



Transport Administration Amendment (Sydney Ferries)

Bill.

Second Reading

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [7.53 p.m.], on behalf of Mr Craig Knowles: I move:

That this bill be now read a second time.

This bill restructures the State Transit Authority and constitutes the Sydney Ferries Corporation. It amends the Transport Administration Act 1988 and other legislation for that purpose. The bill is needed to give Sydney Ferries the direction and focus it needs to build revenue, and properly manage a safe and reliable maritime transport service. I will now outline specific issues and the details of the bill. The bill principally amends the Transport Administration Act 1988 to establish a ferry corporation as a statutory State-owned corporation, Sydney Ferries, the principal activities of which will comprise current Sydney ferry operations of the State Transit Authority [STA]. It is intended that Sydney Ferries will commence operations by 1 July 2004.

The bill also amends the Transport Administration Act so that appropriate assets, rights, liabilities and personnel can be transferred from State Transit to support Sydney Ferries' role. A new capital structure will be put in place. The level of debt to be assumed by Sydney Ferries is an important issue. It must be fair to all parties—the taxpayer, the State Transit Authority, and the new Sydney Ferries—but it must be at a level which properly reflects the investment made by the Government in Sydney Ferries. The bill establishes Sydney Ferries as a statutory State-owned corporation under the State Owned Corporations Act. Under this bill, Sydney Ferries' principal objective will be to deliver safe and reliable passenger ferry services in the Sydney area in an efficient, effective and financially responsible manner.

Sydney Ferries safety and reliability will be overseen by the Independent Transport Safety and Reliability Regulator as well as the Waterways Authority through the Marine Safety Act and the Commercial Vessels Act. The regulator will be independent of the Ministry of Transport and transport operators. The regulator will regulate and audit the safety of ferry transport, investigate accidents, and advise on the reliability and performance of Sydney Ferries. Sydney Ferries will need to continue an effective and responsive safety management regime, with appropriate accreditation to demonstrate that management systems are in place to deliver safe outcomes. Sydney Ferries will be required to have its safety management systems aligned with the proposed National Standard for Commercial Vessels to maintain its licence with the Waterways Authority.

Sydney Ferries already has in place a safety management system meeting the International Maritime Organisation's International Safety Management Code. This system is independently audited and will be the subject of audit by the new regulator as well. Sydney Ferries will continue to operate Sydney ferry services, which thus far have been provided by the State Transit Authority. Sydney Ferries may also operate other transport services, including bus services. This is to ensure that Sydney Ferries is able to fully exploit the public transport potential of ferry services and can properly plan for and manage all contingencies. However, Sydney Ferries cannot conduct any business outside the State not related to Sydney Ferry services without the approval of the shareholding Ministers.

The bill also allows Sydney Ferries to exercise any other functions conferred or imposed on it by or under the Transport Administration Act or any other law. This is consistent with other changes made to other transport modes. The management arrangements for Sydney Ferries will be based on the standard arrangements for statutory State-owned corporations, which are detailed in the State Owned Corporations Act. The bill provides for a board comprising a minimum of three members and a maximum of seven members appointed by the voting shareholders. An appropriate financial and maritime focus will be brought to the board through its membership. The voting shareholders are to consult the portfolio Minister on the persons recommended for appointment. They also must agree on the qualifications, including maritime safety and expertise in vessel operations, that the board members must have.

There is to be a staff representative on the board, with a selection procedure for an employee representative being a representative of the industrial organisations whose members are employed by Sydney Ferries. An amendment passed by the Legislative Council ensures that the New South Wales Labor Council is involved in this process. The bill also authorises the portfolio Minister to attend meetings of the shareholders. This is similar to the authority provided by section 6 (2) of the Sydney Water Act 1994 and reflects an overriding responsibility of the Minister to be able to follow particular safety related issues. To that end the bill also provides for an additional portfolio ministerial power of direction on the grounds of urgency and public safety.

Restriction on the sale of shares also applies to Sydney Ferries, which preserves public ownership of this icon and accountability to the community for its performance. There will continue to be Government support for Sydney Ferries. Accordingly, the Government does not propose to seek dividends from Sydney Ferries and, therefore, excludes Sydney Ferries from the operation of section 20S of the State Owned Corporations Act. It will be a non-dividend paying

State-owned corporation, as agreed with Treasury. This is the model being used for the new rail entity being created by the merger of StateRail and the Rail Infrastructure Corporation. The change to Sydney Ferries will put in place a management structure that is better able to focus on the future challenges facing Sydney Ferries.

The bill is supported by the New South Wales Labor Council and Sydney ferry unions, including the Maritime Union of Australia, which believes it will also bring management improvements. Transport services do not work well in the private sector. This is precisely the problem we face with the privately operated, but publicly funded, bus system. This change is designed to secure the future of Sydney Ferries, not to compromise it. Sydney Ferries will be required to prepare a statement of corporate intent, which will be tabled in Parliament by the shareholding Ministers, setting out its financial and performance objectives. This will be prepared in consultation with the portfolio Minister to ensure that the key elements of safety and customer performance are addressed.

The bill does not change existing employees rights. An amendment passed by the Legislative Council clarifies a drafting error. It is important that in setting up a properly focused Sydney Ferries workers entitlements are protected. Transport Appeals Board rights, for example, are therefore expressly maintained. The bill specifically preserves the validity of all ferry and travel pass tickets issued prior to commencement, as well as the continuation of existing free and concessional travel pass arrangements. With respect to the co-ordination and integration of Sydney Ferries timetabling with other public transport modes, arrangements will continue to ensure that customers using different modes are linked. The bill guarantees the continued application of determinations of the Independent Pricing and Regulatory Tribunal. The purpose of the bill is to preserve for the benefit of the community the many positive features of Sydney Ferries, whilst allowing a new and focused management to address the challenges of delivering a safe, reliable ferry service that meets, and exceeds, the needs of the community and visitors.

The Minister announced in the other place that he intends to convene a working group to examine ferry service issues. That working group will include representatives from the Ministry of Transport and Action for Transport, a commuter representative from local government and a representative of users of ferries who have disabilities. That group will meet regularly, at least four times a year, and it will report to the Minister. In addition, the Minister indicated in the other place that he will convene a working group to examine competitive neutrality issues in respect of Sydney Ferries chartered and tourist services and their relationship with private ferry operators. The working group will include officers from the Ministry of Transport, Treasury officers concerned with transport and competition policy matters, and representatives of the Waterways Authority, Sydney Ferries and the Chartered Vessels Association. The group will be convened early in the new year. It will report to the Minister by 31 March 2004 on matters of operation where private and chartered vessel operators have raised concerns. I commend the bill to the House.

[Your feedback](#) [Legal notice](#)

Refer updates to Hansard Office on 02 9230 2233 or use the feedback link above.