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.

In 2022-23 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.

The key priorities for IA in 2022–23 are:

* continue to undertake evaluations on all infrastructure proposals where funding of more than $250 million is sought from the Australian Government. 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.
* engage with stakeholders on the recommendations from the 2021 Australian Infrastructure Plan.
* 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.
* 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 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.
* continue 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.
* continue to establish and maintain productive working relationships with all levels of government and industry. This includes engaging closely with Australian Government 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 the entity 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’ tables 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 2022-23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | **6,478** | **4,445** |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | 12,853 | 12,733 |
| Total annual appropriations | 12,853 | 12,733 |
| **Total funds from Government** | **12,853** | **12,733** |
| **Funds from industry sources** |  |  |
| **Funds from other sources** |  |  |
| Interest | 8 | 15 |
| **Total funds from other sources** | **8** | **15** |
| **Total net resourcing for Infrastructure Australia** | **19,339** | **17,193** |

|  |  |  |
| --- | --- | --- |
|  | 2021-22 | 2022-23 |
| **Average staffing level (number)** | 30 | 29 |

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2022-23.

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

There are no measures relating to Infrastructure Australia for the 2022-23 Budget.

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 measures 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 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**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **Program 1.1: Infrastructure Australia** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 12,853 | 12,733 | 12,804 | 12,900 | 12,981 |
| Revenues from other independent sources | 8 | 15 | 15 | 15 | 15 |
| **Total expenses for Program 1.1** | **12,861** | **12,748** | **12,819** | **12,915** | **12,996** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 12,853 | 12,733 | 12,804 | 12,900 | 12,981 |
| Revenues from other independent sources | 8 | 15 | 15 | 15 | 15 |
| **Total expenses for Outcome 1** | **12,861** | **12,748** | **12,819** | **12,915** | **12,996** |

|  |  |  |
| --- | --- | --- |
|  | 2021-22 | 2022-23 |
| **Average staffing level (number)** | 30 | 29 |

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

| **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. | | |
| **Key Activities** (a) | 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. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than $250 million is sought from the Commonwealth. | 13 project proposals assessed  Target achieved |
|  | Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure. | The following research initiatives were published in FY 21-22:   * The Assessment Framework * A Pathway to Infrastructure Resilience * 2021 Australian Infrastructure Plan * 2021 Infrastructure Market Capacity report. * 2022 Regional Strengths and Infrastructure Gaps * Delivering Outcomes - A roadmap to a more productive and resilient future   Target achieved |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget year 2022-23 | Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than $250 million is sought from the Commonwealth. | Evaluations of project proposals completed and a summary of these evaluations published on IA's website |
|  | Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure. | 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 |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of IA finances for the 2022-23 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

**Revenue**

The vast majority of IA’s revenue are appropriations, totalling $12.7 million in 2022-23. In 2021-22, IA received additional funding to review its Assessment Framework, which represents the small drop in appropriation revenue in 2022-23 compared to the prior year.

In addition to appropriations IA earns a small amount of interest revenue from its cash deposits.

**Expenses**

IA is budgeting for operating expenses of $12.7 million in 2022-23. This consists of $6.9 million employee expenses, $4.5 million supplier expenses and $1.3 million in depreciation, amortisation and finance costs.

IA’s expense budget reflects the work program for IA in 2022–23. This includes the continued provision of advice on nationally significant infrastructure matters, evaluation of project proposals, the delivery of annual analytical assessments of infrastructure market capacity 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.

**Balance Sheet**

At 30 June 2023, IA is budgeting for net equity of $3.0 million representing assets of $7.5 million and liabilities of $4.6 million.

Most significant asset balances relate to cash and a right-of-use asset associated with IA’s office lease.

Most significant liabilities relate to the lease liability associated with IA’s office lease, and supplier payables.

3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 7,214 | 6,908 | 7,045 | 7,215 | 7,386 |
| Suppliers | 4,335 | 4,541 | 4,481 | 4,417 | 4,572 |
| Depreciation and amortisation | 1,268 | 1,266 | 1,271 | 1,274 | 1,029 |
| Finance costs | 44 | 33 | 22 | 9 | 9 |
| **Total expenses** | **12,861** | **12,748** | **12,819** | **12,915** | **12,996** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 8 | 15 | 15 | 15 | 15 |
| **Total own-source revenue** | **8** | **15** | **15** | **15** | **15** |
| **Total own-source income** | **8** | **15** | **15** | **15** | **15** |
| **Net (cost of)/contribution by services** | **(12,853)** | **(12,733)** | **(12,804)** | **(12,900)** | **(12,981)** |
| Revenue from Government | 12,853 | 12,733 | 12,804 | 12,900 | 12,981 |
| **Surplus/(deficit) attributable to the Australian Government** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss) attributable to the Australian Government** | **-** | **-** | **-** | **-** | **-** |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
| **Total comprehensive income/(loss) - as per statement of comprehensive income** | **-** | **-** | **-** | **-** | **-** |
| plus: depreciation/amortisation expenses for ROU assets (a) | 904 | 904 | 904 | 904 | 904 |
| less: lease principal repayments (a) | 1,081 | 1,135 | 1,191 | 1,142 | 1,000 |
| **Net cash operating surplus/ (deficit)** | **(177)** | **(231)** | **(287)** | **(238)** | **(96)** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 4,445 | 4,742 | 4,735 | 4,810 | 4,709 |
| Trade and other receivables | 31 | 23 | 22 | 22 | 22 |
| ***Total financial assets*** | ***4,476*** | ***4,765*** | ***4,757*** | ***4,832*** | ***4,731*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 3,437 | 2,291 | 1,150 | 6 | 2,147 |
| Property, plant and equipment | 480 | 378 | 338 | 268 | 228 |
| Other non-financial assets | 96 | 96 | 96 | 96 | 96 |
| ***Total non-financial assets*** | ***4,013*** | ***2,765*** | ***1,584*** | ***370*** | ***2,471*** |
| **Total assets** | **8,489** | **7,530** | **6,341** | **5,202** | **7,202** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 837 | 832 | 832 | 832 | 832 |
| Other payables | 134 | 132 | 132 | 132 | 132 |
| ***Total payables*** | ***971*** | ***964*** | ***964*** | ***964*** | ***964*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 3,468 | 2,333 | 1,142 | - | 2,000 |
| ***Total interest bearing liabilities*** | ***3,468*** | ***2,333*** | ***1,142*** | ***-*** | ***2,000*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 847 | 1,023 | 1,023 | 1,023 | 1,023 |
| Other provisions | 226 | 233 | 235 | 238 | 238 |
| ***Total provisions*** | ***1,073*** | ***1,256*** | ***1,258*** | ***1,261*** | ***1,261*** |
| **Total liabilities** | **5,512** | **4,553** | **3,364** | **2,225** | **4,225** |
| **Net assets** | **2,977** | **2,977** | **2,977** | **2,977** | **2,977** |
| **EQUITY** |  |  |  |  |  |
| Contributed equity | (1,263) | (1,263) | (1,263) | (1,263) | (1,263) |
| Reserves | (5) | (5) | (5) | (5) | (5) |
| Retained surplus (accumulated deficit) | 4,245 | 4,245 | 4,245 | 4,245 | 4,245 |
| **Total equity** | **2,977** | **2,977** | **2,977** | **2,977** | **2,977** |

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Other reserves  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from previous period | 4,245 | (5) | (1,263) | 2,977 |
| ***Adjusted opening balance*** | ***4,245*** | ***(5)*** | ***(1,263)*** | ***2,977*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | - | - | - | - |
| **Estimated closing balance as at 30 June 2023** | **4,245** | **(5)** | **(1,263)** | **2,977** |
| **Closing balance attributable to the Australian Government** | **4,245** | **(5)** | **(1,263)** | **2,977** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 12,853 | 12,733 | 12,804 | 12,900 | 12,981 |
| Interest | 8 | 15 | 15 | 15 | 15 |
| Other | 63 | 8 | 1 | - | - |
| ***Total cash received*** | ***12,924*** | ***12,756*** | ***12,820*** | ***12,915*** | ***12,996*** |
| **Cash used** |  |  |  |  |  |
| Employees | 7,708 | 6,732 | 7,045 | 7,215 | 7,386 |
| Suppliers | 6,041 | 4,546 | 4,481 | 4,417 | 4,572 |
| Interest payments on lease liability | 42 | 31 | 19 | 6 | 6 |
| Other | - | 2 | - | - | - |
| ***Total cash used*** | ***13,791*** | ***11,311*** | ***11,545*** | ***11,638*** | ***11,964*** |
| **Net cash from/(used by) operating activities** | **(867)** | **1,445** | **1,275** | **1,277** | **1,032** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and equipment and intangibles | 85 | 13 | 91 | 60 | 133 |
| ***Total cash used*** | ***85*** | ***13*** | ***91*** | ***60*** | ***133*** |
| **Net cash from/(used by) investing activities** | **(85)** | **(13)** | **(91)** | **(60)** | **(133)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 1,081 | 1,135 | 1,191 | 1,142 | 1,000 |
| ***Total cash used*** | ***1,081*** | ***1,135*** | ***1,191*** | ***1,142*** | ***1,000*** |
| **Net cash from/(used by) financing activities** | **(1,081)** | **(1,135)** | **(1,191)** | **(1,142)** | **(1,000)** |
| **Net increase/(decrease) in cash held** | **(2,033)** | **297** | **(7)** | **75** | **(101)** |
| Cash and cash equivalents at the beginning of the reporting period | 6,478 | 4,445 | 4,742 | 4,735 | 4,810 |
| **Cash and cash equivalents at the end of the reporting period** | **4,445** | **4,742** | **4,735** | **4,810** | **4,709** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded internally from Departmental resources (a) | 85 | 13 | 91 | 60 | 133 |
| **TOTAL** | **85** | **13** | **91** | **60** | **133** |
| **RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 85 | 13 | 91 | 60 | 133 |
| **Total cash used to acquire assets** | **85** | **13** | **91** | **60** | **133** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding: current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).

Table 3.6: Statement of Departmental asset movements (Budget year 2022-23)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Asset Category** | | |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Total    $'000 |
| **As at 1 July 2022** |  |  |  |
| Gross book value | 1,207 | 715 | 1,922 |
| Gross book value - ROU assets | 4,744 | - | 4,744 |
| Accumulated depreciation/amortisation and impairment | (485) | (235) | (720) |
| Accumulated depreciation/ amortisation and impairment - ROU assets | (2,029) | - | (2,029) |
| **Opening net book balance** | **3,437** | **480** | **3,917** |
| **Capital asset additions** |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |
| By purchase - appropriation ordinary annual services (a) | - | 18 | 18 |
| **Total additions** | **-** | **18** | **18** |
| **Other movements** |  |  |  |
| Depreciation/amortisation expense | (242) | (120) | (362) |
| Depreciation/amortisation on ROU assets | (904) | - | (904) |
| **Total other movements** | **(1,146)** | **(120)** | **(1,266)** |
| **As at 30 June 2023** |  |  |  |
| Gross book value | 1,207 | 733 | 1,940 |
| Gross book value - ROU assets | 4,744 | - | 4,744 |
| Accumulated depreciation/amortisation and impairment | (727) | (355) | (1,082) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (2,933) | - | (2,933) |
| **Closing net book balance** | **2,291** | **378** | **2,669** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, Departmental capital budget or other operational expenses.