



Thursday 23 December 2021

The Hon. David Elliott MP  
Minister for Transport, Minister for Veterans  
NSW Parliament House

Via email:

Dear Minister Elliott,

**Re: Congratulations and introduction to Transport Asset Holding Entity's projects**

On behalf of the Board of Transport Asset Holding Entity (TAHE) we would like to congratulate you on your new role as Minister for Transport and Minister for Veterans. We would also like to thank you for your years of service to the NSW community in your former ministerial roles.

TAHE was established to provide NSW with a dedicated asset manager of an extensive, high-quality portfolio that includes over 1,500km of track, 400 stations, 2,200 electric and diesel cars and 300 square kilometres of land.

As an independent State-Owned Corporation, TAHE manages NSW's regulated transport assets safely and efficiently, while breathing new life and innovation into its unregulated assets. We have enclosed a detailed briefing note for your reference, along with our Statement of Corporate Intent.

We would welcome the opportunity to meet with you in the new year to brief you on our pipeline of projects, and to invite you to view our assets and future project sites.

The Office of the CEO will be in touch with your office in the coming weeks to arrange a suitable time to meet. In the interim if you have any questions or require any further information, please do not hesitate to contact us on

We look forward to meeting with you soon and take this opportunity to wish you a very happy festive season and the best for 2022.

Kind regards,

Bruce Morgan  
Chair  
Transport Asset Holding Entity

Benedicte Colin  
Chief Executive Officer and Director  
Transport Asset Holding Entity

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Thursday 23 December, 2021

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# Incoming Minister Brief



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# Who We Are

## 1. Introduction

The Transport Asset Holding Entity of New South Wales (TAHE) was established as a statutory State-Owned Corporation on 1 July 2020, and assumed ownership of all of RailCorp's asset base, including rail infrastructure, rolling stock, stations and facilities, plant and equipment and real property.

TAHE has been established with safety as a key corporate objective and legislative duty and will provide safe, reliable rail assets, driving economic growth through precinct investment and innovative solutions that enhance communities. Every year, millions of people in metropolitan and regional NSW rely on our network to keep them moving safely and efficiently.

The establishment of TAHE allows us to take a more commercial approach to managing our asset base, to create vibrant communities, exciting destinations and better experiences across NSW. Our people use their expertise to deliver both social and economic outcomes.

TAHE is committed to being an agile and responsive organisation, transforming as necessary to make sure we're well positioned for the future. We strive to create value for our stakeholders, a great experience for our customers and opportunities for our people.

## 2. Establishment of Transport Asset Holding Entity

The creation of a TAHE as a dedicated transport asset manager, established new arrangements for transport asset management in New South Wales that reflects modern governance and financial practices. It achieved this mainly by amending the Transport Administration Act to support the consolidation of transport asset ownership and development of a TAHE by optimising the existing transport asset base to enable a more effective, efficient and commercial approach to the management of transport assets, particularly property; allowing transport operating entities to focus on their core functions of operating transport services and delivering improved customer service; and delivering on capital and recurrent budget targets.

In the 2015-16 Budget, the Government announced the creation of TAHE to manage the State's portfolio of transport assets in a more commercial way. Legislation to establish TAHE, namely the Transport Administration Amendment (Transport Entities) Act 2017 (TAHE Act) was introduced to Parliament in March 2017 and assented to on 11 April 2017. The TAHE Act was divided into two Schedules, each to commence on a date to be proclaimed.

On 1 July 2017, Schedule 1 of the TAHE Act commenced and the following key amendments were made to the Transport Administration Act:

- Sydney Trains and NSW Trains became stand-alone Government agencies and were no longer subsidiaries of RailCorp; and
- RailCorp's functions were expanded to enable it to "hold, manage, operate and maintain" transport assets more generally and not be confined to just "rail infrastructure facilities".

On 1 July 2020, Schedule 2 of the TAHE Act commenced and the following key amendments were made to the Transport Administration Act:

- RailCorp was re-named, Transport Asset Holding Entity of New South Wales and converted from a government agency to a statutory State Owned Corporation;
- The Treasurer and the Minister for Finance and Small Business became the shareholders of TAHE;
- An independent Board of Directors was appointed to TAHE, including the Transport Secretary; and
- The Minister for Transport and Roads was given the power to grant one or more operating licences to TAHE which were to be used to regulate the functions of TAHE.

### 3. Legislative Functions

The Transport Administration Act 1988 sets out the 5 principal objectives of TAHE which are:

- (1) to undertake its activities in a safe and reliable manner,
- (2) to be a successful business and, to this end:
  - a. to operate at least as efficiently as any comparable businesses, and
  - b. to maximise the net worth of the State's investment in TAHE;
- (3) to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates;
- (4) where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development contained in section 6(2) of the Protection of the Environment Administration Act 1991; and
- (5) to exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

Each of the 5 objectives are of equal importance.

## 4. Corporate Governance

### 4.1 Board of Directors

TAHE is governed by an independent Board that brings best practice, industry expertise and governance experience. The TAHE Board of Directors consist of the following members appointed pursuant to section 6 of the Transport Administration Act 1988:

- **Bruce Morgan – Chair of the Board Committee and Chair of the Remuneration and Nominations Committee.** Bruce has extensive business experience as a non-executive Director including water, energy and transport fuel industries and from his executive career with specific experience in the financial services, energy and mining sectors, leading some of Pricewaterhouse Coopers' (PwC) most significant clients in Australia and internationally. Bruce is Deputy Chair of the European Australian Business Council and a Director of Origin Energy and Redkite, the former Chair of Sydney Water Corporation and a former Director of Caltex. Bruce is an Adjunct Professor of the University of NSW.
- **Anne McDonald – Chair of the Audit and Risk Committee.** Anne has over 35 years' business experience in finance, accounting, governance and risk management. Anne is the Chair of Water NSW and is a non-executive director of St Vincent's Heath and ASX-listed Link Holdings.
- **Trevor Bourne – Chair of the Asset, Safety and Environment Committee.** Trevor is an experienced non-executive director and chair, having served on public and private company boards in Australia and Asia for over 20 years. Trevor is the Chair of Senex Energy Ltd and a non-executive director of Sydney Water Corporation.
- **Rob Sharp – Secretary of Transport for NSW.** Rob leads more than 25,000 people dedicated to making NSW a better place to live, work and visit by connecting people and communities. Rob has held CEO and senior executive roles where he achieved a strong record of success in customer, commercial, operational and multi-market environments, gaining a unique blend of experience across specialist industries in the transport, professional services and technology sectors.

### 4.2 Chief Executive Officer

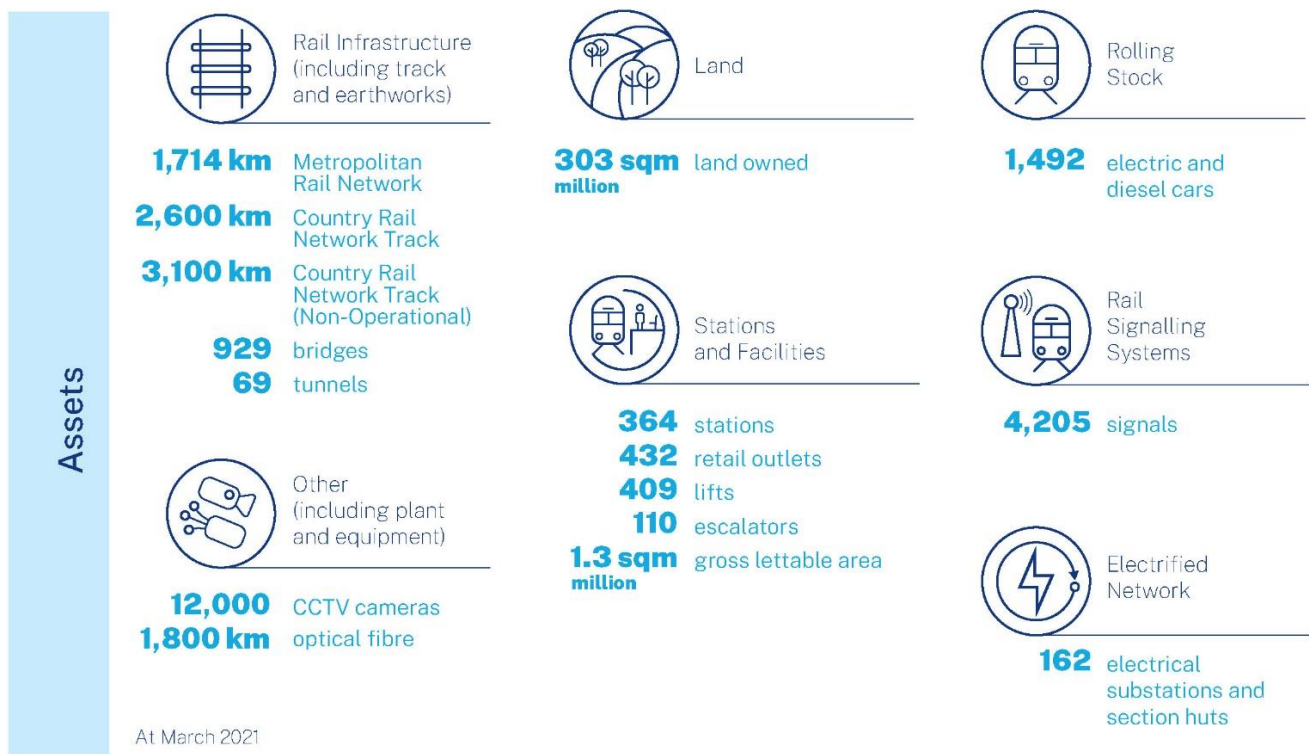
- Benedicte Colin joined TAHE on 1 September 2021 and brings over 25 years' experience in leadership and investment roles in Europe and Australia in operations and asset management in the infrastructure sector. She is passionate about delivering and operating projects that improve the life of communities and leaving a long lasting legacy.
- Benedicte was previously the Senior Investment Director at global investment group Caisse de dépôt et placement du Québec (CDPQ). Her responsibilities included investment and asset management for an infrastructure portfolio in Australia and New Zealand, to the value of around \$5 billion AUD.

- Prior to joining CDPQ, Benedicte was the CEO of Keolis Downer, a leading public transport operator in Australia (Yarra Trams, Gold Coast Light Rail) and General Counsel at Aquasure, the company responsible for the finance, design, construction and operation of Australia's largest desalination plant in Victoria under a PPP model.

### **4.3 Organisational Structure**

Currently the TAHE team is composed of 25 staff with 5 executives (an organisational chart is attached in Appendix 1). It is envisaged that the TAHE team will grow by 15 to 20 FTE in FY22 to support the delivery of the business plan.

## 5. Our Business



TAHE holds two classes of assets, namely regulated assets and unregulated assets.

TAHE's **regulated assets** as of 30th June 2021 include:

- Rail Infrastructure (including track)
- Corridor land
- Electrified network
- Rail signalling systems
- Assets under construction
- Network control, intangibles.

TAHE's **non-regulated assets** as of 30th June 2021 include:



- Stations and facilities
- Rolling stock
- Depots and yards
- Land
- Assets under construction
- Systems, intangibles, plant.

This provides a duality to the TAHE business model whereby in the regulated space, TAHE fulfils an assurance role, with our primary tool being audit of operator & maintainer. In the unregulated space, TAHE looks to develop underutilised assets within an extensive property portfolio for commercial return.

TAHE must comply with governance and standards which ensure that commercial imperatives are not prioritised over the safety and reliability of its assets.

The establishment of TAHE has strengthened the governance and assurance mechanisms for the safe operation and maintenance of the NSW rail network. Sydney Trains and NSW TrainLink will continue to run day to day customer services and operations, and Transport for NSW will continue to determine the level and frequency of rail services.

## 6. Our Strategy



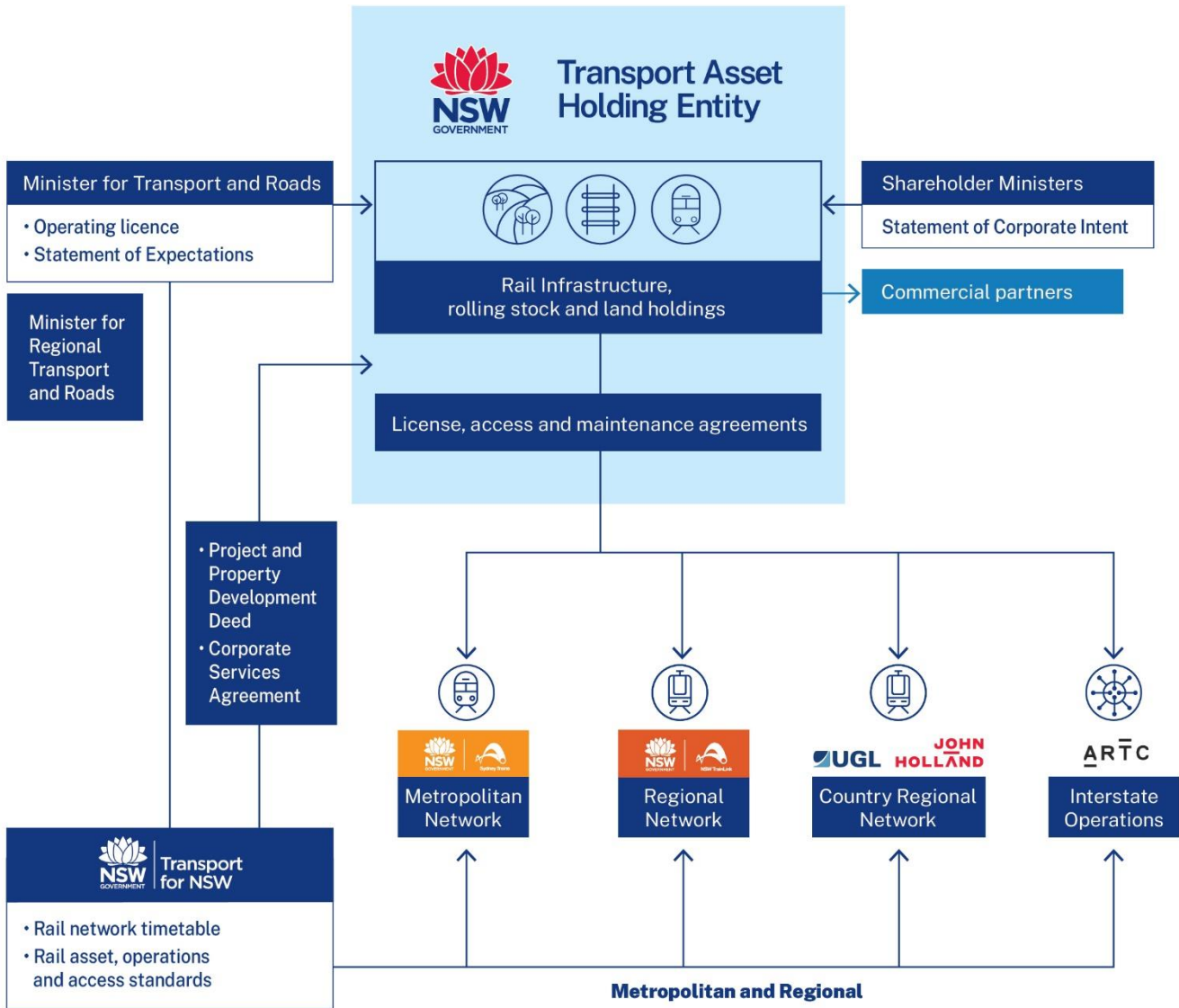
**Mission**

**To provide safe, reliable rail assets, driving economic growth through precinct investment and innovative solutions that enhance communities.**



## 7. TAHE Operating Model

TAHE’s operating licence is granted by the Minister for Transport and authorises TAHE to perform the functions required to acquire, develop, finance, divest and hold assets. The Treasurer and Minister for Finance and Small Business are the shareholders of TAHE and annually agree performance expectations through a Statement of Corporate Intent.



### 7.1 Benefits of the TAHE Model

- TAHE offers significant benefits to commuters and taxpayers.
- The model ensures expertise is focused on appropriate areas – operators focus on running services safely and efficiently; while property portfolio management expertise is applied to managing the assets and unlocking greater value.
- The model is fully transparent. Since the announcement of intention to move to TAHE, the impacts of its implementation have been fully incorporated in the state’s annual accounts. TAHE reports annually and independently to parliament, ensuring

accounts are subject to full scrutiny. Our SCI and other key documentation are also publicly available.

- The model is proven and well understood. SOCs have been delivered successfully in NSW across critical utilities like energy and water – as well as forestry and land. A very similar model has been followed in Queensland (QR) and Victoria (Victrack).
- ABS has confirmed that TAHE met the criteria to be a Public Non-Financial Corporation when it was first classified and is not aware of any changes to this position.

## 8. TAHE Operating Licence

TAHE's operating licence is granted by the Minister for Transport and Roads and authorises TAHE to perform various functions which enables TAHE to strategically manage its assets to achieve its five objectives as outlined in the Transport Administration Act 1988. On 1 July 2021 the Minister for Transport and Roads issued TAHE with a new Operating Licence.

Some of the key terms include:

- Term is for 2 years (1 July 2021 – 30 June 2023).
- In exercising its functions, TAHE is to have regard to safety integrity and the policies and objectives of the NSW Government in relation to integration of transport modes.
- TAHE must comply with the Asset Standards Requirements.
- TAHE must not carry out railway operations (as defined in the Rail Safety National Law) unless it has the written approval of the Minister.
- TAHE must not operate a Transport Service unless it has the written approval of the Minister.
- TAHE must not carry out maintenance of Transport Assets vested in or owned by it, or to be vested in or owned by it. TAHE must have in place arrangements with Sydney Trains, NSW Trains and third party operators to maintain the Transport Assets that are the subject of their respective access, licence, and operate and maintain agreements.
- TAHE must continue to work towards delivery of a list of Ongoing Projects in accordance with the relevant Cabinet approvals and the endorsed treatment of in-flight infrastructure and development projects.

## 9. Statement of Expectations

With effect from 1 July 2021, the Minister for Transport and Roads issued TAHE with a Statement of Expectations which provided TAHE with a list of asset, safety and environmental outcomes that TAHE is expected to take into account, these include:

- (a) 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;
- (b) provide the Minister for Transport and Roads with annual reporting against asset safety and safety management outcomes;
- (c) provide an annual statement of how TAHE is meeting and balancing each of its principal objectives in the Transport Administration Act; and
- (d) fund, invest and deliver Transport Assets as prioritised by NSW Government to achieve customer and community outcomes aligning to Future Transport 2056 objectives.

On 15 November 2021, the Minister for Transport and Roads issued an addendum to the Statement of Expectations instructing TAHE to work closely with TfNSW to address issues identified in the OTSI report.

## 10. Operating Agreements

A suite of new legal agreements have been executed and took effect on 1 July 2021 between TfNSW, TAHE, Sydney Trains and NSW Trains, to reflect the TAHE Operating Model across rail operations, track access, licence, agency and maintenance, project and property development, and corporate services.

These included:

- Sydney Trains and NSW Trains Rail Operations Agreements;
- TAHE Metropolitan Network Track Access Agreements (Sydney Trains and NSW Trains);
- Licence, Agency and Maintenance Deed;
- Project and Property Development Deed;
- Corporate Services Agreement; and
- Services Contract between Sydney Trains and NSW Trains.

These agreements incorporate committed contractual Licence and Access fees paid to TAHE by the Operators for access to and use of TAHE's assets. In FY22 this amounts to \$680M.

On 14 December 2021, the Treasurer (on behalf of the voting shareholders of TAHE) wrote to the Chair of TAHE advising that they expect TAHE to strengthen its trajectory of commercial returns and requested that TAHE re-negotiate the access fees and licence fees payable under the Operating Agreements with each of TfNSW, ST and NSW in order to facilitate a target average return to Government of 2.5% on equity contributed.

On 18 December 2021, TAHE, TfNSW, Sydney Trains and NSW Trains entered into a letter agreement whereby the parties agreed to work together collaboratively and use best endeavours to agree to review access fees and licence fees payable under the Operating Agreements and to make all necessary changes to the Operating Agreements by 1 July 2022.

## 11. Safety

Safety is a key objective and the highest priority for the TAHE Board, CEO and executives that manage, operate and maintain TAHE's assets.

Decisions about assets – including maintenance and delivery – will be subject to the same rigorous asset and safety standards that existed prior to 1 July 2020.

Whilst TAHE is the asset owner of the metropolitan rail network and the country regional network, in addition to rolling stock, the control and day-to-day operational management is not exercised by TAHE.

TAHE is required to operate within the remit of an Operating Licence issued by the Minister for Transport and Roads and must not carry out railway operations (as defined in the Rail Safety National Law), operate a transport service, or carry out maintenance of transport assets.

Sydney Trains, NSW Trains and the CRN private operator will continue to make the decisions for the maintenance and renewal of railway infrastructure and rolling stock requirements for safe and reliable rail assets, including the budget to meet these requirements.

The creation of TAHE if anything strengthens the transport safety arrangements of an already heavily safety regulated environment.

TAHE has added another layer of governance with legislated obligations to oversee and assure itself that NSW rail assets and infrastructure are safe, reliable and fit for purpose to deliver safe passenger and freight services.

We have established asset and safety management plans to do this, and now provide a third line of assurance to test and verify safety risks are being effectively controlled, and to monitor the asset safety performance of Transport operators responsible for the control and day to day management of TAHE's rail assets.

Core elements of our safety approach include:

1. **Board:** A Board Sub-Committee focused on safety led by Trevor Bourne, a highly credentialed and experienced Chair of Safety Committees, overseeing large, hazardous, highly regulated organisations with complex engineering and asset management challenges in the aviation, transport and logistics, utilities and energy sectors.
2. **Board:** The safety committee also has an independent member with technical expertise and experience overseeing the safe operation, maintenance and management of heavy rail assets.

3. **Frameworks:** TAHE's Asset Management and Assurance Framework is established and being implemented.
4. **Asset Safety Audit Plan:** independent audit specialist WSP has been appointed and is executing the 2021-2022 Asset Safety and Environment Audit Plan, endorsed by the Board
5. **Organisational:** Safety and more specifically our commitment to zero material safety incidents, is our leading non-financial performance indicator.
6. **Independent Oversight:** The independent Office of the National Rail Safety Regulator will continue their oversight of all rail safety regulatory arrangements.

TAHE does not control the day-to-day operation of NSW's rail assets, which continue to be safely managed, operated, and maintained by TfNSW, Sydney Trains, NSW Trains and private operators.

We are charged with ensuring these organisations are complying with safety requirements and providing proper maintenance. If anything, the reality is that the additional level of governance and assurance provided by TAHE is likely to result in a greater focus and investment in safety and maintenance.

## 12. Financial Snapshot

- TAHE has an annual income in FY 22 of approximately \$1 billion of which \$680 million is from new access and licence fees charged to Sydney and NSW Trains for access to and the use of TAHE assets. This income will grow in future years as a result of additional fees charged to the operators following further investment.
- Other income comes from property rental, freight access fees, Airport Line fees, and grants for maintenance for the Country Regional Network. Overall, after expenses and depreciation TAHE is expected to make a small net profit in FY22 but growing in future years.
- It should be noted that maintenance of the metropolitan rail network and rolling stock is incurred by the operators and funded directly by TfNSW.
- The Capital budget for FY22 is \$3.3b, which is all delivered by other Transport agencies. The majority of the capital program is funded by Equity Injections from Government.

TAHE's asset base on a replacement cost basis was approx \$37.5b, however after applying a revaluation decrement of \$20.3b from the adoption of a for-profit income based valuation approach, it reduces to \$17.15b at 30 June 2021.

## Priority Issues

### 13. Priorities of New CEO

Top priorities established with TAHE's Executive Leadership Team include:

- Educating stakeholders about TAHE's role and the benefits it will provide to the community, public transport customers and the NSW taxpayer
- Progressing TAHE's asset management and safety assurance roadmap
- Developing a pipeline of property projects and supporting Precinct Activation, while building an Investment and Assurance framework to ensure TAHE has a holistic approach of its property portfolio and meeting its 5 legislative objectives
- Building TAHE capabilities
- Operationalising TAHE and in particular, the suite of operating agreements TAHE entered into with TfNSW, Sydney Trains and NSW Trains in June 2021.

### 14. Update on FY21 Audit

The audit of the FY21 Financial Statements is still in progress, but is expected to be finalised by end of the 2021 year. TAHE has been working closely with the Audit Office NSW (AO NSW) and can confirm that the Auditor-General has indicated that TAHE's accounts will be unqualified, which is a positive outcome.

In order to justify the continuing Equity Investment in TAHE by the Government, the Audit Office has said a greater return to Government of 2.5% is required from TAHE. The TAHE shareholders have requested that TAHE renegotiate access and licence fees with ST and NSW. In order to give effect to this, TAHE, ST, NSW and TfNSW have entered into a Letter Agreement whereby the parties will work together to review access and licence fees and make all necessary changes in the commercial agreements by 1 July 2022.

As TAHE is now a for-profit entity it is valuing its assets at 30 June 2021 on an income-based approach, rather than Depreciated Replacement Cost which was the previous basis. The impact of the revaluation is a decrement in the value of TAHE's assets of \$22.5Billion from \$40Bn to \$17.15Bn.

### 15. Parliamentary Inquiries

#### 15.1 Public Accountability Committee

The Public Accountability Committee's Inquiry into the Establishment and Operations of TAHE has held several hearings, including on:

- Friday, 1 October 2021, where Benedicte Colin (CEO) and Peter Crimp (CFO) were called as witnesses. A TAHE submission was made ahead of the inquiry hearing (attached)
- Monday, 8 November 2021, where Bruce Morgan (Chair) and Trevor Bourne (Board Director) were called. Following this, TAHE made a supplementary submission that focused on safety matters (attached)



- Thursday, 6 December 2021, Bruce Morgan (Chair) appeared alongside NSW Treasury and Transport for NSW representatives.
- Bruce Morgan has been called to appear again on Thursday, 10 February 2022.

## 15.2 Public Accounts Committee

- The hearing of the Public Accounts Committee' Examination of selected Auditor-General's Financial Audit Reports 2020 was held on 17 September 2021.
- Benedicte Colin (CEO) and Peter Crimp (CFO) were called as witnesses and responded to committee questions.

## 15.3 Budget Estimates

- TAHE discussed at Budget Estimates 2021-2022 preliminary hearing on 20 August 2021 with Treasury.
- TAHE discussed at Budget Estimates 2021-2022 preliminary hearing on 3 September 2021 with Transport and Budget Estimates hearing on 2 November 2022 with Transport.

## 15.4 Standing Order 52

Several Standing Order 52s have been passed in relation to the following:

- 9 June 2021: Calling for papers from TAHE and TfNSW in relation to the classification of TAHE as a PNFC, the proposed financial rates of return for TAHE, documented assumptions made by Treasury regarding the establishment and operation of TAHE, correspondence with the ABS, correspondence with consultants, ministerial briefs, documents which record the proceedings of any meeting attended by the Premier, minutes of TAHE board meetings and Board papers, contract of employment of the CEO, TAHE operating licence and all reports or draft reports relating to the establishment and operation of TAHE. TAHE produced 306 non-privileged documents and 523 privileged documents. The Hon Daniel Mookhey MLC disputed the privilege claims on 21 October 2021 and a meeting was held on 2 December 2021 with Mr Mookhey, the Arbiter and representatives of TAHE and TfNSW. Mr Mookhey undertook to come back to TAHE and TfNSW in writing in relation to the categories of documents where he would continue to challenge privilege claims. We are currently awaiting this correspondence.
- 18 November 2021: Seeking papers from TAHE and other agencies in relation to TAHE's assets since 2015, broadly including any documents, including asset registers, which record any assets transferred or yet to be transferred to TAHE, any assets identified for sale or lease and any assets identified for commercialisation or potential commercialisation. TAHE produced a total of 134 documents and claimed privileged over 127 of these documents. Documents were produced to the NSW Legislative Council on 9 December 2021.
- 24 November 2021: Calling for papers to be provided by TAHE and various other agencies in relation to the New Intercity Fleet (NIF). A response to this Order is due to the NSW Legislative Council on 10 February 2022. The TAHE team is currently working on a response.

## 15.5 GIPA

On 2 September 2021, TAHE received a request for information under the Government Information (Public Access) Act 2009. The applicant of the request, the Hon. Daniel

Mookhey MLC requested information in relation to the procurement details of the contract awarded to KPMG in February 2021, relating to the development of the commercial arrangements for access to TAHE's Rail Infrastructure Assets.

TAHE engaged the services of KPMG in order to update the original KPMG access pricing model developed in 2017 using the latest data and revised assumptions to ensure the outputs of the model could be used to inform pricing, commercial negotiations and assist with strategic decision making.

TAHE responded to Mr Mookhey's application on 15 October 2021, which included the partial release of various documents relating to the engagement. These documents were only partially released as there was an overriding public interest against their full disclosure.

## 16. Audit Office Performance Audit

The Audit Office has initiated a Performance Audit on TAHE, which will be to examine whether TAHE's operating model is fit for purpose to effectively and efficiently achieve the outcomes intended by the Government, particularly in relation to rail safety, and the extent to which key milestones have been achieved in the transition from RailCorp to TAHE and post July 2020. Based on the latest update provided by the Audit Office in December 2021, the audit scope is yet to be finalised by the Auditor-General, pending the tabling of TAHE's Financial Audit Reports FY2020-21. Once the audit scope is developed, the Audit Office will be in contact to resume the standard audit processes, including the development of an engagement plan.

## 17. Office of the Transport Safety Investigator (OTSI)

Minister Constance had sought advice from OTSI regarding the safety framework adopted by TAHE, TfNSW and Sydney Trains. Both TAHE and TfNSW provided assistance in gathering documentation and providing a presentation for input into OTSI's advice.

TAHE and TfNSW established a detailed response and roadmap outlining the actions that have and will be taken to strengthen existing arrangements. The response and roadmap were presented at the November 2021 ASEC meeting, with amendments noted and actioned. Management has approached and received quotes from three legal firms to undertake a component of the roadmap for delivery commencing January 2022.

We have provided TAHE's response to OTSI as an attachment.

## 18. Regulatory Compliance – IPART

### 18.1 Hunter Valley Coal Network Access Compliance

The 2020/21 HVCN Compliance Submission has been lodged with IPART. The submission was prepared based on IPART's decision for the previous financial year (2019/20). The under recovery of revenue from the combined access seeker group compared to the full economic cost, as calculated by IPART, will reduce TAHE's over recovery balance to \$8.6m as at 30 June 2021.

## 18.2 Performance Audit Report on Rail Freight and Greater Sydney

The Auditor General published its performance report, together with the responses from TAHE, TfNSW and Sydney Trains, on the management of freight rail capacity in Greater Sydney. TAHE has accepted the recommendation that key performance indicators relating to the management of freight rail capacity be developed and included in the new agreements with the third party rail operators.

## 18.3 Review of the NSW Rail Access Undertaking

IPART released its Issues Paper on 11 November 2021 with submissions due by 17 December 2021. IPART have proposed to issue a draft report in April 2022 and hold a public hearing in May 2022, with the final report being released in August 2022. IPART has suggested that any revised Undertaking is likely to take effect from 2023-24. TAHE submission was lodged with IPART on 17 December.

## 19. Property Snapshot

TAHE has provided an update on some of our key projects:

- **Central Precinct Renewal** project will revitalise up to 24 hectares of Government-owned land at Central station and will support the Government's commitment to create the biggest technology hub of its kind in Australia, along with the vision for a 24-hour economy.

TAHE has approved \$11.8M to complete the tender documentation for the revitalisation of Central Station, with works estimated to cost \$345M.

Next year, the construction procurement process will commence, which will provide several media opportunities, including announcing the winning contractor.

TAHE has approved \$2.5M for short term retail activation along Eddy Ave Plaza and Concourse. We are currently out to market procuring new tenancies for the existing vacant spaces expecting new tenancies in the new year. Announcement opportunities early next year.

- **Redfern North Eveleigh Precinct** will reactivate more than 10 hectares of space to the public for the first time in about 100 years. The new mixed-use precinct will include housing, offices and new open space.

TAHE has approved \$11.2M for the refurbishment of the Chief Mechanical Engineer's building for the space to be leased out 2023. Announcement opportunity for an ROI for contractor in Q1 CY2022.

Next year, procurement will commence for the construction of the precinct, which will provide media opportunities (i.e. joint partner announcement, start of construction).

The Clothing Store Precinct (~400 residential apartments) will go to market mid next year, and TAHE is working through the best way to participate in this project. A Planning Proposal for the Paintshop Precinct (Commercial and residential) will be submitted 1H CY22 – currently in discussions with DPIE.

- **TARP Sites** - TAHE has approved funding for master planning and site investigations on a number of regional precincts including Bombo Quarry, Broadmeadow, and Glendale.

- TAHE and TARP are prioritising the smaller sites to divest, invest and develop. We are investigating the opportunity to develop affordable housing with a CHP on a number of the smaller sites through the Affordable Housing SEPP. Announcement opportunities will include planning proposals lodged in CY22 and agreement with CHP for specific sites if viable.
- **Heritage** – we are investigating options to refurbish and repurpose a small number of larger heritage stations that are currently not used. Potential uses included food and beverage facilities, co-working spaces and artist studios.
- **Retail** – a business plan is being prepared to identify key locations where capital investment could result in improved rentals and returns. These will be included in the budget over the next few years.
- **Rail Trails** – TAHE has approved the use of rail lines to be used as rail trails in the Armidale region and support development of further trails.
- **Telco** – TAHE will look at Telco opportunities such as macro cell towers and rooftop cells.

## 20. Strategic Asset Management Plan (SAMP) and Asset Management Plan (AMP)

TAHE's first Strategic Asset Management Plan (SAMP) covering a ten-year planning horizon 2022/23 through to 2031/32 was endorsed by ASEC in November and recommended for Board approval. The Asset Management Plan (AMP) a key planning document covering the same 10 year horizon, is under development for ASEC's draft review 11 February 2022. The TAHE AMP architecture and development is aligned to the TfNSW attestation process and timeframe.

# Appendix 1 - Organisational Chart

