

Annual Report 2019 – 2020

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Our Ref: D2020/88178

21 September 2020

The Honourable Kate Jones MP
Minister for State Development,
Tourism and Innovation
PO Box 15168
CITY EAST QLD 4002

Dear Minister,

Re: Letter of Compliance

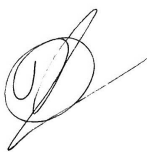
I am pleased to submit for presentation to the Parliament the Annual Report 2019–20 and financial statements for the Cross River Rail Delivery Authority.

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*;
- Section 72 of the *Cross River Rail Delivery Authority Act 2016*; and
- Section 97 of the *Human Rights Act 2019*.

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

Yours sincerely



DAMIEN WALKER

Chair – Cross River Rail Delivery Board

Accessibility

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Translating and Interpreting Assistance:

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 2019-20 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 for State Development, Tourism and Innovation, 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.

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Message from the Chair

I am pleased to present the Cross River Rail Delivery Authority's 2019-20 Annual Report.

The Cross River Rail project is a \$5.4 billion investment by the Queensland Government to transform the South East Queensland (SEQ) transport network and unlock an unprecedented opportunity for economic development.

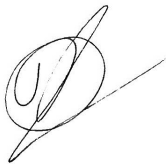
The 2019-20 Financial Year was significant for the project, marking the finalisation of contracts for the three major packages of work: the Tunnel, Stations and Development Public Private Partnership; the Rail, Integration and Systems Alliance, and the European Train Control Systems contract.

The project transitioned from procurement to the construction and delivery phase, with the establishment and significant progress of major works across eight SEQ worksites. Work commenced at the sites for the four underground stations at Boggo Road, Woolloongabba, Albert Street, and Roma Street, as well as the new year-round aboveground Exhibition station, the northern tunnel portal, Fairfield station and along the Shorncliffe line with the start of the signalling works.

The Cross River Rail Project goes beyond an investment in new underground stations and tunnels, as it is also expected to leverage investment through future development in and around the five new station precincts. The Precincts Delivery Strategy was launched in 2019-20 as a blueprint to help shape this future development and connect people, communities and businesses to provide urban renewal opportunities.

Most importantly, the project has maintained momentum throughout the COVID-19 pandemic, keeping hundreds of Queenslanders employed during an unprecedented time. The Board congratulates the steps taken by the major works contractors to maintain strict health and hygiene measures across the multiple worksites to ensure the safety of its workforce and to enable works to continue.

My fellow Board members and I were honoured to be appointed in April 2020 and are committed to bringing our collective knowledge and experience to support the Delivery Authority in the oversight and delivery of Queensland's most transformational project.



MR DAMIEN WALKER

Chair

Message from the Chief Executive Officer

I am pleased to present the Cross River Rail Delivery Authority's 2019-20 Annual Report.

The 2019-20 Financial Year has been a defining period for the Cross River Rail project, as we rapidly transitioned from the procurement phase and commenced major construction across South East Queensland (SEQ).

The unforeseen global impacts of the COVID-19 pandemic has reaffirmed the important economic role Cross River Rail will play now, during the immediate recovery, and into the long-term, through a pipeline of work that will keep Queensland's economic engine running.

During the 2019-20 Financial Year, Cross River Rail injected \$2.8 million per day, or over \$85 million per month into the economy, and over 90 per cent of this was directly into the Queensland economy. This will increase significantly in 2020-21 to over \$4.1 million per day or \$125 million per month.

Over 400 subcontractors and suppliers had contributed to the project by mid-2020, and over 90 per cent of these were Queensland companies. The Cross River Rail workforce reached 2,100 in mid-2020 and about 97 per cent were residing in Queensland. It is really pleasing to meet the workers at site who have returned home to Queensland from interstate or international infrastructure projects, just to be part of this iconic project.

This Annual Report highlights the milestones the Delivery Authority has achieved over the 2019-20 Financial Year. Some of these have included:

- financial close with Pulse Consortium for the Tunnel, Stations, and Development package, and contract close with the Unity Alliance for the Rail, Integration and Systems works package and Hitachi Rail STS for the European Train Control System;
- establishment of sites and commencement of works at Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition as well as Fairfield station for station upgrade works;
- nil lost time injuries (LTIs) recorded in the approximate 2.5 million hours worked on the project since the start of construction to 30 June 2020;
- over 600 piles completed across the Woolloongabba, Albert Street and Boggo Road sites;
- demolition of two CBD blocks on the corner of Albert and Mary streets;
- commencement and significant progress on the largest demolition project in Queensland's history, the three buildings at Roma Street which form the Brisbane Transit Centre;
- declaration of the Roma Street and Woolloongabba CRR Priority Development Areas;
- approval of Requests for Project Change (RfPC) 5 and RfPC 6; and
- release of the Cross River Rail Precinct Delivery Strategy.

While the Cross River Rail team can be proud of these achievements, perhaps this year's most exciting milestone was the commencement of tunnelling by one of the project's five roadheaders at the Roma Street site on 15 May 2020. These machines will support the two Tunnel Boring Machines that will excavate the majority of the 5.9 kilometres of twin tunnels under the Brisbane River and CBD. By mid-2020 this roadheader had already excavated about 60 metres of tunnel.

As construction continues to increase across SEQ in the next 12 months, the Delivery Authority will continue to play a critical role in keeping the community informed and work closely with the major contractors to deliver this important Queensland infrastructure project.



Graeme Newton
Chief Executive Officer
Cross River Rail Delivery Authority

Overview

ABOUT THE CROSS RIVER RAIL DELIVERY AUTHORITY

Role and Main Functions

The 2019-20 Annual Report covers the reporting period from 1 July 2019 to 30 June 2020.

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 Priority Development Area (PDA), and to facilitate the efficient delivery of the Cross River Rail 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 Cross River Rail 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*.

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 Overview

Cross River Rail is a new 10.2 kilometre rail line from Dutton Park to Bowen Hills, which includes 5.9 kilometres of twin tunnels under the Brisbane River and CBD.

The project includes four new high-capacity underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street, and a new year-round aboveground station at Exhibition.

Each of the Cross River Rail stations will revitalise inner-city precincts, generate unique opportunities for urban renewal, drive new investment for phased long-term economic stimulus and create a pipeline of employment growth for decades to come.

As part of the Queensland Government's station accessibility upgrade project, and to coincide with Cross River Rail works, the Unity Alliance will also undertake upgrades at the Fairfield, Yeronga, Yeerongpilly, Moorooka, Rocklea and Salisbury stations on Brisbane's southside. These upgrades will improve passenger and staff accessibility, comfort and convenience by delivering new overpasses, lifts and kiss'n'ride and bike facilities.

The Delivery Authority is also undertaking rail network infrastructure upgrades on behalf of the Department of Transport and Main Roads. These include upgrades to the Clapham Yard and Mayne Yard train stabling facilities, and including enhancements to the nearby Breakfast Creek Bridge, will provide increased capacity and reliability of the rail network, while increasing the speed and safety of operations.

In September 2019, the Queensland Government announced the locations for three new train stations on the Gold Coast at Pimpama, Helensvale North (Hope Island) and Merrimac, to be delivered as part of the Cross River Rail project. The Delivery Authority will continue the planning and design works for each station in collaboration with the Department of Transport and Main Roads.

Project Progress and Performance

The Delivery Authority's activities are aligned to a program schedule, which integrates key project milestones across the three major works packages. Progress and performance of these milestones are tracked through detailed program management processes.

Project progress activities for 2019-20 included:

- financial close with Pulse Consortium for the Tunnel, Stations, and Development package (July 2019), contract close with the Unity Alliance, for the Rail, Integration and Systems works package (August 2019), and contract award to Hitachi Rail STS for the European Train Control System (October 2019);
- site establishment and commencement of works at Boggo Road, Woolloongabba, Albert Street, Roma Street, Exhibition, Mayne Yard and northern portal, as well as Fairfield station for station upgrade works;
- roadheader tunnelling commenced at Roma Street, with about 60 metres completed by the end of the financial year;
- Tunnel Boring Machines arrived at the Pinkenba yard in Brisbane, ready for the start of commissioning;
- demolition of two CBD blocks on the corner of Albert and Mary streets;
- demolition of the three buildings at Roma Street which form the Brisbane Transit Centre started and progressed to approximately 50 per cent completion;
- release of the Cross River Rail Precinct Delivery Strategy;
- declaration of the Roma Street (13 December 2019) and Woolloongabba (3 April 2020) Cross River Rail Priority Development Areas;
- approval of Requests for Project Change (RfPC) 5 and RfPC 6;
- completion of the new temporary Brisbane Coach Terminal on the northern side of Roma Street station and commencement of long-distance coach services;
- announced locations for the three new Gold Coast rail stations at Pimpama, Helensvale North and Merrimac, and station planning and design works continued; and
- opening of the Cross River Rail Experience Centre at Albert Street.

As at the end of the 2019-20 Financial Year, other key project achievements included:

- a workforce of more than 2,100 on the project, with approximately 97 per cent of the workers residing in Queensland;
- nil lost time injuries during more than 2.5 million hours worked across the sites;
- over 400 supplier and subcontractor companies had contributed to the project with more than 90 per cent of these being Queensland companies; and
- more than 160 trainee and apprentice opportunities had been created on the project to date.

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 Cross River Rail project will include reducing traffic congestion, creating up to 7,700 jobs during the life of the project, 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
- engaging the equivalent of 450 new apprentices and trainees 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, health, accessibility across the region).

2019-20 KEY ACHIEVEMENTS

1. Major Works Contracts Finalised and Construction Commenced

Tunnel, Stations and Development

On 1 July 2019, financial close with Pulse Consortium for the Tunnel, Stations, and Development (TSD) package was achieved, marking the commencement of the Public Private Partnership. The TSD package of works includes the 5.9 kilometres of twin underground tunnels and delivery of the new four underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

Worksites were established by Pulse's major subcontractor CBGU, a joint venture that comprises CPB Contractors, BAM, Ghella and UGL, in September 2019.

At Roma Street, demolition of the three buildings that form the Brisbane Transit Centre commenced and was approximately 50 per cent complete by mid-2020. Tunnelling also commenced, with one of five roadheaders that will excavate adits and caverns on the project and the site's acoustic shed was installed.

At Woolloongabba, significant site preparation works commenced on the four-hectare worksite including piling for the station box, and construction of an access ramp to prepare for the arrival of the project's two Tunnel Boring Machines in late 2020.

At Albert Street, demolition of two blocks on Lots 1 and 2 on the corners of Albert and Mary streets were completed, piling works undertaken and an acoustic shed installed. At Boggo Road, site preparation works included piling for the station box were undertaken.

Rail, Integration and Systems

The second major contract for delivering Cross River Rail was finalised on 25 August 2019. The Unity Alliance is responsible for installing rail infrastructure into the new tunnels, building the new year-round station at Exhibition, upgrading the southside stations from Fairfield to Salisbury and integrating Cross River Rail into the existing rail network. Other complementary works includes stabling yard upgrades at Mayne Yard and Clapham Yard.

During the financial year, works commenced at: Exhibition, including demolition activities and relocation of the RNA utilities; Mayne Yard, including earthworks, site clearance, demolition and drainage activities; the northern corridor, including site preparation works and drainage installation, and site establishment at Fairfield Station.

European Train Control System

In October 2019, the Delivery Authority finalised the contract for the European Train Control System with Hitachi Rail STS, to provide a new world-class signalling system that will be delivered as part of the Cross River Rail project. Early works commenced in November 2019 between the Northgate and Shorncliffe stations and signalling system works started in June 2020.

2. Cross River Rail Workforce Mobilised

Cross River Rail is playing a crucial role in Queensland's COVID-19 economic recovery. The project has maintained a mobilised workforce, which has been achieved through the implementation of significant hygiene measures and strict containment protocols at each site.

By mid-2020 the Cross River Rail project was already supporting more than 2,100 jobs and over 97 per cent of this workforce resided in Queensland. More than 400 supplier and subcontractor companies had also contributed to the project and more than 90 per cent of these were Queensland companies.

Cross River Rail is creating a training legacy for major infrastructure projects by building a pipeline of skilled workers. The project will support 450 apprentice and trainee opportunities during the life of the project, and in less than one year into construction, already, over 160 apprentices and trainees opportunities had been created to work on Cross River Rail. These skills will help to future-proof the state's rail industry for decades to come. Over the next 12 – 18 months it is estimated that the Cross River Rail workforce will peak at more than 3,000 workers and over the five-year construction period, will support more than 7,700 jobs. As Queensland unites and recovers in the wake of the COVID-19 pandemic, Cross River Rail will sustain employment growth, and indirectly support thousands of other Queensland jobs in the manufacturing and construction industry supply chains sectors.

3. Cross River Rail Precincts Delivery Strategy

The Cross River Rail Precincts Delivery Strategy (PDS) was released on 13 December 2019.

The PDS is a blueprint for unlocking economic development opportunities at the five new high-capacity stations the Cross River Rail project will deliver at Boggo Road, Woolloongabba, Albert Street, Roma Street, and Exhibition.

Economic analysis undertaken has indicated that Cross River Rail and its precincts, with a Brisbane live entertainment arena investment, could contribute to an uplift of \$15 to \$20 billion per annum of Gross State Product and create up to 35,000 jobs. This provides a significant long-term economic stimulus opportunity for Queensland as we recover from the COVID-19 pandemic, through phased private sector investment.

The PDS sets out the aspirations for the precincts by:

- discussing the precinct visions and their alignment to the Queensland Government's policy objectives;
- establishing guiding principles for future development; and
- outlining the process being undertaken by the Delivery Authority to realise the aspirations for the precincts.

The Delivery Authority will continue to work with other Queensland Government agencies, industry and community throughout 2020-21 to deliver on the precinct visions.

4. Cross River Rail Priority Development Areas

The *Cross River Rail Delivery Authority Act 2016* states the purpose of the Delivery Authority is to plan, carry out, promote or coordinate activities to facilitate economic development, and development for community purposes, in a Cross River Rail Priority Development Area (PDA). A Cross River Rail PDA is defined as a PDA declared under the *Economic Development Act 2012* for proposed development for the Cross River Rail project or a part of the project.

Roma Street

On 13 December 2019, the Roma Street Cross River Rail PDA was declared, encompassing the Roma Street Station, railyards and busway area, and is generally defined by Countess Street, Roma Street, Albert Street, College Road and Parkland Boulevard. The Roma Street Cross River Rail PDA also includes land on the southern side of Roma Street between Makerston and May Streets, and State Government (emergency services) land on the western side of Countess Street.

Woolloongabba

On 3 April 2020, the Woolloongabba Cross River Rail PDA was declared, which takes in all the land within the former Woolloongabba PDA as well as land east of Main Street. This PDA supports planning and development of new open spaces, residential housing, commercial offices and retail to transform Woolloongabba into a vibrant, connected community linked with world-class public transport.

The Albert Street Cross River Rail PDA was declared on 14 December 2018.

5. Requests for Project Change

During 2019-20, the Delivery Authority submitted two Requests for Project Change (RfPCs) through the Coordinator-General. These related to activities to progress the detailed design and construction methodology. The scope, location or design of the project remained unchanged as part of these change applications.

6. New Temporary Coach Terminal

On 16 September long-distance coach services commenced at the temporary Brisbane Coach Terminal at Roma Street Station, after work started in November 2018.

Relocation of the Coach Terminal to a new temporary site was necessary due to the demolition of the Brisbane Transit Centre to make way for the new underground Cross River Rail Roma Street station. The Delivery Authority undertook extensive consultation with coach operators, residents of the Parkland Boulevard apartments, Brisbane City Council, Queensland Rail, TransLink, the Department of Housing and Public Works and the Department of Transport and Main Roads regarding the new temporary terminal.

The new facility includes five coach bays on a central platform to accommodate 14.5m length coaches, two minibus bays, and other amenities including passenger pick-up and drop-off on Parkland Boulevard, pedestrian crossing to connect to long distance rail services and new wayfinding and signage.

7. Locations of Gold Coast Rail Stations Announced

On 13 September 2019, the locations for the three new Gold Coast stations were announced for Pimpama, Helensvale North (Hope Island) and Merrimac. The stations will be delivered as part of the Cross River Rail project. During October and November 2019, the Delivery Authority undertook community consultation on the concept designs for the new stations.

The Delivery Authority will continue to work closely with the Department of Transport and Main Roads regarding detailed design and planning for the stations in 2020-21.

8. Cross River Rail Experience Centre

The Delivery Authority has been charged with the responsibility for ensuring the Queensland community is informed of the project's progress, milestones, benefits and activities, including construction impacts.

In September 2019, the Delivery Authority opened the Cross River Rail Experience Centre at Albert Street. The Experience Centre is a community engagement and education hub developed in partnership with Queensland Museum that provides detailed project information, digital engagement experiences and learning opportunities for the public and school groups.

The Experience Centre's Reality Theatre allows engineers and designers a unique opportunity to collaborate, at scale, into any aspect of the project's built environment, using an interactive 3D model of the project that is true to the current reference design.

This resource is also available to whole-of-government, to Cross River Rail's construction partners and to numerous stakeholder groups engaged in delivery of the project to stimulate innovation and lead to improved outcomes.

In less than one year into operation (taking into account COVID-19 pandemic restrictions between March and June 2020), over 5,700 public visitors had attended the Experience Centre. In addition to these visitors, a range of key stakeholders and community groups had utilised the centre for accessibility engagement sessions, industry forums and other training and development opportunities. Also, 14 different State and Independent schools had visited the Experience Centre with education programs provided in digital format during the COVID-19 pandemic restrictions.

KEY PRIORITIES 2020-21

In the 2020-21 Financial Year the Delivery Authority's key priorities include:

- safety will remain Cross River Rail's number one priority in 2020-21 and the Delivery Authority's Chief Compliance Officer and Director, Safety will continue to work closely with the major works contractors to ensure the highest level of safety is maintained across each of the project worksites;
- managing the compliance of contractors in their execution of the Tunnel, Stations and Development; Rail, Integration and Systems, and European Train Control System contracts;
- managing the compliance of the contractors in relation to retaining the high percentage of local subcontractor and suppliers and commitments to training and apprentice opportunities;
- completion of excavation for decline and station box access in preparation for the tunnel boring machines to commence tunnelling from the Woolloongabba site;
- completing major demolition works at the Roma Street site;
- demolition of Lot 3 at Albert Street, the site of the northern and second station entrance;
- test blasting followed by production blasting program at the Albert Street and Woolloongabba sites;
- commencing piling at the northern portal site;
- site establishment and commencement of works at the southern stations as part of the station upgrade program;
- commence Breakfast Creek Bridge works at Mayne Yard North;
- Expressions of Interest and Request for Proposal for the three Gold Coast stations to be delivered as part of the Cross River Rail project;
- declaration of the Boggo Road Cross River Rail Priority Development Area;
- continued engagement with government agencies, industry and the community on the Cross River Rail Precincts Delivery Strategy for the Boggo Road, Woolloongabba, Albert Street, Roma Street (including the Brisbane live entertainment arena) and Exhibition station precincts;
- community consultation on the Woolloongabba proposed development (in early 2021);
- finalising property acquisition requirements in the project corridor.

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 (SEQ) rail network;
- successfully contribute to transforming the SEQ passenger rail network into a world-class, turn-up and-go network;
- support the objective of 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.

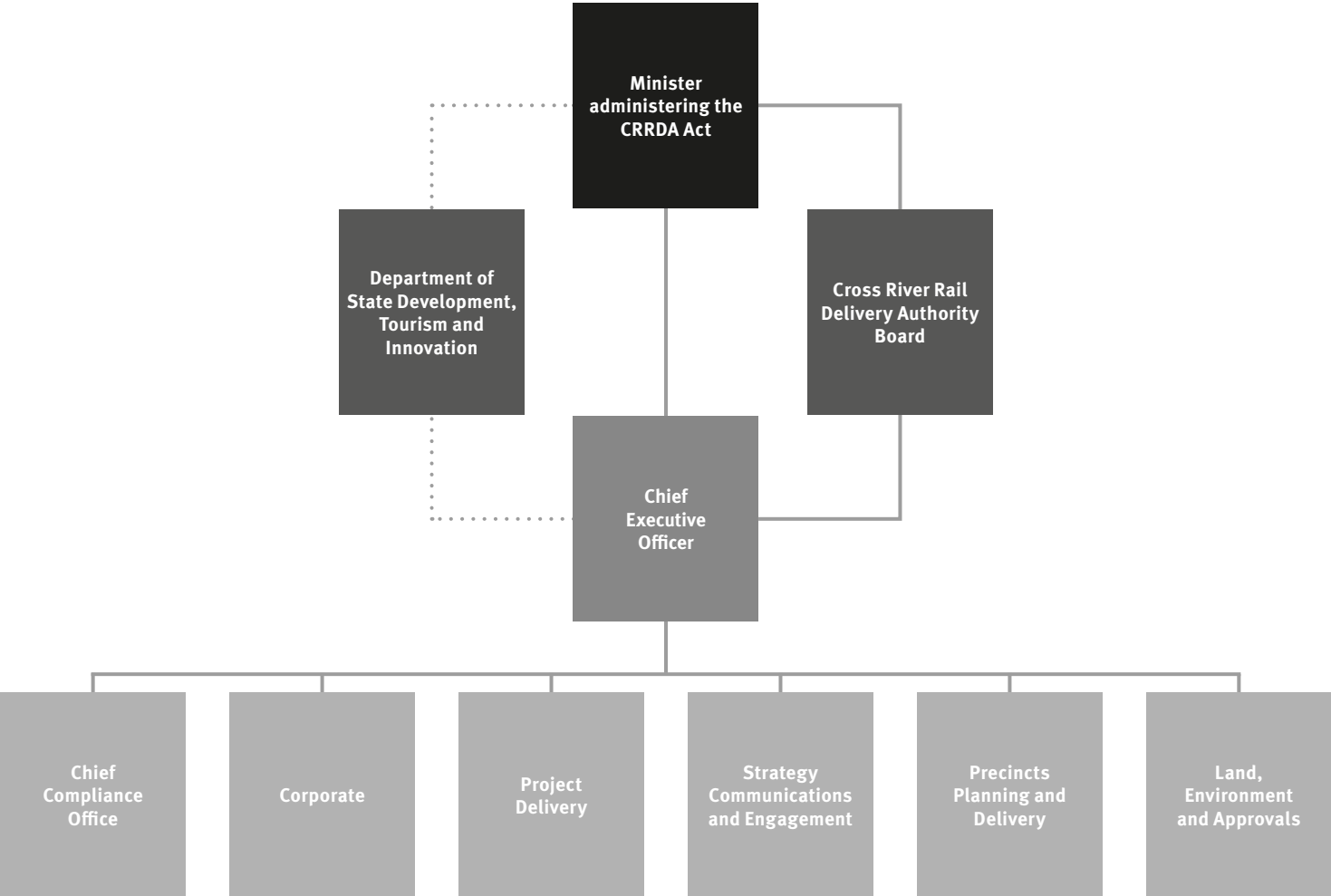
Cross River Rail Delivery Authority	2019-20 Target/Est	2019-20 Est Actual	2020-21 Target/Est
Service standards Effectiveness measures Percentage of Cross River Rail construction works completed within the required timeframe ¹	100%	100%	100%
Efficiency measure Administration cost to plan, develop and manage Cross River Rail Project works and precinct development as a percentage of the overall whole of project costs ²	≤5%	1.7%	≤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 constructions works captured by this measure includes delivery of the Cross River Rail Tunnels, Stations and Development (TSD), Rail Integration and System (RIS) and European Train Control System (ETCS) major packages of work.
2. This is a proxy measure of efficiency. The administration costs for this service standard 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 Cross River Rail project.



Staffing

Safety, Health and Wellness

Safety is, and always will be, the number one priority for Cross River Rail – at site, in the rail corridor or within the office environment. The Delivery Authority's *Safety Policy* and the appropriate training and induction 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* is included in the onboarding process.

The Delivery Authority's Compliance Unit and Safety Director work closely with the major works contractors to ensure the highest levels of safety are maintained at site. In the approximate 2.5 million hours worked across the eight active worksites in less than a year into construction (as at 30 June 2020), no Lost Time Injuries (LTIs) were recorded. The project is also performing to a high standard against the Total Recordable Injury Frequency Rate (TRIFR), with both indicators performing better than industry benchmarks.

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 provided by our Employee Assistance Program provider and QSuper.

The Delivery Authority supports the principles underlying equal employment opportunities and actively ensures that its work environment adheres to the principles of anti-discrimination and the avoidance of sexual harassment and bullying.

Staff Numbers

The Delivery Authority engages employees directly and may also engage officers on secondment and interchange from other Queensland Government entities under the *Cross River Rail Delivery Authority Act 2016*.

The number of employees (including full-time employees and part-time) measured on a full-time equivalent (FTE) basis was 161 as at 30 June 2020.

Early Retirement, Redundancy and Retrenchment

The Delivery Authority has had no retrenchments, early retirements and no voluntary redundancies for the reporting period 1 July 2019 to 30 June 2020.

Employee Performance Management Framework

The Delivery Authority's performance management framework is aligned to the Queensland Government's whole-of-government policies, procedures, directives and standards.

The Delivery Authority has a People and Culture Strategy, which includes a range of leadership, performance management and learning and development initiatives. New employees are inducted using an online system with quarterly face to face meetings with the Chief Executive Officer.

Governance – Human Resources

People, Culture and Performance Governance Committee

In March 2020, following the implementation of a Ministerial Direction and Instruments of Delegation, the Delivery Authority promptly established the People, Culture and Performance Governance Committee.

The purpose of this Committee is to assist the Delivery Authority's Chief Executive Officer fulfil corporate governance and oversight obligations in relation to internal Human Resources policies and practices that enable strong organisational culture, performance and people risk management.

Members of the Committee included:

- General Manager, Strategy, People, Communications and Engagement;
- Head of People and Performance;
- Chief Financial Officer (CFO);
- Program Director; and
- Director, Program Delivery Management Office.

Other Executive Management level delegates may attend as proxies if required. During the 2019-20 Financial Year, one meeting was held.

Prior to this, the former Board established a People and Performance Committee. During 2019-20, four meetings were held. Members included Mr John Lee (Chair), the Honourable Paul Lucas, Emeritus Professor Mary O'Kane AC and Mr Neil Scales OBE. The People and Performance Committee ceased in March 2020 and was replaced by the People, Culture and Performance Governance Committee.

Strategic Workforce Planning and Performance

The Delivery Authority responded quickly to the COVID-19 pandemic, working closely with the major contractors to ensure significant protective measures were implemented across Cross River Rail sites, enabling safe continued operations. At the Delivery Authority, a range of flexible and remote working arrangements were enacted to keep the workforce mobilised.

The Delivery Authority has a People and Culture Strategy to guide a positive and healthy workplace culture that empowers staff to make sound commercial and strategic decisions, and attracts, and retains a skilled, diverse and capable workforce. As the project has transitioned from the procurement phase and into construction, the Delivery Authority's focus has been to plan and recruit a workforce with the critical capability, talent, skills and experience required to deliver next phase of this transformational project.

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.

The Delivery Authority has also developed a probity framework with key objectives and principles including independency, transparency, equity, confidentiality, security and accountability. Probity requirements, including confidentiality, are included in employee contracts and the onboarding process.

Board

As at 30 June 2020 permanent members included:

- Mr Damien Walker, Director-General, Department of State Development, Tourism and Innovation (from 20 September 2019) (Chairperson from 14 April 2020);
- Mr Dave Stewart, Director-General, Department of the Premier and Cabinet;
- Ms Rachel Hunter, Under Treasurer, Queensland Treasury (from 11 May 2020); and
- Mr Neil Scales OBE, Director-General, Department of Transport and Main Roads.

Appointed members included:

- Ms Liza Carroll, Director-General, Department of Housing and Public Works (from 14 April 2020);
- Mr Matthew Longland, Deputy Director-General, TransLink, Department of Transport and Main Roads (from 14 April 2020); and
- Dr Sarah Pearson, Deputy Director-General, Innovation, Department of State Development, Tourism and Innovation (from 14 April 2020).

Ms Rachel Hunter was appointed as a Board member from 14 April 2020 in her capacity as Director General, Department of State Development, Manufacturing, Infrastructure and Planning. On 11 May 2020 Ms Hunter was appointed as Under Treasurer, Queensland Treasury and became a permanent member.

Former Board Members – 2019-20

The Honourable Paul Lucas was a Board member from 14 April 2017 to 13 April 2020, and Chairperson from 20 September 2018 to 13 April 2020.

The following were appointed Board members from 14 April 2017 to 13 April 2020:

- Emeritus Professor Mary O’Kane AC;
- Ms Lucy Snelling; and
- Mr John Lee.

Mr John McEvoy was a Board member from 1 June 2017 to 13 April 2020, and

Mr Tim Rothwell was a Board member from 1 January 2019 to 13 April 2020.

Ms Rachel Hunter was Acting Director-General, Department of the Premier and Cabinet (DPC) until Mr Dave Stewart returned to his position as Director-General, DPC. Ms Hunter was a Member of the Board *ex officio* from 11 February 2019 to 15 August 2019 in her capacity as Acting Director-General, DPC.

Mr Frankie Carroll, was Chair from 14 April 2017 to 12 December 2017 in his capacity as Director-General, Department of Infrastructure, Local Government and Planning. Mr Carroll returned as a Board member from 11 February 2019 to 8 May 2020 in his capacity of Under Treasurer, Queensland Treasury.

Board Meetings and Attendance

There were 11 Board meetings between 1 July 2019 and 30 June 2020.

Attendance is outlined below.

Members	Attended	Eligible to Attend*
Mr Damien Walker (Chair)	7	7
Mr Dave Stewart	8	10
Ms Rachel Hunter	3	4
Mr Neil Scales OBE	8	11
Ms Liza Carroll	2	2
Mr Matthew Longland	2	2
Dr Sarah Pearson	2	2

Former Members		
The Honourable Paul Lucas	9	9
Professor Mary O’Kane AC	9	9
Ms Lucy Snelling	9	9
Mr John Lee	8	9
Mr John McEvoy	9	9
Mr Tim Rothwell	9	9
Mr Frankie Carroll	6	9

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

Board Members

Mr Damien Walker (Chair)

As Director-General of the Department of State Development, Tourism and Innovation, Damien Walker is leading the Queensland Government agenda to drive economic growth and create jobs for Queenslanders.

Mr Walker works to maximise opportunities for economic development through attracting investment into the state, including private sector investment in key sectors and emerging industries to stimulate economic growth and create jobs. This includes creating the conditions for sustainable economic and jobs growth by facilitating a pipeline of public and private infrastructure.

He holds academic qualifications in public policy and planning, and has broad experience, particularly in the economic development and strategic planning arena.

Mr Dave Stewart

Dave Stewart is the Director-General of the Department of the Premier and Cabinet.

He is a member of the Trade and Investment Queensland Board, Building Queensland Board, Great Barrier Reef Marine Park Authority and Council of Australian Governments Senior Officials. Mr Stewart is an accomplished civil engineer and is named as one of Australia's Top 100 most influential engineers by Engineers Australia.

Mr Stewart holds Masters Degrees in Business and Engineering Science and completed a Harvard executive program looking at private sector involvement in infrastructure delivery.

Ms Rachel Hunter

Rachel Hunter is a highly regarded and accomplished Director-General and CEO, having worked across various portfolios.

As well as her current position as Under Treasurer, Ms Hunter is a former Director-General of three Queensland Government departments – the Department of Justice and Attorney-General, the Department of Education, Training and the Arts and the former Department of State Development, Manufacturing, Infrastructure and Planning. Ms Hunter also served as Queensland's Public Service Commissioner from 2000 to 2003.

Mr Neil Scales OBE

Neil Scales joined the Queensland Public Service in March 2012 as Chief Executive Officer of TransLink where he was responsible for the public transport network across Queensland. He was appointed Director-General of the Department of Transport and Main Roads in March 2013.

Prior to joining TransLink, Mr Scales was Chief Executive and Director-General of Merseytravel, the transport authority for Merseyside in the north of England. He has also held executive roles with transport and engineering companies and has consultancy experience with several organisations, including the World Bank and the European Commission.

Ms Liza Carroll

Liza Carroll joined the Department of Housing and Public Works in August 2015. In her role as the Director-General, Ms Carroll leads the department of over 5,300 staff in the delivery of a range of housing, building, sports, digital and procurement services across Queensland. She provides impactful leadership in order to enable whole-of-government collaboration to advance Queensland Government's priorities and improve the way government services are delivered to Queenslanders.

Ms Carroll has a Masters of Education (Hons) majoring in Sociology and a Bachelor of Education. She was awarded the Public Service Medal for her work leading 'Ahead of the Game: Blueprint for Reform in the Australian Public Service'.

Mr Matthew Longland

Matthew Longland is the Deputy Director-General of the Department of Transport and Main Roads and the head of TransLink, where he leads the delivery of customer-focused passenger transport services across Queensland including policy, planning, ticketing, contract management and customer services.

Mr Longland has undergraduate and postgraduate qualifications in Urban and Regional Planning and has completed an Executive Master of Business Administration at the Australian Graduate School of Management.

Dr Sarah Pearson

Dr Sarah Pearson is the Deputy Director-General for Innovation in the Department of State Development, Tourism and Innovation.

Dr Pearson has a wealth of experience from varying roles and positions including Global Head of Open Innovation at Cadbury, Director on the Board of the Global Innovation Fund, and most recently, Chief Innovation Officer and Chief Scientist at the Australian Department of Foreign Affairs and Trade (DFAT).

Chief Executive Officer

Mr Graeme Newton

Chief Executive Officer

Appointed 18 September 2017

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 after being seconded in a similar capacity since June 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 Chief Executive Officer 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.

Human Rights Act 2019

Section 97 of the *Human Rights Act 2019* requires relevant agencies to report in their annual report on certain matters, including:

- details of actions to further the objects of the Act;
- human rights complaints received; and
- details of reviews undertaken for compatibility with human rights.

The Delivery Authority worked with the Department of Justice and Attorney-General to ensure training was provided to all staff to raise awareness of their duties under the Act. Specialist training was also provided to staff in significant decision-making roles. New staff receive training on the *Human Rights Act 2019* as part of their onboarding process.

No complaints relating to the *Human Rights Act 2019* were received by the Delivery Authority during the reporting period, and no reviews were undertaken.

Finance, Audit and Risk Management Committee

In March 2020, following the implementation of a Ministerial Direction and Instruments of Delegation, the Delivery Authority promptly established the Finance, Audit and Risk Management Committee (FARMC).

The purpose of this Committee is to assist the Delivery Authority's Chief Executive Officer discharge duties as they relate to finance, risk and assurance in accordance with the *Auditor-General Act 2009*, the *Financial Accountability Act 2009*, and the *Financial and Performance Management Standard 2019*.

Members of the FARMC included:

- Chief Financial Officer, Cross River Rail Delivery Authority (CRRDA);
- General Manager, Economic Development, CRRDA;
- Program Director, CRRDA;
- Executive Director, Governance, Risk and Compliance, CRRDA; and
- Director, Project Controls Office, CRRDA.

During the 2019-20 Financial Year three meetings were held.

Prior to this, the former Board had established an Audit, Finance and Risk Committee. During the 2019-20 Financial Year, three meetings were held. Members included Emeritus Professor Mary O'Kane (Chair), the Honourable Paul Lucas, Mr John McEvoy, Ms Lucy Snelling, Mr Tim Rothwell and Mr Dave Stewart/Ms Rachel Hunter. The Audit, Finance and Risk Committee ceased in March 2020 and was replaced by the FARMC.

Risk Management

The Delivery Authority's Risk Management framework assesses risks at the strategic, program and operational levels. All risks are assigned controls, and the adequacy of these controls is assessed across the three lines of defence through project and functional testing, internal compliance, and assurance reporting, as well as internal and external audit. The strategic risks – those being of direct relation to Sponsor Requirements are reviewed annually by the Executive Management Team.

The Delivery Authority's internal assurance function serves as a central point for the conduct, collection, and coordination of all assurance activities across the Delivery Authority.

Internal Audit

The Delivery Authority has established strong internal audit policies and procedures, which align with the requirements set out in *Financial and Performance Management Standard 2019*, as well as Queensland Treasury guidelines. Through the former Audit, Finance and Risk Committee, the Delivery Authority appointed an internal auditor and has established a rigorous internal audit program. The conduct and performance of the appointed internal auditor is managed in accordance with the Delivery Authority's Internal Audit Charter.

The internal audit program for the 2019-20 Financial Year was approved by the former Committee to ensure the Delivery Authority continues to comply with Queensland public sector audit and accountability requirements and to satisfy the requirements of the Queensland Audit Office.

External Audits and Reviews

During the 2019-20 Financial Year, no additional external audits or reviews were conducted of the Delivery Authority other than the annual audit of financial statements. This was 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 Cross River Rail project's progress and quality to be assessed through a series of gateway reviews led by independent reviewers. The reviews help ensure the Cross River Rail 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.

Open Data

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

The Delivery Authority reports overseas travel information and interpreter services through the open data portal. No international travel was conducted during the 2019-20 Financial Year by Delivery Authority employees.

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 and undertakes regular document control reviews and employee training on the management of the system.

Financial Performance Summary

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 2020 and its financial position at the end of that period.

Operating Result

The Delivery Authority's operating result for 2019-20 was a surplus of \$3.141 million. This surplus will be carried forward and offset against expenditure in 2020-21.

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 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 include creditors, accrued employee benefits and other payables including land settlement costs associated with the project.

The finance liability reflects the upfront funding for the construction costs of the TSD Package by Pulse. The upfront funding will be settled (as part of the State Contributions and Quarterly Service Payments paid by the Delivery Authority) across the Development & Construction (D&C) Phase and the Service Phase for the TSD Package.

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 2020

CROSS RIVER RAIL DELIVERY AUTHORITY

Financial Statements

For the year ended 30 June 2020

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CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Comprehensive Income For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income from operations			
Grants revenue	2	79,337	12,000
Other income	3	85,458	37,268
Total income from operations		164,795	49,268
Expenses from operations			
Employee expenses	4	4,760	5,837
Supplies and services	6	87,123	38,665
Grant expenses		49,658	-
Interest expense	7	19,679	-
Other expenses	7	340	4,575
Depreciation	11	94	81
Total expenses from operations		161,654	49,158
Operating result for the year		3,141	110
Total comprehensive income		3,141	110

The accompanying notes form part of these financial statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Financial Position As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	8	137,863	180,781
Receivables	9	73,782	23,453
Other current assets	10	6,709	2,631
Total current assets		218,354	206,865
Non-current assets			
Property, plant and equipment	11	2,018,141	795,330
Right-of-use assets	11	11,011	-
Other non-current assets	10	29,094	11,118
Total non-current assets		2,058,246	806,448
Total assets		2,276,600	1,013,313
Current liabilities			
Trade and other payables	13	139,000	153,933
Lease liabilities	12	2,306	-
Accrued employee benefits	14	1,514	1,162
Other current liabilities		-	46
Total current liabilities		142,820	155,141
Non-current liabilities			
Borrowings	15	1,054,303	-
Lease liabilities	12	7,861	-
Total non-current liabilities		1,062,164	-
Total liabilities		1,204,984	155,141
Net assets		1,071,615	858,172
Equity			
Accumulated surplus		11,312	8,172
Non-appropriated equity	16	1,060,303	850,000
Total equity		1,071,615	858,172

The accompanying notes form part of these financial statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Changes in Equity For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Balance at beginning of year		858,172	137,062
Total comprehensive income			
Transactions with owners as owners		3,141	110
Non-appropriated equity injections	16	210,303	721,000
Balance at end of year		<u>1,071,615</u>	<u>858,172</u>

The accompanying notes form part of these financial statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Grants		59,658	12,000
Other income		54,531	15,914
GST input tax credits from ATO		7,170	15,157
GST collected from customers		5,820	1,896
<i>Outflows:</i>			
Employee expenses		(4,493)	(5,603)
Supplies and services		(77,036)	(26,176)
GST paid to suppliers		(7,108)	(16,316)
GST remitted to ATO		(5,784)	(1,508)
Other expenses		(74,336)	(85)
Net cash used in operating activities		(41,578)	(4,721)
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for property, plant and equipment		(211,643)	(578,023)
Net cash used in investing activities		(211,643)	(578,023)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		210,303	721,000
Net cash provided by financing activities		210,303	721,000
Net increase in cash and cash equivalents		(42,918)	138,256
Cash and cash equivalents at beginning of reporting period		180,781	42,525
Cash and cash equivalents at end of reporting period	8	137,863	180,781

The accompanying notes form part of these financial statements.

CROSS RIVER RAIL DELIVERY AUTHORITY

Statement of Cash Flows

For the year ended 30 June 2020

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating result to net cash provided by operating activities	2020	2019
	\$'000	\$'000
<i>Operating surplus/(deficit)</i>	3,141	110
<i>Non-cash items included in operating result:</i>		
Depreciation expense	94	81
<i>Changes in assets and liabilities:</i>		
(Increase) in trade and other receivables	(50,559)	(21,354)
Decrease in GST input tax credits receivable	97	(772)
Decrease in annual leave reimbursement receivables	113	(200)
(Increase) in Long-service leave reimbursement receivables	(7)	(6)
(Increase) in prepayments/other	(2)	29
Increase in accounts payable	5,384	16,941
Increase in accrued employee benefits	162	450
Net cash provided by/(used in) operating activities	(41,578)	(4,721)

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to the Financial Statements

For the year ended 30 June 2020

- 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: Right-of-use assets and lease liabilities
- Note 13: Trade and other payables
- Note 14: Accrued employee benefits
- Note 15: Finance liability
- Note 16: Non-appropriated equity
- Note 17: Commitments for expenditure
- Note 18: Related parties
- Note 19: Events after the end of the reporting period
- Note 20: Other information
- Note 21: Budget vs actual comparison

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

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 2009* and *Statutory Bodies Financial Arrangement Act 1982*. The Delivery Authority was established to lead the development, procurement and delivery of the Cross River Rail Project (the Project). It is controlled by the State of Queensland, which is the ultimate parent.

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 2019*. The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations and requirements applicable to not-for-profit entities. Except where stated, historical cost is used as the measurement basis in the financial statements.

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) should be 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. Costs which 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.

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 2018-19 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 (CEO) at the date of signing the Management Certificate.

(e) New and revised accounting standards

No Australian Accounting Standards have been early adopted for 2019-20.

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

These standards have been applied to the Delivery Authority's 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

The Delivery Authority applied AASB 16 Leases for the first time in 2019-20. The Delivery Authority applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 Leases and related interpretations. The nature and effect of changes resulting from the adoption of AASB 16 are described below. In relation to leases of plant and equipment, land and staff accommodation, which had previously been classified as operating leases. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Delivery Authority's incremental borrowing rates.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

The Delivery Authority recognised a right-of-use asset (representing rights to use the underlying leased asset) and a lease 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.

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. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

(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 1059 Service Concession Arrangements: Grantors

This standard is 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 (PPP). The Tunnel, Stations and Development (TSD) PPP has been considered, to determine whether it falls within 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.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

An entity shall apply these amendments prospectively for annual periods beginning on or after 1 January 2020. The AASB has made amendments to AASB 101 Presentation of Financial Statements and AASB108 Accounting Policies, Changes in Accounting Estimates and Errors and consequential amendments to other Australian Accounting Standards (AAS) which: i) use a consistent definition of materiality throughout AAS and the Conceptual Framework for Financial Reporting ; ii) clarify when information is material; and iii) incorporate some of the guidance in AASB 101 about immaterial information. The Delivery Authority is yet to assess the impact of this standard on its accounting treatment.

AASB 2019 -1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

An entity shall apply these amendments prospectively for annual periods beginning on or after 1 January 2020. The AASB has issued a revised Conceptual Framework which introduces a new reporting entity concept. At this stage, the revised framework will only be mandatory for for-profit private sector entities with public accountability that are required by legislation to comply with Australian Accounting Standards (AAS). The Delivery Authority is yet to assess the impact of this standard on its accounting treatment.

AASB 2020 -1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current

An entity shall apply these amendments prospectively for annual periods beginning on or after 1 January 2022. The AASB issued a narrow-scope amendment to AASB 101 Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The Delivery Authority is yet to assess the impact of this standard on its accounting treatment.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
2. Grants revenue		
Grants revenue	79,337	12,000
Total	79,337	12,000

The Delivery Authority received grants in 2019-20 for the purposes of operational funding, TSD PPP interest and returnable works. Grants received by the Delivery Authority from the State Government are unconditional in nature, and do not carry with them any performance requirements. The Delivery Authority accounts for these grants as revenue when they become receivable, which is consistent with the Delivery Authority's accounting policy outlined at Note 1(e).

	2020	2019
	\$'000	\$'000
3. Other income		
Reimbursement of ETCS costs	66,847	34,196
Other	18,612	3,072
Total	85,458	37,268

Reimbursement of European Train Control System 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 (QR) and the project sponsor, the Department of Transport and Main Roads (DTMR).

An arrangement with QR and the DTMR 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.

	2020	2019
	\$'000	\$'000
4. Employee expenses		
Expensed employee expenses		
<i>Employee benefits</i>		
Officer interchange	765	2,781
Wages and salaries	2,612	1,811
Annual leave expenses	244	184
Long service leave expenses	63	41
Employer superannuation contributions	334	254
Board fees	374	426
Other employee benefits	74	-
	4,465	5,496
<i>Employee related expenses</i>		
Payroll tax	166	131
Other employee related expenses	128	210
	295	341
Total	4,760	5,837

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
Capitalised employee costs		
<i>Employee benefits</i>		
Officer interchange	203	327
Wages and salaries	18,972	13,798
Annual leave expenses	1,788	1,320
Long service leave expenses	479	314
Employer superannuation contributions	2,168	1,581
Other employee benefits	-	53
	23,610	17,393
<i>Employee related costs</i>		
Payroll tax	1,079	806
Other employee related expenses	1,187	489
	2,266	1,295
Total	25,875	18,688

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2020	2019
	No.	No.
Delivery Authority employees	161.3	115.6
Total	161.3	115.6

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.

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.

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

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.

It has been determined that the following employee benefits are directly attributable to the construction of the infrastructure assets as 90% for Corporate and Strategic Communications Management, 50% for Precincts and 0% for the Board and Communications and Media business units. All other business within the Delivery Authority contribute 100% to the construction of the infrastructure assets.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

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*. Since 20 September 2019, that Minister is the Minister for State Development, Tourism and Innovation (DITID) (up to 19 September 2019 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 2019-20.

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
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 Minister.	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>	The Honourable Mr Paul Lucas	20 September 2018, ceased 3 March 2020
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) Mr Niel Scales OBE (Dept of Transport and Main Roads) Mr Damien Walker (Dept of Innovation and Tourism Industry Development) Ms Rachel Hunter (Dept of the Premier and Cabinet)	11 February 2019, ceased 3 March 2020 14 April 2017, ceased 3 March 2020 20 September 2019, ceased 3 March 2020 11 February 2019, ceased 3 March 2020
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 Ms Lucy Snelling Mr John Lee Mr John McEvoy Mr Tim Rothwell	14 April 2017, ceased 3 March 2020 14 April 2017, ceased 3 March 2020 14 April 2017, ceased 3 March 2020 1 June 2017, ceased 3 March 2020 1 January 2019, ceased 3 March 2020

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

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 are included in the amount expensed in the Statement of Comprehensive Income;
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- Post-employment expenses include superannuation contributions;
- No performance bonuses are paid.

2019-20

Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses	Non-Monetary Expenses				
		\$'000	\$'000				
CEO	Graeme Newton	529	-	11	69	-	609
Board Member	Paul Lucas	75	-	-	7	-	82
Board Member	Tim Rothwell	49	-	-	5	-	54
Board Member	Mary O'Kane	53	-	-	5	-	58
Board Member	Lucy Snelling	49	-	-	5	-	54
Board Member	John Lee	50	-	-	5	-	55
Board Member	John McEvoy	49	-	-	5	-	54
Total		854	-	11	101	-	966

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

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				
CEO	Graeme Newton	571	-	11	69	-	651
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		990	-	11	108	-	1,109

Permanent board members were not remunerated as they are Public Sector employees.

FRR3c *Employee Benefit Expenses and Key Management Personnel Remuneration* requires that Key Management Personnel remuneration be disclosed exclusive of annual leave taken. The actual salary paid to Mr Newton has not changed from 2018-19 to 2019-20.

6. Supplies and services

	2020 \$'000	2019 \$'000
Contractors	81,337	34,004
Occupancy costs	644	193
Other supplies and services	5,142	4,468
Total	87,123	38,665

Contractors include ETCS \$61.2M and RIS \$16.2M which are related to delivery of the project.

Other supplies and services includes \$3.9M of property management costs that relate to properties acquired by the Delivery Authority for the project.

7. Other expenses

	2020 \$'000	2019 \$'000
Audit of financial statements	217	75
Other assurance services	80	-
Interest expense	19,679	-
Other	43	4,500
Total	20,018	4,575

Audit fees

Total audit fees by the Queensland Audit Office relating to the 2019-20 financial statements of the Delivery Authority are \$297,000 (2019: \$75,000).

Interest Expense

The interest expense represents the accrued interest on the finance liability relating to the TSD Package (refer to Note 15). It reflects the cumulative amortisation, using the effective interest method, of the difference between the initial carrying amount of the finance liability and the maturity amount. While the construction of the TSD Package would generally be considered a qualifying asset in terms of AASB 123, CRRDA does not capitalise the interest expense as part of the carrying amount of the TSD package in accordance with the Queensland Treasury's policy.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
8. Cash and cash equivalents		
Cash at bank - Operating Accounts	137,863	180,781
Total	137,863	180,781

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Delivery Authority's bank account forms part of the Whole of Government consolidated fund and does not earn interest.

	2020	2019
	\$'000	\$'000
9. Receivables		
GST receivable	1,728	1,826
Employee entitlement reimbursement	111	216
Other receivables	71,943	21,411
Total	73,782	23,453

Queensland Treasury's policy states that departments and 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 QR and Queensland Treasury.

Receivables of \$50.5M (included in other receivables) from related parties represents the amounts due from QR and DTMR for the costs relating to ETCS and RIS work packages of the Cross River Rail Project. They are due for settlement within 30 days and are classified as current.

They are initially recognised at the amount of consideration due at the time of service delivery. The Delivery Authority hold the trade receivables with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost.

Other receivables include amounts due from QR, DTMR and DITID.

	2020	2019
	\$'000	\$'000
10. Other assets		
<i>Current</i>		
Prepayments current	6,709	2,631
Total	6,709	2,631
<i>Non-current</i>		
Prepayments non-current	29,094	11,118
Total	29,094	11,118

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
11. Property, plant and equipment		
Plant and equipment		
Plant and equipment at cost	468	439
Less: Accumulated depreciation	(195)	(100)
Total plant and equipment	274	339
Capital work in progress		
Capital work in progress at cost	2,017,867	794,991
Total capital work in progress	2,017,867	794,991
Right-of-use assets		
Right-of-use-assets at cost	12,501	-
Less: Accumulated depreciation	1,490	-
Total right-of-use assets	11,011	-
Total	2,029,152	795,330

	Plant and equipment \$'000	Capital work in progress \$'000	Right-of-use assets \$'000	Total \$'000
Carrying amount at 1 July 2019	339	794,991	-	795,330
Acquisitions	29	1,222,876	12,501	1,235,406
Depreciation expense	(94)	-	(1,490)	(1,584)
Carrying amount at 30 June 2020	274	2,017,867	11,011	2,029,152
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

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 2020

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 dispose and value in use. 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.

Where no asset revaluation surplus is available in respect of a class of assets, measured at fair value, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement.

12. Right-of-use assets and lease liabilities

A new accounting standard AASB 16 Leases came into effect in 2019-20, resulting in significant changes to the Delivery Authority's accounting for leases for which it is lessee.

	2020	2019
	\$'000	\$'000
Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	2,306	-
One to five years	7,861	-
More than five years	-	-
Total Discounted lease liabilities at 30 June 2020	10,167	-
Lease liabilities included in the statement of financial position at 30 June 2020	10,167	-
Current	2,306	-
Non-Current	7,861	-

The Delivery Authority measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The Delivery Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

When measuring the lease liability, the Delivery Authority uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the Delivery Authority's leases. To determine the incremental borrowing rate, the Delivery Authority uses loan rates provided by the Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

The Department of Housing and Public Works (DHPW) provides the Delivery Authority with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement services rather than as leases because DHPW has substantive substitution rights over the assets.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
13. Trade and other payables		
Trade creditors	3,650	10,216
Other payables	135,351	143,717
Total	139,000	153,933

Other payables are mainly due to land related payments \$109.8m and contractors \$24.7m.

	2020	2019
	\$'000	\$'000
14. Accrued employee benefits		
Accrued salary and wages	798	402
Annual leave levy payable	569	628
Long service leave levy payable	147	91
Officer interchange costs	-	41
Total	1,514	1,162

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*.

	2020	2019
	\$'000	\$'000
15. Finance liability		
<i>Non-current</i>		
Finance liability	1,054,303	-
	1,054,303	-

The finance liability reflects the upfront funding for the construction costs of the TSD Package by Pulse. The upfront funding will be settled (as part of the State Contributions and Quarterly Service Payments paid by CRRDA) across the Development & Construction (D&C) Phase and the Service Phase for the TSD Package.

The TSD Package is accounted for as a construction contract with a service outsourcing arrangement. Consequently, the construction costs of the TSD package are progressively capitalised (across the D&C Phase) as capital work-in-progress (CWIP – refer to Note 11 on Property, Plant and Equipment) with a corresponding build-up of the finance liability in relation to CRRDA's obligation to pay Pulse for the funding of the construction services. The finance liability is recognised at amortised cost under the effective interest rate (EIR) method in accordance with AASB 9.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
16. Non-appropriated equity		
Opening balance	850,000	129,000
Equity injections	210,303	721,000
Total	1,060,303	850,000

The Delivery Authority received non-appropriated equity, as well as \$10m (2019: \$12m) non-capital funding from Queensland Government via Queensland Treasury (refer Note 2).

Equity is recognised as requested and in accordance with the Delivery Authority accounting policy.

	2020 \$'000	2019 \$'000
17. Commitments for expenditure		
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	1,220,369	31,033
Later than 1 year and not later than 5 years	2,662,962	-
Total	3,883,331	31,033

Commitments for capital expenditure includes funding commitments for TSD, RIS and ETCS projects as well as balances remaining on open purchase orders.

18. Related parties

The Delivery Authority's predominant 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.

	2020 \$'000	2019 \$'000
Revenue		
Revenue received with State of Queensland controlled entities	83,817	34,196
Government grants from State of Queensland	79,337	12,000
Expenses		
Expenses incurred with State of Queensland controlled entities	60,147	8,353
Assets		
Receivable from State of Queensland controlled entities	50,493	21,191
Property, plant & equipment - capital works costs incurred with State of Queensland controlled entities.	44,179	130,941
Liabilities		
Payables to State of Queensland controlled entities for supplies and services received.	32,467	46,072

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements

For the year ended 30 June 2020

19. Events after the end of the reporting period

Queensland Future Fund

During 2020, the Treasurer authorised for Queensland Treasury and Queensland Investment Corporation (QIC) to undertake due diligence for the possible transfer of assets into the Queensland Future Fund (QFF) in relation to the Cross River Rail development precincts. This is not a decision to transfer any asset into the QFF, but rather an approval to consider the financial and other implications of the potential transfer and to present options for a decision by CBRC. At the time of signing these financial statements, this decision has not been made.

20. 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 (PAI).

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

Financial Instruments

The Delivery Authority's financial instruments comprise trade and other 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 trade and other receivables and payables is assumed to approximate the value of the original transaction.

The Delivery Authority's activities expose it to limited financial risk. The Delivery Authority has implemented a financial risk management framework that seeks to minimise potential adverse effects on the financial performance of Delivery Authority.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020

21. Budget vs actual comparison

Statement of Comprehensive Income

	Variance Note	Budget 2020	Actual 2020	Variance
		\$'000	\$'000	\$'000
Income from operations				
Grants revenue		76,880	79,337	(2,457)
Other income	v1	123,991	85,458	38,533
Total income from operations		200,871	164,795	36,076
Expenses from operations				
Employee expenses	v2	11,683	4,760	6,923
Supplies and services	v2	122,172	87,123	35,049
Grant expenses		49,658	49,658	-
Other expenses	v3	17,292	340	16,952
Depreciation	v4	66	94	(28)
Total expenses from operations		200,871	141,976	58,895
Operating result from operations		-	22,819	94,971
Total comprehensive income		-	22,819	94,971

Explanations of major variances

- v1 The decrease in other income is due to the timing of the ETCS Project reimbursements after contract close and also due to the inclusion of income received from property acquisitions.
- v2 The decrease in employee expenses and supplies and services is primarily due to the timing of the ETCS Project expenditure after contract close and recruitment delays.
- v3 The increase in other expenses is due to interest expense for private finance.
- v4 The increase in depreciation expense is due to the purchase of additional plant and equipment, including technology to support working from home.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020

	Variance Note	Budget 2020	Actual 2020	Variance
		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	v5	28,879	137,863	(108,984)
Receivables	v6	19,812	73,782	(53,970)
Other current assets	v7	391	6,709	(6,318)
Total current assets		49,082	218,354	(169,272)
Non-current assets				
Property, plant and equipment	v8	2,328,739	2,018,141	310,598
Right-of-use assets	v9	-	11,011	(11,011)
Other non-current assets	v10	-	29,094	(29,094)
Total non-current assets		2,328,739	2,058,246	270,493
Total assets		2,377,821	2,276,600	101,221
Current liabilities				
Payables	v11	20,293	139,000	(118,707)
Lease liabilities	v9	-	2,306	(2,306)
Accrued employee benefits	v12	2,501	1,514	987
Other current liabilities		36	-	36
Total current liabilities		22,830	142,820	(119,990)
Non-Current Liabilities				
Borrowings	v13	1,008,587	1,054,303	(45,716)
Lease liabilities	v9	-	7,861	(7,861)
Other		-	-	-
Total Non-Current Liabilities		1,008,587	1,062,164	(53,577)
Total liabilities		1,031,417	1,204,984	(173,567)
Net assets		1,346,404	1,071,615	274,789
Equity				
Accumulated surplus		8,062	11,312	(3,250)
Non-appropriated equity	v14	1,338,342	1,060,303	278,039
Total equity		1,346,404	1,071,615	274,789

v5 Cash and cash equivalents are higher than budget due to project expenditure being incurred by the Authority but not yet paid.

v6 The increase in receivables is due to outstanding reimbursements for ETCS and Complimentary and Associated Works, and TSD grants receivable.

v7 The increase in other current assets is due to prepaid PAI which applies to the life of the project.

v8 The decrease in property, plant and equipment was due to the revision of required project expenditure timing after major contract closures during 2019/20.

v9 Right-of-use assets and lease liabilities have been recognised in line with the implementation of AASB 16 Leases.

v10 The increase in other non-current assets is due to prepaid Principal Arranged Insurance that applies to the life of the project.

v11 The increase in payables is mainly due to land related payments and contractors.

v12 Accrued employee benefits are lower in line with lower employee expenses due to ETCS and recruitment delays.

v13 The increase in borrowings relates to timing of private financing for the PPP.

v14 Non-appropriated equity is lower than budget due to a carry forward of capital funding into 2020-21.

CROSS RIVER RAIL DELIVERY AUTHORITY

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020

	Variance Note	Budget 2020	Actual 2020	Variance
		\$'000	\$'000	\$'000
Cash flows from operating activities				
Inflows:				
Grants		59,658	59,658	-
Other	v15	182,331	67,521	114,810
Outflows:				
Employee expenses	v16	(12,300)	(4,493)	(7,807)
Supplies and services		(173,268)	(89,928)	(83,340)
Other		(70)	(74,336)	74,266
Net cash provided by/(used in) operating activities		56,351	(41,578)	97,929
Cash flows from investing activities				
Outflows:				
Payments for property, plant and equipment	v17	(548,118)	(211,643)	(336,475)
Net cash provided by/(used in) investing activities		(548,118)	(211,643)	(336,475)
Cash flows from financing activities				
Inflows:				
Equity injections	v18	488,342	210,303	278,039
Net cash provided by / (used in) financing activities		488,342	210,303	278,039
Net increase / (decrease) in cash and cash equivalents		(3,425)	(42,918)	39,493
Cash and cash equivalents at beginning of reporting period		32,304	180,781	(148,477)
Cash and cash equivalents at end of reporting period		28,879	137,863	(108,984)

v15 Other inflows is lower than budget mainly due to the timing of the ETCS Project and other Project reimbursements after contract close, the inclusion of income received from property acquisitions and lower than expected GST input tax credit from the ATO.

v16 Employee expenses is lower than budget due to the inclusion of the reimbursement of costs to other agencies associated with the ETCS Inner City Project.

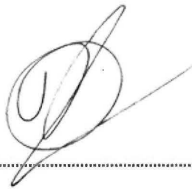
v17 Property, plant & equipment is lower than budget due to a timing difference of project expenditure.

v18 Equity Injections are lower than budget due to a carry forward of capital funding into 2020-21.

CERTIFICATE OF THE CROSS RIVER RAIL DELIVERY AUTHORITY

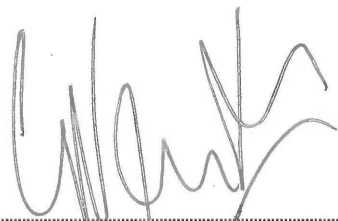
These general purpose financial statements have been prepared pursuant to the provisions of section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) 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 2020 and of the financial position of the Cross River Rail Delivery Authority at the end of that year; and
- (iii) we acknowledge(s) responsibility under s.8 and s.15 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



.....
Damien Walker
Chairperson
Director-General
Department of State Development, Tourism and Innovation

Date: 31 August 2020



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

Date: 31 AUG 2020

Your ref:
Our ref: 2020-6840
Vaughan Stemmett 3149 6046

SENSITIVE

31 August 2020

Mr D Walker
Chairperson
Cross River Rail Delivery Authority
Level 6, 123 Albert Street
BRISBANE QLD 4000

Dear Mr Walker

Final Management Report for Cross River Rail Delivery Authority (the Authority)

We have completed our 2019–20 financial audit for the Authority. I issued an unmodified audit opinion on your financial statements. The purpose of this letter is to update you on any matters that have arisen since we presented our closing report to the Finance, Audit and Risk Management Committee on 28 August 2020.

Reporting on issues identified after the closing report

Since the presentation of our closing report, we have not identified any significant issues that we wish to communicate to you.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament. As with prior years, we intend to include the results of our audit of the Authority in a report to parliament. We will discuss our report with your Chief Financial Officer as we draft our report. Formally, you will have an opportunity to provide comments to be reflected in our report.

Audit fee

The final audit fee for this year is \$216,000 exclusive of GST (2019: \$75,000) which is in line with our estimated fee in our external audit plan.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6046 or Philip Airey on 3149 6231.

Yours sincerely



Vaughan Stemmett
Sector Director

cc. Mr S Romano, Chief Financial Officer

Queensland Audit Office
Level 14, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
 Queensland Audit Office (QAO)

2019-20

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 3 Page 53
	Public availability	ARRs – section 9.2	Page 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	Page 2
General information	Introductory Information	ARRs – section 10.1	Page 4-7
	Machinery of Government changes	ARRs – section 10.2, 31 and 32	N/A
	Agency role and main functions	ARRs – section 10.2	Page 6
	Operating environment	ARRs – section 10.3	N/A
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	Page 7
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	N/A
	Agency objectives and performance indicators	ARRs – section 11.3	Page 11
	Agency service areas and service standards	ARRs – section 11.4	Page 12
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 23

Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 13
	Executive management	ARRs – section 13.2	Page 16-19
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 20
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 20
	Queensland public service values	ARRs – section 13.6	Page 14
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 21
	Audit committee	ARRs – section 14.2	Page 21
	Internal audit	ARRs – section 14.3	Page 21
	External scrutiny	ARRs – section 14.4	Page 22
	Information systems and recordkeeping	ARRs – section 14.5	Page 22
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 15
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 14
Open Data	Statement advising publication of information	ARRs – section 16	Page 22
	Consultancies	ARRs – section 33.1 https://data.qld.gov.au	https://www.data.qld.gov.au/
	Overseas travel	ARRs – section 33.2 https://data.qld.gov.au	https://www.data.qld.gov.au/
	Queensland Language Services Policy	ARRs – section 33.3 https://data.qld.gov.au	https://www.data.qld.gov.au/
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 49
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 50

FAA Financial Accountability Act 2009
 FPMS Financial and Performance Management Standard 2009
 ARR 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.

