

23rd September 2004

Mr James Cox,
Acting Chairman,
Independent Pricing and Regulatory Tribunal,
PO Box Q290,
QVB Post Office,
NSW 1230.

Dear Mr Cox,

Submission to the Ferry Fares Inquiry

As a result of the submission of Sydney Ferries and the recent IPART discussion paper for this Inquiry, I wish to add to my previous submission (14/7/04) as it applies to ferries.

I note that my previous submission has not been considered for the Ferries Inquiry. I further note that the issues of integrated ticketing and TravelPasses, as extensively addressed in my previous submission, are entirely absent from the discussion paper.

The Sydney Ferries submission is a poor reflection on its sense of accountability to both ferry users and taxpayers. There is insufficient explanation as to how they arrived at a 9% increase. Given that since 1995 FerryTens have already increased 74% and Blue TravelPasses 70% (i.e. at more than triple inflation), and that SF's cost recovery has fallen, it seems Sydney Ferries costs must be out of control. Their submission fails to address SF's core business activities relating to commuter journeys made by multiple modes.

It concerns me that in the midst of the \$400m "Integrated Ticketing" project, IPART has failed to even mention TravelPasses, previously identified by it as Sydney's only commuter integrated ticketing. I remind IPART again of its statement:

"Passengers who undertake multi-modal travel but do not have access to integrated ticketing include... STA ferry cash fare or FerryTen passengers (about 6 million trips per annum) who have to pay the fixed component of the fare on any feeder bus"¹

It is vitally important to remember a fairly self-evident characteristic of ferries: they go on water, which almost universally precludes them from serving *journeys* from origin to destination. That is, ferry *trips* are invariably part of a longer *journey*, with the exception of the very few people who live and work within close proximity of wharves. Some people can drive to a wharf, but there are only so many parking spots. Generally, if one is to use a ferry they either have to walk, catch a bus, or be driven. This is why ferry ticketing in Sydney has, since the early part of the C20th, been extensively integrated with tram, bus and train services.

These integrated tickets have in the past offered a competitive alternative to buses alone for journeys from a broad catchment. However, the obscene price

¹ IPART, March 1996, Fare Structures for Public Transport, Transport Interim Report No.4, p28

escalation of the Bus/Ferry Blue TravelPass has rendered integrated ticketing, vital to ferries, an increasingly less favourable option for the broader (bus fed) catchment. Sydney Ferries is increasingly dedicating itself to the niche high-income market of tourists and those who live and work within walking distance of wharves. Is this a viable business strategy? Is it socially responsible to exclude the traditional bus/tram fed catchment in the pursuit of this niche?

If IPART and Sydney Ferries wish to enhance the cost recovery of Ferries, they need to increase patronage by increasing their catchment. This can only be achieved by integrating ferries with the transport task. Increasing ferry fares and rendering integrated TravelPasses less favourable (through disproportionate increases), only compounds class divisions, alienating the less affluent from the traditionally broader catchment areas of feeder buses.

Sydney Ferries plays the class card, suggesting that increasing fares will reduce the inequity of subsidies. I put the contrary is the case: increasing fares, rendering ferries unfavourable to all but those to whom cost is not a concern, excludes the traditional broader catchment of multi-modal ferry users.

IPART should be aiming to establish zone-based revenue sharing arrangements between private and government operators of all modes.

How can IPART neglect one of the most significant fare structures for commuters in its Ferry discussion paper? Why has IPART failed to address the relationship of ferries with the broader transport task?

Yours sincerely,

David Caldwell.

CC:

Rt. Hon. Bob Carr, MLA, Premier of NSW