

NSW Government Response
IPART Review of Maximum fees and charges for cruise ships in
Sydney Harbour

Recommendation	Response	Comment
That the Port Authority's miscellaneous charges for security, cleaning, furniture hire, etc continue to be recovered separately from site occupation charges.	Supported	This is consistent with current practice.
<p>That maximum site occupation charges in 2016-17 would be:</p> <ul style="list-style-type: none"> • \$72,300 per call/visit to the Overseas Passenger Terminal (OPT), • \$31.10 per passenger at the White Bay 5 Cruise Terminal (WBCT), and • \$15.60 per passenger at White Bay 4. 	Not supported	<p>The greatest challenge facing the NSW Government and the cruise industry is terminal capacity constraint east of the Harbour Bridge. To address this, Port Authority proposes to commence negotiations with the cruise lines on ways to promote greater utilisation of existing cruise terminal infrastructure.</p> <p>This process will require creative pricing options, based on a \$35 per passenger charge, commencing 1 August 2017, to encourage a change in behaviour. This would not be possible under IPART's fixed price proposal based on a 24 hour slot.</p>
That site occupation charges be updated annually based on the change in the consumer price index.	Supported	This is consistent with current practice
That, in any year if the number of bookings at OPT varies by +/-5% or more relative to forecast, site occupation charges be adjusted to reflect the difference between actual demand and the 5% threshold.	Noted	This recommendation is only relevant to the fixed call pricing structure at the OPT — an option which Government does not support.
The Port Authority negotiates discounts with cruise operators where the take up of an evening slot leads to improved terminal utilisation.	Supported	The NSW Government has established a Cruise Industry Reference Group to provide a Cruise Ship Industry Report on the future location of a possible additional cruise terminal, and how current capacity issues may be resolved in the short, medium and long term. A cross agency Cruise

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		Capacity Working Group, co-chaired by Transport for NSW and the Department of Industry, will consider the Cruise Ship Industry Report and develop measures to ensure greater infrastructure utilisation within Sydney Harbour and general pricing mechanisms that may support the growth of the cruise industry.
<p>That an independent review of efficient costs be undertaken:</p> <ul style="list-style-type: none"> • periodically to provide information to facilitate ongoing price negotiations, • in the instance that a new terminal is commissioned, and/or • if demand at White Bay 5 reaches capacity during the peak season. 	Supported	There will be periodic independent reviews to ensure the Port Authority's pricing proposals and cost structures remain efficient.
<p>That the Port Authority's current mooring fees for using the buoys at Athol Bay and Point Piper are reasonable and should be maintained.</p>	Supported	This is consistent with current practice