

CROSSRIVERRAIL



Queensland
Government

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15 September 2017

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🌐 www.crossriversrail.qld.gov.au

The Honourable Jackie Trad MP
Deputy Premier, Minister for Transport
and Minister for Infrastructure and Planning
PO Box 15009
CITY EAST QLD 4002

Dear Deputy Premier

Re: Letter of Compliance

I am pleased to present the Annual Report 2016–2017 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 2009*;
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies 2016–2017; and
- Section 72 of the *Cross River Rail Delivery Authority Act 2016*.

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

Yours sincerely



FRANKIE CARROLL
Chairperson

Accessibility

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

This Annual Report provides information about Cross River Rail Delivery Authority financial and non-financial performance for 2015–2016. 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 2009*.

This report has been prepared for the Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment to submit to Parliament.

It has also been prepared to meet the needs of stakeholders, including the Commonwealth and local governments, industry and business associations, community groups and the public.

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

Additional information is available online and on the Queensland Government Open Data website
www.qld.gov.au/data

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Message from the Chair

I am pleased to present the Cross River Rail Delivery Authority's Annual Report for the 2016-17 financial year.

The Queensland Government's Cross River Rail project is now in the delivery phase.

It will be one of the biggest investments in public transport infrastructure in South East Queensland history. It will create thousands of jobs during construction and will leave lasting economic benefits that will contribute to the State of Queensland for generations.

In the 2017-18 State Budget the Queensland Government made a commitment to deliver Cross River Rail by fully funding this transformative project alone.

The Queensland Government commitment is \$5.4 billion, with \$2.8 billion over the forward estimates, and a further \$2.6 billion to be committed in future budgets.

The Cross River Rail Delivery Authority (the Authority) has been tasked with delivering the project and is focused on doing precisely that.

The Authority commenced work on 14 April 2017 and Head of Authority Mr Graeme Newton was appointed on 13 June 2017, and commenced as Chief Executive Officer on 18 September 2017. The Authority has moved rapidly from planning to delivery.

Cross River Rail is a key project for the future of South East Queensland and there is strong community consensus about the need for this project.

As Chairman I am very excited to be overseeing a major infrastructure project that will transform South East Queensland for the better.



Frankie Carroll
Chairperson

Message from the Chief Executive Officer

I am pleased to present the Cross River Rail Delivery Authority's Annual Report for the 2016-17 financial year.

Cross River Rail is a major public infrastructure project for South East Queensland.

As Head of Authority (and now Chief Executive Officer) it has been my role to oversee the work of the Authority and to ensure all aspects of this complex project are professionally planned, initiated and delivered.

In doing this, the Authority is also promoting and supporting the Queensland Government's objectives to stimulate economic growth, deliver new infrastructure, provide an integrated and reliable transport network and build the South East Queensland region.

As the government has said, Cross River Rail is a critical part of the future of the South East Queensland rail network. The project will ease transport congestion, enhance connectivity and contribute to improving the lifestyles of millions of Queenslanders who will continue to live, work and play in this great part of the world.

We have now invited registrations for Expressions of Interest for major works packages. Early Works activities at Woolloongabba are already underway, practical commencement of the project has been marked.

Over the next 12 months this project will continue its delivery phase, particularly the procurement process for the major packages of work.



Graeme Newton
Chief Executive Officer
Cross River Rail Delivery Authority

Overview

ABOUT CROSS RIVER RAIL DELIVERY AUTHORITY – ROLE AND MAIN FUNCTIONS

On 14 April 2017 the Authority commenced as an independent statutory body under the *Cross River Rail Delivery Authority Act 2016*. This Annual Report covers the reporting period from 14 April 2017 to 30 June 2017.

The 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 Cross River Rail and related projects. The Authority works closely with state government partners to deliver value for money and best practice expenditure and acquittal of government infrastructure funds.

The 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.

All the functions and powers of the Authority are set out in the Act.

STRATEGIC OBJECTIVES

The Authority's first Strategic Plan was developed for 2017-18. The 2017-18 Strategic Plan confirms the 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 Authority promotes and supports the government's objectives by:

- Stimulating economic growth and innovation;
- Delivering new infrastructure and investment;
- Conserving nature and heritage;
- Enabling responsible development;
- Providing an integrated and reliable transport network; and
- Building regions.

The Queensland State Infrastructure Plan, Part B (2017) (QSIP) acknowledges Cross River Rail as Queensland's number one infrastructure project.

The QSIP acknowledges Cross River Rail as a key gap in the South East Queensland rail network, and confirms the project will free up bottlenecks, increase capacity and ease road and rail congestion.

As at 30 June 2017 the Authority was still in an establishment phase. Formal Performance Indicators will be in place by 30 June 2018.

QUEENSLAND GOVERNMENT OBJECTIVES FOR THE COMMUNITY

The *Financial Accountability Act 2009* (section 10) requires that the Queensland Government prepare and table a statement of the Government's broad objectives for the community of:

- Creating jobs and a diverse economy;
- Deliver quality frontline services;
- Building safe, caring and connected communities; and
- Protecting the environment.

Key benefits of the Cross River Rail project will include reduced traffic congestion, the creation of an average of 1,500 jobs for five years during construction, activating new economic opportunities and key precincts in an expanded Brisbane CBD.

2016-17 KEY ACHIEVEMENTS

1. ESTABLISHING CROSS RIVER RAIL DELIVERY AUTHORITY

On 14 April 2017, the Authority commenced under the *Cross River Rail Delivery Authority Act 2016*.

2. APPOINTMENT OF BOARD MEMBERS AND CHIEF EXECUTIVE OFFICER

On 14 April 2017, the Queensland Government appointed all Authority Board members, except for Mr John McEvoy, who was appointed on 1 June 2017. On 13 June 2017, Mr Graeme Newton was engaged as Head of Authority, appointed as Authority Chief Executive Officer (CEO) on 18 September 2017.

Board members and the CEO have significant relevant public or private sector experience delivering and overseeing major infrastructure projects. The Board also includes Director-General level Queensland Government representatives whose individual government portfolios have direct relevance to the work of the Authority, and the Under Treasurer.

3. QUEENSLAND GOVERNMENT FUNDING COMMITMENT

On 13 June 2017 the Queensland Government confirmed Cross River Rail funding of \$5.4 billion in the 2017-18 Queensland State Budget. The budget allocated \$2.8 billion over the forward estimates, and confirmed a further commitment of \$2.6 billion for future budgets.

This funding commitment provides Queenslanders with certainty the project will be delivered, and re-confirms Cross River Rail as Queensland's highest priority infrastructure project.

4. APPROVAL TO START WORK ON CROSS RIVER RAIL

On 14 June 2017, the Authority's Board approved demolition of the Landcentre (GoPrint) site at Woolloongabba to make way for the Cross River Rail project marking formal commencement.

The approval allowed the principal contractor to commence Early Works to transform the Landcentre (GoPrint) site into the new Woolloongabba Station for Cross River Rail. The area is also expected to be the primary staging site for the Tunnel Boring Machines to dig the twin tunnels under the City and south to the new Boggo Road Station.

KEY PRIORITIES 2017-18

In 2017-18, the Authority will continue to progress the Early Works, planning, procurement and development associated with the Cross River Rail project.

Some key activities to be undertaken by the Authority in 2017-18 include:

- Continuing early and enabling works;
- Conducting geotechnical and site investigations;
- Procurement of major works packages;
- Continuing to identify and deliver economic and social development opportunities;
- Consulting with the Australian Government and private sector regarding funding opportunities;
- Continuing to develop the Authority's in-house processes and expertise to effectively support and deliver its functions; and
- Working towards establishing key Priority Development Areas to facilitate project planning and development.

AGENCY SERVICE AREAS AND SERVICE STANDARDS

As the Authority represents a new service area, service standards were not required for the 2017-18 Service Delivery Statement. Measures of efficiency and effectiveness are being developed for this service area and will be included in the 2018-19 Service Delivery Statement and Annual Report.

The objective of the Authority is to deliver economic development and transport outcomes that maximise benefits for Queenslanders.

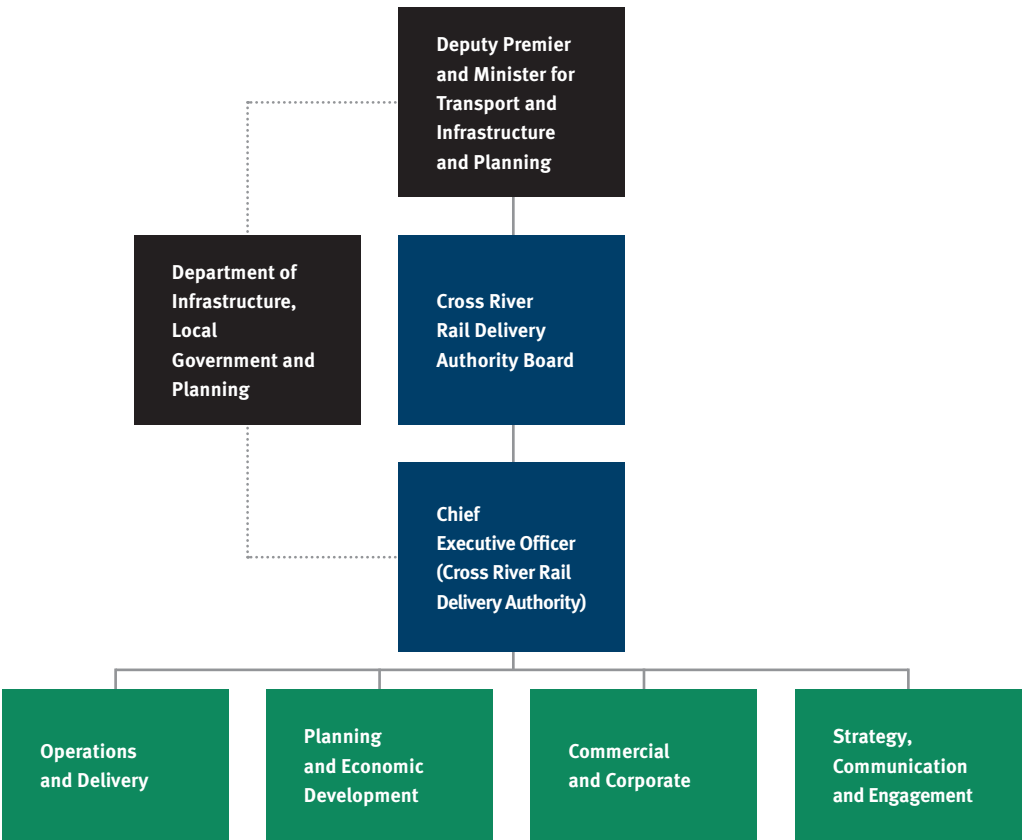
The Authority's objectives are to:

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

As this is a new service area, service standards are not required for the 2017-18 Service Delivery Statement (SDS). The 2017-18 SDS included only an estimate of anticipated staffing.

GOVERNANCE MANAGEMENT AND STRUCTURE

The Authority is structured to support the efficient and focused delivery of the Cross River Rail project.



Staffing

The Authority engages public servants on interchange and temporary arrangements including technical experts on short term contracts to fulfil specific tasks as needed. The Authority encourages a work/life balance.

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is 16.5.

Future staffing will be consistent with annual operational plans and budgets. Candidates for permanent employment will undergo merit-based selection.

EARLY RETIREMENT, REDUNDANCY AND RETRENCHMENT

The Authority has had no retrenchments and no voluntary redundancies for this reporting period from 14 April 2017 to 30 June 2017.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The Authority has adopted whole-of-government policies, procedures, directives and standards while it develops its own performance management framework.

HEALTH, SAFETY AND WELLNESS

The Authority is in the process of developing appropriate mechanisms for the identification and rectification of hazards, incidents and compliance with the *Work Health and Safety Act 2011*.

PEOPLE AND PERFORMANCE COMMITTEE

The Board has established a People and Performance Committee to:

- Advise on the Board's People and Performance Strategies with regard to their ability to help the Authority function effectively and in accordance with the Board's goals; and
- Advise on global and national trends which may impact strategy effectiveness, and the Authority's obligations under the *Cross River Rail Delivery Authority Act 2016*.

The Committee's specific duties include:

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

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

To the extent practicable, the Authority supports part-time work and flexible working hours and a healthy work-life balance.

Board

The Authority Board's responsibilities are set out in the *Cross River Rail Delivery Authority Act 2016* (the Act).

The Board's functions are to:

- Ensure the proper, efficient and effective performance of the authority's functions;
- Decide the objectives, strategies and policies to be followed by the authority;
- Ensure that the authority complies with its strategic plan, and operational plan, under the *Financial Accountability Act 2009* for a financial year;
- Report to the Minister about the performance of the authority's functions; and
- Another function given to the board under the Act.

As at 30 June 2017, the Board was comprised of four permanent members, and six appointed members.

Permanent members include:

- Mr Frankie Carroll (Chairperson), Director-General, Department of Infrastructure, Local Government and Planning;

- Mr Dave Stewart, Director-General, Department of the Premier and Cabinet;
- Mr Jim Murphy, Under Treasurer, Queensland Treasury; and
- Mr Neil Scales OBE, Director-General, Department of Transport and Main Roads.

Appointed members include:

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

Mr Mike Mrdak AO was an appointed Board Member for the reporting period from 14 April 2017 to 30 June 2017. Mr Mrdak ceased on 17 August 2017.

BOARD MEETINGS AND ATTENDANCE

There were two (2) Ordinary Board Meetings between 14 April 2017 and 30 June 2017. Attendance is outlined below.

Board Meeting Attendance 2016-17		
Board Member	Held	Attended
Mr Frankie Carroll (Chairperson)	2	2
Hon Paul Lucas (Deputy Chairperson)	2	2
Emeritus Professor Mary O'Kane AC	2	2
Ms Lucy Snelling	2	2
Mr John Lee	2	2
Mr Dave Stewart	2	2
Mr Jim Murphy	2	2
Mr Neil Scales OBE	2	1
Mr John McEvoy	2	1
Mr Mike Mrdak AO (former Board Member)	2	2

Board members

MR FRANKIE CARROLL



*Chairperson – Appointed 14 April 2017
– Director-General of Department of Infrastructure,
Local Government and Planning (DILGP)*

Mr Frankie Carroll, Chair and permanent member is the Director-General of the Department of Infrastructure, Local Government and Planning.

His infrastructure experience spans water, construction, energy and financial services industries. As Chief Executive Officer of Queensland Water Infrastructure, he delivered major water storage facilities. As Chief Executive Officer of the Queensland Reconstruction Authority, Mr Carroll was responsible for delivering a disaster reconstruction program worth more than \$14 billion.

He is a Graduate of the Australian Institute of Company Directors and a Fellow of the Association of Chartered Certified Accountants.

THE HONOURABLE PAUL LUCAS

FAICD, B.Econ, LL.B., M.B.A., M.U.R.P., Prof. Cert. Arb.



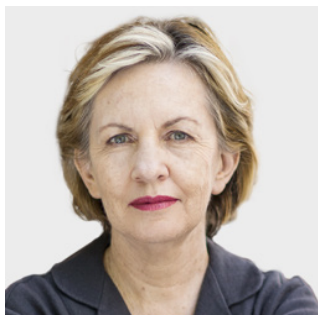
*Deputy Chairperson – Appointed 14 April 2017
Chairperson - Finance Audit and Risk Committee
Member - People and Performance Committee*

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

Board positions currently or previously held include: Airservices Australia; Qld Electricity Transmission Corporation (Powerlink); Institute for Urban Indigenous Health; and Australian College of Optometry.

Mr Lucas lectures at a postgraduate level in Strategic Metropolitan and Transport and Infrastructure Planning. He also conducts international DFAT-funded training in areas including PPP's, Governance, and Anti-Corruption with UQ International Development where he is an Infrastructure, Governance and Public Policy Consultant. Countries for which he has delivery experience include Indonesia, Sub-Saharan Africa (various), Vietnam, Thailand, Papua New Guinea, Pakistan and Nepal.

EMERITUS PROFESSOR MARY O'KANE AC



Board Member – Appointed 14 April 2017
Member – Finance Audit and Risk Committee
Member – People and Performance Committee
New South Wales Chief Scientist and Engineer

Professor O'Kane is the New South Wales Chief Scientist and Engineer, a company director, and Executive Chairman of O'Kane Associates, a company advising governments and the private sector on innovation, research, education and development. She was Vice-Chancellor of the University of Adelaide from 1996-2001.

Professor O'Kane has served on several boards and committees especially related to research, engineering, ICT and energy. She is currently chair of the boards of two Cooperative Research Centres and on the boards of two more. She is also Chair of Institute of Marine and Antarctic Studies at the University of Tasmania and serves on the boards of Business Events Sydney Ltd, QUT, the New Zealand Antarctic Research Institute, and the Development Gateway. She was Chair of the Australian Centre for Renewable Energy, a Director of FH Faulding and Co Ltd and was a Member of the Australian Research Council, the Cooperative Research Centres Committee and the Boards of the CSIRO and NICTA.

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

MS LUCY SNELLING



Board Member – Appointed 14 April 2017
Member – Finance Audit and Risk Committee

Ms Lucy Snelling has Board and governance, as well as legal, government and management experience. She is a consultant with HopgoodGanim Lawyers and also runs her own resources and energy commercial consultancy. She is an experienced leader with a strong legal and commercial background, strategic management skills and specialist expertise in resources and energy and transport infrastructure projects.

Ms Snelling co-founded the Infrastructure Association of Queensland, serving as President. Her previous roles include acting as State's Representative on the AirTrain Citylink project, and oversight of Stage 1 of the Springfield Road and Rail Corridor. While Partner of a Brisbane City law firm, she worked on major gas pipeline, rail, and other infrastructure development projects, as well as ongoing operational issues. In addition, she has facilitated commercial development projects at and in conjunction with rail transport to maximise urban planning and infrastructure outcomes, including across a range of transport oriented developments.

MR JOHN LEE



Board Member – Appointed 14 April 2017
Chairperson – People and Performance Committee

Mr John Lee is the Chief Executive Officer of Australian Sailing. He has held a number of senior positions at the State Government level including Director-General of the Department of Commerce and Transport for NSW from 2003-2010. Mr Lee was then appointed the CEO of the Australian Tourism and Transport Forum, a national advocacy organisation for improved public transport and visitor economy infrastructure. Mr Lee has extensive experience in both operations and planning of heavy rail and transport solutions. Early in his career, Mr Lee worked as General Manager of CityRail in the lead up to the 2000 Olympics in Sydney. He also played a pivotal role in the planning and construction of many rail projects on the CityRail network. Mr Lee is the former Chief Executive of the Sydney Roosters NRL club and a former Australian Sports Commissioner. He also has extensive experience in governance.

MR DAVE STEWART



Board Member – Appointed 14 April 2017
Member – Finance Audit and Risk Committee
Director-General, Department of the Premier and Cabinet (DPC)

Mr Dave Stewart is the Director-General of the Department of the Premier and Cabinet and a Member of the Building Queensland Board, Great Barrier Reef Marine Park Authority and Council of Australian Governments (COAG) Senior Officials. Mr Stewart is an accomplished civil engineer and was named as one of Australia's Top 100 most influential engineers by Engineers Australia.

MR JIM MURPHY



*Board Member – Appointed 14 April 2017
Under Treasurer, Queensland Treasury*

Mr Jim Murphy commenced as Queensland's Under Treasurer on 1 June 2015. Mr Murphy was formerly a senior executive with the ANZ Bank and is regarded as an outstanding senior policy executive and respected government leader. Before his role with the ANZ Bank, Mr Murphy was Deputy Secretary in the Federal Treasury for more than a decade and also held a number of senior executive positions in the Commonwealth Departments of Treasury, Attorney-General and Finance. His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC, and he worked as the Chief of Staff in the Office of the Prime Minister. Mr Murphy was also awarded a Public Service Medal for his strategic economic advice that formed the Federal Government's response to the global financial crisis.

MR NEIL SCALES OBE



*Board Member – Appointed 14 April 2017
Member – People and Performance Committee
Director-General, Department of Transport and Main Roads*

Appointed as Director-General, Department of Transport and Main Roads in March 2013, Mr Scales previously led Queensland's public transport network as CEO of TransLink. Prior to joining TransLink, Mr Scales was the Chief Executive and Director-General of Merseytravel, the transport authority for Merseyside in the north of England. In this role, he was responsible for some 200 million passenger journeys per year by train, bus, ferries and through the two Mersey Tunnels. Along with over 40 years of experience in the transport industry, Mr Scales received an Officer of the Most Excellent Order of the British Empire (OBE) for services to public transport. He was also awarded an honorary Fellowship from Liverpool John Moores University in 2011 for his services in the region. Mr Scales was appointed as a Commissioner with the National Transport Commission (NTC) in September 2014 and was appointed to the Roads Australia Board in November 2014. In 2015, he was the Queensland Public Sector's CEO champion against domestic violence by participating in an initiative called the Australia's CEO Challenge Race. He continues this important role in 2017. This annual drive sees business leaders raise awareness and funds for those affected by domestic violence.

MR JOHN MCEVOY



Board Member – Appointed 1 June 2017

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

In the past 15 years, Mr McEvoy has focused on adapting proven investment governance practices to plan and deliver major economic, social and environmental infrastructure in the Rail, Road, Ports, Energy, Water, Health, Justice and Civic sectors. He is regarded as an innovative strategist and problem solver, with valued skills in the development of business cases to secure funding for major projects and in the subsequent crafting of commercial public-private partnerships and other project delivery models.

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

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

Chief Executive Officer

MR GRAEME NEWTON



Engaged as Interim Head of Authority, 14 June 2017 and formally appointed as Chief Executive Officer effective 18 September 2017.

Mr Graeme Newton has more than 25 years' experience in the infrastructure sector. In the past 15 years he has led large-scale, high profile and complex infrastructure projects within the private and public sector, with a strategic and delivery-oriented approach as a senior executive leading billions of dollars' worth of projects.

His vast experience and expertise in the industry has seen him awarded with the National Award for Excellence and the QUT Outstanding Alumni Award. Mr Newton was appointed by the Premier of Queensland in 2011 as the first CEO of the Queensland Reconstruction Authority. Over the years Mr Newton has worked in a range of different infrastructure leadership roles including the role of Director-General for the Department of Infrastructure and Planning

where he was a key decision maker for Queensland, leading major infrastructure, investments, planning and project delivery. He was also appointed as Coordinator-General under the *State Development and Public Works Organisation Act 1971* (Qld).

Mr Newton was the Head of Authority from 14 June 2017 until his appointment as CEO effective 18 September 2017. During his period as Head of Authority, he was on secondment from Deloitte Australia where he was Lead Partner for the Queensland Government with a national focus on the delivery of large, complex and high profile infrastructure and major capital projects.

This role involves extensive engagement and strategic policy advice for a range of Queensland and interstate government departments. Mr Newton's key strengths are in strategy, transformation and building high performing teams.

Public Sector Ethics Act 1994

During the reporting period 14 April 2017 and 30 June 2017, the Authority has been applying the Queensland Public Service Code of Conduct (the Code) associated with its staff on interchange from other Government Departments. The Code is aligned to the principles and values outlined in the *Public Sector Ethics Act 1994*. The Code provides staff a framework to ensure the Authority's high professional standards are maintained.

Risk and accountability

AUDIT, FINANCE AND RISK COMMITTEE

The Authority's Audit, Finance and Risk Committee (the Committee), a Committee of the Authority's Board was established by the Board on 14 June 2017. The Committee's first meeting was held on 28 July 2017.

The purpose of the Committee is to provide independent assurance and assistance to the Board on the risk, control, financial and compliance frameworks in accordance with the *Auditor-General Act 2009*, *Financial Accountability Act 2009*, *Statutory Bodies Financial Arrangements Act 1982*, *Statutory Bodies Financial Arrangements Regulations 2007* and the *Financial and Performance Management Standard 2009*.

INTERNAL AUDIT

As at 30 June 2017, the Authority was in the process of determining its internal assurance requirements.

The Authority is continuing to build its policies and processes, and in the interim adheres to whole of government and Department of Infrastructure, Local Government and Planning (DILGP) policies and processes.

EXTERNAL SCRUTINY

During the 2016–17 financial year, no external audits or reviews were conducted of the Authority other than the annual audit of financial statements, which was conducted following the end of the financial year.

INFORMATION SYSTEMS AND RECORD KEEPING

During the reporting period the Authority made use of DILGP's electronic records management system.

This was maintained in compliance with the *Public Records Act 2001* and the *Right to Information Act 2009*.

As the Authority is established and develops its own systems it will confirm the information and records management systems it needs to ensure records continue to be maintained in accordance with applicable regulations and standards.

Financial statements

CROSS RIVER RAIL DELIVERY AUTHORITY

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Financial performance

The financial statements included in this Annual Report provide specific information about the Authority's activities for the period since it commenced operations on 14 April 2017 to 30 June 2017 and its financial position at the end of that period.

OPERATING RESULT

The Authority's operating result for 2016-17 was \$8.34 million

This was a result of a total income of \$14.09 million and expenditure of \$5.76 million, comprised mainly of expenses on employees and supplies and services.

REVENUES

Revenue predominantly relates to funding from the Queensland Government for operations of the Authority. All revenue came in the form of Queensland Government grants. Total revenue for 2016-17 was \$14 million.

EXPENSES

Expenses predominantly relate to employee expenses and supplies and services expenses.

LIABILITIES

Liabilities mainly relate to payables and accrued employee benefits.

OPEN DATA

No Authority staff travelled overseas for the reporting period. No consultancies were entered into during the reporting period. No ministerial directions were issued during the reporting period.

Statement of comprehensive income

For the period 14 April 2017 to 30 June 2017

		14 April 2017 to 30 June 2017
	Note	\$'000
Income from continuing operations		
Grants revenue	2	14,092
Total income from continuing operations		<u>14,092</u>
Expenses from continuing operations		
Employee expenses	3	349
Supplies and services	5	5,378
Other expenses	6	29
Total expenses from continuing operations		<u>5,756</u>
Operating result from continuing operations		<u>8,336</u>
Total comprehensive income		<u>8,336</u>

The accompanying notes form part of these statements.

Statement of financial position

As at 30 June 2017

		14 April 2017 to 30 June 2017
	Note	\$'000
Current assets		
Cash and cash equivalents	7	14,041
Receivables	8	62
Total current assets		<u>14,103</u>
Non-current assets		
Property, plant and equipment	9	3,665
Total non-current assets		<u>3,665</u>
Total assets		<u>17,768</u>
Current liabilities		
Payables	10	8,930
Accrued employee benefits	11	502
Total current liabilities		<u>9,432</u>
Non-current liabilities		
Total non-current liabilities		-
Total liabilities		<u>9,432</u>
Net assets		8,336
Equity		
Accumulated surplus		8,336
Total equity		<u>8,336</u>

The accompanying notes form part of these statements.

Statement of changes in equity

For the period 14 April 2017 to 30 June 2017

	14 April 2017 to 30 June 2017
Note	\$'000
Opening balance 14 April 2017	-
Operating result from continuing operations	8,336
Closing balance at 30 June 2017	<u>8,336</u>

The accompanying notes form part of these statements.

Statement of cash flows

For the period 14 April 2017 to 30 June 2017

		14 April 2017 to 30 June 2017
	Note	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Grants		14,092
<i>Outflows:</i>		
Payments to employees		(51)
Net cash provided by/(used in) operating activities		<u>14,041</u>
Net increase / (decrease) in cash and cash equivalents		14,041
Cash and cash equivalents at beginning of reporting period		-
Cash and cash equivalents at end of reporting period	7	<u>14,041</u>
Reconciliation of operating surplus to net cash flow from operating activities		
<i>Operating surplus</i>		8,336
Change in receivables		(62)
Change in payables [#]		5,265
Change in accrued employee benefits		502
Net cash provided by/(used in) operating activities		<u>14,041</u>

[#]There are property, plant and equipment additions in payables of \$3.665m as at 30 June 2017. Since 14 April 2017 Department of Infrastructure, Local Government and Planning has incurred costs on behalf of Cross River Rail Delivery Authority. Costs incurred will be reimbursed in full to DILGP.

Notes to the financial statements

For the period 14 April 2017 to 30 June 2017

Note 1	Basis of financial statement preparation
Note 2	Grant revenue
Note 3	Employee expenses
Note 4	Key management personnel and remuneration
Note 5	Supplies and services
Note 6	Other expenses
Note 7	Cash and cash equivalents
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Note 9	Property, plant and equipment
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Note 11	Accrued employee benefits
Note 12	Commitments for expenditure
Note 13	Related parties
Note 14	Events after the end of the reporting period
Note 15	Other information

Notes to and forming part of the financial statements

For the period 14 April 2017 to 30 June 2017

1. BASIS OF FINANCIAL STATEMENT PREPARATION (A) GENERAL INFORMATION

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

CRRDA was established under the *Cross River Rail Delivery Authority Act 2016* on 14 April 2017.

The head office and principal place of business of CRRDA is 53 Albert Street, Brisbane QLD 4000.

(B) COMPLIANCE WITH PRESCRIBED REQUIREMENTS AND BASIS OF ACCOUNTING

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

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

The historical cost convention is used unless otherwise stated.

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

(C) PRESENTATION

Currency and Rounding

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

Comparatives

CRRDA was established on 14 April 2017 as such, no comparatives are available and the current year represent balances for the period 14 April 2017 to 30 June 2017.

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 CRRDA 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 Acting Chief Financial Officer at the date of signing the Management Certificate. The Chairperson was also the person responsible for the financial administration of CRRDA during the reporting period.

(E) NEW AND REVISED ACCOUNTING STANDARDS

No Australian Accounting Standards have been early adopted for 2016-17.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

(E) NEW AND REVISED ACCOUNTING STANDARDS (CONTD)

AASB 124 Related Parties

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 *Related Party Disclosures*. This standard requires note disclosures about key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. The standard has resulted in CRRDA's responsible Minister being identified as part of CRRDA's KMP from 2016-17. Material related party transactions for 2016-17 are disclosed in Notes 4 and 13.

(F) FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

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

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

CRRDA is yet to form conclusions about the significant impacts of these standards, however potential future impacts identified at the date of this report are 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. CRRDA receives several grants for which there are no sufficient specific performance obligations – these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

AASB 16 Leases

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

CRRDA will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all operating leases of more than 12 months, unless the underlying assets are of low value. Currently CRRDA does not have any leases in place. Any future operating leases entered into may be impacted by this standard.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period 14 April 2017 to 30 June 2017

	14 April 2017 to 30 June 2017
	\$'000
2. Grants revenue	
<i>Queensland Government Grants:</i>	
Operational funding	14,092
Total	<u>14,092</u>
3. Employee expenses	
Expensed employee expenses	
<i>Employee benefits</i>	
Officer interchange	247
Employer superannuation contributions	6
Board fees	64
	<u>317</u>
<i>Employee related expenses</i>	
Payroll tax	16
Other employee related expenses	16
	<u>32</u>
Total	<u>349</u>
Capitalised employee expenses	
<i>Employee benefits</i>	
Officer interchange	235
	<u>235</u>
<i>Employee related expenses</i>	
Payroll tax	7
Other employee related expenses	3
	<u>10</u>
Total	<u>245</u>
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis at 30 June 2017 is:	
CRRDA employees	-
Officers on Interchange Arrangements	16.5
Total	<u>16.5</u>

Grants received

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

Officer interchange

CRRDA is currently staffed by Queensland Government officers on interchange arrangements under section 184 of the *Public Service Act 2008*. These officers are considered employees for the purposes of these financial statements. CRRDA is invoiced for wages, salaries and on costs by the Queensland Government Agencies. Under the *Cross River Rail Delivery Authority Act 2016* s58 any staff made available to CRRDA through an interchange agreement is for the period of service taken to be a member of the CRRDA's staff and any associated costs are recorded as employee expenses.

Superannuation

Contributions to superannuation funds are recorded as they become payable and CRRDA's legal or constructive obligation is limited to these contributions.

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.

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

4. KEY MANAGEMENT PERSONNEL AND REMUNERATION

(A) KEY MANAGEMENT PERSONNEL

As from 2016-17, CRRDA's responsible Minister is identified as part of CRRDA's Key Management Personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures. That Minister is the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning.

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 2016-17.

Position	Responsibilities under the <i>Cross River Rail Delivery Authority Act 2016</i>	Current Incumbents		
		Contract classification and appointment authority	Name	Date appointed to position
Chairperson	Leading and directing the activities of the Board to ensure the Board performs its functions appropriately	Appointed by Governor in Council, s33 <i>Cross River Rail Delivery Authority Act 2016</i>	Mr Frankie Carroll	14 April 2017
Board Members - permanent	Decides the objectives, strategies and policies to be followed by CRRDA and ensures that CRRDA 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 ensure the proper, efficient and effective performance of CRRDA, 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 (Department of Infrastructure, Local Government and Planning)	14 April 2017
			Mr Dave Stewart (Department of the Premier and Cabinet)	14 April 2017
			Mr Jim Murphy (Queensland Treasury)	14 April 2017
			Mr Neil Scales OBE (Department of Transport and Main Roads)	14 April 2017
Board Members - appointed	Decides the objectives, strategies and policies to be followed by CRRDA and ensures that CRRDA 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 ensure the proper, efficient and effective performance of CRRDA.	Appointed by Governor in Council on the recommendation of the Minister, s33 <i>Cross River Rail Delivery Authority Act 2016</i>	The Honourable Mr Paul Lucas	14 April 2017
			Emeritus Professor Mary O'Kane AC	14 April 2017
			Ms Lucy Snelling	14 April 2017
			Mr John Lee	14 April 2017
			Mr Mike Mrdak AO ¹	14 April 2017 Ceased: 17 August 2017
			Mr John McEvoy	1 June 2017

The Board has delegated its powers and functions under sections 31 and 32 of the Act, to the Chairperson and in the alternate to the Chairperson being available to act in accordance with the Board's delegation, to the Deputy Chairperson.

1. On 17 August 2017 Mr Mike Mrdak ceased his appointment as a CRRDA Board Member.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

(B) REMUNERATION

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. CRRDA 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 as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration for CRRDA's non-Ministerial KMP is set by the Governor in Council.

- Monetary Expenses consist of Base salary, allowances and leave entitlements earned and expensed (including levies payable) for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income;

- Non-Monetary Expenses consist of provision of vehicle together with fringe benefits tax applicable to the benefit;
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- Post-employment expenses include superannuation contributions;
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination; and
- No performance bonuses are paid.

The following disclosures focus on the expenses incurred by CRRDA that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

2016-17							
Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary Expenses	Non-Monetary Expenses	\$'000	\$'000	\$'000	\$'000
		\$'000	\$'000				
Board Member ¹	Mr Paul Lucas	15			1		16
Board Member ¹	Ms Mary O'Kane	15			1		16
Board Member ¹	Ms Lucy Snelling	15			1		16
Board Member ¹	Mr John Lee	15			1		16
Board Member ²	Mr John McEvoy	6			1		6
Total		64	-	-	6	-	70

1. Appointed 14 April 2017

2. Appointed 1 June 2017

Frankie Carroll, David Stewart, Jim Murphy, Neil Scales and Mike Mrdak were not remunerated as they are Public Sector employees.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

	14 April 2017 to 30 June 2017 \$'000
5. Supplies and services	
Contractors	5,030
IT managed services	19
Occupancy costs	184
Travel	9
Supplies and consumables	88
Other supplies and services	48
Total	<u>5,378</u>
6. Other expenses	
Audit fees - external	28
Sundry expenses	1
Total	<u>29</u>
7. Cash and cash equivalents	
Cash at hand	-
Cash at bank - Operating Accounts	14,041
Total	<u>14,041</u>
8. Receivables	
GST receivable	62
Total	<u>62</u>
9. Property, plant and equipment	
(i) Property, plant and equipment	
Plant and equipment	
At cost	42
Less: Accumulated depreciation	-
Total plant equipment	<u>42</u>
Capital work in progress	
At cost	3,623
Total capital work in progress	<u>3,623</u>
Total	<u>3,665</u>

Occupancy costs

Occupancy costs include costs reimbursed to DILGP for operating lease rental. The payments for this operating lease are representative of the pattern of benefits derived from the leased asset and are expensed in the periods in which they are incurred.

Audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2016-17 financial statements of CRRDA are \$27,500.

Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June.

Receivables

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

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provision for impairment. No impairment loss has been recognised for the 2016-17 year. No receivables are past due or impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period 14 April 2017 to 30 June 2017

9. Property, plant and equipment (contd) (ii) Represented by movements in carrying amount			
	Plant and equipment	Capital work in progress	Total
Carrying amount at 14 April 2017	-	-	-
Acquisitions (including upgrades)	42	3,623	3,665
Depreciation expense	-	-	-
Carrying amount at 30 June 2017	<u>42</u>	<u>3,623</u>	<u>3,665</u>

RECOGNITION THRESHOLDS

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

Plant and equipment	\$5000
Capital work in progress	\$ 1

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

DEPRECIATION

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

Class	Depreciation Method	Average useful life
Plant and equipment	Straight-line	5 years
Capital work in progress	Not depreciated	-

REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Revaluations using independent professional valuer or internal expert appraisals are undertaken at least once every five years.

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

IMPAIRMENT

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

Where 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.

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.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

CAPITAL WORK IN PROGRESS

All direct costs and, where reliably attributable, indirect costs relating to the constructed infrastructure, are recorded as 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

	14 April 2017 to 30 June 2017
10. Payables	\$'000
Trade creditors	682
Other payables	8,248
Total	<u>8,930</u>
11. Accrued employee benefits	
Current accrued employee benefits	
Officer interchange costs	<u>502</u>
Total	<u>502</u>

Payables

Trade creditors are recognised for amounts payable in the future for goods and services received, whether or not billed to CRRDA and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

12. COMMITMENTS FOR EXPENDITURE NON-CANCELLABLE OPERATING LEASE

Operating leases are entered into as a means of acquiring access to office accommodation. At 30 June 2017 the operating lease for office accommodation at 53 Albert Street Brisbane was held in the name of the DILGP. CRRDA will reimburse DILGP for any lease payments made on behalf of CRRDA until such time that the lease is transferred into the name of CRRDA.

CAPITAL EXPENDITURE

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

Capital work in progress	\$'000
Not later than 1 year	1,906

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period 14 April 2017 to 30 June 2017

13. RELATED PARTIES

CRRDA's predominate source of funding is grant funding from Queensland Treasury via DILGP (refer Note 2). The Chairperson of the CRRDA is the Director-General of DILGP

CRRDA makes payments to Queensland Government controlled entities for general operating expenditure on terms commensurate with other government entities.

Since 14 April 2017 DILGP have incurred costs on behalf of CRRDA. Costs incurred will be reimbursed in full to DILGP.

14. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 17 August 2017 Mr Mike Mrdak ceased his appointment as a CRRDA Board Member.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of CRRDA the results of those operations, or the state of affairs of CRRDA in future financial years.

15. OTHER INFORMATION

Taxation

CRRDA 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 8).

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

CRRDA'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.

Financial Instruments

CRRDA's financial instruments comprise Receivables and Payables. CRRDA does not enter into transactions for speculative purposes, nor for hedging.

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

CRRDA does not recognise any financial assets and liabilities at fair value. The fair value of Receivables and Payables is assumed to approximate the value of the original transaction.

Certificate of the Cross River Rail Delivery Authority

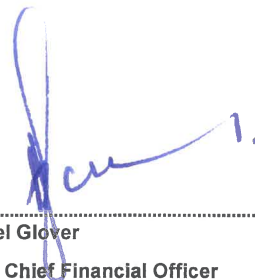
These general purpose financial statements have been prepared pursuant to the provisions of section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b)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

- (i) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Cross River Rail Delivery Authority for the financial period 14 April 2017 to 30 June 2017 and of the financial position of the Cross River Rail Delivery Authority at the end of that period; and
- (iii) These assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Frankie Carroll
Chairperson

Date: 21/8/17



Michael Glover
Acting Chief Financial Officer

Date: 21 8 17

INDEPENDENT AUDITOR'S REPORT

To the Board of Cross River Rail Delivery Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cross River Rail Delivery Authority. In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2017, and its financial performance and cash flows for the period 14 April 2017 to 30 June 2017
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

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

D ADAMS
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

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 particular 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 a particular outcome for its customers, stakeholders and the community (such as, Ministerial charter letter commitments and election commitments).
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.
State Budget	Tabled in Parliament annually, the State Budget is an outline of the Government's priorities and plans for the coming year, expressed in terms of financial and non-financial performance information. The State Budget papers consist of the Treasurer's Budget Speech, Budget Strategy and Outlook, Capital Statement; Budget Measures, Service Delivery Statements, and Regional Budget Statements.

Annual Reporting Requirements

CROSS RIVER RAIL DELIVERY AUTHORITY

Compliance requirements

Summary of Requirement		Basis of Requirement	Annual Report Ref.
Letter of Compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	3
Accessibility	Table of contents Glossary	ARRs – section 9.1	5, 42
	Public availability	ARRs – section 9.2	4
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	4
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	4
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	4
General Information	Introductory Information	ARRs – section 10.1	8
	Agency role and main functions	ARRs – section 10.2	8
	Operating environment	ARRs – section 10.3	9
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	9
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	9
	Agency objectives and performance indicators	ARRs – section 11.3	8
	Agency service areas and service standards	ARRs – section 11.4	10
Financial performance	Summary of financial performance	ARRs – section 12.1	23

Governance – management and structure	Organisational structure	ARRs – section 13.1	11
	Executive management	ARRs – section 13.2	14-19
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	20
	Queensland public service values	ARRs – section 13.5	12
Governance – risk management and accountability	Risk Management	ARRs – section 14.1	20
	Audit Committee	ARRs – section 14.2	20
	Internal Audit	ARRs – section 14.3	20
	External Scrutiny	ARRs – section 14.4	20
	Information systems and record keeping	ARRs – section 14.5	20
Governance and Human Resources	Workforce Planning and Performance	ARRs – section 15.1	11
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016) ARRs – section 15.2	12
Open data	Statement advising publication of information	ARRs – section 16	4
	Consultancies	ARRs – section 33.1	23
	Overseas travel	ARRs – section 33.2	23
	Queensland language services policy	ARRs – section 33.3	4
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	39
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