

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 October 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Opening balance/cash reserves at 1 July	6,478	4,430
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	12	150
Sale of goods and services	30	-
Total funds from other sources	42	105
Total net resourcing for Infrastructure Australia	19,373	17,268
	2021-22	2022-23
Average staffing level (number)	32	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, Supply Bill (no. 1) 2022-23 and Supply Act (No. 3) 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, Communications and the Arts, 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 October 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	13,110	13,259	13,368
Revenues from other independent sources	42	105	100	100	100
Total expenses for Program 1.1	12,885	12,838	13,210	13,359	13,468
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	12,853	12,733	13,110	13,259	13,368
Revenues from other independent sources	42	105	100	100	100
Total expenses for Outcome 1	12,885	12,838	13,210	13,359	13,468
	2021-22	2022-23			
Average staffing level (number)	32	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	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
Prior 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.	Actual: 13 project proposals assessed Target met
	Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure.	Actual: The following research initiatives were published in 2021-22: <ul style="list-style-type: none"> • 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 met
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

Year	Performance measures	Planned Performance Results
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 revenues 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 \$12.8 million in 2022-23. This consists of \$7.2 million employee expenses, \$4.3 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 assets of \$3.0 million representing assets of \$7.6 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	7,025	7,22	8,090	8,365	8,646
Suppliers	4,493	4,295	3,817	3,700	3,540
Depreciation and amortisation	1,269	1,281	1,281	1,285	1,273
Finance costs	44	33	22	9	9
Other expenses	4	-	-	-	-
Total expenses	12,835	12,838	13,210	13,359	13,468
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.

(a) 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	4,430	4,745	4,763	4,883	5,108
Trade and other receivables	270	34	33	33	33
Total financial assets	4,700	4,779	4,796	4,916	5,141
Non-financial assets					
Land and buildings	3,437	2,291	1,145	-	2,508
Property, plant and equipment	488	401	340	226	159
Other non-financial assets	141	141	141	141	141
Total non-financial assets	4,066	2,833	1,626	367	2,808
Total assets	8,766	7,612	6,422	5,283	7,949
LIABILITIES					
Payables					
Suppliers	1,253	1,053	1,053	1,053	1,053
Other payables	141	141	141	141	141
Total payables	1,302	1,114	1,114	1,114	1,114
Interest bearing liabilities					
Leases	3,468	2,334	1,142	-	2,666
Total interest bearing liabilities	3,468	2,334	1,142	-	2,666
Provisions					
Employee provisions	727	893	893	893	893
Other provisions	231	233	235	238	238
Total provisions	958	1,126	1,128	1,131	1,131
Total liabilities	5,728	4,574	3,384	2,245	4,911
Net assets	3,038	3,038	3,038	3,038	3,038
EQUITY					
Contributed equity	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)
Reserves	(4)	(4)	(4)	(4)	(4)
Retained surplus (accumulated deficit)	4,305	4,305	4,305	4,305	4,305
Total equity	3,038	3,038	3,038	3,038	3,038

Prepared on Australian Accounting Standards basis.

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

	Retained earnings	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	4,305	(4)	(1,263)	3,038
Adjusted opening balance	4,305	(4)	(1,263)	3,038
Comprehensive income				
Surplus/(deficit) for the period	-	-	-	-
Estimated closing balance as at 30 June 2023	4,305	(4)	(1,263)	3,038
Closing balance attributable to the Australian Government	4,305	(4)	(1,263)	3,038

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	13,110	13,259	13,368
Sale of goods and rendering of services	30	-	-	-	-
Interest	12	105	100	100	100
Net GST received	11	38	-	-	-
Other	(187)	198	1	-	-
Total cash received	12,719	13,074	13,211	13,359	13,468
Cash used					
Employees	7,717	7,051	8,090	8,365	8,646
Suppliers	5,831	4,495	3,817	3,700	3,540
Interest payments on lease liability	41	31	19	6	6
Other	4	-	-	-	-
Total cash used	13,593	11,577	11,926	12,071	12,192
Net cash from/(used by) operating activities	(874)	1,497	1,285	1,288	1,276
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	93	48	75	26	51
Total cash used	93	48	75	26	51
Net cash from/(used by) investing activities	(93)	(48)	(75)	(26)	(51)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,081	1,134	1,192	1,142	1,000
Total cash used	1,081	1,134	1,192	1,142	1,000
Net cash from/(used by) financing activities	(1,081)	(1,134)	(1,192)	(1,142)	(1,000)
Net increase/(decrease) in cash held	(2,048)	315	18	120	255
Cash and cash equivalents at the beginning of the reporting period	6,478	4,430	4,745	4,763	4,853
Cash and cash equivalents at the end of the reporting period	4,430	4,745	4,763	4,883	5,105

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)	93	48	75	26	51
TOTAL	93	48	75	26	51
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	93	48	75	26	51
Total cash used to acquire assets	93	48	75	26	51

Prepared on Australian Accounting Standards basis.

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

	Asset Category		
	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'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)	(709)
Accumulated depreciation/ amortisation and impairment - ROU assets	(2,032)	-	(2,032)
Opening net book balance	3,437	488	3,925
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services ^(a)	-	48	48
Total additions	-	48	48
Other movements			
Depreciation/amortisation expense	(242)	(135)	(377)
Depreciation/amortisation on ROU assets	(904)	-	(904)
Total other movements	(1,146)	(135)	(1,281)
As at 30 June 2023			
Gross book value	1,207	763	1,970
Gross book value - ROU assets	4,744	-	4,744
Accumulated depreciation/amortisation and impairment	(724)	(362)	(1,086)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,936)	-	(2,936)
Closing net book balance	2,291	401	2,692

Prepared on Australian Accounting Standards basis.

- (a) '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.