



NSW Legislative Assembly Hansard

Transport Administration Amendment (Public Transport Ticketing Corporation) Bill

Extract from NSW Legislative Assembly Hansard and Papers Wednesday 16 November 2005.

Second Reading

Mr JOHN WATKINS (Ryde—Deputy Premier, Minister for Transport, and Minister for State Development) [8.41 p.m.]: I move:

That this bill be now read a second time.

The Government remains committed to providing a safe, clean and reliable public transport system to better meet the needs of the travelling public of New South Wales. The Rail Clearways Program, new bus and rail fleet acquisitions, the investment in new passenger information and the roll out of the Government's bus reforms are all initiatives aimed at improving services and meeting passenger needs. However, the delivery of public transport is not just about buses, trains, ferries and associated infrastructure. Fundamentally, delivering public transport services is about providing equity and connectivity to a society—and this is a key theme that the Government is making a reality. Earlier this year, with the assistance of the Independent Pricing and Regulatory Tribunal, the Government harmonised bus fares across metropolitan Sydney.

Effectively, this meant lowering bus fares on private buses so that they were the same as those afforded to people travelling on public bus services. For the first time, commuters on private buses are paying exactly the same cash fare for the same distance travelled as their counterparts on public buses. The Government has also extended the pensioner excursion ticket across the metropolitan and outer metropolitan regions, making all-day travel on public transport available to eligible pensioners and seniors for only \$2.50. Now, via the roll out of the new bus contracts across the metropolitan and outer metropolitan regions, equitable concessions arrangements will be provided between private and public buses—again, for the first time. The next step in furthering equity and connectivity to commuters is the delivery of a universal ticketing medium across all transport modes that will allow commuters to travel on any form of public transport using only a single ticket.

Accordingly, this bill provides the legislative framework for the creation of the Public Transport Ticketing Corporation. The new corporation will be responsible for establishing and managing a common ticketing and fare payment system, known as Tcard and currently under development, for public transport users and operators in the greater Sydney metropolitan area. The corporation will not be a policy-making or regulatory agency; it will be relatively small and have an operational focus on delivering ticketing services. However, the corporation will provide a means for achieving broader policy objectives such as progressing key aspects of the bus reform agenda, by enabling the charging of common fares and providing flag fall free transfers across the metropolitan region and improving transparency for other transport concession payments.

It is proposed that the corporation will take over the development work currently performed by the Transport Administration Corporation, a division of the Ministry of Transport, to introduce the new ticketing system, based on smartcard technology, known as Tcard. Given the relatively narrow focus of the ticketing system—it is essentially a commercial cash-management business—it is not an appropriate long-term activity for the ministry, which is a policy and regulatory agency. Also, with the number of transport operators that will participate in the scheme, it is best that the ticketing agency has no conflict of interest in its dealings. The Tcard system has already been successfully trialled in 2005 for participants in the School Student Transport Scheme, and almost 290,000 cards are now in use across New South Wales.

Work is currently under way to commence trials for commuters and other public transport users in the middle of 2006. Staged roll out of the full system would occur after the trials conclude, with most of the Sydney area covered by the end of next year. This progression from development and delivery of the ticketing system to a fully commercial structure is reflected in the bill by providing for the corporation to progress to a second governance structure. Initially the bill allows for the corporation to be created as a statutory authority, representing the Crown and under the direction of the Minister for Transport, enabling it to establish and bed down the integrated ticketing and fare payment system for public transport in the State. Under this governance model the Government will ensure that the corporation's business rules are appropriate and that its policies on fares and concessions have been addressed.

Once the ticketing system is deemed to be fully operational and its activities are of a routine commercial nature it will be feasible to adopt a more commercial governance arrangement, and the bill allows for the corporation to be converted to a State-owned corporation, with the function of providing for the ongoing management of the ticketing and fare payment system. The bill provides for this transition to occur at a time to be determined by the Governor. Tcard should be fully operational within the next three to five years, but the governance structure will not change until the ticketing system is shown to be operating satisfactorily. As stated, in its initial years the

corporation will be a statutory authority representing the Crown. It will have a chief executive officer appointed by the Governor, with a board appointed by the Minister for Transport.

The board will consist of not less than three and not more than seven members, plus the chief executive officer as an ex-officio member. During the phase that the corporation is a statutory authority, the board will have strong representation from public transport operators to ensure it has the expertise and focus to achieve its primary objective of implementing a common ticketing platform for public transport in the greater Sydney metropolitan area. However, it will also include other members with commercial skills and other expertise relevant to the corporation's objectives. As with other statutory authorities, the corporation's board will be subject to the direction of the portfolio Minister. However, before giving any direction that would involve significant financial consequence, the Minister must seek the concurrence of the Treasurer.

For the corporation's ongoing financial responsibilities as a statutory authority, it will develop a corporate plan to specify its separate activities, the objectives of each activity, the strategies, policies and budgets for achieving those objectives, and the targets and criteria for assessing the corporation's performance. Because the new smartcard ticketing system covers all modes of transport and all operators, and because of the need to ensure consistent system performance and security, it is necessary that all ticketing equipment is owned and operated by the ticketing corporation. Accordingly, the Government intends that the bill provide for the transfer of all ticketing and fare collection assets from government-owned transport operators to the corporation to provide clear lines of ownership and accountability for the provision of ticketing and fare collection services and the maintenance of equipment.

However, operators will continue to have operational control of the location of these assets so that safety and customer service can be assured. The corporation will also have responsibility for operating and maintaining existing ticketing systems during the transition period to Tcard and after establishment. The bill provides for the corporation to enter into service agreements with transport operators to provide ticketing and fare collection services. Those agreements will outline the performance and maintenance requirements to be met by the proposed corporation. In addition, because the integrated ticketing project is a whole-of-government project and a whole-of-transport-industry initiative, the agreements will set out the roles and obligations of transport operators.

The fare revenue collected on behalf of operators will be managed in an efficient and financially responsible manner, with funds to be appropriately "ring-fenced" on behalf of public transport users who have loaded money onto a Tcard. Finally, because the ticketing system will offer the opportunity for commuters to register their Tcards—to enable recovery of the cash balance in the event of loss or theft—and because records will be kept of travellers entitled to concession fares, privacy of information will be important. As a statutory authority, the corporation will be automatically subject to the provisions of the Privacy and Personal Information Protection Act 1988. In addition, the bill provides for the corporation, in conjunction with NSW Police, to be able to carry out investigations and inquiries in respect of proposed employees and contractors to establish their fitness to be associated with the exercise of the corporation's functions.

In conclusion, the bill complements the Government's transport reforms by introducing a structure to manage the fully integrated fare payment system, which will dramatically improve the operation of the public transport system for the hundreds of thousands of travellers who use it every day. Boarding times will be reduced, fare collections will become more accurate, and travellers in unfamiliar areas will no longer have to waste time trying to work out the correct fare. Tcard is a step towards a cashless transport system and should be welcomed by all members of the House. The establishment of the Public Transport Ticketing Corporation will allow for one organisation to provide specialist ticketing services to operators and be responsible for introducing a modern ticketing system that meets the needs of the travelling public by improving equity and connectivity across the public transport network. I commend the bill to the House.