

INFRASTRUCTURE AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

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INFRASTRUCTURE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Infrastructure Australia (IA) is a statutory authority established on 1 September 2014 following amendment of the Infrastructure Australia Act 2008. IA's primary role is to support the Australian Government's plan to build a strong and prosperous economy. This is to be done through the provision of high quality independent advice concerning nationally significant infrastructure matters. This advice is for the Australian Government, and in turn, all levels of government, industry and stakeholders.

In accordance with the outcome in Section 2 of this document, 'Outcomes and Planned Performance', IA is responsible for providing independent advice for:

- improved decision-making on infrastructure matters
- better identification and assessment of key drivers of infrastructure demand and utilisation
- improved prioritisation of infrastructure projects
- the identification, implementation and promotion of best practice infrastructure planning, financing, delivery and operation.

The key priorities for IA in 2020–21 are:

- continue to undertake evaluations on all infrastructure proposals where funding of more than \$100 million is sought from the Commonwealth. This includes economic and social infrastructure proposals but excludes defence proposals
- regularly update and further develop the Infrastructure Priority List. This priority list will be informed by the other work of IA, in particular the Australian Infrastructure Audit, the Australian Infrastructure Plan and evaluation of infrastructure proposals
- develop the 2021 Australian Infrastructure Plan. The Australian Infrastructure Plan will respond to the gaps and opportunities outlined in the 2019 Australian Infrastructure Audit
- develop and maintain data sources to inform future plans and priority lists
- continue to establish and develop the corporate capabilities to support IA's role as an independent entity that provides high quality advice.

In 2020-21, IA will play an active role in ongoing research and collaboration initiatives that promote and develop effective data and information sharing, analysis and

benchmarking. In particular, IA will undertake initiatives to maintain the currency of its data to inform future Audits, plans, priority lists and project evaluations.

Additional priorities of IA in 2020-21 include:

- Infrastructure Australia to deliver annual analytical assessments of infrastructure market capacity, as requested by the Prime Minister and other First Ministers at the Council of Australian Government (COAG) meeting of 13 March 2020. This proposal will involve the collection, collation, interpretation and display of Australian Government, State and Territory and industry data, as well as the establishment of new data sets through primary collection.
- continuing to evolve the frameworks utilised by jurisdictions in submitting proposals to IA for evaluation to promote best practice in infrastructure planning, procurement and delivery. This will include consideration of costs and benefits and the appropriate assessment of wider benefits (in addition to direct benefits) providing guidance on how these should be measured and applied, if required.
- continuing to establish and maintain productive working relationships with all levels of government and industry. This includes engaging closely with Commonwealth departments, agencies and entities as well as states, territories, local governments, investors in infrastructure, owners of infrastructure and communities – as the end users of infrastructure.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to Infrastructure Australia for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for IA's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Infrastructure Australia resource statement — Budget estimates for 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Opening balance/cash reserves at 1 July	3,843	3,485
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	11,560	15,419
Total annual appropriations	11,560	15,419
Total funds from Government	11,560	15,419
Funds from other sources		
Interest	54	27
Total funds from other sources	54	27
Total net resourcing for IA	11,614	15,446
	2019-20	2020-21
Average staffing level (number)	24	45

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2020-21.

IA is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development and Communications, which are then paid to IA and are considered 'departmental' for all purposes.

1.3 BUDGET MEASURES

Budget measures relating to IA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: IA 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Payment measures					
Supporting Infrastructure Investment	1.1				
Departmental payments		3,815	1,235	1,000	1,001
Total		3,815	1,235	1,000	1,001
Total payment measures					
Departmental		3,815	1,235	1,000	1,001
Total		3,815	1,235	1,000	1,001

Prepared on a Government Finance Statistics (underlying cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the Public Governance, Performance and Accountability Act 2013. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's Corporate Plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent Corporate Plan for Infrastructure Australia can be found at:
<https://www.infrastructureaustralia.gov.au/about/accountability-and-reporting>

The most recent annual performance statement can be found at:
<https://www.infrastructureaustralia.gov.au/about/accountability-and-reporting>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation

Budgeted expenses for Outcome 1

This table shows how much IA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Infrastructure Australia					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	11,457	15,419	12,815	12,590	12,635
Revenues from other independent sources	56	27	27	27	27
Total expenses for Program 1.1	11,513	15,446	12,842	12,617	12,662
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	11,457	15,419	12,815	12,590	12,635
Revenues from other independent sources	56	27	27	27	27
Total expenses for Outcome 1	11,513	15,446	12,842	12,617	12,662
	2019-20	2020-21			
Average staffing level (number)	24	45			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation	
Program 1.1 – IA will contribute to the Government's objective of supporting competitiveness, driving productivity and enhancing quality of life, through the provision of high quality advice.	
Delivery	IA will provide high quality independent advice on nationally significant infrastructure matters to the Australian Government and in turn, all levels of government, industry and stakeholders. This advice will be prepared in consultation with all levels of government, industry stakeholders and the community—as the end users of infrastructure. This advice will include published project evaluations, infrastructure priority lists, published research and other initiatives.

Performance information		
Year	Performance criteria	2019-20 Actual Achievement/Targets
2019-20	<p>Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than \$100 million is sought from the Commonwealth</p> <p>Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure</p>	<p>Target met Evaluations of project proposals completed and a summary of these evaluations published on IA's website 100% achieved. 19 project proposals assessed.</p> <p>Target met Deliver research and other initiatives that provide leadership on regulatory reform objectives and promote best practice in the planning, funding, delivery and operation of infrastructure 100% achieved. Australian Infrastructure Audit published in August 2019.</p>
2020-21	<p>Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than \$100 million is sought from the Commonwealth</p> <p>Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure</p>	<p>Evaluations of project proposals completed and a summary of these evaluations published on IA's website</p> <p>Deliver research and other initiatives that provide leadership on regulatory reform objectives and promote best practice in the planning, funding, delivery and operation of infrastructure</p>
2021-22 and beyond	As per 2020-21	As per 2020-21

Infrastructure Australia Budget Statements

Purposes	IA's purpose is to: <ul style="list-style-type: none">• improve decision-making on matters relating to infrastructure• advise governments and others on infrastructure matters including the better assessment of infrastructure needs and prioritisation of infrastructure projects• promote best practice in infrastructure planning, financing, delivery and operation.
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Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of IA's finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

IA is budgeting operating expenses of \$15.4 million in 2020-21. This consists of \$8.6 million employee expenses, \$5.5 million supplier expenses and \$1.3 million in depreciation, amortisation and finance costs.

IA's expense budget reflects the work program for IA in 2020-21. This includes the continued provision of advice on nationally significant infrastructure matters, evaluation of project proposals and development of further research regarding the identification and application of best practice planning delivery and operation of Australia's infrastructure networks. IA will further continue to establish and develop the corporate capabilities to support IA's role as an independent entity that provides high quality advice.

In 2020-21 IA will deliver the Australian Infrastructure Plan (the Plan) which responds to the gaps and opportunities outlined in the 2019 Australian Infrastructure Audit.

To enable the delivery of the Plan IA has recruited a number of fixed term employees at the end of 2019-20, whose contracts expire by 30 June 2021, to align with the delivery of the Plan. This has contributed to the increase in employee costs in 2020-21 budget.

In 2020-21 IA will establish the annual delivery of analytical assessments of infrastructure market capacity. This annual assessment will involve the collection, collation, interpretation and display of Australian Government, State and Territory and industry data, as well as the establishment of new data sets through primary collection.

IA entered in to a new property lease from 1 July 2020. IA applied the new accounting standard AASB16 - Leases to the recognition of the new lease at the end of 2019-20. Expenditure in relation to the new lease is recognised in depreciation, accounting for the large increase in depreciation cost in 2020-21 and forward years. As IA's prior lease expired on 30 June 2019, there was no requirement to recognise this lease under the new standard, as such the expense in relation to the prior lease in 2019-20 is recognised in supplier expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	5,501	8,571	6,130	6,154	6,286
Suppliers	5,532	5,525	5,354	5,103	5,039
Depreciation and amortisation	384	1,292	1,313	1,327	1,336
Finance costs	15	58	45	33	21
Losses from asset sales	82	-	-	-	-
Total expenses	11,513	15,446	12,842	12,617	12,662
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	56	27	27	27	27
Total own-source revenue	56	27	27	27	27
Total own-source income	56	27	27	27	27
Net (cost of)/contribution by services	(11,457)	(15,419)	(12,815)	(12,590)	(12,635)
Revenue from Government	11,560	15,419	12,815	12,590	12,635
Surplus/(deficit) attributable to the Australian Government	103	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	103	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,485	3,673	4,039	4,151	4,237
Trade and other receivables	1,290	21	21	21	21
Total financial assets	4,775	3,694	4,060	4,172	4,258
Non-financial assets					
Land and buildings	5,633	4,572	3,444	2,309	1,164
Property, plant and equipment	255	720	578	453	320
Intangibles	8	-	-	-	-
Prepayments	175	175	175	175	175
Total non-financial assets	6,071	5,467	4,197	2,937	1,659
Total assets	10,846	9,161	8,257	7,109	5,917
LIABILITIES					
Payables					
Suppliers	1,617	716	913	892	882
Other payables	51	49	48	48	48
Total payables	1,668	765	961	940	930
Interest bearing liabilities					
Leases	5,570	4,630	3,557	2,428	1,244
Total interest bearing liabilities	5,570	4,630	3,557	2,428	1,244
Provisions					
Employee provisions	477	632	602	602	601
Other provisions	226	229	232	234	237
Total provisions	703	861	834	836	838
Total liabilities	7,941	6,256	5,352	4,204	3,012
Net assets	2,905	2,905	2,905	2,905	2,905
EQUITY					
Contributed equity	(1,264)	(1,264)	(1,264)	(1,264)	(1,264)
Retained surplus (accumulated deficit)	4,169	4,169	4,169	4,169	4,169
Total equity	2,905	2,905	2,905	2,905	2,905

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	4,169	(1,264)	2,905
Adjusted opening balance	4,169	(1,264)	2,905
Comprehensive income			
Surplus/(deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2021	4,169	(1,264)	2,905
Closing balance attributable to the Australian Government	4,169	(1,264)	2,905

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,560	15,419	12,815	12,590	12,635
Interest	54	27	27	27	27
Other	-	1,288	-	-	-
Total cash received	11,614	16,734	12,842	12,617	12,662
Cash used					
Employees	5,441	8,416	6,160	6,154	6,267
Suppliers	5,491	6,447	5,158	5,124	5,049
Interest payments on lease liability	-	55	43	31	19
Total cash used	10,932	14,918	11,361	11,309	11,335
Net cash from/(used by) operating activities	682	1,816	1,481	1,308	1,327
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,040	606	42	67	57
Total cash used	1,040	606	42	67	57
Net cash from/(used by) investing activities	(1,040)	(606)	(42)	(67)	(57)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	-	1,022	1,073	1,129	1,184
Total cash used	-	1,022	1,073	1,129	1,184
Net cash from/(used by) financing activities	-	(1,022)	(1,073)	(1,129)	(1,184)
Net increase/(decrease) in cash held	(358)	188	366	112	86
Cash and cash equivalents at the beginning of the reporting period	3,843	3,485	3,673	4,039	4,151
Cash and cash equivalents at the end of the reporting period	3,485	3,673	4,039	4,151	4,237

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by finance leases	4,657	82	-	-	-
Funded internally from departmental resources ^(a)	1,319	606	42	67	57
TOTAL	5,976	688	42	67	57
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,976	688	42	67	57
less additions by finance lease	(4,657)	(82)	-	-	-
Total cash used to acquire assets	1,319	606	42	67	57

(a) Includes current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Asset Category			Total \$'000
	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	
As at 1 July 2020				
Gross book value	1,563	326	64	1,953
Gross book value - ROU assets	4,657	-	-	4,657
Accumulated depreciation/amortisation and impairment	(365)	(71)	(56)	(492)
Accumulated depreciation/amortisation and impairment - ROU assets	(222)	-	-	(222)
Opening net book balance	5,633	255	8	5,896
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	606	-	606
By purchase - appropriation equity - ROU assets	82	-	-	82
Total additions	82	606	-	688
Other movements				
Depreciation/amortisation expense	(240)	(141)	(8)	(389)
Depreciation/amortisation on ROU assets	(903)	-	-	(903)
Total other movements	(1,143)	(141)	(8)	(1,292)
As at 30 June 2021				
Gross book value	1,563	932	64	2,559
Gross book value - ROU assets	4,739	-	-	4,739
Accumulated depreciation/ amortisation and impairment	(605)	(212)	(64)	(881)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,125)	-	-	(1,125)
Closing net book balance	4,572	720	-	5,292

Prepared on Australian Accounting Standards basis.