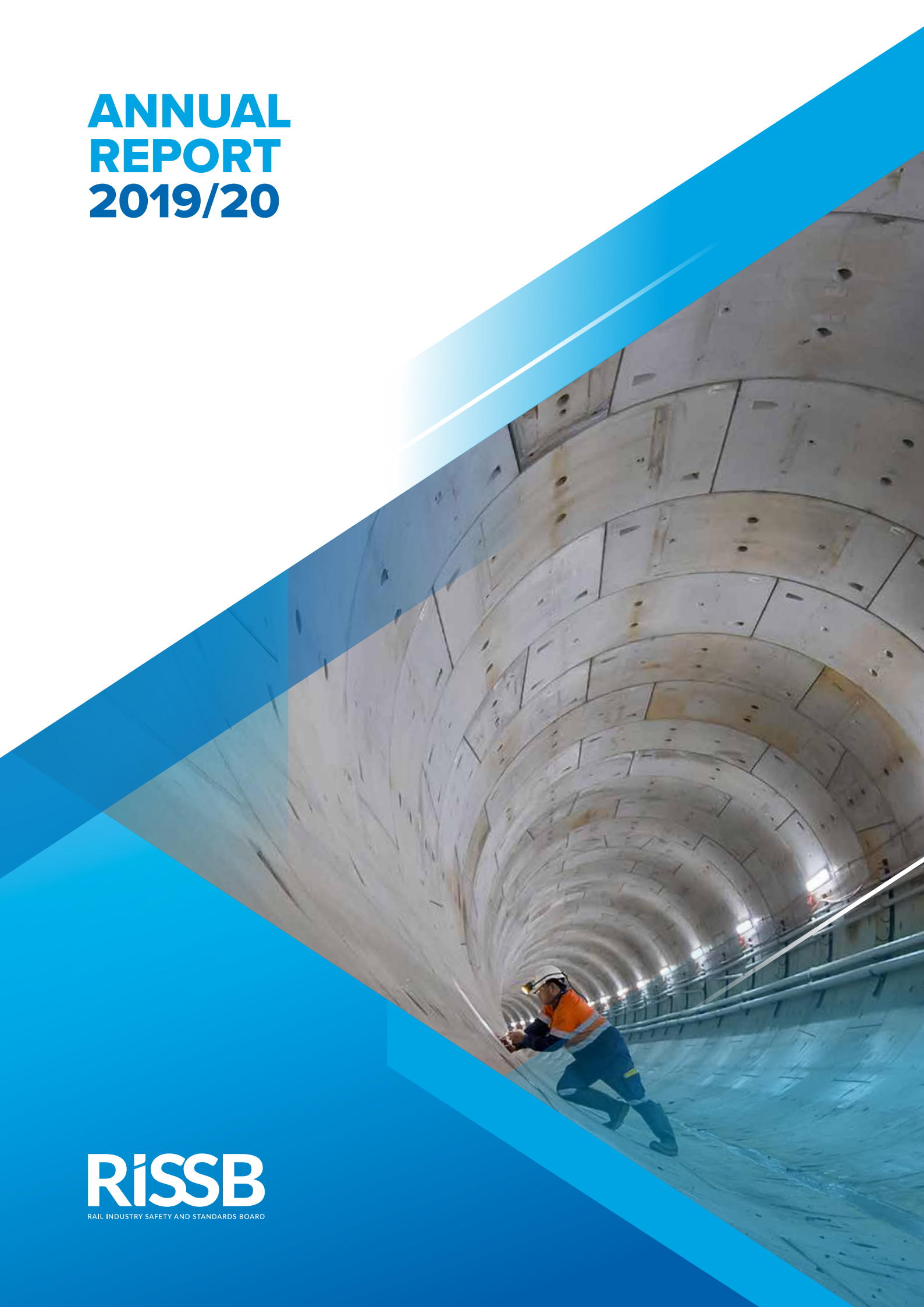


ANNUAL REPORT 2019/20



Industry's partner in co-regulation.



Photo courtesy of Aurizon



This report covers RISSB's overall performance for 2019-20.

This and earlier Annual Reports are on our website at <https://www.rissb.com.au/publications/>

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

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// Executive Chair and Chief Executive Officer's Report

The past 12 months has seen RISSB enhance its role as industry's partner in co-regulation. Working hand in hand with industry, RISSB has expanded its range of Standards, Codes of Practice, Guidelines and Rules for the rail industry in Australia and New Zealand. These products drive safety, productivity, and efficiency across the rail industry. We combine this with a range of services that bring industry together to share knowledge, engender innovation and further encourage harmonisation and interoperability.

RISSB remains the only accredited Standards organisation in Australia for the rail industry. In 2019/20 we added or reviewed over 20 publications in our library of over 220 documents covering all aspects of rail. Importantly the National Rules principles were published, a first step in developing national rules for the rail industry.

During 2019/20, we reviewed the way we develop our work plan, engaging with CEOs and senior executives to incorporate business and technical priorities. RISSB's work plan now includes a range of major projects, identified by industry as critical to rail safety, including track worker safety, train control interoperability and on-going work on National Rules. In 2020/21 RISSB will publish its first ever light rail Standard and we are working on other products specifically for the light rail sector. RISSB is also playing a lead role in the planning and implementation of activities involving Standards and interoperability in the National Rail Action Plan. RISSB's national recognition and reputation is growing.

We know industry is using RISSB products more than ever. Our 2020 Take Up Survey showed extensive industry use of both products and services with more than 90% of respondents saying that they use RISSB products (Standards, Codes of Practice, Guidelines and Rules) and services (conferences, forums, training, and programs) in some way.

RISSB's Australian Rail Risk Model (ARRM) is being used more and more by industry and this will boost RISSB's data and analysis offering to industry.

Industry demand has led to RISSB's training programs being expanded with new courses including on-line learning options being available through our Learning Express online platform.

RISSB co-hosted the very successful International Rail Safety Council (IRSC) Conference in October 2019, with over 220 attendees. RISSB is now part of the IRSC Core Group, extending RISSB's range of international contacts and colleagues. Our conferences and events have been revamped and revitalised and made even more relevant. Our annual Safety Conference was deferred due to COVID-19 and will be offered as a fully virtual conference in October 2020.

The RISSB Horizons Program 2.0 proved to be as popular as the Horizons 1.0 program, engaging nearly 50 participants from over 30 rail organisations. The new MasterClass webinar series commenced in April 2020 and has proved to be very popular with nearly 5,000 people watching the first suite of presentations. A sincere thank you to all our Horizons and MasterClass webinar presenters for your time, your knowledge, and your fantastic presentations.





ENGAGEMENT

Stakeholder engagement has and always will be critical to RISSB. Over 2019/20 this was extended with a greater focus on CEOs and senior executives across the industry and Government funding partners. This has led to greater understanding of RISSB and its roles, across both industry and Government. RISSB continues to co-ordinate and facilitate a range of groups on behalf of industry and to attend the Transport and Infrastructure Senior Officials' Committee and the Transport and Infrastructure Ministerial Council meetings. RISSB is a member of the Office of the National Rail Safety Regulator's (ONRSR) CEO Reference Group. RISSB's engagement and interaction with other key rail industry organisations including ONRSR, the Australasian Railway Association (ARA), the Australian Centre for Rail Innovation (ACRI), TrackSAFE and the various professional associations continues to be both positive and productive.

This Annual Report highlights RISSB's new logo and fresh new look. We have revitalised our marketing documents and revamped our website. The popular RISSB newsletter (The Whistle Board) is now published weekly, and we are now sending specific updates on pivotal RISSB initiatives to CEOs and senior executives.

MEMBERSHIP

I am pleased to report that RISSB has extended our membership benefits at the same time as reducing membership fees. In 2019/20, RISSB membership grew by 35%, our largest one-year growth ever.

We have been able to reduce our fees partly because of the strong financial position RISSB finds itself in. In particular, a one-off reduction in annual membership fees for 2020/21, in recognition of the impacts of COVID-19 on the industry, was possible and has been appreciated by members. RISSB continues to explore options for broader industry involvement in fulfilling roles and responsibilities in the rail industry. At the same time, we are continually introducing new initiatives based on industry needs and feedback we have received.

Our RISSB team is stronger than ever. Through our dedicated and highly skilled staff, RISSB has continued to deliver through the COVID crisis, continuing to engage with industry, to publish documents, offer forums and facilitate meetings. I would like to thank all our staff for their contribution, passion, and commitment. Our services and publications are dependent on our small but highly productive team who deliver them.

ACKNOWLEDGEMENTS

I would also like to recognise the Board of Directors who generously give their time and expertise. In addition, our Management team, who have provided unwavering leadership and guidance as we have navigated through uncertain times. I am delighted that Members elected Kylie Gallasch to our Board as Industry Director – Network Managers / Owners. Kylie joins us from ARTC where she is the Group Executive Corporate Services & Safety, and before that spent many years working in banking and finance. Kylie took over the position from Paul Lowney from Arc Infrastructure at the AGM in 2019. I would like to thank Paul not only for his dedication and commitment to RISSB during his tenure, but also for his contributions as a valued member of the Remuneration & People Committee. In February 2020 Mark Carling stepped down as Industry Director, Suppliers and Contractors due to a change of job. Mark was a strong contributor to the RISSB Board and the Remuneration & People Committee, and his input was always highly valued.

CONCLUSION

Our core business is producing Standards, Guidelines, Codes of Practice and Rules for the benefit of the Australian and New Zealand rail industry and this work heavily relies on the goodwill of Development Group members who we thank for their efforts in making industry safer and to both the individuals and their organisation for providing your in-kind support to the rail industry through RISSB.

I would like to acknowledge and thank our Members who have supported RISSB, most over many years as RISSB has grown and matured.

RISSB continues to enhance our value to industry. As industry's partner in co-regulation, we will work with you to make our industry safer, more efficient and to provide the support you need going forward.



DEBORAH SPRING

Executive Chair and Chief Executive Officer

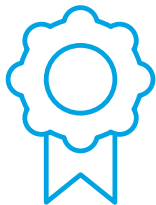
// Highlights 2019–2020

21

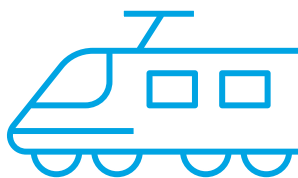
Standards, Codes of Practice and Guidelines delivered this financial year, bringing RISSB's library of publications to over 220.



RISSB delivered the National Rules Framework, and commenced Phase 2 of the National Rules Project, bringing together industry leaders who discussed developing a pipeline of rules for harmonising / rationalising and initiated work on the first rule - Communications.



RISSB remains the **ONLY accredited standards development organisation for the rail industry in Australia**. Since July 2007, RISSB has maintained its accreditation with Standards Australia to develop Australian Standard® brand Standards for the rail industry.



RISSB is developing Standards **for the growing light rail sector**. This will broaden RISSB's industry coverage, giving us a truly industry-wide focus.

Revised and improved the work plan process and sought a wider range of input sources to ensure the plan focuses on key safety issues and balances strategic industry business imperatives with technical requirements.



ARRM

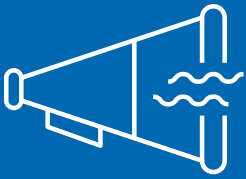
AUSTRALIAN RAIL RISK MODEL

Interest in and use of the **Australian Rail Risk Model (ARRM)** continued to grow, with users up by 16%.

↑16%



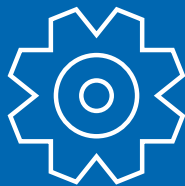
The Transport and Infrastructure Senior Officials Committee (TISOC) **approved the transfer of the Australian Level Crossing Assessment Model (ALCAM) management to RISSB**. The transition plan is under development.



Launched a major program focusing on the safety of frontline track workers in five key areas: technology, planning works, skills / competencies, communications, and culture.



Discussions commenced with governments on **The National Rail Action Plan** and RISSB's proposed equitable funding model.



Took over management of the **National Track Safety Induction course**, progressed development of new courses and e-learning modules, introduced tailored in-house company courses, and took steps towards RISSB becoming a registered training organisation.

220+

Hosted the International Railway Safety Council (IRSC) Conference in Perth with more than **220 delegates attending**. The RISSB CEO was elected to the CORE Group Leadership Team.

↑35%

growth in membership across all classes.



Increased the number of member communication channels with the introduction of a weekly series of MasterClass webinars and weekly The Whistle Board e-newsletters.



Overall, engagement activities increased substantially. Roadshow meetings with the CEOs of RISSB's major members were held in Jan/Feb. Engagement in the development of publications also improved resulting in broader industry representation on Development Groups. The second RISSB Horizons Program commenced with 49 participants from 31 rail organisations.

// RISSB's Strategic Plan 2017 - 2022

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 Plan 2017 - 2022 continues to guide the strategic focus of the company.

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.

// Value Proposition

RISSB is industry's partner in co-regulation, supporting and working hand in hand with the Australian and New Zealand rail industry to provide the essential tools rail organisations need – good practice Standards, Codes of Practice, Guidelines and Rules.

RISSB is the only accredited Standards development organisation for the rail industry in Australia and has a vast catalogue of more than 200 publications, all of which help industry improve safety, reduce costs and increase productivity and efficiency. RISSB publications can also be used in New Zealand.

During a period of unprecedented growth, RISSB has established itself as an leader in co-ordinating industry, promoting interoperability and harmonisation, and championing safety.

RISSB's focus is on five key areas:

- + Standards, Codes of Practice, Guidelines and Rules
- + Safety data and risk analysis models
- + Training and advice
- + Events and programs
- + Industry Co-ordination

DELIVERING VALUE

Members were given an insight into what they can expect from RISSB during a corporate roadshow undertaken in early 2020. Feedback received during this time ultimately helped inform a number of work programs to reshape the business and support our evolution into an organisation that offers a true safety ecosystem.

During the past year, RISSB sought to provide more to its Members and industry by:

- + Streamlining its work plan development process and encouraging input from all organisations and all levels within organisations
- + Increasing its suite of industry-wide and rail operator specific training courses
- + Reviewing membership fees and improving membership benefits
- + Boosting RISSB's data and associated risk analysis capabilities, particularly in relation to the Australian Rail Risk Model (ARRM) and the Australian Level Crossing Assessment Model (ALCAM)
- + Changing the format of the 2020 RISSB Rail Safety Conference
- + Driving national harmonisation and interoperability including working with governments on the National Rail Action Plan
- + Working more closely with industry through stronger stakeholder engagement.

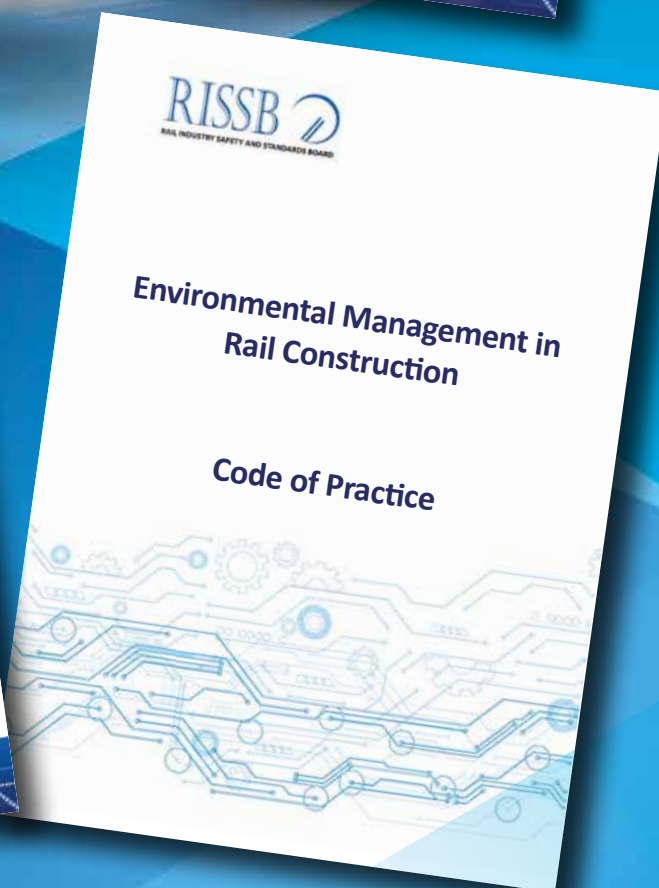


As we continue to grow our efforts in addressing industry's major issues through the creation of a Major Projects Portfolio, we will underscore our position as industry's partner in co-regulation and highlight our leadership in all rail safety matters. The introduction of ALCAM into the business and the planned release of our Occupational Culture Work Health and Safety survey will continue to support RISSB's future-focused positioning and create opportunities to build on excitement around the brand on an ongoing basis.

BRAND REFRESH

We made pleasing progress in a brand transformation, achieved by a strong focus on differentiation and underlying simplification and stronger articulation of our value proposition. In November 2019, we started a multi-year strategy to establish our position firmly in the Australian and New Zealand rail industry, inspiring our peers and delivering long-term sustainable value to our members. This groundwork has allowed us to move at pace to complete the next phase of the brand's transformation.

We will continue to integrate the refreshed RISSB logo into the brand's visual identity to convey our new spirit, sense of purpose and value proposition.



// ACOP Project Delivery

The standards, codes of practice, rules and guidelines published by RISSB form the Australian Code of Practice (the Code). Together with associated documents, the Code complements the safety management systems that are recognised by the Office of the National Rail Safety Regulator (ONRSR) in the accreditation of rail operators and provide guidance to achieve uniformity and national consistency in rail operations.

The past year has been overwhelmingly productive with the delivery of 21 publications to the rail industry and the completion of some long-term development projects.

In February 2020, RISSB delivered the National Rules Framework - the first milestone in a project to develop a nationally applicable rule book, and a significant step towards achieving industry harmonisation. RISSB worked constructively with stakeholders to further the National Rules Project for many years and is now progressing work to deliver a nationally applicable communications rule. The National Rules Framework is the basis of one of 16 RISSB major projects that will be progressed over the next two years.

Committed to continuous improvement, In March we revised how we sought ideas for new projects and renamed the Priority Planning Forum (PPF) the Priority Planning Process (PPP). The PPP is vitally important to RISSB as it ensures we develop publications that represent the true interests of our stakeholders.

To ensure that the open consultation attracted targeted proposals that reflected the interests of the Australian rail industry and that of our Members, this year, from February - March 2020 we sought suggestions from the broader rail industry, and proactively engaged extensively with Standing Committees and senior industry executives to determine individual and organisational priorities. Through this revised process, RISSB received more than 30 ideas for Standards, Guidelines, Codes of Practice and Rules - a strong indicator of interest in, and demand for, our publications.

The consultation also helped inform the development of a two-year prioritised work plan, focusing RISSB activities on key industry interests.

Earlier this year, RISSB underwent its annual accreditation audit, meeting its accreditation requirements and maintaining its position as the standards development organisation for the rail industry. Maintenance of our accreditation continues to build trust in our brand and is testament to the quality of the publications we offer to the rail industry.

// Major Projects

In 2020, RISSB added a Major Projects portfolio component to its work plan. The new Major Projects portfolio will enable RISSB to address key safety challenges facing the industry, focus on activities that directly address the needs of its stakeholders, and deliver step change improvements for the benefit of the Australian rail industry through a number of workstreams: Track Worker Safety, National Rules, National Vehicle Register, Train Control Interoperability, Noise, Technology Benefit Realisation and the National Rail Action Plan.

TRACK WORKER SAFETY

In May 2020, RISSB launched a new program focusing on the safety of frontline track workers across Australia. The program of work follows extensive consultation with industry leaders who agreed that track worker safety is industry's number one priority. The program will span work packages across five key areas: technology, planning works, skills / competencies, communications, and culture.

NATIONAL RULES

The National Rules Framework consists of those rules from the Australian Network Rules and Procedures Project (ANRP) which are based on principles that are nationally applicable within the Australian rail industry. The delivery of the National Rules Framework earlier this year, is the first milestone in a project to develop a nationally applicable rule book, and is a significant step towards achieving industry harmonisation. RISSB is now working on a number of specific rules that can be adopted (self-mandated by industry) nationally.

NATIONAL VEHICLE REGISTER

RISSB is developing a national vehicle register for rail vehicle identification. This tool will reduce administrative burden and will help move people and freight around the country with greater ease and across complex networks of infrastructure managers and multi-jurisdictional operators.

TRAIN CONTROL INTEROPERABILITY

National networks are continuing to adopt more sophisticated control systems. RISSB is building on the outcomes from a Technical Assessment Report, to explore technological solutions to bridge the interface gap between control systems and how they might be funded.

NOISE

This work, looking into train horns and wheel squeal, will draw together contemporary research to inform ongoing national discussions on noise in built up areas.

TECHNOLOGY BENEFIT REALISATION

As our old industry works hard to modernise and take advantage of technological innovations, there are some unique challenges to overcome. One is simply how to better link those developing new technologies, with their potential rail customers. This work will help to bridge the gap.

THE NATIONAL RAIL ACTION PLAN

“an agreed set of actions that will be undertaken by the Commonwealth, state and territory governments and key members of the rail industry.”

RISSB has been playing a lead role in the National Rail Action Plan which not only encompasses some of the special projects mentioned above, but also includes the development of Standards for the manufacturing industry.



// Safety Data and Risk Analysis Models

For several years now, we've reported on progress on RISSB's Australian Rail Risk Model – ARRM. ARRM is an objective, quantitative tool that provides rail organisations with a comprehensive picture of safety risk. It is used to inform:

- + Investment decisions by rail companies and governments
- + Safety cases
- + RISSB's work program of Standards, Codes of Practice, Guidelines and Rules
- + Research
- + Cross-industry collaboration
- + Major new RISSB safety projects and initiatives.

ARRM is Australia's only national, system-wide rail risk model, providing a tool to assist rail organisations to achieve safety So Far As Is Reasonably Practicable (SFAIRP). For participating rail companies, ARRM provides organisationally specific risk information that users can interrogate in multiple ways, through a simple and user friendly interface, to produce a wide range of reports. It provides the ability to benchmark an organisation's levels of risk against anonymised aggregated risk information from similar rail organisations.

During 2019/20 the 4th annual update to the model was completed. ARRM has now analysed over 250,000 occurrence records, modelling risk across over 100 different hazardous events. It has over 320 users (representing a growth of around 20% each year) from more than 40 organisations. This year, RISSB created and filled the role of Safety and Risk Systems Manager which is focused on ensuring that ARRM users are getting the support that they need in maximising their value in the model.

In 2019/20, the ALCAM (the Australian Level Crossing Assessment Model) Committee progressed its work in exploring a transition of ALCAM to RISSB. The stewardship for ALCAM has been provided by VicTrack for many years, and under their care ALCAM has grown to be an important part of our industry's management of level crossing risk. RISSB commends VicTrack for the exemplary manner in which they have performed this service for the greater industry, and is optimistic about the prospect of RISSB taking ALCAM forward in 2021, which would bring together a powerful combination of ALCAM and ARRM.

In 2019/20 RISSB progressed securing the intellectual property for the Occupational Culture Work Health and Safety survey instrument which has some significant pedigree going back through the Australian Centre for Rail Innovation (ACRI), to the Cooperative Research Centre (CRC) for Rail Innovation. In 2021 RISSB will provide this long- standing survey to the entire rail industry as a robust platform to benchmark safety culture. This will be a significant step forward as we all strive for safety improvements, and especially as we grapple with this intangible, but fundamental aspect.

Bringing these systems together, along with the provision of support from RISSB's new Safety and Risk Systems Manager, will provide a valuable and powerful package of information systems to help the railway be better informed, and support decision making.

ARRM
AUSTRALIAN RAIL RISK MODEL



// Training and Technical Advice

In 2019/20, RISSB made significant progress in its strategic training agenda and continued to deliver accredited and non-accredited courses and expand its training options for the benefit of the Australian rail industry.

This year, RISSB embarked on an extensive review of its training courses and training delivery model with a view to enhancing both the quality of course offerings and delivering on RISSB's new value proposition.

That review resulted in us commencing work to:

- + Develop courses that assist with the uptake of RISSB Standards, Codes of Practice, Guideline and Rules
- + Offer a training register where people can register their interest to attend classroom-style training
- + Offer in-house training to our rail industry Members and non-members as needed and where required.

The new model also allows RISSB the flexibility to:

- + Schedule course dates according to registered interest throughout the year
- + Refine current courseware
- + Develop new training products
- + Construct an online learning platform for open learning.

In 2020, the impact of COVID-19 across the rail industry presented once in a lifetime challenges to both RISSB and our members. However, the revised training model provided RISSB with the platform to build on its success and develop new courses for its new eLearning platform - Learning Express. We currently have three courses in the final stages of development and near completion for release in 2020/21.

The value delivered through classroom style delivery continued to be very popular with Members and non-members alike, with a high uptake in flagship courses such as Rail Safety Investigation and Derailment Investigation and Analysis.

In the period between July 2019 and March 2020, RISSB delivered a total of 9 courses across Australia.

Since the implementation of government restrictions and social distancing, RISSB opted to conduct face-to-face training only in those situations where the requirements of both the Commonwealth and the host state could be met. But once COVID-19 restrictions are lifted, RISSB's regular face-to-face courses will continue to be delivered in learning facilities across Australia and in-house on our client's premises.

This year, RISSB has taken the lead and is working towards the delivery of the National Track Safety Induction (NTSI) course. The NTSI is part of RISSB's strategy in delivering a nationally harmonised program that provides the base knowledge required by rail workers. This course is managed by RISSB and developed by industry for industry and will provide information to those who access the railway as part of their job.



// Events, Programs and Industry Co-ordination

Over the last 12 months, RISSB has offered a range relevant, innovative and thought-provoking events and programs and has expanded its industry co-ordination role.

RISSB responded well to the COVID-19 pandemic and pivoted quickly offering virtual options in place of face-to-face meetings and events.

CONFERENCES AND NETWORKING EVENTS

The annual RISSB Safety Conference planned for early April 2020 was deferred until October 2020 and has ultimately become a virtual 2-day conference retaining a similar program of speakers. RISSB's Technology and Innovation Conference was deferred to the following financial year to accommodate two Rail Safety Conferences in a period of six months. However, RISSB's third Rail Cyber Security Conference, RISSB's only face-to-face conference in 2019/20, went ahead as planned in August 2019, providing industry with an update on relevant cyber issues and risk management strategies.

Due to COVID-19's impact on meetings and events, we held only one Chair and Industry Networking Breakfast. Held in Sydney on 12 November 2019, this popular event was attended by more than 60 people who turned up to network and hear Tim Young, Executive General Manager Rolling Stock Services (Downer Group) deliver a presentation titled: *Technology, The Future and Rail*. These events will continue to be offered once travel bans and other COVID-19 restrictions are lifted in states around Australia. In 2019, RISSB co-hosted the 2019 International Railway Safety Council Conference in Perth. The conference attracted more than 220 delegates and RISSB was elected to the CORE Group Leadership Team.



SHARING INVESTIGATIONS FORUM

The RISSB Sharing Investigations Forum continues to be seen by industry as an important way for industry to learn from incidents and their subsequent investigations. Forum 2 was held in Brisbane at Aurizon in October 2019 and was described by one attendee as "the best industry event I have been to." A Sharing Investigations Forum planned for March 2020 was postponed to September 2020. An Occupational Health in Rail Forum planned for March 2020 was also postponed to 2021.

WEBINARS

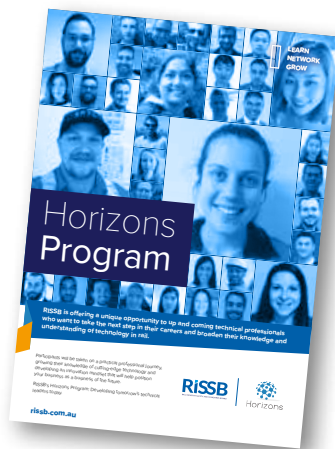
To maintain relevance in an increasingly digital world, this year RISSB started offering weekly technical / leadership webinars in April. These have been highly successful with 209 people registering for the inaugural webinar event. The masterclass

webinars have been very successful with over 300 watching two of our international presenters - Huw Gibson from RSSB (UK) and Allan Spence from Network Rail (UK). Based on our past successes with this communication channel and the traction we are getting with industry, we have continued to offer webinars in the new financial year.

HORIZONS PROGRAM

The RISSB Horizons Program continued to be popular with nearly 50 participants from 31 rail organisations involved in Horizons 2.0. Feedback from participants continues to reflect the key benefits of the Horizons Program – knowledge sharing, understanding new technology, personal growth, expanded networks and exposure to industry's technical and corporate leaders.

"The Horizons Program has been a fantastic opportunity to network with the next generation of railway technical, safety and operational experts and industry leaders. We've had a unique opportunity to view some of the latest



technology and projects in the Australian rail industry, and learn some valuable lessons from a wide range of industry and management leaders."

"The Horizons program has provided invaluable access to engaging speakers, new concepts and the latest technology - but the biggest benefit has been the opportunity to network with young rail professionals from all over Australia who share a similar interest in innovation and leadership."

INDUSTRY CO-ORDINATION

RISSB is seen by industry as playing a key co-ordinating role. RISSB manages a number of industry groups including:

- + The Safety Managers Group
- + The National Track Worker Safety Forum
- + The SPAD Group
- + The Chief Medical Officers Council
- + The Human Factors Managers Group.

Meetings were held during 2019/20 by each group, focused on key issues, national policy and knowledge sharing.

DELIVERING OUTCOMES FOR INDUSTRY

SPAD Group Project - Training the Train Controllers and Improving Rail Safety Through Teamwork

Train controllers and signallers can inadvertently influence or increase the likelihood of a SPAD or overrun of limit of authority event in a number of areas. These include:

- + The way routes are cleared (including how the system is designed to clear which is not in their control)
- + Communication including the issuing of train orders/safe working instructions
- + The way faults/alarms are responded to

The SPAD Group investigated these areas by supporting a national competitive Australian Research Council (ARC) Discovery Early Career Researcher Award fellowship that Dr Anjum Naweed received to study in the area of teamworking in rail safety. He visited eight rail organisations across Australia and New Zealand and investigated the

"Non-technical Skills" (NTS) that Network Controllers/Signallers applied in the course of their work; these skills include the social, cognitive and personal skills that enhance how technical skills, tasks and procedures are carried out, and assist in learning how to deal with different situations. Dr Naweed collaborated with Dr Philippa Murphy, an NTS expert from the Rail Safety Standards Board (RSSB) in the UK who assisted with analysis.

The project found that while all non-technical skills categories may critically impact operations, three are more relevant to SPAD risk, for example:

- + **Situational Awareness** – this relates to the cognitive skills required to absorb information, understand what is happening in the present moment and what may happen next. This skill category was found to negatively impact SPAD-risk, where misuse or non-application contributed to an operational incident. However,

it also carried a positive influence, where retrospective awareness and application of an NTS could mitigate the operational incident.

- + **Communications** – this highlighted the importance of communication as both a contributory, but also a mitigating factor in rectification of train control issues.
- + **Conscientiousness** – this demonstrated the need for a systematic approach to identify and rectify failures.

The findings of the project have been presented at SPAD Group meetings, but have also met with peer-review at publication at prestigious international conferences, including the World Congress in Rail Research, 2019 (held in Tokyo Japan), and the World Congress in Rail Training, 2019, held in Morocco. They are also to be presented at the Annual RISSB Safety Conference in October 2020.

// What's Ahead

What we have planned from 1 July 2020 to 30 June 2021:

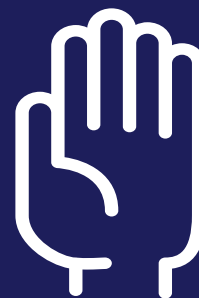
32

32 publications are under development. This figure includes Standards, Codes of Practice and Guidelines. 23 of these products will be finalised and delivered by 30 June 2021.

We will **continue to progress discussions** about transitioning ALCAM to RISSB.



We will **progress track worker safety program** work packages.



More member communications with **weekly webinars**, the introduction of podcasts and the creation of a rail resource hub on a reimagined RISSB website.

RISSB will work with light rail stakeholders and roads authorities to **deliver RISSB's first light rail Standard**.



We will continue to progress discussions about transitioning ALCAM to RISSB.



SAFETY

The third **SPAD Forum** and the third **Sharing Investigations Forum** will be held and plans are underway for two new forums.

RISSB will progress a **new portfolio to its work plan – Major Projects.**



The Major Projects area will span several key initiatives for RISSB including Track Worker Safety, National Rules (initially starting with the production of a national communications rule), Train Control Interoperability, and the Transport and Infrastructure Council (TIC) endorsed National Rail Action Plan.

RISSB will offer **Horizons 3.0**, the program for young technical professionals. Horizons 3.0 will include forums, webinars, a hackathon, site visits, projects and RISSB Standards involvement.



Horizons



RISSB Will offer **2 Rail Safety Conferences** in the coming financial year and will start planning the 2021 Technology and Innovation Conference (to be held in August 2021). RISSB's **Rail Safety Conference 2020 will be held on 27-28 October 2020.**

RISSB will continue its **safety leadership role by co-ordinating key industry meetings** including the Safety Managers Group, SPAD Group, the Human Factors Managers Group and the National Track Worker Safety Forum.



RISSB will continue to develop **online learning courseware** to complement face-to-face courses. A National Track Safety Induction Course will be launched soon.

// Governance

The RISSB Board is committed to responsible and effective governance and continues to oversee a robust 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.

To reflect the national focus of RISSB's activities the Board has sought to encourage 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 Adelaide.

Information on the skills and experience of each of the Directors is provided in the Directors 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 also 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

**Deborah Spring**

Independent Chair (& Chief Executive Officer)
Member – Remuneration & People Committee

**David George**

Independent Director
Member – Audit & Risk Committee

**Tim Kuypers**

Independent Director
Chair – Audit & Risk Committee

**Kate Bowman**

Industry Director, Freight Operations
Chair - Remuneration & People Committee
Pacific National Pty Ltd

**Scott Cornish**

Industry Director, Passenger Operations
Member – Audit & Risk Committee
Queensland Rail Limited

**Kylie Gallasch**

Industry Director Network Managers/Owners
Member – Remuneration & People Committee
Australian Rail Track Corporation Limited

**Paul Lowney**

Industry Director, Network Managers/Owners – until 2 December 2019
Member – Remuneration & People Committee – until 2 December 2019
Arc Infrastructure Pty Ltd

**Mark Carling**

Industry Director, Suppliers and Contractors – until 14 February 2020
Member – Remuneration & People Committee – until 14 February 2020
SNC-Lavalin Rail & Transit Pty Ltd

OPERATION OF THE BOARD

The Board recognizes 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 regularly. Matters specifically reserved to the Board are set out in the Manual. The Board also conducts reviews of 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 usually 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. Unfortunately, in 2020 this program has been curtailed due to COVID-19 and the Board has met remotely by videoconference. The Board also convenes special meetings and out of session to address specific issues that may arise between scheduled Board meetings. There were nine meetings of the Board during the 2019-20 financial year and the details of Directors attendance at those meetings is set out in the Directors Report. 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.

COMMITTEES

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 operational performance information necessary for the Board to fulfill 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 previous CEO in May 2019 the Board looked to strengthen RISSB's management capabilities by initiating a comprehensive recruitment process for the new CEO. Unfortunately, due to the impact of COVID-19 the recruitment process has been interrupted. It is currently anticipated that a new CEO will be appointed late in 2020 to commence at the beginning of 2021. Throughout this period the Chair has undertaken the role of Executive Chair and CEO with the full support and appreciation of the Board.

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 2021. 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 focussed 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. As part of that process the Board continually reviews progress achieved against the Strategic Plan 2017 – 2022 and during the year engaged consultants to survey the take-up and value of RISSB products and services which provided very encouraging results.

This work is continuing with the Board now focussed on delivering greater value to Members through a range of initiatives including the development of a major projects portfolio, enhanced training program, improved membership benefits and a reduction in annual membership fees.

// RISSB Members

as at 25 September 2020

Member	Class
Abbott Risk Consulting Limited	D
ABT Railway Ministerial Corporation	D
Arc Infrastructure Pty Ltd	3
Aurizon Holdings Limited	1
Aussafe Consulting Pty Ltd	Associate
Australian Rail Track Corporation Ltd	1
Australian Sugar Milling Council Pty Ltd	Associate
Avantgard Pty Ltd	Associate
BG&E Pty Ltd	D
BHP Billiton Iron Ore	A
Buy 2 Give Pty Ltd	Associate
Calibre Professional Services Pty Ltd	E
Carmichael Rail Network Pty Ltd	E
Centre For Excellence In Rail Training Pty Ltd	Associate
Centre For Railway Engineering - Cqu	Associate
Certifer Australia Pty Ltd	D
Competency Australia Pty Ltd	Associate
Consolidated Land and Rail Australia Pty Ltd	E
Deakin University Library	Associate
Dakar Risk Management Services Pty Ltd	Associate
Department of Planning, Transport & Infrastructure	A
Department of Transport Victoria	A
Don River Railway	Associate
Downer EDI Rail	A
Emerald Tourist Railway Board	D
Freightquip Pty Ltd	D
Gold Creek Engineers Australia	Associate
Holland LP	E
Holistic Systems and Assurance Pty Ltd	Associate
Institution of Railway Signal Engineers Australia	Associate
IISRI - Deakin University	Associate
Institute of Railway Technology - Monash	Associate
Ju Design Pty Ltd	Associate
Key Source Rail Pty Ltd	D
KiwiRail	B
Laing O'Rourke Australia Construction Pty Ltd	A

Member	Class
LINX Rail Pty Ltd	D
Manildra Flour Mills Pty Ltd	E
Marling Group	Associate
Metro Trains Melbourne	1
Mid West Ports Authority	D
Nova Systems Consulting Pty Ltd	D
One Rail Australia Pty Ltd (Formerly G&WA)	2
Pacific National Pty Ltd	1
Pilbara Iron Pty Ltd (Rio Tinto Iron Ore)	A
Public Transport Authority of Western Australia	3
Queensland Rail Limited	1
Rail Confidence Pty Ltd	Associate
Rail Projects Victoria	D
Rail Safety People Pty Ltd	Associate
Rail Safety Systems Pty Ltd	E
Rail, Tram and Bus Union - National Office	D
RGB Assurance Pty Ltd	D
RoadRailPort	Associate
Roy Hill Infrastructure Pty Ltd	C
Royal Melbourne Institute of Technology	Associate
RRVC Pty Ltd	Associate
Salcef Group SpA	C
SCT Logistics	B
SMART Infrastructure Facility - UOW	Associate
SNC-Lavalin Rail & Transit Pty Ltd	C
SteamRanger Heritage Railway	Associate
Swietelsky Rail (Australia) Pty Ltd	C
Sydney Trains	1
Tasmanian Railway Pty Limited	B
Theta International	Associate
Training Ahead Australia Pty Ltd	Associate
Transport for New South Wales	1
Transport Heritage NSW Limited	D
V/Line Pty Limited	2
VicTrack	D
Zig Zag Railway Co-operative Ltd	Associate

// Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

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DIRECTORS' REPORT

Your Directors present their report on the operations of the company for the financial year ended 30th June 2020.

RISSB Ownership

Following the restructure of RISSB in 2015 the company is owned by its funding members. At present there are 72 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 (Executive Chair - 1 June 2019)
David Harry George	Appointed 1 July 2015;
Kate Angharad Bowman	Appointed 4 July 2017
Paul Lowney	Appointed 17 January 2018; resigned 2 December 2019
Timothy John Kuypers	Appointed 20 April 2018
Mark Peter Carling	Appointed 21 February 2019; resigned 14 February 2020
Scott Cornish	Appointed 16 May 2019
Kylie Ann Gallasch	Appointed 2 December 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 and the results (and products) are reported to the RISSB Board at its regular meetings and approved for publication.

DIRECTORS' REPORT

Strategy for Achieving the Objectives (Continues)

- 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 Chair & CEO's Report and the reports on RISSB's activities set out earlier in the Annual Report.

Information on Directors

Deborah Spring, Independent Director and Executive Chair	<p>Debbie Spring has broad experience gained as a senior executive in businesses operating in Australia and overseas. These include energy, manufacturing, petrochemicals, rail, and general logistics. Debbie's expertise is in implementing major business transformation programs in large, complex, capital intensive, highly regulated and unionised industries. As a professional Director with over 15 years of experience, Debbie has held a number of Chair and Director positions on private companies, government entities and not-for-profit organisations in environment, education and logistics including chairing or membership of sub-committees responsible for finance, audit and risk, remuneration, culture and governance. Debbie's Board positions have included V/Line Corporation, Ambulance Victoria, Federation University of Australia, Mount Hotham Resort Management Board (Chair), and the Donric Group (Chair). Debbie is also a Board Member of Goulburn Ovens Institute of TAFE and Deputy-Chair of Rowing Victoria.</p> <p>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 an Independent Director of RISSB in 2015 and Chair in November 2016 and is a member of the Remuneration & People Committee. In June 2019 Debbie was appointed Executive Chair and CEO of RISSB.</p>
David George, Independent Director	<p>David George has extensive experience in the rail industry having held executive positions in the UK, Australian and New Zealand railways. He was Chief Executive of the Co-operative Research Centre (CRC) for Rail Innovation (2007-2014), Vice Chair, International Railway Research Board (2007-2013) and Chief Executive of ONTRACK /New Zealand Rail Corporation (2004 – 2007). Prior to this he headed up Queensland Rail's coal and freight businesses (1998 – 2004) and was previously Director of European Business (freight) for British Rail in the run-up to the opening of the Channel Tunnel. David was an independent Director of TasRail (including Chair of the Board Safety Committee) from 2011 to 2017 and a former member of the Queensland Rail Board (including Chair of the Board People and Safety Committee).</p>

DIRECTORS' REPORT

	<p>David is Managing Director of D George Advisory Services, having worked on assignments which include a World Bank funded consultancy providing advice to Indian Railways on the heavy haul capabilities needed to run the new Dedicated Freight Corridors being built in India. David has an MA in Metallurgy and Science of Materials from Oxford University. David was appointed an Independent Director of RISSB in 2015 and is a member of the Audit & Risk Committee.</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, internal audit, risk and compliance, and workers compensation 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.</p> <p>Prior to Pacific National, Kate was at Asciano and Patrick and 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 to the RISSB Board in July 2017 and is also the Chair of the Remuneration & People Committee.</p>
<p>Timothy Kuypers, Independent Director</p>	<p>Tim Kuypers has over thirty 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 Optel. 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.</p> <p>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. He was appointed an Independent Director of RISSB in April 2018 and is also Chair of the Audit & Risk Committee.</p>

DIRECTORS' REPORT

<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. Prior to joining Arc Paul worked on a number major infrastructure projects in Australia and internationally both with contracting and client organisations.</p> <p>Paul stepped down as a Director of RISSB at the AGM in December 2019.</p>
<p>Mark Carling, Industry Director – Suppliers & Contractors</p>	<p>During his time as a Director of RISSB Mark Carling was 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 lead 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 provided 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>As Executive General Manager Safety, Risk and Assurance at Queensland Rail, Scott Cornish 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. Scott was appointed to the RISSB Board in May 2019 and is a member of the Audit & Risk Committee.</p>
<p>Kylie Gallasch, Industry Director – Network Managers/Owners</p>	<p>Kylie Gallasch is a highly-engaged Group Executive with more than 20 years rail experience, an expansive portfolio, and a strong line-of-sight to customer outcomes. She is a strategic, empathetic people manager who currently leads more than 140 people across ARTC's Corporate Services and Safety division, which includes among other things, engineering services; risk, safety & environment and systems & technology management.</p> <p>Kylie is a Fellow of CPA Australia, has completed the AICD Company Directors Course and currently serves as a Director of Minda - a South Australian-based non-profit that empowers people with intellectual disability to reach their aspirations while maximising their independence. Kylie was elected to the RISSB Board in December 2019 and is a member of the Remuneration & People Committee.</p>

DIRECTORS' REPORT**Directors' attendance at Meetings of the Board held during the Financial Year**

Director	Meetings Eligible to Attend	Number Attended
Deborah Spring	9	9
David George	9	8
Timothy Kuypers	9	9
Kate Bowman	9	9
Paul Lowney	4	4
Mark Carling	5	4
Scott Cornish	9	9
Kylie Gallasch	5	5

Directors attendance at Meetings of Committees held during the Financial Year

	Audit & Risk		Remuneration & People	
Director	Meetings Eligible to Attend	Number Attended	Meetings Eligible to Attend	Number Attended
Deborah Spring	5	5	3	3
David George	5	5	-	-
Tim Kuypers	5	4	-	-
Scott Cornish	5	5	-	-
Kate Bowman	-	-	3	3
Paul Lowney	-	-	1	1
Mark Carling	-	-	1	1
Kylie Gallasch	-	-	2	2

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 72 current members is \$720.

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 September 2020

**accountants + auditors**

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**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 2020, 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 2020

Brisbane

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
Revenue from ordinary activities	3(a)	5,718,641	5,140,442
Depreciation and amortisation expenses		(194,057)	(70,514)
Employee benefits expenses	3(b)	(1,988,483)	(2,047,159)
Consultancy & project costs		(926,115)	(1,428,621)
Events & training		(221,294)	(261,634)
Other expenses from ordinary activities	3(c)	(1,313,719)	(1,137,754)
Surplus from ordinary activities		1,074,973	194,760
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,074,973	194,760
Surplus attributable to members of the entity		1,074,973	194,760
Total comprehensive income attributable to members of the entity		1,074,973	194,760

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,026,627	3,633,793
Trade & other receivables	5	359,040	529,418
Other assets	6	104,607	174,589
TOTAL CURRENT ASSETS		5,490,274	4,337,800
NON-CURRENT ASSETS			
Property, plant and equipment	7	132,999	51,025
TOTAL NON-CURRENT ASSETS		132,999	51,025
TOTAL ASSETS		5,623,273	4,388,825
CURRENT LIABILITIES			
Trade & other payables	8	439,645	433,410
Other provisions	9	24,251	24,251
Employee provisions	10	140,375	85,695
Lease Liability	11	58,765	-
TOTAL CURRENT LIABILITIES		663,036	543,356
NON-CURRENT LIABILITIES			
Employee Provisions	10	32,672	48,561
Lease Liability	11	55,684	-
TOTAL NON-CURRENT LIABILITIES		88,356	48,561
TOTAL LIABILITIES		751,392	591,917
NET ASSETS		4,871,881	3,796,908
EQUITY			
Retained Surplus		3,871,881	2,796,908
Special Reserve	16	1,000,000	1,000,000
TOTAL EQUITY		4,871,881	3,796,908

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Earnings \$	Special Reserve \$	Total Equity \$
Balance at 1 July 2018	2,602,148	1,000,000	3,602,148
Net Surplus for the year	194,760	-	194,760
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Transfer to special reserves	-	-	-
Balance at 30 June 2019	2,796,908	1,000,000	3,796,908
Balance at 1 July 2019	2,796,908	1,000,000	3,796,908
Net Surplus for the year	1,074,973	-	1,074,973
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2020	3,871,881	1,000,000	4,871,881

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		5,836,450	5,958,116
Payments to suppliers and employees		(4,496,185)	(5,440,021)
Interest received		52,569	67,700
Net cash provided by operating activities		1,392,834	585,795
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(22,794)
Net cash used in investing activities		-	(22,794)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in investing activities		-	-
Net increase in cash held		1,392,834	563,001
Cash at beginning of financial year		3,633,793	3,070,792
Cash at end of financial year		5,026,627	3,633,793

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

Impact of New Accounting Standards for 2020

The adoption of *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income for Not for Profit Entities* has not had a material impact on the Company for the 2020 financial year.

The adoption of *AASB 16 Leases* in the 2020 financial year has had an impact on the Company. See note 1(l) for further details.

(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

AASB 15 Revenue from Contracts with Customers and *AASB 1058 Income for Not for Profit Entities* replaces *AASB 118 Revenue* and several revenue-related interpretations. The new Standards have been applied as at 1 July 2019 with no material impact on the Company for the 2020 financial year.

In order for a transaction to be accounted for under *AASB 15*, it must represent an agreement between two or more parties that creates enforceable rights and obligations and also contains performance obligation(s); being a promise to transfer to the customer a good or service. *AASB 1058* applies to transactions of not-for-profit entities where the consideration to acquire an asset (including cash) is significantly less than fair value principally to enable the entity to further its objectives.

The accounting policies of the Company have been reviewed in 2020 to reflect the requirements of these new standards.

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 an agreement between the Company and one or more parties creates enforceable rights and obligations and also contains performance obligation(s); being a promise to transfer to the customer a good or service. Details of the activity-specific recognition criteria are described below.

Government grants

Government grants are recognised as revenue when the performance obligation inherent within each grant agreement is satisfied. Recognition of the grant as revenue is deferred until those conditions are satisfied.

Revenue from a grant that is not subject to performance obligations 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue (Continued)

Secretariat Support

Secretariat support income is recognised when the company completes the performance obligations within the agreement and the amount can be measured reliably.

Project Income

Project income is recognised upon the delivery of the agreed performance obligations and 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 deposits.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(l) Leases

The adoption of AASB 16 Leases has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach in which the calculation of the lease liability at the start of the financial year equals the right of use asset – totaling \$276,031. Prior periods have not been restated.

The following is a reconciliation of the financial statement line items from the former standard AASB 117 lease to the new standard AASB 16 at 1 July 2019:

	Carrying Amount at 30 June 2019	Reclassification	AASB 16 carrying amount at 1 July 2019
Right of Use Asset	-	276,031	276,031
Lease liabilities	-	276,031	276,031

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 5%.

Accounting Policy for Leases – 2020 Financial Year

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Accounting Policy for Leases – 2019 Financial Year

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Significant management judgement in applying accounting policies (Continued)

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
(a) Revenue		
Funding & grant income	2,715,277	2,705,084
MOU funding	1,632,000	1,632,000
Interest income	52,569	67,700
Project income	1,117,289	642,709
Other income	201,506	92,949
Total Income	<u>5,718,641</u>	<u>5,140,442</u>
(b) Employee benefits expenses		
Salaries & employment costs	1,830,039	1,886,071
Superannuation	158,444	161,088
Total Employee Benefits expenses	<u>1,988,483</u>	<u>2,047,159</u>
(c) Other expenses from ordinary activities		
Rent and outgoings	55,622	185,084
Office and administration costs	115,018	76,263
Advertising & marketing	69,733	81,611
Board expenses	195,714	224,751
Professional fees	256,823	42,430
IT costs	30,016	21,823
Interest expense – AASB 16 Leases	13,801	-
Travel and accommodation	173,654	196,830
Website costs	56,047	158,618
Other expenses	347,291	150,344
Total Expenses	<u>1,313,719</u>	<u>1,137,754</u>
NOTE 4: CASH & CASH EQUIVALENTS		
Cash at bank	<u>5,026,627</u>	<u>3,633,793</u>
NOTE 5: TRADE & OTHER RECEIVABLES		
Trade debtors	<u>359,040</u>	<u>529,418</u>
NOTE 6: OTHER ASSETS		
CURRENT		
Accrued revenue	7,550	31,641
Prepayments	49,126	95,017
Security deposit	47,931	47,931
	<u>104,607</u>	<u>174,589</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Office equipment - at cost	120,879	120,879
Less accumulated depreciation	<u>(113,355)</u>	<u>(97,772)</u>
	7,524	23,107
Office furniture & fittings - at cost	40,335	40,335
Less accumulated depreciation	<u>(29,252)</u>	<u>(24,408)</u>
	11,083	15,927
Lease fitout	81,634	81,634
Less accumulated depreciation	<u>(79,412)</u>	<u>(69,643)</u>
	2,222	11,991
Right of Use Asset	276,031	-
Less accumulated depreciation	<u>(163,861)</u>	<u>-</u>
	112,170	-
Total property, plant and equipment	<u>132,999</u>	<u>51,025</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	Right of Use Asset	Total
	\$	\$	\$		\$
2019					
Balance at the beginning of the year	23,107	15,927	11,991	-	51,025
Adoption of AASB 16 Leases	-	-	-	276,031	276,031
Additions	-	-	-	-	-
Depreciation expense	<u>(15,583)</u>	<u>(4,844)</u>	<u>(9,769)</u>	<u>(163,861)</u>	<u>(194,057)</u>
Carrying amount at end of year	7,524	11,083	2,222	112,170	132,999

NOTE 8: TRADE & OTHER PAYABLES

CURRENT

Trade creditors and accruals	223,597	267,878
Sundry creditors	182,948	165,532
Retention Payable	<u>33,100</u>	<u>-</u>
	439,645	433,410

NOTE 9: OTHER PROVISIONS

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: EMPLOYEE PROVISIONS

	2020 \$	2019 \$
CURRENT		
Provision for annual leave	108,265	85,695
Provision for long service leave (current)	32,110	-
	<u>140,375</u>	<u>85,695</u>
NON-CURRENT		
Provision for long service leave (Non-Current)	32,672	48,561
	<u>32,672</u>	<u>48,561</u>

NOTE 11: LEASES

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in changes to the company's accounting for leases for which it is lessee. See note 1(l) for details.

The movement in the right of use asset is documented at note 7(a). The associated lease liabilities are presented in the statement of financial position as follows:

	\$	\$
Lease liabilities – AASB 16		
Current	58,765	-
Non-Current	55,684	-
Total Leases	<u>114,449</u>	<u>-</u>

NOTE 12: CAPITAL COMMITMENTS

RISSB had no capital commitments at 30 June 2020 (30 June 2019: \$nil)

NOTE 13: CONTINGENT LIABILITIES

As at the 30 June 2020, the Company had one ongoing legal matter. Whilst the Directors are of the opinion that the matter is fully defensible based on the particulars of the case, there is still a possibility of an outflow of economic resources on the Company. As at the reporting date, an estimate of any potential liability was not able to be reliably estimated.

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	235,514	321,188
Total Key Management Personnel Compensation	<u>235,514</u>	<u>321,188</u>

Except for the key management personnel transactions noted above, there were no additional related party transactions in the 2020 financial year (2019: \$nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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. The following is the movement in the 2018/19 and 2019/20 financial years of this reserve.

Special Reserve

Opening balance	1,000,000	-
Transfer from retained earnings	-	1,000,000
Closing special reserve balance	1,000,000	1,000,000

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

DIRECTORS' REPORT**DIRECTORS' DECLARATION**

The directors of the company declare that

1. The financial statements and notes, as set out on pages 8 to 23 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 2020 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

Dated: 25 September 2020

**accountants + auditors**

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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 2020, 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 2020 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 2020, 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 liquidated the Company or to cease operations, or have no realistic alternative but to do so.

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 and 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.
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Auditor's Responsibility for the Audit of the Financial Report (Continued)

- 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 2020





RiSSB
RAIL INDUSTRY SAFETY AND STANDARDS BOARD

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