



**Infrastructure
Australia**

October 2022

Annual Report

Infrastructure Australia Report to
Parliament 2021-22



Infrastructure Australia is an independent statutory body that is the key source of research and advice for governments, industry and the community on nationally significant infrastructure needs.

It leads reform on key issues including means of financing, delivering and operating infrastructure and how to better plan and utilise infrastructure networks.

Infrastructure Australia has responsibility to strategically audit Australia's nationally significant infrastructure, and develop 15-year rolling infrastructure plans that specify national and state level priorities.

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Credit: Inland Rail, ARTC Parkes



Infrastructure Australia
Level 19, 60 Martin Place, Sydney NSW 2000

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Dear Minister,

I am pleased to present the Annual Report of Infrastructure Australia for the period ending 30 June 2022 on behalf of the Infrastructure Australia Board.

The report provides a detailed description of Infrastructure Australia's operations during the year as well as Infrastructure Australia's audited financial statements.

The report has been prepared in accordance with the requirements of s46 of the *Public Governance, Performance and Accountability Act 2013* and s39C of the *Infrastructure Australia Act 2008*.

It was approved by a resolution of the Board on 8 September 2022.

Following the tabling of Infrastructure Australia's Annual Report, the report will be made available on the Australian Government's Transparency Portal www.transparency.gov.au as well as on Infrastructure Australia's website www.infrastructureaustralia.gov.au

Yours sincerely,

Col Murray

A handwritten signature in black ink, appearing to read 'CJ. Murray', written in a cursive style.



Credit: Transport for New South Wales, Circular Quay Upgrade

Chair's foreword

Infrastructure is central to Australians' quality of life. Across the country, communities are recovering from and preparing for new shocks and stresses, making their infrastructure needs more complex.

As we recover from the pandemic, investment in modernising or expanding infrastructure has never been more critical.

Australians rightfully expect to access high-quality infrastructure, equitably balanced across cities, regional centres and rural and remote areas.

They expect infrastructure that is robust, reliable and resilient.

As the nation's independent infrastructure advisor, Infrastructure Australia advises government, industry and the community on the investments and reforms needed to support economic growth and deliver better outcomes for infrastructure users.

Our hope is that through our work program, we are enabling better outcomes and an improved quality of life for all Australians.

Delivering the 2021 Australian Infrastructure Plan

Expansive in both scale and scope, the *2021 Australian Infrastructure Plan (2021 Plan)* was delivered at a critical time in Australia's history.

Published in September 2021, this pragmatic, community-centred plan for reform responds to the 180 infrastructure challenges and opportunities identified in the *2019 Australian Infrastructure Audit* as well as the infrastructure impacts of the pandemic.

It aimed to represent an industry consensus on what needs to be done to deliver quality, fit-for-purpose infrastructure for all Australians.

Informed by extensive sector-specific engagement with more than 5,500 stakeholders including industry experts, government agencies and academics, the *2021 Plan* focused on three cross-cutting themes:

- Unlocking the potential of every place
- Embedding sustainability and resilience into infrastructure decision-making
- Driving a step change in industry productivity and innovation.

Following publication of the *2021 Plan*, Infrastructure Australia's team has focused on collaborating with reform owners across industries and across different levels of government to provide guidance and support as the recommendations are adopted.

Monitoring Australia's market capacity

Released in October 2021, Infrastructure Australia's inaugural *Infrastructure Market Capacity report* reflected a new capability to support decision makers in understanding the capacity of the national infrastructure market to deliver the forward pipeline.

With a record level of investment in infrastructure, exceeding \$218 billion over the next five years in Australia, the scale of investment and the rate of growth to achieve it is unprecedented.

The broader *Infrastructure Market Capacity program* continues to build on Infrastructure Australia's collaborative relationships with state and territory governments, and lays new foundations for all levels of government to work in partnership to better understand the national public infrastructure pipeline and the markets it depends on for delivery.

The ambition of a strong infrastructure pipeline to support our recovery from the pandemic, increase productivity and realise better outcomes and quality of life across our communities has never been more critical.

The *Infrastructure Market Capacity report* provided a new evidence base to increase that understanding, to support decision making, and help ensure value for money outcomes from our future infrastructure investments.

Delivering Outcomes

Recognising the constraints across the infrastructure sector identified by the *Infrastructure Market Capacity report*, Infrastructure Australia published *Delivering Outcomes*, a reform roadmap laying the foundations

for the transformation of the infrastructure sector to become a 21st century industry supporting our national economic health and social vibrancy.

Delivering Outcomes is an ambitious, yet achievable reform roadmap to improve the productivity, innovation and sustainability of the Australian infrastructure industry.

A clear reform pathway that, if supported by government and industry, offers a substantial opportunity to increase the participation of Australian businesses and workers in the current investment cycle.

This roadmap sets out tangible actions over the next ten years to transform how infrastructure is planned and delivered in Australia to support a more productive, innovative and financially resilient infrastructure sector.

In doing so, these actions will achieve better, faster more sustainable infrastructure delivery and improve outcomes for people and places.

Advocating for Australia's regions

Infrastructure Australia published its first *Regional Strengths and Infrastructure Gaps report* in March 2022, providing an Australian-first perspective on regional infrastructure needs.

Each of Australia's regions is unique, and so too are their infrastructure needs and the resources available to the community to meet these needs.

This inaugural research aims to provide a national view of the diverse strengths and infrastructure gaps facing Australia's regions. It is informed by communities on the ground through the Regional Development Australia network.

Noting the recent trend towards regionalisation and recent priorities outlined by the Australian Government, this research aims to enable the identification of priority areas for future planning and analysis.

Five key industries are supporting growth in our regions: agriculture, fishing and forestry; tourism, energy, knowledge sector and healthcare.

Five priority gaps have also been identified across Australia's regions: housing, water security, telecommunications, further education and skills training, and public transport networks.

For communities in Regional Australia, our hope is that the reforms and investments evidenced by this project realise our unique competitive advantages and ultimately deliver better outcomes and improved quality of life for all Australians.

Best-practice infrastructure decision-making

Infrastructure Australia has remained the leader for robust and transparent decision making domestically and globally. Getting our infrastructure decisions right is crucial to Australia's future success. Each decision to build or upgrade infrastructure can impact taxpayers and users for generations.

Our *Infrastructure Priority List* (the *Priority List*) provides a mechanism to support more robust and transparent infrastructure decisions. The *Priority List* provides a national, independently verified, evidence-based list of investment opportunities for governments of all levels to consider.

It is informed by our own independent research, as well as extensive collaboration with government, industry and the community. This collaborative approach enables us to better understand local challenges, and ensure our advice responds to changing community needs.

With 25 Early-stage (Stage 1), three Potential investment options (Stage 2) and two Investment-ready proposals (Stage 3), the 2022 *Priority List* update, published in June, highlights the importance of infrastructure in building the resilience of our economy and communities.

The focus on Early-stage proposals that should be further explored in coming years recognises the current market capacity constraints facing the Australian infrastructure sector and the value of greater focus on front-end planning.

The *Priority List* responds to current and emerging community needs, but also takes a forward-looking view to ensure our infrastructure supports us well into the future.

Infrastructure Australia had engaged with proponents on 79% of the projects above our \$250 million threshold announced in the 2022-23 Federal Budget handed down in March 2022, including 63% that were either on the Infrastructure Priority List or had otherwise had a business case assessed through our Assessment Framework.

We are proud that the *Priority List* is an input that helps direct investment towards high-quality proposals with a proven need.

Collaboration

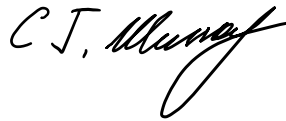
As the nation's independent infrastructure advisor, we play a leadership role in bringing together governments at all levels, as well as industry stakeholders.

We are proud to facilitate a domestic and global collaborative working environment with other public sector infrastructure advisory leaders, as well as industry.

I want to thank Infrastructure Australia's professional staff and leadership for their high-quality contributions to infrastructure outcomes across our country, and their continued dedication to our vision and purpose.

Col Murray

Chair, Infrastructure Australia





Credit: Department of Transport and Main Roads, Mooloolah River Interchange (MRI) Upgrade

Section one

Overview

Infrastructure Australia was established in 2008 to drive better infrastructure outcomes for all Australians.

As an independent statutory body established under the *Infrastructure Australia Act 2008* (Cth), we advise governments, industry and the community on the investments and reforms needed to deliver better infrastructure for all Australians.

We maintain the *Infrastructure Priority List* to ensure that public funds are directed towards projects that will deliver the best outcomes for our growing communities.

Our rigorous and independent analysis identifies infrastructure gaps and opportunities, to ensure that funds are spent where they are needed most.

We also develop research and advice on broader opportunities for infrastructure reform and publish new and interactive data to support better infrastructure decision-making.

Working closely and collaboratively with stakeholders across government and the infrastructure sector, we are committed to raising the quality of infrastructure planning and delivery throughout Australia.

Our strategy and operational functions are guided by the *Infrastructure Australia Act 2008* (Cth), together with Portfolio Budget Statements, Statement of Expectations, and other Commonwealth guiding legislation, including the *Public Governance, Performance and Accountability Act 2013* (Cth).

Our Strategy and operational functions include:

- a. Identifying infrastructure challenges and opportunities through a five-yearly assessment of Australia's future infrastructure needs.
- b. Evaluating business cases for major projects seeking more than \$250 million in Australian Government funding.
- c. Maintaining the *Infrastructure Priority List* to highlight investment opportunities across the energy, telecommunications, water, waste, social and transport sectors.
- d. Providing forward-thinking and practical infrastructure reform recommendations that account for a range of future scenarios.
- e. Monitoring and reporting on infrastructure market conditions and capacity to provide increased transparency of key risks for infrastructure delivery.

Infrastructure Australia's five-year policy cycle

Infrastructure Australia's responsibilities over a five-year cycle are to:

- 1 Strategically audit the nations infrastructure** by developing the Australian Infrastructure Audit
- 2 Develop a clear roadmap** for reform in the Australian Infrastructure Plan
- 3 Maintain a credible pipeline** of nationally significant infrastructure investments via the Infrastructure Priority List
- 4 Assess infrastructure business cases** that are requesting more than \$250 million of Commonwealth funding

Australian Infrastructure Audit

Released every five years, the *Audit* is the foundation of Infrastructure Australia's reform and investment recommendations. Looking 15 years into the future, the *Audit* assesses our nation's infrastructure needs and examines challenges and opportunities.

Developed in collaboration with Australia's governments, industry and communities, the *Audit* provides the rich evidence base that underpins Infrastructure Australia's advice. In turn, it informs our other key publications: the *Australian Infrastructure Plan*, the *Infrastructure Priority List* and our other advisory papers. The most recent *Australian Infrastructure Audit* was released in 2019.

Australian Infrastructure Plan

The Plan sets out policy responses to the infrastructure needs, challenges and opportunities identified in the *Audit*. A roadmap for infrastructure reform, *the Plan* is intended to support the ambitions of Australia's governments, as well as industry and community. The most recent *Plan* was published on 3 September 2021.

Infrastructure Priority List

This list of nationally significant investment opportunities is published on our website to provide decision-makers with advice and guidance on specific infrastructure investments that will underpin Australia's continued prosperity. This consensus list draws on evidence from Infrastructure Australia's research and proposals from proponents around Australia.

From April 2021, only proposals that are yet to receive funding from the Australian Government are included in the *Infrastructure Priority List*, ensuring that the *Priority List* provides a pipeline of investment-ready proposals for governments at all levels to consider.

In line with our *Statement of Expectations*, Infrastructure Australia continues to assess business cases for proposals that seek more than \$250 million in funding from the Australian Government. However, if funding has already been allocated to a proposal, it is no longer considered for the *Priority List*, as it is not considered to be a potential future investment.

Our evaluation of funded proposals focuses on identifying delivery risks and opportunities to realise project benefits and we continue to publish these evaluations on our website in the interests of transparency.

We rely on a robust assessment process to independently evaluate infrastructure proposals. This process, grounded in transparency, ensures proposals listed on the *Priority List* offer the best use of public infrastructure funds, supporting community confidence in future infrastructure investments.

Members of the Board



Col Murray

Chair:

1 December 2021 – 30 November 2024

Col Murray has knowledge and experience in local government and significant experience and understanding of issues, including infrastructure, affecting Regional cities and communities.

Col is a Councillor of the University of New England.

Col was previously Mayor of Tamworth Regional Council. He was also formally Chairperson, Regional Cities NSW; Deputy Chairperson, Regional Capitals Australia; Chairperson, Namoi Councils Joint Organisation; Director, Harness Racing NSW; Managing Director, Murrays Earthmoving Pty Ltd.



Mark Balnaves

Board Member:

1 December 2019 – 30 November 2022

Mark Balnaves has more than 25 years of director, strategic advisory and infrastructure experience. Mark is experienced in a wide range of projects having advised on major property and infrastructure projects around Australia for Government, Universities and private investors.

Mark has significant director experience, including as the independent chairman of Celsus (which designed, financed, constructed and now manages and maintains the Royal Adelaide Hospital PPP), Aged Care & Housing Group Inc and 12 years as chairman of the National Wine Centre of Australia. Mark also acts as independent advisory board chairman of a number of private businesses and has extensive merger and acquisition experience across a wide range of industries.

Mark holds degrees in Economics and Law and a Masters in Finance from London Business School.

Mr Balnaves is Deputy Chair of the IA Board, acted as Chair for an interim period between 1 September and 1 December 2021 and was Chair of the Plan Sub-Committee.



Amanda Cooper

Board Member:

1 December 2021 – 30 November 2024

Amanda Cooper has knowledge and experience in economic development, urban and regional planning, local government, water and sewer infrastructure, traffic and transport planning, infrastructure delivery and regional roads.

Amanda Cooper is currently Director, Urban Utilities (Qld) and formally Member of Brisbane City Council's Civic Cabinet; Chair, Neighbourhood Planning and Development Assessment Committee; Chair, Brisbane Infrastructure Committee; Co-Chair, Transport Plan for Brisbane Committee; Co-Chair, Brisbane Regional Roads and Transport Group; Chair, Road Freight Committee; Chair, Town Planning Flood Response.



John Fitzgerald

Board Member:

1 December 2019 – 30 November 2022

John has extensive experience in infrastructure policy and delivery, public transport and urban renewal. He is Chair of the ACT's Suburban Land Agency, Evolution Rail Pty Ltd and Infranexus Management Pty Ltd (an IFM Investors subsidiary). Previous Board positions include Chair of the Canberra Light Rail Project Board and NSW Government's Convention and Exhibition Centre project, Director Barangaroo Delivery Authority, Port of Melbourne Corporation, Infrastructure Partnerships Australia and the Victorian Funds Management Corporation.

From 2011 until 2016, he was a Specialist Advisor to KPMG and Interim CEO of Infrastructure Australia. Prior to KPMG, John was Deputy Secretary at the Victorian Treasury. John chaired the Infrastructure Working Group of COAG which created Infrastructure Australia's National PPP Policy. Before joining DTF in 2000, John worked in banking. John holds a Master of Public Infrastructure (Research) (Hons) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors and the Institute of Public Administration Australia (Victoria).

John is Chair of the Audit, Risk & Compliance Committee.



Marion Fulker AM

Board Member:

1 December 2019 – 30 November 2022

Marion Fulker AM is recognised as a leading expert in the future development of cities. She is the CEO of think tank organisation the Committee for Perth, Chair of Perth Zoo and an Adjunct Associate Professor at The University of Western Australia. Marion holds an MBA from Curtin Graduate Business School and an MSc in Cities from London School of Economics and Politics.

In her role at the Committee for Perth, Marion has overseen the development of more than 150 research bulletins and reports with a focus on transport and congestion; gender diversity; governance; economic prosperity; city brand and reputation; and the future of work. Over the past 15 years, Marion has researched more than 30 cities in the developed world to better understand cities, large and small, including their economies; infrastructure; governance; and culture.

Recognition of Marion’s accomplishments include an Order of Australia in 2021 for her significant service to urban planning and infrastructure development.

Marion is Chair of the People & Culture Committee.



Dr Vanessa Guthrie AO

Board Member:

1 December 2021 – 30 November 2024

Dr Guthrie has formal qualifications in Science with a PhD in geology and holds a Graduate Diploma in Natural Resources. She holds a Diploma in Commercial and Resources law and also Business management.

Dr Guthrie has knowledge and experience of the private sector, transport, mining and energy and communications sectors.

Dr Guthrie is currently Non-Executive Director, Santos Ltd; Non-Executive Director, Tronox Holdings plc, Lead Independent Director and Deputy Chair, Adbri Limited; Non-Executive Director, Lynas Rare Earths Ltd; Pro Chancellor, Curtin University; Director, Cricket Australia; Board Member, Australia-India Council; Member, Skills Expert Panel.

Dr Guthrie was formally Director, Australian Broadcasting Corporation; Deputy Chair, Western Australian Cricket Association; Chairman of the Board, Minerals Council of Australia; Former CEO of Toro Energy; Non-Executive Director, Vimy Resources Ltd; Non-Executive Director, WA Water Corporation; Non-Executive Director, Reed Resources Ltd and Non-Executive Director, Nova Energy Ltd.



John McGee

Board Member:

31 March 2022 – 30 March 2025

Mr McGee has over thirty years' experience in the Australia and global capital markets and associated corporate sector. He has extensive experience across banking and finance, insurance, health and hospitals, aviation and air safety. In his executive roles Mr McGee was Managing Director of BNY Mellon Australia Pty Ltd for nine years, heading up the Bank of New York's corporate trust operation in Australia. He has also been a director of many subsidiaries and held responsible manager status on various ASIC and APRA licences. He was also Head of Funds Management, and later Chief Financial Officer, of a listed life insurer.

Mr McGee is currently a member of the Climate Change Authority and a director of the NSW Government's Sydney Local Health District, the entity responsible for Royal Prince Alfred, Concord, Canterbury and Balmain Hospitals.

His previous non-executive director roles include Deputy Chair of the Private Health Insurance Administrative Council (PHIAC), the regulator of all private health insurers, Air Services Australia, Westpac Funds Management and Delhi Petroleum.

Mr McGee holds formal qualifications in Economics and Law from Sydney University.



Vonette Mead

Board Member:

23 November 2021 – 31 October 2024

Vonette Mead has knowledge and experience in private sector and local government, social infrastructure, economics, finance and planning. She has an understanding of issues in regional Tasmania.

Vonette Mead is currently Operations Manager, Mead Con; Master Builders Tasmania Director and Commercial Sector Chairperson; Tasmanian Building and Construction Industry Training Board, Director; Cradle Coast Authority Regional Economic Development, Steering Committee; Councillor, Latrobe Council; Latrobe Economic Development Committee.



Vicki Meyer

Board Member:

23 November 2021 – 15 July 2022

Ms Meyer has experience in finance in the private sector and knowledge of the water and transport infrastructure sectors.

Ms Meyer is currently the CEO and Partner of Deniliquin Freighters and Chair of CanAssist and was formerly part of Bendigo Bank Head Office Special Projects, responsible for setting up Community Banks, Victoria; Business Manager, International Grain trading Company; Director, Bendigo Community Bank; Director, Griffith Business Enterprise Centre and Director, Murray Irrigation Limited.



Robert Moffat

Board Member:

1 December 2021 – 30 November 2024

Robert Moffat has more than 30 years of experience in engineering and strategic planning across diverse industries, geographies and cultures. His extensive management and leadership skills have been deployed across the full life cycle of the transport sector from concept, funding, construction, day of operations, maintenance through to cessation.

He is currently CEO and Executive Director of the Australasian Centre for Rail Innovation and vice-chair of the International Railway Research Board. Key focus areas include the evolution of research that improves the safety, productivity and competitiveness of the growing transport mobility sector.

Rob is a Fellow of Engineers Australia and holds a Bachelor of Electronic & Electrical Engineering with Honours from the University of Edinburgh in Scotland.



Graham Quirk

Board Member:

1 December 2019 – 30 November 2022

During thirty four years in public life including eight years as Lord Mayor of the City of Brisbane, Graham Quirk spent many years responsible for the day to day delivery of major infrastructure projects including the Clem 7 Tunnel, the Go Between Bridge, the Eleanor Schonell Bridge and the Legacy Way Tunnel. As Lord Mayor, Graham oversaw the development of the business case for the Brisbane Metro, before resigning as Lord Mayor in April 2019 to pursue other interests.

Graham is a Graduate of the Australian Institute of Company Directors and serves on the Boards of Racing Australia Limited, Racing Queensland, Lockyer Valley/ Somerset Water Collaborative and provides strategic advice to Grace Education and HSW Nominees Pty Ltd.

As Chairman of the Council of Mayors (South East Queensland), Graham Quirk oversaw the agreement to create Australia's largest City Deal. In that role he also commenced the Olympic and Paralympic Games proposal for 2032 in 2015 overseeing the Prefeasibility and Full Feasibility studies.



Liz Schmidt

Board Member:

1 December 2021 – 30 November 2024

Ms Schmidt has knowledge and experience in private sector, local government and 37 years operating in the transport sector, with specific skills in road freight transport. She is currently a Board member, Dalrymple Community Cultural Centre Trust.

Ms Schmidt was formally Mayor of Charters Towers Regional Council 2016-2020; Chair of the Northern Alliance of Councils 2016-2020; President of the Livestock Transporters Association Qld; President of the Australian Livestock and Rural Transporters Association; Director and Manager of Schmidt's Livestock Transport and in 2005 was awarded Australian Road Transport Woman of the Year.

CEO and management



Romilly Madew AO, Chief Executive Officer

Romilly Madew AO FTSE was appointed Chief Executive Officer, Infrastructure Australia, in early 2019 and is responsible for overseeing Infrastructure Australia's critical role in helping governments prioritise projects and reforms that best serve our communities.

Before joining Infrastructure Australia, Ms Madew was CEO of Green Building Council of Australia (GBCA) for 13 years. In acknowledgment of her contribution to Australia's sustainable building movement, Ms Madew was awarded an Order of Australia in 2019.

She is currently a Member of Placemaking NSW Advisory Committee and Independent Chair of the Currawong State Park Advisory Board (NSW). Ms Madew was recently an Australian delegate to the G20 Empower initiative, a member of the Expert Advisory Panel for the CSIRO Report on Climate and Disaster

Resilience and a Commissioner for the Northern Territory Economic Reconstruction Commission. She has held Board positions with the Australian Sustainable Built Environment Council and Sydney Olympic Park Authority. She has sat on numerous Federal Government panels including the Cities Reference Group, National Sustainability Council, Climate Futures Independent Expert Group and the National Urban Policy Forum.

Ms Madew is a Fellow of the Australian Academy of Science and Technology, Honorary Fellow, Planning Institute of Australia and Life Fellow GBCA. She is an active member of Bilgola Surf Life Saving Club as well as being involved in programs at both a Branch, State and National level for surf life-saving. She is a Founder and Board member of Minerva Network, supporting our elite female athletes, which includes Romilly mentoring a member of Australia's Olympic Team.

Note: Ms Madew's last day as Chief Executive of Infrastructure Australia was 29 July 2022. Mr Adam Copp has been appointed Acting Chief Executive.

Organisational structure

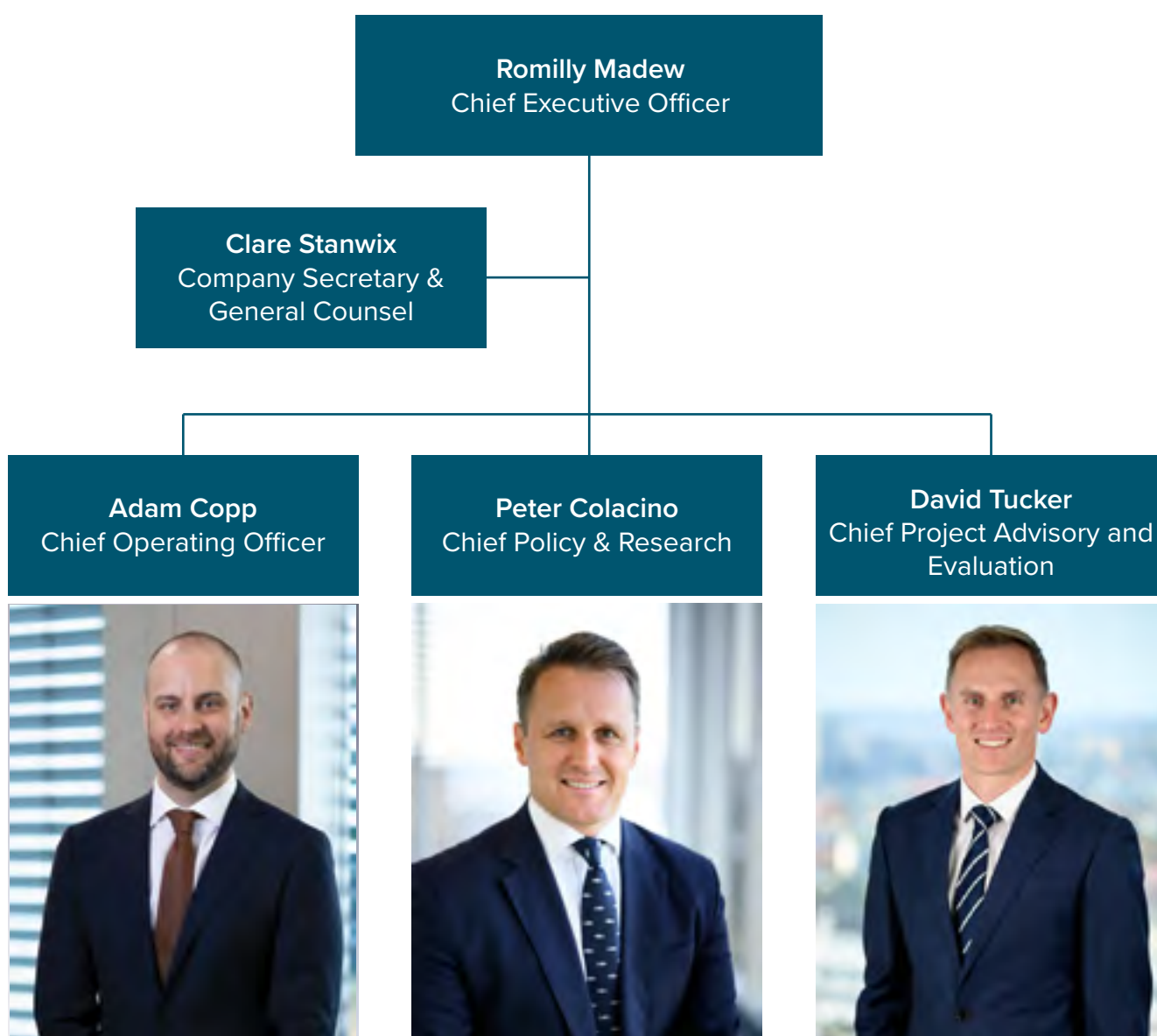
Infrastructure Australia is managed by the CEO, who is appointed by the Infrastructure Australia Board under s29 of the *Infrastructure Australia Act 2008*. The CEO is supported by an Executive Leadership team overseeing four key functions:

- Office of the CEO

- Project Advisory and Evaluation
- Policy and Research
- Operations

Further information about the management of Infrastructure Australia is at page 42

Figure 1: Organisational structure of Infrastructure Australia as at 30 June 2022





Credit: Transport for New South Wales, Circular Quay Upgrade

Section two

Activities and outcomes

Infrastructure Australia provides independent advice on nationally-significant infrastructure investments and reforms needed to deliver better infrastructure for all Australians.

Infrastructure Priority List

The June 2022 *Infrastructure Priority List* update featured 168 proposals, including 25 new Early-stage proposals (Stage 1), three new Potential investment options (Stage 2) and two new Investment-ready proposals (Stage 3).

This update to the *Priority List* highlighted a need for greater focus on delivering resilient road and rail connections in regional Australia, enhancing the efficiency and connectivity of our transport networks and promoting development in northern Australia.

The *Priority List* has been developed in collaboration with state and territory governments, industry and the community and draws on our independent research, including the *2021 Australian Infrastructure Plan* and *2021 Infrastructure Market Capacity report*.



In response to user feedback from more than 100 stakeholders across Australia, in March 2022 Infrastructure Australia launched the refreshed and redesigned *Infrastructure Priority List* on our website. The redesign focused on enhancing search and filter capabilities, linking related proposals and updating the way we present information - making it easier to find proposals in the key stages of development.

From April 2021, only proposals that are yet to receive funding from the Australian Government have been included in the *Infrastructure Priority List*, ensuring that the *Priority List* provides a pipeline of investment-ready proposals for governments at all levels to consider.

In line with our *Statement of Expectations*, Infrastructure Australia continues to assess business cases for proposals that seek more than \$250 million in funding from the Australian Government. However, if funding has already been allocated to a proposal, it will no longer be considered for the *Priority List*, as it will no longer be a potential future investment.

Our evaluation of funded proposals focuses on identifying delivery risks and opportunities to realise project benefits. We continue to publish these evaluations on our website in the interests of transparency.

June 2022 Infrastructure Priority List identifies a project pipeline with 168 investment opportunities, with more than half benefiting regional communities.

Key themes of the 2022 Infrastructure Priority List:

- Boosting the productivity of freight supply chains
- Promoting development in regional and northern Australia
- Enhancing the resilience and sustainability of communities
- Optimising the efficiency of our transport networks

2021 Australian Infrastructure Plan

Infrastructure Australia published the *2021 Australian Infrastructure Plan* on 3 September 2021, providing Australia's infrastructure sector with a 15-year roadmap to drive economic growth, maintain and enhance our standard of living, and improve the resilience and sustainability of our essential infrastructure.

Responding to the 180 infrastructure challenges and opportunities identified in the *2019 Australian Infrastructure Audit*, the *2021 Plan* focused on identifying actions required to deliver infrastructure for a stronger Australia and support our national recovery from the COVID-19 pandemic.

The *2021 Plan* includes Waste and Social Infrastructure for the first time, alongside Energy, Transport, Telecommunications, and Water. It also focuses on three cross-cutting key themes: Place (Cities, Regions, Rural and Remote Areas, and Northern Australia), Sustainability and Resilience, and the infrastructure Industry.

Key opportunities include:

- Supporting growth outside our largest cities, in regional centres and northern Australia
- Investing in transformative technology to deliver affordable and sustainable infrastructure services
- Promoting changes to the behaviour around infrastructure use, empowering Australians to make sustainable choices
- Greater transparency and coordination of the project pipeline and reforms to improve industry productivity
- More collaborative models of infrastructure delivery to support productivity and innovation.

The reform roadmap outlined in the *2021 Plan* reflects an industry consensus that was developed in close collaboration with governments, industry and communities. As part of this, Infrastructure Australia completed a comprehensive engagement program that targeted more than 6,500 community members and industry stakeholders across Australia's cities and regions.

To support the adoption and implementation of reforms across government and industry, each reform identified in the *2021 Plan* incorporates a recommendation, which is supported by interim outcomes and a series of enabling activities.

The *2021 Plan* also identifies parties to sponsor, lead and support reform as well as the time-period for their adoption. Importantly, each recommendation prioritises community and user outcomes and balances them with implementation costs and risks for government.

Assessment Framework

During 2020-21, Infrastructure Australia undertook a comprehensive refresh of the *Assessment Framework* to improve transparency and usability, while ensuring it remains fit for purpose. This refresh was brought into full effect during 2021-22.

The revisions included broadened Assessment Criteria to allow for more holistic review of a proposal's potential benefits, in addition to those that can be monetised through traditional cost-benefit analysis. This enables Infrastructure Australia to better take account of benefits such as sustainability, resilience and quality of life, which are covered in expanded guidance in this edition.

Acknowledging submissions may have been in development, Infrastructure Australia staggered the timing around when proponents are required to follow the new guidelines:

- Stage 1 submissions were expected to adopt the new guidance immediately.
- Stage 2 and Stage 3 submissions were expected to align with the new guidance from 1 January 2022.

Infrastructure Australia uses a standard method using discounted cash flow analysis to compare different costs and benefits, in order to determine a net benefit or a net cost for each project. This approach assumes that all cost and benefit items are equally weighted. No other methods of preparing a cost-benefit analysis were used in 2021–22.

Every two years we publish a review of the cost-benefit analysis (CBA) methodology we use to assess infrastructure business cases. An independent review by Frontier Economics was published in February 2022 and is available on our website.

In June 2021, changes in the refreshed Assessment Framework included:

- A simpler, four-stage process that aligns with state and territory frameworks
- A clear and transparent definition of what makes a proposal nationally significant
- Removing duplication. After Stage 1, there are no templates to complete, only detailed checklists to assist with submissions
- Standardising the terminology in the *Priority List*
- Improved guidance on options analysis, including the use of multi- criteria analysis, rapid and detailed cost-benefit analysis
- Encouraging wider application of post completion reviews
- Recommending, but not requiring, that a business case includes at least two options in addition to the base case
- Identifying in the *Priority List* which stage each proposal has reached, in line with the *Assessment Framework* stages.

These region-specific analyses provided a lens to highlight and understand opportunities and prioritise investment. *The Regional Strengths report* also looked for commonalities to promote collaboration and knowledge sharing to enable proactive planning led by local communities.

Key themes of the research include:

- **Realising a regional renaissance** – expansion of population brings a need to rethink the way infrastructure is delivered.
- **Shared perspectives of changing regions** – identification of common themes: unique impacts from the COVID-19 pandemic; a greater need for proactive planning; major projects to be community-led; a changing social landscape; and First Nations communities' culture and connection to Country actively considered.
- **Capitalising on regional strengths** – recognition of existing assets and growth industries that continue to deliver benefit or attract new investment.
- **Key assets:** natural environment, gateway ports, education and research, natural resources, transport, strategic location, cultural heritage, climate and topography; health, water, specialised precincts, energy, defence, and major attractions.
- **Key industries:** agriculture, forestry and fishing, tourism, renewable energy, knowledge sector, health care, social assistance, manufacturing, mining, transport, defence and aerospace.
- **Prioritising infrastructure gaps** – identification of three to five common priorities: availability, diversity and affordability of housing; water security; mobile and broadband connectivity; access to further education and skills training; and connectivity through transport networks.
- **Spotlight on each area** – recognition of each area's diversity, opportunities and priorities by the 48 separate analyses for further planning and to identify reform and investment options.

Regional Strengths and Infrastructure Gaps

In March 2022 we published the *Regional Strengths and Infrastructure Gaps report*, providing government, industry, businesses and the community with an evidence base to support regional growth, off the back of the COVID-19 pandemic and recent extreme events.

In developing this report, we partnered with 48 Regional Development Australia committees to conduct extensive consultation on community views. This was supported by engagement with key regional stakeholders, including businesses, peak bodies and industry groups, to help create a picture of each area's diverse assets, incumbent growth industries and infrastructure requirements.

Market capacity program

On 13 October 2022, Infrastructure Australia published the inaugural *Infrastructure Market Capacity report*, responding to a request from COAG (now National Cabinet) to report on the capacity and capability of the market to deliver the forward infrastructure pipeline. The 2020–21 Federal Budget provided additional funding to Infrastructure Australia to establish this new capability and research program.

The *Infrastructure Market Capacity report* is an Australian-first and a new data capability for Infrastructure Australia. It provides a level of visibility of the major project pipeline and resulting demand for skills, labour and materials that governments have not had until now.

- Alongside the *Infrastructure Market Capacity Report*, Infrastructure Australia published:
- Analysis of infrastructure workforce skills supply
- A national study of infrastructure risk, and
- Market capacity for electricity infrastructure.

The broader *Infrastructure Market Capacity program* is informed by data sharing agreements with every Australian state and territory which continues to build and expand this capability to support planning, portfolio and pipeline management.

Our second *Infrastructure Market Capacity Report* will be published in October 2022 to the First Secretaries Group.

Delivering Outcomes

Infrastructure Australia published *Delivering Outcomes, an industry reform roadmap* to address the long-term challenges facing Australia's infrastructure sector, on 21 March 2022. Informed by extensive consultation with more than 200 industry leaders, this report underscored the need for Australia's governments and industry to work collaboratively to advance sector-wide reform.

The reforms put forward in this report reflect the current state of the sector, key challenges and root causes impeding productivity and innovation, and collective understanding of the desired future state for the sector.

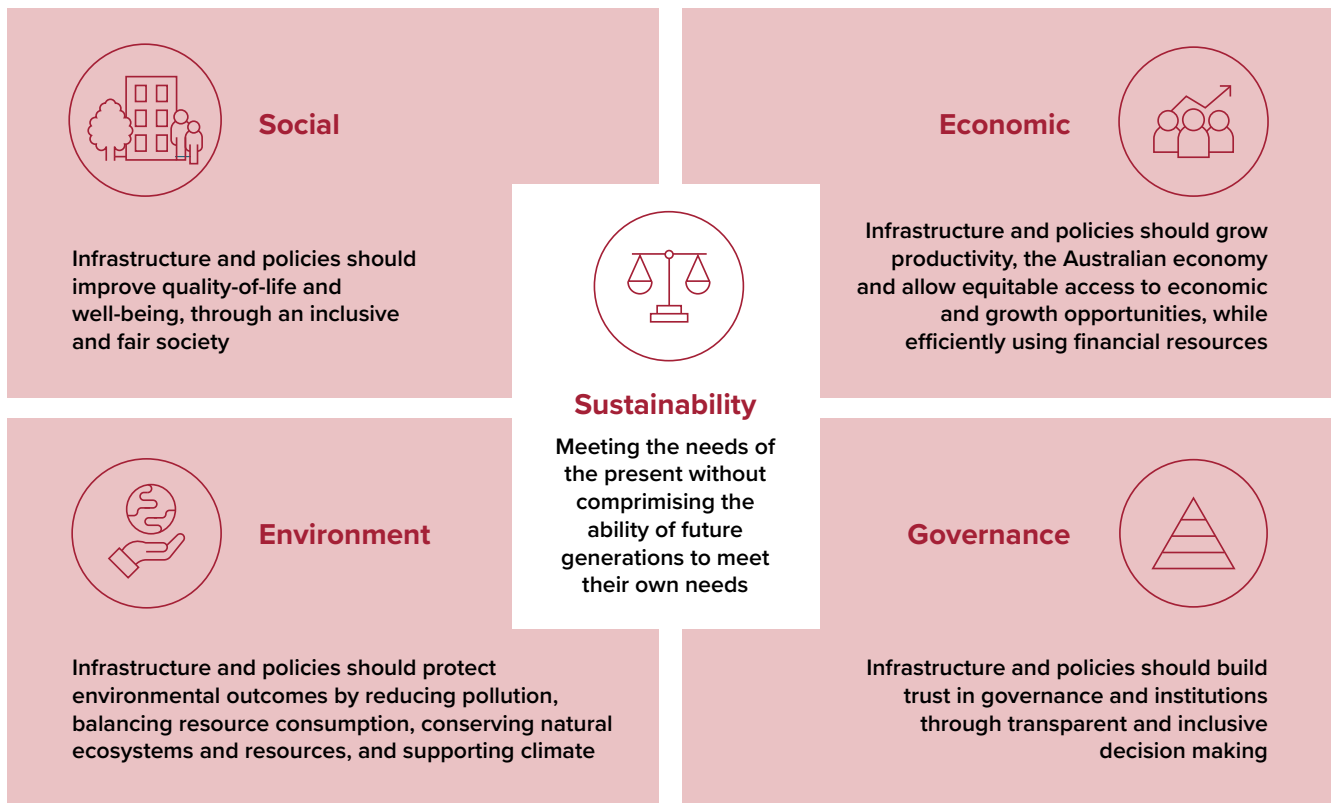
The engagement undertaken for this report, alongside the parallel process to support the development of *2021 Australian Infrastructure Plan and 2021 Infrastructure Market Capacity program*, represents one of the largest consultation exercises undertaken by Infrastructure Australia to inform reform.

The seven focus areas of reform in *Delivering Outcomes* include:

- **Outcomes for people and places** – Infrastructure investment is driven by delivering economic, social and environmental outcomes to enable people and places to flourish and prosper.
- **Systems** – Managing and planning infrastructure as a system drives more informed decision-making leading to higher quality, faster and cheaper infrastructure solutions that better align to the needs of people and places.
- **Digital** – Digital transformation will drive productivity and innovation in infrastructure delivery.
- **Collaboration** – Collaboration and integration across the ecosystem will drive a financially sustainable and high performing infrastructure industry.
- **Commercial** – Commercial alignment and optimisation drives industry financial sustainability and enables innovation.
- **Innovation** – Delivery integration and innovative techniques enable increased productivity.
- **People** – People wellbeing and resilience is the foundation for a flourishing sector.

Sustainability Principles

Infrastructure Australia’s work continues to be informed by our Sustainability Principles. These principles were released in 2021 to highlight the significant role infrastructure plays in promoting a sustainable community.



Sustainable infrastructure protects and preserves the ecological processes required to maintain human health, equity, diversity, and the functioning of natural systems.

It is not just about building new projects, but also about the rehabilitation, reuse, or optimisation of existing infrastructure. Sustainable infrastructure enables economic development and the efficient use of financial resources, while enhancing quality-of-life, and protecting natural resources.

Infrastructure Australia aims to share knowledge, promote good practice and facilitate collaboration and leadership. We want to put sustainability front and centre, so that meeting the needs of the present doesn't mean compromising needs of future generations.

Resilience Principles

In June 2022, Infrastructure Australia published our Resilience Principles, outlining our approach to resilience and how resilience informs our work program.

We are committed to ensuring that infrastructure assets and networks are designed, delivered and maintained to help improve Australian communities' resilience.

Since the summer of 2019, Australia has faced the COVID-19 pandemic, a record-breaking bushfire season, extensive flooding and drought, geopolitical risks and cyber-attacks on critical infrastructure networks. These events showed just how critical infrastructure is for safeguarding communities, ecosystems and the economy.

The high levels of exposure and vulnerability of our infrastructure and communities, along with the compounding impact of the disasters that Australia has experienced over the last two years, is a warning sign

for the uncertainty and risk to our safety, livelihoods and economy that needs proactive management and mitigation.

The following Resilience Principles guide our work and promote resilient communities:

- **Resist:** Robust, fail safe and safe-to-fail
- **Absorb:** Prepared and ready to respond
- **Accommodate:** Spare capacity, variety and sufficient reserves
- **Recover:** Restoration and response
- **Transform:** Future focused, foresight and reflective
- **Thrive:** Integrated, flexible, innovative and inclusive
- **Effective:** Production of desired or intended result, place-based planning and engagement
- **Timely:** Accountability, transparency and promptness.

Business case evaluations

Infrastructure Australia is required to evaluate the business case for proposals seeking more than \$250 million in Australian Government funding. Our business case evaluation process is summarised below at Figure 1.

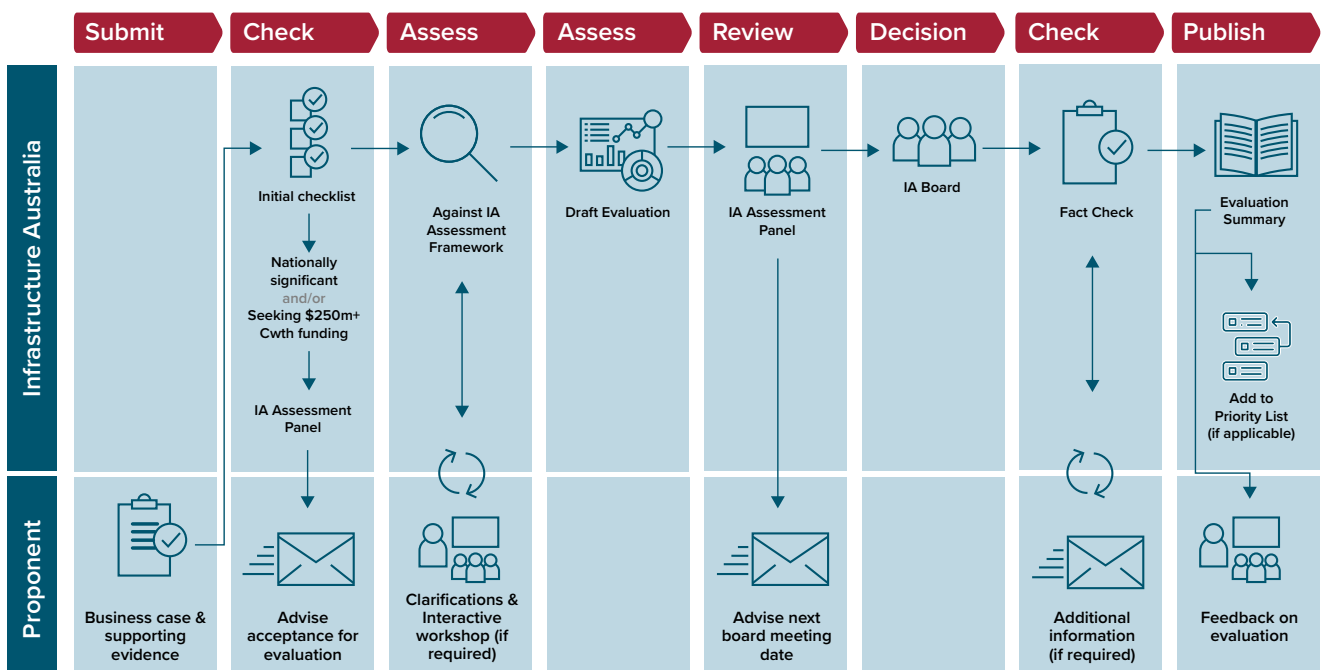
As the number of city-shaping projects and mega-projects valued at more than \$1 billion grows, so does Infrastructure Australia’s work to assess increasingly complex business cases.

Since 2016, Infrastructure Australia has consistently evaluated an average of one business case each month. We completed 12 evaluations in 2021– 22 (see Table 1 on page 33 for a full list). We also completed one formal consultation with the Northern Australia Infrastructure Facility.

Additionally, a large pipeline of future submissions has been identified through the Australian Government’s Infrastructure Investment Program, state and territory infrastructure plans and through the Northern Australia Infrastructure Facility.

Figure 1

Business Case Evaluations | Submission Review Process



Reconciliation Action Plan

In 2020, Infrastructure Australia embarked on our first Reconciliation Action Plan (Reflect). It was an opportunity for us to learn, innovate and reaffirm how we want to contribute to Australian society through our work.



Through our Reflect RAP, we:

- Established a RAP Working Group that now reports monthly to the Leadership Team
- Undertook cultural awareness training
- Mabu Mabu cooking
- Introduced Acknowledgement of Country to all major internal and external meetings
- Reviewed our anti-discrimination policies
- Maintained a membership with Supply Nation
- Procured artwork from Aboriginal artists which was incorporated throughout Infrastructure Australia across our digital assets and publications
- Named our meeting rooms after national aspects of the Reconciliation movement and First Nations infrastructure as a daily reminder of our RAP commitments
- Incorporated a standing agenda item in fortnightly staff morning teas and internal newsletters on First Nations information
- Undertook staff cultural visits
- Established/grew relationships with Reconciliation Australia, our Local Aboriginal Land Council, NAIF's Indigenous Engagement Team, National Indigenous Australians Agency, Zion Group, and other RAP organisations, like the Planning Institute of Australia and NRMA.

- Encouraged engagement with First Nations communities through our *2021 Infrastructure Australia Assessment Framework and Pathway to Infrastructure Resilience projects*
- Engaged directly with First Nations communities through the development of our *Regional Strengths and Infrastructure Gaps project*.

We learned that Infrastructure Australia's national reach and our partnerships with government and industry across the country provide us a unique opportunity to contribute to the national reconciliation movement.

Throughout 2021-22, Infrastructure Australia developed our Innovate RAP, and this was approved by Reconciliation Australia in June.

Our Innovate RAP sets a vision for infrastructure in a reconciled Australia and seeks to pursue our achievement of this by:

- Investigating truth-telling initiatives amongst our peers in the infrastructure sector.
- Developing our skills and promoting best-practice engagement with First Nations peoples on infrastructure projects and policies with stakeholders in our sphere of influence.

- In collaboration with suitable stakeholders, develop guidance for proponents on engagement with First Nations people and active consideration of Country in infrastructure project development.
- Modelling standard consideration of employment and procurement opportunities for Aboriginal and Torres Strait Islander peoples in our own procurement practices.
- Proactively advocating for project submissions to the *Infrastructure Priority List* that will positively drive reconciliation and Closing the Gap outcomes.

In line with these commitments, we have commenced development of a guidance document that aims to support practitioners in how they engage with First Nations people and acknowledge First Nations culture in infrastructure planning and design. The guidance contains principles for project development and presents case studies of best practice examples where these principles have been applied in practice.

Our Innovate RAP sets out the actions we will take over the next two years and will be published on our website in the first half of 2022-23.



Section three

Governance

Overview

Accountability

Infrastructure Australia is an independent statutory agency within the Infrastructure, Transport, Regional Development and Communications portfolio.

Infrastructure Australia's responsible Minister is the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government.

Infrastructure Australia was also responsible in the reporting period to the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon. Barnaby Joyce MP.

No directions were given to Infrastructure Australia by the Minister under s6(1) of the *Infrastructure Australia Act 2008* during 2021–22.

Statutory framework

Infrastructure Australia was established in July 2008 by the *Infrastructure Australia Act 2008*. On 1 September 2014, Infrastructure Australia became a corporate entity following amendment to the *Infrastructure Australia Act 2008*. At that time, relevant assets, liability and the balance of the Infrastructure Australia Special Account were transferred to Infrastructure Australia from the (then) Department of Infrastructure and Regional Development. The organisation is a corporate Commonwealth entity subject to the *Public Governance, Performance and Accountability Act 2013*.

Infrastructure Australia’s functions, as set out in the Infrastructure Australia Act 2008 (Cth), are to:

- conduct audits to determine the adequacy, capacity and condition of nationally significant infrastructure
- develop Infrastructure Priority Lists
- evaluate proposals for investment in, or enhancement to, nationally significant infrastructure
- develop long-term plans that specify infrastructure priorities and identify anticipated productivity gains from those priorities
- promote investment in infrastructure and identify strategies to remove impediments to investment
- provide advice on matters related to infrastructure.

Statement of Expectations

Infrastructure Australia’s *Statement of Expectations* applicable to this reporting period were issued by the then Minister for Infrastructure, Transport and Regional Development, the Hon Barnaby Joyce MP on 2 March 2022. This Statement provides guidance on the Australian Government’s expectations relating to the strategic direction, operation and performance of Infrastructure Australia.

Since the change of Government on 21 May 2022 there has been no change to the *Statement of expectation*.

The Statement of Expectations is available on our website: www.infrastructureaustralia.gov.au

Statement of Intent

Infrastructure Australia responded to the *Statement of Expectations* with a *Statement of Intent*. The Statement of Intent, in conjunction with the Portfolio Budget Statements, responds to the Australian Government’s expectations by identifying the key objectives and related initiatives to be delivered by Infrastructure Australia.

The *Statement of Intent* is available on our website: www.infrastructureaustralia.gov.au

The Statement of Intent outlines:

- the specific priorities Infrastructure Australia will be accountable for delivering
- how Infrastructure Australia will establish itself as a trusted collaborator and advisor to Australia’s governments and industry, on the planning, funding, financing, delivery and maintenance of infrastructure
- the governance and performance arrangements that will enable Infrastructure Australia to demonstrate that it is efficiently and effectively performing its statutory functions.

Purpose

Infrastructure Australia’s purposes are to:



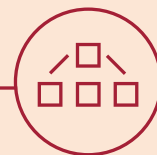
Improve decision-making on infrastructure matters



Better identify and assess key drivers of infrastructure demand and use



Improve prioritisation of infrastructure needs and projects



Identify, implement and promote best practice in infrastructure planning, financing, delivery and operation

Strategic Plan

In 2020–21, Infrastructure Australia developed a 5 year *2021–25 Strategic Plan* in collaboration with all staff, the leadership team and the Board. Our strategic goals have been formulated to cover the two key components of the strategy – our ways of working and the outcomes we pursue.

Further details about the *2021–25 Strategic Plan* can be found in the *Infrastructure Australia Corporate Plan 2021–25*. Performance against the criteria for Infrastructure Australia’s work program is reported in the Annual Performance Statements (see pages 47-49).



Board and committees

Infrastructure Australia Board

The Infrastructure Australia Board was established by s6D of the *Infrastructure Australia Act 2008*. It is charged with deciding the objectives, strategies and policies to be followed by Infrastructure Australia and ensuring the proper, efficient and effective performance of the organisation’s functions. The Board is the accountable authority of Infrastructure Australia. Membership of the Board is set out at pages 12-17.

Board meetings

The Board held five Board meetings and 10 sub-committee meetings in the year to 30 June 2022.

During the reporting period, the Board approved the release of the *Regional Strengths and Infrastructure Gaps report* and visualisation map, *Delivering Outcomes report*, *Infrastructure Australia’s Resilience Principles* and continued to update and maintain an Infrastructure Priority List (see page 20) as required by s5 of the *Infrastructure Australia Act 2008*.

The *Infrastructure Priority List* is updated throughout the year as the Board receives and assesses project business cases and following calls for submissions for new or updated projects and initiatives.

Throughout 2021–22, the Board evaluated proposals for investment in, or enhancements to, nationally significant infrastructure, as required by s5A of the *Infrastructure Australia Act 2008*. Specifically, the Board completed 12 evaluations in 2021–22 as detailed in **Table 1**. The Board received an additional 6 proposals in 2021–22 that are under evaluation.

As part of its annual work program the Board has undertaken:

- a governance workshop about the latest governance insights and developments and received updates on key initiatives such as the achievement of the first stage of our Reconciliation Action Plan and the evolution of our Innovation RAP
- a review of its skills and experience in order to report to the Minister and assess on the effective operations and composition of the Board
- reflections on the conduct and effectiveness of Board meetings.

Table 1: Infrastructure Australia business case activity, 2021-22

Date accepted for evaluation	State	Proposal	Evaluation outcome as at 30 June 2022
31 Aug 21	NSW	Coffs Harbour Bypass	Complete – not added to IPL as fully funded
31 Aug 21	WA	Tonkin Hwy (South of Roe Highway) Project	Complete – not added to IPL as fully funded
31 Aug 21	WA	Edith Cowan University	Complete – not added to IPL as fully funded
31 Aug 21	QLD	Barwon Heads Road Duplication	Complete – not added to IPL as fully funded
14 Oct 21	VIC	Shepparton Rail Line Upgrade	Complete – not added to IPL as fully funded
14 Oct 21	NSW	M1 extension to Raymond Terrace and Hexham Straight	Complete – not added to IPL as fully funded
18 Feb 22	SA	North-South Corridor Torrens to Darlington	Complete – not added to IPL as fully funded
18 Feb 22	NT	Darwin Region Water Supply	Complete – added to IPL as investment-ready proposal
18 Feb 22	QLD	Mooloolah River Interchange	Complete – added to IPL as investment-ready proposal
18 Feb 22	QLD	Coomera Connector (Stage 1) Coomera to Nerang	Complete – not added to IPL as fully funded
12 Apr 22	NSW	Circular Quay Renewal	Complete – added to IPL as investment-ready proposal
12 Apr 22	NT	Australia-Asia PowerLink - Sun Cable	Complete – added to IPL as investment-ready proposal

Table 2: Infrastructure Australia Board membership and attendance

Directors	Meetings eligible to attend	Meetings attended
Col Murray (Chair from 1 December 2021)	3	3
Mark Balnaves (Interim Chair 1 September-30 November 2021)	5	5
Amanda Cooper	3	3
John Fitzgerald	5	5
Marion Fulker AM	5	5
Vanessa Guthrie AO	3	2
Vonette Mead	3	3
Vicki Meyer	3	3
Robert Moffat	3	3
John McGee	2	1
Graham Quirk	5	5
Elizabeth Schmidt	3	3
Board members who retired in 2021-22		
Julianne Alroe (Chair until 31 August 2021)	1	1
Peter Corish (retired 31 October 2021)	2	2
Peter Harris (retired 30 November 2021)	2	2
Samantha Hogg (retired 30 November 2021)	2	2
Rod Hook (30 March 2022)	4	4
Deena Shiff (retired 30 November 2021)	2	2
Gabrielle Trainor (retired 31 October 2021)	2	2
Reece Waldock (retired 30 November 2021)	2	2

People & Culture Committee

The People & Culture Committee is a sub-committee of the Board operating under its Charter. It assists the Board to exercise due care, diligence and skill in relation to:

- oversight of human resources strategies to foster high-quality management practices
- the setting of key performance areas for the Chief Executive Officer and the regular review of the Chief Executive Officer's performance
- oversight of executive and staff remuneration and benefits to recognise contributions to the business by staff and to reward these appropriately
- oversight of staff policies and procedures, including superannuation, diversity and a code of conduct
- oversight of compliance with applicable laws and regulations.

Membership of the People & Culture Committee is set out in Table 3.

During the reporting period, the Committee met on three occasions.

In 2021–22 the Committee oversaw the review of the organisation structure, CEO reappointment, talent and succession planning, learning and development framework, the implementation of the ICT Change Management Plan, the performance appraisal framework and remuneration. It monitored staff engagement and work health and safety practices within Infrastructure Australia particularly in the context of hybrid working and undertook policy reviews in relation to the WHS Framework, Conflicts of Interest, Out of Ordinary work hours policy and Infrastructure Australia's Grievance procedure.

Table 3: People & Culture Committee membership and attendance

Committee Member	Meetings attended	Meetings eligible to attend
Marion Fulker (Chair 31 March 2022)	2	2
Vonette Mead	2	2
Robert Moffat	2	2
Liz Schmidt	2	2
John McGee	1	1
Deena Shiff (Committee Chair until 30 November 2021)	1	1
Samantha Hogg (retired 30 November 2021)	1	1
Rod Hook (Committee Chair until 30 March 2022)	2	2
Gabrielle Trainor AO (retired 31 October 2021)	1	1

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is a sub-committee of the Board operating under the **ARCC Charter** assists the Board to satisfy its corporate governance obligations and responsibilities, including:

- understanding the business
- financial reporting
- performance reporting
- risk oversight and management
- internal controls.

The Committee also acts as a forum for communication between the Board, Infrastructure Australia senior management and internal and external auditors and independent advisers. It was established in compliance with s45 of the *Public Governance, Performance and Accountability Act 2008* and rule 17 of the Public Governance, Performance and Accountability Rules.

Membership, qualifications and attendance of members of the Audit, Risk and Compliance Committee is set out in Table 4.

During the reporting period the Committee met on four occasions. In 2021–22 the Committee undertook a program of work in order to meet its Charter obligations. This included overseeing the onboarding of new Internal Auditors following the appointment in June 2021, completion of the Information and Communications Technology transformation project as well as the internal audit plan which included reviews of Infrastructure Australia’s Procurement and Contract Management, Cyber Security Governance and Project Management. The Committee reviewed and endorsed eight corporate policies, endorsed the capital and operating budgets as well as the 2020–21 financial statements for approval by the Board.

Table 4: Audit, Risk and Compliance Committee membership and attendance – PGPA Rule Section 17BE (taa)

Date accepted for evaluation	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / [total number of meetings]	Total annual remuneration (GST inc.)
<p>Peter Corish (Chair retired 31 October 2021)</p>	<p>45 years experience developing and managing a portfolio of agricultural businesses in NSW, QLD and NT</p> <p>Executive Chairman, Managing Director and Audit Committee member of ASX listed and Non Executive Director of private companies and public sector agency including as Audit Committee Chair</p>	<p>1 [1]</p>	<p>\$0</p>
<p>John Fitzgerald (Chair from 1 November 2021)</p>	<p>Worked in finance for 50 years and, in particular, risk management over the last 20 years including responsibility for “Whole of Government Risk Management” when at Victorian Department of Treasury and Finance.</p> <p>Master of Public Infrastructure (Research) (First Class Honours) from the University of Melbourne</p> <p>FAICD (Advanced Diploma)</p> <p>Fellow of the Institute of Public Administration Australia (Victoria).</p>	<p>4 [4]</p>	<p>\$0</p>

Date accepted for evaluation	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / [total number of meetings]	Total annual remuneration (GST inc.)
Amanda Cooper (First meeting March 2022)	BA (Double major- Government) Over eleven years of experience as a Brisbane City Council committee chair overseeing a diverse range of infrastructure and urban planning projects with responsibility for risk management and audit functions. Brisbane City Council is the largest local government in Australia, with an annual budget of over \$3 billion and is one of the State's biggest employers with over 8000 employees	2 [2]	\$0
Vanessa Guthrie AO (First meeting March 2022)	FAICD FTSE, BSc (Hons) and PhD in science, Diplomas in Business Management and Commercial and Resources Law Over 30 years executive experience in mining and resources sectors, including MD & CEO Toro Energy. Expertise in enterprise risk management particularly sustainability and ESG risks. Board member of Audit and Risk Committees for ASX and NYSE listed companies and public sector entities including chair of Finance Committee at Curtin University. Previous member of Audit and Risk Committee for the Australian Broadcasting Corporation. Member of the Governance Institute of Australia.	2 [2]	\$0
Peter Harris (Retired 30 November 2021)	Bachelor of Economics Graduate of the Australian Institute of Company Directors company directors course Experienced public sector executive and non-executive director	1 [1]	\$0
Vicki Meyer (First meeting March 2022)	Special Projects Bendigo Community Bank – Bendigo Former Chair of Deniliquin Council Finance and Audit Committee overseeing budget of +\$80million Chair of Finance and Audit – now Board Chair Canassist NSW CEO Indara Holdings t/as Deniliquin Freighters (\$54 million) Finance & Audit member for Murray Irrigation Board and Homes Out West	2 [2]	\$0

Date accepted for evaluation	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / [total number of meetings]	Total annual remuneration (GST inc.)
Graham Quirk	GAICD As Lord Mayor of Brisbane, oversaw the delivery of an annual budget of over \$3billion dollars and held the overall responsibility for Audit and risk management issues	3 [4]	\$0

Plan Subcommittee

The Plan Subcommittee is a sub-committee of the Board operating under a Terms of Reference. It is a special purpose committee initially established to assist the Board to oversee the development of the *2021 Australian Infrastructure Plan*. During 2021 it expanded its oversight to include the establishment of the *Market Capacity Program* which Infrastructure Australia commenced at the request of the First Secretaries Group and which is funded under a New Policy Proposal.

The Subcommittee was charged with the responsibility of providing strategic guidance and feedback on the development of the 2021 Plan and in particular, to provide advice on:

- Strategic direction and key messages
- Reform proposals
- Prioritisation and sequencing of reform proposals
- The advocacy strategy to support implementation of the reforms

Membership of the Plan Subcommittee is set out in Table 5.

During the reporting period, the Committee met on two occasions until the Committee concluded its work in October 2021.

Table 5: Plan Subcommittee membership and attendance

Committee Member	Meetings attended	Meetings eligible to attend
Mark Balnaves (Committee Chair)	2	2
Marion Fulker AM	2	2
Gabrielle Trainor AO	2	2
Reece Waldock	2	2



People and operations

Location

Infrastructure Australia's office is located at 60 Martin Place, Sydney, NSW 2000; a building which has been awarded six Stars under the Green Star Design & As-Built v1 2020 by the Green Building Council of Australia, representing world leadership in building, design, and construction.

The building won the 2021 Property Council Australia – Rider Levett Bucknall NSW State Development of the Year Award which celebrates the innovative and sustainable features of Sixty Martin Place, setting a new benchmark for design and cutting-edge technology.

Management structures

Infrastructure Australia is led by the Chief Executive Officer. A number of management structures are in place to support the effective and efficient management and leadership of the organisation.

Executive Leadership team

The Executive Leadership team comprises the heads of each of the four business units:

- Office of the CEO

- Operations
- Project Assessment and Evaluation
- Policy and Research

The Executive Leadership team is supported by a team of Directors that together with the Executive Leadership Team make up the Senior Leadership Team. This team meets weekly to make operational decisions, and to provide a forum for information sharing between teams.

Assessment Panel

The Assessment Panel meets regularly to review proposal assessments and make decisions regarding their submission to the Board. The Panel identifies information gaps to be addressed before submission to the Board and discusses assessment findings with external assessors when required. The Panel also considers changes to the Infrastructure Australia *Assessment Framework*, which provides the guidance used for assessing proposals.

Budget Oversight Committee

The role of the Budget Oversight Committee is to consider for endorsement all procurements and proposed procurements with a whole-of-life value of \$40,000 or more. The Budget Oversight Committee is one of the controls established by the Procurement Policy to support sound financial management practices and manage risk.

Business Planning and Reporting

Business plans are prepared each year in line with the organisation's key activities and strategic objectives as outlined in the Corporate Plan. Business Planning is done by the Leadership team, with each member of the Executive Leadership team accountable for the successful delivery of business plan activity. Progress on all business plans is reviewed quarterly against an agreed performance criteria or metric, aligned with the Corporate Plan.

Business continuity planning

As the pandemic continues, Infrastructure Australia staff work in line with local state and territory guidelines. Staff are regularly reminded that if they are experiencing any symptoms, no matter how mild, to get tested for COVID and to not attend the office until well. In addition a COVID-19 Action Plan is updated as required and in-line with Government advice and available to all staff.

Executive Remuneration

Overview

Infrastructure Australia's executive remuneration includes remuneration in relation to key management personnel, senior executives and other highly paid staff.

Key management personnel for Infrastructure Australia are the Chair, Board members and Chief Executive Officer.

Senior executives of Infrastructure Australia consist of the Executive Leadership team, being the Chief Operating Officer, Chief of project Assessment and Evaluation and Chief of Policy and Research.

Remuneration policies and practices

Infrastructure Australia's key management personnel are Holders of Public Office. The Chair and Board members' remuneration and allowances are set by the Remuneration Tribunal's determination for Holders of Part-time Public Office. The Chief Executive Officer's remuneration and allowances are set by the corresponding determination for Holders of Full-time Public Office.

The remuneration for senior executives and all other employees of Infrastructure Australia is overseen by the People & Culture Committee through the application of the remuneration strategy. The People & Culture Committee recommends to the Board the appropriate annual remuneration increase for all employees. This is in-line with approval received from the Australian Public Service Commissioner in relation to remuneration increases between 1 July 2020 and 30 June 2023, where a general wage increase of 2% per year over the three years was approved.

From time to time, positions are benchmarked against market data for comparable roles across organisations with less than 100 staff. This service is provided by Mercer. This, along with employee performance reviews, drives the assessment for any individual salary reviews which are overseen by the Chief Executive Officer.

Total remuneration for all employees of Infrastructure Australia is fixed.

Remuneration reporting

The following tables report on the remuneration of Infrastructure Australia's key management personnel and senior executive in 2021–22.

Table 6: Key management personnel remuneration, 2021–22

Name	Position Title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits & allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Colin Murray	Chair	69,522	-	-	6,952	-	-	-	76,474
Julieanne Alroe	Chair	19,863	-	-	1,986	-	-	-	21,850
Mark Balnaves	Acting Chair	29,795	-	-	2,980	-	-	-	32,775
Mark Balnaves	Board Member	44,692	-	-	4,469	-	-	-	49,162
Amanda Cooper*	Board Member	34,761	-	-	3,476	-	-	-	38,237
Deena Shiff	Board Member	24,829	-	-	2,483	-	-	-	27,312
Elizabeth Schmidt	Board Member	34,761	-	-	3,476	-	-	-	38,237
Gabrielle Trainor	Board Member	19,863	-	-	1,986	-	-	-	21,850
Graham Quirk*	Board Member	59,590	-	-	5,959	-	-	-	65,549
John Fitzgerald*	Board Member	59,590	-	-	5,959	-	-	-	65,549
John McGee	Board Member	15,127	-	-	1,513	-	-	-	16,639
Marion Fulker AM	Board Member	59,590	-	-	5,959	-	-	-	65,549
Peter Corish*	Board Member	19,863	-	-	1,986	-	-	-	21,850
Peter Harris*	Board Member	24,829	-	-	2,483	-	-	-	27,312
Reece Waldock	Board Member	24,829	-	-	2,483	-	-	-	27,312
Robert Moffat	Board Member	34,761	-	-	3,476	-	-	-	38,237
Rod Hook	Board Member	44,463	-	-	4,446	-	-	-	48,910
Samantha Hogg	Board Member	24,829	-	-	2,483	-	-	-	27,312

Name	Position Title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits & allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Vanessa Guthrie*AO	Board Member	34,761	-	-	3,476	-	-	-	38,237
Vicki Meyer*	Board Member	36,136	-	-	3,614	-	-	-	39,750
Vonette Mead	Board Member	36,136	-	-	3,614	-	-	-	39,750
Romilly Madew AO	Chief Executive Officer	456,724	-	-	23,568	-17,872	-	-	462,420
Total		1,209,315	-	-	98,827	-17,872	-	-	1,290,270

*Audit, Risk and Compliance Committee members do not receive additional remuneration for serving on the committee.

Table 7: Key management personnel remuneration, 2021–22

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits & allowances	Average superannuation contributions	Average long service leave	Average long-term benefits	Average termination benefits	
\$0–\$220,000	1	18,104	-	-	1,929	-16,580	-	-	3,453
\$295,001 - \$320,000	2	266,509	-	-	23,568	9,540	-	-	299,616
\$370,001 - \$395,000	1	367,710	-	-	23,568	-19,947	-	-	371,331

Table 8: Other highly paid staff, 2021–22

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits & allowances	Average superannuation contributions	Average long service leave	Average long-term benefits	Average termination benefits	
\$245,001 - \$270,000	2	229,168	-	-	22,060	1452	-	-	252,681

People

Composition of workforce

Infrastructure Australia had an average staffing level of 32 during the reporting period. At 30 June 2022 Infrastructure Australia's headcount (number of employees) was 43. Of these, 13 are Holders of Public Office (12 Board members and the CEO). The CEO is

appointed under s29 of the Infrastructure Australia Act 2008. All other employees are employed under s39(1) (b) of the Infrastructure Australia Act 2008.

A breakdown of Infrastructure Australia's headcount at 30 June 2022 can be found at tables 9 to 11.

Table 9: Number of full-time and part-time employees at 30 June 2022

	30 June 2022			30 June 2021		
	Ongoing	Non-ongoing	Total	Ongoing	Non-Ongoing	Total
Full time	22	3	25	15	21	36
Part time	4	14	18	6	19	25
Total	26	17	43	21	40	61

Table 10: Number of male and female employees at 30 June 2022

	30 June 2022			30 June 2021		
	Ongoing	Non-ongoing	Total	Ongoing	Non-Ongoing	Total
Male	15	7	22	12	21	33
Female	11	10	21	9	19	28
Total	26	17	43	21	40	61

Table 11: Location of employees at 30 June 2022

	30 June 2022			30 June 2021		
	Ongoing	Non-ongoing	Total	Ongoing	Non-Ongoing	Total
NSW	23	8	31	21	25	46
QLD	1	3	4	-	5	5
SA	-	1	1	-	2	2
TAS	-	1	1	-	1	1
VIC	2	3	5	-	5	5
WA	-	1	1	-	2	2
Total	26	17	43	21	40	61

Work Health and Safety

Infrastructure Australia is committed to ensuring the health and safety of its workers and any other person in the workplace.

As part of this commitment Infrastructure Australia has:

- Utilised technology options to allow employees to work remotely as required during the COVID pandemic .
- Provided in person and online training in 2021–22 in relation to:
 - work health and safety
 - bullying, discrimination and harassment
 - mental health awareness – combating cabin fever

Grievance procedure update

- In place a work health and safety framework, which forms part of IA’s online training for all staff.
- A mental health capability framework which recognises the shared ownership of people managers and employees in creating and maintaining a mentally healthy workplace.
- Provided an Employee Assistance Program to all workers, which includes an expansive range of specialist support services.

- Provided ergonomic assessments to employees both at in the office and at home. The in-office workstations have safety features including adjustable seats and monitors and sit to stand desks.
- IA’s office space is in a secure building with restricted security pass access. WHS inspections occur every quarter.

Incidents and accidents

In 2021-22, there were no claims for workers’ compensation made. There were no notifiable incidents arising out of the conduct of Infrastructure Australia’s business or undertakings, and no investigations were undertaken by the regulator, Comcare. Further, no improvement notices or prohibition notices were issued under Part 10 of the *Work Health and Safety Act 2011*.

Ethical Standards

During 2021–22 Infrastructure Australia continued to demonstrate its commitment to promoting ethical standards and behaviours in the way we work and the products we deliver. These are underpinned by our Core Values and Sustainability Principles (see p45):

In the event of non-compliance with our Code of Conduct and applicable legislation we take appropriate action.

Core values

We are independent

Our independence is a privilege that we use to drive better outcomes. We act with integrity and speak with a credible voice.

We represent the community

We collaborate

We communicate openly and warmly. We share information, work as a team and build trusted relationships with our stakeholders.

We enjoy working together

We are respectful

We value each other and our differences. We treat each other as equals. We are strengthened by diverse voices and engage stakeholders with humility.

We embrace diversity

We make a difference

We use our influence for the benefit of all Australians. We promote best practice and focus on outcomes. We are purposeful, pragmatic and relevant to our stakeholders.

We lead change

We continuously improve

We pursue excellence. We are resourceful and diligent, embrace change, look for new ways of doing things and keep learning.

We are innovative

As part of Infrastructure Australia’s onboarding process new staff are informed about these Core Values, the Sustainability Principles, and our Code of Conduct. They are also promoted through employment agreements, IA’s Strategic Plan, Business Plans and in individual performance plans.

Risk management

Risk Framework

Infrastructure Australia has adopted a risk management framework to support its *Corporate Plan*, key objectives and delivery of core business. The framework includes a process to ensure risks are identified and analysed consistently across all areas. It links the risk evaluation to practical and cost-effective risk responses and controls appropriate to the business. The framework ensures that risks are regularly monitored, reviewed, and communicated to internal and external stakeholders in a timely and effective manner.

The risk management framework is implemented through the Risk Management Policy and risk register. The risk register identifies 13 key strategic risks in four categories, being:

1. Financial risks
2. People risks
3. Reputational risks
4. Operational risks.

A separate fraud risk register is also maintained.

The risk registers inform the strategic internal audit program, described in the next section.

As part of our ongoing work program, management monitors key strategic risks and the risk register is updated regularly in consultation with both the Audit, Risk and Compliance Committee and the Board.

Audit

Internal audit

The objective of the internal audit function is to provide assurance to the Audit, Risk and Compliance Committee and Management in relation to the design and operational effectiveness of Infrastructure Australia's internal control environment. Internal audit services are provided by an external provider under contract.

Infrastructure Australia conducts a rolling three-year strategic internal audit program. The program has been developed to ensure internal audit is focused on the organisation's key strategic risks and the effectiveness of internal controls in managing those risks.

In 2021–22, internal audits on procurement and contract management and project management processes were completed.

Indemnities and Insurance

During 2021–22 Infrastructure Australia held insurance arrangements through Comcover for general liability, professional indemnity, directors and officers' liability, and a range of other corporate insurance. We further held workers compensation cover through Comcare.





Annual Performance Statements

Statement of preparation

We, the Infrastructure Australia Board, as the accountable authority of Infrastructure Australia, present the 2021–22 Annual Performance Statements of Infrastructure Australia, as required under paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013*. In our opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the Act.

Results

Previous Strategic Goals with deliverables in 2021-22 carried forward from 2020-21

Activities	Outcome
 Deliver the Australian Infrastructure Plan within statutory timeframes	Delivered
 Deliver National Cabinet market capacity work	Delivered

Strategic Goal - Influence

Influence governments' agenda for transformation in the sector

Metric & indicators	Outcome (2021-22)
75% of recommendations in the <i>Australian Infrastructure Plan</i> are endorsed or noted by the Commonwealth Government.	Formal Government response to <i>Australian Infrastructure Plan</i> not received at time of publication.
Benchmarked percentage of proponents applying new guidance and tools from the <i>IA Assessment Framework</i> (2021 release) to submitted proposals.	Benchmark for future years established. 75%
One or more independently identified infrastructure proposal(s) to the <i>Infrastructure Priority List</i> each year.	2
Benchmarked percentage of all submissions received that respond to IA-identified proposals.	Benchmark for future years established: 25%
Benchmarked percentage of relevant ¹ Australian Government budget funding commitments that come from the <i>Infrastructure Priority List</i>	Benchmark for future years established: 50%

Relevant means total Australian Government funding of more than \$250 million (or funding for business case development where the Australian Government contribution is expected to be more than \$250 million) for transport, water, energy, or telecommunications infrastructure.

Strategic Goal - Advise

Viewed as a trusted advisor to government on decision-making and policy

Metric & indicators	Outcome (2021-22)
Benchmarked percentage of proponents that are satisfied or highly satisfied with the level of engagement and quality of advice provided in the assessment of their proposal.	Benchmark for future years established: 75%
75% of stakeholders are satisfied or highly satisfied with the quality of Infrastructure Australia's stakeholder engagement	78%
75% of stakeholders surveyed are satisfied or highly satisfied with the quality and rigour of Infrastructure Australia's advice	84%
75% of stakeholders surveyed in 2021–22 are satisfied or highly satisfied with the <i>Australian Infrastructure Plan</i> and believe it is practical and pragmatic	78%
75% of relevant stakeholders are satisfied or highly satisfied with the market capacity report to National Cabinet	85% Total 100% within Federal government employees or elected officials

Strategic Goal - Capability

Be a high performing workforce with diverse expertise supported by efficient systems

Metric & indicators	Outcome (2021-22)
Staff survey results show an Alignment and Engagement score in the top 25% of all other organisations surveyed	Top 5% of organisations

Other legislative requirements

Freedom of Information Act

In 2021–22, Infrastructure Australia received three requests for access to documents under the *Freedom of Information Act 1982* (the FOI Act).

A practical refusal was issued on one of these requests as no documents exist. All others were released in part. No internal reviews or reviews by the Australian Information Commissioner were requested.

Information about documents to which access is granted is published on Infrastructure Australia's Disclosure Log, in accordance with s11C of the *Freedom of Information Act 1982*: www.infrastructureaustralia.gov.au/freedom-information-disclosure-log

Infrastructure Australia reviewed and updated the contents of the material published in accordance with the Information Publication Scheme.

Privacy

In 2021–22, Infrastructure Australia continued to collect, use, disclose, store and dispose of personal information in accordance with the Australian Privacy Principles. No data breaches were identified or reported.

Market research and advertising

As part of our commitment to continuous improvement, throughout 2021–22 Infrastructure Australia carried out a stakeholder engagement survey to measure stakeholder sentiment against our *Corporate Plan* measures. JWS Research was engaged to undertake both quantitative and qualitative research with a range of stakeholders from the public and private sectors, including Federal, state and territory government, project proponents and industry.

The following amounts were paid by or on behalf of Infrastructure Australia in 2021–22:

- Advertising agencies: Nil
- Market research organisations: \$95,205 to JWS research Pty Ltd
- Polling organisations: Nil
- Direct mail organisations: Nil
- Media advertising organisations: Nil

Decisions of courts and tribunals

No judicial decisions or decisions of administrative tribunals were made in 2021–22 that had, or which may have, a significant effect on Infrastructure Australia's operations.

Ecologically sustainable development and environmental performance

The *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) requires entities to report on how their activities accord with, and their outcomes contribute to, the principles of ecologically sustainable development, as well as the environmental impacts of their operations during the year, and measures taken to minimise these.

In 2021–22, Infrastructure Australia:

- implemented its *Sustainability Principles* and ran workshops to explain our approach to sustainability and how sustainability informs our work program. These principles highlight the significant role infrastructure plays in promoting a sustainable community. Refer to page 25 for more detail about the *Sustainability Principles*.
- Maintained offices at 60 Martin Place, Sydney – a building which has been awarded 6 Stars under Green Star Design & As-Built v1 2020 by the Green Building Council of Australia, representing world leadership in building, design, and construction.
- In 2021 the building won the Property Council Australia – Rider Levett Bucknall NSW State Development of the Year Award which celebrates the innovative and sustainable features of Sixty Martin Place, setting a new benchmark for design and cutting edge-technology.
- Sixty Martin Place is pursuing a WELL Platinum Rating. The well standard is made up of 100 features that address seven concepts; air, water, nourishment, light, fitness, comfort, and mind
- Through a year that continued to be impacted by COVID-19 Infrastructure Australia has reduced the environmental impact associated with air travel through a significantly increased use of webinars for a range of product launches and video conferencing to facilitate training workshops for the implementation of the revised *Infrastructure Australia Assessment Framework*, consultation on the *Australian Infrastructure Plan, Market Capacity, Regional Strengths and Infrastructure Gaps* and *Delivering Outcomes*.



Section four

Financial performance

Summary of Financial Performance

Revenue and expenditure

Infrastructure Australia is funded through government appropriations. We operate within our appropriation and have sufficient cash reserves to settle debts as and when they fall due.

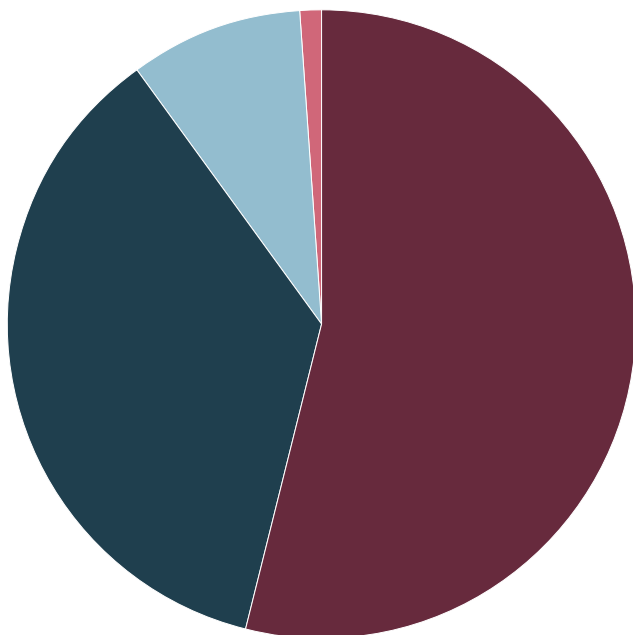
Infrastructure Australia reported a surplus of \$60,515 in 2021–22. This represents less than 1% of our total appropriation.

Revenue

Infrastructure Australia's total income in 2021–22 was \$12,895,126. The vast majority of income is received from Government, from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, totalling \$12,853,000. Infrastructure Australia received an additional \$30,000 in relation to a project management fee associated with the delivery of a project within our *Market Capacity program*, and a small amount of interest income totalling \$12,126.

Expenditure

Infrastructure Australia’s total expenses in 2021–22 were \$12,834,611, with the largest expenditure being in employee costs making up 54% of total expenditure and supplier costs making up 36%. Supplier costs are largely made up of contracted services. Our expenditure profile is represented below.



- Employee costs
- Supplier costs
- Depreciation and amortisation
- Finance costs and losses from asset disposal

Financial Position

At 30 June 2022, Infrastructure Australia had net equity of \$3,038,177, representing assets of \$8,765,906 and liabilities of \$5,727,729.

Most significant asset balances related to cash and a right-of-use asset associated with Infrastructure Australia’s office lease.

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



INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport, Regional Development and Local Government

Opinion

In my opinion, the financial statements of the Infrastructure Australia (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board 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.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

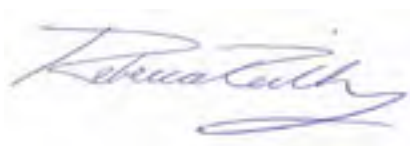
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office 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 statements, 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 Accountable Authority;
- conclude on the appropriateness of the Accountable Authority'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 statements 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; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority 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.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
8 September 2022

OFFICIAL

STATEMENT BY THE ACCOUNTABLE AUTHORITY, CHIEF EXECUTIVE OFFICER

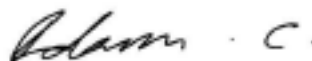
In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Infrastructure Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.



Colin Murray
Chair
8 September 2022



Adam Copp
Acting Chief Executive Officer
8 September 2022



Credit: Inland Rail

Statement of Comprehensive Income

for the period ended 30 June 2022

Net cost of services	Notes	2022 \$	2021 \$	Original Budget \$
Expenses				
Employee benefits	1.1A	6,949,797	8,161,449	7,084,000
Suppliers	1.1B	4,570,077	5,890,504	4,445,000
Depreciation and amortisation	2.2A	1,269,339	1,239,279	1,291,000
Finance costs	1.1C	41,417	54,626	45,000
Losses from asset disposal	2.2A	3,981	17,456	-
Total expenses		12,834,611	15,363,314	12,865,000
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	30,000		
Interest	1.2B	12,126	13,329	12,000
Total own-source revenue		42,126	13,329	12,000
Gains				
Other gains	1.2C	-	3,492	-
Total gains		-	3,492	-
Total own-source income		42,126	16,821	12,000
Net cost of services		(12,792,485)	(15,346,493)	(12,853,000)
Revenue from Government	1.2D	12,853,000	15,419,000	12,853,000
Surplus before income tax on continuing operations		60,515	72,507	-
Surplus after income tax on continuing operations		60,515	72,507	-
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	4,972	-
Total comprehensive income		-	4,972	-
Total comprehensive income		60,515	77,479	-

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

Budget Variances Commentary

Statement of Comprehensive Income

Expenses

Employee benefit expenses are under budget due to the delay in the recruitment of vacant positions, resulting from terminating employees and budgeted separation costs not utilised during the year. Savings in budgeted employee benefit expenses were reallocated to supplier expenses to deliver projects where required.

Supplier expenses are over budget due to the utilisation of additional contractors to deliver projects, and higher website update costs associated with transferring our products into digital form. These were offset in part by lower than budgeted travel costs due to the restrictions associated with COVID-19, and lower publication and printing costs resulting from the move to digital format for some products.

Depreciation is under budget capitalisation cost associated with the implementation of the ICT project in June 2021 being lower than budgeted, resulting in lower than budgeted depreciation cost.

Losses from asset disposals relate to a number of IT assets that were either not compatible within our new ICT environment, or no longer functional.

Own Source Revenue

Revenue from contracts with customers is over budget due to a management fee received on the Market Capacity project. This contract was not budgeted.

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$	2021 \$	Original Budget
Assets				
Financial assets				
Cash and cash equivalents	2.1A	4,429,574	6,478,294	4,234,000
Trade and other receivables	2.1B	270,521	94,447	21,000
Total financial assets		4,700,095	6,572,741	4,255,000
Non-financial assets¹				
Buildings	2.2A	724,084	965,445	732,000
Buildings - right-of-use	2.2A	2,712,916	3,613,385	2,710,000
Plant and equipment	2.2A	487,506	519,888	610,000
Prepayments		141,305	95,836	175,000
Total non-financial assets		4,065,811	5,194,554	4,227,000
Total assets		8,765,906	11,767,295	8,482,000
Liabilities				
Payables				
Suppliers	2.3A	1,253,033	2,546,198	913,000
Other payables	2.3B	49,392	769,478	48,000
Total payables		1,302,425	3,315,676	961,000
Interest bearing liabilities				
Leases	2.4A	3,468,357	4,544,380	3,562,000
Total interest bearing liabilities		3,468,357	4,544,380	3,562,000
Provisions				
Employee provisions	4.1A	726,494	701,576	824,000
Other provisions	2.5B	230,453	228,001	230,000
Total provisions		956,947	929,577	1,054,000
Total liabilities		5,727,729	8,789,633	5,577,000
Net assets		3,038,177	2,977,662	2,905,000

	Notes	2022 \$	2021 \$	Original Budget
Equity				
Contributed equity		(1,263,525)	(1,263,525)	(1,263,000)
Reserves		(4,032)	(5,352)	-
Retained surplus		4,305,734	4,246,539	4,168,000
Total equity		3,038,177	2,977,662	2,905,000

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

1. Right-of-use assets are included in the following line items;

Buildings - right-of-use

Budget Variances Commentary

Statement of Financial Position

Financial Assets

Cash is higher than budget due to the higher payables at 30 June 2022.

Trade receivables are higher than budget due to funds receivable in relation to the Market Capacity project that were not budgeted and GST receivable was higher than budget.

Non-Financial Assets

Plant and equipment were lower than budget due to ICT implementation costs incurred in June 2021 were incorrectly capitalised in the budget but were correctly expensed in June 2021.

Prepayments are under budget due to the July 2022 payment associated with the lease being incorrectly budgeted in prepayments, but correctly recognised against the lease liability in June 2022. This is partially offset by pre-paid software subscription costs being higher than budgeted.

Payables

Supplier payables are over budget due to high volumes of work carried out by contractors in late 2021-22. These relate to the delivery of the Market Capacity project, with significant deliverables in late 2021-22.

Interest bearing liabilities

The lease liability is lower than budget due to the July 2022 payment associated with the lease being recognised against lease liability as described under non-financial assets above.

Provisions

Employee provisions are lower than budget due to several long serving employees terminations during the year with significant leave provisions.

Statement of Changes in Equity

for the period ended 30 June 2022

Contributed Equity	Notes	2022 \$	2021 \$	Original Budget
Contributed Equity				
Opening balance				
Balance carried forward from previous period		(1,263,525)	(1,263,525)	(1,263,000)
Adjusted opening balance		(1,263,525)	(1,263,525)	(1,263,000)
Closing balance as at 30 June		(1,263,525)	(1,263,525)	(1,263,000)
Retained Earnings				
Opening balance				
Balance carried forward from previous period		4,246,539	4,169,060	4,168,000
Adjustment to revaluation reserve		(1,320)	-	-
Adjusted opening balance		4,245,219	4,169,060	4,168,000
Comprehensive income				
Surplus for the period		60,515	72,507	-
Other comprehensive income		-	4,972	-
Total comprehensive income		60,515	77,479	-
Closing balance as at 30 June		4,305,734	4,246,539	4,168,000
Asset Revaluation reserve				
Opening balance				
Balance carried forward from previous period		(5,352)	(380)	-
Adjustment to revaluation reserve		1,320	-	-
Adjusted opening balance		(4,032)	(380)	-
Comprehensive income				
Other comprehensive income		-	(4,972)	-
Total comprehensive income		-	(4,972)	-
Transfers between equity components		-	-	-
Closing balance as at 30 June		(4,032)	(5,352)	-
Total equity				
Opening balance				
Balance carried forward from previous period		2,977,662	2,905,155	2,905,000

Contributed Equity	Notes	2022 \$	2021 \$	Original Budget
Adjusted opening balance		2,977,662	2,905,155	2,905,000
Comprehensive income				
Surplus for the period		60,515	72,507	-
Other comprehensive income		-	4,972	-
Transfers between equity components		-	(4,972)	-
Closing balance as at 30 June		3,038,177	2,977,662	2,905,000

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

Accounting Policy

Equity Injections

Amounts that are designated as 'equity injections' for a year are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Budget Variances Commentary

Balance carried forward from previous period

Retained Earnings

Retained earnings are over budget by the reportable surplus in the current financial year.

Asset Revaluation

Asset revaluation amounts and other comprehensive income relate to the disposal of non-financial assets that were revalued in June 2020 and disposed of throughout 2022 financial year.

Cash Flow Statement

for the period ended 30 June 2022

	Notes	2022 \$	2021 \$	Original Budget
Operating activities				
Cash received				
Receipts from Government		12,853,000	15,419,000	12,853,000
Goods and services		30,000	-	-
Interest		10,911	15,835	12,000
GST received		731,459	583,818	-
Other		-	1,289,851	-
Total cash received		13,625,370	17,308,504	12,865,000
Cash used				
Employees		7,633,233	7,230,960	6,893,000
Suppliers		6,824,310	5,543,841	4,548,000
Interest payments on lease liabilities		41,417	54,626	43,000
Total cash used		14,498,960	12,829,427	11,484,000
Net cash used by operating activities		(873,590)	4,479,077	1,381,000
Investing activities				
Cash used				
Purchase of property, plant and equipment		99,107	369,025	54,000
Total cash used		99,107	369,025	54,000
Net cash used by investing activities		(99,107)	(369,025)	(54,000)
Financing activities				
Cash used				
Principal payments of lease liabilities		1,076,023	1,116,472	1,076,000
Total cash used		1,076,023	1,116,472	1,076,000
Net cash used by financing activities		(1,076,023)	(1,116,472)	(1,076,000)
Net decrease in cash held		(2,048,720)	2,993,580	251,000
Cash and cash equivalents at the beginning of the reporting period		6,478,294	3,484,714	3,983,000
Cash and cash equivalents at the end of the reporting period	2.1A	4,429,574	6,478,294	4,234,000

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

Budget Variances Commentary

Cash Flow Statement

Cash received

Cash received is higher than budget due to GST receivable being netted off with cash used for suppliers in the budget. Funds were further received for project management services that were not budgeted.

Cash used

Cash used is higher than budget due to the payment of outstanding PAYG tax withholding relating to the prior year, and the payment of the large volume of supplier payables, reported at 30 June 2021.

Cash used for the purchase of property, plant and equipment is over budget due to the purchase of board video conferencing facilities that were unbudgeted.

Notes to and forming part of the Financial Statements

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Credit: National Capital Authority. Commonwealth Avenue Bridge at sunrise, Photographer: Ken Gibson



Overview

Objectives of the Entity

Infrastructure Australia is a Corporate Commonwealth entity established on 1 September 2014 following amendment of the Infrastructure Australia Act 2008. The objective of Infrastructure Australia is to support the Australian Government's plan to build a strong and prosperous economy, through the provision of high quality independent advice on nationally significant infrastructure investments and reforms.

On 1 September 2014 relevant assets, liabilities and the balance of the Infrastructure Australia Special Account were transferred to Infrastructure Australia from the Department of Infrastructure and Regional Development, making up the current contributed equity balance.

Infrastructure Australia is structured to meet the following outcome:

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.

The continued existence of Infrastructure Australia in its present form is dependent on Government policy and on continuing funding by Parliament for the entity's administration and program.

Infrastructure Australia's activities contributing toward its outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by Section 42 of the Public Governance, Performance and Accountability Act 2013.

The financial statements have been prepared in accordance with:

- a. Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and
- b. Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

All new, revised, amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on Infrastructure Australia's financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.”

Taxation

Infrastructure Australia is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

No events have occurred after the reporting period that require disclosure in these financial statements.

Financial Performance

This section analyses the financial performance of Infrastructure Australia for the year ended 2022.

1.1 Expenses

	2022 \$	2021 \$
1.1A: Employee benefits		
Wages and salaries	5,835,854	6,785,440
Superannuation		
Defined contribution plans	574,956	640,251
Leave and other entitlements	538,987	653,504
Separation and redundancies	-	82,254
Total employee benefits	6,949,797	8,161,449

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section (4.1).

	2022 \$	2021 \$
1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	2,287,821	4,388,690
Contractors	734,378	60,290
Travel	136,873	120,819
Property operating costs	198,885	204,692
Publications and subscriptions	151,951	276,212
Recruitment expenses	19,275	27,478
Training, conferences and seminars	87,552	97,507
Audit fees - external	38,000	36,000
Audit fees - internal	74,560	62,878
Stationery, printing and postage	47,980	54,252
IT services	685,569	479,447
Other	107,233	82,239
Total goods and services supplied or rendered	4,570,077	5,890,504

	2022 \$	2021 \$
Goods supplied	275,773	169,267
Services rendered	4,294,304	5,721,237
Total goods and services supplied or rendered	4,570,077	5,890,504

Accounting Policy

Leasing Commitments

Infrastructure Australia has elected not to recognise a right-of-use asset and lease liabilities for its property lease with a remaining term of 12 months or less. Infrastructure Australia recognises the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

	2022 \$	2021 \$
1.1C Finance costs		
Interest on lease liabilities	41,417	54,626
Total finance costs	41,417	54,626

1.2 Own Source Revenue and gains

	2022 \$	2021 \$
Own-Source Revenue		
1.2A: Revenue from contracts with customers		
Rendering of services	30,000	-
Total revenue from contracts with customers	30,000	-

Disaggregation of revenue from contracts with customers		
Type of customer:		
Australian Government entities (related parties)	30,000	-

Accounting Policy

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

AASB15 has been applied to all contracts from the date of initial application.

Infrastructure Australia’s principal activity from which it generates its revenue from contracts with customers is cost recovery of project management services.

The transaction price is the total amount of consideration to which Infrastructure Australia expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable. “

	2022 \$	2021 \$
1.2B: Interest		
Deposits at bank	12,126	13,329
Total interest	12,126	13,329

Accounting Policy

Interest revenue is recognised using the effective interest method.

	2022 \$	2021 \$
Gains		
1.2C: Other gains		
Gain on disposal of assets		
Plant & Equipment	-	3,492
Total other gains	-	3,492

	2022 \$	2021 \$
1.2D: Revenue from Government		
Corporate Commonwealth entity payment item	12,853,000	15,419,000
Total revenue from Government	12,853,000	15,419,000

Accounting Policy

Revenue from Government

Funding received or receivable from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts is recognised as Revenue from Government, unless they are in the nature of an equity injection or loan. Appropriations for the year are recognised when Infrastructure Australia gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Financial Position

This section analyses Infrastructure Australia’s assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

	2022 \$	2021 \$
2.1A: Cash and cash equivalents		
Cash on hand or on deposit	4,429,574	6,478,294
Total cash and cash equivalents	4,429,574	6,478,294

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a. cash on hand;
- b. demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

	2022 \$	2021 \$
2.1B: Trade and other receivables		
Goods and services receivables		
Goods and services	198,528	-
Total goods and services receivables	198,528	-
Other receivables		
Goods and Services Tax receivable	70,637	82,575
Fringe benefit tax receivable	-	10,938
Employee receivables	-	793
Interest Receivables	1,356	141
Total other receivables	71,993	94,447
Total trade and other receivables	270,521	94,447

Accounting Policy

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest expense is recognised by applying the effective interest rate.

All receivables are assessed for impairment on balance date. Credit terms for goods are services were within 30 days (2021: 30 days).

2.2 Non-Financial Assets

	Buildings - leasehold improvement \$	Buildings - right-of-use asset \$	Plant and equipment \$	Total \$
--	---	--	------------------------------	-------------

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles¹

As at 1 July 2021				
Gross book value	1,206,806	4,738,476	633,935	6,579,217
Accumulated depreciation, amortisation and impairment	(241,361)	(1,125,091)	(114,047)	(1,480,499)
Total as at 1 July 2021	965,445	3,613,385	519,888	5,098,718
Additions				
Purchase	-	-	94,074	94,074
Internally developed	-	-	-	-
Right-of-use assets	-	5,033	-	5,033
Depreciation and amortisation	(241,361)	-	(122,476)	(363,837)
Depreciation on right-of-use assets	-	(905,502)	-	(905,502)
Disposals	-	-	-	-
Other	-	-	(3,981)	(3,981)
Total as at 30 June 2022	724,084	2,712,916	487,505	3,924,506
Total as at 30 June 2022 represented by				
Gross book value	1,206,806	4,743,509	714,672	6,664,987
Accumulated depreciation, amortisation and impairment	(482,722)	(2,030,593)	(227,166)	(2,740,481)
Total as at 30 June 2022	724,084	2,712,916	487,506	3,924,506
Carrying amount of right-of-use assets	-	2,712,916	-	2,712,916

Revaluations of non-financial assets and intangible assets

All revaluations were conducted in accordance with the revaluation policy stated below. On 30 June 2020, an independent valuer, Australian Valuations, conducted the revaluations of Infrastructure Australia's non-financial assets in relation to plant and equipment. Infrastructure Australia has relied on the valuations made by these experts by reviewing the methodology and inputs used by the valuer.

No property, plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months.

No indicators of impairment have been identified over the above non-financial assets as at 30 June 2022.

No assets have been held for collateral as at 30 June 2022.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,500, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

An impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and if required, an accumulated impairment balance is recognised against the asset.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	2022	2021
Buildings (right-of-use asset)	Shorter of lease term or expected useful economic life	Shorter of lease term or expected useful economic life
Buildings (leasehold improvements)	Shorter of lease term or expected useful economic life	Shorter of lease term or expected useful economic life
Plant and equipment	3 to 10 years	3 to 10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss is recognised on the statement of comprehensive income.

Accounting Judgements and Estimates

Fair value of assets have been rolled forward from the previous valuation. No material change has been identified that would trigger a valuation at 30 June 2022.

2.3 Payables

	2022 \$	2021 \$
2.3A: Suppliers		
Trade creditors and accruals	1,241,326	2,501,082
Payable to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts	11,707	45,116
Total suppliers	1,253,033	2,546,198

Settlement is usually made within 30 days.

	2022 \$	2021 \$
2.3B: Other payables		
Salaries and wages	2,398	81,818
Superannuation	46,994	75,398
Statutory payable	-	612,262
Total other payables	49,392	769,478

2.4 Interest Bearing Liabilities

	2022 \$	2021 \$
2.4A: Leases		
Lease liabilities	3,468,357	4,544,380
Total leases	3,468,357	4,544,380
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	1,165,213	1,122,473
Between 1 to 5 years	2,356,856	3,522,070
Total leases	3,522,069	4,644,543

Total cash outflow for leases for the year ended 30 June 2022 was \$1,118,922 (2021: \$1,077,855)

Accounting Policy

For all new contracts entered into, Infrastructure Australia considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Infrastructure Australia currently holds two leases in relation to office premises and car parking space. Each lease has a 5 year term with an option to renew for a period of 4 years, and includes an escalation clause of 3.75% per annum. At date of reporting, it is not confirmed if the option will be taken up. The lease liability value was determined using an incremental borrowing rate of 1.07% per annum.

2.5 Other Provisions

	Provision for restoration \$	Total \$
2.5B Other Provisions		
As at 1 July 2021	228,001	228,001
Additional provisions made	2,452	2,452
Amounts used	-	-
Total as at 30 June 2022	230,453	230,453

Infrastructure Australia currently has one (2021: one) agreement for the leasing of premises which has provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. The entity has made a provision to reflect the present value of this obligation.

Accounting Policy

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by Infrastructure Australia at the end of the respective lease term.

Accounting Judgements and Estimates

The estimated cost of the makegood provision to restore the premises to their original condition at the conclusion of the lease was determined using advice from an independent design expert, considering all costs associated with restoring the leased premises to its original condition.

Funding

This section identifies Infrastructure Australia's funding structure.

3.1 Net Cash Appropriation Arrangements

	2022 \$	2021 \$
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	1,329,854	1,311,786
Plus: depreciation/amortisation of assets funded through appropriations	(363,837)	(335,945)
Plus: depreciation of right-of-use assets	(905,502)	(903,334)
Net Cash Operating Surplus	60,515	72,507

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4.1 Employee provisions

	2022	2021
	\$	\$
Employee provisions		
Annual leave	357,128	390,223
Long service leave	369,366	311,353
Total employee provisions	726,494	701,576

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly (as described in the note below).

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

Leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the shorthand method as permitted in the Financial Reporting Rule (FRR). The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation and is discounted using Commonwealth Government bond rates.

Superannuation

Staff of Infrastructure Australia are members of the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The PSSap is a defined contribution scheme. The liability for superannuation recognised as at 30 June 2022 represents outstanding contributions.

Accounting Judgements and Estimates

Employee provisions included in this note have been estimated using present value techniques in accordance with the shorthand method as permitted by the FRR. This takes into account expected salary growth and future discounting using bond rates.

4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Infrastructure Australia, directly or indirectly. Infrastructure Australia has determined the key management personnel to be the Board Members and Chief Executive Officer. Key management personnel remuneration is reported in the table below:

	2022 \$	2021 \$
4.1A: Employee provisions		
Short-term employee benefits	1,209,315	1,228,917
Post-employment benefits	98,827	95,287
Other long-term employee benefits	(17,872)	8,956
Termination benefits	-	-
Total key management personnel remuneration expenses¹	1,290,270	1,333,160

The total number of key management personnel that are included in the above table are 21 (2021: 13).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

4.3 Related Party Disclosures

Related party relationships:

Infrastructure Australia is an Australian Government controlled entity. Related parties to this entity are Board members, Chief Executive Officer and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by Infrastructure Australia, it has been determined that there are no related party transactions to be separately disclosed.

Managing uncertainties

This section analyses how Infrastructure Australia manages financial risks within its operating environment.

5.1A: Contingent assets and liabilities

Infrastructure Australia does not have any quantifiable contingencies (2021: nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

5.2 Financial Instruments

	2022 \$	2021 \$
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5.2A: Categories of financial instruments

Financial assets at amortised cost		
Cash on hand or on deposit	4,429,574	6,478,294
Trade and other receivables	270,521	94,447
Total financial assets at amortised cost	4,700,095	6,572,741
Total financial assets	4,700,095	6,572,741

Financial liabilities measured at amortised cost		
Trade creditors and accruals	1,253,033	2,546,198
Total financial liabilities measured at amortised cost	1,253,033	2,546,198
Total financial liabilities	1,253,033	2,546,198

Accounting Policy

Financial assets

In accordance with AASB 9 Financial Instruments, Infrastructure Australia classifies its financial assets in the following categories:

- a. financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2022 \$	2021 \$
5.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	12,126	13,329
Net gains/(losses) on financial assets at amortised cost	12,126	13,329
Net gains on financial assets	12,126	13,329

Other information

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

6.1 Current/non-current distinction for assets and liabilities

	2022 \$	2021 \$
6.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	4,429,574	6,478,294
Trade and other receivables	270,521	94,447
Prepayments	141,305	78,416
Total no more than 12 months	4,841,400	6,651,157
More than 12 months		
Buildings	724,084	965,445
Buildings - right-of-use	2,712,916	3,613,385
Plant and equipment	487,506	519,888
Prepayments	-	17,420
Total more than 12 months	3,924,506	5,116,138
Total assets	8,765,906	11,767,295
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	1,253,032	2,546,198
Other payables	49,392	769,478
Leases	1,134,676	1,076,023
Employee provisions	457,882	499,916
Total no more than 12 months	2,894,982	4,891,615
More than 12 months		
Leases	2,333,681	3,468,357
Employee provisions	268,612	201,660
Other provisions	230,454	228,001
Total more than 12 months	2,832,747	3,898,018
Total liabilities	5,727,729	8,789,633



Credit: Transport for New South Wales, Circular Quay Upgrade

Section five

Appendix A:

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Section 3 – Governance p30	Details of the legislation establishing the body.	Mandatory
17BE(b)(i)	Section 3 – Governance p31	A summary of the objects and functions of the entity as set out in legislation.	Mandatory
17BE(b)(ii)	Section 3 – Governance p31	The purposes of the entity as included in the entity's corporate plan for the reporting period.	Mandatory
17BE(c)	Section 3 – Governance p30	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Mandatory
17BE(d)	Nil given	Directions given to the entity by the Minister under an Act or instrument during the reporting period.	If applicable, mandatory
17BE(e)	Not applicable	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(f)	Not applicable	Particulars of non-compliance with: <ol style="list-style-type: none"> a direction given to the entity by the Minister under an Act or instrument during the reporting period; or a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act. 	If applicable, mandatory
17BE(g)	Section 3 – Governance p47	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(h),17BE(i)	Nil to report	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory
17BE(j)	Section 1 – Overview – pp12-17	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period.	Mandatory
17BE(k)	Section 1 – Overview – p19	Outline of the organisational structure of the entity (including any subsidiaries of the entity).	Mandatory
17BE(ka)	Section 3 – Governance – pp41-43	Statistics on the entity’s employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> a. statistics on full-time employees; b. statistics on part-time employees; c. statistics on gender; d. statistics on staff location. 	Mandatory
17BE(l)	Section 3 – Governance – p39	Outline of the location (whether or not in Australia) of major activities or facilities of the entity.	Mandatory
17BE(m)	Section 3 – Governance – pp30-38	Information relating to the main corporate governance practices used by the entity during the reporting period.	Mandatory
17BE(n), 17BE(o)	Nil to report	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> a. the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and b. the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions. 	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(p)	Nil to report	Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	If applicable, mandatory
17BE(q)	Nil to report	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity.	If applicable, mandatory
17BE(r)	Nil to report	Particulars of any reports on the entity given by: <ul style="list-style-type: none"> a. the Auditor-General (other than a report under section 43 of the Act); or b. a Parliamentary Committee; or c. the Commonwealth Ombudsman; or d. the Office of the Australian Information Commissioner. 	If applicable, mandatory
17BE(s)	Nil to report	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report.	If applicable, mandatory
17BE(t)	Nil to report	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	If applicable, mandatory
17BE(taa)	Section 3 – Governance – p36-38	The following information about the audit committee for the entity: <ul style="list-style-type: none"> a. a direct electronic address of the charter determining the functions of the audit committee; b. the name of each member of the audit committee; c. the qualifications, knowledge, skills or experience of each member of the audit committee; d. information about each member's attendance at meetings of the audit committee; e. the remuneration of each member of the audit committee. 	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		

17BE(ta)	Section 3 – Governance – p42	Information about executive remuneration.	Mandatory
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PGPA Rule Reference	Part of Report	Description	Requirement
17BF	Contents of annual report		

17BF(1)(a)(i)	Not applicable	An assessment of significant changes in the entity’s overall financial structure and financial conditions.	If applicable, mandatory
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17BF(1)(a)(ii)	Not applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions.	If applicable, mandatory
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17BF(1)(b)	Nil to report	Information on dividends paid or recommended.	If applicable, mandatory
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17BF(1)(c)	Nil to report	<p>Details of any community service obligations the government business enterprise has including:</p> <ul style="list-style-type: none"> a. an outline of actions taken to fulfil those obligations; and b. an assessment of the cost of fulfilling those obligations. 	If applicable, mandatory
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17BF(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise.	If applicable, mandatory
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Infrastructure Australia is an independent statutory body that is the key source of research and advice for governments, industry and the community on nationally significant infrastructure needs.

It leads reform on key issues including the means of financing, delivering and operating infrastructure and how to better plan and utilise infrastructure networks. Infrastructure Australia has responsibility to strategically audit Australia's nationally significant infrastructure, and develop 15-year rolling infrastructure plans that specify national and state-level priorities.

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