

# ANNUAL REPORT 2022–23



8 September 2023

The Honourable Mark Bailey MP  
Minister for Transport and Main Roads  
Minister for Digital Services  
GPO Box 2644  
BRISBANE QLD 4001

Dear Minister

**Re: Letter of Compliance**

I am pleased to submit for presentation to the Parliament the Annual Report 2022-23 and financial statements for the Cross River Rail Delivery Authority.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found at Appendix 2 of this annual report.

Yours sincerely



Sally Stannard  
**Acting Chair**  
**Cross River Rail Delivery Board**

# Accessibility

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## More information:

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## Translating and Interpreting Assistance:

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This 2022-23 Annual Report provides information about the Cross River Rail Delivery Authority's 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.

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 2022-23 Annual Report.**

Cross River Rail is the centrepiece of *SEQ Rail Connect* – our blueprint for shaping the rail network to meet the future needs of the growing region.

By providing a second inner-city Brisbane River crossing, Cross River Rail will unlock the bottleneck at the core of our network and serve as a catalyst to support future rail expansions.

Cross River Rail's new high-capacity stations will generate unique opportunities for urban renewal, economic development, inner-city precinct revitalisation and employment, and will help move high volumes of patrons efficiently and safely during the Brisbane 2032 Olympic and Paralympic Games. The quality of these new station environments will be second to none, celebrating Queensland and ensuring that public transport passengers experience the highest quality of urban public buildings.

The project continued coming to life this year, with several key construction milestones being hit.

It is also pleasing to see the skills legacy and employment pipeline that this project is delivering, with over 90 per cent of project expenditure benefitting Queensland workers and businesses, more than 3,000 people working on the project, and 420 apprentice and trainee opportunities created to date.

While the project maintains an overall strong safety record, an incident involving a worker falling from height at one of the sites in July 2023 is a reminder that we must never be complacent. It is important that safety remains the project's single most important priority and that all possible measures are taken to ensure there is ongoing vigilance across all project sites.

This year the project undertook an assessment of high impact, low probability events such as the global pandemic, severe weather events and supply chain impacts on project time and cost. Resulting in a shift to a new integrated delivery program, a revised State funding contribution of \$6.3 billion and a rescheduling of first revenue services to start in 2026.

This new delivery program provides the project with increased certainty moving forward and on behalf of the Board, I commend the ongoing efforts of the Delivery Authority to deliver this transformational public infrastructure project.



Sally Stannard

**Acting Chair  
Cross River Rail Delivery Board**

# Message from the Chief Executive Officer

## Welcome to the Cross River Rail Delivery Authority's 2022-23 Annual Report.

Once operational, Cross River Rail will transform the way we travel across the whole of South East Queensland. Journeys will be quicker; there will be new stations in more convenient locations; and there will be capacity to increase train services as our population grows.

Safety is our number one priority on Cross River Rail and while the project's safety record is significantly better than industry averages, a recent incident at our Boggo Road worksite is a reminder that we cannot ever be complacent. The project's contractors assisted Workplace Health and Safety Queensland in the investigation into the incident and an extensive safety review conducted across multiple sites has been extremely thorough.

In March of this year, we also announced that following a rigorous assessment to understand impacts of the global pandemic, severe weather events, and supply chain impacts on project time and cost, the project would be moving to a re-baselined integrated program schedule, with first revenue services due in 2026 and a revised State budget contribution of \$6.3 billion.

The importance of this integrated project delivery approach should not be understated as it provides our project with increased certainty moving forward, and it aligns the work efforts across all aspects of the project from construction through to rail testing, commissioning, and operations.

Progress on the project for the 12 months covered by this report has been significant, with rail and cabling now laid throughout the projects 5.9-kilometre twin tunnels and the four new underground stations at Boggo Road, Woolloongabba, Albert Street, and Roma Street continuing to take shape.

Of the eight above-ground stations also being rebuilt, Yeronga has been completed, Fairfield is nearing completion and work is underway at Exhibition, Dutton Park, Rocklea and Yeerongpilly. While at Mayne Yard North, a new stabling facility has also been completed and is now operational.

On the Gold Coast, construction of a new station at Pimpama is well underway while contracts have been awarded for stations being built at Hope Island and Merrimac. And there has been significant progress with the new 'ETCS' Train Control System, with successful first tests of the system as part of a pilot on the Shorncliffe line.

All of which means that Cross River Rail has continued to support the Queensland economy. With more than 3,000 people currently working on the project and over 1,900 Queensland based subcontractors and suppliers now having benefitted from the project since the start of construction.

It is an exciting year ahead, as the various aspects of the project continue to take shape.



Graeme Newton

**Chief Executive Officer**

**Cross River Rail Delivery Authority**

# Overview

## ABOUT THE CROSS RIVER RAIL DELIVERY AUTHORITY

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### Role and main functions

The 2022-23 Annual Report covers the reporting period from 1 July 2022 to 30 June 2023.

The Cross River Rail Delivery Authority's (Delivery Authority) primary role is to plan, carry out, promote and coordinate activities to facilitate the efficient delivery of the Cross River Rail project and other related transport 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 economic and community development
- identify and consult with relevant entities about options for funding development
- give advice and recommendations on its roles to the Minister and relevant entities.

The functions and powers of the Delivery Authority are set out in the *Cross River Rail Delivery Authority Act 2016* (CRRDA Act). The Delivery Authority is currently not subject to any community service obligations under the CRRDA Act.

### STRATEGIC OBJECTIVES

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The Delivery Authority's Strategic Plan 2022 - 2026 confirms the Delivery Authority's objectives to:

- **deliver and facilitate** integrated transformational transport infrastructure development
- **operate** commercially and deliver value-for-money while maintaining strong relationships across sectors and agencies
- **attract and retain** a capable and talented workforce that takes best-for-project and best-for-stakeholder approach.

The Delivery Authority supports the delivery of the following Queensland Government objectives for the community:

- **Great lifestyle** – Building Queensland
- **Good jobs** – Supporting jobs and investing in skills.

### 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 Brisbane CBD, and four new high-capacity underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

The project will also deliver two new aboveground stations at Exhibition and Dutton Park.

To coincide with Cross River Rail works, the Delivery Authority is also undertaking a number of other related rail network, infrastructure and station accessibility upgrades on behalf of the Department of Transport and Main Roads (TMR) and Queensland Rail (QR). These upgrades will provide increased capacity, reliability and safety of the rail network as well as improved passenger and staff accessibility, comfort and convenience. These works include Clapham Yard and Mayne Yard train stabling facility enhancements as well as the accessibility upgrade work at Fairfield, Yeronga, Yeerongpilly, Moorooka, Rocklea and Salisbury stations on Brisbane's southside.

Three new train stations are also being facilitated by the Delivery Authority on behalf of TMR and QR on the Gold Coast at Pimpama, Hope Island and Merrimac, and will significantly boost capacity on the Gold Coast line to better connect and support the growing Gold Coast region.

A new world-class signalling system will also be introduced to the network alongside the Cross River Rail project. The European Train Control System (ETCS) will allow trains to run more efficiently and with greater safety.

The Cross River Rail project presents opportunities for urban renewal and precinct development at major station locations including Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition. These precincts will enable Brisbane to continue to evolve as a world-class city and the new stations will play a key role in the Brisbane 2032 Olympic and Paralympic Games, improving access to multiple games venues including The Gabba, Suncorp Stadium, the Queensland Tennis Centre, Victoria Park, the Brisbane Showgrounds and the proposed Brisbane Arena.

Cross River Rail is the centrepiece of *SEQ Rail Connect* - the government's blueprint for shaping the rail network to meet the future needs of the growing region - and will transform travel across the whole of South East Queensland (SEQ). Journeys will be quicker, there will be new stations in more convenient locations, there will be capacity to increase train services as the population grows, and public transport will become a more viable option for the whole region, helping to ease congestion on roads.

The Cross River Rail project is being delivered in partnership with the private sector through three major infrastructure packages of work: Tunnel, Stations and Development (TSD) with Pulse Consortium through a Public Private Partnership (PPP); Rail, Integration and Systems (RIS) through an alliance model with Unity Alliance; and the ETCS package with Sequence Alliance.

### Project progress and performance

Cross River Rail is now into its fourth year of major construction.

With tunnelling complete, and twin tunnels connecting the project's northern portal to the four underground stations at Roma Street, Albert Street, Woolloongabba and Boggo Road through to the southern portal near Dutton Park, station build and tunnel fitout works have progressed throughout the year.

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

Key construction progress for 2022-23 included:

- work underway at 17 locations across SEQ
- rail installation completed in tunnels
- completion of permanent lining installation at Woolloongabba station, with ongoing mezzanine and platform works
- accessibility rebuild of Yeronga station delivered
- reopening of upgraded Fairfield station in temporary configuration, while further works continue
- full closure of Rocklea and Dutton Park stations to enable rebuild works

- completion and successful hand over to QR of Mayne Yard North new stabling facility
- trackwork underway at Mayne Yard East
- completion of the Exhibition cutover and demolition of the old Exhibition station
- ongoing construction of the Boggo Road pedestrian and cycle bridge
- major construction at Pimpama station site
- site investigation works undertaken at Hope Island and Merrimac station sites
- trackside signal equipment works continued on Shorncliffe line and successful dynamic testing of trains fitted out with new ETCS technology
- ongoing signalling technology fitment in trains at the Redbank fitment facility
- successfully undertaking almost 100 rail possessions, to safely and efficiently complete works required to support the delivery of Cross River Rail.

As at the end of the 2022-23 financial year, other key project achievements included:

- managing the compliance of contractors in relation to:
  - ensuring the highest levels of safety were maintained across each of the 17 project worksites
  - retaining the high percentage of local subcontractor and suppliers
  - ensuring commitments to training and apprentice opportunities were maintained
- a workforce of more than 3,000 people working across the sites in June 2023
- over 24 million hours worked across the sites since commencement of construction in 2019 with a Lost Time Injury Frequency Rate (LTIFR) of 0.5 compared to industry LTIFR of 9.2
- over 1,900 supplier and subcontractor companies had contributed to the project, with more than 90 per cent of these being Queensland companies, exceeding local content targets
- 420 trainees and apprentices registered with over 700,000 apprentice/trainee hours undertaken and over 1.78 million training hours across the project.



## QUEENSLAND GOVERNMENT'S OBJECTIVES FOR THE COMMUNITY

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*The Financial Accountability Act 2009 (Qld)* (FAA) (section 10) requires that the Queensland Government prepares and tables a statement of the government's broad objectives for the community.

The Premier and Minister for the Olympic and Paralympic Games issued the *Statement of the Queensland Government's objectives for the community*. This document sets out the drivers for the core objectives Good Jobs, Better Services and Great Lifestyle, as follows:

**Good jobs** - Good, secure jobs in our traditional and emerging industries

- Supporting jobs
- Backing small business
- Making it for Queensland
- Investing in skills.

**Better services** - Deliver even better services right across Queensland

- Backing our frontline services
- Keeping Queenslanders safe
- Connecting Queensland
- Educating for the future.

**Great lifestyle** - Protect and enhance our Queensland lifestyle as we grow

- Protecting the environment
- Growing our regions
- Building Queensland
- Honouring and embracing our rich and ancient cultural history.

Transforming the way we travel across the whole of SEQ, the Cross River Rail project will generate 7,700 jobs and 450 trainee and apprentice opportunities, and also create urban renewal and precinct development opportunities at each of its major station locations.

These outcomes will support the Queensland Government's objectives for the community by:

- creating good jobs
- delivering new infrastructure and investment
- generating opportunities for Queenslanders to develop the skills they need through the creation of training opportunities on the project.

## 2022-23 KEY ACHIEVEMENTS

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### 1. Major Works Construction Progress

#### *Tunnel, Stations and Development (TSD)*

The TSD package of works includes the 5.9 kilometres of twin underground tunnels and delivery of the four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

Following the successful completion of the twin tunnels in 2021, track has been laid in every section of the tunnels between each station and mechanical and technical fitout works have continued within the tunnels, with cable trays, brackets and pipework being installed between Albert and Roma Street stations. Installation of the emergency egress walkway structure has also continued between Roma Street and the Northern Portal, and Woolloongabba and Albert Street.

At each of the four underground stations, all station boxes and station caverns are lined and construction of platforms, stairwells, back of house structures, and general station infrastructure is well advanced.

Works have included completion of the platform and mezzanine in Woolloongabba station box, commencement of Roma Street underpass enhancement works, and installation of precast platform culverts at Boggo Road.

The underground station at Albert Street is the CBD's first new railway station in more than 120 years and will provide better connectivity to Brisbane's Botanic Gardens, QUT Gardens Point Campus and the new Queen's Wharf development as well as to Elizabeth Street and the Queen Street Mall. The permanent arch lining in the Albert Street underground cavern was completed during the year and construction at the northern entrance has reached ground level.

### ***Rail, Integration and Systems (RIS)***

The RIS package of works is delivering the design, supply and installation of supporting rail system elements that will help transform the rail network.

A significant milestone achieved during the year was the completion of the new Mayne Yard North stabling yard facility in early 2023. The new stabling facility will allow up to 17 six-car trains to be stabled on site, boosting stabling capacity at the inner-city depot. After a successful handover to QR, Mayne Yard North is now fully operational, while at Mayne Yard East, the installation of track is underway.

Other complementary works being delivered by the project on behalf of TMR and QR, include accessibility upgrades at the southside stations from Dutton Park to Salisbury, a new all year-round station at Exhibition, and a new stabling facility at Clapham Yard.

To enable station upgrade works to be completed safely in a live rail environment, stations are rebuilt on a rolling program of closures. In 2022-23 the Yeronga station upgrades were complete, and the station reopened, while Fairfield station reopened in a temporary configuration to enable further works. As part of the rolling program Rocklea and Dutton Park stations were closed to enable rebuild works.

To minimise disruptions for local rail customers, a new dedicated high frequency bus service – Route 109 StationLink – has also been introduced and will operate for the full duration of the Dutton Park to Salisbury works.

Exhibition station at the RNA Showgrounds has been demolished to enable major works on the building of the new year-round Exhibition station.

### ***European Train Control System (ETCS)***

ETCS is a proven world-class train signalling system that will deliver a range of important benefits to the SEQ rail network including safety, capacity, efficiency and reliability.

The Delivery Authority continues to work closely with TMR and QR on the ETCS project throughout the delivery and testing phase.

Following on from successful dynamic testing at the Redbank Test Track Facility and readiness testing conducted on the Shorncliffe Pilot line in 2022, a significant milestone was achieved in June

2023 with end-to-end Dynamic System Integration testing successfully undertaken on the Shorncliffe line.

Work on design, integration development and testing is ongoing and infrastructure upgrades including laying foundations, and installing telecommunications towers, ETCS signalling equipment, cabling, and equipment housing continue.

### **2. Cross River Rail workforce**

Cross River Rail continues to play an important role in Queensland's economic activity recovery from the COVID-19 pandemic and is a key enabler for Queensland long-term economic growth.

As at 30 June 2023, there were more than 3,000 workers across 17 sites and, over the life of the project, construction will support more than 7,700 jobs. More than 1,900 supplier and subcontractor companies have also contributed to the project of which more than 90 per cent were Queensland companies.

A training target for the project includes 450 apprentice and trainee opportunities, with 420 apprentices and trainees registered with the project to date. This new pipeline of skilled workers will help keep the state's rail industry supported now and into the future creating a training legacy for major infrastructure projects.

### **3. Dutton Park to Salisbury stations**

On behalf of TMR, the Delivery Authority is delivering extensive rebuild works at six southside stations including Fairfield, Yeronga, Yeerongpilly, Moorooka, Rocklea, and Salisbury stations on Brisbane's southside.

The upgrades include passenger lifts, designated accessibility parking bays, new station buildings and facilities, pedestrian overpasses, kiss-n-ride drop off facilities and bike enclosures as well as raised platform heights, to reduce the vertical step gap between the train's treadplate and the platform, will also be delivered at each station. A third platform will also be delivered at the six stations from Fairfield to Salisbury as part of these works.

At Dutton Park, a new station is being built with platform and accessibility enhancements including lifts, accessible parking, accessible entry points and footpaths, kiss-n-ride facilities, improved wayfinding, two new high-level platforms, and a new pedestrian connection to Annerley Road.

Yeronga station reopened to the public on 28 March 2022, with the remaining construction work substantially completed by 27 February 2023. In addition, Fairfield station reopened to the public on 9 January 2023, with some construction works still ongoing to deliver accessibility and station building and facilities upgrades.

Rocklea and Dutton Park stations are currently closed to the public for significant construction works. During the works, a new dedicated high frequency bus service ensures continuity of services for rail customers.

The stations are planned to be progressively operational in the lead up to Cross River Rail services.

#### **4. New Gold Coast Stations**

In 2022-23, the Delivery Authority continued to work with TMR and QR and progressed the design of the three new stations for the Gold Coast at Pimpama, Hope Island and Merrimac to be delivered as part of the Cross River Rail project.

In a significant project milestone, ADCO Constructions was awarded the contract to build and design Pimpama station and major construction has commenced.

Acciona Georgiou Joint Venture (AGJV) was engaged in an early works contract phase during the year, which included site investigations, to inform the preliminary design for Hope Island station, and in July 2023 was awarded the contract to design and build Hope Island station.

A contract to design and build Merrimac station was also awarded in July 2023 to Fulton Hogan and works will commence in 2023-24.

As part of the Delivery Authority's commitment to the design and construction of accessible stations, a specific Gold Coast Stations Accessibility Reference Group was established in 2021 and the Delivery Authority continues to consult with the group to ensure all three stations are accessible to all members of the public.

#### **5. Accessibility and Station Co-design**

Throughout 2022-23, the Delivery Authority has continued to consult with its Accessibility Reference Group each month, including site visits to ensure best practice accessibility outcomes are achieved.

Station accessibility upgrades to existing stations will include passenger lifts, designated accessibility parking bays, and pedestrian overpasses making these stations accessible to everyone, including mothers with prams and people with a disability.

The recently completed upgrade of Yeronga station has a number of key examples of how Cross River Rail is creating a legacy of inclusive design. One key feature is the use of a platform gap filler, also known as "rubber fingers", which reduces the gap between the platform and the train, supporting customers with accessibility needs and small children to get on and off the train. The fingers also improve efficiency at stations by removing the hesitation of stepping over a gap, increases the ease of wheelchair access on and off the train, and are designed to prevent damage to trains.

Other features at Yeronga station include three new through lifts, two new accessible parking spaces, new compliant road crossings at both station entrances, braille and tactile station maps, two wheelchair waiting spaces at every priority seat location, a unisex accessible toilet located in the station building, and hearing loops.

The Delivery Authority also continues to engage on New Gold Coast Stations designs and has supported the community through educational programs with Deaf Connect, Vision Australia, Council on the Ageing and Braille House. The accessibility community has been engaged early and often to create a true co-design process, which has included the use of 2D braille and tactile maps and site visits to existing Gold Coast stations.

Feedback during the co-design process, including from the Accessibility Reference Group has played a key role in the stations' designs, including layout, lifts, pathways, wayfinding, animal assistance areas and accessible parking.

#### **6. Cross River Rail Education Program**

The Delivery Authority has developed a Cross River Rail Education Program to teach students about one of the state's largest infrastructure project and how it is reshaping SEQ and its public transport network.

The project's engagement with schools through this program provides a greater awareness of the complexities involved in the construction of an infrastructure project of this size and promotes

better understanding of career and training opportunities with Cross River Rail and the infrastructure sector.

The Delivery Authority has developed the program to align with the Queensland curriculum on topics such as Cities of the Future, the Science of Tunnelling, Liveability and specific subjects including maths and engineering, archaeology, and geography.

In 2022-23, more than 2,100 students and over 375 teachers visited the centre and participated in the Cross River Rail Education Program. This program was delivered through workshops, educational challenges, constructed units of study, and presentations from industry experts.

While the program is primarily delivered in the project's purpose-built Cross River Rail Experience Centre (Experience Centre), the program has inbuilt portability enabling the Delivery Authority to take education focussed materials and resources to schools and the wider community. In 2022-23, Delivery Authority staff also visited external education facilities to deliver the program to more than 1,000 students and 150 educators.

## 7. Community Engagement Activities

A range of communications activities are undertaken by the Delivery Authority and its major contractors to inform the community about the project's progress and activities, particularly in relation to construction works and disruptions.

In 2022-23, the Delivery Authority and its major contractors undertook close to 3,800 separate engagements with the community and key stakeholders related to construction activities, which reached more than 373,350 people. Of these engagements 17 per cent were through doorknocking residents and businesses, and 76 per cent were through a combination of face-to-face meetings, telephone and email communication.

In addition to this, the Cross River Rail website and social media channels continued to be critical conduits for communicating with the public for both project progress as well as construction disruption.

In 2022-23, more than 331,000 individuals visited the Cross River Rail website and social media channels obtained over 39 million audience impressions.

The Experience Centre also plays a critical role in ensuring that the community can learn more about what Cross River Rail is, why it is being built, and how construction is progressing.

The Experience Centre is operated in partnership with the Queensland Museum, provides a hub for Cross River Rail's far-reaching schools education program, and has become a valued workspace for a wide variety of industry groups and local community organisations.

Since opening in September 2019, the Experience Centre has received over 35,000 visitors.

## KEY PRIORITIES 2023-24

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In the 2023-24 financial year the Delivery Authority's key priorities include:

- continue to manage the compliance of the major contractors in their execution of contracts for TSD, RIS, and the ETCS, particularly in relation to:
  - workplace health and safety, to ensure the highest safety levels are maintained across each of the project's worksites
  - maintaining the high percentage of local subcontractor and suppliers to benefit from Cross River Rail
  - achieving the project's commitment of 450 trainee and apprentice opportunities over the life of the project
- continue the station build and tunnel fitout for four new high-capacity underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street
- continue to deliver the rolling program of significant accessibility upgrade works at the six stations from Fairfield station to Salisbury station
- continue development of two new aboveground stations at Exhibition and Dutton Park
- complete works at the northern portal where trains will enter and exit Cross River Rail's twin tunnels
- continue construction of Pimpama, Hope Island and Merrimac stations.

## AGENCY SERVICE AREAS AND SERVICE STANDARDS

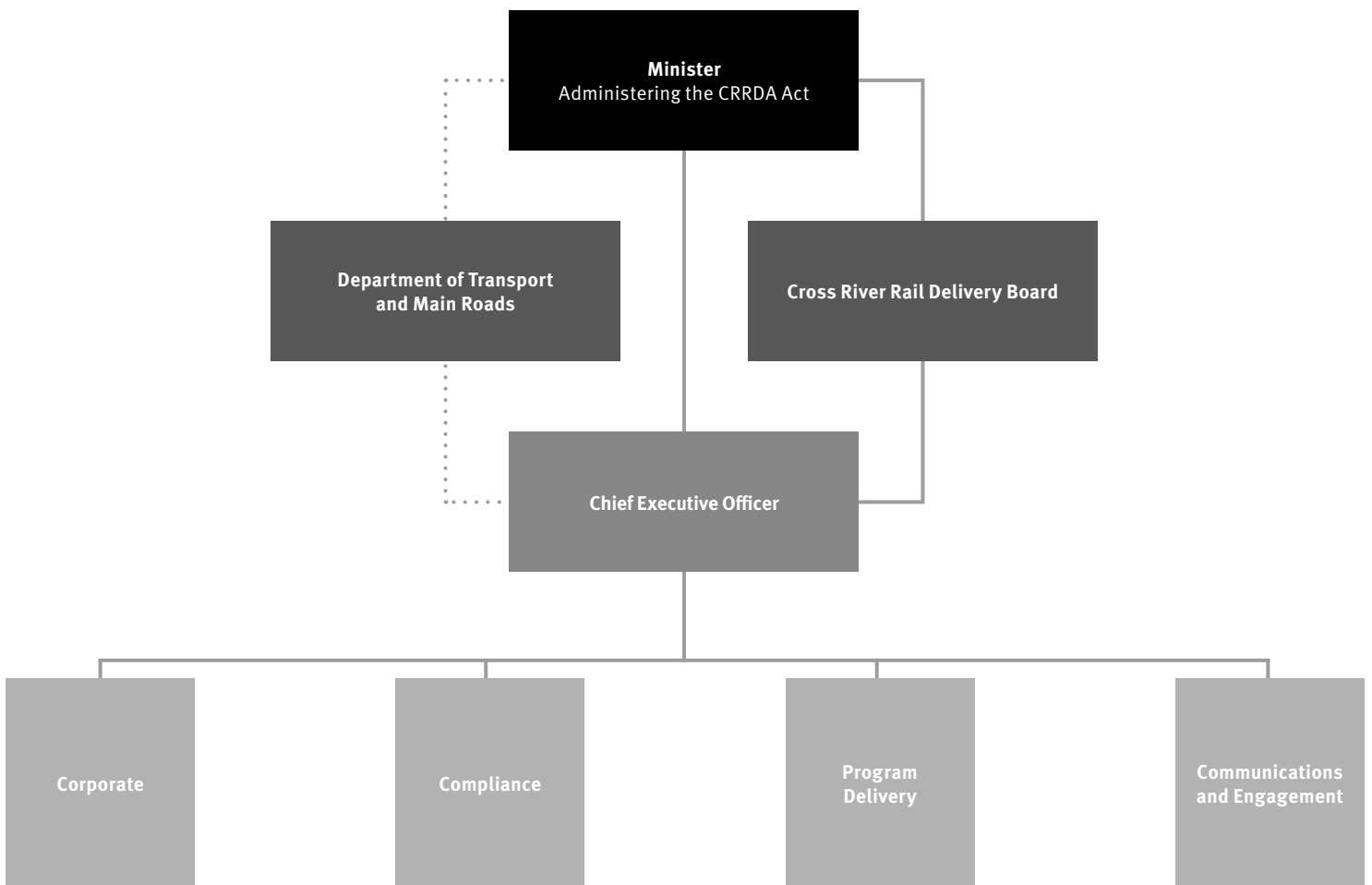
The Delivery Authority's service area objective is to lead the procurement, development and delivery of the Cross River Rail project within agreed timeframes.

Service standards	2022-23 Target/Est	2022-23 Actual
<i>Effectiveness measure</i>		
Percentage of Cross River Rail construction works completed within the required timeframe	100%	100%
<i>Efficiency measure</i>		
Administration cost to plan and manage Cross River Rail Project as a percentage of the overall whole of project costs	1.5%	1.5%

# Governance

## GOVERNANCE MANAGEMENT AND STRUCTURE

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



# Human Resources

## Safety, health and wellness

Safety is 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 training and induction processes 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 24 million hours worked across the 17 active worksites on the project to 30 June 2023, thirteen Lost Time Injuries had been recorded. The project continues to perform above industry safety standards with a LTIFR of 0.5 compared to industry LTIFR of 9.2.

In 2022-23, all contractors, QR and the Delivery Authority delivered a project-wide safety campaign to highlight the importance of hand safety. The campaign was based on five key messages: Right Tools; Ask a Mate; Don’t Rush; Right Gear; and Think Twice.

While the project’s safety record is significantly better than industry averages, an incident in late July 2023 at the Cross River Rail project’s Boggo Road worksite occurred when a scaffolder fell from height, sustaining critical injuries. The project’s contractors assisted Workplace Health and Safety Queensland in the investigation into the incident and an extensive safety review conducted across multiple sites has been extremely thorough.

In 2022-23, the Delivery Authority also delivered a Safety Leadership Program for its Executive Management Team and those in senior operational management roles. The program included five modules which focused on the concepts of safety leadership, safety collaboration, how to hold highly impactful safety conversations as well as human factors training.

The Delivery Authority continued to deliver its Safety Culture Program to all new staff in 2022-23. The program is designed and tailored to reinforce the importance of safety across the organisation and is delivered by online e-learning modules followed by a face-to-face practical session.

Delivery Authority employees use flexible work arrangements such as job sharing, compressed work hours, variable start and finish times and part-time, to support a healthy work-life balance. Employees are provided with regular information sessions, webinars and newsletter articles on a range of topics provide by the Delivery Authority’s 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 prevention of all forms of workplace 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 CRRDA Act.

The number of employees (including full-time and part-time employees) measured on a full-time equivalent (FTE) basis was 180 as at 30 June 2023.

## Early Retirement, Redundancy and Retrenchment

The Delivery Authority has had no early retirements or voluntary redundancies, and one retrenchment for the reporting period 1 July 2022 to 30 June 2023.

## Employee Performance Management Framework

The Delivery Authority has introduced a performance development planning framework to align people, performance and development opportunities for all employees.

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 a blended learning approach including face-to-face and an online system.

## Strategic Workforce Planning and Performance

The Delivery Authority responded quickly to the COVID-19 pandemic and has continued to work closely with the major contractors to ensure significant protective measures were implemented, enabling safe continued operations in line with government health directions. At the Delivery Authority, a range of flexible and remote working arrangements have been 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 the next phase of this transformational project.

# Board

The Cross River Rail Delivery Board is established under the CRRDA Act to ensure the proper, efficient, and effective performance of the Delivery Authority's functions and to report to the Minister on its performance.

As at 30 June 2023 permanent members included:

- Ms Sally Stannard, Acting Director-General, Department of Transport and Main Roads (position re-appointed as Chair from 8 June 2023)
- Ms Rachel Hunter, Director-General, Department of the Premier and Cabinet
- Ms Maryanne Kelly, Acting Under Treasurer, Queensland Treasury.

Appointed members included:

- Mr Peter Milward, Acting Deputy Director-General, Translink, Department of Transport and Main Roads
- Ms Julie Mitchell, Deputy Director-General, Infrastructure Management and Delivery, Department of Transport and Main Roads

- Ms Tess Pickering, Deputy Director-General, Planning, Department of State Development, Infrastructure, Local Government and Planning.

There were six Board meetings between 1 July 2022 and 30 June 2023. Further details regarding Board members and meetings are provided at Appendix 1.

In addition to formal Board meetings, regular Board briefings (introduced in 2022) provide Board members and / or their nominated representatives the opportunity to receive regular project updates. Five Board briefings were held between 1 July 2022 and 30 June 2023.

As public sector employees, the Board members received no remuneration for their Board positions.

## Former Board Members

Mr Neil Scales OBE, Director-General, Department of Transport and Main Roads, was a Board member from 14 April 2017 to 2 June 2023, and appointed as Chair of the Board from 2 September 2021 to 2 June 2023.

Ms Amanda Yeates, Deputy Director-General, Infrastructure Management and Delivery, Department of Transport and Main Roads, was a Board member from 1 October 2020 to 29 July 2022, however, took leave 4-29 July 2022.

Mr Dennis Walsh, Acting Deputy Director-General, Infrastructure Management and Delivery, Department of Transport and Main Roads, was a Board member from 4 July 2022 until 1 November 2022.

Mr Leon Allen, Under Treasurer, Queensland Treasury, was a Board member from 10 May 2021 to 15 February 2023.

Mr Kerry Doss, Deputy Director-General, Planning, Department of State Development, Infrastructure, Local Government and Planning, was a Board member from 2 September 2021 to 1 July 2022, however, took leave 7 March 2022 to 1 July 2022.

Mr Christopher Aston, Acting Deputy Director-General, Planning, Department of State Development, Infrastructure, Local Government and Planning, was a Board member from 7 March 2022 to 22 January 2023.



# Chief Executive Officer

## **Chief Executive Officer**

Appointed 18 September 2017

Graeme Newton has led the Delivery Authority as its Chief Executive Officer since 2017.

Prior to taking the helm of the Delivery Authority, Graeme has had extensive senior executive experience leading large and complex, high profile, multi-billion-dollar infrastructure projects within both the private and public sector.

He was appointed by the Queensland Premier as the first Chief Executive Officer of the Queensland Reconstruction Authority in 2011 and prior to that served as both Director-General for Infrastructure and Planning and the Queensland Government Coordinator-General. Graeme has also been awarded both a National Award for Excellence and the QUT Outstanding Alumni Award.

In his current role at Cross River Rail, Graeme takes great pride in leading high performing teams that continue to set new benchmarks for integrated delivery, safe construction, collaborative partnerships, and technological innovation.

# Finance, Audit and Risk Management Committee

The purpose of the Finance, Audit and Risk Management Committee (the 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.

Following a review of governance arrangements at the Delivery Authority, changes to the Committee's membership and charter were implemented to align with best practice, and to Queensland Treasury and Queensland Audit Office guidelines for audit committees. This included the appointment of two independent members to the Committee from 15 July 2021.

As at 30 June 2023 the Committee members were:

- Dr Peter Wood, Chair, independent member
- Mr Peter Sheehan, independent member
- Chief Compliance Officer, Delivery Authority
- Executive Director, Executive Services, Delivery Authority.

The Chief Executive Officer, Chief Financial Officer, and Queensland Audit Office have standing invitations to attend all Committee meetings. Delivery Authority officers are invited to attend meetings as required.

During the 2022-23 financial year four Committee meetings and a briefing were held, and two flying minutes were considered. Independent members are entitled to be paid a fee per meeting plus relevant allowances and reimbursements. Costs associated with external members' fees as at 30 June 2023 totalled \$25,650 (GST exclusive).

## Key Achievements for 2022-23

- Oversaw and endorsed the outcomes of the Delivery Authority's order of magnitude assessment in relation to the impacts of domestic and global economic factors on the Cross River Rail project.
- Endorsed the financial statements for 2021-22 and considered the ongoing financial position of the Delivery Authority and Cross River Rail project finances.
- Considered the ongoing risk management, financial management, compliance and assurance activities of the Delivery Authority, including the corporate governance framework and policy map.
- Endorsed the 2023-24 annual budget and revisions to the Financial Management Practice Manual.
- Received and considered external audit reports issued by the Queensland Audit Office, including monitoring implementation of agreed actions against recommendations made, and endorsed the annual external audit plan.
- Endorsed the internal audit forward schedule and monitored internal audit activities including implementation of recommended actions.

# People and Culture Committee

The purpose of the People and Culture Committee is to assist the Delivery Authority's Chief Executive Officer to 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:

- Head of People and Culture
- Chief Financial Officer
- General Manager, Communications and Engagement
- Program Delivery Director
- Director, Governance and Reporting.

Other executive management level delegates may attend as proxies if required. During 2022-23 nine meetings were held.

# 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, along with a range of compliance modules.

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

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 and offboarding process.

# 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
- 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 Act as part of their onboarding process.

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

The Delivery Authority reviewed the amendments to the CRRDA Act proposed in the Justice and Other Legislation Amendment Bill 2023 for compatibility with human rights and concluded the amendments were not incompatible. No other reviews were undertaken.

# 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 are reviewed annually by the Finance, Audit and Risk Management Committee, Executive Management Team, and the Cross River Rail Delivery Board.

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. The Delivery Authority has established an external panel of auditors to undertake internal audits in accordance with the Internal Audit Plan. The Internal Audit Plan is approved by the Finance, Audit and Risk Management Committee. The conduct and performance of the internal auditors from the panel is managed in accordance with the Delivery Authority's Internal Audit Charter.

The internal audit program for the 2022-23 financial year was endorsed by the Finance, Audit and Risk Management Committee to ensure the Delivery Authority continues to comply with Queensland public sector audit and accountability requirements.

# External Audits and Reviews

The Queensland Audit Office conducted the annual audit of the 2022-23 financial statements and their report is included with the financial statements.

The Auditor-General tabled his report on Major Projects 2022 in Parliament on 1 December 2022. As a major project, Cross River Rail features in the report. The Auditor-General advised that the independent review of the Delivery Authority:

- did not identify any matters of significance relating to the assessment of the options or the decision on locations for the southern tunnel surface stations
- did not identify any significant issues in relation to compliance with the Queensland Government frameworks and guidelines with respect to the three detailed business cases prepared for the project
- did not identify any significant issues relating to the procurement activities for each of the three major work packages.

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 government's strategic objectives and achieves value for money.

The next gate defined under the Gateway Review Process is Gate 4. This gate is not due until 2024 25 and focusses on "the readiness of the agency to transition from project delivery to the live environment".

In the interim, the Delivery Authority continues to undertake regular Inter-Gateway Reviews of key activities during the delivery phase of the Cross River Rail project, utilising independent panels comprising external experts.

# 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.

# Information Security Attestation

During the mandatory annual Information Security reporting process, the Chief Executive Officer attested to the Queensland Government Chief Information Security Officer on the appropriateness of the information security risk management within the Delivery Authority, noting that appropriate assurance activities have been undertaken to inform this opinion and the Delivery Authority's information security risk position.

# 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 consultancies, overseas travel information and interpreter services through the open data portal. There were no consultancy engagements during 2022-23.

# 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 2023 and its financial position at the end of that period.

## Operating result

The Delivery Authority's operating result for 2022-23 was a deficit of \$1,000. This deficit was funded by the accumulated surplus from prior years.

## Revenues

Revenue relates to funding from Queensland Treasury for non-capital expenditure of the Delivery Authority and the reimbursement of ETCS, New Gold Coast Stations, Integration, Roma Street Station Enhancement, and Complementary and Associated project expenditure. Reimbursement is received from QR and TMR.

## Expenses

Expenses relate to non-capital employee and supplies and services expenditure for the Cross River Rail project, project expenditure relating to ETCS, Integration, Roma Street Station Enhancement, Complementary and Associated projects, and expenditure related to planning, design and construction work for the New Gold Coast Stations.

## 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 Design & Construct (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 2023**



# CROSS RIVER RAIL DELIVERY AUTHORITY

## Financial Statements For the year ended 30 June 2023

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**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Statement of Comprehensive Income  
For the year ended 30 June 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Income from operations</b>			
Grants revenue	2	81,076	71,040
Reimbursement income	3	369,189	273,612
Gain on modification of borrowings	16	3,966	-
<b>Total income from operations</b>		<b>454,231</b>	<b>344,652</b>
<b>Expenses from operations</b>			
Employee expenses	4	14,828	8,627
Supplies and services	6	357,844	268,845
Capital grants expense	7	11,143	4,180
Interest expense	8	69,933	66,860
Other expenses	9	484	384
<b>Total expenses from operations</b>		<b>454,232</b>	<b>348,896</b>
<b>Operating loss for the year</b>		<b>(1)</b>	<b>(4,244)</b>
<b>Total comprehensive loss</b>		<b>(1)</b>	<b>(4,244)</b>

*The above statement should be read in conjunction with the accompanying notes and significant accounting policies.*

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Statement of Financial Position  
As at 30 June 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	10	29,540	341,220
Trade and other receivables	11	186,217	180,894
Other assets	14	10,927	5,010
<b>Total current assets</b>		<b>226,684</b>	<b>527,124</b>
<b>Non-current assets</b>			
Trade and other receivables	11	197,034	127,101
Property, plant and equipment	12	5,636,992	4,431,523
Right-of-use assets	13	2,427	3,877
Other assets	14	2,891	15,992
<b>Total non-current assets</b>		<b>5,839,344</b>	<b>4,578,493</b>
<b>Total assets</b>		<b>6,066,028</b>	<b>5,105,617</b>
<b>Current liabilities</b>			
Trade and other payables	15	120,434	93,601
Borrowings	16	414,895	946,174
Lease liabilities	17	1,708	1,521
Accrued employee benefits		1,285	1,054
<b>Total current liabilities</b>		<b>538,322</b>	<b>1,042,350</b>
<b>Non-current liabilities</b>			
Borrowings	16	1,959,335	1,287,795
Lease liabilities	17	330	1,876
<b>Total non-current liabilities</b>		<b>1,959,665</b>	<b>1,289,671</b>
<b>Total liabilities</b>		<b>2,497,987</b>	<b>2,332,021</b>
<b>Net assets</b>		<b>3,568,041</b>	<b>2,773,596</b>
<b>Equity</b>			
Contributed equity	18	3,568,174	2,773,728
Accumulated deficit		(133)	(132)
<b>Total equity</b>		<b>3,568,041</b>	<b>2,773,596</b>

*The above statement should be read in conjunction with the accompanying notes and significant accounting policies.*

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Statement of Changes in Equity  
For the year ended 30 June 2023**

	Note	Accumulated surplus/ (deficit) \$'000	Contributed equity \$'000	Total \$'000
<b>Balance as at 1 July 2021</b>		7,799	1,329,874	1,337,673
Adjustment on application of the IFRIC decision on SaaS	6	(3,687)	-	(3,687)
<b>Adjusted balance as at 1 July 2021</b>		4,112	1,329,874	1,333,986
<b><i>Operating result</i></b>				
Operating result from operations		(4,244)	-	(4,244)
<b><i>Transactions with owners as owners:</i></b>				
Non-appropriated equity injections	18	-	1,443,854	1,443,854
<b>Balance at 30 June 2022</b>		<b>(132)</b>	<b>2,773,728</b>	<b>2,773,596</b>
<b>Balance as at 1 July 2022</b>		(132)	2,773,728	2,773,596
<b><i>Operating result</i></b>				
Operating result from operations		(1)	-	(1)
<b><i>Transactions with owners as owners:</i></b>				
Non-appropriated equity injections	18	-	794,446	794,446
<b>Balance at 30 June 2023</b>		<b>(133)</b>	<b>3,568,174</b>	<b>3,568,041</b>

*The above statement should be read in conjunction with the accompanying notes and significant accounting policies.*

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Cash received from government grants		11,143	4,180
Cash received from customers		392,786	172,443
Goods and Services Tax (GST) input tax credits from Australian Taxation Office (ATO)		119,214	147,146
GST collected from customers		33,657	20,935
<i>Outflows:</i>			
Cash paid to employees		(15,040)	(8,704)
Cash paid to suppliers		(313,967)	(263,866)
GST paid to suppliers		(149,178)	(146,431)
GST remitted to ATO		(32,418)	(21,436)
<b>Net cash provided by (used in) operating activities</b>		<b>46,197</b>	<b>(95,733)</b>
<b>Cash flows from investing activities</b>			
<i>Outflows:</i>			
Payments for capital work in progress and property, plant and equipment		(598,760)	(310,324)
<b>Net cash used in investing activities</b>		<b>(598,760)</b>	<b>(310,324)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Non-appropriated equity injections	18	794,446	1,443,854
<i>Outflows:</i>			
Borrowing redemptions	16	(553,563)	(853,826)
<b>Net cash provided by financing activities</b>		<b>240,883</b>	<b>590,028</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(311,680)</b>	<b>183,971</b>
<b>Cash and cash equivalents at beginning of reporting period</b>		<b>341,220</b>	<b>157,249</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>29,540</b>	<b>341,220</b>

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Statement of Cash Flows  
For the year ended 30 June 2023**

**Notes to the Statement of Cash Flows**

***Reconciliation of operating result to net cash used in operating activities***

	<b>Notes</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<i>Operating deficit</i>		(1)	(4,244)
<i>Non-cash items included in operating result:</i>			
Capital grant expense	<b>7</b>	11,143	4,180
Interest expense	<b>8</b>	69,933	66,860
Gain on modification of borrowings	<b>16</b>	(3,966)	-
Depreciation expense	<b>9</b>	78	1
<i>Changes in assets and liabilities:</i>			
Increase in trade and other receivables		(46,337)	(168,029)
(Increase)/decrease in GST input tax credits receivable		(28,725)	1,624
Increase in annual leave reimbursement receivables		(158)	(30)
Increase in long-service leave reimbursement receivables		(36)	(4)
Increase in other assets		(4,056)	(114)
Increase in trade payables and other liabilities		48,091	4,125
Increase/(decrease) in accrued employee benefits		231	(103)
<b>Net cash provided by (used in) operating activities</b>		<b>46,197</b>	<b>(95,733)</b>

*The above statement should be read in conjunction with the accompanying notes and significant accounting policies.*

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 1. Basis of financial statement preparation

##### (a) General information

The Cross River Rail Delivery Authority (Delivery Authority) was established under the *Cross River Rail Delivery Authority Act 2016* (the Act) 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) and other associated projects. 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 150 Mary Street, Brisbane QLD 4000 from 6 March 2023, previously 123 Albert Street, Brisbane QLD 4000.

##### (b) Compliance with prescribed requirements

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the Financial Reporting Requirements for Queensland Government Agencies (Financial Reporting Requirements) as applicable to statutory bodies. The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASs) and Interpretations and requirements applicable to not-for-profit entities.

The Delivery Authority controls the operations, liabilities and assets which relate directly to the development, procurement, and the delivery of the Project. Costs which are directly attributable to the construction of the Project are recognised as capital work in progress (CWIP) until such time as the asset is complete and available for use as intended by management in accordance with AASB 116 *Property Plant and Equipment*.

##### (c) Basis of preparation

The financial statements have been prepared on an accrual basis and in accordance with the historical cost conventions. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

##### (d) Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates, which may differ to actual results. Management exercises judgement in applying the Delivery Authority's accounting policies. Significant estimates and judgement are included in the following notes:

**Note 7** - Capital grants expense is based on estimated forecast cashflows to complete the returned works to non-Queensland Government entities.

**Note 12** - Property, plant and equipment - CWIP is initially valued at cost and includes estimates of labour and an appropriate proportion of overheads excluding administration costs; estimated cashflows have been applied with the recognition of CWIP for the Tunnels, Stations and Developments (TSD) package.

**Note 16** - Borrowings - finance liability relates to the project costs incurred in relation to the TSD Public Private Partnership package and is measured at amortised cost using the effective interest rate.

##### (e) 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 2021-22 financial statements except where amounts were reclassified to be consistent with the disclosures in the current reporting period.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 1. Basis of financial statement preparation (continued)

##### *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 where 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.

##### **(f) Taxation**

The Delivery Authority is exempt from income tax under the *Income Tax Assessment Act 1936* and is exempt from other forms of Commonwealth taxation with the exception of fringe benefits tax (FBT) and goods and services tax (GST). GST credits receivable from and GST payable to the Australian Taxation Office (ATO) are recognised in Note 11. Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. 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. The Delivery Authority pays payroll tax to the Queensland Revenue Office on its activities and pays FBT to the ATO in accordance with the relevant legislation.

##### **(g) Insurance**

The Delivery Authority's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), Principal Arranged Insurance (PAI), and Directors and Officers Liability, in which premiums are paid on a risk assessment basis. The Delivery Authority is currently insured to cover contract works, delay in start-up and public products liability.

##### **(h) Authorisation of financial statements for issue**

The financial statements were authorised for issue by the Chairperson and Chief Executive Officer (CEO) at the date of signing the management certificate.

##### **(i) Going concern**

The financial statements have been prepared on a going concern basis in accordance with AASB 101 *Presentation of Financial Statements*. As the Delivery Authority is fully funded by the State Government through equity injections there is no risk associated with the Delivery Authority's ability to pay its liabilities as and when they are due, and no impact on the Delivery Authority's ability to continue as a going concern.

##### **(j) Climate-related, COVID-19 and other emerging risks**

The State of Queensland, as the ultimate parent of the Delivery Authority, has published a wide range of information and resources on climate change risks, strategies and actions (<https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esg/>)



## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 1. Basis of financial statement preparation (continued)

##### (j) Climate-related, COVID-19 and other emerging risks (continued)

The Delivery Authority continues to monitor the emergence of material climate-related risks that may impact the financial statements of the Delivery Authority, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

The Delivery Authority continues to observe the unavoidable impacts of COVID-19, the war in Ukraine, Queensland flooding and inflation in relation to supply of materials, project costs and timing of delivery of the project. The Delivery Authority assessed the impacts of these external factors, which resulted to a modification of borrowings in Note 16 and an increased funding for the Delivery Authority in the FY2024 Queensland Government budget.

#### 2. Impact of new and revised accounting standards

No new accounting standards or interpretations have been early adopted and/or applied for the first time in these financial statements. AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* effective from 1 July 2022 has no impact to the Delivery Authority's financial statements.

At the date of authorisation of the financial report, the following Australian Accounting Standards and Interpretations have been issued but were not yet effective as at 30 June 2023. The Delivery Authority does not plan to early adopt any standards or interpretations.

Accounting Standards	Effective Date for the Delivery Authority
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i> AASB 2021-6 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	1 July 2023
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities (NFP)(PS)</i>	1 July 2024

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable or have no material impact on the Delivery Authority's financial statements.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 2. Grants revenue

	2023	2022
	\$'000	\$'000
Grants revenue	81,076	71,040
<b>Total</b>	<b>81,076</b>	<b>71,040</b>

The Delivery Authority recognises revenue under AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

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 specific performance obligations, these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

The Delivery Authority recognised grants revenue in the current financial year from the State of Queensland for the purposes of operational funding, Tunnels, Stations and Developments Public Private Partnership interest and returned works. Grants received by the Delivery Authority are unconditional in nature, and do not carry with them any performance requirements. The Delivery Authority accounts for these grants as revenue under AASB 1058 when they become receivable.

#### 3. Reimbursement income

	2023	2022
	\$'000	\$'000
Reimbursement of C&A costs	176,739	111,358
Reimbursement of ETCS costs	134,358	152,921
Reimbursement of NGCS costs	43,652	8,317
Reimbursement of Integration costs	10,888	198
Reimbursement of RSSE costs	3,552	818
<b>Total</b>	<b>369,189</b>	<b>273,612</b>

#### *Reimbursement of Complementary and Associated (C&A) costs*

The Rail, Integration and Systems (RIS) Alliance is being delivered as part of the Unity Program Alliance Agreement. The Unity Alliance comprises five partners: UGL, AECOM, Jacobs, CPB Contractors and Queensland Rail (QR). A component of the RIS project is called the C&A works package. This package is funded by QR and the Department of Transport and Main Roads (DTMR). The Delivery Authority earns revenue for the procurement of services and delivery of the C&A component. Refer to Note 6 for details of these costs. Revenue is earned and recognised once the project works are delivered. Accrued revenue is also recognised for amounts relating to works completed, but not yet invoiced at year end.

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**3. Reimbursement income (continued)**

***Reimbursement of European Train Control System (ETCS) costs***

The ETCS Alliance is being delivered as part of the Sequence Program Alliance Agreement. The Sequence Alliance comprises the Delivery Authority, QR and Hitachi, with the DTMR as the project sponsor. An arrangement with QR is in place for the reimbursement of costs paid by the Delivery Authority in delivering works that are part of the ETCS Alliance. Refer to Note 6 for details of these costs. Revenue is earned and recognised once the project works are delivered. Accrued revenue is also recognised for amounts relating to works completed, but not yet invoiced at year end.

***Reimbursement of New Gold Coast Stations (NGCS) costs***

NGCS reimbursement income relates to works being delivered by the Delivery Authority on behalf of QR and DTMR. These costs are reimbursable from QR and DTMR and include costs related to the design and construction of Pimpama, Merrimac and Hope Island Stations projects. Refer to Note 6 for details of these costs. Revenue is earned and recognised once the project works are delivered. Accrued revenue is also recognised for amounts relating to works completed, but not yet invoiced at year end.

***Reimbursement of Integration costs***

Integration reimbursement income relates to works being delivered by the Delivery Authority on behalf of DTMR. These costs are reimbursable from DTMR and include costs related to strategic integration activities. Refer to Note 6 for details of these costs. Revenue is earned and recognised once the project works are delivered. Accrued revenue is also recognised for amounts relating to works completed, but not yet invoiced at year end.

***Reimbursement of Roma Street Station Enhancement (RSSE) costs***

RSSE reimbursement income, previously known as the Inner Northern Busway project, relates to works being delivered by the Delivery Authority on behalf of QR and DTMR. These costs are reimbursable from QR and DTMR and include costs related to design scope definition and requirements phase. Refer to Note 6 for details of these costs. Revenue is earned and recognised once the project works are delivered. Accrued revenue is also recognised for amounts relating to works completed, but not yet invoiced at year end.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**4. Employee expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee expenses</b>		
<i>Employee benefits</i>		
Wages and salaries	11,021	6,410
Employer superannuation contributions	1,319	766
Annual leave levies	1,010	594
Long service leave levies	316	173
	<b>13,666</b>	<b>7,943</b>
<i>Employee related expenses</i>		
Payroll tax	687	379
Other employee related expenses	475	306
	<b>1,162</b>	<b>685</b>
<b>Total</b>	<b>14,828</b>	<b>8,627</b>

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capitalised employee costs</b>		
<i>Employee benefits</i>		
Wages and salaries	22,872	23,720
Employer superannuation contributions	2,773	2,792
Annual leave expenses	2,237	2,203
Long service leave levies	627	632
	<b>28,509</b>	<b>29,347</b>
<i>Employee related expenses</i>		
Payroll tax	1,390	1,401
Other employee related expenses	426	628
	<b>1,816</b>	<b>2,029</b>
<b>Total</b>	<b>30,325</b>	<b>31,376</b>

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 4. Employee expenses (continued)

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

	2023	2022
Employees funded by the Delivery Authority	180	163
Employees funded by DTMR and QR	68	37
<b>Total</b>	<b>248</b>	<b>200</b>

#### *Wages and salaries*

Wages and salaries are recognised in the reporting period in which the employees rendered the related service. Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

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

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 (WoG) basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

#### *Annual leave expenses*

The Delivery Authority is a member of the WoG Annual Leave Central Scheme (ALCS). Under the ALCS, 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 ALCS quarterly in arrears.

#### *Long service leave expenses*

The Delivery Authority is a member of the WoG Long Service Leave Central Scheme (LSLCS). Under the LSLCS, 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 LSLCS quarterly in arrears.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 4. Employee expenses (continued)

##### *Employer superannuation contributions*

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment. From the first pay in July 2023, the Delivery Authority employees will receive 12.75% in employer superannuation contributions, regardless of their employee contribution.

##### *Defined Contribution Plans*

Contributions are made to eligible complying superannuation funds based on the rates specified in the Queensland Public Service Officers and Other Employees Award 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 WoG 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.

##### *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 Queensland in respect of its obligations for employee compensation.

##### *Capitalised employee benefits*

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

Key management personnel and remuneration disclosures are detailed in Note 5.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 5. Key management personnel and remuneration

##### (a) Key management personnel

The Minister for Transport and Main Roads (Mark Bailey) is the Delivery Authority's responsible minister and is identified as part of the Delivery Authority's Key Management Personnel (KMP) from 12 November 2020.

The following details for non-Ministerial KMP reflect those positions that had authority and responsibility for planning, directing, and controlling the activities of the Delivery Authority during the current financial year.

Position	Responsibilities under the Act	Current Incumbent		
		Contract classification and appointment authority	Name	Appointment Date
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 under Section 49 of the Act.	Mr Graeme Newton	18 September 2017

##### (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 are 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 expenses for non-ministerial KMP comprise the following components:

- Short-term employee expenses, including:
  - salaries, allowances, levies paid to Annual Leave Central Scheme and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
  - non-monetary benefits – consisting 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 amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

No performance payments are paid.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**5. Key management personnel and remuneration (continued)**

**2023**

Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total
		Monetary Expenses <sup>1</sup>	Non-Monetary Expenses				
		\$'000	\$'000				
CEO	Graeme Newton	784	-	20	85	-	889
<b>Total</b>		<b>784</b>	<b>-</b>	<b>20</b>	<b>85</b>	<b>-</b>	<b>889</b>

<sup>1</sup> Contract was renewed by the Board in August 2022. Total remuneration consisting of \$616,395 salary and \$78,590 superannuation was informed by independent market review with application from September 2021 as per contract entitlements. Additionally, an arrears one-off payment of \$120,000 under prior contract entitlements was made as informed by independent market reviews.

**2022**

Position	Name	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total
		Monetary Expenses	Non-Monetary Expenses				
		\$'000	\$'000				
CEO	Graeme Newton	562	-	13	70	-	645
<b>Total</b>		<b>562</b>	<b>-</b>	<b>13</b>	<b>70</b>	<b>-</b>	<b>645</b>



## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 6. Supplies and services

	2023	2022
	\$'000	\$'000
Contractors	349,549	256,151
Occupancy costs	2,428	1,863
Other supplies and services	5,867	10,831
<b>Total</b>	<b>357,844</b>	<b>268,845</b>

#### **Contractors**

##### *European Train Control System (ETCS)*

The ETCS Alliance is being delivered as part of the Sequence Program Alliance Agreement (PAA). ETCS costs are recognised when services are delivered.

##### *Complementary and Associated (C&A)*

The Rail, Integration and Systems (RIS) Alliance is being delivered as part of the Unity PAA. A component of the RIS project is called the C&A works package. C&A costs are recognised when services are delivered.

##### *New Gold Coast Stations (NGCS)*

These costs relate primarily to the design and procurement phase of the Merrimac and Hope Island projects, as well as the Pimpama project design and construction phases. NGCS costs are recognised when services are delivered.

##### *Roma Street Station Enhancement (RSSE)*

These costs relate to design scope definition and requirements phase. RSSE costs are recognised when services are delivered.

##### *Integration*

These costs relate to strategic integration activities and support functions within program delivery to consolidate the Integration requirements and improve interface communication with the major work packages. Integration costs are recognised when services are delivered.

#### **Occupancy costs**

Occupancy costs include property rentals for 123 Albert Street, 119 Charlotte Street and 150 Mary Street. These are non-specialised commercial office accommodations under the Queensland Government Accommodation Office's Office Accommodation Management Framework and do not meet the definition of a lease under AASB 16 *Leases*.

#### **Other supplies and services**

Costs mainly relate to marketing costs, legal costs, subscriptions, and software licencing and solution hosting.

In FY2022, the Delivery Authority adopted the International Financial Reporting Interpretations Committee (IFRIC) decision on configuration or customisation costs in a cloud computing arrangement. The impact of this change was recognised in the Delivery Authority's accumulated surplus at 1 July 2021. During the financial year, the Delivery Authority has not recognised prepayments in respect of configuration and customisation activities undertaken in the implementation as these costs have been identified as distinct.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 7. Capital grants expense

	2023	2022
	\$'000	\$'000
Capital grants expense	11,143	4,180
<b>Total</b>	<b>11,143</b>	<b>4,180</b>

Capital grants expense relates to the returnable works transferred to third parties not controlled by the State. The Delivery Authority recognises these costs progressively in the Statement of Comprehensive Income in accordance with the Financial Reporting Requirements. Capital grants expense is based on estimated forecast cashflows to complete the returned works. Assets resulting from capital grants expenses will be transferred to relevant third parties when the assets are commissioned and ready for use.

#### 8. Interest expense

	Note	2023	2022
		\$'000	\$'000
Interest expense	16	69,933	66,860
<b>Total</b>		<b>69,933</b>	<b>66,860</b>

The interest expense represents the accrued interest on the borrowings relating to the Tunnels, Stations and Developments (TSD) Package (refer to Note 16). It reflects the cumulative amortisation, using the effective interest method, of the difference between the initial carrying amount of the borrowings and the maturity amount. While the construction of the TSD Package would generally be considered a qualifying asset in terms of AASB 123 *Borrowing Costs*, the Delivery Authority does not capitalise the interest expense as part of the carrying amount of the TSD package in accordance with the Financial Reporting Requirements.

#### 9. Other expenses

		2023	2022
	Note	\$'000	\$'000
Queensland Audit Office (QAO) - external audit fees for the audit of the financial statements		327	259
QAO – other audit services performed		-	124
Depreciation expense	12	78	1
Other expenses		79	-
<b>Total</b>		<b>484</b>	<b>384</b>

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 10. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at bank	29,540	341,220
<b>Total</b>	<b>29,540</b>	<b>341,220</b>

Cash and cash equivalents include deposits held with financial institutions. The Delivery Authority's bank account forms part of the Whole-of-Government consolidated fund and does not earn interest.

#### 11. Trade and other receivables

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Trade receivables	46,849	52,369
Accrued income	101,799	119,875
Goods and Services Tax (GST) receivable	36,626	7,901
Annual leave reimbursements	884	726
Long service leave reimbursements	59	22
	<b>186,217</b>	<b>180,894</b>
<i>Non-current</i>		
Grants receivable	197,034	127,101
	<b>197,034</b>	<b>127,101</b>
<b>Total</b>	<b>383,251</b>	<b>307,995</b>

#### *Trade receivables*

Relates to amounts invoiced to QR and DTMR for the work packages costs being delivered by the Delivery Authority on their behalf. These costs are initially recognised as accrued income at the amount of consideration due at the time of service delivery.

Financial Reporting Requirements 4E.2 states that statutory bodies consolidated into the Whole-of-Government financial statements shall not recognise a loss allowance under AASB 9 *Financial Instruments* for receivables from another Queensland Government agency 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 of Queensland. A credit allowance on receivables is therefore not recognised by the Delivery Authority.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 11. Trade and other receivables (continued)

##### *Accrued income*

Relates to unbilled amounts due from QR and DTMR for the work packages costs being delivered by the Delivery Authority on behalf of QR and DTMR.

##### *GST receivable*

Relates to net GST refundable amounts from Australian Taxation Office.

##### *Annual leave reimbursements*

Relates to amounts reimbursed by the Delivery Authority from the Annual Leave Central Scheme quarterly for annual leave paid to employees.

##### *Long service leave reimbursements*

Relates to amounts reimbursed by the Delivery Authority from the Long Service Leave Central Scheme quarterly for long service leave paid to employees.

##### *Grants receivable*

Relates to the interest on the Tunnels, Stations and Developments Public Private Partnership to be reimbursed from DTMR that will only be extinguished in FY2026 when the assets and liabilities from the Delivery Authority will be transferred to another agency as it aligns with the project completion date.

#### 12. Property, plant and equipment

	2023	2022
	\$'000	\$'000
<b>Plant and equipment</b>		
Plant and equipment at cost	458	476
Accumulated depreciation	(442)	(385)
<b>Total</b>	<b>16</b>	<b>91</b>
<b>Building fit out</b>		
Building fit out at cost	21	21
Accumulated depreciation	(21)	(18)
<b>Total</b>	<b>-</b>	<b>3</b>
<b>Capital work in progress (CWIP)</b>		
CWIP at cost	5,636,976	4,431,429
<b>Total</b>	<b>5,636,976</b>	<b>4,431,429</b>
<b>Total</b>	<b>5,636,992</b>	<b>4,431,523</b>

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**12. Property, plant and equipment (continued)**

*Reconciliation of movement in property, plant and equipment*

	Notes	Plant and equipment	Building fit out	Tunnels, Stations and Developments CWIP	Rail, Integration and Systems CWIP	Other CWIP	Total Capital work in progress (CWIP)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2022		91	3	2,890,704	433,405	1,107,320	4,431,429	4,431,523
Additions		-	-	866,188	253,171	86,188	1,205,547	1,205,547
Depreciation expense	9	(75)	(3)	-	-	-	-	(78)
<b>Carrying amount at 30 June 2023</b>		<b>16</b>	<b>-</b>	<b>3,756,892</b>	<b>686,576</b>	<b>1,193,508</b>	<b>5,636,976</b>	<b>5,636,992</b>
Carrying amount as at 1 July 2021		175	8	2,074,763	214,901	1,040,312	3,329,976	3,330,159
Additions		11	-	815,941	218,504	67,008	1,101,453	1,101,464
Depreciation expense	9	(95)	(5)	-	-	-	-	(100)
<b>Carrying amount at 30 June 2022</b>		<b>91</b>	<b>3</b>	<b>2,890,704</b>	<b>433,405</b>	<b>1,107,320</b>	<b>4,431,429</b>	<b>4,431,523</b>

**Recognition thresholds**

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

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

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

**Additions**

Actual cost is used for the initial recording of all physical asset additions. 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. 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 year ended 30 June 2023

12. Property, plant and equipment (continued)

**Capital work in progress (CWIP)**

CWIP is valued at cost and is not depreciated or revalued until the asset is complete, ready and available for use as intended by management, which is the asset's practical completion. Costs are capitalised and included in CWIP to the extent these costs are directly attributable to the construction of the infrastructure assets. It includes estimates of labour and an appropriate proportion of overheads excluding administration costs; indicative State Construction Contribution amounts and timing of cashflow estimates have been applied with the recognition of CWIP for the Tunnels, Stations and Developments (TSD) package. Those benefits not directly attributable are expensed in the Statement of Comprehensive Income.

CWIP includes Rail, Integration and Systems and TSD work packages costs as well as land acquired for the purpose of the project. Land associated with precinct development will be transferred to the Queensland Future Fund (QFF) before completion of the project, however, the transfer date has not been agreed at the time of signing these financial statements.

**Depreciation**

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

Asset class	Depreciation method	Recognition method	Average useful life
Plant and equipment	Straight-line	At cost	5 years
Building fit out	Straight-line	At cost	5 years

**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.

**Subsequent measurement**

The Delivery Authority expects to transfer constructed assets to the State Government on completion of construction. The majority of these assets will be complex assets and will be componentised, depreciated and subsequently measured in accordance with the recipient's asset accounting policy. Infrastructure and land assets are transferred from capital work in progress (CWIP) at cost and if held in property, plant and equipment at 30 June will be valued at fair value in accordance with AASB 13 *Fair Value Measurement* and the Financial Reporting Requirements.

**Returned works**

The Delivery Authority's non-reciprocal transfer of assets to another wholly-owned Queensland Government agency is to be treated as a contribution by and accounted for directly against equity subject to ministerial approval/designation being obtained at or before the time of transfer in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and Financial Reporting Requirements 4F *Equity, Contributions by Owners and Distributions to Owners*.

Non-reciprocal transfers of non-cash assets between the Delivery Authority and entities not considered to be controlled by the Queensland Government are accounted for in the Statement of Comprehensive Income in accordance with the ministerial approval/designation.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 13. Right-of-use assets

	2023	2022
	\$'000	\$'000
ROU assets at cost	7,642	7,536
Accumulated depreciation	(5,215)	(3,659)
<b>Total</b>	<b>2,427</b>	<b>3,877</b>

Under AASB 16 *Leases*, the Delivery Authority recognised right-of-use (ROU) assets and lease liabilities (refer to Note 17) related to land lease agreements. ROU assets are measured at an amount equal to the lease liability, adjusted by the amount of any lease incentives and accrued lease payments.

#### *Reconciliation of movement in ROU*

	2023	2022
	\$'000	\$'000
ROU assets as at 1 July	3,877	5,488
Adjustment to ROU assets	106	-
Depreciation charge for the year	(1,556)	(1,611)
ROU assets at 30 June	<b>2,427</b>	<b>3,877</b>

The ROU asset is recognised at the commencement date of the lease and is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The ROU depreciation is recognised in capital work in progress (CWIP) over the lease term.

#### 14. Other assets

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Prepayments	10,927	5,010
<i>Non-current</i>		
Prepayments	2,891	15,992
<b>Total</b>	<b>13,818</b>	<b>21,003</b>

Current prepayments include prepayments of Principal Arranged Insurance (PAI) and other insurances, software licences and services. Non-current prepayments include PAI amortised over the life of the project.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 15. Trade and other payables

	2023	2022
	\$'000	\$'000
Trade creditors	1,651	1,315
Accrued expenses	117,798	91,053
Other payables	985	1,233
<b>Total</b>	<b>120,434</b>	<b>93,601</b>

#### *Trade creditors*

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

#### *Accrued expenses*

Accrued expenses comprise mainly of land compensation accruals of \$35m (2022: \$33m), and contractor and sub-contractor accruals of \$83m (2022: \$58m).

#### 16. Borrowings

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Finance liability	414,895	946,174
<i>Non-current</i>		
Finance liability	1,959,335	1,287,795
<b>Total</b>	<b>2,374,230</b>	<b>2,233,969</b>



**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**16. Borrowings (continued)**

*Reconciliation of movement in borrowings*

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
Opening balance as at 1 July		2,233,969	2,168,419
Borrowing drawdowns		627,857	814,812
Interest expense	<b>8</b>	69,933	66,860
Borrowing redemptions - State Construction Contribution (SCC) payments		(553,563)	(816,121)
Gain on modification of borrowings		(3,966)	-
<b>Closing balance at 30 June</b>		<b>2,374,230</b>	<b>2,233,969</b>

*Maturity analysis of future undiscounted finance liability payments*

The future undiscounted finance liability payments for the Tunnels, Stations and Developments Public Private Partnership are as follows.

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than 1 year	414,895	946,174
Later than 1 year and not later than 5 years	1,660,935	1,298,314
Later than 5 years and not later than 10 years	496,002	496,002
Later than 10 years	1,587,752	1,686,953
<b>Total</b>	<b>4,159,584</b>	<b>4,427,443</b>

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**16. Borrowings (continued)**

***Finance liability***

The Tunnels, Stations and Developments (TSD) package has been accounted for as a construction contract with an outsourcing arrangement. The construction costs of the TSD package are progressively capitalised across the construction period into capital work in progress (CWIP). A corresponding finance liability is recognised. The effective interest rate (EIR) method is used to calculate the amortised cost of the finance liability, accrue, and recognise the interest expense in profit or loss over the life of the finance liability. The SCC payments commenced in June 2021 and are recognised as a reduction to the finance liability once paid.

When determining the progressive capitalisation of costs into CWIP and the corresponding finance liability, the actual and indicative SCC amounts and timings of the estimated forecast cashflows are used as set out in the Financial Model. These forecast amounts are then updated to reflect actual certified payments. The Financial Model is a tool provided by the consortia delivering the TSD package that estimates, on a monthly basis, the value of work completed on the project. When the certified works are provided, these forecast cashflow amounts and timings are adjusted in the period of change to reflect the revised actual and estimated cashflows.

In FY2023, the TSD package construction contract was amended and resulted in the modification of the subsequent contractual cashflows arising from the contact, which required the Delivery Authority to assess whether or not there has been a substantial modification of the TSD package construction contract under AASB 9 *Financial Instruments* (AASB 9). In performing this test, the Delivery Authority concluded that based on the quantitative and qualitative assessments, the modifications to the contract are not substantial and did not result to an extinguishment of the existing finance liability under AASB 9. Therefore, the amortised cost of the finance liability was recalculated by discounting the revised estimated future cash flows at its original effective interest rate in accordance with AASB 9. The difference of \$3.966m between the original and revised net present values was immediately recognised in 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 2023

#### 17. Lease liabilities

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current</i>		
Lease liability	1,708	1,521
<i>Non-current</i>		
Lease liability	330	1,876
<b>Total</b>	<b>2,038</b>	<b>3,397</b>

Lease liabilities are measured at the present value of the remaining lease payments, discounted at the Delivery Authority's incremental borrowing rate. To determine the incremental borrowing rate, the Delivery Authority uses loan rates provided by Queensland Treasury Corporation (QTC) that correspond to the commencement date and term of the lease.

#### *Reconciliation of movement in lease liability*

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance at 1 July	3,397	4,865
Interest expense	42	58
Lease payments	(1,481)	(1,553)
Adjustment in lease liability	80	26
<b>Closing balance at 30 June</b>	<b>2,038</b>	<b>3,397</b>

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term or a change in the lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset (refer to Note 13).

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 18. Contributed equity

	2023	2022
	\$'000	\$'000
Opening balance as at 1 July	2,773,728	1,329,874
Non-appropriated equity injections	794,446	1,443,854
<b>Closing balance at 30 June</b>	<b>3,568,174</b>	<b>2,773,728</b>

The Delivery Authority received non-appropriated equity, also known as unrestricted capital funding, as well as non-capital funding from the Department of Transport and Main Roads (DTMR). Equity is recognised when received and in accordance with the Delivery Authority accounting policy.

#### 19. Commitments

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

	2023	2022
	\$'000	\$'000
<b>Capital</b>		
Not later than 1 year	814,281	1,053,344
Later than 1 year and not later than 5 years	512,035	723,078
<b>Total</b>	<b>1,326,316</b>	<b>1,776,422</b>

Commitments for capital expenditure includes funding commitments for Tunnels, Stations and Developments and Rail, Integration and Systems work packages as well as balances remaining on open purchase orders relevant to capital works.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 20. Contingencies

The Delivery Authority does not have any contingent liabilities that would significantly impact the state of affairs of the Delivery Authority or have a material effect on these financial statements except for potential land compensation claims. At reporting date, it is not possible to make an estimate of any probable outcome of these claims.

#### 21. Related parties

The Delivery Authority's predominant source of funding is non-appropriated equity funding from the Department of Transport and Main Roads (DTMR) (refer to Note 18). 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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Revenue received from Queensland Rail (QR)	303,286	261,217
Revenue received from DTMR	65,903	12,395
Government grants from DTMR	81,076	71,040
<b>Expenses</b>		
Expenses incurred with QR	21,382	16,683
Expenses incurred with DTMR	2,040	4,392
Expenses incurred with other State of Queensland controlled entities	564	2,617
<b>Assets</b>		
Receivables from DTMR	239,793	143,567
Receivables from QR	105,664	155,753
Receivables from other State of Queensland controlled entities	223	25
Property, plant & equipment - capital works costs incurred with QR	22,438	11,426
Property, plant & equipment - capital works costs incurred with DTMR	86	3,494
Property, plant & equipment - capital works costs incurred with other State of Queensland controlled entities	3,519	6,319
<b>Liabilities</b>		
Payables to QR for supplies and services received	8,162	4,559
Payables to DTMR for supplies and services received	405	570
Payables to other State of Queensland controlled entities for supplies and services received	219	214
<b>Equity</b>		
Non-appropriated equity received from DTMR	794,446	1,443,854

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 22. Events after the balance date

Mayne Yard North assets will be transferred by the Delivery Authority to Queensland Rail in FY2024 in accordance with the proposed ministerial designation as required by Financial Reporting Requirements 4F *Equity, Contributions by Owners and Distributions to Owners*.

#### 23. Financial risks disclosures

##### (a) Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Delivery Authority becomes a party to the contractual provisions of the financial instrument. The Delivery Authority has the following categories of financial assets and financial liabilities:

		<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>	<b>Notes</b>		
Cash and cash equivalents	<b>10</b>	29,540	341,220
<i>Financial assets at amortised cost:</i>			
Trade and other receivables	<b>11</b>	383,251	307,995
<b>Total</b>		<b>412,791</b>	<b>649,215</b>
<b>Financial liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
Trade and other payables	<b>15</b>	120,434	93,601
Borrowings	<b>16</b>	2,374,230	2,233,969
Lease liabilities	<b>17</b>	2,038	3,397
<b>Total</b>		<b>2,496,702</b>	<b>2,330,967</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position, other than GST.

Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023

23. Financial Risks (continued)

(b) Financial risk exposure and management

Financial risk management is implemented pursuant to the Delivery Authority’s policies. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Delivery Authority. All financial risk is managed by the corporate finance area under policies approved by the Delivery Authority. The Delivery Authority provides written principles for overall risk management, as well as policies covering specific areas. The Delivery Authority’s activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk	The risk that the Delivery Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets.	Ageing analysis	The Delivery Authority manages credit risk through monthly review and follow up of outstanding receivables in accordance with agreed debtor payment terms.
Liquidity risk	The risk that the Delivery Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	Funding sources for the project have been secured via Cabinet Budget Review Committee (CBRC), and the primary exposure to the Delivery Authority is limited to the potential instance of project cost overruns, however, the project is primarily a fixed cost contract. The components of the project that are not a fixed cost contract include an allocation of retained risk that is also guaranteed funding from CBRC. Funding is provided by Queensland Treasury through the DTMR. In the event that future potential overruns are identified, risk management strategies have been put in place. In addition to the exposure for project overruns, the Delivery Authority is exposed to liquidity risks related to trade and other payables (Note 15), borrowings (Note 16) and lease liabilities (Note 17).	Sensitivity analysis	The Delivery Authority manages liquidity risk by having sufficient funds available to meet all obligations as they fall due. This is achieved by ensuring minimum levels of cash are held in the bank account so as to match the expected duration of the various employee and supplier liabilities. Funding from Queensland Treasury through the DTMR contributes towards the servicing of financial liabilities and commitments.

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 23. Financial Risks (continued)

##### (b) Financial risk exposure and management (continued)

Risk exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Market risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.</p> <p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>	<p>The Delivery Authority does not trade in foreign currency and is not materially exposed to commodity price changes. The interest on the Tunnels, Stations and Developments (TSD) Public Private Partnership (PPP) is fixed, therefore, the Delivery Authority is not exposed to a significant level of market risk.</p>	Interest rate sensitivity analysis	The Delivery Authority does not undertake hedging in relation to interest rate risk. All borrowings have fixed interest rates, hence, there is no significant exposure to interest rate risk.
			Market analysis	The Delivery Authority manages supply chain risk by undertaking market analyses, tracking impacts across comparable agencies within Queensland and across other Australian jurisdictions, monitoring market research from relevant economic bodies, monitoring international and domestic supply chain challenges and economic factors, and assessing reporting from contractors on impacts they are experiencing to assess potential impacts on the project. The Delivery Authority undertakes periodic reviews to monitor potential financial impacts due to supply chain and COVID-19 issues.

##### (c) Credit risk disclosures

	Total \$'000	Current \$'000	Non-Current \$'000
<i>Trade and other receivables</i>			
<b>2023</b>	383,251	186,217	197,034
<b>2022</b>	307,995	180,894	127,101

The current trade and other receivables mainly relate to amounts due from and reimbursed by Queensland Rail and Department of Transport and Main Roads (DTMR) for the European Train Control System, Rail, Integration and Systems, New Gold Coast Stations, Roma Street Station Enhancement and Integration works packages.

The non-current grants receivable comprises grant funding from DTMR relating to the TSD PPP current interest. All balances are owing from other government agencies, which reduces the Delivery Authority's credit risk, hence, no allowance for impairment is recognised during the financial year.



**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**23. Financial Risks (continued)**

**(c) Credit risk disclosures (continued)**

Ageing of past due current trade and other receivables is disclosed in the following table:

	Notes	Total	Current	> 30 days	> 60 days	> 90 days
<i>Aged current trade and other receivables</i>		\$'000	\$'000	\$'000	\$'000	\$'000
2023	11	186,217	151,611	4,079	-	30,528
2022	11	180,894	128,550	17,210	35,134	-

**(d) Liquidity risk - contractual maturity of financial liabilities**

The following table sets out the liquidity risk of financial liabilities held by the Delivery Authority. These represent the contractual maturity of financial liabilities, presented at carrying amount and undiscounted cash flows relating to the liabilities at reporting date. The borrowings disclosed below are financial liabilities of the Delivery Authority only until the project completion in 2026, these borrowings will then be transferred to another entity.

2023		Notes	Discounted Carrying amount \$'000	Contractual maturity (undiscounted)			
Financial liabilities				< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
	Trade and other payables	15	120,434	120,434	-	-	120,434
	Borrowings	16	2,374,230	414,895	1,660,935	1,181,107	3,256,936
	Lease liabilities	17	2,038	1,731	334	-	2,065
<b>Total</b>			<b>2,496,702</b>	<b>537,060</b>	<b>1,661,269</b>	<b>1,181,107</b>	<b>3,379,436</b>

2022		Notes	Discounted Carrying amount \$'000	Contractual maturity (undiscounted)			
Financial liabilities				< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
	Trade and other payables	15	93,601	93,601	-	-	93,601
	Borrowings	16	2,233,969	946,174	1,298,314	940,812	3,185,299
	Lease liabilities	17	3,397	1,561	1,903	-	3,464
<b>Total</b>			<b>2,330,967</b>	<b>1,041,336</b>	<b>1,300,217</b>	<b>940,812</b>	<b>3,282,364</b>

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 24. Budget reporting disclosures

##### Statement of comprehensive income

	Variance Note	Budget 2023	Actual 2023	Variance
		\$'000	\$'000	\$'000
<b>Income from operations</b>				
Grants revenue	1	151,461	81,076	70,385
Reimbursement income	2	387,349	369,189	18,160
Gain on modification of borrowings	3	-	3,966	(3,966)
<b>Total income from operations</b>		<b>538,810</b>	<b>454,231</b>	<b>84,578</b>
<b>Expenses from operations</b>				
Employee expenses	4	9,415	14,828	(5,413)
Supplies and services	5	380,634	357,844	22,790
Capital grant expense	6	77,487	11,143	66,344
Interest expense		71,005	69,933	1,072
Other expenses		269	484	(215)
<b>Total expenses from operations</b>		<b>538,810</b>	<b>454,232</b>	<b>84,578</b>
<b>Operating loss for the year</b>		<b>-</b>	<b>(1)</b>	<b>1</b>
<b>Total comprehensive loss</b>		<b>-</b>	<b>(1)</b>	<b>1</b>

##### Explanations of major variances

**V1** Grants revenue is lower than budget due to a reduction in grants associated with the timing of delivery of third party returned works.

**V2** Reimbursement income is lower than budget due to the timing of project costs spent related to European Train Control System and Rail, Integration and Systems Complementary and Associated work packages.

**V3** The gain on modification of borrowings is related to the Tunnels, Stations and Developments work package's borrowings modification and was not part of the budget.

**V4** Employee expenses are higher than budget due to the additional resource requirements to support the integration and other externally funded work packages.

**V5** Supplies and services are lower than budget due to supply chain delays.

**V6** Returned works are lower than budget resulting from the reassessment of the timing of delivery of these works.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**24. Budget versus actual comparison (continued)**

**Statement of Financial Position**

	Variance Note	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<b>Current assets</b>				
Cash and cash equivalents	1	124,025	29,540	94,485
Trade and other receivables	2	253,832	186,217	67,615
Other current assets		6,563	10,927	(4,364)
<b>Total current assets</b>		<b>384,420</b>	<b>226,684</b>	<b>157,736</b>
<b>Non-current assets</b>				
Trade and other receivables	2	-	197,034	(197,034)
Property, plant and equipment	3	5,933,272	5,636,992	296,280
Right-of-use assets		2,415	2,427	(12)
Other non-current assets		9,441	2,891	6,550
<b>Total non-current assets</b>		<b>5,945,128</b>	<b>5,839,344</b>	<b>105,784</b>
<b>Total assets</b>		<b>6,329,548</b>	<b>6,066,028</b>	<b>263,520</b>
<b>Current liabilities</b>				
Trade and other payables	4	79,384	120,434	(41,050)
Borrowings	5	1,539	414,895	(413,356)
Lease liabilities		-	1,708	(1,708)
Accrued employee benefits		1,774	1,285	489
<b>Total current liabilities</b>		<b>82,697</b>	<b>538,322</b>	<b>(455,625)</b>
<b>Non-current liabilities</b>				
Borrowings	5	2,420,877	1,959,335	461,542
Lease liabilities		-	330	(330)
<b>Total non-current liabilities</b>		<b>2,420,877</b>	<b>1,959,665</b>	<b>461,212</b>
<b>Total liabilities</b>		<b>2,503,574</b>	<b>2,497,987</b>	<b>5,587</b>
<b>Net assets</b>		<b>3,825,974</b>	<b>3,568,041</b>	<b>257,933</b>
<b>Equity</b>				
Contributed equity		3,825,974	3,568,174	257,800
Accumulated deficit		-	(133)	133
<b>Total equity</b>		<b>3,825,974</b>	<b>3,568,041</b>	<b>257,933</b>

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 24. Budget versus actual comparison (continued)

##### *Explanations of major variances*

**V1** Cash and cash equivalents are lower than budget due to the reassessment of cash requirements in February 2023 resulting in equity injection requirements reduction during the financial year.

**V2** Trade and other receivables are higher than budget due to the timing of cash receipts related to outstanding balances.

**V3** Property, plant and equipment is lower than budget due to timing of construction work in progress affected by COVID-19, the Ukraine war and supply chain delays.

**V4** Trade and other payables are higher than budget due to timing of construction work and increase in construction costs.

**V5** Borrowings have been reclassified from non-current to current liability where the liability is expected to be settled within 12 months. The budget was prepared with the majority of borrowings showing as non-current. Borrowings are lower than budget due to delays in construction resulting from COVID-19, the Ukraine war and supply chain delays.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Notes to and forming part of the Financial Statements  
For the year ended 30 June 2023**

**24. Budget versus actual comparison (continued)**

**Statement of Cash Flows**

	Variance Note	Budget 2023	Actual 2023	Variance
		\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
<i>Inflows:</i>				
Cash received from government grants	1	80,456	11,143	69,313
Cash received from customers		387,349	392,786	(5,437)
Other	2	98,278	152,871	(54,593)
<i>Outflows:</i>				
Cash paid to employees	3	(9,432)	(15,040)	5,608
Cash paid to suppliers	4	(479,074)	(313,967)	(165,107)
Other	2	(148)	(181,596)	181,448
<b>Net cash provided by operating activities</b>		<b>77,429</b>	<b>46,197</b>	<b>31,232</b>
<b>Cash flows from investing activities</b>				
<i>Outflows:</i>				
Payments for capital work in progress and property, plant and equipment	5	(405,620)	(598,760)	193,140
<b>Net cash used in investing activities</b>		<b>(405,620)</b>	<b>(598,760)</b>	<b>193,140</b>
<b>Cash flows from financing activities</b>				
<i>Inflows:</i>				
Equity injections	6	1,044,446	794,446	250,000
<i>Outflows:</i>				
Borrowing redemptions	7	(704,029)	(553,563)	(150,466)
<b>Net cash provided by financing activities</b>		<b>340,417</b>	<b>240,883</b>	<b>99,534</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>12,226</b>	<b>(311,680)</b>	<b>323,906</b>
<b>Cash and cash equivalents at beginning of reporting period</b>		<b>111,799</b>	<b>341,220</b>	<b>(229,421)</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>124,025</b>	<b>29,540</b>	<b>94,485</b>

## CROSS RIVER RAIL DELIVERY AUTHORITY

### Notes to and forming part of the Financial Statements For the year ended 30 June 2023

#### 24. Budget versus actual comparison (continued)

##### *Explanations of major variances*

- V1** Cash received from government grants is lower than budget due to a lower than anticipated returned works costs.
- V2** Net cashflows for goods and services tax relate to the timing of payments for capital and operating projects and refund amount from the Australian Taxation Office.
- V3** Cash paid to employees is higher than budget due to the increase in the number of employees supporting the Department of Transport and Main Roads and Queensland Rail funded works.
- V4** Cash paid to suppliers is lower than budget due to the timing of project, resulting from COVID-19, Ukraine war and supply chain delays.
- V5** Cash outflows from investing activities is higher than budget due to the timing of payments for capital work in progress.
- V6** Equity injections are lower than budget due to revised cash flow timing to align with the payments for capital work in progress requirements.
- V7** Borrowing redemptions related to Tunnels, Stations and Developments finance liability are lower than budget due to lower capital work in progress costs resulting from COVID-19, Ukraine war and supply chain delays.

**CROSS RIVER RAIL DELIVERY AUTHORITY**

**Management Certificate  
For the year ended 30 June 2023**

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 39 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 2023 and of the financial position of the Cross River Rail Delivery Authority at the end of that year; and

We acknowledge responsibility under Sections 7 and 11 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.

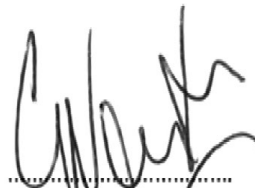


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Sally Stannard

Acting Board Chair

21/8/2023



.....

Graeme Newton

Chief Executive Officer

21/8/2023

## 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 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, 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 material accounting policy information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 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 2019 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. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on other legal and regulatory requirements

### Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

### Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Vaughan Stemmett  
as delegate of the Auditor-General

22 August 2023

Queensland Audit Office  
Brisbane

# Appendix 1

## BOARD MEETINGS AND ATTENDANCE

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There were six Board meetings between 1 July 2022 and 30 June 2023.

Attendance is outlined below.

<b>Members</b>	<b>Attended</b>	<b>Eligible to Attend*</b>
Ms Rachel Hunter	2	6
Ms Sally Stannard	6	6
Ms Julie Mitchell	3	3
Ms Tess Pickering	2	2
Ms Maryanne Kelly	1	2
Mr Peter Milward	1	1
<b>Former Members</b>		
Mr Neil Scales OBE	5	5
Mr Leon Allen	2	4
Ms Amanda Yeates	0	1
Mr Kerry Doss	0	0
Mr Dennis Walsh <sup>+</sup>	3	3
Mr Christopher Aston <sup>^</sup>	4	4

\*Number of meetings the member was qualified to attend as a Board member.  
<sup>+</sup>Dennis Walsh was Acting Deputy Director-General, Infrastructure Management and Delivery from 4 July 2022 to 1 November 2022 and attended Board meetings during that period.  
<sup>^</sup>Christopher Aston was Acting Deputy Director-General, Planning from 7 March 2022 to 22 January 2023 and attended Board meetings during that period.

# Appendix 2

## 2022-23 COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 1
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• Table of contents</li> <li>• Glossary</li> </ul>	ARRs – section 9.1	Page 3 Page 69
	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	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
<b>General information</b>	Introductory Information	ARRs – section 10	Page 4-8
<b>Non-financial performance</b>	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 8
	Agency objectives and performance indicators	ARRs – section 11.2	Page 6 Pages 8-11
	Agency service areas and service standards	ARRs – section 11.3	Page 12
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	Page 22

<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	Page 13
	Executive management	ARRs – section 13.2	Page 15-16
	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 18
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 19
	Queensland public service values	ARRs – section 13.6	Page 14
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1	Page 19
	Audit committee	ARRs – section 14.2	Page 17
	Internal audit	ARRs – section 14.3	Page 20
	External scrutiny	ARRs – section 14.4	Page 20
	Information systems and recordkeeping	ARRs – section 14.5	Page 21
	Information Security attestation	ARRs – section 14.6	Page 21
<b>Governance – human resources</b>	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
<b>Open Data</b>	Statement advising publication of information	ARRs – section 16	Page 21
	Consultancies	ARRs – section 33.1	Nil
	Overseas travel	ARRs – section 33.2	<a href="https://www.data.qld.gov.au/">https://www.data.qld.gov.au/</a>
	Queensland Language Services Policy	ARRs – section 33.3	<a href="https://www.data.qld.gov.au/">https://www.data.qld.gov.au/</a>
<b>Financial statements</b>	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 62
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 63

FAA – *Financial Accountability Act 2009*

FPMS – *Financial and Performance Management Standard 2019*

ARRs – *Annual report requirements for Queensland Government agencies*

# Appendix 3

## GLOSSARY OF TERMS

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### **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 Action Plans.

