

1. Purpose of the policy

This policy sets out principles and high-level requirements to:

- ensure Transport achieves value for every dollar we spend, so that positive outcomes are delivered for customers, the community, and the environment
- drive effective and sustainable management of finance and investment throughout the Transport cluster.

This is a Transport-wide policy to achieve effective financial and investment management.

2. Who does it apply to?

This policy applies to permanent, temporary, and casual staff, staff seconded from another organisation, and contingent workers including labour hire, professional services contractors and consultants performing work for any of the following agencies:

Department of Transport, except for staff working in the Department of Transport who follow Department of Planning and Environment policies.	YES
Transport for NSW	YES
NSW Trains	YES
Sydney Trains	YES
Sydney Metro, subject to the Sydney Metro Collaboration Agreement	YES
Sydney Ferries	YES
The Point to Point Transport Commissioner	YES

3. Principles and requirements

3.1 Principles

Transport's commitment is underpinned by the following principles, applied when making both capital expenditure (CAPEX) and operational expenditure (OPEX) decisions:

- Adhering to the Transport Executive Committee approved Portfolio Management Principles (see Appendix A) which give effect to Finance and Investment Division's (FID) accountability for leading financial governance, frameworks, reporting and capabilities across the Transport portfolio. This is to ensure compliant management of investments and financial risk, providing strategic advice, achieving confident outcomes based on focused decision making and guiding organisation design impacts.

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- Being strategic and sustainable in how we spend money by partnering business areas to identify better ways of delivering Transport’s objectives.
- Being outcome-focused to ensure enterprise planning, resource allocation, and investment decisions maximise benefits and achieve equitable results.
- Taking an evidence-based approach to decision making based on reliable forecasting, analysis, and insights.
- Ensuring reporting is supported by effective systems and reliable data so that decision making is informed.
- Being a trusted adviser on finance and investment matters, achieved through effective stakeholder engagement and responsiveness to stakeholder needs.
- Leading effective capital portfolio management to ensure the capital pipeline of investments deliver on time and on budget.
- Having robust governance, risk and compliance management arrangements to provide assurance to Transport that finance and investment risks are effectively managed.
- Evaluating and improving our performance on a continual basis and being adaptable and responsive to change.

These principles support effective stewardship of public monies for the benefit of customers, the community, and the environment. They are also integral to a financially sustainable future.

3.2 Requirements

Finance and Investment Division (FID) must manage finance and investment on behalf of Transport divisions and agencies. This is underpinned by a collaborative approach based on a Client-Deliver Model (CDM) and the Transport Executive Committee approved Portfolio Management Principles.

Transport divisions and agencies must collaborate with FID branches to achieve effective portfolio management in accordance with the above principles, the Client-Deliver Model (CDM) and the Transport Executive Committee approved Portfolio Management Principles.

FID and Transport divisions and agencies must implement the CDM (Client-Deliverer Model), if applicable to the agencies, by collaborating and engaging in a way that is consistent with [Transport’s Values](#) and which demonstrates the [Five Ways of Leading](#), so that there is effective leadership in relation to financial and investment decisions and practices.

4. Compliance and breach

You are required to comply with this policy and its related procedures and standards. If you do not do so, this may result in disciplinary action up to and including termination of your employment or contract.

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5. Accountabilities and responsibilities

Who	Accountability
Group Chief Financial Officer	Accountable for owning this policy and setting the strategic direction for how finance and investment objectives are achieved in Transport, in line with our organisational objectives and compliance obligations.
Chief Executives of the Transport agencies and Deputy Secretaries of Transport Divisions	Accountable for ensuring program areas in their agencies align and comply with this policy.
All staff to whom the policy applies	Responsible for complying with the principles and requirements in this policy and any related standards and procedures.
Executive Director - Enterprise Planning, Budgeting and Analytics, FID	Lead planning and prioritisation based on strategic and informed decision making, which enables efficient and effective resource allocation to achieve Transport's objectives.
Executive Director - Investment and Assurance, FID	Develop, prioritise and assess Transport's investment portfolio by providing assurance that investment decision making is evidence-based and delivers value-for-money solutions aligned to Transport's objectives. Also acts as the primary liaison with other state and Federal agencies.
Executive Director - Financial Accounting and Control, FID	Lead the delivery of statutory accounting, management and compliance across Transport by providing expertise on technical accounting and specialist financial services such as treasury, taxation and insurance.
Executive Director - Capital Portfolio Management, FID	Provide the Secretary, Finance Investment and Assurance Committee (FIAC) and the NSW Government with reliable and timely portfolio performance reporting, insights and analysis, rigorous processes and strategic perspectives, to support informed decision-making.
Executive Director - Future Sustainability, FID	Drive financial sustainability by identifying enterprise-wide improvements that improve efficiency and effectiveness
Executive Director - Finance Business Partnering, FID	Act as a trusted finance and investment adviser to all divisions and agencies by providing reliable advice, expertise, and support to help drive business performance.
Executive Director - Finance Enablement and Governance, FID	Lead the transformation and continuous improvement of finance systems and frameworks which enables reliable data capture and reporting, sound governance and effective risk and compliance management.

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6. Document control

6.1 Superseded documents

This policy, and its associated standards, replace the following documents:

CP15004.3 Annual Internal Control Certification Policy

CP14004 Acceptable Use of Performance Bonds or Unconditional Undertakings at TfNSW

CP21012 Accounting for Employee Benefits Provision Policy

CP21013.1 Accounting for Third Party Assets Policy

CP21006 Accruals Policy

CP20005 Transport Business Case Policy

CP22005 Capitalisation Policy

CP22006 Intangible Assets Capitalisation Policy

CP14011 Credit Risk Policy

CP21008 General Ledger Accounting Reconciliation Policy

CP21007 Insurance Policy

CP21014 Interagency Financial Transactions Policy

CP14012.1 Liquidity Risk and Cash Management Policy

CP14015.1 Market Risk Policy

CP13024.2 Monthly Financial Close Policy

CP14014.1 Public Authorities Financial Arrangements (PAFA) Policy

CP14013.1 Permitted Instruments Policy

CP17002.1 Transport Cluster Stale Cheque and Unclaimed Money Policy

CP21009 Valuation of Infrastructure, Property, Plant and Equipment Policy

6.2 Document history

Date and Policy number	Document owner	Approved by	Amendment notes
31 July 2023 CP23002	Group Chief Financial Officer	Secretary	Consolidation of multiple documents.

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7. Feedback and help

For advice on interpreting or applying this document, please contact the Office of the Group Chief Financial Officer at [Office of the Group CFO](#).

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Appendix A: Transport Executive Committee approved Portfolio Management Principles

The purpose of the Portfolio Financial Management Principles is to enable FIDs accountabilities for leading governance, frameworks, reporting and capabilities across the Transport portfolio to ensure compliant management of investments and financial risk, including strategic advice and confident outcomes focused decision making and guide organisational design impacts.

		FID	Client	Deliverer
1	FID is accountable for financial management policy and will lead, own and advise the cluster on the Financial Management Framework (including budgeting, forecasting, portfolio contingency, portfolio assurance, portfolio Investment Prioritisation, Benefits Realisation and costing and outcomes framework) noting SER owns the Asset Management Framework.	A	R	As decided Customer and Deliverer
2	Equip is the single source of truth for a minimum data set (project data and portfolio requirements) as defined by FID.			
3	The FID relationship is predominantly at Client/customer level and FID will issue the funding allocation letter and adjustments to the Client.	A	R	C
4	FID leads engagement with Treasury, Gateway Coordination Agencies (GCAs), and Federal Department of Infrastructure and Transport.	A	C	C
5	FID controls the funding envelope (including source of funds) and is accountable and responsible for consolidated capital and consolidated recurrent budgets and leads business performance management, alignment to outcomes and alignment to the Asset Management Framework.	A	R (subportfolio)	R
6	FID leads the enterprise strategy, the integrated annual internal business planning and budgeting process that governs how Divisions plan and prioritise their budgets with alignment to outcomes.	A	R	R
7	FID will be represented in governance structures including high risk programs, the Finance Investment and Assurance Committee (FIAC) and divisional investment governance committees.	A		
8	FID is accountable for management of the 'Portfolio Reserve' to fund any cost over-runs and scope changes as per the approved thresholds in FIAC Terms of Reference, and all proposals to fund such requests must proceed to FIAC for approval.	A		
9	FID will oversee the utilisation of the 'Divisional Strategic Reserve' to fund any cost over-runs and scope changes as per the approved thresholds in FIAC Terms of Reference, and all proposals to fund such requests must proceed to Group CFO for approval per FIAC delegation and reported to FIAC. ▪ Capital allocations to projects will be at P50. Client divisions will hold from P50 to P90 to manage emerging sub-portfolio risks.	R	A	A
10	FID is accountable for management of the 'Enablement Reserve' to fund any new unfunded proposals. All proposals to fund such requests must proceed to FIAC for approval.	A		
11	FID will support the Divisions in financially planning and analysing their forward funding requirements, prosecute budget submissions to Treasury and to upload the approved budget into the Equip system.	A	R	R
12	Every division must provide an accurate pipeline (quarterly) of a 10 year "look ahead" (opex and capex) to FID to allow the business support functions to: ▪ Improve holistic portfolio prioritisation and visibility to support the maximisation of customer outcomes and value for money, ▪ Improve opportunities to engage the right stakeholders at the right time and maximise the opportunity to receive financial/assurance/economic advice, ▪ Provide opportunities for efficiency of business case development such as Program strategic business cases to reduce effort, time, cost and assurance, ▪ Develop funding strategies and provide visibility of "start/Stop" points as part of portfolio prioritisation.	A	R	R
13	Client Divisions must nominate a single point of contact for programs shared across more than one division.		A	
14	Customer Divisions will return unused budget and/or savings on projects to the Divisional/Portfolio Reserve as per the thresholds in FIAC Terms of Reference.	C	A/R	R
15	Customer Divisions are accountable for project status, gate management and contingency management at sub portfolio level.	C	A/R	R
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