



**Government
of South Australia**

Infrastructure SA Annual Report 2019–20



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The Hon Steven Marshall MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *(insert relevant acts and regulations)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of Infrastructure SA by:

Jeremy Conway

Chief Executive

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal stroke.

Date 30 September 2020

From the Chair



The past year has seen Infrastructure SA hit its stride as an independent advisory body to the Government of South Australia, guiding how best to expend scarce taxpayer funds on infrastructure. The importance of this task has been necessitated – in no small part – by the unprecedented events faced by the State and Australia as a whole.

The devastation of the Kangaroo Island and Cudlee Creek bushfires followed by the social and economic upheaval due to the COVID-19 pandemic has required an extraordinary response from Federal and State governments.

The COVID-19 crisis has impacted our lives and the economy like nothing else since World War II. The sustained economic growth Australia has experienced over the past 30 years has well and truly ended. Unemployment is likely to exceed 10%, GDP is shrinking and we are in recession. Budget deficits across the country are growing rapidly.

The shape and speed of recovery is very much contingent upon managing virus risks, which South Australia has done admirably to date. However, a return to *normal* cannot not be anticipated with any certainty. This reinforces the importance of the Government's strategy to foster and encourage economic growth in South Australia. Investment in infrastructure has a key role to play in this growth.

Infrastructure is a part of the practical task of rebuilding after the devastating bushfires and is a sensible economic stimulus to help counter a weakening economy resulting from the pandemic and containment measures. It is also a long-term investment in the future.

This new context has seen Infrastructure SA active on many new fronts, with the team largely operating remotely since March to comply with COVID-19 social distancing protocols. It has nonetheless met its planned deliverables for 2020. The inaugural *20-Year State Infrastructure Strategy* – the foundation for ensuring the State's critical infrastructure development is informed by robust long-term planning – launched in May. The Strategy was accompanied by the *2020 Capital Intentions Statement* comprising a list of priority public infrastructure projects.


We are now focused on the Commonwealth Infrastructure Priority List to be assessed by Infrastructure Australia with a renewed focus on the needs of the business stakeholders who are so critical to growing private investment in South Australia.

Infrastructure SA has also instituted its Project Assurance function, which provides expert, independent and objective reviews of current and planned government-funded capital projects. This is an important new discipline. I commend the State Agencies that have participated to date and their positive and constructive response.

This new process will help optimise infrastructure outcomes for South Australia as it is doing in other jurisdictions.

It is through collaboration and consultation with the bodies in New South Wales, Victoria, Queensland and Tasmania, as well as with Infrastructure Australia, that Infrastructure SA has been able to effectively develop and deliver upon these capabilities. We thank them for their help and advice.

On behalf of the Board I thank the government agencies and business and community stakeholders for their informed contribution into Infrastructure SA's various work streams which has been vital to our establishment. We also express our sincere gratitude to our founding Chief Executive Jeremy Conway and the loyal management team for their adaptability and commitment in rising to the many challenges of the past year. I also thank my fellow Directors for their wise counsel and commitment.

A handwritten signature in blue ink, appearing to read 'Anthony F Shepherd', with a stylized flourish at the end.

Anthony F Shepherd, AO
Chair
Infrastructure SA

From the Chief Executive



While the first year of Infrastructure SA focused on establishing operations and connecting with key stakeholders to initiate the development of the State's first long-term infrastructure strategy, this second year has allowed the team to get some concrete runs on the board.

We have released the inaugural 20-Year State infrastructure Strategy, which provides a comprehensive view of South Australia's infrastructure landscape encompassing key sectors such as digital, education, health, housing, justice, transport, tourism, sport, culture and utilities. This important first step in identifying broad needs and priorities has been endorsed by the Premier of South Australia and we will now build upon this work, filling

in some of the detail through continuing consultation and collaboration with government, industry and community representatives.

This Strategy is supported by the Capital Intentions Statement, which identifies priority projects for government consideration over the next five years. Our project assurance function, which assesses high value, high risk capital projects, is now up and running and is designed to achieve the highest possible standard in the way agencies plan, manage and deliver infrastructure.

Every facet of Infrastructure SA's work has introduced new approaches and processes for identifying and progressing suitable infrastructure works and we are pleased with the agency response to date. An integral part of our role is to support government agencies in continuing to build their capacity to identify, plan and prioritise suitable infrastructure for their sectors.

In response to this past year's bushfires and COVID-19 crisis, I have been active on various advisory committees including the Consequence Management Group responsible for planning for bushfire recovery and the Government Leadership Team in response to COVID-19, leading its Infrastructure Group. This important aspect of our work will likely continue into the medium term and underscores the importance of building in resilience as well as redundancy to accommodate a surge in demand due to unforeseen events.

In an increasingly complex and fast-changing world, Infrastructure SA will continue to work towards robust long-term planning and transparent decision-making that supports strong social, economic and environmental outcomes.

A stylized, handwritten signature in blue ink, consisting of a large loop followed by a horizontal stroke.

Jeremy Conway
Chief Executive

Infrastructure SA

GLOSSARY

The Committee	ISA Risk and Performance Committee
DPC	SA Department of the Premier and Cabinet
DTF	SA Department of Treasury and Finance
FMCP	ISA Financial Management Compliance Program
iBodies	Infrastructure bodies
ICT	Information and communications technology
ISA	Infrastructure SA
SAES	South Australian Executive Service
SLA	Service-level agreement
The Strategy	ISA 20-Year State Infrastructure Strategy
WHS	Work health safety
WHSIM	Work health safety and injury management

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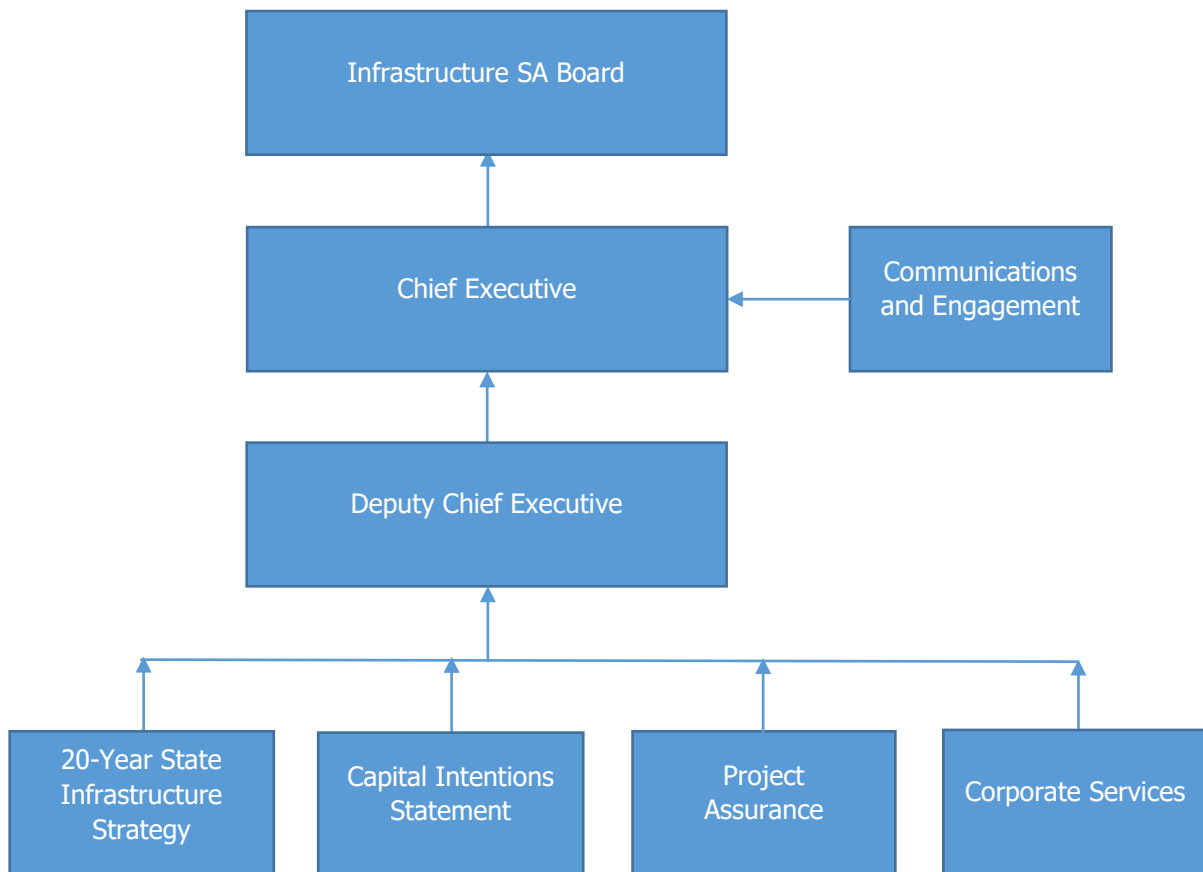
Overview: about the agency

Our strategic focus

Purpose	To provide independent and valued expert advice to government to enable informed and integrated decisions on infrastructure planning, investment, delivery and optimisation.
Vision	That efficient and evidence-based infrastructure will grow the economy, create jobs and improve liveability for all South Australians.
Values	<ul style="list-style-type: none"> • Independence • Stewardship • Collaboration • Transparency • Respect.
Guiding Principles	<p>Grow the economy and create jobs: Infrastructure builds prosperity by raising productivity, improving access to markets and increasing business confidence.</p> <p>Improve access to services: Infrastructure connects cities and regions, people and services.</p> <p>Holistic and integrated: A coordinated approach to infrastructure delivers better outcomes.</p> <p>Be economically efficient: Existing and new investments are optimised to best meet real needs and deliver value for money.</p>
Functions and Deliverables	<p>In accordance with the <i>Infrastructure SA Act 2018</i>, ISA undertakes four key activities:</p> <ul style="list-style-type: none"> • Develop a 20-Year State Infrastructure Strategy (Strategy) to set the long-term vision for infrastructure in South Australia. • Develop an annual Capital Intentions Statement that will prioritise potential major projects for government consideration over a five-year timeframe. • Maintain oversight of the delivery and performance for all major infrastructure projects with a capital value of \$50 million and over. • Provide policy advice relating to infrastructure planning, delivery and use, including advice on appropriate funding and financing models.
Strategic goals	<p>Well-planned infrastructure: Bring together business, community and government throughout South Australia to make sure new and existing infrastructure most effectively addresses opportunities and challenges to better support economic development and quality of life for current and future generations.</p> <p>Prioritised investment: Provide oversight and assurance of high capital value (\$50 million plus) or high risk projects over their</p>

	<p>lifecycle to enable governments to make evidence-based decisions. Provide signals to industry on the State's priorities to encourage private sector investment.</p> <p>Improved practice: Build rigour in infrastructure planning and delivery via improved coordination, business case development and appropriate assurance frameworks to support financial integrity and sustainability, facilitate policy reform and remove duplication and other inefficiencies.</p> <p>High-performance organisation: Comprise highly knowledgeable and respected people who share a common vision and goals, work together effectively and hold each other accountable in order to achieve exceptional outcomes.</p>
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Our organisational structure



Changes to the agency

During 2019–20 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon Steven Marshall MP is South Australia's 46th Premier. The Premier is also responsible for the Department of the Premier and Cabinet, Aboriginal Affairs and Reconciliation, Defence and Space Industries, the Arts, Veterans' Affairs and Multicultural Affairs.

Board

The ISA Board is an independent board that combines the expertise of the public and private sectors and charged with overseeing the development of South Australia's major infrastructure plans.

The Board provides strategic direction for ISA as well as advice to the Premier on infrastructure matters. It comprises four private sector representatives and three ex-officio public sector members and reports directly to the Premier of South Australia.

➤ Tony Shepherd, AO, Chair, appointed 26 November 2018

Tony is Chairman of global infrastructure fund Macquarie Specialised Asset Management Limited, as well as the Sydney Cricket Ground Trust and the AFL GWS Giants. He has recently been appointed as a Director of Snowy Hydro Limited and is also a Director of Menzies Research Centre, Virgin Australia International Holdings Limited, Racing NSW. He is an advisor to the MUFG Bank Ltd.

Tony has had an extensive career in Australia and overseas in the private and public sectors. He pioneered private infrastructure with projects such as the Sydney Harbour Tunnel, Melbourne City Link and East Link, and a range of power stations, water treatment plants, railways and light rail. He was the inaugural Chairman of WestConnex and oversaw the listing of Transurban, Transfield Services and Connect East.

Tony was President of the Business Council of Australia, Chairman of the National Commission of Audit and Chairman of the Australian Subscription Television and Radio Association (ASTRA).

➤ Carolyn Hewson, AO, appointed 4 February 2019

Carolyn has over 35 years' experience in the financial sector. She was an Executive Director of Schroders Australia and remained on the board there until she moved from executive work to non-executive roles in 1995.

Carolyn is now a non-executive Director of CSL Limited and serves on the Federal Government Growth Centres Advisory Committee. She served as a Panel Member on the Federal Government's Financial System Inquiry and has been a director of various companies including most recently BHP Limited and previously AGL Limited, AMP

Limited, CSR Limited, SA Water, the Economic Development Board of South Australia, Stockland Corporation and Westpac Banking Corporation.

Carolyn has always been very involved in the not-for-profit sector. Her current roles include Opportunity International and Impact 100 South Australia. In 2009, she was made an Officer in the Order of Australia for her "services to the community, especially the YWCA, and to business".

➤ Amanda Price-McGregor, appointed 4 February 2019

Amanda is the Managing Principal and owner of consulting firm Green Light Planning Solutions. She has more than 20 years' experience in strategic and land-use planning, infrastructure planning, policy development, community engagement and project delivery.

Amanda has recently been appointed to the Construction Industry Training Board and her diverse industry background encompasses state and national project experience in private sector consulting and state and local government sectors. She has widespread experience across an array of portfolio areas as part of her urban and regional planning work, including tourism infrastructure, policy and planning, education and retail planning, housing and land development, engineering and buildings in South Australia and nationally.

Amanda has considerable expertise in high-level consulting, project planning, portfolio policy-making and project implementation. She is a strong and passionate advocate for her home state of South Australia and, in particular, its diverse regional areas and their communities.

➤ Robert Rust, appointed 4 February 2019

Robert is a civil engineer with an MBA and a Graduate Member of the Australian Institute of Company Directors. He has spent the majority of his 40-year career working on major projects for both the private and public sectors, including several public-private partnerships in the economic and social infrastructure sectors, across the full range of delivery models. He has been involved and taken lead roles in project development, procurement and delivery on both the client and contractor sides.

Robert's public-sector work has been at the Chief Executive and Chief Operating Officer level, involving both developing and delivering a portfolio of projects for NSW Health and developing and awarding the first two stages of the WestConnex Project in Sydney. He has a detailed understanding of the roles of the various agencies in the capital procurement and budgeting processes within government.

Most of Robert's private sector work has been in joint ventures, including with French, Japanese and Korean companies, and he has been instrumental in setting up and managing these arrangements. He has been Bid Director on several major projects and brings a strong commercial and technical focus to project development and delivery with a successful background in claims resolution.

Robert now provides consultancy services and has recently taken on the roles of Chairperson and Non-Executive Director on both government advisory and private company boards. He is also doing assurance and dispute-resolution work for government on major projects.

➤ Tony Braxton-Smith (ex-officio member), appointed 26 November 2018

Tony commenced as Chief Executive of the Department of Planning, Transport and Infrastructure in October 2018 and oversees a broad range of government objectives, ensuring the effective delivery of services involving planning, transport and valuable social and economic infrastructure throughout South Australia.

Formerly the Deputy Secretary Customer Services at Transport for NSW for seven years, Tony's prior career spans 20 years in senior executive roles in the private sector with Great Southern Rail and Serco, Dreamworld and the P&O Group.

Tony is also the SA Rail Commissioner and Commissioner for Highways.

➤ Jim McDowell (ex-officio member), appointed 26 November 2018

Jim commenced as Chief Executive of the Department of the Premier and Cabinet in September 2018. In his role, Jim supports the Premier and Ministers to deliver the Government's vision for South Australia, with a focus on building strong collaborative partnerships across public agencies and with the community and business sectors.

Jim brings broad experience to the role, from growing up in Belfast to working in the private sector in the USA, Korea, Singapore, Hong Kong and Saudi Arabia, where he has held many executive, non-executive and advisory roles.

Moving to South Australia in 2001 to establish the Adelaide-based headquarters for BAE Systems Australia, Jim was most recently the Chancellor of the University of South Australia.

Jim also serves on the State Government's Urban Renewal Authority Board, and in a private capacity, on the Governing Council of St Peters College.

➤ David Reynolds (ex-officio member), appointed 26 November 2018

David Reynolds commenced as Chief Executive of the SA Department of Treasury and Finance (DTF) in 2015. He brings more than 20 years' experience in policy advice, financial management, organisation and executive leadership.

A career public servant, David joined DTF in 1995 after three years in Canberra. In 2004, he became Director of Gambling Policy and later Executive Director of the Budget Branch. While in the Budget Branch, he was the lead negotiator for South Australia in the State's participation in the National Disability Insurance Scheme and the original Gonski school funding arrangements.

As Chief Executive of DTF, David provides leadership and governance to the state budget, the strategic performance of government agencies, industrial relations, taxation, superannuation, commercial, economics and accounting issues.

David has a passion for improving the public sector through organisational development and a 'staff first' approach. He also provides a key focus on areas of gender equality and staff leadership and collaboration.

He graduated with a Bachelor of Economics (Hons) from the University of Adelaide. David is a Member of the Australian Institute of Company Directors and a National Fellow of the Institute of Public Administration Australia.

Our Executive team

➤ Jeremy Conway, Chief Executive

The Chief Executive leads the agency and supports the Board of Infrastructure SA to deliver on the Premier's Statement of Expectations and the ISA's legislative functions.

➤ David Lovell, Deputy Chief Executive

Provides leadership to the ISA team across the delivery of all Infrastructure SA's strategy, assurance and advisory functions and manages the governance and corporate functions.

➤ Scott Lusted, Director Assurance

The Director Assurance is responsible for leading, directing and planning the investor assurance function and framework that will provide assurance across the South Australian Government's infrastructure program.

Risk and Performance Committee

The ISA Risk and Performance Committee comprises:

- Yvonne Sneddon, Independent Chair, appointed 17 April 2019
- Robert Rust, Board representative, appointed 5 February 2019
- Tony Braxton-Smith, Board representative, appointed 5 February 2019
- David Lovell, ISA representative, appointed 7 April 2020

Legislation administered by the agency

The following Act is committed to ISA:

- *Infrastructure SA Act 2018.*

Other related agencies (within the Minister's area/s of responsibility)

ISA has in place service-level agreements (SLAs) with the Department of the Premier and Cabinet (DPC) for the provision of the following corporate services:

- Human resources, work health safety and injury management (WHSIM), and learning and development
- Procurement
- Risk and audit services
- Records management services
- Freedom of information services
- Administration services
- Financial services
- Communication and marketing
- ICT business application services
- ICT infrastructure services
- ICT service desk
- ICT service management.

The agency's performance

Performance at a glance

ISA is an independent body established to combine the expertise of the private and public sectors to develop five-yearly state infrastructure strategies and annual lists of priority capital projects to support economic growth and local job creation, and meet the needs of communities across South Australia.

Key highlights for the 2019–20 financial year:

- Conducted a public consultation process calling for submissions to inform the 20-Year State Infrastructure Strategy.
- Submitted to Government and then publicly released the 20-Year State Infrastructure Strategy to set the long-term strategic direction and initial priorities for infrastructure development in South Australia, which will be built upon in future iterations.
- Submitted to Government and then publicly released the first annual Capital Intentions Statement that prioritises potential major projects for government decisions over a five-year time horizon.
- Developed an across-government infrastructure investment assurance framework, to be administered by ISA, with a view to implementation in 2019–20. The framework applies to high value capital projects that cost \$50 million or more or are regarded as high risk.
- ISA has continued a collegiate approach and collaboration with Infrastructure Australia and infrastructure bodies (iBodies) in other jurisdictions to facilitate sharing of common experiences, methodologies and approaches to key legislative functions, in particular to inform the development of the 20-Year State Infrastructure Strategy. ISA Chief Executive participated in quarterly meetings of all state iBodies and Infrastructure Australia.

Agency contribution to whole of government objectives

ISA contributed to the achievement of the South Australian Government's objectives as follows:

Key objective	Agency contribution
More jobs	Developed and released the 20-Year State Infrastructure Strategy and Capital Intentions Statement to ensure that the State has a strategic and productive approach to infrastructure planning and to build forward pipeline for capital projects to address infrastructure needs, grow our economy and create jobs.
Lower costs	Developed an across-government assurance framework and function to review high value, high risk capital projects at critical intervals in the planning, development and delivery process, with a view to providing better value for money and fit-for-purpose infrastructure.
Better services	ISA, through delivering on its legislative functions, aims to drive better decisions about the provision of infrastructure that will take a holistic, independent and coordinated approach to planning in order to improve the delivery of services.

Agency specific objectives and performance

Agency goals	Indicators	Performance
Well-planned infrastructure to better support economic development and quality of life for current and future generations.	South Australia has the right kind of economic and social infrastructure in the right places at the right time to support positive economic and social outcomes.	<p>The first 20-year State Infrastructure Strategy (Strategy) was released on 13 May 2020 and has been published on the ISA website – infrastructure.sa.gov.au.</p> <p>This inaugural Strategy sets the long-term strategic direction and initial priorities for infrastructure development in South Australia, which will be built upon in future iterations.</p> <p>In preparing the Strategy, ISA has been mindful of the impacts that COVID-19 and the bushfires will have on the economy and the role infrastructure can play in the State's response through investment and employment in infrastructure projects, as well as positioning the economy to rebound through efficient supply chains.</p> <p>ISA has commenced the implementation phase of the first Strategy and has engaged with all agencies to begin reporting on the priorities.</p>

Agency goals	Indicators	Performance
Deliver prioritised investment by providing oversight and assurance of high capital value (\$50 million plus) or high risk projects.	The ISA Board provides advice on the five-year priorities for infrastructure capital investment to meet South Australia's needs.	The first annual Capital Intentions Statement (CIS) was released on 13 May 2020. This document prioritises potential major projects and areas of focus for government decisions over a five-year time horizon.
Improved practice through building rigour in infrastructure planning and delivery.	An across-government assurance framework is implemented to facilitate a disciplined and consistent approach to planning, developing and delivering major infrastructure projects.	<p>ISA has developed an assurance framework to monitor and review the development and delivery of capital, as requested under the Statement of Expectations.</p> <p>The assurance framework has been formally approved and will be implemented across government with appropriate training and supporting information.</p> <p>Through the assurance framework, ISA will maintain oversight of delivery and performance for all projects with a capital value of \$50 million and over, including assessing all relevant business cases and undertaking post implementation review of projects in scope.</p>
High-performance organisation comprised of individuals that work together effectively and hold each other accountable in order to achieve exceptional outcomes.	<p>The ISA team is working toward the same goals.</p> <p>Team members are clear on how to work together and how to accomplish tasks.</p> <p>Governance and risk management processes are in place.</p> <p>The purpose and role of the agency is promoted to key stakeholders.</p>	During the 2019–20 financial year, ISA has developed an organisation structure and undertaken a recruitment program to transition the agency from being comprised primarily of temporary staff to have a stable staffing complement.

Corporate performance summary

ISA has leveraged the resources of DPC through an SLA to access corporate services and continuing to provide advice on administrative and governance arrangements.

Employment opportunity programs

Program name	Performance
DPC Aboriginal and Torres Strait Islander employment pools	Through the SLA with DPC, ISA is able to access employment opportunity programs implemented by DPC. This includes access to the register of Aboriginal and Torres Strait Islander employment pools for potential future recruitment.

Agency performance management and development systems

Performance management and development system	Performance
ISA employees will participate in bi-annual discussions as a minimum, in line with the Premier's direction.	<p>ISA is committed to continuously monitoring and supporting employees to engage in regular and meaningful performance development discussions.</p> <p>As at 30 June 2020, 55.54% of employees had a performance development discussion in the past six months. This is expected to increase to a 100% compliance within the first quarter of 2020–2021.</p> <p>All ISA staff will be transitioning to a new DPC learning management system within the first quarter of 2020–21, which will facilitate management and measurement of compliance with performance development requirements going forward.</p>

Work health, safety and return to work programs

Program name	Performance
Injury and Workers Compensation Management	<p>Through the SLA with DPC, strategies have been adopted to minimise the potential for work-related injury.</p> <p>ISA has adopted DPC's WHS performance measures, which align with government WHSIM performance measures and have been achieved.</p>
Wellbeing and Engagement	<p>A comprehensive Wellbeing Program is available to ISA staff, delivered through DPC, based on the concept of healthy body/healthy mind. The program also aims to help build resilience and a positive culture, with a focus on psychological wellbeing.</p> <p>Mental Health First Aid Training was offered to all Designated First Aiders and Health and Safety Representatives across 2018–19 as well as other interested employees in line with provisions of the SA Modern Public Sector Enterprise Agreement – Salaried 2017.</p> <p>Through the SLA DPC, ISA staff has access to two Employee Assistance Program providers with a wide range of online resources made available to workers and their families in addition to a variety of delivery methods for counselling services.</p>

Workplace injury claims	Current year 2019–20	Past year 2018–19	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	2019–20	2018–19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	2019–20	2018–19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data is available at: [Data.SA Infrastructure SA Work Health and Safety & Return to Work Performance](#).

Executive employment in the agency

Executive classification	Number of executives
SAES 2	1
SAES 1	2

Data is available at: Data.SA Infrastructure SA Executives.

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019–20 are attached to this report.

Statement of Comprehensive Income	2019–20 Budget \$000s	2019–20 Actual \$000s	Variation \$000s	2018–19 Actual \$000s
Expenses	3,198	3,161	37	1,727
Revenues	0	346	(346)	1,993
Net cost of providing services	3,198	2,815	383	(1,704)
Net Revenue from SA Government	3,198	3,198	0	1,970
Net result	0	383	(383)	266
Total Comprehensive Result	0	383	(383)	266

Statement of Financial Position	2019–20 Budget \$000s	2019–20 Actual \$000s	Variation \$000s	2018–19 Actual \$000s
Current assets	0	1,175	0	870
Non-current assets	0	-	0	18
Total assets	0	1,175	0	888
Current liabilities	0	323	0	443
Non-current liabilities	0	203	0	179
Total liabilities	0	526	0	622
Net assets	0	649	0	266
Equity	0	649	0	266

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each – combined	Not applicable	0

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Deloitte	Advice on the 20-Year State Infrastructure Strategy	\$114,963
	Total	\$114,963

Data for previous years is available at: [Data.SA Consultants engaged by Infrastructure SA](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each – combined	Various	\$8,345

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
David Robinson	Assurance review	\$14,587
Deloitte Financial Advisory	Justice sector workshop	\$15,043
Deloitte Financial Advisory	Health sector content development	\$17,248
Deloitte Financial Advisory	Reports on benefits of maintenance	\$18,232
Deloitte Financial Advisory	Advice on regional characteristics of infrastructure projects	\$30,000
Digsilent Pacific Pty Ltd	Assurance review	\$67,866

Contractors	Purpose	\$ Actual payment
End2End Consulting Pty Ltd	Assurance review	\$10,000
Five Consulting Pty Ltd	Assurance review	\$15,832
Gelston Consulting	Assurance review	\$7,200
Gray Andreotti Advisory	Program review	\$15,000
Hays Recruitment Specialist	Temporary staff	\$238,390
Infraplan Pty Ltd	Assurance review	\$18,455
Infrastructure Finance Australia Pty Ltd	Assurance review	\$14,800
KPMG	Develop assurance framework	\$11,319
Littlehorn Pty Ltd	Assurance review	\$15,696
Littlehorn Pty Ltd	Assurance review	\$12,000
MacDonald Project Consulting	Assurance review	\$14,020
Programme Consulting Pty Ltd	Assurance review	\$11,500
Taylor Investment Fund	Assurance review	\$16,318
Taylor Investment Trust	Assurance review	\$12,600
TQCSI Pty Ltd	Assurance review	\$12,800
TQCSI Pty Ltd	Assurance Guidance Material	\$48,660
TRC Tourism Pty Ltd	Project review	\$19,200
	Total	\$656,766

Data for previous years is available at: Data.SA Consultants engaged by Infrastructure SA.

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#) – listed under the Department of the Premier and Cabinet as ISA's service provider.

The website also provides details of [across government contracts](#).

Other information

Premier's Statement of Expectations:

The Premier of South Australia, The Hon Steven Marshall MP, outlined his expectations for the operations, performance and strategic direction of ISA for the Board of Directors in his Statement of Expectations. The Statement of Expectations is available to download from the ISA website [here](#).

Risk management

Risk and audit at a glance

ISA has a Risk and Performance Committee (Committee) comprised of representatives of the Board of ISA and an external Chair. The Committee is an integral part of the ISA governance framework and is established to provide independent advice and assurance to the Board to identify, prevent and respond to real and potential risks, and to monitor ISA's compliance requirements.

The principles that underpin effective governance within the agency include:

- Compliance – to ensure that ISA meets the requirements of the law, regulations, published standards and community expectations of probity, accountability and openness.
- Performance – to ensure that ISA achieves or delivers on its strategic priorities through the effective management of risks.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Not applicable	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

Through the SLA with DPC, the following strategies are implemented to control and prevent fraud:

Policies and procedures	<p>ISA has adopted and promotes The Code of Ethics for the South Australian Public Sector, which provides guidance to employees on appropriate behaviour.</p> <p>ISA has also adopted DPC's Corruption and Maladministration Control Policy and Corruption and Maladministration Control Strategy, which are consistent with the across-government Fraud and Corruption Policy issued by the Commissioner for Public Sector Employment.</p>
Internal processes	<p>Processes are in place for identifying, recording, analysing, reporting and escalating fraud and corruption loss events and control failures.</p> <p>These processes are supported by mechanisms to prevent, detect and respond to the risks of fraud, including:</p> <ul style="list-style-type: none"> • annual internal audit plans • monthly Executive Financial Performance Reports • certification of internal controls under the DPC Financial Management Compliance Program and the end of financial year statements preparation process.

Annual financial report	The annual financial report is supported by a system of internal controls that are monitored and assessed during the financial year through ISA's internal assurance processes and other processes undertaken by Shared Services SA as the external service provider.
Employee induction and online training	Through the induction process, ISA will ensure that all new employees are made aware of the Code of Ethics for the South Australian Public Sector and the Corruption and Maladministration Control Policy. This policy clearly stipulates a zero-tolerance position in respect to fraud and corruption.
Financial Management Compliance program	Appropriate business practices are reinforced through ISA's Financial Management Compliance Program (FMCP) as mandated by Treasurer's Instruction 28. The FCMP was undertaken through a control self-assessment comprising a series of questions which assess relevant policies, procedures, systems, internal controls, risk management and statutory/financial/management reporting that is in operation across all business units within ISA.

Data for previous years is available at: *Nil*

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Nil

Data for previous years is available at: [Data.SA Whistle-blowers Protection Act 1993](#).

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act	Requirement
<i>Infrastructure SA Act 2018</i>	<p>19—Annual report</p> <ol style="list-style-type: none"> 1) ISA must, on or before 30 September in each year, deliver to the Minister a report on the work and operations of ISA for the preceding financial year. 2) The report must contain the audited statements of account of ISA for the preceding financial year. 3) The Minister must, within 12 sitting days after receiving a report under this section, have copies of the report laid before both Houses of Parliament.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019–20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019–20
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	0

Data for previous years is available at: *Nil*

Appendix: Audited financial statements 2019–20



Our ref: A20/032

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www.audit.sa.gov.au

29 September 2020

Mr A Shepherd AO
Chair
Infrastructure SA
Level 16, Wakefield House
30 Wakefield Street
ADELAIDE SA 5000

Dear Mr Shepherd

Audit of Infrastructure SA for the year to 30 June 2020

We have completed the audit of your accounts for the year ended 30 June 2020. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters.

1 Independent Auditor's Report

We are returning the financial statements for Infrastructure SA, with the Independent Auditor's Report. This report is unmodified. The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial statements will be published on that website on Tuesday 13 October 2020.

2 Audit management letters

As the audit did not identify any significant matters requiring management attention, we will not issue any audit management letters.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- governance
- employee benefits expense
- supplies and services expense.

We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson
Auditor-General

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INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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200 Victoria Square
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Tel +618 8226 9640
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ABN 53 327 061 410
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To the Chair Infrastructure SA

Opinion

I have audited the financial report of Infrastructure SA for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Infrastructure SA as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair of the Board and the Chief Executive

Basis for opinion

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

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

Responsibilities of the Chief Executive and the Board for the financial report

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

The Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18(2) of the *Infrastructure SA Act 2018*, I have audited the financial report of Infrastructure SA for the financial year ended 30 June 2020.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Infrastructure SA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

29 September 2020

Infrastructure SA

Financial Statements

For the year ended 30 June 2020

Infrastructure SA
Certification of the Financial Statements
for the year ended 30 June 2020

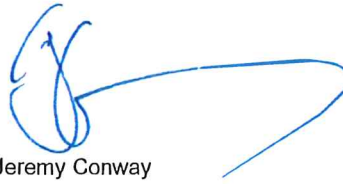
We certify that the attached general purpose financial statements for Infrastructure SA:

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of Infrastructure SA; and
- present a true and fair view of the financial position of Infrastructure SA as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by Infrastructure SA for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Anthony Shepherd AO
Chair
28 September 2020



Jeremy Conway
Chief Executive
28 September 2020

Infrastructure SA
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Appropriations	2.1	3 198	-
Resources received free of charge	2.2	5	2
Other income	2.3	341	1 991
Total income		3 544	1 993
Expenses			
Employee benefit expenses	3.3	1 864	1 053
Supplies and services	4.1	1 297	674
Total expenses		3 161	1 727
Net result		383	266
Total comprehensive result		383	266

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Infrastructure SA
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash	6.1	1 148	824
Receivables	6.2	27	46
Total current assets		1 175	870
Non-current assets			
Intangible assets	5.1	-	18
Total non-current assets		-	18
Total assets		1 175	888
Current liabilities			
Payables	7.1	134	298
Employee benefits	3.4	188	144
Provisions	7.2	1	1
Total current liabilities		323	443
Non-current liabilities			
Payables	7.1	17	15
Employee benefits	3.4	183	163
Provisions	7.2	3	1
Total non-current liabilities		203	179
Total liabilities		526	622
Net assets		649	266
Equity			
Retained earnings		649	266
Total equity		649	266

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Infrastructure SA
Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2018	-	-
Net result for 2018-19	266	266
Total comprehensive result for 2018-19	266	266
Balance at 30 June 2019	266	266
Net result for 2019-20	383	383
Total comprehensive result for 2019-20	383	383
Balance at 30 June 2020	649	649

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Infrastructure SA
Statement of Cash Flows
for the year ended 30 June 2020

	Note	2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriations		3 198	-
Other receipts		361	1 970
Cash generated from operations		3 559	1 970
<i>Cash outflows</i>			
Employee benefit payments		(1 784)	(686)
Payments for supplies and services		(1 451)	(460)
Cash used in operations		(3 235)	(1 146)
Net cash provided by operating activities		324	824
 Net increase in cash		 324	 824
Cash at the beginning of the period		824	-
Cash at the end of the period	6.1	1 148	824

The accompanying notes form part of these financial statements.

Infrastructure SA

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

1 About Infrastructure SA

Infrastructure SA (ISA) is a statutory authority of the state of South Australia, established pursuant to the *Infrastructure SA Act 2018*. ISA is an administrative unit acting on behalf of the Crown.

Infrastructure SA was established on 26 November 2018 under the *Infrastructure SA Act 2018* to provide advice on the State's requirements for significant infrastructure with respect to economic growth and delivery of public services.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- *Treasurer's Instructions and Accounting Policy Statements* issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

1.2. Objectives

Infrastructure SA's mission is to provide independent advice to government to enable informed and evidence-based decisions on infrastructure planning, investment, delivery and optimisation.

Its role is to ensure better planning and more transparent decision-making for critical public infrastructure projects for the State.

1.3. Impact of COVID-19 pandemic on ISA

The COVID-19 has had no material impact on the operations of ISA during 2019-20.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

2. Income

2.1. Appropriation

	2020	2019
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	3 198	-
Total appropriations	3 198	-

Appropriations are recognised on receipt.

2.2. Resources received free of charge

	2020	2019
	\$'000	\$'000
Services received free of charge - Shared Services SA	5	2
Total resources received free of charge	5	2

2.3. Other income

	2020	2019
	\$'000	\$'000
General recoveries	339	21
Transfers from contingencies	2	-
Intra-government transfer	-	1 970
Total other income	341	1 991

Intra-government transfers are recognised on receipt.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of ISA include the Premier, Chief Executive, General Manager, the Chair and the Board members who have responsibility for the strategic direction and management of ISA.

Total compensation for key management personnel was \$797 000 (2019: \$297 000).

Transaction with Key Management Personnel and other related parties

There were no significant related party transactions based on initial assessment.

3.2. Board and committee members

Members during the 2020 financial year were:

Infrastructure SA Board

Anthony Shepherd (Chair)
Tony Braxton-Smith*
Carolyn Hewson
Jim McDowell*
Amanda Price-McGregor
David Reynolds*
Robert Rust

Infrastructure SA Risk and Performance Committee

Yvonne Sneddon (Chair)
Robert Rust
Tony Braxton-Smith*
Catherine Jamieson*
David Lovell* (appointed April 2020)

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2020	2019
	Number	Number
\$0 - \$19 999	6	8
\$20 000 - \$39 999	3	-
\$80 000 - \$99 999	-	1
\$160 000 - \$179 999	1	-
Total number of members	10	9

The total remuneration received or receivable by members was \$282 000 (2019: \$127 000). Remuneration of members includes sitting fees, superannuation contributions and salary sacrifice benefits.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	1 291	473
Annual leave	102	134
Long service leave	22	188
Board and committee fees	258	127
Employment on-costs - superannuation	148	73
Employment on-costs - other	30	45
Skills and experience retention leave	2	10
Workers compensation	2	2
Other employee related expenses	9	1
Total employee benefit expenses	1 864	1 053

Employment on-costs - superannuation

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

Executive remuneration

	2020	2019
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$174 001 - \$194 000	1	1
\$314 001 - \$334 000	1	-
Total	2	1

The total remuneration received by those employees for the year was \$520 000 (\$171 000).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

3.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Accrued salaries and wages	39	29
Annual leave	129	95
Long service leave	19	17
Skills and experience retention leave	1	3
Total current employee benefits	188	144
Non-current		
Long service leave	183	163
Total non-current employee benefits	183	163
Total employee benefits	371	307

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3.4 Employee benefits liability (continued)

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

4. Expenses

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Consultants	115	82
Intra government transfers	254	150
Contractors	427	205
Temporary Staff	238	93
Administrative costs	92	49
Information technology	69	31
Legal services	-	8
Other	102	56
Total supplies and services	1 297	674

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No.	2020	No.	2019
		\$'000		\$'000
\$10 000 or above	1	115	1	82
Total	1	115	1	82

Other

Resources provided free of charge were \$5 000 (2019: \$2 000) and were expensed at fair value.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

5. Non-financial assets

5.1. Intangible assets

	2020 \$'000	2019 \$'000
Computer software		
Work in progress at cost	-	18
Total intangible assets	-	18

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2019-20

	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2019	18	18
Derecognition of asset	(18)	(18)
Carrying amount at 30 June 2020	-	-

Reconciliation 2018-19

	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2018	-	-
Acquisitions	18	18
Carrying amount at 30 June 2019	18	18

6. Financial assets

6.1. Cash

	2020 \$'000	2019 \$'000
Deposits with the Treasurer	1 148	824
Total cash	1 148	824

The agency does not earn interest on its deposits with the Treasurer.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables	1	21
Prepayments	26	25
Total receivables	27	46

Trade receivables for the year are salary and wages on-charged to other government departments. Receivables are normally settled within 30 days after the issue of an invoice. Receivables and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

7. Liabilities

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	1	1
Accrued expenses	105	276
Employment on-costs	28	21
Total current payables	134	298
Non-current		
Employment on-costs	17	15
Total non-current payables	17	15
Total payables	151	313

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, ReturntoWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has been assessed as 42% (2019: 41%) and the average factor for the calculation of employer superannuation cost on-costs has been assessed as 9.8% (2019: 9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$2 000 and employee benefit expense of \$2 000.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

7.2. Provisions

	2020	2019
	\$'000	\$'000
Current		
Provision for workers compensation	1	1
Total current provisions	1	1
Non-current		
Provision for workers compensation	3	1
Total non-current provisions	3	1
Total provisions	4	2
	2020	
	\$'000	
Carrying amount at the beginning of the period	2	-
Additional provisions recognised	2	2
Carrying amount at the end of the period	4	2

Provision for workers compensation

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

ISA is responsible for the payment of workers compensation claims.

8. Other disclosures

8.1. Cash flow

Cash flows are included in the Statement of Cash Flows are exclusive of GST. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows of the Department of the Premier and Cabinet, not ISA.

9. Outlook

9.1. Unrecognised contractual commitments

Expenditure commitments

	2020	2019
	\$'000	\$'000
Within one year	365	168
Total expenditure commitments	365	168

Expenditure commitments relate to the development of an across government assurance framework for evaluation capital infrastructure projects that are \$50 million and over or are considered high risk.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

9.2. Contingent assets and liabilities

The agency is not aware of any contingent assets or liabilities as at 30 June 2020.

9.3. COVID-19 pandemic outlook for ISA

ISA does not expect any material impacts as a result of the COVID-19 pandemic in 2020-21.

9.4. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.

10. Measurement and risk

10.1. Long service leave liability – measurement

AASB 119 Employee Benefits contains the calculation methodology for the long service leave liability.

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

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds for 2020 is 0.75% (2019: 1.25%).

The net financial effect of the changes to the actuarial assumption in the current financial year is a decrease in the long services liability of \$19 000 and employee benefits expense of \$19 000.

The actuarial assessment performed by the Department of Treasury and Finance applied a salary inflation rate of 2.5% (2019: 4%) for the long service leave liability. As a result, there is a decrease resulting from changes in the salary inflation rate.

The non-current portion of long service leave reflects the estimate of leave to be taken in greater than 12 months.

