

6 Cabinet Notes

Not Relevant

608 SPENCER GULF FERRY PROPOSAL - NOTED

Not Relevant

TO: PREMIER FOR CABINET TO NOTE
RE: SPENCER GULF FERRY PROPOSAL

1. PROPOSAL

It is proposed that Cabinet note:

- 1.1 Sea Transport Pty Ltd's proposal to commence operation of a ferry service on a trial basis between Wallaroo on Yorke Peninsula and Lucky Bay on Eyre Peninsula in early May 2005.
- 1.2 The proponent will require development approval for the trial operations, specifically to cover the "change of use" of the existing infrastructure at Wallaroo and Lucky Bay and any associated incidental infrastructure works.
- 1.3 Sea Transport will provide all infrastructure at both Wallaroo and Lucky Bay and obtain relevant development approvals required to operate the ferry service beyond the trial period.
- 1.4 Development approvals for the short-term trial and the longer-term infrastructure will be sought pursuant to *section 49* (Crown Development) of the *Development Act 1993*, supported by the Minister for Infrastructure.
- 1.5 The potential for Government to be involved in the public launch of the new ferry service.

2. BACKGROUND

- 2.1 The Office for Infrastructure Development (OFID) has been leading discussions with Mr Stuart Ballantyne, Managing Director of Sea Transport Pty Ltd on this proposal.
- 2.2 Mr Ballantyne has advised his intention to operate a ferry service between Wallaroo and Lucky Bay. The ferry has a maximum capacity for 62 cars and 350 passengers and will initially transport only cars and passengers. Mr Ballantyne intends to commence operations on a trial basis in early May 2005 to coincide with the Kernewek Lowender festival to be held in the northern Yorke Peninsula area.

2.3

Clause 7(1)(c) Business Affairs

relevant development approvals and fund these works should their trial be successful.

- 3.5 As with the trial period, it is proposed the development applications for the infrastructure upgrades also be dealt with under the Crown Development provisions of the *Development Act 1993*. The longer-term impacts on infrastructure will be assessed as part of the development approval process.
- 3.6 Mr Ballantyne must also obtain all relevant marine operational approvals and licences and he has been referred to the Department for Transport and Urban Planning in this regard.
- 3.7 Mr Ballantyne has been requested to undertake a traffic management study on the impact to the arterial road network, in particular the Lucky Bay Road/Lincoln Highway intersection. Sea Transport may be asked to contribute to the upgrade of the intersection.
- 3.8 The key risks of this project to the State are:

- 3.8.1 Potential political criticism if the venture fails, despite being a private sector development. There may be pressure for Government to subsidise the operations to ensure the long-term viability of the service.

The Government must balance its support for a new development initiative against being seen to be endorsing the long-term viability of the project. Government should facilitate the trial period as an opportunity for the operator. This implies Government participation in the launch of the trial operations.

Government needs to address statutory approval requirements but should remain distanced from long-term approvals and infrastructure commitments and be in a position to walk away if the project is not successful. The trial period proposal provides Government with this opportunity.

- 3.8.2 Potential political pressure to approve the development applications should the trial be successful, despite issues which be identified.

If the project is successful, there will be pressure on Government to determine satisfactory arrangements for longer-term operations. In doing so, environmental and other issues must be given due consideration.

- 3.8.3 Potential pressure on the Government to upgrade roads, such as the unsealed road leading to Lucky Bay and the Lucky Bay Road/Lincoln Road intersection, particularly if trucks use the ferry.

There will be pressure to upgrade the Lucky Bay Road – some 13 kms of unsealed road if the ferry is successful. This is a local road and there should be opportunities for federal funding support through the local Government authorities. From a State perspective, if the

- 2.4 If the trial is successful, Mr Ballantyne intends to seek the relevant development approvals and develop vehicle ramps and associated infrastructure at both Wallaroo and Lucky Bay to establish long-term ferry operations. A long-term ferry service may cater for trucks as well as passengers and cars.
- 2.5 Mr Ballantyne initially approached Government to fund the required infrastructure, to which Government declined. Mr Ballantyne is not seeking any ongoing Government operational subsidy but has requested Government assistance to facilitate the development approval process. OFID has discussed the possibility of progressing the development applications as a Crown Development under section 49 of the *Development Act 1993*.
- 2.6 Mr Ballantyne is a well-respected ferry operator and was an adviser for the initial SeaLink operations. Mr Ballantyne informed OFID he was asked to investigate the Spencer Gulf ferry by interests on the Eyre Peninsula, who will provide financial backing for the venture. Mr Ballantyne has not provided OFID with details of this financial backing.
- 2.7 Previous similar proposals to establish a Spencer Gulf ferry have not eventuated due to financial viability, however, Mr Ballantyne is confident his proposal is viable in the long-term.

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3. DISCUSSION

- 3.1 The Spencer Gulf ferry proposal has support from key Eyre Peninsula stakeholders including the State local member for Flinders and the Eyre Regional Development Board. The ferry service could provide tourism benefits for the Eyre Peninsula and will significantly reduce travelling times for residents west of Spencer Gulf wishing to travel to and from the Eyre Peninsula. The ferry will reduce the total travelling time by around two hours and reduce the time on the road by around four hours.
- 3.2 The trial operations will use existing infrastructure under the care and control of local Council. Both Councils have indicated strong support for the ferry's trial operations.
- 3.3 The Department for Transport and Urban Planning has advised the proposed change of use of the existing ramps and adjacent land, even just for the trial period, will require development approval. To help facilitate the approvals, it is proposed to lodge the development application for the trial period under Section 49 (Crown Development) of the *Development Act 1993*, supported by the Minister for Infrastructure.
- 3.4 While the ferry service can operate in the short term, significant infrastructure upgrades are required in the longer term. This includes pylons, harbour upgrades and a short breakwater at Lucky Bay. Sea Transport will lodge the

ferry is successful in the longer-term, there should be some level of offsetting savings from reduced traffic on other roads.

- 3.9 Consideration should be given to State Government's role in announcing the new ferry service. There is opportunity for Government to be involved in the official launch of the ferry service, planned for early May 2005.

4. RECOMMENDATION

It is recommended that Cabinet notes:

- 4.1 Sea Transport Pty Ltd's proposal to commence operation of a ferry service on a trial basis between Wallaroo on Yorke Peninsula and Lucky Bay on Eyre Peninsula in early May 2005.
- 4.2 The proponent will require development approval for the trial operations, specifically to cover the "change of use" of the existing infrastructure at Wallaroo and Lucky Bay and any associated incidental infrastructure works.
- 4.3 Sea Transport will provide all infrastructure at both Wallaroo and Lucky Bay and obtain relevant development approvals required to operate the ferry service beyond the trial period.
- 4.4 Development approvals for the short-term trial and the longer-term infrastructure will be sought pursuant to *section 49 (Crown Development)* of the *Development Act 1993*, supported by the Minister for Infrastructure.
- 4.5 The potential for Government to be involved in the public launch of the new ferry service.



HON PATRICK CONLON MP
MINISTER FOR INFRASTRUCTURE

17 March 2005

In Cabinet

21 MAR 2005

