



NSW Legislative Council Hansard

Transport Administration Amendment (Public Transport Ticketing Corporation) Bill

Extract from NSW Legislative Council Hansard and Papers Tuesday 7 March 2006.

Second Reading

The Hon. ERIC ROOZENDAAL (Minister for Roads) [5.06 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

This Government remains committed to providing a safe, clean and reliable public transport system to better meet the needs of the travelling public.

The rail clearways program, new bus and rail fleet acquisitions, the investment in new passenger information and the rollout 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.

In 2005, with the assistance of IPART, the Government harmonised bus fares across metropolitan Sydney. Effectively, this meant lowering bus fares on private buses so they were the same as those afforded to people travelling on the public bus services. For the first time, commuters on private buses are now paying exactly the same cash fare for the same distanced travelled as their counterparts in the east.

Last year, the Government 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 rollout of the new bus contracts across the Metropolitan and the Outer Metropolitan regions, there will also be equitable concessions arrangements provided between private and public buses—again, this is 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 one single ticket.

Accordingly, this Bill before the house today provides the legislative framework for the creation of the Public Transport Ticketing Corporation (PTTC).

This 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—but one with an operational focus on delivering ticketing services to the travelling public.

The Corporation will, however, 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 flagfall-free transfers across the metropolitan region and improving improved transparency for other transport concession payments.

It is proposed that the Corporation will take over the development work currently being 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 conflicts of interest in its dealings.

The Tcard system was successfully trialled in 2005 for participants in the School Student Transport Scheme, and with the recent resumption of school, we again have almost 290,000 cards on issue. Work is currently underway to commence trials for commuters and other public transport users from the middle of 2006. Staged rollout of the full system would occur after the trials conclude.

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 Corporations 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. With this in mind, 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 3-5 years, however, the governance structure will not change until the ticketing system is shown to be operating satisfactorily.

Statutory Authority

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 3 and not more than 7 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.

In terms of its ongoing financial responsibilities as a Statutory Authority, the Corporation 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 Corporations 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 provides 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. These 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, and a whole of transport industry, initiative, the agreements will set out the roles and obligations of the 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 to this, the Bill provides for the Corporation, in conjunction with the Police Service, 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 terms of privacy issues, the Transport Administration Corporation has already developed a comprehensive privacy statement which has been available on its website for a considerable period of time. In preparing this statement, expert advice was taken from a consultant with extensive Federal privacy experience, both for the wider Tcard project and those aspects concerned with school students. A copy of Tcard's privacy statement is available at www.tcard.com.au.

State-owned Corporation

Separate to achieving its principal objectives of delivering a common ticketing system for public transport, the Corporation may also pursue commercial activities which make use of the ticketing system beyond public transport.

For example, the Tcard may ultimately be able to be used for small value transactions at convenience stores or newsagents.

Once the Tcard system is fully operational and capable of undertaking a greater level of commercial activities, the Bill allows for the Governor to repeal the arrangements for the Statutory Authority governance model and replace it with new arrangements providing for the Corporation to be a State-owned Corporation (SOC).

As a SOC, the Corporation will continue to have a Board consisting of not more than 7 but not less than 3 directors, however the Board members will be appointed by the voting shareholders in consultation with the Portfolio Minister.

The Chief Executive Officer will be appointed by the Board, following consultation with the voting shareholders (the Treasurer and another Minister appointed by the Premier) and the Portfolio Minister who, in this case is the Minister for Transport.

The primary instrument guiding the operations and financial management accountabilities of the Corporation will be the Statement of Corporate Intent, as required under the *State Owned Corporations (SOC) Act*.

The Corporation will be subject to Ministerial powers of direction that are also provided for in the *SOC Act*.

As a State-owned Corporation, the Corporation will not be not subject to the *Privacy and Personal Information Protection Act 1988*, however, the Government gives a commitment that it will ensure that the Corporation will include a commitment in the SCI, to follow the Act as it establishes policies and procedures for the protection of personal information.

A Privacy Officer will also be appointed by the Public Transport Ticketing Corporation to monitor compliance (including that of the Tcard Contractor) with privacy legislation; address complaints or, issues which may arise in the operation of the Tcard system, and review related documentation and procedures.

Conclusion

In conclusion, this 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 in this 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.