



Annual Report

2016 | 2017

Rail Industry Safety and Standards Board

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Chair's Overview

The past year has been one of significant achievement for RISSB as we strengthened our role as the pre-eminent provider of standards, products and services to the Australian rail industry to improve safety and promote harmonisation and interoperability.

For the first time, RISSB delivered 100% of its work program for the year while at the same time strengthening its financial position and reducing by over 50% the time required to develop its products. This has placed RISSB in a very strong position to meet the challenges faced by the industry in adapting to new technology and the demands of customers and stakeholders. As the industry confronts disruption, RISSB will focus on providing the products and services vital to delivering effective outcomes.

Strategic Plan

At the beginning of 2017, with the completion of the transition to an independent entity, the Board initiated a major review of RISSB's Strategic Plan. In developing the new plan, RISSB adopted a consultative process and actively involved its Members, Governments and Stakeholders. The consultation process commenced with a Future Inquiry Workshop in which a large cross section of the rail industry and government met to discuss and share with RISSB their vision of the role RISSB should play now and into the future. This collaboration provided RISSB with a very clear indication as to what Members and Stakeholders see as RISSB's role and responsibilities and the activities it should be undertaking on behalf of the Industry.

This intensive process led to the development of Six Strategic Pillars which underpin the RISSB Strategic Plan 2017–2022. This plan is designed to take RISSB forward over the next five years and ensure that RISSB continues to shape the industry and add value to its Members, Governments and Stakeholders. A summary of the new Strategic Plan is included in this report and Members will be asked to adopt the plan at the Annual General Meeting in November this year.

Membership

RISSB Members have continued to commit their support of RISSB's work in standards development and industry harmonisation. Their continuing financial contribution as Members and in-kind support by provision of staff for Development Groups, Standing Committees and consultative workshops has enabled RISSB to deliver on its full work program while at the same time delivering a surplus that can be applied to future activities.

At the end of June 2017 RISSB had 44 Members; up from 30 at the same time last year. Only one membership lapsed during the year and 15 new Members were recruited; a growth rate of nearly 50% and a very pleasing result.

Work Program

During the year RISSB delivered 22 products, 16 new projects and 6 product reviews. This was a very significant achievement and reflects the efforts by the RISSB team to streamline and drive improvements in the development process. The Board is confident that the revised development process and commitment to continuous improvement will provide industry with the products it requires in a much shorter timeframe thereby contributing to greater productivity and efficiency for the whole industry.

During the year, the RISSB team redesigned the project prioritization process to provide the opportunity for greater engagement from its Members, Governments and Industry. The changes introduced included a new on-line format for conducting the annual Project Priority Forum, weightings for voting and the ability for a broader range of Stakeholders to nominate projects. The forum was conducted over March and April 2017 and proved a great success with a significant increase in participation from across the industry. The results from the forum have guided the RISSB Work Program for 2017–18.

RISSB also conducted a very successful Safety Conference in Brisbane in early April 2017 which was attended by 139 delegates, a 17% increase on the previous year. Feedback from the conference, which RISSB delivered at a much-reduced cost to delegates, was very positive.

Financial Results

As a result of additional membership revenue and savings in program expenditure, RISSB recorded a surplus of \$872,435 in 2016–17. This adds to our previous retained earnings and provides a strong buffer to ensure we can remain solvent. It also enables RISSB to complete the essential work on the Australian Rail Risk Model project without a need to seek additional funding from Members.

Australian Rail Risk Model (ARRM) Project

As Members are aware, the ARRM project is an essential element of RISSB's offering to the rail industry. It is incorporated in the RISSB Constitution and has significant support from both Industry and the Rail Regulator.

The project comprises a risk model to support analysis and decision-making for rail industry companies and for RISSB to set priorities in standards development. The project also incorporates a National Rail Safety Incident database which will be delivered using data provided from existing rail industry company databases and will be designed to require minimal effort for these companies in providing this data input.

Work on Stage 1 of the Risk Model, commenced in 2016 with a series of Industry workshops held to inform the development of the Risk Model. User Acceptance Testing commenced to schedule in August 2017 with Industry representatives participating in this important phase. Stage 2, the database, will be delivered in early 2018.

RISSB will launch the Risk Model at AusRail in November 2017. Members will have the opportunity to see the model working first hand with demonstrations planned throughout the conference.

National Rules

RISSB is moving forward with its National Rules Program, with Phase 2 having commenced in July 2017 and involves the development of the National Rules in association with an in-depth analysis of the current Australian Network Rules and Procedures. RISSB would like to acknowledge the broad support and contributions received from organisations across the rail industry.

Governance

The RISSB Board, currently comprising four Industry Directors, an Independent Director and an Independent Chairperson continues to function at a high level with all Directors highly engaged and contributing to the oversight of RISSB.

During the year, the Board commissioned an independent review of RISSB's governance which revealed a significant improvement in the functioning of the Board and its processes and procedures under the new structure. The report provided a number of recommendations which the Board has addressed. A process has been put in-place that enables an ongoing review and evaluation of Board performance across a range of criteria.

RISSB's two Board Committees; the Audit & Risk Committee and the Remuneration & People Committee are now well established and provide very effective support to the deliberations of the Board.

Future Outlook

Critical relationships for RISSB remain with our Members and the Office of the National Rail Safety Regulator as we seek to work together to generate outcomes that benefit rail in the transport sector through effective co-regulation.

We anticipate that with the changes to our development processes now consolidated, delivery of our work program will follow a more predictable pattern and allow us to deliver our products consistently on-time and on-budget.

For RISSB, consultation and collaboration with its Members, Government and Stakeholders is paramount. RISSB has and will continue to strengthen these relationships to ensure that RISSB is providing high quality, value-adding products and services that the Industry needs in a timely manner.

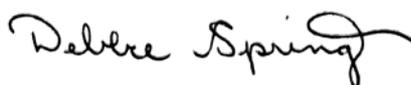
Acknowledgements

At the AGM in November 2016 Tony Drake stepped down as Chairman of RISSB and the Board and I would like to record our sincere thanks to Tony for his commitment and leadership of the company over nearly seven years.

I would like to thank the RISSB Board members for their contributions and services over the past year. My fellow Board members are driven and focussed on getting the job done and the best outcomes. Working with them is always a great pleasure.

We also acknowledge the significant contribution by the members of our Development Groups and Standing Committees – the subject matter experts who ensure that our products are fit for purpose and satisfy RISSB's obligations to its Members.

Finally, I would like to extend an enormous thanks to you – RISSB's Members, Governments and Stakeholders – for your continued support over the past year. The Board appreciates the time and energy everyone has taken to provide us with their contributions and feedback on the development of the Strategic Plan, Risk Model and our products.



Deborah Spring

Chair

On behalf of the RISSB Board





Chief Executive Officer's Report

The 2016–17 Financial Year has proven to be one of RISSB's best years as it reached its project targets for the first time and saw a dramatic improvement in the development process of Standards, Codes and Guidelines. And whilst these milestones are excellent for the financial year that was, the traction that RISSB has made in the revision of its processes and collaboration practices allows RISSB to move confidently into the future knowing that it can and will deliver for industry, and play a vital role in the co-regulatory environment of the Australian Rail Industry.

Strategic Direction

Having transitioned into a stand-alone organisation, it was vital that RISSB began developing a strategic plan that would provide direction for the next five years. The Future Inquiry Workshop, held in March 2017, marked the first occasion in the history of RISSB where Members, Governments and Stakeholders came together to help RISSB plot its course into the future. The success of the Workshop is evidenced by how beneficial it was in ultimately assisting RISSB in developing the 2017–2022 Strategic Plan.

\$2,086,980 in Financial Year 2016–17 compared to \$1,214,545 in Financial Year 2015–16.

These strong financial results were key to the RISSB Board approving the development and maintenance costs of the Australian Rail Risk Model (ARRM) within the confines of RISSB's membership subscriptions (a cost anticipated to be \$1.5m over the 2016–17 and 2017–18 financial years). Moreover, the RISSB Board has also determined to maintain a three-month cash reserve to buffer the company against any unforeseen financial situations.

Financial Year 2016–17 Performance

Financials

RISSB's Auditors provided an unqualified report on the 2016–17 financial year. During Financial Year 2016–17 RISSB continued to improve and strengthen its financial position in many areas. As previously outlined in the Chair's Overview, RISSB recorded an operating surplus of \$872,435 for Financial Year 2016–17, amounting to a 35% increase on the Financial Year 2015–16 net surplus of \$646,258.

RISSB's current assets have exceeded short term liabilities by \$2,073,217 at 30 June 2017 which is an improvement in overall short term liquidity when compared with the prior year. The overall net asset position and net equity position has also strengthened compared to the previous year net asset position of

RISSB Accreditation as a Standards Development Organisation

During the financial year RISSB underwent a full audit from Standards Australia to maintain its accreditation as a Standards Development Organisation for the rail industry. RISSB passed the audit to maintain its accreditation with very good results containing no Non-Compliances, improving on the previous year's results. The maintenance of its accreditation allows RISSB to continue to provide professional and timely Standards for industry, all of which will continue to be Australian Standards.

Product Development

At the beginning of the year, RISSB forecast to produce 22 products and I am very pleased that we were able to deliver on this target. These products included the Signalling Testing Process Standard, Wireless Communications in the Rail Corridor Standard, Railway

Electrification Code of Practice and the Measuring Safety Performance Guideline.

This is the highest number of products RISSB has produced in any one financial year, and can be attributed to the amendments to the development process and changes to Project Manager responsibilities and accountabilities, which also augers well for the 2017–18 financial year program.

Process Changes

Development of Product

As mentioned above, RISSB continues to evolve its development procedures in an attempt to streamline the process and ensure that Standards, Codes of Practices and Guidelines are delivered in a timely, efficient and cost-effective manner.

Throughout the 2016–17 financial year, RISSB was able to bed down a revised process and obtain traction in the production and delivery of products. The main amendments made to the process include tighter project management of each individual project; moving from portfolio based budgets and timeframes to individual project budgets and timeframes; and the introduction of a Panel of Service Providers to deliver authoring and validation services throughout the year. These changes were integral to RISSB realising its targets for the 2016–17 financial year of a record 22 projects in one year.

Priority Planning

During the 2016–17 financial year RISSB revamped the methodology by which Members, Governments and Stakeholders contribute to the following year's work plan – The Priority Planning Forum. Traditionally conducted as a one-day workshop which attracted around 30 participants, RISSB moved the priority planning “into the cloud” and provided industry with information and background on potential projects through a portal on RISSB's website.

In addition to moving the ranking to the cloud, RISSB also introduced a weighting system which consisted of a 2x weighting for Class One Members; 1x weighting for all other voting Members; 0.5x

weighting for Associate Members; and 0.3x weighting for the general public. RISSB also sought greater contribution from stakeholders in the recommendation of potential projects for the 2017–18 financial year. Stakeholders were then asked to rank projects from most urgent to least urgent over a 28-day period through the portal.

This new approach saw a greater diversity of potential projects brought forward for ranking, and a 3-fold increase in the number of stakeholders who participated in the ranking process. This new approach means that more of industry is having their say on what projects RISSB should develop, which should lead to greater take up of RISSB products into the future.

Other Significant Projects

Since RISSB's last Annual Report, we've made great progress towards the Risk Model. At the time of writing this report, final User Acceptance Testing of the model is being completed, with the Risk Model on track to be launched and go live on Monday, 20th November 2017.

The primary beneficiary of the Risk Model will be individual Rail Transport Operators (RTOs), and because the project is being funded by RISSB (and therefore RISSB funding members) key features of the model will be reserved for them.

The Risk Model has not been designed to duplicate existing systems, or to seek to replace existing systems, but rather it will *draw* on existing systems to create a greater pool of data than any single organisation can generate. This pooling of data will enable more sophisticated analyses, and more robust risk information so that railway stakeholders can be better informed in the decisions that they make.

RISSB also made great advances on the National Rules (formerly Australian Network Rules and Procedures) throughout the 2016–17 financial year. Revitalising the National Rules by modularising them and updating them was highlighted by RISSB's achievement in obtaining agreement across the industry of seven Fundamental Operating Principles – the first time this has occurred in Australia's 150 year rail history.

Commencement of the Harmonisation of Specification Guidelines also commenced during the 2016–17 financial year. RISSB was engaged to undertake a pilot program lead by the Victorian Government to provide guidelines for the development of specifications for the manufacturing of rail vehicles. The two subjects chosen for the pilot were bogies and glazing. The pilot is due to be completed in October 2017, with the project running to time and, from all accounts, meeting the expectations of both those who procure and those who manufacture. RISSB is confident that phase two of this project will commence during 2017–18.

New Brisbane Office

In June 2016, RISSB moved into a new office situated on the Concourse of Central Station in the heart of Brisbane. This was a great first step to bringing all the Brisbane based RISSB employees together under one roof for the first time, and I would like to thank Queensland Rail for their support and efforts in allowing RISSB to lease these premises. However, as RISSB continued to grow, the office became too small and in August 2017 RISSB moved to larger premises in Astor Terrace, Spring Hill. This will enable RISSB to future proof itself in continuing to deliver its work plan on time and on budget, as well as to support the additional products and services coming on-line or being developed.

Outlook for 2017–18

The 2016–17 financial year has provided RISSB with an excellent launch pad to continue the great work it has commenced into the 2017–18 financial year and beyond. Throughout 2017–18 RISSB will focus on three things that have already commenced; the continued development of industry required Standards, Codes of Practice and Guidelines along with the development of the two main pillars of the RISSB suite of products – the Risk Model and the National Rules (formally the ANRP). In addition to this RISSB will also commence work in other areas such as Rail Cyber Security and Future Rail. All in all, a very exciting and busy 2017–18 lies ahead.

Conclusion

The 2016–17 financial year again saw RISSB undertake major transformation as it completed its transition to a stand-alone Not for Profit organisation. It is pleasing to see the company at the end of this process in a strong position both financially and in its standing in the rail industry. The 2017–18 financial year promises to be a very successful year for RISSB, and I would like to thank the Chair and the Board for their continued assistance and support of the operations of RISSB. I would also like to thank the staff for all their efforts throughout the year and also thank the industry for your tireless assistance in the development and implementation of all our products.



Paul Daly
Chief Executive Officer





Governance

The RISSB Board of Directors is committed to responsible and effective governance and has overseen an extensive program over recent years to strengthen the structures that underpin the operations of the company. RISSB's Constitution provides a governance structure that is responsive to our Members and stakeholders, giving them the opportunity to participate in our decision-making processes.

The current RISSB Board – comprising an Independent Chair, an Independent Director, and four Industry Directors who represent the four sectors of the rail industry – are listed on the following page.

Information on the skills and experience of each of the Directors is provided on page 27 of this report.

Role and Responsibilities of Directors

Subject to the Corporations Act and the RISSB Constitution, the Board controls and manages the affairs of the company, and may exercise all such powers of the company except those that are required by the Constitution to be exercised by Members in a General Meeting.

Directors owe RISSB an overriding duty of undivided loyalty, and have an obligation to avoid situations where there is a real or substantial possibility of conflict between personal interests and those of RISSB.

Independent Directors must not hold any office of profit nor have any direct pecuniary interest in an institution or body that performs, or may perform during the person's tenure, services to the company. Also, an Independent Director must not be a person who (in the opinion of the Board) holds any office of profit or has any direct and substantial pecuniary interest with a railway industry participant that could materially interfere with (or could reasonably be perceived to materially interfere with) the exercise of their independent judgment.

Industry Directors being employees of railway organisations, must take great care to ensure they satisfy this duty notwithstanding the requirements of their employment. Directors are entitled to advocate on behalf of their Industry sector in relation to Board deliberations, but must be careful to declare and manage any potential conflicts of interest.

Operation of the Board

The Board recognizes that it is accountable to Members for the performance of the organisation and has put in place policies to ensure that the company delivers on its mission and objectives as set out in the Constitution and Strategic Plan.

The Board has a program of four scheduled meetings per year and these are held in the major capital cities on a rotational basis. This provides the opportunity for Directors to meet with our Members and stakeholders to better understand the issues of concern and to build stronger relationships. The Board also convenes out of session to address specific issues that may arise between Board meetings. There were five meetings of the Board during the financial year and the attendance details are set out on page 29. Details on the attendance at Committee meetings is also included.

In order to achieve the company's' objectives, the Board has established two standing Committees: the Audit & Risk Committee and the Remuneration & People Committee. Each of these Committees meet regularly and has a Charter which sets out their role and terms of reference.

Board of Directors



Independent Chair –
from 21 November 2016
Member – Remuneration &
People Committee



Industry Director,
Network Managers/Owners
Chair – Audit & Risk Committee
Australian Rail Track Corporation Ltd



Independent Director
Member – Audit & Risk Committee
Member – Remuneration &
People Committee



Industry Director, Freight Operations
– from 4 July 2017
Pacific National Pty Ltd



Industry Director,
Suppliers and Contractors
Member – Audit & Risk Committee
Downer Rail Infrastructure



Industry Director,
Passenger Operations
Chair – Remuneration &
People Committee
Metro Trains Melbourne



Independent Chairman –
until 21 November 2016
Chair – Remuneration &
People Committee



Industry Director, Freight Operations
– until 16 March 2017
Member – Remuneration &
People Committee



Industry Director, Freight Operations
– until 18 August 2016
Member – Remuneration &
People Committee

Audit and Risk Committee

The purpose of the Audit & Risk Committee is to advise and assist the Board to fulfil its responsibilities to Members on matters relating to the management of finance and risk. This includes oversight of RISSB's financial management and reporting, as well as the development of financial policies and delegations of authority. Importantly the Audit & Risk Committee has oversight of RISSB's risk management processes, including the monitoring of changes in circumstance which could increase risk or vary the impact of existing risks on RISSB's risk profile.

Remuneration and People Committee

The role of the Remuneration & People Committee is to advise and assist the Board to fulfil its responsibilities to Members on matters relating to the remuneration of the Chairperson, Independent Directors, Chief Executive Officer and RISSB staff. It also advises the Board on RISSB's human resource policies, succession planning and culture. In undertaking its responsibilities, the Committee seeks to ensure that RISSB's remuneration and incentive policies, human resource practices and performance indicators are aligned to the Board's vision, values and overall business objectives.

Governance Review

As outlined in the Chair's Overview, the Board conducts an annual review of its performance including both processes and procedures as part of our commitment to continuous improvement. Moreover, to supplement this the Board conducts an independent review every three years, engaging external consultants to undertake this task. The last independent review was conducted in mid 2016 which revealed a very significant improvement in the overall governance of the Board, its relationships and also in the supporting documentation which underpins its effectiveness. Many of the recommendations from the 2016 review have now been implemented including the adoption of policies on social media and complaints management. The Board has also introduced an annual calendar system which sets out the Board and Committee work program for the year.



RISSB's Strategic Plan 2017

The 2017 RISSB Strategic Plan was approved by the RISSB Board in June 2017 and builds upon the previous Strategic Plan that was adopted in 2015.

It is vital that RISSB continues to shape the industry and add value to its Members, Governments and Stakeholders. By consulting with a large cross section of the rail industry, via the Future Inquiry Workshop in March 2017, RISSB is confident that the new Strategic Plan will deliver on this commitment.

The Strategic Plan will be reviewed and updated every 2 years on a rolling basis to ensure it continues to satisfy its objectives.

Mission and Vision

RISSB's Mission is:

Working in partnership to create a safe, efficient and effective Rail Industry.

RISSB's Vision is:

To be the trusted leaders in the rail safety co-regulatory environment, providing products and services that enhance safety and efficiency.

Strategic Pillars

The six Strategic Pillars that have been developed, as a result of the Future Inquiry Workshop, will help RISSB to achieve its Mission and Vision, as well as the business objectives in the Constitution over the next five years. These Pillars are underpinned by detailed action plans and objective measurements.

Strategic Pillar 1

Industry Safety & Productivity

We will develop products and services that improve and promote:

- Harmonisation for economies of scale which lead to productivity gains; improved safety and performance; and reduced risk.
- Interoperability between networks and modes where required.

Strategic Pillar 2

Technology & Innovation

We will develop an agile and flexible framework with Industry to identify emerging technologies and systems, including automation, requiring RISSB products and services to support timely and safe implementation.

Strategic Pillar 3

Value-add

We will create value adding products and services that promote safety, productivity and harmonisation within the rail industry.

Strategic Pillar 4

Transparent & Collaborative Processes

We will communicate transparently to Members, Governments and other Stakeholders the processes for engagement in the strategic planning, product selection and development of our products and services.

Strategic Pillar 5

Stakeholder Engagement & Promotion

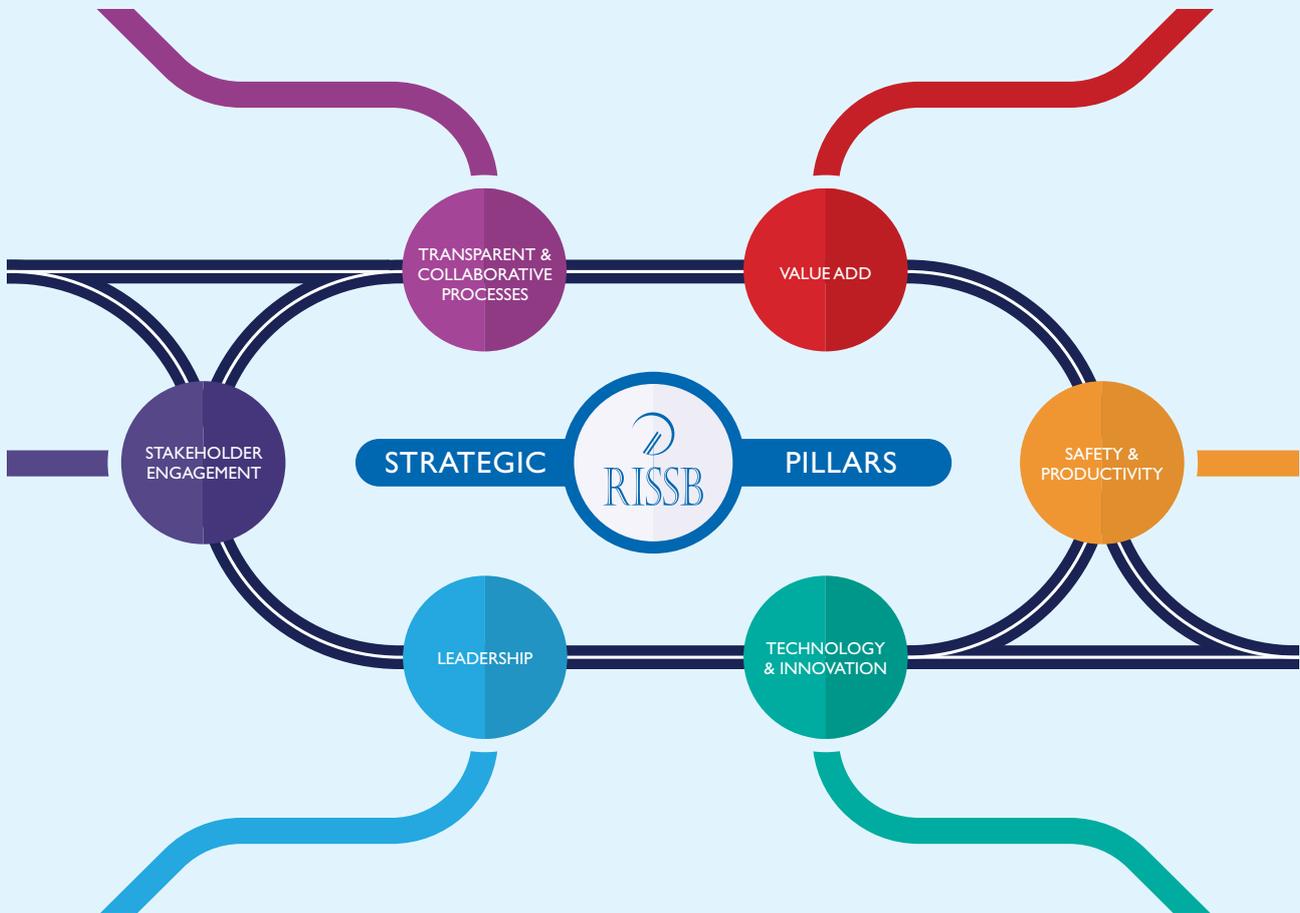
We will collaborate and engage with Members, Governments and other Stakeholders to strengthen relationships, build partnerships and ensure that the roles and responsibilities of RISSB are understood.

Strategic Pillar 6

Leadership

We will reinforce our leadership role in the co-regulatory model to improve safety and productivity within the Industry.

The Strategic Pillars:



Business Plan 2017-18

The RISSB Business Plan for financial year 2017-18 has been approved by the Board and is aligned to the action plans and objectives set out in the Strategic Plan.



Australian Rail Risk Model

ARRM

AUSTRALIAN RAIL RISK MODEL
A product of Rail Industry Safety and Standards Board

In last year's Annual Report, we proudly announced that RISSB had been able to work through the numerous complexities in getting the Australian Rail Risk Model (ARRM) project up and running. RISSB received a great deal of feedback from Industry on the proposed project and that information was taken into the specification for ARRM, as well as the design of the project to deliver it.

Throughout the year the ARRM project has been tracking on schedule and on budget. As mentioned already, we are proud to report that we will be launching ARRM at AusRAIL 2017. This was achieved with significant input from our industry partners and we would like to thank you for your support.

Information that ARRM will Provide

As was promised last year, ARRM will provide the rail industry with an objective, quantitative tool to help organisations understand the quantum of safety risk associated with their operations and where, across those operations, that risk arises. As was also promised, ARRM places no additional reporting burden on rail companies – a fundamental principle of the project from the outset. Instead, ARRM works by taking the occurrence data that all RTOs report to ONRSR (along with other pieces of information) as a basis for its clever analytics.

This tool will provide additional input to assist and enhance decision making in the rail industry. ARRM will provide a robust, consistent support to the risk based approach required by the Rail Safety National Law, and help industry in its duty to reduce safety risk 'So Far as is Reasonably Practicable'.

Co-regulation

As well as providing individual organisations with information, ARRM will provide the ONRSR with greater visibility of organisational risk profiles thereby ensuring that the industry and the Regulator are both guided by the same national safety risks, reinforcing

co-regulation. Hence, it will help to ensure that both Industry and the ONRSR are on the same page when it comes to risk management.

ARRM has been built by the industry, for the industry and plans are in place to effectively embed it within industry. Extensive training will be provided to help industry take-up, and start realising the benefits of ARRM straight away. The support structure has been designed to include the creation of a Risk Modeller role within RISSB to further assist industry in getting the maximum value from ARRM. A cross-industry user group will be established to provide input to ARRM's future development, which will ensure that as ARRM matures as a risk model it will do so in line with industry priorities, thereby increasing ARRM's value even further.

RISSB would like to thank the very large number of people from right across the country who have, voluntarily and collaboratively, come together to make a substantial contribution to the project. We simply couldn't have delivered this project without you.

The ARRM tool will be available via the RISSB website, with RISSB members granted full access to all features of the ARRM.



National Rules

Over the past year, RISSB has been further developing the original Australian Network Rules and Procedures (ANRP) into a National Rule Book. The aim is to provide industry with a National Operating Publications Framework (i.e. guidelines), starting with a nationally applicable set of rules by August 2018, with further supporting publications in 2019.

National Rules

The National Rules program consists of three phases:

Phase One

Development of the Operational Concept for the Australian Railway Network (Operational Concept);

In 2016–17, Phase One was completed on time and to budget.

Phase Two

Development of the National Operations Publications; and

Phase Three

Implementation of the National Operations Publications.

Phase One

Railway operations in Australia are based on principles developed by the collective experience of the Australian railway industry. Consideration in the development of these principles has been given to statutes and regulations, as well as the introduction of new technologies.

The primary aim of the principles is the safe and timely delivery of people and goods to their destination. The Operational Concept describes what is necessary to implement the principles and deliver this primary aim.

Fundamental Operating Principles

RISSB undertook five National Rules Forums throughout Australia at which 21 organisations were represented. The outputs from the forums were collated and consolidated to identify and agree on a set of Fundamental Operating Principles for the

Australian Railway Network. These principles will form the basis of the development of the National Rules.

The definition of a principle as being:

The fundamental objective that describes the foundation of a system for achieving a safe outcome.

The seven Fundamental Operating Principles, developed in consultation with the rail industry, are:

1. Rail traffic must maintain safe separation via an appropriate method of signalling.
2. Before rail traffic is allowed to start or continue moving, it must have an authority to move that clearly indicates the limit of that authority.
3. Rail traffic and other transport modes must be separated or the interface managed.
4. Rail traffic must be prevented from moving if the integrity of the infrastructure is suspected to be in an unsafe state.
5. Rail traffic must be prevented from moving if the integrity of the rail traffic is suspected to be in an unsafe state.
6. Rail traffic must only operate on compatible infrastructure.
7. Safe separation must be maintained between people and rail traffic.

The outputs delivered from Phase One of the project will now be used to inform the work being undertaken in Phase Two commencing in July 2017.



RISSB Members

As at 21 September 2017

Date Registered	Member Name	Class
01 Apr 2016	Alignment Safety Pty Ltd	Associate
18 Mar 2015	Arc Infrastructure Pty Ltd	3
18 Mar 2015	Aurizon Holdings Limited	1
18 Mar 2015	Australian Rail Track Corporation Ltd	1
13 Jan 2017	Australian Sugar Milling Council Pty Ltd	Associate
01 Jul 2016	Bambach Wires and Cables Pty Ltd	E
18 Mar 2015	BHP Billiton Iron Ore	A
06 Sep 2016	Calibre Transport Pty Ltd	E
10 Aug 2016	Centre for Railway Engineering – CQU	Associate
18 Mar 2015	CF Asia Pacific Group Pty Ltd	C
30 Jul 2015	Dehn + Söhne GmbH + Co.KG	D
18 Mar 2015	Department of Planning, Transport & Infrastructure	A
18 Mar 2015	Downer Rail Infrastructure	B
18 Mar 2015	Electro Motive Maintenance Operations Pty Ltd	C
04 Jul 2017	Elphinstone Pty Ltd	D
18 Mar 2015	Fortescue Metals Group Limited	A
18 Mar 2015	Genesee & Wyoming Australia Pty Ltd	2
23 May 2017	Industrious Design Pty Ltd	Associate
09 Jan 2017	Institute of Railway Technology – Monash	Associate
18 Mar 2015	KiwiRail	B
18 Mar 2015	Laing O'Rourke Australia Construction Pty Ltd	A
18 Mar 2015	LendLease Engineering Pty Ltd	C
12 Jul 2016	Manildra Flour Mills Pty Ltd	E
18 Mar 2015	Metro Trains Melbourne	1
16 Feb 2016	Metro Trains Sydney	E
14 Nov 2016	Opus International Consultants (Australia) PL	C
18 Mar 2015	Pacific National Pty Ltd	1
18 Mar 2015	Pilbara Iron Pty Ltd (Rio Tinto Iron Ore)	A
18 Mar 2015	Public Transport Authority of Western Australia	A
18 Mar 2015	Public Transport Victoria	A
18 Mar 2015	Queensland Rail Limited	1
25 Jul 2016	Rail Approved Pty Ltd	Associate
18 Mar 2015	Rail, Tram and Bus Union – National Office	D
28 Aug 2015	Roy Hill Infrastructure Pty Ltd	C
18 Mar 2015	SCT Logistics Pty Limited	B
01 Jul 2016	Skills Headquarters	Associate
11 May 2017	SMART Infrastructure Facility – UOW	Associate
12 Jul 2016	SNC-Lavalin Rail & Transit Pty Ltd	C
18 Mar 2015	Sydney Trains	1
10 Aug 2016	Tasmanian Railway Pty Limited	B
18 Mar 2015	Transport for New South Wales	1
18 Jan 2017	Transport Heritage NSW Limited	D
18 Mar 2015	UGL Limited	3
18 Mar 2015	V/Line Pty Limited	2
01 Jul 2016	VicTrack	D
10 Aug 2017	Zig Zag Railway Co-operative Ltd	Associate



Financial Report

For the year ended 30 June 2017

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RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

DIRECTORS' REPORT

Your Directors present their report on the operations of the company for the financial year ended 30 June 2017.

RISSB Ownership

Following the restructure of RISSB in 2015 the company is now owned by its funding members. At present there are 46 members of RISSB. A list of current members is included in the Annual Report.

Directors

The Directors in office at any time during or since the end of the financial year are:

Name	Date Appointed
Anthony Michael Drake (Chair until 21 November 2016)	Appointed 19 January 2010; Retired 21 November 2016;
Deborah Ann Spring (Chair from 21 November 2016)	Appointed 1 July 2015;
Neil Brian Backer	Appointed 22 August 2016; Resigned 16 March 2017;
Brian Todd Bentley	Appointed 23 November 2015;
David Harry George	Appointed 1 July 2015;
Timothy John Kuypers	Appointed 17 March 2015; Resigned 18 August 2016;
Timothy Francis Ryan	Appointed 28 November 2014;
Nabeel Sadaka	Appointed 7 August 2015;
Kate Angharad Bowman	Appointed 4 July 2017;

Objectives

The objectives of RISSB are set out in RISSB's Constitution which can be found on its website at www.rissb.com.au

These are to:

- (a) develop, manage and promote a suite of standards, rules, guidance materials and other documents, including the ACOP and ANRP, to assist the rail industry to manage rail safety, improve efficiency and achieve safety outcomes through standardisation, interoperability and harmonisation;
- (b) develop a risk model for the Australian rail operating environment that is based on data and other inputs that will help drive safety improvements by guiding prioritisation of standards development and regulatory activity; and for use by the rail industry participants in directing their approach to safety management;
- (c) provide independent technical advice; and
- (d) undertake initiatives to support the rail industry's role in the co-regulatory model for rail safety in Australia.

Strategy for achieving the objectives

RISSB's Strategic Plan, a summary of which appears earlier in this report is available on the RISSB website at www.rissb.com.au, and details the strategic objectives and tactics that will be pursued to deliver these objectives.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED

ABN 58 105 001 465

DIRECTORS' REPORT

In essence:

- RISSB draw's on subject matter experts within the Rail Industry and Governments to develop its products.
- Harmonisation, interoperability and safety are pursued through RISSB Development Groups and Standing Committees and the results (and products) are reported to the RISSB Board at its quarterly meetings.
- A project to develop the Risk Model in collaboration with the Office of the National Rail Safety Regulator is nearing completion and will be delivered later this year.
- Independent technical advice is provided through existing resources, but is limited at present to resolution of matters of conflict between rail operators and managers where there is a matter of application of standards involved.

Information on Directors

Anthony Drake	During 31 years with Queensland Rail (QR), Tony Drake's career covered engineering, project management and general management of large resource groups. A member of QR's senior executive team for 16 years he participated in guiding the many changes that moulded QR into a pre- eminent position in transport and infrastructure management in Australia. He retired as QR's Chief Operating Officer in 2006. His rail contribution was recognised with an Australasian Railways Association Career Award for Excellence in 2007. Qualifications: BE (Civil), MIE(Aust), GAICD, FCLIT. Tony retired as Chair of RISSB in November 2016.
Deborah Spring	Debbie Spring has broad experience gained as a senior executive in businesses operating in Australia and overseas.. These include energy, manufacturing, rail, and general logistics. Debbie's expertise is in implementing major business transformation programs in large, complex, capital intensive, highly regulated and unionised industries. She has extensive Board experience in environment, education and logistics including memberships of sub-committees responsible for finance, audit and risk, remuneration and culture and operations. Debbie's Board positions have included Ambulance Victoria, Federation University of Australia, Mount Hotham Resort Management Board, the Donric Group and V/Line Corporation. Debbie has a Bachelor of Science in Mechanical Engineering from Union College, a Master of Science in Mechanical Engineering from Rensselaer Polytechnic Institute and a Master in Business Administration from Harvard Business School. She is a licensed professional engineer and a GAICD. Debbie was appointed Chair of RISSB in November 2016.
Neil Backer	Neil Backer has 35 years strategic and operational experience in the Australian rail industry. Over his extensive career with Aurizon and Queensland Rail he has held a range of senior leadership roles across the freight and passenger businesses including as Group General Manager of Regional Freight and Group Business Operations Manager of Passenger Services. In his role as VP Safety Health & Environment, Neil led Aurizon's journey towards world-class Safety Health & Environment performance. Neil has expert knowledge of the national transport and logistics industry and has represented Aurizon on the Chartered Institute of Logistics

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED

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DIRECTORS' REPORT

	and Transport Australia (CILTA). Qualifications: CSEP, Grad Dip (Freight Transport Systems Management). Neil Backer resigned as a RISSB Director in March 2017.
Todd Bentley	Todd Bentley is the Director of Safety, Environment and Risk at Metro Trains Melbourne. Todd has had the opportunity to support the design of nuclear power plant control centres, develop human systems integration process for Australian defense, led human factors guidance during revision of Naval combat systems, and has also been an academic in the area of ergonomics and human factors. He retains an appointment as an Adjunct Associate Professor at La Trobe University. He has over 10 years' experience working in human factors, safety investigations, and risk management in the Australian rail industry.
David George	David George has extensive experience in the rail industry having held executive positions in the UK, Australian and New Zealand railways. He was Chief Executive of the Co-operative Research Centre (CRC) for Rail Innovation (2007-2014), Vice Chair, International Railway Research Board (2007-2013) and Chief Executive of ONTRACK /New Zealand Rail Corporation (2004 – 2007). Prior to this he headed up Queensland Rail's coal and freight businesses (1998 – 2004) and was previously Director of European Business (freight) for British Rail in the run-up to the opening of the Channel Tunnel. David was an independent Director of TasRail (including Chair of the Board Safety Committee) from 2011 to 2017 and a former member of the Queensland Rail Board (including Chair of the Board People and Safety Committee). David is Managing Director of D George Advisory Services, having worked on assignments which include a World Bank funded consultancy providing advice to Indian Railways on the heavy haul capabilities needed to run the new Dedicated Freight Corridors being built in India. David is a FAICD and has an MA in Metallurgy and Science of Materials from Oxford University.
Timothy Kuypers	Tim Kuypers has over twenty years' experience as a regulatory professional in UK, Europe and Australia. Tim was an executive at Asciano, former owner of Pacific National and Patrick stevedores. Tim's previous roles have included senior positions at Telstra, Cable & Wireless and Oftel. Tim was a Director and Chair of the Public Finance Committee for TrackSAFE, a charity which aims to reduce death on the railways through suicide and trespass and support train drivers suffering traumatic incidents. He was also an independent member on Metro Trains Melbourne's Board Safety Committee and a Director of TROG Cancer Research. Tim has a PhD in Economics from University College London, a Diploma in Accounting and Finance from the ACCA and is a GAICD. Tim Kuypers resigned as a RISSB Director in August 2016.
Timothy Ryan	After a 13 year career with the WA Farmers Federation, including 4 years as it's Executive Director, Tim Ryan joined the then Westrail in 1992. Tim was initially responsible for the transfer of the interstate business to National Rail Corporation including developing and executing the first commercial access agreement in Australia. He spent three years as Westrail's General Manager Freight Operations responsible for train operations, safeworking, and infrastructure maintenance and train control. Tim commenced employment with Australian Rail Track Corporation (ARTC) as General

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED**ABN 58 105 001 465****DIRECTORS' REPORT**

	<p>Manager Asset Management in February 2005 and has held the positions of General Manager North/South Corridor, General Manager Hunter Valley and Executive General Manager Interstate Network responsible for operations and infrastructure on the ARTC interstate network. In August 2014 he was appointed as Executive General Manager Enterprise Services responsible for Regulatory and Network Services; and Systems and Technology.</p>
Nabeel Sadaka	<p>Nabeel Sadaka is a civil engineer with a broad range of industry experience. With a strong multidisciplinary background in civil infrastructure, mine infrastructure, marine, wind energy, wireless telecommunications and rail, Nabeel is now leading Downer Australia's Rail Infrastructure Division as well as Downer's growing subsidiary company VEC Civil Engineering which specialises in narrow gauge rail maintenance in Tasmania and bridge and marine structures across Australia.</p>
Kate Bowman	<p>Kate has 15 years broad experience in in-house and private practice roles, advising on all aspects of commercial, corporate, OHS and competition law and working in regulated industries, including rail and ports. Kate was appointed General Counsel and Company Secretary at Pacific National, upon the Implementation of the Asciano take-private. Kate has management accountabilities for legal, company secretariat, internal audit and risk, and access and regulation. Kate was formerly the Deputy General Counsel, Pacific National and prior to that at Patrick. Kate began her career at Clayton Utz. Kate holds a L.L.B. (Hons) and a B. Economics (Social Science) from the University of Sydney.</p>

Meetings of Directors held during the Financial Year

	Number eligible to attend	Number attended
Deborah Spring	5	5
Anthony Drake	2	2
Neil Backer	2	2
Todd Bentley	5	4
David George	5	5
Timothy Kuypers	0	0
Timothy Ryan	5	5
Nabeel Sadaka	5	3

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED

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DIRECTORS' REPORT

Meetings of Committees held during the Financial Year

Director	Audit & Risk		Remuneration & People	
	Meetings Eligible to Attend	Attended	Meetings Eligible to Attend	Attended
Deborah Spring	-	-	3	3
Anthony Drake	-	-	1	1
Neil Backer	-	-	1	1
Todd Bentley	-	-	3	3
David George	5	5	1	1
Timothy Ryan	5	5	-	-
Nabeel Sadaka	5	4	-	-

Contributions on winding up

In the event of the company being wound up, members (serving and within one year of ceasing to be a member) are required to contribute a maximum of \$10 each.

The total amount that members of the company are liable to contribute if the company is wound up based on 46 current members is \$460.

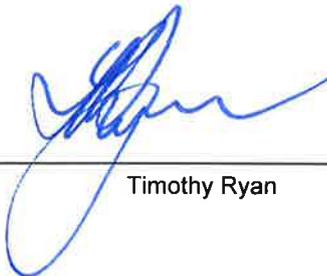
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed by two directors in accordance with a resolution of the Board of Directors:



Deborah Spring



Timothy Ryan

Dated: 21/9/2017

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



Ross Di Bartolo
PKF Di Bartolo Diamond & Mihailaros

Partner

Dated: 21 September 2017

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Revenue from ordinary activities	3(a)	4,802,703	4,198,644
Depreciation and amortisation expenses	3(b)	(54,003)	(25,765)
Employee benefits expenses	3(b)	(1,520,148)	(1,629,591)
Other expenses from ordinary activities	3(b)	(2,356,117)	(1,897,030)
Profit from ordinary activities		872,435	646,258
Other comprehensive income		-	-
Net gain on revaluation of non-current assets		-	-
Net loss/gain on revaluation of financial assets		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		872,435	646,258
Profit attributable to members of the entity		872,435	646,258
Total comprehensive income attributable to members of the entity		872,435	646,258

The accompanying notes form part of these financial statements.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,959,188	2,206,006
Trade & other receivables	5	531,850	790,850
Other assets	6	73,252	52,584
TOTAL CURRENT ASSETS		3,564,290	3,049,440
NON-CURRENT ASSETS			
Property, plant and equipment	7	13,763	24,774
Intangible assets	8	-	39,883
TOTAL NON-CURRENT ASSETS		13,763	64,657
TOTAL ASSETS		3,578,053	3,114,097
CURRENT LIABILITIES			
Trade & other payables	9	449,909	296,445
Other liabilities	10	940,373	1,500,000
Employee provisions	11	100,791	103,107
TOTAL CURRENT LIABILITIES		1,491,073	1,899,552
NON-CURRENT LIABILITIES			
Employee Provisions	11	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,491,073	1,899,552
NET ASSETS		2,086,980	1,214,545
EQUITY			
Retained profits		2,086,980	1,214,545
TOTAL EQUITY		2,086,980	1,214,545

The accompanying notes form part of these financial statements.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2015	568,287	568,287
Net Surplus/(Loss) for the year	646,258	646,258
Balance at 30 June 2016	<u>1,214,545</u>	<u>1,214,545</u>
Balance at 1 July 2016	1,214,545	1,214,545
Net Surplus/(Loss) for the year	<u>872,435</u>	<u>872,435</u>
Balance at 30 June 2017	<u>2,086,980</u>	<u>2,086,980</u>

The accompanying notes form part of these financial statements.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,449,502	3,848,820
Payments to suppliers and employees		(3,745,785)	(3,527,079)
Interest received		52,574	19,524
Net cash provided by/(used in) operating activities	17(b)	<u>756,291</u>	<u>341,265</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts from sale of property, plant & equipment		-	-
Payment for property, plant and equipment		(3,109)	(17,266)
Payment for intangibles		-	-
Net cash used in investing activities		<u>(3,109)</u>	<u>(17,266)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan funds from Australasian Railway Association		-	-
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		753,182	323,999
Cash at beginning of financial year		<u>2,206,006</u>	1,882,007
Cash at end of financial year	17(a)	<u><u>2,959,188</u></u>	<u><u>2,206,006</u></u>

The accompanying notes form part of these financial statements.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Rail Industry Safety and Standards Board (RISSB) Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is limited by guarantee, incorporated and domiciled in Australia for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

No provision for income tax has been raised as the company has self-assessed itself to be exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(c) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

(d) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Office Equipment	10 – 40 %	Straight Line
Office Furniture & Fittings	20%	Straight Line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Goods and Services Tax (GST)

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

(f) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(g) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company.

(h) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the statement of financial position date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Intangibles

Licence costs associated with access to the UK Safety Performance guidelines have been specifically classified as an intangible and recorded at cost. Licence fees are amortised over a 5 year period and carried at cost less accumulated amortisation and any impairment loss.

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2017 **2016**
\$ **\$**

NOTE 2: ECONOMIC DEPENDENCE

Economic dependence exists where the normal trading activities of a company depends upon a significant volume of business. The Rail Industry Safety and Standards Board (RISSB) Limited is dependent on funding received from rail industry participants to carry out its normal activities

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit (losses) from ordinary activities has been determined after:

(a) Revenue

Funding & grant income	3,103,148	924,399
Secretariat support	1,500,000	3,000,000
Interest income	52,574	19,524
Project income	146,981	238,388
Other income	-	16,333
Total Income	4,802,703	4,198,644

(b) Expenses

Administration charges	78,258	162,383
Advertising & Marketing	26,006	36,364
Board Expenses	170,129	130,376
Consultancy & project costs	1,820,845	1,319,721
Depreciation & amortisation	54,003	25,765
Salaries & employment costs	1,392,807	1,501,327
Superannuation	127,341	128,264
Website costs	72,525	25,641
Other expenses	188,354	222,546
Total Expenses	3,930,268	3,552,386

NOTE 4: CASH & CASH EQUIVALENTS

Cash at bank	2,959,188	2,206,006
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NOTE 5: TRADE & OTHER RECEIVABLES

Trade debtors	531,850	790,850
Less: Provision for doubtful debts	-	-
Trade & other receivables	531,850	790,850

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2017 **2016**
\$ **\$**

NOTE 5: TRADE & OTHER RECEIVABLES (CONTINUED)

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

(ii) Credit Risk — Trade & Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. Total receivables have been received in full subsequent to 30 June 2017.

NOTE 6: OTHER ASSETS

CURRENT

Accrued revenue	5,970	3,961
Prepayments	67,282	48,623
	73,252	52,584

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Office equipment - at cost	79,048	92,458
Less accumulated depreciation	<u>(66,879)</u>	<u>(70,183)</u>
	12,169	22,275
Office furniture & fittings - at cost	17,140	17,140
Less accumulated depreciation	<u>(15,546)</u>	<u>(14,641)</u>
	1,594	2,499
Total property, plant and equipment	<u>13,763</u>	<u>24,774</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Office equipment	Office furniture & fittings	Total
	\$	\$	\$
2017			
Balance at the beginning of the year	22,275	2,499	24,774
Additions	3,109	-	3,109
Disposals	-	-	-
Depreciation expense	<u>(13,215)</u>	<u>(905)</u>	<u>(14,120)</u>
Carrying amount at end of year	<u>12,169</u>	<u>1,594</u>	<u>13,763</u>

NOTE 8: INTANGIBLE ASSETS

Licenses - at cost		58,651
Less accumulated amortisation		<u>(18,768)</u>
		<u>39,883</u>

NOTE 9: TRADE & OTHER PAYABLES

CURRENT		
Trade creditors and accruals		145,000
Sundry creditors		<u>151,445</u>
		<u>449,909</u>

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 10: OTHER LIABILITIES		
CURRENT		
Income in advance	940,373	1,500,000
NOTE 11: EMPLOYEE PROVISIONS		
CURRENT		
Provision for annual leave	100,791	103,107
Provision for redundancy	-	-
Provision for long service leave	-	-
	100,791	103,107
NON-CURRENT		
Provision for long service leave (Non-Current)	-	-
Movement in Employee Provisions		
Opening balance at beginning of year	103,107	295,540
Additional provisions raised during year	107,256	137,589
Amounts used	(109,572)	(330,022)
	100,791	103,107
NOTE 12: COMMITMENTS & CONTIGENCIES		
Commitments		
There are no known commitments at the date of this report that should be brought to account.		
Contingencies		
Rail Industry Safety and Standards Board (RISSB) Limited considers itself to be exempt from income tax under Section 50-10 of the Income Tax Assessment Act (1997).		
NOTE 13: AFTER BALANCE DATE EVENTS		
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.		
NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-Term Benefits (including termination payment)	232,007	356,581
Other Long-Term Benefits	-	-
Total Key Management Personnel Compensation	232,007	356,581

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2017
\$

2016
\$

NOTE 15: RELATED PARTY TRANSACTIONS

The names of directors who have held office during the financial year are:

Anthony Michael Drake - Appointed 19 January 2010; Retired 21 November 2016;

Deborah Ann Spring (Chairman) - Appointed 1 July 2015;

Neil Brian Backer - Appointed 22 August 2016; Resigned 16 March 2017;

Brian Todd Bentley - Appointed 23 November 2015;

David Harry George - Appointed 1 July 2015;

Timothy John Kuypers - Appointed 17 March 2015; Resigned 18 August 2016;

Timothy Francis Ryan - Appointed 28 November 2014;

Nabeel Sadaka - Appointed 7 August 2015;

The Rail Industry Safety and Standards Board (RISSB) Limited made following payments during the financial year to the directors and a Company associated with the director, for services they provided as directors and for expenses incurred in performing their duties:

- Anthony Drake (T D Resources Pty Limited): \$ 20,027 (including GST)
- Deborah Ann Spring: \$ 45,529 (including GST)
- David George: \$ 30,177 (including GST)

NOTE 16: SEGMENT REPORTING

The Company operates in the Rail Services Segment.

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	2,959,188	2,206,006
	2,959,188	2,206,006

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit/(Loss) from ordinary activities after income tax	872,435	646,258
Non-cash flows in profit from ordinary activities		
Depreciation	54,003	25,765
Loss on sale of assets	-	291
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade & other receivables	259,000	(330,300)
(Increase)/decrease in other assets	(20,669)	130,121
Increase/(decrease) in trade & other payables	(406,162)	61,563
Increase/(decrease) in provisions	(2,316)	(192,433)
Cash flows from operations	756,291	341,265

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2017 **2016**
\$ **\$**

NOTE 18: FINANCIAL RISK MANAGEMENT

(i) Financial Risk Management Policies

The company's financial instruments consist mainly of cash and deposits at bank, trade debtors and trade creditors. The Board of Directors meet on a regular basis to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The total of each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are detailed below:

Financial Assets	Note		
Cash and cash equivalents	4	2,959,188	2,206,006
Trade and other receivables	5	531,850	790,850
		3,491,038	2,996,856
Financial Liabilities			
Trade and other payables	9	449,909	296,445
		449,909	296,445

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Rail Industry Safety and Standards Board (RISSB) Limited
Suite 4, Level 4, Plaza Offices (East)
Terminal Complex, CANBERRA AIRPORT ACT 2609

Date of Incorporation: 16 June 2003

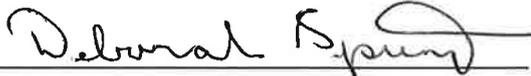
DIRECTORS' DECLARATION

The directors of the company declare that:

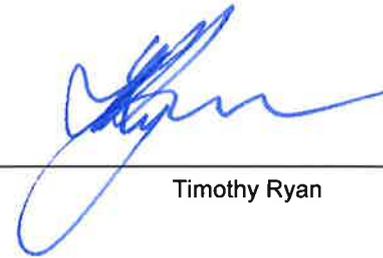
1. The financial statements and notes, as set out on pages 9 to 21 are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2017 and of its performance for the financial year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director


Deborah Spring

Director


Timothy Ryan

Dated:

24/9/2017

**RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Rail Industry Safety and Standards Board (RISSB) Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the financial statements giving a true and fair view of the financial position and performance of the Company.

In our opinion, the financial report of the Rail Industry Safety and Standards Board (RISSB) Limited is in accordance with the Corporations Act 2001, including:

- i. gives a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and the requirements of the Corporations Act 2001. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the requirements of the Australian professional ethical pronouncements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board's Responsibility for the Financial Report

The board of the Company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board intends to wind up the Company or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED**

Auditor's Responsibility for the Audit of the Financial Report

Our 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 these financial reports.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 the basis of our opinion. The risk of not identifying a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial report.
- Conclude on the appropriateness of the Board'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant audit deficiencies in internal control that we identify during our audit.

PKF – Di Bartolo Diamond & Mihailaros
Level 7, 28 University Avenue
Canberra City ACT 2601



Ross Qi Bartolo

Partner

Dated 21 September 2017

**DISCLAIMER TO THE MEMBERS OF
RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED**

The additional financial data presented on the following is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Rail Industry Safety and Standards Board (RISSB) Limited) in respect of such data, including any errors of omissions therein however caused.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo
Partner

Dated: 21 September 2017

RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED
ABN 58 105 001 465

DETAILED PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
INCOME		
Funding Income	3,103,148	924,399
Interest	52,574	19,524
Project Income	146,981	238,388
Secretariat Support	1,500,000	3,000,000
Other income	-	16,333
TOTAL INCOME	4,802,703	4,198,644
LESS EXPENSES		
Accounting & Audit Fees	24,457	24,000
Administration & Consulting Fees	78,258	162,383
Advertising & Marketing	26,006	36,364
Annual Leave Expense	(2,316)	20,743
Board Expenses	170,129	130,376
Depreciation & amortisation	54,003	25,765
IT Services	84,400	9,228
Legal and Professional Fees	10,573	43,705
Project Costs	1,600,306	1,146,032
Repairs & Maintenance	3,219	19,663
Salaries & Employment Costs	1,395,123	1,480,584
Staff Training	8,604	20,759
Sundry Expenses	277,640	278,879
Superannuation	127,341	128,264
Website Costs	72,525	25,641
TOTAL EXPENSES	3,930,268	3,552,386
OPERATING SURPLUS/(LOSS)	872,435	646,258

