



# ANNUAL REPORT 2022-2023



**PUFFING BILLY**  
RAILWAY OPERATED BY EMERALD  
TOURIST RAILWAY BOARD





## ACKNOWLEDGEMENT OF COUNTRY

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

# ABOUT US

Puffing Billy Railway (PBR) is Australia's foremost operating heritage steam railway, and one of the largest narrow-gauge steam and heritage railways in the world. Its history spans a period of 123 years. Remarkably, for more than half that span, it has operated as a volunteer-based not-for-profit body. The Puffing Billy Railway is operated by the Emerald Tourist Railway Board (ETRB) which operates every day except Christmas Day. During the 2022 – 2023 financial year, Puffing Billy Railway carried 257,518 passengers.

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

The 2'6" gauge line to Gembrook opened in 1900, initially to carry produce, livestock, and timber to Ferntree Gully, where the freight was transferred to broad gauge trains. However, it quickly became a great favourite of Melburnians, seeking a leisurely way of visiting "the hills". The railway officially closed in 1954 after a major landslide near Menzies Creek. However, later that year a succession of "Young Sun" steam train specials was organised by a Melbourne daily newspaper to farewell the railway. The success of these specials brought about the formation of the Puffing Billy Preservation Society, which quickly reopened the railway for the public to enjoy.

Puffing Billy Railway continues to offer a unique volunteer experience and is recognised throughout the country for its quality, dedication and diversity of community minded people who operate this iconic railway through the scenic Dandenong Ranges.

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





## VISION

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

## MISSION

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

## KEY ASPIRATIONS

Puffing Billy Railway's ongoing success is a product of the following four strategic pillars.



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



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



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



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

Pursuant to the provisions of the *Financial Management Act 1994* and the *Audit Act 1994*, the Board presents its Annual Report in respect of the year ended June 30, 2023. The report is prepared in accordance with all Victorian legislation.

# CHAIR'S MESSAGE

I am pleased to present the Emerald Tourist Railway Board's Annual Report for the fiscal year ending 30 June 2023. It is my privilege to share with you the progress and accomplishments of Puffing Billy Railway (PBR) over the past year.

On behalf of the Board, I wish to record that this year was significant due to the completion, for the Emerald Tourist Railway Board, of the successful delivery of all Victorian Ombudsman's recommendations by the Commission for Children and Young People, and the transition to a new legislative framework following the assent of the Puffing Billy Railway Act 2022.

## COVID-19 RECOVERY (FINANCIAL PERFORMANCE)

In 2022-2023, Puffing Billy Railway continued to recover from the impacts of COVID-19. Despite a challenging economic environment, we had 257,518 passengers travel on our trains during the year, exceeding expectations due to a strong domestic visitor market. This was a growth of 137% compared to the previous year.

## MARKET POSITION

In a constrained international tourism market, Puffing Billy Railway maintained its position as a premier tourism destination through strong domestic visitor support. Three sold-out special events including the Train of Lights, THE POLAR EXPRESS™ Train Ride, and Day Out with Thomas seasons ensured renewed interest throughout the year. Ticket sellouts and positive customer feedback are testament to our workforce's dedication and commitment to delivering memorable train experiences.

## PRODUCT AND SERVICE INNOVATION

Heritage sustainability combined with forward thinking innovation remains at the heart of the railway's recovery. We renewed and launched the First-Class and Murder Mystery dining experiences, as well as a successful sellout of the Dog Express train. These offerings not only strengthened our existing visitor experience but also opened the door to new markets and opportunities.

## OPERATIONAL EFFICIENCY AND SAFETY

Efficiency and effectiveness became a key focus, and I am proud to report that we have made significant strides in this regard. Our initiatives to streamline operations contributed to our recovery and will assist the railway to return to self-sufficiency in coming years.

The railway continues to ensure the safety of all who visit and work at the railway and it remains a top priority. The Board was delighted that the work involved in bringing back the safe return of Sitting on the Sills was recognised by the Australian rail safety industry with a Community Safety Award at the 2023 Rail Industry Safety and Standards Board (RISSB) Rail Safety Awards in Sydney.



## SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Puffing Billy Railway remains committed to our corporate responsibility initiatives. In line with our aspiration to deliver a sustainable future for the railway, we employed an Environmental Sustainability Specialist to drive progress in reducing our carbon footprint and implementing sustainable practices. Local community engagement was further enhanced by the establishment and implementation of the PBR Stakeholder Consultative Committee.

## WORKFORCE ENGAGEMENT AND DEVELOPMENT

Our volunteers and staff are the railway's most valuable asset, and we have continued to invest in their growth and development. We are proud of our dedicated workforce, growing diversity, and we have implemented various programs to foster a culture of safety, collaboration, inclusion, and continuous learning. Standout achievements during the year include receipt of the Emerging Stronger Grant and implementation of the PBR Guild for volunteers who have stepped back from active volunteering.

## OUTLOOK FOR THE FUTURE

The Board acknowledges the financial support of the Victorian and Commonwealth Governments in our successful re-emergence from COVID-19. The forward-thinking investment in the Lakeside Visitor Centre has been a key part of our success and will feature prominently in future business plans.

As we look ahead, we are optimistic about the long-term sustainability of Puffing Billy Railway as a premier tourism experience for the State of Victoria. From 1st July 2023 we will be governed by the Puffing Billy Railway Act 2022, intended to protect this iconic world heritage railway for future generations.

While challenges remain in both the domestic and international tourism markets, thanks to our focus on innovation, operational efficiency, and sustainability, we are well-positioned to navigate these successfully. We will continue to focus on securing the viability of Puffing Billy Railway for the Victorian Government and assist with the state's economic recovery from COVID-19.

I would like to thank the Minister for Tourism, Sport and Major Events, Steve Dimopoulos MP, his office, and other relevant State Ministers for their continued support. I would also like to express my gratitude to our board of directors, our executive team, our dedicated volunteers and staff for their commitment and support to the railway's success.

In conclusion, I am confident that the strategic decisions we have made, and the dedication of our team will ensure a sustainable future for Puffing Billy Railway. I look forward to sharing more achievements and milestones with you in the coming year.



**TIM NORTH OAM KC**

Chair

Emerald Tourist Railway Board



# CEO MESSAGE

To our valued employees, dedicated volunteers, supportive stakeholders, and the Puffing Billy Railway community,

It is with immense pride and pleasure, I present to you the 2022-2023 Annual Report, commemorating yet another year in the storied history of Puffing Billy Railway. I am humbled by the collective efforts and unwavering dedication of our team of employees and volunteers who have contributed to the achievements of this past year.

Our iconic heritage steam railway has been a beacon of nostalgia, adventure, and preservation, captivating the hearts of visitors from across Victoria and the world. As we reflect on the challenges and triumphs of the past year, it becomes evident that Puffing Billy Railway's journey has been one of resilience, adaptability, and growth.

## HERITAGE PRESERVATION

At Puffing Billy Railway, our commitment to preserving the rich heritage of steam rail travel remains steadfast. The restoration and maintenance of our historic locomotives and carriages continue, ensuring future visitors can experience the magic of a bygone era. Additionally, we have made substantial strides in revitalising the railway corridor and preserving the natural beauty that surrounds the railway with upgrades and ongoing maintenance works to tracks, bridges, and stations.

## SAFETY AND OPERATIONAL EXCELLENCE

The safety of our passengers and workforce is paramount. Throughout the year, we have rigorously improved and monitored our safety protocols, ensuring that every journey aboard Puffing Billy is a safe and memorable experience. The dedication of our staff and volunteers in providing exceptional customer service has been recognised through numerous accolades and positive feedback from our valued passengers. Some of our awards include the Community Safety Award at the 2023 Rail Industry Safety and Standards Board (RISSB) Rail Safety Awards, and the 2023 Rail Safety Award from the Association of Tourist & Heritage Rail Australia (ATHRA), both of which celebrated the safe return of sitting on the carriage sills.

## COMMUNITY ENGAGEMENT

Puffing Billy Railway's impact extends far beyond the tracks. We take pride in being an integral part of the communities we serve, fostering strong relationships with local businesses, schools, and residents. Our educational programs, community events, and outreach initiatives have forged lasting connections that enrich the lives of those who call our region home.

The establishment of the Stakeholder Consultative Committee has proven to be an invaluable platform for fostering open dialogue and collaboration. Through this committee, we actively engage with representatives from various community groups, local businesses, and residents. Similarly, the formation of the Youth Reference Group marks another milestone and reflects our dedication to youth empowerment and engagement, and aims to nurture a new generation of advocates who share a passion for heritage preservation and steam rail travel.

We continue to foster open communication with the community through the Puffing Billy Railway feedback platform on our website.



## INNOVATION AND GROWTH

Innovation and growth have been at the forefront of Puffing Billy Railway's journey, as showcased in the numerous events that have now carved a place as their own iconic experiences, eagerly anticipated, and cherished by visitors once more.

The new Lakeside Visitor Centre stands as an impressive and awarded example of progress and hospitality, offering contemporary convenience in an experience filled with historical charm. Its presence has elevated our capacity to welcome and serve visitors, opened up new possibilities for journeys and events along this scenic route, and provides guests with a truly immersive Puffing Billy experience.

Collaborations with tourism partners and other heritage organisations have also opened doors to exciting opportunities for the future.

## CHALLENGES AND TRIUMPHS

The year 2022-2023 presented its share of challenges, including continued economic shifts and global uncertainties. Yet, we have navigated these times with resilience and agility, thanks to the dedication of our team and the unwavering support of all stakeholders.

As we look forward, we remain committed to our core values and vision of forging a sustainable railway that not only preserves our rich heritage but also strives to build enduring economic, social, and cultural sustainability within the community. The ongoing projects, initiatives, and expansion plans will carry the legacy of Puffing Billy Railway to new heights.

Together, we will continue to preserve the timeless magic of steam rail travel for generations to come, proudly showcasing Puffing Billy Railway as a world-renowned, premier preserved, steam railway.

Sincerely,

Handwritten signature of Peter Abbott

**PETER ABBOTT**

Chief Executive Officer  
Puffing Billy Railway

# BUILDING PARTNERSHIPS AND DRIVING PROGRESS

## KEY INITIATIVES IN FOCUS

At Puffing Billy Railway, the journey of progress is one embraced by collaboration and partnership. As we gather the threads of another year's achievements and milestones, it's clear that the railway's path to success is interwoven with the support and dedication of our stakeholders. From the heart of our operations to the heart of our communities, the essence of building partnerships and driving progress reverberates. As you explore these pages, you will see the tangible results of our collective effort, and how together, we're shaping a brighter and more sustainable future for Puffing Billy Railway.

### DIVERSITY AND INCLUSION WORKING GROUP

As a vital component of the Gender Equality Action Plan (GEAP), the formation of the Diversity and Inclusion Working Group emerged as an important initiative this year. This collective, comprising Board representation, has taken on the responsibility of overseeing and supporting the GEAP's endeavours, while also contributing to various diversity and inclusion initiatives throughout the organisation.

Collaborating closely with Women's Health in the Southeast (WHISE), PBR embarked on an analytical journey involving Gender Impact Assessments (GIAs). This process now allows the organisation to analyse policies, services, and programs through a lens of inclusivity, evaluating how we cater to the unique needs of women, men, and those identifying as gender diverse.

### RECONCILIATION ACTION PLAN WORKING GROUP

In line with our commitment to fostering inclusivity and cultural diversity, PBR embarked on a significant journey by commencing the implementation of the railway's first Reconciliation Action Plan (RAP). This key initiative stands as a testament to our dedication to acknowledging and honouring the rich cultural heritage of the Wurundjeri and Bunurong people, the Traditional Custodians of the land on which the railway operates.

Through the RAP, we are actively working to deepen cultural awareness, engage in respectful partnerships with Indigenous communities, and integrate Indigenous perspectives across operations. As we move forward, the implementation of the RAP will continue to be a cornerstone of our organisational values and a powerful reminder of the railway's responsibility to contribute positively to reconciliation efforts.

## **YOUTH REFERENCE GROUP**

The inception of PBR's Youth Reference Group marks yet another significant accomplishment for the railway. Comprising of eight individuals, both from within PBR and outside of the organisation, and aged 16 to 25, this group plays a pivotal role in shaping PBR's visitor experience, policies, and programs and greater visibility to the wants and needs of children and young people when they are visiting, working, or volunteering at Puffing Billy Railway.

The Youth Reference Group will lead the development of PBR's first Youth Engagement Strategy, setting a precedent for meaningful engagement with young stakeholders in the future.

## **STAKEHOLDER CONSULTATIVE COMMITTEE**

In accordance with the new *Puffing Billy Railway Act 2022*, the Stakeholder Consultative Committee was formally enshrined this financial year, reinforcing our commitment to open and transparent stakeholder engagement, and an integral part of PBR's engagement framework. This committee acts as a vital community reference group, fostering a dynamic exchange of information, insights, and perspectives. Its primary function is to facilitate the sharing of relevant PBR updates, identify emerging trends, and unearth potential avenues for growth and collaboration. Through this platform, PBR actively seeks valuable input and feedback from a diverse array of stakeholders, ensuring their voices resonate in the decision-making process.



# CURRENT YEAR FINANCIAL REVIEW

Emerald Tourist Railway Board (ETRB) reported a Net Result from Transactions, after depreciation and grants, for 2022-23 of \$727,447 (2021-22 \$1,870,251).

As international travel returned to Australia, and volunteers returned to the railway we increased our train services, which resulted in an increase in Operating Income of 19%.

Operating Expenditure increased by 27% in 2022-23. This increase was attributable to cost of service associated with increase in operations at the Lakeside Visitor Centre.

There were no Asset Revaluations during 2022-23.

The Comprehensive Operating Result, of \$727,447 in 2022-23, decreased from \$1.87 million reported in 2021-22. This is due to the 2021-22 result including operating grant income of \$11.2 million compared to 2022-23 \$4.13 million.

Net Cash Flows from Operations increased in 2022-23 to \$4.3 million (2021-22 \$2.9 million) mainly due to increased passenger spending in 2022-23.

Total Net Assets continued to grow in 2022-23, with an increase of \$1.4 million to \$114.3 million.

The total donated funds held in reserve for future projects as at 30 June 2023 is \$256k.

## FIVE YEAR FINANCIAL SUMMARY

	YEAR 5 2023	YEAR 4 2022	YEAR 3 2021	YEAR 2 2020	YEAR 1 2019
Operating Income	23,066,473	19,438,738	15,044,848	22,920,144	17,328,229
Operating Expenditure	22,339,026	17,568,486	14,045,719	20,609,605	16,253,212
Net Result from Transactions	727,447	1,870,251	999,129	2,310,539	1,075,017
Other economic flows	-	-	1,273	-	24,256
Net Results for the year	727,447	1,870,251	1,000,402	2,310,539	1,099,273
Asset Revaluations	-	-	27,417,189	-	-
Comprehensive Operating Result	727,447	1,870,251	28,417,591	2,310,539	1,099,273
Net Cash Flow from Operations	4,267,074	2,906,302	9,701,477	3,764,570	2,624,380
Total Assets	114,293,377	112,921,846	111,415,888	70,405,184	68,031,198
Total Liabilities	4,343,488	3,699,404	5,299,697	2,785,567	2,722,120

(a) This table presents data from the current reporting year with comparative data from the past four reporting years. Year 5 represents the current year (2023).

## CAPITAL PROJECTS

The Total Estimated Investment (TEI) projects for ETRB completed during the financial year did not meet the disclosure threshold of \$10 million.

## COMPARATIVE WORKFORCE DATA

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

June 2023							
	Entire Workforce				Employees		
	Work force (head count)	Employee (head count)	FTE	Active Volunteers	Full-time	Part-Time	Fixed term & Casual
<b>Gender</b>							
Women	113	69	60	44	24	18	27
Men	319	59	60	260	35	14	10
Self-described	1	-	-	1	-	-	-
Not provided	27	-	-	27	-	-	-
<b>Age</b>							
15-24	45	19	16	26	3	1	15
25-34	69	25	24	44	18	3	4
35-44	57	34	31	23	24	5	5
45-54	37	15	16	22	8	4	3
55-64	77	20	22	57	4	8	8
65+	175	15	11	160	2	11	2

June 2022							
	Entire Workforce				Employees		
	Work force (head count)	Employee (head count)	FTE	Active Volunteers	Full-time	Part-Time	Fixed term & Casual
<b>Gender</b>							
Women	93	53	43	43	22	16	15
Men	295	52	45	243	32	11	9
Self-described	1	-	-	1	-	-	-
Not provided	10	-	-	10	-	-	-
<b>Age</b>							
15-24	38	12	8	26	2	-	10
25-34	63	21	20	42	12	3	6
35-44	53	29	26	24	22	5	2
45-54	44	16	15	28	9	5	2
55-64	69	13	11	56	6	4	3
65+	135	14	9	121	3	10	1

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

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

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



## ENVIRONMENTAL IMPACTS

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

## ELECTRICITY PRODUCTION AND CONSUMPTION

The period 2020/21 to 2022/23, saw an increase in operating days each year which has resulted in an increase in electricity used across our sites. ETRB consumes energy for many uses including office facilities, railway stations, retail outlets, cafés, public utilities, railway signalling and operational workshops.

ETRB continues to implement a range of energy efficient policies across its sites to reduce electricity use. These measures include:

- 100% Green Power through Red Energy for the electricity usage at LVC
- ETRB purchased native vegetation credits during the construction of the LVC, which has been constructed from a range of modern materials.
- ETRB has planted 16,000 new plants, trees and shrubs at LVC.
- LED lighting has now been installed in most ETRB sites.
- Energy provider, Simply Energy, use carbon neutral power.

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

	2022/23	2021/22	2020/21
<b>Trading days</b>	364	252	121
Electricity (MWh)	787.19	658.81	527.75
Electricity (Co2t)	530	534	570

## TRANSPORTATION

ETRB maintains vehicles essential to the delivery of Puffing Billy Railway train services. These vehicles include trucks, trolleys, utes, and locomotives. Energy used in transport fuels has increased due to increased trading days.

	2022/23	2021/22	2020/21
<b>Trading days</b>	364	252	121
Diesel (Ltr)	128,332	48,015	4,844
Petrol (Ltr)	5,250	6,428	14,851
Coal (T)	435	324	285
Diesel (Co2t)	347	130	38
Petrol (Co2t)	12	15	34
Coal (Co2t)	1,053	785	693
<b>Total Co2 Emissions</b>	<b>1,965</b>	<b>1,484</b>	<b>1,349</b>



# PEOPLE & CULTURE – OUR PEOPLE

People & Culture is the driving force behind PBR's workforce strategies, ensuring a cohesive and supportive environment for both staff and volunteers. Our core functions encompass a range of activities that contribute to the growth, engagement, and wellbeing of our workforce, empowering each individual and cultivating a culture that upholds the railway's values.

## RECOGNISING OUR TEAM

For the second year, PBR hosted a recognition event providing an opportunity to recognise and celebrate the contributions of our team over the past year.

The focus of the evening celebration was recognising years of service and training outcomes of staff and volunteers and was hosted by the CEO, Peter Abbott, and Board member, Dianne Smith. Over 130 people joined together to celebrate our greatest asset – our people.

Volunteers acknowledged for 30 years or more service included:

- Tim Horton
- Michael Strangward
- Dave Baker
- Matt Thomas
- Greg Michael
- David Kerry
- Lindsay Walker

Staff acknowledged for 30 years or more service included:

- Graeme Daniel

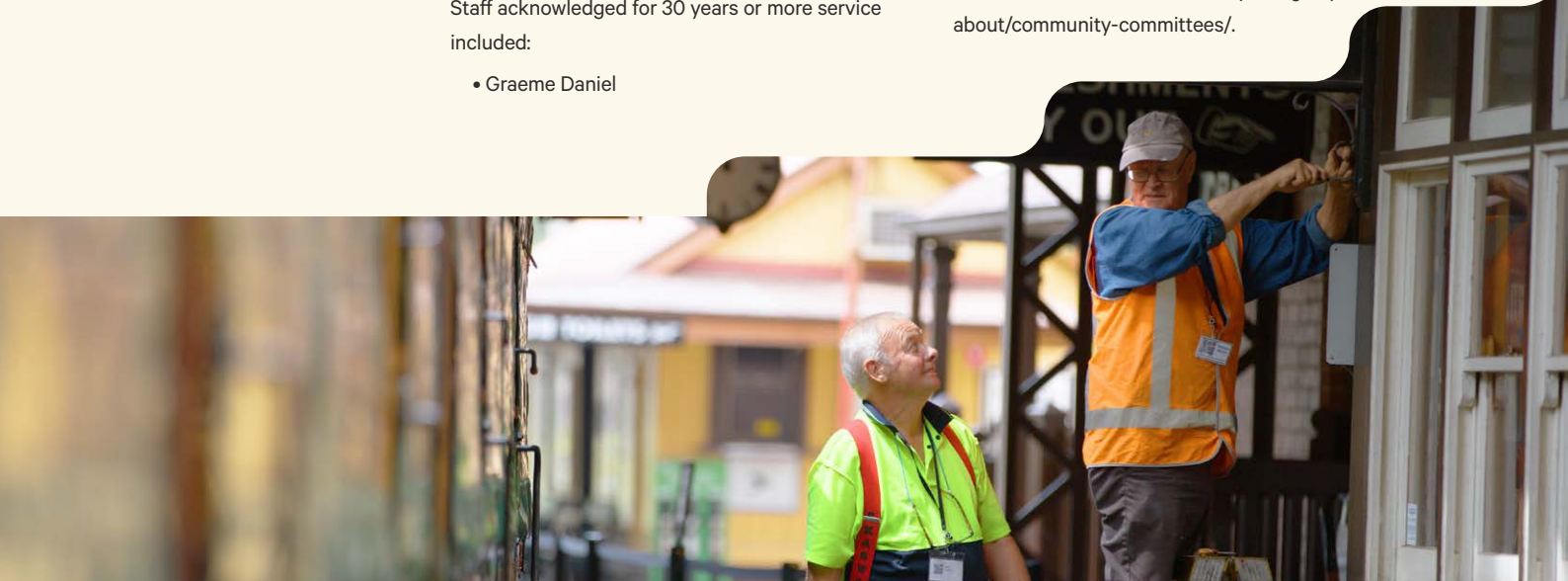
## STAYING CONNECTED WITH OUR VOLUNTEERS – PBR GUILD

PBR has often come across situations where the volunteer experience is impacted by factors such as health, relocation, or lifestyle changes. These circumstances may lead volunteers to step back from active volunteering while maintaining a strong interest in staying connected with the organisation.

This year, the PBR Guild was established as a forum to acknowledge former volunteers' contributions, thank them for their years of service and facilitate an alternative method of staying in touch with the organisation once formal volunteering ends. Members receive regular correspondence from the organisation and are invited to events to remain connected to the broader PBR community and to foster friendships beyond the active volunteering space.

From March to June 2023, 51 past volunteers have become PBR Guild Members. We look forward to this new initiative evolving in the coming years.

For more information, visit [www.puffingbilly.com.au/about/community-committees/](http://www.puffingbilly.com.au/about/community-committees/).





## STAYING CONNECTED WITH OUR VOLUNTEERS – EMERGING STRONGER – ALL ABOARD PROJECT

PBR were successful recipients of an Emerging Stronger Grant, with funding made available by the Victorian State Government and the Department of Families, Fairness and Housing. The purpose of the grant was to fund a project to explore and secure the future of and diversify the volunteer cohort within the Victorian Tourist and Heritage Railway sector.

Outcomes of the grant work included:

- **Undertaking a reengagement survey with inactive volunteers**

Partnering with Eastern Volunteers – a not-for-profit volunteer resource organisation – a reengagement survey that was undertaken across PBR and partner railways was offered to over 250 volunteers, of which 78 were PBR volunteers. Of those who responded, 65% chose to reengage, 25% were unsure and 10% did not wish to reengage.

- **Focus groups with Project Partner AMES**

Survey and focus group sessions targeting culturally and linguistically diverse (CALD) volunteers were developed by AMES Australia – an organisation that provides a range of settlement services for refugees and migrants – and implemented by PBR. The purpose of the survey and focus groups was to collect data / responses around the key topics of inclusivity, accessibility, onboarding / recruitment processes, personal aspirations, diversity, health, safety, wellbeing, and continuous improvement.

- **Cultural Awareness Training with Project Partner AMES Australia**

Volunteers and staff across the heritage railway sector were invited to attend either an in-person or virtual education sessions on cultural awareness. Over 80 people attended the education sessions.

- **Online Volunteer Hub**

A revised and renewed volunteer information page on the PBR website was undertaken, ensuring it was accessible and easy to navigate and featured the diversity, passion, and skills of our volunteer team. The online application process was streamlined and simplified, providing clear pathways for applicants with a focus on fewer words and more visual prompts to promote volunteering opportunities.

- **Celebration and Reconnection Day**

An invitation-only event for volunteers, stakeholders, and Project Partners was hosted at PBR, where the railway launched the improved volunteer webpage and shared project outcomes.

- **Presentation of Grant Outcomes at the 2023 National Volunteer Conference**

CEO, Peter Abbott, presented at the National Volunteer Conference in Canberra to a large audience (including online guests) to share the knowledge and learnings from the grant project.

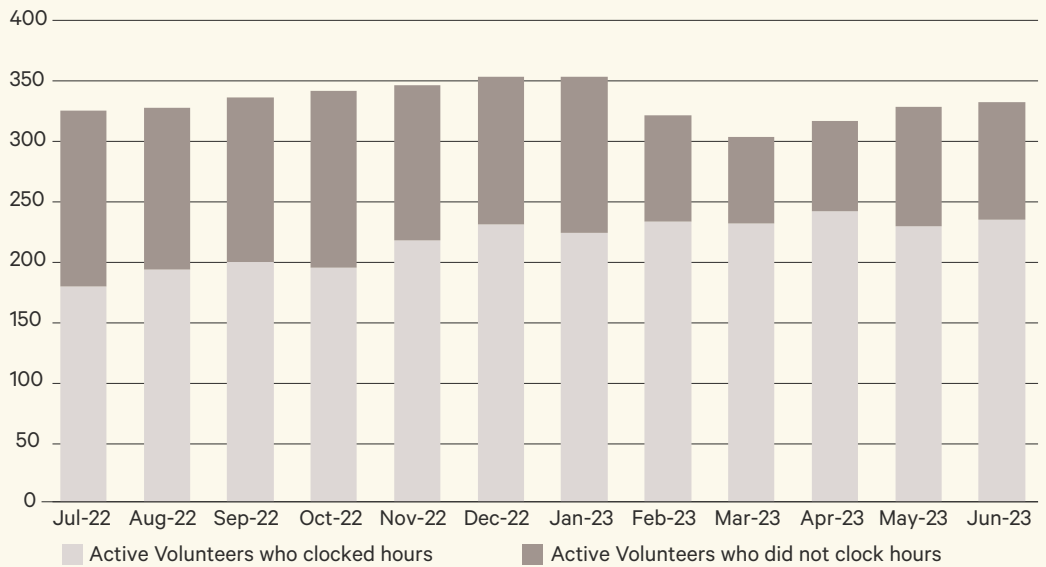
**GROWING OUR VOLUNTEER TEAM**

This year’s focus was around consulting and supporting registered volunteers who had not recorded volunteering hours in over 12 months – many who had not returned to volunteering since the COVID-19 closures. Some of this cohort chose to transition to the PBR Guild, while others chose to reengage and commence active volunteering once more.

Our volunteer team in numbers during the financial year:

- 85 volunteers resigned
- 51 previous volunteers transitioned to the PBR Guild
- 73 volunteers commenced for the first time with the organisation
- 70% is the average number of volunteers who register volunteering hours in a month

**COMPARATIVE DATA – ACTIVE VOLUNTEER V NO. CLOCKING HOURS BY MONTH**



## ENGAGEMENT SURVEYS

Employees were provided the opportunity to participate in the Victoria State Government People Matter Survey 2022. There was a 49% participation rate (48% in 2021).

Topline outcomes from the People Matter Survey included:

- 56% Engagement index level – (61% in 2021) a moderate response regarding employee connectiveness and enthusiasm towards the organisation.
- 53% Satisfaction level (45% in 2021)
- 30% Stress level – (36% in 2021) indicating high to moderate levels of workplace stress experienced by respondents.
- 63% Inclusion level – indicating how many staff feel as if they belong and can be themselves at work.

PBR also conducted organisation specific engagement surveys administered externally by Xred Engage (previously known as Voice Project). Separate surveys were conducted for the employee workforce and volunteer workforce. The first such surveys were conducted in 2021, thus we were able to compare results against our first-year benchmark.

Topline outcomes from the Employee Voice Survey included:

- 68% Participation rate
- 67% Engagement – (61% in 2021) moderate level of engagement or job satisfaction across the organisation.
- 61% Wellbeing – (51% in 2021) measures the emotional wellbeing of employees at work and their ability to manage job related stress.

- 52% Progress – (42% in 2021) employee confidence measures employee perceptions about current organisational performance and optimism.

Topline outcomes from the Volunteer Voice Survey included:

- 92% Volunteer Engagement (84% in 2021)
- 94% Volunteer Wellbeing (94% in 2021)
- 80% Volunteer Progress (61% in 2021)

Favourable progress over the past two years demonstrates the impact of PBR's improvement efforts and commitment to continuing to develop and enhance the experience for the entire workforce over the longer term. These results show we are heading in the right direction, although there remains further work ahead.

Xred Engage reported that the outcomes indicated a substantial and favourable change in staff and volunteer experiences. This achievement was recognised with their 2023 Change Champion Award, reflecting an average overall enhancement of 8.36% in employee survey results and 7.67% in volunteer employee survey results.

The focus areas of our response plans after exploring all the engagement survey feedback include:

- Creating opportunities to develop skills and experience
- Improve workplace systems and processes for greater efficiency
- Continuing to recognise staff achievements in the organisation
- Focussing on skilled and supportive supervisors

## OUR WORKFORCE

WORKFORCE DATA	FULL TIME PERMANENT EMPLOYEES	PART TIME PERMANENT EMPLOYEES	CASUAL	VOLUNTEERS	TOTAL WORKFORCE
As at 30 June 2022	57	31	17	297	402
As at 30 June 2023	59	32	28	332	451

As of 30 June 2023, there are nine fixed term contracts. Six casuals converted to part time during the period.

# INFRASTRUCTURE

The Infrastructure branch ensures the safety, compliance, function, and reliability of PBR's physical fixed assets whilst delivering the building and corridor capital works to meet the future strategic requirements of the railway. Infrastructure's scope during this financial year included buildings, track, bridges, signals, civil works, the corridor environment and sustainability, land assets, statutory planning liaison and the Menzies Creek Museum complex.

Structurally, the PBR cleaning team moved over to Infrastructure, and an Environment and Sustainability Specialist was appointed. As of the 2023-2024 financial year, the branch will also encompass the carriage and locomotive rolling stock, effectively covering asset management for all major asset classes across the railway. For the 2022-2023 financial year, the Infrastructure branch saw substantial progress in asset management, administrative systems documentation, maintenance activities, and strategic capital works.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Safety and operational excellence.	• Operational readiness of the railway corridor.	• Ongoing
	• Installation of a new boom barrier set at Gembrook.	• In Progress
	• Installation of Gembrook radio tower.	• Complete
	• Develop corporate Asset Management Strategy.	• In Progress
	• Compliance and condition buildings audit.	• Complete
Commit to and deliver a sustainable future.	• Appointment of Environment and Sustainability Specialist.	• Complete
	• Mapping of PBR carbon footprint.	• In progress
	• Utilisation of corporate, volunteer and community groups in managing the corridor environment.	• Ongoing
Preserving cultural and heritage rail significance.	• Planning and design of new buildings in consultation with heritage subject experts available to the railway.	• Ongoing
	• Recreation of the 1924 Gembrook Historic Platform.	• Complete
Lead an inspired team to a common purpose of preserving the PBR experience.	• Establishment of an Infrastructure communication framework for staff and volunteers.	• Ongoing

## NOTABLE ACHIEVEMENT

The 2022-2023 financial year was marked by substantial productivity within Capital Projects. Notably, Stage 2 of the Lakeside Visitor Centre's defect period was successfully concluded, encompassing the carpark, generator, access pathways, and landscaping. Additionally, the process of relocating council assets reached its culmination in June. Progress on the handover of the \$3 million carpark to Cardinia Council was advancing, with the final stages underway as of June 23.

Other key capital projects from the PBR Master Plan were executed. Notable achievements included the completion of the Menzies Creek Platform Amenities, recreation of the Gembrook Historic Platform, and successful reroofing of the Belgrave Locomotive Workshop.

## STAKEHOLDER ENGAGEMENT

- **Cardinia Council** – Activities included planning scheme liaison along the PBR corridor, operational oversight of Emerald Lake Park, coordination of the Lakeside Visitor Centre Heads of Agreement, management of various development projects, emergency management initiatives, and the advancement of the Eastern Dandenong Ranges Trail.
- **Yarra Ranges Council** – Planning scheme liaison for local developments along the PBR corridor and the development of the Eastern Dandenong Ranges Trail.
- **CFA** – Fire Risk Management in the PBR corridor and strengthening emergency preparedness.
- **VicTrack / Metro Trains** – Development and delivery of the Belgrave Metro Station multi-level carpark and environmental management for rail.
- **Department of Energy, Environment and Climate Action** – Engage in liaison regarding the licensing of PBR Managed Crown land for third-party (Council) activities.
- **Local Community Groups** – Consultation with Emerald, Gembrook, and Cockatoo Community Groups in the development and delivery of PBR projects and events.

## WORKING TOWARDS 2023 – 2024

1. Finalise installation of a new boom barrier set at Gembrook.
2. Enhance maintenance function capability in the Workshops and Permanent Way.
3. Implement maintenance linked to the Compliance & Condition Buildings Audit.
4. Mapping of PBR carbon footprint and subsequent reduction actions.
5. Increasing internal rare skills and services capability.
6. Preparation and submission of the Rail Corridor Plan under the *PBR Act 2022*.
7. Progress accreditation of the Puffing Billy Railway.
8. Integration of the PBR Locomotive and Carriage Workshop team into Infrastructure.



# WAY & WORKS

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Ensuring a safe and secure workplace.	• Integrated practices of reporting, training, audits, and surveys, ensuring ongoing vigilance and a culture of accountability and continuous improvement.	• Complete – Ongoing
Enhancing the visitor experience.	• Comfortable train ride, environment of rail corridor.	• Complete – Ongoing
Ensuring longevity and future sustainability by maintaining and improving assets.	• Inspections, repairs and maintenance.	• Complete – Ongoing
Minimising our environmental impact and contributing to the continued preservation of the railway.	• Reuse and recycle, wildlife habitat creation.	• Complete – Ongoing

## NOTABLE ACHIEVEMENT

The successful replacement and regauging of a total of 688 sleepers throughout the railway corridor; a substantial endeavour that underpins the railway's operations. The meticulous execution of this project not only enhances the safety and stability of our tracks but also ensures a smoother and more comfortable journey for future passengers.

## STAKEHOLDER ENGAGEMENT

- **Volunteers** – Organised scheduled activities for corporate volunteers and school groups, while also providing training sessions to our dedicated PBR volunteers.
- **Vendors** – Engaging with suppliers to acquire suitable goods and services.
- **Visitors** – Actively offering relevant information and displaying friendly gestures such as smiling and waving as the trains depart.
- **Employees** – Managing staff by assigning tasks based on their strengths, ensuring resource allocation, offering training, and providing mentorship and support.
- **Dandenong Ranges Community** – Working with the community and neighbours to address concerns like drainage problems and fallen trees.

### WORKING TOWARDS 2023 – 2024

1. Undertake crucial track maintenance activities, including the repair of tamper equipment, ballasting operations, as well as the critical tasks of track lifting and alignment.
2. Carry out the replacement of approximately 1-2 kilometres of rail.
3. Address and mitigate any impact of landslides along the railway corridor by lifting the speed restrictions.
4. Conduct programmed remedial works on the Monbulk Creek Trestle Bridge to ensure ongoing structural integrity and functionality.
5. Commence work on the laying of track in Emerald Yard.

# ROLLING STOCK – LOCOMOTIVE AND CARRIAGE WORKSHOPS

The Rolling Stock branch comprises the Belgrave Locomotive Workshop and the Emerald Carriage Workshop facilities, both of which are responsible for the provision of locomotives and carriages to meet PBR's operation requirements. Services are continuing to build post-COVID-19, whilst we continue to be resource shy across the branch.

The Locomotive Workshop maintains the A-Roster steam and diesel locomotive fleet to ensure serviceability and operational stability. It also undertakes restoration work and rebuilds as necessary.

The Carriage Workshop oversees programmed and reactive maintenance on the carriage and wagon fleet to ensure availability of compliant in-traffic carriages and wagons to meet passenger operations requirements. Stringent planned maintenance in addition to manufacturing, restoration and reactive maintenance provided by both Workshops ensures PBR's rolling stock assets are compliant, available, and fit for service.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Locomotive and carriage availability.	<ul style="list-style-type: none"> <li>No services cancelled due to unavailability of rolling stock.</li> <li>Major maintenance undertaken on locomotive 7A.</li> <li>Major rebuild undertaken on locomotive 6A.</li> <li>Major maintenance undertaken on diesel locomotive DH5, which includes a replacement transmission and radiator and full repaint.</li> <li>Full fit-out on a bike carrier wagon.</li> <li>Carriage modifications for sitting on the sills.</li> </ul>	<ul style="list-style-type: none"> <li>Complete – Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Complete</li> <li>Complete</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Planned maintenance for the fleet is up-to-date and meets Rail Regulator (ONRSR) requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Complete – Ongoing</li> </ul>
Fit for service.	<ul style="list-style-type: none"> <li>Identifying and mitigating potential incidents and hazards through Incident Defect Report (IDR) procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
Resources for future growth.	<ul style="list-style-type: none"> <li>Ability to meet business demands.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>

## NOTABLE ACHIEVEMENT

The Belgrave Workshops now possess all heavy machinery tools to complete works previously contracted externally. Equipment was purchased at comparatively low cost from local firms which were either closing or changing their scope of operation. This included the acquisition of a vertical lathe, horizontal borer, and wheel press to increase internal skills and capability, improve flexibility, better ensure project timelines can be met, and create further opportunities for building external contract work. The acquisition of these machines, when finally commissioned, will provide additional future proofing to the business and a revenue stream in completing contract work for other railways.

Additionally, commissioning of the Emerald Carriage paint shop with new flooring, insulation, temperature control, improved lighting, compressed air, and a full dust / fume extraction and filtration system now gives the workshop the ability to prepare and paint carriages and wagons, locomotives, and any other suitable rolling stock.

## STAKEHOLDER ENGAGEMENT

- **Tourist and Heritage Railways** – Sharing of knowledge and skills, and job-specific experience with regards to our fleet.
- **Suppliers and vendors** – Development of relationships to better ensure smooth delivery and transactions.
- **Boiler Inspector, and specialist equipment / asset testing / compliance contractors** – Engaging in external independent testing providers to ensure appropriate scrutiny and robustness of preventative measures and systems.
- **WorkSafe** – Understanding and identifying gaps in work, health and safety requirements and remedying them with strong measures and controls.
- **VicTrack** – Supporting PBR in acquiring parts from the ComEng recycling program.
- **Heritage Victoria** – Managing project milestones of the Living Heritage grant for the restoration of locomotive 6A.
- **Copland Foundation** – Managing project milestones of the Copland Foundation grant for the restoration of historic goods wagon 103 NQR.

## WORKING TOWARDS 2023 – 2024

1. Achieving sustainable and adaptable staffing levels and stronger retention.
2. Strong system of work order management and planning and scheduling.
3. Implementation of preventative maintenance strategy to provide best operational outcome.
4. Commissioning of heavy machinery.
5. Provision of new carriage workshop amenities for staff and volunteers.
6. Continue to develop relationships with key stakeholders within the Tourist & Heritage Railway sector.



# ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability has evolved to become a key driver of PBR’s value proposition. This is both a strategic aspiration and an underlying commitment to be met as a State-Owned Entity. The initiative lays the foundation for PBR to significantly enhance its position and standing as a nature-based heritage railway experience.

## KEY GOALS

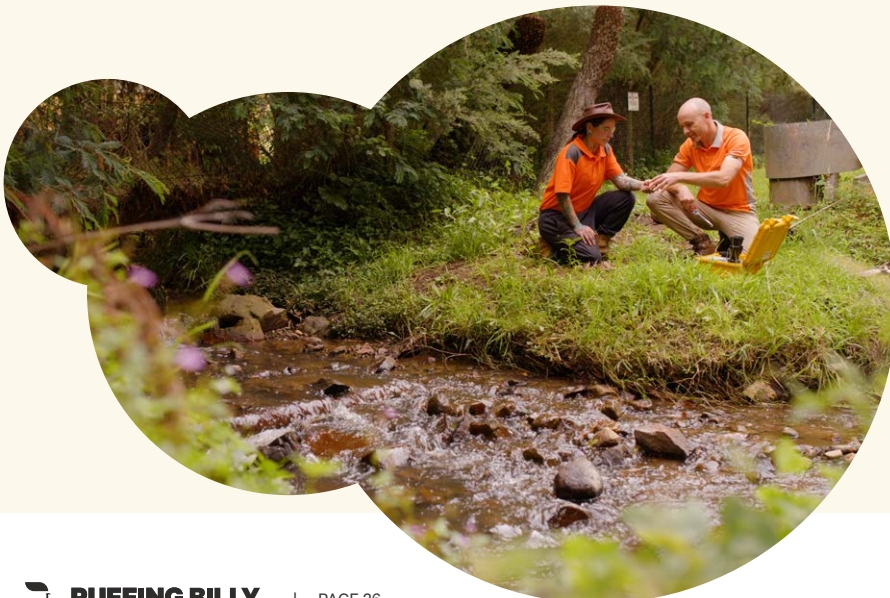
KEY GOAL	MEASURE	RESULT
Bring environmental sustainability capabilities to the organisation.	• Employ an Environmental & Sustainability Specialist.	• Complete
Identify carbon footprint profile and metrics.	• Greenhouse Gas Footprint Report.	• In Progress
PBR Waste Profile Mapping.	• Waste Generation Volume and Type Reporting.	• In Progress

## NOTABLE ACHIEVEMENT

In alignment with the aspiration to deliver a sustainable future, PBR appointed an Environmental and Sustainability Specialist in February 2023. The specialist initiated a comprehensive review across the business and introduced an environmental sustainability framework for identifying carbon emissions. The framework aligns with the Sustainable Development Goals, the expectations of key stakeholders and puts PBR on a path to understanding and reducing its carbon emissions. The Emerald Tourist Railway Board has endorsed the initial framework.

## STAKEHOLDER ENGAGEMENT

- **PBR Internal Branches** – Process of inquiry and review, specifically focusing on evaluating and refining the organisation’s sustainable practices.
- **Friends of Gembrook Park, Friends of Emerald Lake Park, John’s Hill Group and Cockatoo Heritage Group** – Actively collaborating with community groups to foster environmental sustainability initiatives and ensure a collective effort towards preserving the natural surroundings.
- **Cardinia Council** – Process of Inquiry aimed at understanding stakeholder perspectives and needs, fostering open dialogue and meaningful collaboration to address community concerns.
- **VicTrack / Rail Projects Victoria** – Engage in consultative communication and ensuring active involvement to drive successful rail projects and initiatives.





### WORKING TOWARDS 2023 – 2024

1. Measure carbon emissions footprint.
2. Identify high risk areas within the business (with a sustainability / carbon emissions lens).
3. Develop and implement organic waste land diversion program.
4. Develop and implement clean energy strategy.
5. Investigate the natural capital (ecological, environmental, and economic) value potential of the railway corridor.

# SAFETY

Ensuring the ongoing safety of all who work at and visit PBR stands as a paramount achievement. The sustained success of fostering a robust safety culture has contributed to the consistent reporting of incidents. PBR's culture of proactive reporting with the mantra "If you see something, say something" has amplified awareness among the workforce about their responsibility to promptly report any incidents they encounter.

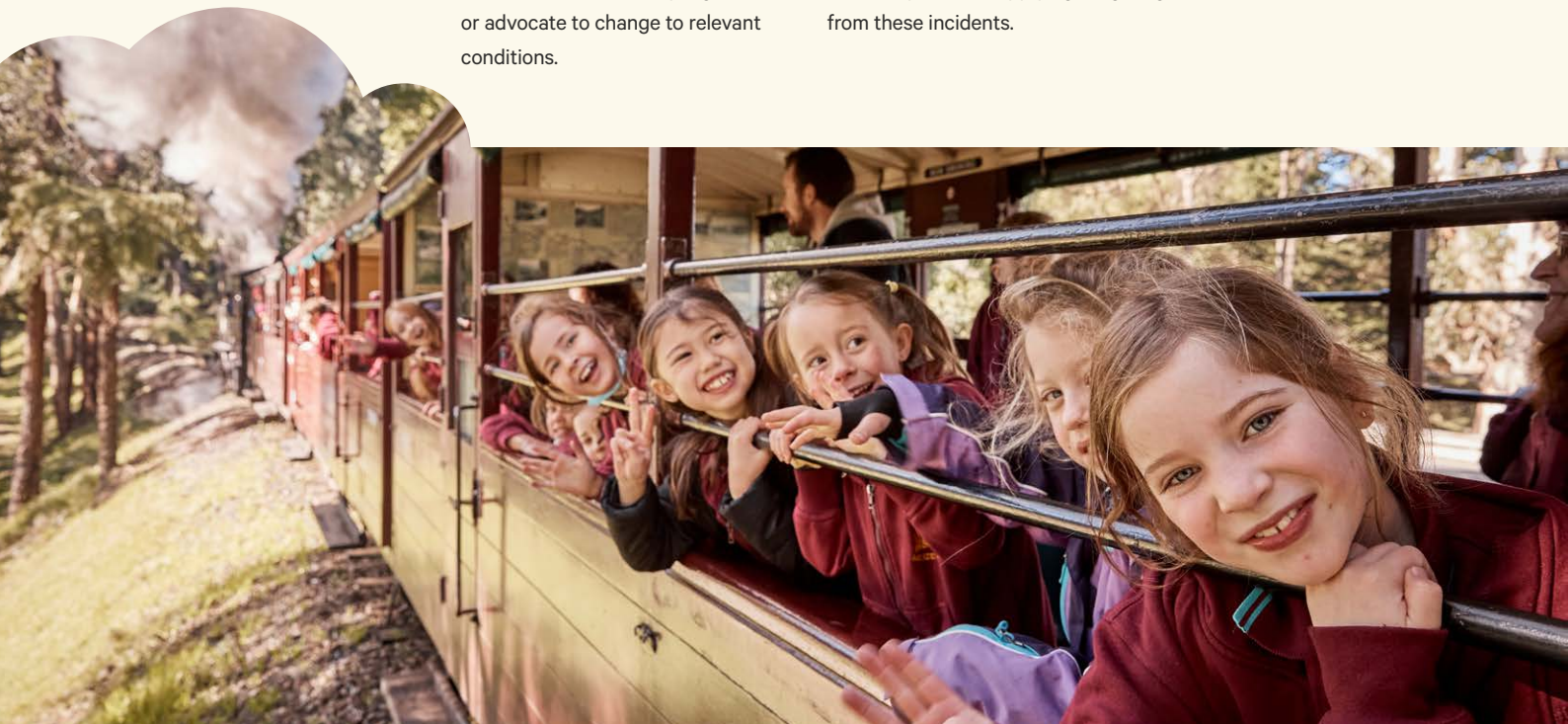
Opportunities for improvement were identified through internal and external audits and investigations. The Safety branch continue to develop and monitor corrective action plans to address opportunities for improvement.

During 2022-2023, the following was recorded:

- 675 Incident Defect Reports (IDRs) submitted
- 41 Notifiable Occurrences reported with the Office of the National Rail Safety Regulator (ONRSR)
- 40 injuries reported to Puffing Billy Railway:
  - 17 employees – two resulted in a WorkCover claim
  - 15 volunteers
  - 8 passengers
- 4 Safety Management Investigations completed
- Zero statutory notices issued

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Developing a child safe culture.	• Implementation of Audit Recommendations by the Commission for Children and Young People.	• Complete
Adopt an organisation-wide approach to risk management.	• Implementation of a new Risk Register.	• Complete
Ensure best practice in compliance with National Rail Safety regulations or advocate to change to relevant conditions.	• Mapping trends and incidents through incident defect reports and applying insights gained from these incidents.	• Ongoing





## NOTABLE ACHIEVEMENT

The safe return of sitting on the sills of our open carriages was recognised by the Rail Industry Safety and Standards Board (RISSB) by awarding PBR with the 2023 Community Safety Award. This award acknowledges initiatives that deliver an improvement in community rail safety outcomes which we achieved by undertaking thorough and extensive assessment of risks, practices, and procedures in consultation with industry experts, the National Rail Safety Regulator (ONRSR), the ETRB and all PBR staff and volunteers. Working with all PBR branches collaboratively, we modified procedures to introduce age and supervision requirements, conducted ergonomic assessments that resulted in updates to every carriage, installation of additional boom barriers to level crossings as well as retraining of all PBR team members.

## STAKEHOLDER ENGAGEMENT

- **Victoria Police** – actively engaged with Victoria Police to facilitate their familiarisation of Bushfire Management while also supporting the safe return of sitting on the carriage sills.
- **RISSB Conference** – Attended the RISSB Rail Safety Conference, connected with industry professionals, and gained insights in the rail safety field.
- **Emergency Services** – Collaborated with Emergency Services to plan and conduct Emergency Management Exercises, ensuring preparedness for various scenarios.

## WORKING TOWARDS 2023 – 2024

1. Conducting thorough due diligence on electronic Incident Management Systems.
2. Providing Mental Health First Aid qualifications.
3. Safely reintroducing “Sitting on Sills” to the Gembrook section of the railway line.



# TRAIN SERVICES

The Train Services – Train Operations branch oversees the daily rail operations of Puffing Billy Railway. The department manages approximately 200 Drivers, Fireman, Guards, Signalman and Engine Cleaners including all of their competency-based training.

Train Services – Train Operations continues to develop and improve documentation, safety, and training programs to support the operation of the railway while having a key focus on the volunteers who continue to be an integral component of the railway’s operations.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Providing a heritage rail experience for visitors.	• Working with the Locomotive Workshops branch to ensure an operational steam locomotive fleet for most passenger train services.	• Complete
	• Continue to meet operating demand as per Timetable and Special Events calendar.	• Complete
Improving volunteer engagement.	• Number of meetings held with volunteers during the year.	• Ongoing
	• Increasing the number of volunteering hours.	• Ongoing
	• Improvement in rostering with new rostering procedure.	• Ongoing
Achieve safety and operational excellence.	• Continue to engage in co-regulatory meetings.	• Ongoing
	• Maintain regulatory compliance.	• Ongoing
	• Reduce reportable incidents and implement corrective action plans as required.	• Ongoing
Develop and implement the Train Operations Framework and underlying documentation.	• Extensive training program implemented, including commencing training of:	• Complete
	- 12 Steam Locomotive Drivers	
	- 16 Steam Locomotive Fireman	
	- 40 Engine Cleaners	
	- 24 Guard / Signalman	



## NOTABLE ACHIEVEMENT

Exceeding budgeted passenger numbers and revenue by providing train services and carriage capacity to achieve set Timetable, Special Events, and additional trains across the railway.

In addition, continued progress of competency-based training for all Train Operations roles. This has included undertaking multiple training courses (2 Safeworking, 1 Driver, 1 Fireman EOI and training courses completed).

## STAKEHOLDER ENGAGEMENT

**Suppliers** – Liaising with suppliers as required.

**ATHRA** – Involvement in the ATHRA Coal Working Group.

## WORKING TOWARDS 2023 – 2024

1. Development of Emerald Running Shed and timetabling options to operate more trains out of Lakeside Station.
2. Development and operation of special heritage events.
3. Continual training and qualifications of new volunteers and reviewing opportunities to recognise prior learning.
4. Ensuring the railway reaches 310,000 passengers in the 2023-2024 financial year in conjunction with the Visitor Experience branch.
5. Support the delivery of the current timetable and review opportunities for additional services.

# PASSENGER SERVICES

Passenger Services aims to deliver a seamless and unforgettable customer journey for our passengers. We take pride in providing a high standard of customer service while upholding the highest safety standards. The success of our branch hinges on our highly engaged volunteer group. We recognise the invaluable contribution of volunteers and strive to maintain their motivation and enthusiasm. We actively seek opportunities to boost volunteer engagement by fostering a positive and inclusive environment.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Positive volunteer engagement.	• 31 new volunteers welcomed to Passenger Services.	• Complete
	• 115 new qualifications attained through our volunteer cohort, including Booking Officer, Passenger Guide, Conductor and Outstation – Station Master.	• Complete
	• Training of volunteers in multiple roles.	• Ongoing
	• Regular meetings conducted to enhance volunteers' experience and understand their challenges.	• Ongoing
Streamline the booking / check-in system.	• Improve the booking system, enhance customer experience and optimise workflow.	• Complete
	• Accelerate visitor queues, streamline booking officers' responsibilities and enhance the training of new booking officers.	• Complete
Passenger traffic management.	• Develop and implement strategies and procedures to elevate visitor experience across all stations and avoid instances of ticketless travel.	• Complete - Ongoing
	• Reduced loading delays, provided tour operators with a separate entry for smoother boarding, and mitigated risk of overcrowding, enhancing the overall passenger experience.	• Complete
Improvement in rostering.	• New rostering procedures led to improved volunteer experience with reduced disruptive calls to roster clerks, granting access to the roster and enabling easy communication with staff.	• Complete

## NOTABLE ACHIEVEMENT

A recent letter from an independent safety advisor commended the railway for making substantive improvements in every aspect of safety. The level of coordinated safety authority exercised over passengers was described as the highest the safety advisor had ever seen in their years of inspecting PBR.

The safety advisor noted significant advancements, including improved passenger control on platforms, effective conductor safety briefings, clear intelligibility of messages, and the implementation of smooth train driving and corridor preparation procedures.

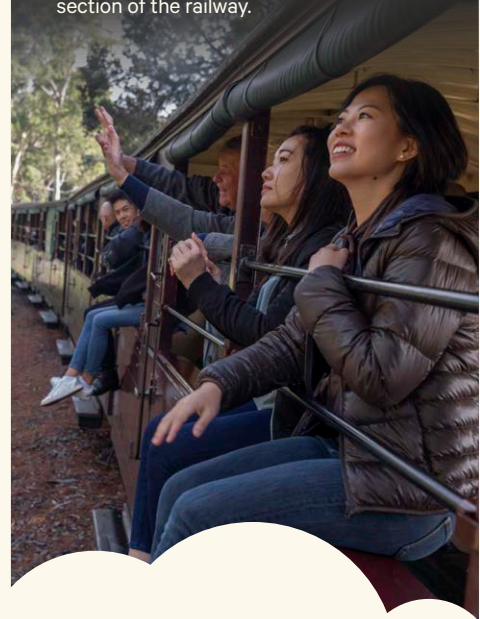
Throughout the journey, the safety advisor observed conductors diligently monitoring passenger compliance with the “sitting on sills” instructions, and the process of reboarding at Lakeside was well-organised. The announcements at Lakeside, which served as reminders for passengers about the conditions for sitting on sills, showed substantial improvements.

## STAKEHOLDER ENGAGEMENT

- **CustomLinc** – Continued support in enhancing the booking system and training and developing new features.
- **Victoria Police** – Community engagement activity at Belgrave platform with Sergeant Sensible Police Mascot and other activities.
- **Passenger Services suppliers** – Liaising with suppliers for ticketing supplies and uniforms.

## WORKING TOWARDS 2023 – 2024

1. Facilitate workforce (including volunteers and staff) to suit the PBR timetable and events.
2. Source and maintain heritage style uniform to enhance the heritage visitor experience.
3. Training of new volunteers and upkeep of their certification based on roles.
4. Continue to manage rail safety regulator requirement for supervision on trains.
5. Implement safety requirements for the return of “sitting on sills” to the Gembrook section of the railway.



# MARKETING, MEDIA, AND EVENTS.



The Marketing and Events team focus on developing and implementing new experiences, promotions, partnerships, and a wide range of activities to build domestic and international visitation and revenue opportunities.

We continue to leverage the return of our iconic ‘sitting on sills’ experience in all marketing and communication activity. Several initiatives to grow visitation and revenue were implemented, from developing a calendar of events to new food and beverage packages sold in conjunction with purchasing tickets on the website, to elevating the awareness of the function and event experiences at the Lakeside Visitor Centre.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Develop a calendar of PBR public programs and special events to support return visitation.	<ul style="list-style-type: none"> <li>Achieved 21,129 visitors across Train of Lights, THE POLAR EXPRESS TRAIN RIDE and Day Out with Thomas™ events.</li> <li>Hosted two community events.</li> <li>Developed a calendar of promotions.</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ul>
Develop a timetable that supports PBR’s return to financial sustainability.	<ul style="list-style-type: none"> <li>Achieved 257,518 visitors.</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> </ul>
Continue to focus on increasing yield per visitor.	<ul style="list-style-type: none"> <li>Achieved budgeted yield.</li> <li>Implemented new pre-sold food &amp; beverage packages to upsell on the website.</li> <li>Enhanced the visitor experience for international visitors with the implementation of Belgrave to Lakeside return journeys.</li> <li>Developed and distributed new group dining menus for the senior and international markets.</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ul>
Enhance our Culturally and Linguistically Diverse (CALD) campaign.	<ul style="list-style-type: none"> <li>Hosted a total of 48 CALD influencers.</li> <li>Generated significant media and PR.</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete - Ongoing</li> </ul>
Develop International Markets in partnership with Visit Victoria and Tourism Australia.	<ul style="list-style-type: none"> <li>Attended six business-to-business trade events.</li> <li>Hosted Tourism Australia and Visit Victoria trade and media familiarisations.</li> <li>Welcomed 69,530 international visitors.</li> <li>Featured in seven international publications and four TV shows.</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ul>



## NOTABLE ACHIEVEMENT

Visitation to the railway comprised 73% domestic and 27% international visitors. Key achievements included:

### DOMESTIC

- Continued the partnership with RACV and hosted three exclusive sold-out events. This included the Dog Express Train, the new First Class Dining experience and Murder Mystery. PBR also developed and implemented an exclusive mid-week Devonshire Tea promotion.
- Collaborated with PARKROYAL MONASH Melbourne and Eastland Shopping Centre for social media giveaway competitions and exclusive offers.
- Enhanced our accessible marketing assets on the website to include sensory maps, social stories, audio guides and improved pre-arrival information.
- Delivered three key sold-out events, including The Train of Lights, THE POLAR EXPRESS TRAIN RIDE™ and two Day Out With Thomas™ seasons.
- The PBR official website achieved 1.1 million unique users, up 74.62% from the previous year.

### INTERNATIONAL

- With all international borders reopening, the PBR Marketing Strategy prioritised educating and building awareness about the new itineraries, journey options, and the experiences offered at the Lakeside Visitor Centre, including group food menu packages to tourism industry stakeholders and tour operators.
- PBR worked closely with Tourism Industry bodies to leverage their marketing channels and reach the key international markets to showcase new products. PBR was twice featured in Tourism Australia's Hot List.

- Attended several Business Event trade and networking events, including the Asia Pacific Incentives and Meeting Event to showcase the railway's on and off-rail experiences to quality buyers. Promoting the Lakeside Visitor Centre's function and event capabilities was the key priority. The railway secured several Meeting, Incentive, Convention and Exhibition (MICE) Groups, including 1,126 NuSkin delegates from Southeast Asia.
- The top five key priority markets that visited PBR included China, Singapore, South Korea, Vietnam, and Taiwan.

### MEDIA OPPORTUNITIES

- Social Media played a significant role in the marketing mix, connecting PBR to new audiences and driving engagement through social media platforms. Notable content included an excursion train / sitting on sills and Train of Lights video that was shared by Tourism Australia and Visit Victoria and achieved a combined audience reach of over 19 million views.
- In collaboration with Visit Victoria, we facilitated the filming of 'Fantastic Friends' – a new international adventure travel series led by actors Oliver and James Phelps, famous for playing the iconic Weasley twins in the Harry Potter franchise.
- In collaboration with Visit Victoria, we facilitated filming Puffing Billy for award-winning travel series, Little Big World (Berlin), which features the most beautiful and interesting places as miniature models. The show is broadcast across 50+ TV channels in 50 countries with over 100k social media followers and more than 10 million online views.

## COMMUNITY ENGAGEMENT

- **Rotary Club of Emerald and District** – PBR was delighted to host and support the Kids Run with Puffing Billy Railway in December 2022. The Rotary Club of Emerald District raised over \$50,000, with proceeds going to the Monash Children’s Hospital.
- **Oxfam TrailWalker** – PBR played host to and provided the start and second checkpoint for Melbourne’s Oxfam TrailWalker 100km in March 2023. Participants had the opportunity to walk alongside the railway corridor and replenish with food and drink at the Lakeside Visitor Centre.
- **The Good Friday Appeal** – This year, we were thrilled to donate 25% of ticket revenue on the Good Friday Trading Day to the Good Friday Appeal, supporting The Royal Children’s Hospital in Melbourne. Furthermore, we hosted two children from the Faces of the Appeal Program.
- **PBR Tourism Partnership Program** – PBR has continued its involvement with local tourism businesses via our collaborative partnership package, which includes reciprocal website listings, social media posts and special offers. Currently, PBR has a total of 32 partners.
- **Dandenong Ranges Tourism Network** – A representative from the marketing team served as the Secretary of the Dandenong Ranges Tourism Network. The role included sitting on the steering committee for Yarra Ranges Tourism’s Destination Management Plan, advocacy for the region, and arranging networking events for members.
- **Yarra Ranges Tourism** – Continued representation from the PBR CEO on the Yarra Ranges Tourism Marketing Subcommittee to provide input on the region’s visitation strategy.
- **Emerald RSL** – Supported the Emerald RSL ANZAC Dawn Service with Puffing Billy delivering a traditional whistle salute at the end of the remembrance service.
- **Community Donations** – The total value of tickets donated to community groups during the financial year was \$35,491.

## WORKING TOWARDS 2023 – 2024

1. Continue to develop new experiences, special events, and activities that complement the heritage rail journey.
2. Develop and implement high-yield products that leverage the railway’s assets and support Commercial with pre-sold food & beverage packages and function and event sales.
3. Conduct a consumer-centric research project to support strategic decisions and identify new visitor experience opportunities.
4. Continue to expand the local tourism partnership program, providing meaningful engagement and collaboration with partners to develop new business opportunities and itineraries to increase stay and spending in the region.



# COMMERCIAL

The Commercial branch is integral to revenue generation and strategic partnerships, working collaboratively with the Marketing and Events branch to ensure seamless operations, maximised revenue, and exceptional visitor experience.

The Commercial branch continued developing the product offering this financial year, and continues to refine the customer experience throughout the railway corridor, which has resulted in a significant increase to the commercial revenue and yield compared to 2021-2022.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Develop and implement commercial initiatives designed to further improve the visitor experience, generate revenue and yield.	• Increased revenue and yield to achieve commercial budget across all commercial outlets.	• Complete
	• Reviewed and revamped offerings across all commercial sites.	• Complete
	• Development of various F&B packages, menus, functions, and events support.	• Complete
Implement plans to shift from pure growth in numbers to improved visitor experience and valued complementary services.	• Continue to manage the Lakeside Visitor Centre commercial operations.	• Complete
	• Improve visitor experience and commercial offerings at Belgrave, Menzies Creek, and Gembrook.	• Complete
	• Reintroduction of the train dining experiences – First Class Dining Train and Murder Mystery.	• Complete
	• Tailored F&B packages for major events.	• Complete
	• New retail lines to cater for the increase in international visitation and special events.	• Complete
Managing business performance, including profitability, revenue, stock management, pricing and cost of goods.	• New menu development.	• Complete
	• Regular review of cost of goods.	• Complete
	• Regular stocktakes.	• Complete
Recognise and increase PBR's contribution to the local economy.	• Increase the number of local and regional suppliers.	• Ongoing
	• Recruitment targeting the local community.	• Ongoing
Commercial partnerships	• Review and implement commercial partnerships with major suppliers.	• Ongoing



## NOTABLE ACHIEVEMENT

In the past year, our focus on development and growth has resulted in several noteworthy achievements. The Lakeside Visitor Centre Railway Café has undergone substantial improvements, encompassing enhanced dining options, expanded functions, and upgraded retail offerings. Concurrently, we have diligently expanded our workforce to support our commercial growth strategies across the railway.

We have successfully offered excursion train pre-sold packages and train dining experiences, which have garnered positive feedback and provide passengers with a different way to experience the railway. Moreover, we have optimised food and beverage opportunities at all stations and during major events.

## STAKEHOLDER ENGAGEMENT

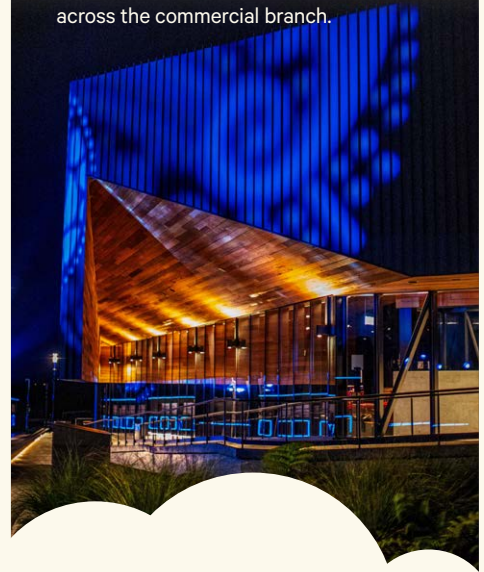
**Commercial Suppliers (F&B and Retail)** – Worked alongside suppliers to successfully provide various training opportunities for staff, and implement promotional programs and upselling initiatives, events, and marketing support.

**Idealpos** – Continued support in enhancing our point-of-sale system, training, and product development for new features.

**Rotary Club of Emerald and District** – Partnered with the Rotary Club of Emerald and District during the Train of Lights event. The Rotary provided a sausage sizzle during the event, with all proceeds going towards their preferred charity.

## WORKING TOWARDS 2023 – 2024

1. Continue to develop the Lakeside Visitor Centre Railway Café, function space and retail shop experience.
2. Continue to work closely with the Marketing and Events team to create events and activities based at the Lakeside Visitor Centre.
3. Continue to enhance the experience across our railway with increased food & beverage options at Menzies Creek and Gembrook.
4. Redevelop the Belgrave commercial area to enhance the customer experience and journey.
5. Introduce more sustainability practices across the commercial branch.



# EDUCATION

The role of the Education branch is to create opportunities for meaningful and authentic learning experiences with primary, secondary, tertiary, and international schools through PBR's guided curriculum-based education programs.

## KEY GOALS

KEY GOAL	MEASURE	RESULT
Increase visitation of schools.	• 150 schools participated in a combination of guided and self-guided education programs, compared to 64 in 2021-2022.	• Complete
Increase visitation of students.	• 9,446 students participated in guided and self-guided education programs, compared to 4,724 in 2021-2022.	• Complete
Increase awareness and promote education programs.	• Build relationships with and seek partnerships with key educational organisations.	• Complete
Develop and deliver curriculum aligned education resources.	• Number of pre and post learning resources, workbooks, and interpretation materials.	• Complete
Develop and deliver a guided program for the international market.	• Increase international student visitation through the establishment of an international program.	• Complete



## NOTABLE ACHIEVEMENT

The Endless Discovery guided education program offering was extended this year to include students from Year 9 to VCE, and international students. The launch of “Maths in Motion”, “Sustainable Tourism at the Railway”, “Puffing Billy Pathways” and “Puffing Billy Adventure Express” allowed PBR to reach students from all year levels and learning areas. We have also developed our international programs and delivered several sessions to international students.

## STAKEHOLDER ENGAGEMENT

**The Andrews Foundation** – Secured grant funding with The Andrews Foundation to welcome students from disadvantaged and low-socio economic schools in the southeast to visit the railway and participate in curriculum-based education programs.

**Science Play Kids / Teacher Open Day** – Worked closely with Science Play Kids to present at our annual Teacher Open Day about the importance of excursions and authentic learning to diverse learners, including those that are neurodivergent.

**Swinburne Children’s University** – Partnered with Swinburne Children’s University to be a learning destination and offer a fun, high quality educational experience to 7-14 year old members.

**Geography Teachers Association of Victoria (GTAV)** – Became a member of GTAV, where the Education branch attended and hosted a stall at the conference. Fantastic networking opportunity to showcase our new “Sustainable Tourism at the Railway” program and advertise the Endless Discovery programs to teachers.

**Catholic Education** – Attended and hosted a stall at the MACS STEM MAD showcase. Significant networking opportunity to showcase PBR’s range of Science, Technology, Engineering and Mathematics (STEM) programs to primary school teachers in Victoria while meeting and educating STEM students about Puffing Billy Railway.

**Outer Eastern Local Learning Employment Network (OELLEN)** – Attended and hosted a stall at the South East Career and Try a Trade Expo to highlight our Endless Discovery programs to teachers and students and showcase our volunteering opportunities to school leavers and university students.

## WORKING TOWARDS 2023 – 2024

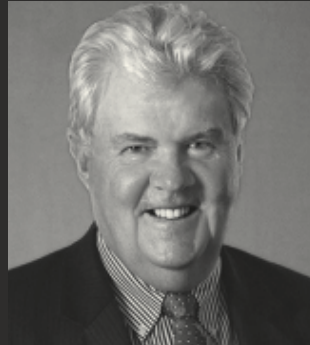
1. Continue to design and develop new curriculum aligned programs.
2. Increase visitation of schools and students to PBR.
3. Increase awareness of PBR Education programs through collaboration, promotion, and partnerships.



# GOVERNANCE

## BOARD AND MANAGEMENT

### MEMBERS OF THE BOARD



**TIM NORTH OAM KC**

*Chair*

*Legal, Child Safe Standards.*

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

Appointed: 23 June 2018



**DIANNE SMITH**

*Deputy Chair*

*Change Management - Marketing and advertising; tourism; and governance.*

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

Appointed: 29 June 2020



**MICHAEL MANGOS**

*Director*

*Stakeholder Engagement, Community and Governance.*

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

Appointed: 29 June 2020



**BART CLINGIN**

*Director  
Finance, and Governance.*

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

Appointed: 12 May 2021



**ANGELA JAMIESON**

*Director  
Corporate Governance and  
Finance.*

A forensic accountant with extensive leadership and executive expertise, specialising in corporate governance, financial crime, AML/CTF compliance, corporate misconduct investigations and general practice accounting in both the public and private sectors.

Appointed: 14 October 2021



**THOMAS SARGANT**

*Director  
Rail and Governance.*

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

Appointed: 14 October 2021

**SECRETARY TO THE BOARD:**

Alexandra Doherty, the Board Administrator continues to support the Board and Management in regard to Company Secretariat and Governance requirements.

All current Board members continued their Directorship except for Michael Mangos who elected to step down (effective 1 August 2023) as part of the Board's transition to the new Puffing Billy Railway Board.

All Board appointments (including re-appointments) will be recommended by the Minister and approved by the Governor in Council under the *Puffing Billy Railway Act 2022*.

Effective 1 July 2023, Tim North OAM KC was appointed Chair of the Puffing Billy Railway Board and Dianne Smith, Deputy Chair.

## \*EXTERNAL ADVISORS TO THE BOARD:

Dean Matthews (Chief Executive Officer, Geelong Cemeteries Trust)

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

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

Nicole Tewierik (Founder, Nicole Tewierik Coaching)

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

## COMMITTEES AND OFFICERS OF THE BOARD

### Finance, Audit Risk and Compliance Subcommittee.

Chair Bart Clingin  
Members Tim North OAM KC,  
Thomas Sargant.  
By Invitation Peter Abbott, Bret Butler,  
Stefanie Straub, Sarah Stickland.

### Operations & Safety Subcommittee

Chair Thomas Sargant  
Advisors: Ian Burton, Dean Matthews.  
By Invitation Peter Abbott, Bret Butler,  
Peter Essig, Stefanie Straub,  
Vikki Ducrow.

### People & Culture Subcommittee

Chair Angela Jamieson  
Members Tim North OAM KC, Dianne Smith.  
Advisor Nicole Tewierik  
By Invitation Peter Abbott, Stefanie Straub,  
Elizabeth Oxworth.

### Capital Works and Projects Governance Subcommittee

Chair Michael Mangos  
Advisors Ian Burton, Nick Byrne, Danny Teo.  
By Invitation Peter Abbott, Bret Butler, Sarah  
Stickland, Eugene Makaay.

### Fundraising and Development Subcommittee

Chair Dianne Smith  
Members Angela Jamieson  
Advisor Jacqui DeKievit  
By Invitation Peter Abbott, Sarah Stickland.

### Partnership and Visitor Economy Subcommittee

Chair Dianne Smith  
Members Angela Jamieson  
Advisor Jacqui DeKievit  
By Invitation Peter Abbott, Nicoleta Giurgiu,  
Emma Hutchinson.

### Communication Governance Subcommittee

Chair Tim North OAM KC  
Members Dianne Smith, Angela Jamieson.  
By Invitation Peter Abbott

### PBR Stakeholder Consultative Committee

Chair Tim North OAM KC  
Members Dianne Smith  
By Invitation Peter Abbott; Stefanie Straub.  
Representative Groups:  
Puffing Billy Preservation Society; Rotary Club of  
Emerald and District; All Abroad Network; Emerald  
Museum and Nobelius Heritage Park; PBR Volunteer  
Representative Group; Gembrook Community  
Group; Connecting Cockatoo Communities Inc;  
The Emerald Village Association; Menzies Creek  
Hall Committee; Cardina Shire Council; Yarra  
Ranges Council; Emerald Primary School; Emerald  
Secondary School; Gembrook Primary School; Mater  
Christi; PBR Youth Advisory Group.

### Management Executive Group at 30 June 2023

Chief Executive Officer and Accountable Officer.  
Peter Abbott  
Group Manager, Business Services.  
Stefanie Straub  
Group Manager, Infrastructure.  
Bret Butler  
Group Manager, Train Operations.  
Peter Essig  
Group Manager, Visitor Experience.  
Nicoleta Giurgiu

# COMPLIANCES

KEY GOAL	MEASURE
<i>Occupational Health and Safety</i>	PBR is committed to providing and maintaining an environment that is safe for all workplace participants and visitors.
	PBR aims to have a positive safety culture that is committed to:
	<ul style="list-style-type: none"> <li>• Complying with all applicable health and safety, legal and other obligations by keeping up to date with the latest legislative requirements;</li> <li>• Establishing measurable objectives and targets by monitoring and reporting all safety incidents and accidents aimed to reduce the likelihood of recurrence and to eliminate work-related and visitor injury and illness;</li> <li>• Providing and maintaining the best practice health and safety standards.</li> </ul>

MEASURE	2021-22	2022-23
Incident Defect Reports (IDR)	639	675
Injuries	32	40
Fatalities	0	0
Claims	5	2
WorkSafe Inspections	2	2

<i>Child Wellbeing and Safety Act 2005</i>	PBR is committed to safeguarding children and young people and providing positive experiences for all. PBR complies with the Victorian Child Safe Standards, under the <i>Child Wellbeing and Safety Act 2005</i> . PBR have actioned all recommendations of the June 2020 Child Safety Standards Audit conducted by the Commission for Children and Young People.
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<i>Public Records Act 1973</i>	PBR recognises information as a vital asset. Sound information management practices and systems ensure that PBR preserves valuable information to better assist the functions of the organisation. PBR manages all documents and records in accordance with the <i>Public Records Act 1973</i> .
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<i>Privacy and Data protection Act 2014</i>	PBR is committed to maintaining the privacy of all personal information. PBR complies with the Information Privacy Principles of the <i>Privacy and Data Protection Act 2014</i> .
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PBR's Privacy Policy is available from:

The Privacy Officer  
Puffing Billy Railway  
1 Old Monbulk Road  
Belgrave VIC 3160  
Email: [Company.secretary@pbr.org.au](mailto:Company.secretary@pbr.org.au)

During 2022 - 2023, no matters regarding PBR's compliance with the Information Privacy Principles were referred to the Victorian Information Commissioner.

KEY GOAL	MEASURE
<i>Freedom of Information Act 1982</i>	<p>PBR is subject to the <i>Freedom of Information Act 1982 (FOI)</i>. The purpose of the Act is to extend, as far as possible, the right of the community to access information held by government departments, local councils, ministers, and other bodies subject to the Act. The Act allows the public a right of access to documents held by PBR.</p> <p>Request for information under FOI must be made in writing and addressed to:</p> <p>Freedom of Information Officer Puffing Billy Railway 1 Old Monbulk Road Belgrave VIC 3160 Email: <a href="mailto:Company.secretary@pbr.org.au">Company.secretary@pbr.org.au</a></p> <p>Alternatively, FOI requests can also be lodged online at <a href="http://www.foi.vic.gov.au">www.foi.vic.gov.au</a>.</p> <p>During 2022 – 2023, PBR received no requests for information under the <i>Freedom of Information Act 1982</i>.</p>
<i>Public Interest Disclosure Act 2012</i>	<p>PBR complies with the <i>Public Interest Disclosure Act 2012</i>, which encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.</p> <p>Disclosures of improper conduct or detrimental action by PBR or any of its employees and/or officers can be made to:</p> <p>The Public Interest Disclosure Officer Puffing Billy Railway 1 Old Monbulk Road Belgrave VIC 3160 Email: <a href="mailto:Company.secretary@pbr.org.au">Company.secretary@pbr.org.au</a></p> <p>Alternatively, disclosures can be made directly to:</p> <p>Independent Broad-Based Anti-Corruption Commission (IBAC): Level 1, North Tower, 459 Collins Street Melbourne Victoria 3000 <a href="http://ibac.vic.gov.au">ibac.vic.gov.au</a></p> <p>During 2022 - 2023 there were no disclosures made to PBR.</p>
Gifts, Benefits, and Hospitality Policy.	<p>PBR is committed to assisting workplace participants identify and resolve ethical issues and build and maintain a sound ethical culture. Offers of gifts, benefits, and hospitality made to PBR workplace participants are managed in accordance with the PBR Gifts, Benefits, and Hospitality Policy and recorded in the Gift Register.</p> <p>During 2022 – 2023, there was one item added to the Gift Register:</p> <ul style="list-style-type: none"> <li>• 01/04/2023: 1 x \$200 Industry Lunch attended by PBR CEO, Peter Abbott.</li> </ul>
<i>Local Jobs First Act 2003</i>	<p>The <i>Local Jobs First Policy</i>, under the <i>Local Jobs First Act 2003</i>, helps to develop local industries, create jobs and boost economic activity across Victoria and applies to all government agency projects valued at \$3 million or more in metropolitan Melbourne, or \$1 million or more for projects in regional Victoria.</p> <p>During 2022 - 2023, PBR had no procurement activity requiring implementation of the <i>Local Jobs First Policy</i>.</p>
<i>Carers Recognition Act 2012</i>	<p>PBR is committed to recognising the role of carers in the organisation and takes practical measures to comply with the <i>Carers Recognition Act 2012</i>. PBR Workplace Participant policies comply with the statement of principles in the Act.</p>

KEY GOAL	MEASURE
<i>Disability Act 2006</i>	<p>PBR is committed to providing a positive experience for all workplace participants and visitors. The <i>Disability Act 2006</i> reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community. PBR is working toward reducing barriers to access goods, services, and facilities, reducing barriers to obtaining and maintaining employment, promoting inclusion and participation in community, and achieving tangible changes in attitudes and practices that discriminate against people with a disability.</p>
<i>Building Act 1993</i>	<p>PBR complies with the building and maintenance provisions of the <i>Building Act 1993</i>. All works carried out during the year were in accordance with the Act and relevant building regulations.</p> <p>During the 2022 - 2023 year:</p> <ul style="list-style-type: none"> <li>• New construction and upgrades to existing buildings have been managed in consultation with architects, draftsmen, structural engineers and building surveyors to ensure compliance with all building standards.</li> <li>• Four building works projects over \$50,000 were commenced – <ul style="list-style-type: none"> <li>- Menzies Creek Amenities</li> <li>- Gembrook Historic Platform Amenities</li> <li>- Belgrave Workshop Re-roofing</li> <li>- Emerald Sewer and Portable Building</li> </ul> </li> <li>• Three building permits were issued.</li> <li>• No occupancy permits were issued.</li> <li>• Four Final Completion Certificates for: <ul style="list-style-type: none"> <li>- Depot Shed at Emerald Lake Park issued on 1 September 2022.</li> <li>- Menzies Creek Amenities issued on 20 December 2022.</li> <li>- Lakeside Visitor Centre Stage 2 was issued in July 2023.</li> <li>- Gembrook Historic Platform issued on 1 June 2023.</li> </ul> </li> <li>• Inspection, reporting and scheduling of maintenance on existing buildings has been managed in accordance with the PBR Programmed &amp; Reactive Maintenance Program.</li> <li>• No emergency orders and building orders were issued.</li> <li>• No buildings were subject to building code upgrades.</li> </ul>
Competitive Neutrality Policy	<p>Competitive neutrality requires Victorian Government businesses to ensure that where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest.</p> <p>PBR fulfils its requirements regarding competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.</p>
<i>Rail Safety National Law Application Act 2013</i>	<p>The Office of the National Rail Safety Regulator (ONRSR) independently administers the Rail Safety National Law and performs the functions and responsibilities, and exercises the powers conferred upon it by that law on behalf of all state, territory, and federal Ministers for Transport and Infrastructure.</p> <p>ONRSR has responsibility for regulatory oversight of rail safety in every Australian state and territory and promotes and improves national rail safety to ensure the safety of the community. PBR complies with Rail Safety National Regulations.</p>
<i>Gender Equality Act 2020</i>	<p>The <i>Gender Equality Act 2020</i> is Victoria's first piece of legislation specifically designed to address gender inequalities within the workplace. This Act requires that defined entities develop a Gender Equality Action Plan to help address this issue.</p> <p>PBR has embraced the opportunity to publicly articulate our commitment to and outline how we will contribute to the improvement in the status of women in the workplace and provide a fair and just workplace free of discrimination with a three-year Gender Equality Action Plan 2022-2025.</p>

# OTHER STATUTORY INFORMATION

## GOVERNMENT ADVERTISING EXPENDITURE

In 2022 - 2023, Puffing Billy Railway did not enter into any advertising campaigns with total media spend exceeding \$100,000.

## CONSULTANCY EXPENDITURE

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

In 2022 - 2023, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022 - 2023 in relation to these consultancies is \$55,519. Details of individual consultancies are outlined below.

CONSULTANT	PURPOSE OF CONSULTANCY	EXPENDITURE 2022 - 2023 (EXCL. GST)
Nancy Vaughan	Grants Advisory	\$22,269
Kimberly Dunstan	Education & Youth Engagement Advisory	\$33,250

### DETAILS OF CONSULTANCIES UNDER \$10,000

In 2022 - 2023, there were four consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2022 - 2023 in relation to these consultancies was \$14,453.

## INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

### DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2022 - 2023 reporting period, the ETRB had a total ICT expenditure of \$221,709 with the details shown below.

ALL OPERATIONAL ICT EXPENDITURE	ICT EXPENDITURE RELATED TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
Total Business as Usual (BAU) ICT expenditure	Total Non-Business as Usual (non BAU) ICT expenditure	Non BAU Operational expenditure	Non BAU Capital expenditure
\$283,548	Nil	Nil	Nil

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



## DISCLOSURE OF MAJOR CONTRACTS

Puffing Billy Railway has not engaged in any large-scale contracts in 2022 - 2023 which exceed \$10 million in value.

## OTHER STATUTORY INFORMATION

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

The principal office is located at:  
1 Old Monbulk Road, Belgrave.

Phone: (03) 9757 0700

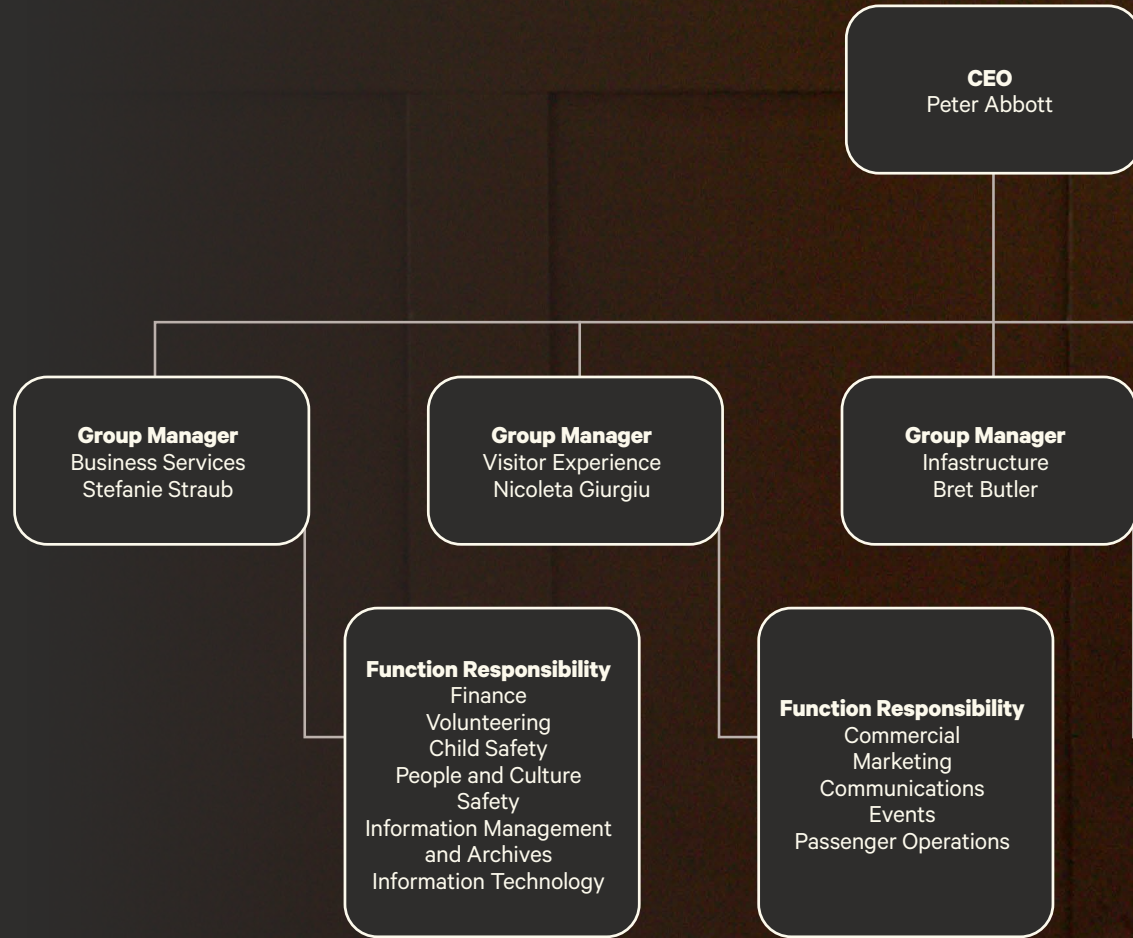
Email: [info@pbr.org.au](mailto:info@pbr.org.au)

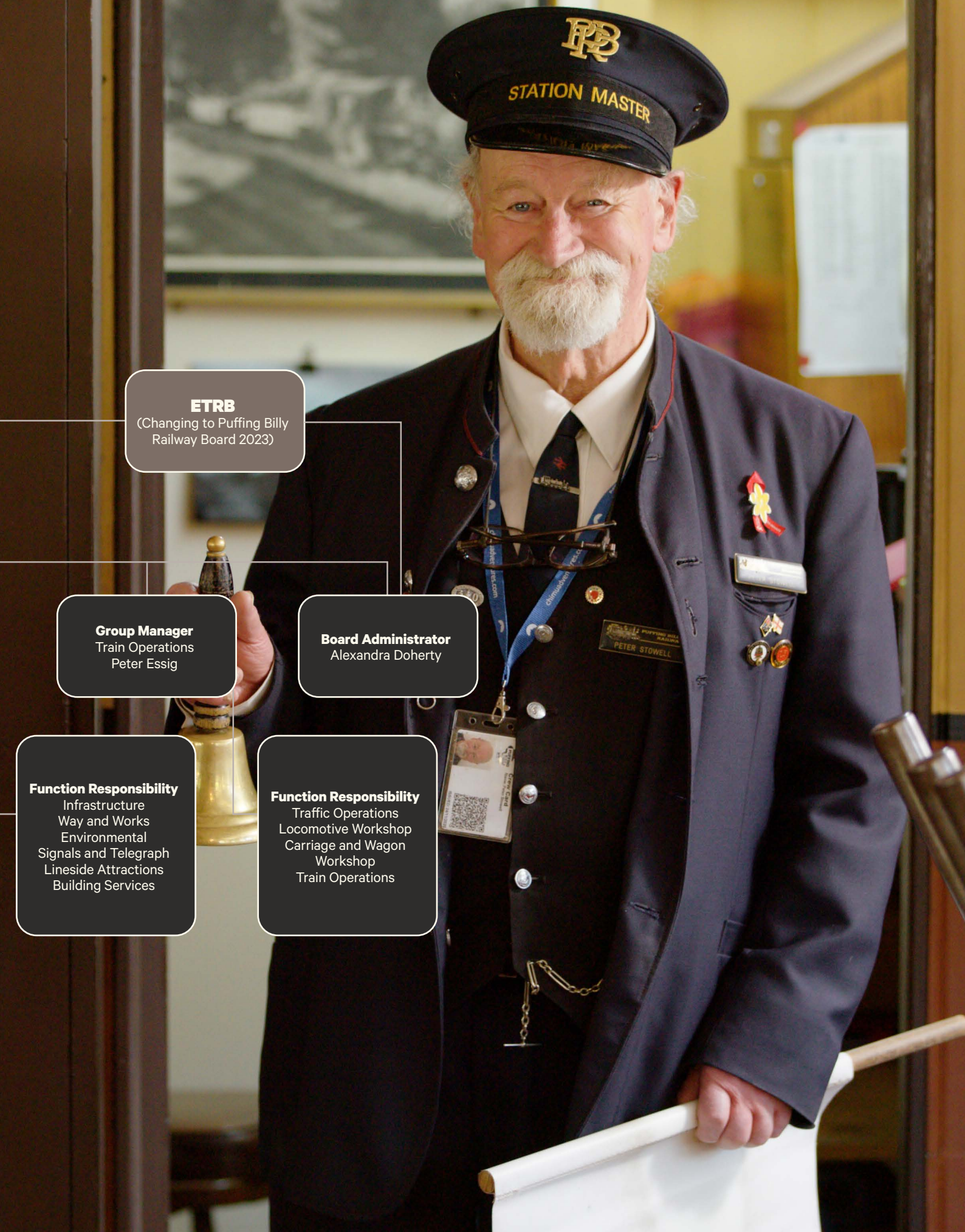
The organisational structure of the Board, its staff and committees are set out on Page 50 to 51 of this report.

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

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

# ORGANISATIONAL MANAGEMENT STRUCTURE





**ETRB**  
(Changing to Puffing Billy  
Railway Board 2023)

**Group Manager**  
Train Operations  
Peter Essig

**Board Administrator**  
Alexandra Doherty

**Function Responsibility**  
Infrastructure  
Way and Works  
Environmental  
Signals and Telegraph  
Lineside Attractions  
Building Services

**Function Responsibility**  
Traffic Operations  
Locomotive Workshop  
Carriage and Wagon  
Workshop  
Train Operations


## ATTESTATION ON COMPLIANCE WITH THE AUSTRALIAN RISK MANAGEMENT STANDARD

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

## THE EMERALD TOURIST RAILWAY BOARD FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

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

This report is made by a resolution of the Board dated 31 October 2023, and signed on behalf of the Board by:



Tim North OAM KC  
Chair  
Emerald Tourist Railway Board  
Belgrave

31 October 2023



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

31 October 2023

# FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

## DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of Emerald Tourist Railway Board at 30 June 2023.

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 31 October 2023.



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Tim North OAM KC  
Chair  
Emerald Tourist Railway Board  
Belgrave

31 October 2023



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

31 October 2023



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Stefanie Straub  
Group Manager Business Services (CFO)  
Emerald Tourist Railway Board  
Belgrave

31 October 2023

# Independent Auditor's Report

## *To the Board of the Emerald Tourist Railway Board*

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<b>Opinion</b>	<p>I have audited the financial report of the Emerald Tourist Railway Board (the entity) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2023</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration in the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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Simone Bohan

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
10 November 2023

# COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2023	2022
<b>REVENUE AND INCOME FROM TRANSACTIONS</b>		\$	\$
Revenue from Fares, Shops and External Contracts	2.2	14,057,339	6,216,693
Volunteer Labour Services Donated	2.3	2,831,084	1,347,052
Grants Received	2.4	5,847,510	11,664,702
Other Income		330,540	210,290
<b>TOTAL REVENUE AND INCOME FROM TRANSACTIONS</b>	<b>2</b>	<b>23,066,473</b>	<b>19,438,737</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee Benefits Expense	3.1	9,817,922	8,174,374
Volunteer Labour Service Cost	3.2	2,831,084	1,347,052
Depreciation Expense	4.1	3,072,449	2,688,940
Supplies and Services	3.2	3,101,863	1,870,579
Advertising and Promotion	3.1	162,049	138,251
Insurance Costs	3.1	331,733	362,767
Administration Expense	3.3	920,377	1,520,180
Electricity and Gas	3.1	285,316	221,331
Other Expenses	3.4	1,816,233	1,245,012
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<b>22,339,026</b>	<b>17,568,486</b>
<b>NET RESULTS FOR THE YEAR</b>		<b>727,447</b>	<b>1,870,251</b>
<b>COMPREHENSIVE RESULTS FOR THE YEAR</b>		<b>727,447</b>	<b>1,870,251</b>

The accompanying notes form part of these financial statements

# BALANCE SHEET

## AS AT 30 JUNE 2023

	NOTES	2023	2022
<b>FINANCIAL ASSETS</b>		\$	\$
Cash and Cash Equivalents	6.1	9,453,437	8,635,057
Receivables	5.1	256,807	237,793
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,710,244</b>	<b>8,872,850</b>
<b>NON-FINANCIAL ASSETS</b>			
Prepayments		454,898	329,121
Inventories	5.3	283,842	251,726
Property, Plant and Equipment	4.1	102,433,564	95,584,549
Capital Works in Progress	4.1.2	1,410,829	7,883,601
<b>TOTAL NON-FINANCIAL ASSETS</b>		<b>104,583,133</b>	<b>104,048,997</b>
<b>TOTAL ASSETS</b>		<b>114,293,377</b>	<b>112,921,846</b>
<b>LIABILITIES</b>			
Payables	5.2	1,636,966	1,355,211
Provisions	3.1.2	1,128,772	1,219,987
Contract Liabilities	5.2.1	1,577,750	1,124,206
<b>TOTAL LIABILITIES</b>		<b>4,343,488</b>	<b>3,699,404</b>
<b>NET ASSETS</b>		<b>109,949,889</b>	<b>109,222,442</b>
<b>EQUITY</b>			
Contributed Capital	8.1	31,861,115	31,861,115
Physical Asset Revaluation Surplus		69,693,741	69,693,741
Accumulated Gain		8,395,033	7,667,586
<b>TOTAL EQUITY</b>		<b>109,949,889</b>	<b>109,222,442</b>

The accompanying notes form part of these financial statements

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		14,699,015	6,907,726
Payments to suppliers and employees		(16,402,846)	(13,836,814)
Goods and Services Tax refunded by the ATO		-	511,313
Interest Received		123,395	375
Grants from Commonwealth Government Bodies		1,650,000	162,000
Grants from Victorian Government Bodies		4,130,000	9,134,000
Other Grants		67,510	27,702
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6.1</b>	<b>4,267,074</b>	<b>2,906,302</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of Property, Plant and Equipment		(48,299)	(6,473)
Payments for Capital Works in Progress		(3,400,395)	(5,147,277)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(3,448,694)</b>	<b>(5,153,750)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Contributed Capital		-	1,236,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>1,236,000</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		818,380	(1,011,449)
Cash and Cash Equivalents at the Beginning of the Year		8,635,057	9,646,506
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>6.1</b>	<b>9,453,437</b>	<b>8,635,057</b>

*The accompanying notes form part of these financial statements*

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2023

	Physical Asset Revaluation Surplus	Accumulated Gain	Contributed Capital	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>	<b>69,693,741</b>	<b>5,797,335</b>	<b>30,625,115</b>	<b>106,116,191</b>
Net Result for the year ended 30 June 2022	-	1,870,251	-	1,870,251
Contributions by Owners	-	-	1,236,000	1,236,000
<b>Balance as at 30 June 2022</b>	<b>69,693,741</b>	<b>7,667,586</b>	<b>31,861,115</b>	<b>109,222,442</b>
Net Result for the year ended 30 June 2023	-	727,447	-	727,447
Contributions by Owners	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>69,693,741</b>	<b>8,395,033</b>	<b>31,861,115</b>	<b>109,949,889</b>

*The accompanying notes form part of these financial statements*



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## 1. ABOUT THIS REPORT

Emerald Tourist Railway Board (ETRB) is a statutory authority, established under the *Emerald Tourist Railway Act 1977*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

### REPORTING ENTITY

These financial statements cover ETRB as an individual reporting entity.

Its principal address is:

Emerald Tourist Railway Board  
1 Old Monbulk Road  
Belgrave VIC 3160

### BASIS OF PREPARATION

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

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

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where the amounts affected

by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

### COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS's), 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's 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

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

### SIGNIFICANT JUDGEMENT: GRANT REVENUE

ETRB has made the judgement that amounts received in relation to Operational Funding should be recognised under AASB 15 on the basis that the revenue has arisen from a contract, as the judgement is made when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the funding agreement is treated as contract with a customer, requiring ETRB to recognise revenue.

### STRUCTURE

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

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

	NOTES	2023	2022
		\$	\$
Train Fares	2.2	10,567,557	4,464,435
Sale of Goods	2.2	3,466,603	1,504,987
Other Income – External Contracts	2.2	23,179	247,272
<b>Total Fares, Shops and External Contracts</b>		<b>14,057,339</b>	<b>6,216,694</b>
Volunteer Labour Services Donated	2.3	2,831,084	1,347,052
<b>Total Volunteer Labour Services Donated</b>		<b>2,831,084</b>	<b>1,347,052</b>
Grants	2.4	5,847,510	11,664,702
Interest Received		123,395	375
Other Income		207,145	209,914
<b>Total Other Income</b>		<b>6,178,050</b>	<b>11,874,991</b>
<b>Total Revenue and Income from Transactions</b>		<b>23,066,473</b>	<b>19,438,737</b>

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

## PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is measured based on the consideration specified in the contract with the customer. ETRB recognised revenue when it transfers control of a good or service to the customer, i.e., when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Customers obtain control of the supplies and consumables at a point in time when the goods are received by the customer at the retail outlet. Revenue from the sale of goods are recognised when the goods have been accepted by the customer at ETRB's retail outlet.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed, and over time when the customer simultaneously receives and consumes the services as it is provided. Train fares purchased in advance are held by ETRB as liabilities until the service is provided to the customer. Once the travel has occurred, these train fares are recognised as revenue.

For sales that permit the customer to return an item, revenue is recognised to the extent it is highly probable that significant cumulative reversal will not occur. As the sales are made with a short credit term, there is no financing element present.

### NOTE 2.2 INCOME FROM FARES, SHOPS AND EXTERNAL CONTRACTS

	2023	2022
	\$	\$
Train Fares	10,567,557	4,464,435
Sale of Goods	3,466,603	1,504,987
Other Income – External Contracts	23,179	247,271
<b>Total Fares, Shops and External Contracts</b>	<b>14,057,339</b>	<b>6,216,693</b>

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

### NOTE 2.3 VOLUNTARY LABOUR SERVICES DONATED

	2023	2022
	\$	\$
Volunteer Labour Services Donated	2,831,084	1,347,052

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

## NOTE 2.4 GRANTS

	2023	2022
<b>Revenue from grants</b>	<b>\$</b>	<b>\$</b>
Operating grants	4,130,000	11,200,000
Specific purpose grants	67,510	302,702
Grants from Federal Government Bodies – Capital Projects	1,650,000	162,000
<b>Total Grant Revenue and Grant Income</b>	<b>5,847,510</b>	<b>11,664,702</b>

### GOVERNMENT OPERATING GRANTS

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

When both of these conditions are satisfied, ETRB:

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

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

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

### 3. THE COST OF DELIVERING SERVICES

#### INTRODUCTION

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

#### STRUCTURE

- 3.1 Expenses Incurred in Delivering Services
- 3.2 Supplies and Services
- 3.3 Administrative Expenses
- 3.4 Other Operating Expenses

#### NOTE 3.1 EXPENSES INCURRED IN DELIVERING SERVICES

	NOTES	2023 \$	2022 \$
Employee Benefits Expense	3.1.1	9,817,922	8,174,374
Volunteer Labour service Cost	3.2	2,831,084	1,347,052
Supplies and Services	3.2	3,101,863	1,870,579
Advertising and Promotion		162,049	138,251
Insurance Costs		331,733	362,767
Administrative Expenses	3.3	920,377	1,520,180
Electricity and Gas		285,316	221,331
Other Expenses	3.4	1,816,233	1,245,012
<b>Total Expenses Incurred in the Delivery of Services</b>		<b>19,266,577</b>	<b>14,879,546</b>

**NOTE 3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Defined contribution superannuation expense	866,615	740,931
Salaries and wages, annual leave and long service leave	8,951,307	7,433,443
<b>Total Employee Benefits in the Comprehensive Operating Statement</b>	<b>9,817,922</b>	<b>8,174,374</b>

Employee expenses include all costs related to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments and Workcover premiums. The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

**NOTE 3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT PROVISIONS</b>		
<b>ANNUAL LEAVE</b>		
Unconditional and expected to settle within 12 months	317,510	365,428
Unconditional and expected to settle after 12 months	266,608	230,810
<b>LONG SERVICE LEAVE</b>		
Unconditional and expected to settle within 12 months	4,797	39,308
Unconditional and expected to settle after 12 months	111,508	284,551
<b>PROVISION FOR ON-COSTS</b>		
Unconditional and expected to settle within 12 months	70,934	85,341
Unconditional and expected to settle after 12 months	78,424	98,102
<b>TOTAL CURRENT PROVISIONS FOR EMPLOYEE BENEFITS</b>	<b>849,781</b>	<b>1,103,540</b>
<b>NON-CURRENT PROVISIONS</b>		
Long Service Leave	237,338	99,512
On-Costs	41,653	16,935
<b>TOTAL NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS</b>	<b>278,991</b>	<b>116,447</b>
<b>TOTAL PROVISIONS FOR EMPLOYEE BENEFITS</b>	<b>1,128,772</b>	<b>1,219,987</b>
<b>RECONCILIATION OF MOVEMENT IN ON-COST PROVISION</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	200,379	192,530
Provisions made throughout the year	127,364	113,989
Settlements	(136,732)	(106,140)
<b>Closing Balance</b>	<b>191,011</b>	<b>200,379</b>
Current	149,359	183,444
Non-current	41,652	16,935
<b>Total</b>	<b>191,011</b>	<b>200,379</b>

**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 benefits provision as current liabilities, because ETRB does not have an unconditional right to defer settlements of these liabilities.

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

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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



**NOTE 3.2 SUPPLIES AND SERVICES**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Services:</b>		
Volunteer Labour Services Cost	2,831,084	1,347,052
<b>Supplies:</b>		
Cost of Shop Sales	1,329,780	678,685
Coal and Light Up Wood	212,120	113,375
Catering Supplies	66,260	51,920
Cost of External Contracts	336,792	162,758
Repairs, Maintenance, and Consumables	1,156,911	863,841
<b>Total Supplies</b>	<b>3,101,863</b>	<b>1,870,579</b>
<b>Total Supplies and Services</b>	<b>5,932,947</b>	<b>3,217,631</b>

**AASB 1058 Income of Not-for-Profit Entities** requires the contribution of volunteers to be valued and reflected in the Comprehensive Operating Statement. The volunteer contribution in 2022/2023 has been valued at \$ 2,831,084 (2022: \$1,347,052).

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

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

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

### NOTE 3.3 ADMINISTRATIVE EXPENSES

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Printing and Stationary	90,448	87,047
Telephone and Postage	119,985	124,471
Information Technology	283,548	376,855
Masterplan expenses	14,517	133,322
Consultants	55,519	653,622
Bank Charges	152,369	80,737
Audit Fees (excluding VAGO)	58,867	30,242
Booking System Fees	42,665	-
Staff Amenities	43,645	19,290
Other Administrative Expenses	58,814	14,594
<b>Total Administrative Expenses</b>	<b>920,377</b>	<b>1,520,180</b>

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

### NOTE 3.4 OTHER EXPENSES

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Auditors Remuneration	33,000	31,500
Payroll Tax	436,744	313,183
Doubtful Debts/(Doubtful Debt Recovered)	4,919	(30,733)
Special Events	505,597	72,779
Train Operations Expenses	133,842	75,069
Rates, Taxes and Levies	77,306	56,929
Training and Education	55,360	33,987
Licence/Royalty	129,842	52,664
Rubbish Removal	148,521	88,927
Travel Expenses	64,478	24,277
Additional Operating Expenses	226,624	526,430
<b>Total Other Operating Expenses</b>	<b>1,816,233</b>	<b>1,245,012</b>

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

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### INTRODUCTION

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

### STRUCTURE

4.1 Property, plant and equipment

#### Significant judgement: Classification of investments as 'key assets'

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

**Fair Value Measurement** – Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

### NOTE 4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

ASSETS AT FAIR VALUE	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2023	2022	2023	2022	2023	2022
Land	19,901,600	19,901,600	-	-	19,901,600	19,901,600
Buildings and Structures	43,735,930	37,633,918	(2,267,085)	(921,626)	41,468,845	36,712,292
Locomotives and Rolling Stock	25,402,838	21,911,024	(1,771,911)	(876,442)	23,630,927	21,034,582
Motor Vehicles	764,763	715,963	(720,870)	(703,401)	43,893	12,562
Office Furniture and Equipment	421,649	418,852	(398,529)	(386,582)	23,120	32,270
Plant and Equipment	5,758,170	5,482,129	(2,033,951)	(1,778,366)	3,724,219	3,703,763
Permanent Way	14,734,000	14,734,000	(1,093,040)	(546,520)	13,640,960	14,187,480
<b>Total Assets at Fair Value</b>	<b>110,718,950</b>	<b>100,797,486</b>	<b>(8,285,386)</b>	<b>(5,212,937)</b>	<b>102,433,564</b>	<b>95,584,549</b>

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

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

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

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

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

**Plant and Equipment** at fair value, that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

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

## REVALUATION

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, ETRB perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, ETRB would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of ETRB's property, plant and equipment was performed by the VGV on 30 June 2021. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- increase in fair value of land of 1%
- increase in fair value of buildings of 6%
- increase in fair value of permanent way of 9%

As the cumulative movement was less than 10% for each asset class since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

**NOTE 4.1.1 DEPRECIATION**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Buildings and Structures	1,345,459	921,626
Locomotives and Rolling Stock	895,469	876,442
Motor Vehicles	17,469	79,566
Office Furniture and Equipment	11,947	22,797
Plant and Equipment	255,585	241,989
Permanent Way	546,520	546,520
<b>Total Depreciation</b>	<b>3,072,449</b>	<b>2,688,940</b>

All property, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed for impairment at the end of each annual reporting period, and adjustments are made where appropriate. Typical estimated useful lives for the different assets' classes for current and prior years are included below:

<b>ASSET CLASS</b>	<b>USEFUL LIFE</b>
Buildings and Structures	5 – 38 years
Locomotives and Rolling Stock	25 years
Motor Vehicles	5 – 60 years
Office Furniture and Equipment	4 – 32 years
Plant and Equipment	1 – 76 years
Permanent Way	15 -100 years

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

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

	LAND	BUILDINGS AND STRUCTURES (a)	LOCOMOTIVES AND ROLLING STOCK	MOTOR VEHICLES	OFFICE FURNITURE AND EQUIPMENT	PLANT AND EQUIPMENT	PERMANENT WAY	ASSETS UNDER CONSTRUCTION	TOTAL
<b>Net carrying amount as at 30 June 2021</b>	<b>19,901,600</b>	<b>16,746,132</b>	<b>21,911,024</b>	<b>99,942</b>	<b>48,595</b>	<b>3,641,438</b>	<b>14,734,000</b>	<b>23,920,607</b>	<b>101,003,338</b>
Additions	-	-	-	-	6,473	-	-	-	6,473
Transfers In / Out of WIP	-	20,887,786	-	-	-	296,500	-	(16,037,006)	5,147,280
Depreciation Expense	-	(921,626)	(876,442)	(87,379)	(22,796)	(234,176)	(546,520)	-	(2,688,939)
<b>Net carrying amount as at 30 June 2022</b>	<b>19,901,600</b>	<b>36,712,292</b>	<b>21,034,582</b>	<b>12,562</b>	<b>32,272</b>	<b>3,703,762</b>	<b>14,187,480</b>	<b>7,883,601</b>	<b>103,468,152</b>
Additions	-	-	-	-	-	48,299	-	-	48,299
Transfers In / Out of WIP	-	6,102,012	3,491,814	48,800	2,795	227,742	-	(6,472,772)	3,400,391
Depreciation Expense	-	(1,345,459)	(895,469)	(17,469)	(11,947)	(255,585)	(546,520)	-	(3,072,449)
<b>Net carrying amount as at 30 June 2023</b>	<b>19,901,600</b>	<b>41,468,845</b>	<b>23,630,927</b>	<b>43,894</b>	<b>23,120</b>	<b>3,724,218</b>	<b>13,640,960</b>	<b>1,410,829</b>	<b>103,844,393</b>

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

## 5. OTHER ASSETS AND LIABILITIES

### INTRODUCTION

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

### STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories

### NOTE 5.1 RECEIVABLES

	2023	2022
	\$	\$
Current Contractual Receivables		
Trade Debtors	263,905	246,359
Provision for loss allowance on contractual receivables	(7,098)	(8,566)
<b>Total Receivables</b>	<b>256,807</b>	<b>237,793</b>

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. ETRB holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

### NOTE 5.2 PAYABLES

	2023	2022
	\$	\$
<b>Current Contractual Payables</b>		
Trade Creditors	861,306	713,827
Sundry Creditors and Accrued Expenses	775,660	641,383
	<b>1,636,966</b>	<b>1,355,210</b>
<b>Current Statutory Payables</b>		
GST Payable	-	1
<b>Total Payables</b>	<b>1,636,966</b>	<b>1,355,211</b>

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

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

### NOTE 5.2.1 OTHER CONTRACT LIABILITIES

	2023	2022
	\$	\$
<b>Contractual Liabilities</b>		
Passenger bookings in advance	1,483,007	1,032,246
Revenue received in advance	94,743	91,960
<b>Total Contractual Liabilities</b>	<b>1,577,750</b>	<b>1,124,206</b>

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

### NOTE 5.2.2 RECONCILIATION OF CONTRACT LIABILITIES

	2023	2022
	\$	\$
<b>Opening balance</b>	<b>1,124,206</b>	<b>2,912,894</b>
Add: Payments received for performance obligations yet to be completed during the period	1,577,750	1,124,206
Add: Grant consideration for sufficiently specific performance obligations received during the year	3,005,794	8,287,106
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(4,130,000)	(11,200,000)
<b>Total Contract Liabilities</b>	<b>1,577,750</b>	<b>1,124,206</b>

### NOTE 5.2.3 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

	MATURITY DATES					
	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS
	\$	\$	\$	\$	\$	\$
<b>2023 PAYABLES</b>						
Supplies and Service	861,306	861,306	861,306	-	-	-
Other Payables	775,660	775,660	775,660	-	-	-
GST Payable	-	-	-	-	-	-
<b>TOTAL 2023 PAYABLES</b>	<b>1,636,966</b>	<b>1,636,966</b>	<b>1,636,966</b>	-	-	-
<b>2022 PAYABLES</b>						
Supplies and Service	713,827	713,827	713,827	-	-	-
Other Payables	641,383	641,383	641,383	-	-	-
GST Payable	1	1	1	-	-	-
<b>TOTAL 2022 PAYABLES</b>	<b>1,355,211</b>	<b>1,355,211</b>	<b>1,355,211</b>	-	-	-

## NOTE 5.3 INVENTORIES

	2023	2022
	\$	\$
<b>Current Inventories</b>		
Finished goods held for resale, at cost	251,502	240,407
Coal, at cost	32,340	11,319
<b>Total Current Inventories</b>	<b>283,842</b>	<b>251,726</b>

Inventories include goods held either for sale, or for distribution at zero nominal cost, or for consumption in the ordinary course of business operations. Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

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

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

## 6. HOW WE FINANCED OUR OPERATIONS

### INTRODUCTION

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

### STRUCTURE

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

### NOTE 6.1 CASH FLOW INFORMATION AND BALANCES

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

	2023	2022
	\$	\$
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash on hand	26,953	30,050
Cash at bank	1,046,037	7,846,562
Cash invested at call	8,380,447	758,445
<b>Balance as per cash flow statement</b>	<b>9,453,437</b>	<b>8,635,057</b>

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

	2023	2022
	\$	\$
<b>Net result for the period</b>	<b>727,447</b>	<b>1,870,251</b>
<b>Non-Cash Movements</b>		
Depreciation	3,072,449	2,688,940
<b>Total Non-Cash Movements</b>	<b>3,072,449</b>	<b>2,688,940</b>
<b>Movements in Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(19,013)	(71,196)
(Increase)/Decrease in Inventories	(32,116)	94,070
(Increase)/Decrease in Prepayments	(125,777)	(75,471)
Increase/(Decrease) in Payables	281,755	216,939
(Decrease)/Increase in Provisions	(91,216)	(28,544)
Increase/(Decrease) in Grants and Income in Advance	453,545	(1,788,687)
<b>Net Cash Flows from Operations</b>	<b>4,267,074</b>	<b>2,906,302</b>

**NOTE 6.2 COMMITMENTS FOR EXPENDITURE**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	LESS THAN 1 YEAR	1 – 5 YEARS	5+ YEARS	TOTAL
	\$	\$	\$	\$
<b>Nominal amounts 2023</b>				
Lakeside Visitor Centre	301,950	-	-	-
<b>Total Commitments (inclusive of GST)</b>	<b>301,950</b>	-	-	-
Less GST Recoverable	30,195	-	-	-
<b>Total Commitments (exclusive of GST)</b>	<b>271,756</b>	-	-	-
<b>Nominal amounts 2022</b>				
Lakeside Visitor Centre	550,000	-	-	-
<b>Total Commitments (inclusive of GST)</b>	<b>550,000</b>	-	-	-
Less GST Recoverable	50,000	-	-	-
<b>Total Commitments (exclusive of GST)</b>	<b>500,000</b>	-	-	-

The Puffing Billy Lakeside Visitor Centre received grant funding from both the Federal and State Government during the year. Refer to Note 2.4 regarding the breakdown of the Federal and State Capital Project related grants.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### INTRODUCTION

ETRB is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, including exposures to financial risks, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for ETRB relates mainly to fair value determination.

### STRUCTURE

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

### NOTE 7.1 FINANCIAL INSTRUMENT SPECIFIC DISCLOSURES

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of ETRB's activities, certain financial assets and liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

#### Categories of financial assets:

##### Financial assets at amortised cost

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

- the assets are held by ETRB to collect the contractual cash flows; and
- the assets contractual terms give rise to cash flows that are solely payments of principal and 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 rate method less any impairment.

ETRB recognises the following assets in this category:

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

#### Categories of financial liabilities:

##### Financial liabilities at amortised cost

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

ETRB recognises the following liabilities in this category:

- payables (excluding statutory payables)

#### **Derecognition of financial assets:**

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

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

#### **Derecognition of financial liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

#### **Reclassification of financial instruments:**

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

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

**NOTE 7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION**

	<b>CASH AND DEPOSITS</b>	<b>FINANCIAL ASSETS AT AMORTISED COST</b>	<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023 Contractual Financial Assets</b>				
Cash and cash deposits	9,453,437	-	-	9,453,437
Receivables	-	256,807	-	256,807
<b>Total Contractual Financial Assets</b>	<b>9,453,437</b>	<b>256,807</b>	<b>-</b>	<b>9,710,244</b>
<b>2023 Contractual Financial Liabilities</b>				
Payables	-	-	1,636,966	1,636,966
<b>Total Contractual Financial Liabilities</b>			<b>1,636,966</b>	<b>1,636,966</b>
<b>2022 Contractual Financial Assets</b>				
Cash and cash deposits	8,635,057	-	-	8,635,057
Receivables	-	237,793	-	237,793
<b>Total Contractual Financial Assets</b>	<b>8,635,057</b>	<b>237,793</b>	<b>-</b>	<b>8,872,850</b>
<b>2022 Contractual Financial Liabilities</b>				
Payables	-	-	1,138,272	1,138,272
<b>Total Contractual Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,138,272</b>	<b>1,138,272</b>

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

	NET HOLDING GAIN/(LOSS)	TOTAL INTEREST INCOME/ (EXPENSE)	IMPAIRMENT LOSS	TOTAL
	\$	\$	\$	\$
<b>2023 Contractual Financial Assets</b>				
Financial assets at amortised cost	-	123,395	-	123,395
<b>Total Contractual Financial Assets</b>	<b>-</b>	<b>123,395</b>	<b>-</b>	<b>123,395</b>
<b>2023 Contractual Financial Liabilities</b>				
Financial liabilities at amortised cost	-	-	-	-
<b>Total Contractual Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2022 Contractual Financial Assets</b>				
Financial assets at amortised cost	-	375	-	375
<b>Total Contractual Financial Assets</b>	<b>-</b>	<b>375</b>	<b>-</b>	<b>375</b>
<b>2022 Contractual Financial Liabilities</b>				
Financial liabilities at amortised cost	-	-	-	-
<b>Total Contractual Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note – the total amounts disclosed here exclude statutory amounts (i.e., amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

**NOTE 7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

### Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. ETRB's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to ETRB. Credit risk is measured at fair value and is monitored on a regular basis. Credit risk associated with ETRB's contractual financial assets is minimal because the majority of sales are cash or prepaid fares.

Credit sales represent an approximate range of 20% to 30% of total revenue. Variation in the range is due to monthly seasonal factors. In addition, ETRB does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. Provision for impairment for contractual financial assets is recognised when there is objective evidence that ETRB will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings. Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements net of any allowances for losses, represents ETRB's maximum exposure to credit risk without taking account of the value of any collateral obtained. There has been no material change to ETRB's credit risk profile in 2022-23.

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

	FINANCIAL INSTITUTIONS A+ CREDIT RATING	OTHER	TOTAL
	\$	\$	\$
<b>2023</b>			
Cash and deposits	9,453,437	-	9,453,437
Receivables	-	256,807	256,807
<b>Total Contractual Financial Assets</b>	<b>9,453,437</b>	<b>256,807</b>	<b>9,710,244</b>
<b>2022</b>			
Cash and deposits	8,635,057	-	8,635,057
Receivables	-	237,793	237,793
<b>Total Contractual Financial Assets</b>	<b>8,635,057</b>	<b>237,793</b>	<b>8,872,850</b>

### Impairment of financial assets

ETRB records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assets include ETRB's contractual receivables, statutory receivables and its investment in debt instruments. Although not a financial asset, contract assets recognised applying AASB 15 (refer note 6.1) are also subject to impairment however it is immaterial.

### Contractual Receivables at Amortised Cost

ETRB applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. ETRB has grouped contractual receivables on shared credit risk characteristics and days past due determined the expected credit loss rate based on historical observed loss rates, which are adjusted to reflect existing market conditions and forward-looking estimates at the financial year end.

On this basis, ETRB determines the closing loss allowance at the end of the financial year as follows:

	CARRYING AMOUNT	CURRENT	LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS +
<b>2023</b>					
<b>Contractual Receivables</b>					
Expected Loss Rate	3%	0%	0%	0%	90%
Gross carrying amount of contractual receivables	263,905	222,068	24,340	9,574	7,923
Loss allowance	(7,098)	-	-	-	(7,098)
<b>Total Contractual Receivables</b>	<b>256,807</b>	<b>222,068</b>	<b>24,340</b>	<b>9,574</b>	<b>825</b>
<b>2022</b>					
<b>Contractual Receivables</b>					
Expected Loss Rate	3%	0%	0%	0%	100%
Gross carrying amount of contractual receivables	246,359	217,554	6,910	13,328	8,566
Loss allowance	(8,566)	-	-	-	(8,566)
<b>Total Contractual Receivables</b>	<b>237,793</b>	<b>217,554</b>	<b>6,910</b>	<b>13,328</b>	<b>-</b>

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

	2023	2022
	\$	\$
<b>Opening Loss Allowance</b>	<b>(8,566)</b>	<b>(209,791)</b>
Decrease in the allowance recognised in the net result	1,468	30,733
Reversal of allowance for receivables written off during the year as uncollectible	-	170,492
<b>Balance at the end of the year</b>	<b>(7,098)</b>	<b>(8,566)</b>

Credit loss allowance is classified as other economic flows in the net result. Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt is written off by mutual consent and is classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

### **Liquidity Risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. ETRB operates a fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. ETRB is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the balance sheet. ETRB manages its liquidity risk by:

- Close monitoring of its short term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- Maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- Other contractual financial assets that are readily tradeable in the financial markets;
- Careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- Banking with only financial institutions with a high and stable credit rating.

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

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, of \$500,000 and (2022: \$500,000) in relation to financial guarantees granted for loans to other entities (refer Note 7.3.1), represents ETRB's maximum exposure to liquidity risk.

### **Interest Rate Risk**

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ETRB has minimal exposure to cash flow interest rate risks through cash and term deposits that are at floating rate. Management has concluded for cash at bank as financial assets that can be left at floating rate without necessarily exposing ETRB to significant bad risk, management monitors movement in interest rates.

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

**NOTE 7.1.4 INTEREST RATE RISK EXPOSURE OF FINANCIAL INSTRUMENTS**

	<b>WEIGHTED AVERAGE EFFECTIVE INTEREST</b>	<b>CARRYING AMOUNT</b>	<b>VARIABLE INTEREST RATE</b>	<b>NON-INTERST BEARING</b>
<b>2023</b>				
<b>Financial Assets</b>				
Cash and cash equivalent	1.3%	9,453,437	8,881,947	571,490
Receivables:				
Sale of goods and services		256,807	-	256,807
<b>Total Financial Assets</b>		<b>9,710,244</b>	<b>8,881,947</b>	<b>828,297</b>
<b>Financial Liability</b>				
Payables:				
Supplies and services		861,307	-	861,307
Other payables		775,660	-	775,660
<b>Total Financial Liabilities</b>		<b>1,636,967</b>	<b>-</b>	<b>1,636,967</b>
<b>2022</b>				
<b>Financial Assets</b>				
Cash and cash equivalent	0.07%	8,635,057	8,605,007	30,050
Receivables:				
Sale of goods and services		237,707	-	237,707
<b>Total Financial Assets</b>		<b>8,872,764</b>	<b>8,605,007</b>	<b>267,757</b>
<b>Financial Liability</b>				
Payables:				
Supplies and services		713,827	-	713,827
Other payables		641,383	-	641,383
<b>Total Financial Liabilities</b>		<b>1,355,210</b>	<b>-</b>	<b>1,355,210</b>

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

**NOTE 7.1.5 INTEREST RATE RISK SENSITIVITY**

	CARRYING AMOUNT	INTEREST RATE RISK			
		-2.00%		+2.00%	
		PROFIT	EQUITY	PROFIT	EQUITY
	\$	\$	\$	\$	\$
<b>2023</b>					
<b>Financial Assets</b>					
Cash and cash equivalent	8,951,937	(179,039)	-	179,039	-
Term Deposits	501,500	-	-	-	-
Receivables	256,805	-	-	-	-
<b>Contractual Financial Liabilities</b>					
Trade and other payables	1,636,966	-	-	-	-
		<b>(179,039)</b>	-	<b>179,039</b>	-

	CARRYING AMOUNT	INTEREST RATE RISK			
		-2.00%		+2.00%	
		PROFIT	EQUITY	PROFIT	EQUITY
	\$	\$	\$	\$	\$
<b>2022</b>					
<b>Financial Assets</b>					
Cash and cash equivalent	8,135,057	(162,701)	-	162,701	-
Term Deposits	500,000	-	-	-	-
Receivables	237,793	-	-	-	-
<b>Contractual Financial Liabilities</b>					
Trade and other payables	1,355,211	-	-	-	-
		<b>(162,701)</b>	-	<b>162,701</b>	-

**NOTE 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**CONTINGENT ASSETS**

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

There are no contingent assets for 2023 (2022 \$4,130,000 operational funding)

## 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 ETRB, or present obligations that arise from past events but are not recognised because it is not possible 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.

There are no contingent liabilities for 2023 (2022 no contingent liabilities).

## NOTE 7.3 FAIR VALUE DETERMINATION

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

The following assets are carried at fair value:

- Land, buildings, infrastructure, plant and equipment

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

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

## FAIR VALUE HIERARCHY

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

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

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

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

## HOW THIS SECTION IS STRUCTURED

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

- Carrying amount and the fair value (which would be the same for those assets measured at fair value);
- Which level of the fair value hierarchy was used to determine the fair value; and
- In respect of those assets and liabilities subject to fair value determination using level 3 inputs:
  - A reconciliation of the movement in fair values from the beginning of the year to the end of the year; and
  - Details of significant unobservable inputs used in the fair value determination.

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

### NOTE 7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

		2023		2022	
	LEVEL	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
		\$	\$	\$	\$
<b>Contractual Financial Assets</b>					
Cash and cash equivalent	1	8,951,937	8,951,937	8,135,057	8,135,057
Term Deposits	1	501,500	501,500	500,000	500,000
Receivables	1	256,807	256,807	237,793	237,793
<b>Total Contractual Financial Assets</b>		<b>9,710,244</b>	<b>9,710,244</b>	<b>8,872,850</b>	<b>8,872,850</b>
<b>Contractual Financial Liabilities</b>					
Trade and other payables	1	1,636,966	1,636,966	1,355,210	1,355,210
<b>Total Contractual Financial Liabilities</b>		<b>1,636,966</b>	<b>1,636,966</b>	<b>1,355,210</b>	<b>1,355,210</b>

**NOTE 7.3.2 FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS**

	LEVEL	2023		2022	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
		\$	\$	\$	\$
Land	2	19,901,600	19,901,600	19,901,600	19,901,600
Buildings and Structures	2	41,468,845	41,468,845	36,712,292	36,712,292
Locomotives and Rolling Stock	3	23,630,927	23,630,927	21,034,582	21,034,582
Motor Vehicles	3	43,893	43,893	12,562	12,562
Office Furniture and Equipment	3	23,120	23,120	32,270	32,270
Plant and Equipment	3	3,724,219	3,724,219	3,703,763	3,703,763
Permanent Way	3	13,640,960	13,640,960	14,187,480	14,187,480
<b>Total Non-Financial Physical Assets</b>		<b>102,433,564</b>	<b>102,433,564</b>	<b>95,584,549</b>	<b>95,584,549</b>

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

**Plant and Equipment** is held at fair value. When plant and equipment is specialised in its 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 2023. For all assets measured at fair value, the current use is considered the highest and best use.

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

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

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

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

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

**NOTE 7.3.3 RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS**

	LOCOMOTIVES AND ROLLING STOCK	MOTOR VEHICLES	OFFICE FURNITURE & EQUIPMENT	PLANT & EQUIPMENT	PERMANENT WAY
<b>Opening Balance at 1<sup>st</sup> July 2021</b>	<b>21,911,024</b>	<b>99,942</b>	<b>48,595</b>	<b>3,641,438</b>	<b>14,734,000</b>
Additions	-	-	6,473	-	-
Transfers In/ Out of WIP	-	-	-	296,500	-
Depreciation Expense	(876,442)	(87,379)	(22,796)	(234,176)	(546,520)
<b>Closing Balance at 30<sup>th</sup> June 2022</b>	<b>21,034,582</b>	<b>12,562</b>	<b>32,272</b>	<b>3,703,762</b>	<b>14,187,480</b>
<b>Opening Balance at 1<sup>st</sup> July 2022</b>	<b>21,034,582</b>	<b>12,562</b>	<b>32,272</b>	<b>3,703,762</b>	<b>14,187,480</b>
Additions				48,299	
Transfers In/ Out of WIP	3,491,814	48,800	2,795	227,742	
Depreciation Expense	(895,469)	(17,469)	(11,947)	(255,585)	(546,520)
<b>Closing Balance at 30<sup>th</sup> June 2023</b>	<b>23,630,926</b>	<b>43,893</b>	<b>23,121</b>	<b>3,724,219</b>	<b>13,640,960</b>



**NOTE 7.3.4 DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS**

	<b>VALUATION TECHNIQUE</b>	<b>SIGNIFICANT UNOBSERVABLE INPUTS</b>	<b>RANGE</b>	<b>SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFIANT UNOBSERVABLE INPUTS</b>
<b>Locomotives and Rolling Stock</b>	Current replacement cost	Heritage restrictions	Impact of heritage restrictions is considered but not quantified	Heritage Assets – a significant increase or decrease in reproduction cost would result in a significantly higher or lower fair value
<b>Locomotives and Rolling Stock</b>		Remaining useful life of locomotives and rolling stock	25 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
<b>Motor Vehicles</b>	Current replacement cost	Useful life of the motor vehicle	5 to 60 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
<b>Office Furniture and Equipment</b>	Current replacement cost	Useful life of the office furniture & equipment	4 to 32 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
<b>Plant &amp; Equipment</b>	Current replacement cost	Useful life of the plant, equipment and museum exhibits	1 to 76 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
<b>Permanent Way</b>	Current replacement cost	Useful life of the railway track and earthworks	15 to 100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value

Significant unobservable inputs have remained unchanged since June 2021.

## 8. OTHER DISCLOSURES

### INTRODUCTION

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

### STRUCTURE

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

### NOTE 8.1 CONTRIBUTED CAPITAL

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

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

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Contributed Capital</b>		
Balance at beginning of financial year	31,861,115	30,625,115
Contributions during the year	-	1,236,000
<b>Balance at end of Financial Year</b>	<b>31,861,115</b>	<b>31,861,115</b>

## NOTE 8.2 RESPONSIBLE PERSONS

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

	<b>Period</b>
<b>Portfolio Minister</b>	
Steve Dimopoulos MP, Minister for Tourism, Sport and Major Events	01/07/2022 to 30/06/2023
<b>Governing Board</b>	
T.North KC	01/07/2022 to 30/06/2023
D.Smith	01/07/2022 to 30/06/2023
M.Mangos	01/07/2022 to 30/06/2023
B.Clingin	01/07/2022 to 30/06/2023
A.Jamieson	01/07/2022 to 30/06/2023
T.Sargant	01/07/2022 to 30/06/2023
<b>Accountable Officer</b>	
P.Abbott (Chief Executive Officer)	01/07/2022 to 30/06/2023

### Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

	<b>2023</b>	<b>2022</b>
<b>Income Band</b>		
\$0 to \$9,999	1	-
\$10,000 to \$19,999	4	5
\$40,000 to \$49,999	1	1
\$250,000 to \$259,999	-	1
\$300,000 to \$309,999	1	-
<b>Total Numbers</b>	<b>7</b>	<b>7</b>
<b>Total Remuneration</b>	<b>\$425,965</b>	<b>\$395,000</b>

Amounts relating to the Governing Board Members and Accountable Officer of ETRB are disclosed in the financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

## NOTE 8.3 REMUNERATION OF EXECUTIVES

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

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

REMUNERATION OF EXECUTIVE OFFICERS	TOTAL REMUNERATION	
	2023	2022
	\$	\$
Short-term employee benefits	1,084,483	878,799
Other long-term benefits	57,318	41,783
<b>Total Remuneration</b>	<b>1,141,801</b>	<b>920,582</b>
<b>Total Number of Executives</b>	<b>10</b>	<b>10</b>
<b>Total Annualised Employee Equivalents</b>	<b>10.00</b>	<b>8.77</b>

Annualised employee equivalent is based on the time fraction worked over the reporting period for 2022-23.

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

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

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

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

## NOTE 8.4 RELATED PARTIES

ETRB is a wholly owned and controlled entity of the State of Victoria. Related parties of ETRB include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members

KMP's are those people with the authority and responsibility for planning, directing and controlling the activities of ETRB, directly or indirectly.

### Key Management Personnel

The Board of Directors and the Executive Directors of ETRB are deemed to be KMP's. This includes the following:

Position Title	KMP	FROM	TO
Board Chair	Tim North OAM KC	01/07/2022	30/06/2023
Board Member	D.Smith	01/07/2022	30/06/2023
Board Member	M.Mangos	01/07/2022	30/06/2023
Board Member	B.Clingin	01/07/2022	30/06/2023
Board Member	A.Jamieson	01/07/2022	30/06/2023
Board Member	T.Sargent	01/07/2022	30/06/2023
Chief Executive Officer	P.Abbott	01/07/2022	30/06/2023
Group Manager Business Services	S.Straub	01/07/2022	30/06/2023
Group Manager Train Operations	P.Essig	01/07/2022	30/06/2023
Group Manager Infrastructure	B.Butler	01/07/2022	30/06/2023
Group Manager Visitor Experience	N.Giurgiu	01/07/2022	30/06/2023

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

**COMPENSATION OF KMPS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,394,960	1,148,748
Other long-term benefits	68,121	47,187
<b>Total Remuneration</b>	<b>1,463,081</b>	<b>1,195,935</b>
<b>Total Number of Executives</b>	<b>11</b>	<b>11</b>
<b>Total Annualised Employee Equivalents</b>	<b>11.00</b>	<b>9.77</b>

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

**SIGNIFICANT TRANSACTIONS WITH GOVERNMENT RELATED ENTITIES**

ETRB received funding from Department of Jobs, Skills, Industry and Regions \$4.1 million (2022: \$11.2 million).

ETRB received funding from Department of Transport and Planning \$1.65 million (2022:\$162k)

**NOTE 8.5 REMUNERATION OF AUDITORS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Victorian Auditor-General’s Office</b>		
Audit of the Financial Statements	33,000	31,500
<b>Total Remuneration of Auditors</b>	<b>33,000</b>	<b>31,500</b>



## NOTE 8.6 SUBSEQUENT EVENTS

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

### The Puffing Billy Railway Act 2022

The Puffing Billy Railway Act 2022 comes into operation 1 July 2023. The purpose of the Act is:

- to establish the Puffing Billy Railway Board; and
- to provide for the objectives, functions, and powers of the Board; and
- to provide for the growth and development of the Puffing Billy Railway; and
- to require business and strategic planning for the development and long-term sustainability and viability of the Puffing Billy Railway; and
- to recognise the heritage significance of the Puffing Billy Railway; and
- to recognise the importance of volunteers to the operation of the Puffing Billy Railway; and
- to repeal the Emerald Tourist Railway Act 1977.

Repeal and transitional provisions on the commencement of this Act include:

- The Emerald Tourist Railway Act 1977 is repealed,
- Old Board members to be new Board directors,
- New Board succeeds old Board. On the commencement day,
  - (a) all property rights that, immediately before that day, were vested in or owned, leased, or managed by the old Board, including property vested in the old Board under the Emerald Tourist Railway Act 1977, become vested in or owned, leased or managed by the new Board; and
  - (b) all liabilities and obligations of the old Board existing immediately before that day become liabilities and obligations of the new Board; and
  - (c) the new Board is substituted for the old Board as a party to –
    - i. any proceedings to which the old Board was a party in any court or tribunal immediately before that day; and
    - ii. any agreement or contact to which the old Board was a party immediately before that day; and
  - (d) any reference to the old Board in any other Act or in any subordinate instrument, agreement, contract, licence or other document is taken to be a reference to the new Board, to the extent that –
    - i. the reference relates to any period on or after that day; and
    - ii. the context does not require otherwise.
- Transfer of employees. On the commencement day,
  1. All persons who were employees of the old Board immediately before that day are taken to be employees of the new Board on the same terms and conditions and with the same accrued and accruing entitlements as applied to those persons immediately before that day.
  2. If a person is taken to be an employee of the new Board under subsection (1) –
    - The person's service as an employee of the new Board must be regarded for all purposes as continuous with the person's service as an employee of the old Board; and
    - The person is not entitled to receive any payment or other benefit only by reason of ceasing to be an employee of the old Board.
  3. Nothing in the section prevents a person from resigning or being dismissed as an employee of the old Board at any time after the commencement day in accordance with the terms and conditions of that person's employment.
- Duties and other taxes. No duty or other tax is chargeable under any Act in respect of anything done under this Part, or any act or transaction connected with or necessary due to this Part, including a transaction entered into or an instrument made, executed, lodged or given in connection with the transfer of property, rights, liabilities, or obligations under this Part.

## NOTE 8.7 OTHER ACCOUNTING POLICIES

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

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

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

## CONTRIBUTIONS BY OWNERS

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

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

## NOTE 8.5 AUSTRALIAN ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period.

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

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

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

In March 2020, the AASB issued AASB 2020-1 which makes amendments to AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the Financial Statements.



# DISCLOSURE INDEX

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

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

**LEGISLATION**

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