



Council of Social Service of New South Wales

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James P. Cox
A/ Chairman
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NCOSS Submission to Review of Ferry Fares 2004

Dear Mr Cox,

The Council of Social Service of NSW (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in NSW.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms and is the major coordinator for non-government social and community services in NSW.

I welcome this opportunity to provide comment on the 2004 Review of Ferry Fares. Ferries are an important transport mode for many people in Sydney, including a range of low-income passengers. Often ferries can provide a useful link between other modes of transport, enabling relatively isolated groups of people to access other services. For example many low-income older Sydney residents who are not located near a bus route, utilise ferries to connect to a bus service.

As indicated in the Sydney Ferries Corporation submission to this review, a significant proportion of trips (32%) involve a concession ticket (pg 18). Ferries are currently used by many older people to attend shopping, recreational and health related destinations. Ferries are also used by many students to attend school and university.

There are also a number of lower income passengers who use ferries but are not eligible for a concession. Ferries are important mode of connectivity for low-income workers, including shift and part time workers. Although many higher income earners use ferries to commute from their place of residence, ferries are an important form of transport for people from lower income groups to access services and employment in areas outside of their residence. Maintaining the affordability of these connections is important, particularly given the geographic dislocation of housing and employment / services that characterises metropolitan Sydney.

Sydney Ferries Corporation has argued for a very significant over CPI increase of 9% for public ferry fares. This will heavily impact on a number of low-income passengers,

including a variety of concession holders, and many lower income workers who are not eligible for a concession

NCOSS only supports fare increases that reflect bona fide increases in the costs of service provision. However, the Sydney Ferries Corporation submission does not provide adequate evidence of substantial increased costs to justify such a large scale fare increase. Nor does the submission adequately explore other options, such as increasing patronage, for expanding the existing revenue base, and off-setting present and future costs.

Further, NCOSS understands that the newly formed Sydney Ferries Corporation has been granted a very significant increase in services allocation from the NSW Government (over \$13m) as part of the 2004-05 NSW State Budget. There is no discussion in the submission about how this increase in funding will improve ferry services.

The Sydney Ferries Corporation submission states that "long term strategies, efficiency targets and performance indicators are being developed and agreed with shareholders and the Minister", with a five year price path planned for 1 September 2005. Rather than impose a 9% fare increase in 2004-05, a more prudent approach would be to hold off on any fare increase until September 2005, when a mapped out five-year price path can be proposed. A five year price path could lead to a more equitable outcome by spreading out the impact of any necessary fare increases. It could also allow time to ensure that there are adequate safeguards, such as effective concessions, to protect lower income passengers. A price path would also give Sydney Ferries time to explore other opportunities for expanding its revenue base, including increasing patronage for ferry services.

NCOSS therefore recommends a freeze on any above CPI fare increase for public ferry fares in 2004 / 05, with a five year price path adopted from 1 September 2005, subject to long term strategies, efficiency targets and performance indicators being developed with key stakeholder involvement.

If you require further information on the submission, please contact Dinesh Wadiwel, Senior Policy Officer, on 02 9211 2599 or email dinesh@ncoss.org.au.

Yours sincerely

Michelle Burrell
A/ Director.