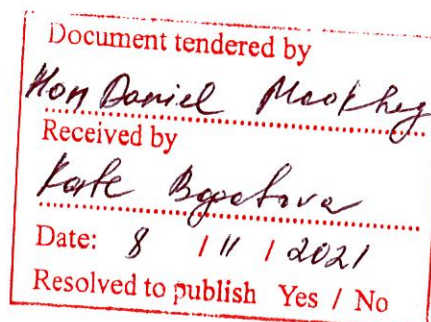




The Hon. Andrew Constance MP
Minister for Transport and Roads

Mr David Jurd
A/Chief Executive Officer
Transport Asset Holding Entity
470 Pitt St
HAYMARKET NSW 2000



STATEMENT OF EXPECTATION – EFFECTIVE 1 JULY 2021

Dear Mr Jurd,

This statement provides guidance to TAHE to help ensure its strategic direction aligns with the NSW Government's expectations.

In issuing this statement we seek to provide greater clarity about government policies and priorities relevant to the work of the business.

We expect that TAHE will continue to work collaboratively with TfNSW in the implementation of the operating model, and delivering the long-term outcomes of Future Transport 2056.

Outcomes and Premier priorities

TAHE is expected to take into consideration the following Premier's Priorities in the development of its annual Statement of Corporate Intent:

- A strong economy
- Well connected communities with quality local environments
- Putting customer at the centre of everything we do

You will be aware that Transport's outcomes include:

- Connecting our customers' whole lives
- Successful places for communities
- Transport systems and solutions enabling economic activity
- Thriving people doing meaningful work

Portfolio Minister priorities

TAHE plays an important role in supporting the NSW Government's priorities for the transport sector. In this respect, as Portfolio Minister I expect TAHE to take into account the following asset, safety and environment outcomes that the Government is seeking from the sector:

- The TAHE Board has accountability that effective assurance for safety, environment and asset management is in place for TAHE and is able to discharge its accountabilities for governance and oversight responsibilities for asset, safety and environment across its assets, undertakings and third party operations. The Board should obtain assurance that appropriate systems and frameworks are in place to deal with the management of asset, safety and environment risks, and to review the performance of transport agencies and delivery partners in these areas and their compliance to those systems, frameworks and asset management standards.

- TAHE is expected to maintain a robust assurance framework that provides sufficient oversight and assurance that assets are being managed in line with safety legislation requirements and asset management standards, and that assets are performing to standards, lifecycle performance objectives and are compliant with service objectives and long term strategy.
- TAHE is to provide the Minister for Transport and Roads with annual reporting against safety and asset management outcomes.
- TAHE is to provide an annual statement of how it is meeting and balancing each of its principle objectives in the Transport Administration Act.
- Learnings arising as a result of safety, environment and asset management are to be shared between TAHE and TfNSW to assure visibility and allow the learnings to be applied across modes.
- TAHE is expected to operate in alignment with all the principal objectives as set out under the Transport Administrations Act 1998, Section 10.
- TAHE is expected to fund, invest and deliver Transport Assets, as prioritised by NSW Government to achieve customer and community outcomes aligning to Future Transport 2056 objectives.
- Consistent with the expectations of the Shareholder Ministers and TAHE's statutory objectives under the Transport Administration Act, TAHE must operate at least as efficiently as any comparable business, and maximise the net worth of the State's investment in TAHE.
- Therefore I provide to you guidance that the State's current equity investment in TAHE is projected to be approximately \$7bn at 1 July 2021. Capital grants prior to corporatisation in 2015/16 to RailCorp do not constitute equity for the purposes of calculating Government's return on investment.

The Government expects that TAHE's Board and management will work cooperatively and collaboratively with Transport for NSW to give effect to, and achieve, the Government's objectives outlined above.

As your Portfolio Minister, I provide this Statement of Expectations with the view that it will feed into the development of the 2021-22 Statement of Corporate Intent, and forward planning for the years 2022-23.

I look forward to working closely with the Board as TAHE's operating model is embedded, and in the ongoing delivery of outcomes for the people of New South Wales.

Yours sincerely

9/6/21

The Hon. Andrew Constance MP
Minister for Transport and Roads

CC: The Hon. Dominic Perrottet, Treasurer
The Hon. Damien Tudehope, Minister for Finance and Small Business