



COMMERCIAL VESSEL ASSOCIATION
of New South Wales

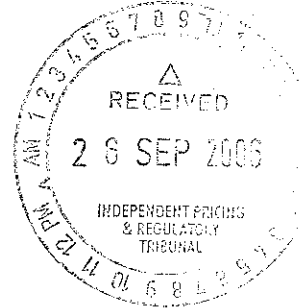
IPART
Doc No D01/2345 File No 26/341

49 Countess Street
MOSMAN NSW 2088

ph (02) 9968 1184 fx (02) 9969 1637 mb 0417 292 032
email pearlbeach@bigpond.com www.chartervessels.com.au
ABN 27 912 864 935 ACN Y 06236-37

September 19 2006

Ms Fiona Towers
Director
IPART
PO Box Q290
QVB POST OFFICE NSW 1230



Dear Fiona

re: **Further Submission Following our Meeting on September 18**



INSURANCE
Gault Armstrong
9963 7041

Helping members
make more money!

Passenger Numbers

These can reasonably be based on population movements by Post Code. However, ABS Trend Analysis is not available by Post Code, only by local government area. Local government area is too gross for, say Dangar Island, which is part of Hornsby. This is also the case for Scotland Island, Part of Pittwater; Cronulla and Bundeena, part of Sutherland; Palm Beach also part of Pittwater; Central Coast, part of Gosford; Clarence River, part of Maclean (with a new name now). Matilda service Lane Cove, mainly, but it is not the population of the whole municipality that is important but the population that is within 100 m of the wharf (John Stott, former head of STA, when it owned SFC, said, in 2003, that ferry passengers will only walk 100 m to the wharf, otherwise they will catch a bus or drive).

So, here is the relevant passenger trend by operator.

Cronulla and National Park Ferry Service: an examination of their passenger numbers for 2005 and 2006, for the same sample periods in each year, showed a decline in passengers in 2006 compared to 2005, for both summer and winter



INSURANCE
Gault Armstrong
9963 7041

Central Coast Ferries: this business stopped operating for some time a couple of years ago; when it re-started, passenger numbers grew quickly to a point which plateau-ed a year or so ago; the area serviced by the ferry company is fully built up so that passenger numbers will only increase if the areas are re-zoned for higher density housing, which is unlikely, and higher density housing is actually built and occupied

Church Point Ferries: as we heard from Jack, who has owned the business for 15 years, the population of his catchment area is static though changing in its demographics, from older, originally, to younger families with children, now, many of whom are able to operate their own boat to Church Point to pick up the bus or their car

Dangar Island: there is an older population on the Island as well as transient renters of holiday accommodation and those who commute to jobs elsewhere each weekday; this number has been static for some years; in addition, the Bowling Club increased their costs for meals late last year which has resulted in a decline in day trippers, such as pensioners on outings

Matilda: Lane Cove municipality statistics for population growth are attached but see above; the company says that, however, population around the wharf area has not increased and passenger numbers are static, as a consequence

Clarence River Ferries: population in this area, now Clarence Valley Council, is increasing (see attachment); the operator says that his passenger numbers are increasing by about five percent per annum

Palm Beach Ferries: numbers on the Pittwater service, ie to Mackerel Beach, the Basin, etc, are static; the comparatively new service to and from Ettalong has passenger numbers growing slowly after a build up quite quickly when the service was introduced three years ago

So what do we conclude from all this?

Most ferry companies are servicing areas with a static population and, as a consequence, their passenger numbers are not growing now and are unlikely to do so in the future. The exception is Clarence River. It makes up about seven percent of total private ferry industry turnover.

The big question here, Fiona, is "why do they do it?"

The answers are as follows.

Palm Beach's new owner is cutting back on all expenses in anticipation that negotiations next year with MOT will result in an acceptable new contract for future operations; the 2006 return on capital does not meet their hurdle rate of return and they have already withdrawn on of four ferries to Queensland for other work, leaving no back-up ferry now available

Matilda will certainly give their ferry services away if the new contract process does not result in a satisfactory outcome.

The Clarence River proprietor supplements his ferry income with other activity, such as barge and towing work and by returning to his old profession of long distance truck driving from time to time, now on a periodic contract basis; his is also the one population that is growing.

Central Coast has a static population, now, in an area in which they operate but the operator is creatively negotiating with MOT to introduce additional services, including one to Ettalong to coordinate with the service from their to Palm Beach.

The Church Point service is on the market, after 15 years under Jack's ownership.

The Dangar Island service is also on the market.

The Cronulla-Bundeena service is trading satisfactorily but on passenger numbers that are not increasing.

Wages

It was suggested by you that we should get the actual SFC wages in their enterprise agreement. The current enterprise agreement is about to be replaced with a new one (see our letter to the Minister in our original submission). In the attachment we compare the rates in the current one with those in the Marine Charter Vessel (State) Award which governs our industry.

The result is that SFC wages are presently approximately double those in the Award.

As a consequence and as suggested in our submission, private ferry operators in the Sydney Region are now being forced to pay above award wages in order to recruit and maintain staff. This has never been the case in the past. With SFC wage rates 100 percent above the Award, our request for an increase of approximately 4 percent, in line with average weekly earnings, is modest. At the National Marine Safety Conference in Queensland recently, a major component of the agenda was the serious skills shortage developing in the industry (see attachment).

What We Ask For

As a consequence of all of the above we ask that

- there be no discount of the recommended fare based on an assumption about **productivity** increases across the industry sector, as passenger numbers have not risen and staff numbers have not gone down
- IPART agree to our modest request of recognizing a **wage increase** in the industry sector at least equivalent to the rise in average weekly earnings
- IPART consider an approach to formulating this year's fare recommendation **based on both (a) and (c) on page 1**, above or
- there be complete **deregulation** of fares.

Attachments

Lane Cove municipality population data from the ABS

Maclean municipality ditto

Public and private pay rates compared

National Marine Safety conference report

Regards

David C Cribb
Chief Executive



T01 SELECTED CHARACTERISTICS
 Persons

	1991 Census		1996 Census		2001 Census	
	Males	Females	Males	Females	Males	Females
Total persons(a)	13,708	15,246	14,406	15,701	14,870	15,886
		28,954		30,107		30,756

AUSTRALIAN BUREAU OF STATISTICS 2001 Census of Population and Housing
 Maclean (A) (LGA 15000) 1049.1 sq. Kms

T01 SELECTED CHARACTERISTICS

Persons

	1991 Census		1996 Census		2001 Census	
	Males	Females	Males	Females	Males	Females
Total persons(a)	7,075	6,877	13,952	7,906	15,987	8,730
					8,723	17,453

National Marine Safety Conference 2006

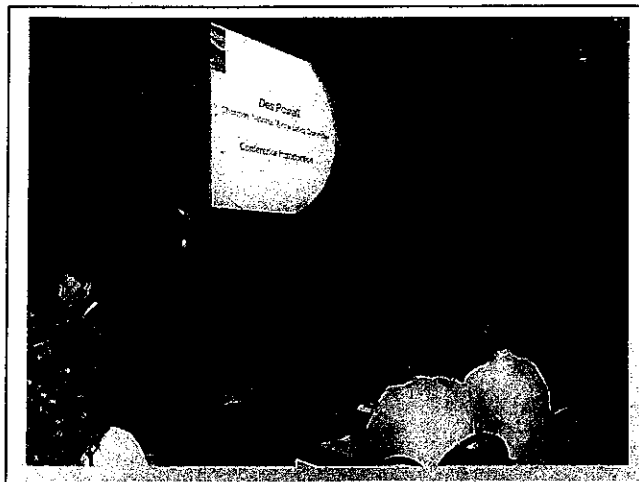
September 12-14

Introduction

This annual conference, now in its fifth year, is mounted by the national regulatory reform organization, the National Marine Safety Committee, which was set up by all governments about seven years ago to make uniform all the maritime law, including a revision of the USL Code.

The main themes of this conference were

- the wearing of PFD's
- industry skills shortages and some solutions
- long term nature of communications at sea.



But many more topics were covered. This report focuses on the Commercial stream, as opposed to the Recreational one.

The Industry Advisory Group

This group advises the NMSC, whose members are the heads of all the Marine Authorities, on what industry thinks are the priorities.

At its meeting the day before the Conference, it addressed these issues

New refrigeration qualifications

The Feds declared, last year, that, to work on a refrigeration system at sea, a technician would have to have a new qualification in addition to their MED or other existing qualification. The wash-up of all this is that a simple certificate will be required, renewable two yearly, costing a few hundred dollars for which an MED 3 would qualify. All this has been brought about by Australia's international responsibilities regarding pollution of the atmosphere by refrigerant gases.

The new requirements are being administered by the Australian Refrigeration Council – see their website for more.

National Uniformity

It always the priority of the Group to emphasise the importance of all jurisdictions to adopt national standards literally without change, so that interstate transfer of vessels is seamless. The Group discussed the CVA's suggestions as to how this can be made more likely, which was that the NMSC CEO and Chair plus the chair of the Group ought to visit all Ministers twice a year to emphasise the importance of the NMSC's work.

Five Yearly Review of Standards

The NMSC announced the refreshing news that it will review all standards five yearly to update them if necessary. This is a refreshing development.

500 Gross Tonnes

The plan to pass the responsibility of all vessels below this weight to the States and for AMSA to take responsibility for all vessels of this weight or more, has been set aside – good. Instead it is planned that these will be AMSA administrated vessels

- Australian vessels on international voyages
- foreign vessels in Australian waters
- Australian vessels with certificates issued by the Commonwealth.

Yachting Qualifications to be Recognised

YA explained a new proposal to have their three Yachtmaster qualifications recognized as are Coxswain, Master 5 and Master 4. Recreational time would be recognized, for example. There would need to be bridging courses to cover relevant shortcomings in each type of qualification – for example, what does a Master 5 know about sailing, perhaps nothing but he or she can, technically, skipper a yacht?

The Conference

Coastal Radio Communications and Rescue at Sea

These have been the responsibilities of the States since the Telstra network closed down a few years ago. It does not work. In the last few years 41 May Days have not been responded to from Australia though some have been picked up in NZ who phoned AMSA – appalling!



What is the way forward, from, say, five years ahead? Maybe satellite or mobile phones as they continually get better coverage and as everyone has one.

How will Bureau of meteorology distribute weather info in the future? Maybe on HF, etc as now; maybe by private providers, such as Telstra or Optus or the makers of the devices you have on board.

The Rescue Centre in Canberra responds to calls carefully, seeking verification of the emergency before throwing their whole weight behind the search effort. Your voice response is a powerful influence. Use a 406 EPIRB.

Skills Shortages – Some Solutions

This was a very disappointing presentation by a panel on one of the most important issues within the industry.

One speaker said that the formation of a global network of training colleges was a great way forward, eg Aust, NZ, Philippines.

Another said that career path formation and traineeships was the go but reckoned no one would take part.

There was no suggestion, for example, that a national initiative was required and that a council of regulators and industry ought to be formed to develop a five year program to fix the problem – very disappointing.

PFD's

The NMSC is working hard on a national approach to who should wear PFD's when and what they should be like (design).

A speaker who was an experienced yacht racer said that no one on his boat on the way to Hobart in 1998, even when he was washed overboard, had a life jacket on – unbelievable!

The States look like implementing greatly different standards so the NMSC is trying to cut them off at the pass.

Industry Visits

The Conference was held at Surfers so we had the opportunity to visit Riviera – impressive.

The company occupies a 35 acre site that it went to only in 2000. It produces 440 boats a year, from 36 ft to 60 ft. Half are sold overseas, throughout the World, including China recently. They employ 1200 people, including 200 apprentices, all of whom they offer jobs to. Very impressive.

DCC Sep 06

