



Australian Government
High Speed Rail Authority

Annual Report 2023-24



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Australian Government
High Speed Rail Authority

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Dear Minister,

I am pleased to present the Annual Report of the High Speed Rail Authority (the Authority) for the year ending 30 June 2024.

The report has been prepared as required under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) for your presentation to the Parliament, and as required by sections 39(1)(b) and 43(4) of the PGPA Act, the report includes the Authority's annual performance statements and audited financial statements.

The reporting period for this Annual Report is 12 June 2023 to 30 June 2024. The Department of Finance provided a signed nomination under subsection 17J(3) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) for the Authority's first reporting period to be 12 June 2023 to 30 June 2024 in accordance with section 7AC of the PGPA Rule.

This report has been approved by a resolution of the High Speed Rail Authority Board as the Accountable Authority in reliance on assurance management certification provided by the Authority's CEO, that during the reporting period:

- ▶ in accordance with sections 17AG and 17BE of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), there were no significant issues of non-compliance notified; and
- ▶ in accordance with sections 10 and 17AG of the PGPA Rule, a fraud risk assessment and fraud control plan were prepared for the Authority, appropriate mechanisms were in place for preventing, detecting, investigating and reporting fraud that met the specific needs of the Authority, and all reasonable measures were taken to deal appropriately with fraud relating to the Authority.

Following the tabling of the Authority's Annual Report, the report will be made available on the Australian Government's Transparency Portal www.transparency.gov.au as well as on the Authority's website www.hsra.gov.au.

Yours sincerely

A handwritten signature in black ink that reads 'Jill Rossouw'.

Jill Rossouw
Chair, High Speed Rail Authority

27 September 2024



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA



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The High Speed Rail Authority acknowledges the traditional owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to the Elders past and present.

Chair's foreword

Welcome to the inaugural annual report for the High Speed Rail Authority (the Authority), a start-up entity, which was established 12 June 2023. The Authority was delighted to appoint Tim Parker as the inaugural Chief Executive Officer. Tim joined our organisation in January 2024. We also acknowledge the contribution of Andrew Hyles, who was Acting Chief Executive Officer.

The Australian Government is planning for a future high speed rail network to connect Brisbane, Sydney, Canberra, Melbourne and regional communities across the east coast of Australia. The Authority has been tasked with creating what a future high speed rail network would look like and how it would operate. The proposed first stage is the Newcastle to Sydney connection, a nationally-significant corridor connecting the two largest cities in New South Wales.

New infrastructure like a high speed rail network will create more jobs in more locations, giving people greater choice of where they work and live, while also unlocking more diverse and affordable housing options. Some of the parameters for this development work include a network that can move thousands of people an hour between major cities and regional centres on new world class trains at speeds of more than 250km per hour. A transformational network of this scale delivers massive economic growth opportunities, especially in the development of regional areas including tourism.

It will support sectors like local manufacturing through the National Rail Manufacturing Plan and contribute to Australia's net zero commitments by delivering a sustainable low-emission form of transport. Through its initial establishment phase, the Authority has worked transparently and implemented a framework of high standards of organisational governance and accountability, including an integrated risk management framework.

In undertaking important foundational and planning activities throughout the year, the Authority has advanced its organisational maturity to ensure it is operating with the requisite systems, processes and resources to enable it to deliver on its objectives. The Authority continues to build the organisation's capability and capacity, with the focus of the Board including setting and overseeing the Authority's vision, strategy, organisation culture and resourcing plan.

In 2023–24, the Authority also commenced its work on the business case for the Newcastle to Sydney stage. It is due to be delivered to the Australian Government by the end of 2024, together with a Product Definition Report for the wider east coast network. The Authority is approaching its task through an economic growth framework – with a world-class high speed rail network at its core – designed to deliver generations of benefits to millions of Australians, transforming lives and giving more people greater opportunities.

The Authority's Board continues to work closely with CEO and his executive team to build the organisation capability as we to focus our efforts on bringing these benefits to life.

Reflecting on the achievements of the 2023–24 year, it has been particularly pleasing to see the Authority build momentum as it delivers on its performance measures.

On behalf of the Board, it is my pleasure to introduce the High Speed Rail's 2023–24 annual report.

A handwritten signature in black ink that reads "J. Rossouw". The signature is written in a cursive, flowing style.

Jill Rossouw
Board Chair





SECTION 1

CEO's review

The High Speed Rail Authority (the Authority) has made significant progress in 2023–24 towards delivering a high speed rail network in Australia.



Having been appointed inaugural CEO partway through the year, my focus has been on recruiting and leading our team to ensure we deliver the Newcastle to Sydney Business Case and network wide Product Definition Report to Government by the end of 2024.

Our focus has been clear: this is more than just a railway. High speed rail would deliver many economic, social and environmental benefits as it connects Australian regions, cities and communities with quick, convenient, safe and comfortable high speed rail services.

Journey times from Newcastle to Sydney would be about an hour.

From the Central Coast – 30 minutes to Sydney, and 30 minutes to Newcastle.

As the future network evolves, people could be able to travel from Canberra to Sydney in about 1.5 hours.

Intercity connections such as Sydney to Brisbane or Sydney to Melbourne would take about 4 hours.

I'm always excited by the task at hand, and immensely proud of the work our growing team has been doing to deliver on our requirements.

The Authority has been focussed on establishing the leadership team, engaging expert advisers to help shape and deliver the Business Case building on previous work on high speed rail as we plan for a new network on the east coast of Australia.

The Authority has entered into an agreement with Transport for NSW (TfNSW) to provide resources and a project office support the Authority in delivering the Business Case.

We continue to engage and consult with the community, key stakeholders and industry on an ongoing basis as part of the Business Case to get valuable insight into optimising the outcome.

High speed rail is a major undertaking requiring careful coordination across federal and state governments, significant investment, and long-term planning.

The opportunity that we have right now is significant and I look forward to continuing to work towards delivery of Australia's very own high speed rail network.



Tim Parker
Chief Executive Officer



SECTION 2

Performance statement



Statement of preparation

I, Jill Rossouw, on behalf of the Board of the High Speed Rail Authority, present the 2023–24 annual performance statement of the High Speed Rail Authority, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, at the date of this statement, based on the material provided to the Board, this annual performance statement accurately reflects the performance of the entity and complies with subsection 39(2) of the PGPA Act.

Jill Rossouw

On behalf of the High Speed Rail Authority Board

16 September 2024

Portfolio Budget Statement and Corporate Plan

The Portfolio Budget Statement (PBS) for 2023–24 has a single outcome and one program for the Authority.

Outcome 1

Developing a high speed rail network between capital cities and key regional centres through policy development and planning, national coordination and strategic advice to enhance Australia's long term rail investment.

Program 1.1

Advice supports the Australian Governments objectives for high speed rail.

The [2023–24 to 2026–27 Corporate Plan](#) was published in August 2023 and sets out the key activities, performance measures and targets of the Authority. It provides a clear roadmap and aligns operations with the Authority's overarching objectives.

The performance measures outlined in the Corporate Plan are reported in the following table.

Performance results

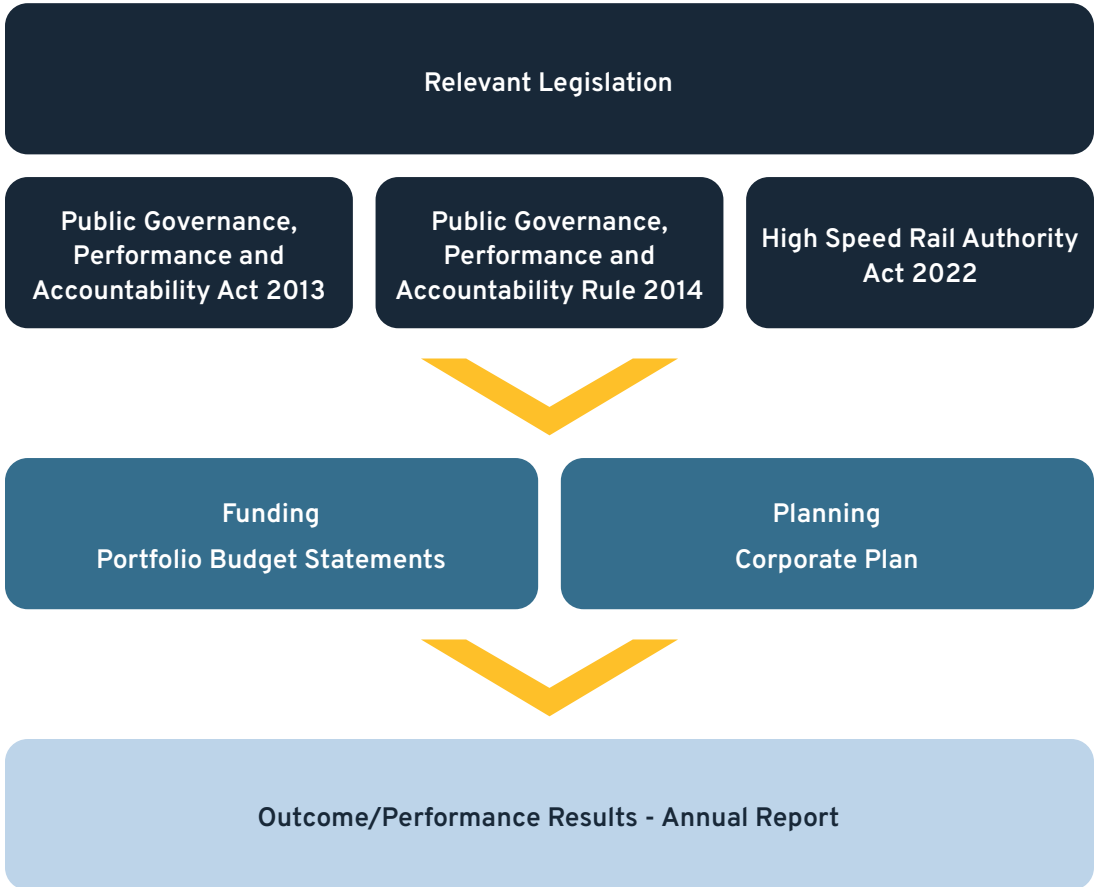
This section provides an assessment of the Authority’s performance during the year and how it contributed to the Authority’s results in achieving its purpose.

The Authority measured its performance through seven performance criteria. Over the reporting period 12 June 2023 to 30 June 2024, the Authority achieved the four targets due by the end of 2023/early 2024 and the remaining three listed at the end of calendar 2024 are on track.

Performance Measure	2023–24 Target	Result	Analysis
Develop a risk management policy and framework.	By the end of 2023, a risk management policy and framework will be developed that will govern how the Authority identifies, manages and communicates risk.	Achieved	The Authority’s risk management policy and framework was endorsed by its Audit and Risk Committee on 29 November 2023. The Authority also appointed a Risk Manager in 2024 who is working through all aspects of risk management systems, process and activities. The Enterprise Risk and Project Risk registers are dynamic documents and will be updated as necessary.
Develop an organisational strategy which includes capability building.	By the end of 2023, an organisational strategy will be developed that provides a road map for developing the organisation and its workforce capability and resource needs to deliver the outcome.	Achieved	The Authority’s Organisational Strategy was finalised in November 2023.
Develop a communications and stakeholder engagement strategy.	By early 2024, a communications and stakeholder engagement strategy will outline a framework, including objectives and timeframes, for the Authority to engage with key stakeholders on key initiatives and actions the Authority will take.	Achieved	The Authority ran a merit based recruitment process and a General Manager Stakeholder Engagement and Communications was engaged in June 2024. Subsequently an Overarching Stakeholder and Community Engagement Strategy was developed in June 2024.
Appoint a permanent Chief Executive Officer to head the Authority.	By early 2024, a permanent Chief Executive Officer will have been appointed.	Achieved	The Authority ran a merit based recruitment process and the Government formally endorsed the appointment of a permanent CEO in November 2023. The newly appointed CEO commenced on 15 January 2024.

Performance Measure	2023–24 Target	Result	Analysis
Build on the 2013 High Speed Rail Phase 2 Report to support strategic planning for an east coast high speed rail network and development of business cases.	A review of the 2013 Phase 2 Report, Pathway to Delivery Report for an east coast high speed rail network and detailed business case for high speed rail on the Sydney to Newcastle corridor are commissioned and work is underway in partnership with relevant states and the ACT.	On track	<p>The Australian Government committed \$78.8 million over two years in additional funding for the Authority to develop the Business Case. The Government announced in January 2024 that the Business Case for Sydney to Newcastle section was expected to be completed by December 2024.</p> <p>The proposed Pathway to Delivery Report has evolved and will now form part of the proposed Product Definition Report (PDR) that will be developed concurrently with the Business Case for Sydney to Newcastle.</p> <p>Procurement for all major external advisers to develop the Business Case and Product Definition Report has been completed.</p> <p>A detailed work program for the development of the Business Case and Product Definition Report has been developed with completion scheduled by the end of 2024.</p>
Develop a strategy to progress state and federal environmental approvals.	By the end of 2024, a strategy to progress state and federal environmental approvals, including a stocktake of the existing frameworks and options for addressing any challenges associated with location-specific issues.	On track	<p>Developed initial assessment of options/requirements for state and federal environmental approvals.</p> <p>Completed analysis of indicative environmental and planning impacts of the project.</p> <p>Commenced discussions with NSW planning, environmental and national parks agencies.</p> <p>Strategy being developed and finalised as part of the Business Case by the end of 2024.</p>
Develop a strategy to progress state and local agreements necessary to realise construction.	By the end of 2024, a governance strategy to progress state and local agreements to support delivery of high speed rail construction projects.	On track	<p>Determining approach to progress state and local agreements to support delivery of high speed rail construction projects.</p> <p>Early phase discussions initiated with Victoria, Queensland and ACT.</p> <p>Strategy being developed and finalised as part of the Business Case by the end of 2024.</p>

The Authority's performance related documents:





SECTION 3

Governance and accountability



Corporate governance

The Authority was established on 12 June 2023, as a Corporate Commonwealth Entity within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department). The Authority's responsible Minister is the Honourable Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government.

The Authority is guided by its corporate governance framework, which ensures that all decisions and actions align with established rules, practices and ethical standards. This framework comprises the Authority's enabling legislation, the *High Speed Rail Authority Act 2022* (HSRA Act) and other legislative instruments, managerial and organisational structures, corporate policies and strategies, and resource management practices.

Throughout this period, the Authority continued to adhere to its statutory obligations and strategic and operational functions guided by the HSRA Act and other Commonwealth guiding legislation, such as the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The PGPA Act establishes a system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. It requires the Authority's Board, as the accountable authority, to prepare and give an annual report on activities for the period to the Authority's responsible Minister, for presentation to the parliament. The annual report must comply with the requirements of the *Public Governance, Performance and Accountability Rule 2014* (the PGPA Rule). In addition, the *Public Service Act 1999* covers the powers of the Chief Executive Officer in relation to the management of human resources.

The Authority recognises the importance of its relationship with the Department in enabling and supporting our successful delivery of the Australian Government's high speed rail network. The Authority maintains a close working relationship with the Department with respect to the responsibilities of the Authority and for the provision of shared services through a memorandum of understanding (MOU) arrangement.

Purpose and functions

The Authority's purpose as per the 2023–24 Corporate Plan is to:

Develop a high speed rail network between cities and key regional centres through policy development and planning, national coordination and strategic advice to enhance Australia's long term rail investment

The functions of the Authority are specified in sections 8 of the HSRA Act. These are:

1. a. To:
 - i. lead and coordinate policy development and planning; and
 - ii. consult, liaise and negotiate with States and Territories and other relevant parties; and
 - iii. provide advice and recommendations to the Minister and other relevant parties (including advice and recommendations on environmental matters and interconnectedness); and

- iv. undertake evaluations and research and gather information in relation to the high speed rail network, the high speed rail corridor, a faster rail network and additional rail corridors for a faster rail network;
 - b. if the Commonwealth obtains a State's consent, in accordance with paragraph 51(xxxiv) of the Constitution, to the construction or extension of a railway in the State for the high speed rail network or a faster rail network—to construct or extend the railway in the State for that network;
 - c. if the Commonwealth obtains a Territory's consent to the construction or extension of a railway in the Territory for the high speed rail network or a faster rail network—to construct or extend the railway in the Territory for that network;
 - d. any other functions conferred on the Authority by this Act or any other Commonwealth law;
 - e. any other functions that are prescribed by rules made for the purposes of this paragraph;
 - f. to do anything incidental to, or conducive to, the performance of the above functions.
2. Rules made for the purposes of paragraph (1)(e) must specify the legislative power or powers of the Parliament in respect of each function of the Authority that is prescribed.

Statement of Expectations

The Authority's Statement of Expectations applicable to this reporting period was issued by the responsible Minister on 4 August 2023.

The Statement of Expectations provides guidance on the Australian Government's expectations for the Authority.

Statement of Intent

The Authority responded to the Statement of Expectations with a Statement of Intent on 29 August 2023. The Statement of Intent outlines the Authority's roles, responsibilities, statutory functions and accountability obligations under the HSRA Act, the PGPA Act and associated regulations, as well as other relevant legislation and legal instruments.

Both the Statement of Expectations and Statement of Intent can be found on the Authority's website: www.hsra.gov.au.

Board and committees

Board

The Authority's Board is the accountable authority and was established by Division 2, Section 13 of the HSRA Act. Section 14 of the HSRA Act assigns to the Board the following functions: (1) (a) to decide, within the scope of any directions given to the Authority under section 11, the strategies and policies to be followed by the Authority; and (b) to ensure the proper, efficient and effective performance of the Authority's functions; and (c) any other functions conferred on the Board by this Act. (2) The Board has power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

The Board comprises the following members:



Ms Jill Rossouw

Board Chair
Non-executive member

Term: 12 June 2023 to
11 June 2026

Ms Rossouw is the first chair of the High Speed Rail Authority and was appointed in June 2023. Jill is an accomplished Non-Executive Director, with multi-sector Board experience across privatised transport infrastructure entities,

social infrastructure and public healthcare. She is currently Executive Director, Infrastructure at IFM Investors and a Board member and Chair of the Audit and Risk Committee of the Port of Brisbane. She is a Graduate of Australian Institute of Company Directors and holds a Bachelor of Commerce (University of KwaZulu Natal) and Master of Philosophy in Finance (University of Cambridge, UK).



Ms Gillian Brown

Non-executive member

Term: 12 June 2023 to
11 June 2026

Ms Brown is an experienced Non-Executive Director with expertise in transport, infrastructure and funds management. She is currently a non-executive director of Suncorp Group Limited and related entities, Electricity Retained Interest

Corporation – Ausgrid Limited and the Ausgrid partnerships, BRIC Housing Limited and Queensland Investment Corporation and related entities. She has an LLB (Hons) from the University of Queensland, a Graduate Diploma in Applied Finance and Investment from FINSIA and is a member of the Australian Institute of Company Directors.



Mr Ian Hunt

Non-executive member

Term: 12 June 2023 to 11 June 2026

Mr Hunt is a former infrastructure CEO with over 40 years' experience in engineering and project management. His business management experience includes leadership of major project

delivery and engineering services organisations and he was CEO of Moorebank Intermodal Company, a Commonwealth government business enterprise. Mr Hunt is currently an independent member of the Canberra Light Rail advisory Board and Non-Executive Director of the Royal Melbourne Showgrounds.



Ms Dyan Perry OBE

Non-executive member

Term: 12 June 2023 to 11 June 2026

Ms Perry OBE was most recently CEO of High Speed One (HS1) Ltd, responsible for owning, operating and maintaining the HS1 high-speed railway in the United Kingdom (UK). She has

extensive Board experience, has a Masters in Transport and Logistics from Salford University and is a Fellow of the Institute of Leadership and Management.



Mr Neil Scales OBE

Non-executive member

Term: 12 June 2023 to 11 June 2026

Mr Scales OBE is an experienced infrastructure leader and was most recently the Director-General of the Queensland Department of Transport and Main Roads. He was formerly the CEO of Translink and the Director-General of Merseytravel in the UK. He is a

Board Member of Queensland PCYC, vice Chair of the National Transport Research Organisation, BAMA Services and a member of the Queensland Transport and Logistics Council.

Audit and Risk Committee

In accordance with section 45 of the PGPA Act and section 17 of the PGPA Rule the Authority’s Board established an Audit and Risk Committee (ARC). The purpose of the ARC is to oversee the integrity of financial reporting, ensure effective risk management and monitor internal controls within the Authority.

The Authority’s Audit and Risk Committee charter is published on its website at <https://www.hsra.gov.au/accountability-reporting/audit-and-risk-committee-charter>.

The qualifications, knowledge, skills and experience of each member of the ARC are outlined above under Board members. ARC members do not receive remuneration in addition to Board member remuneration.

People and Culture Committee

The People and Culture Committee (PCC) is a committee established to assist the Authority’s Board fulfil its responsibilities. The functions of the PCC are to periodically

review and monitor the appropriateness of the Authority’s:

- ▶ Organisation structure and design, including senior appointments
- ▶ Remuneration strategies and practices
- ▶ Policies and programs to optimise the contribution of the Authority’s employees to support and further the Authority’s Corporate Plan objectives
- ▶ Organisational values, culture, and employee engagement.

Business Case Committee

The Business Case Committee (BCC) is a committee established to provide strategic input into the development of the High Speed Rail Project Definition and Business Case, taking into consideration the Authority’s strategic risks. The BCC also progressively considers the Authority’s management advice on key aspects of the High Speed Rail Project Definition and the Business Case, including making recommendations to the Board in relation to matters that require Board approval.

Table 1.1 Meeting attendance

Directors	Board	Audit and Risk Committee (ARC)	People and Culture Committee (PCC)	Business Case Committee (BCC)
Jill Rossouw	16 [16]	-	2 [2]	2 [2]
Gillian Brown ¹	16 [16]	4 [4]	-	2 [2]
Ian Hunt ¹	16 [16]	4 [4]	2 [2]	2 [2]
Dyan Perry	15 [16]	-	2 [2]	2 [2]
Neil Scales ¹	16 [16]	4 [4]	2 [2]	2 [2]

¹ Audit Committee appointed member – \$0 remuneration paid – PGPA Rule Section 17BE(taa)

[] number of meetings eligible to attend

Induction and performance review processes for members of the accountable authority

Upon establishment of the Authority, the Board as accountable authority undertook an information session with the Department of Finance to understand their role and responsibilities under the PGPA Act. The Authority also conducted five deep dive sessions with the Board, to discuss various topics in detail and understand their views.

In March 2024, the Board undertook a Board effectiveness assessment that was facilitated by an independent provider. During this assessment the provider undertook a Board and management effectiveness survey and observed the Board in a Board meeting environment to obtain perspectives on areas for improvement and Board development opportunities. The provider briefed the Board on the findings and observations.

On an ongoing basis, the Board reviews its own performance at Board meetings. The Board undertakes a self-assessment of its performance against the Board Charter of the effectiveness of the Board as a whole, the Chair and individual Board members annually or as required.



Other legislative reporting requirements

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) requires the Authority to publish information as part of the Information Publication Scheme (IPS).

In 2023–24, the Authority received 15 requests for access to documents under the FOI Act. Information about documents to which access is granted is published on the Authority’s Disclosure Log, in accordance with s11C of the FOI Act: <https://www.hsra.gov.au/accountability-reporting/freedom-information>.

Privacy

In 2023–24, the Authority collected, used, disclosed, stored and disposed of personal information in accordance with the Australian Privacy Principles. No data breaches were identified or reported.

Risk Management Framework

To achieve its objectives and goals, the Authority has established a comprehensive risk mitigation and assurance process to protect against potential threats and uncertainties.

Key elements of the Risk Management Framework are:

- ▶ **Risk management systems and resources** – The Authority’s risk management policies, procedures, tools and templates, together with our resourcing strategy, have been developed to ensure best practice risk management. The Risk Management Framework, facilitated by our in-house and external specialist resources, establishes a systematic approach to risk management, thereby supporting consistency, accountability, compliance and transparency.
- ▶ **Comprehensive risk assessment** – The Authority has implemented a comprehensive process for the identification, assessment and management of risks with the potential to impact the achievement of strategic, operational and project objectives. In addition, the Authority also seeks to incorporate lessons learned and continual improvement mechanisms in order to leverage the experience and expertise that exists within other relevant federal and state government agencies and international organisations and projects.

- ▶ **Executive decision-making** – Executives and senior management are responsible for making risk informed key decisions at enterprise and project level. The Authority’s decision-making is underpinned by defined risk appetite and tolerance levels, appropriate allocation of resources, clear risk escalation and reporting requirements, and approval processes for risk management strategies to address identified threats and opportunities.
- ▶ **Committee oversight** – The Audit and Risk Committee plays a key role in the effective operation of the Authority’s risk management framework. It provides oversight, evaluates risks against appetite, and ensures alignment with strategic goals. Through regular reviews it will identify and assess risks to enhance mitigation measures. Additionally, the Committee fosters transparency and accountability, promoting open risk communication.
- ▶ **Internal audit processes** – The Authority procured internal audit services to provide important key risk and critical controls assurance by planning and performing regular and ad-hoc audits of the Authority’s operations to enhance risk mitigation, strengthen internal controls, confirm compliance, and drive operation efficiency.
- ▶ **Risk culture** – The Authority risk management culture focuses on embedding risk management into our daily business activities and processes. Key strategies include:
 - The Authority’s Board regularly considers the impact of risks
 - The Authority’s Board uses the risk appetite and tolerance to underpin the risk culture
 - Risk management is supported by robust governance and clear accountability
 - The Authority’s executive exemplifies positive risk behaviour by consistently demonstrating it in their actions
 - Decision makers ask questions about risks and seek more information (as required)
 - Risk management arrangements are clearly communicated throughout the entity
 - Business case and policy proposals include consideration of risk, not just benefits
 - Resource allocation is informed by risk
 - Staff are part of risk workshops and participate in relevant training.

Fraud control

In accordance with section 10 of the PGPA Rule, the Authority produced a Fraud Corruption and Control Plan and Fraud Risk Register. The plan detailed the Authority's strategic and operational approaches to controlling fraud and corruption, comprising a range of prevention, detection, investigation, recovery and reporting measures.

The Authority's approach to identifying and controlling fraud and corruption risks aligned with the Authority's Risk Management Policy and Framework.

The Fraud Risk Plan and Register will be reviewed annually and a fraud risk assessment undertaken biennially.

During 2023–24, there were no instances of fraud or potential fraud detected.

Indemnities and insurance

During 2023–24 the Authority held insurance arrangements through Comcover for general liability, professional indemnity, directors' and officers' liability, and a range of other corporate insurance. In addition, the Authority held workers compensation cover through Comcare.

Internal audit

The Authority has a two-year internal Audit Plan, which is designed to identify risk, ensure compliance and improve operational efficiency on a rolling basis. The Plan is agreed and updated annually in consultation with the Authority's internal audit provider, the Executive and the Audit and Risk Committee.

The focus for 2023–24 was to assess the establishment process and governance structure of the Authority.

External audit

The Australian National Audit Office is responsible for auditing the Authority's financial statements.

Commonwealth Electoral Act 1918

The Authority did not procure market research and advertising services during the 2023–24 period.

Transactions with related entities

The Authority's MOU for property and corporate services with the Department includes subleasing the Authority's Canberra premises at 62 Northbourne Avenue as well as being provided with corporate service functions including; ICT, payroll and financial processing. Under this MOU there were 12 transactions in reporting period 2023–24 totalling in aggregate of \$356,551 (GST exempt).

As a prescribed entity, the Authority follows the Commonwealth Procurement Rules and has a system of delegated authorisations for procurement. The Authority's Board, as the accountable authority, approves an annual budget for the Authority. Expenditure of over \$1 million, must be approved by the Board. For transactions up to \$1 million, the CEO will approve the transactions, with reduced delegations provided to other management staff. All related entity transactions are authorised by management in accordance with the Commonwealth Procurement Rules and relevant delegations.

Judicial decisions and reviews by outside bodies

There were no judicial decisions of which the Authority was aware that affected the Authority during the reporting period.

The Office of the Australian Information Commissioner reviewed a decision made by the Authority under section 44A of the *Public Interest Disclosure Act 2013* and affirmed the Authority's decision on 9 May 2024.

Ministerial directions and government policy orders

The portfolio Minister may give written directions of a general nature to the Authority about the performance of its functions in accordance with Division 3, section 11 of the HSRA Act.

The Authority was not subject to any ministerial directions or government policy orders during the reporting period.

Environment Protection and Biodiversity Conservation Act 1999

As required under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, the Authority is committed to implementing ecologically sustainable practices in its operations. In 2023–24, the Authority was co-located with the Department which provided accommodation and property services, including monitoring of its environmental performance and supporting ecologically sustainable development initiatives such as:

- ▶ energy-efficient lighting
- ▶ automated lighting controls which switch off non-essential lighting outside of work hours

- ▶ recycling (including secure where needed) of paper, glass, plastic, metal and organic waste – provision of centralised collection points allows for an increased uptake of recycling and organic waste disposal and a reduction in the Department's environmental footprint.

In addition, the Authority contributed to reducing its environmental impact through initiatives such as:

- ▶ reduced air travel through utilising digital technologies where practical for meetings with intrastate and interstate counterparts, and
- ▶ minimising paper usage through electronic correspondence and record keeping.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Under a memorandum of understanding (MOU) with the Department for property and corporate services, the Authority has subleased an office space in Canberra from the Department and leveraged the Whole-of-Australian Government contract arrangement for domestic flights. Accordingly, the Authority's electricity and domestic flight data for reporting period 2023–24 is captured in the Department's Emissions Source data included in their annual report.



Commonwealth Child Safe Framework – annual statement of compliance

The Authority was committed to ensuring that its work and activities did not expose children to abuse and harm.

The policy is referenced in the Authority’s Enterprise Risk Register. Given the nature of the work of the Authority, there is generally no interaction with children so the overall risk was deemed as low. However, risk assessments will be conducted annually as well as when assessing activities undertaken or overseen by the Authority, including contracts for services and developing selection criteria for recruitment processes.

In supporting child safety, the Authority will uphold children’s rights by ensuring:

- ▶ any risks to children are proactively identified and managed
- ▶ all staff undertaking child-related work, including contracted staff, are appropriately screened and comply with relevant legislation
- ▶ the National Principles for Child Safe Organisations are adopted and implemented within the Authority’s Risk Management and Policy Framework.

SECTION 4

Organisational profile



Structure and location

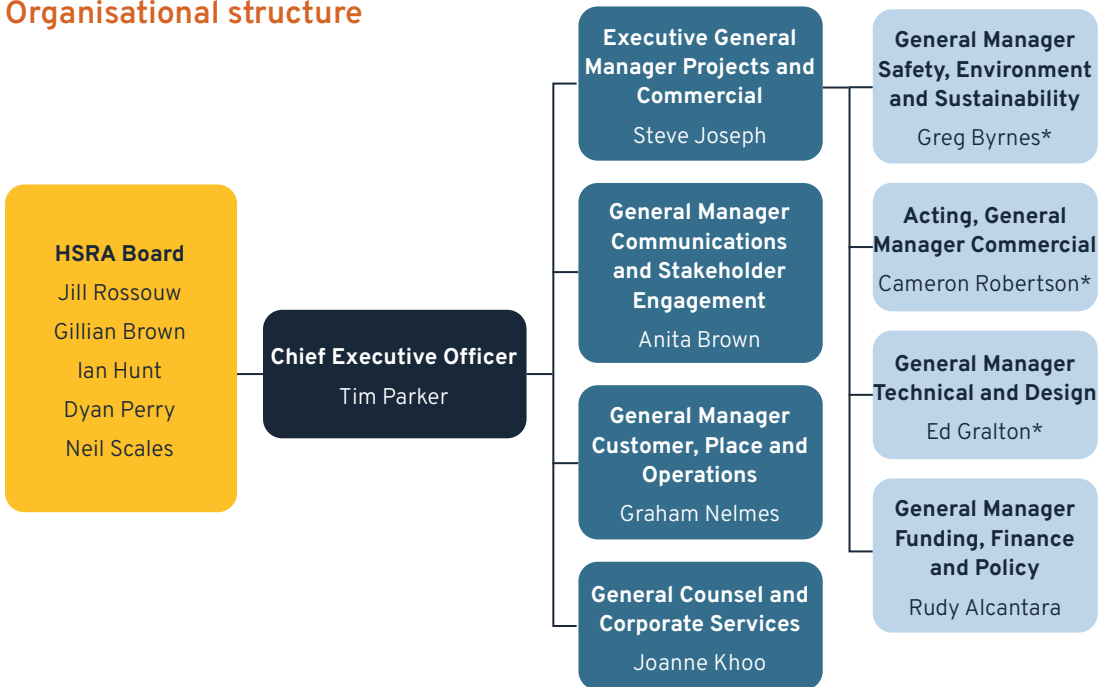
The Authority is governed by a Board of five experienced independent members, each bringing experience and expertise in the infrastructure sector.

The executive team consists of highly experienced and highly regarded professionals with diverse industry experience and backgrounds, who are dedicated to advising the Authority towards its strategic objectives. With extensive experience in their respective

fields the team members collaborative approach fosters a culture of innovation and excellence. The executive team drives the Authority to achieve its goals and deliver value to our stakeholders.

This structure ensures governance, strategic oversight, and a commitment to our core values. This structure promotes evidence-based decision-making and fosters transparency, accountability, and integrity across all levels of operations.

Organisational structure



* Executive team members that commenced post-30 June 2024.

Location

In 2023-24, the Authority was co-located with the Department which provided accommodation in its 62 Northbourne Avenue, Canberra office and temporary project accommodation in Milsons Point under an agreement with the Transport for NSW agency.

In 2024-25, the Authority has established a corporate office in North Sydney, and a community information centre in Newcastle is being set up.

Values



Safety and wellbeing

We take responsibility to ensure that how we work and what we deliver will be safe. We recognise the importance of wellbeing for our staff and the wider team and will ensure we create a culture where people thrive



Team work and respect

Our people and our culture drive our success. We value diverse perspectives and treat every individual with respect, kindness and consideration. We work together to leverage each other's strengths, share ideas and overcome challenges, creating a positive and productive work environment



HIGH SPEED RAIL AUTHORITY



Accountability and integrity

We take responsibility for our actions and honour our commitments. We foster a culture of honesty, transparency and ethical decision-making to build trust and respectful relationships



Impact and innovation

Our work is meaningful and will make a lasting positive impact for all Australians. We are committed to using our skills and talents to solve problems and create a better and more sustainable future. We promote creative and forward-thinking ideas and solutions



Agile and learning

We are efficient and undertake rapid issue resolution to inform timely decision making. We have an openness to learn, develop and embrace change

People

Organisational Strategy

The Authority's Organisational Strategy was completed on 27 November 2023. The Organisational Strategy outlines recommendations on organisational structure, key staff recruitment activities and staff training and capability development.

The Organisational Strategy along with the Authority's Strategic Plan informed an analysis of resource requirements and scope of work needed for the Authority to deliver a detailed Business Case for high speed rail on the Sydney to Newcastle section.

Enterprise bargaining

During the reporting period, the Authority took part in the Australian Public Service wide Enterprise Bargaining. In consultation with its employees and the Community and

Public Service Sector Union (CPSU), the Authority negotiated the *High Speed Rail Authority Enterprise Agreement 2024–2027* (the Agreement). An application for approval was made in line with s185 of the *Fair Work Act 2009* and the Agreement was approved by the Fair Work Commission on 22 April 2024. In accordance with s54 of the *Fair Work Act 2009* the Agreement began on 29 April 2024.

Composition of workforce

As at 30 June 2024, the Authority had a total of 15 ongoing employees and one non-ongoing employee (excluding the CEO). Of these, 11 employees were located in the Australian Capital Territory, four employees were located in New South Wales and one employee was located in Queensland.

Table 1.2 All ongoing employees as at 30 June 2024^{a, b}

	Man/Male			Woman/Female			TOTAL
	Full-time	Part-time	Total	Full-time	Part-time	Total	
ACT	2	-	2	8	1	9	11
NSW	1	-	1	2	-	2	3
QLD	-	-	-	1	-	1	1
TOTAL	3	-	3	11	1	12	15

a Excludes CEO; see Key Management Personnel remuneration table for details.

b As at 30 June 2024, no ongoing employees identified their gender as non-binary, prefers not to answer or uses a different term.

Table 1.3 All non-ongoing employees as at 30 June 2024 ^{a, b}

	Man/Male			Woman/Female			TOTAL
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	1	-	1	-	-	-	1
TOTAL	1	-	1	-	-	-	1

a Excludes CEO; see Key Management Personnel remuneration table for details.

b As at 30 June 2024, non-ongoing employees identified their gender as non-binary, prefers not to answer or uses a different term.

Work Health and Safety

The Authority is committed to providing a safe workplace for all employees and contractors, and complies with *Work Health and Safety Act 2011*. As part of this commitment, during 2023–24, the Authority:

- ▶ developed a work health and safety (WHS) framework, which includes online training
- ▶ continued ongoing flexible working from home/office arrangements in consultation with employees
- ▶ promoted safety and wellbeing programs delivered by the Department
- ▶ attended the Department’s quarterly WHS Committee meetings in an observer capacity
- ▶ carried out WHS inspections of the office
- ▶ provided employees and contractors with WHS assessments, optical assessments, flu vaccinations and ergonomically appropriate equipment as required

- ▶ maintained a hybrid workspace for employees to work from home or in the office, with video-conferencing capability to facilitate regular structured communication via weekly all staff, section and executive video link meetings, as well as other meetings as necessary.

There were no incidents notified to Comcare, no notices received from Comcare, no investigations undertaken, and no active workers’ compensation claims during the reporting period.

Ethical standards

In 2023–24, the Authority demonstrated a commitment to promoting ethical standards and behaviours within the workplace, which are reflected within the Authority’s Values and the APS Values, Employment Principles and Code of Conduct. Employees completed mandatory Integrity in the APS training and the Authority took reasonable steps to avoid any conflicts of interest through its formal annual process for declaration of interests.

Executive remuneration

Commonwealth entities are required to disclose information about key management personnel, senior executives and other highly paid staff in their annual reports in accordance with Subdivision C, sections 17CA–17CE of the PGPA Rule.

The Authority’s key management personnel are Holders of Public Office and are the Chair, Board members and Chief Executive Officer. The Chair and Board members’ remuneration and allowances are set by the Remuneration Tribunal’s determination for Holders of Part-time Public Office. The Chief Executive Officer’s remuneration and allowances are set by the corresponding determination for Holders of Full-time Public Office.

During the reporting period the Authority’s senior executive comprised the Executive General Manager Projects and Commercial,

General Manager Safety, Environment and Sustainability, General Manager Technical and Design, General Manager Funding, Finance and Policy, General Manager Communications and Stakeholder Engagement, General Manager Customer, Place and Operations and General Counsel and Corporate Services.

The following tables report on the remuneration of the Authority’s key management personnel and senior executive in 2023–24. The Authority did not have any other highly paid staff for this period.

Key management personnel remuneration for the reporting period 2023–24 are detailed at Part 3.2 in the Financial Statements. In accordance with the PGPA Rule, this information is further disaggregated as follows:



Table 1.4 Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Jill Rossouw	Chair	\$130,108	-	\$1,379	\$14,504	-	-	-	\$145,991
Neil Scales*	Board Member	\$65,054	-	\$562	\$7,252	-	-	-	\$72,868
Gillian Brown*	Board Member	\$65,054	-	\$387	\$7,252	-	-	-	\$72,693
Ian Hunt*	Board Member	\$65,054	-	\$504	\$7,005	-	-	-	\$72,563
Dyan Perry	Board Member	\$65,054	-	\$362	-	-	-	-	\$65,416
Andrew Hyles	Acting Chief Executive Officer	\$127,367	-	-	\$31,196	-	-	-	\$158,563
Tim Parker	Chief Executive Officer	\$236,699	-	\$1,489	\$26,384	\$2,433	-	-	\$267,005
TOTAL		\$754,390	-	\$4,683	\$93,593	\$2,433	-	-	\$855,099

* Audit and Risk Committee members do not receive additional remuneration for serving on the committee.

Table 1.5 Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0- \$220,000	3*	\$29,625	-	-	\$2,812	\$309	-	-	\$32,746
\$220,001- \$245,000	1	198,040	-	-	26,894	4,846	-	-	229,870

* Includes staff who commenced employment towards the end of FY2023-24.

General Manager Customer, Place and Operations first pay fell in the 2024-25 period.

Notes: Remuneration is calculated on an accrual basis and excludes short-term acting arrangements. Short-term benefits include the value of annual leave accrued during the financial year, rather than leave taken. Long-term benefits reflect the value of long service leave accrued during the year, rather than any leave taken. Remuneration for senior executives excludes employees classified as Key Management Personnel in Table 1.3

SECTION 5

Financial performance





INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport, Regional Development and Local Government

Opinion

In my opinion, the financial statements of the High Speed Rail Authority (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Chair of the Board and Chief Executive Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to and forming part of the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related

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to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

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

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

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

Australian National Audit Office



Lorena Skipper

Executive Director

Delegate of the Auditor-General

Canberra

16 September 2024

High Speed Rail Authority
Statement by the Chair of the Board and Chief Executive Officer

In our opinion, the attached financial statements for the period 12 June 2023 to 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the High Speed Rail Authority (the Authority) will be able to pay its debts as and when they fall due.



Jill Rossouw
Chair of the Board
16 September 2024



Tim Parker
Chief Executive Officer
16 September 2024

High Speed Rail Authority Statement of Comprehensive Income

For the period ended 30 June 2024

	Notes	2024 \$'000	Original Budget \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	2,762	2,412
Suppliers	1.1B	8,646	3,012
Total expenses		11,408	5,424
OWN-SOURCE INCOME			
Own-source revenue			
Interest revenue	1.2A	521	-
Total own-source revenue		521	-
Net cost of services		(10,887)	(5,424)
Revenue from Government	1.2B	33,678	5,424
Surplus/(Deficit)		22,791	-

The above statement should be read in conjunction with the accompanying notes.

The Authority's first reporting period is 12 June 2023 to 30 June 2024 in accordance with section 7AC of the PGPA Rule.

Original budget figures are those published in the Authority's 2023-24 Portfolio Budget Statements.

High Speed Rail Authority Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$'000	Original Budget \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	25,860	-
Trade and other receivables	2.1B	704	-
Total financial assets		26,564	-
Non-financial assets			
Prepayments	2.1C	149	-
Total non-financial assets		149	-
Total assets		26,713	-
LIABILITIES			
Payables			
Suppliers	2.2A	4,015	-
Other payables	2.2B	100	-
Total payables		4,115	-
Provisions			
Employee provisions	3.1A	482	-
Total provisions		482	-
Total liabilities		4,597	-
Net assets		22,116	-
EQUITY			
Contributed equity		(675)	-
Retained surplus		22,791	-
Total equity		22,116	-

The above statement should be read in conjunction with the accompanying notes.

The Authority's first reporting period is 12 June 2023 to 30 June 2024 in accordance with section 7AC of the PGPA Rule.

Original budget figures are those published in the Authority's 2023-24 Portfolio Budget Statements.

High Speed Rail Authority
Statement of Changes in Equity

For the period ended 30 June 2024

	Notes	2024 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance		-	-
Transactions with owners			
Restructuring	6.1	<u>(675)</u>	<u>-</u>
Closing balance as at 30 June		<u>(675)</u>	<u>-</u>
ACCUMULATED SURPLUS			
Opening balance		-	-
Comprehensive income			
Surplus for the period		<u>22,791</u>	<u>-</u>
Closing balance as at 30 June		<u>22,791</u>	<u>-</u>
TOTAL EQUITY			
Closing balance as at 30 June		<u>22,116</u>	<u>-</u>

The above statement should be read in conjunction with the accompanying notes.

The Authority’s first reporting period is 12 June 2023 to 30 June 2024 in accordance with section 7AC of the PGPA Rule.

Original budget figures are those published in the Authority 2023-24 Portfolio Budget Statements.

High Speed Rail Authority Statement of Cash Flows

As at 30 June 2024

	2024 \$'000	Original Budget \$'000
OPERATING ACTIVITIES		
Cash received		
Receipts from Government	33,678	5,424
Net GST received	97	-
Interest	425	-
Total cash received	34,200	5,424
Cash used		
Employees	2,873	2,412
Suppliers	5,467	3,012
Total cash used	8,340	5,424
Net cash from/(used by) operating activities	25,860	-
Net increase/(decrease) in cash held	25,860	-
Cash at the beginning of the reporting period	-	-
Cash at the end of the reporting period	25,860	-
	2.1A	

The above statement should be read in conjunction with the accompanying notes.

The Authority's first reporting period is 12 June 2023 to 30 June 2024 in accordance with section 7AC of the PGPA Rule.

Original budget figures are those published in the Authority's 2023-24 Portfolio Budget Statements.

High Speed Rail Authority Budget Variance Commentary

The following table provides high-level commentary for significant variances between the budgeted information for the Authority as published in the 2023–24 Portfolio Budget Statements, and the actual financial outcome for the year as presented in accordance with Australian accounting standards.

Significant variances are those relevant to an analysis of the performance of the Authority and not focused merely on numerical differences between budget numbers and actual outcomes. The nature and timing of the Australian Government budget process can also contribute to the variances.

Explanations of significant variances	Affected line items
Additional funding was received by the Authority in the 2023-24 Portfolio Additional Estimate Statements for the development of the Sydney to Newcastle Business Case and for additional resourcing to deliver on the Australian Government's high speed rail priorities.	<i>Statement of Comprehensive Income</i> Employee benefits, Suppliers, Revenue from Government
This contributed to the budget variances seen in the Statement of Comprehensive Income against Employee benefits (\$0.4 million higher than budget), Suppliers (\$5.6 million higher than budget) and Revenue from Government (\$28.3 million overachievement), Statement of Cash Flows against Employees (\$0.5 million higher than budget), Suppliers (\$3.1 million higher than budget) and Receipts from Government (\$28.3 million overachievement), and across all line items on the Statement of Financial Position.	<i>Statement of Financial Position</i> Cash and Cash Equivalents, Trade and other receivables, Prepayments, Suppliers, Other payables, Employee Provisions <i>Statement of Cash Flows</i> Receipts from Government, Employees, Suppliers
Interest Revenue was not budgeted for in the 2023-24 Portfolio Budget Statements due to an anticipated breakeven position in the Statement of Comprehensive Income which would have resulted in minimal revenue earned on cash banked with the Reserve Bank of Australia.	<i>Statement of Comprehensive Income</i> Interest Revenue <i>Statement of Cash Flows</i> Cash received – Other
The budget variance for Cash and cash equivalents (\$25.9 million over budget), Retained surplus (\$22.8 million over budget) and Surplus for the period (\$22.8 million over budget) is primarily due to the timing of payment of suppliers relating to the Sydney to Newcastle Business Case which will now predominantly occur in the next financial year, leading to a substantially higher cash position and net operating surplus as at 30 June 2024.	<i>Statement of Financial Position</i> Cash and Cash Equivalents, Retained Surplus <i>Statement of Changes in Equity</i> Surplus for the period
The \$0.7 million budget variance seen against Contributed equity and Restructuring is due to the Authority receiving the former National Faster Rail Agency's net asset position upon the former Agency's abolishment on 12 June 2023.	<i>Statement of Financial Position</i> Contributed Equity <i>Statement of Changes in Equity</i> Restructuring

High Speed Rail Authority

Notes to and forming part of the financial statements

Overview

Objectives of the High Speed Rail Authority

The Authority was established on 12 June 2023 and formally commenced operations on the 13 June 2023 as a Corporate Commonwealth entity under the *High Speed Rail Authority Act 2022*. The Authority replaced the former agency, the National Faster Rail Agency (NFRA), which was abolished on the 12 June 2023 and its functions transferred to both the Authority and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA).

The Authority is tasked with advising on, planning, developing and overseeing the construction and operation of a transformational network along Australia's eastern seaboard.

The Authority will provide advice to the Australian Government on Australia's current and future high speed rail needs, and coordinate with state and territory governments, industry, business and communities to enhance Australia's long-term rail investment.

The first priority of the Authority will be the Sydney to Newcastle corridor with an Australian Government \$500 million commitment to start corridor acquisition, planning and early works in consultation with the NSW Government.

The Authority was originally funded across the next three budget years via an annual appropriation amount of \$13.6 million. In the 2023-24 financial period, the Authority received \$5.4 million of this funding via appropriation payment through its portfolio department, as well as a one-off payment of \$4.4 million paid by DITRDCA to allow the Authority to operate without having received any appropriation funding for the period 12 June 2023 to 30 June 2023.

As part of its 2023-24 Portfolio Additional Estimates Statement preparation, the Authority applied for additional funding of \$78.8 million over the next three years from 2023-24 onwards. This increase included \$70 million of the \$500 million commitment over the 2023-24 and 2024-25 financial years to prepare the Sydney to Newcastle business case and \$8.8 million across three years for additional staff and resourcing to provide the Authority with the capability to deliver on the Australian Government's high speed rail objectives. In April 2024, the Authority received \$23.8 million associated with this funding (\$22.1 million relating to the Sydney to Newcastle business case and \$1.7 million for additional staff and resourcing), paid via DITRDCA.

The total funding received by the Authority for the 2023-24 financial period was therefore \$33.7 million.

The Basis of Preparation of the Financial Statement

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance, and Accountability Act 2013 (PGPA Act)*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
- b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

High Speed Rail Authority

Notes to and forming part of the financial statements

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand.

The Department of Finance made a nomination signed 8 September 2023 for the Authority's first reporting period to be 12 June 2023 to 30 June 2024 in accordance with section 7AC and under subsection 17J(3) of the Public Governance and Accountability Rule 2014 (PGPA Rule).

The NFRA's closing assets and liabilities (excluding appropriation receivable) were transferred to the Authority, with net liabilities of \$675,191 transferred and reflected as a restructure line in contributed equity. Refer to Note 6 for further information.

New Accounting Standards

New, revised and amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Authority's financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	<p>Amends AASB 101 <i>Presentation of Financial Statements</i> to clarify the classification of liabilities as either current or non-current. For example, a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.</p> <p>AASB 2020-1 is applicable to annual reporting periods beginning on or after 1 January 2024.</p>
AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2 (AASB 2023-3)	<p>AASB 2023-3 applies to annual periods beginning on or after 1 January 2024.</p> <p>AASB 2023-3 amends the tier 2 reporting requirements in AASB 1060 to be consistent with the Tier 1 reporting requirements amended by AASB 2020-1 and AASB 2022-6. This include:</p> <ul style="list-style-type: none"> (a) clarifying a liability is non-current if an entity has the right at reporting date to defer settlement of the liability for at least 12 months after the reporting date (b) clarifying the reference to settlement of a liability by the issue of equity instruments in classifying liabilities, and (c) require disclosure of information to help users understand the risk that non-current liabilities with covenants could become repayable within 12 months.

Taxation

The HSRA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

High Speed Rail Authority

Notes to and forming part of the financial statements

Events After the Reporting Period

There are no known events that occurred after the reporting period that would have a material impact on the 2023-24 financial statements.

High Speed Rail Authority

Notes to and forming part of the financial statements

1. Financial Performance

1.1: Expenses

	2024
	\$'000
1.1A: Employee benefits	
Wages and salaries	2,213
Superannuation	
Defined contribution plans	172
Defined benefit plans	159
Leave and other entitlements	218
Total employee benefits	2,762

Accounting Policy

Accounting policies for employee related expenses are contained in Note 3 People and Relationships.

1.1B: Suppliers

Goods and services supplied or rendered

Consultants ¹	5,764
Contracted services ²	2,595
Travel	86
Legal	56
Staff training and development	29
Audit fees	26
Other goods and services ³	83
Total goods and services supplied or rendered	8,639

Goods supplied	17
Services rendered	8,622
Total goods and services supplied or rendered	8,639

Other suppliers

Workers compensation expenses	7
Total other suppliers	7

Total suppliers	8,646
------------------------	--------------

¹ Includes \$5.104m for outsourced work packages relating to the development of the Sydney to Newcastle (S2N) Business Case.

² Includes \$1.716m for the Service Agreement with Transport for NSW (TfNSW) for the joint delivery of the S2N Business Case, and \$0.385m for corporate services provided by the DITRDCA under a Memorandum of Understanding arrangement.

³ Other goods and services relate to insurance premiums, software licence, meeting expense and recruitment costs.

High Speed Rail Authority
Notes to and forming part of the financial statements

1.2: Own Source Revenue

	2024
	\$'000
1.2A: Interest revenue	
Interest revenue	<u>521</u>
Total interest revenue	<u>521</u>

Accounting Policy
 Interest revenue is recognised using the effective interest method.

1.2B: Revenue from Government
Department of Infrastructure, Transport, Regional Development, Communication and the Arts:

Corporate Commonwealth entity payment	29,231
Other – Amount from portfolio department	<u>4,447</u>
Total revenue from government	<u>33,678</u>

Accounting Policy

Revenue from Government
 Funding received or receivable from non-corporate Commonwealth entities (appropriated from the DITRDCA as a corporate Commonwealth entity payment to Authority) is recognised as revenue from government by Authority unless the funding is in the nature of an equity injection or a loan.

Amount from portfolio department
 Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills is a payment to the Authority and was received on establishment of the Authority in June 2023.

High Speed Rail Authority
Notes to and forming part of the financial statements

2. Financial Position

2.1: Financial Assets

2024

\$'000

2.1A: Cash and cash equivalents

Cash on hand or on deposit	25,860
Total cash and cash equivalents	25,860

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.1B: Trade and other receivables

GST receivable	512
Interest receivable	96
Other receivables	96
Total trade and other receivables (gross)	704

Credit terms for goods and services were within 30 days.

Accounting Policy

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.1C: Prepayments

Prepayments	149
Total prepayments	149

High Speed Rail Authority
Notes to and forming part of the financial statements

2.2: Payables

	2024
	\$'000
2.2A: Suppliers	
Trade creditors	20
Accrued expenses	3,995
Total suppliers	4,015

Supplier settlement terms are 20 days.

2.2B: Other payables	
Wages and salaries	89
Superannuation	11
Total other payables	100

Accounting Policy

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

High Speed Rail Authority
Notes to and forming part of the financial statements

3. People and Relationships

3.1: Employee Provisions

	2024
	\$'000
3.1A: Employee provisions	
Annual leave	204
Long service leave	278
Total employee provisions	482

Accounting policy

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 Employee Benefits) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Authority’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The provision is disclosed at the present value of the obligation using specific probability factors as determined by the Australian Government Actuary (AGA) for the DITRDCA. The Authority staff were employed under similar conditions to DITRDCA. The factors in the AGA report have been assessed and found appropriate for use by the Authority.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Authority is estimated to be less than the annual entitlement for sick leave.

Superannuation

Contributions are made by the Authority to employee superannuation funds and are charged as expenses when incurred.

The liability for superannuation recognised at 30 June 2024 represents outstanding contributions for the final month of the financial period.

Accounting Judgements and Estimates

The liability for other long-term benefits has been determined with reference to the DITRDCA specific probability factors as determined by the AGA. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotions and inflation. The Authority staff were employed under similar conditions to DITRDCA. The factors in the Actuary Report have been assessed as appropriate for use by the Authority.

High Speed Rail Authority
Notes to and forming part of the financial statements

3.2: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly. The Authority has determined the key management personnel to be the Chief Executive Officer and the Authority Board members. Key management personnel remuneration is reported in the table below:

	2024
	\$'000
Note 3.2: Key management personnel remuneration	
Short-term employee benefits	759
Post-employment benefits	94
Long-term employee benefits	2
Total key management personnel remuneration expenses	855

The total number of key management personnel that are included in the above table is 7 during the reporting period. The above key management personnel remuneration is set by the Remuneration Tribunal and excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are also set by the Remuneration Tribunal and are not paid by the Authority.

High Speed Rail Authority

Notes to and forming part of the financial statements

3.3: Related Party Disclosures

Related party relationships:

The Authority is an Australian Government controlled entity. Related parties to the Authority are its Key Management Personnel (i.e. the Chief Executive Officer and the Authority board members), the Portfolio Minister, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include exhibition entry fees, archival record services and donations. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

DITRDCA provided corporate services to the Authority under a Memorandum of Understanding arrangement which are included in contracted services in Note 1.1B.

No other related party transactions have been identified.

High Speed Rail Authority

Notes to and forming part of the financial statements

4. Managing Uncertainties

4.1: Financial Instruments

	2024
	\$'000
4.1A: Categories of financial instruments	
Financial Assets	
Financial assets at amortised cost	
Cash and cash equivalents	25,860
Interest receivable	96
Total financial assets	25,956
Financial Liabilities	
Financial liabilities measured at amortised cost	
Suppliers	4,015
Total financial liabilities	4,015

Accounting policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, the Authority classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

High Speed Rail Authority
Notes to and forming part of the financial statements

Financial liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon ‘trade date’.

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Settlement is usually made within 20 days or as per terms in the contractual arrangements.

2024
\$'000

4.1B: Net gains or losses on Financial Instruments

Financial assets at amortised cost

Interest revenue	521
Net gains/(losses) from financial assets at amortised cost	521

High Speed Rail Authority
Notes to and forming part of the financial statements

5. Other Information

5.1: Current/Non-current Distinction for Assets and Liabilities

2024

\$'000

5.1: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash	25,860
Trade and other receivables	704
Prepayments	136

Total no more than 12 months	26,700
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More than 12 months

Prepayments	13
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Total more than 12 months	13
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Total Assets	26,713
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Liabilities expected to be settled in:

No more than 12 months

Suppliers	4,015
Other payables	100
Employee provisions	137

Total no more than 12 months	4,252
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More than 12 months

Employee provisions	345
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Total more than 12 months	345
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Total liabilities	4,597
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High Speed Rail Authority

Notes to and forming part of the financial statements

6. Restructuring

6.1: Restructuring

FUNCTIONS ASSUMED as at 12 June 2023

National Faster Rail Authority: High speed rail network and corridor functions¹

	2024 \$'000
ASSETS	
Financial assets	
Other receivables	4
Total financial assets	4
Total assets	4
LIABILITIES	
Payables	
Suppliers	78
Other payables	303
Total payables	381
Provisions	
Employee provisions	298
Total provisions	298
Total liabilities	679
Net assets/(liabilities)	(675)

¹ The high speed rail corridor and network functions were assumed from the abolished National Faster Rail Agency on 12 June 2023 due to the establishment and commencement of the Authority.



SECTION 6

Reference information



List of annual report requirements

As required under Schedule 2A, Section 17BE(u) of the *Public Governance, Performance and Accountability Rule 2014*, the table below provides a list of requirements to be included in entities' annual reports as an aid of access.

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of Annual Report		
17BE(a)	Section 3	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Section 3	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Section 3	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Section 3	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Nil given	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, Mandatory
17BE(e)	Not applicable	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, Mandatory
17BE(f)	Nil to report	Particulars of non-compliance with: <ul style="list-style-type: none"> a. a direction given to the entity by the Minister under an Act or instrument during the reporting period; or b. a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act 	If applicable, Mandatory
17BE(g)	Section 2	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h) 17BE(i)	Nil to report	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, Mandatory
17BE(j)	Section 3	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Section 3	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Section 4	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> a. statistics on full-time employees; b. statistics on part-time employees; c. statistics on gender; d. statistics on staff location 	Mandatory
17BE(l)	Section 4	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Section 3	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(n) 17BE(o)	Section 3	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): a. the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and b. the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, Mandatory
17BE(p)	Nil to report	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, Mandatory
17BE(q)	Section 3	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, Mandatory
17BE(r)	Nil to report	Particulars of any reports on the entity given by: a. the Auditor-General (other than a report under section 43 of the Act); or b. a Parliamentary Committee; or c. the Commonwealth Ombudsman; or d. the Office of the Australian Information Commissioner	If applicable, Mandatory
17BE(s)	Nil to report	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, Mandatory
17BE(t)	Nil to report	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, Mandatory
17BE(taa)	Section 3	The following information about the audit committee for the entity: a. a direct electronic address of the charter determining the functions of the audit committee; b. the name of each member of the audit committee; c. the qualifications, knowledge, skills or experience of each member of the audit committee; d. information about each member's attendance at meetings of the audit committee; e. the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Section 4	Information about executive remuneration	Mandatory
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	Not applicable	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, Mandatory
17BF(1)(a)(ii)	Not applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, Mandatory
17BF(1)(b)	Not applicable	Information on dividends paid or recommended	If applicable, Mandatory
17BF(1)(c)	Not applicable	Details of any community service obligations the government business enterprise has including: an outline of actions taken to fulfil those obligations; and an assessment of the cost of fulfilling those obligations	If applicable, Mandatory
17BF(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, Mandatory



High Speed Rail Authority

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Australian Government
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