

DETAILED
RECOMMENDATIONS

Productivity Commission White Paper 2021

Rebooting
the economy

Detailed recommendations



The NSW Productivity Commission has identified **60 opportunities** that can help to reboot productivity growth and deliver long-lasting prosperity for the people of New South Wales. These opportunities span across seven areas:

- Improving our **schools'** ability to provide the quality education that the people of New South Wales need to reach their potential (Chapter 2).
- Ensuring we invest in the right workplace **skills** for a globally competitive and adaptive workforce (Chapter 3).
- **Regulating** in ways that support innovation and competition (Chapter 4).
- Ensuring reliable, sustainable, and productive supply and use of our **water and energy** resources (Chapter 5).
- Modernising our **tax system** to help our economy grow (Chapter 6).
- **Planning** for the housing we want and the jobs we need (Chapter 7).
- Gaining more from our **infrastructure** (Chapter 8).

02 Best-practice teaching to lift school results



RECOMMENDATION 2.1: TREAT TEACHER SUPPLY AND QUALITY AS INVESTMENT

Apply the principles of capital investment to teacher supply and quality, evaluating new and existing initiatives, expenditure, and reforms in cost-benefit terms.

Before 2022, establish a long-term teacher supply strategy, based on cost-benefit principles, including a portfolio of evidence-based measures, and innovative pilot programs with built-in evaluation.

RECOMMENDATION 2.2: BROADEN THE SOURCES OF QUALITY TEACHERS

Design and implement accelerated teaching pathways to increase the supply of quality teachers:

- Pilot employment-based teaching pathways by 2021, targeting urgent teacher shortages in science, technology, engineering, and maths (STEM).
- Implement a program to recruit overseas qualified teachers, with appropriate evaluation and review built in.
- Review the costs and benefits of the requirement for a two-year full-time equivalent master's program for teaching by 2021. Compare it with one-year full-time equivalent pathways.
- Within two years of the review, design and implement alternative accelerated pathways. Put in place regular monitoring and evaluation of teacher uptake and quality.

These measures should eventually form part of the long-term teacher supply strategy described in Recommendation 2.1.

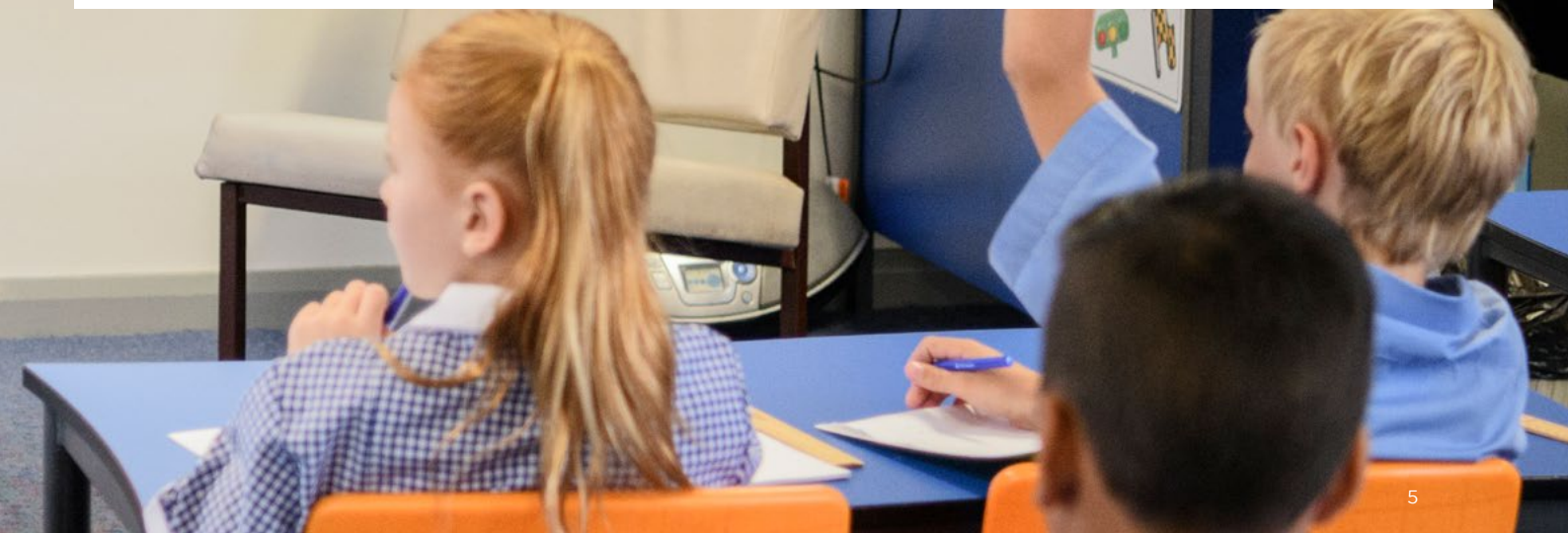
RECOMMENDATION 2.3: SUPPORT BEST-PRACTICE TEACHING

By 2022, require schools to report their annual progress implementing evidence-based best-practice teaching and explain departures from best-practice methods.

By 2022, monitor schools' use of formative assessment practices and have them report on progress annually.

By 2022, develop further state-wide assessment resources to support all schools and teachers to more effectively use data to monitor student progress, and to inform and target teaching practices.

By 2021, the NSW Government should ask the Australian Education Research Organisation to prioritise research on the elements of best-practice teaching for Aboriginal students.



RECOMMENDATION 2.4: IMPROVE TEACHER PERFORMANCE EVALUATION

The Government should require schools to implement systems of classroom observations, including peer-to-peer and supervisor observations, by 2023. Participation by teachers should be a mandatory part of the Performance and Development Framework (PDF).

- The Government should develop and implement a training program and standardised assessment tools to build the classroom observation capabilities of teachers and school leadership.

The Government should require schools to implement robust measures of teacher effectiveness by 2023, including classroom observations, measures of individual teacher 'value-added', and 360-degree feedback from students, school leaders and peers.

The Government should:

- train teachers and supervisors to use these new measures of teacher effectiveness to genuinely support continuous improvement
- develop a blueprint for measuring individual teacher value-added in NSW schools from 2023, including key milestones and timings.

By 2022, the Government should revise the PDF to require the following:

- Teachers should include specific, measurable, achievable, relevant, time-based (SMART) goals related to the Australian Professional Standards for Teachers (Teaching Standards), student outcomes, and best-practice teaching in their Performance and Development Plans.
- Supervisors should explicitly assess performance against the Teaching Standards and SMART goals at the end of each performance cycle. They should be obliged to provide an independent assessment, in writing.
- At least two classroom observations by supervisors should be mandatory each year, with supervisors obliged to observe and provide professional support whenever they deem appropriate for the teacher's development.
- Teachers and supervisors should use individual teacher value-added, classroom observations, and 360-degree feedback in teacher performance assessment.
- A separate PDF for school principals that reflects their unique role and makes them accountable for improving in-school teaching practices.

The Government should make giving and receiving classroom observations a major part of a teacher's professional development requirements. It should comprise at least 50 per cent of the 100 hours required every five years.

The Government should require schools to report annually on the implementation of the new performance measures, with monitoring to inform the support provided to schools.

RECOMMENDATION 2.5: CREATE A CENTRE FOR TEACHING EXCELLENCE

Establish a public-facing Centre for Teaching Excellence within the NSW Department of Education by 2021, to be led by a Commissioner for Teaching Excellence and staffed with high-performing teachers, to:

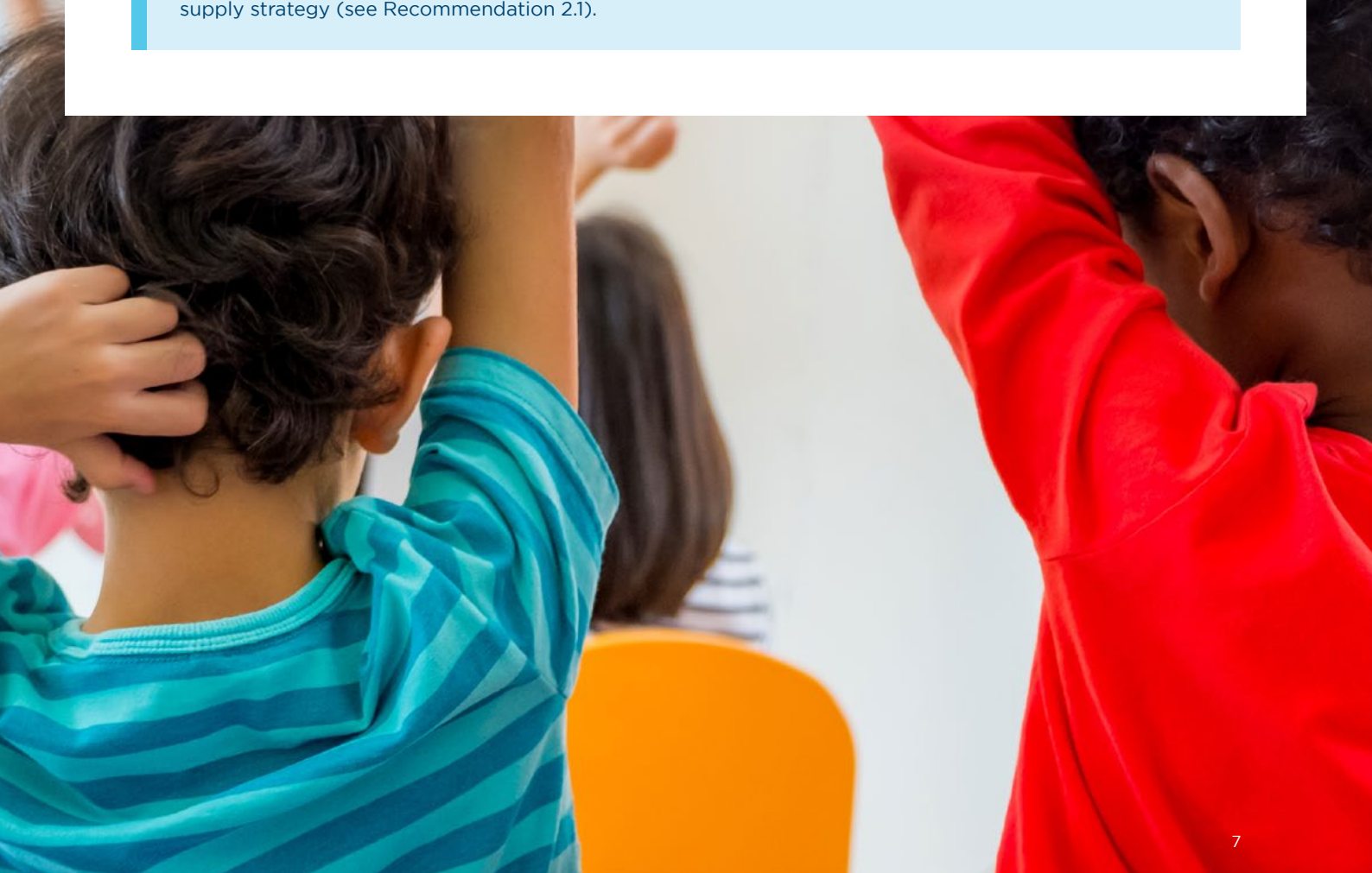
- Be publicly accountable for leading improved teaching quality across the system.
- Champion, train and support schools and individual teachers with resources to implement best-practice teaching methods, measures of teacher effectiveness, and systems of continuous improvement, including classroom observations (as outlined in Recommendations 2.3–2.4).
- Hold schools accountable for their progress implementing best-practice teaching and administering their reporting requirements (as outlined in Recommendations 2.3–2.4).
- Provide an institutional hub for a new instructional lead teacher pathway (as outlined in Recommendation 2.6).

RECOMMENDATION 2.6: HELP GOOD TEACHERS KEEP TEACHING

Develop an ‘instructional lead’ career pathway for highly effective teachers as an alternative to an administrative career progression. Highly effective teachers should be identified using a suite of robust measures, as outlined in Recommendation 2.4.

Evaluate uptake, rollout, and effectiveness of these new pathways against implementation key performance indicators, with one instructional lead teacher in every school within three years.

Leverage instructional lead teachers to spread best practice across the school system through a Centre for Teaching Excellence (see Recommendation 2.5). Incorporate these teachers into a long-term teacher supply strategy (see Recommendation 2.1).



03 | A modern VET system to deliver the skills we need



RECOMMENDATION 3.1: CONTINUE TO PROVIDE TARGETED WORKFORCE SUPPORT TO PROMOTE ECONOMIC RECOVERY

Continue the rollout of an 'earn or learn' strategy to reskill and upskill workers in priority skill areas.

Draw on the lessons of NSW JobTrainer in pursuing longer-term vocational education and training (VET) reform.

RECOMMENDATION 3.2: BUILD MORE PATHWAYS TO THE TRADES

Introduce at least two new and more flexible pathways to trades qualifications: one for HSC holders (two years or less), and one for mature-aged workers and women (18 months or less).

- Give registered training organisations incentives to develop more flexible modes of course delivery, including after-hours learning and short intensive periods of full-time study.
- Continue rolling out the Trades Skills Pathways Centre to develop and implement new training pathways, starting in the construction sector.
- Regulate to allow employment of unqualified juniors (those below 21 years of age) in a recognised trade vocation outside an apprenticeship model.
- Endorse a marketing campaign to raise the profile and awareness of new trades pathways.
- Extend government incentives and support to achieve neutrality between apprenticeship and non-apprenticeship pathways.

RECOMMENDATION 3.3: TARGET VET SUBSIDIES BETTER, AND ENCOURAGE HIGHER QUALITY

Target VET subsidies more effectively by using labour market data and National Skills Commission expertise to identify skills the economy will need.

Capture and publish data from Smart and Skilled student feedback on training provider quality, employment outcomes and overall student experience.

Redirect funding to courses with demonstrated value to industry, in skills shortage areas.

RECOMMENDATION 3.4: ENCOURAGE MICRO-CREDENTIALS

Extend Smart and Skilled program subsidies to targeted short courses and micro-credentials that provide discrete skills which employers recognise and value.

- Use economic and industry data to identify high value micro-credentials to fund.
- Prioritise courses that have better evidence of employer trust and recognition, high-quality assessment, and alignment with the Australian Qualifications Framework (AQF).
- Use a risk-management approach to funding, with the capacity to quickly freeze or withdraw funding if problems are identified.

Support the development of voluntary systems of trust and recognition for micro-credentials with, for example, alignment to AQF levels or the adoption of 'credit points' standards.

04 | Forward-looking regulation supports competition and innovation



RECOMMENDATION 4.1: TEST OUR COVID-19 REGULATORY EXPERIMENTS

Evaluate the success of the extended COVID-19 regulatory changes and retain them unless it can be shown there is no net public benefit.

RECOMMENDATION 4.2: AUTOMATICALLY RECOGNISE OCCUPATIONAL LICENCES FROM OTHER JURISDICTIONS

Pursue automatic mutual recognition to help overcome NSW skills shortages.

RECOMMENDATION 4.3: PROMOTE MORE FLEXIBLE RULES FOR THE USE OF DRONES

Work with the Commonwealth regulator to support greater take-up of drones in industry, beginning with the agricultural sector.

RECOMMENDATION 4.4: REGULATE TO LET PERSONAL MOBILITY DEVICES AND E-BIKES FULFIL THEIR POTENTIAL

Revise laws to support use of personal mobility devices and electric bikes in an appropriate regulatory environment that manages safety risks.

RECOMMENDATION 4.5: UPDATE AND MODERNISE RULES

Amend legislation to remove outdated regulatory requirements.

Wherever possible, translate prescriptive rules to code and make them accessible.

RECOMMENDATION 4.6: REVIEW MINIMUM QUALIFICATION STANDARDS AND MANDATORY CONTINUING PROFESSIONAL DEVELOPMENT REQUIREMENTS

Review all regulatory requirements that set minimum qualification standards and mandate continuing professional development. Reform requirements where the costs outweigh the benefits.

RECOMMENDATION 4.7: USE NEGATIVE LICENSING

Remove the requirement for prior approval and adopt negative licensing for a number of low-risk home building trade occupations.

RECOMMENDATION 4.8: HAVE THE COMMISSION ASSESS PHARMACY ALTERNATIVES

Have the NSW Productivity Commission review options to make better use of pharmacists' skills, over-the-counter medicine scheduling arrangements and pharmacy ownership regulation.

Assess whether current arrangements are best placed to manage harm at least cost to the community and identify options that may improve community welfare.

RECOMMENDATION 4.9: EVALUATE NEW SOUTH WALES CHILDCARE REQUIREMENTS

Evaluate the costs and benefits of NSW childcare regulatory requirements that differ from national staff ratio and qualification requirements.

RECOMMENDATION 4.10: REVIEW CURRENT RESTRICTIONS ON THE RETAIL SALE OF PACKAGED ALCOHOL

Review the restrictions on supermarkets and other retailers selling packaged alcohol for off-premises consumption.

RECOMMENDATION 4.11: REVIEW RICE VESTING EXPORT ARRANGEMENTS TO DETERMINE IF THEY PROVIDE A NET PUBLIC BENEFIT

Complete the 2021 Review of Rice Vesting Proclamation. Allow the rice vesting export arrangement to expire unless it is shown to deliver a net public benefit.

RECOMMENDATION 4.12: END SEPARATE STATE RESTRICTIONS ON GENETICALLY MODIFIED CROPS

Allow the *Gene Technology (GM Crop Moratorium) Act 2003* (NSW) to expire in 2021.



RECOMMENDATION 4.13: REVIEW NSW'S RAIL ACCESS REGIME

Have IPART review the NSW Rail Access Undertaking, including its interaction with the national rail access regime.

RECOMMENDATION 4.14: UPDATE COMPETITIVE NEUTRALITY POLICY

Have IPART update the NSW Government's competitive neutrality policy and processes.

RECOMMENDATION 4.15: MAKE E-CONVEYANCING INTEROPERABLE

Support the implementation of interoperability in the NSW e-conveyancing market as a matter of urgency.

RECOMMENDATION 4.16: IMPROVE LOCAL GOVERNMENT INFORMATION AND COLLABORATION

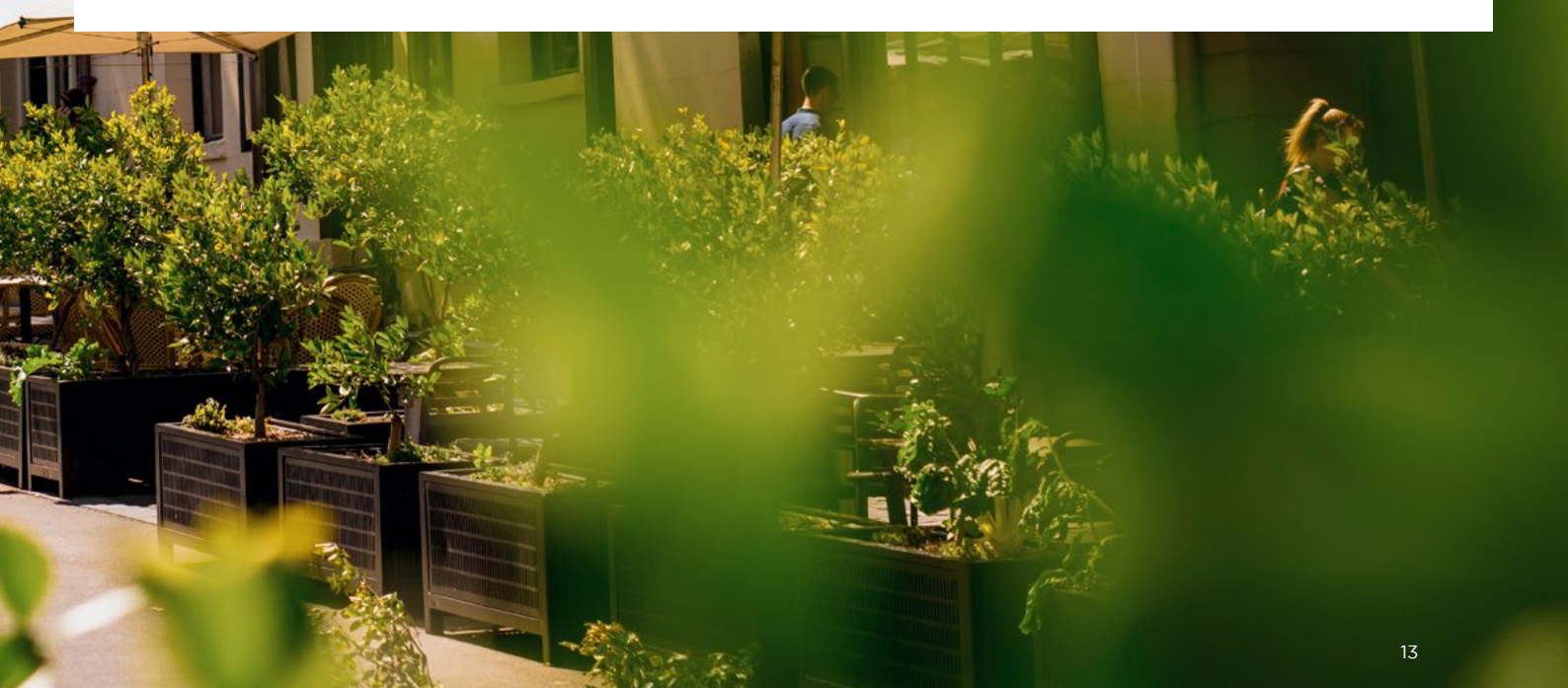
Improve regulatory practices in local government by expanding the scope of the 'Your Council Website' to include information on regulatory arrangements, fees, and charges across local councils.

Encourage greater regulatory collaboration between State Government regulators and local councils in areas including planning, building and environmental regulation.

RECOMMENDATION 4.17: INTRODUCE AN ADAPTABLE AND FORWARD-LOOKING REGULATORY FRAMEWORK

Create a best-practice regulatory policy framework, with regulatory stewardship as the cornerstone, to promote rigorous and transparent impact assessments and improve regulator performance.

Remove the five-year staged repeal provisions under the *Subordinate Legislation Act 1989* or, at a minimum, extend the lifespan of subordinate legislation from five to 10 years.



05 Meet the challenge of reliable, well-priced water and energy



WATER

RECOMMENDATION 5.1: SET A VISION AND A PLAN FOR WATER

Outline the long-term vision for the whole water sector (including rural water, wastewater, stormwater, flood management) and develop a plan to meet the challenges facing the sector.

As part of each metropolitan and regional water strategy, identify the most cost effective and welfare maximising options for meeting the water needs of each place over the long run (consistent with asset life), considering all options (including infrastructure and non-infrastructure, centralised and decentralised).

RECOMMENDATION 5.2: ISSUE STATEMENTS OF EXPECTATIONS

Issue Statements of Expectations to state owned water corporations to provide clear guidance on the Government's plans and direction for the water sector.

RECOMMENDATION 5.3: FIGHT FRAGMENTATION IN NSW WATER SERVICES

Bring together leaders from all key NSW water sector organisations to coordinate and deliver the vision outlined in the State, Metropolitan, and Regional water strategies.

Identify more permanent governance measures to solve the fragmentation of water responsibilities across New South Wales.

Draw on the experience of the Infrastructure NSW South Creek Sector Review to identify other areas in New South Wales that would benefit from integrated land use and water planning and management.

RECOMMENDATION 5.4: ENGAGE ON WATER RECYCLING

Coordinate with state owned water corporations and local water utilities to develop and implement a public engagement program for purified recycled water for drinking.

Work with utilities to explore investment in demonstration plants to help NSW communities to understand the water cycle and build trust in purification technology.

RECOMMENDATION 5.5: ASSESS ALTERNATIVES FOR LOCAL WATER UTILITIES

Work with local water utilities to identify and adopt more efficient operating models for regional water provision.

Design and implement a needs based funding model that encourages efficient operation and gives regional communities a more secure water supply.

RECOMMENDATION 5.6: MONITOR AND REFINE SCARCITY PRICING

As part of the Greater Sydney Water Strategy, consider the full range of demand management options, including any role that price signals might play.

Identify and evaluate innovative pricing models that might reduce our reliance on water restrictions, drawing on public engagement to better understand barriers to their use.

RECOMMENDATION 5.7: REVIEW AND IMPROVE BASIX

Evaluate the water component of the Building Sustainability Index (BASIX) scheme against alternative policies, including an 'informed choice' based system and a catchment-specific or precinct-based integrated water cycle management approach. Implement changes to the program based on the results of the evaluation.

Dictate in the Design and Place State Environmental Planning Policy and *Apartment Design Guide* that applications cannot be rejected because of alternative water sources or rainwater retention and reuse unless:

- they have been informed by a catchment-level integrated water management plan that sets out how the sources will be managed and funded in the long run
- the cost of the inclusion can be shown to be approximately offset by reductions to infrastructure contributions and charges for water services, reflecting the benefits of those sources.

ENERGY

RECOMMENDATION 5.8: POLICY FOR THE NATIONAL ELECTRICITY MARKET

Policy interventions for the NSW region of the National Electricity Market should be developed and implemented through the NEM's governance structure.

Any NSW Government intervention in the system should first:

- establish a clear justification
- show that NEM governance will not resolve the problem
- be subject to rigorous cost benefit analysis that demonstrates value for money of the solution and superiority to alternative options
- incorporate detailed and transparent stakeholder consultation.

RECOMMENDATION 5.9: INVOKING THE ELECTRICITY INFRASTRUCTURE SAFEGUARD

Long-term energy service agreements should only be entered into subject to:

- private allocation of risk and no assumption of losses by taxpayers
- rigorous and published cost benefit analysis demonstrating net benefits to energy consumers and the NSW economy, with outcomes verified and reported on an ongoing basis
- transparent stakeholder engagement to ensure implications are understood.

RECOMMENDATION 5.10: REDEFINE THE ENERGY SECURITY TARGET

The Energy Security Target should be defined in like terms to the national generation reliability standard. If the Target imposes a higher standard, it should be demonstrated as consistent with consumer willingness to pay. If not, the national standard should be adopted in its place.

RECOMMENDATION 5.11: VALUE FOR MONEY LONG-DURATION STORAGE

The NSW Government should require long-duration storage projects demonstrate value for money through independently audited cost benefit analyses that account for their social, environmental, and market impacts. These should be made public.

RECOMMENDATION 5.12: LIFTING THE BAN ON NUCLEAR ELECTRICITY GENERATION

Propose the national ban on nuclear generation be lifted for small modular reactors that satisfy safety conditions.

RECOMMENDATION 5.13: EXPLORE ELECTRICITY PRICING THAT FULLY REFLECT COSTS

Evaluate the expedited rollout of smart meters to all consumers and for mandatory cost-reflective electricity pricing.

RECOMMENDATION 5.14: EFFICIENT LAND USE AND DEMAND MANAGEMENT

Revise the NSW Gas Plan, including a demand management strategy for gas.

Review the Strategic Regional Land Use Policy and Strategic Release Framework to ensure they reflect competitive neutrality and maximise benefits of land use.

RECOMMENDATION 5.15: ACHIEVING NET ZERO EMISSIONS

Establish an economic review into the NSW Government's net zero emissions by 2050 target to report on cost effective policies to deliver on the commitment.

RECOMMENDATION 5.16: RATIONALISE ENERGY REGULATION

Review responsibilities for regulating the energy sector across NSW Government, with consideration to establishing a single regulator to perform these functions.

RECOMMENDATION 5.17: IMPROVE AND RATIONALISE ENERGY REBATES

Improve the efficiency of energy rebates by incorporating them into the *Government Made Easy: Tell Us Once* initiative.

Review the suite of rebate and assistance measures with a view to consolidating their number and better targeting those most in need.

06 | A better mix of state and local taxes will encourage growth



RECOMMENDATION 6.1: SET OUT A PROGRAM TO MOVE TO EFFICIENT STATE TAXES

Replace the State's least efficient taxes with more efficient ones. Start by replacing stamp duty with a broad-based property tax. Consult widely with stakeholders and community members on the implementation of this reform. Then replace other inefficient taxes in order of economic burden. For any replacement tax, identify:

- how various designs will improve the economy and the State Budget
- how to implement the new tax while minimising the adverse impacts on various groups.

Work with the Commonwealth Government to ensure that federal financial arrangements encourage states to undertake productivity-boosting reform.

RECOMMENDATION 6.2: REFORMING THE PAYROLL TAX SYSTEM

Propose, to the Board of Treasurers, the establishment of a single payroll tax coordination body. This body would develop a consistent approach to payroll tax administration across all states and territories. Individual jurisdictions would still be able to set their own payroll tax thresholds and rates.

Investigate the extent to which startups contribute to sustained new employment in the economy.

Identify options to alleviate the impact on startups from payroll tax for the first five years of operation.

RECOMMENDATION 6.3: ABOLISH MOTOR VEHICLE DUTY AND REPLACE WITH A ROAD USER CHARGE FOR ELIGIBLE ELECTRIC VEHICLES

As soon as practicable, introduce a distance-based road user charge (RUC) for eligible battery electric and plug-in electric hybrid vehicles (eligible EVs) of 1.5 cents per kilometre. At the same time, abolish motor vehicle duty for these vehicles.

Phase-in the RUC so that it is set at a rate of 6 cents per kilometre in today's terms so that it addresses the excise and motor vehicle duty revenue shortfall without materially impacting the uptake of eligible EVs.

RECOMMENDATION 6.4: REFORM SYSTEMS FOR RATE SETTING AND INFRASTRUCTURE CONTRIBUTIONS

Implement Recommendation 3.1 of the *Review of Infrastructure Contributions* (local government rate peg reform). This will allow councils' general income to increase with population, letting them meet the needs of a larger population.

Once this is in place, and if funding is still insufficient, the NSW Government should permit councils to hold local plebiscites within four years, to test support for abolishing the rate peg.

07 | Planning for the housing we want and the jobs we need



RECOMMENDATION 7.1: IMPROVE HOUSING SUPPLY POLICY

Introduce an Urban Development Program that monitors and reports on unmet housing demand, capacity for growth, and alignment with Government objectives (such as a '30-minute city').

Establish a whole-of-government housing supply council to advise on housing targets.

Identify and report 5-, 10- and 20-year housing targets by local government area based on a standard method, drawing on the Department of Planning, Industry and Environment's Urban Development Program and Urban Feasibility Model.

Develop and implement a system of incentives to encourage all local governments to deliver on housing targets.

RECOMMENDATION 7.2: BUILDING BETTER DESIGN REGULATION

Evaluate prescriptions in the proposed Design and Place State Environmental Planning Policy (SEPP) in a detailed Better Regulation Statement to both identify where regulation is justified and ensure it applies proportionate responses, including non-regulatory approaches wherever possible.

Draft the SEPP and *Apartment Design Guide* to:

- Include the regulations where benefits to society are greater than the costs.
- Outline the principles that councils should use to guide their implementation of the standards, where flexibility is needed.
- Specify to councils what characteristics should not be subject to regulation (whether through development control plans or development assessment).
- Encourage councils to investigate non-regulatory alternatives, such as providing financial incentives to developers or co-investment to achieve mutually beneficial objectives.

Retain the cap on parking requirements in the *Apartment Design Guide* and review the *Guide to Traffic Generating Developments* to ensure it reflects current and anticipated future travel behaviour and the best approach to traffic management.



RECOMMENDATION 7.3: CUT NSW PLANNING'S ASSESSMENT GAP

In developing the Design and Place SEPP, work with industry to address concerns with the operation of design panels.

By 2023, deliver an end-to-end review of the NSW planning system relative to other jurisdictions, and use this process to identify drivers of delay and uncertainty in planning processes.

By 2025, implement measures to address the drivers of delay and uncertainty, and bring New South Wales in line with best-practice.

RECOMMENDATION 7.4: CONSOLIDATE EMPLOYMENT ZONES

Progress reforms to employment zones, including the following:

- Rationalise existing business and industrial zones in the Standard Instrument Local Environmental Plan to reduce the number of zones.
- Broaden the range of permissible activities to ensure prescriptions are reserved for genuinely incompatible land uses.

Progress reforms to expand complying development assessment pathways.

RECOMMENDATION 7.5: OPTIMISE INDUSTRIAL LAND USE

Evaluate the retain-and-manage approach to managing industrial and urban services land in Greater Sydney against alternative approaches, to identify what would maximise net benefits to the State.

Adopt the approach that maximises the State's welfare in the next update to the Greater Sydney Region Plan.

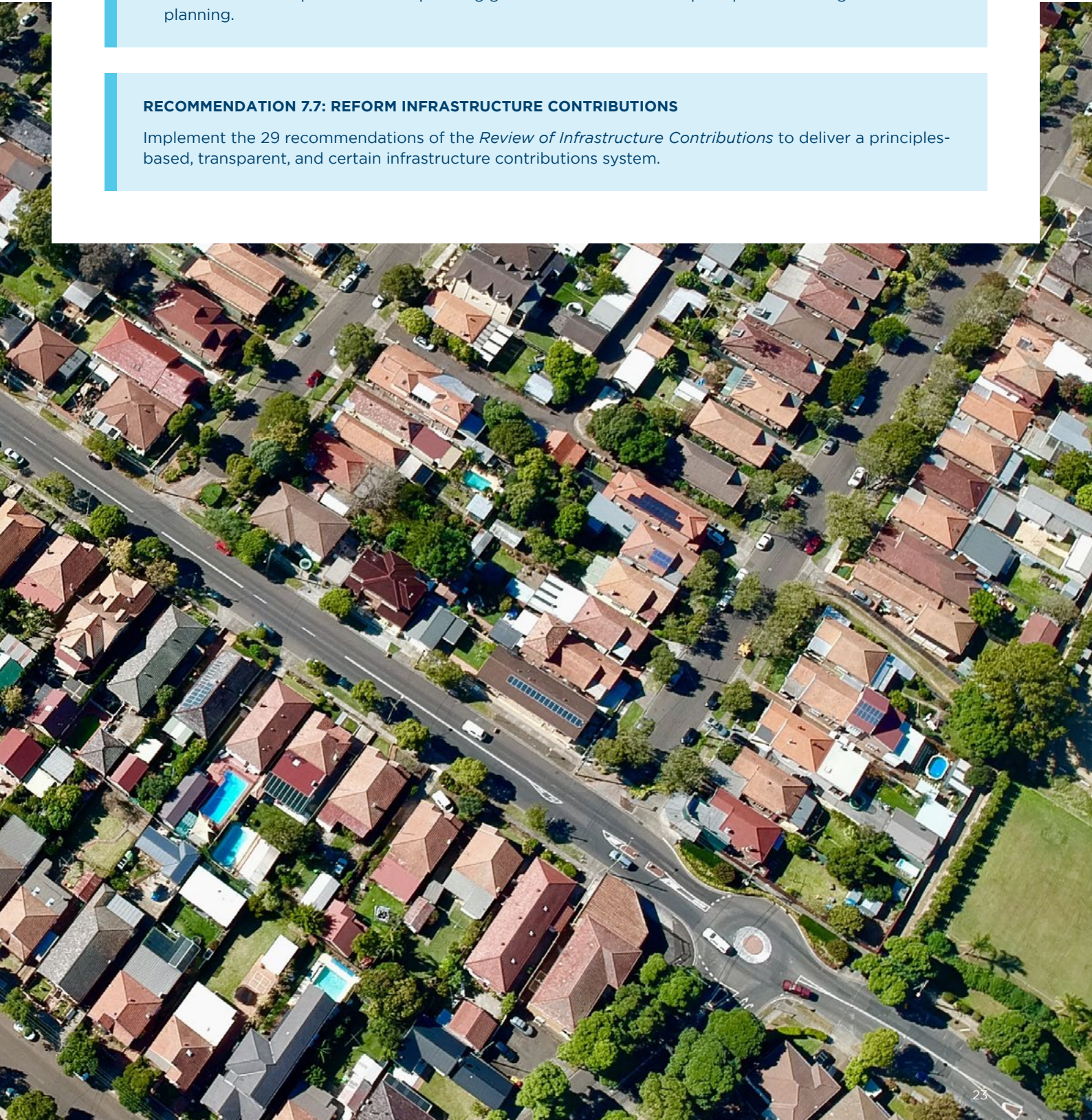
RECOMMENDATION 7.6: MAKE THE MOST OF OUR OPEN AND GREEN SPACE

Progress development of:

- a consistent approach to measuring benefits to community welfare from the provision of open and green space
- evidence-based options for incorporating green infrastructure and open space in strategic land use planning.

RECOMMENDATION 7.7: REFORM INFRASTRUCTURE CONTRIBUTIONS

Implement the 29 recommendations of the *Review of Infrastructure Contributions* to deliver a principles-based, transparent, and certain infrastructure contributions system.



08 | Smarter infrastructure will support jobs and communities



RECOMMENDATION 8.1: DELIVER HOUSING WHERE THERE IS TRANSPORT CAPACITY

Change planning controls to enable more housing and business activity within reasonable walking distance of transport hubs on underutilised corridors.

RECOMMENDATION 8.2: PUBLICLY JUSTIFY INFRASTRUCTURE SPENDING

Require Infrastructure NSW publish, within one week of agencies' announcement of Tier 1 and Tier 2 projects, Gate 0 Justification and Gate 1 Strategic reports (redacted only for information where it is in the public interest), including:

- strategic benefit cost ratios for all assessed options for meeting the identified service need
- clear justification in the event the option with the highest benefit cost ratio is not adopted as the preferred solution.

To further increase the transparency of spending priorities:

- Release Gate 2 Business Cases, redacted only for commercially sensitive information.
- Have Infrastructure NSW publish its five-yearly infrastructure plan, including a prioritised list of new and updated capital funding requests, at the time of the Budget.
- Justify in the Budget where investment decisions do not align with the Infrastructure NSW prioritised list.

RECOMMENDATION 8.3: MAKE EVALUATION A PRIORITY

Require business cases comply with the NSW Government Business Case Guidelines, including funding for post-implementation evaluation, when Cabinet makes its investment decision.

RECOMMENDATION 8.4: ADDRESS CONGESTION BY IMPROVING USE OF EXISTING INFRASTRUCTURE

As a first response, investigate a package of light-touch options to reduce congestion. This should include measures that promote good driving behaviour, encourage off-peak travel and make targeted investments at specific congestion pinch points.

No later than three years following implementation comprehensively assess reductions in congestion and broader impacts on transport networks.

Contingent on evaluation of the package of light-touch interventions conduct a Gate 1 strategic assessment for cordon charging in the Sydney CBD and other congestion hotspots.

RECOMMENDATION 8.5: REVIEW OPAL FARES

Subject to IPART review, restructure Opal fares to reflect the cost of trips, including peak capacity and distance travelled. Simplify and re-target the concession system. Make fares more efficient and reflective of need:

- reduce the number of concession classes
- increase incentives for off-peak travel
- ensure that discounted fares target those who most need them.