

DRAFT DECISION ON PRIVATE FERRY AND STOCKTON FERRY FARES

Monday, 27 October 2014

The Independent Pricing and Regulatory Tribunal (IPART) is seeking comment from ferry operators and passengers on proposed new maximum fares for private ferries across NSW and the Stockton Ferry in Newcastle to apply in 2015.

Of the eight ferry services under review, maximum fares will be unchanged for five, with maximum fares for the remaining services to increase by 30 cents per trip (or up to 4.7% after rounding fares) under the recommendations in the draft report released today.

IPART is proposing that maximum fares remain at current levels for the:

- ▼ Church Point Ferry Service – Scotland Island and western foreshore of Pittwater (unchanged at \$7.60)
- ▼ Cronulla & National Park Ferry Service – Cronulla to Bundeena (unchanged at \$6.40)
- ▼ Matilda Cruises – Circular Quay to Darling Harbour, and Circular Quay to Lane Cove (unchanged at \$7.40*)
- ▼ Palm Beach Ferries – Palm Beach to Mackerel Beach and the Basin (unchanged at \$7.70), and Palm Beach to Ettalong and Wagstaffe (unchanged at \$11.20)
- ▼ Stockton Ferry (Newcastle Buses and Ferries) – Newcastle to Stockton (unchanged at \$2.60).

* - These services do not currently charge the maximum fare.

The proposed new maximum fares for each of the other private ferry services operating in NSW are:

- ▼ Central Coast Ferries – Woy Woy to Empire Bay (\$7.80, up from \$7.50)
- ▼ Clarence River Ferries – Iluka to Yamba (\$7.60, up from \$7.30)
- ▼ Brooklyn Ferry Services – Brooklyn to Dangar Island (\$6.70, up from \$6.40).

Operators can choose to set their fare below the IPART maximum fare.

IPART Chairman Dr Peter Boxall said the difference in the proposed changes reflects the efficient costs of each service rather than increasing all fares by the same cost index as has occurred in previous years.

“This year we reviewed each operator’s efficient costs, applying the same model we use for other transport operators to estimate an efficient fare for each ferry operator, and then made draft decisions for each operator based on how the current fares compare to the efficient fare,” Dr Boxall said.

“In making our draft decisions we have aimed to balance the impact on ferry operators and their customers, as it is in the long term interest of customers for ferry operators to have sustainable businesses.”

“In the case of the Stockton ferry service, the efficient costs used to determine the draft maximum fare is based on the use of smaller ferries, as these would be able to provide the same service at lower cost for passengers.”

“Passengers shouldn’t pay more than these efficient costs so our draft decision is to leave the Stockton ferry fare unchanged at \$2.60 in 2015.”

IPART has also recommended the removal of price regulation for Matilda Cruises as it competes with both Sydney Harbour ferry services and bus services. Matilda Cruises are currently charging less than IPART’s maximum fare in order to compete.

A public forum to discuss the draft recommendations will be held on 4 November and submissions to the draft report close on 21 November. The draft report is available on IPART’s website <<http://www.ipart.nsw.gov.au>>.

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