

PUFFING BILLY RAILWAY

ANNUAL REPORT 2021-2022



Image: Matt Pike



PUFFINGBILLY.COM.AU



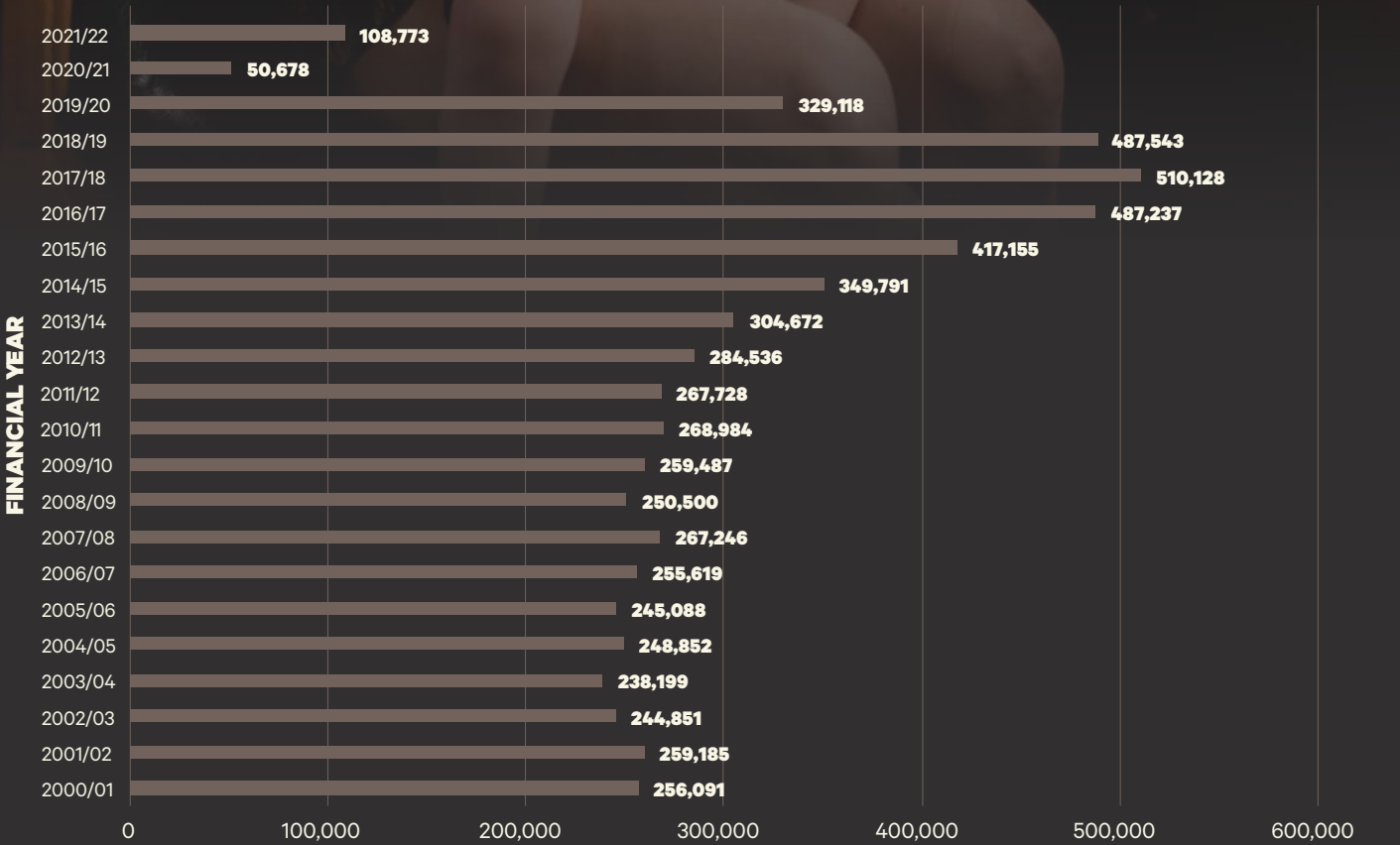


ACKNOWLEDGMENT OF COUNTRY

Puffing Billy Railway acknowledges the Wurundjeri and Bunurong people as the Traditional Custodians of the land on which the railway operates. We pay our respects to their Elders past, present and emerging.



PUFFING BILLY RAILWAY ANNUAL PATRONAGE



ABOUT US



Image: Dean Gifford

Puffing Billy Railway (PBR) is Australia's foremost operating heritage steam railway, and one of the largest narrow-gauge steam and heritage railways in the world. Its history spans a period of 122 years. Remarkably, for more than half that span, it has operated as a volunteer-based not-for-profit body. PBR is operated by the Emerald Tourist Railway Board which operates every day except Christmas Day. During the 2021 – 2022 financial year, PBR carried 108,773 passengers.

The narrow-gauge line between Belgrave and Gembrook in Victoria survives as one of the most intact examples of pioneering railway infrastructure in Australia. Its steeply graded banks, trestle bridges, line-side telegraph, signalling and rolling stock are of an era elsewhere replaced by more modern technology. This railway takes its “era of significance”, dating from 1900 to 1930, seriously. This emphasis is the key to understanding the philosophy which drives the Emerald Tourist Railway Board in achieving heritage railway preservation goals.

The 2'6" gauge line to Gembrook opened in 1900, initially to carry produce, livestock, and timber to Ferntree Gully, where the freight was transferred to broad gauge trains. However, it quickly became a favourite activity for Melburnians seeking a leisurely way of visiting “the hills” and has continued to be recognised throughout the country for its quality, dedication, and diversity of community minded people who operate this iconic railway and form part of the unique volunteer experience. The railway closed in 1954 after a major landslide near Menzies Creek, and a succession of “Young Sun” steam train specials was

organised by a Melbourne daily newspaper to farewell the railway. The success of these specials brought about the formation of the Puffing Billy Preservation Society, which quickly reopened the railway for the public to enjoy.

In 1977, the Emerald Tourist Railway Board (ETRB) was formed pursuant to the *Emerald Tourist Railway Act 1977*, as a means of taking over the infrastructure to operate the railway. In 2022 - 2023, the *Puffing Billy Railway Act 2022* will replace the *Emerald Tourist Railway Act 1977* as the new principal Act, with the Board continuing to be responsible for the management and operation of the railway.

After the release of the Ombudsman's report in 2018, the railway reaffirms its commitment to the safety of the public, its volunteers, and staff, as well as further progress on improvements to its governance structure.

To enhance the visitor experience and ensure volunteers also enjoy their time on the railway, the ETRB secured key funding from the State and Federal Government during the 2018-2019 financial year to commence the first of the Masterplan projects; the Lakeside Visitor Centre (LVC) at Emerald Lake Park, which was delivered and officially opened in December 2021. Following on in February of 2022 was the return of the century old tradition of sitting on the carriage sills.

Puffing Billy Railway is pleased to present this, the forty-fifth Annual Report of the Emerald Tourist Railway Board.



Image: Dean Gifford

VISION

To preserve and share a world renowned, community-based heritage rail experience, which captures both natural beauty and the rich social history of Victoria's Dandenong Ranges.

OUR MISSION

We provide a unique opportunity for visitors to immerse themselves in our rich local history, environment, and communities, and foster and harness the passion our volunteers and staff have for our heritage rail whilst building community interaction.

KEY ASPIRATIONS

PBR's ongoing success is a product of the following four strategic pillars.



**PRESERVE, CELEBRATE,
AND SHARE OUR HERITAGE
'RAIL' EXPERIENCE FOR
VISITORS, COMMUNITY,
AND STAKEHOLDERS.**



**COMMIT TO AND DELIVER A
SUSTAINABLE FUTURE.**



**ACHIEVE SAFETY
AND OPERATIONAL
EXCELLENCE IN THE
CONTEXT OF STEAM
HERITAGE RAILWAYS.**



**LEAD AN INSPIRED TEAM
ALIGNED TO A COMMON
PURPOSE OF PRESERVING
THE PUFFING BILLY
RAILWAY EXPERIENCE.**

Pursuant to the provisions of the *Financial Management Act 1994* and the *Audit Act 1994*, the Board presents its Annual Report in respect of the year ended June 30, 2022. The report is prepared in accordance with all Victorian legislation.

CHAIRMAN'S REPORT



COVID-19 continued to result in significant lockdown periods during this financial year. These restrictions resulted in PBR being closed to the public for 112 days, reopening its services on the 5th of November 2021.

Putting aside the lockdown periods, this has been a year of re-emergence, even despite COVID-19's continued impact on visitation to the railway and resource availability, both in people and financially.

Behind the scenes, during this same period, PBR volunteers and staff worked tirelessly to stay connected and prepare for the reopening of the railway. Significant activities during this financial year include:

THE OPENING OF PBR – LAKESIDE VISITOR CENTRE

Working within the lockdown restriction rules, the LVC Stage 1 construction was completed. What followed was a soft opening of the LVC to the community in October 2021, with an official launch conducted by The Hon Martin Pakula MP, former Minister for Tourism, Sport, and Major Events, and The Hon James Merlino MP, former Member for Monbulk and former Deputy Premier in early December 2021.

The LVC's Stage 2 works which included new carparks, accessibility improvements and lighting was completed in early April 2022 and opened to the public at the same time. The carpark will be handed over to the Cardinia Shire Council in August 2022.

This venue will play a significant role in the future sustainability of the railway. Over time this centre will increase as a focal point for PBR experiences. It is a place to visit heritage artefacts located in the Lakeside Hall, provides food and beverage and retail opportunities including PBR memorabilia, and is a unique venue option for corporate or family functions.

THE REINTRODUCTION OF 'SITTING ON THE SILLS'

On the 4th of February 2022, it was with great excitement that patrons over the age of four could once again sit on the carriage sills as the train commenced its journey from Belgrave to Lakeside.

PBR worked with the Office of the National Rail Safety Regulator (ONRSR) over a four-year period to address regulatory requirements and achieve the successful reintroduction of 'sitting on the sills'. Professor Arnold Dix played a significant role in providing risk management advice to the Board and the executive management team.

It is such an iconic activity that has been a part of the history of PBR since the very beginning. I am sure many readers have photos of themselves doing just that. The Hon Martin Pakula MP, former Minister for Tourism, Sport, and Major Events, and The Hon James Merlino MP, former Member for Monbulk and former Deputy Premier were at Belgrave station to launch the iconic experience – in many ways 'the real Puffing Billy Railway' was back. Work is now underway to return this to return this experience to the Lakeside – Gembrook section of the railway.



NEW EXPERIENCES AND INTERNATIONAL MARKETS

As part of the reopening strategy, the PBR team developed a number of new experiences that build on the renewed strategy to enhance the visitor's length of stay. These included the extremely popular THE POLAR EXPRESS™ Train Ride, Dog Express, and the Train of Lights to mention a few.

Pre-COVID-19, PBR passenger numbers were heavily influenced by international guests (around 60% to 70%). Whilst international borders recently opened to unrestricted travel, research suggests that a return to pre-COVID-19 international inbound travel is many years away.

PBR's experiences will be different post-COVID-19, however, we are excited by the early indications they are very attractive to both domestic and international guests.

PUFFING BILLY RAILWAY ACT 2022

Securing the future of the railway, the Puffing Billy Railway Bill 2022 was given Royal Assent on 12 April 2022. This new legislation will replace the *Emerald Tourist Railway Act 1977*. The default commencement date of the new Act is 1 July 2023.

The executive management team are currently developing a transition plan from the old legislation to the new. As part of the new legislative requirements, a stakeholder consultative committee is being established. The Board is keen for this committee to be operational as soon as practicable.

In addition to the reopening activities, the PBR team continue to complete ongoing operational and strategic requirements. Some are discussed in the following pages.

COMPLETION OF THE OMBUDSMAN'S RECOMMENDATIONS

The Victorian Ombudsman issued a report in June 2018 containing recommendations for the current Board to implement. Over the course of the past four years these recommendations have been addressed. The Board continue to provide regular updates to the Ombudsman's Office.

The Board have been working closely with the executive management team to address the Commission for Children and Young People's recommendations contained in their 2020 audit report. We continue to report on the implementation of these recommendations, including the engagement of youth in relevant railway decision making. The development and enhancement of relevant policies, procedures and governance have been embedded across all areas of the organisation - these are 'living' requirements. The Board will continue to ensure the PBR child safe framework remains a key focus and is sustainable into the future.

EMERALD TOURIST RAILWAY BOARD - LEGISLATIVE AND REGULATORY FRAMEWORK

Supporting the Board's strategic direction and risk appetite statement, a considerable number of key documents, policies and procedures have continued to be enhanced and developed over the past year, and form part of PBR's legislative and regulatory framework.

This framework continues to evolve. A law student from Deakin University volunteered as part of the law degree course, to work with a business unit and ensure all legislative and compliance requirements are identified, well known and understood, and that appropriate policies and procedures are in place to manage any associated risks. This activity will continue to be completed across all areas of the railway.

The Board approved a child safety risk management policy; a risk management policy; and a recruitment and selection policy for volunteers and employees. A child safety officer was recruited to support the management team to continue to deliver the ongoing child safe requirements.

VOLUNTEERS

Volunteers are recognised as a key cog in the operating model of PBR. The People and Culture branch have updated the recruitment process to make it easier to gain information on how to join as a volunteer, what roles are available and the benefit each volunteer plays in preserving the railway.

Training systems are being modernised so that training is delivered in a contemporary manner whilst maintaining the unique skills required to operate a heritage steam railway. This approach will play a vital role in the ongoing sustainability of the railway.

A PBR Volunteer Recognition evening was held in February 2022 where volunteers were awarded years of service certificates and badges. The Board Deputy Chair, Dianne Smith, presented these awards to our deserving and valued volunteers. A similar evening is planned for staff in the second half of the calendar year.

A volunteer representative group formed in August 2020, which continues to meet regularly on the 3rd Tuesday of each month. This group provides an opportunity for volunteers to engage with PBR managers and provide direct input to new policies and procedures that affect volunteers.

STAFF

During this financial year, employees participated in the annual Victorian Government's 'People Matter Survey'. These results built on the PBR staff and volunteer survey completed in April 2021. All results were developed into a Workforce Survey Response Plan that will continue to be reported back to the PBR Workforce.

PBR continues to develop and implement a Reconciliation Action Plan and a Gender Equality Action Plan. Numerous workshops were held over the year, which provided valuable input into these plans. Further work will continue during the 2022 - 2023 financial year.



Image:
Kahla Webb



Image: Dean Gifford

BOARD UPDATE

It would be remiss of me not to thank The Hon Martin Pakula MP, former Minister for Tourism, Sport, and Major Events, and The Hon James Merlino MP, former Member for Monbulk and former Deputy Premier, together with the Department of Jobs, Precinct and Regions (DJPR), specifically Natalie Phillips and her team, for their ongoing support during these very turbulent times. Government financial funding was and continues to be imperative to support PBR to preserve the unique skill base that operates our heritage steam railway.

I and the Board welcome continued Government support, as the railway looks to trade its way into future sustainability.

To ensure transparency and integrity of the Board and its subcommittees, key performance indicators are continuing to be developed, aligned to individual subcommittee Charters. In addition to these, the Board and its members have completed performance surveys, which will be used as indicators for what is working well and areas for improvement.

I will be working with each Board member to ensure the current Board operates in the most efficient and effective manner to deliver on the Responsible

Minister's yearly Statement of Expectations, the Ombudsman's recommendations and any outstanding regulatory requirements relevant to the railway.

The ETRB will continue to work with the DJPR to maintain a Board skills matrix, so when Board positions become vacant, proposed new Board member skills and expertise can be assessed against this skills matrix as part of the recruitment process.

During this year, I was incredibly pleased that Dianne Smith (Deputy Chair), Michael Mangos and Bart Clingin agreed to continue to be on the Board as their terms expired in May and June 2022. I too agreed to extend my tenure and I am very honoured to continue in the role as Chair of the Board.

In addition to the reappointments, in August 2021, the Board welcomed the appointment of Tom Sargent and Angela Jamieson to the Board. Both went through a stringent and transparent recruitment process conducted by the DJPR prior to their appointments.

IN SUMMARY

The last year has continued to be challenging with the ongoing impacts of COVID-19, but the railway also experienced some highs with the opening of the LVC, the successful introduction of new experiences and the reintroduction of sitting on the sills.

I together with the Board have every confidence in the CEO, Peter Abbott, and his dedicated and enthusiastic team of volunteers, staff, and contractors to ensure PBR continues to be the iconic railway it is well known to be, which has been demonstrated this year as the railway emerges and reopens to local, national, and international visitors.



TIM NORTH

Chairman Puffing Billy Railway

30 June 2022

CEO'S REPORT



Image: Dean Gifford

Like many organisations, PBR commenced 2021 with some optimism that the COVID-19 impacts had started to subside, and the last year of challenges could be put behind us. Unfortunately, we experienced another year heavily affected by the pandemic with lockdowns that led to the suspension of services and restrictions on the ability of volunteers and staff permitted to work onsite at the railway.

Across the 2021 - 2022 financial year, a total of 112 days were lost to COVID-19 lockdowns; the repercussions of which have put a significant strain on the railway's financial sustainability and workforce.

With each closure and reopening, there required meticulous planning to recall and welcome back PBR volunteers and staff, complete safety checks of railway equipment and infrastructure, and encourage visitors back to experience an iconic, century-old steam train in the picturesque Dandenong Ranges.

COVID-19 challenged the organisation's ability to adapt and develop new experiences on the railway, however, this challenge was very successfully met. All PBR volunteers and staff should be commended for the way they have worked around and adapted to the changing environment, while welcoming and introducing new experiences and reasons for guests to visit the railway.

In meeting these challenges, the railway has shifted its focus from a volume-based tourist destination to a sustainable heritage railway across all facets of the organisation, including finances, workforce, infrastructure, and the community.

The recently released 2022 – 2025 Puffing Billy Railway Strategic Plan highlights this focus on improving the experience for guests, volunteers, staff, and the local community so that we can achieve our purpose to “preserve, celebrate and share Puffing Billy Railway”.

VOLUNTEER RECOGNITION AND NEW VOLUNTEERS & STAFF

In February 2022, the railway celebrated the contribution of volunteers with a special function at the new LVC. It was wonderful to see the contributions of so many volunteers being recognised – some having garnered over 60 years of volunteering service whilst others were only just beginning their volunteering journey.

I want to welcome new volunteers and staff that have started this year and thank them for joining the railway.

Whilst it was challenging to retain volunteers' connection when they could not attend the site, the organisation operated a range of activities across 2021 - 2022 that aimed to keep volunteers connected throughout operational suspensions. We do recognise, however, that nothing beats being at the railway.

The impacts of COVID-19 have been profound on many volunteer groups across Australia with the 2021 Census data revealing a decline of 19% in people who have contributed volunteer work between 2016 and 2021. Much of this decline is linked to the last few years when volunteer groups across Victoria reported declines in active volunteer numbers. We acknowledge these challenges and are ready to welcome volunteers back when they feel the environment is suitable.

PBR LAKESIDE VISITOR CENTRE OPENING

PBR welcomed the soft opening of the much-anticipated \$24.8 million LVC in October 2021; an opportunity that served to support the staff in learning how to operate the centre, in particular the Railway Café during weekends while the railway remained closed. In December, the visitor centre was officially opened by State and Federal Government, as well as community representatives. The centre car parks were not completely opened until April 2022 when lighting was also finalised and ready to allow for evening functions.

The effort to build, project manage and open a unique tourism amenity offering like this should not be underestimated. A centre that has been spoken about for close to 40 years at Lakeside Station now operates and contributes to the PBR experience, while providing weather insurance through the colder periods of the year. We look forward to seeing the centre continue to develop as a destination.

SITTING ON THE CARRIAGE SILLS

A major achievement this year was the return of the 'real' PBR experience that allows passengers to dangle their legs from the train's traditional open-side carriages. This experience has been part of the cultural heritage of the railway since it began in 1900 and was a very exciting announcement to have worked on with rail safety regulators and the Board. It is no coincidence that since its return in February 2022, train passenger numbers have increased – particularly mid-week.

All parts of the railway contributed to this return, and we continue to successfully monitor current safety procedures for those permitted to sit on the carriage sill during their journey.

NEW EVENTS

A number of new events have been launched as part of the railway's seasonal calendar of events and build on the organisation's strategy to increase visitation within the domestic market. Whilst we have operated the family-favourite Day Out with Thomas event for many years – albeit, now located at the Lakeside Visitor Centre – THE POLAR EXPRESS™ Train Ride (December 2021) and the Train of Lights (June 2022) event have made a positive impact on PBR's reputation as a repeat visitor destination.

The combination of the LVC with these special events supports the railway's yield-based strategy, as well as improving the visitor experience.



PEOPLE AND CULTURE BRANCH

Our new strategy of focusing on being a sustainable heritage railway includes the workforce – many of whom have in-house specialised skills that take time to train and develop.

We must ensure that the experience of volunteering and working at PBR is enjoyable and that everyone feels part of the primary aim of preserving and operating this heritage steam railway.

In 2021 – 2022, the Human Resources and Volunteer Services departments were merged to become one People and Culture branch. This brought together volunteer and paid workforce management, as well as strengthening the organisation's training resources. The People and Culture branch have been very active in recruiting paid staff as part of the effort to open the LVC, while also returning to actively partnering with volunteer agencies in the local area and reformatting volunteer recruitment processes.

Volunteering numbers have reduced steadily over the years and prior to the arrival of COVID-19. This decline has begun to reverse in recent months, however, there has been a gap in suitable recruitment and training that will continue to influence the organisation's ability to lift services in the short term.

TIME AND ATTENDANCE SYSTEM

To ensure the railway is accurately recording volunteer attendance and hours, a Volunteer Time & Attendance system has been introduced. Utilising QR-based crew cards, this new system has enabled reports on individual and branch level volunteer hours so that the different branches and the organisation can accurately celebrate this contribution.

PUFFING BILLY RAILWAY ACT 2022

The new Act was passed through Parliament and PBR management and the Board is working to develop its implementation. The new governance arrangements under the Puffing Billy Railway Board will modernise the governance of the railway and support management to continue to rebuild the organisation into a sustainable heritage railway.

OPERATIONAL PERFORMANCE

With the focus on sustainable operations, passenger numbers are no longer the key performance indicator. Although still important, we are looking to rebuild railway traffic, finances, and the workforce in a sustainable manner.


Post-COVID-19, through operational management changes, passenger yield has lifted considerably and set up the railway to take advantage of the growing demand.

YEAR	PASSENGERS	AVERAGE REVENUE PER PASSENGER	% CHANGE IN YIELD
2015 - 2016	417,155	\$26.72	
2016 - 2017	487,237	\$27.68	3.59%
2017 - 2018	510,128	\$28.38	2.52%
2018 - 2019	487,543	\$29.19	2.85%
2019 - 2020	329,118	\$30.20	3.46%
2020 - 2021	50,678	\$39.35	30.29%
2021 - 2022	108,773	\$41.32	5.00%

By the end of 2021 - 2022, Puffing Billy Railway welcomed 108,773 guests, plus many additional visitors that attended railway venues but did not travel on Puffing Billy. In 2022 – 2023, the aim is to return to 200,000 guests and we will continue to build these numbers as our workforce allows.

PBR is a much-loved part of Victoria's cultural heritage – one that we are all committed to preserving for future generations to enjoy.

I again thank all PBR volunteers and staff, my management team and the ETRB for their work this year. We should all be proud of our ability to adapt, innovate, and welcome guests to the railway.



PETER ABBOTT

Chief Executive Officer Puffing Billy Railway

30 June 2022

FINANCIAL REVIEW

The ETRB reported a Net Result from Transactions, after depreciation and grants, for 2021-22 of \$1.87 million (2021 - 2022 \$1.0 million).

Increased 2021 - 2022 trading days, the opening of the LVC and improved average passenger spend, resulted in an increase in Operating Income of 29%

Operating Expenditure increased by 25% in 2021 - 2022. This increase was attributable to cost of service associated with increased trading days, the establishment and operation of the LVC, increased IT expenditure to improve cyber security and data protection, and the engagement of consultants to facilitate regulatory and legislative compliances.

There were no Asset Revaluations during 2021 - 2022.

The Comprehensive Operating Result, of \$1.87 million in 2021 - 2022, decreased from \$28.4 million reported in 2020 - 2021. This is due to the 2020-21 result including asset revaluations of \$27.4 million.

Net Cash Flows from Operations decreased in 2021 - 2022 to \$2.9 million (2020 - 2021 \$6.0 million) mainly due to increased spending in 2021-22 as operations recommenced after COVID-19 lockdowns.

Total Net Assets continued to grow in 2021 - 2022, with an increase of \$5.6 million to \$109.2 million predominately reflecting the growth in assets due to the completion of the LVC.

FIVE YEAR FINANCIAL SUMMARY

FIVE YEAR FINANCIAL SUMMARY	YEAR 5 2022	YEAR 4 2021	YEAR 3 2020	YEAR 2 2019	YEAR 1 2018
Operating Income	19,438,738	15,044,848	22,920,144	17,328,229	16,681,490
Operating Expenditure	17,568,486	14,045,719	20,609,605	16,253,212	15,218,467
Net Result from Transactions	1,870,251	999,129	2,310,539	1,075,017	1,463,023
Other economic flows		1,273		24,256	3,494
Net Results for the year	1,870,251	1,000,402	2,310,539	1,099,273	1,466,517
Asset Revaluations	-	27,417,189	-	-	-
Comprehensive Operating Result	1,870,251	28,417,591	2,310,539	1,099,273	1,466,517
Net Cash Flow from Operations	2,906,302	9,701,477	3,764,570	2,624,380	3,790,269
Total Assets	112,921,846	111,415,888	70,405,184	68,031,198	66,791,767
Total Liabilities	3,699,404	7,797,901	2,785,567	2,722,120	2,581,962

(a) This table presents data from the current reporting year with comparative data from the past four reporting years. Year 5 represents the current year (2022).



CAPITAL PROJECTS

During the year, the ETRB completed one capital project with a Total Estimated Investment (TEI) of greater than \$10 million. The details related to this project is reported below.

PROJECT NAME	PRACTICAL COMPLETION DATE	FINANCIAL COMPLETION DATE	ORIGINAL APPROVED TEI BUDGET (\$ MILLION)	LATEST APPROVAL TEI BUDGET (\$ MILLION)	ACTUAL TEI COST AT 30 JUNE 2022 (\$ MILLION)	VARIATION BETWEEN ACTUAL COST AND LATEST TEI BUDGET (\$ MILLION)	REASON FOR VARIANCE
LVC	April 2022	June 2022	\$25	\$25	\$20.8	\$4.2	The \$4m represents stage 3 of the project and will be invested in 2022-23 to complete the project.

COMPARATIVE WORKFORCE DATA

The following table discloses the head count of staff and volunteers, and full-time staff equivalent (FTE) of all employees of the ETRB, engaged in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period.

JUNE 2022							
	ENTIRE WORKFORCE				EMPLOYEES		
	WORK FORCE (HEAD COUNT)	EMPLOYEE (HEAD COUNT)	FTE	ACTIVE VOLUNTEERS	FULL-TIME	PART-TIME	FIXED TERM & CASUAL

GENDER

Women	96	53	43	43	22	16	15
Men	295	52	45	243	32	11	9
Self-described	1	-	-	1	-	-	-
Not provided	10	-	-	10	-	-	-

AGE

15-24	38	12	8	26	2	0	10
25-34	63	21	20	42	12	3	6
35-44	53	29	25	24	22	5	2
45-54	44	16	15	28	9	5	2
55-64	69	13	11	56	6	4	3
65+	135	14	9	121	3	10	1

JUNE 2021							
	ENTIRE WORKFORCE				EMPLOYEES		
	WORK FORCE (HEAD COUNT)	EMPLOYEE (HEAD COUNT)	FTE	ACTIVE VOLUNTEERS	FULL-TIME	PART-TIME	FIXED TERM & CASUAL

GENDER

Women	87	49	40	38	27	16	6
Men	292	45	38	247	19	17	9
Self-described	1	-	-	1	-	-	-
Not provided	2	-	-	2	-	-	-

AGE

15-24	17	4	2	13	1	0	2
25-34	57	18	16	39	9	7	2
35-44	32	24	23	8	15	4	5
45-54	35	16	14	19	9	3	4
55-64	73	15	11	58	7	7	1
65+	168	17	12	151	5	11	1

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity. The ETRB introduced policies and practices that are consistent with VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The ETRB advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

The ETRB is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve. Consistent with the *Gender Equality Act 2020*, the ETRB has a target to maintain at least 50 per cent women on the executives' gender profile.



The ETRB values staff with non-binary gender identities at all levels. The ETRB acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

ENVIRONMENTAL IMPACTS

The ETRB is committed to improving its environmental footprint and actively pursues environmentally sustainable outcomes as a matter of priority. The ETRB reports against a range of indicators for energy and water consumption, transportation, waste generation, and greenhouse gas emissions. Consumption and usage are captured through reports and surveys conducted at all sites.

ENERGY USE

The ETRB consumes energy for a number of different uses including office facilities, railway stations, retail outlets, cafés, public utilities, railway signalling and operational workshops.

Data represented below was collected through energy retailer billing information and represents office, retail, café and operational consumption.

	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019
TRADING DAYS	252	121	262	362
GREEN HOUSE EMISSIONS				
Electricity (KWH)	658,810	527,753	531,365	620,231
Natural Gas (GJ)	371	277	521	504
Diesel (Ltr)	48,015	4,844	22,614	129,567
Petrol (Ltr)	6,428	14,851	24,906	30,910
COAL (T)	324	285	655	1,141
	713,948	548,010	580,061	782,353
CO2 EMISSIONS				
Electricity (Co2t)	534	570	574	670
Natural Gas (Co2t)	21	14	27	26
Diesel (Co2t)	130	38	58	333
Petrol (Co2t)	15	34	57	71
Coal (Co2t)	785	693	1,592	2,773
Total Co2 Emissions	1,484	1,349	2,308	3,873



EXPLANATORY NOTES AND ACTIONS UNDERTAKEN

- The representation of an upward trend in energy consumption is due to the increase in trading days and the opening of the LVC.
- The ETRB purchased native vegetation credits during the construction of the LVC, which has been constructed from a range of modern materials.
- The ETRB is committed to planting 16,000 new plants, trees and shrubs at the LVC.
- LED lighting has now been installed in most ETRB sites.
- Our energy provider, Simply Energy, use carbon neutral power.

WATER USAGE AND WASTE

The ETRB continually monitors its consumption of water and waste. Water, through the power of steam, is essential to the railway and its usage is continuously examined for efficiencies and improvements.

	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019
TRADING DAYS	252	121	262	362
WATER AND WASTE CONSUMPTIONS				
Water Usage (KL)	7,529	8,424	15,179	13,988
Waste (T)	2,780	4,853	4,035	1,743

EXPLANATORY NOTES AND ACTIONS UNDERTAKEN

- Continuous training of drivers and firemen around the conservation of water and the efficiencies available for managing water consumption whilst creating steam for the train.
- Water storage tanks are installed at most sites.
- Recycling is promoted in all areas of the railway.
- Ash from the locomotive is inspected to assess the performance of the coal and to monitor the waste produced. Higher quality coal contains fewer stone particles resulting in less waste.

INFRASTRUCTURE



OVERVIEW

The Infrastructure branch ensures the safety, compliance, function, and reliability of PBR's existing physical fixed assets, excluding operational rolling stock, whilst delivering the building and corridor capital works to meet future strategic requirements of the railway. Infrastructure's scope includes buildings, track, bridges, signals, civil works, the corridor environment, land assets, statutory planning liaison and the Menzies Creek Museum complex.

During the 2021 - 2022 financial year, Infrastructure saw a return to a more typical operating environment and tasks, focusing on several key projects and scheduled maintenance activities. It also saw the turnover of a

few key positions in the branch as some longer-term employees retired or redirected their careers post-COVID-19. The higher COVID-19 infection rate in the community post-lockdown also had an impact on staff availability and in some instances, the workforce was halved in numbers temporarily.

Despite this, the team maintained a strong forward momentum whilst replacing key roles with talented recruits. It was a very productive year for the branch with significant progress made in asset management, administrative systems documentation, maintenance activities and strategic capital works.

KEY GOAL	MEASURE	RESULT
Safety & operational excellence	<ul style="list-style-type: none"> Operational readiness of the railway corridor. Installation of a new boom barrier set at level crossings in Menzies Creek. Contribution toward the return of 'Sitting on Sills' initiative. Develop corporate Asset Management Strategy and systems. Implementation of the Infosafe chemical management / information system. Implementation of a computerised maintenance management system (MEX). Implementation of enhanced and documented operational procedures. 	<div>■</div> <div>■</div> <div>■</div> <div>■</div> <div>■</div> <div>■</div>
Environmental sustainability	<ul style="list-style-type: none"> Recycling of timbers felled within the railway corridor. Consultation on enhanced fugitive emission management. Environmental management. Tree management protocols and fauna recovery program at the LVC development - complemented by Vegetation Offset Credits. Utilisation of corporate, volunteer and community groups in managing the railway corridor environment. 	<div>■</div> <div>■</div> <div>■</div> <div>■</div> <div>■</div>
Preserve cultural & heritage rail significance	<ul style="list-style-type: none"> Planning and design of new buildings in consultation with heritage subject matter experts available to the railway. Utilisation of the Heritage Standards Manual and PBR Cultural Heritage and Conservation Management Plan. 	<div>■</div> <div>■</div>
Provide an iconic visitor heritage rail experience for visitors	<ul style="list-style-type: none"> Planning required to install heritage-based infrastructure to support expansion of operations in the second half of the line with a capital program covering Cockatoo and Gembrook. Maintenance of timber structures and heritage listed assets such as the Monbulk Creek Trestle Bridge. 	<div>■</div> <div>■</div>

Completed ■ In progress ■ Ongoing ■

BUILDINGS – MAINTENANCE & CAPITAL PROJECTS

The Infrastructure Buildings branch is responsible for maintaining the railway's buildings and other structural assets. Department resources currently comprise of specialist staff supported by two volunteer building groups. The department undertakes the management of Infrastructure's trade contractors, in-house repairs, building related maintenance, minor capital building projects, fencing, gates, cattle grids, exterior decking and pathways, signage, essential safety compliance measures, security and fire safety equipment and garden maintenance and landscaping projects.

Activity has continued in the 2021 - 2022 financial year on ensuring that all buildings and equipment are operating optimally, reliably and meet compliance requirements. This has involved setting up relevant inspection and maintenance contracts which are now in place, including for the LVC.

The implementation of the MEX was completed during the year and whilst it remains an ongoing system in terms of management, the population of the core railway asset data now ensures that critical maintenance and inspection tasks are not foregone or delayed.

The signature project of the last five years, the LVC development, was achieved in the 2021 - 2022 financial year with Practical Completion of the Carpark and Landscaping component (Stage 2) awarded in April 2022. In addition, Final Completion on Stage 1 was achieved in June 2022. Whilst some minor tasks remain to be implemented, the soft opening of the LVC in October 2021, followed by the official Ministerial launch in December, has proven to be extremely successful, fulfilling the strategic aim of the project. Handover of the Council carpark and closure of the Heads of Agreement are set for the 2022 - 2023 financial year.

Planning and design for capital projects funded under the State Masterplan grant has continued and as of the end of the financial year, the two key remaining funded projects have had preferred tenderers identified with contracts in progress being finalised within governance requirements. These projects, in Gembrook and Menzies Creek, will be delivered in Q2 of the 2022 - 2023 financial year, enhancing visitor amenities and operational capability in these locations.

WAY & WORKS

The Way & Works branch ensures that the track is fit for purpose and clear of any obstruction. The branch has a dedicated team of staff, as well as relying heavily on the help and support of volunteers. Core tasks performed include track patrols, fire patrols, works trains, environmental works, and track infrastructure maintenance.

The 2021 - 2022 fire patrol season commenced on the 10th of January 2022 and concluded on the 3rd of April 2022 – a short and quiet season by comparison with previous years. The operational season saw a total of 182 shifts scheduled to run. There were 50 volunteers who dedicated their time to assist the railway throughout the season, which is three down from last season and a large drop from previous seasons; a legacy of COVID-19 on general volunteering numbers.

The Corporate Volunteer Program contributed three groups in comparison to 48 such groups the year before. These numbers were from two organisations and contributed 55 persons. Individual volunteers working on a regular basis with the railway was a positive, with two volunteers starting on a weekly basis assisting the Environmental team.

On track, the team carried out regular works along the corridor, inserting 617 new sleepers and conducting re-gauging with two track walks over three days. Over 3,211 hours of line side clearing works was conducted, double that in the previous year despite a shorter season. Vegetation clearance three metres from the rail was carried out from Belgrave to Lakeside and included the "Mantis" corridor gauging trolley to check for clearances and assist in the return of the 'Sitting on Sills' experience, which resumed in February 2022.

A number of key track infrastructure projects were also completed during the year including the '3 Road' Lakeside (platform #3) installation at the LVC, the replacement of the track and formation at the level crossings at Emerald Main Road and Cockatoo, and the replacement of a pile and cross heads on the Monbulk Creek Bridge. These latter projects involved specialist contractors and extended operational hours, all delivered on time and on budget.

The Way & Works branch closed out all queries raised by the national rail safety regulator, ONRSR, during the year.

SIGNALS & TELEGRAPH (S&T)

S&T provide the regular service and maintenance requirements for all signals, telephony and electrical. The department provides key support services both to the Infrastructure branch and railway as a whole.

Key areas of activity during the 2021 - 2022 financial year focused on the installation of a second set of boom barriers at Menzies Creek to increase safety and facilitate the return of the 'Sitting on Sills' experience, signals upgrades of the Lakeside area, and support of the LVC project. Planning for an additional four boom barrier installations is underway for the 2022 - 2023 financial year.

The new signal box at Lakeside continues to be fitted out. Changes to the precinct, due to the LVC, has seen S&T implementing substantial infrastructure upgrades to support centralised signalling from this heritage style building. Installation of the Lakeside precinct back-up generator has been designed to provide critical business continuity.

Communications capability will be enhanced in the 2022 - 2023 financial year with the installation of a radio communications tower in Gembrook.

LINESIDE ATTRACTIONS

The Menzies Creek Museum, since opening to the public in 2020, has continued to develop its facilities to offer a better visitor experience. The team continues to implement enhancements and the ongoing development of the site.

This year has seen the introduction of a Menzies Creek specific product with a return ticket to Menzies Creek and entrance into the Museum, which has been popular. In response, the team installed the "Lil Toot Café" to offer refreshments to Museum patrons. In addition, further works will include refinement of the design of a yet-to-be-constructed entrance building, rail installation to facilitate joining up the workshop with the Museum, maintenance and restoration of artefacts and the ongoing task of curating objects for display at the Museum and LVC.

ENVIRONMENTAL PERFORMANCE

Implementing the full suite of environmental initiatives on the railway has continued to be challenging with the aftermath of COVID-19 affecting staff, volunteer, community, and school numbers. This has had an impact on the number of partnership works able to be undertaken with local friends, schools, and community groups. Nonetheless, a number of successful programs were run, with particular help to beautify adjacent areas to the new LVC.

Environmental works focused on track vegetation clearance zone requirements between Belgrave and Lakeside to meet the 'Sitting on Sills' specifications and station precinct presentation. Environmental weed eradication of agapanthus, ragwort and blackberry remain ongoing along the corridor as part of the Trackside Management Plan.

Other environmental initiatives carried out during the year include a proposal sought from an environmental consultant to look at enhancing the surface water management in the Belgrave yard, a fauna recovery and relocation program as part of the LVC Stage 2 works, and asbestos removal and disposal across areas of the railway.

Photo credit: Kahla Webb





Image: Kahlia Webb

PARTNERS & COMMUNITY ENGAGEMENT

The Infrastructure branch actively engage with:

- Local Government – (Cardinia, Yarra Ranges)
- State Government – (Department of Jobs, Precincts and Regions, and the Department of Environment, Land, Water and Planning.)
- Emergency Services
- Country Fire Authority
- State Emergency Service
- Police
- Metro Trains Melbourne
- Melbourne Water
- VicTrack
- V-Line
- Community groups, committees, and special interest groups in towns and along the corridor regarding capital developments via committees and public consultation forums.
- Environment Groups
- Schools and Corporate Volunteer Groups
- Key external contractors and subject matter experts including but not limited to environment, arboriculture, architects, traffic, civil, utilities, all abilities access, and planning.

WORKING TOWARDS 2022 – 2023

- Completion and implementation of a Strategic Asset Management Plan for the railway.
- Undertake Phase 2 of the Planning Scheme Amendment to facilitate the Master Plan implementation and enhance stakeholder engagement related to future developments.
- Complete the State Government funded “Other Master Plan Capital” projects with a focus on operational efficiency, visitor amenity, and increasing utilisation of the second half of the corridor.
- Continue to implement the Tracksides Management Plan (Environment Management) along the corridor.
- Ongoing commissioning of the Lakeside signal box and precinct signalling infrastructure.
- Begin works on installation of boom barriers along the line to four more locations toward Gembrook, enabling the extension of “Sitting on the Sills”.
- Finalising the Cardinia Council Heads of Agreement (HoA) commitments including Lakeside land purchase.
- Required enhancement of communications capability with the planned Gembrook Radio Mast.
- Completion of key piling works on the heritage listed Monbulk Creek Bridge.



Image: Dean Gifford

TRAIN OPERATIONS



Image: Dean Gifford

OVERVIEW

The Train Operations branch oversees the daily rail operations of PBR. This includes managing a 200-strong crew of qualified safe workers to provide the drivers, firemen, guards, signalmen and engine cleaners necessary to run the daily services. Train Operations is also responsible for the allocation of rolling stock to trains to meet the capacity requirements of the Passenger Operations branch, as well as ensuring the timely transfer of carriages to Emerald workshops for maintenance by the Rolling Stock branch.

The spread of COVID-19 saw the shutdown of all train services from early August until November 2021. Services restarted slowly but recovered quickly to resume daily operations in December.

COVID-19 related disruptions and shutdowns has seen volunteer numbers fall significantly, making it challenging to fill shifts for the increasing number of services.

Fortunately, the railway is now seeing a number of new volunteers with an interest in progressing to roles such as guards, signalmen, firemen and drivers. We continue to welcome volunteers back to the railway as and when they are more comfortable with the COVID-19 settings.

Behind the scenes, new programs for training drivers, firemen and safeworkers have been developed under the PBR Training Framework. The programs align with the Australian Qualifications Framework and includes Association of Tourist and Heritage Rail Australia (ATHRA) driver and fireman modules within the overall PBR training. This opens opportunities to recognise prior learning undertaken at other railways to assist volunteers joining PBR.

Training for operational roles has continued with safeworking and driver training for volunteers. Expressions of Interest (EOI) for training of steam locomotive firemen and the next round of safeworking training have been released. The EOI program aims to increase the number of qualified volunteers to be ready for increasing services as the railway recovers.

KEY GOAL	MEASURE	RESULT
Provide an iconic heritage rail experience for visitors	<ul style="list-style-type: none"> • Deliver excellence in visitor experience. 	<ul style="list-style-type: none"> ■ Operations staff interact with passengers to make their visit to the railway an enjoyable and memorable experience. ■ Train operations continues to meet operating demand to deliver an excellent visitor experience.
<p>Achieve safety and operational excellence.</p> <p>Ensure all operations are geared towards achieving zero harm.</p>	<ul style="list-style-type: none"> • Ensure best practice in compliance with national rail safety regulations, or advocate to change to relevant conditions. • Maintain ONRSR co-regulatory relationship. • Implement a plan to comply with, or advocate to change National Rail Safety guidelines - maintain regulatory compliance. 	<ul style="list-style-type: none"> ■ Operations priority is for safety of volunteers, staff, and passengers. Working with the Safety branch, improvements in worker safety are progressively making operations safer. ■ Continued to engage in co-regulatory meetings and develop relationships with ONRSR. ■ Continued to support safety with implementation of plan, and to maintain regulatory compliance.
Engage with our community, business and tourism partners	<ul style="list-style-type: none"> • Recognise and increase the railway's contribution to the local and regional economy. 	<ul style="list-style-type: none"> ■ Operations works collaboratively with the Visitor Experience branch to support community, business, and tourism partners.

Completed ■ In progress ■ Ongoing ■

KEY INITIATIVES

- Continuing development of PBR Training Framework and underlying documentation.
- Review of existing rules and procedures.
- Development of new procedures, systems, and strategies within Train Operations.

PARTNERS & COMMUNITY ENGAGEMENT

- Initiated discussions to develop an engagement strategy with the Tourist and Heritage Rail Industry.
- Adopted an emphasis on volunteer involvement and training in rostering.

WORKING TOWARDS 2022 - 2023

Continued focus on:

- Development of training packages and materials to meet modern expectations and flexible learning methods.
- Review of PBR rules, systems, and procedures.
- Improving opportunities for volunteer engagement and development.
- Implement enhanced roster systems that take advantage of new technology being implemented at the railway.
- Continuing engagement with ATHRA and other Tourist & Heritage railways.

ROLLING STOCK



Image: Kahla Webb

OVERVIEW

The Belgrave Locomotive Workshop and the Emerald Carriage & Wagon Workshop are operated by the Rolling Stock branch, with responsibility for the maintenance and restoration of locomotives, carriages, and freight wagons, to meet the railway's daily operational requirements.

The Belgrave Workshop performs detailed maintenance, repair, and restoration of the steam locomotive fleet, and has been busy keeping the five active steam locomotives in traffic in addition to servicing the Peckett Locomotive for Day Out with Thomas events. The workshop also maintains the four Diesel locomotives used for moving carriages around the yard or replacing steam locomotives during periods of high fire danger.

The Emerald Workshop performs a range of essential tasks to maintain the 70 strong fleet of passenger carriages and wagons, including mechanical systems, woodwork, and painting, ensuring a safe and enjoyable experience for passengers.

It is a credit to all PBR personnel, both staff and volunteers, that all locomotives and carriages carried out seamless service since the last return from COVID-19 lockdowns.

Current major workshop projects include the refurbishment of Locomotive 6A, D21 Engine rebuild, DH5 transmission overhaul, overhaul and retube of the Peckett boiler, completion, and commissioning of 12 new passenger carriages, and numerous other safety and technical advancements to locomotives and rolling stock. A significant amount of work has been completed on NG/G16-129, including the retrofitting of K Class grates.

In support of the heritage rail community, the Rolling Stock branch has built mutually beneficial working relationships with a number of tourist and heritage railways and museums, including Steam Rail, Walhalla Goldfields Railway, Museum of Transport and Technology (MOTAT) in New Zealand, Welshpool & Llanfair Light Railway, Vale of Rheidol Railway, and The Ffestiniog & Welsh Highland Railways in Wales.

At both Belgrave and Emerald, volunteer workshop sessions have been attended by a growing number of volunteers. Increased volunteer participation post-lockdown has resulted in improved growth and development of volunteer skills and abilities.

KEY GOAL	MEASURE	RESULT
<p>Preserve cultural and heritage rail significance.</p> <p>Practical preservation of our heritage assets in line with our sustainable long-term plan.</p>	<ul style="list-style-type: none"> • Extend long term plan to implement Asset Management Plan to be broadened to include rolling stock and wider assets of railway. • Develop and commence implementation of integrated long-term plan for rolling stock, track & facilities. 	<p>■ Preparing a new rolling stock strategy to accommodate the changes to the railway post COVID-19.</p>
<p>Provide an iconic heritage rail experience for visitors.</p> <p>Develop and deliver heritage assets, experiences, and products to improve visitor, volunteer, and community engagement along the railway corridor.</p>	<ul style="list-style-type: none"> • Refurbishment of Rolling Stock to heritage standards. 	<p>■ Awarded Copeland Grant for restoration of a Heritage Freight wagon.</p> <p>■ Engaged in the heritage restoration of locomotive 6A supported by a grant from Heritage Victoria.</p>
<p>Achieve safety and operational excellence.</p> <p>Ensure best practice in compliance with National Rail Safety regulations, or advocate to change to relevant conditions.</p>	<ul style="list-style-type: none"> • Maintain ONRSR co-regulatory relationship. • Complete Safety Management System and Risk Register revision. 	<p>■ Working with Safety branch to revise the SMS.</p>
<p>Engage with our community, business and tourism partners .</p> <p>Develop a collaborative working partnership approach to enhancing and promoting tourism in the region and Tourist & Heritage railway sector.</p>	<ul style="list-style-type: none"> • Implement Business Partnerships program. 	<p>■ Working with other Heritage Rail organisations to provide workshop support.</p>

Completed ■ In progress ■ Ongoing ■

PARTNERS & COMMUNITY ENGAGEMENT

- New K Class grates for NG/G16-129 were kindly provided by SteamRail who also assisted with drawings and other assistance for the retrofit.
- Engaged with Bendigo Tramways to expedite fit-out of new carriages and for repair of carriages damaged by falling trees.
- Built relationships with local community organisations who provided support for the application of a Heritage Victoria 'Living Heritage' grant.

WORKING TOWARDS 2022 - 2023

Continued focus on:

- Improving workshop safety and housekeeping.
- Developing workshop systems and processes.
- Growing workshop productivity.
- Improving opportunities for volunteer engagement and development through focused workshop sessions.

SAFETY



OVERVIEW

Providing a safe and healthy workplace is the Safety team's priority at PBR.

During the 2021 - 2022 financial year, COVID-19 continued to have a significant impact on operations, with the safety team adapting PBR's response to the pandemic according to Victorian Government restrictions. This ensured all who attended the railway were COVIDSafe and supported the organisation's efforts to be compliant while continuing to operate services.

The Safety team has continued to promote a positive safety culture through its 'If you see something, say something' communications. This has encouraged workers to report safety issues when they occur.

PBR is committed to implementing and abiding by the Victorian State Government Child Safe Standards. The formulation and oversight of a training and development framework has been a key component to meeting compliance and regulatory requirements for child safety.

Opportunities for improvement were identified through internal and external audits, investigations, and monitoring trends from previous reporting through Incident Defect Reports (IDR) or notifiable occurrences. Corrective action plans were developed and monitored where required.

During 2021 - 2022, the following statistics were recorded:

- 639 IDRs were submitted.
- 79 Notifiable Occurrences were registered with ONRSR.
- 7 Incidents notifications were submitted to WorkSafe.
- 2 inspections were conducted by WorkSafe.
- 32 injuries reported to PBR or sought first aid assistance where required, including:
 - 15 employees (two resulted in a Workcover claim)
 - 9 Volunteers
 - 7 Passengers
 - 1 member of the general public
- Two Safety Investigations were completed.
- Zero statutory notices were issued by WorkSafe or ONRSR regulators.
- 99 medicals were completed by workplace participants.

There was a noticeable increase in occurrences and notifications comparative to the year prior, due in part to the railway returning to more regular operations post-lockdowns.



KEY INITIATIVES

- Successful return of “Sitting on the Sills” in February 2022.
- The release of new Emergency Management Manuals across the organisation.
- Implementation of Fire Wardens.
- Continued to monitor and adapt COVID-19 settings in accordance with Victorian Government advice.



PARTNERS & COMMUNITY ENGAGEMENT

- A collaborative working partnership with regulators, Emergency Services and the Country Fire Authority continues.
- Continue to help educate the local community regarding rail safety.
- Standing members of:
 - Rail Industry Safety and Standards Board (RISSB)
 - Australian Tourist and Heritage Rail Association (ATHRA)
 - Australian Railway Association (ARA)

WORKING TOWARDS 2022 - 2023

- Implementation of Health and Safety Representatives systems.
- Aim for all workers to “Start Safe, Work Safe, Finish Safe.”
- Introduction of a new Fatigue Policy, Procedure, and associated documents.

VISITOR EXPERIENCE



OVERVIEW

The role of the Visitor Experience group is to lead and drive initiatives that attract and welcome visitors to Puffing Billy Railway and provide an exceptional visitor experience.

Attracting new and repeat domestic visitors to the railway was the focus when the railway reopened in November 2021, as international borders remained closed until February 2022. The railway ran on a restricted timetable and capacity, but as restrictions eased over the year, the timetabled services increased along with capacity.

A soft opening of the LVC took place at the end of October, with only outdoor dining operating at that time. The facility fully opened in November to PBR train passengers and Emerald Lake Park visitors, before an official ministerial launch in December.

The Visitor Experience team showcased the new LVC by creating new and exciting experiences and events to enhance the visitor experience and utilise the centre's state-of-the-art amenities, thus driving visitation and increasing the average spend.

Additionally, extensive new LVC product development opportunities occurred during the year outside of the traditional excursion train journey, including the launch of a new Victorian curriculum-based education program, functions and events packages, a photographic art exhibition, bike hire packages and yoga and Pilates classes all in partnership with local operators.

MARKETING & COMMUNICATIONS

The COVID-19 pandemic continued to present challenges to the start of 2021-2022, as local lockdowns were implemented, and interstate and international borders remained closed. This resulted in the railway being closed and no visitation between early August and the end of October 2021. As lockdowns lifted, the railway's operations gradually recommenced in November 2021; however, resourcing the railway accordingly became the new hurdle. Despite all this, the railway celebrated many key achievements in 2021 - 2022.

In December 2021, the then Deputy Premier of Victoria, The Hon James Merlino MP and the then Minister for Tourism, Sport and Major Events, and The Hon Martin Pakula MP, officially opened the new \$24.8-million-dollar LVC. The LVC is a state-of-the-art all-weather facility, providing unique cultural interpretations of the relationship between the Dandenong Ranges and Puffing Billy Railway and their corresponding histories while also providing public spaces, function facilities, a food and beverage outlet, and education spaces.

The year included another significant milestone for the railway with the reintroduction of the time-honoured tradition of dangling legs out of open-side carriages, or 'sitting on the sills' on the 4th of February 2022. The much-anticipated launch of dangling legs received widespread media attention and elevated the railway's brand awareness in the domestic market, once again regaining the railway's positive position in the tourism and heritage railway sector.

PBR welcomed a total of 108,773 passengers over 252 operating days.



KEY GOAL	MEASURE	RESULT
Develop and promote curriculum-based Education programs	• Programs launched in October 2021.	■
Maintain and develop new products that build on spend per guest aims	• Launch 'Sitting on Sills' experience in February 2022.	■
Develop high yield experiences at the LVC	• Number of new initiatives introduced – events, functions, group packages, and various activations.	■
Maintain and build on the Business Partnership Program	• 40 participating businesses.	■
Implement plan to shift from pure growth in numbers to improved visitor experience and valued complementary services	• Achieved 108,773 visitors.	■

Completed ■ In progress ■ Ongoing ■ Not Completed ■

KEY INITIATIVES

The Visitor Experience team developed and implemented a number of new initiatives, including:

- The opening of the new LVC
- Reintroducing 'sitting on the sills' between Belgrave and Lakeside after a four-year hiatus.
- Implementing new events including THE POLAR EXPRESS™ Train Ride and PBR's Train of Lights.
- Introduced an autumn 2022 season of Day Out with Thomas at the LVC, with new activities and inclusions for the event.
- Launched PBR's first-ever curriculum-based education programs for Foundation up to Year 9.
- Developed and launched new products at the LVC, such as a bike hire hub at Lakeside Station in partnership with COG Bikes Australia and Pilates and Yoga classes in collaboration with Emerald Pilates Studio.
- Hosted an Art Exhibition in partnership with local award-winning photographic artist Karen Alsop.
- A total of 30 local businesses signed up for the PBR Partnership Program. The partner categories comprised 11 DO, 7 EAT and 8 STAY, as well as 3 local real estate agencies and Eastland Shopping Centre.
- Developed LVC and railway MICE packages and group dining packages.
- Implemented new products like exclusive Carriage Hire, Excursion Train & Lunch at the Nobelius Packing Shed, Excursion Train and pre-booked Picnic & Lunch Packs, and the Menzies Creek Museum experience.
- Refreshed the website with the new PBR branding identity and updated the layout to streamline the user experience.



DOMESTIC MARKETING

Key domestic activities included:

- Participating in Visit Victoria's Official Visitor Guide Big Four attractions competition giveaway.
- Hosting a social media influencer program for the reintroduction of 'sitting on sills', as well as during the summer and Easter Schools holidays to increase brand awareness and drive visitation.
- Engaging a marketing and media agency to develop a multicultural media and PR strategy to attract visitors from the local Chinese, Vietnamese, and Indian communities. This included hosting a regular program of key online influencers and distributing promotional packages.
- Collaborating with local business partners to provide new products such as Bike Hire, and Yoga and Pilates.
- Promoted suggested itineraries, social media giveaway competitions and partner special offers for visitors.
- Continued the partnership with Eastland shopping centre to create and distribute exclusive offers for their digital audience and member database.
- Launched a grandparents and pre-schooler mid-week special offer for the shoulder season.
- Promoted the pre-purchasing of gourmet picnic packs with online train tickets.
- Continuing to roll out special offers for corporate employee benefit programs and community and sporting club members.
- Distributing special offer packages to senior and community groups to secure group bookings.
- Collaborated with Positive Media to deliver a 7-month on-air branding campaign through Light FM, which began in March 2022.

INTERNATIONAL MARKETING

International borders were closed until February 2022, which saw several key priority markets unable to travel overseas, including China and Hong Kong.

To keep PBR's brand top of mind for international wholesale and retail agents, PBR participated in the Tourism Australia online trade shows, including the German Aussie Specialist Workshop, South & Southeast Asia Business Events showcase and the Australian Tourism Exchange. The marketing team also attended the Australian Tourism Export Council's Online B2B workshop.

In addition to this, the railway hosted international media and trade familiarisations in partnership with Tourism Australia, Visit Victoria, and Yarra Ranges Tourism, and continued to work closely with key Online Travel Agents to identify opportunities for increasing ticket sales.





MEDIA OPPORTUNITIES

While faced with the ongoing disruption of the pandemic in the first quarter of the 2021 - 2022 financial year, media coverage for the railway was considerably higher than in the previous year, driven largely by a series of key milestones and premium seasonal events that were launched.

Following two closures in July and August of 2021, with the latter lasting two months, PBR reopened on the 5th of November and included the addition of the much-anticipated LVC. With State and Federal Government providing significant key funding contributions to this development, the doors were officially opened by The Hon Martin Pakula MP, former Minister for Tourism, Sport, and Major Events, and The Hon James Merlino MP, former Member for Monbulk and former Deputy Premier on the 3rd of December 2021. This ministerial occasion garnered an extensive amount of media coverage nationally and across major metropolitan, local, and regional media including ABC National News, National Nine News, the Herald Sun, Seven News Melbourne, Ten News First, 3AW, 2GB, and ABC Radio Melbourne.

The arrival of summer school holidays brought about another exciting announcement with train services changing from a three-day operation on Fridays and the weekends only back to daily services for the first time since April 2020. It was during this period that the railway also launched the Australian-first Christmas experience THE POLAR EXPRESS™ Train Ride, which activated the newly opened LVC.

A PR agency was engaged to deliver a traditional media and social media marketing campaign with a

focus on post-lockdown visitation that highlighted the railway's new schedule of train services and new offerings like exclusive carriage hire and pre-booked picnic packs, and the new LVC. The launch of THE POLAR EXPRESS™ Train Ride was managed internally and sold out within five hours of sharing the news on PBR's social media platforms.

A huge level of media interest has always surrounded the return of passengers being able to sit on the carriage sills again, so when this century-old tradition returned in February 2022, a substantial amount of major metropolitan and regional media coverage was captured. Some highlights included The Age, the Herald Sun, ABC, Nova, the Fairfax Rural Press and a feature piece in Nine Network's Postcards. PBR is grateful to the numerous local partners and the wider tourism industry who have provided their support and celebrated the return of this iconic experience.

With momentum built off the back of the hugely successful THE POLAR EXPRESS™ Train Ride, it came as no surprise to find that PBR's winter evening event, another Australian-first called the Train of Lights, was launched in June, and sold out within four days of being shared across the railway's social media platforms. Social media played a significant role in achieving a sell-out event, with other social media accounts sharing the news far and wide. Highlights included Visit Melbourne, The Urban List Melbourne, Concrete Playground, The Weekly Review, Secret Melbourne, and a special televised weekend feature piece on Nine News Melbourne.



Image: Dean Gifford

PARTNERS & COMMUNITY ENGAGEMENT

- Supported the Emerald RSL ANZAC Day Dawn Service, where Puffing Billy delivered a traditional whistle salute at the end of the remembrance service. To further commemorate the day, passengers could alight at Emerald Town Station to visit the ANZAC Walk.
- A representative from the marketing team continued their position on the Dandenong Ranges Tourism Network committee.
- PBR representation on the Yarra Ranges Tourism Marketing Sub-Committee and Eastern Dandenong Ranges Association Committee.
- Continued to promote the benefits of the Locals Pass initiative to residents living within a 10-kilometre radius of PBR. The pass is an opportunity for the railway to give back to the local community and provides value for money.
- Continued to cross-promote and support local business partners across owned and paid digital marketing channels and printed collateral.
- Partnered with Cardinia Shire Council to support their month-long What's On Cardinia festival event with local artists, creatives and businesses across Cardinia Shire. The LVC was host to a local arts and crafts business who provided free children's activities to LVC guests.

WORKING TOWARDS 2022 - 2023

In the new financial year, PBR will work towards creating new experiences and diversifying the offering to enhance the visitor experience by:

- Continuing to build experiences around the LVC.
- Launching new premium, bespoke experiences that incorporate the train and the LVC.
- Launching the inaugural Puffing Billy Running Festival.
- Hosting business networking events to showcase the LVC.
- Continuing to build the function and event experiences and packages for the LVC.
- Implementing the Marketing Plan and the Event and Promotions Program calendar.
- Continuing to maintain and build relationships with local tourism businesses to develop collaborative products and marketing opportunities.
- Implementing the brand strategy and rebranding across the railway.
- Working closely with key tourism stakeholders to rebuild international markets and visitation to Victoria and PBR.

EVENTS



OVERVIEW

The key focus of the Events branch is to develop exciting all-year-round events to increase domestic visitation and length of stay and build meaningful partnerships with key stakeholders and community groups in the region.

PBR launched THE POLAR EXPRESS™ Train Ride event in December 2021, welcoming passengers for a magical Christmas experience from Belgrave to Lakeside station and return. The new LVC and Emerald Lake Park provided a memorable festive event for all involved.

Additionally, the Train of Lights, an exciting and unique event concept was developed and launched in June 2022, providing passengers with a memorable evening train ride from Lakeside to Gembrook station

and return, and included a mesmerising evening light show that showcased the train journey and surrounding landscapes in a different light. The night train was greeted by thousands of locals along the line, showcasing the community support and enjoyment of seeing PBR's Train of Lights.

For close to 20 years, the Day Out with Thomas event continues to attract thousands of visitors and generate excitement for young families. In March 2022, the Day Out with Thomas event was held at the LVC with passengers experiencing a train ride from Lakeside to Cockatoo and return. The LVC provided a new opportunity to deliver a family favourite event in a new format, enhancing the visitor experience with state-of-the-art amenities and activities organised in the centre.

KEY GOAL	MEASURE	RESULT
Developing and delivering heritage assets, experiences, and products to improve visitor, volunteer, and community engagement along the railway corridor.	• Day Out with Thomas events.	■
	• Development of the new Puffing Billy Running Festival.	■
	• Partnerships with tourism industry operators.	■
	• Community events.	■
	• Development of new and exciting railway events.	■

Completed ■ In progress ■ Ongoing ■

KEY INITIATIVES

THE POLAR EXPRESS™ TRAIN RIDE

PBR, in partnership with Rail Events Inc and Warner Bros, launched THE POLAR EXPRESS™ Train Ride; the first of its kind in the Southern Hemisphere to the wonder and delight of thousands of visitors in December 2021. Across 13 days, passengers travelled from Belgrave to Lakeside to experience the world-famous THE POLAR EXPRESS™ Train Ride at PBR. Additional activities with all the characters from the Warner Bros film, performances, dancing, photo opportunities, and a visit to the North Pole to meet Santa and his elves ensured visitors had a family fun day in the beautiful Dandenong Ranges.

The 5-hour daily event created a wonderful experience for over 5,200 passengers, volunteers, and staff and highlighted the opportunities the new LVC can provide to all guests. It further promoted the different experiences available along the railway corridor for different markets.

TRAIN OF LIGHTS

The much-anticipated Train of Lights event was the highlight of the events calendar with an incredible display of lights and colours from Lakeside to Gembrook across 17 nights in June and July 2022. Over 4,400 passengers attended the event, showcasing the railway corridor's incredible landscapes in an imaginative and inspiring light show whilst enjoying winter food and beverage options at Gembrook, live entertainment and the ambience of Gembrook Station and its beautiful surrounds.

In partnership with renowned local light specialist company, Resolution X, the Train of Lights provided an Australian first experience of travelling on PBR at night. The success of the event was evident by the thousands of smiles on the faces of visitors, volunteers, and staff and feedback specifically from visitors was extremely positive.

Furthermore, the community support and opportunity to experience the event from vantage points along the line was a sight to see, with hundreds each night watching and cheering on Puffing Billy travelling through Wrights Forest, across the trestle bridges and through the open paddocks of Gembrook. The "love" for Puffing Billy could be seen through the hundreds of photos and videos shared on social media platforms, further promoting a new and exciting event for PBR.

DAY OUT WITH THOMAS

The popularity of the Thomas the Tank Engine brand, in association with PBR, offers a unique family experience to see Thomas and his friends in full steam. Additional activities included in the experience ensure that visitors enjoy a family fun day in the picturesque Dandenong Ranges.

The season was scheduled across six days including three weekends throughout Autumn 2022. The average attendance at each event was 900 people per day resulting in a total of 5,400 people attending for the year.

The event is largely run by a dedicated and committed team of volunteers and staff who continue to carry out their roles ensuring a safe and memorable experience for all visitors. All proceeds from event parking were donated to the local community group, Action on Disability within Ethnic Communities (ADEC), who support children with disabilities.

PUFFING BILLY RUNNING FESTIVAL

The Puffing Billy Running Festival was postponed for 2022, with planning for this event to continue in the next financial year.

WORKING TOWARDS 2022 - 2023

The next year will be an exciting one for Events at PBR, with plans to:

- Continue to build on the successful THE POLAR EXPRESS™ Train Ride, Day Out with Thomas, and Train of Lights events.
- Develop the new Puffing Billy Running Festival.
- Develop a calendar of events and activations all year round at the LVC.
- Continue to support and increase the railway's involvement with community events.

EDUCATION



OVERVIEW

The role of the Education branch is to create opportunities for meaningful and authentic learning experiences with primary and secondary schools through the launch of PBR's first guided curriculum-based Education program, *Endless Discovery*.

The program was launched during semester two (Term 3 and 4) of 2021 and throughout this time was challenged by COVID-19 restrictions and lockdowns. Pivoting to online school holiday programs and using this period to focus on marketing, networking, programming, and resource development led to a more robust and informed education offering.

Post-lockdown and with the opening of the LVC, schools, teachers, and students flocked to the railway in good numbers to complete term 4. The 2021 - 2022 school year saw many camp groups alongside self-guided and guided groups journey on the train.

The *Steam Journey* education program, generously supported by The Andrew's Foundation, was popular into the new year with 340 students participating in the day excursion and a total of 2,190 engaging with the program from November 2021 - April 2022.

The Education team also used this time to attend events and educational expos, undertake professional development, create networks and partnerships and host events for teachers, all while showcasing the new *Endless Discovery* program.

PBR welcomed approximately 1,324 students participating in the guided *Endless Discovery* Education program and approximately 3,494 students self-guided on the railway over 252 operational days.

ENDLESS DISCOVERY EDUCATION PROGRAMS

PBR's Endless Discovery Education program is linked to the Victorian Early Years Learning and Development Framework (VEYLDF) and the Victorian Curriculum. The program is guided and led by an Education Officer, supported by volunteers, and targeted towards students from Foundation –Year 8.

With a strong focus on developing skills and understanding in the areas of STEM (Science, Technology, Engineering and Mathematics) and the Humanities (History and Geography), each program combines a journey on board Puffing Billy and multiple interactive learning activities that explore history through topics like storytelling, the journey into nature, endless discovery, emotional and cultural connection, adventure, and fun.

Students meet and hear from a variety of lifelong PBR volunteers, connecting generations and further supporting a rich learning experience that improves student knowledge and encourages learning outside the classroom.

Each program includes a visit to the VC and the option of visiting the Menzies Creek Museum, followed by guided workshops that allow students to experience the inner workings of the Puffing Billy steam train, and

learn about energy, force and motion, past and present, design and technology and biodiversity.

Accompanying curriculum aligned pre-visit and post-visit learning resources and workbooks are provided to teachers and students to undertake in the classroom, encouraging students to develop their own innovations and ideas while immersed in the natural environment of the Dandenong Ranges. Maps, social scripts, and scavenger hunts have also been developed for the Endless Discovery program to assist teachers and students' learning prior to their visit and whilst at Menzies Creek Museum.

The individual programs include:

- All Aboard - Early years, Foundation – Year 2
- Steam Machines - Year 3 – Year 4
- Steaming STEM - Year 5 – Year 6
- Innovation Station - Year 7 – Year 8

PBR welcomed 23 schools on the Endless Discovery program this financial year. Of these schools, 7 took part in the 'All Aboard' program, making it the railway's most popular Education program.

SELF-GUIDED EXCURSIONS

Self-guided journeys for schools continue to be a popular product at PBR. Many schools going to or returning from camp choose this option. There were 41 schools that participated in a self-guided journey on PBR this financial year, with 3,400 students getting to experience the magical wonder of the Dandenong Ranges. Some schools, such as Gembrook Primary School with 240 students, opted for a whole school specialised journey on Puffing Billy, choosing to undertake a return journey from Gembrook to Lakeside.

Positive educational outcomes and achievements for the year include:

KEY GOAL	MEASURE	RESULT
Increase visitation of schools to PBR	• Number of schools participating in guided and self-guided education programs.	■
Increase visitation of students visiting PBR	• Number of students participating in guided and self-guided education programs.	■
Increase awareness and promote education programs	• Build relationships with and seek partnerships with key educational organisations.	■
Develop and deliver curriculum aligned education resources	• Number of pre and post learning resources, workbooks, and interpretation materials.	■

Completed ■ In progress ■ Ongoing ■



PARTNERSHIPS, CONFERENCES & STAKEHOLDERS.

- Partnered with The Andrews Foundation to deliver the *Steam Journey* Education program for low Socioeconomic Status students in Gippsland.
- Hosted the first PBR Teacher Open Day, providing opportunities for teachers to engage with the railway's new curriculum-aligned *Endless Discovery* Education programs.
- Strengthen networks with Cardinia Shire Council, Emerald Museum, Cider House Technologies, COG Bikes Australia and Story Art who collaborated with the railway at our first Teacher Open Day.
- Hosted student workshops at "It takes a SPARK" STEM conference.
- Joined the Design and Technology Teachers Association (DATTA) and attended online workshops.
- Hosted a network meeting with the Local Learning Employment Networks including the Outer Eastern Local Learning and Employment Network (OELLEN) and the South-Eastern Local Learning and Employment Network (SELLEN).
- Partnered with Swinburne University for PBR to become a learning destination for their Children's University program.
- Attended the National Education Summit 2022 at the Melbourne Convention and Exhibition Centre.
- Collaborated with National Science Week Association in Canberra to prepare online and face to face activities at the railway.

WORKING TOWARDS 2022 - 2023

In the new financial year, PBR will work towards creating new and diverse educational opportunities to drive school visitation and enhance the visitor experience, including:

- Launching new online webinar programs to extend the reach of existing education programs.
- Launching new curriculum aligned educational products for secondary schools under the topics of Physics, Math, Tourism, Careers and Sustainability.
- Continue to strengthen and build educational partnerships with stakeholders, schools, and providers.

COMMERCIAL

The Commercial branch is part of the Visitor Experience Group, with the front-line team welcoming passengers from all walks of life. The commercial outlets are located along the railway corridor at Belgrave, Menzies Creek, Lakeside, and Gembrook, and are responsible for enhancing the visitor experience and generating vital funds to support the ongoing preservation of the railway.

OVERVIEW

Over the 2021 - 2022 financial year, the Commercial branch continued developing the product offering and improving the visitor experience with the opening of the LVC. This resulted in a significant increase to commercial revenue and yield compared to the same period in previous years.

KEY GOAL	MEASURE	RESULT
Increase commercial revenue and yield	<ul style="list-style-type: none"> • Opening of the LVC. • Development of various F&B packages, menus, functions, and events support. 	■
Implement plans to shift from pure growth in numbers to improved visitor experience and valued complementary services	<ul style="list-style-type: none"> • Plan and implement the launch and operation of the LVC. 	■
Recognise and increase the railway's contribution to the local and regional economy	<ul style="list-style-type: none"> • Develop and implement programs to increase local and regional products and produce. 	■
Utilise untapped existing facilities and buildings to introduce new options for experiences along the journey	<ul style="list-style-type: none"> • Develop and implement improved retail and food & beverage facilities at Menzies Creek. 	■

Completed ■ In progress ■ Ongoing ■

The railway saw an increase in yield across all areas of the commercial branch this financial year, due to several key milestones and initiatives including:

- Opening of the LVC, including high yield dining Café and functions experiences.
- Continuing with train and pre-sold food packages, all catered from the LVC.
- The reintroduction of the much-loved train dining experiences – Steam & Cuisine and Murder Mystery.
- Continuing to deliver the Menzies Creek Café experience.
- Introducing a range of high yield local food and beverage product and produce.
- Supporting major events with tailored food and retail experiences.
- Introducing new retail lines across the railway.



KEY INITIATIVES

LAKESIDE VISITOR CENTRE

The LVC outdoor dining area opened to the local community on the 29th of October 2021, with the entire centre opening to a reduced capacity on Saturday the 5th of November. A ministerial launch of the centre took place on the 3rd of December 2021. Full capacity of the Café, alfresco area and functions space opened in mid-December 2021.

The LVC achieved great results for the year, particularly during the school holiday periods. THE POLAR EXPRESS™ Train Ride, Day out with Thomas and Train of Lights events delivered high visitor numbers and increased commercial yield. New corporate and train dining menus were also developed and launched during March 2022, with regular train dining and corporate functions being catered from the centre.

The LVC achieved 84% of the annual budgeted revenue over a reduced operational period, also exceeding budgeted revenue per passenger with an average yield of \$10.20.

MAJOR EVENTS

THE POLAR EXPRESS™ Train Ride event saw a significant increase in merchandise yield due to the exclusive range of Polar Express branded items available at the LVC and via the online store. This resulted in a \$8.10 yield across the period of the event. The LVC provided a variety of food and beverage experiences for the event patrons, resulting in a \$15.20 yield.

The 2021 - 2022 Day Out with Thomas season saw a 55% increase in merchandise yield from \$4.84 to \$7.35 compared to the same period and previous Thomas events. The LVC provided a variety of food and beverage packages, resulting in a \$12.32 yield for the duration of the event.

The Train of Lights event provided great opportunities for the Commercial team to showcase a different food offering at the LVC, specifically designed for the event patrons. This resulted in a \$11.60 yield, with Gembrook station also performing well and achieving a \$5.38 yield.

EXCURSION TRAIN PRE-SOLD FOOD PACKAGES

Across the 2021 - 2022 year, the railway continued with the following pre-sold food packages across the railway:

- Menzies Creek – Morning tea
- Lakeside – Adult and kids picnic packs
- Lakeside – supporting THE POLAR EXPRESS™ Train Ride and Day Out with Thomas events
- Gembrook – supporting the Train of Lights event

With a total of 4,956 pre-sold food packages sold across all locations in the 2021 - 2022 financial year, the result saw an additional \$105,935 revenue.

TRAIN DINING

The Steam & Cuisine and Murder Mystery experiences were reintroduced from March 2022, with a new and exciting menu catered by the railway's team of Chefs at the LVC. The Steam & Cuisine dining experience has run every Friday and Saturday since its return and was a sold-out event for the entire year. The Murder Mystery night train and dining experiences have also received positive feedback from guests. Planning for the next financial year calendar of dining events is underway.





PARTNERS & COMMUNITY ENGAGEMENT

Puffing Billy Railway appreciates the continued support from major commercial partners: Coca Cola Amatil, Nestle, and Peters Ice Cream and welcomed the railway's newest partner, Treasury Wine Estates.

The Commercial branch have substantially increased the number of local and regional suppliers with the introduction of: Gembrook Bakery, Clover Fresh, Bills of Belgrave, Pie in the Sky Olinda, Brasserie Bread, Caldermeade Dairy, Cheffield's Warragal, Wood with Words Ringwood, and Hargreaves and Coldstream Brewery. This adds to long-term local partners: Ranges Coffee Yarra Valley, Elevations Emerald, Warratina Lavender Farm Wandin North, and Slow Turnings.

WORKING TOWARDS 2022 - 2023

Looking ahead to 2022 - 2023, PBR's Commercial branch are excited to implement further activity across the railway, including:

- Continuing to develop the LVC café, function space and retail shop experiences.
- Introducing new product lines that showcase local fauna and flora and our iconic locomotives in retail areas.
- Working with local producers to showcase their products.
- Working with the Marketing and Events teams to support the MICE market and upcoming major events.
- Increasing and developing the workforce to support the new LVC, functions, and events.
- Continuing to grow the catered train offering and Nobelius Packing Shed products throughout the year.
- Continuing to introduce sustainable practices across the branch.

PASSENGER OPERATIONS



Another unsettling start to the year with the railway closed while Melbourne was in lockdown. During these months, the Passenger Operations branch developed online training modules for volunteers to complete in preparation for changing requirements that would be implemented upon reopening. We kept connected with volunteers using online Information Sessions, organising online wellness programs and online competitions before successfully reopening and welcoming passengers back to enjoy PBR in November 2021.

Since reopening, the Passenger Operations team have been able to reinstate the training program and 13 volunteers have since qualified and been welcomed into a variety of Passenger Operations roles.

Seeing passengers again enjoying this unique experience that only PBR can offer has been incredibly rewarding for all staff and volunteers. After months of planning and training for the reintroduction of passengers being able to 'sit on the sills' of carriages, the railway saw the relaunch on Friday the 4th of February 2022. Passenger Operations volunteers are the front line in providing customers with appropriate safety messaging, delivering a carriage safety brief prior to the departure of each service, and providing supervision during the journey.

The Passenger Operations and Customer Service teams have been welcoming visitors and providing visitor information at the LVC Booking office since its opening in November 2021.

Passenger Operations volunteers supported the introduction of THE POLAR EXPRESS™ Train Ride, welcomed back and participated in Day Out with Thomas events in 2022, and assisted with the new and exciting Train of Lights across the winter season.

The Passenger Operations team have been working closely with the Visitor Experience and Train Operations teams to manage the ever-changing timetable and capacity requirements efficiently and effectively and to manage increasing visitor expectations. The railway has received frequent positive feedback throughout the year on the excellent customer service and fantastic visitor experience facilitated by the team of Passenger Operations staff and volunteers.

The Passenger Operations team are looking forward to continuing welcoming visitors either locally, interstate or overseas and ensuring all who travel have a memorable journey.

OUR PEOPLE

BUILDING OUR WORKFORCE

The impact of COVID-19 related closures during the first half of the 2021 - 2022 financial year had an enormous impact on our workforce. Where possible, those that could work from home did work from home. Ongoing State Government grant funding ensured that salaries for all existing employees were maintained during closures and limited operations.

With a natural decline in employee and volunteer numbers during the shutdown period, recruitment in both employee positions and volunteer roles became a focus of late 2021 and continue to be in the new financial year.

The opening of the LVC in Emerald has seen a diversification in the workforce with the recruitment of PBR's first team of chefs and building the hospitality team to support this exciting new venture.

Maintaining and growing volunteer numbers continues as the railway explores new and inventive ways to attract and appeal to potential volunteer talent. Monthly online volunteer Information Sessions have been established as the first introductory step for new volunteers to PBR.

The introduction of QR code volunteer attendance check-in systems have enhanced the visibility of hours that volunteers provide and supports the organisation in front-facing roles such as conductors, guards, drivers, and fireman, and those behind-the-scenes including internal auditors and engine cleaners.

Internal skill and capability development has been a strong focus and will be developed further in the coming years. A standardised process for creating opportunities for volunteers to register their interest and apply for trainee roles as guard, signaller, fireman and stream locomotive driver have been rolled out to ensure there is a steady pipeline of skilled talent now and into the future.

INVOLVING AND RECOGNISING THE WORK OF OUR TEAM

In February 2022, PBR hosted the inaugural PBR Volunteer Recognition Evening, designed to recognise years of service, and celebrate the contribution of volunteers.

The commitment and efforts of almost 300 volunteers were acknowledged by Chief Executive Officer (CEO), Peter Abbott and Deputy Chair of the Board, Dianne Smith, across tenures that spanned one year of service through to 60+ years. Of the volunteers in attendance on the night, a collective total of 2,118 years of service was recognised; a small representation of the scale of volunteering efforts that make the railway what it is today.

Volunteers acknowledged for 60 years or more service were:

- Ralph Cleary
- Peter Harcourt
- Graham Knight
- Cliff Simmons
- Doug Newberry
- Kevin Taig
- Don Marshall
- Ted Godwin
- Geoff Dean

The voice of volunteers is well represented in the newly formed PBR Volunteer Representative Group (VRG). This representative body provides the opportunity for those in the railway's volunteer crew to provide input into PBR's volunteer programs and processes including recruitment, retention, and recognition and policy development. PBR looks forward to having this group provide an important communication conduit between the CEO and the wider team of volunteers.



ENGAGEMENT SURVEYS

Employees were provided the opportunity to participate in the Victoria State Government People Matter Survey 2021, which resulted in a 48% participation rate.

The topline outcomes included:

- 61% - Engagement level - a moderate response regarding employee connectiveness and enthusiasm towards the organisation.
- 45% - Satisfaction level - although generally satisfied with the work of their current job (52%) and work life balance (57%), a poor response (25%) to the level of satisfaction with career development impacted heavily on this result.
- 36% - Stress level - indicating high to moderate levels of workplace stress experienced by respondents.

The People Matter Survey 2021 was conducted as PBR entered further COVID-19 lockdowns and again created some uncertainty across operations. It is evident that the impact of the COVID-19 shutdown (at the time of the survey) and consequent uncertainty about the future of the organisation, including job security, had a strong impact on responses.

In reviewing the feedback, the identified areas of focus that will have the greatest impact in improvements in engagement, wellbeing, and workplace satisfaction were prioritised. These include:

- Creating opportunities to develop skills and experience.
- Greater focus and support of workload management, including time management.
- Access to tools and procedures to help manage workplace stressors.
- Recognition for contributions and accomplishments.
- More direct support by managers and supervisors in an environment of change.

Volunteers were invited to participate in a Volunteer Engagement Survey administered externally by Voice Project. An encouraging 57% of volunteers contributed to this first survey providing baseline data for comparison in future reviews.

The top-line outcomes included:

- 87% - Volunteer Engagement – a very strong response reflecting our volunteers enjoy and are satisfied with their volunteering contribution.
- 87% - Stress level – indicating high levels of wellness and ability to successfully manage work stress.
- 61% - Perceptions of progress – indicating some concern about the organisation's ability to drive change and innovation.

Despite the impact of COVID-19 shutdowns and potential uncertainty about the future of the organisation and volunteering opportunities, the overall responses to the survey were positive.

Response plans have been designed to address priority action areas focusing on volunteer recruitment, recognition, and involvement.

Further workforce surveying is planned through the biannual survey of staff and volunteers.



GENDER EQUALITY ACTION PLAN

We were very pleased to complete the railway's first Gender Equality Action Plan (GEAP), which was submitted to the Commission for Gender Equality in the Public Sector in March 2022. This was created in accordance with requirements of the Victorian State Government *Gender Equality Act 2020*, designed to address gender inequalities in the workplace.

This was the first time PBR critically reviewed workforce data through a gender lens. Through a comprehensive consultation process led by Women's Health in the Southeast (WHISE), opportunities were provided for stakeholders to review and reflect on the railway's workforce data and employee experience data obtained through the 2021 People Matter Survey and contribute ideas for change.

Through the engagement process, clear themes within responses were identified - that gender equity is about being valued and there is a strong desire to learn and understand more about gender equality in the organisation, through further data analysis and to participate in the review process to make positive change.

The GEAP outlines a four-year action plan including strategies and measures designed to create a firm foundation for gender equality changes with the

possibility for more aspirational strategies in the future. While PBR aspires to the gender equality principles outlined in the Act, this GEAP is reflective of the organisation today and is the first step of the railway's gender equality journey.

Key strategies and measures include:

- Expand on the collation of intersectionality data.
- Creation of a Diversity and Inclusion Advisory Group with Board representative to drive and monitor outcomes.
- Salary benchmarking and the preparation of a classification and remuneration framework.
- Broad education and training in diversity and inclusion.
- Development and implementation of a Contact Officer program.

While the focus of the GEAP is on employees, volunteers account for 75% of the workforce and as such volunteer involvement is included within the railway's strategies for change.

WORKFORCE

WORKFORCE DATA	FULL TIME PERMANENT EMPLOYEES	PART TIME PERMANENT EMPLOYEES	FIXED TERM & CASUAL	VOLUNTEERS	TOTAL WORKFORCE
As at 30 June 2021	54	33	6	288	381
Commenced during the year	18	9	25	30	82
Departures	18	15	7	21	61
As at 30 June 2022	54	27	24	297	402

As of 30 June 2022, there are 7 fixed term contracts.

PBR has a pool of 17 casuals which support the operations in commercial areas. This area continues to grow with the growth in the hospitality elements of the business.

Five casuals converted to part time during the period.

GOVERNANCE

BOARD AND MANAGEMENT

MEMBERS OF THE BOARD



TIM NORTH KC

Chair | Legal, Child Safe Standards.

Kings Counsel. Member of the Australian Institute of Judicial Administration. Admitted to practice as a Barrister in 1980 and signed the Victorian Bar Roll in 1983, specialising in commercial litigation for over 35 years. Appears regularly as a Barrister, an International Mediator and Arbitrator in Asia-Pacific region. Former President of the Victorian Rugby Union (elected by Victorian community-based clubs and associates). Former Chairman of Melbourne Rebels Rugby Union and remains a current Board Member. Appointed: 23 June 2018



DIANNE SMITH

Deputy Chair | Change Management - Marketing and Advertising, Tourism, and Governance.

Chief Executive of the Industry Capability Network (Victoria) Limited and has held various senior positions including Chief Executive at the Melbourne Chamber of Commerce, Chief Executive of the Victorian Tourism Industry Council, Manager of Tourism Partnerships at Parks Victoria, and Chief Executive of Ballarat Tourism. Dianne has a strong background in government relations, advocacy and communications, business and industry development and commercial operational management. Appointed: 29 June 2020



MICHAEL MANGOS

Director | Stakeholder Engagement, Community, and Governance.

Michael is an experienced communicator who has a demonstrated track record in successful stakeholder engagement and relationship management. Michael's core competencies include providing strategic advice; managing and influencing key stakeholders; and implementing strategic plans and corporate communication strategies.

Appointed: 29 June 2020



BART CLINGIN

Director | Finance and Governance.

Bart Clingin is an Interim Executive and Consultant. He is a Chartered Accountant and has held various interim executive positions across the public sector and not-for-profit organisations. Bart is a member of Finance Committees in the health and education sectors. Areas of experience include finance and accounting, enterprise risk management, governance, process improvement and system implementation. Appointed: 12 May 2021



ANGELA JAMIESON

Corporate Governance and Finance.

A Forensic Accountant with extensive leadership and executive expertise, specialising in corporate governance, financial crime, AML/CTF compliance, corporate misconduct investigations and general practice accounting in both the public and private sectors. Appointed: 14 October 2021



THOMAS SARGANT

Rail and Governance.

Managing Director for Ranfurly Consulting Group, as well as a management consultant and advisor to public and private sector clients on major projects and commercial transactions, particularly in the areas of franchising, network operations and asset management. In addition, Thomas' senior executive experience extends to the private and public sectors in heavy civil construction and public transport operations. Appointed: 14 October 2021

SECRETARY TO THE BOARD:

Tanu Goyal, the Board Support Administrator, supported the Board and Management with Company Secretariat and Governance requirements. Alexandra Doherty assumed the role of Board Administrator during the year.

All current Board members continued their Directorship. The re-appointments and new appointments will be recommended by the Minister and approved by the Governor in Council under the *State-Owned Enterprises Act 1992*.

***EXTERNAL ADVISORS TO THE BOARD:**

Dean Matthews (Executive General Manager - Safety and Environment, V/Line)

Ian Burton (Executive General Manager Project Delivery Group, VicTrack)

George Lekkas (Manager Rail Safety and Compliance, Business Services Group, VicTrack)

Jacqui DeKievit (Head of Marketing and Development, Hello Sunday Morning)

Angela Jamieson (Director, 3rd Millennium Business Solutions Pty Ltd) - prior to being appointed as a member of the Board.

Jeanie Dean (Managing Director, FamSafe)

** All the external advisors have completed a Conflict-of-Interest disclosure form and Confidentiality Agreement with the Emerald Tourist Railway Board.*



COMMITTEES AND OFFICERS OF THE BOARD

Finance, Audit Risk and Compliance Subcommittee

Chair	Bart Clingin
Members	Tim North, Thomas Sargent.
PBR Staff	P. Abbott, B. Butler, S. Straub, S. Stickland, M. Jouvelet* (*member up to January 2022).

Operations & Safety Subcommittee

Chair	Thomas Sargent
Advisors:	Ian Burton, Dean Matthews, George Lekkas.
PBR Staff	P. Abbott, B. Butler, P. Essig, S. Straub, V. Ducrow, S. Nichols.

Volunteer Engagement Subcommittee

Chair	Michael Mangos
Members	Dianne Smith
PBR Staff	P. Abbott, E. Oxworth, A. Horkings, S. Corbier.

Corporate Culture, Ethics, Remuneration & Succession Planning Subcommittee.

Chair	Angela Jamieson
Members	Tim North
PBR Staff	P. Abbott, S. Straub, E. Oxworth.

LVC Project Governance Group

Chair	Michael Mangos
Advisors	D. Teo, A. Vafaei, R. Williams, N. Byrne.

PBR Staff	P. Abbott, B. Butler, N. Giurgiu, S. Straub.
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Partnership and Visitor Economy Subcommittee

Chair	Dianne Smith
Members	Angela Jamieson
Advisor	Jacqui DeKievit
PBR Staff	P. Abbott, N. Giurgiu, E. Hutchinson.

Volunteer Representative Group

Chair	Adele Horkings
Members	Peter Candela, Marg Ffrench, Jeff Goodwin, Andrew Richards, Matt Dunkley, Brenda Saunders, Peter Harcourt, James Park, Sylvia Condon, Steve Bartley.
PBR Staff	P. Abbott, E. Oxworth, S. Corbier.

Management Executive Group at 30 June 2022

Chief Executive Officer and Accountable Officer.
P. Abbott

Group Manager, Business Services.
S. Straub

Group Manager, Infrastructure.
B. Butler

Group Manager, Train Operations.
P. Essig

Group Manager, Visitor Experience.
N. Giurgiu

COMPLIANCES



COMPLIANCES	CONTENT																		
Occupational Health and Safety	<p>PBR is committed to providing and maintaining an environment that is safe for all workplace participants and visitors.</p> <p>PBR aims to have a positive safety culture that is committed to:</p> <ul style="list-style-type: none">• Complying with all applicable health and safety, legal and other obligations by keeping up to date with the latest legislative requirements;• Establishing measurable objectives and targets by monitoring and reporting all safety incidents and accidents aimed to reduce the likelihood of recurrence and to eliminate work-related and visitor injury and illness;• Providing and maintaining the best practice health and safety standards.																		
	<table><tr><th>MEASURE</th><th>2020-21</th><th>2021-22</th></tr><tr><td>Incidents</td><td>396</td><td>639</td></tr><tr><td>Injuries</td><td>17</td><td>32</td></tr><tr><td>Fatalities</td><td>0</td><td>0</td></tr><tr><td>Claims</td><td>2</td><td>5</td></tr><tr><td>WorkSafe Inspections</td><td>0</td><td>2</td></tr></table>	MEASURE	2020-21	2021-22	Incidents	396	639	Injuries	17	32	Fatalities	0	0	Claims	2	5	WorkSafe Inspections	0	2
	MEASURE	2020-21	2021-22																
	Incidents	396	639																
	Injuries	17	32																
	Fatalities	0	0																
	Claims	2	5																
	WorkSafe Inspections	0	2																
<i>Child Wellbeing and Safety Act 2005</i>	<p>PBR complies with the Victorian Child Safe Standards (“the standards”). The standards are regulated by the Victorian Commission for Children and Young People (“CCYP”) under the <i>Child Safety and Wellbeing Act 2005</i>. PBR continues to liaise with CCYP on the implementation of the June 2020 audit recommendations.</p>																		
Information Management Compliance	<p>PBR recognises information as a vital asset. Sound information management practices and systems ensure that PBR preserves valuable information to better assist the functions of the railway. PBR is a government entity and therefore, all the documents produced are public records and must be managed in accordance with all standards issued by the Public Records Office Victoria under the <i>Public Records Act 1973</i>.</p>																		

COMPLIANCES	CONTENT
<i>Privacy and Data Protection Act 2014</i>	<p>PBR complies with the 10 Information Privacy Principles (IPPs) of the <i>Privacy and Data Protection Act 2014</i> (PDP Act). The IPPs aim to balance the public interest in the free flow of information in protecting the privacy of an individual's personal information.</p> <p>PBR is committed to maintaining the privacy of personal information. PBR's Privacy Policy is available from:</p> <p>The Privacy Officer Puffing Billy Railway 1 Old Monbulk Road Belgrave VIC 3160 Email: Company.secretary@pbr.org.au</p> <p>During 2021 - 2022, no matters regarding PBR's compliance with the IPPs were referred to the Victorian Information Commissioner.</p>
<i>Freedom of Information Act 1982</i>	<p>PBR is subject to the <i>Freedom of Information Act 1982</i>. The Act allows the public a right of access to documents held by PBR. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers, and other bodies subject to the Act.</p> <p><u>Lodging FOI requests</u></p> <p>FOI requests must be made in writing and addressed to:</p> <p>Freedom of Information Officer Puffing Billy Railway 1 Old Monbulk Road Belgrave VIC 3160 Email: Company.secretary@pbr.org.au</p> <p>Alternatively, FOI requests can also be lodged online at www.foi.vic.gov.au.</p> <p>During 2021 - 2022 there were no requests for consultation under <i>Freedom of Information Act 1982</i> received by PBR.</p>



COMPLIANCES	CONTENT
<i>Public Interest Disclosure Act 2012</i>	<p>PBR complies with the <i>Public Interest Disclosure Act 2012</i> (Vic) (PID Act) which encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.</p> <p>Disclosures of improper conduct or detrimental action by PBR or any of its employees and/or officers can be made to:</p> <p>The Public Interest Disclosure Officer Puffing Billy Railway 1 Old Monbulk Road Belgrave VIC 3160 Email: Company.secretary@pbr.org.au</p> <p>Alternatively, disclosures can be made directly to: Independent Broad-Based Anti-Corruption Commission (IBAC):</p> <p>Level 1, North Tower, 459 Collins Street Melbourne Victoria 3000 ibac.vic.gov.au</p> <p>During 2021 - 2022 there were no disclosures made to PBR.</p>
Gift Benefits and Hospitality Policy	<p>PBR is committed to assisting Workplace Participants identify and resolve ethical issues and build and maintain a sound ethical culture. It is committed to creating a process for managing situations where offers of gifts, benefits, and hospitality (GBH) are made by non-PBR workplace participants or organisations to PBR workplace participants and providing GBH to Puffing Billy Railway workplace participants and non-PBR workplace participants.</p> <p>During 2021 – 2022, there were two items added to the Gift Register:</p> <ul style="list-style-type: none"> • 17/11/2021: 1 x \$100 Gift Hamper presented to CEO, Peter Abbott, to recognise the restart of the railway. • 07/01/2022: 108 x \$50 gift vouchers provided to current employees as a goodwill gesture and to recognise their efforts over the last 12 months.
<i>Local Jobs First Act 2003</i>	<p>The <i>Local Jobs First Act 2003</i> (Vic) requires government agencies to apply the Local Jobs First Policy in all projects valued at \$3 million or more in metropolitan Melbourne, or \$1 million or more for projects in regional Victoria.</p> <p>During 2021 - 2022, PBR had no procurement activity requiring implementation of the Local Jobs First Policy.</p>
<i>Carers Recognition Act 2012</i>	<p>PBR continues to take practical measures to comply with its obligations under the <i>Carers Recognition Act 2012</i>. PBR is ensuring its workplace participant policies comply with the statement of principles in the Act and will continue to ensure the role of the carer is recognised within the organisation.</p>

COMPLIANCES	CONTENT
<p><i>Disability Act 2006</i></p>	<p>The <i>Disability Act 2006</i> reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.</p> <p>PBR has complied with its obligations under the <i>Disability Act 2006</i> to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services, and facilities, reducing barriers to obtaining and maintaining employment, promoting inclusion and participation in community, and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below:</p> <ul style="list-style-type: none"> • Modified carriages that enhance the visitor experience for those with special needs. • The PBR LVC has been designed to be <i>Disability Discrimination Act 1992</i> compliant. • PBR supports safe employment opportunities for individuals of all abilities. <p>PBR continues to actively engage with community groups and Local and State Governments in providing positive experiences for all visitors.</p>
<p><i>Building Act 1993</i></p>	<p>PBR complies with the building and maintenance provisions of the <i>Building Act 1993</i>. All works carried out during the year were in accordance with the Act and relevant building regulations.</p> <p>During the 2021 - 2022 year:</p> <ul style="list-style-type: none"> • New construction and upgrades to existing buildings have been managed in consultation with architects, draftsmen, structural engineers and building surveyors to ensure compliance with all building standards. • No building works projects over \$50,000 were commenced. • No building permits were issued. • No occupancy permits were issued. • The Final Completion Certificate for LVC Stage 1 was issued in June 2022. • Inspection, reporting and scheduling of maintenance on existing buildings has been managed in accordance with the PBR Programmed & Reactive Maintenance Program. • No emergency orders and building orders were issued. • No buildings were subject to building code upgrades.
<p>Competitive Neutrality Policy</p>	<p>Competitive neutrality requires Victorian Government businesses to ensure that where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest.</p> <p>PBR fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.</p>

COMPLIANCES	CONTENT
<p><i>Rail Safety National Law Application Act 2013</i></p>	<p>The Office of the National Rail Safety Regulator (ONRSR) independently administers the Rail Safety National Law and performs the functions and responsibilities, and exercises the powers conferred upon it by that law on behalf of all state, territory, and federal Ministers for Transport and Infrastructure.</p> <p>The Office of the National Rail Safety Regulator (ONRSR) has responsibility for regulatory oversight of rail safety in every Australian state and territory and promotes and improves national rail safety to ensure the safety of the community.</p> <p>PBR complies with Rail Safety National Regulations.</p>



Image: Kahla Webb

OTHER STATUTORY INFORMATION

GOVERNMENT ADVERTISING EXPENDITURE

In 2021 - 2022, PBR did not enter into any advertising campaigns with total media spend exceeding \$100,000.

CONSULTANCY EXPENDITURE

DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2021 - 2022, there were nine consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021 - 2022 in relation to these consultancies is \$289,687. Details of individual consultancies are outlined below.

CONSULTANT	PURPOSE OF CONSULTANCY	EXPENDITURE 2021 - 2022 (EXCL. GST)
Parks & Leisure Planning	RAP Advisory	\$14,400
Comprara Group	VGPB Advisory	\$14,990
Fetching Events & Communications	Event Advisory	\$15,113
Famsafe	Child Safety Advisory	\$26,285
Nancy Vaughan	Grants Advisory	\$31,785
Kimberly Dunstan	Education Advisory	\$32,400
Hare Group	Enterprise Agreement Advisory	\$38,200
3rd Millenium	Compliance Advisory	\$39,655
Davidson Group	Workforce Plan Advisory	\$76,859

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2021 - 2022, there were seven consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2021 - 2022 in relation to these consultancies was \$21,520.

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2021 - 2022 reporting period, PBR had a total ICT expenditure of \$362,705 with the details shown below.

ALL OPERATIONAL ICT EXPENDITURE	ICT EXPENDITURE RELATED TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
Total Business as Usual (BAU) ICT expenditure	Total Non-Business as Usual (non BAU) ICT expenditure	Non BAU Operational expenditure	Non BAU Capital expenditure
\$362,705	Nil	Nil	Nil



ICT expenditure refers to PBR's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing PBR's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

DISCLOSURE OF MAJOR CONTRACTS

Excluding the existing large contract with Kane Construction signed in prior years for the construction of the LVC, PBR has not engaged in any large-scale contracts in 2021 - 2022 which exceed \$10 million in value.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: www.tenders.vic.gov.au.

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982* and government guidelines.

OTHER STATUTORY INFORMATION

Puffing Billy Railway is operated by the Emerald Tourist Railway Board.

The principal office is located at:

1 Old Monbulk Road, Belgrave.

Phone: (03) 9757 0700

Email: info@pbr.org.au

The organisational structure of the Board, its staff and committees are set out on Page 60 to 61 of this report.

The Board produces an Operations and Financial Report pursuant to the requirements of the *Emerald Tourist Railway Act 1977* and the *Financial Management Act 1994*.

No member, officer or employee of the Board was required to complete a declaration of Pecuniary Interest during the financial year with respect to their position or employment with the Board.

The Management team undertook no international travel due to the COVID-19 border closures during the financial year. No time has been lost during 2022 due to industrial disputation.

PUFFING BILLY RAILWAY ORGANISATIONAL STRUCTURE

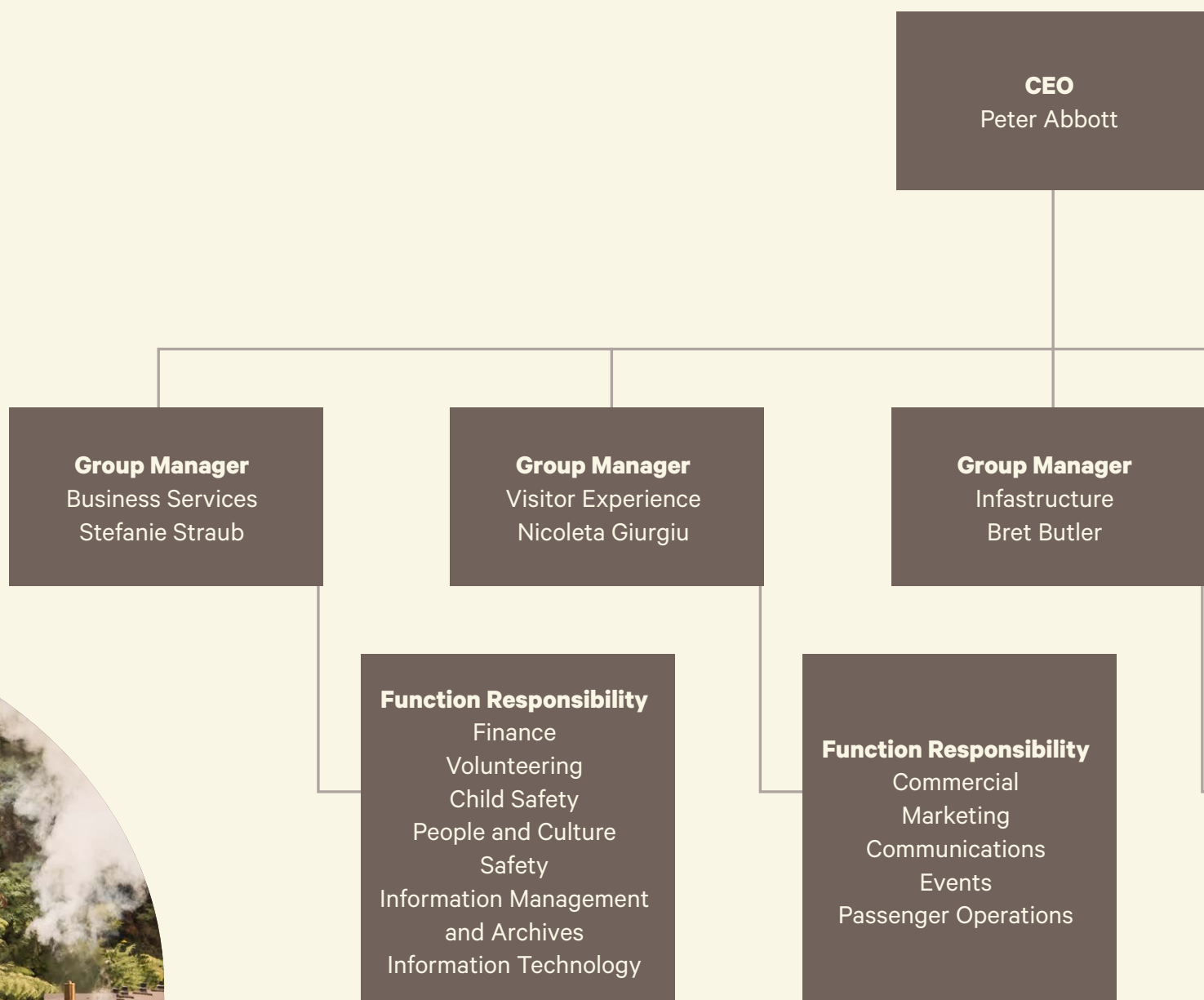


Image: Dean Gifford



ETRB

(Changing to Puffing Billy
Railway Board 2023)

Group Manager
Train Operations
Peter Essig

Board Administrator
Alexandra Doherty

Function Responsibility

Infrastructure
Way and Works
Environmental
Signals and Telegraph
Lineside Attractions
Building Services

Function Responsibility

Traffic Operations
Locomotive Workshop
Carriage and Wagon
Workshop
Train Operations

DETAILED REPORT OF OPERATIONS OUR YEAR IN REVIEW 2021-2022






ATTESTATION ON COMPLIANCE WITH THE AUSTRALIAN RISK MANAGEMENT STANDARD

I, Peter Abbott, certify that the Emerald Tourist Railway Board (ETRB) has risk management processes in place consistent with *Australian Standards AS4292 Rail Safety Management*, *AS 4360 Risk Management Standards* and an internal control system that enables members of the Board and Senior Management to recognise, understand, manage and satisfactorily control material risk exposures in relation to rail safety. The Operations and Safety Sub-committee verifies this assurance that the rail safety risk profile of Emerald Tourist Railway Board has been critically reviewed.

THE EMERALD TOURIST RAILWAY BOARD FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Peter Abbott, on behalf of the Responsible Body, certifies that the Emerald Tourist Railway Board has no material compliance deficiency with respect to the applicable standing directions under the *Financial Management Act 1994* and instructions.

This report is made by a resolution of the Board dated 13th December 2022, and signed on behalf of the Board by:



Tim North KC
Chair
Emerald Tourist Railway Board
Belgrave
13 December 2022



Peter Abbott
Chief Executive Officer and Accountable Officer
Emerald Tourist Railway Board
Belgrave
13 December 2022

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for Emerald Tourist Railway Board have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of Emerald Tourist Railway Board at 30 June 2022.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 13th December 2022.



Tim North KC

Chair
Emerald Tourist Railway Board
Belgrave
13th December 2022



Peter Abbott
Chief Executive Officer and Accountable Officer
Emerald Tourist Railway Board
Belgrave
13th December 2022



Stefanie Straub
Group Manager Business Services (CFO)
Emerald Tourist Railway Board
Belgrave
13th December 2022

Independent Auditor's Report

To the Board of the Emerald Tourist Railway Board

Opinion	<p>I have audited the financial report of the Emerald Tourist Railway Board (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity'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 it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

MELBOURNE
16 December 2022



Simone Bohan
as delegate for the Auditor-General of Victoria



COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 \$	2021 \$
INCOME			
Revenue from Fares, Shops and External Contracts	2.2	6,216,693	2,461,667
Volunteer Labour Services Donated	2.3	1,347,052	1,282,515
Other Income	2.4/2.5	<u>11,874,993</u>	<u>11,300,666</u>
TOTAL INCOME	2	<u>19,438,738</u>	<u>15,044,848</u>
EXPENSES			
Employee Benefits Expense	3.1.1	8,174,374	7,052,233
Volunteer Labour Service Cost	3.2	1,347,052	1,282,515
Depreciation Expense	4.1.2	2,688,940	2,153,806
Supplies and Services	3.2	1,870,579	1,456,269
Advertising and Promotion	3.1	138,251	44,892
Insurance Costs	3.1	362,767	325,258
Administration Expenses	3.3	1,520,180	763,980
Grants and other transfers	3.1	-	20,000
Electricity and Gas	3.1	221,331	182,413
Other Expenses	3.4	<u>1,245,012</u>	<u>764,353</u>
TOTAL EXPENSES		<u>17,568,486</u>	<u>14,045,719</u>
NET RESULTS FROM TRANSACTIONS		<u>1,870,251</u>	<u>999,129</u>
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net (loss) gain on Non-Financial Assets		<u>-</u>	<u>1,273</u>
NET RESULT FOR THE YEAR		<u>1,870,251</u>	<u>1,000,402</u>
Comprehensive Other Income – Asset Revaluations		<u>-</u>	<u>27,417,189</u>
COMPREHENSIVE RESULT FOR THE YEAR		<u><u>1,870,251</u></u>	<u><u>28,417,591</u></u>

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2022

	NOTE	2022	2021
FINANCIAL ASSETS			\$
Cash and Cash Equivalents	6.1	8,635,057	9,646,506
Receivables	5.1	<u>237,793</u>	<u>166,597</u>
TOTAL FINANCIAL ASSETS		8,872,850	9,813,103
NON-FINANCIAL ASSETS			
Prepayments		329,121	253,650
Inventories	5.3	251,726	345,796
Property, Plant and Equipment	4.1	95,584,549	77,082,732
Capital Works in Progress	4.1.2	<u>7,883,601</u>	<u>23,920,607</u>
TOTAL NON-FINANCIAL ASSETS		104,048,997	101,602,785
TOTAL ASSETS		112,921,846	111,415,888
LIABILITIES			
Payables	5.2	1,355,211	1,138,272
Provisions	3.1.2	1,219,987	1,248,531
Income received and grants in advance	5.2.1	<u>1,124,206</u>	<u>2,912,894</u>
TOTAL LIABILITIES		3,699,404	5,299,697
NET ASSETS		<u>109,222,442</u>	<u>106,116,191</u>
EQUITY			
Contributed Capital		31,861,115	30,625,115
Physical Asset Revaluation Surplus	8.1	69,693,741	69,693,741
Accumulated Gain		<u>7,667,586</u>	<u>5,797,335</u>
TOTAL EQUITY		<u>109,222,442</u>	<u>106,116,191</u>

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		6,907,726	2,892,534
Payments to Suppliers and Employees		(13,836,814)	(8,180,488)
Goods and Services Refunded / (Paid) to the ATO		511,313	376,206
Interest Received		375	222
Grants from Commonwealth Government Bodies		162,000	1,375,000
Grants from Victorian Government Bodies		9,134,000	9,520,000
Capital Grants from Puffing Billy Preservation Society		-	19,798
Other Grants		<u>27,702</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		2,906,302	6,003,272
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Property, Plant and Equipment		(6,473)	(97,162)
Payments for Capital Works in Progress		<u>(5,147,277)</u>	<u>(12,290,709)</u>
NET CASH USED IN INVESTING ACTIVITIES		(5,153,750)	(12,387,871)
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner Contributions by State Government		1,236,000	11,279,000
NET CASH USED IN FINANCING ACTIVITIES			
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,011,449)	4,894,401
Cash and Cash Equivalents at Beginning of the Year		<u>9,646,506</u>	<u>4,752,105</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6.1	<u>8,635,057</u>	<u>9,646,506</u>

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	PHYSICAL ASSET REVALUATION SURPLUS \$	ACCUMULATED GAIN / (LOSS) \$	CONTRIBUTED CAPITAL \$	TOTAL \$
BALANCE AT 1 JULY 2020		42,276,552	4,796,933	19,346,115	66,419,600
Net Result for the Year		-	1,000,402	-	1,000,402
Comprehensive Other Income – Asset Revaluations		27,417,189	-	-	27,417,189
Contributions by Owner	2.2.2.1	-	-	11,279,000	11,279,000
BALANCE AT 30 JUNE 2021		69,693,741	5,797,335	30,625,115	106,116,191
Net Result for the Year ended 30 June 2022		-	1,870,251	-	1,870,251
Contributions by Owner		-	-	1,236,000	1,236,000
BALANCE AT 30 JUNE 2022		69,693,741	7,667,586	31,861,115	109,222,442

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. ABOUT THIS REPORT

Emerald Tourist Railway Board (ETRB) is a statutory authority, established under the *Emerald Tourist Railway Act 1997*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

REPORTING ENTITY

These financial statements cover ETRB as an individual reporting entity.

Its principal address is:

Emerald Tourist Railway Board

1 Old Monbulk Road

Belgrave VIC 3160

BASIS OF PREPARATION

These financial statements are in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of ETRB.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from

historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the following notes:

- * Total Property, Plant and Equipment (refer to Note 4.1)
- * Fair Value Determination of Financial Assets and Liabilities (refer Note 7.3.1)
- * Employee Benefits in the Balance Sheet (refer Note 3.1.2)

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING THE DELIVERY OF OUR SERVICES

INTRODUCTION

Emerald Tourist Railway Board's (ETRB) overall mission is to restore and operate the Railway as Australia's premier heritage steam railway, in a safe, efficient and economically sustainable manner for the ongoing education, benefit, and satisfaction of the community, customers and the Railway stakeholders, including staff and volunteers. To enable ETRB to fulfil its objective and provide outputs as described in Note 4, it receives revenue from fares, the sales of retail goods and services, grants, interest and rental income.

SIGNIFICANT JUDGEMENT: GRANTS REVENUE

ETRB has made the judgement that amounts received in relation to Operational Funding should be recognised under AASB 15 on the basis that the revenue has arisen from a contract.

STRUCTURE

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Income from Fares, Shops and External Contracts
- 2.3 Volunteer Labour Services Donated
- 2.4 Grants
- 2.5 Other Income

NOTE 2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	NOTE	2022 \$	2021 \$
Train Fares	2.2	4,464,435	2,077,351
Sales of Goods	2.2	1,504,987	384,316
Other Income - External Contracts	2.2	247,272	
TOTAL FARES, SHOPS AND EXTERNAL CONTRACTS		6,216,693	2,461,667
Volunteer labour services donated	2.3	1,347,052	1,282,515
TOTAL VOLUNTEER LABOUR SERVICES DONATED		1,347,052	1,282,515
Grants	2.4	11,664,702	10,914,798
Interest Received	2.5	375	222
Other Income	2.5	209,916	385,646
TOTAL OTHER INCOME		11,874,993	11,300,666
TOTAL INCOME		19,438,738	15,044,848

Revenue and income that fund delivery of ETRB's goods and services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is measured based on the consideration specified in the contract with the customer. ETRB recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods, and services to the customer are satisfied.

Customers obtain control of the supplies and consumables at a point in time when the goods are received by the customer at the retail outlet. Revenue from the sale of goods are recognised when the goods have been accepted by the customer at ETRB's retail outlet.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Train fares purchased in advance are held by ETRB as liabilities until the service is provided to the customer. Once the travel has occurred, these train fares are recognised as revenue. For sales that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. As the sales are made with a short credit term, there is no financing element present.

NOTE 2.2 INCOME FROM FARES, SHOPS AND EXTERNAL CONTRACTS

	NOTE	2022 \$	2021 \$
Train Fares	2.2	4,464,435	2,077,351
Sales of Goods	2.2	1,504,987	384,316
Other Income - External Contracts	2.2	247,272	-
TOTAL SALE OF GOODS AND SERVICES		6,216,693	2,461,667

The sale of goods and services included in the table above are transactions ETRB has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

NOTE 2.3 - VOLUNTARY LABOUR SERVICES DONATED

	2022 \$	2021 \$
Volunteer Labour Services Donated	1,347,052	1,282,515

These are contributions in the form of services and are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated.

NOTE 2.4 - GRANTS

	NOTE	2022	2021
REVENUE FROM GRANTS		\$	\$
Operating Grants		11,200,000	9,520,000
Specific Purpose Grants		302,702	19,798
Grants from Federal Government Bodies - Capital Projects		162,000	1,375,000
TOTAL GRANT REVENUE & GRANT INCOME		11,664,702	10,914,798

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	NOTE	2022	2021
		\$	\$
Geographical regions			
Victoria, Australia		11,664,702	10,914,798

GOVERNMENT OPERATING GRANTS

To recognise revenue, ETRB assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, ETRB:

- identifies each performance obligation relating to the revenue;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, ETRB:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 16 or AASB 116);
- recognises related amounts (lease liabilities, provisions, revenue or contract liabilities from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

NOTE 2.5 OTHER INCOME

	NOTE	2022	2021
		\$	\$
Interest Income		375	222
Other Income		209,916	385,646
TOTAL OTHER INCOME		210,290	385,868



3. THE COST OF DELIVERING SERVICES

INTRODUCTION

This section provides an account of expenses incurred by ETRB in delivering services and outputs.

In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services recorded.

STRUCTURE

- 3.1 Expenses incurred in delivering services
- 3.2 Supplies and Services
- 3.3 Administrative Expenses
- 3.4 Other Operating Expenses

NOTE 3.1 - EXPENSES INCURRED IN DELIVERING SERVICES

	NOTES	2022 \$	2021 \$
Employee Benefits Expense	3.1.1	8,174,374	7,052,233
Volunteer Labour Service Cost	3.2	1,347,052	1,282,515
Supplies and Services	3.2	1,870,579	1,456,269
Advertising and Promotion		138,251	44,892
Insurance Costs		362,767	325,258
Administrative Expenses	3.3	1,520,180	763,980
Grants and other transfers		-	20,000
Electricity and Gas		221,331	182,413
Other Expenses	3.4	1,245,012	764,353
TOTAL EXPENSES INCURRED IN DELIVERY OF SERVICES		14,879,546	11,891,913

NOTE 3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	NOTES	2022 \$	2021 \$
Defined contribution superannuation expense		740,931	705,672
Salaries and wages, annual leave and long service leave		7,433,443	6,346,561
TOTAL EMPLOYEE EXPENSES		8,174,374	7,052,233

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

NOTE 3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2022	2021
	\$	\$
CURRENT PROVISIONS		
ANNUAL LEAVE		
Unconditional and expected to settle within 12 months	365,428	380,951
Unconditional and expected to settle after 12 months	230,810	200,874
LONG SERVICE LEAVE		
Unconditional and expected to settle within 12 months	39,308	31,522
Unconditional and expected to settle after 12 months	284,551	378,778
PROVISION FOR ON COSTS		
Unconditional and expected to settle within 12 months	85,341	81,091
Unconditional and expected to settle after 12 months	98,102	102,464
TOTAL CURRENT PROVISIONS FOR EMPLOYEE BENEFITS	1,103,540	1,175,680
NON-CURRENT PROVISIONS		
Employee Benefits	99,512	63,877
On-Costs	16,935	8,974
TOTAL NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS	116,447	72,851
TOTAL PROVISIONS FOR EMPLOYEE BENEFITS	1,219,987	1,248,531
	2022	2021
	\$	\$
RECONCILIATION OF MOVEMENT IN ON-COST PROVISION		
Opening Balance	192,530	326,920
Provisions made throughout the year	113,989	186,850
Settlements	(106,140)	(321,240)
CLOSING BALANCE	200,379	192,530
Current	183,444	183,556
Non-Current	16,935	8,974
	200,379	192,530

WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because ETRB does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As ETRB expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as ETRB does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability, even when ETRB does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- * undiscounted value - if ETRB expects to wholly settle within 12 months, or
- * present value - if ETRB does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

NOTE 3.2 - SUPPLIES AND SERVICES

	2022	2021
	\$	\$
Volunteer Labour Services Cost	1,347,052	1,282,515
Other Supplies and Services		
Cost of shops sales	678,685	221,418
Coal and light up wood	113,375	57,487
Catering	51,920	292,801
Cost external Contracts	162,758	164,056
Repairs, Maintenance and Consumables	863,842	720,507
	<u>1,870,579</u>	<u>1,456,269</u>
TOTAL SUPPLIES AND SERVICE	<u>3,217,631</u>	<u>2,738,784</u>

AASB 1058 **Income of Not-for-Profit Entities** requires the contribution of volunteers to be valued and reflected in the Comprehensive Operating Statement. The volunteer contribution in 2021/2022 has been valued at \$1,347,052.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution are expensed when the inventories are distributed.

Cost of sales: When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period in which the related income is recognised. in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTE 3.3 ADMINISTRATIVE EXPENSES

	2022	2021
	\$	\$
Printing and stationary	87,047	58,184
Telephone and postage	124,471	132,157
Masterplan expenses	133,322	83,187
Consultants	653,622	143,851
Information Technology	376,855	214,136
Other	<u>144,864</u>	<u>132,465</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>1,520,180</u>	<u>763,980</u>

Administrative expenses are recognised as they are incurred and reported in the financial year to which they relate.

NOTE 3.4 - OTHER OPERATING EXPENSES

OTHER EXPENSES	2022	2021
	\$	\$
Auditor's Remuneration:	31,500	13,700
Payroll Tax	313,183	309,345
Other Operating Expenses	692,298	353,500
Doubtful Debts	(30,733)	(119,120)
Special Events	72,779	47,390
Train Operation Expenses	75,069	81,018
Rates Taxes and Levies	56,929	71,399
Training and Education	33,987	7,121
TOTAL OTHER OPERATING EXPENSES	1,245,012	764,353

Other operating expenses generally represent the day to day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.



4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

ETRB controls property, plant, equipment and intangibles that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to ETRB to be utilised for the delivery of those outputs.

STRUCTURE

4.1 Property, plant and equipment

SIGNIFICANT JUDGEMENT: CLASSIFICATION OF INVESTMENTS AS 'KEY ASSETS'

ETRB has made the judgement that investments are key assets utilised to support ETRB's objectives and outputs.

FAIR VALUE MEASUREMENT

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined..

NOTE 4.1 - TOTAL PROPERTY, PLANT AND EQUIPMENT

ASSETS AT FAIR VALUE	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT	
	2022	2021	2022	2021	2022	2021
Land	19,901,600	19,901,600			19,901,600	19,901,600
Buildings & Structures	37,633,918	16,746,132	(921,626)		36,712,292	16,746,132
Locomotives and Rolling Stock	21,911,024	21,911,024	(876,442)		21,034,582	21,911,024
Motor Vehicles	715,963	715,963	(703,401)	(623,835)	12,562	92,128
Office Furniture and Equipment	418,852	412,381	(386,582)	(363,785)	32,270	48,596
Plant and Equipment	5,482,129	5,185,629	(1,778,366)	(1,536,377)	3,703,763	3,649,252
Permanent Way	14,734,000	14,734,000	(546,520)	-	14,187,480	14,734,000
	100,797,486	79,606,729	(5,212,937)	(2,523,997)	95,584,549	77,082,732

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent measurement: Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Heritage assets, infrastructure and road infrastructure and earthworks are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Vehicles are valued using the current replacement cost method. ETRB acquires new vehicles and at times disposes of them before the end of their economic life.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Impairment of Property, Plant and Equipment: The recoverable amount of primarily non cash generating assets of not for profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

NOTE 4.1.1 - DEPRECIATION AND IMPAIRMENT

	2022	2021
	\$	\$
Building and Structures	921,626	549,098
Locomotives and Rolling Stock	876,442	801,056
Motor Vehicles	79,566	81,478
Office Furniture and Equipment	22,797	24,158
Plant and Equipment	241,989	257,129
Permanent Way	546,520	440,887
TOTAL DEPRECIATION	2,688,940	2,153,806

All property, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated.

Depreciation is calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed for impairment at the end of each annual reporting period, and adjustments made where appropriate.

Typical estimated useful lives for the different asset classes for current and prior years are included below:

ASSET CLASS	USEFUL LIFE
Building and Structures	5 - 38 years
Locomotives and Rolling Stock	25 years
Motor Vehicles	5 - 109 years
Office Furniture and Equipment	4 - 32 years
Plant and Equipment	1 - 76 years
Permanent Way	15 - 100 years

Indefinite life assets, such as land and earthworks, are considered to have an indefinite life, and are not depreciated. Depreciation is not recognised in respect of these assets as their service potential has not, in any material sense, been consumed during the reporting period.

NOTE 4.1.2 - RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS, STRUCTURES	LOCOMOTIVES AND ROLLING STOCK	MOTOR VEHICLES	OFFICE FURNITURE & EQUIPMENT	PLANT & EQUIPMENT	PERMANENT WAY	ASSETS UNDER CONSTRUCTION	TOTAL
Net Carrying Amount at 30th June 2020	11,066,570	9,626,391	17,348,600	159,920	72,753	2,539,556	10,916,209	11,629,898	63,359,897
Additions						13,685			13,685
Transfers In/ Out of WIP		5,132				70,532		12,290,709	12,366,373
Revaluation	8,835,030	7,663,707	5,363,480			1,296,294	4,258,678		27,417,189
Depreciation Expense		(549,098)	(801,056)	(59,978)	(24,158)	(278,629)	(440,887)		(2,153,806)
Net Carrying Amount at 30th June 2021	19,901,600	16,746,132	21,911,024	99,942	48,595	3,641,438	14,734,000	23,920,607	101,003,338
Additions					6,473				6,473
Transfers In/ Out of WIP		20,887,786				296,500		(16,037,006)	5,147,280
Depreciation Expense		(921,626)	(876,442)	(87,379)	(22,796)	(234,176)	(546,520)		(2,688,940)
Net Carrying Amount at 30th June 2022	19,901,600	36,712,292	21,034,582	12,562	32,272	3,703,762	14,187,480	7,883,601	103,468,151

Note: (a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2025.

5. OTHER ASSETS AND LIABILITIES

INTRODUCTION

This section sets out those assets and liabilities that arose from ETRB's operations.

STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories

NOTE 5.1 – OTHER RECEIVABLES

	2022	2021
	\$	\$
CURRENT CONTRACTUAL RECEIVABLES		
Trade Debtors	246,359	376,382
Provision for loss allowance on contractual receivables	(8,567)	(209,791)
Other Receivables	0	6
	<u>0</u>	<u>6</u>
TOTAL RECEIVABLES	<u>166,597</u>	<u>166,597</u>

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs.

ETRB holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment. The large grants received at the end of the year contained GST. In 2021 this amount will be a net payable instead.

NOTE 5.2 - PAYABLES

	2022	2021
	\$	\$
CURRENT CONTRACTUAL PAYABLES		
Trade Creditors	713,827	459,055
Sundry Creditors and Accrued Expenses	641,383	512,055
	1,355,210	971,110
CURRENT STATUTORY PAYABLES		
GST Payable	1	167,162
	<u>1</u>	<u>167,162</u>
TOTAL PAYABLES	<u>1,355,211</u>	<u>1,138,272</u>

Payables consist of:

- contractual payables: Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to ETRB prior to the end of the financial year that are unpaid; and
- statutory payables: Recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts

NOTE 5.2.1 - MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

	2022	2021
	\$	\$
OTHER CONTRACT LIABILITIES		
Passenger Bookings in Advance	1,032,246	482,595
Revenue Received in Advance	91,961	89,299
Grants Received in Advance	-	2,341,000
TOTAL	1,124,206	2,912,894

ETRB's other contract liabilities relate predominately to unearned income which is income in advance, received but related to a service in a future period.

NOTE 5.2.2 RECONCILIATION OF CONTRACT LIABILITIES

	2022
	\$
OPENING BALANCE BROUGHT FORWARD FROM 30 JUNE 2021	2,912,894
Add: Payments received for performance obligations yet to be completed during the period	1,124,206
Add: Grant consideration for sufficiently specific performance obligations received during the year	8,287,106
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(11,200,000)
TOTAL	1,124,206

ETRB's other contract liabilities relate predominately to unearned income which is income in advance, received but related to a service in a future period.

	MATURITY DATES					
	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS
2022 PAYABLES	\$	\$				
Supplies and Service	713,827	713,827	713,827	-	-	-
Other Payables	641,383	641,383	641,383	-	-	-
GST Payable	1	1	1	-	-	-
TOTAL	1,355,211	1,355,211	1,355,211	-	-	-
2021 PAYABLES						
Supplies and Service	459,055	459,055	459,055	-	-	-
Other Payables	512,055	512,055	512,055	-	-	-
GST Payable	167,162	167,162	167,162	-	-	-
TOTAL	1,138,272	1,138,272	1,138,272	-	-	-

NOTE 5.3 INVENTORIES

	2022	2021
	\$	\$
CURRENT:		
Finished Goods held for resale, at cost	240,407	133,837
Coal, at cost	11,319	11,319
Workshop Inventories, at cost	-	200,640
TOTAL	251,726	345,796

Inventories include goods held either for sale, or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Cost for inventory is measured on the basis of weighted average cost. Inventories acquired at no cost or nominal considerations are valued at current replacement cost at the date of acquisition.

The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.



6. HOW WE FINANCED OUR OPERATIONS

INTRODUCTION

This section provides information on the source of finance utilised by ETRB during its operations.

STRUCTURE

- 6.1 Cash flow information and balances
- 6.2 Commitments for expenditure

6.1 CASH FLOW INFORMATION AND BALANCES

Cash and deposits including cash equivalents, comprise cash on hand and cash at bank, and those highly liquid investments with a maturity of three months or less which are held for the purpose of meeting short-term cash commitments.

NOTE 6.1 - RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
Reconciliation of Cash and Cash Equivalents	\$	\$
Cash on Hand	30,050	15,550
Cash at Bank	7,846,562	8,872,875
Cash Invested at Call	758,445	758,081
BALANCE AS PER CASH FLOW STATEMENT	8,635,057	9,646,506

NOTE 6.1.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	\$	\$
NET RESULT FOR THE PERIOD	1,870,251	1,000,402
NON-CASH MOVEMENTS		
Depreciation	2,688,940	2,153,806
Loss/(Profit) on Disposal of Property, Plant & Equipment	-	(1,273)
	4,559,191	3,152,935
MOVEMENTS IN ASSETS AND LIABILITIES		
Decrease/(Increase) in Receivables	(71,196)	230,847
Decrease/(Increase) in Inventories	94,070	132,259
Decrease/(Increase) in Prepayments	(75,471)	(26,897)
(Decrease)/Increase in Payables	216,939	303,054
(Decrease)/Increase in Provisions	(28,544)	(256,406)
(Decrease)/Increase in Other Liabilities	-	4,467,481
(Decrease)/Increase in Grants and income in Adv	(1,788,687)	-
NET CASH FLOWS FROM OPERATIONS	2,906,302	6,003,272

NOTE 6.2 – COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST.

Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

NOMINAL AMOUNTS 2022	LESS THAN 1 YEAR	1-5 YEARS	5+ YEARS	TOTAL
Lakeside Visitor Centre	550,000	-	-	
Total Commitments (inclusive of GST)	550,000	-	-	
Less GST Recoverable	50,000	-	-	
Total Commitments (exclusive of GST)	500,000	-	-	

NOMINAL AMOUNTS 2021	LESS THAN 1 YEAR	1-5 YEARS	5+ YEARS	TOTAL
Discovery centre	4,184,000	-	-	
New NBH rolling stock	144,000	-	-	
Sills and ONRSR Compliance project	867,000	-	-	
Total commitments (inclusive of GST)	5,195,000	-	-	
Less GST recoverable	472,273	-	-	
Total commitments (exclusive of GST)	4,722,727	-	-	

The LVC received grant funding from both the Federal and State Government during the year. Refer to note 2.4 regarding the breakdown of the Federal and State Capital Project related grants.



7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

INTRODUCTION

Emerald Tourist Railway Board (ETRB) is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for ETRB related mainly to fair value determination.

STRUCTURE

- 7.1 Financial Instrument Specific Disclosures
- 7.2 Contingent Assets and Contingent Liabilities
- 7.3 Fair Value Determination

7.1 FINANCIAL INSTRUMENT SPECIFIC DISCLOSURES

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

CATEGORIES OF FINANCIAL ASSETS

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by ETRB to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. ETRB recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

CATEGORIES OF FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

ETRB recognises the following liabilities in this category:

- payables (excluding statutory payables)

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- ETRB retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- ETRB has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where ETRB has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of ETRB's continuing involvement in the asset.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when ETRB's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

NOTE 7.1.1 - FINANCIAL INSTRUMENTS: CATEGORISATION

	CASH AND DEPOSITS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
2022 CONTRACTUAL FINANCIAL ASSETS	\$	\$	\$	\$
Cash and Cash Deposits	8,635,057	-	-	8,635,057
Receivables	-	237,793	-	237,793
Total Contractual Financial Assets	8,635,057	237,793	-	8,872,850
2022 CONTRACTUAL FINANCIAL LIABILITIES				
Payables	-	-	1,355,211	1,355,211
Total Contractual Financial Liabilities	-	-	1,355,211	1,138,272
2021 CONTRACTUAL FINANCIAL ASSETS				
Cash and Cash Deposits	9,646,506	-	-	9,646,506
Receivables	-	166,597	-	166,597
Total Contractual Financial Assets	9,646,506	166,597	-	9,813,103
2021 CONTRACTUAL FINANCIAL LIABILITIES				
Payables	-	-	1,138,272	1,138,272
Total Contractual Financial Liabilities	-	-	1,138,272	1,138,272

NOTE 7.1.2 - NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

CATEGORISATION OF FINANCIAL INSTRUMENTS	NET HOLDING GAIN/(LOSS)	TOTAL INTEREST INCOME/(EXPENSE)	IMPAIRMENT LOSS	TOTAL
2022 CONTRACTUAL FINANCIAL ASSETS		\$	\$	\$
Financial Assets at amortised cost	-	375	-	
Total Contractual Financial Assets	-	375	-	
2022 CONTRACTUAL FINANCIAL LIABILITIES				
Financial Liabilities at amortised cost	-	-	-	-
2021 CONTRACTUAL FINANCIAL ASSETS				
Financial Assets at amortised cost	-	222	-	
Total Contractual Financial Assets	-	222	-	
2022 CONTRACTUAL FINANCIAL LIABILITIES				
Financial Liabilities at amortised cost	-	-	-	-
TOTAL CONTRACTUAL FINANCIAL LIABILITIES	-	-	-	-

Note - The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable)

NOTE 7.1.3 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As a whole, ETRB's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability above are disclosed in Notes throughout the financial statements.

The main purpose in holding financial instruments is to prudentially manage ETRB's financial risks within the government policy parameters. ETRB's main financial risks include credit risk, liquidity risk, and interest rate risk. ETRB manages these financial risks in accordance with its financial risk management policy. ETRB uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Finance, Audit, Risk & Compliance Committee of ETRB.

NOTE 7.1.3 (A)- CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

	FINANCIAL INSTITUTIONS AA- CREDIT RATING	OTHER	TOTAL
2022	\$	\$	\$
Cash and deposits	8,635,057	-	8,635,057
Receivables	-	237,793	237,793
TOTAL CONTRACTUAL FINANCIAL ASSETS	8,635,057	237,793	8,872,850
2021			
Cash and deposits	9,646,506	-	9,646,506
Receivables	-	166,597	166,597
TOTAL CONTRACTUAL FINANCIAL ASSETS	9,646,506	166,597	9,813,103

CONTRACTUAL RECEIVABLES AT AMORTISED COST

ETRB applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

ETRB has grouped contractual receivables on shared credit risk characteristics and days past due and determined the expected credit loss rate based on historical observed loss rates, which are adjusted to reflect existing market conditions and forward-looking estimates at the financial year end.

NOTE 7.1.3 (B)- CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

	CARRYING AMOUNT	CURRENT	LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS PLUS
2022	\$	\$	\$	\$	\$
CONTRACTUAL RECEIVABLES:					
Expected Loss Rate	3%	0%	0%	0%	100%
Gross carrying amount of contractual receivables	246,359	217,554	6,910	13,328	8,567
Loss Allowance	8,567	-	-	-	8,567
TOTAL RECEIVABLES	237,793	217,554	6,910	13,328	-
2021 CONTRACTUAL RECEIVABLES:					
Expected Loss Rate	56%	0%	0%	0%	78%
Gross carrying amount of contractual receivables	376,382	97,865	7,572	1,632	269,313
Loss Allowance	209,791	-	-	-	209,791
Total Receivables	166,591	97,865	7,572	1,632	59,522

A reconciliation of the movement in the loss allowance for contractual receivables is as follows:

	2022	2021
OPENING LOSS ALLOWANCE	(209,791)	(328,912)
Increase in the allowance recognised in the net result	30,733	-
Reversal of allowance for receivables written off during the year as uncollectible	170,492	119,121
BALANCE AT THE END OF THE YEAR	(8,566)	(209,791)

Credit loss allowance is classified as other economic flows in the net result. Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery.

Bad debt is written off by mutual consent and is classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

CREDIT RISK

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. ETRB's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Railway.

Credit risk is measured at fair value and is monitored on a regular basis. Credit risk associated with ETRB's contractual financial assets is minimal because the majority of sales are cash or prepaid fares. Credit sales represent an approximate range of 20% to 30% of total revenue.

Variation in the range is due to monthly seasonal factors. In addition, ETRB does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. Provision for impairment for contractual financial assets is recognised when there is objective evidence that ETRB will not be able to collect a receivable.

Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents ETRB's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to ETRB's credit risk profile in 2021-22.

IMPAIRMENT OF FINANCIAL ASSETS

ETRB records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach.

Subject to AASB 9 impairment assessment include ETRB's contractual receivables, statutory receivables and its investment in debt instruments.

LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. ETRB operates a fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

ETRB is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the balance sheet. ETRB manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements.
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations.
- other contractual financial assets that are readily tradeable in the financial markets.
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- banking with only financial institutions a high and stable credit rating. ETRB's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

ETRB's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, and \$500,000 (2021: \$0) in relation to financial guarantees granted for loans to other entities (refer to Note 7.3.1), represents ETRB's maximum exposure to liquidity risk.

INTEREST RATE RISK

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. ETRB does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ETRB has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

ETRB manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing ETRB to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and ETRB's sensitivity to interest rate risk are set out in the table 7.1.4.



NOTE 7.1.4 - INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

	INTEREST RATE EXPOSURE				
	WEIGHTED AVERAGE EFFECTIVE INTEREST	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON INTEREST BEARING
2022	%	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalent	0.07	8,635,057	-	8,605,007	30,050
Receivables					
- Sale of goods and services		237,707	-	-	758,445
TOTAL FINANCIAL ASSETS		8,872,764	-	8,605,007	788,495
FINANCIAL LIABILITIES					
Payables					
- Supplies and services		713,827	-	-	713,827
- Other payables		641,383	-	-	641,383
TOTAL FINANCIAL LIABILITIES		1,355,210	-	-	1,355,210

	INTEREST RATE EXPOSURE				
	WEIGHTED AVERAGE EFFECTIVE INTEREST	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON INTEREST BEARING
2021	%	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalent	0.10	9,646,506	-	9,630,956	15,550
Receivables					
- Sale of goods and services		166,591	-	-	166,591
- Other receivables		6	-	-	6
TOTAL FINANCIAL ASSETS		9,813,103	-	9,630,956	182,147
FINANCIAL LIABILITIES					
Payables					
- Supplies and services		459,055	-	-	459,055
- Other payables		512,055	-	-	512,055
TOTAL FINANCIAL LIABILITIES		917,110	-	-	917,110

Note: (a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

NOTE 7.1.5 - INTEREST RATE RISK SENSITIVITY

		INTEREST RATE RISK			
		-2.00%		+2.00%	
	CARRYING AMOUNT	PROFIT	EQUITY	PROFIT	EQUITY
2022	\$	\$	\$	\$	
FINANCIAL ASSETS					
Cash and cash equivalent	8,135,057	(162,701)	-	162,701	-
Term Deposits	500,000	-	-	-	-
Receivables	237,793	-	-	-	-
CONTRACTUAL FINANCIAL LIABILITIES					
Trade and other payables	1,355,211	-	-	-	-
		(162,701)	-	162,701	-

		INTEREST RATE RISK			
		-2.00%		+2.00%	
	CARRYING AMOUNT	PROFIT	EQUITY	PROFIT	EQUITY
2021	\$	\$	\$	\$	
FINANCIAL ASSETS					
Cash and cash equivalent	9,646,506	(192,930)	-	192,930	-
Term Deposits	-	-	-	-	-
Receivables	166,597	-	-	-	-
CONTRACTUAL FINANCIAL LIABILITIES					
Trade and other payables	971,110	-	-	-	-
		(192,930)	-	192,930	-

NOTE 7.2 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

CONTINGENT ASSETS

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

ETRB will have access to \$4,130,000 in grant funding for the upcoming 2022/23 year contingent on operations and the extension of The Department of Jobs, Precincts and Regions funding agreement. (2021/22 this was \$11,200,000).

CONTINGENT LIABILITIES

There are no contingent liabilities for 2022. (2021 no contingent liabilities)

NOTE 7.3 – FAIR VALUE DETERMINATION

This section sets out information on how ETRB determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, plant and equipment

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

ETRB determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

FAIR VALUE HIERARCHY

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; &
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

ETRB determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the ETRB's independent valuation agency (or) ETRB in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

HOW THIS SECTION IS STRUCTURED

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

ETRB considers that the carrying amounts of financial instrument assets and liabilities recorded in the financial statements to be fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

ETRB has no financial assets measured at fair value.

The following table shows that the fair value of all of the contractual financial assets and liabilities are the same as the carrying amounts.

	LEVEL	2022		2021	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
CONTRACTUAL FINANCIAL ASSETS					
Cash and cash equivalent	1	8,135,057	8,135,057	9,646,506	9,646,506
Term deposits	1	500,000	500,000		
Receivables	1	237,793	237,793	166,597	166,597
TOTAL CONTRACTUAL FINANCIAL ASSETS		8,872,850	8,872,850	9,813,103	9,813,103
CONTRACTUAL FINANCIAL LIABILITIES					
Trade and other payables	1	1,355,210	1,355,210	971,110	971,110
TOTAL CONTRACTUAL FINANCIAL LIABILITIES		1,355,210	1,355,210	971,110	971,110

7.3.2 FAIR VALUE DETERMINATION : NON-FINANCIAL PHYSICAL ASSETS

	LEVEL	2022		2021	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
LAND	2	19,901,600	19,901,600	19,901,600	19,901,600
Buildings & Structures	2	36,712,292	36,712,292	16,746,132	16,746,132
Locomotives and Rolling Stock	3	21,034,582	21,034,582	21,911,024	21,911,024
Motor Vehicles	3	12,562	12,562	92,128	92,128
Office Furniture and Equipment	3	32,270	32,270	48,596	48,596
Plant and Equipment	3	3,703,763	3,703,763	3,649,252	3,649,252
Permanent Way	3	14,187,480	14,187,480	14,734,000	14,734,000
TOTAL NON-FINANCIAL PHYSICAL ASSETS		95,584,549	95,584,549	77,082,732	77,082,732

Land and buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. To the extent that land and buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2022. For all assets measured at fair value, the current use is considered the highest and best use.

Vehicles are valued using the current replacement cost method. ETRB acquires new vehicles and at times disposes of them before the end of their economic life.

Heritage assets, infrastructure and road infrastructure and earthworks are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

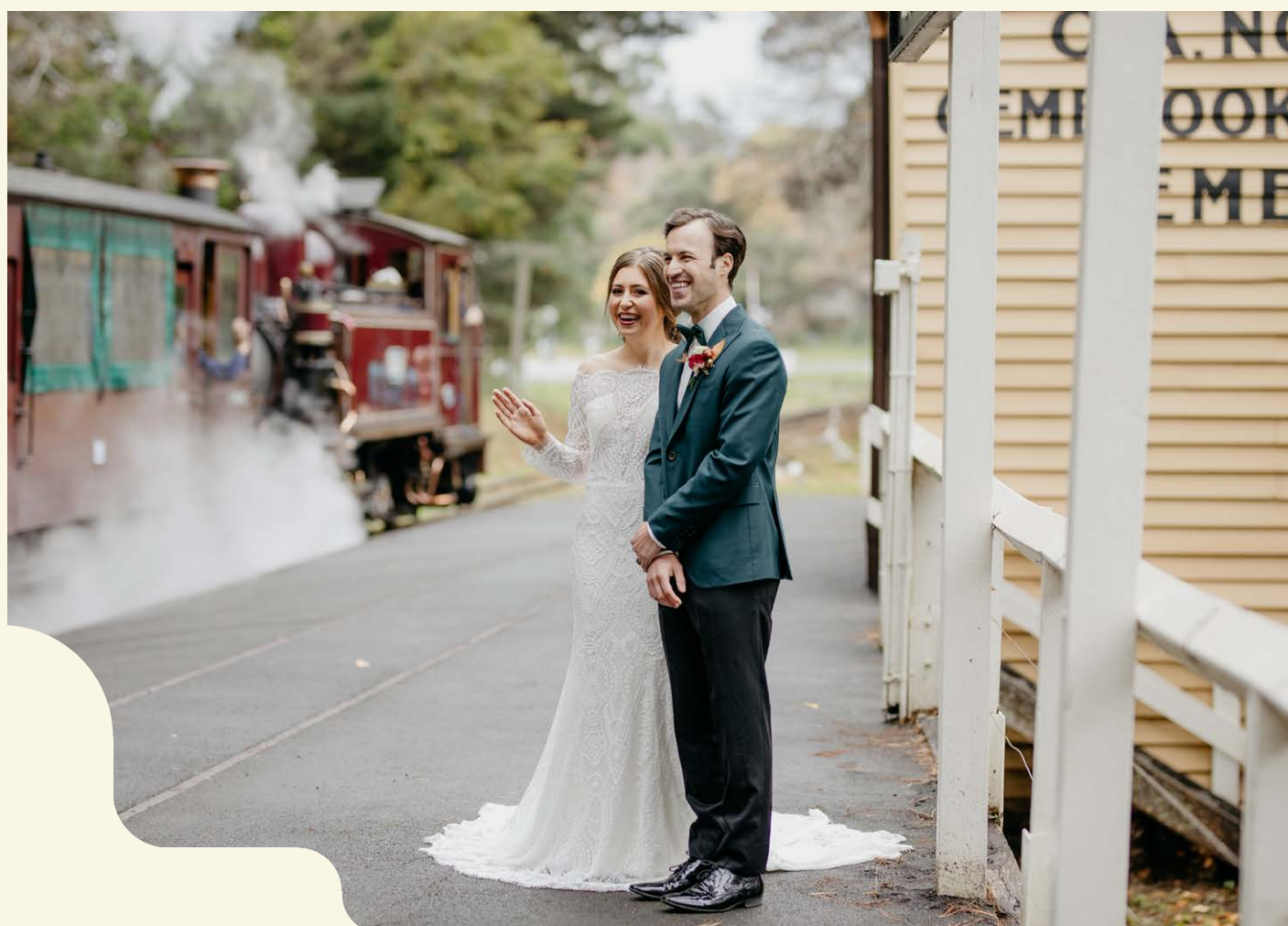
Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of ETRB's heritage assets, infrastructure and road infrastructure and earthworks was performed by the Valuer-General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2021.

For a more detailed analysis of the sensitivity of significant unobservable inputs used in valuation, please refer to 7.3.4 Description of significant unobservable inputs to Level 3 valuation.

7.3.3 RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

	LOCOMOTIVES AND ROLLING STOCK	MOTOR VEHICLES	OFFICE FURNITURE & EQUIPMENT	PLANT & EQUIPMENT	PERMANENT WAY
OPENING BALANCE AT 30TH JUNE 2020	17,348,600	159,920	72,753	2,539,556	10,916,209
Additions	-	-	-	13,685	-
Transfers In/Out of WIP	-	-	-	70,532	-
Revaluation	5,363,480	-	-	1,296,294	4,258,678
Depreciation Expense	(801,056)	(59,978)	(24,158)	(278,629)	(440,887)
CLOSING BALANCE AT 30TH JUNE 2021	21,911,024	99,942	48,595	3,641,438	14,734,000
OPENING BALANCE AT 1ST JULY 2021	21,911,024	99,942	48,595	3,641,438	14,734,000
Additions	-	-	6,473	-	-
Transfers In/Out of WIP	-	-	-	296,500	-
Depreciation Expense	(876,442)	(87,379)	(22,796)	(234,176)	(546,520)
CLOSING BALANCE AT 30TH JUNE 2022	21,034,582	12,562	32,272	3,703,762	14,187,480



7.3.4 DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Locomotives and Rolling Stock	Current replacement cost	Heritage restrictions	Impact of heritage restrictions is considered but not quantified.	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
		Remaining useful life of locomotives and rolling stock	25 years	
Motor Vehicles	Current replacement cost	Useful life of the motor vehicle	5 to 109 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Office Furniture & Equipment	Current replacement cost	Useful life of the office furniture & equipment	4 to 32 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Plant and Equipment	Current replacement cost	Useful life of the plant, equipment and museum exhibits.	1 to 76 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Permanent Way	Current replacement cost	Useful life of the railway track and earthworks	15 to 100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value

Significant unobservable inputs have remained unchanged since June 2021.

8. OTHER DISCLOSURES

INTRODUCTION

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

STRUCTURE

- 8.1 Reserves
- 8.2 Responsible Persons
- 8.3 Remuneration of Executives
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Subsequent Events
- 8.7 Other Accounting Policies
- 8.8 Australian Accounting Standards Issued that are not yet effective

NOTE 8.1 RESERVES

	2022	2021
PHYSICAL ASSET REVALUATION SURPLUS	\$	\$
Balance at beginning of financial year	69,693,741	42,276,552
Revaluation increments / (decrements)	-	27,417,189
BALANCE AT END OF FINANCIAL YEAR	69,693,741	69,693,741

8.1.1 CONTRIBUTIONS BY OWNERS

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

	2022	2021
CONTRIBUTED CAPITAL	\$	\$
Balance at beginning of financial year	30,625,115	20,546,115
Contributions during the year	1,236,000	10,079,000
BALANCE AT END OF FINANCIAL YEAR	31,861,115	30,625,115

NOTE 8.2 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994 (FMA)*, the following disclosures are made regarding responsible persons for the reporting period.

Portfolio Minister: The Hon. Steve Dimopoulos MP, Minister for Tourism, Sport and Major Events (23.06.2022 to 30.06.2022)
The Hon. Martin Pakula MP, Former Minister for Industry Support and Recovery (01.07.2021 to 22.06.2022)

Accountable Officer: Mr.P.Abbott - from 01.07.2021 to 30.06.2022

Remuneration received or receivable by the Accountable Officer in connection with the management of ETRB during the reporting period was in the range: \$250 000–\$259 000 (2021: \$350 000–\$359 000).

NOTE 8.3 REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below.

Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in *AASB 119 Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered.

Accordingly, remuneration is determined on an accruals basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

The total remuneration of the Board is summarised in the table below

	TOTAL REMUNERATION	
	2022	2021
INCOME BAND		
\$10,000 to \$19,999	5	3
\$40,000 to \$49,999	1	1
Total Numbers	6	4
TOTAL REMUNERATION (\$'000)	137	87

	TOTAL REMUNERATION	
	2022	2021
REMUNERATION OF EXECUTIVE OFFICERS		
INCOME BAND	\$	\$
Short term employee benefits	878,799	1,735,879
Post employment benefits	-	148,993
Other long term benefits	41,783	233,635
TOTAL	920,582	2,118,507

TOTAL NUMBER OF EXECUTIVES	10	12
TOTAL ANNUALISED EMPLOYEE EQUIVALENTS	8.77	11.5

Notes: (a) Annualised employee equivalent is based on the time fraction worked over the reporting period.

NOTE 8.4 RELATED PARTIES

SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

ETRB received funding from Department of Jobs, Precinct and Regions \$11.2 million (2021: \$9.52 million)

Key management personnel (KMP) of ETRB includes the Portfolio Ministers, The Hon. Steve Dimopoulos MP, Minister for Tourism, Sport and Major Events, The Hon. Martin Pakula MP, Former Minister for Industry Support and Recovery, members of the Board and members of the Senior Executive Team, which includes:

POSITION	MEMBER	FROM	TO
Board Chair	T.North QC	01.07.2021	30.06.2022
Board Member	D.Smith	01.07.2021	30.06.2022
Board Member	M.Mangos	01.07.2021	30.06.2022
Board Member	B.Clingin	01.07.2021	30.06.2022
Board Member	A.Jamieson	14.10.2021	30.06.2022
Board Member	T.Sargent	14.10.2021	30.06.2022
Chief Executive Officer	P.Abbott	01.07.2021	30.06.2022
Group Manager Business Services	S.Straub	21.02.2022	30.06.2022
Group Manager Train Operations	P.Essig	01.07.2021	30.06.2022
Group Manager Visitor Experience	N.Giurgiu	01.07.2021	30.06.2022
Group Manager Infrastructure	B.Butler	01.07.2021	30.06.2022

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

COMPENSATION OF KMPS	2022	2021
	\$	\$
Short term employee benefits	1,148,748	1,735,879
Post employment benefits	-	148,993
Other long term benefits	47,187	233,635
TOTAL	1,195,935	2,118,507
TOTAL NUMBER OF EXECUTIVES	11	12
TOTAL ANNUALISED EMPLOYEE EQUIVALENTS	9.77	11.5

Notes: (a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3).

NOTE 8.5 REMUNERATION OF AUDITORS

	2022	2021
VICTORIAN AUDITOR GENERALS OFFICE	\$	\$
Audit or review of the financial statements	31,500	13,700
TOTAL REMUNERATION OF AUDITORS	31,500	13,700

NOTE 8.6 SUBSEQUENT EVENTS

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period.

There are no subsequent events to disclose.

NOTE 8.7 OTHER ACCOUNTING POLICIES

Accounting for the Goods and Services Tax ("GST") Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

CONTRIBUTIONS BY OWNERS

Consistent with the requirements of *AASB 1004 Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of ETRB.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital.

NOTE 8.8 AUSTRALIAN ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period.

These accounting standards have not been applied to ETRB's Financial Statements.

ETRB is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. ETRB will not early adopt the Standard.

ETRB is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

DISCLOSURE INDEX

The annual report of the Railway is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Railway's compliance with statutory disclosure requirements.

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MANAGEMENT AND STRUCTURE

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FINANCIAL AND OTHER INFORMATION

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DECLARATION

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Note: (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.		
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