

19 August 2004

The Chairperson  
IPART Review of Bus & Ferry Fares 2004  
Level 2 44 Market Street  
SYDNEY NSW 2000

Dear Sir/Madam,

I live in Manly and am very concerned that Sydney Ferries is proposing to increase Ferry and Jetcat prices.

I will be greatly affected by the proposed increase. My income is below \$20,000 and I share my accommodation. I rely on the ferry service for transport to the city as there is no direct bus service.

I believe that the two main arguments and supporting statistics that Sydney Ferries is using to shore up its claims are contrived and ultimately misleading; namely the affluence of its users, and the subsidy given to the ferry system.

Firstly, I am an example of the many people with low incomes living in this area that would be financially affected by further increases. How can Sydney Ferries use such an argument to support its case when it misrepresents the statistics of the income of its users? In the July 2003 Issues Paper produced by the Transport Data Centre, Ferry Users In Sydney, approximately 45% of ferry users are listed as earning less than \$31,199.

Secondly, while it is claimed that Sydney Ferries relies on a higher State Government subsidy than buses and trains, this is a flawed statistic as it does not take into account the cost of the roads and rail infrastructure that support these services and allows them to have a lower cost per user. This public infrastructure is amortised over many decades. Funding for the roads infrastructure, which supports a bus system, is also invisible as it is part of a different cost and budget category.

To use operating expenses alone is therefore misleading. If Sydney Ferries was serious about saving the government money, it could start by looking at its staffing costs. Yesterday at Manly Wharf while waiting for a coffee, I overheard a young ferries employee boasting to the girls of a coffee shop how little work he does. This is not an isolated incident. One only needs to observe the work routines and practices of the staff there to realise how seriously overstaffed the whole operation is. The Parry Report details some other examples of wasteful work practices.

Also, it does not make business or financial sense to penalise your loyal and regular customers. This is a universally accepted marketing principle. Sydney Ferries would be better off charging daytrippers and tourists extra.

I believe that innovative approaches to managing costs, changing work practices to make them more efficient and ultimately more satisfying for staff, introducing tiered ticket structures to encourage patronage at non-peak times, and using creative marketing measures to increase patronage, would accomplish far more, than raising prices.

One final point. The annual price-raising game aimed at making Sydney Ferries “pay their way” is a planning dead-end, and a solution bereft of creativity. This yearly circus simply encourages more people to jettison public transport in favour of cars. In the Manly area, it increases congestion over the Spit Bridge, and simply transfers the problem to an over-crowded road system, with greater environmental impacts.

If the ferries could increase levels of patronage, it would take pressure off the roads. Again, I believe innovative marketing and services could do this, together with a more integrated public transport approach to the Northern Peninsula.

Fleeing regular ferry passengers is an indictment of Sydney Ferries management and should not be supported. The organisation should get their affairs in order in other ways.

I strongly urge you not to support any price increase so that Sydney Ferries is forced to be more innovative and pro-active. Positive changes can only come about through necessity.

Sincerely,

Chris Dickson