

## **Transport Administration Amendment (Public Transport Ticketing Corporation) Bill 2005**

### **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 constitute the Public Transport Ticketing Corporation (**PTTC**) as a statutory body representing the Crown to enable the establishment of an integrated ticketing and fare payment system for public transport in the State,
- (b) to allow at a future time for the conversion of the PTTC from a statutory body representing the Crown to a statutory State owned corporation with the function of the ongoing management of that ticketing and fare payment system.

#### 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.

**Clause 3** is a formal provision that gives effect to the amendments to the *Transport Administration Act 1988 (the Principal Act)* set out in Schedule 1.

#### **Schedule 1 Amendments**

##### **Amendments relating to PTTC as statutory authority**

**Schedule 1 [3]** inserts proposed Part 3B into the Principal Act to give effect to paragraph (a) of the Overview. The proposed Part contains the following provisions:

##### **Part 3B Public Transport Ticketing Corporation**

###### **Division 1 Constitution of Public Transport Ticketing Corporation**

Proposed section 35R establishes the PTTC as a statutory authority.

###### **Division 2 Objectives of Public Transport Ticketing Corporation**

Proposed section 35S confers on the PTTC the following principal objectives:

- (a) to provide ticketing and fare payment services to public transport operators in the State,
- (b) to promote and facilitate the integration of ticketing products and fare payment systems for public transport in the State, in an efficient, effective and financially responsible manner.

Other objectives, including being a successful business and exhibiting a sense of social responsibility by having regard to the interests of the community in which it operates, are also conferred on the PTTC.

###### **Division 3 Functions of Public Transport Ticketing Corporation**

Proposed section 35T confers on the PTTC the following principal functions:

- (a) to establish and manage a ticketing and fare payment system for public transport passengers and public transport operators in the State,
- (b) to control and manage any funds within that system that represent unused prepaid fares.

###### **Division 4 Management of Public Transport Ticketing Corporation**

Proposed section 35U provides for the constitution of a Public Transport Ticketing Corporation Board (**Board**). The Board is to consist of the Chief Executive Officer of the PTTC and not fewer than 3 and not more than 7 members appointed by the Minister for Transport. Those persons must each or together have such expertise as

the Minister considers necessary to realise the objectives of the PTTC. The Minister is to ensure that the Board includes representatives of public transport operators in the State. **Schedule 1 [6]** inserts Schedule 10 into the Principal Act, which provides for the constitution and procedure of the PTTC.

Proposed section 35V provides that the function of the Board is to determine the policies of the PTTC and, in exercising that function, is to ensure that the activities of the PTTC are carried out properly and efficiently.

Proposed section 35W provides that the Governor may appoint a Chief Executive Officer of the PTTC who is to manage and control the affairs of the Corporation in accordance with the policies of the Board, as set out in proposed section 35X.

Proposed section 35Y provides that the Minister may give the Board written directions in relation to the exercise of the PTTC's functions. The Board and the Chief Executive Officer of the PTTC must ensure that the PTTC complies with such a direction. The Minister may make a direction that has a significant financial consequence for the PTTC only if the Minister has obtained the concurrence of the Treasurer.

Proposed section 35Z provides that the PTTC must supply the Minister (or a nominated person) with any information relating to its activities that the Minister or person may require and keep the Minister informed of the general conduct of its activities or significant developments.

Proposed section 35ZA provides for the manner in which the PTTC is to prepare a draft and a completed corporate plan for each financial year, including the manner in which the draft plan must be made available for comment from the Minister and from the public. A corporate plan is to specify the separate activities (including the commercial and non-commercial activities) of the PTTC, the objectives of each activity, the strategies, policies and budgets for achieving those objectives and the targets and criteria for assessing the PTTC's performance.

Proposed section 35ZB permits the delegation of the functions of the PTTC.

#### **Division 5 Financial provisions relating to Public Transport Ticketing Corporation**

Proposed section 35ZC establishes the Public Transport Ticketing Corporation Fund in the Special Deposits Account in the Treasury, and provides for the monies that are to be paid into and from the Fund.

Proposed section 35ZD requires the PTTC to pay to the Treasurer, out of any surplus for a financial year, such dividend as the Minister determines. The determination must be based on the advice of the PTTC about the financial affairs of the Corporation and may only be made with the approval of the Treasurer.

Proposed section 35ZE provides that sections 81 (Financial duties of the Authorities) and 82 (Financial year) of the Principal Act apply to the PTTC as if it were an Authority under that Act.

Proposed section 32ZF provides that State tax is not payable in respect of exempt matters, which include the transfer of assets, rights or liabilities to the PTTC (or any of its subsidiaries) from the State or any subsidiaries or authorities of the State.

#### **Division 6 General**

Proposed section 35ZG provides that it is an offence (with a maximum penalty of 20 penalty units, currently \$2,200) for an employee, contractor, or an employee of a contractor, of PTTC to disclose any information obtained in connection with the administration or operation of the ticketing and fare payment system unless that disclosure is made in certain specified circumstances.

Proposed section 35ZH provides that PTTC may, in order to establish whether an employee or contractor, or an employee of a contractor, of that Corporation should be associated with the exercise of the Corporation's functions:

- (a) request any such person to provide proof of the person's identity, and
- (b) request that the Commissioner of Police undertake a criminal records check on

the person and, for that purpose, provide the Commissioner with any information or material that PTTC has in its possession.

The Commissioner of Police may, in response to a request under this section, provide Public Transport Ticketing Corporation with a report detailing the person's criminal record.

Proposed section 35ZI provides for the employment of staff of PTTC, for the secondment of other staff and for the engaging of consultants. The PTTC may fix the salary, wages and conditions of its staff in so far as they are not fixed by or under any other Act or law. The regulations may make provision for or with respect to the employment of such staff, including the conditions of employment and the discipline of the staff.

Proposed section 35ZJ provides that the Minister may, by order in writing, direct that the assets, rights and liabilities of a transport authority (such as RailCorp, Sydney Ferries and the State Transit Authority), that relate to or are connected with the operation of a ticketing and fare payment system (for example, ticket machines and automatic barrier gates) and that are specified or referred to in the order, be transferred to PTTC.

Proposed section 35ZK provides that the following sections of the Principal Act apply to the PTTC as if the Corporation were an Authority or transport authority under that Act:

- (a) section 109 (Seal of Authority),
- (b) section 110 (Miscellaneous provisions relating to contracts of transport authority),
- (c) section 111 (Disputes involving transport authorities),
- (d) section 112 (Personal liability of certain persons),
- (e) section 113 (Presumption of validity),
- (f) section 115 (Recovery of charges etc by transport authority).

Proposed section 35ZL amends the *Public Finance and Audit Act 1983* to provide that the PTTC is a statutory body subject to the accounting and audit provisions of Division 3 of Part 3 of that Act.

Proposed section 35ZM allows for the Governor to commence the amendments to the Principal Act contained in proposed Schedule 11 (as inserted by **Schedule 1 [6]**) by proclamation published in the Gazette, which will have the effect of converting the PTTC into a statutory State owned corporation.

#### **Amendments relating to PTTC as State owned corporation**

**Schedule 1 [6]** inserts proposed Schedule 11 into the Principal Act to give effect to paragraph (b) of the Overview. Proposed Schedule 11 [1] operates to substitute Part 3B (as inserted by **Schedule 1 [3]**) with a new Part 3B constituting PTTC as a statutory State owned corporation. The proposed Part contains the following provisions:

#### **Part 3B Public Transport Ticketing Corporation**

##### **Division 1 Constitution of Public Transport Ticketing Corporation**

Proposed section 35R establishes PTTC as a statutory State owned corporation under the *State Owned Corporations Act 1989* (the **SOC Act**). As a result, the provisions of that Act relating to functions, constitutions and other matters, relating to such corporations will, except as provided by the proposed Part, apply to PTTC.

##### **Division 2 Objectives of Public Transport Ticketing Corporation**

Proposed section 35S confers on PTTC the following principal objectives:

- (a) to provide ticketing and fare payment services to public transport operators in the State,
- (b) to promote and facilitate the integration of ticketing products and fare payment systems for public transport in the State,

in an efficient, effective and financially responsible manner.

Other objectives, including being a successful business and exhibiting a sense of social responsibility by having regard to the interests of the community in which it operates, are also conferred on PTTC.

### **Division 3 Functions of Public Transport Ticketing Corporation**

Proposed section 35T confers on PTTC the following principal functions:

- (a) to establish and manage a ticketing and fare payment system for public transport passengers and public transport operators in the State,
- (b) to control and manage any funds within that system that represent unused prepaid fares.

The proposed section does not limit the functions of PTTC apart from the section, but is subject to the SOC Act, the Principal Act and any other Act or law.

### **Division 4 Management of Public Transport Ticketing Corporation**

Proposed section 35U provides for the appointment of a board of directors of PTTC.

The board is to be appointed by the voting shareholders. The voting shareholders are to consult with the portfolio Minister (currently the Minister for Transport). The board is to have not fewer than 3 and not more than 7 directors, of whom one is to be the person holding office as the chief executive officer of PTTC.

Proposed section 35V provides for the chief executive officer of PTTC to be appointed by the board.

Proposed section 35W enables the board to appoint an acting chief executive officer to act during the illness or absence of the chief executive officer of PTTC.

### **Division 5 General**

Proposed section 35X makes the proposed Part the foundation charter of PTTC for the purposes of provisions of the SOC Act relating to the legal capacity of statutory State owned corporations and assumptions that they have complied with their foundation charter.

Proposed section 35Y provides that an employee, contractor, or an employee of a contractor, of PTTC must not disclose any information obtained in connection with the administration or operation of the ticketing and fare payment system unless that disclosure is made in certain specified circumstances.

Proposed section 35Z provides that PTTC may, in order to establish whether an employee or contractor, or an employee of a contractor, of that Corporation should be associated with the exercise of the Corporation's functions:

- (a) request any such person to provide proof of the person's identity, and
- (b) request that the Commissioner of Police undertake a criminal records check on the person and, for that purpose, provide the Commissioner with any information or material that PTTC has in its possession.

The Commissioner of Police may, in response to a request under this section, provide Public Transport Ticketing Corporation with a report detailing the person's criminal record.

Proposed section 35ZA provides that the portfolio Minister may, by order in writing, direct that the assets, rights and liabilities of a transport authority (such as RailCorp, Sydney Ferries and the State Transit Authority), that relate to or are connected with the operation of a ticketing and fare payment system (for example, ticket machines and automatic barrier gates) and that are specified or referred to in the order, be transferred to PTTC.

Proposed section 35ZB is a consequential amendment that repeals Schedules 10 and 11.

Proposed Schedule 11 [2] makes a consequential amendment.

Proposed Schedule 11 [3] inserts savings and transitional provisions into the Principal Act as a consequence of the conversion of PTTC from a statutory authority

representing the Crown to a statutory State owned corporation.

**Other amendments**

**Schedule 1 [1], [2] and [4]** make amendments consequential on the amendments made by **Schedule 1 [3] and [6]**.

**Schedule 1 [5]** allows the making of savings and transitional regulations consequent on the enactment of the proposed Act.