



# Cabinet Submission

**Title** Establishment of a Transport Asset Holding Entity

**Minister** The Hon. Andrew Constance MP  
Minister for Transport and Infrastructure  
The Hon. Gladys Berejiklian MP  
Treasurer

**Cluster** Transport, Treasury

**Date of submission** May 2016

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**Status**

**Relationship to previous decisions** SC0056-2015, '2015-16 Budget: Transport Asset Holding Entity' (ERC paper)  
SC0158-2016, 'Newcastle Integrated Services Franchise' (ERC paper)

**Result of consultation**

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**Priority** A

**Financial impact** Yes

**Legislative change** Yes

**Regulatory impact** No impact

**Submission type** Policy

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**Contacts**

# 1 Recommendations

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It is recommended that Cabinet:

- i) **approve** the establishment of a Transport Asset Holding Entity (TAHE) to hold, manage and maintain transport assets, and provide access to or lease those assets to transport operators;
- ii) **approve** the TAHE becoming a commercial entity from 1 July 2018 (or other date determined by the Government) as a State Owned Corporation (SOC) with an independent board;
- iii) **approve** the transfer of identified public transport assets into the TAHE;
- iv) **approve** preparation of a Bill to implement the above, which is proposed to be introduced with and cognate to the 2016-17 Budget Bills;
- v) **approve** the provision from 1 July 2018 onwards of additional funding (expected to be approximately \$800 million per annum) to the public transport operators to enable them to pay a commercial rate to TAHE for use of, or access to, the assets;
- vi) **note** that this proposal creates positive Budget impacts through the reclassification of investment in infrastructure as equity injections rather than expenses; and that the Budget impact of this proposal was \$1.8 billion in 2015-16 and is forecast to be \$6.8 billion over the forward estimates;
- vii) **approve** that the Bill will also amend the *Transport Administration Act 1988* to:
  - a. establish Sydney Trains and NSW Trains as (non-commercial) stand-alone entities within the Transport Cluster, rather than as subsidiaries of Railcorp;
  - b. include amendments to support the Newcastle Integrated Services Franchise; and
  - c. make consequential amendments to other legislation.

## 2 Executive summary

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- 2.1 On 6 May 2015, the Expenditure Review Committee of Cabinet approved the establishment of a commercial Transport Asset Holding Entity (TAHE).
- 2.2 The TAHE will hold \$24 billion of assets in tranche 1 and ultimately may hold up to \$40 billion of public transport assets, including:
  - a. rail infrastructure, including track and stations;
  - b. rail fleet; and
  - c. bus and ferry fleet.
- 2.3 The TAHE will hold, manage and maintain those assets, and provide access to them or lease them out on a commercial basis to public transport operators such as Sydney Trains, NSW Trains and private operators. These entities will be funded by the NSW Government to cover the costs of leasing or accessing the assets. In turn, TAHE will pay a dividend to the NSW Government.
- 2.4 The TAHE will be established on a commercial basis and therefore classified as a public non-financial corporation by the Australian Bureau of Statistics (ABS). The effect of ABS classifying the TAHE as a commercial entity is to create positive Budget impacts through the reclassification of investment in infrastructure as equity injections from the NSW Government rather than as a capital expense. The Budget impact of this proposal is significant.

- 2.5 In order to achieve this classification the TAHE must be commercial and independent. It is therefore proposed that a Bill be drafted to establish TAHE as a State Owned Corporation (SOC) with an independent board, under the *State Owned Corporations Act 1989*. It would become a SOC from 1 July 2018.
- 2.6 Sydney Trains and NSW Trains do not currently pay anything for use of the assets. To allow them to pay a commercial rate to TAHE, the Budget will need to provide an additional \$800 million per annum of funding to public transport operators. In turn, it is intended that TAHE should return the majority of this \$800 million per annum to Government as dividends, producing no material effect on the Budget from this injection of money.
- 2.7 In addition, equity injections will be provided directly from the NSW Government to the TAHE for capital works. These monies will no longer appear in the Budget as capital expenses, improving the Budget position. A flow of funds diagram is at Attachment B.
- 2.8 TAHE will also provide access to rail track and other infrastructure assets to private operators such as freight rail operators at a commercial rate. These parties do currently pay for access and have existing contractual arrangements with Railcorp, TfNSW or other government agencies.
- 2.9 The positive Budget impacts have been incorporated in the Budget since 2015-16, as the ABS has allowed relevant assets to be suitably classified now, as long as an agreed timeline to full implementation is met (**Attachment C**). This timeline includes legislation by 1 July 2016. It is proposed that the Bill be introduced with, and cognate to, the 2016-17 Budget Bills.
- 2.10 In addition, some ancillary changes to the *Transport Administration Act 1988* will also be made in the Bill:
- Sydney Trains and NSW Trains will be included in the Transport Administration Act as (non-commercial) stand-alone entities within the Transport Cluster, rather than existing as subsidiaries of Railcorp as now;
  - amendments are required to support the Newcastle Integrated Services Franchise; and consequential amendments to other legislation.
- 2.11 There are a number of significant risks relating to the creation of the TAHE, including:
- An independent board takes a different view of investment priorities from the NSW Government.
  - There are safety risks if maintenance of metropolitan rail track is separated from operations.
  - An independent, commercial board may wish to charge commercial rates to all operators including those, such as grain handlers, who currently pay less than a full commercial rate for rail access as a matter of NSW Government policy.
  - An independent board may choose not to pay out all its income as dividends to NSW Government, resulting in additional expenses to the Budget.
- 2.12 Risks and mitigations are discussed in more detail at Section 5.

### 3 Proposal

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- 3.1 Grants currently paid to Railcorp and other agencies for investment in public transport infrastructure have in the past appeared on the Budget as an expense. By holding public transport assets in an independent, commercial entity, these expenses can be reclassified in the Budget as a capital investment.
- 3.2 The NSW Government has worked with the Australian Bureau of Statistics to construct the proposed TAHE so that it may be classified as a public non-financial corporation. The effect of this classification is to create a positive Budget impact of \$1.8 billion in 2015-16 and is forecast to be \$6.8 billion over the forward estimates. There is no net change in underlying financial position, it is purely a reclassification of Budget expenses that, in effect, moves them to an off-Budget entity.
- 3.3 The ABS has allowed the classification to proceed immediately even though the TAHE has yet to be established, as long as an agreed timeline is met, including:
  - Legislation by 1 July 2016, and
  - An independent, commercial board from 1 July 2018.
- 3.4 As a result, the positive Budget benefit was included in the 2015-16 Budget and is expected to be included in future Budgets.

#### The Transport Asset Holding Entity

- 3.5 A new TAHE corporation will be established from 1 July 2016 to hold, manage and maintain transport assets, and provide access to or lease those assets to transport operators.
- 3.6 Up to 30 June 2018, this corporation will be a statutory authority subject to control by Transport for NSW. As of 1 July 2018, it will be constituted as a State Owned Corporation (SOC) with an independent board under the *State Owned Corporations Act 1989*.
- 3.7 It is proposed that most public transport assets (including rail, bus, ferry and light rail) will be transferred into the TAHE over the period to 2019. Road assets are not included. It is important to note that some public transport assets will not be suitable to be transferred, for example, cross-border leases or where a PPP contract would need to be re-negotiated.
- 3.8 TAHE will provide access to or use of the assets such as the rail track and rail fleet to the public transport operators and third parties (eg. freight operators) at commercial rates. A proposed structure diagram is included in **Attachment A**.
- 3.9 Public transport operators such as Sydney Trains and NSW Trains currently do not pay for the use of, or access to, these assets. They will need to be funded by the Government approximately \$800 million per annum to cover the costs of leasing or accessing the assets.
- 3.10 Private operators who require access to the rail track, ferry wharves or other assets, currently do so under contract for a fee. This will continue, although TAHE may choose to negotiate different prices from time to time.
- 3.11 In addition, the Budget will provide the existing program of monies for capital works direct to TAHE, either as cash for capital projects or alternatively, TfNSW may construct the projects itself and then transfer them into TAHE. In either case, as described previously, these monies will now appear in the Budget not as an expense, but as a capital investment.

- 3.12 TAHE would pay the monies it receives (minus any costs) as a dividend to the NSW Government. It is intended that the additional \$800 million per annum in funding required from the Budget will return to the Budget, for no material net impact. A proposed flow of funds diagram is included in **Attachment B**.
- 3.13 TAHE does not intend to be an operator or have responsibility for operations. It will not have network control functions. It is solely an asset manager, responsible for acquiring, holding and maintaining assets; and providing access to them or leasing them out to public transport and commercial operators on a commercial basis. It is intended that TfNSW would continue to drive strategic decisions about use of transport assets, as well as procurement and maintenance, in conjunction with other agencies, as now.
- 3.14 Sydney Trains and NSW TrainLink will continue to operate but will lease assets from TAHE and obtain access to rail track from TAHE rather than Railcorp.

### **Governance**

3.15 The proposed commercial TAHE governance arrangements are below:

- The portfolio Minister will be the Minister for Transport and Infrastructure
  - The TAHE would be subject to the standard, limited powers of direction and control for a SOC by the Minister for Transport and Infrastructure
  - The Minister for Transport and Infrastructure and the Treasurer would be the voting shareholders of TAHE
  - The TAHE will have a Chief Executive and a Board of Directors. The Board of Directors will be majority independent and appointed by the Treasurer and Minister for Transport and Infrastructure as voting shareholders.
  - The day to day management or operation of TAHE will be overseen by the Chief Executive in accordance with policies and directions set by the Board.
  - The Board will be independent and required to operate on commercial principles.
- 3.16 The objectives of the TAHE would be those of a standard statutory SOC as set out in the SOC Act together with an additional objective to undertake its activities in a safe and reliable manner.
- 3.17 The TAHE may pursue commercial opportunities with the private sector to the extent they do not conflict with existing contractual arrangements, government policy or ministerial direction.
- 3.18 As a SOC, TAHE will be a commercial entity subject to limited direction in how it pursues its objectives and functions. However, the Bill will provide that TAHE functions may only be exercised under the authority of an Operating Licence with the Government.
- 3.19 That Operating Licence could provide for more detailed requirements about pricing regime or structure relating to assets made available by TAHE, access to assets, safety integrity, transport services it is permitted or not allowed to operate, capital works programs, procurement and maintenance or maintenance outsourcing.
- 3.20 The details of the Operating Licence will continue to be developed by TfNSW and Treasury between now and 1 July 2018.
- 3.21 After 1 July 2018, when TAHE has an independent commercial board, it will make its own independent decisions about dividend payments (subject to the powers of the

Treasurer under the Public Finance and Audit Act and the SOC Act). It is possible that the board will choose not to pay out 100% of its earnings as dividends, for example, it may decide to increase staffing or to retain some cash reserves.

- 3.22 There is, therefore, a risk that some of the additional \$800 million budget funding may not return to the State as dividends.
- 3.23 Pricing decisions, in particular rail operator access charges, will be made by the TAHE with reference to IPART and the NSW rail access regime, as well as any Ministerial pricing policies under the operating licence.
- 3.24 Public transport fares are not affected by this arrangement as they are set by the operators and the Minister for Transport and Infrastructure.

#### **ABS Indicative Feedback on Commercial PTE Classification**

- 3.25 The ABS has made a preliminary determination that the TAHE will be classified as a commercial entity (technically a public non-financial corporation).
- 3.26 The ABS has advised that, in order to achieve this classification the TAHE must operate:
  - 3.26.1. As a separate institutional unit (the NSW Government will have limited intervention powers)
  - 3.26.2. To recover a significant portion of its production costs
  - 3.26.3. To charge an economically significant price
  - 3.26.4. To receive only limited subsidies from the NSW Government.

#### **Legislative changes**

- 3.27 A Bill to establish TAHE is proposed. A draft has been prepared by Parliamentary Counsel and is being consulted on with key stakeholders within NSW Government.
- 3.28 If Cabinet approves the preparation of a Bill, it is proposed that it be introduced with, and cognate to, the 2016-17 Budget Bills in June.

#### **Implementation**

- 3.29 The implementation timetable provided to ABS is at **Attachment C**.
- 3.30 It is proposed that most public transport assets (including rail, bus, ferry and light rail) would be transferred into the TAHE over the period 2016-19. Road assets are not included. The first tranche of \$24 billion of assets is set out at **Attachment D**.
  - 3.30.1. Some public transport assets will not be suitable to be transferred, for example, cross-border leases or where a PPP contract would need to be re-negotiated.

#### **Other amendments**

- 3.31 Some ancillary changes to the *Transport Administration Act 1988* would also be made in the Bill.
- 3.32 Sydney Trains and NSW Trains will be included in the *Transport Administration Act 1988* as (non-commercial) stand-alone entities within the Transport Cluster. Currently they are established under Regulations as subsidiaries of Railcorp, pending an amendment to the Act to establish them as statutory bodies in their own right.

3.33 It is proposed that amendments required to support the Newcastle Integrated Services Franchise will be made, as agreed by ERC on 17 February 2016. These include, for example, amending the obligation in the Transport Administration Act that the Stockton Ferry continue to be provided by STA to an obligation that the Stockton Ferry continue to be provided by STA or another operator prescribed by Regulation.

## 4 Consultation

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4.1 Consultation has occurred with ABS, Railcorp and Sydney Trains.

4.2 Transport for NSW and Treasury have consulted with DPC.

## 5 Risks and mitigation

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5.1 The major risks are that:

- An independent board takes a different view of investment priorities from the NSW Government.
- There are safety risks if maintenance of metropolitan rail track is separated from operations.
- An independent, commercial board may wish to charge commercial rates to all operators including those, such as grain handlers, who currently pay less than a full commercial rate for rail access as a matter of NSW Government policy.
- An independent board may choose not to pay out all its income as dividends to NSW Government, resulting in additional expenses to the Budget.

### *Investment decisions*

5.2 There is a risk that the board of TAHE will make different decisions about investment in infrastructure and fleet from the NSW Government. Previous commercial entities holding rail assets have disagreed with then NSW Governments.

5.3 For example, the board might decide that new commercial development opportunities are a higher priority for TAHE as a business than a new regional fleet being funded by NSW Government; or that while a new rail line was warranted, there was insufficient cashflow to invest in it to the same timetable as the NSW Government prefers.

5.4 In particular, the board may choose not to take into account – or even, legally, be able to take into account – broader, non-commercial considerations (including considerations about timing) that a NSW Government might.

5.5 To mitigate this, TAHE will hold the assets under an operating licence which will require that its investment decisions be made under a Master Plan agreed with the Minister that is consistent with:

- The State Infrastructure Strategy
- The Long Term Transport Master Plan, and
- The Transport Cluster Total Asset Management Plan.

5.6 Similarly, Sydney Airport, for example, is required to enter into an agreed Master Plan with the Commonwealth Government.

- 5.7 Master planning processes will ensure Government and TAHE are both committed to the same investment decisions and timetables.
- 5.8 It will also help the Government and the board of TAHE to agree in advance on strategies to mitigate any concerns of the board.
- 5.9 While not ideal, Transport for NSW could also invest in infrastructure and assets outside TAHE if it were needed.
- 5.10 Ultimately, the risk that the board wishes to replace the Government's investment priorities with its own depends on the nature of the persons appointed as board members. It is not proposed that the TAHE board would consist of high profile persons with infrastructure planning backgrounds, but rather expert financiers, asset managers and / or lawyers.

#### *Safety*

- 5.11 The TAHE may be, and have the safety obligations of, a Rail Infrastructure Manager and require accreditation under national rail safety law. It will also have to comply with work, health and safety laws.
- 5.12 One concern is that splitting the maintenance of rail assets from operations is contrary to the recommendations of the Glenbrook or Waterfall inquiries.
- 5.13 A second concern is that it may be in TAHE's commercial interests to run down the assets.
- 5.14 Therefore, it is proposed that the operating licence will require on safety grounds that TAHE maintain vertical integration of metropolitan rail track maintenance and operations, by contracting out maintenance of metropolitan rail assets to the relevant rail operator, currently Sydney Trains.
- 5.15 The operating licence will require that the assets be maintained in accordance with standards set by the Assets Standards Authority in Transport for NSW.
- 5.16 The Office of the National Rail Safety Regulator will also have oversight of the rail assets.

#### *Pricing*

- 5.17 The TAHE would negotiate prices in respect of usage of its railway or other transport assets with the users of those assets (both government and non-government) but must do so consistently with pricing policies set by the Minister for Transport and Infrastructure.
- 5.18 It is expected that pricing policies could limit maximum increases in charges for a particular sector (eg. grain handlers), as long as overall they did not prevent TAHE from earning a commercial rate of return on its assets.

#### *Monies not paid out as dividends to Government*

- 5.19 An independent board may (subject to the powers of the Treasurer under the Public Finance and Audit Act and the SOC Act) choose not to pay out all its income as dividends to Government, resulting in additional expenses to the Budget.
- 5.20 For example, while it is envisaged that TAHE will have only a small staff, the independent board may determine otherwise. It may for example want its own staff to provide its own assurance as to the legal risks of directors. Previous asset holding entities started out with only a small staff and gradually increased considerably in size.
- 5.21 Alternatively the board may wish to retain its own cash reserves.



5.22 The effect of this would be to reduce the size of the benefit of the TAHE proposal to the Budget – up to, at most, the additional \$800 million per annum flowing through TAHE.

5.23 Ultimately, as noted previously, the risk of these depends on the nature of the persons appointed as board members. To the extent that there is overinvestment in staff, the board must also answer to the shareholders for its efficiency.

5.24 Some potential risks can be mitigated by the strategies in the following table.

Description of risk	Risk rating	Mitigation strategies
An independent board takes a different view of investment priorities to the Government	High	<ul style="list-style-type: none"> <li>• TAHE performs its functions under an operating licence which will require that its investment decisions be made under a Master Plan agreed with the Minister that is consistent with:               <ul style="list-style-type: none"> <li>○ the State Infrastructure Strategy,</li> <li>○ the Long Term Transport Master Plan and</li> <li>○ the Transport Cluster Total Asset Management Plan.</li> </ul> </li> <li>• The operating licence may be amended, or cancelled and ultimately assets transferred to the State</li> <li>• Ultimately, the Board is responsible to shareholders.</li> </ul>
Safety risks if maintenance of metropolitan rail track separated from operations	High	<ul style="list-style-type: none"> <li>• The operating licence will require on safety grounds that TAHE maintain vertical integration of metropolitan rail track maintenance and operations, by contracting out maintenance of metropolitan rail assets to the relevant rail operator, currently Sydney Trains</li> </ul>
Pricing to commercial operators (eg. grain handlers) is inconsistent with Government policy	Medium	<ul style="list-style-type: none"> <li>• The operating licence will allow the Minister to set pricing policies</li> <li>• IPART retains oversight over rail access prices</li> </ul>
TAHE does not pay out some or all of its income as dividends, resulting in additional expenses to the Budget	Medium	<ul style="list-style-type: none"> <li>• Ultimately, the Board is responsible to shareholders.</li> </ul>

## 6 Financial impact

6.1 There is a positive Budget impact of \$1.8 billion in 2015-16 and forecast \$6.8 billion over the forward estimates.

6.2 There is an additional expense of \$800 million in funding to operators which is netted off by an expected \$800 million in dividends to government from TAHE. This will result in no material net change, unless the risk described above that TAHE chooses not to pay out all its income to Government as dividends eventuates.

6.3 Equity Injections in TAHE for new investment are funded from capital appropriations and would form part of the total approved capital program limit for TfNSW.

<b>Is supplementary funding required?</b>	Yes
<b>Has Treasury agreed the costings?</b>	Yes
<b>Is ERC consideration required?</b>	ERC considered the proposal on 6 May 2015

<b>Total Financial Implications</b>	<b>2015-16 (\$m)</b>	<b>2016-17 (\$m)</b>	<b>2017-18 (\$m)</b>	<b>2018-19 (\$m)</b>	<b>2019-20 (\$m)</b>	<b>Ongoing (\$m)</b>
Revenue	0	0	0	+800	+800	
Expenses	-1800	-1900	-2200	-800	-300	
<b>Total Budget Result Impact</b>	<b>+1800</b>	<b>+1900</b>	<b>+2200</b>	<b>+1600</b>	<b>+1100</b>	
Capital Expenditure	0	0	0	0	0	0
Does the proposal require ongoing funding?			Yes			

## 7 Other impacts

### Impact on regional and rural communities

- 7.1 There is a risk that an independent, commercial board may wish to charge commercial rates to all operators, including those such as grain handlers who currently pay less than a full commercial rate for rail access as a matter of Government policy.
- 7.2 This is to be mitigated by the operating licence allowing the Minister to establish pricing policies.

### Regulatory impact

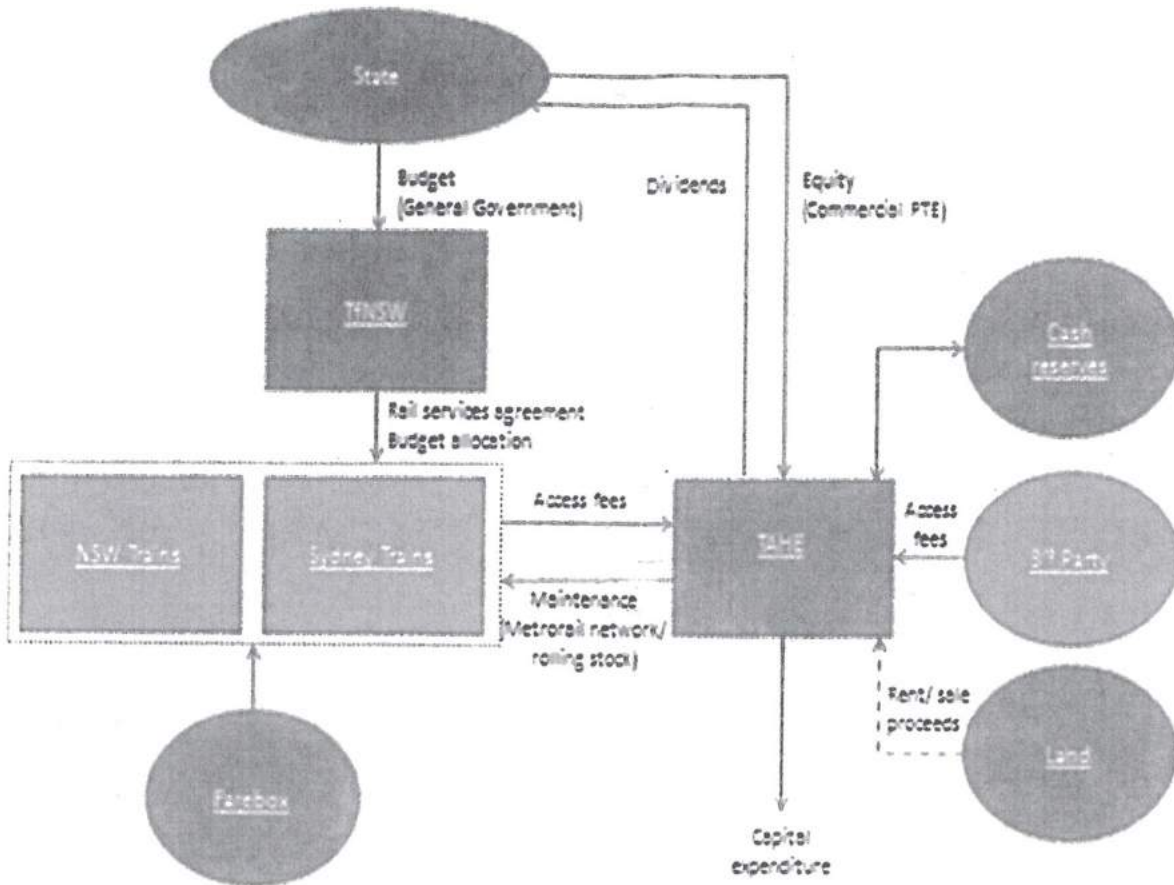
- 7.3 Nil.

## 8 Attachments

- Attachment A – Structure of TAHE and external operating environment  
Attachment B – Funding flows for TAHE  
Attachment C – Timetable for implementation agreed with ABS  
Attachment D – Tranche 1 asset register for transfer into the TAHE

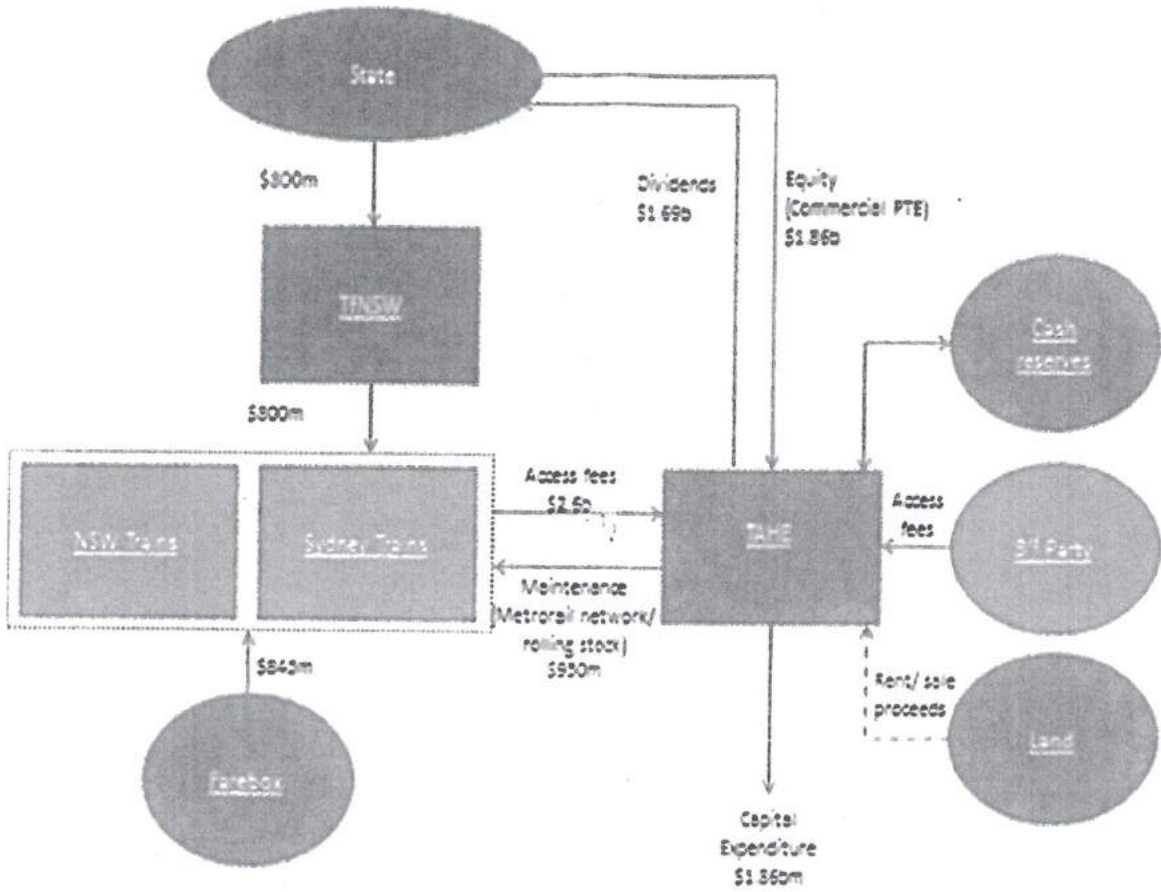
Attachment A – Structure of TAHE and external operating environment

TAHE and external operating environment



Attachment B – Funding flows for TAHE

Funding flows for TAHE



Cabinet-in-Confidence

**Transport Asset Holding Entity (TAHE) Transition Plan**

1. By 30 June 2015 –
  - a. Establish a TAHE Advisory Board which will have representatives of Treasury, TfNSW, RailCorp and DPC. This Board will oversee the establishment and implementation of the TAHE, including, legislation, governance, safety, budgetary, pricing, etc;
  - b. Establish implementation budget and undertake a RFP and appoint accounting, transactional, safety management and legal advisors.
  
2. By 1 July 2016 –
  - a. Have by legislation, separated from RailCorp (the passenger heavy rail asset owner) and established the rail operating entities - Sydney Trains and NSW Trains, as stand-alone statutory entities, classified as NFP PTEs, to commence operation from this date;
  - b. Have by legislation enabled RailCorp to own non-rail assets and create an independent board;
  - c. Develop complete register of tranche one (country and passenger heavy rail/RailCorp/TfNSW) assets to be contained within TAHE;
  - d. Acting CEO and key senior executives required for transition of TAHE appointed;
  - e. Interim commercial access arrangements in place between RailCorp and all operators.
  
3. By 1 July 2017 have developed the governance, asset management, safety management and accreditation, asset valuation and revenue (access pricing, etc) frameworks, including structural and functional support arrangements and the legal and contractual changes necessarily required to establish the commercially classified Public Transport Asset Holding Corporation (PTAHC) tranche one (country and passenger heavy rail/RailCorp/TfNSW assets);
  
4. By 1 July 2018 have transferred all other public transport assets other than buses – PTAHC tranche two (i.e., light rail, ticketing, ferries, ferry wharves, etc) and PTAHC fully operational from this date, with independent Board appointed; and
  
5. By 1 July 2019 have transferred remaining public transport assets, i.e., buses, PTAHC tranche three and fully operational from this date.

**NOTE:** The timelines and milestones identified may vary depending upon alignment with major public transport infrastructure deliverables over the relevant period.

## Attachment D – Tranche 1 asset register for transfer into the TAHE

### Proposed tranche 1 assets for Transfer from RailCorp into TAHE

<i>Asset type</i>	<i>WDV at 30/06/15</i>
Buildings	\$5.8b
Rolling stock	\$1.8b
Infrastructure	\$12.2b
Plant & Equipment	\$0.16b
Land	\$4.2b
<b>Total</b>	<b>\$24.2b</b>

#### Notes:

- This asset list relates to RailCorp assets that are wholly owned and required for the purpose of operating and maintaining passenger rail services in NSW for Sydney Trains and NSW Trains.
- This excludes:
  - Assets, primarily rolling stock, owned by Sydney Trains which are subject to PPP arrangements
  - Corporate assets owned by RailCorp that support Sydney Trains functions as a business eg office accommodation.
- These assets are currently being revalued as part of the financial year close. Updated numbers will be available at financial year end.
- Final due diligence will need to be performed on this proposed asset list before it is finalised.
- This is Tranche 1 only. Up to \$40billion of assets in total may ultimately be transferred to TAHE.



# eTendering

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## Newcastle Integrated Services Contract - ME\_128984742\_20

**Contract Award Notice ID** ME\_128984742\_20

**Publish Date** 2-Nov-2018

**Category** (based on UNSPSC)

78110000 - Passenger transport

**Agency** Transport NSW - Corporate

**Particulars of the goods or services to be provided under this contract**

Passenger transport

**Contract Duration** 1-Jul-2017 to 30-Jun-2027

## Contract Award Notice Details

**Contractor Name** Keolis Downer Hunter Pty Limited

**Trading Name** Keolis Downer Hunter

**ACN** 614205766

**ABN** 89 614 205 766

**Is an Aboriginal or Torres Strait Islander owned business** No

**Street Address** 39 Delhi Road

**Town/City** North Ryde

**State/Territory** NSW

**Postcode** 2113

**Country** AUSTRALIA

**Other private sector entities involved in, with an interest in**

Not Applicable

**Contract Value**

\$534,465,907.00 (Estimated Value of the Goods & Services)



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**Any provisions for payment to the contractor for operational or maintenance services**

The payment for operational or maintenance services is detailed in Schedule 3 Newcastle Integrated Services Contract

**Method of Tendering**

Open

**Description of any provision under which the amount payable to the contractor may be varied**

Amounts paid to the contractor may be varied in accordance with Clause 4, Schedule 3 Newcastle Integrated Services Contract

**Description of any provisions under which the contract may be renegotiated**

Provisions detailing the renegotiation of the contract is contained within clause 6.2 Newcastle Integrated Services Contract

**Summary of the criteria against which the various tenders were assessed**

**Evaluation Criteria**

**Weighting**

Operational and safety capability; Infrastructure integration; Service planning and integration; Customer experience outcomes; Whole of life asset management; Transitioning and industrial relations; Proponent governance and interfaces; Response to propose

100

**Contract Contains Agency 'PiggyBack' Clause**

No

**Industrial Relations Details for this Contract**

**Name of Sub-contractors (incl. ABN & ACN)**

Not Applicable

**Applicable Industrial Instruments**

Nicolle Oneill

**Location of Work**

Level 3, 237 Wharf Road

**NSW Industrial Relations inspectors routinely audit the employment records of contractors and sub-contractors to all NSW Government contracts. The results of these inspections are published on the NSW Industrial Relations website.**

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