



MINISTRY OF TRANSPORT

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Mr Paul McLeay  
Chair  
Public Accounts Committee  
Parliament of NSW  
Macquarie Street  
SYDNEY NSW 2000

28 NOV 2008

Dear Mr McLeay

I refer to your correspondence dated 12 November 2008 seeking additional information in relation to the Auditor-General's report on "Connecting with Public Transport".

The Ministry's response in relation to each question raised in your correspondence is attached to this letter.

While the audit has demonstrated the complexity of issues associated with strategic planning and management of Sydney's multi-modal transport, the Ministry has found that the audit was beneficial to the development and implementation of policies which would lead to improved effectiveness of interchanges, and subsequently increased use of public transport.

Should you require any further information or clarification, please contact Mr Peter Scarlett, Executive Director, Transport Services Group on 8836 3101.

Yours sincerely,

Jim Glasson  
Director-General

2908/05708

*Dear PAC,  
Attachments provided herewith.  
Apologies for not including  
them with original letter.*

*Regards  
Kevin Chester  
EA to Director-General*

**COPY**

In response to the questions/issues raised in your correspondence: -

**1. Specify whether each recommendation is accepted or rejected.**

The Ministry accepts the policy intent of the 22 recommendations of the audit and is progressing relevant actions to achieve the desired improvements identified.

**2. Provide copies of Interchange Ranking Framework and Guidelines for the Development of Interchanges.**

Copies of the *Guidelines for the Development of Public Transport Interchange Facilities* and *Interchange Ranking Project Metropolitan Sydney* have been enclosed with this letter as requested.

**3. Review/examination of options for the establishment of a co-ordinating body to oversee interchanges.**

This Government has articulated the role of the Ministry of Transport as the lead agency, which in collaboration with other transport agencies, progressively implements key initiatives to deliver more capable, safe and reliable transport services.

The Ministry has recently engaged a senior manager to identify and implement enhanced program management arrangements for the delivery of key infrastructure projects including car parks and interchanges. This will include clear identification of roles and responsibilities, appropriate project management processes, improved reporting requirements and the resolution of ongoing issues such as maintenance.

**4. What is the relationship between the Ministry and RailCorp, and between the Ministry and Sydney Ferries? How will this change under the current restructuring of both corporations?**

**Current Arrangements**

Currently, in relation to the governance of RailCorp and Sydney Ferries Corporation, the Ministry's role is to provide independent policy advice to the Minister for Transport.

The Ministry also administers the disbursement of funding appropriated by Parliament for RailCorp and Sydney Ferries.

**New Arrangements**

The *Transport Administration Amendment (Rail and Ferry Transport Authorities) Bill 2008* aims to reconstitute both RailCorp and Sydney Ferries as statutory authorities.

It also proposes to amend the *Passenger Transport Act* to subject the operation of RailCorp and Sydney Ferries' services to services contracts with the Director-General.

I understand that the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Bill 2008* has recently passed both Houses of Parliament.

***Is it envisaged that the Ministry will operate as the umbrella agency for rail and bus networks across NSW? Will that result in the Ministry having a similar relationship with Sydney Ferries and RailCorp to that which is currently has with bus companies?***

As part of the Government's bus reforms, changes were made to the *Passenger Transport Act 1990* to allow the Ministry of Transport to enter into effective, performance-based contracts with bus operators. The *Transport Administration Amendment (Rail and Ferry Transport Authorities) Bill 2008* proposes to establish the statutory framework required for the Ministry to enter into similar arrangements with RailCorp and Sydney Ferries.

This will help drive improvements to services, including better co-ordination of service delivery.

***What will be the nature of the relationship between the Ministry of Transport and the restructured agencies? Will the Ministry have direct authority over the statutory corporations? What implications will this have for the Ministry's capacity to co-ordinate the planning and maintenance of interchanges?***

Following passage of the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Bill 2008*, RailCorp and Sydney Ferries will continue to be managed on a day-to-day basis by their Boards and management teams, in accordance with the obligations set out in the service contract/s.

Once new arrangements are in place, the Ministry will need to establish a new rail and ferry contract management function, including processes for monitoring service performance.

The new arrangements will serve to strengthen the already close co-operation of transport agencies in the planning, development and maintenance of transport interchanges.

**5. *Do similar interchange agreements exist in Sydney?***

The procurement of transport interchanges has been undertaken by a number of agencies, including government departments, statutory authorities and other government entities. The procurement process now incorporates a requirement for stakeholder participation in interchange planning, design and delivery, which provides a platform for consultation and consideration of issues associated with all aspects of interchange management and operation.

New transport interchanges including Parramatta Transport Interchange, and the facilities on Liverpool-Parramatta Transitway and North West Transitway have formal agreements which set up the obligations of each stakeholder. The *Guidelines for the Development of Public Transport Interchange Facilities* recognise the need for an interchange management Plan that is agreed by all relevant agencies.

**6. *When are the cost benefit analyses conducted by the Ministry? How frequently are major projects undertaken without a cost benefit assessment?***

To date, cost benefit analyses have been undertaken for major transport initiatives, including new interchanges at Chatswood, Parramatta and Liverpool.

The Ministry acknowledges that an economic appraisal should be undertaken at the outset. In past years a number of smaller projects did not comply with this requirement.

Currently, interchanges are evaluated by the Ministry based on the following process:

- a) Interchange ranking analysis - enables the Ministry to categorise interchanges and rank against various indicators.
- b) Scoping studies are then undertaken on those that receive a priority ranking to provide a concept design (including preliminary costings) in accordance with the minimum standards outlined in the Guidelines for the Development of Public Transport Interchange Facilities.
- c) Each proposal is then assessed using cost-benefit analysis to examine their return on investment and suitability for delivery.

The Ministry has recently commenced cost benefit analyses for 22 interchanges, for which scoping studies were conducted in 2007/08.

**7. *What is the Ministry doing to identify the changing needs of commuters associated with more dispersed employment and settlement patterns?***

Planning across the transport portfolio is informed by the Ministry's Transport Data Centre (TDC) and its continuous program of data collection, analysis and modelling of current and future year land use and travel patterns.

The TDC monitors trends in travel behaviour through its continuous Household Travel Survey, collation of patronage and traffic data from relevant agencies, and from the 5 yearly Census of Population and Housing.

The TDC also operates a series of models designed to assess the implications of land use and transport network changes on future demand for travel.

At the local level, metropolitan and outer metropolitan bus contracts require operators to implement integrated bus networks to ensure that services meet passenger demand and respond to changes in residential, commercial and industrial areas. The process is guided by Service Planning Guidelines (see [www.transport.nsw.gov.au](http://www.transport.nsw.gov.au)) outlining the planning principles to be observed and including:

- an analysis of the current network
  - the review of data about travel patterns
  - community consultation
  - the creation of links between suburbs ensuring buses pass many desirable destinations
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As well as the implementation of integrated networks, bus operators are required to undertake annual service reviews to further ensure services are aligned with community need.

It is envisaged that future contracting arrangements for rail and ferry services will contain similar requirements for analysis of travel demand and demographic trends, community consultation and service reviews to ensure services best meet the needs of commuters and others.