



2018 – 2019

Annual Report



This report covers RISSB's overall performance for 2018–19.

This and earlier Annual Reports are on our website at www.rissb.com.au/about/our-publications-and-reports

We welcome feedback to help us improve our reporting. Comments can be directed to info@rissb.com.au.

Copyright © RISSB 2019

Photo courtesy of Sydney Trains

Table of Contents

Executive Chair and Chief Executive Officer's Report.....	05
Governance.....	11
RISSB's Strategic Plan 2017–2022.....	16
Review of RISSB's Strategic Plan.....	18
Products and Services.....	21
Training and Events.....	24
RISSB Members.....	27
Financial Report.....	29



Executive Chair and Chief Executive Officer's Report

2018–2019 was a tremendous year for RISSB, with a solid number of publications developed, and the launch of several new initiatives designed to meet our Members' changing needs. It was a year of great progress as RISSB took on more challenges and helped its Members improve their safety outcomes and manage their risks. RISSB is best known for its Australian Standards, our flagship product. But in addition to these, we also develop Codes of Practice, Guidelines and a variety of other standards-type documents to respond to differing market needs.

The RISSB product development process has been the catalyst for rail industry stakeholders to come together and work to develop national products that improve rail's competitiveness in the Australian transport market. RISSB plays a significant and important part in assisting the Australian rail industry to pursue a goal of a harmonised and interoperable rail industry and its role cannot be underestimated.

Product Development

Once again, it was a productive year for RISSB. Of the products that were approved for development, some were resubmitted from the 2017 online priority planning forum (PPF) with the remainder of the submissions put forward for consideration during the 2018 PPF.

Throughout the 2018–2019 financial year, RISSB delivered a total of 23 products – a solid achievement by any measure. Although this level of output is high, we fell short of our projected target due to the transition of Standards Development Managers.

Products completed in 2018–2019 include:

- Configuration Management for Railway Contractors Guideline
- Digital Engineering Code of Practice
- National Standard for Health Assessment of Rail Safety Workers – Technical Note for AHPs on Category 3 Assessments
- AS 7457 Management of SPADs and Proceed Authority Exceeded Events
- AS 7643 Track Stability
- AS 7528 Interior Communications
- AS 7471 Australian Rail PPE.

More than 30 ideas for new products were received during PPF 2019. This result is a very strong indicator of the demand for, and overall interest in, our products. The PPF process is vitally important to RISSB as it ensures that we can properly reflect the interest of our stakeholders in the development of new products.

This year RISSB continued to build trust in its brand by passing through a Standards Australia audit to maintain its accreditation as the standards development organisation for the rail industry. The maintenance of our accreditation allows RISSB to continue to provide professional and timely products for an industry experiencing significant growth.

Membership

As a member-focused organisation, we are deeply committed to continuous improvement in the level of support we provide to our Members.

Over the last four years RISSB has been working hard to better understand the needs of its Members, and has reviewed and amended its processes and structure to be more responsive. This year RISSB commissioned its first independent survey of the rail industry. Undertaken by MCM Strategic Communications, the survey touched base with more than 80 stakeholders, both face-to-face and online. The survey results will greatly assist RISSB in ensuring its operations and activities provide the greatest benefit to the Australian rail industry.

At the end of June 2019, RISSB's community comprised 52 Members made up of 39 Full Members and 13 Associate Members. RISSB's membership continues to reflect all sectors of the rail industry with 13 passenger operators, 9 freight operators, 7 network managers/owners and 23 suppliers and contractors. A list of current Members is provided later in this report.

Further initiatives are underway to grow the Membership base over the coming year.

Financial Results


RISSB recorded a modest surplus of \$194,760 in FY 2018–19 adding to our previous retained earnings. This provides a strong base to ensure RISSB remains financially sound and able to deliver on our program in the coming years. RISSB's current assets exceeded current liabilities by \$3,794,444 at 30 June 2019 which is an improvement in overall short term liquidity when compared with the prior year. The overall net asset position and net equity position is \$3,796,908 which also improved compared to the previous year where the company reported a net asset position of \$3,602,148. The full details on RISSB's financial performance over the last year are set out in the financial statements at the back of the report.

Engagement

When I consider our communications efforts, I believe that our approach is becoming more sophisticated evolving towards more targeted, comprehensive and sustainable forms of engagement that allow for better interactions. Sites visits to Members, the introduction of quarterly Chair and industry networking breakfasts, and the appointment of a Strategic Relations Manager have all helped RISSB listen to and learn from its Members. Our future success relies on maintaining and strengthening our relationships.

This year, we made great advances in our digital communications evolution. We changed the format and frequency of our flagship newsletter to improve communication with our Members and launched our new website in May. The new website allows users to self-manage their account and services from their smartphone or tablet and was redesigned to make it even easier and more intuitive for site visitors to book training or manage product downloads.

We expanded our professional education, training and events program during 2018–2019 adding Safety Critical Communications and Fundamentals of Risk Management to a course curriculum that already



*2019 was a year of great progress for RISSB.
We took on more challenges and helped our
Members improve their safety outcomes and
manage their risks.*

included a reinvigorated Derailment Investigation and Analysis Workshop and the Rail Safety Investigation Course and employed a dedicated Events Coordinator and Training Development Manager to look after the new training and events calendar.

Rail is experiencing widespread change, driven by wide-ranging and varied influences including widening digitalisation of the processes behind many of the key systems behind rail operations and the loss of industry and technical knowledge with the retirement of mature industry rail workers. Technology and innovation is important for the future of the rail industry and is a key pillar in RISSB's Strategic Plan 2017–2022.

During the year, RISSB proudly held its first Technology and Innovation Conference. Held in Sydney mid-June 2019, attendees from industry, academia and government gathered from across Australia to foster greater collaboration and hear about the application of artificial intelligence, machine learning and robotics in rail. With the launch of the Rail Cyber Security Standard in July 2018, publication of the Australian Rail Network Cyber Security Strategy in October 2018 and the staging of RISSB's second Rail Cyber Security Conference in 2018, RISSB will continue to lead the conversation on good practice in rail cyber security.

Fostering the next generation of technical professionals and innovators are key success factors for our industry, so last year RISSB launched its Horizons Program, a new engagement initiative for rail professionals aged 35 and under. The program has been very well received, attracting close to 50 nominations in its inaugural year and the participation of major industry stakeholders including CEOs, government and significant industry executives.

It is important that we maintain clear, transparent and timely communications with our stakeholders (including Members, governments and regulators) to ensure we understand their views and maintain good relationships with them. We proactively maintain relationships with relevant regulatory stakeholders

and policy makers, and industry in an effort to keep abreast of policy and regulatory changes. We attend the Transport and Infrastructure Senior Officials Committee and the Transport and Infrastructure Council meetings and form part of the Office of the National Rail Safety Regulator's CEO Reference Group. Earlier this year, we were delighted to host the Queensland Director-General of the Department of Transport and Main Roads, Neil Scales, at our inaugural CEOs lunch and Richard Sellers, Western Australia's Director-General of the Department of Transport at our first Chair and Industry Networking Breakfast for 2019.

We continued to provide secretariat services for committees and industry groups. Such groups include technical product Development Groups (comprising subject matter experts who contribute technical content to RISSB products), Advisory Groups (provide specialist advice) and Standing Committees (overseeing the development and management of RISSB products).

Strategic Plan

In February 2019, the Board initiated its biennial review of RISSB's Strategic Plan 2017–2022 and determined that for the most part, the plan still reflected the key objectives of the business.

The review is continuing and the results to date are set out on page 18 of this report.

Acknowledgements

Having first been appointed as Chair of RISSB in 2016, I was very proud to be re-elected as Chair at the AGM on 26 November 2018. The AGM also saw the re-election of David George and the endorsement of Tim Kuypers as Independent Directors and again it was very pleasing to have such strong support from our Members for RISSB's Board.

During the year Todd Bentley and Nabeel Sadaka stepped down as Industry Directors of RISSB after both serving on the Board for over three years. I would like to extend my sincere thanks to Todd and Nabeel for their dedication and commitment to RISSB. Todd also served as Chair of the Remuneration & People Committee and his efforts in steering the Committee during a period of significant change were much appreciated.

Earlier this year the RISSB Board welcomed Mark Carling from SNC-Lavalin Rail and Transit as the new Industry Director – Suppliers and Contractors and Scott Cornish from Queensland Rail as the new Industry Director for Passenger Operations. Both Mark and Scott are enthusiastic supporters of RISSB and I look forward to their contributions to the Board.

I would like to thank all RISSB Board Members for their contributions and service over the past year. It's been a very active time for RISSB requiring additional efforts from all Members which has been much appreciated.

We also acknowledge the very 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. The success of our programs is dependent on them.

Conclusion

I have taken on the position of Executive Chair and Chief Executive Officer while a new RISSB CEO is recruited. During my time at RISSB's Brisbane office, I have come to greatly appreciate the work, expertise and dedication of the staff of the business and the contribution they make to the development of products that benefit so many. RISSB's brand recognition is built on the initiative and collective energy of a small cohesive team and the tireless commitment of technical experts who donate their time and knowledge.

Finally, I would like to pay tribute to my predecessor, Mr Paul Daly, who left RISSB after three years at the helm. His sound and steady leadership helped to ensure RISSB maintained the trust and respect of stakeholders and remained at the forefront of everyone's mind.

I'm pleased by what we've achieved and I'm encouraged by RISSB's potential to achieve even more in the coming year.

Deborah Spring
Executive Chair and Chief Executive Officer

RISSB's Achievements 2018 - 2019



Delivered

23

Standards, Guidelines and Codes of Practice for the benefit of the rail industry



Introduced two new training courses
– **Safety Critical Communications and Fundamentals of Risk Management**

Facilitated development of the Australian Rail Network Cyber Security Strategy



Increased networking opportunities with the addition of Chair and industry networking breakfasts to the events calendar



Developed a new, user-focused website

ARRM

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

Increased number of ARRM users - the system now has 265 registered users across 34 companies



Continued to progress transformation of the Australian Network Rules and Procedures (RISSB's National Rules project)



Horizons

Launched the Horizons Program - engaging young professionals in the technical future of the rail industry



Ran its first Technology and Innovation Conference

Ran the inaugural Sharing Investigations Forum

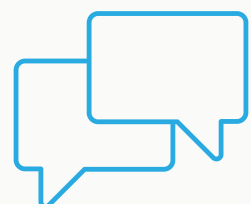




Photo courtesy of Aurizon

Governance

The RISSB Board is committed to responsible and effective governance and has overseen an extensive program 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 comprises an Independent Chair, two Independent Directors, and four Industry Directors who represent the four sectors of the rail industry. The Independent Chair and Independent Directors are nominated by the Board and endorsed by Members at the Annual General Meeting (AGM). The Industry Directors are nominated by Members from their sector and elected by all Members at the AGM. All Directors serve a three-year term and may be re-elected for a second or third term. The current Directors are listed on page 12.

To reflect the national focus of RISSB's activities the Board has sought to encourage, to the extent possible, nominations from across Australia thereby ensuring the interests of all Members and stakeholders are adequately represented. As a consequence, RISSB currently has Directors based in Melbourne, Sydney, Brisbane and Perth.

Information on the skills and experience of each Director is provided on page 31 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 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 or railway related organisations, must take great care to ensure they satisfy this duty notwithstanding the requirements of their employment. Industry Directors represent and 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.

On appointment, all new Directors receive an information pack outlining their fiduciary duties and responsibilities including an overview of RISSB, its structure and operations. New Directors attend a formal induction meeting with the Chair and Chief Executive Officer which is documented in an exchange of letters signed by the Chair and the new Director.

Board of Directors



Ms Deborah Spring

Independent Chair

Member – Remuneration & People Committee



Mr David George

Independent Director

Member – Audit & Risk Committee



Dr Tim Kuypers

Independent Director

Chair – Audit & Risk Committee



Ms Kate Bowman

**Industry Director,
Freight Operations**

Chair – Remuneration & People Committee
Pacific National Pty Ltd



Mr Scott Cornish

**Industry Director,
Passenger Operations**

Member – Audit & Risk Committee
Queensland Rail Ltd



Mr Paul Lowney

**Industry Director,
Network Managers/Owners**

Member – Remuneration & People Committee
Arc Infrastructure Pty Ltd



Mr Mark Carling

**Industry Director, Suppliers
and Contractors**

Member – Remuneration & People Committee
SNC-Lavalin Rail & Transit Pty Ltd



Dr Todd Bentley

**Industry Director Passenger
Operations – until 12 February 2019**

Chair – Remuneration & People Committee – until 12 February 2019



Mr Nabeel Sadaka

**Industry Director Suppliers and
Contractors – until 4 December 2018**

Member – Audit & Risk Committee – until 4 December 2018

Operation of the Board

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

The Board has adopted a Board manual detailing its functions and responsibilities in the RISSB context, which it reviews annually. Matters specifically reserved to the Board are set out in the manual. The Board also regularly reviews RISSB's policies and delegations of authority which cover the full scope of RISSB's operations to ensure they continue to reflect best practice.

The Board has a program of five 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 special meetings and out of session to address specific issues that may arise between scheduled Board meetings. There were ten meetings of the Board during the 2018–19 financial year and the details of Directors attendance at those meetings is set out on page 34. Details on Directors attendance at Committee meetings is also included.

Each Board meeting agenda includes any statutory matters, governance and management reports, which include operational and strategic risks, major projects and operational reviews. At each meeting the Board also considers the approval of RISSB products for publication which is the final step in the development process. Importantly, Directors also meet in-camera without management at the beginning of all Board meetings to consider governance and other issues.

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. The Chair of each of these Committees reports to the Board on the work of the Committee at each Board meeting.

Audit & 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 & 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 and represent sound industry practice.

Risk Management

Risk management is a key aspect of RISSB's governance arrangements. RISSB has a risk management policy, framework and risk register which include formal processes to update the Board

through the Audit & Risk Committee. This policy, framework and management program are used throughout the organisation. The goal of RISSB's risk management processes and structures is to maximise opportunities to achieve RISSB's objectives and goals without exposing the organisation to unnecessary risk. In addition, the Board considers strategic and major operational risks as part of its regular meeting agenda.

Chief Executive Officer (CEO)

The CEO is appointed by the Board and is responsible for the management of RISSB in accordance with the approved strategy, business plans, policies, and delegated authority framework. The CEO and the Chair negotiate a performance agreement annually which sets out the KPIs and other outcomes the CEO is expected to achieve with regular performance reviews throughout the year. As part of their role the CEO is responsible for ensuring that the Board receives in a timely manner the strategic options, policy initiatives, and financial and company performance information necessary for the Board to fulfil its role on behalf of RISSB Members.

The CEO attends all Board and Committee meetings but is not a Director and is not entitled to vote. Following the resignation of the CEO in May 2019 the Board has looked to strengthen RISSB's management capabilities by initiating a comprehensive recruitment process for the new CEO who is expected to commence in late 2019.

Company Secretary

All Directors have access to the Company Secretary who is appointed by the Board. The Company Secretary is accountable to the Board, through the Chair, on all RISSB governance matters. The Company Secretary attends all Board and Committee meetings.

The Board may invite other Members of the management team and guests to attend Board or Committee meetings at its discretion.

Governance Review

The Board conducts an annual review of its performance which extends to its Committees and individual Directors as part of RISSB's commitment to continuous improvement. Moreover, to supplement this the Board schedules an independent review every three years, engaging external consultants to undertake this important task. The next independent review has been scheduled for 2020. The Board also has an annual calendar system which sets out the Board and Committee work program for the year ahead and the dates for key management deliverables.

In the last year the Board has again focused on RISSB's role in Australia's rail industry with an emphasis on delivering value to RISSB Members and ensuring that it has the governance structures in place to drive performance and accountability. This work is continuing with the Board now engaged in a major project to determine how best to add value in the longer term and support strong industry collaboration.



Photo courtesy of Mid West Ports Authority

RISSB's Strategic Plan 2017–2022

The Strategic Plan 2017–2022 was originally approved by the RISSB Board in 2017 and continues to guide the strategic focus of the business. A vital aspect of RISSB's role is to shape the industry and add value to its Members, Governments and Stakeholders.

Mission and Vision

RISSB's Mission

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

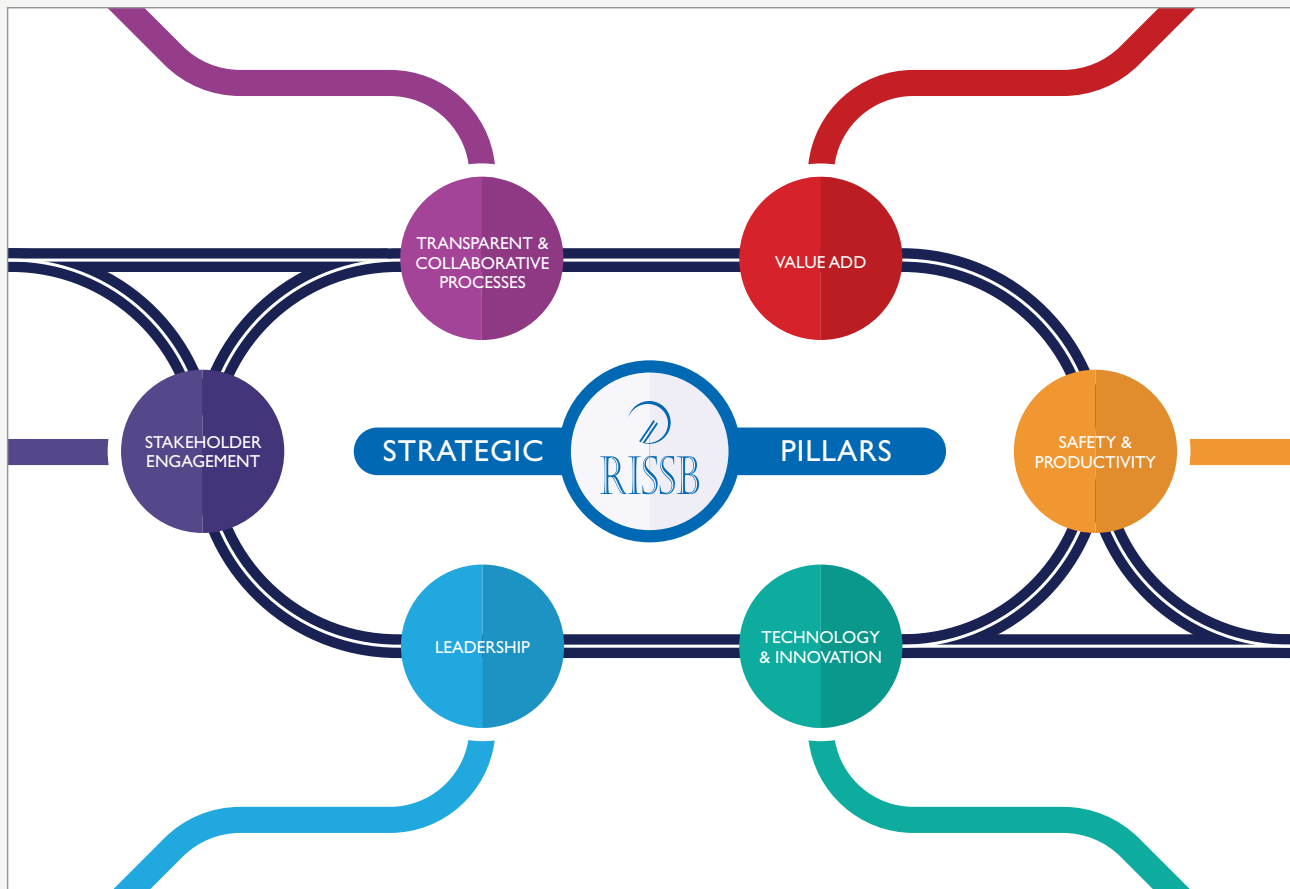
RISSB's Vision

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 help RISSB to achieve its Mission and Vision, as well as the business objectives in the Constitution over the planning period to 2022. These pillars are underpinned by detailed action plans and objective measurements.

The Strategic Pillars



Strategic Pillar 1

Industry Safety and 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 and 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 and 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 and 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.

Review of RISSB's Strategic Plan

To achieve its Mission and Vision and meet the objectives of the RISSB Constitution, a 5-year Strategic Plan based around six Strategic Pillars is being implemented.

The table below shows each pillar, its broad objective, significant achievements and, based partly on an impact survey of Members and non-Members of RISSB undertaken in early 2019, key initiatives for 2019–20. The impact survey involved 30 face-to-face interviews and an on-line survey completed by around 60 people.

In 2019–2020, RISSB will be taking into account the feedback from the impact survey, review of the Strategic Plan, industry feedback through other forums and stakeholder discussions to develop a clear statement of its role going forward, including key initiatives and actions consistent with that role.

Pillar	Description	Broad Objective	Significant Achievements Since 2017	Key Initiatives 2019–20
1	Industry Safety and Productivity	Develop products that improve and promote harmonisation and interoperability	<ul style="list-style-type: none"> Increased work plan products ARRM now with over 265 users National Rules project agreed principles developed Major Standards development driven by government – undertaken 	<ul style="list-style-type: none"> Expand ARRM Conduct a national rules roadshow Expand national harmonisation of Standards and interoperability projects
2	Technology and Innovation	Develop an agile and flexible framework to identify emerging technologies requiring RISSB products	<ul style="list-style-type: none"> Ran the first Technology and Innovation Conference Developed the world's first rail cyber security Standard Delivered a study to: <ol style="list-style-type: none"> Monitor rail innovations, and Explore innovation trends ... and updated RISSB's practices to better serve innovation 	<ul style="list-style-type: none"> Progress the train control interoperability project Consider further ways to engage industry in identifying new technology and associated RISSB product development
3	Value Add	Create value add products and services that promote safety, productivity and harmonisation	<ul style="list-style-type: none"> Developed closer working relationships with governments Increased Development Group participation Increased membership 	<ul style="list-style-type: none"> Reshape the prioritisation selection process to ensure RISSB does what is important and adds value to the industry Ensure our members benefit from RISSB productivity improvements

Pillar	Description	Broad Objective	Significant Achievements Since 2017	Key Initiatives 2019–20
4	Transparent and Collaborative Processes	Open communication with stakeholders on processes related to product development	<ul style="list-style-type: none"> Developed a more transparent workplan development process 	<ul style="list-style-type: none"> Establish industry feedback mechanism to gather ideas for improvement Publish a complete list of RISSB products on the website
5	Stakeholder Engagement and Communication	Collaborate and engage with Members and stakeholders	<ul style="list-style-type: none"> Commenced a broader engagement plan with government and industry Members Increased the Whistle Board to fortnightly editions Offered the inaugural Horizons Program for young technical professionals Revamped the RISSB website Commenced industry breakfasts Grew social media presence Increased number of electronic direct mail campaigns to better promote products, courses and conferences 	<ul style="list-style-type: none"> Expand member and stakeholder engagement including at CEO, COO and senior executive level
6	Leadership	Reinforce RISSB's leadership role in the co-regulatory model	<ul style="list-style-type: none"> Extended co-ordination of key industry safety groups Stronger engagement at key government meetings (TISOC/Transport and Infrastructure Council) Expanded training opportunities related to RISSB products 	<ul style="list-style-type: none"> Strengthen strategic alliances with key stakeholders and explore opportunities to work together Develop communications that promote the co-regulatory role of RISSB and clarify the roles of other key industry groups Explore education and training options based on RISSB products



Photo courtesy of V/Line

Products and Services

Each year RISSB develops products for the benefit of its Members and the broader rail industry. However, it is so much more than just an accredited standards development organisation. RISSB is innovative and forward thinking, identifying emerging trends and working with industry and governments to facilitate their introduction through its products and services.

In the past year RISSB has worked on the following:

Pillar 2 of RISSB's Strategic Plan is Technology and 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.

In 2019, RISSB completed a significant piece of work to produce an:

- Innovation inventory – a high-level inventory of where current innovative efforts (especially technological) are being made within Australia's and international railways.
- A map of innovation related trends – a description of the significant trends that will be relevant to Australia's rail industry over the mid to long term.

The desktop research reviewed around 230 publications / articles / papers etc and identified 158 relevant rail innovations. The project also drew on reports / articles / websites to identify the aforementioned trends.

RISSB has invited the rail industry to identify any innovation blockers that may exist in RISSB documents so that we can actively try to reduce them. We've also updated our work practices to make sure the items that make it on to our work plan support the innovations of the future, and the content of future Standards don't create new blockages. This project has helped RISSB become smarter, and more productive, helping the Standards RISSB writes to be more valuable to our industry.

Australian Rail Risk Model

ARRM is a sophisticated, quantitative web-based tool which helps rail companies understand their safety risk in great detail and meet their obligations under the Rail Safety National Law. ARRM models safety risk across 104 different hazardous events, each one

The development of RISSB's National Rules is an important step toward a rulebook that is as comprehensive, and nationally applicable as possible.

interrogatable at multiple levels allowing users to understand the major contributors to those hazardous events, all through a user-friendly front end.

ARRM supports safety-related investment decisions and brings greater consistency in safety risk approaches across the industry, it will foster growth in risk maturity and lead to greater safety outcomes for the rail industry.

There have been 3 fundamental guiding principles in the establishment and management of ARRM, namely:

1. That the system must be a value-add for rail companies, as such it must be able to provide participating organisations with their own specific risk profile rather than just an overall industry risk profile.
2. That it must allow organisations to benchmark their risk against the rest of Australia's railways on a like-for-like basis.
3. That it must account for uncertainty in risk calculations.

The past year has been one of significant achievements for the ARRM team:

- RISSB wanted to expand and increase the Membership of ARRM and we have achieved that goal. ARRM now has 265 registered users (within the system) across 34 companies.
- The ARRM system is a complex collection of interrelated sub-systems, and in the last 12 months RISSB added one more – ARRM now benefits from a machine learning (artificial intelligence) module which is being used to help in processing industry information to underpin risk calculations.
- 2019 also saw RISSB establish a cross-industry ARRM User Group who are there to help guide the model, advise on enhancements and share ideas about using the model.

- This year RISSB completed its third model update, bringing the total number of rail transport operator occurrence datapoints analysed to 154,596. The model is becoming mature and the risk calculations very robust.

ARRM continues to be a rich source of valuable information that RISSB is proud to provide to its Members free of charge.

National Rules

Since its inception, RISSB has promoted, and actively worked towards harmonisation of train operations and 'work on track' rules. We believe that at a national level, the cost, productivity and safety benefits are significant – certainly worth pursuing – and all Australian rail companies would share in those benefits.

For many years, this work progressed as part of the Australian Network Rules and Procedures (ANRP) project – bringing together the disparate rules from around Australia into a centralised 'rulebook.' In 2018 RISSB initiated the National Rules project and started paring back the ANRP to a set of nationally applicable rules with the rest of the legacy ANRP content to be restructured around the new baseline set of rules.

Work continued on the baseline set of rules this year with the National Rules Development Group meeting several times to ensure that the new baseline rules reflect the requirements of today's rail industry and can assist in providing harmonisation across all rail transport operators.

The development of RISSB's National Rules is an important step toward a rulebook that is as comprehensive, and nationally applicable as possible and we thank all of our stakeholders for their ongoing support of this work.

The National Rules are planned to be completed by January 2020.



Photo courtesy of Genesee & Wyoming

Training and Events

A key part of RISSB's role is to provide education and training around rail safety, especially to support the adoption of RISSB products and to encourage knowledge sharing. In 2018–2019, the types of activities and training have included the annual Rail Safety Conference and Rail Cyber Security Conference, information updates and presentations, training courses and forums.

Training

RISSB has continued to work with a registered training organisation to remodel its course material and delivery so that its two main training courses, Rail Safety Investigation and Derailment Investigation and Analysis are current, relevant and can provide participants with partial accreditation. In the past year, RISSB introduced two new courses – Safety Critical Communications and Fundamentals of Risk Management to round out its training suite.

From 1 July 2018 to 30 June 2019, RISSB ran nine training courses in four states across Australia.

RISSB is seeking to expand its training program in the following years in a measured way, with an emphasis on delivering training to support industry adoption of RISSB products. Future RISSB courses are centred around industry growth areas.

Events

RISSB grew its conferences and events portfolio throughout the 2018–2019 financial year.

The annual Rail Safety Conference in April brought together delegates from across the nation in Melbourne to discuss and address the challenges of rail safety.

RISSB held its second Rail Cyber Security Conference in September 2018 and provided an opportunity for industry to share ideas on how critical rail infrastructure can be protected from cyber attacks.

RISSB launched its first Technology and Innovation Conference in June which brought together delegates from across the nation to address the conference theme of Developing Innovative Technology for the Rail Industry. Technology and Innovation is a focus area for RISSB and the conference was a great platform to host these discussions.

RISSB hosted four Chair and Industry Networking Breakfasts that provided an opportunity for the rail industry to network, hear from a guest speaker and get an update on RISSB activities. These breakfasts were held in Melbourne, Sydney, Perth and Brisbane.

On the 2019–2020 events program, in addition to the three RISSB conferences, RISSB is organising the International Railway Safety Council Conference alongside ONRSR and ATSB. The conference will be held in Perth in October 2019.

In 2018–2019, we also held the first of our CEO lunches. This exclusive event received positive feedback and RISSB is assessing whether this activity remains an ongoing fixture on RISSB's training and events calendar.

Horizons Program

The Horizons Program was a new initiative aimed at gathering together young technical professionals to not only expand their knowledge and networks, but also to get them to influence the technical future of the rail industry.

The inaugural program was announced in April 2018, nominations sought in May 2018 and the program kicked off with a teleconference on 1 August 2018. The inaugural program is 15 months long and concludes in October 2018 at the IRSC conference.

The Horizons Program has included:

- 4 x forums (all participants in one venue)
- 20 x webinars
- Membership of a RISSB Development Group
- 4 x group projects
- 2 x site visits (from a choice of 6)

The Horizons Program attracted 48 high quality applications from 30 (member and non-member) organisations based in Australia and overseas. Building on the success of the inaugural program, a seven month Horizons 2.0 Program is running from September 2019–April 2020.

The Horizons Program responds to demographic shifts in the rail sector and is part of a broader approach by RISSB to encourage innovation and support a dynamic and sustainable rail sector.



Photo courtesy of Queensland Rail

RISSB Members

as at 25 September 2019

Organisation	Class	Organisation	Class
Arc Infrastructure Pty Ltd	3	Marling Group	Associate
Aurizon Holdings Limited	1	Metro Trains Melbourne	1
Australian Rail Track Corporation Ltd	1	Mid West Ports Authority	D
Australian Sugar Milling Council Pty Ltd	Associate	Nova Systems Consulting Pty Ltd	D
Avantgard Pty Ltd	Associate	Pacific National Pty Ltd	1
BHP Billiton Iron Ore	A	Pilbara Iron Pty Ltd (Rio Tinto Iron Ore)	A
Buy 2 Give Pty Ltd	Associate	Public Transport Authority of Western Australia	3
Calibre Professional Services Pty Ltd	E	Public Transport Victoria	A
Carmichael Rail Network Pty Ltd	E	Queensland Rail Limited	1
Centre for Excellence in Rail Training Pty Ltd	Associate	Rail Projects Victoria	D
Centre for Railway Engineering – CQU	Associate	Rail Safety People Pty Ltd	Associate
Competency Australia Pty Ltd	Associate	Rail, Tram and Bus Union – National Office	D
Dakar Risk Management Services Pty Ltd	Associate	RGB Assurance Pty Ltd	D
Department of Planning, Transport & Infrastructure	A	RoadRailPort	Associate
Don River Railway	Associate	Roy Hill Infrastructure Pty Ltd	C
Downer Rail Infrastructure	A	Royal Melbourne Institute of Technology	Associate
Elphinstone Pty Ltd	D	SCT Logistics Pty Ltd	B
Emerald Tourist Railway Board	C	SMART Infrastructure Facility – UOW	Associate
Genesee & Wyoming Australia Pty Ltd	2	SNC-Lavalin Rail & Transit Pty Ltd	C
Holistic Systems and Assurance Pty Ltd	Associate	Swietelsky Rail (Australia) Pty Ltd	C
Institute of Railway Technology – Monash	Associate	Sydney Trains	1
JU Design Pty Ltd	Associate	Tasmanian Railway Pty Limited	B
Key Source Rail Pty Ltd	D	Training Ahead Australia Pty Ltd	Associate
KiwiRail	B	Transport for New South Wales	1
Laing O'Rourke Australia Construction Pty Ltd	A	Transport Heritage NSW Limited	D
LendLease Engineering Pty Ltd	C	V/Line Pty Limited	2
LINX Rail Pty Ltd	D	VicTrack	D
Manildra Flour Mills Pty Ltd	E	Zig Zag Railway Co-operative Ltd	Associate



Photo courtesy of Puffing Billy Railway

Financial Report

For the year ended 30 June 2019

Contents

Directors' Report	30
Auditor's Independence Declaration	36
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	37
Statement of Financial Position	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41–51
Directors' Declaration	52
Independent Audit Report	53–54

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 30th June 2019.

RISSB Ownership

Following the restructure of RISSB in 2015 the company is owned by its funding members. At present there are 55 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 / Ceased
Deborah Ann Spring (Executive Chair)	Appointed 1 July 2015 (appointed Executive Chair 1 June 2019)
David Harry George	Appointed 1 July 2015;
Brian Todd Bentley	Appointed 23 November 2015; Resigned 12 February 2019
Nabeel Sadaka	Appointed 7 August 2015; Resigned 4 December 2018
Kate Angharad Bowman	Appointed 4 July 2017
Paul Lowney	Appointed 17 January 2018
Timothy John Kuypers	Appointed 20 April 2018
Mark Peter Carling	Appointed 21 February 2019
Scott Cornish	Appointed 16 May 2019

Objectives

The objects 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 2017-2022, an overview 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.

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

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

DIRECTORS' REPORT

and the results (and products) are reported to the RISSB Board at its regular meetings and approved for publication.

- RISSB successfully delivered the Australian Rail Risk Model (ARRM) in November 2017 thereby satisfying one of the key objectives of the company. RISSB's strategy now is to embed ARRM in the rail industry and focus on developing the model further providing finer resolution on safety risk and adding new functionality.
- To meet its obligation to provide independent technical advice RISSB organises training courses and conferences for the benefit of its members, and facilitates meetings to further the development of Australian Standards, Codes of Practice, Guidelines and Rules.

Results of the Operations for the Year

A review of the results from the operations of the company for the financial year are contained in the Executive Chairs Report and the Report on RISSB's Products and Services set out earlier in the Annual Report.

Information on Directors

Deborah Spring, Independent Director and Executive Chair	Debbie Spring has extensive experience as a senior executive and Board member, in Australia and overseas, across a broad range of industry sectors including energy, manufacturing, rail, and general logistics. In various roles, she has implemented major business transformation programs in large, complex, capital intensive, highly regulated and unionised industries. Debbie has over 15 years of experience as a professional Director, including as Chair, on the Boards of unlisted companies, government businesses and start-ups. Her Board roles have included membership of sub-committees responsible for finance, audit and risk, remuneration and culture, and infrastructure. The Boards she has served on include Ambulance Victoria, Federation University of Australia, Mount Hotham Resort Management Board (Chair), the Donric Group (Chair) 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 and Executive Chair on 1 June 2019.
David George, Independent Director	David George has extensive experience in the rail industry having held executive positions in the UK, Australian and New Zealand railways. He was CEO 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 has worked more recently 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.

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

DIRECTORS' REPORT

<p>Todd Bentley, Industry Director – Passenger Operations</p>	<p>Todd Bentley was the Executive 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. Todd resigned as a Director of RISSB in February 2019 following his resignation from Metro Trains Melbourne and stood down as the Chair of the RISSB Remuneration & People Committee.</p>
<p>Nabeel Sadaka, Industry Director – Suppliers & Contractors</p>	<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 lead 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. Nabeel resigned as a Director of RISSB in December 2018.</p>
<p>Kate Bowman, Industry Director – Freight Operations</p>	<p>Kate Bowman is the Chief Legal Officer and Company Secretary at Pacific National leading a multi-disciplinary team delivering legal, company secretarial and corporate governance and risk and assurance services to the business. In this role Kate is responsible for advising the Pacific National Board and senior executives on a broad range of matters including legal, risk and assurance, and corporate governance. Kate is passionate about developing high performing teams and delivering commercial, focussed and high quality services to businesses to drive them forward. A practising lawyer, Kate has 15 years broad experience in in-house and private practice roles, advising on all aspects of commercial, corporate, OHS and competition law. Kate has extensive experience working in regulated industries, including rail and ports. Kate is also a director on a number of not-for-profit and industry boards. Prior to Pacific National, Kate was at Asciano and 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. Kate was appointed Chair of the RISSB Remuneration & People Committee in January 2019.</p>
<p>Paul Lowney, Industry Director – Network Managers/Owners</p>	<p>Paul Lowney joined Arc Infrastructure in Western Australia in 2008 and led the projects and maintenance delivery area through the growth phase of the business. Currently Paul is the General Manager for Customer Operations, Asset Management and Projects at Arc which oversees customers and their needs and sets the direction for asset management and expenditure across the network and delivery of major projects.</p> <p>Prior to joining Arc Paul worked on a number major infrastructure projects in Australia and internationally both with contracting and client organisations.</p>

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

DIRECTORS' REPORT

<p>Timothy Kuypers, Independent Director</p>	<p>Tim Kuypers has over twenty five years' experience as a regulatory and safety professional in UK, Europe and Australia. Tim is currently a Special Advisor at HoustonKemp Economists and Principal of Walbrook Partners, a rail safety consulting firm. He is an independent member on Metro Trains Melbourne's Board Safety Committee and a Director and Chair of the Finance and Audit Committee for TROG Cancer Research. Tim's previous executive roles have included senior positions at Asciano, (former owner of Pacific National and Patrick Stevedores) Telstra, Cable & Wireless and Ofel. 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. Tim has a PhD in Economics from University College London, a Diploma in Accounting and Finance from the ACCA and is a GAICD. Tim was previously an Industry Director of RISSB representing the Freight Sector until 2016. Tim was appointed Chair of the RISSB Audit & Risk Committee in June 2018.</p>
<p>Mark Carling, Industry Director – Suppliers & Contractors</p>	<p>Mark Carling is the Regional Director of Consulting and Advisory Services for SNC-Lavalin Atkins Engineering, Design and Project Management business in Australasia and South East Asia. Mark leads a multi-disciplinary team of professional consultants providing a range of technical, strategic and project management related services throughout Australasia and South East Asia. Mark and his team provide consulting and advisory services to a diverse range of clients including operators, owners, government agencies, suppliers and contractors.</p> <p>Prior to joining SNC-Lavalin Mark held executive roles as Regional Managing Director for both Survitec Group and Faiveley Transport, multi-national organisations with activities in Australia and the broader APAC region. Mark is a Chartered Mechanical Engineer, a Fellow of the Institute of Mechanical Engineers (FIMechE) and a GAICD.</p>
<p>Scott Cornish, Industry Director – Passenger Operations</p>	<p>Scott Cornish, in his role as Executive General Manager Safety, Risk and Assurance at Queensland Rail, is responsible for workplace health and safety, rail safety assurance and risk and compliance activities across the enterprise. Scott has over 30 years' global experience in the energy, transport and logistics industries holding senior management roles focussed on operations, health, safety and environment, risk management, security and the community.</p> <p>Scott is a highly experienced leader with an outstanding track record of implementing innovative strategies and initiatives that deliver safety outcomes in high risk operating businesses.</p>

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

DIRECTORS' REPORT

Directors attendance at Meetings of the Board held during the Financial Year

Director	Meetings Eligible to Attend	Number Attended
Deborah Spring	10	10
David George	10	10
Todd Bentley	4	4
Nabeel Sadaka	3	0
Kate Bowman	10	8
Paul Lowney	10	8
Timothy Kuypers	10	10
Mark Carling	6	6
Scott Cornish	2	2

Directors attendance at Meetings of Committees held during the Financial Year

	Audit & Risk		Remuneration & People	
Director	Meetings Eligible to Attend	Attended	Meetings Eligible to Attend	Attended
Deborah Spring			3	3
David George	6	6		
Todd Bentley	-	-	1	1
Timothy Kuypers	6	6	-	-
Nabeel Sadaka	3	1	-	-
Kate Bowman	-	-	3	3
Paul Lowney	-	-	3	2

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

DIRECTORS' REPORT

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 56 current members is \$560.

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 Kuypers

Dated: 25/09/2019



accountants + auditors

Level 1, 200 Mary Street
GPO Box 1087
Brisbane QLD 4001 Australia
t. +61 7 3002 4800
f. +61 7 3229 5603

PO Box 3360 Australia Fair
Southport Qld 4215 Australia
t. +61 7 5591 1661
f. +61 7 5591 1772

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAIL INDUSTRY SAFETY AND
STANDARDS BOARD (RISSB) LIMITED**

e. info@mgisq.com.au
w. www.mgisq.com.au

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Rail Industry Safety and Standards Board (RISSB) Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

MGI Audit Pty Ltd

S C Greene
Director

25 September 2019

Brisbane

MGI refers to one or more of the independent member firms of the MGI International alliance of independent auditing, accounting and consulting firms. Each MGI firm in Australasia is a separate legal entity and has no liability for another Australasian or international member's acts or omissions. MGI is a brand name for the MGI Australasian network and for each of the MGI member firms worldwide. Liability limited by a scheme approved under Professional Standards Legislation. MGI Audit Pty Ltd ABN 53 123 559 169.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue from ordinary activities	3(a)	5,140,442	5,154,419
Depreciation and amortisation expenses		(70,514)	(63,135)
Employee benefits expenses	3(b)	(2,047,159)	(1,901,450)
Consultancy & project costs		(1,428,621)	(1,696,944)
Events & training		(261,634)	-
Other expenses from ordinary activities	3(c)	(1,137,754)	(918,095)
Surplus from ordinary activities		194,760	574,795
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		194,760	574,795
Surplus attributable to members of the entity		194,760	574,795
Total comprehensive income attributable to members of the entity		194,760	574,795

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 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,633,793	3,070,792
Trade & other receivables	5	529,418	907,517
Other assets	6	174,589	176,586
TOTAL CURRENT ASSETS		4,337,800	4,154,895
NON-CURRENT ASSETS			
Property, plant and equipment	7	51,025	98,745
TOTAL NON-CURRENT ASSETS		51,025	98,745
TOTAL ASSETS		4,388,825	4,253,640
CURRENT LIABILITIES			
Trade & other payables	8	433,410	470,406
Other provisions	9	24,251	24,251
Employee provisions	10	85,695	117,412
TOTAL CURRENT LIABILITIES		543,356	612,069
NON-CURRENT LIABILITIES			
Employee Provisions	10	48,561	39,423
TOTAL NON-CURRENT LIABILITIES		48,561	39,423
TOTAL LIABILITIES		591,917	651,492
NET ASSETS		3,796,908	3,602,148
EQUITY			
Retained Surplus		2,796,908	2,602,148
Special Reserve	16	1,000,000	1,000,000
TOTAL EQUITY		3,796,908	3,602,148

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 2019

	Retained Earnings \$	Special Reserve \$	Total Equity \$
Balance at 1 July 2017	3,027,353	-	3,027,353
Net Surplus for the year	574,795	-	574,795
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Transfer to special reserves	(1,000,000)	1,000,000	-
Balance at 30 June 2018	2,602,148	1,000,000	3,602,148
Balance at 1 July 2018	2,602,148	1,000,000	3,602,148
Net Surplus for the year	194,760	-	194,759
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2019	2,796,908	1,000,000	3,796,908

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		5,958,116	5,228,609
Payments to suppliers and employees		(5,440,021)	(5,052,761)
Interest received		67,700	59,623
Net cash provided by/(used in) operating activities		585,795	253,470
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(22,794)	(123,866)
Net cash used in investing activities		(22,794)	(123,866)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in investing activities		-	-
Net increase in cash held		563,001	111,604
Cash at beginning of financial year		3,070,792	2,959,188
Cash at end of financial year		3,633,793	3,070,792

The accompanying notes form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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. 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 six months and net of bank overdrafts.

(c) Revenue

Revenue comprises revenue from funding and grant income, secretariat support, project income, interest income and other income. A summary of revenue is shown in Note 3(a).

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Government grants

If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied. Where the company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Secretariat Support

Secretariat support income is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

Project Income

Project income is recognised upon the delivery of the agreed project services to the customers.

Interest income

Interest revenue is recognised as it accrues using the effective interest rate method, which for financial assets is the rate inherent in the investment.

All revenue is stated net of the amount of goods and services tax (GST).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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
Office Fit Out	33 %	Straight Line

(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

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The company's liabilities for annual leave and long service leave are included in non-current provisions as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The company presents employee benefit obligations as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments

The adoption of AASB 9 Financial Instruments in the 2019 financial year has not had a material impact on the classification or measurement of financial instruments from AASB 139 Financial Instruments.

Initial recognition and measurement (continued)

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (continued)

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(j) for further discussion on the determination of impairment losses.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company's designated a financial liability at fair value through profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (continued)

Classification and measurement of financial liabilities (continued)

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Impairment

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument

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 is no longer have 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 expire. The difference between the carrying value of the financial liability 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 the 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

Recognition of other intangible assets

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases

Operating leases

Where the Rail Industry Safety and Standard Board (RISSB) is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(m) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that RISSB can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(n) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Future Impact of Accounting Standards Not Yet Effective

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

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

The company has reviewed the impact of *AASB 1058* & *AASB 15* and has determined that the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when they are first adopted for the year ending 30 June 2020.

AASB 16 Leases

Based on the company's assessment, it is expected that the first time adoption of *AASB 16* for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements.

The estimated impact on 1st July 2019 is the recognition of a 'Right of Use' Asset and 'Lease Liability' of \$203,645 respectively, (nil impact on net asset on initial recognition). This standard will only be applied from 1 July 2019, and will not be retrospectively applied for the 2019 comparative year in the 2020 financial statements. Rent expense will be replaced by depreciation and amortised interest expense each year.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
(a) Revenue		
Funding & grant income	2,705,084	2,666,552
MOU funding	1,632,000	1,500,000
Interest income	67,700	59,623
Project income	642,709	865,632
Other income	92,949	62,612
Total Income	<u>5,140,442</u>	<u>5,154,419</u>
(b) Employee benefits expenses		
Salaries & employment costs	1,886,071	1,748,920
Superannuation	161,088	152,530
Total Employee Benefits expenses	<u>2,047,159</u>	<u>1,901,450</u>
(c) Other expenses from ordinary activities		
Rent and outgoings	185,084	188,774
Office and administration costs	76,263	99,806
Advertising & marketing	81,611	119,883
Board expenses	224,751	138,199
Professional fees	42,430	90,621
IT costs	21,823	56,517
Travel and accommodation	196,830	144,689
Website costs	158,618	63,639
Other expenses	150,344	15,967
Total Expenses	<u>1,137,754</u>	<u>918,095</u>
NOTE 4: CASH & CASH EQUIVALENTS		
Cash at bank	<u>3,633,793</u>	<u>3,070,792</u>
NOTE 5: TRADE & OTHER RECEIVABLES		
Trade debtors	<u>529,418</u>	<u>907,517</u>
NOTE 6: OTHER ASSETS		
CURRENT		
Accrued revenue	31,641	13,667
Prepayments	95,017	114,988
Security deposit	47,931	47,931
	<u>174,589</u>	<u>176,586</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Office equipment - at cost	120,879	100,843
Less accumulated depreciation	(97,772)	(80,630)
	<u>23,107</u>	<u>20,213</u>
 Office furniture & fittings - at cost	 40,335	 37,577
Less accumulated depreciation	(24,408)	(19,585)
	<u>15,927</u>	<u>17,992</u>
 Lease fitout	 81,634	 81,634
Less accumulated depreciation	(69,643)	(21,094)
	<u>11,991</u>	<u>60,540</u>
Total property, plant and equipment	<u>51,025</u>	<u>98,745</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 \$	Lease Fitout \$	Total \$
2019				
Balance at the beginning of the year	20,213	17,992	60,540	98,745
Additions	20,036	2,758	-	22,794
Depreciation expense	(17,142)	(4,823)	(48,549)	(70,514)
Carrying amount at end of year	<u>23,107</u>	<u>15,927</u>	<u>11,991</u>	<u>51,025</u>

NOTE 8: TRADE & OTHER PAYABLES

CURRENT

Trade creditors and accruals	267,878	293,842
Sundry creditors	165,532	146,419
Retention Payable	-	30,145
	<u>433,410</u>	<u>470,406</u>

NOTE 9: OTHER PROVISIONS

Make good provision	<u>24,251</u>	<u>24,251</u>
---------------------	---------------	---------------

A make good provision was recognised for the operating lease at Suite 401, 580 Collins Street, Melbourne and Level 4 15 Astor Terrace, Spring Hill for the estimated cost of the making good of the premises.

NOTE 10: EMPLOYEE PROVISIONS

CURRENT

Provision for annual leave	<u>85,695</u>	<u>117,412</u>
	<u>85,965</u>	<u>117,412</u>

NON-CURRENT

Provision for long service leave (Non-Current)	<u>48,561</u>	<u>39,423</u>
	<u>48,561</u>	<u>39,423</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
--	------------	------------

NOTE 11: CAPITAL COMMITMENTS

RISSB had no capital commitments at 30 June 2019 (30 June 2018: \$nil)

NOTE 12: LEASES

Operating Leases as lessee

The company's future minimum operating lease payments are as follows:

Not later than one year	150,244	150,244
Later than one year and not later than five years	83,834	234,078
Later than five years	-	-
Total	<u>234,078</u>	<u>384,322</u>

The operating leases at 30 June 2019 were for the company's leased office premises.

The Brisbane lease is for the business premises and is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the term on 13 August 2020, for two additional terms of three years.

The Melbourne lease is for the business premises and is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the term on 18 February 2021, for one additional term of three years.

NOTE 13: CONTINGENT LIABILITIES

There were no contingent liabilities incurred by RISSB as at 30 June 2019 (30 June 2018: \$nil).

NOTE 14: 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 15: RELATED PARTY TRANSACTIONS

Key Management Personnel

Key Management Personnel of the company are the Board of Directors and Chief Executive Officer. Key Management Personnel remuneration was as follows:

Key Management Personnel Remuneration	321,188	326,770
Total Key Management Personnel Compensation	<u>321,188</u>	<u>326,770</u>

Except for the key management personnel transactions noted above, there were no additional related party transactions in the 2019 financial year (2018: \$nil).

NOTE 16: RESERVE

A special reserve was set up in the 2018 financial year to segregate general operating reserves from funds to cover the company's future liabilities.

Special Reserve

Opening balance	1,000,000	-
Transfer from retained earnings	-	1,000,000
Closing special reserve balance	<u>1,000,000</u>	<u>1,000,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: COMPANY DETAILS

The registered office of the company is:

Rail Industry Safety and Standards Board Limited
Level 4, 580 Collins Street
Melbourne VIC 3000

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

DIRECTORS' REPORT

DIRECTORS' DECLARATION

The directors of the company declare that

1. The financial statements and notes, as set out on pages 8 to 22 are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulation 2001*; and
 - (b) giving a true and fair view of the financial position of the company as at 30 June 2019 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

Director

25/04/2019

Dated:



accountants + auditors

Level 1, 200 Mary Street
GPO Box 1087
Brisbane QLD 4001 Australia
t. +61 7 3002 4800
f. +61 7 3229 5603

PO Box 3360 Australia Fair
Southport Qld 4215 Australia
t. +61 7 5591 1661
f. +61 7 5591 1772

e. info@mgisq.com.au
w. www.mgisq.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAIL INDUSTRY SAFETY AND STANDARDS BOARD (RISSB) LIMITED

Opinion

We have audited the 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 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; 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. 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 auditor independence requirements of the *Corporations Act 2001* and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*MGI refers to one or more of the independent member firms of the MGI International alliance of independent auditing, accounting and consulting firms. Each MGI firm in Australasia is a separate legal entity and has no liability for another Australasian or international member's acts or omissions. MGI is a brand name for the MGI Australasian network and for each of the MGI member firms worldwide. Liability limited by a scheme approved under Professional Standards Legislation. MGI Audit Pty Ltd ABN 53 123 509 166.

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 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 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 the 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, we exercise professional judgment 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 evidence that is sufficient and appropriate to provide a basis for our 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, internal omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MGI Audit Pty Ltd



S C Greene
Director

Brisbane
25 September 2019



Brisbane Office

Level 4
15 Astor Terrace
Spring Hill QLD 4000

T +61 7 3724 0000
E info@rissb.com.au

Melbourne Office

Level 4
580 Collins Street
Melbourne VIC 3000

T +61 7 3724 0000
E info@rissb.com.au

P PO Box 518 Spring Hill QLD 4004

rissb.com.au