



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Chief Executive Office of the National Rail Safety Regulator

Opinion

I have audited the financial report of the Office of the National Rail Safety Regulator for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of the National Rail Safety Regulator as at 30 June 2024, its financial performance and its cash flows for the year then ended under the provisions of the *Public Finance and Audit Act 1987*, the *Rail Safety National Law (South Australia) Act 2012*, and Australian Accounting Standards - Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Executive Director, Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Office of the National Rail Safety Regulator. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, the *Rail Safety National Law (South Australia) Act 2012* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the Office of the National Rail Safety Regulator's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 43(3) of the Schedule to the *Rail Safety National Law (South Australia) Act 2012*, I have audited the financial report of the Office of the National Rail Safety Regulator for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 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 Office of the National Rail Safety Regulator's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive'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 the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an 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

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, 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 the audit.



Daniel O'Donohue
Assistant Auditor-General

9 September 2024

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Office of the National Rail Safety Regulator:

- comply with Section 263 of the *Rail Safety National Law (South Australia) Act 2012* and Regulation 48 of *Rail Safety National Law National Regulations 2012* , and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Office of the National Rail Safety Regulator; and
- present a true and fair view of the financial position of the Office of the National Rail Safety Regulator as at 30 June 2024 and the results of its operation and cash flows for the financial year.

We certify the internal controls employed by the Office of the National Rail Safety Regulator for the financial year over its financial reporting and the preparation of the general purpose financial statements have been effective throughout the reporting period.



.....
Chief Executive

2 / 9 / 2024



.....
Executive Director - Corporate Services

2 / 9 / 2024

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income:			
Revenues from fees and charges	4	40,547	40,137
Interest revenues	5	1,305	852
Other income	6	1,357	781
Total income		43,209	41,770
Expenses:			
Employee related expenses	7	30,502	28,956
Supplies and services	8	10,678	11,401
Depreciation and amortisation	9	2,901	3,333
Finance costs	10	106	132
Other expenses	11	4	1,117
Total expenses		44,191	44,939
Net result		(982)	(3,169)
Total comprehensive result		(982)	(3,169)

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

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets:			
Cash and cash equivalents	12	13,625	13,051
Receivables	13	1,693	1,057
Other financial assets	14	10,000	10,000
Total current assets		25,318	24,108
Non-current assets:			
Property, plant and equipment	15	6,386	8,672
Intangible assets	16	-	-
Total non-current assets		6,386	8,672
Total assets		31,704	32,780
Current liabilities:			
Payables	18	1,270	1,068
Financial liabilities	19	2,364	2,249
Employee related liabilities	20	4,806	4,805
Provisions	21	530	-
Other liabilities	22	1,253	-
Total current liabilities		10,223	8,122
Non-current liabilities:			
Financial liabilities	19	2,554	4,778
Employee related liabilities	20	864	728
Provisions	21	1,112	1,219
Total non-current liabilities		4,530	6,725
Total liabilities		14,753	14,847
Net assets		16,951	17,933
Equity:			
Retained earnings		16,951	17,933
Total equity		16,951	17,933

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

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note	Asset revaluation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2022		157	20,945	21,102
Error correction	17	(157)	157	-
Restated balance as at 1 July 2022		-	21,102	21,102
Net result		-	(3,169)	(3,169)
Balance as at 30 June 2023		-	17,933	17,933
Net result		-	(982)	(982)
Balance as at 30 June 2024		-	16,951	16,951

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

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities:			
<i>Cash outflows</i>			
Employee related payments		(30,208)	(29,440)
Payments for supplies and services		(12,062)	(12,366)
Interest paid on finance costs		(106)	(132)
Cash used in operations		(42,376)	(41,938)
<i>Cash inflows</i>			
Fees and charges received		40,522	40,140
Interest received		1,297	655
Receipts from grants		1,281	-
GST recovered from the ATO		1,183	1,303
Other receipts		1,045	893
Cash generated from operations		45,328	42,991
Net cash provided by operating activities		2,952	1,053
Cash flows from investing activities:			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(14)	-
Cash used in investing activities		(14)	-
<i>Cash inflows</i>			
Proceeds from sale of financial instruments		-	4,000
Cash generated from investing activities		-	4,000
Net cash (used in)/provided by investing activities		(14)	4,000
Cash flows from financing activities:			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(2,364)	(2,155)
Cash used in financing activities		(2,364)	(2,155)
Net increase in cash and cash equivalents		574	2,898
Cash and cash equivalents at 1 July		13,051	10,153
Cash and cash equivalents at 30 June	12	13,625	13,051

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

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objective of the Office of the National Rail Safety Regulator

The Office of the National Rail Safety Regulator (ONRSR) is established under the *Rail Safety National Law (South Australia) Act 2012 (the Law)*.

The principal objective of ONRSR is to facilitate the safe operation of rail transport across Australia. This is achieved through regulation of the rail industry in accordance with the Law, supporting regulations, guidelines and policies and the promotion of safety as a fundamental objective in the delivery of rail transport services.

ONRSR has responsibility for regulatory oversight of rail safety in every Australian state and territory.

2. Material accounting policy information

(a) Statement of compliance

These financial statements have been prepared in compliance with section 263 of the Law and Regulation 48 of *Rail Safety National Law National Regulations*.

The financial statements are general purpose financial statements.

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, applying simplified disclosures.

ONRSR has applied Australian Accounting Standards that are applicable to not-for-profit entities as ONRSR is a not-for-profit entity.

The historical cost convention is used unless a different measurement basis is specially disclosed in the note associated with the item measured.

(b) Basis of preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

(c) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards have required a change or an error has been identified.

(d) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(e) Taxation

ONRSR is not subject to income tax. ONRSR is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

(f) Current and non-current asset classification

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

3. New and revised accounting standards and policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by ONRSR for the year ended 30 June 2024. ONRSR has assessed the impact of the new or changed Australian Accounting Standards and interpretations not yet implemented and has determined they will not have any material effect on ONRSR's financial statements.

4. Revenue from fees and charges

	2024	2023
	\$'000	\$'000
Revenue from accreditations	77	77
Revenue from major projects	1,814	1,724
Revenue from annual fees from industry and government	38,656	38,336
Total revenue from fees and charges	40,547	40,137

Revenues from fees and charges are derived from the annual fees and other fees and charges payable by industry and state governments, and are recognised as income in the reporting period when revenues are due in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Interest

	2024	2023
	\$'000	\$'000
Interest received	1,305	852
Total interest revenues	1,305	852

Interest is recognised using the effective interest rate method.

6. Other income

	2024	2023
	\$'000	\$'000
Penalties received	864	16
Sale of assets	5	9
Reimbursement of legal costs	363	676
Reimbursement of other costs	96	80
Grants	29	-
Total other income	1,357	781

Penalties received and reimbursement of legal costs are awarded to ONRSR by the Courts through prosecutions by the Regulator in accordance with section 220 of the Law.

Grant income is recognised in the reporting period in line with progress towards the satisfaction of contractual performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*, and relates to the Commonwealth-sourced grant for the Level Crossing Safety Data Improvement Project.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

7. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	23,316	22,517
Annual leave	2,024	1,774
Long service leave	607	521
Separation and redundancy payments	71	-
Employment on-costs - superannuation ¹	2,765	2,525
Employment on-costs - other	1,518	1,455
Workers compensation	201	164
Total employee related expenses	30,502	28,956

¹The superannuation employment on-cost charge represents ONRSR's contributions to externally managed superannuation plans in respect of current services of current staff.

Accounting policies for employee related expenses are contained in note 20.

8. Supplies and services

	2024	2023
	\$'000	\$'000
Consultants	540	859
Contractor fees	1,509	2,343
Information Technology	4,573	2,564
Insurance	552	534
Legal costs ¹	509	1,020
Property	766	841
Training and development	256	576
Travelling expenses	1,116	1,685
Drug and alcohol testing	237	253
Other ²	620	726
Total supplies and services	10,678	11,401

¹ Legal costs primarily relate to prosecution proceedings initiated by the Regulator in accordance with section 220 of the Law.

² Other expenses include audit fees paid / payable to the Audit Office of South Australia (AOSA) relating to work performed under the *Public Finance and Audit Act 1987* of \$53,300 (2023: \$57,600). During the year no other services were provided by AOSA to ONRSR.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

9. Depreciation and amortisation

	2024	2023
	\$'000	\$'000
Fixtures and fittings	35	44
Computer equipment	42	45
Computer software	-	433
Leasehold improvements	621	621
Right-of-use assets	2,203	2,190
Total depreciation and amortisation	2,901	3,333

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

The depreciation rates for right-of-use assets are based on the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Computer equipment	2 - 10
Intangible assets	2 - 10
Leasehold improvements	Life of Lease
Right-of-use assets	Life of Lease

Depreciation on fixtures and fittings is calculated using the diminishing value method, with an estimated useful life of between 10 and 20 years.

10. Finance costs

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	106	132
Total finance costs	106	132

11. Other expenses

	2024	2023
	\$'000	\$'000
Impairment of intangible assets	-	1,076
Net loss on disposal of intangible assets	-	2
Net loss on disposal of property, plant and equipment	4	38
Impairment loss on receivables	-	1
Total other expenses	4	1,117

Information regarding the impairment of intangible assets during the year ended 30 June 2023 is contained in note 16.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

12. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank	13,625	13,051
Total cash and cash equivalents	13,625	13,051

Cash at bank is available on demand and recognised at its nominal amount.

13. Receivables

	2024	2023
	\$'000	\$'000
Current		
Accounts receivable	31	3
Less: Impairment loss allowance	-	(1)
Prepayments	858	697
Accrued interest	238	251
Accrued revenue	434	-
Security deposit	5	5
GST input tax receivable	127	102
Total current receivables	1,693	1,057

Movement in impairment loss allowance

An impairment loss allowance is recognised when there is objective evidence (based upon past experience and current and expected changes in client credit rating) that an account receivable has become impaired.

As at 30 June 2024 all accounts receivable are assessed as collectable, and no impairment loss allowance has recognised (2023: allowance of \$1,000).

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	1	-
Increase in allowance recognised in profit and loss	-	1
Amounts written off	-	-
Amount recovered during the year	1	-
Carrying amount at the end of the period	-	1

Receivables arise from the collection of fees from industry and state governments. Receivables are generally settled within 30 days of an invoice being issued.

Financial assets include contractual rights to receive cash or another financial asset from another entity. Financial assets also include receivables that arise from statutory requirements, as the statutory requirements provide ONRSR with a right to receive cash or another financial asset from another entity.

Financial assets are measured at amortised cost using the effective interest method adjusted for any loss allowance.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

14. Other financial assets

	2024	2023
	\$'000	\$'000
Terms deposits - amortised cost	10,000	10,000
Total other financial assets	10,000	10,000

Term deposits carry an average fixed interest rate of 5.10%, with an original maturity date of approximately 6 months and mature within 1 month of balance date. Term deposit investments are those with original maturities beyond those which are considered short-term (assessed as 3 months or less from the date of acquisition) and, other than at original maturity, are not considered readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value due to requirements relating to notice periods and interest penalties imposed by the issuing institution.

15. Property, plant and equipment

	2024	2023
	\$'000	\$'000
Leasehold improvements		
At cost	5,466	4,778
Accumulated depreciation	(3,676)	(2,875)
Total leasehold improvements	1,790	1,903
Fixtures and fittings		
At cost	732	721
Accumulated depreciation	(372)	(345)
Total fixtures and fittings	360	376
Computer equipment		
At cost	218	218
Accumulated depreciation	(196)	(154)
Total computer equipment	22	64
Right-of-use assets		
At cost	14,847	15,007
Accumulated depreciation	(10,633)	(8,678)
Total right-of-use assets	4,214	6,329
Total property, plant and equipment	6,386	8,672

Property, plant and equipment are initially identified at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Property, plant and equipment are subsequently measured at cost after allowing for accumulated depreciation and are tested for indications of impairment at each reporting date. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All property, plant and equipment with a value equal to or in excess of \$5,000 are capitalised on acquisition.

ONRSR expects for all non-current tangible assets that any costs of disposal will be negligible, and the recoverable amount to be close to or greater than the carrying value.

Items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal (refer note 6).

Leased right-of-use assets are capitalised on the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives receivable.

ONRSR's leases are for office accommodation in Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth and Sydney as well as 11 motor vehicles to support ONRSR's operational activities across those locations. Office leases are non-cancellable with terms ranging up to 10 years and rent payable monthly in advance. Office accommodation lease payments are increased annually in accordance with the terms of the lease agreement and no options exist to renew the leases at the end of their term. Motor vehicle leases are non-cancellable terms ranging up to five years and rental payable monthly in advance, with lease payments fixed over the term of the lease and no options exist to renew the leases at the end of their term.

Impairment

There were no indications of impairment of property, plant and equipment or right-of-use assets at 30 June 2024.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

16. Intangible assets

	2024	2023
	\$'000	\$'000
Computer software		
Internally developed computer software	-	16
Accumulated amortisation	-	(16)
	<u>-</u>	<u>-</u>
Other computer software		622
Accumulated amortisation	-	(622)
	<u>-</u>	<u>-</u>
Total computer software	<u>-</u>	<u>-</u>
Total intangible assets	<u>-</u>	<u>-</u>

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of internal development or of externally acquired software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5,000.

Intangible assets are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. During the year ended 30 June 2023 ONRSR determined that it would replace its core regulatory platform 'RegIS' with an alternative solution and accordingly reduced the carrying value of that previously recognised intangible asset to zero.

17. Asset movement reconciliation 2024

	Leasehold improvements	Fixtures and fittings	Computer equipment	Intangible assets	Right-of-use assets	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	1,903	376	64	-	6,329	8,672
Prior year adjustment	85	-	-	-	(85)	-
Additions	-	23	-	-	86	109
Disposals	-	(4)	-	-	-	(4)
Remeasurement	423	-	-	-	87	510
Depreciation/amortisation	(621)	(35)	(42)	-	(2,203)	(2,901)
Carrying amount at 30 June 2024	<u>1,790</u>	<u>360</u>	<u>22</u>	<u>-</u>	<u>4,214</u>	<u>6,386</u>

During the year ONRSR identified accounting entries made prior to 1 July 2022 relating to leasing arrangements for one of its office premises which were not in accordance with currently applicable accounting standards. This item, which is not considered to be material, has been addressed through a prior period adjustment with the net impact of:

- a reclassification within the Statement of Financial Position of \$85,470 from Right-of-Use Assets to Leasehold Improvements, and
- a reclassification within equity of \$156,919 from the Asset Revaluation Reserve to Retained Earnings.

This item reflects a reclassification only, with no impact on net profit or loss in any period.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

18. Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors	351	202
Accrued expenses	776	684
Employee on-costs ¹	135	169
Paid Parental Leave Scheme payable	-	7
FBT payable	8	6
Total current payables	1,270	1,068

¹ Employee on-costs include payroll tax, workers compensation levies and superannuation contributions. ONRSR makes contributions to various state government and commercial superannuation schemes, which are treated as an expense when they occur. There is no liability for payments to beneficiaries, as those obligations have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to scheme managers.

All payables are measured at their nominal amounts, are unsecured and are generally settled within 30 days of an invoice being received.

19. Financial Liabilities

	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	2,364	2,249
Total current financial liabilities	2,364	2,249
Non-current		
Lease liabilities	2,554	4,778
Total non-current financial liabilities	2,554	4,778
Total financial liabilities	4,918	7,027

Lease liabilities represent the present value of future lease payments measured in accordance with AASB 16 *Leases*, using the discount rate implicit in the lease.

A maturity analysis of lease liabilities based on undiscounted gross cash flows is provided in the table below.

	2024	2023
	\$'000	\$'000
Maturity analysis - lease liabilities undiscounted cash flows		
Within one year	2,430	2,346
Later than one year but no longer than five years	2,595	4,874
Total	5,025	7,220

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

20. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Accrued salaries and wages	1,016	931
Annual leave	1,581	1,631
Long service leave	2,209	2,243
Total current employee related liabilities	4,806	4,805
Non-current		
Long service leave	864	728
Total non-current employee related liabilities	864	728
Total employee related liabilities	5,670	5,533

Employee related liabilities accrue for employees as a result of services provided up to the reporting date that remain unpaid. The obligations are presented as current liabilities if ONRSR does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

- *Short term employee related obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of the employee's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

- *Other long-term employee related obligations*

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which employees render the related service is recognised in employee related liabilities and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels. Expected future payments are discounted using market yields at the end of the reporting period on government bonds.

21. Provisions

	2024	2023
	\$'000	\$'000
Make Good		
Carrying amount at the beginning of the period	1,219	1,219
Remeasurement	423	-
Carrying amount at the end of the period	1,642	1,219
Classified as:		
Current		
Make Good	530	-
Total current provisions	530	-
Non-current		
Make Good	1,112	1,219
Total non-current provisions	1,112	1,219
Total provisions	1,642	1,219

Agreements for the leasing of premises contain provisions which obligate ONRSR to restore those premises to their original condition at the conclusion of the lease. ONRSR has made a Make Good provision to reflect the present value of that obligation in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* - during the year an independent valuer was engaged to independently determine the present value as at 30 June 2024 of the expected amount required to fulfil this future liability. This valuation takes into account expected increases in cost with reference to the 5-year average annual change in the building price index for the relevant capital city, and discounts to present value using the relevant Commonwealth bond rate aligning with the timing of the make good obligation.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

22. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Contract liability	1,253	-
Total other liabilities	1,253	-

Contract liability relates to a Commonwealth-sourced grant for the Level Crossing Safety Data Improvement Project. Funding under this grant will be recognised as revenue as ONRSR achieves its performance obligations under the grant agreement.

23. Unrecognised contractual commitments

Expenditure commitments - non-capital

	2024	2023
	\$'000	\$'000
Within one year	1,133	120
Later than one year but no longer than five years	106	13
Total other commitments	1,239	133

Amounts disclosed include commitments arising from IT and telephony licensing, maintenance and services agreements, other service providers and short-term and low value leases not recognised in accordance with AASB 16 *Leases*.

24. Contingent assets and liabilities

Contingent assets and liabilities of ONRSR most commonly relate to prosecutions initiated by the Regulator in accordance with section 220 of the Law, but which are not yet complete as at balance date. If the Regulator is successful in such matters, ONRSR will be entitled to seek an order for up to one half of any fines imposed by the Courts as a penalty against the defendants, with ONRSR also having the opportunity to seek an order for its external legal costs. If the Regulator is unsuccessful, costs may be awarded against ONRSR.

There were no prosecutions initiated by the Regulator prior to 30 June 2024 which had not been determined as at that date.

25. Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to significantly affect the operations of ONRSR, the results of those operations, or the state of affairs of ONRSR, in subsequent financial years.

26. Key management personnel

Key management personnel of ONRSR include the Regulator, Non Executive Members and Executive Directors who have responsibility for the strategic direction and management of ONRSR, including personnel acting in those roles on a temporary basis. For the year ended 30 June 2024 the total number of key management personnel was 9 (2023: 10), who were collectively awarded total compensation of \$2.037 million (2023: \$2.306 million).

Transactions with key management personnel

There were no transactions with the key management personnel during the reporting period.

27. Related party transactions

Related parties of ONRSR include all key management personnel and their close family members. There were no related party transactions during the reporting period.

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

28. Financial instruments

Categorisation of financial instruments

The carrying amounts of each of the financial instrument categories are detailed below:

	2024	2023
	\$'000	\$'000
Financial assets:		
Financial assets		
Cash and cash equivalents	13,625	13,051
Financial assets at amortised cost		
Term deposits	10,000	10,000
Receivables	708	258
Total financial assets	24,333	23,309
Financial liabilities:		
Financial liabilities at amortised cost		
Payables	1,074	828
Lease liabilities	4,918	7,027
Total financial liabilities	5,992	7,855
Net gain or loss on financial assets:		
Cash and cash equivalents		
Interest on cash and cash equivalents	837	455
Financial assets		
Interest on term deposits	468	397
Net gain on financial assets	1,305	852
Net gain or loss on financial liabilities:		
Lease Liabilities		
Interest expense on lease liabilities	(106)	(132)
Net (loss) on financial liabilities	(106)	(132)

Receivable and payable amounts disclosed in this note exclude amounts relating to statutory receivables and payables.

Receivables amount disclosed here excludes prepayments and security deposits. Prepayments are presented in note 13 receivables in accordance with paragraph 78 (b) of AASB 101 *Presentation of Financial Statements*. Prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Financial assets include contractual rights to receive cash or another financial asset from another entity. Financial assets also include receivables that arise from statutory requirements, as the statutory requirements provide ONRSR with a right to receive cash or another financial asset from another entity.

Financial assets are measured at amortised cost using the effective interest method adjusted for any loss allowance.

Financial assets are assessed for impairment at each balance date.

Financial liabilities consist of suppliers and other payables and are measured at amortised cost. Due to their short term nature they are not discounted. Liabilities are recognised to the extent that the goods or services have been received.