

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

Dear Mr Cox

I am writing in response to the Independent Pricing and Regulatory Tribunal's call for submissions for the Review of Private and Public Ferry Fares 2004, and in particular to clarify some comments made in submissions already made to that Review.

The Independent Transport Safety and Reliability Regulator (ITSRR) is established under the *Transport Administration Act (1988)*, and commenced operations on 1 January 2004. ITSRR's principal objective is to facilitate the safe operation of transport services in the State. It also is to promote safety and reliability as fundamental objectives in the delivery of transport services.

As the Chief Executive Officer of ITSRR, I chair the Transport Regulators' Executive Committee (a non-statutory group) which I established to assist me in providing strategic coordination of safety regulation across bus, rail and ferry modes. This will typically cover high level policy issues. However, the safety regulation of ferries is conducted by the NSW Maritime Authority rather than by ITSRR.

Essentially there are three functions within the ITSRR structure, two of which are conducted by ITSRR itself and one by the Office of Transport Safety Investigation (OTSI).

The two ITSRR functions relate to rail safety regulation and to transport reliability. Of these, only the reliability function is of potential relevance to ferries.

ITSRR's reliability function is limited to making public reports and providing advice on reliability issues to the Government. Importantly, ITSRR does not determine reliability or service quality standards. This was noted in the Minister's second reading speech for the legislation:

(ITSRR) "will not set service standards or control funding to service providers. Funding and standard setting responsibilities will remain with the Minister through the Ministry of Transport's contracts with service providers".

Were the Government or Sydney Ferries to act after an ITSRR reliability report, for example to improve ferry service quality, this potentially could impact on Sydney Ferries' costs. In turn, this may have implications for Government funding and for optimum fares. However, at this time, ITSRR has not reported publicly or provided advice to the Government regarding ferries.

The Office of Transport Safety Investigation is contained within the structure of the ITSRR. However, it provides a fundamentally independent, separate and professional capability to undertake safety investigations in the NSW rail, bus and ferry systems. OTSI publishes reports of investigations into transport safety incidents, and these reports may include recommendations for actions to minimise the potential for future incidents. The particular transport operators, the Government and the relevant safety regulator – in the case of ferries NSW Maritime Authority - may consider and choose whether to implement OTSI's recommendations. As in the case of decisions on reliability reports, these decisions by the operators, the regulator or the Government may impact on operator cost structures. At this time OTSI has published three interim factual statements regarding ferry incidents that occurred earlier this year.

Yours sincerely

Carolyn Walsh  
**Chief Executive Officer**