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To the Rail Commissioner

Opinion

I have audited the financial report of the Rail Commissioner for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Rail Commissioner as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy and other explanatory information
- a Certificate from the Rail Commissioner and the Executive Director, People and Corporate Services for the Department for Infrastructure and Transport.

Basis for opinion

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

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

Responsibilities of the Rail Commissioner for the financial report

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

In preparing the financial report, the Rail Commissioner is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Rail Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Rail Commissioner for the financial year ended 30 June 2025.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rail Commissioner's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Rail Commissioner
- conclude on the appropriateness of the Rail Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue
Deputy Auditor-General

29 September 2025

Rail Commissioner CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of the Rail Commissioner:
 - are in accordance with the accounts and records of the Rail Commissioner; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Rail Commissioner at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Rail Commissioner for the financial year over its financial reporting and its preparation of the financial statements have been effective.



**Jon Whelan
Chief Executive
Rail Commissioner**

Department for Infrastructure
and Transport
South Australia

26 September 2025



**Graeme Jackson
Executive Director, People
and Corporate Services**

Department for Infrastructure
and Transport
South Australia

26 September 2025



**Government
of South Australia**

Rail Commissioner

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2025

Rail Commissioner Financial Statements 2024-25

**Statement of Comprehensive Income
for the year ended 30 June 2025**

	Note	2025 \$'000	2024 \$'000
Income			
Revenues for the provision of services	3	44,923	9,664
Total Income		44,923	9,664
Expenses			
Employee related expenses	4	44,923	9,664
Total Expenses		44,923	9,664
Net Result		-	-
Total Comprehensive result		-	-

The net result and comprehensive result are attributable to the SA Government as owner.

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

Rail Commissioner Financial Statements 2024-25

**Statement of Financial Position
as at 30 June 2025**

	Note	2025 \$'000	2024 \$'000
Current Assets			
Receivables	5	11,025	4,573
Total Current Assets		11,025	4,573
Non-Current Assets			
Receivables	5	8,661	3,742
Total Non-Current Assets		8,661	3,742
Total Assets		19,686	8,315
Current Liabilities			
Payables	6	7	2
Employee related liabilities	4.5	10,648	4,418
Provisions	7	370	153
Total Current Liabilities		11,025	4,573
Non-Current Liabilities			
Payables	6	54	17
Employee related liabilities	4.5	6,369	2,736
Provisions	7	2,238	989
Total Non-Current Liabilities		8,661	3,742
Total Liabilities		19,686	8,315
Net Assets		-	-
Equity			
Retained earnings		-	-
Total Equity		-	-

The Total Equity is attributable to the SA Government as owner.

Commitments	8
Contingent assets and liabilities	9

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

Rail Commissioner Financial Statements 2024-25

**Statement of Changes in Equity
for the year ended 30 June 2025**

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2023	-	-
Net result for 2023-24	-	-
Total comprehensive result for 2023-24	-	-
Balance at 30 June 2024	-	-
Net result for 2024-25	-	-
Total comprehensive result for 2024-25	-	-
Balance at 30 June 2025	-	-

All changes in equity are attributable to the SA Government as owner.

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

Rail Commissioner Financial Statements 2024-25

Statement of Cash Flows
for the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Cash flows from Operating Activities		
Cash Inflows		
Revenues for the provision of services	33,552	15,517
Cash Outflows		
Employee related payments	(33,552)	(15,517)
Net cash provided by/(used in) operating activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 1 July	-	-
Cash and cash equivalents at 30 June	<u>-</u>	<u>-</u>

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

Rail Commissioner Financial Statements 2024-25

**Notes to the Financial Statements
for the year ended 30 June 2025****Note 1 - About the Rail Commissioner**

The financial statements cover the Rail Commissioner as an individual reporting entity. The Rail Commissioner is a body corporate pursuant to the *Rail Commissioner Act 2009*.

1.1 Basis of Preparation

The financial statements are general purpose financial statements. The statements have been prepared in accordance with section 23 of the *Public Finance and Audit Act 1987*, relevant Australian Accounting Standards (simplified disclosures), Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*.

For the purposes of preparing the financial statements the Rail Commissioner is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted for the period ending 30 June 2025.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements. The Rail Commissioner is not subject to income tax. The Rail Commissioner is liable for payroll tax and fringe benefits tax.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Accounting policies are set out in the notes.

The budget for the Rail Commissioner is published as part of Department for Infrastructure and Transport (DIT)'s budget and is not separately identified. The budgetary reporting standard (AASB 1055) does not apply.

Note 2 - Objectives and Activities**2.1 Objectives of the Rail Commissioner**

The Rail Commissioner was established as a body corporate by the *Rail Commissioner Act 2009*. The *Rail Commissioner Act 2009* provided that the Rail Commissioner's principal activity was to operate passenger transport services, an activity that continued to be the primary focus until 30 June 2011.

As part of the restructure of the State Government's public transport functions, Cabinet approved the transfer of all assets, contracts, rights and liabilities from the Rail Commissioner to the Department for Infrastructure and Transport, effective 1 July 2011. Under this arrangement, the Rail Commissioner exists for the purposes of employing operational staff employed under Federal Awards.

Rail Commissioner Financial Statements 2024-25

2.2 Current Operating Arrangements

The operational function of train services returned to the Rail Commissioner on 2 February 2025. This involved the return and onboarding of 206 employees from Keolis Downer Adelaide (KDA) to the Rail Commissioner. KDA will continue to provide security and customer service until 30 June 2027 and rail asset maintenance functions until 30 June 2035.

Prior to this, the provision of heavy rail operations was delivered under an outsourced model with the contracted provider responsible for all network operations of the rail network assets. Upon the commencement of the outsourced arrangement, employees were offered employment with the contracted provider under Transfer of Business provisions of the *Fair Work Act 2009 (Cwth)* or chose to remain and commence the Redeployment, Retraining and Redundancy (RRR) processes as set out in the relevant enterprise agreements. Employees that entered into RRR remained employees of the Rail Commissioner, until they accepted a voluntary redundancy payment, resigned or were offered alternative suitable employment within the South Australian public sector. Employees that remained with the Rail Commissioner during the outsourced period were reassigned duties to support broader DIT initiatives. Their work during this time was not directly related to Rail Commissioner responsibilities but aligned to departmental priorities.

Tram operations including network operations, customer service and timetable planning were due to return to the Rail Commissioner on 31 August 2025 from Adelaide Metro Operations (AMO), whilst fleet and infrastructure maintenance services will remain under contract with AMO until 2035.

This financial report represents the cost of Rail Commissioner's employees.

Note 3 - Revenues for the Provision of Services

	2025	2024
	\$'000	\$'000
Revenue from DIT for employee expenses	44,923	9,664
Total revenues for the provision of services	44,923	9,664

Revenue represents the reimbursement from DIT for the cost of employing staff.

Rail Commissioner Financial Statements 2024-25

Note 4 - Employee Related Expenses

4.1 Employee Related Expenses	2025	2024
	\$'000	\$'000
Salaries and wages	21,658	9,952
Targeted Voluntary Separation Packages	1,291	683
Long service leave	3,800	312
Annual leave	4,718	901
Skills and experience retention leave	212	91
Block book off	2,920	377
Workers compensation*	2,473	(4,547)
Employment on-costs - superannuation**	3,341	1,223
Employment on-costs - payroll tax	2,008	672
Incentive payments	2,502	-
Total employee related expenses	44,923	9,664

Employee related expenses relate to employees of the Rail Commissioner for the provision of rail services. The significant increase in expenses is due to the transfer of employees to the Rail Commissioner from the contracted provider (Note 2.2).

* A write down of the provision for workers compensation in 2023-24 led to a decrease in the workers compensation expense. The write down was largely due to the remeasurement of the provision following the transfer of heavy rail employees to the contracted provider (Note 2.2). This has increased in 2024-25 due to the transfer of employees back to the Rail Commissioner.

** The superannuation employment on-cost charge represents the Rail Commissioner's contributions to superannuation plans in respect of current services.

4.2 Targeted Voluntary Separation Packages (TVSPs)	2025	2024
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	1,291	683
Leave paid to separated employees	1,092	656
	2,383	1,339

The number of employees who received a TSVP during the reporting period was 16 (8).

Rail Commissioner Financial Statements 2024-25

4.3 Key Management Personnel

The Rail Commissioner is a body corporate established pursuant to the *Rail Commissioner Act 2009* and is a wholly owned and controlled entity of the Crown.

Related parties of the Rail Commissioner include all key management personnel and their close family members, all Cabinet Ministers and their close family members, and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Key management personnel of the Rail Commissioner include the Minister for Infrastructure and Transport and the Rail Commissioner who have the responsibility for the management of the Rail Commission.

Compensation for the Rail Commissioner's key management personnel is paid by the Department for Infrastructure and Transport. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

4.4 Remuneration of Employees

The number of employees whose remuneration received or receivable falls within the following bands:

Remuneration Band	2025 No	2024 No
\$171 001 - \$191 000	4	-
\$251 001 - \$271 000 (a)	1	-
\$271 001 - \$291 000 (b)	1	1
\$331 001 - \$351 000	-	1
\$491 001 - \$511 000 (c)	1	-
	<u>7</u>	<u>2</u>

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year.

The total remuneration for the 7 employees (2 employees) was \$1.767 million (\$630,192) and reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the entity.

(a) 2025 - includes TVSP payment for one employee

(b) 2025 - includes TVSP payment for one employee

(c) 2025 - includes a workers compensation payment for one employee

Rail Commissioner Financial Statements 2024-25

4.5 Employee Related Liabilities	2025	2024
	\$'000	\$'000
Current:		
Annual leave	4,135	1,313
Long service leave	1,033	1,465
Block book off	2,734	621
Skills and experience retention leave	219	105
Accrued wages and salaries	1,011	370
Employment on-costs	1,516	544
Total current employee related liabilities	10,648	4,418
Non-current:		
Long service leave	5,764	2,481
Employment on-costs	605	255
Total non-current employee related liabilities	6,369	2,736
Total employee related liabilities	17,017	7,154

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Non-current employee benefits are measured at present value and current employee benefits are measured at nominal amounts.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These oncosts primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain oncosts are recognised as a consequence of long service leave liabilities.

The Rail Commissioner contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed schemes.

As actuarial assumptions for long service leave are consistent with 2024 (44%), there are no material net financial effect impacts in 2025. The average factor for the calculation of employer superannuation on-costs has changed from the 2024 rate of 11.5% to 12.0%.

These rates are used in the employment oncost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.05 million. The impact on future periods is impracticable to estimate.

Rail Commissioner Financial Statements 2024-25

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has remained at 4.25% for 2025.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 3.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The long service leave liability has been allocated between current and non-current liabilities using the leave pattern history of previous years.

Rail Commissioner Financial Statements 2024-25

Note 5 - Receivables	2025	2024
	\$'000	\$'000
Current		
Employee benefits	9,132	3,874
Workers compensation	370	153
Oncost related to employee benefits	1,516	544
Workers compensation recoveries	7	2
Total current receivables	11,025	4,573
Non-current		
Employee benefits	5,764	2,481
Workers compensation	2,238	989
Oncost related to employee benefits	605	255
Workers compensation recoveries	54	17
Total non-current receivables	8,661	3,742
Total receivables	19,686	8,315

Receivables represent amounts owing from DIT as at the reporting date to provide for the employee related liabilities of the Rail Commissioner.

Rail Commissioner Financial Statements 2024-25

Note 6 - Payables	2025	2024
	\$'000	\$'000
Current:		
Workers compensation	7	2
Total current payables	7	2
Non-Current:		
Workers compensation	54	17
Total non-current payables	54	17
Total payables	61	19

Note 7 - Provisions	2025	2024
	\$'000	\$'000
Current:		
Provision for workers compensation	370	153
Total current provisions	370	153
Non-current:		
Provision for workers compensation	2,238	989
Total non-current provisions	2,238	989
Total provisions	2,608	1,142

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	1,142	6,338
(Decrease)/increase in provision due to revision of estimates	2,472	(4,547)
Amounts used	(1,006)	(649)
Carrying amount at 30 June 2025	2,608	1,142

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Rail Commissioner Financial Statements 2024-25

Note 8 - Commitments

The Rail Commissioner has no commitments as at 30 June 2025.

Note 9 - Contingent Assets and Liabilities

As at 30 June 2025 the Rail Commissioner has no contingent assets or liabilities.