

Fact Sheet – Maximum fares for private ferry services from January 2018 to December 2021

15 September 2017



WHAT

IPART has made its draft decision on maximum fares for private ferry services in Sydney, the Central Coast and NSW North Coast to apply from 1 January 2018 to 31 December 2021.

Ferry operators can choose to set their fares below the maximum fares.



WHO

Our Draft Determination applies to seven private ferry operators: Brooklyn Ferry Service, Central Coast Ferries, Church Point Ferry Service, Clarence River Ferries, Cronulla and National Park Ferry Service, Matilda Cruises (Darling Harbour and Lane Cove services), and Palm Beach Ferries (Mackerel and Ettalong services).



HOW

We invited the private ferry operators to propose fares from 2018 to 2021. We received fare proposals from all operators except Clarence River Ferries.

We considered the proposals from Central Coast Ferries and Matilda Cruises to be market-driven and efficient as they face a high level of competition. We made a draft decision to **accept** their proposals to keep fares constant in real terms.

The remaining five operators face little or no competition. We engaged a consultant, the Centre for International Economics (CIE), to provide advice on these operators' efficient costs. We then

estimated the fares that would be required to recover these efficient costs.

Our draft decision is to **accept** Brooklyn Ferry Service and Church Point Ferry Service's pricing proposals, as their proposed fares reflect efficient costs. Under our draft decision, their fares would increase by 30 to 40 cents each year.

For Cronulla and National Park Ferry Service and Palm Beach Ferries, our draft decision is **not to accept** their pricing proposals and to **freeze** the current maximum fares for the next four years. Their proposed fares exceed efficient levels.

Clarence River Ferries did not propose fares. As the current maximum fare is well below our estimated efficient fares, we decided to increase its fares by **30 cents** each year.

Fares under our draft decision are set out outlined in Table 1.



WHAT NEXT

We are seeking submissions on our Draft Report and Determination, available at www.ipart.nsw.gov.au. Submissions are due by **27 October 2017**.

We will hold a public hearing on 23 October, and we will consider stakeholder submissions and feedback in making our final decision.

We will provide our Final Report and Determination to the Minister for Transport in mid-December.

Table 1 **Draft decision on maximum fares for private ferry services (including GST and inflation)**

Operator	Current maximum fare	2018	2019	2020	2021
Brooklyn Ferry Service	\$7.30	\$7.60	\$8.00	\$8.40	\$8.80
Central Coast Ferries	\$7.80	\$8.00	ΔCPI_t	ΔCPI_t	ΔCPI_t
Church Point Ferry Service	\$8.30	\$8.70	\$9.00	\$9.40	\$9.70
Clarence River Ferries	\$8.30	\$8.60	\$8.90	\$9.20	\$9.50
Cronulla and National Park Ferry Service	\$6.40	\$6.40	\$6.40	\$6.40	\$6.40
Matilda Cruises – Circular Quay to Darling Harbour	\$7.40	\$7.60	ΔCPI_t	ΔCPI_t	ΔCPI_t
Matilda Cruises – Circular Quay to Lane Cove	\$7.40	\$7.60	ΔCPI_t	ΔCPI_t	ΔCPI_t
Palm Beach Ferries – Palm Beach to Mackerel Beach and the Basin	\$8.10	\$8.10	\$8.10	\$8.10	\$8.10
Palm Beach Ferries – Palm Beach to Ettalong and Wagstaffe	\$11.60	\$11.60	\$11.60	\$11.60	\$11.60