



New South Wales

# Transport Administration Amendment (Transport Entities) Bill 2017

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The objects of this Bill are as follows:

- (a) to amend the *Transport Administration Act 1988*:
  - (i) to provide that NSW Trains and Sydney Trains are not subsidiaries of Rail Corporation New South Wales (**RailCorp**), and
  - (ii) to convert RailCorp into a State owned corporation named Transport Asset Holding Entity, and
  - (iii) to establish a new corporation, to be named Residual Transport Corporation, and
  - (iv) to provide for the objectives, functions and management of those entities,
- (b) to make amendments to other legislation consequential on the amendments referred to in paragraph (a).

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

## **Schedule 1      Amendment of legislation relating to Sydney Trains, NSW Trains and Residual Transport Corporation**

**Schedule 1.1** makes amendments to the *Transport Administration Act 1988* to give effect to the objects outlined in paragraph (a) (i) and (iii) of the Overview.

**Schedule 1.1 [14]** provides that Sydney Trains and NSW Trains are statutory corporations that are not subsidiaries of RailCorp and sets out the objectives, functions and management of those corporations. Sydney Trains and NSW Trains are to continue to exercise functions in relation to the operation of railway passenger services and other associated functions. Sydney Trains will continue to operate railway passenger services in the Sydney metropolitan area and NSW Trains will continue to operate railway passenger services in regional New South Wales.

**Schedule 1.1 [68]** establishes Residual Transport Corporation of New South Wales (*RTC*) and provides for its objectives, functions and management.

RTC is to have the following objectives:

- (a) to manage its assets, rights and liabilities effectively and responsibly,
- (b) to minimise the risk exposure of the State arising from its activities,
- (c) to achieve the efficient and timely winding up of residual business activities.

The amendment also provides for the management and control of RTC and the establishment of a Residual Transport Corporation Fund for the purposes of that Corporation. The regulations under the Act may provide that a reference in any Act (other than that Act) or instrument, or in any other document, to RailCorp is to be read as a reference to RTC.

**Schedule 1.1 [9]–[13]** clarify the objectives and functions of RailCorp as a consequence of those amendments.

**Schedule 1.1 [34]–[36] and [50]–[53]** make amendments relating to the transfer of assets, rights and liabilities between various transport entities.

**Schedule 1.1 [45] and [46]** expand the functions of TfNSW to include the provision of corporate and shared services, and the deployment of staff, to RTC.

**Schedule 1.1 [65] and [66]** contain savings and transitional amendments.

**Schedule 1.1 [1]–[8], [15]–[33], [37]–[44], [47]–[49], [54]–[64] and [67]** make consequential amendments.

**Schedule 1.2–1.19** make consequential amendments to other Acts and regulations.

## **Schedule 2      Amendment of legislation relating to conversion of RailCorp to Transport Asset Holding Entity**

**Schedule 2.1** makes amendments to the *Transport Administration Act 1988* to give effect to the object outlined in paragraph (a) (ii) of the Overview.

**Schedule 2.1 [6]** converts RailCorp into a corporation named Transport Asset Holding Entity (*TAHE*) and provides for its objectives, functions, management and operation under operating licence.

The amendment provides for appointment of a chief executive officer of TAHE and for TAHE to have a board of directors consisting of:

- (a) no fewer than 3, and not more than 7, directors appointed by the voting shareholders, and
- (b) the Transport Secretary.

The *listed functions* of TAHE include the following:

- (a) to hold, manage, operate and maintain transport assets vested in or owned by it, or to be vested in or owned by it,
- (b) to establish, finance, acquire, construct and develop transport assets to be vested in or owned by it,
- (c) to promote and facilitate access to the part of the NSW rail network vested in or owned by TAHE in accordance with any current NSW rail access undertaking or otherwise lease or make available transport assets vested in or owned by TAHE to other persons or bodies,
- (d) to acquire and develop land for the purpose of enabling TAHE to carry out its other functions.

TAHE is to exercise its listed functions in accordance with an operating licence granted by the Minister for Transport and Infrastructure. An operating licence is subject to the terms and conditions determined by that Minister, including terms and conditions dealing with the following matters:

- (a) compliance by TAHE with network and asset standard requirements issued from time to time by TfNSW,
- (b) a pricing regime or structure relating to assets leased or to which access is made available by TAHE,
- (c) arrangements under which TAHE assets are leased or to which access is made available,
- (d) safety integrity,
- (e) integration of transport modes,
- (f) transport services which TAHE is permitted or not permitted to operate itself,
- (g) capital works programs, procurement and asset lifecycle (including maintenance or maintenance outsourcing),
- (h) businesses and activities conducted outside the State,
- (i) development, use or disposal of TAHE's real property or transport infrastructure.

**Schedule 2.9** provides that TAHE is a statutory State owned corporation under the *State Owned Corporations Act 1989*.

**Schedule 2.1 [1]–[5], [7]–[47] and [49]** make consequential amendments.

**Schedule 2.1 [48]** contains savings and transitional amendments.

**Schedule 2.2–2.8** make consequential amendments to other Acts.