Independent Pricing and Regulatory Tribunal (IPART)
Re: Submission – Private Ferry Fare Review 2026

Dear IPART Members,

I am writing to draw attention to the critical issues associated with the proposed extension of the economic life of ferries.

Ferry operators are increasingly required to continue operating vessels well beyond their expected 25-year economic life. The limited profitability within the sector makes the purchase of new vessels financially unviable. In our case, we purchased a small ferry in 2010, constructed during the Global Financial Crisis, financed through a Director's Loan secured against our personal home. This loan remains unpaid. By extending the economic life of this vessel from 25 years to 39 years, we are placed in a difficult financial position and are less likely to renew our two other aging ferries with safer, more modern replacements.

In effect, operators who have invested in renewing their fleets to meet contemporary safety standards are being disadvantaged. Moreover, with the complete withdrawal of viability funding from Transport for NSW, we face increased financial strain and will be forced to propose a higher fare increase than initially planned. While we recognise the impact higher fares have on passengers—who will face higher public transport costs than other users—without increased revenue, several private ferry operators may ultimately be unable to continue providing services.

Securing funding for new vessels also remains extremely difficult. Lenders generally do not consider ferry operations as standard commercial investments, and substantial deposits are typically required. Compounding this, newer aluminium ferries tend to have shorter operational lifespans than older vessels, due to their structural design and maintenance demands.

If the recognised economic life of ferries is extended from 25 to 39 years, the practical result will be a further reduction in fleet renewal, with serious implications for safety, reliability, and long-term sustainability.

Additionally, the cost assumptions used in fare modelling do not reflect the true market cost of ferry replacement. For example, Incat Crowther recently constructed a 60-passenger, 12-metre catamaran passenger ferry, *Me-Mel*, in Sydney Harbour at a cost of approximately $1.5 million. This clearly illustrates the gap between actual and assumed vessel costs.

Operational cost models also fail to adequately account for essential staffing expenses. At Church Point Ferry Service, for instance, a deckhand is employed for 201 days per year, averaging three hours per day. This represents a significant cost that is not currently captured in standard budget frameworks.

We therefore urge IPART and other relevant authorities to review the economic life assumptions, cost frameworks, and funding support structures that underpin the private ferry sector. Addressing these issues is essential to maintaining safe, reliable, and financially sustainable ferry services for the public.

Thank you for your consideration of this important matter.

Yours faithfully,

Penelope Gleen

Church Point Ferry Service