

October 2009

Independent Pricing and Regulatory Tribunal  
Level 8  
1 Market Street  
Sydney NSW 2000

## PRIVATE FERRIES FARE SUBMISSION 2009

This year the Commercial Vessel Association (CVA) has decided not to provide IPART with the detailed information from its private ferry operators to enable IPART to review fares for these services provided by our members.

This is probably the only means to indicate our displeasure in the way the process has worked in the past. This process has only ensured that operator's viability is even more marginalised. The process needs to change.

The private ferry industry provides an essential transport service to the public which under the current regulated regime is not viable in the longer term. A recent report prepared for the Ministry of Transport (MoT), it stated that in 2007/2008 four of the six slow ferry operators did not achieve a reasonable rate of return and therefore were not financially viable in that financial year.

The past 18 months has seen many changes to the economic climate in every industry in this country. The private ferry industry has struggled during this poor economic time to "hold its head above water" and desperately needs help to continue operating. Thus, as our economy slowly recovers it would be an ideal opportunity to encourage change to some existing processes of review. While the review occurred it did nothing to help the sustainability of the private ferries. The services provided by these private ferry operators are essential to the many commuters that use them and must be given better support by Government.

We are all very aware that over the next few months many changes are going to affect even more the viability of our industry:-

- New wage awards will impact hugely – their implementation requires marked increases in wages to employed staff, this will not be reflected in this review. It should, as the new rates are available be considered as part of this review. The impact will be long term and some operators will not survive these increases.

- Interest rates on business finance must increase as the Reserve Bank inevitably increases the cash rates over the next 12 months (as the RBA has already done). These increases will also not be reflected in the review.

IPART must understand this is an industry in **crisis** and the change needs to come from Government.

IPART must assist in this change by making recommendations that the current contract models be re-structured so that private ferries can operate under a fairer and more equitable structure to ensure that they are sustainable in the long term.

Controlled fare structures for public transport imposed by a central body like IPART are only appropriate where the Operator contracting model is sustainable. The current contracting model is not.

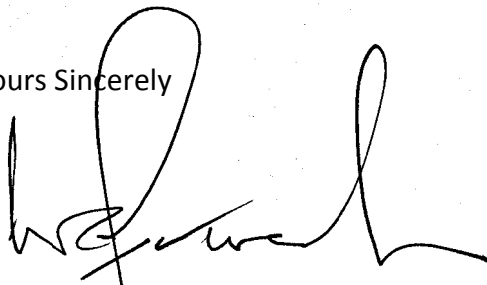
The Private Ferry Industry has identified the types of models with the MOT which may work for the long term, and seeks IPART's support with Government to adopt these.

Should a sustainable Operator contracting model be applied to the Private Ferry Industry then the Industry would seek the following issues be addressed to further enhance services to the public.

- Fully integrated ticketing across the transport system
- Unify all ferry services timetables into a centralised management structure
- Improve information flows to passengers
- Better marketing programmes to support the current services.

This association feels very strong about these views and welcomes open discussion on the subject.

Yours Sincerely



Warwick Fairweather  
Executive Officer  
Commercial Vessel Association of NSW