

Project Next: Framework of the Participation Agreement

1. Overview

The National Ticketing Programme (NTP) is based on a New Zealand-wide approach to transport ticketing and payment, involving the co-ordinated participation of multiple regional authorities and government departments to achieve various benefits, including:

- providing a modern, efficient, nationally consistent ticketing solution for all users and providers of public transport, including tourists;
- better economies of scale;
- optimising value for money at national and regional levels;
- avoiding duplication of investment; and
- improving insights into the way people use and travel across the Public Transport network, enabling data insights not available today.

The National Ticketing Solution (NTS) is a technology platform capable of being multi-tenanted by Public Transport Authorities (PTAs), enabling each PTA to:

- implement & manage its own fares policy;
- accept open-loop Contactless payments (based on the Europay, Mastercard and Visa (EMV) standard);
- adopt a modern, account-based approach to ticketing which provides greater flexibility to customise the payment experience;
- provide customers with a consistent and integrated way to pay for regional and inter-regional travel across different modes of public transport across New Zealand;
- have a suite of services available to allow tailored delivery to each region; and
- access and manage customer data where the customer travels over the PTA's network.

The NTS is expected to grow and develop over time (extending wider than PTAs to include private providers) and could set the standard for land transport payments & ticketing in New Zealand for future decades.

1.1 Collaborative nature

A shared system that is capable of being multi-tenanted, by its nature requires a collaborative approach to its procurement, design, implementation, and ongoing operation and development. Modern ticketing systems of this type are complex and are usually a combination of different integrated technology components each enabling different functions or different types of access. As customer, operator, and PTA needs change and as technology changes, choices need to be made to keep systems up to date and operating as needed, and regular open communication and active collaboration create a foundation for success with this.

1.2 Shared services

While the NTS is a shared technology platform, the successful operation of its underlying services will rely heavily on people, processes, and effective relationships with a wide range of stakeholders. Some services will be provided by third party contractors, while others will be provided through a Transport Ticketing & Payments Team (TTP) within the Waka Kotahi the New Zealand Transport Agency (NZTA). This subscription agreement outlines the nature of the

commercial and operating relationships that regional authorities, government departments, and other key stakeholders can expect from the TTP, and to this end a set of design principles that underpin this agreement:

1. A Transport Ticketing & Payments Team (TTP) will be established and funded by the NZTA on behalf of all stakeholders to collect and distribute fares throughout NZ;
2. Governance of the TTP will be collaborative with decisions made by consensus;
3. The TTP may operate from multiple sites;
4. Resourcing of the TTP will draw on capability from Public Transport Authorities (PTAs), seconding staff to the TTP to fill skill gaps and to represent all party's perspectives;
5. The shared services organisation will operate from day one of operations;
6. Shared services will operate on a no cost to PTAs, with costs accruing to the Public Transport Services Account of the National Land Transport Fund;
7. Shared services costs will be transparent, auditable, and avoid cross subsidisation;
8. PTAs will fund (with FAR assistance, as part of their PT Administration budget) any TTP costs associated with their station and vehicle hardware and operating costs;
9. All PTAs should transition as soon as practical taking into consideration developments in the public transport deliverables in their area and the expiration of current ticket delivery contracts;
10. Multiple service delivery tiers will be offered with each PTA taking advantage of the services that they require to effectively operate their Public Transport offering;
11. There will be a single Participation Agreement signed by all parties with separate schedules defining services and any costs specific to that PTA;
12. All risks should be allocated to the party best able to manage that risk;
13. Regional consortium members will make decisions collectively during the establishment phase; and
14. Any new PTA established will be expected to become a party to this agreement.

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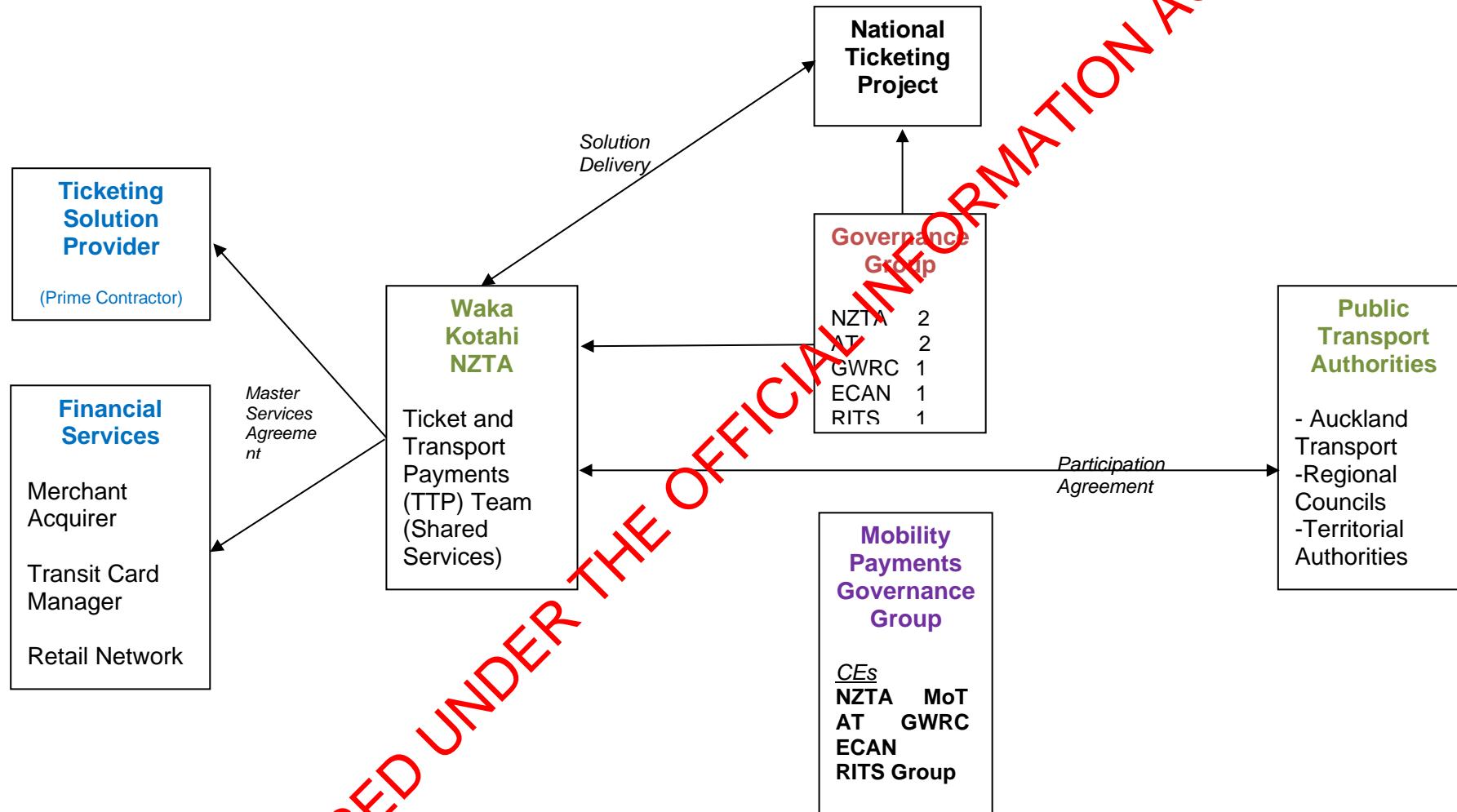
DOING	PROTECTIONS	LIABILITY	TERMINATION	MISCELLANEOUS
<ul style="list-style-type: none"> Relationship to Master Service Agreements (2) <ul style="list-style-type: none"> Explains how Participation Agmt relates to FSMSA and TSMSA including basis on which the services are provided by Service Providers & NZTA Services (3) <ul style="list-style-type: none"> NZTA's agreement to provide the bundled services (including the Financial Services and the use of the Ticketing Solution) Includes core and optional services Transition-in arrangements (4) <ul style="list-style-type: none"> deal with the arrangements for a Participant to commence receiving the services Fees and payment (5) <ul style="list-style-type: none"> payment of Fees (if any) by a Participant to NZTA, and any costs arising due to a Participant transitioning into (or out of) the NTS, how the costs of any changes made to the NTS on a Participant's initiative may be made. 	<ul style="list-style-type: none"> Information and data (6) <ul style="list-style-type: none"> Details haven't been finalized yet. Governance (7) <ul style="list-style-type: none"> Includes arrangements for managing the relationship between Participants and NZTA, and how NZTA will engage with the service providers on the Participants behalf (with the Participants not having a direct relationship with the service providers). Change management process (8) <ul style="list-style-type: none"> managing change, including changes requested by a Participant and changes to the NTS that affect (or may affect) the Participants. Will include a forum for all Participants who receive services to discuss and prioritise change requests, rather than each Participant having to individually request changes. 	<ul style="list-style-type: none"> Liability (11) <ul style="list-style-type: none"> A lot more thinking needs to be done, but NZTA should not be liable to a particular participant until NZTA has obtained the remedy itself from the relevant TSP, FS or other Participant For any claim against a Participant, there would need to be a process to govern how to ensure management of the grievance/claim is understood A risk/reward approach should be taken to liability Enforcing rights (12) <ul style="list-style-type: none"> Specify who the participants can enforce their rights against and how. The Participant's sole right to enforce the terms of the Participation Agreement and any performance issues 	<ul style="list-style-type: none"> Term (1) <ul style="list-style-type: none"> Evergreen Termination (9) <ul style="list-style-type: none"> Deals with the circumstances in which the Participant or the TTP may terminate this Participation Agreement and the processes that would be followed Transition-out (10) <ul style="list-style-type: none"> Deals with the arrangements when a Participant wishes to cease using the NTS or the Participation Agreement is otherwise terminated. 	<ul style="list-style-type: none"> Assignment, novation and change of control (15.1) Costs (15.2) Entire agreement (15.3) Privity of contract (15.4) Notices (15.5) Relationship of the parties (15.6) Severability (15.7) Waiver (15.8) Remedies cumulative (15.9) Counterparts (15.10) Governing law and jurisdictions (15.11)

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| <ul style="list-style-type: none"> • Dispute resolution (13) <ul style="list-style-type: none"> ○ the arrangements for resolving disputes between a Participant/s and the TTP (NZTA) to: <ul style="list-style-type: none"> • ensure that the Participant gets the service it reasonably expects • help limit the points of interaction between the relevant TSP and/or FSP and other customer-side parties, which should help to minimise the cost of managing a dispute and be reflected in the pricing • if the reason for the claim is due to the act or omission of another Participant, ensure that the other Participant is held to account appropriately • use its leverage with the relevant TSP, FSP and/or Participant to get the optimal outcome generally • Escalation process | <ul style="list-style-type: none"> with the National Ticketing Solution will be against the TTP. ○ The Participant will not be entitled to bring any claim relating to the National Ticketing Solution directly against the Ticketing Solution Provider or a Financial Services Provider. The Participation Agreement will set out a process for dealing with disputes (see the Disputes resolution section). • Force majeure <ul style="list-style-type: none"> ○ Standard FM clause |
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Project Next: Governance Structure



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