

Annual Report 2018 – 19

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Our ref: D2019/36463

18 September 2019

The Honourable Kate Jones MP
Minister for Innovation and
Tourism Industry Development and
Minister for Cross River Rail
PO Box 15168
CITY EAST QLD 4002

Dear Minister

Re: Letter of Compliance

I am pleased to present the *Annual Report 2018–2019* and financial statements for the Cross River Rail Delivery Authority.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019;
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies; and
- Section 72 of the *Cross River Rail Delivery Authority Act 2016*.

A checklist outlining the annual reporting requirements can be found in the Annual Report Requirements section of this report.

Yours sincerely,



The Honourable Paul Lucas
B.Econ., LL.B., M.B.A., M.U.R.P.
Prof. Cert. Arb., MPIA, FAICD
Chair
Cross River Rail Delivery Board

Accessibility

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The Cross River Rail Delivery Authority is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact us on 1800 010 875 between 9am and 5pm Monday to Friday (except for public holidays) and we will arrange an interpreter to effectively communicate the report to you.



This 2018-19 Annual Report provides information about Cross River Rail Delivery Authority financial and non-financial performance. It has been prepared in accordance with the *Financial Accountability Act 2009*, *Cross River Rail Delivery Authority Act 2016* and the Financial and Performance Management Standard 2019.

This report has been prepared for the Minister Administering the *Cross River Rail Delivery Authority Act 2016*, to submit to Parliament. It has also been prepared to meet the needs of relevant stakeholders.

Copies of this report are available in paper form and can be obtained from the Cross River Rail Delivery Authority. Additional information about the Cross River Rail Delivery Authority is available online.

Address:
**Level 6,
123 Albert Street,
Brisbane Qld 4000**

Telephone: **1800 010 875**
Website: **www.crossriversrail.qld.gov.au**
Email: **info@crossriversrail.qld.gov.au**

Table of contents

Letter of compliance	2
Accessibility	3
Message from the Chair	5
Message from the Chief Executive Officer	6
Overview	7
Staffing	13
Board	15
Risk and Accountability	23
Financial Performance Summary	25
Financial Statements	26
Annual Reporting Requirements Checklist	54
Glossary	56

Message from the Chair

I am pleased to present the Cross River Rail Delivery Authority's 2018-19 Annual Report.

The 2018-19 financial year was a year of significant milestones for the Cross River Rail Delivery Authority (Delivery Authority).

The Cross River Rail (CRR) Project is Queensland's largest single construction project.

As a complex project delivery has been structured around three major works packages: the Tunnel, Stations and Development (TSD) Public Private Partnership (PPP); the Rail, Integration and Systems (RIS) Alliance; and the European Train Control Systems (ETCS) contract.

TSD will deliver the tunnel from Dutton Park to Normanby and four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street. RIS will deliver the design, supply and installation of supporting rail system and integration of CRR into the Queensland Rail (QR) network. ETCS (a new signalling system) will enable increased capacity on the inner-city rail network, enhance safety and allow the wider South East Queensland (SEQ) rail network to run more efficiently.

To maximise value for money, these packages needed to be integrated and aligned. The project alignment phase has been a complex task which involved considerable effort by the Delivery Authority, partner agencies and all project bidders.

I particularly want to place on record my thanks, and that of the Board, to Delivery Authority staff, management, and all partner agencies (especially QR, Queensland Treasury, the Department of Transport and Main Roads, and the Department of State Development, Manufacturing, Infrastructure and Planning) for their efforts over the last 12 months. I would also like to thank the Delivery Authority's specialist advisors for their work during the transaction and alignment phases.

The 2019-20 financial year will see CRR Project construction commence in earnest, and with it economic activity and a range of high quality trade and construction jobs.

The CRR Project will transform SEQ. I am proud to be part of an organisation making that difference.



THE HONOURABLE PAUL LUCAS

Chairperson

Message from the Chief Executive Officer

I am pleased to present the Delivery Authority's 2018-19 Annual Report.

As Chief Executive Officer it is my role to oversee the daily activities of the Delivery Authority and ensure all aspects of the project are professionally planned, initiated and delivered.

In 2018-19 the Delivery Authority has worked very deliberately towards the finalisation of the procurement and evaluation phase, to allow us to execute contracts in mid-2019. In addition to the identification and announcement of the preferred bidders the Delivery Authority has:

- Completed the demolition of the GoPrint, Landcentre and old South Brisbane Dental Hospital sites at Woolloongabba;
- Achieved declaration of the Albert Street Cross River Rail Priority Development Area;
- Commenced construction of the temporary Roma Street coach terminal;
- Completed most of the surface land acquisitions for Albert Street and Roma Street;
- Achieved contract close for the TSD PPP (on 30 June 2019);
- Finalised Request for Project Change 4 with the Queensland Coordinator-General; and
- Taken on responsibility to concurrently deliver a number of pre-committed complementary and associated works

In addition to these achievements the Delivery Authority maintained a busy program of public engagement and consultation, to ensure we have remained connected and engaged with the local community, particularly in those areas likely to be most affected by the project.

Achieving our goals over the last 12 months has required that we work closely with partners in state, federal and local government, and with those impacted by the project in each of the station precincts. This has involved regular meetings with businesses, community groups, property holders and peak bodies.

Cross River Rail is a transformational project which will help improve the quality of life of South East Queensland (SEQ), help our economy to keep growing, generate thousands of jobs, activate urban renewal, and provide better access to more places of work, study and recreation.

The Cross River Rail (CRR) Project remains a critical public transport infrastructure project for Queensland. It will improve SEQ quality of life, promote ongoing economic growth, generate thousands of jobs and activate urban development and renewal across the region.

Over the next 12 months the CRR Project will move beyond early works and procurement, and into delivery of the major permanent works. The next phase will bring new challenges and we are looking forward to delivering this project.



Graeme Newton
Chief Executive Officer
Cross River Rail Delivery Authority

Overview

About the Cross River Rail Delivery Authority

Role and Main Functions

The 2018-19 Annual Report covers the reporting period from 1 July 2018 to 30 June 2019.

The Delivery Authority's primary role is to plan, carry out, promote or coordinate activities to facilitate economic development and development for community purposes, in a Cross River Rail (CRR) Priority Development Area (PDA), and to facilitate the efficient delivery of the CRR Project and related projects.

The Delivery Authority works closely with state government partners to deliver value for money and best practice expenditure and acquittal of government infrastructure funds.

The Delivery Authority also has functions to:

- Identify opportunities and options for facilitating economic development, and development for community purposes, in a CRR PDA;
- Identify and consult with relevant entities about options for funding development; and
- Give advice and recommendations on its roles to the Minister and relevant entities.

The functions and powers of the Delivery Authority are set out in the *Cross River Rail Delivery Authority Act 2016* (CRRDA Act).

Stations and Precincts

The CRR Project will include five new high-capacity stations at Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition.

Each of the CRR Project's high-capacity stations will generate unique opportunities for urban renewal, economic development, the revitalisation of inner-city precincts and employment growth.

The construction of the CRR Project means there is an opportunity for the precincts surrounding the stations to be significantly revitalised, helping Brisbane continue to evolve as a world-class city.

The Queensland Government has also announced funding and plans for major accessibility upgrades to six stations on Brisbane's southside. On 21 May 2019 the Minister for Transport and Main Roads announced Fairfield, Yeronga, Yeerongpilly, Moorooka, Rocklea and Salisbury stations would receive a facelift and accessibility upgrades to coincide with the CRR Project.

In addition to the core CRR Project activities, the Queensland Government committed to provide \$3 million for the planning and design of three new train stations at Pimpama, Helensvale North and Worongary/Merrimac. Joint planning with the Department of Transport and Main Roads (DTMR) will continue in 2019-20.

Strategic Objectives

The Delivery Authority's first Strategic Plan 2017-2021 (Strategic Plan) was developed in 2017. The Strategic Plan confirms the Delivery Authority's objectives to:

- **Deliver and facilitate** transformational transport infrastructure development;
- **Optimise** economic and social development opportunities; and
- **Operate** commercially while maintaining strong relationships across sectors and agencies.

The Delivery Authority promotes and supports the government's objectives by:

- Creating jobs in a strong economy;
- Increasing private sector investment; and
- Engaging more young Queenslanders in education, training and work.

Project Progress and Performance

The Delivery Authority's activities are delivered against a project schedule. All activities relate to specific project milestones, which vary from year to year.

Key activities for 2018-19 included:

- Completing the majority of early and enabling works and geotechnical site investigations;
- Demolition of GoPrint, Landcentre and South Brisbane Dental Hospital sites at Woolloongabba;
- Achieving declaration of the Albert Street Priority Development Area;
- Acquisition and vacant possession of most of the Albert Street surface properties (excluding 142 Albert Street);
- Acquisition of Roma Street properties (Brisbane Transit Centre and Hotel Jen);
- Completing procurement evaluation for the TSD, RIS and ETCS packages and announcement of preferred bidders;
- Achieving TSD contract close; and
- Completing Request for Project Change 4.

Queensland Government Objectives for the Community

The *Financial Accountability Act 2009* (Qld) (FAA) (section 10) requires that from time to time the Queensland Government must prepare and table a statement of the government's broad objectives for the community.

In April 2018 the Premier and Minister for Trade, issued the 'Our Future State Advancing Queensland's priorities' statement. This document sets out the Queensland Government's core objectives for the community, as follows:

- Create jobs in a strong economy;
- Give all our children a great start;
- Keep Queenslanders healthy;
- Keep communities safe;
- Protect the Great Barrier Reef; and
- Be a responsive government.

Key benefits of the CRR Project will include reducing traffic congestion, creating an average of 1,500 jobs for five years during construction, and activating new economic opportunities and precincts in an expanded Brisbane CBD. These outcomes will contribute to the objective to 'Create jobs in a strong economy' by:

- Creating direct employment;
- Stimulating investment in and around the station precincts; and
- Creating the equivalent of 450 new apprentice and trainee opportunities during project delivery.

The outcomes will also contribute to the objective to 'Be a responsive government' by making Queensland Government services easier to use (i.e. public transport, accessibility across the region).

2018-19 Key Achievements

1. Announcement of Preferred Proponents for TSD, RIS and ETCS

On 4 April 2019, the Queensland Government announced the preferred bidders selected to build the CRR Project.

Tunnel, Stations and Development

The TSD PPP will be delivered by PULSE. The PULSE consortium is led by CIMIC Group companies, Pacific Partnerships, CPB Contractors, and UGL with international partners DIF, BAM and Ghella.

The TSD PPP will deliver the underground section of the project, including the tunnel from Dutton Park to Normanby and the construction of four new, state-of-the-art underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street. Contract close for the TSD package was achieved on 30 June 2019.

Rail, Integration and Systems

The RIS Alliance will be delivered by UNITY Alliance. UNITY Alliance brings together CPB Contractors, UGL, AECOM and Jacobs, and partners HASSELL, RCS Australia, Acmena, Martinus Rail and Wired Overhead Solutions.

The RIS Alliance will deliver the design, supply and installation of the supporting rail system and integration of CRR into QR's train network, and an upgrade to Exhibition Station.

European Train Control System

The ETCS package will be delivered by Hitachi Rail STS. ETCS is a new signalling system. Its introduction will enable increased capacity on the inner-city rail network, enhance safety and allow the wider SEQ rail network to run more efficiently, the features of which are important for the safe operation of trains in CRR's tunnels.

2. Albert Street Priority Development Area (PDA)

On 14 December 2018 the Queensland Government declared a CRR PDA to support delivery of the new underground Albert Street Station in the Brisbane CBD.

Albert Street will be the first CBD station built in 120 years and will dramatically improve connectivity to the southern part of the CBD, opening new access

routes to city attractions and key business precincts. The Albert Street PDA covers two land areas on the corner of Albert and Mary Streets in Brisbane's CBD with an Interim Land Use Plan in place while a development scheme is prepared for the site.

The station will become the main pedestrian feeder point for Queen Street Mall, QUT's Gardens Point campus, the Parliamentary precinct, the new Queen's Wharf Brisbane development and an upgraded Eagle Street business district.

3. Cross River Rail Land Acquisitions – Albert Street and Roma Street

In 2017-18 the Delivery Authority commenced the formal acquisition of land under the CRRDA Act and the *Acquisition of Land Act 1967*. The Delivery Authority acquired its first properties on 29 June 2018.

In 2018-19 the Delivery Authority finalised land acquisitions for the Albert Street Station sites (excluding 142 Albert Street), and Roma Street (the Brisbane Transit Centre (BTC) and Hotel Jen). Vacant possession of the Albert Street sites was achieved in March 2019.

4. Demolition of Woolloongabba Site

At the CRR Project's Woolloongabba Station site, demolition of the three government buildings (Goprint, Landcentre, and the old South Brisbane Dental Hospital) is now complete. Over 45,000 tonnes of building waste was removed from the site, with over 95 percent of this material recycled.

Site remediation was completed by July 2019 and involved removal of 139,000 tonnes of contaminated soil. Due to the contaminated soils at the site, independent expert advice confirmed the trees at the site were unable to be relocated. Vegetation at the Woolloongabba site was also reviewed as part of the 2011 Environmental Impact Statement, and none was identified as being of note in relation to the relevant applicable legislation.

The Woolloongabba site will become the engine room of the CRR Project, hosting the tunnel boring machine and road headers which will dig the tunnel.

5. Geotechnical Works

The Delivery Authority commenced geotechnical investigations in 2017-18. These works continued in 2018-19 and are due to be completed in Q1 2019-20. Over 90 boreholes and 46 test pits have been drilled at various locations along the rail corridor at Dutton Park, Woolloongabba, Kangaroo Point, Brisbane CBD, Roma Street Station, Petrie Terrace, Normanby and Bowen Hills.

6. Roma Street Temporary Coach Terminal

In November 2018 construction commenced on a new temporary long-haul coach terminal adjacent to Platform 10 at Roma Street Railway Station. The new facility will be operational prior to demolition of the Brisbane Transit Centre (Q3 2019).

The contract for civil works at the site of the new temporary coach terminal was awarded to Brisbane-based Pensar Civil, on 3 October 2018. Badge Construction was awarded the building works contract on 13 December 2018.

In conjunction with DTMR, the Delivery Authority engaged with coach operators to formalise commercial terms for access to the new facility.

Key Priorities 2019-20

In 2019-20 the Delivery Authority will finalise contracts for RIS and ETCS and formally commence major works for the CRR Project.

The 2019-20 Service Delivery Statement confirms that key priorities for 2019-20 are:

- Executing contracts for TSD, RIS and ETCS major works packages (the TSD contract was executed on 30 June 2019);
- Finalising the Environmental Impact Statement change process, and obtaining Coordinator-General approvals and Conditions for delivery of works (completed 26 June 2019);
- Commencing major permanent works;
- Commencing demolition works at the Albert Street and Roma Street sites;
- Finalising precinct development plans for the Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition Station precincts;
- Finalising the Early Works program; and
- Continuing property acquisition processes in relation to the project corridor.

On behalf of QR, over the coming years (in order to achieve efficiencies for already scheduled works) Delivery Authority contractors will be engaged to deliver complementary and associated works concurrent with core CRR activities, including:

- Clapham Yard stabling;
- Breakfast Creek Rail Bridge realignment;
- Fairfield to Salisbury station accessibility;
- Mayne Yard works (incl. relocating existing QR facilities);
- Bridge pier protection works; and
- Rail power supply upgrades.

Agency Service Areas and Service Standards

The Delivery Authority's Service Area Objective is to deliver economic development and transport outcomes that maximise benefits for Queenslanders.

To address the identified network capacity challenges that form the strategic context for the project, the Delivery Authority's key objectives in delivering Cross River Rail are to:

- Remove the bottleneck at the core of South East Queensland's rail network, reducing commuter journey times;
- Successfully transform the SEQ passenger rail network into a world-class turn-up-and-go network;
- Deliver greater ease and more comfort for passengers of the SEQ rail network;
- Reduce road congestion and car dependency in SEQ; and
- Investigate revitalisation of inner-city precincts for public spaces, and commercial and residential hubs.

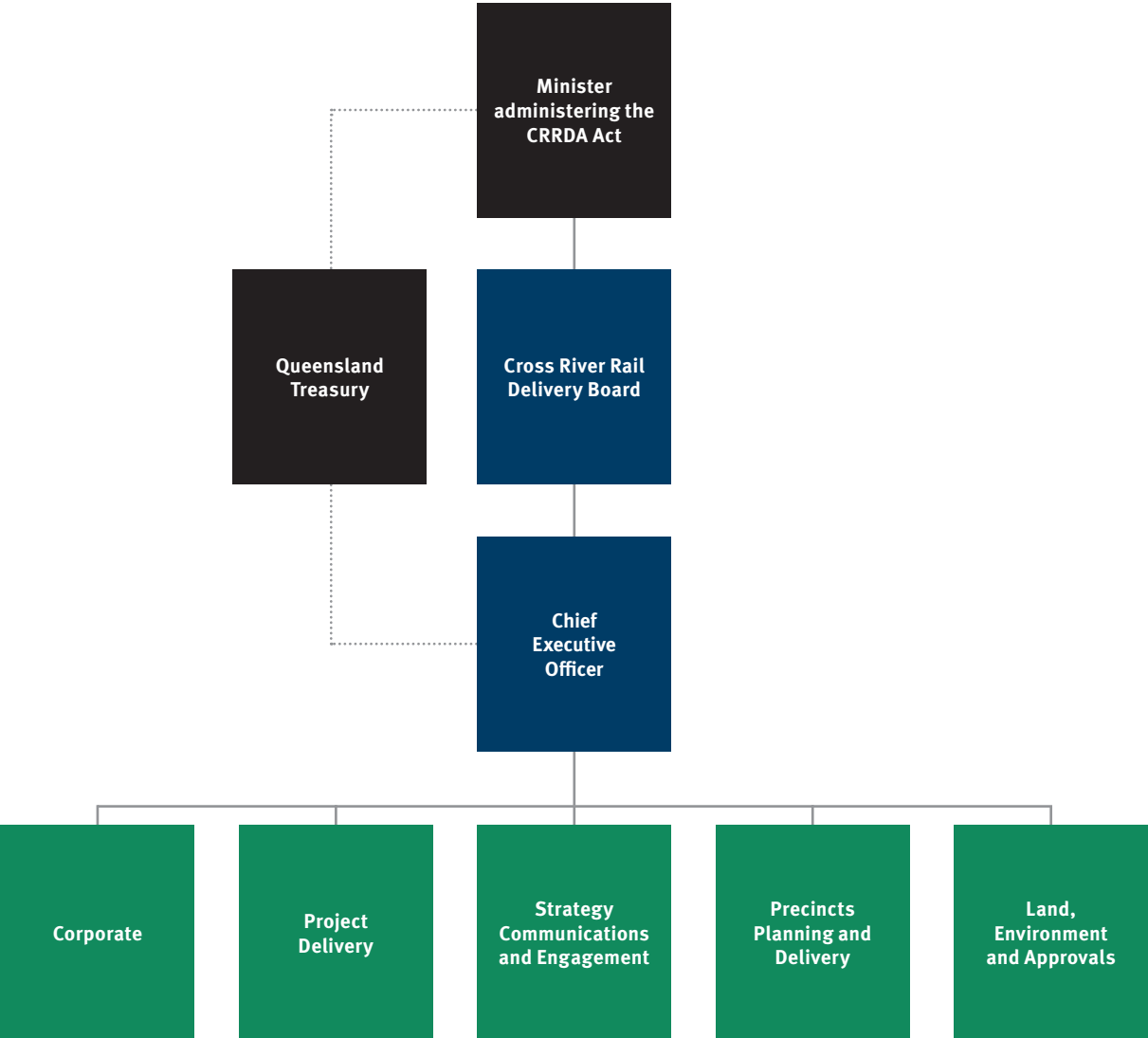
Cross River Rail Development Authority	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards Effectiveness measures Percentage of Cross River Rail construction works completed within the required timeframes ¹	New measure	New measure	100%
Efficiency measure Administration cost to plan, develop and manage Cross River Rail Project works and precinct development as a percentage of the overall whole of project costs ²	New measure	New measure	< 5%

Notes:

1. This is a proxy measure of effectiveness and indicates the performance of the Delivery Authority in delivering a key government priority on a timely basis. The required timeframes for completion of construction works are set out in a detailed delivery program measuring the value of works expected to be completed. The scope of construction works captured by this measure includes delivery of the Cross River Rail TSD, RIS and ETCS major packages of work.
2. This is a proxy measure of efficiency. The administration costs for this new measure include the cost of the Delivery Authority staff and specialist technical contractors whose responsibilities include planning for the Cross River Rail project and related precinct redevelopment, monitoring delivery, assessing delivery partner performance and administering payments to delivery partners for works completed, and liaising with a range of stakeholders including landholders and the general public.

Governance Management and Structure

The Delivery Authority is structured to support the efficient and focused delivery of the CRR Project.



Staffing

Staff numbers

The Delivery Authority engages employees directly and may also engage officers on secondment from other Queensland Government entities under the CRRDA Act.

The number of employees (including full-time employees and part-time) measured on a full-time equivalent (FTE) basis was 115.6 as at 30 June 2019.

Early Retirement, Redundancy and Retrenchment

The Delivery Authority has had no retrenchments and no voluntary redundancies for the reporting period 1 July 2018 to 30 June 2019.

Governance – Human Resources

People and Performance Committee

The Board has established a People and Performance Committee to:

- Advise on the Board's People and Performance Strategies to ensure the Delivery Authority functions effectively and in accordance with the Board's goals; and
- Advise on global and national trends which may impact strategy effectiveness, and the Delivery Authority's obligations under the CRRDA Act.

The People and Performance Committee met four (4) times in 2018-19.

Membership includes:

- The Honourable Paul Lucas;
- Professor Mary O'Kane;
- Mr John Lee; and
- Mr Neil Scales.

The Committee's specific duties include:

- Confirming People and Performance Plans and Policies are aligned to the Delivery Authority's corporate strategies, policies and goals;
- Monitoring the effectiveness of Plans and Policies through use of appropriate Key Performance Indicators (including diversity and inclusivity outcomes);
- Contributing positively to the Delivery Authority's culture; and
- Making recommendations to the Board.

Strategic workforce planning and performance

A People and Culture Strategy was developed in April 2019 to support objectives in the Strategic Plan to empower staff to make sound commercial and strategic decisions and attract and retain an inclusive, diverse and capable workforce.

The Strategy aims to build a positive and healthy workplace culture and unleash the full potential of our people to deliver on our ambition to enable a better future for residents and visitors across SEQ.

The Strategy includes a range of initiatives in the key areas of:

- Organisational leadership;
- Workload, health and well-being; and
- Performance management, learning and development.

The Delivery Authority is continuing to plan capability requirements and recruit nationally and internationally to build a workforce with the necessary talent, skills and experience.

Code of Conduct

The Delivery Authority has developed and implemented a Code of Conduct (the Code) which is aligned to the principles and values outlined in the *Public Sector Ethics Act 1994*.

The Code provides staff with a framework to ensure the Delivery Authority's high professional standards are maintained. The Code has been provided to staff and is included in the online onboarding process for new staff.

Employee Performance Management Framework

The Delivery Authority's performance management framework is aligned to the Queensland Government's policies and directives.

An Individual Performance and Development Policy was approved in June 2019 and implementation is underway.

Governance – Human Resources

Health, Safety and Wellness

The Delivery Authority has in place appropriate induction and training processes to ensure all staff are trained in the identification and rectification of hazards, incidents and in compliance with the *Work Health and Safety Act 2011*.

The Delivery Authority employees use flexible work arrangements such as job sharing, compressed work hours, variable start and finish times and part-time, to support a healthy work-life balance.

Employees are provided with regular information sessions, webinars and newsletter articles on a range of topics provide by our Employee Assistance Program provider and QSuper.

The Delivery Authority provides equal employment opportunities and actively ensures that its work environment complies with anti-discrimination legislation and zero tolerance of sexual harassment and bullying.

Board

The Delivery Authority Board's responsibilities are set out in the CRRDA Act. The Board's functions are to:

- Ensure the proper, efficient and effective performance of the Delivery Authority's functions;
- Decide the objectives, strategies and policies to be followed by the Delivery Authority;
- Ensure the Delivery Authority complies with its strategic plan, and operational plan, under the FAA for a financial year;
- Report to the Minister about the performance of the Delivery Authority's functions; and
- Another function given to the board under the Act.

As at 30 June 2019, the Board was comprised of three permanent (*ex officio*) members, and six appointed members. The *Queensland Register of Appointees to Government bodies* includes remuneration information for Delivery Authority Board Members. Permanent Board members do not receive additional remuneration as part of their Board member role.

As at 30 June 2019 Permanent members included:

- Mr Frankie Carroll, Under Treasurer, Queensland Treasury;
- Ms Rachel Hunter, A/Director-General, Department of the Premier and Cabinet; and
- Mr Neil Scales OBE, Director-General, Department of Transport and Main Roads.

Appointed members included:

- The Honourable Paul Lucas (Chairperson);
- Emeritus Professor Mary O'Kane AC;
- Ms Lucy Snelling;
- Mr John Lee;
- Mr John McEvoy; and
- Mr Tim Rothwell.

Former Board Members – 2018-19

Mr Jim Murphy was a Board member from 14 April 2017 to 14 September 2018 and was Chair from 12 December 2017 to 14 September 2018.

Previously Mr Stewart was a board member from 14 April 2017 to 9 February 2019. He returned to his position as Director General Department of the Premier and Cabinet on 19 August 2019.

Ms Mary-Anne Curtis was Acting Under Treasurer before Mr Frankie Carroll was appointed Under Treasurer. Ms Curtis was a Member of the Board *ex officio* from 15 September 2018 to 8 February 2019 in her capacity as Acting Under Treasurer.

Board Meetings and Attendance

There were 14 Board Meetings between 1 July 2018 and 30 June 2019.

Attendance is outlined below.

Members	Attended	Held
The Honourable Paul Lucas (Chair)	14	14
Mr Frankie Carroll (New Member - 7 Mtgs)	3	(7)*
Mr Dave Stewart (7 Mtgs)	6	(7)*
Ms Rachel Hunter (New Member - 7 Mtgs)	6	(7)*
Mr Neil Scales OBE	9	14
Professor Mary O’Kane AC	13	14
Mr John Lee	11	14
Mr John McEvoy	14	14
Ms Lucy Snelling	14	14
Mr Tim Rothwell (New Member – 8 Mtgs)	5	(8)*
Former Members		
Mr Jim Murphy (Member – 2 mtgs)	1	(2)*
Ms Mary-Anne Curtis (Member – 5 mtgs)	3	(5)*

* Number of meetings the member was qualified / available to attend as Board Member

Board Members



**THE HONOURABLE
PAUL LUCAS**

*B.Econ., LL.B., M.B.A.,
M.U.R.P., Prof. Cert.
Arb., MPIA, FAICD
Chairperson
Appointed Member
14 April 2017,
appointed Chair
20 September 2018*

Experience

Paul Lucas is a non-executive director and consultant. Mr Lucas has held Board positions with and consulted to public and private sector transport and infrastructure related corporations including Airservices Australia and Powerlink.

Mr Lucas lectures at a postgraduate level in Strategic Metropolitan and Transport and Infrastructure Planning. He is a Board member at the Institute for Urban Indigenous Health and at the Australian College of Optometry. Mr Lucas is an Adjunct Professor at Australian Catholic University and Bond University and a Governance, Infrastructure and Public Policy Consultant with University of Queensland International Development.

Mr Lucas is a Solicitor and Urban Planner by profession and was Deputy Premier for four years, and a Minister in the Queensland State Government for 11 years. His ministerial responsibilities included Infrastructure and Planning, Transport and Main Roads, Local Government, Energy, Health and Attorney-General. Mr Lucas was involved in many large transport infrastructure projects in South East Queensland including: Springfield Rail Line; Varsity Lakes Extension; Salisbury-Kuraby Duplication; Inner-Northern Busway; Northern Busway; Boggo Road Busway; Eastern Busway; Tugun Bypass; Airport Link; and the Gateway Upgrade Project. Mr Lucas was also the minister responsible for managing the state's relationships with the federal and local governments on these and other projects.



**EMERITUS
PROFESSOR
MARY O'KANE AC**

*Board Member
Appointed
14 April 2017*

Experience

Professor O'Kane is New South Wales (NSW) Chief Scientist and Engineer, a company director and Executive Chairman of O'Kane Associates, a company advising governments and the private sector on innovation, research, education and development. Professor O'Kane was Vice-Chancellor of the University of Adelaide from 1996 to 2001 and Deputy Vice-Chancellor (Research) from 1994 to 1996. Before that she was Dean of Information Sciences and Engineering at the University of Canberra.

In the field of infrastructure she is a Special Advisor to Infrastructure NSW and chairs the NSW Air Quality in Tunnels Committee. She was formerly on the boards of the Multifunction Polis and AARNet and was a member of the Australian Capital Territory Very Fast Train Advisory Committee. She chairs the NSW Energy Security Taskforce and is a panel member of the Review of the National Electricity Market (Finkel Review).

Professor O'Kane has served on several boards and committees in the public and private sectors, especially related to research, engineering, ICT and energy. She is currently chair of the Boards of the Cooperative Research Centre (CRC) for Spatial Information, the Space Environment Management CRC, and the Institute of Marine and Antarctic Studies at the University of Tasmania.

She serves on the boards of Business Events Sydney Ltd, Queensland University of Technology, the New Zealand Antarctic Research Institute, the Development Gateway, the Capital Markets CRC and the Innovative Manufacturing CRC. She was Chair of the Australian Centre for Renewable Energy, Chair of the Development Gateway, a Director of F.H. Faulding & Co Ltd and was a Member of the Australian Research Council, the Cooperative Research Centres Committee and the Boards of the CSIRO and NICTA.

Professor O'Kane is a Fellow of the Australian Academy of Technological Sciences and Engineering and an Honorary Fellow of Engineers Australia.



MR JOHN LEE

*Board Member
Appointed
14 April 2017*

Experience

Mr John Lee is the Lead Partner of Newgate Australia's Canberra Office. He has held a number of senior positions at the state government level including Director-General of the Department of Commerce and Transport for NSW from 2003 to 2010. Mr Lee was then appointed the Chief Executive Officer of the Australian Tourism and Transport Forum, a national advocacy organisation for improved public transport and visitor economy infrastructure.

Mr Lee has extensive experience in both operations and planning of heavy rail and transport solutions. Early in his career Mr Lee worked as General Manager of CityRail in the lead up to the 2000 Olympics in Sydney. He also played a pivotal role in the planning and construction of many rail projects on the CityRail network. Mr Lee is the former Chief Executive of Australian Sailing, Sydney Roosters National Rugby League club and a former Australian Sports Commissioner. He also has extensive experience in governance.



MR JOHN MCEVOY

*Board Member
Appointed
1 June 2017*

Experience

Mr John McEvoy has 35 years' experience in the mobilisation and successful delivery of major infrastructure programs and mega-projects in Australia and internationally.

In the past 15 years Mr McEvoy has focused on adapting proven investment governance practices to plan and deliver major economic, social and environmental infrastructure in the rail, road, ports, energy, water, health, justice and civic sectors. He is regarded as an innovative strategist and problem solver, with valued skills in the development of business cases to secure funding for major projects and in the subsequent crafting of commercial public private partnerships and other project delivery models.

In Queensland Mr McEvoy has extensive experience in the mobilisation and delivery of major projects totalling over \$30 billion, including the post-2011 floods Transport Network Reconstruction Program, Brisbane's Clem7 tunnel and Inner City Bypass, Gold Coast Light Rail, Lady Cilento Hospital, Southbank and the Brisbane Convention Centre.

Mr McEvoy has a Bachelor of Engineering, Civil (Hons) and has participated in best practice leadership studies at Harvard Business School, the Kennedy School of Government and Melbourne Business School. He is also a graduate member of the Australian Institute of Company Directors and a past chair of the Infrastructure Association of Queensland.



MS LUCY SNELLING

*Board Member
Appointed
14 April 2017*

Experience

Ms Lucy Snelling is Chief Executive Officer of State Gas Ltd. She has Board and governance, as well as legal, government and management experience. She is an experienced leader with a strong legal and commercial background, strategic management skills and specialist expertise in resources and energy and transport infrastructure projects.

While partner of a Brisbane City law firm she worked on major gas pipeline, rail and other infrastructure development projects, as well as ongoing operational issues. In addition, she has facilitated commercial development projects at and in conjunction with rail transport to maximise urban planning and infrastructure outcomes, including across a range of transport oriented developments.

Ms Snelling co-founded the Infrastructure Association of Queensland, serving as founding Secretary, and subsequently Vice President and President. Her previous roles include acting as the State's Representative on the AirTrain Citylink project, and oversight of Stage 1 of the Springfield Road and Rail Corridor.



MR TIM ROTHWELL

*Board Member
Appointed
1 January 2019*

Experience

Mr Rothwell was appointed to the Board of the Cross River Rail Delivery Authority and a member of the Audit, Finance and Risk Committee on 1 January 2019.

Mr Rothwell retired as Chief Financial Officer of Brisbane Airport Corporation (BAC) in 2013, after 20 years with the organisation. At BAC, he was responsible for finance and governance of a \$6 billion airport business – aviation, retail, car parks, infrastructure and commercial property development and management. Responsibilities included \$3 billion plus debt raising – USPP and Australian bond issues and bank facilities, airline pricing, State Government, Brisbane City Council and other critical negotiations and liaison with regulators (Federal Department of Infrastructure, ACCC, PC, ATO).

During 1996 and 1997, Mr Rothwell was actively involved in all aspects of the Australian airport privatisation process. In 2008, he completed the Senior Executive Program at London Business School. Mr Rothwell was a key member of a senior management team that saw BAC increase its profitability significantly and Brisbane Airport win several international and national awards.

Mr Rothwell is a Board Member and Chair of the Board Audit and Risk Committee of Airservices Australia and is on the Council and Planning and Resources Committee of the University of the Sunshine Coast. He was a Board Member and inaugural Chair of the Audit, Finance and Risk Committee of Wesley Mission Queensland for ten years until 2015 and the Honorary Treasurer of the Royal National Agricultural and Industrial Association of Queensland (RNA) until 2017.

For more than five years, Mr Rothwell has been a mentor to Queensland University of Technology Executive MBA students and a lecturer to University of New South Wales undergraduates each year, as part of their Aviation Business Degree.

Prior to BAC, Mr Rothwell held senior financial, marketing, project and general roles in the United Kingdom and Australia. He has an honours degree in Economics and Accounting and qualified as an accountant with Deloitte. He is a member of the AICD and an FCA.



RACHEL HUNTER

*Board Member
Appointed
11 February 2019*

Experience

Ms Hunter is a highly regarded and accomplished Director-General and Chief Executive Officer, having worked across various portfolios.

Her distinguished career includes Director-General roles in a number of Queensland Government departments including Justice and Attorney-General, Education, Training and the Arts and most recently, the Department of State Development, Manufacturing, Infrastructure and Planning. She has also served as Queensland's Public Service Commissioner.

Ms Hunter is currently a Deputy Chancellor with Griffith University and serves on the Trade and Investment Queensland Board and the Building Queensland Board. She has formerly chaired the Board of Jobs Queensland, providing industry and evidence-based advice on skills needs and workforce planning, and was also the Chair of Children's Health Queensland.

Much of her career in government has been spent in portfolios with a focus on employment, skills, training, and economic growth and community resilience. She brings to the role an outcome-focused, and values-led leadership style.



FRANKIE CARROLL

*Board Member
Appointed
11 February 2019*

Experience

Frankie Carroll was appointed Under Treasurer in February 2019. Frankie has more than 30 years' experience in both the public and private sector.

Prior to joining Queensland Treasury, he was the Director-General of the Department of Infrastructure Local Government and Planning between 2015 and 2018.

Previously, Mr Carroll was Chief Executive Officer of the Queensland Reconstruction Authority (QRA), responsible for delivering a reconstruction program worth more than \$13 billion – the largest program of its type in the nation's history. He earlier held the position of Deputy Chief Executive and Chief Financial Officer of the QRA, commencing in 2011.

He also brings extensive executive experience in major project delivery in the water, construction, energy and financial services industries. As Chief Executive Officer of Queensland Water Infrastructure he delivered major water storage facilities to South East Queensland.

Before joining the public service in Queensland he worked for many years both in Australia and internationally in the financial services sector.

Mr Carroll is a Graduate of the Australian Institute of Company Directors, a member of the Chartered Accountants Australia and New Zealand, a Fellow of the Association of Chartered Certified Accountants and a Member of the Association of the Institute of Taxation in Ireland. He has also served on a number of key boards including Economic Development Queensland, Building Queensland and Trade and Investment Queensland.



MR NEIL SCALES
OBE

Board Member
Appointed
14 April 2017

Experience

Appointed as Director-General, Department of Transport and Main Roads in March 2013, Mr Scales previously led Queensland's public transport network as Chief Executive Officer of TransLink. Prior to joining TransLink, Mr Scales was the Chief Executive and Director-General of Merseytravel, the transport authority for Merseyside in the north of England. In this role, he was responsible for some 200 million passenger journeys per year by train, bus, ferries and through the two Mersey Tunnels.

Along with over 40 years of experience in the transport industry, Mr Scales received an Officer of the Most Excellent Order of the British Empire (OBE) for services to public transport. He was also awarded an Honorary Fellowship from Liverpool John Moores University in 2011 for his services in the region. Mr Scales was appointed as a Commissioner with the National Transport Commission (NTC) in September 2014 and was appointed to the Roads Australia Board in November 2014.

In 2015, he was the Queensland Public Sector's CEO champion against domestic violence by participating in an initiative called the Australia's CEO Challenge Race. He continued this important role in 2017. This annual drive sees business leaders raise awareness and funds for those affected by domestic violence.

Chief Executive Officer



MR GRAEME NEWTON

*Chief Executive Officer
Appointed
18 September 2017*

Experience

Graeme Newton has led a number of large-scale, high profile and complex infrastructure projects during his career that spans over 25 years.

He was appointed to the role of Chief Executive Officer for the Cross River Rail Delivery Authority in September 2017. Here, he is responsible for leading the State's top priority infrastructure project, creating Brisbane's first underground rail line. Cross River Rail will unlock a bottleneck at the core of the city transport network and provide social and economic benefits across South East Queensland.

Mr Newton has previously served as the Director-General and Coordinator-General for the Department of Infrastructure and Planning, the CEO of the Queensland Reconstruction Authority following the 2011 Queensland floods, and Lead Partner for Deloitte's Queensland public sector advisory practice.

Public Sector Ethics Act 1994

The Delivery Authority has developed and implemented a Code of Conduct which is aligned to the principles and values outlined in the *Public Sector Ethics Act 1994*.

The Code of Conduct provides staff with a framework to ensure the Delivery Authority's high professional standards are maintained. The Code of Conduct has been provided to staff and is included in the online onboarding process for new staff.

The Delivery Authority's human resource management procedures and practices are aligned to the Code of Conduct.

Audit, Finance and Risk Committee

The Delivery Authority's Audit, Finance and Risk Committee (AFRC) was established on 14 June 2017. The AFRC's first meeting was held on 28 July 2017. Members of the AFR Committee include:

- The Honourable Paul Lucas
- Professor Mary O'Kane
- John McEvoy
- Lucy Snelling
- Tim Rothwell
- Dave Stewart / Rachel Hunter

Five (5) meetings were held in 2018-19.

The AFRC provides assurance and assistance to the Board on the risk, control, financial and compliance frameworks in accordance with the *Auditor-General Act 2009*, *FAA*, *Statutory Bodies Financial Arrangements Act 1982*, and relevant regulations and standards.

Internal Audit

The Delivery Authority has established strong internal audit policies and processes and adheres to whole of government and Queensland Treasury policies and processes in relation to financial accountability. The Delivery Authority has appointed an internal auditor and established a rigorous internal assurance program, which was approved by the Board through the AFRC.

A robust internal assurance program for the 2019-20 financial year has also been approved by the AFRC to ensure the Delivery Authority will continue to comply with Queensland public sector audit and accountability requirements and to satisfy the requirements of the Queensland Audit Office.

External Scrutiny

During the 2018-19 financial year, no external audits or reviews were conducted of the Delivery Authority other than the annual audit of financial statements, conducted following the end of the financial year, and the Queensland Government's Gateway Review (Assurance) program.

The Queensland Government's Gateway Review process allows for the CRR Project's progress and quality to be assessed through a series of gateway reviews led by independent reviewers. The reviews help ensure the CRR Project (and associated investment) meets strategic objectives and achieves value for money.

The Queensland Government has endorsed the use of Gateway for major infrastructure programs and projects.

Information Systems and Record Keeping

The Delivery Authority has established a mature electronic records management system as part of its own internal systems. The Delivery Authority continues to ensure records are maintained in accordance with applicable legislation and standards.

Open Data

Agencies are required to include a statement in their annual reports advising on the publication of Open Data information online.

Overseas travel information requirements have been reported through the open data portal. The Delivery Authority does not engage consultancies and has not commenced using interpreters.

Financial Performance Summary

The financial statements included in this Annual Report provide specific information about the Delivery Authority's activities for the year ended 30 June 2019 and its financial position at the end of that period.

Operating Result

The Delivery Authority's operating result for 2018-19 was a surplus of \$0.11 million. This surplus will be carried forward and offset against expenditure in 2019-20.

Revenues

Revenue relates to funding from Queensland Treasury for non-capital expenditure of the Delivery Authority and the reimbursement of the European Train Control System (ETCS) project expenditure from Queensland Rail.

Expenses

Expenses relate to non-capital employee and supplies and services expenditure for the Cross River Rail Project, project expenditure relating to ETCS, expenditure relating to the Brisbane Live Business Case and expenditure related to planning work for Gold Coast Infill stations. Expenditure relating to ETCS is reimbursed by Queensland Rail.

Assets

Assets includes project costs that are capitalised and included in property, plant and equipment as capital work in progress to the extent they are directly attributable to the construction of the infrastructure assets.

Assets also include prepaid, project related, Principal Arranged Insurance (PAI) and GST refundable from the Australian Taxation Office .

Liabilities

Liabilities mainly relate to creditors, accrued employee benefits and other payables including land settlement costs associated with the project.

Equity

Equity includes non-appropriated equity injections from Queensland Treasury in relation to project funding

CROSS RIVER RAIL DELIVERY AUTHORITY

ABN 21 542 690 798

Financial Statements

For the year ended 30 June 2019

CROSS RIVER RAIL DELIVERY AUTHORITY

Financial Statements
For the year ended 30 June 2019

Contents	
	28
Statement of Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to and forming part of the Financial Statements	50
Management Certificate	51
Independent Audit Report	

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income from operations			
Grants revenue	2	12,000	10,000
Other income	3	37,268	6
Total income from operations		49,268	10,006
Expenses from operations			
Employee expenses	4	5,837	2,871
Supplies and services	6	38,665	7,340
Depreciation	11	81	19
Other expenses	7	4,575	50
Total expenses from operations		49,158	10,280
Operating result from operations		110	(274)
Total comprehensive income		110	(274)

The accompanying notes form part of these statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	8	180,781	42,525
Receivables	9	23,453	1,093
Other current assets	10	2,631	170
Total current assets		206,865	43,788
Non-current assets			
Property, plant and equipment	11	795,330	128,032
Other non-current assets	10	11,118	-
Total non-current assets		806,448	128,032
Total assets		1,013,313	171,820
Current liabilities			
Payables	12	153,933	33,723
Accrued employee benefits	13	1,162	1,000
Other current liabilities		46	35
Total current liabilities		155,141	34,758
Total liabilities		155,141	34,758
Net assets		858,172	137,062
Equity			
Accumulated surplus		8,172	8,062
Non-appropriated equity	14	850,000	129,000
Total equity		858,172	137,062

The accompanying notes form part of these statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Opening balance 1 July		137,062	8,336
Operating result from continuing operations		110	(274)
Non-appropriated equity injections	14	721,000	129,000
Closing balance at 30 June		858,172	137,062

The accompanying notes form part of these statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Grants		12,000	10,000
Other income		15,914	6
GST input tax credits from ATO		15,157	7,171
GST collected from customers		1,896	-
<i>Outflows:</i>			
Employee expenses		(5,603)	(3,071)
Supplies and services		(26,176)	(12,132)
GST paid to suppliers		(16,316)	(7,741)
GST remitted to ATO		(1,508)	-
Other expenses		(85)	-
Net cash used in operating activities		(4,721)	(5,767)
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for property, plant and equipment		(578,023)	(94,749)
Net cash used in investing activities		(578,023)	(94,749)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		721,000	129,000
Net cash provided by financing activities		721,000	129,000
Net increase in cash and cash equivalents		138,256	28,484
Cash and cash equivalents at beginning of reporting period		42,525	14,041
Cash and cash equivalents at end of reporting period	8	180,781	42,525
Reconciliation of operating result to net cash flow by operating activities			
<i>Operating surplus</i>		110	(274)
<i>Non-cash items included in operating result:</i>			
Depreciation		81	19
<i>Changes in assets and liabilities:</i>			
(Increase) in trade and other receivables		(21,354)	-
(Increase) in GST input tax credits receivable		(772)	(998)
(Increase) in annual leave reimbursement receivables		(200)	-
(Increase) in long-service leave reimbursement receivables		(6)	-
Decrease in prepayments		29	39
Increase/(decrease) in accounts payable		16,941	(4,214)
Increase/(decrease) in accrued employee benefits		450	(339)
Net cash provided by/(used in) operating activities		(4,721)	(5,767)

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to the Financial Statements

For the year ended 30 June 2019

- Note 1: Basis of financial statement preparation
- Note 2: Grants revenue
- Note 3: Other income
- Note 4: Employee expenses
- Note 5: Key management personnel and remuneration
- Note 6: Supplies and services
- Note 7: Other expenses
- Note 8: Cash and cash equivalents
- Note 9: Receivables
- Note 10: Other assets
- Note 11: Property, plant and equipment
- Note 12: Payables
- Note 13: Accrued employee benefits
- Note 14: Non-appropriated equity
- Note 15: Commitments for expenditure
- Note 16: Related parties
- Note 17: Events after the end of the reporting period
- Note 18: Other information
- Note 19: Budget vs actual comparison

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

1. Basis of financial statement preparation

(a) General information

These financial statements cover the Cross River Rail Delivery Authority (the Delivery Authority).

The Delivery Authority was established under the *Cross River Rail Delivery Authority Act 2016* on 14 April 2017, and is a Statutory Body under the *Financial Accountability Act* and Statutory Bodies *Financial Arrangement Act 1982*.

The head office and principal place of business of the Delivery Authority is 123 Albert Street, Brisbane QLD 4000.

(b) Compliance with prescribed requirements and basis of accounting

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

The Delivery Authority is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

The Delivery Authority has prepared these general purpose financial statements on the basis that the financial assets and liabilities arising from the Cross River Rail Project (the Project) are recorded by the Delivery Authority in its financial statements. The Delivery Authority controls the operations, liabilities and assets which directly relate to the development, procurement and the delivery of the project. Cost that are directly attributable to the construction of the project will be recognised as capital works in progress until such time as the asset is complete and available for use as intended by management.

The historical cost convention is used unless otherwise stated.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 1(e).

(c) Presentation

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2017-18 financial statements.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Delivery Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(d) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chairperson and Chief Executive Officer at the date of signing the Management Certificate.

(e) New and revised accounting standards

No Australian Accounting Standards have been early adopted for 2018-19.

The Delivery Authority applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below:

Under the AASB 9, debt instruments are categorised into one of three measurement bases - amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest', and
- the department's business model for managing assets.

Queensland Treasury's policy states that statutory bodies consolidated into the whole-of-government financial statements shall not recognise a loss allowance under AASB 9 for receivables from another Queensland Government agency (including Government-owned Corporations) unless approval has been received from Queensland Treasury. These receivables are expected to have an insignificant, and therefore immaterial level of credit risk exposure due to the high credit rating of the State. The Delivery Authority will not be calculating a credit allowance on the receivables from Queensland Rail and Queensland Treasury.

The Delivery Authority has completed its review of the impact of adoption of AASB 9 on the Statement of Financial Position and Statement of Comprehensive Income and has identified the following impacts which are outlined below:

As at 30 June 2019, the Delivery Authority does not have any trade receivables. All current debtors are recognised as other debtors as they have arisen from transactions outside the usual operating activities of the Delivery Authority and are recognised at their assessed values.

Other than AASB 9 *Financial Instruments*, no accounting standards that apply to the Delivery Authority for the first time in 2018-19 have any material impact on the financial statements

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

(f) Future impact of accounting standards not yet effective

At the date of authorisation of the financial statements, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These standards will first apply to the Delivery Authority in the financial statements for 2019-20.

The Delivery Authority has completed the review of the new revenue recognition requirements under the standards and the potential future impacts identified at the date of this report as follows:

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Delivery Authority receives several grants for which there are no sufficient specific performance obligations – these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

AASB 16 Leases

This standard will first apply to the Delivery Authority in the financial statements for 2019-20.

The Delivery Authority will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all operating leases of more than 12 months, unless the underlying assets are of low value or in a principle agreement with an internal-to-government lease. Currently the Delivery Authority only holds operating internal-to-government leases in relation to office premises expiring on 31 March 2023.

The Delivery Authority has been advised by Queensland Treasury and the Department of Housing and Public Works (DHPW) that, effective 1 July 2019, amendments to the framework agreements that govern the Queensland Government Accommodation Office (QGAO) will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

AASB 1059 Service Concession Arrangements: Grantors

This standard will be effective for reporting period beginning on or after 1 January 2020. This standard addresses accounting by public sector grantors in Service Concession Arrangements, also known as public-private partnerships (PPPs). The Tunnel, Stations and Development (TSD) PPP has been considered, to determine whether it falls with the scope of this standard. It has been determined that the Cross River Rail TSD package is not a service concession arrangement that falls within the scope of the new accounting Standard. The TSD package will be accounted for as a construction contract with an executory services contract.

The outcome of this accounting treatment is that the Delivery Authority will recognise a construction work-in-progress asset progressively over the construction period as the costs to construct the tunnels and stations are incurred with a corresponding increasing liability. This is a major change from current accounting treatment for PPPs within Queensland where currently similar arrangements are only recognised at commercial acceptance.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
2. Grants revenue		
<i>Queensland Government Grants:</i>		
Non-capital funding	12,000	10,000
Total	12,000	10,000

Grants received by the Delivery Authority from the State Government are non-reciprocal in nature. The Delivery Authority treats these grants as revenue upon receipt as it obtains control at this point.

3. Other income		
Reimbursement of ETCS costs	34,196	-
Other	3,072	6
Total	37,268	6

Reimbursement of European Train Control System (ETCS) costs

In July 2018, the Delivery Authority became responsible for the procurement and delivery of the European Train Control System (ETCS), in close coordination with the rail operator, Queensland Rail and the project sponsor, the Department of Transport and Main Roads.

An arrangement with Queensland Rail and the Department of Transport and Main Roads has been put in place for the reimbursement of costs paid by the Delivery Authority on the ETCS project.

Accrued revenue is recognised if the revenue has been earned but not yet invoiced.

Other

The Delivery Authority has received rental income for properties purchased in Albert Street and Roma Street as part of land acquisitions for the project up to date of gazettal on 6 December 2018.

4. Employee expenses		
Expensed employee expenses		
<i>Employee benefits</i>		
Officer interchange	2,781	841
Wages and salaries	1,810	952
Annual leave expenses	184	77
Long service leave expenses	41	20
Employer superannuation contributions	254	149
Board fees	426	364
Other employee benefits	-	-
	5,496	2,403
<i>Employee related expenses</i>		
Payroll tax	131	110
Other employee related expenses	210	358
	341	468
Total	5,837	2,871

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Capitalised employee expenses		
<i>Employee benefits</i>		
Officer interchange	327	2,852
Wages and salaries	13,798	1,632
Annual leave expenses	1,320	237
Long service leave expenses	314	38
Employer superannuation contributions	1,581	174
Other employee benefits	53	-
	17,393	4,933
<i>Employee related expenses</i>		
Payroll tax	806	330
Other employee related expenses	489	938
	1,295	1,268
Total	18,688	6,201

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis, as at 30 June 2019, is:

	2019	2018
	No.	No.
Delivery Authority employees	115.6	62.6
Officers on Interchange Arrangements	-	3.0
Total	115.6	65.6

Officer interchange

Until May 2018, the Delivery Authority was primarily staffed by Queensland Government officers on interchange arrangements under section 58 of the *Cross River Rail Delivery Authority Act 2016*. The Delivery Authority now employs the majority of its staff directly under section 57 of the *Cross River Rail Delivery Authority Act 2016*, although continues to engage a small number of officers under Officer Interchange arrangements. These officers are considered employees for the purposes of these financial statements.

The Delivery Authority is invoiced for wages, salaries and on costs by the Queensland Government Agencies. Under the *Cross River Rail Delivery Authority Act 2016* section 58 any staff made available to the Delivery Authority through an interchange arrangement is for the period of service taken to be a member of the Delivery Authority's staff and any associated costs are recorded as employee expenses.

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Delivery Authority expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick Leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is expensed in the reporting period in which the leave is taken by the employee.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Delivery Authority at the specified rate following completion of the employee's service each pay period. The Delivery Authority's obligations are limited to those contributions paid.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

Employee related expenses

Payroll tax, workers' compensation insurance and fringe benefit tax (FBT) are consequences of employing employees, but are not counted in an employees' total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Payroll tax and workers' compensation in relation to contractors that fall under the definition of an employee are included in employee related expenses.

The Delivery Authority pays workers' compensation insurance premiums to WorkCover in Queensland in respect of its obligations for employee compensation.

Annual leave

The Delivery Authority commenced membership of the whole of Government Annual Leave Central Scheme (Scheme) during 2017-18. Under the Scheme, a levy is made on the Delivery Authority to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Long service leave

The Delivery Authority commenced membership of the whole of Government Long Service Leave Central Scheme (Scheme) during 2017-18. Under the Scheme, a levy is made on the Delivery Authority to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Capitalised employee benefits

Employee benefits are capitalised and included in capital work in progress, to the extent they are directly attributable to the construction of the infrastructure assets. Those benefits not directly attributable are charged to the Statement of Comprehensive Income.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

5. Key management personnel and remuneration

(a) Key management personnel

As from 2016-17, the Delivery Authority's responsible Minister is identified as part of the Delivery Authority's Key Management Personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships.

The following details for non-Ministerial KMP reflect those agency positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2018-19.

Position	Responsibilities under the <i>Cross River Rail Delivery Authority Act 2016</i>	Current Incumbents		
		Contract classification and appointment authority	Name	Date appointed/ceased position
Chief Executive Officer (CEO)	Day-to-day administration of the Delivery Authority, including employing persons, arranging for the services of officers or employees of a government agency and engaging contractors of the Delivery Authority. The CEO is accountable to the Board.	Appointed by the Board, in consultation with the Minister, s49 <i>Cross River Rail Delivery Authority Act 2016</i>	Mr Graeme Newton	18 September 2017
Chairperson	Leading and directing the activities of the Board to ensure the Board performs its functions appropriately.	Appointed by Governor in Council, s33 <i>Cross River Rail Delivery Authority Act 2016</i>	Mr Jim Murphy The Honourable Mr Paul Lucas	12 December 2017 Ceased: 14 September 2018 20 September 2018 Acting Chair: 15 September 2018 to 19 September 2018
Board Members - permanent	Decides the objectives, strategies and policies to be followed by the Delivery Authority and ensures that the Delivery Authority complies with its strategic plan and operational plan under the <i>Financial Accountability Act 2009</i> . Reports to the Minister about the performance of the Authority's functions and ensures the proper, efficient and effective performance of the Delivery Authority, as set out in s31 <i>Cross River Rail Delivery Authority Act 2016</i> .	Permanent board members are current incumbents in positions as set out in s33 <i>Cross River Rail Delivery Authority Act 2016</i>	Mr Frankie Carroll (Queensland Treasury) Ms Rachel Hunter (Dept of the Premier and Cabinet) Mr Neil Scales OBE (Dept of Transport and Main Roads) Mr Jim Murphy (Queensland Treasury) Ms Mary-Anne Curtis (Queensland Treasury) Mr Dave Stewart (Dept of the Premier and Cabinet)	11 February 2019 11 February 2019 14 April 2017 14 April 2017 Ceased: 14 September 2018 15 September 2018 Ceased: 8 February 2019 14 April 2017 Ceased: 9 February 2019

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

5. Key management personnel and remuneration (cont.)

(a) Key management personnel (cont.)

Board Members - appointed	Decides the objectives, strategies and policies to be followed by the Delivery Authority and ensures that the Delivery Authority complies with its strategic plan and operational plan under the <i>Financial Accountability Act 2009</i> . Reports to the Minister about the performance of the Authority's functions and ensures the proper, efficient and effective performance of the Delivery Authority.	Appointed by Governor in Council on the recommendation of the Minister, s33 <i>Cross River Rail Delivery Authority Act 2016</i>	Emeritus Prof Mary O'Kane AC	14 April 2017
			Ms Lucy Snelling	14 April 2017
			Mr John Lee	14 April 2017
			Mr John McEvoy	1 June 2017
			Mr Tim Rothwell	1 January 2019

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

5. Key management personnel and remuneration (cont.)

(b) Remuneration

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Delivery Authority does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration for the Delivery Authority's Board is set by the Governor in Council.

- Monetary expenses consist of base salary, allowances and leave entitlements earned and expensed (including levies payable) for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income;
- Non-monetary expenses consist of provision of vehicle together with fringe benefits tax applicable to the benefit;
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- Post-employment expenses include superannuation contributions;
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination;
- No performance bonuses are paid.

2018-19

Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses	Non-Monetary Expenses				
		\$'000	\$'000				
Chief Executive Officer	Graeme Newton	591	-	11	69	-	671
Board Member	Paul Lucas	100	-	-	9	-	109
Board Member	Tim Rothwell	34	-	-	3	-	37
Board Member	Mary O'Kane	75	-	-	7	-	82
Board Member	Lucy Snelling	70	-	-	7	-	77
Board Member	John Lee	71	-	-	7	-	78
Board Member	John McEvoy	69	-	-	6	-	75
Total		1,010	-	11	108	-	1,129

Frankie Carroll and Rachel Hunter (appointed 11 February 2019), Dave Stewart (ceased 9 February 2019), Jim Murphy (ceased 14 September 2018), Mary-Anne Curtis (ceased 8 February 2019) and Neil Scales were not remunerated as they are Public Sector employees.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

2017-18

Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses	Non-Monetary Expenses				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹	Graeme Newton	429	-	9	52	-	490
Board Member	John Lee	73	-	-	7	-	80
Board Member	Paul Lucas	77	-	-	7	-	84
Board Member	John McEvoy	67	-	-	6	-	73
Board Member	Mary O'Kane	76	-	-	7	-	83
Board Member	Lucy Snelling	72	-	-	7	-	79
Total		794	-	9	86	-	889

Frankie Carroll (ceased 12 December 2017), Dave Stewart, Jim Murphy, Neil Scales and Mike Mrdak (ceased 17 August 2017) were not remunerated as they are Public Sector employees.

1. Graeme Newton was appointed part way through the 2017-18 financial year on 18 September 2017.

	2019	2018
	\$'000	\$'000
6. Supplies and services		
Contractors	34,004	5,019
IT managed services	257	194
Occupancy costs	193	159
Travel	70	53
Supplies and consumables	173	1,914
Other supplies and services	3,968	1
Total	38,665	7,340

Occupancy costs

The payments for this operating lease are representative of the pattern of benefits derived from the leased asset and are expensed in the periods in which they are incurred.

Other Supplier and Services

Other supplies and services includes \$3.957M (2018: Nil) of property management costs that relate to properties acquired by the Delivery Authority for the project.

7. Other expenses		
Audit fees - external	75	50
Other	4,500	-
Total	4,575	50

Audit fees

Total audit fees by the Queensland Audit Office relating to the 2018-19 financial statements of the Delivery Authority are \$75,000 (2018: \$50,000).

Other

\$4.5 million relates to an early contractor involvement fee.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
8. Cash and cash equivalents		
Cash at bank - Operating Accounts	180,781	42,525
Total	180,781	42,525

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June. The Delivery Authority's bank account forms part of the Whole of Government consolidated fund and does not earn interest.

9. Receivables		
GST receivable	1,826	1,054
Annual leave reimbursements	210	10
Long service leave reimbursements	6	-
Other receivables	21,411	29
Total	23,453	1,093

Receivables are recognised as the amounts due at the time of service delivery. Settlement of these amounts is generally required within 30 days from invoice date.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the Authority's receivables.

10. Other assets		
Current		
Prepayments	2,631	170
Total	2,631	170
Non-current		
Prepayments	11,118	-
Total	11,118	-

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
11. Property, plant and equipment		
Plant and equipment		
Plant and equipment at cost	439	309
Less: Accumulated depreciation	(100)	(19)
Total plant and equipment	339	290
Capital work in progress		
Capital work in progress at cost	794,991	127,742
Total capital work in progress	794,991	127,742
Total	795,330	128,032

	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2018	290	127,742	128,032
Acquisitions	130	667,249	667,379
Depreciation expense	(81)	-	(81)
Carrying amount at 30 June 2019	339	794,991	795,330
Carrying amount at 1 July 2017	42	3,623	3,665
Acquisitions	267	124,119	124,386
Depreciation expense	(19)	-	(19)
Carrying amount at 30 June 2018	290	127,742	128,032

Recognition thresholds

All items of property, plant and equipment are recognised when the cost exceeds the following thresholds:

Plant and equipment	\$5,000
Capital work in progress	\$1

All other items with a cost less than the above thresholds are expensed.

Capital work in progress

Capital work in progress is valued at cost and will not be depreciated or revalued until the completed asset is ready and available for use as intended by management. This point is defined as practical completion. Costs are capitalised and included in capital work in progress, to the extent they are directly attributable to the construction of the infrastructure assets. Those benefits not directly attributable are charged to the Statement of Comprehensive Income.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

Acquisition

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs directly attributable to the acquisition, including all other costs incurred in preparing the assets ready for use. However, training costs are expensed as they are incurred.

Where assets are received free of charge from another Queensland Government entity, whether as a result of a Machinery-of-Government or other involuntary transfer, the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Depreciation

For each class of property, plant and equipment, the following depreciation rates are used:

Class	Depreciation Method	Recognition method	Average Useful Life
Plant and equipment	Straight-line	At cost	5 years
Capital work in progress	Not depreciated	At cost	-

Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Delivery Authority determines the asset's recoverable amount. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss for assets measured at cost is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. For assets measured at cost, impairment losses are reversed through income.

	2019 \$'000	2018 \$'000
12. Payables		
Trade creditors	10,216	5,388
Other payables	143,717	28,335
Total	153,933	33,723

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

13. Accrued employee benefits

Current accrued employee benefits

Accrued salary and wages	402	206
Annual leave levy payable	628	275
Long service leave levy payable	91	57
Officer interchange costs	41	462
Total	1,162	1,000

No provision for annual leave or long service leave is recognised in the Delivery Authority's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
14. Non-Appropriated Equity		
Opening balance	129,000	-
Equity injections	721,000	129,000
Total	850,000	129,000

The Delivery Authority received non-appropriated equity, as well as \$12m (2018: \$10m) non-capital funding from Queensland Government via Queensland Treasury (refer Note 2).

15. Commitments for expenditure

Non-cancellable operating lease

Commitments under operating leases at reporting date are inclusive of non-recoverable GST and are payable as follows:

Not later than one year	2,022	1,826
Later than 1 year and not later than 5 years	5,647	3,687
Total	7,669	5,513

Operating leases are entered into as a means of acquiring access to office accommodation. Operating lease terms expire in 2023. Lease payments are fixed with an annual escalation of 3.75% in April each year.

Capital expenditure

Commitments for capital expenditure at reporting date (exclusive of GST input tax credits) are payable:

Capital work in progress

Not later than 1 year	31,033	68,980
Total	31,033	68,980

16. Related parties

The Delivery Authority's predominate source of funding is non-appropriated equity funding from Queensland Government via Queensland Treasury (refer Note 2).

The Delivery Authority transacts with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in arm's length transactions.

The following relates to transactions with State of Queensland controlled entities.

Revenue

Revenue recognised for reimbursement from Queensland Rail of costs associated with the ETCS Inner City Project	34,196	-
Government grants from State of Queensland	12,000	10,000

Expenses

Expenses incurred with State of Queensland controlled entities	2,055	1,366
Expenses incurred with Queensland Rail in relation to the ETCS Inner City Project	6,298	-

Assets

Receivable to Queensland Rail in relation to ETCS Inner City Project	21,191	-
Property, plant & equipment - capital works costs incurred with State of Queensland controlled entities.	130,941	38,414

Liabilities

Payables to State of Queensland controlled entities for supplies and services received.	46,072	25,638
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CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

17. Events after the end of the reporting period

The Delivery Authority has been established to lead the development, procurement and delivery of the Cross River Rail Project ("the Project").

On 4 April 2019, the Queensland Government announced the companies selected to build the Project. The Tunnel, Stations and Development (TSD) public-private partnership (PPP) will be delivered by the Pulse consortium.

The Pulse consortium is led by CIMIC Group companies, Pacific Partnerships, CPB Contractors, and UGL with international partners DIF, BAM and Ghella. The TSD PPP will deliver the underground section of the project, including the tunnel from Dutton Park to Normanby and the construction of four new, state-of-the-art underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

Since the end of the reporting period the TSD package reached Financial Close on 1 July 2019.

The Delivery Authority has determined that the TSD contract does not fall within the scope of AASB 1059 Service Concession Arrangement : Grantors (See Note 1(f)). Once the tunnels and stations are commissioned these will be transferred to property, plant and equipment and will be depreciated. The State contributions paid throughout the project will reduce the liability at the date of payment. The balance of the State liability will reduce as the quarterly service payments are paid, with the liability being measured at amortised cost.

18. Other information

Taxation

The Delivery Authority is exempted from income tax under the *Income Tax Assessment Act 1936* and is exempted from other forms of Commonwealth taxation with the exception of FBT and GST. GST credits receivable from, and GST payable to, the ATO are recognised (refer to Note 9).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Insurance

The Delivery Authority's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis and Principal Arranged Insurance.

The Authority is currently insured to cover contract works, delay in start up and public products liability (Principal Arranged Insurance).

Financial Instruments

The Delivery Authority's financial instruments comprise receivables and payables. The Delivery Authority does not enter into transactions for speculative purposes, nor for hedging.

Financial assets and liabilities are recognised in the Statement of Financial Position when The Delivery Authority becomes party to the contractual provisions of the financial instrument, and are held at amortised cost.

The Delivery Authority does not recognise any financial assets and liabilities at fair value. The fair value of receivables and payables is assumed to approximate the value of the original transaction.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2019

19. Budget vs actual comparison

Statement of Comprehensive Income

	Variance Note	Budget 2019	Actual 2019	Variance
		\$'000	\$'000	\$'000
Income from operations				
Grants revenue		12,000	12,000	-
Other income	v1	-	37,268	37,268
Total income from operations		12,000	49,268	37,268
Expenses from operations				
Employee expenses		1,998	5,837	(3,839)
Supplies and services		9,966	38,665	(28,699)
Depreciation		26	81	(55)
Other expenses		10	4,575	(4,565)
Total expenses from operations	v2	12,000	49,158	(37,158)
Operating result from operations		-	110	110
Total comprehensive income		-	110	110

Explanations of major variances

- v1 The increase in other income is due to the inclusion of reimbursement of costs by other agencies associated with the European Train Control System (ETCS) Inner City Project, and also due to the inclusion of rental income received from property acquisitions.
- v2 The overall increase in expenses from operations is primarily due to the inclusion of costs associated with the ETCS Inner City Project and also the rental property expenditure for properties acquired for the project.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	Variance Note	Budget 2019	Actual 2019	Variance
		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	v3	20,099	180,781	(160,682)
Receivables	v4	6,109	23,453	(17,344)
Other current assets	v5	13	2,631	(2,618)
Total current assets		26,221	206,865	(180,644)
Non-current assets				
Property, plant and equipment	v6	865,815	795,330	70,485
Other non-current assets	v5	-	11,118	(11,118)
Total non-current assets		865,815	806,448	59,367
Total assets		892,036	1,013,313	(121,277)
Current liabilities				
Payables	v7	21,013	153,933	(132,920)
Accrued employee benefits		687	1,162	(475)
Other current liabilities		-	46	(46)
Total current liabilities		21,700	155,141	(133,441)
Total liabilities		21,700	155,141	(133,441)
Net assets		870,336	858,172	12,164
Equity				
Accumulated surplus		8,336	8,172	164
Non-appropriated equity	v8	862,000	850,000	12,000
Total equity		870,336	858,172	12,164

v3 Cash and cash equivalents are higher than budget due to project expenditure being incurred by the Authority but not yet paid.

v4 Receivables are higher than budget primarily due to the income receivable for the ETCS Inner City Project reimbursement of costs.

v5 Other current and non-current assets are higher than budget due to the prepayment of Principle Arranged Insurance being made for the project.

v6 Property, plant & equipment balance is lower than budget due to a timing difference of project expenditure.

v7 Payables are higher than budget due to project expenditure being incurred by the Authority but not yet paid.

v8 Non-appropriated equity is lower than budget due to a carry forward of capital funding into 2019-20.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2019

	Variance Note	Budget 2019	Actual 2019	Variance
		\$'000	\$'000	\$'000
Cash flows from operating activities				
Inflows:				
Grants		12,000	12,000	-
Other	v9	56,453	32,967	23,486
Outflows:				
Employee expenses	v10	(1,443)	(5,603)	4,160
Supplies and services	v11	(69,570)	(44,000)	(25,570)
Other		(99)	(85)	(14)
Net cash provided by/(used in) operating activities		(2,659)	(4,721)	2,062
Cash flows from investing activities				
Outflows:				
Payments for property, plant and equipment	v12	(728,178)	(578,023)	(150,155)
Net cash provided by/(used in) investing activities		(728,178)	(578,023)	(150,155)
Cash flows from financing activities				
Inflows:				
Equity injections	v13	733,000	721,000	12,000
Net cash provided by / (used in) financing activities		733,000	721,000	12,000
Net increase / (decrease) in cash and cash equivalents		2,163	138,256	(136,093)
Cash and cash equivalents at beginning of reporting period		17,936	42,525	(24,589)
Cash and cash equivalents at end of reporting period		20,099	180,781	(160,682)

v9 Other inflows is lower than budget mainly due to the timing of GST input tax credits received from the ATO.

v10 Employee expenses is higher than budget due to the inclusion of the reimbursement of costs to other agencies associated with the ETCS Inner City Project.

v11 Supplies and services is lower than budget mainly due to the timing of GST paid to suppliers.

v12 Property, plant & equipment is lower than budget due to a timing difference of project expenditure.

v13 Equity injections are lower than budget due to a carry forward of capital funding into 2019-20.

CERTIFICATE OF THE CROSS RIVER RAIL DELIVERY AUTHORITY

These general purpose financial statements have been prepared pursuant to the provisions of section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Cross River Rail Delivery Authority for the year ended 30 June 2019 and of the financial position of the Cross River Rail Delivery Authority at the end of that year; and
- (iii) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



.....
The Honourable Paul Lucas
Chairperson
FAICD, B.Econ, LL.B., M.B.A., M.U.R.P., Prof. Cert. Arb.

Date: 21-8-19



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Mr Graeme Newton
Chief Executive Officer
BAppSc(Surv), MBA, GCertProDev, GCertMgt

Date: 21-8-19

INDEPENDENT AUDITOR'S REPORT

To the Board of Cross River Rail Delivery Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cross River Rail Delivery Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Vaughan Stemmett
as delegate of the Auditor-General

21 August 2019

Queensland Audit Office
Brisbane

2018-19 Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	2
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	3
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	3
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	3
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	3
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	3
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	5 – 8
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	N/A
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	7
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	N/A
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	8
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	10
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	11
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	25
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	12
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	15, 22
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs – section 13.4	23
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	14

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	23
	• Audit committee	ARRs – section 14.2	23
	• Internal audit	ARRs – section 14.3	23
	• External scrutiny	ARRs – section 14.4	23
	• Information systems and recordkeeping	ARRs – section 14.5	23
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	13
	• Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARR – section 15.2	13
Open Data	• Statement advising publication of information	ARRs – section 16	24
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	50
	• Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	51 – 52

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

Glossary of Terms

Agency/entity

Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

Capital

A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

Statement of cash flows

A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a period.

Depreciation

The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

Equity

Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.

Equity injection

An increase in the investment of the Government in a public sector agency.

Financial statements

Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.

Government commitments

A pledge by the Government to deliver an outcome for its customers, stakeholders and the community (such as, Ministerial charter letter commitments and election commitments).

Income statement

A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.

Outcomes

Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.

Priorities

Key policy areas that will be the focus of Government activity.

Services

The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

Service area

Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.

Service standard

Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

State Budget

Tabled in Parliament annually, the State Budget is an outline of the Government's priorities and plans for the coming year, expressed in terms of financial and non-financial performance information. The State Budget papers consist of the Treasurer's Budget Speech, Budget Strategy and Outlook, Capital Statement; Budget Measures, Service Delivery Statements, and Regional Budget Statements.



Annual Report 2018 – 2019
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