provide 2021 actuals which really form the basis of their 4-year forecasts going forward and in addition to that, they also provide an estimate of capital renewal costs over the review period. And typically, this includes engine replacements, general refurbishments and any vessel replacement, they might be considering.

Just in terms of the information, sorry if we could just go back. Just in terms of the information we received back. So, three operators provided a fully comprehensive data set back to us, which was which was fantastic. One operator provided 2020-21 actual data and three operators didn't respond to the information request.

Following an initial review of the information we received. One of the first things we did was invite operators to participate in a virtual meeting just to discuss (sorry if we could just stay on that one), just to discuss the scope of the review and outline the approach we were undertaking to do the cost evaluation.

So fortunately, or pleasingly, one operator took us up on that offer and we found those interactives to be highly beneficial and we hope the operator did as well in terms of understanding the approach we were taking to the review.

Then following completion of our preliminary evaluation, we again went back to operators in cases where we had identified some discrepancies between what our initial model was showing and the forecasts each operator had provided.

We gave them an opportunity to meet with us, or provide information to us, that might give additional clarity around where the costs were coming from and why there were discrepancies with our preliminary modelling.

So again, in this instance two providers came back to us with further information, which again was highly useful for our process to go in and subsequently modify our analysis and make the adjustments we thought were necessary.

So again, it was it was a challenging review period in the middle of COVID trying to get hold of operators, who are obviously busy, but the input that came back was particularly beneficial for the way we were undertaking our analysis. Thanks Tom.

With regards to the review and the analysis itself. Just a couple of points I wanted to make at the outset, and that is, we don't attempt to model each business explicitly. So, we don't try to replicate the specific employment conditions that staff might be working under. or to try and optimise the way the businesses are running. Clearly these are issues for management, and we will let management make those decisions.

But what we're trying to do is determine a cost envelope that a reasonably efficient operator could work within. I guess another way of thinking about this is, you know how much would we expect a third party to be able to come in and deliver the same services for. It's quite an independent review in that regard.

The only caveat I'd make around that is we do base the evaluation on the operators specific existing fleet. So that's done in terms of the size and speed and we acknowledge that these are big assets, they're quite sticky and operators don't have the flexibility to make adjustments rapidly around fleet-based costs.

Just in terms of the table, so the table highlights the key cost categories we use in the evaluation and we thought it was really important that we maintained as much consistency as possible with past reviews. We acknowledged that most of the operators would have been familiar with the approach used by Indec going back a while, and CIE in the last review. We wanted to avoid any major shocks from decoupling our evaluation with what's been done previously so again trying to maintain that consistency on the way through.

I thought it would be useful to just include a percentage of the total cost each category represents so you can see that down the right-hand column. And it gives you a bit of an insight into what the major cost categories are, and which ones are more significant and potentially a little bit less significant.

What I've also done is, I've highlighted, or I've bolded the number that's most representative of the mean. So, we did find from time to time we had a particular cost outlier which kind of affected the range, but you can see there for as for labour costs for example, the majority of costs were up around the 70% to 77% of the total cost.

As I just alluded to, the biggest cost by far for all operators is labour, and this was an area we wanted to pay particular attention to in the review. We noticed that going back to past reviews, that this had always originally been done based on a bottom-up cost modelling, which over some subsequent reviews, had been converted into more of a benchmark type analysis.

We had a look at that benchmark, and we concluded it probably wasn't fit for purpose for this review, so we went back to the idea of developing a bespoke bottom-up activity-based cost modelling to evaluate the labour cost for each operator.

We did that based on an updated average crew cost. We looked at salary on-costs and other direct staff costs, and we also looked at a breakdown of weekday, weekend and public holiday operations for each route. And we used that to calculate a bottom-up cost basis for each operator.

Fuel cost was another category we decided to look at from first principles. Again, this had previously been based on a benchmark, and we had some fairly comprehensive historic data that we used to generate some bespoke consumption rates based on vessel size, speed and stopping patterns which we were pretty satisfied generated some robust results for us.

The cost benchmark for repairs and maintenance had been significantly revised during the previous review to account for vessel size, so we retained an escalated version of this for the review.

And with the exception of the odd outlier, insurance, mooring and other costs represented a fairly small percentage of the total cost. So, we again chose to retain escalated versions of previous benchmarks that had been used in the in the past reviews. Thanks Tom.

Now just moving on to capital costs and the way we approach that in the review. I think it's fair to say that this has been a really challenging evaluation, not just for us but for past reviewers. And the main issue with looking at the major renewal costs are that the renewal cycles don't typically fall within a in a 4-year window.

We end up with quite a lot of continuity issues as we look at one review period through to the next. And it becomes really difficult or virtually impossible to track what major capital maintenance has been performed in the preceding 4 years and how that triggers the upcoming activities in the review period you're looking at. And it's really challenging and its really data intensive to try and get that level of insight out of out of each operator.

To address this issue, instead of just looking at the 4-year capital renewal requirements, we decided to calculate the whole of life costs over the asset's full economic life. What we did was we took a look at the annual engine hours, and we assessed how often this triggered a major maintenance event across the full life cycle. And then we sum those up to determine the whole of life cost for each operator for the full life of the asset. And then we converted this to an annual equivalent and IPART was able to use this figure in there in their modelling going forward.

In terms of the different categories, we looked at for capital renewal. We looked obviously at engine refurbishments, or a major cost item and we have a have a trigger for how often they occur. We also looked at engine replacements, and we also looked at general refurbishments which were just general improvements to the vessel themselves. And we use specific values based on vessel size and vessel speed to calculate each of those cost items.

Thank you, that's it and happy to answer any questions later on, thank you.

Ms Livingstone: Thanks very much David. David will be happy to answer questions, as will our IPART Tribunal members and team. But before we do that, we also offered the opportunity for the ferry operators to present today and Cronulla and National Park Ferry service took us up on that, and Carl Rogan is going to say a few words.

I'll just flag for any of the other operators participating today, that if you want to add some comments once Carl's spoken, we'll welcome those as well before we head into a broader question and answer session. But I'll hand over to Carl now, thank you.

Presentation from private ferry operators

Mr Whitley: Hi Liz, Wayne Whitely is my name I'll be representing Cronulla Ferries in this instance.

Ms Livingstone: Apologies Wayne.

Mr Whitley: That's quite okay. Firstly, thanks for the opportunity to speak and provide a presentation in the public forum. I'd like to make an opening statement. Cronulla Ferries believes a similar model, which I think has just been confirmed to 2014 and 2017, has been adopted and has been applied to determine inefficiency in the latest review, with repair and maintenance and other operating costs being determined to be above efficient costs.

I note that all operators with the exception of one are actually above this benchmark and given most of those operators still do not nor have ever met those benchmarks, it shows that the benchmark should be reviewed, taking into account real world operations.

It was stated in the IPART review of the private ferry fares 2017 public hearing that the modelling used does not meet the real-world application of providing a reliable ferry service and Cronulla Ferries was effectively penalised due to the age of the vessels used.

The comments from the 2017 reviews and public hearing have once again not been considered and Cronulla Ferries are once again submitting similar comments to justify costs associated with the viability, reliability and safety of the Cronulla to Bundeena ferry service based primarily around the capital value of the vessels.

Cronulla Ferries has requested a below CPI price increase on fares and to retain the viability payment previously deemed by Transport for NSW in August 2010 to be an essential requirement to ensure viability of the Cronulla to Bundeena ferry service.

By reducing maintenance costs, will compromise reliability and safety and the wait and break model of maintenance is not supported at Cronulla Ferries, as the proactive maintenance model has proven effective in providing an impeccable on-time and safety record. As mentioned in the Draft Report, the useful life of a ferry can be extended well beyond the assumed economic life, if the vessel is well maintained. A detailed response is being prepared and will be submitted shortly.

And just in response to two areas of that were submitted for the within the public submissions. I'd just like to address two of those areas and if it's possible, I would like to share my screen, if that's possible. So is that...

Ms Livingstone: There we go, we can see your screen now, thanks Wayne.

Mr Whitley: Yeah, so the first part I'd like to comment on essentially is the speed of the ferry. I believe several submissions according to the Draft Report were received from residents or from regular travellers. So, I just wanted to point out just these two things.

The first one is we did some analysis in relation to the particular vessel being used and the speed zones especially during that trip from Cronulla to Bundeena. As you can see on the right, it will actually specify the numbers for the areas. So, the picture on the left will show the map of the trip and where those speed zones and no wash zones are.

And we've calculated that and whilst yes, the speed of the ferry is what it is, it's also one of those things that you know any new vessel, especially a fast vessel, which I believe was requested or commented on. All it's going to do essentially is provide I guess inefficiencies in relation to higher fuel costs, but the actual speed of that trip is likely only to increase between 4 minutes and 9 minutes and that's weather dependent. So obviously in optimal conditions yes it will be 9 minutes faster but based on a number of things including the shifting sands within Port Hacking itself. It can be up to 9 minutes. That's my first one.

And the second one was just in relation to we did do some analysis on the social media specifically around Facebook's for the Bundeena Facebook group. In relation to the Ferries, now this was not instigated by Cronulla Ferries in any way, and Cronulla Ferries did not take any part in any of these conversations.

What we did was up until the 16th of October took those comments off, and then and broke them down into what they believe is supportive and not supportive. So, while submissions were received from the public in relation to these, we've broken that further down into what areas were actually covered in those comments. So, as you can see the supportive side of it is obviously overwhelming, and of course that's probably reflected in the private ferry survey. I believe conducted by ORIMA, I believe that's the case, which is part of this IPART review. So that's all I have for today, thank you very much.

Ms Livingstone: Thank you Wayne. Appreciate you sharing that additional information with us as well that's really helpful. Now I just wanted, before we open up to question and answers broadly, ask if there are any other operators who wanted to make a few opening remarks before we go to questions and answers.

Q&A feedback session

Ms Livingstone: No okay, well now's the time where we can open up the discussion. So, our Tribunal members are here, Sandra Gamble in particular is here to answer your questions, the team who did the work, as well as our consultant David, to help to clarify things, to hear your feedback and they might also have questions of you. So, I think we have someone has made a comment in the chat, Brenda Hall, Brenda would you like to kick us off with your comment?

Ms Hall: Okay hopefully that's working you probably see my comment in the in the chat session but I'm here on behalf of the Dangar Island League. It's our community association serving the island, which is a water access only island in the Hawkesbury Estuary just offshore from Brooklyn. It's about a 15-minute ferry trip by the Brooklyn ferry service.

The survey a lot of our citizens participated in the survey. We know that they've flagged the survey as an essential service for the island, and the league for some years now has made representations to Transport for NSW that the ferry should come under the opal fare cap, which it doesn't at the moment. So did the IPART review consider that inclusion?

Ms Livingstone: Thanks for that question Brenda. That's outside the scope of our role, but we do have Aaron Murray from Transport for NSW here, and I wonder Aaron if you wanted to make a comment on that?

Mr Murray: Thanks Liz, look as far as I'm aware there's no current plans to expand the Opal network to include these private ferry services. I'd have to go away and chat to some of my colleagues in the ticketing team to sort of understand you know what the future scope could be, but yeah there's no current plans that I'm aware of.

Ms Hall: Can I ask Aaron if you've heard of our requests in the past. We've written letters to Ministers.

Mr Murray: No look Brenda, it's not actually my area. I kind of look after the fares component like the you know. That's an area that's led by our ticketing team, so I'm not aware but obviously I'm aware now. So, I have regular meetings with them, so I'll raise it as an issue.

Ms Hall: And is writing to the Minister, the new Minister for Transport the best way to bring attention to this.

Mr Murray: It's always the right thing to do, I think is to write to your local member, or the Minister if you've got a concern. It then obviously flows through to the relevant area in Transport to address that concern.

Ms Hall: So, okay well while I'm here, if I can just mention to you that when we do the sums for example, the a person doing a regular 5-day weekday commute into the city, will be disadvantaged by about \$140 a week, compared to somebody who comes from another Sydney suburb, you know somewhere out in the Hills District or somewhere like that, that comes under the opal cap.

And for example, our young families who are taking their children to school across the moat, as we call it to Brooklyn, are paying a \$36 return that's in the current fare structure every day to take their child to school. So that's a \$100 dollars for a young family, just accompanying a child to go across to school. So yes, we'll make the Minister aware, the new Minister aware, that this goes on and give him some of our cost structures to give examples of what it actually costs people who live here, thanks.

Ms Livingstone: Thank you, Brenda. Now the floor is open, so if anybody has a comment or a question, if you take yourself off mute, we're open to you asking that question or making that comment now.

This hearing may end up being quite short if we don't have more engagement. I might ask the Tribunal members if there are particular things that they'd like to explore while we've got some of the operators here, and other people with an interest in the ferry services.

Mr Whitley: Okay, hi Liz.

Ms Livingstone: Hi Wayne.

Mr Whitley: Sorry, there is just one thing that obviously doesn't fit within the model in the current space. And that is where a ferry service is providing that public service especially to residents. And that this particular, these caps that are set, could be set then specifically around providing that service for locals. Because where you've got other services being run, they are provided for tourists, and tourists I guess to make the service, continue to make the service viable.

Where for instance Cronulla Ferries are not receiving any, you know having the viability payments removed as well as no increase, based on a modelling that, we won't get into that, but based on specific modelling, where you have your cap for the people that you need to service in relation to the public, and then perhaps the additional costing could be applied then to make the service viable in in the tourist side, which is obviously highly fluctuates greatly. And on top of that at the moment we have you know this great amount of reduced patronage, especially around the last 2 years and we don't know how long that's going to continue for. So is that something that is even a model that could be considered, or it doesn't fit in the current model, therefore it's never going to be considered.

Ms Gamble: It's Sandra here Wayne. Could I just clarify what you're asking? So, are you asking us whether we've considered a sort of two-tier fare system? One where there would be fare set for local residents, and another fare set for people who are not local residents. Is that your question?

Mr Whitley: That is what that is I guess part a of the question yes, and the second question would be, which may be answered by the first part of the question, and that's you know if it does not fit in the current modelling on how it's set up, is it just then not considered.

Ms Gamble: Okay so and here you're talking about the modelling associated with the costs, or you're talking about the modelling associated with the revenue recovery?

Mr Whitley: The actual fare structure itself.

Ms Gamble: Okay.

Mr Whitley: Which essentially comes back to the modelling of the costs.

Ms Gamble: Okay, well I might just throw it to Heather Dear, is it is you know I don't think I've been part of a conversation about a 2-tier fare system, is that something for us to consider?

Ms Dear: Well no, sorry I'll jump in Sandra.

Ms Gamble: Of course.

Ms Dear: We do set the maximum fare but we know a lot of operators have you know travel 10 equivalents, or you know multi-ticket sales that they offer a discount to their local residents or you know commuters or regular travellers and we do take account of that in our modelling in terms of you know the total expected revenue. We base it on the amount of ticket sales that have occurred in the past, and we include the numbers of the sales from those multi-tickets that give a total revenue under the fare structure.

But no, we don't set those levels and that's up to the individual operators to set. In the past, I think we've asked questions, not so much about the 2-tiers but whether or not we should set the, what we call, a weighted average price cap, to give a total sort of cap for how much revenue you can raise from fares, and then each operator would set their fares for their own passengers at different levels.

But well there was no appetite for that in previous reviews, and it's quite complicated to administer. So no, we haven't said it again in this one, but as I said we set the maximum for the adult ticket, and it's up to the operators to set whatever discounted fares they want for their regular travellers

Ms Donnelly: I might just jump in there too to clarify. The terms of reference that we're given for this review is specifically about setting the maximum fares, and we're doing it under the *Passenger Transport Act*, which actually specifies in the legislation, that what we're to do is set the maximum fares.

I guess we could as a Tribunal certainly take on board what you've suggested Wayne, in that we do like to reflect on feedback that might be outside the terms of reference, but important to the stakeholders and certainly I think there's no barrier to you charging lower than the maximum fees for some passengers, and I noticed Deb's got her hand up, and sorry I jumped in Deb.

Ms Cope: Thanks, and thanks Wayne. So basically, what I think you're saying is that if you want a fare structure that not everybody is paying the maximum fare, then you don't want us to set the maximum fare, as though everybody was paying the maximum fare.

And alternative fare structures, I think something that we should be looking at. We haven't considered in the past because it hasn't been proposed, but yeah I'm very open to a conversation around what that option might look like, or what other options you know if there's more innovative and better ways of pricing services, so that you get the best use out of the ferries going forward. Then yeah, very happy to look at those options.

Mr Whitley: Thanks Deborah. Look it was suggested in the 2017 public hearing by another operator, in relation to I guess abolishing all of those, and letting each private ferry operator set their own, because obviously they know the market and it is it's one of those things. It's hearing some of the comments, it's almost like that IPART will make sure that there's no profit made with any of these, because it won't fit the structure of what the modelling says that it needs to fit.

So, in relation to that and I guess in the current climate, with the Cronulla Ferries based stuff. Obviously, a price freeze over the next 4 years based on that modelling, which we've been arguing for the past two of these hearings both in in 2014 and 2017, is it doesn't suit the real-world operations.

And that's based on that capital involvement that's involved in the modelling. I guess is something that it kind of has been brought up before, but maybe not as specific as a transport service for residents being one tier, and then as a tourist service for a different tier. And I guess that tourist service is, that the business needs to stay viable by setting these prices, a business is really only just making itself viable based on the cost that's there. You guys get those profit and loss statements. I'm pretty sure you understand that side of it.

So, what it would do is give the operators a better chance in ensuring that they understand the customers, that the pricing structure on that tourist trade could then be better fluctuated to suit the business.

Ms Cope: Can I just ask you a couple of questions about the costs. So what we have tried to think a bit differently about that capital cost, and meeting the cost of ferries going forward, by basically setting an annual allowance, that would allow you to do the maintenance or service alone, or lease a ferry, or whatever it is that you want to do with it.

So, you made a comment in your presentation about you can extend the life of a ferry by maintaining it well. Is what you're saying though, the cost of maintaining an older ferry on an ongoing basis is still going to be more expensive than that capital allowance that we've built in this time into the costs. Or is it another area of the costs that are of particular concern to you?

Mr Whitley: So, I guess, if you consider that, so the capital modelling the way that it's been done. I guess it's been invented, but if you look at the maintenance costs associated with the particular ferry or the ferries that are used by Cronulla Ferries. And then offset that with the other costs where the fuel costs are quite insignificant, when compared to say a new capital outlay that would require a vessel of the same standing, in its current form. Whether that means it is slightly faster, or whether it means it's the same.

So, the efficiencies that are made in say fuel costings, potentially are offset to some degree by the additional maintenance that's done, but the fuel costings almost don't seem to factor into. They seem to be another entity unto themselves. Where they've accepted that is the fuel cost, which is extremely efficient, as you probably see in Cronulla Ferries case.

And if you look at then the moving forward, and then trying to obtain capital expenditure for a newer ferry. Then you're also going to get a fairly significant increase in fuel costs, whilst the maintenance costs may come down, your capital costs obviously going to increase significantly, because it's a brand-new capital outlay, and your fuel costs are obviously going to also increase. And so, if you compare those, they are roughly the same in our modelling that we've done.

Ms Cope: Okay can I then just ask David a question, and that is, in the modelling do you use a benchmark fuel cost, or do you actually use the operator's actual fuel cost.

Mr Blom: No, we use a bottom-up model to generate the fuel costs for each operator. So based on a, what we do is we get a whole bunch of data. We do a regression analysis based on speed, size, stopping pattern, and we work out a consumption rate for each operator. And then we apply that based on the service kilometres they do. So, it's developed for each operator.

Ms Cope: Okay but based on their type of vessel.

Mr Blom: Yeah, absolutely, yeah, it's worked out for each operator, yes based on their stopping pattern and their vessels. So, you can imagine I mean Cronulla-Bundeena is only stopping at Cronulla and Bundeena, where some other operators are stopping at potentially 10 to 15 different sites, which has an impact on the efficiency of their operations, so we account for that.

Ms Cope: Okay and do you have a view about Wayne's point of the trade-offs between fuel and maintenance.

Mr Blom: I mean I'm certainly very sympathetic to the position that's being put forward by Cronulla and I understand where it's coming from. And one thing I'd say is you know, we have an implicit assumption within the modelling that at 25 years, you replace the vessel. And the costs are based on efficient costs for vessels that are fairly new and in fairly good condition.

So certainly, if you extend the life of a vessel, you're going to see maintenance costs increase. I mean that's an absolute almost. So, the fact that Cronulla has got vessels that are quite old, you would expect to see those maintenance costs increase and I think that's what's been happening in practice.

I guess the problem is, you start to get some dislocation from a process where you know, when your vessel hits 25 years there's a mechanism in the pricing structure to allow you to invest in new fleet. If you're not making use of that, you'll continue to fall behind because you're continuing to operate old fleet, with escalating ongoing annual maintenance costs. So, it is a bit of a quirk, the way the model's been built-up, and the implicit assumptions that everybody should be replacing ageing fleet when it hits the economic life, as defined in the modelling, which at the moment is 25 years.

Ms Cope: We probably don't want to go into this in a lot of detail now, but I just want to flag that I think we'll have some questions that we need to look at going forward around, because what we want is the most cost-effective way of providing the services. And that's the full cost of the vehicle, the maintenance, and the cost of the fuel operating the vehicle. And we want to make sure that the model's not driving us to an option that is, got a higher cost overall than...

Mr Blom: One of the things, and it's an excellent point, and one of the things that we considered through the course of the review, and we did ask ourselves what is the basis for having a renewal at every 25 years. As you assume and I think as Wayne rightly points out, like a fleet can extend well beyond 25 years I mean the proof is in the pudding I mean most of the vessels are considerably older than 25 years.

But we did ask like what again, you know what's the implicit assumption around why we're using 25 years, and it did come back to probably a question for Transport to say, what are the minimum service requirements, what are the expectations we're actually building into the modelling in terms of customer amenity, in terms of emission standards, in terms of a range of other kind of non-financial factors that is implicit in the 25 years.

Now that's not to say you have to, and of course you can continually invest in your fleet to bring it up to standard periodically, and I'm sure that's what happens. But you know you start to think about DDA compliance, you start to think about a whole range of other issues that are implicit in the 25 year renewal assumption, because it lets you keep your fleet in a standard that's suitable for the services that the public expects, the quality of service that you're expected to provide. Does that make sense?

Mr Whitley: Yeah look, thank you for explaining that. I guess in a little bit more detail if you actually looked at the standards, I suppose are well exceeded in Cronulla on an 82-year-old ferry in that space is my first comment in relation to that.

The second thing is that you've got two things then. So, you know this capital allowance that you're talking about, you know the offset of that in relation to maintaining that type of vessel, not purely just for that it's a public service and Department of Transport have then allocated a 25-year serviceable life in relation to that. But it's more about you know, if this does run the historic run, I guess to some degree, which is something that why obviously patronage is also perhaps higher.

And then my last question then ,I'm sorry unless you had something else, but my last question then is simply is somebody considered or has it been considered especially in this particular review that you know the Minister for Transport has come out and said that fleets will turn green. So, if Cronulla Ferries was to go out and buy let's just say a second-hand vessel now, and then in 6 years' time they say all private ferry operators need to be green or have ever reduced.

We've bought a vessel that potentially has a 25-year life span and over that 25-year lifespan we've allowed that capital amount and it's actually worth nothing say in 6 years or 8 years or even 10 years because you know it's become very topical at the moment in relation to going greener and how that would look.

So and I know it's probably outside of the scope, all I'm trying to highlight is that making these decisions as a privately owned business is much more difficult in this day and age, to meet your modelling or to meet the modelling that's set, whether it's by Transport or so forth in its current form.

Mr Rogan: And it's going to change.

Mr Blom: Yeah look I think we understand that there's quite a bit of complexity. I mean the only thing I would say is, I think there's potentially an opportunity to look and as we're saying, when you start to look at the total cost, and you factor in the potential for capital renewal, offset by saved operating efficiencies and maintenance costs.

Then I think there's going to be an inflection point, at some point. Now where exactly that lies and how old the fleet needs to get before you hit that point where it obviously becomes cheaper to invest in new fleet and have the associated efficiency savings alongside that. Versus maintaining an older fleet, not having the capital renewal cost, but accepting that you're going to build-up some increasing maintenance costs. I think there's a good argument to have a look at that and say have we got that assumption right and I don't know where exactly that'll land.

But the point, we're trying to get the most efficient service, but whilst maintaining the right quality of service as well, which I think and you know, I'm really pleased to hear that Cronulla is exceeding all those requirements, as I'm sure it is. But I mean that's the other you know non-financial dimension to all this as well, that we that we need to consider.

Ms Gamble: So, can I just ask you a question on that Wayne. Just to get to the crux of it, the modelling that David has done is based on his assessment of what the most efficient means of servicing the route is. Your cost structure is based on an older boat that has lower depreciation but higher operating costs.

And is it the case that you would argue that there is some form of public benefit associated with the nostalgic value of your older boat, because I guess we, in setting these prices, we're setting them for a service that's necessary for the public. And if we are to consider a different model such as yours, we'd need a good reason to do that, something that potentially had a higher cost. Can you give us something there that would explain or justify that higher cost?

Mr Whitley: So, I guess that just, if you just look at economics in the fuel. The boat itself is being purpose-built. I'm not sure if many people are aware of that, because of the low, I'll get the, I'll get the right the wording here.

Mr Rogan: Due to the style of the vessel, and the type of vessel that we run, it is a very economical vessel compared to a modern aluminium catamaran. So, our fuel burns in the 5-litres an hour versus somewhere between 50 and 160 litres an hour. So, our fuel costs are astronomically cheaper than putting in a \$5 or \$700,000, 20-meter aluminium ferry, that will do 10 to 15 knots down the river.

And that just by virtue, we'd have to potentially add \$2 to a fare just to cover the fuel cost to do the 4,500 hours a year basically. So, it's not so much that it's a historic value of the ferry, it's the economic value of the ferry as well.

Ms Gamble: So, is it the case you would argue that the ferry that you operate is the most efficient?

Mr Rogan: It is, in the, compared to putting on a brand new aluminium ferry, and that the fuel cost alone on new, high revving, high speed motors is, just yeah, if you just look at fuel costs across the other companies, and that all times \$1.50, using the \$1.50 average for fuel, times 4,500 hours and then extrapolate that either by, however many litres if you want to quote other, or pull up other boats figures, for their fuel burn.

Ms Gamble: Yeah and just for a transcript if you don't mind, Wayne.

Mr Whitley: Sorry that was Carl Rogan.

Ms Gamble: Okay, thank you.

Mr Whitley: Apologies.

Ms Gamble: That's okay, that's okay.

Mr Whitley: He does have his own device, but we just happened to be sitting in close proximity, so he is using this microphone.

Ms Donnelly: Could I jump in there Wayne and Carl. Also, Carl we just saw your head a little bit there, but I so I can see that you're next to Wayne somewhere.

Ms Hack: No that's me.

Mr Whitley: She's actually, sorry that's the operations manager.

Ms Donnelly: Oh no.

Mr Whitley: Carl's actually sitting, I can get to Carl though if you like.

Ms Donnelly: No that's alright. Oh, sorry just ignore all that mistaken identity. What I wanted to just say I know that you have provided information and you've been in discussion with the team, but I would just like to invite you if there's information that you haven't provided us.

And obviously we're taking note of what you're saying today, but particularly, just that background about the vessel being purpose-built and if there are issues you know with the draft, or with other requirements, just in the requirements for the Port Hacking, for the for the route that it travels etc. I think we would be keen to understand that, and I do invite you to give us the information, as well as the information that Carl was just giving there.

Because really just to follow up from Sandra's question, I guess it would be useful for us to know what you're planning, what's gone into the decision to maintain the vessel for 80, to have an 82-year-old vessel. And if it isn't just because you know, that's where you, it's open to you to make that decision obviously as a business, but it isn't around the historical only attraction, but also around the fact that it's got to be purpose-built, then I think that would be relevant to us to consider.

I'd like to understand whether or not you know obviously Carl's talked about you know aluminium catamarans and whatever other alternatives, but if there are constraints about the vessel design, that would have to be considered, in you know raising the capital for a new boat one day, we'd be interested in that. I'd also just be interested to know, do you have a time frame in mind, or is it integral to the business model that what you want to do is make continue to maintain the boat.

Mr Whitley: Carl would like to quickly say something.

Ms Donnelly: Great.

Mr Rogan: So this is the problem, is that we've been trapped in this cycle for so long now, well I said to somebody the other day, it's been 8, this is going to be the 12th year and I think it was 2010 when it all started.

But 15 years ago, I had a boat drawn up to replace the ferry. And ever since then, it's either been one thing or another which just keeps stopping me, and that has been knocked back for 4 years on a fare increase. Fought off for 4 years and that, but each time I go to the bank to try and do anything, they go you're barely economically viable okay.

The Department of Transport keeps me like this. You go to review, you want to do something, they go it's a 5-year contract and that, and what happens at the end of 5-years. You can go, I've been here for 30 years, the service has been here for a 100 and they don't, they only look at it as a 5-year renewable contract.

So, you guys look at it as a monopoly, you guys look at it as a contract that's in perpetual, that never changes, nothing ever changes. But the banks don't see it the same way as you guys do. So, we're always caught behind the 8-ball trying to finance.

I've quickly done some numbers and that, just to satisfy you guys. If I went and quickly bought it, tried to find a second-hand boat, and just didn't matter whether it worked or didn't, threw it into the run. The basic fuel cost alone and that would bump this run up by a couple of dollars a head, without actually adding the boat cost.

If you go to state, the Minister sort of said and wants to see everything go green blah blah blah. I just quickly pulled up, New Zealand just built their first aluminium or sorry electric ferry, \$3.8 million for 135 seat ferry. That's about the same size as us, so technically I'd have to replace 2 ferries so that's twice by \$3.8, plus the shore-based infrastructure for power supply, and to run it.

So, you're looking at well over \$8 million plus, to actually look at say replacing it with a new green fleet, that does everything that everybody wants or expects to happen. As a small family business, where do I find \$9 million on a 5-year contract to go great, I've done everything to satisfy everybody, and everybody happy and loves me again.

Ms Donnelly: Thanks Carl. It's good to hear what the journey's been for you and to understand the situation, so I do appreciate that.

Ms Livingstone: Thanks. Now there are a couple of other comments in the chat box that I'm keen to get to, one will take us back a little bit but Richard put in a comment around fare structure and rebates, and I wondered Richard if you wanted to speak to that before we move on to Linda's question?

Mr Ford: Thanks Liz. Just briefly, I think it was just supporting the commentary around whether we need to shift the thinking on minimum viable price for the customer and look at what the ferry services around the state are achieving in terms of community travel, and the experiences. And I think you know the discussion listening to Cronulla, and I know on the Hawkesbury River and further up. These ferry services do provide a community connection, which is more, which is important for the minimum price for the residents, but also much more for the interstate travellers and international travellers.

I think there's probably an opportunity where we should have a rethink of how we're pricing, looking at pricing, because it's very much a minimum viable product, where a maybe a different model where incentivises with operators to increase profits, can increase maintenance, can increase capital spend, and increase that certainty, but not at the expense of the communities in the local communities. So, I think that was where I was looking at.

I think just an example, I had with the western tollways, where the locals are given the fare rebate because they live in that area and use it regularly, but you could have a higher minimum price for visitors who aren't in the area and use it infrequently, because the price sensitivity of a once a month user or once every six month user, is certainly not the same as the once every day user. And now we have better technology, maybe that's something where, I don't know if it's IPART scope, or whether it goes back to Government to review the scope of what the IPART review is doing.

Ms Livingstone: Thanks Richard, and I think as Deb pointed out before. It's something that IPART can consider, if people propose different types of fare structures, or ways of structuring fares for different passenger types. Happy to hear that feedback and see if we can consider that.

Now Linda, you've posted a reasonably detailed question in the chat, do you want to speak to that, and we can figure out who might be best able to answer that, who's with us today.

Ms Newnam: Yeah, I thought that one was very much in Aaron's court. As a Transport for NSW and it's also very tricky, because we've now got a Planning Minister who's a Transport Minister. But I mean, I was getting at the point, it was a bit of cart before the horse, with you know, the example I was giving.

But and it went to the heart of how you established the viability payment, and how need was established, because when this business case was pulled apart for this state significant infrastructure DA, it just didn't stack up. And there were a number of submissions including one from Randwick City Council on it as well, so it sort of comes back to how do you put in new developments like this, because you're going to have to do that in the future into this system. And how do you, how much the term, how much of that money is available to splash around to various communities, does that make sense.

And I think it's mainly you know for a Transport person to answer, and you know, I took it in the context of listening to Brenda, where they have an actual need, you know to get viability payments.

Ms Livingstone: Yeah thanks Linda. I will ask if Aaron is in a position to comment, I'm not sure it's quite a there's a few different elements that probably different parts of government are looking at there, so I'm not sure if Aaron will have all the answers.

Mr Murray: Yeah look there's and I know I apologise because I've got my internet dropped down, so I've now locked I've lost access to the chat as well. So, I'm not exactly sure, but I think I briefly saw the question anyway before I lost the...is the question in relation to you know, there's proposals around a service in Botany Bay, is that what it's...

Ms Newnam: Yeah, it's that one, it's that one, and of course it was a State-Federal Agreement in 2018 so the Prime Minister and the location.

Mr Murray: Yeah, I've kind of got the background on the project. To be blunt, I'm you know that's in charge with, yeah, we have a whole areas of Transport they're obviously looking at new services. I mean I know there's a process underway to look at you know what's a potential service, ferry service in that area, but look I'm not even really sure where that process is up to. I mean, there'd be a whole process around it, there's obviously been consultation around it as you said, a business case, but I'm not really sure what I mean, to be honest I'm not sure what the question is.

Ms Newnam: Oh well okay, I mean there's enough people who've made submissions including Randwick City Council pointing out the business case doesn't stack up. And I mean that's the general sentiment, it doesn't stack up, but it's politically driven. So, but of course IPART is going to have to make sense of it, or you're going to have to then throw the viability you know money at it. And then that money, I mean is that just a magic pudding pool, or does that money then come away from say subsidising Danger Island look.

Mr Murray: Look, I'm not sure there's been any decisions made around that specific service, so look I'm probably not best placed. I honestly, I haven't, I'm not really aware of where that project is. I've haven't had a briefing on it for several months so, but I'm not sure it's entirely relevant to this conversation at this point in time.

Ms Newnam: Oh, I only brought it in with the viability payment, because it was a limited, there are always limited funds, so it's about efficiency and fairness and you know, okay you might not be looking at it today, but you might be looking at in 2-3 years' time, trying to justify why so much money that Botany Bay gets such a big subsidy as against Dangar Island.

Ms Livingstone: So, I think I think Linda's question goes to the framework how do you decide which services get government...

Mr Murray: Viability, yeah, look...

Ms Towers: Yeah and Aaron wouldn't that go to which services are captured by Opal versus which are...

Mr Murray: Yeah, I mean...

Ms Towers: ...and whether they're regulated or unregulated.

Mr Murray: Yeah obviously some, look there's a variety of ferry services as you know provided in NSW. Some are contracted directed by Transport covered by Opal, there's others that we're talking about today which commercial providers provided under a different contracting model, and there's other services that just provide commercial services without sort of Transport involvement.

So, I don't think there's any specific decisions made but, look that is effectively a decision for Government and Transport, when they look at a service, you know, what's the appropriate contracting and regulatory framework for that. But look there's been no decisions made around that service, so I don't really know if it is going to require viability payments or anything like that, because just you know there's been no decisions that I'm aware of at this point in time.

Ms Livingstone: Thanks Aaron.

Mr Murray: At the end today, our contracting team would make decisions around any payments that are required under a contracting model, that's something they would discuss them with the operator, if it was chosen, you know operated under a certain contracting model.

Ms Livingstone: Thanks very much Aaron, and I wonder if outside the meeting, we might be in touch to see if we can find a contact for Linda that's across the specifics of that service.

Mr Murray: Yeah, I'm sure I can.

Ms Livingstone: Terrific. Thank you. Okay are there other questions, either that the Tribunal would like to ask of those here or others haven't had a chance to ask yet that they'd like to or even just make a comment on things that they've heard so far in the discussion. No...

Ms Gamble: Well it's been a good conversation though; it's been very useful.

Ms Livingstone: Okay well unless I hear someone, or someone puts their hands up in the next few seconds, I will hand over to our Chair Carmel, who will wrap up the session for today. Thanks Carmel.

Ms Donnelly: Well thanks Liz and look on behalf of IPART thank you to everyone who's presented and participated today. Thanks for being so constructive, and forthright and you know it's certainly been very useful, and a great benefit for us to hear your views. And I think there are a few areas where we've raised questions, we will consider more broadly, we may be seeking further information from you directly.

In particular you have another formal opportunity to give us your views in writing, with written submissions up until the 5th of November, and you can a lot lodge those via our website. There's also a link in our Draft Report. We will consider as a Tribunal all that's been said today and everything in the submissions, and then we'll be finalising the report and determination in December. So, with that let me just once again thank you very much for participating today, it's been very useful.

Ms Livingstone: Thanks everybody

Ms Cope: Thank you very much everyone, it's been great.