



**SUBURBAN
RAIL LOOP**
AUTHORITY



Annual Report

2023 - 2024



Acknowledgment of Country

Suburban Rail Loop Authority acknowledges the Traditional Owners of the land, sky and waters across Victoria and pays respect to their Elders past and present.

We proudly recognise the strength and enduring connection to Country as the world's longest living culture and the profound wisdom, resilience and contributions of First Peoples and their communities.

We are committed to the ongoing journey of reconciliation by embedding self-determined Aboriginal ways of knowing and doing across the lifespan of the SRL project.

Language used in this report

SRLA recognises the diversity of Aboriginal and Torres Strait Islander peoples, their communities and cultures. References to 'First Peoples' or 'Aboriginal Peoples' in this Report are inclusive of all Aboriginal and Torres Strait Islander peoples in Victoria and reflects the plurality and diversity of Aboriginal communities.

Authorised and published by the Victorian Government

Suburban Rail Loop Authority
Level 21, 222 Exhibition Street, Melbourne, VIC 3000
Telephone: 1800 105 105
October 2024

ISSN 2653-598X (Online)

Unless indicated otherwise, this work is made available under the terms of the Creative Commons Attribution 3.0 Australia Licence. To view a copy of this licence, visit creativecommons.org/licenses/by/3.0/au.

It is a condition of the Creative Commons Attribution 3.0 Licence that you must give credit to the original author, who is the State of Victoria.

Accessibility

An accessible version of this document will be made available on the Suburban Rail Loop Authority's section of the Big Build website.

You can also contact the SRLA call centre by phone (1800 105 105) or email (contact@srla.vic.gov.au) to request the document in an accessible format.

Contents

Board Chair foreword	1
Chief Executive Officer foreword	2
Overview	3
Suburban Rail Loop: More transport, more homes	4
Suburban Rail Loop Authority	7
Key achievements	9
Governance	13
People and workplace	17
Health and safety	24
Disclosures	26
Local Jobs First	27
Social value	27
Disclosure of consultancy expenditure	28
Disclosure of major contracts	28
Emergency procurement	28
Disclosure of procurement complaints	28
Government advertising expenditure	28
Review and study expenses	29
Information and community technology expenditure	29
Environmental performance	29
Performance against output performance measures	31
Freedom of Information	32
Compliance with the Building Act 1993	33
Competitive Neutrality Policy	33
Compliance with the Public Interest Disclosure Act 2012	33
Compliance with the Carers Recognition Act 2012	33
Compliance with the Disability Act 2006	34
Additional information available on request	34
Attestation for financial management compliance	35
Financial Statements (see dedicated contents at the start of this section)	36
Disclosure index	79

Board Chair foreword

Suburban Rail Loop (SRL) will transform the way people move around Melbourne and Victoria, and support the sustainable growth of our city – ensuring our communities are thriving and connected.

Victoria is an attractive destination for people to live, work, study and play, and the latest projections show Melbourne will be home to nearly nine million by the 2050s – a city the size of London today.

SRL will not only improve transport connections, it will also unlock opportunities around the new underground stations. As an integrated rail and planning project, SRL is well-positioned to ensure more people can live in high quality homes close to existing infrastructure. But there will be opportunities also for more local jobs, business investment, education and healthcare services in vibrant precincts that can cater to growing communities.

Construction is now underway at all six SRL East station sites and the stabling site. With the first tunnelling contract awarded, and the second to follow later this year, we are on track to begin tunnelling in 2026.

At the same time, we're progressing the contracts to build the six stations, the trains, fit out the tunnels and operate the network. Planning for the neighbourhoods around the new stations is

taking shape, underpinned by input from local residents, businesses, councils, Traditional Owners and stakeholders. Their ideas are helping us deliver the best possible outcomes for these communities.

SRL is an important part of a coordinated Victorian Government strategy to proactively manage the state's growth. Planning the neighbourhoods around each station while we build SRL East will support the delivery of more homes right where people want to live.

As Chair of Suburban Rail Loop Authority, I am pleased to share this Annual Report and acknowledge the skills and commitment of the teams delivering this nationally significant project.

Responsible Body's declaration

In accordance with *the Financial Management Act 1994*, I am pleased to present Suburban Rail Loop Authority's Annual Report for the period 1 July 2023 to 30 June 2024.



The Honourable James Merlino
Board Chair, Suburban Rail Loop Authority

Chief Executive Officer foreword

There has been significant progress in the delivery of Suburban Rail Loop East this year, as the project rapidly transitions into major construction of the rail infrastructure and continues preparation of six draft structure plans for the neighborhoods around each station site.

More than 1,400 people are now working on Suburban Rail Loop (SRL) East, with construction underway at every station site between Cheltenham and Box Hill, and at the stabling facility in Heatherton. Over seven million hours have been worked on the project so far, with crews preparing the launch sites for tunnel boring machines ahead of tunnelling in 2026 and moving critical underground services for excavation of the six new stations and twin tunnels.

We are also preparing the draft structure plans for the neighbourhoods around the new stations, reflecting the valuable feedback we have been receiving from local communities, councils and our stakeholders.

We know Melbourne needs more housing in the right places, supported by world-class public transport – and SRL is delivering both. The Victorian Government’s Housing Statement details a comprehensive plan to boost our housing supply. SRL will deliver 70,000 additional new homes in the areas around the six SRL East stations, putting more homes on the doorstep of ‘turn-up-and-go’ public transport, in established areas close to good services, jobs and open spaces.

Planning for future housing needs must start now. The SRL Precincts Discussion Paper released in August 2023 attracted strong community feedback. The six Draft Precinct Visions outlining the opportunities and ideas for these neighbourhoods were released in December 2023,

receiving more than 33,000 online views and more than 3,400 responses. This engagement program is continuing ahead of public exhibition of the structure plans in early 2025.

To ensure we have established public transport connections for existing and future residents, workers and students along this growing corridor, we have continued our program of critical major works procurement. The first tunnelling contract for the 16-kilometre twin tunnels between Cheltenham and Glen Waverley was awarded in December 2023 to global consortium Suburban Connect.

The Tunnels North contract for the 10-kilometre section from Glen Waverley to Box Hill will be awarded in late 2024, following announcement of Preferred Respondent, Terra Verde, in July.

We have shortlisted bidders for the Linewide package to build our new fleet of trains, deliver signalling and operate the SRL East network, and the Expression of Interest (EOI) for two station packages have been released. We are seeing strong interest from the world’s best, keen to help us deliver this extraordinary project.

The release of the two station packages EOI marked an incredible milestone for the project, with all main works packages for SRL East now in procurement or delivery. This extraordinary achievement is reflective of the hard work and dedication of a deeply committed team.

I’m proud to deliver our third Annual Report – a testament of the energy and resolve of our teams in bringing this city-shaping project to life.



Frankie Carroll
Chief Executive Officer, Suburban Rail Loop Authority

The background is a solid green color. It features several abstract geometric elements: a thick dark green curved line starting from the top center and curving towards the right; a thin light green curved line starting from the top center and curving towards the bottom right, with three light green circular nodes; and a dashed dark green curved line starting from the left edge and curving towards the right edge.

SECTION 1

Overview

Suburban Rail Loop: More transport, more homes

Suburban Rail Loop is a once-in-a-generation opportunity to shape the future connectivity, productivity and liveability of Melbourne and Victoria.

Victoria is growing. By around the middle of the century, Melbourne will be home to about nine million people – a global city the size of London today. We need a public transport system and new housing options to meet this challenge.

SRL will connect communities and create thousands of jobs during construction. The 90-kilometre orbital rail line will link every major metro rail line from the Frankston line to the Werribee line, via Melbourne Airport, connecting people to jobs, education, medical care and retail across Melbourne’s suburbs.

Three transport super hubs at Clayton, Broadmeadows and Sunshine will connect regional services to SRL, so passengers outside Melbourne will not have to travel through the CBD to access employment opportunities, world-class hospitals and universities in the suburbs.

SRL is much more than a rail line. Beyond the transport connectivity, SRL will deliver enormous social, economic and environmental benefits. It will recalibrate our growth in the decades ahead, reshaping Melbourne into a ‘city of centres’ and delivering on the vision being refreshed in a Plan for Victoria, a long-term plan to ensure Melbourne and the wider state remain sustainable, productive and liveable.

SRLA will help deliver the urban planning, housing, amenities, open space and active transport links in SRL Precincts – supporting these communities to grow and thrive with construction of the new orbital rail line and the housing, businesses and development it will attract.

SRL’s rail infrastructure will be delivered in stages over several decades:

1. SRL East – Cheltenham to Box Hill, with 26 kilometres of twin tunnels, six new underground stations and structure planning in the broader areas around each station. Construction is underway and trains will be running by 2035.
2. SRL North – Box Hill to Melbourne Airport, with seven stations and train services enabling direct access to the airport as well as faster travel times. The Broadmeadows transport

super hub is located within this stage, which is set to be completed by 2053.

3. SRL Airport – Sunshine to Melbourne Airport, is part of the Melbourne Airport Rail Project, which the Victorian Infrastructure Delivery Authority (VIDA) is responsible for.
4. SRL West – Sunshine to Werribee, connects to the transport super hub at Sunshine and is supported by other key infrastructure being delivered in the west. SRL West will be subject to further investigation, planning and development.

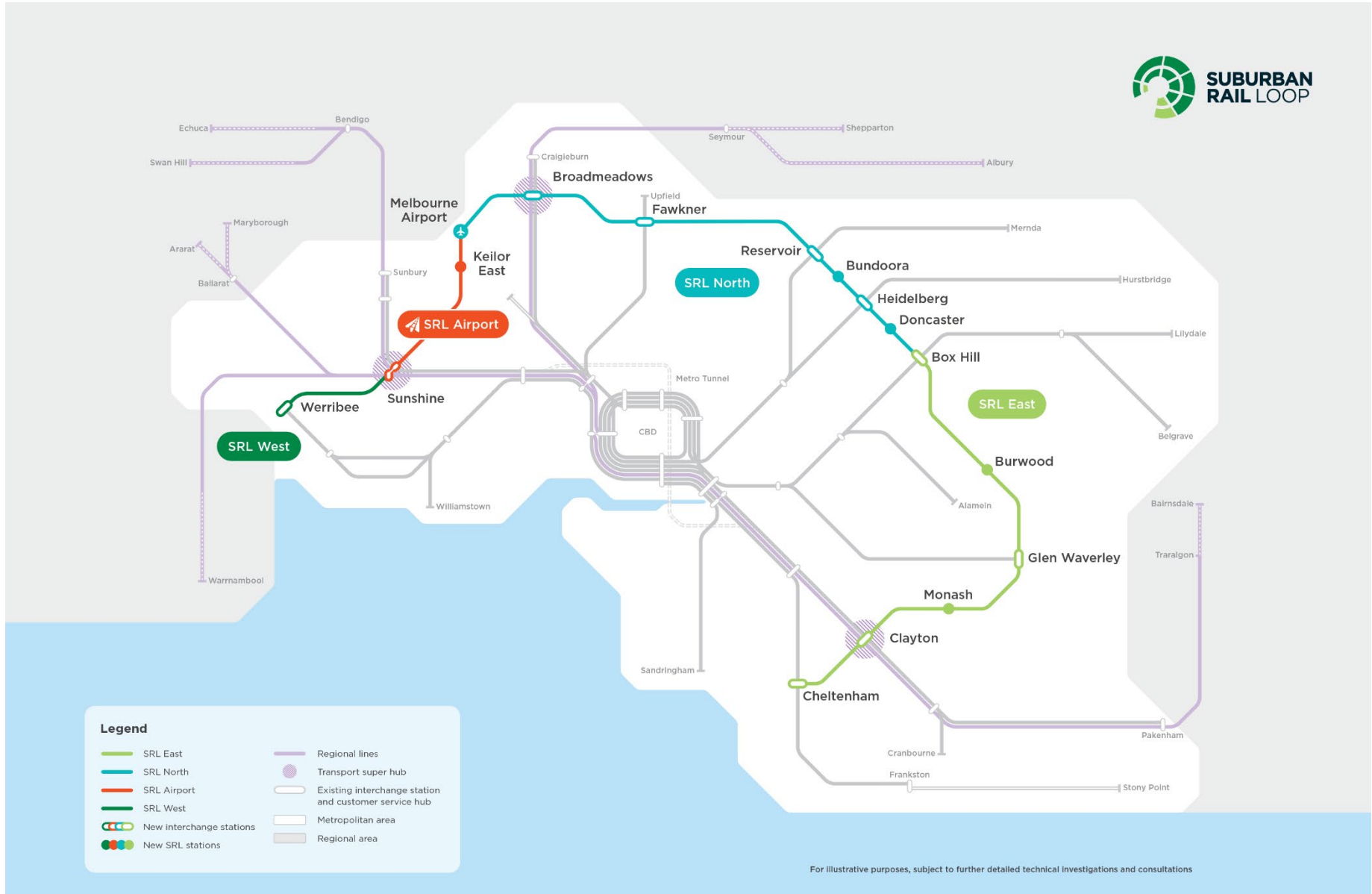
SRL will:

- Deliver up to 15 new stations and transform Melbourne’s public transport network.
- Provide a ‘turn-up-and-go’ metro-style rail service with a fleet of high-tech trains, powered by 100 per cent renewable energy.
- Increase housing choice and the availability of affordable homes in the established areas around the new SRL stations.
- Deliver rail connections to Melbourne Airport.
- Integrate existing Melbourne Metropolitan Rail Network (MMRN), road, tram, bus and active transport networks.
- Deliver on Plan for Victoria (the refreshed Plan Melbourne) objectives to transform Melbourne into a ‘city of centres’ with 20-minute neighbourhoods and more jobs closer to home.
- Establish cross suburb connections for fast and convenient travel between major employment, health, education and activity centres outside Melbourne’s CBD.
- Deliver new transport super hubs at Clayton and Broadmeadows and link to the super hub at Sunshine. These super hubs will connect regional passengers to the new orbital rail line, providing more direct and convenient journeys for regional passengers to destinations across the city.
- Unlock new placemaking possibilities in the broader areas around new SRL stations through a range of initiatives, including new and improved walking and cycling links, open and public space, and opportunities for more businesses to locate near the new train stations.
- Boost the economic and employment potential of: Melbourne’s National Employment and Innovation Clusters (NEICs) at Monash, La Trobe, Sunshine and Werribee; Metropolitan Activity Centres (MACs) such as

Box Hill and Broadmeadows; Health and/or Education Precincts (HEPs) at Clayton and Heidelberg; and Major Activity Centres such as Cheltenham, Glen Waverley and Reservoir.

- Generate thousands of local job opportunities and help train the next generation of skilled workers. Construction of SRL will support up to 24,000 jobs across the Victorian economy.

SRL – an orbital rail line for Melbourne



Suburban Rail Loop Authority

SRLA is established under the *Suburban Rail Loop Act 2021* (SRL Act). The SRL Act outlines the functions, powers and governance arrangements of the authority.

The primary objective of SRLA is to plan and deliver the Suburban Rail Loop program. SRLA is governed by a board of directors that sets the authority's strategic direction and priorities.

While an independent statutory authority, SRLA contributes to the Victorian Government's Department of Transport and Planning (DTP) initiatives and its vision: 'Thriving places and connected communities.' SRLA also contributes to the Victorian Government's transport portfolio purpose statement of 'Achieving safe, sustainable and integrated transport and land use outcomes for Victoria.'

SRLA's vision, purpose and objectives

SRLA vision

A thriving global city, ready for the future.

SRLA purpose

We connect people and communities to enhance liveability and create opportunity.

SRLA's vision and purpose guide the current and future stages of the SRL program. They are based on the sentiment that it is not only about program delivery, but ensuring SRL, as a transformational multi-generational program, plays an active role in shaping and connecting communities and contributing to Victoria's long-term future liveability.

Underpinning the vision and purpose statements are three benefits SRL will realise:

- Increasing **productivity** by facilitating greater employment, activity and investment in strategic areas within and around SRL precincts and outside the inner Melbourne city.
- Improving transport **connectivity** between key employment, health, education and retail destinations across Melbourne's middle suburbs and providing better access to opportunities for regional Victorians.
- Improving **liveability** through better connectivity in SRL precincts.

SRLA's four-year focus

SRLA's objectives over the period 2024-28 centre on four strategic pillars:

- **Community** is at the heart of how we plan and deliver exceptional transport and precinct outcomes.
- **Partners:** Driving a program of collaboration for delivery.
- **Culture and Capability:** A team committed to the future, where people learn through doing and lead by actions.
- **Create:** An innovative organisation focussed on transformational legacies and sustainable outcomes.

Key activities over the period will include:

- Completing the procurement of all major contracts for SRL East Main Works, including: tunnelling and station box excavation packages; line-wide signalling, trains operation and maintenance; and station construction.
- Concluding Early Works across the SRL East corridor and getting major construction underway, including launching tunnel boring machines and starting station construction from 2026.
- Finalising SRL East Precinct structure plans and changes to planning rules, including continuing the important conversations with local communities, stakeholders and councils regarding the broader areas around the new SRL stations.

SRLA's legislative objectives

SRLA's objectives, as defined under the SRL Act, include:

- undertaking development consistent with the *Transport Integration Act 2010* and planning objectives of the *Planning and Environment Act 1987*
- integrating a new orbital rail line with existing and planned public transport and road networks in the state
- facilitating sustainable population growth, urban renewal, and improved liveability
- encouraging land development and the facilitation of timely and coordinated delivery of non-transport infrastructure, transport infrastructure, services, and residential and commercial development

- improving connectivity throughout Melbourne by enhancing orbital public transport movements in relation to the new orbital rail loop
- increasing productivity by facilitating greater employment, activity and investment throughout Victoria
- enhancing regional Victorians' access to Melbourne's health, education, and employment centres by connecting regional rail lines to the new orbital rail loop at major interchange stations
- enhancing opportunities for the Victorian community, Victorian businesses and the State to capture value created by the development of precincts, non-transport infrastructure, transport infrastructure and other investments in relation to SRL.

SRLA values and culture pillars

SRLA staff uphold the seven Victorian Public Sector values:



In addition, SRLA is committed to four cultural pillars:



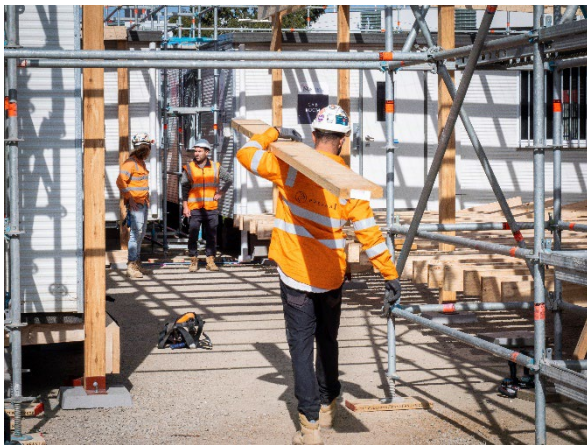
These pillars reinforce that it is not just about what SRLA does, but how SRLA staff work together within the organisation and with the community and other stakeholders that is important.

SRLA's aim is to remain high performing and agile in delivering on the program – every step of the way.

Key achievements

Significant progress was achieved in the delivery of SRL East over 2023-24. With a distinct shift from planning into delivery, we have made important gains in this transformational project that will ensure the state's growth is managed in a smart and sustainable way. As Melbourne grows, more transport options and more housing choices are needed in the right places. SRL has a crucial role in delivering both.

Early Works at the Cheltenham site.



More than seven million hours have been clocked up and more than 1,400 people are now working on the project. We are gearing up for the next phase of major construction and procurement. At the same time, we have advanced structure planning for the neighbourhoods around the six new underground stations. Our engagement and collaboration with residents, businesses and local councils is paving the way for thriving and connected communities well into the future.

SRLA also initiated important organisational changes this past year to enhance operational integration and drive efficiency across our teams.

Achieving procurement milestones

Across our major works packages, we reached important milestones during the reporting period. The tunnelling contract for the 16-kilometre twin tunnels between Cheltenham and Glen Waverley (Tunnels South) was awarded in December 2023. The Tunnels North contract for the section from Glen Waverley to Box Hill will be awarded in 2024. The Expression of Interest for the two station packages has been released. We have also shortlisted two bidders for the Linewide contract

to build the new fleet of trains, fit out the tunnels and operate the new network.

SRLA has worked closely with the industry to manage market capacity, understand the opportunities for innovation and adapt to emerging issues. We are continuing to see strong interest from a wide range of local and global industry leaders to help us deliver this project. SRLA values the right people in the right roles to ensure issues are managed proactively and effectively.

Construction underway

Construction is now underway at each SRL East station site between Cheltenham and Box Hill, and at the stabling facility in Heatherton. Crews are building tunnel access structures in Burwood and Heatherton and moving underground services to make way for excavation of the new stations and twin tunnels. A temporary bridge is being built on Whitehorse Road to keep traffic moving during construction.

Site works at Burwood.



Our Tunnels South contract partner Suburban Connect is preparing for the start of tunnelling in 2026, with site investigations, recruitment and specialist design reports. Together, we have developed an innovative tunnelling approach that will help reduce the impact of construction on the community. Tunnel boring machines will now be launched from a recycling facility in Clarinda instead of Heatherton – further away from nearby residents. And a ground freezing technique will be used to build most of the safety cross passages between the twin tunnels. This will reduce the impacts on local road traffic by 90 per cent and prevent disruptions for nearly 100 homes and businesses.

Enhancing health and safety

Workplace health and safety is an absolute priority for SRLA.

We are taking a proactive approach to health and safety across our sites, with a program of inspections and risk assessments, formal training and informal learning sessions, creating opportunities to share knowledge and boost capability across our teams.

The Victorian Tunnelling Centre at Holmesglen Institute's Chadstone campus offers specialist training in the construction and maintenance of a variety of tunnels including rail, road, and utilities.



Advancing structure plans and precinct development

To optimise the changes SRL will deliver, SRLA has responsibility for the timely delivery of the transport infrastructure integrated with land planning above and around the new underground stations.

SRLA has acquired approximately 300 properties to provide land for stations and rail infrastructure. At the same time, a comprehensive program of support has been tailored to meet the needs of businesses and residents affected by land acquisition. The support measures have included relocation planning, alternative property searches, removalist and storage assistance, and temporary accommodation.

Ministerial approvals and endorsements for surface and tunnel plans, carparks and the Urban Design Strategy were also secured following stakeholder feedback, ensuring positive design outcomes are at the forefront of the project.

SRLA is supporting the Victorian Government's new Plan for Victoria by helping to achieve the vision of a city-of-centres. Progress with structure planning this past year saw the development and

public release of Draft Visions and Key Directions for the areas around the new SRL East train stations, and the collection of wide-ranging feedback and technical data to inform the structure plans. These represent major milestones as we work towards planning scheme amendments and applying the structure plans to development within SRL East Precincts in 2026.

Box Hill: SRL East will connect our growing health, education, retail and employment precincts in Melbourne's east and southeast between Cheltenham and Box Hill.



Engaging with communities and planning future neighbourhoods

We are working closely with the community as we plan and deliver this city-shaping project, including engagement and consultation to support the structure planning process. The SRL Precincts Discussion Paper released in August 2023 attracted broad community feedback. The six Draft Precinct Visions outlining the opportunities and ideas for these neighbourhoods were released in December 2023, receiving more than 33,000 online views and generating about 3,400 responses. The next phase of consultation involved the release of Key Directions for each SRL East Precinct in April 2024, which attracted about 5,400 contributions from the community and other stakeholders. Draft structure plans will go on public exhibition by early 2025.

Online consultation was supported by conversations with locals at community information sessions, events and pop-ups, as well as detailed workshops with local councils in 2024 alone. We are being open about what the future of these neighbourhoods might look like, with

more jobs, services and housing choices over time. The development of structure plans for these communities will be shaped by the ideas and ambitions from the community. Local councils have also had many opportunities to have their say.

SRLA staff handing out surveys at the Box Hill Central engagement stall.



Embedding sustainability

We have set ambitious sustainability targets and benchmarks with our construction partners. We are working to ensure sustainability outcomes are embedded across all stages of the project, from designs to construction and operation.

This has included the use of low carbon concrete in our piling, the reuse of construction materials, and recycling of construction waste rock and concrete from our station sites, to reduce SRL East's carbon footprint. Each of the four SRL Tunnel Boring Machines will be powered by 100 per cent renewable electricity.

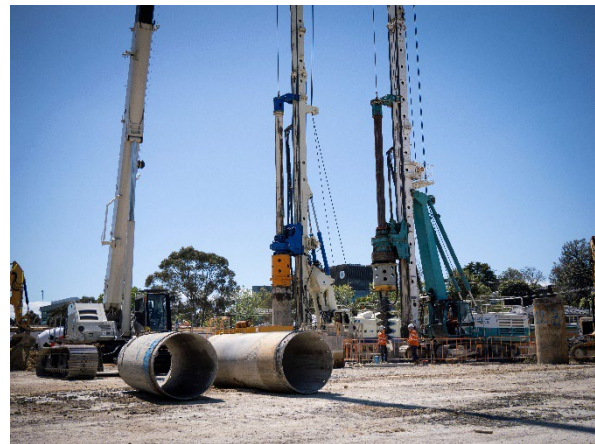
We are supporting initiatives to reduce water use and energy demand on site, including solar power and battery hybrid generators for site offices and caravans, reducing emissions for site accommodation by more than 60 per cent. Water tanks were connected to office roofs and the larger compounds, capturing rainwater for use on the site, including dust suppression.

SRL East's construction works are minimising the loss of trees and vegetation – as well as helping to create cool, green and inviting public spaces. A good example is Gardiners Creek in Burwood. We are working with stakeholders to restore this important local asset, which supports native fish species, and the surrounding area. This includes

volunteering days to rejuvenate the Gardiners Creek trail, clearing weeds, preparing soil and planting species that already exist in the area and which will support biodiversity.

SRLA will continue to support and achieve sustainability outcomes across work packages and in planning the neighbourhoods around each station. We promote transparency and accountability in meeting our sustainability objectives and released our Annual Sustainability Report in mid-2024.¹

Site piling works at Burwood: The Burwood and Heatherton sites used reclaimed concrete and rock from the Level Crossing Removal Project.



Supporting self-determination, diversity and social procurement

Over this past year, we have continued to promote social value and inclusion through employment targets for First Peoples, women and priority jobseekers, and for procurement from social enterprises and Aboriginal-owned businesses. These outcomes are reflected in SRLA's Social Procurement Strategy.

Our Initial and Early Works contractor Laing O'Rourke has engaged 32 Aboriginal businesses and 16 social enterprises, with more than \$10 million spent with Victorian social benefit suppliers. This has, for example, included awarding work to cleaning, maintenance and logistics companies that employ people living with disability.

There is also a focus on increasing the number of women working on the project as apprentices, trainees and cadets. The Inspiring STEM+ Program initiative with Kilbreda College

¹ Link to the Annual Sustainability Report: bigbuild.vic.gov.au/library/suburban-rail-loop/reports

encouraged more female school and university students into science, technology, engineering, and mathematics, and ultimately, towards careers in construction and engineering.

Meanwhile, we are creating opportunities for more longer-term sustainable pathways for First Peoples tertiary students through an expanded Skill Builder internship program.

SRLA continues to develop practices and introduce initiatives that promote accessibility and inclusivity for staff with disability. SRLA also implemented its Gender Equality Action Plan this year and, working with our partners, continues to prioritise the training and recruitment of women through school, TAFE and university programs that encourage careers in construction and engineering.



Expanding career pathways

As a multi-decade project, SRLA is supporting thousands of jobs across the economy, while helping train the next generation of highly skilled workers. The first stage of works is creating hundreds of jobs, with more than 14 per cent of hours worked by apprentices, trainees and cadets.

SRLA was awarded a place on the Top 25 Graduate Employer list and our graduate campaign was recognised for excellence by the Australian Association of Graduate Employers. We expanded our Graduate Program in 2024, with 19 new recruits from a diverse range of backgrounds. This year, nine graduates from 2022 moved into permanent roles, applying their skills and taking on new responsibilities.

SRLA's Graduate Program cohort for 2024.



Governance

Minister

The Hon. Danny Pearson MP, Minister for the Suburban Rail Loop.

SRLA Board

SRLA's governing Board is responsible for the management and affairs of SRLA, in particular:

- setting SRLA's strategic direction and priorities within the context of the SRL Act and government policy
- ensuring SRLA fulfils its objectives and functions effectively
- ensuring SRLA complies with the SRL Act and the regulatory framework within which it operates.

As at 30 June 2024, the SRLA Board comprised six Directors:

- Hon. James Merlino (Chair)
- Ms Christine Wyatt (Deputy Chair)
- Mr Paul Barker
- Ms Megan Bourke-O'Neil
- Ms Sally Freeman
- Mr James MacKenzie AO.

The Board ensures the Victorian Government is informed of all significant matters regarding SRLA. The Chief Executive Officer (CEO) is invited to attend each Board meeting.

The SRLA Board held 13 meetings between 1 July 2023 and 30 June 2024, with attendance as follows:

Board Director	Eligible to attend	Attended
James Merlino	13	13
Christine Wyatt	13	12
Paul Barker	13	12
Megan Bourke-O'Neil	13	6
Sally Freeman	13	12
Ben Hubbard ²	9	6
James MacKenzie	13	10

Information about Directors' remuneration is disclosed in the financial statements.

Board committees

Four committees operated during the reporting year:

Audit and Finance Committee¹

Paul Barker (Chair)
Sally Freeman
James Merlino

Professional Services Procurement Committee²

James MacKenzie (Chair)
James Merlino
Sally Freeman
Christine Wyatt

Remuneration and People Committee

Christine Wyatt (Chair)
Megan Bourke-O'Neil
James Merlino

Risk and Integrity Committee

Sally Freeman (Chair)
Paul Barker
James Merlino
Christine Wyatt

Notes:

1. The Audit and Finance Committee undertakes reviews and makes recommendations to assist the Board to fulfil its responsibilities in relation to SRLA's financial management, performance and sustainability obligations. This includes considering financial risk management and the independence and performance of the internal audit function.
2. The Professional Services Procurement Committee was dissolved on 31 May 2024.

Information provided to the Minister and Treasurer

Reports are provided to, and as required and determined by, the Minister and Treasurer. Reporting includes information:

- regarding financial and delivery performance
- to support the Minister to meet Parliamentary responsibilities in respect of the exercise of SRLA functions
- to inform the Minister regarding risk management activities in accordance with the *Public Administration Act 2004*.

² Resigned as a Director March 2024.

Each annual report is provided to the Minister in accordance with the SRL Act and Part 7 of the *Financial Management Act 1994*.

SRLA Leadership Team and divisional structure

The Board is supported by the Executive Leadership Team (ELT), led by the CEO. The CEO is responsible for the day-to-day management of SRLA in accordance with the general policies, strategic direction and priorities determined by the Board.

The CEO also holds the position of Accountable Officer under the *Financial Management Act 1994* and is responsible for the relevant accountability and reporting obligations of SRLA.

ELT members lead SRLA divisions to achieve the organisation's strategic and project outcomes. As at 30 June 2024,³ SRLA had the following divisions:

Rail and Infrastructure Delivery

Responsible for implementing innovative and effective rail and infrastructure design and delivery solutions to help realise program objectives and benefits. The division oversees the following work streams:

- safety and quality
- design, including coordination of the technical advisory team
- interfacing with key stakeholders for inputs to the design
- project controls
- project/construction management
- rail operations.

Land, Planning, Environment and Sustainability

Leads: the delivery of planning and environmental approvals; development of structure plans; and land access and transactions. The division helps ensure the SRLA program delivers positive environmental and community outcomes, while driving industry-leading sustainability opportunities. Activities led by the division include:

- land investigations, approvals and acquisition
- precinct planning, including delivery of structure plans for the six SRL East Precincts
- planning approvals, strategy and support for Rail and Infrastructure Delivery
- embedding quality urban design outcomes in infrastructure design and precincts
- environment and sustainability policy, procedures and management
- managing the impact on communities and the environment during construction and operation
- integrated transport planning
- spatial analysis and technical solutions
- coordinating SRLA's function as a referral authority.

Strategic Communications and Engagement

Focused on community engagement and consultation, the division supports and enhances the development and delivery of SRL by capturing and incorporating community and other stakeholder feedback into SRLA's transport and precinct objectives. It is also responsible for a range of communications activities to raise awareness and understanding of SRL. The division develops and implements strategies to help SRLA engage with local communities, stakeholders, peak industry bodies, government and the media.

It manages Precinct Reference Groups and Community Panels as forums for consultation, as well as SRLA's communication channels, including public information materials, and digital and in-person engagement and events.

The division nurtures partnerships and builds community involvement in the project, as well as awareness of its planning, benefits and delivery impacts.

Commercial and Legal

Responsible for efficient and effective commercial, legal, procurement, integrity and assurance advice and services that support the effective operation of SRLA and delivery of SRL.

³ Further to an organisational change and consultation process, the standalone Precincts and Planning Division was removed in May 2024. This change reflected the

shift in SRLA's role from project planning to implementation, with functions key to implementation integrated into other divisions.

The division comprises the following branches that work closely together, supported by external commercial, financial and legal advisers:

- Commercial (Rail and Infrastructure)
- Project Legal (Land and Infrastructure)
- Governance and General Counsel
- Procurement (Goods and Services).

Strategy and Policy

Responsible for providing guidance and support to the Minister, Board and CEO by focussing on the forward plan and articulating a 'whole of SRLA' approach to realising the program benefits outlined in the SRL Business and Investment Case.

The division:

- Facilitates the delivery of coherent and integrated outcomes aligned to the vision for SRL.
- Identifies, incubates and facilitates policy opportunities to leverage the SRL program to generate an optimal whole of program outcome.
- Leads and manages the development and delivery of the corporate planning process and updates to each plan annually, including monitoring and reporting of performance against targets and supporting risk management.
- Partners with internal and external stakeholders to ensure the SRL program

delivers a positive and sustainable legacy for Victoria.

People and Culture

Responsible for fostering an environment where SRLA people can excel and grow, achieving strong outcomes now and for the future. Focus areas include: long-term workforce requirements, trends and capabilities; attracting and retaining high-quality talent; investing in the development of SRLA people; and building SRLA's culture so every member of staff feels safe and empowered to share their ideas and deliver great outcomes.

Responsibilities include:

- people and performance, including talent acquisition, HR operations, executive services and business partnering
- workforce planning and reporting
- learning and development
- inclusion and diversity
- employee wellbeing and engagement.

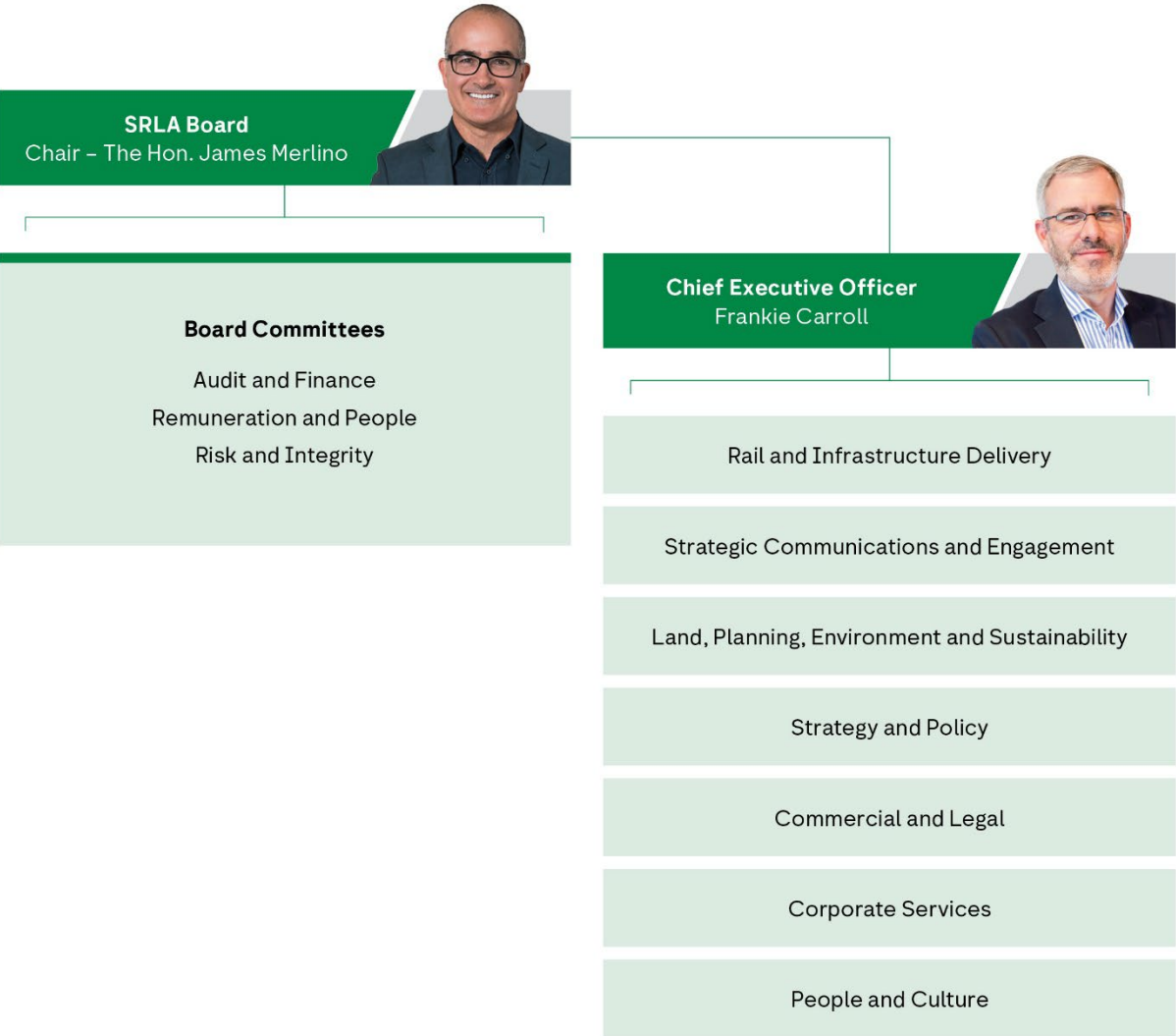
Corporate Services

Responsible for developing and putting in place corporate frameworks, systems and controls, including to meet operational and reporting obligations and ensure compliance with legislative requirements. Functions include:

- Finance and Administration
- Digital, Data and Information Technology
- Facilities Management.

SRLA structure

As at 30 June 2024.



People and workplace

SRLA is supporting and developing its people to help deliver operational excellence, valuing everyone's contribution and embracing diversity and inclusion.

Public sector values and employment principles

SRLA is pursuing initiatives to foster the highest standard of integrity and conduct, supporting staff to build a workplace that demonstrates respect, trust and openness.

SRLA is committed to meeting the public sector values and employment principles set out in the *Public Administration Act 2004*. Across 2023-24, SRLA reflected and promoted these values and principles via policies, procedures and supporting material – as well as through training and expert advice.

People Strategy

SRLA adopts a 'one-team' culture and is supporting its workforce by implementing a People Strategy that underpins its approach to: workforce capability; employee wellbeing; building a high-performing environment; future-focussed leadership; embracing inclusion; and embedding a growth mentality.

The People Strategy defines SRLA's commitment to its employees and creates an environment where people can excel and grow, achieving strong outcomes in collaboration.

Workforce inclusion

SRLA is creating an inclusive culture by raising awareness of and celebrating difference by building individual capability to promote diversity of thought and an appreciation of individual differences. The organisation's leadership fosters an environment that encourages, enables and embraces an inclusive and diverse workforce that reflects the communities SRLA serves.

SRLA places a priority on ensuring there is a safe and inclusive workplace for the following groups:

First Peoples

In 2023-24, SRLA strengthened its engagement, consultation and collaboration with First Peoples communities to ensure cultural respect and inclusivity within the organisation.

To attract current and future Aboriginal talent, SRLA introduced: the Skill Builder Program, providing work experience opportunities for First Peoples university students; and dedicated roles for First Peoples in the SRLA graduate program.

SRLA, with Initial and Early Works contractor Laing O'Rourke, attended an NRL School to Work Careers Expo at Melbourne Storm Ruby League Club in 2004. Such events afford SRLA the opportunity to attract talented First Peoples students to the SRL project.

NRL School to Work Careers Expo 2024.



To promote everyone's responsibility for Aboriginal inclusion and cultural safety, SRLA established Balak Wartakangatj, meaning 'people coming together' in Dja Dja Wurrung language. 14 SRLA staff were nominated to be part of this Self-Determination Advocacy Group.

SRLA staff yarning and making emu feather crafts at the Balak Wartakangatj Induction at the Aboriginal Advancement League.



People with disability

During 2023-24, SRLA implemented practices to promote accessibility and inclusivity for staff living with disability. SRLA engaged the Australian Disability Network to conduct a recruitment review of all our policies, aiming to reduce barriers and ensure we are working towards being a disability-confident organisation. These actions were informed by staff living with disability, ensuring that employee voice is embedded in driving our inclusion and diversity efforts across SRLA.

The graduate program now has dedicated roles for people living with disability; while membership of the Australian Disability Network has strengthened SRLA's understanding of and capability to support the needs and expectations of people living with disability and their carers.

Women and SRLA's Gender Equality Action Plan

To address gender gaps and promote equal opportunities, SRLA implemented its Gender Equality Action Plan (GEAP) across 2023-24. This included providing staff with training and education on gender impact assessments and legislative obligations.

SRLA's GEAP has been assessed as compliant with the *Gender Equality Act 2020* by the Commission for Gender Equality in the Public Sector.

Culturally and Linguistically Diverse (CALD) staff

To foster understanding and appreciation of diverse cultures within the workforce, SRLA supported staff to participate in the DTP's 'We All Belong' network. SRLA also leveraged its membership with Diversity Council Australia to ensure culturally appropriate support for employees from diverse backgrounds.

LGBTQ+

In 2023-24, Pride in Diversity delivered 'Empowering Allies' sessions to equip staff with the knowledge and skills to be champions for LGBTQ+ colleagues. SRLA also participated in LGBTQ+ advocacy initiatives and events.

For the first time, SRLA participated in Midsumma Carnival with Bent Transport, led by DTP. This initiative provided an opportunity to engage with the LGBTQ+ community and showcase what it means to be part of the SRLA family. These events highlighted the benefits the SRL program brings to communities across Victoria and offered

support to LGBTQ+ colleagues within SRLA and across the broader transport portfolio.

Employment programs

The size, scope and duration of the SRL program provides for a wide range of career opportunities. Work will continue on initiatives to gauge and address workforce capability and capacity challenges, including skill shortages.

SRLA provides early career opportunities through internships and its successful Graduate Program.

SRLA has partnered with Victorian Government departments, Big Build projects and delivery partners to showcase the career opportunities across Victoria's transport and infrastructure projects. Throughout 2023-24, SRLA attended school and university careers events, job skills expos and trade and tech fairs, connecting with a diverse cohort of future workers to highlight the variety of career pathways available at SRLA.

SRLA attended the Gippsland Jobs Expo 2023.



Learning and development

SRLA's learning and development program complements the Performance Development Planning (PDP) cycle and focuses on continual learning and exposure to opportunities to improve skills, expand knowledge and prompt different ways of thinking – supporting better professional and personal outcomes.

SRLA's holistic approach to building capability includes on-the-job learning, access to subject matter experts, networking, knowledge sharing, professional associations and formal training.

Wellbeing

SRLA is focussed on building an organisation that promotes and protects employee wellbeing

through innovative and engaging initiatives – supporting everybody to be their best at work.

SRLA provides employees with a physically and psychologically safe workplace, and applies the PERMAH model of wellbeing when considering workplace programs and initiatives.

SRLA takes a systemic approach to developing wellbeing initiatives across three levels:

1. the individual (Me)
2. team (We)
3. the organisation (Us).

SRLA wellbeing support for employees includes:

Peer Supporters

Peer Supporters provide informal, confidential support to employees by using an active listening, clarification and referral model. As at 30 June 2024, there were five trained SRLA Peer Supporters.

Mental Health First Aid Officers and Mental Health First Aid training

SRLA's accredited Mental Health First Aid Officers (MHFAOs) support employees who are experiencing mental health challenges. As at 30 June 2024, 22 staff had been appointed MHFAOs.

Since 2022, SRLA has offered all staff the opportunity to register and complete accredited Mental Health First Aid (MHFA) training. This is a peer-to-peer program that teaches team members how to help a person who may be struggling with mental health, experiencing a worsening mental health problem or having a mental health crisis. As at 30 June 2024, 83 staff members had completed the training.

Wellbeing Champion Network

SRLA's Wellbeing Champion Network consists of Peer Supporters and Mental Health First Officers and promotes positive mental health and wellbeing.

Mental health training for people leaders

SRLA places a priority on ensuring its people leaders support positive mental health outcomes, including by offering a tailored training program 'Creating a Mentally Healthy Workplace – Strategies and Solutions'. As at 30 June 2024, over 200 individuals had undertaken this training.

Psychosocial safety

In December 2023, SRLA established a Psychosocial Safety Working Group to create a sustainable, high performing and psychologically safe workplace for staff and potential employees.

Employee Assistance Program

SRLA's Employee Assistance Program (EAP), facilitated by one of Australia's leading mental health providers, provides confidential support services to all SRLA employees and immediate family members. A dedicated Manager Support Program means people managers can discuss confidential issues and access coaching and practical strategies on how to support their team.

As part of a pilot program with DTP, SRLA has engaged Aboriginal business Girraway Ganyi to provide culturally safe and inclusive employee assistance services. Girraway Ganyi's Aboriginal psychologists and counsellors provide counselling, cultural and mentoring support, and mental health first aid training sessions.

Suburban Rail Loop Authority workforce information

SRLA workforce statistics as at June 2024

Category	All employees		Ongoing			Fixed term & casual	
	Number	FTE	Full time	Part time	FTE	Number	FTE
Gender							
Woman	268	262.7	132	12	141.1	124	121.6
Man	382	380.7	174	6	178.9	202	201.8
Self-described	-	-	-	-	-	-	-
Age							
15-24	18	18.0	1	-	1.0	17	17.0
25-34	164	163.0	67	2	68.4	95	94.6
35-44	262	257.8	123	10	130.7	129	127.1
45-54	152	151.1	85	4	88.4	63	62.7
55-64	49	48.5	28	2	29.5	19	19.0
65+	5	5.0	2	-	2.0	3	3.0
Classification							
VPS 1	-	-	-	-	-	-	-
VPS 2	-	-	-	-	-	-	-
VPS 3	38	38.0	6	-	6.0	32	32.0
VPS 4	75	73.8	34	4	37.2	37	36.6
VPS 5	112	111.0	59	2	60.6	51	50.4
VPS 6	203	200.1	79	6	83.3	118	116.8
PS	6	6.0	5	-	5.0	1	1.0
STS	127	126.3	38	2	39.7	87	86.6
Executive	89	88.2	85	4	88.2	-	-
Total employees	650	643.4	306	18	320.0	326	323.4

Notes:

- FTE means full-time equivalent.
- STS refers to Senior Technical Specialist.
- PS refers to Principal Scientist.
- All figures reflect employment levels during the last full pay period of the financial year.
- External contractors/consultants and temporary employees employed by employment agencies are, in line with guidance for Victorian Government annual reports, excluded from the above employment data.
- Also in line with guidance, Executive Officers are treated as ongoing employees except where employed for discrete projects.
- Across 2023-24, SRLA recruited prudently for the workforce necessary to deliver SRL. Recruitment is programmed to reflect delivery timelines, including the progress of Initial and Early Works, the start of Main Works in 2026 and to enable the community consultation on and planning for the neighbourhoods around each SRL East station.

SRLA workforce statistics as at June 2023

Category	All employees		Ongoing			Fixed term & casual	
	Number	FTE	Full time	Part time	FTE	Number	FTE
Gender							
Woman	234	229.5	90	6	94.8	138	134.7
Man	308	307.0	98	5	102.3	205	204.7
Self-described	2	1.8	-	-	-	2	1.8
Age							
15-24	8	8.0	1	-	1.0	7	7.0
25-34	163	162.0	39	-	39.0	124	123.0
35-44	201	197.8	71	4	74.2	126	123.6
45-54	127	125.7	57	7	62.9	63	62.8
55-64	40	39.8	18	-	18.0	22	21.8
65+	5	5.0	2	-	2.0	3	3.0
Classification							
VPS 1	-	-	-	-	-	-	-
VPS 2	-	-	-	-	-	-	-
VPS 3	30	30.0	4	-	4.0	26	26.0
VPS 4	74	72.8	26	1	26.8	47	46.0
VPS 5	100	98.7	37	1	37.8	62	60.9
VPS 6	168	165.9	34	6	38.9	128	127.0
PS	8	8.0	-	-	-	8	8.0
STS	86	85.3	12	-	12.0	74	73.3
Executive	78	77.6	75	3	77.6	-	-
Total employees	544	538.3	188	11	197.1	345	341.2

Notes:

- The gender and age breakdowns reported in the Annual Report 2022-23 have been adjusted to ensure staff are correctly captured as ongoing / fixed term & casual. Totals and the classification breakdown have not changed.

Senior Executive Service data

An Executive Officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. The definition of an EO does not include a statutory office holder or an Accountable Officer.

All figures in the tables below reflect employment levels at the last full pay period in June 2024.

Total number of executives by gender

Classification	All	Man	Woman	Self-described
Chief Executive Officer	1	1	0	0
SES3	6	4	2	0
SES2	54	48	6	0
SES1	28	19	9	0
Total	89	72	17	0

Reconciliation of executive numbers

	2024	2023	2022
Executives	102	83	54
Add Accountable Officer (CEO)	1	1	1
Less leave without pay	0	0	0
Less separations	-14	-6*	-3
Less other	0	0	0
Total executives	89	78	52

Notes:

- Figures do not include staff on higher duties in vacant SES positions.
- 'Other' captures executive movements to non-executive roles.
- * Typographical error corrected from the Annual Report 2022-23 (figure was reported as -8).

Annualised total salary for senior employees by classification

Range	Executive	STS	PS
<\$160,000	0	0	0
\$160,000 – \$179,000	0	12	0
\$180,000 – \$199,999	1	35	1
\$200,000 – \$219,000	5	21	0
\$220,000 – \$239,000	13	32	3
\$240,000 – \$259,999	14	27	2
\$260,000 – \$279,000	8	0	0
\$280,000 – \$299,999	12	0	0
\$300,000 – \$319,999	3	0	0
\$320,000 – \$339,999	6	0	0
\$340,000 – \$359,999	7	0	0
\$360,000 – \$379,999	8	0	0
\$380,000 – \$399,999	0	0	0
\$400,000 – \$419,999	2	0	0
\$420,000 – \$439,999	1	0	0
\$440,000 – \$459,999	3	0	0
\$460,000 – \$479,999	1	0	0
\$480,000 – \$499,999	1	0	0
>\$500,000	4	0	0
Total	89	127	6

Notes:

- The salaries reported above are the full time equivalent total remuneration less superannuation.
- There was a total of 10 senior employees employed on a part-time basis as at 30 June 2024: 4 SES and 6 STS. The part-time fractions ranged from 0.6 to 0.95 FTE.

Health and safety

A top priority for SRLA is ensuring the safe delivery of Victoria's biggest infrastructure project – for SRLA's workforce and partners and the communities along the SRL alignment. SRLA's intention is that health and safety (H&S) is integrated into the routine of all teams, leaving a lasting health and safety performance legacy. In 2023-24, there were no recordable injuries to SRLA's employees. In respect of project delivery, the 'All Injury Frequency Rate' (AIFR) remained well below (better than) industry benchmarks at 1.52 injuries per million hours worked.

Health and safety of SRLA's people

With a multi-decade delivery program, SRLA's H&S Strategy has been developed to be scalable – and is underpinned by a culture that prioritises achieving exceptional H&S results. To achieve this, SRLA is focussed on H&S Leadership Capability, Risk Management, Governance and Rail Safety. Initiatives undertaken over 2023-24 included:

- Divisional Action Plans were adopted to embed the H&S Strategy.
- Eight risk assessments and 11 office inspections were conducted to support a healthy and safe work environment.
- SRLA senior leaders undertook due diligence training to better understand and fulfill their obligations.
- 94 per cent of new staff completed H&S induction training. 87 per cent completed H&S orientation.
- 'Virtual site walks' were introduced to give all SRLA staff the opportunity to learn more about H&S risks and control measures on contractors' worksites.
- As part of SRLA's H&S month: there was a panel discussion at an All-Staff Forum; more than 600 employees participated in the virtual site walks; and lunch and learn sessions were held.

Embedding health and safety in project delivery

SRLA's Contractor Engagement Strategy (CES) – Health and Safety continues to drive positive H&S outcomes across SRL's work packages.

The CES informs and guides how SRLA selects and engages contractors, as well as practical steps to support SRLA in its role as an active and

informed client. Under the CES, SRLA conducted 171 'H&S site diaries' and 142 'critical risk inspections'. SRLA's senior leaders participated in 17 'senior leader walks' during 2023-24 to maintain awareness and understanding of SRLA's contractors' works and activities.

The award of the Tunnels South contract to Suburban Connect underscores that the SRL program is moving from planning to delivery. To ensure SRLA is a supportive and collaborative client, engaged in open discussions and proactively monitoring performance, SRLA has partnered with Master Builders to deliver active client training. To date, over 240 employees have participated in these empowering sessions.

Key activities and performance for 2023-24 included:

Initial and Early Works

- Development of a critical risk inspection framework for health and safety risks.
- The low number of reportable incidents demonstrates the effectiveness of SRLA's H&S Strategy and collaboration with contractor to achieve positive health and safety outcomes.

In 2023-24:

- six incidents were reported to regulators
- there was one reportable injury
- two property/asset damage instances were classified as 'high potential' incidents. Thorough investigations were conducted and the respective principal contractors presented their findings and resolutions to SRLA leaders.



Tunnels South and North

- There was one reportable injury and two asset/property damage incidents.
- Prior to release of the Request for Proposal (RFP), SRLA undertook a hazard identification for both work packages, which has informed contract conditions.
- Health, safety and rail safety were formally part of the technical evaluation criteria for both work packages.
- Commercial and cultural lead indicators were established through the risk and reward regime in the Incentivised Target Cost (ITC) Deed for the work packages. Safety Lead Indicators are aligned to SRLA's H&S Strategy and focus on: leaders' ownership of safety; risk management; governance; driving the adoption of technology and engineering controls or the elimination of risk; building capability at a project and industry level; and creating new standards for tunnelling in Australia.

Rail safety

In April 2024, SRLA made its rail accreditation submission to the Office of the National Rail Safety Regulator (ONRSR). The submission included comprehensive project plans, design specifications, safety protocols, environmental impact assessments and operational procedures.

Once approved, SRLA will be accredited to oversee the construction of permanent SRL rail infrastructure.

SRLA's collaboration with ONRSR, which helped inform the accreditation submission, was the subject of a recent published case study, outlining how early engagement with the regulator is not just about compliance, but also the sharing of best practice.

Meanwhile, the Rail Industry Worker Program is now well-established and identifying and assessing those in Rail Safety Worker roles – providing assurance these critical workers have the specific competencies required.

Health and safety metrics for SRLA employees

Indicator	2023-24	2022-23	1 December 2021 – 30 June 2022 ¹
Health and safety walks ²	188	86	57
Assurance and governance ³	175	25	8
High potential incidents	0	0	0
SRLA (employer) Regulatory Notices ⁴	0	0	0
Incidence rate (VPS) ⁵	1.33	1.11	5.56
Lost time injury frequency rate (LTIFR)	0	0	0
Total recordable injury frequency rate (TRIFR) ⁶	0	0	0
Average cost per worker compensation claim ⁷	N/A	N/A	N/A

Notes:

1. Data for 2021-22 cover December 2021 to June 2022, the period of the year for which SRLA was a statutory authority. Data for 2021-22 reported here are not directly comparable to data published in the Annual Report 2021-22, in part because the figures above now exclude SRLA's delivery partners.
2. 'Health and safety walks' captures the number of SRLA representatives who conducted H&S walks, as recorded in the 'health and safety site diary' or 'senior leader health and safety site diary', for the reporting period.
3. 'Assurance and governance' captures the number of 'critical risk inspections' and 'office and site inspections' conducted during the reporting period.
4. 'Regulatory notices' are notices issued to SRLA by WorkSafe or ONRSR.
5. 'Incidence rate' is calculated as: (number of incidents [divided by] number of FTEs) [multiplied by] 100 FTEs. Note 'incidents' exclude COVID-19 cases, environmental, and 'report only' consequence types. Further, the methodology for calculating this indicator has been revised, with FTEs rather than hours worked now the denominator (as per relevant guidance). The figure previously reported for 2022-23 has been updated accordingly; but data are not available to recalculate the 2021-22 actual – hence this figure is not comparable with later years. In 2023-24, there were 10 recordable incidents/hazards.
6. 'Total recordable injury frequency rate' is calculated as: (number of recordable injuries [divided by] number of hours of works) [multiplied by] 1,000,000 hours. In 2022-23, there were no recorded injuries.
7. No worker compensation claims were lodged by SRLA with WorkSafe Victoria in 2023-24.

The background is a solid green color. It features several overlapping circular shapes. A thick dark green arc curves across the middle. A thinner, lighter green arc overlaps it from the top left. A dashed dark green line starts from the top right and extends towards the center. A solid light green circle is positioned at the intersection of the two main arcs.

SECTION 2

Disclosures

Local Jobs First

The Local Jobs First (LJF) policy supports Victorian businesses and workers by ensuring small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts. This helps create job opportunities, including for apprentices, trainees and cadets.

The LJF policy comprises the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG). Victorian Government bodies are required to apply the LJF policy in all projects valued at \$3 million or more in metropolitan Melbourne or state-wide projects, and \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

Local Jobs First – Strategic projects

During 2023-2024, SRLA commenced one LJF strategic project: Tunnels South (Work Package C), valued at approximately \$3.6 billion and delivered by Suburban Connect. The project is based in metropolitan Melbourne and is subject to both the VIPP and the MPSG.

The LJF outcomes committed to by Suburban Connect in their Local Industry Development Plan are:

- 92.44 per cent minimum local content (excluding Tunnel Boring Machines)
- 95.61 per cent minimum local steel content
- 156.1 Annualised Employee Equivalent (AEE) total employment created, and 264.9 AEE total employment retained
- engagement of at least 109 small-to-medium size enterprises through the supply chain.

Local Jobs First – Standard projects

SRLA commenced one LJF – standard project, with a total value of \$26.87 million, for provision of third-party verifier services for the Tunnels South and Tunnels North packages (Work Packages C and D).

The LJF outcomes committed to by the successful tenderer, WSP, in their Local Industry Development Plan are:

- the goods produced, services supplied and construction activities meet a minimum 97 per cent local content
- 7.67 AEE local jobs retained.

Major Project Skills Guarantee

Victoria's MSPG requires construction projects to commit to a minimum of 10 per cent of total estimated labour hours to be worked by registered Victorian apprentices, trainees and cadets. In 2023-24, one project commenced to which this applies and under which Suburban Connect committed to exceeding this requirement by 2 per cent.

Awarded in December 2023 for Tunnels South, Suburban Connect committed to:

- 41.1 total apprentice, trainee and cadet AEE to be created
- 9.3 total apprentice, trainee and cadet AEE to be retained
- 12 per cent of total estimated labour hours (568,422 hours) to be performed by apprentices, trainees and cadets.

Small and medium business engagement

The above noted projects committed to engaging at least 109 small to medium sized businesses through the supply chain.

Social value

SRLA continued implementing its Social Procurement Strategy over the reporting period. The strategy is aligned to the Victorian Government's Social Procurement Framework's principles and guides SRLA's procurement activities and sets a foundation for social impact.

SRLA continued to work with its delivery partners and the supply chain to identify meaningful procurement and employment opportunities to create positive social impact. SRLA's partners are meeting or exceeding targets for:

- employing Aboriginal People, Priority Jobseekers and women
- expenditure with certified Aboriginal businesses and social enterprises
- building the capability of Victoria's social benefit supplier sector.

Examples of social impact delivered with and by SRLA partners include:

Initial and Early Works

- Over 40 year 11 and 12 First Peoples students – who will be the next generation of supervisors, engineers, designers, decision makers and more – gathered at a career

expo in April 2024 codeveloped with Laing O'Rourke.

- Strong engagement continued with local Aboriginal communities and Traditional Owners.
- Engagement with Holmesglen Institute, Swinburne University and North Melbourne Football Club, among others.
- Laing O'Rourke partnered with a number of Aboriginal businesses and social enterprises. Its partnership with Total Surveying Solutions (TSS) is the project's largest social benefit supplier to date. For TSS, the engagement opens up other Big Build opportunities and boosts career opportunities in surveying for First Peoples.
- People with disability were employed across project sites and offices through several social enterprises, including gardening and ground maintenance services and logistical support.
- There is a focus on increasing the number of women working as apprentices, trainees and cadets. The STEM+ initiative with Kilbreda College is encouraging more female school and university students into science, technology, engineering, and mathematics – and, ultimately, towards careers in construction and engineering.

Tunnels South

- The social value to be generated by Suburban Connect is already being realised through the engagement of Aboriginal businesses and social enterprises. The employment of First Peoples, women, and priority jobseekers is off to a strong start.

Disclosure of consultancy expenditure

In the context of annual reporting, a consultant is defined as a specific category of a contractor: primarily engaged to perform a discrete task to facilitate decision-making through the delivery of expert analysis and advice or the creation of written reports or other intellectual outputs.

Details of consultancy engagements in the period 1 July 2023 to 30 June 2024 valued at \$10,000 (excluding GST) or higher can be found on SRLA's website at bigbuild.vic.gov.au/projects/suburban-rail-loop.

For the period 1 July 2023 to 30 June 2024, there were no consultancy engagements valued at less than \$10,000 (excluding GST).

Disclosure of major contracts

In line with Victorian Government Purchasing Board directives and guidelines, SRLA has disclosed all contracts exceeding a value of \$10 million (including GST) awarded in the year ending 30 June 2024.

Details of these contracts are available at www.tenders.vic.gov.au.

Contractual details have not been disclosed where disclosure is exempt under the *Freedom of Information Act 1982* (FOI Act) and/or government guidelines.

Emergency procurement

During 2023-24, SRLA did not start or conclude any emergency procurements.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), SRLA must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

SRLA did not receive any formal procurement complaints in 2023-24.

Government advertising expenditure

In 2023-24, there were no government advertising campaigns with a total media spend of \$100,000 or greater (excluding GST).

Review and study expenses

During 2023-24, one piece of work constituting a review or study was ongoing:

Name of the review	Reason for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (incl previous years) (excl. GST)	Publicly available and URL
Independent Environmental Auditor – Audits	To audit compliance with the SRL East Environmental Management Framework (EMF)	Compliance checks of each SRL East Environmental Performance Requirement	<ul style="list-style-type: none"> Consideration of compliance by contractors and SRLA with the EMF. Identification of any non-conformances. Identification of any areas for improvement. 	\$234,031*	Ongoing	A summary audit report will be made publicly available in 2024-25.

Notes:

- *Cost for monthly and quarterly audits and six-monthly summary.

Information and communication technology expenditure

SRLA had total Information and Communication Technology (ICT) expenditure of \$29.8 million for the reporting period.

Business as usual ICT expenditure (\$m)	ICT expenditure related to projects to create or enhance ICT capabilities (\$m)		
	Non-business as usual ICT expenditure (A+B)	Operational expenditure (A)	Capital expenditure (B)
14.7	15.1	10.5	4.7

Environmental performance

For the purposes of reporting against Financial Reporting Direction 24, SRLA is a tier 3B organisation⁴.

SRLA's office space is managed by the Department of Government Services (DGS), which provided the office-based electricity and gas usage data below. SRLA's fleet is managed by VicFleet, which provided the vehicle and petrol consumption data.

SRLA is committed to minimising its environmental footprint and works collaboratively with DGS and VicFleet to enhance environmental performance.

⁴ Tier 3b organisations are: 'Public sector entities with individual estimated emissions between 0.1% and 1% (these thresholds are chosen in order to meet overall materiality requirements) of whole of Victorian Government emissions, or who have significant capital works programs.'

Electricity production and consumption

Reference	Indicator	Unit	2023-24 output	2022-23 output
EL1.1	Electricity purchased directly through an electricity retailer	Megawatt hours (MWh)	490	478
EL1.2	Electricity directly purchased	MWh	439	340
EL1	Total electricity consumption (EL1.1 + EL1.2)	MWh	929	818
EL2	On-site electricity generated	MWh	0	0
EL3	On-site installed generation capacity	Megawatts (MW)	0	0
EL4	Total electricity offsets	MWh	0	0

Stationary fuel use

Reference	Indicator	Unit	2023-24 output	2022-23 output
F1	<i>Total fuels used in buildings and machinery</i>			
	Natural gas	Megajoules (MJ)	547,268	560,538
F2	<i>Total emissions from stationary fuel consumption</i>			
	Natural gas	Tonnes CO ₂ -e	28,201	28,885

Transport vehicle types and emissions

Reference	Indicator	Unit	2023-24 output	2022-23 output
T1	<i>Total energy used in transportation within the entity</i>			
	Petrol – unleaded/premium	MJ	730,013	259,648
	Petrol – E10	MJ	0	0
	Diesel	MJ	304,183	166,764
T2	<i>Number and proportion of vehicles in the organisational boundary (number and percentage)</i>			
	Petrol – unleaded	Number/%	20/71%	13/62%
	Diesel	Number/%	5/18%	7/33%
	Hybrid	Number/%	1/4%	1/5%
	Natural gas	Number/%	2/7%	0
T3	<i>Total greenhouse gas emissions from vehicle fleet</i>			
	Petrol – unleaded (including E10, premium)	Tonnes CO ₂ -e	49,364	17,557
	Diesel	Tonnes CO ₂ -e	21,418	11,742
	Hybrid (unleaded)	Tonnes CO ₂ -e	0	0
	Natural gas (unleaded)	Tonnes CO ₂ -e	0	0

Total energy use

Reference	Indicator	Unit	2023-24 output	2022-23 output
E1	Total energy usage from fuels (F1 + T1)	MJ	1,581,465	986,949
E2	Total energy usage from electricity (EL1)	MJ	3,343,722	2,943,806

Reference	Indicator	Unit	2023-24 output	2022-23 output
E3.1	Total energy usage renewable	MJ	633,970	548,725
E3.2	Total energy usage non-renewable	MJ	4,291,217	3,382,030
E3	Total energy usage (E1 + E2)	MJ	4,925,187	3,930,755
E4	Total energy usage normalised by area	MJ/m ²	533	503

Sustainable buildings and infrastructure

Reference	2023-24 output	2022-23 output
B1 and B2	SRLA does not own its office accommodation, rather it is leased and managed by DGS through the Shared Services Provider.	SRLA does not own its office accommodation, rather it is leased and managed by DGS through the Shared Services Provider.
B3	SRLA's leased office accommodation has a NABERS rating of 4.5 – 5 stars.	The leased office accommodation has a NABERS energy rating of 4.5 stars.
B4	This indicator relates to the environmental performance ratings of newly completed non-office buildings, infrastructure projects and/or upgrades with a value of over \$1 million. It does not, at this time, apply to SRLA.	N/A

Performance against output performance measures

SRLA must report annually on expected and actual performance as part of DTP's Departmental Performance Statement in the State Budget papers.

The table below captures SRLA's performance measure, target, actuals and result. Commentary is included where there is a variance between the target and actual of greater than five per cent (which was not the case in 2023-24).

Transport Infrastructure output group – SRLA performance measure

Performance measure	Unit	2022-23 actual	2023-24 target	2023-24 actual	Performance variation (%)	Result
Suburban Rail Loop Initial and Early Works: Milestones delivered in accordance with agreed budget and timelines	Per cent	100	100	100	0	✓

Note:

- ✓ indicates that the target was achieved; ✗ indicates that the target was not met.

As well as the above performance measure, SRLA reports on two capital projects, which were captured in Budget Paper No. 4 2023-24 as follows:

Budget Paper No. 4 – Capital projects delivered by SRLA

Budget Paper 4 measures	Total estimated investment (\$'000)	Est. exp to 30 Jun 2023 (\$'000)	Est. exp 2023-24 (\$'000)	Remaining expenditure (\$'000)	Est. completion date
Suburban Rail Loop East – Development, Initial and Early Works	2,371,618	672,251	574,438	1,124,929	Qtr 4 2024-25
The Total Estimated Investment (TEI) has increased by \$11.913 million due to budgeted amounts being reclassified as capital instead of operating expenditure, in line with accounting standards.					
Suburban Rail Loop East – Main Works	TBC	TBC	TBC	TBC	TBC
The TEI, estimated expenditure and estimated completion date will be disclosed following the procurement of the Main Works packages. The TEI includes \$2.200 billion of Commonwealth Government funding.					

Freedom of Information

The FOI Act gives members of the public the right to apply for access to documents held by Victorian Government departments and agencies, including SRLA. Agencies are required to make a decision within 30 calendar days, subject to any allowable extensions under the FOI Act.

If an applicant is not satisfied by a decision made by SRLA, under section 49A of the FOI Act they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

FOI statistics

SRLA received 14 FOI requests in the reporting period:

FOI requests from Members of Parliament	5
FOI requests from media	5
FOI requests other	4
Total	14

Of these, SRLA transferred one request to DTP and one to the Department of Treasury and Finance (DTF) for processing. Two were transferred to SRLA from DTP.

SRLA finalised decisions / resolved eight FOI requests, including three that were dealt with outside of the FOI Act process. One of those decisions has been referred to OVIC for review.

SRLA was processing four active requests as at 30 June 2024.

A decision made in respect of one FOI request, received in the previous reporting period, progressed to VCAT during 2023-24. As at the end of the reporting period, this remained before VCAT. Two VCAT matters from the 2022-23 period remained ongoing as at 30 June 2024.

Lodging FOI requests

FOI requests should be lodged online at: online.foi.vic.gov.au/foi/request.doj.

A request must be:

- made in writing and clearly identify which documents are sought
- be accompanied by the application fee, which can be paid by credit card via the FOI Portal (or evidence supporting waiver of the application fee).

Any general enquiries regarding FOI arrangements can be directed to the Freedom of Information Officer (FOI@srla.vic.gov.au) or via the SRLA contact centre (1800 105 105).

Compliance with the Building Act 1993

SRLA's leased office accommodation is managed by DGS through the State's Shared Services Provider.

SRLA acquired 149 residential (including common property) and 105 commercial buildings in 2023-24 as part of the land assembly program for SRL project delivery. Acquired buildings are demolished by SRLA's construction partners after possession is transferred to them. In advance of demolition, SRLA arranges routine inspections and maintenance while they remain occupied in order to keep the buildings in good repair and maintain building safety features, in accordance with the *Building Act 1993*.

24 building permits were issued in the period in respect of demolition works on land acquired by SRLA.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership is removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Competitive Neutrality Policy did not apply to SRLA in 2023-24 as SRLA did not provide services that compete with the private sector.

Compliance with the Public Interest Disclosure Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) 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 disclosed matters to be investigated and rectifying action be taken.

SRLA does not tolerate improper conduct by its employees, contractors or consultants, nor reprisals against those who come forward to disclose such conduct.

SRLA is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

SRLA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person or persons who are the subject of the disclosure, to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by SRLA or any of its employees may be made to:

The Independent Broad-based Anti-corruption Commission (IBAC)
Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
1300 735 135 | info@ibac.vic.gov.au
ibac.vic.gov.au

The Victorian Ombudsman
Level 2, 570 Bourke Street
Melbourne, VIC 3000
03 9613 6222
www.ombudsman.vic.gov.au

The Victorian Inspectorate
PO Box 617, Collins Street West
Melbourne, VIC 8007
03 8614 3232
www.vicinspectorate.vic.gov.au

Further information

For further information about public interest disclosures, visit the IBAC website at ibac.vic.gov.au.

Compliance with the Carers Recognition Act 2012

SRLA has taken practical measures to comply with its obligations under the *Carers Recognition Act 2012*. SRLA also ensures its policies, such as

flexible working arrangements and hybrid work design and guidance material, are inclusive of carers.

Measures include:

- incorporating an opportunity for all employees to engage in discussions about workplace flexibility during their regular performance check-ins with their manager
- providing every employee with a laptop/tablet device
- a commitment to flexibility in the workplace and a variety of flexible working options to support staff
- parental leave
- providing new starters with information about hybrid work as part of their induction.

Compliance with the Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with disability and recognises this requires support across the government sector and within the community.

SRLA has taken steps to ensure policies, practices and the workplace value the rights of people living with disability, including:

- Maintaining office facilities with wheelchair accessibility.
- Offering Mental Health First Aider training to all employees and embedding a Peer Support Program to equip staff to provide support to others who experience mental health issues in the workplace.
- Compulsory training that emphasises human rights and provides a refresher on anti-discrimination legislation and employer obligations.
- Providing access to online inclusion programs covering diversity topics including disability.
- Developing actions in the People Strategy relating to designing environments and spaces for diversity, recruitment and promotion related opportunities, and training and education across the organisation.
- Facilitating reasonable adjustments and equipment to support people in the workplace.
- Engaging the Australian Disability Network to review SRLA policies to address any unintended barriers for people living with disability in recruitment and across the employee lifecycle.

- Consulting with staff with disability to embed employee voice into the implementation of the actions from the recruitment review.

SRLA's People Strategy prioritises accessibility and people living with disability as an area of commitment. SRLA is committed to removing barriers and creating a supportive and enabling workplace culture for people living with disability, mental health issues, long-term health conditions – and for their carers.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by SRLA and are available on request, subject to the provisions of the FOI Act. To request any of this additional information, please submit an FOI request.

- Statement that declarations of pecuniary interests have been duly completed by all relevant officers of SRLA.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by SRLA about SRLA, and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by SRLA.
- Details of any major external reviews carried out on SRLA.
- Details of major research and development activities undertaken by SRLA.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by SRLA to develop community awareness of SRLA and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees [covered in this Annual Report].
- General statement on industrial relations within the entity and details of time lost through industrial accidents and disputes.
- List of major committees sponsored by SRLA, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors.

Requests should be lodged online at:
online.foi.vic.gov.au/foi/request.doj.

A request must be:

- made in writing and clearly identify which documents are sought
- be accompanied by the application fee, which can be paid by credit card via the FOI Portal (or evidence supporting waiver of the application fee).

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

SRLA is required to comply with the Standing Directions of the *Financial Management Act 1994*, which set the standard for financial management by Victorian Government agencies. SRLA undertakes an annual review of its performance against these Directions, reviewed by a formal internal audit program.

I, James Merlino, on behalf of the Responsible Body, certify that Suburban Rail Loop Authority has no Material Compliance Deficiencies with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



The Hon. James Merlino
Chair, Suburban Rail Loop Authority



SECTION 3

Financial Statements

Contents of the Financial Statements

Declaration in the Financial Statements	39
VAGO Audit Report	40
Financial Report	42
Comprehensive operating statement	42
Balance sheet	43
Cash flow statement	44
Statement of changes in equity	45
Notes to the Financial Statements	46
1 About this report	46
2 Funding delivery of our services	47
2.1 Grant income	47
2.2 Interest income	47
2.3 Rental revenue	48
3 The cost of delivering services	49
3.1 Employee benefits	49
3.1.1 Employee benefits in the comprehensive operating statement	49
3.1.2 Employee benefits in the balance sheet	50
3.2 Operating expenses	51
3.2.1 Other operating expenses	52
4 Key assets available to support service delivery	53
4.1 Property, plant and equipment	53
4.1.1 Right of Use assets: plant, equipment and vehicles	54
4.1.2 Reconciliation of movements in carrying amounts of Right of Use assets	54
4.1.3 Depreciation and amortisation	55
4.1.4 Reconciliation of movements in carrying amount of property, plant and equipment	56
5 Other assets and liabilities	57
5.1 Receivables	57
5.2 Payables	58
5.2.1 Maturity analysis of contractual payables	58
5.3 Prepayments	59
5.4 Other provisions	59
5.4.1 Reconciliation of movement in other provisions	60
6 Financing our operations	61
6.1 Borrowings	61
6.1.1 Maturity analysis of borrowings	61
6.1.2 Interest expense	62

6.2	Leases	62
6.3	Cash flow information and balances	63
6.3.1	Reconciliation of net result for the period to net cash flows from operating activities	63
6.3.2	Contributed capital from government	64
6.4	Commitments for expenditure	64
7	Risks, contingencies and valuation judgements	65
7.1	Financial instruments specific disclosures	65
7.1.1	Financial instruments: Categorisation	66
7.1.2	Financial risk management objectives and policies	67
7.2	Contingent assets and contingent liabilities	69
7.3	Fair value determination	69
7.3.1	Fair value determination: financial assets and liabilities	70
7.3.2	Fair value determination: non-financial physical assets	71
8	Other disclosures	72
8.1	Ex-gratia expenses	72
8.2	Other economic flows included in net result	72
8.3	Responsible persons	73
8.4	Remuneration of executives	74
8.5	Related parties	74
8.6	Remuneration of auditors	77
8.7	Subsequent events	77
8.8	Other accounting policies	77
8.9	Australian Accounting Standards issued that are not yet effective	78
8.10	Style conventions	78

Declaration in the Financial Statements

The attached Financial Statements for Suburban Rail Loop Authority 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, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of Suburban Rail Loop Authority as at 30 June 2024.

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.

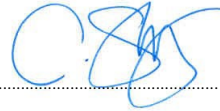
We authorise the attached financial statements for issue on 29 September 2024.



The Hon. James Merlino
Board Chair
Melbourne
29 September 2024



Frankie Carroll
Chief Executive Officer
Melbourne
29 September 2024



Christopher Storey
Chief Financial Officer
Melbourne
29 September 2024

Independent Auditor's Report

To the Board of Suburban Rail Loop Authority

Opinion	<p>I have audited the financial report of Suburban Rail Loop Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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 material accounting policy information • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2024 and their 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 authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 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 authority 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 authority'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 authority'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 authority'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 authority 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
30 September 2024



Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2024

		(\$ thousand)	
	Notes	2024	2023
Revenue and income from transactions			
Grant income	2.1	125,227	83,872
Interest income	2.2	2,155	708
Rental revenue	2.3	3,977	-
Total revenue and income from transactions		131,359	84,580
Expenses from transactions			
Employee benefits	3.11	57,949	42,003
Supplies and services	3.2	46,881	20,524
IT and telecommunications expenses	3.2	9,142	5,488
Shared support services	3.2	4,007	7,922
Office accommodation	3.2	3,834	2,435
Grant expenses	3.2	1,653	991
Other operating expenses	3.21	7,269	5,229
Depreciation and amortisation	4.1.3	221	187
Total expenses from transactions		130,956	84,779
Net profit / (loss) from transactions		403	(199)
Other economic flows included in net result			
Net gain/(loss) on disposal of non-current assets	8.2	3	12
Net gain/(loss) arising from revaluation of leave provisions	8.2	(3,387)	270
Total other economic flow included in net result		(3,384)	282
Net profit / (loss)		(2,981)	83
Comprehensive result		(2,981)	83

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

Balance sheet

As at 30 June 2024

		(\$ thousand)	
	Notes	2024	2023
Assets			
Financial assets			
Cash and deposits	6.3	153,987	14,056
Receivables	5.1	120,236	149,859
Total financial assets		274,223	163,915
Non-financial assets			
Property, plant and equipment	4.1	515,836	66,139
Construction in progress	4.1	1,784,053	938,511
Prepayments	5.3	255,013	3,707
Total non-financial assets		2,554,902	1,008,357
Total assets		2,829,125	1,172,272
Liabilities			
Payables	5.2	121,495	56,951
Employee-related provisions	3.1.2	22,980	13,520
Borrowings	6.1	1,057	748
Other provisions	5.4	57,439	166,421
Total liabilities		202,971	237,640
Net assets		2,626,154	934,632
Equity			
Contributed capital from government	6.3.2	2,629,149	934,646
Accumulated deficit		(2,995)	(14)
Total equity		2,626,154	934,632

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

Cash flow statement

For the financial year ended 30 June 2024

		(\$ thousand)	
	Notes	2024	2023
Cash flows from operating activities			
Receipts			
Receipts from government		123,048	84,289
Interest received		2,155	708
Goods and Services Tax received from the ATO		83,244	25,739
Total receipts		208,447	110,736
Payments			
Payments to suppliers		(154,866)	(65,379)
Payments to employees		(51,443)	(36,686)
Interest and other costs of finance paid		(436)	(6)
Total payments		(206,745)	(102,071)
Net cash flows from/(used in) operating activities	6.3.1	1,702	8,665
Cash flows from investing activities			
Proceeds from sale of non-financial assets		43	28
(Purchase) of non-financial assets		(1,593,142)	(404,642)
(Purchase) of plant and equipment		(547)	(923)
Net cash flows from/(used in) investing activities		(1,593,646)	(405,537)
Cash flows from financing activities			
Contributed capital from Victorian Government		1,731,566	403,192
Principal portion of lease liabilities		309	748
Net cash flows from/(used in) financing activities		1,731,875	403,940
Net increase in cash and cash equivalents		139,931	7,068
Cash and cash equivalents at the beginning of the financial year		14,056	6,988
Cash and cash equivalents at the end of the financial year	6.3	153,987	14,056

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

Statement of changes in equity

For the financial year ended 30 June 2024

	Notes	(\$ thousand)		Total equity
		Contributed capital	Accumulated deficit	
Balance at 1 July 2022		531,454	(97)	531,357
Capital contributions by government	6.3.2	403,192	-	403,192
Net result for the period		-	83	83
Balance at 30 June 2023		934,646	(14)	934,632
Balance at 1 July 2023		934,646	(14)	934,632
Capital contributions by government	6.3.2	1,694,503	-	1,694,503
Net result for the year		-	(2,981)	(2,981)
Balance at 30 June 2024		2,629,149	(2,995)	2,626,154

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

1. About this report

The Suburban Rail Loop Authority (SRLA) is a statutory authority of the State of Victoria, established under the *Suburban Rail Loop Act 2021* (SRL Act).

Its principal address is:

Suburban Rail Loop Authority
Level 21, 222 Exhibition Street
Melbourne VIC 3000

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.

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.

These Financial Statements have been prepared on a going concern basis, which assumes the continuity of normal business activities, in particular over the next 12 months from the financial statements release date. The ability of SRLA to pay its current and future contractual obligations is dependent on the Department of Transport and Planning (DTP) providing adequate cash flow. To this extent, a Letter of Support has been provided by DTP dated 16 July 2024 covering for the period until 30 September 2025.

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 SRLA.

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 in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the Financial Statements and estimates are disclosed in the notes.

All amounts in the Financial Statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the Financial Statements may not equate due to rounding.

Compliance information

These general-purpose Financial Statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable 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 AAS 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 delivery of our services

Introduction

The primary purpose of SRLA is to plan and deliver the Suburban Rail Loop program, in line with its objectives under the SRL Act.

Structure

- 2.1 Grant income
- 2.2 Interest income
- 2.3 Rental revenue

2.1. Grant income

	(\$ thousand)	
	2024	2023
Income recognised as income of not-for-profit entities		
Current grants from Department of Transport and Planning	125,227	83,872
Total grants income	125,227	83,872

Grants recognised under AASB 1058

SRLA has made the judgement that the grant income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when SRLA has an unconditional right to receive cash.

Income from grants with sufficient specific performance obligations, such as the SRL program, are recognised as Contributed capital from government, refer to Note 6.3.2.

2.2. Interest income

	(\$ thousand)	
	2024	2023
Interest on bank deposits	2,155	708
Total interest income	2,155	708

Interest income is recognised in the reporting period when received. Interest income includes interest received on bank deposits.

2.3. Rental revenue

	(\$ thousand)	
	2024	2023
Rental revenue	3,977	-
Total rental revenue	3,977	-

Rental revenue is recognised in the reporting period when received.

Revenue is measured based on the consideration specified in the contract with the customer. SRLA recognises revenue when the performance obligations are satisfied, i.e. on a straight-line basis over the period of their continued occupation agreement.

Rental revenue is related to properties that are primarily held to support the construction of the SRL project. Therefore, the leasing of parts of these properties is incidental. Accordingly, these properties are reported as Property, plant and equipment, refer to Note 4.1.

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by SRLA in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3.1 Employee benefits
- 3.2 Operating expenses

3.1. Employee benefits

3.1.1. Employee benefits in the comprehensive operating statement

	(\$ thousand)	
	2024	2023
Post-employment benefits		
- Defined contribution superannuation expense	4,688	3,522
- Defined benefit superannuation expense	22	18
Termination benefits	2,190	-
Salaries, wages, annual leave and long service leave	51,049	38,463
Total employee benefits	57,949	42,003

Employee benefits expenses include all costs related to employment, including wages and salaries, fringe benefit 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 both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. SRLA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

3.1.2 Employee benefits in the balance sheet

	(\$ thousand)	
	2024	2023
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	3,868	3,562
Unconditional and expected to be settled after 12 months	5,380	2,969
Long service leave		
Unconditional and expected to be settled within 12 months	75	366
Unconditional and expected to be settled after 12 months	3,778	1,723
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	744	693
Unconditional and expected to be settled after 12 months	1,758	828
Total current provisions	15,603	10,141
Non-current provisions		
Long service leave	6,163	2,873
On-costs	1,214	506
Total non-current provisions	7,377	3,379
Total provisions for employee benefits	22,980	13,520

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered. All leave entitlements have been transferred for employees who have rights under continuous services from the Victorian Public Service and are reflected within the balances above.

Reconciliation of movement in provisions for on-costs

	(\$ thousand)	
	2024	2023
Opening balance	2,027	1,296
Additional provisions recognised	1,049	637
Additions due to transfer in	111	338
Unwind of discount and effect of changes in the discount rates	556	(41)
Reductions due to transfer out	(27)	(203)
Closing balance	3,716	2,027
Current	2,502	1,521
Non-current	1,214	506
Total	3,716	2,027

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, as SRLA 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 SRLA 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 SRLA 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 where SRLA 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 SRLA expects to wholly settle within 12 months, or
- present value – if SRLA does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.2. Operating expenses

		(\$ thousand)	
	Notes	2024	2023
Supplies and services		46,881	20,524
IT and telecommunications expenses		9,142	5,488
Shared support services		4,007	7,922
Office accommodation		3,834	2,435
Grant expenses		1,653	991
Other operating expenses	3.2.1	7,269	5,229
Total		72,786	42,589

Operating expenses are recognised as an expense in the reporting period in which they are incurred.

Supplies and services expenses include mainly contractual payments for professional services to support SRLA's operations and project delivery.

IT and telecommunication costs relate to SRLA expenditure for IT and telecommunications expenses for the financial year.

DTP continues to provide shared support services such as financial and human resources systems, payroll support services and IT systems to SRLA.

Office accommodation lease arrangements are deemed as short-term leases under AASB 16 *Leases*. For disclosure purposes, SRLA has elected not to apply the requirements in paragraphs 22-49 of the standard.

The reported Grant expenses were incurred under the Community Projects Fund, supporting community projects along the SRL East corridor that enhance community connectedness, meet community needs, and enhance community cohesion.

3.2.1. Other operating expenses

	(\$ thousand)	
	2024	2023
IT portable and attractive assets	1,092	1,071
Training and recruitment	1,693	1,454
Legal fees	1,095	634
Internal audit costs	476	398
Travel and accommodation	130	265
Other communications	692	257
Insurance expense	247	258
Property management services	520	222
Vehicle and equipment	89	85
Other administrative expenses	1,235	585
Total	7,269	5,229

Other operating expenses are recognised as an expense in the reporting period in which they are incurred. They generally represent the day-to-day running costs incurred in normal operations.

4. Key assets available to support service delivery

Introduction

SRLA controls land, and plant, equipment and vehicles that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to SRLA for delivery of services.

Structure

4.1 Property, plant and equipment

4.1. Property, plant and equipment

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
Land	514,658	65,247	-	-	514,658	65,247
Plant, equipment and vehicles at fair value	1,687	1,190	(509)	(298)	1,178	892
Sub-total property, plant and equipment	516,345	66,437	(509)	(298)	515,836	66,139
Construction in progress at cost	1,784,053	938,511	-	-	1,784,053	938,511
Total property, plant and equipment	2,300,398	1,004,948	(509)	(298)	2,299,889	1,004,650

Non-financial assets excluding Right of Use Assets

Initial recognition

At the initial commencement of a construction project, assets are reported under construction in progress until the project reaches commercial acceptance. The cost under construction in progress includes costs that are directly attributable to the design, pre-construction and construction of SRL.

Land assets are measured initially at cost and subsequently revalued at fair value. Other non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Subsequent measurement

Upon capitalisation, construction in progress is subsequently measured at fair value. The cost approach is determined as fair value for the project that is under construction and currently does not include accumulated depreciation and impairment.

Items of non-financial physical assets are subsequently measured at fair value less accumulated depreciation, except for land assets which are subsequently measured at fair value. 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 – and is summarised below by asset category.

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

Building assets recognised in Construction in Progress

In preparing these Financial Statements, significant judgments were made in classifying building assets. During the 2023-24 financial year, SRLA acquired assets specifically to facilitate the construction of rail development projects, rather than for the purpose of holding property assets.

As of 30 June 2024, all building assets were assessed to determine their intended use. A direct nexus was established between the buildings acquired and their deployment in approved and active rail development projects. Based on this assessment, these building assets were appropriately classified and recorded under Construction in Progress (CIP), where they contribute directly to the cost base of the asset under construction. Land acquired for these projects is recorded as their own asset category.

These classification and judgments are based on a combination of professional judgment, historical experience and assumptions considered reasonable under the circumstances.

4.1.1. Right of Use assets: plant, equipment and vehicles

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
Plant, equipment and vehicles	1,286	824	(231)	(77)	1,055	747
Total plant, equipment and vehicles	1,286	824	(231)	(77)	1,055	747

Plant, equipment and vehicles are a subset of Property, plant and equipment.

4.1.2. Reconciliation of movements in carrying amount of Right of Use assets

	(\$ thousand)	
	2024	2023
Opening balance	747	-
Additions	512	852
Assets transfer in / (out) to other government entities	-	(19)
Depreciation expense	(164)	(70)
Disposals	(40)	(16)
Closing balance	1,055	747

Initial recognition of Right of Use assets

SRLA recognises a Right of Use (RoU) asset and liability at the lease commencement date. The RoU asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement of RoU assets

SRLA depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term.

In addition, an RoU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.1.3. Depreciation and amortisation

	(\$ thousand)	
	2024	2023
Plant, equipment and vehicles	221	187
Total depreciation and amortisation expense	221	187

Plant, equipment and vehicles 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. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Actual useful lives for the different asset classes for current and prior periods are included in the table below.

	2024	2023
Plant, equipment and vehicles	3 to 10 years	3 to 10 years

Land assets are considered to have an indefinite life and are not depreciated. Depreciation is not recognised because its service potential has not, in any material sense, been consumed during the reporting period.

4.1.4. Reconciliation of movements in carrying amount of property, plant and equipment

	(\$ thousand)				
	Land	Building leasehold improvements	Plant, equipment and vehicles	Construction in progress	Total
Year ended 30 June 2024					
Opening balance	65,247	-	892	938,511	1,004,650
Additions	387,510	-	547	907,443	1,295,500
Depreciation expense	-	-	(221)	-	(221)
Disposals	-	-	(40)	-	(40)
Transfer between asset classes	61,901	-	-	(61,901)	-
Closing balance	514,658	-	1,178	1,784,053	2,299,889

	(\$ thousand)				
	Land	Building leasehold improvements	Plant, equipment and vehicles	Construction in progress	Total
Year ended 30 June 2023					
Opening balance	-	77	95	437,672	437,844
Additions	65,247	-	942	500,839	567,028
Transfer (out) to other government entities	-	-	(19)	-	(19)
Depreciation expense	-	-	(187)	-	(187)
Disposals	-	-	(16)	-	(16)
Transfer between asset classes	-	(77)	77	-	-
Closing balance	65,247	-	892	938,511	1,004,650

5. Other assets and liabilities

Introduction

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

Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Prepayments
- 5.4 Other provisions

5.1. Receivables

	(\$ thousand)	
	2024	2023
Contractual		
Receivables - Department of Transport and Planning	110,275	145,160
Other receivables	4,376	-
Total contractual receivables	114,651	145,160
Statutory		
GST input tax credit recoverable from the ATO	5,585	4,699
Total statutory receivables	5,585	4,699
Total receivables	120,236	149,859

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes.

All receivables are classified as current.

5.2. Payables

	(\$ thousand)	
	2024	2023
Contractual		
Supplies and services	16,208	14,573
Capital works	104,541	41,953
Total contractual payables	120,749	56,526
Statutory		
Fringe Benefits Tax payable	27	30
Payroll Tax payable	719	395
Total statutory payables	746	425
Total payables	121,495	56,951

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represents liabilities for goods and services provided to SRLA prior to the end of the financial year that are unpaid.

Statutory payables are classified and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

All payables are classified as current.

5.2.1. Maturity analysis of contractual payables

	(\$ thousand)				
	Maturity dates				
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months
2024					
Supplies and services	16,208	16,208	13,684	2,524	-
Capital works	104,541	104,541	77,067	27,166	308
Total	120,749	120,749	90,751	29,690	308

	(\$ thousand)				
	Maturity dates				
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months
2023					
Supplies and services	14,573	14,573	8,076	6,497	-
Capital works	41,953	41,953	24,945	17,008	-
Total	56,526	56,526	33,021	23,505	-

Payables for supplies and services have an average credit period of 30 days. No interest is charged on late payments.

5.3. Prepayments

	(\$ thousand)	
	2024	2023
Current		
Prepayments	255,013	3,707
Total prepayments	255,013	3,707

Prepayments represent payments in advance of receipt of goods or services, or the payments made for services covering a term extending beyond that financial accounting period. The amount comprising prepayments as at 30 June 2024 includes construction risk insurance payments and payment for key plant and equipment under the Tunnels South Contract.

5.4. Other provisions

	(\$ thousand)	
	2024	2023
Current		
Acquisition of land assets	32,362	96,421
Other provisions	25,077	70,000
Total other provisions	57,439	166,421

Other provisions are recognised when SRLA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

The property value and other additional costs are recognised as property acquisition liabilities in circumstances where SRLA has issued a notice of compulsory acquisition or has taken possession of a property for the purpose of commencing construction and final compensation amount has not been agreed at the reporting date.

Other provisions relate to future contractual payments for SRL East construction contracts.

5.4.1. Reconciliation of movement in other provisions

	(\$ thousand)		
	Acquisition of land assets	Other provisions	Total
Year ended 30 June 2024			
Opening balance	96,421	70,000	166,421
Additional provisions recognised	32,362	25,077	57,439
Reduction arising from payments/other sacrifices of future economic benefits	(96,421)	(70,000)	(166,421)
Closing balance	32,362	25,077	57,439

	(\$ thousand)		
	Acquisition of land assets	Other provisions	Total
Year ended 30 June 2023			
Opening balance	-	-	-
Additional provisions recognised	96,421	70,000	166,421
Reduction arising from payments/other sacrifices of future economic benefits	-	-	-
Closing balance	96,421	70,000	166,421

6. Financing our operations

Introduction

This section provides information on the sources of finance utilised by SRLA during its operations, along with interest expenses (the cost of leases) and other information related to financing activities of SRLA.

This section includes disclosures of balances that are financial instruments (such as cash balances).

Structure

- 6.1 Borrowings
- 6.2 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

6.1 Borrowings

		(\$ thousand)	
	Notes	2024	2023
Current			
Lease liabilities	6.2	312	142
Non-current			
Lease liabilities	6.2	745	606
Total borrowings		1,057	748

Borrowings refer to interest bearing liabilities mainly raised from lease liabilities.

Borrowings are classified as financial instruments. The measurement basis depends on whether SRLA has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through net result, or financial liabilities at amortised cost. The classification depends on the nature and purpose of the interest-bearing liabilities. SRLA determines the classification of its interest-bearing liabilities at initial recognition.

6.1.1 Maturity analysis of borrowings

	(\$ thousand)					
	Maturity dates					
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months	1-5 years
2024						
Lease liabilities	1,057	1,079	27	54	243	755
Total	1,057	1,079	27	54	243	755

	(\$ thousand)					
	Maturity dates					
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months	1-5 years
2023						
Lease liabilities	748	769	10	21	120	618
Total	748	769	10	21	120	618

6.1.2 Interest expense

	(\$ thousand)	
	2024	2023
Interest on lease liabilities	13	6

Interest expense includes costs incurred in connection with interest component of lease repayments and is recognised in the period in which it is incurred.

6.2 Leases

	(\$ thousand)	
	2024	2023
Lease Liabilities		
Current	312	142
Non-current	745	606
Total	1,057	748

Information about leases for which SRLA is a lessee is presented below.

SRLA leasing activities

SRLA leases motor vehicles through Department of Government Services for operational needs with lease term of three years or 60,000 kilometres, whichever occurs first. Please refer to Note 4.1.1.

Leases at significantly below-market terms and conditions

SRLA has a peppercorn lease arrangement with Development Victoria for 36 Gillard Street, Burwood and 37 Cumming Street, Burwood for a term expiring on the date which is the earlier of the first day of passenger services of SRL East; the date the lease is terminated by agreement between the parties; or 31 December 2035.

The terms of the lease agreement provide for nominal payments of \$1 as annual rent to the lessor upon demand.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or SRLA's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

SRLA elected to initially measure the recognition of the RoU asset arising from leases that are significantly below market terms and conditions at cost, as per the temporary relief given to Not-For-Profit entities. Therefore, the RoU asset is not recognised in SRLA financial statements due to the significantly below market payments. The corresponding liability of the RoU arrangement is not recognised as per above.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

6.3. Cash flow information and balances

Cash and deposits comprise cash at bank.

	(\$ thousand)	
	2024	2023
Total cash and deposits disclosed in the balance sheet	153,987	14,056
Balance as per Cash Flow Statement	153,987	14,056

6.3.1. Reconciliation of net result for the period to net cash flows from operating activities

For the purpose of the Cash Flow Statement, cash includes cash at bank. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	(\$ thousand)	
	2024	2023
Net profit / (loss) for the period	(2,981)	83
Non-cash movements		
Depreciation and amortisation of non-current assets	221	187
(Gain)/loss on sale or disposal of non-current assets	(3)	(12)
Other non-cash movements	3,387	(270)
Movements in assets and liabilities		
(Increase)/decrease in receivables	(7,440)	(1,427)
(Increase)/decrease in prepayments	411	(379)
Increase/(decrease) in payables	2,034	5,562
Increase/(decrease) in provisions	6,073	4,921
Net cash provided from/(used in) operating activities	1,702	8,665

6.3.2 Contributed capital from government

Contributed capital was provided by the Victorian Government during the financial year ended 30 June 2024, to fund the majority of capital investments. Capital contributions from the Statement of changes in equity are reflective of capital investment.

	(\$ thousand)	
	2024	2023
Opening balance	934,646	531,454
Contributed capital (statement of changes in equity)	1,694,503	403,192
Contributed capital	2,629,149	934,646

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 SRLA.

6.4. Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These contracts are recorded at their nominal value and are inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Nominal amounts	(\$ thousand)		
	Less than 1 year	1 year - 5 years	Total
2024			
Capital expenditure commitments	641,489	3,517,017	4,158,506
Other commitments	10,208	3,388	13,596
Total commitments (inclusive of GST)	651,697	3,520,405	4,172,102
Less GST recoverable	(59,245)	(320,037)	(379,282)
Total commitments (exclusive of GST)	592,452	3,200,368	3,792,820

Nominal amounts	(\$ thousand)		
	Less than 1 year	1 year - 5 years	Total
2023			
Capital expenditure commitments	294,891	432,824	727,715
Other commitments	2,252	-	2,252
Total commitments (inclusive of GST)	297,143	432,824	729,967
Less GST recoverable	(27,013)	(39,348)	(66,361)
Total commitments (exclusive of GST)	270,130	393,476	663,606

Capital expenditure commitments include contracts mainly for capital projects relating to the SRL program. These arrangements are outlined below.

These non-cancellable contracts for commitments were signed prior to the balance date and have established a legal and binding obligation on SRLA to make future payments.

7. Risks, contingencies and valuation judgements

Introduction

SRLA 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 SRLA related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1. Financial instruments 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. Due to the nature of SRLA's activities, certain financial assets and financial liabilities arise under statutory obligation rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both the following criteria are met, and the assets are only designated as fair value through net result:

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

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.

SRLA recognises cash and deposits, and receivables (excluding statutory receivables), in this category.

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

Financial liabilities at amortised cost

Financial instrument liabilities 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.

SRLA recognises payables (excluding statutory payables) and borrowings (including lease liabilities) in this category.

7.11. Financial instruments: Categorisation

		(\$ thousand)			
	Notes	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2024					
Contractual financial assets					
Cash and deposits		153,987	-	-	153,987
Receivables ^(a)					
Contractual receivables	5.1	-	114,651	-	114,651
Total contractual financial assets		153,987	114,651	-	268,638
Contractual financial liabilities					
Payables ^(a)					
Supplies and services		-	-	16,208	16,208
Borrowings					
Lease liabilities		-	-	1,057	1,057
Total contractual financial liabilities		-	-	17,265	17,265

		(\$ thousand)			
	Notes	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2023					
Contractual financial assets					
Cash and deposits		14,056	-	-	14,056
Receivables ^(a)					
Contractual receivables	5.1	-	145,160	-	145,160
Total contractual financial assets		14,056	145,160	-	159,216
Contractual financial liabilities					
Payables ^(a)					
Supplies and services		-	-	14,573	14,573
Borrowings					
Lease liabilities		-	-	748	748
Total contractual financial liabilities		-	-	15,321	15,321

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

7.1.2 Financial risk management objectives and policies

SRLA does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

SRLA's principal financial instruments comprise:

- cash and deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings (including lease liabilities).

Details of material accounting policy information 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 and financial liability are disclosed throughout the notes to these financial statements.

The main purpose in holding financial instruments is to prudentially manage SRLA's financial risks within the government's policy parameters.

SRLA uses different methods to measure and manage the different risks to which it is exposed.

The carrying amounts of SRLA's contractual financial assets and financial liabilities by category are disclosed in Note 7.1.1. Financial instruments: Categorisation.

Financial instruments: Credit risk

Credit risk arises from the contractual financial assets of SRLA, which comprise cash and deposits and non-statutory receivables. SRLA's exposure to credit risk arises from the potential default of the counter party on their contractual obligations resulting in financial loss to SRLA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with SRLA's contractual financial assets is minimal because the main debtor is the Victorian Government. In addition, SRLA 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.

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 SRLA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to SRLA's credit risk profile between 1 July 2023 and 30 June 2024.

Credit quality of financial assets

	(\$ thousand)		Total
	Financial institution (AA- credit rating)	Victorian Government (AA credit rating)	
2024			
Financial assets			
Cash and deposits	153,987	-	153,987
Receivables (with no impairment loss recognised)	-	114,651	114,651
Total contractual financial assets	153,987	114,651	268,638

	(\$ thousand)		Total
	Financial institution (A credit rating)	Victorian Government (AA credit rating)	
2023			
Financial assets			
Cash and deposits	14,056	-	14,056
Receivables (with no impairment loss recognised)	-	145,160	145,160
Total contractual financial assets	14,056	145,160	159,216

Contractual receivables at amortised cost

SRLA applies AASB 9's 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. SRLA has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on SRLA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, SRLA has determined that its loss allowance at the end of the financial year is nil.

Financial instruments: Liquidity risk

Liquidity risk is the risk that SRLA would be unable to meet its financial obligations as and when they fall due. SRLA operates under the government 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.

SRLA's exposure to liquidity risk is deemed insignificant based on current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet.

Financial instruments: Interest rate risk

SRLA 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.

Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

7.2. Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, measured at nominal value.

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.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

SRLA have no contingent assets as at 30 June 2024.

Contingent liabilities

Contingent liabilities are:

- possible obligations 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
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

These are classified as either quantifiable or non-quantifiable.

Arising from SRLA's contracts with private partners for the construction of the SRL project:

- there are contractual claims made in the ordinary course of business that are currently in dispute, either in its existence or in the quantum of the claim
- there are future payments that are dependent on exceeding certain key performance indicators. SRLA's potential exposure from this mechanism is unknown at the time of this report.

7.3. Fair value determination

This section sets out information on how SRLA has 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:

- financial assets and liabilities at fair value through operating result
- land assets
- plant, equipment and vehicles.

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

SRLA 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.

SRLA 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 SRLA's independent valuation agency and SRLA will engage them to monitor changes in the fair value of relevant assets and liabilities, through relevant data sources, to determine revaluations when it 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
- 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
 - 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 Fair value determination of financial assets and liabilities) and non-financial physical assets (refer to Note 7.3.2 Fair value determination: non-financial physical assets).

7.3.1. Fair value determination: 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 instrument 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.
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

SRLA currently holds a range of financial instruments that are recorded in the financial statements at their carrying amounts which approximate to fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2024-2025 reporting period.

These financial instruments include:

Financial assets

Cash and deposits

Receivables

- Receivables
- Other receivables

Financial liabilities

Payables

- Supplies and services
- Capital works

Borrowings

- Lease liabilities

7.3.2 Fair value determination: non-financial physical assets

	(\$ thousand)			
	Carrying amount as at 30 June 2024	Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
2024				
Land	514,658	-	514,658	-
Total of land assets at fair value	514,658	-	514,658	-
Plant, equipment and vehicles	1,178	-	1,178	-
Total plant equipment, vehicles at fair value	1,178	-	1,178	-

	(\$ thousand)			
	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
2023				
Land	65,247	-	-	65,247
Total of land assets at fair value	65,247	-	-	65,247
Plant, equipment and vehicles	892	-	892	-
Total plant equipment, vehicles at fair value	892	-	892	-

(a) Classified in accordance with the fair value hierarchy.

There have been no transfer between levels during the period.

Land

A desktop fair value assessment has been conducted for land acquired for rail developments, by reviewing indices provided by the VGV. The assessment indicates that the carrying value of land is materially consistent with fair value. Therefore, no formal managerial revaluation was performed as at 30 June 2024 in line with Financial Reporting Direction 103 *Non Financial Assets*.

Property, plant and equipment (excluding land)

Property, plant and equipment is held at fair value. When property, 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 2024.

For all assets measured at fair value, the current use is considered the highest and best use.

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of these Financial Statements.

Structure

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Other accounting policies
- 8.9 Australian Accounting Standards issued that are not yet effective
- 8.10 Style conventions

8.1. Ex-gratia expenses

There were no ex-gratia expenses to report in the financial year and prior reporting period.

8.2. Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the disposal of non-current assets
- the revaluation of the present value of leave provisions due to changes in the bond rates, wage inflation rates and on-cost rates
- the revaluation of the present value of the long service leave liability due to changes in the model used to discount the liability, including the discounting of all entitlements expected to be paid after twelve months, the use of an average retention rate and the assumed payment patterns.

	(\$ thousand)	
	2024	2023
Net gain/(loss) on disposal of non-current assets		
Proceeds from disposal of assets	43	28
Written down value (WDV) of assets disposed	(40)	(16)
Net gain/(loss) on disposal of non-current assets	3	12
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of leave provisions	(893)	270
Net gain/(loss) arising from transition of long service leave model	(2,494)	-
Total other gains/(losses) from other economic flows	(3,387)	270

8.3. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made regarding responsible persons for the reporting period. The names of each person who held positions of Ministers, Accountable Officers, and members of the Board for the period 1 July 2023 to 30 June 2024 are as follows:

Minister

Hon. Jacinta Allan, MP, Minister for the Suburban Rail Loop (until 2 October 2023)

Hon. Danny Pearson, MP, Minister for the Suburban Rail Loop (commenced 2 October 2023)

Board Directors

James Merlino (Chair)

Christine Wyatt (Deputy Chair)

Paul Barker

Megan Bourke-O'Neil

Sally Freeman

James MacKenzie AO

Ben Hubbard (until 31 March 2024)

Chief Executive Officer and Accountable Officer

Frankie Carroll

Remuneration

Amounts relating to Ministers are reported within the State's Annual Financial Report. Remuneration received or receivable by the Accountable Officer in connection with the management of Suburban Rail Loop Authority during the reporting period was in the range: \$870,000 - \$879,999 (2022-23: \$820,000 - \$829,999).

The number of responsible persons excluding the Accountable Officer and Minister, and their remuneration during the reporting period, is shown in the table below.

Remuneration Bands	2024	2023
\$0 - \$9,999	1	-
\$10,000 - \$19,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	3	4
\$70,000 - \$79,999	1	-
\$150,000 - \$159,999	1	1
Total number of responsible persons	7	6
Total remuneration (\$ thousand)	496	427

The compensation detailed in the table above 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.

8.4. 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 equivalent provides a measure of fulltime equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by SRLA, or on behalf of SRLA, in exchange for services rendered, 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.
- Termination benefits include termination of employment payments, such as severance packages.

	(\$ thousand)	
	2024	2023
Remuneration of executive officers		
Short term employee benefits	28,831	18,820
Post-employment benefits	2,374	1,731
Other long-term benefits	719	542
Termination benefits	1,027	217
Total remuneration	32,951	21,310
Total number of executives	102	83
Total annualised employee equivalent (AEE)^(a)	88.8	73.5

(a) AEE is based on the time fraction worked over the reporting period.

8.5. Related parties

SRLA is a wholly owned and controlled entity of the State of Victoria.

Related parties of SRLA include:

- all key management personnel (KMP) and their close family members and personal business interests, including controlled entities, joint ventures and entities they have significant influence over
- all Cabinet Ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

SRLA transacts with other State Government Departments and agencies through transactions such as grants in line with budgeted allocations. These notes provide further detail of counterparty and amount. In addition, grant income disclosed in Note 2.1 Grants income is from DTP. Notes 5.1 Receivables and 5.2 Payables identify the balances with other State Government Departments.

KMP of SRLA include the responsible persons (see Note 8.3 Responsible persons) and senior executive service officers who report directly to the Accountable Officer.

The following table shows SRLA's KMP:

Name	Position/s identified as a KMP	Period
The Hon Jacinta Allan MP	Minister for Suburban Rail Loop	1 July 2023 to 2 October 2023
The Hon Danny Pearson MP	Minister for Suburban Rail Loop	2 October 2023 to 30 June 2024
James Merlino	Board Chairperson	1 July 2023 to 30 June 2024
Christine Wyatt	Board Deputy Chairperson	1 July 2023 to 30 June 2024
James MacKenzie AO	Board Member	1 July 2023 to 30 June 2024
Paul Barker	Board Member	1 July 2023 to 30 June 2024
Sally Freeman	Board Member	1 July 2023 to 30 June 2024
Megan Bourke-O'Neil	Board Member	1 July 2023 to 30 June 2024
Ben Hubbard	Board Member	1 July 2023 to 31 March 2024
Frankie Carroll	Chief Executive Officer	1 July 2023 to 30 June 2024
Nick Dickinson	Chief People Officer	1 July 2023 to 27 March 2024
James Tonkin	Executive General Manager, Strategic Communications and Engagement	1 July 2023 to 30 June 2024
Lissa van Camp	Executive General Manager, Land, Planning, Environment and Sustainability	1 July 2023 to 30 June 2024
Ludo Campbell-Reid	Executive General Manager, Planning and Precincts	1 July 2023 to 29 August 2023
Alix Rhodes	Acting Executive General Manager, Planning and Precincts	30 August 2023 to 13 February 2024
Mick Douge	Acting Executive General Manager, Rail and Infrastructure Delivery	1 July 2023 to 2 June 2024
Naomi Kelly	Executive General Manager, Commercial & Legal Joint Acting Executive General Manager, Rail and Infrastructure Delivery	1 July 2023 to 30 June 2024 3 June 2024 to 30 June 2024
Sashi Balaraman	Executive General Manager, Strategy and Policy Acting Executive Manager, Corporate Services	1 July 2023 to 30 June 2024 1 July 2023 to 12 November 2023
Chris Storey	Chief Financial Officer Acting Chief People Officer Acting Executive General Manager, Planning and Precincts Joint Acting Executive General Manager, Rail and Infrastructure Delivery	13 November 2023 to 30 June 2024 28 March 2024 to 30 June 2024 14 February 2024 to 7 May 2024 3 June 2024 to 30 June 2024
Matthew Martyn-Jones	Joint Acting Chief People Officer	28 March 2024 to 30 June 2024
Neil Scales	Joint Acting Executive General Manager, Rail and Infrastructure Delivery	3 June 2024 to 30 June 2024

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of SRLA, directly or indirectly, including any director (whether executive or otherwise) of SRLA. During the year, the roles of Chief People Officer and Executive General Manager, Rail and Infrastructure Delivery became vacant at SRLA.

At the date of this report, these positions remain unfilled. Independent contractors have been engaged to provide short-term executive support services until the positions are filled. It was assessed these independent contractors were performing the roles of the Chief People Officer and Executive General Manager, Rail and Infrastructure Delivery. Therefore, they have been disclosed as KMP of the authority.

None of the independent contractors have financial delegation or the ability to bind the organisation to future commitments. As at the reporting date, the authority and responsibility for the role of Chief People Officer is currently delegated to the Chief Financial Officer. Authority and responsibility for decision-making for the role of Executive General Manager, Rail and Infrastructure Delivery is currently split between the Chief Financial Officer

and Executive General Manager Commercial and Legal, with the substantive reporting line being through to the Chief Executive Officer.

Remuneration of KMP

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

	(\$ thousand)	
	2024	2023
Compensation of KMPs		
Short term employee benefits	5,266	4,243
Post-employment benefits	301	248
Other long-term benefits	109	93
Termination benefits	463	130
Total KMP compensation	6,139	4,714

Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

During the year, SRLA had the following government-related party transactions:

Income and receivable transactions over \$100,000 with government related entities

Related Party	Nature of Transaction	(\$ thousand)	
		Income	Receivables
2024			
Department of Transport and Planning	Provision of Grant Income	125,227	110,276

Expenditure and payables transactions over \$100,000 with government related entities

Related Party	Nature of transaction	(\$ thousand)	
		Expenditure	Payables
2024			
Cenitex	IT desktop and system implementation support services	284	198
Department of Energy, Environment and Climate Action	Project development and delivery support services for Rail and Infrastructure	4,110	400
Department of Transport and Planning	Shared service support in both corporate and projects	8,127	13,627
Department of Treasury & Finance	Office accommodation and other support services	7,866	195
Development Victoria	Outgoings for peppercorn lease	171	95
EPA Victoria	Project Services for Rail and Infrastructure	481	143
Melbourne Water Corporation	Project Services for Rail and Infrastructure	314	26
Victorian Government Solicitors Office	Provision for Land Acquisition Services	735,527	23,965
Victorian Managed Insurance Authority	Insurance arrangements	153,319	819

8.6. Remuneration of auditors

	(\$ thousand)	
	2024	2023
Victorian Auditor-General's Office Audit of the Financial Statements	150	103
Total remuneration of auditors	150	103

8.7. Subsequent events

SRLA's policy in connection with recognising subsequent events, that are, for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue, is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date, and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

On 8 July 2024, Terra Verde was announced as the preferred bidder for the SRLA East Tunnels contract. Terra Verde is a consortium that includes WeBuild S.p.A, GS Engineering and Construction Australia, and Bouygues Construction Australia. Detailed negotiations are now underway, and the Tunnels North contract is expected to be awarded in the 2024-25 financial year. Further announcements, including the financial impact of this announcement upon SRLA's operations, will be made once contracts are finalised.

8.8. Other accounting policies

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 SRLA.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners 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. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by SRLA as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

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

8.9. Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2023-24 reporting period. These accounting standards have not been applied to SRLA's Financial Statements. SRLA is reviewing its existing policies and assessing the potential implications of these accounting standards, which include:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024.

No material impact is expected from the adoption of the amendments to AASB 13 *Fair Value Measurement*.

Other amendments to Accounting Standards

A number of other standards and amendments have also been issued that apply to future reporting periods, however, they are not expected to have any significant impact on the financial statements in the period of initial application.

8.10. Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx)	negative numbers
200x	year period
200x-0x	year period

The financial statements and notes are presented based on the illustration for a statutory authority in the 2023- 2024 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of SRLA's annual reports.



SECTION 4

Disclosure Index

SRLA's Annual Report is prepared in accordance with relevant Victorian legislation and pronouncements. This index signposts SRLA's compliance with Standing Direction (SD) requirements, Financial Reporting Directions (FRDs) and legislation.

Statutory Disclosure and Financial Reporting Direction requirements

SD/FRD	Requirement	Page
Report of operations		
<i>Charter and purpose</i>		
FRD 22	Manner of establishment and the relevant Ministers	7-8, 13
FRD 22	Purpose, functions, powers and duties	4-8, 13-15
FRD 22	Key initiatives and projects	4-12
<i>Management and structure</i>		
FRD 22	Organisational structure	14-16
<i>Financial and other information</i>		
FRD 10	Disclosure index	79
FRD 12	Disclosure of major contracts	28
FRD 15	Executive disclosures	22-23
FRD 22	Employment and conduct principles	17
FRD 22	Occupational health and safety policy	24-25
FRD 22	Subsequent events	77
FRD 22	Application and operation of Freedom of Information Act 1982	32
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	33
FRD 22	Statement on Competitive Neutrality Policy	33
FRD 22	Application and operation of the Public Interest Disclosures Act 2012	33
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	33-34
FRD 22	Details of consultancies over \$10,000	28
FRD 22	Details of consultancies under \$10,000	28
FRD 22	Disclosure of emergency procurement	28
FRD 22	Disclosure of procurement complaints	28
FRD 22	Disclosure of government advertising expenditure	28
FRD 22	Disclosure of review and study expenses	29
FRD 22	Disclosure of ICT expenditure	29
FRD 22	Statement of availability of other information	34-35
FRD 24	Reporting of environmental performance	29-31
FRD 25	Local Jobs First	27
FRD 29	Workforce data disclosures	20-21
SD 5.2	Specific requirements under Standing Direction 5.2	Throughout
<i>Compliance attestation and declaration</i>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	35
SD 5.2.3	Declaration in report of operations	1

Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	39
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	46
SD 5.2.1(a)	Compliance with Standing Directions	35
SD 5.2.1(b)	Compliance with Model Financial Report	78
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	73
FRD 110	Cash Flow Statements	44
FRD 114	Financial Instruments – general government entities and public non-financial corporations	65-66

Note:

- Only FRDs applicable to SRLA are listed in the disclosure index.

Legislation

	Page
SRL Act 2021: requirement to include Statement of Corporate Intent	7-8, 13-15, 39
SRL Act 2021: other matters	Throughout
Freedom of Information Act 1982	32
Building Act 1993	33
Public Interest Disclosures Act 2012	33
Carers Recognition Act 2012	33
Disability Act 2006	34
Local Jobs Act 2003	27
Financial Management Act 1994	35 / Throughout

contact@srla.vic.gov.au | 1800 105 105 (call anytime)
suburbanrailloop.vic.gov.au

Please contact us if you would like this information in an accessible format.
If you need assistance due to a hearing or speech impairment, please visit relayservice.gov.au

