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IPART
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Review of fares for Sydney Ferries' services from January 2013
P.O. Box Q290
QVB Post Office
Sydney NSW 1230



31st March 2012

Dear Sir/Madam,

Response to Review of fares for Sydney Ferries' services from January 2013.

Thank you for forwarding a copy of IPART review document for the Review of fares for Sydney Ferries' services from January 2013 and I very much welcome the opportunity to respond.

Whilst I accept that a determination for establishing fare prices "should be based upon the efficient costs of service provision", there is as discussed in your document, a need to address carefully those parameters used in such determination.

In respect to the justification for taxpayer subsidy (5.5). As given in the review document, Sydney Ferries fares increased on January 2012 between 5.7% and 7.7% for single and TravelTen tickets. These increases were well above the then inflation rate of 3.1% and it will be important that efficiency cash gains of 24%, as given by L.E.K., can attribute to some relief for determining any future fare increases. In 5.2 reference is made to "a significant proportion of ferry passengers having higher annual incomes than the Sydney population as a whole". Whilst this maybe the case, this should not be a determinate for fare price. Indeed, using such area annual income as a tool for public transport service provision was taken by a previous government and the result was a dramatic reduction in some ferry services. For example overall weekly ferry services to Mosman and Neutral Bay were cut by 32.5%. Such ferry services are well established and offer the fastest and most convenient routes to and from the CBD to Sydney's harbourside suburbs for all Sydney's residents.

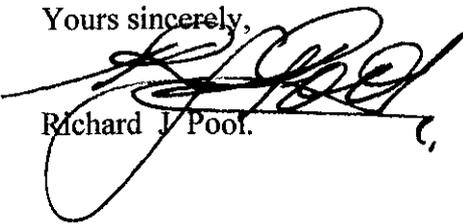
Save for rail and despite distance travelled, passenger multiple journey change is costly on Sydney's ferries and buses. An example of this might be travel between say Pyrmont Bay and Mosman Bay. Despite this being a journey of less than 9km the single cost by ferry would be \$11.20. The same journey by bus would be \$6.50. The cost of travelling a 9km distance by train, say between Martin Place and Sydenham is \$3.40. Whilst TravelTen tickets provide some savings especial for a single journey, a change to effect an end destination would result in multiple dipping of such travel tickets thereby escalating the cost of fare. . Equally, MyFerry single will only provide for a single journey, a journey that in some cases is less than 1kilometer at a cost of \$5.60!

Your review document does not take account of tax on public transport tickets. In 1992 at the Conference on Sustainable World Development in Rio de Janeiro both the Federal and State Governments signed *Agenda 21* that among other sustainable objectives, promoted the development of public transport options. That public transport should be free of any user tax was an integral part of *Agenda 21's* Sustainable Transport objective and Australia remains one of the few countries that fails to uphold a commitment for tax free public transport fares.

The application of GST to public transport fares inflates the cost to commuters and is not conducive to attracting people to use sustainable transport options. I am not sure how IPART will deal with this aspect but it should form part of the cost determination seemingly by reducing the determined price by the amount that the user will pay in tax on the maximum fare determination.

I very much hope that IPART will keep me informed on this matter and I look forward to hearing from you in due course.

Yours sincerely,



Richard J. Pool.