

OFFICIAL



**Government
of South Australia**

INFRASTRUCTURE SA 2022-23 Annual Report



30 Wakefield Street, Adelaide SA 5000

GPO Box 2343, Adelaide SA 5001

www.infrastructure.sa.gov.au

Contact phone number: (08) 8226 5900

Contact email: infrastructure@sa.gov.au

ISSN: 2652-2365

Date approved by the Board: 25 September 2023

Date presented to Minister: 29 September 2023

OFFICIAL

To:

The Hon Peter Malinauskas MP

Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987* 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



Date 29 September 2023

From the Chair



Infrastructure SA has continued to deliver trusted and independent advice to support the Premier's vision of a smart, sustainable, and inclusive economy and the efficient delivery of the Government's capital program.

South Australia is blessed with many of the resources that the world needs to decarbonise but to realise the value of these resources requires the efficient delivery of infrastructure. Infrastructure SA has led the business case for the Northern Water project which is a hugely strategic opportunity to provide a secure and sustainable water supply that could unlock the copper province in the north of the State and support the growth of a hydrogen industry and the green re-industrialisation of the Upper Spencer Gulf.

We will continue to engage with industry to identify other opportunities where a co-ordinated, integrated and commercial approach to infrastructure development could unlock productivity and growth in the State. This will form the basis of the next iteration of our 20-Year State Infrastructure Strategy that Infrastructure SA has commenced the preparation of now. We look forward to engaging with industry and the community through the release of a Discussion Paper in 2023.

The Infrastructure SA Assurance Framework continues to provide value to Government as an independent peer review over the Government's capital program. This has provided additional rigour and discipline to the planning and delivery of infrastructure and an independent view on risks across the capital program. As the capital program has increased to an estimated spend of \$21 billion over the next four years, this in an important function to provide confidence that tax payers' money is being efficiently managed at a time when there is increased volatility across the market.

As the role of infrastructure becomes increasingly important in growing the economy, Infrastructure SA is ready to take the lead at this critical time.

A handwritten signature in blue ink, appearing to read 'Anthony F Shepherd', written over a light blue horizontal line.

Anthony F Shepherd, AO

Chair

Infrastructure SA

From the Chief Executive



Now in its fifth year of operation, Infrastructure SA has firmly entrenched its place as an independent body providing sound and trusted advice relating to the State's infrastructure.

The team has commenced work on the next iteration of the 20-Year State Infrastructure Strategy. Infrastructure SA will shortly release a Discussion Paper to gain insights and knowledge to inform the new Strategy. We are keen to understand the needs and views of different communities, sectors and regions to shape the direction of the Strategy, aligned with the vision of a smart, sustainable and inclusive economy.

The Infrastructure SA assurance function has continued its work in coordinating and supporting assurance reviews on infrastructure projects. The team has been able to raise the standard of reviews through working closely with agencies; assisting them to produce high level documentation through refreshed guidance material. A growing challenge to successfully deliver the pipeline of infrastructure is market constraints across both labour and materials that are being experienced nationally. We have been working collaboratively with Infrastructure Australia and other ibodies to better understand where those constraints might impact project delivery and develop plans to mitigate that impact.

Infrastructure SA continues to provide strategic advice when requested. The Northern Water Supply project has progressed significantly. A business case was completed and submitted to Cabinet. The project is now progressing into the next stages of a final investment decision.

With the large amount of infrastructure projects in the horizon, Infrastructure SA will continue to assess major infrastructure proposals in order to support effective infrastructure planning for South Australia.

A blue ink handwritten signature, appearing to be 'J Conway', with a long horizontal flourish extending to the right.

Jeremy Conway
Chief Executive
Infrastructure SA

Contents

Overview: about the agency **7**

 Our strategic focus 7

 Our organisational structure 8

 Changes to the agency 8

 Our Minister (s) 8

 Infrastructure SA Board 9

 Our Executive team 12

 Audit and Risk Committee..... 12

 Legislation administered by the agency 13

The agency’s performance **14**

 Performance at a glance 14

 Agency specific objectives and performance 15

 Corporate performance summary 16

 Employment opportunity programs 17

 Agency performance management and development systems..... 17

 Work health, safety and return to work programs 17

 Executive employment in the agency..... 18

Financial performance **20**

 Financial performance at a glance 20

 Consultants disclosure 20

 Contractors disclosure 22

Risk management..... **29**

 Risk and audit at a glance..... 29

 Fraud detected in the agency..... 29

 Strategies implemented to control and prevent fraud..... 29

 Public interest disclosure 30

Reporting required under any other act or regulation **31**

Public complaints..... **32**

 Number of public complaints reported 32

 Additional Metrics..... 33

 Service Improvements 34

 Compliance Statement..... 34

Appendix: Audited financial statements 2022-23..... 35

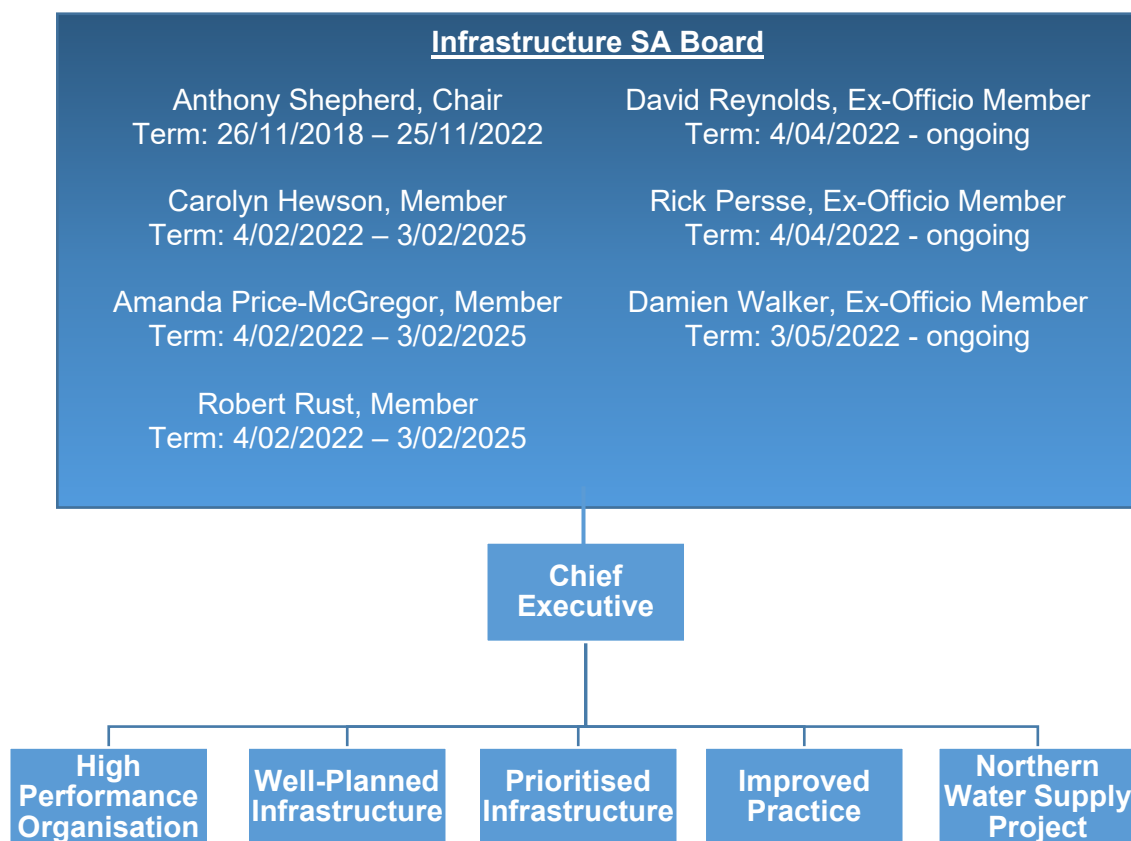
Overview: about the agency

Our strategic focus

Our Purpose	To provide independent and trusted expert advice to government to enable informed and integrated decisions on infrastructure planning, investment, delivery and optimisation.
Our Vision	That efficient and evidence based infrastructure planning and delivery will grow the economy, create jobs and improve liveability for all South Australians.
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>Economically efficient: Existing and new investments are optimised to best meet real needs and deliver value for money</p>
Our functions, objectives and deliverables	<p>In accordance with the <i>Infrastructure SA Act 2018</i>, Infrastructure SA 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 (CIS) 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. <p>Provide policy advice relating to infrastructure planning, delivery and use, including advice on appropriate funding and financing models.</p>
Strategic Goals	<p>Well-planned infrastructure: Work collaboratively across Government, other i-bodies, industry and community to plan for infrastructure that most effectively address opportunities and challenges to better support economic development and quality of life for current and future generations.</p> <p>Prioritised investment: Develop within Government a rigorous and evidence -based prioritisation of investment through the Capital Intentions Statement and Infrastructure Priority List. Provide transparency and clarity on the State’s infrastructure</p>

	<p>priorities and facilitate cross portfolio approaches to address system wide problems and opportunities.</p> <p>Improved practice: Engage with state government agencies and private sector partners to continuously improve the quality and efficacy of SA government infrastructure planning and delivery through the provision of best practice infrastructure guidance and assurance frameworks.</p> <p>High-performance organisation: Comprise highly knowledgeable and respected people who work together effectively, build trusted relationships internally and externally and hold each other accountable in order to achieve exceptional outcomes.</p>
--	--

Our organisational structure



Changes to the agency

During 2022-23 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister (s)

The Hon Peter Malinauskas MP is South Australia’s 47th Premier.

Infrastructure SA Board

The Infrastructure SA Board is an independent board that combines the expertise of the public and private sectors and is charged with overseeing the development of SA's major infrastructure plans. The Board is comprised of four private sector representatives and three ex-officio public sector members, and reports directly to the Premier of South Australia.

➤ **Anthony F Shepherd AO, Chair, appointed 26 November 2018**

Tony is Chairman of Infrastructure SA as well as, the AFL GWS Giants, Bingo Industries Limited, Entertainment Quarter NSW and the Fund-Raising Committee for the Foundation for the Parramatta Power House Museum. He is a Director of Enviropacific Pty Ltd, Racing NSW and Virgin Australia International Holdings Limited.

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.

Tony was the inaugural Chairman of WestConnex and oversaw the listing of Transurban, Transfield Services and Connect East. He was also President of the Business Council of Australia, Chairman of the National Commission of Audit and Chairman of ASTRA (the subscription TV Association).

Tony is a Member of the Australian Institute of Company Directors and a Patron of Infrastructure Partnerships Australia. In June 2012, Tony was named as an Officer of the Order of Australia.

➤ **Carolyn Hewson AO, re-appointed 4 February 2022**

Carolyn has had wide-ranging experience in the financial sector. She was an Executive Director of Schroders Australia and remained on its board until she moved from executive work to non-executive roles in 1995.

Carolyn is currently serving on the Reserve Bank of Australia Board and is also a non-executive Director of CSL Limited.

Carolyn 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.

Carolyn is a Life Fellow of the Australian Institute of Company Directors and 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, re-appointed 4 February 2022**

Amanda is Managing Director and owner of consulting firm Green Light Planning Solutions. She is an urban planner and Member of the Royal Australian Planning Institute (MRAPI) with more than 25 years' experience in strategic and land use planning, development assessment, infrastructure planning, policy development, community engagement and project delivery.

Her diverse industry background encompasses state and national project experience in consulting as well as state and local government within the building and construction industry. Amanda's board director experience extends across a range of industry settings, including education, construction, public transport and the environment.

Amanda has extensive experience across an array of portfolio areas as part of her urban and regional planning work, including tourism, hospitality, infrastructure, roads and transport, policy and planning, education and retail planning, housing and land development, building and construction in South Australia and nationally.

Amanda has considerable expertise in high level consulting, strategy development, project planning and implementation. She is a strong and passionate advocate for South Australia with a focus on the State's diverse regional areas and their communities.

➤ **Robert Rust, re-appointed 4 February 2022**

Robert has spent the majority of his 45-year career working on major projects across the full range of delivery models for both the private and public sectors, including several public-private partnerships in the economic and social infrastructure sectors.

Robert's public sector work included roles as the inaugural Chief Executive of Health Infrastructure NSW and the Chief Operating Officer of the WestConnex Delivery Authority in Sydney. His private sector work included landmark projects such as the Sydney Harbour Tunnel and Melbourne CityLink. 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 is currently Chair of Inland Rail Pty Limited, a Director of Reliance Rail and a member of the EnergyCo NSW Advisory Committee and the New Dunedin Hospital Project Steering Group. He also conducts assurance and dispute resolution work for various state governments on major projects, including Chair of the Independent Dispute Avoidance and Resolution Panel on the City and South-West Metro Project and Chair of the Joint Project Committee's for all the Metro Projects.

Robert studied civil engineering at the University of South Australia and obtained an MBA from the University of Technology Sydney. He is a Graduate of the Australian Institute of Company Directors.

➤ **Rick Persse (ex-officio member), appointed 4 April 2022**

Rick was appointed to lead the Department for Treasury and Finance in April 2022.

Rick joins the department after a successful five and a half year period as Chief Executive of the Department for Education and four years prior to that as Chief Executive of the Attorney-General's Department.

With expertise in policy and strategy development, change management, public sector reform and project delivery, Rick's knowledge of public administration was gained from an expansive career working at a variety of South Australian central government agencies at an executive level.

Prior to being appointed to the role of Chief Executive, Attorney-General's Department, Rick worked with government and non-government clients as PricewaterhouseCoopers SA Government and Health Leader.

Rick has a Master of Business Administration from the University of Adelaide and a Graduate Certificate in Public Sector Management from Griffith University.

➤ **David Reynolds (ex-officio member), appointed 4 April 2022**

David is Chief Executive of the Department for Trade and Investment (DTI) where his team is driving business investment in the State across all industries and facilitating trade in all goods and services both interstate and internationally. David is also responsible for the government's Planning and Land Use Services function.

David's executive and management career includes more than 20 years' experience in policy advice, financial management and organisation and executive leadership.

Prior to this current appointment, David was Chief Executive of the Department of Treasury and Finance for seven years and also held roles including Executive Director of the Budget Branch and Director of Gambling Policy.

David is passionate about improving the public sector through organisational development and a 'staff first' approach. He places a strong focus on gender equality and staff leadership and collaboration.

David has completed a Bachelor of Economics (Hons) from the University of Adelaide, is a Fellow of the Australian Institute of Company Directors and also a National Fellow of the Institute of Public Administration Australia. David was awarded a Public Sector Medal in 2022.

➤ **Damien Walker (ex-officio member), appointed 3 May 2022**

Damien Walker was appointed Chief Executive of the Department of the Premier and Cabinet in April 2022. He is a proud South Australian, who has returned to the South Australian Public Sector following nearly 12 years in Queensland.

Damien is an experienced executive who has broad background in strategic planning, industry development and public policy. He was formerly Director-General of the Department of State Development, Infrastructure, Local Government and Planning in the Queensland Government. In his various Director-General roles, he drove economic growth and job creation and successfully led Queensland's delivery of the 2018 Gold Coast Commonwealth Games. Immediately prior to returning to South Australia, he led the Queensland Government's flood recovery efforts.

His background also includes senior executive roles in the South Australian Government in infrastructure planning and delivery, investment facilitation, contract management and reform implementation, including working on the construction of the new Royal Adelaide Hospital, the Glenside campus redevelopment and the SAHMRI building. Damien has also served on a number of boards in the areas of economic development, trade and investment.

Above all, Damien is passionate about gender equity in the workplace and the prevention of domestic and family violence. He is also driven to deliver initiatives to create opportunities for First Nations people.

Damien holds a Bachelor of Arts and a Bachelor of Planning, and further academic qualifications in property and planning.

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.

➤ **John Haese, Director, Infrastructure Prioritisation**

The Director, Infrastructure Prioritisation is responsible for ISA's Prioritised Investment work stream and for leading and directing ISA's Capital Intentions Statement program and the State Government's response to Infrastructure Australia's Infrastructure Priorities List process.

➤ **Graeme Brown, 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.

➤ **Jacqui Homer, Director, Strategy**

The Director Strategy is responsible for directing and leading strategic infrastructure planning that will contribute to the development of the 20-Year State Infrastructure Strategy and long-term planning for infrastructure investment in South Australia.

Audit and Risk Committee

The ISA Audit and Risk Committee comprises:

- David Powell, Independent Chair, appointed 14 December 2020
- Robert Rust, Board representative, appointed 5 February 2019
- Carolyn Hewson, Board representative, appointed 8 October 2020
- Graeme Brown, ISA representative, appointed 17 February 2023
- Catherine Jamieson, ISA representative, appointed 7 May 2019

Assurance Committee

The ISA Assurance Committee comprises:

- Robert Rust, Board representative, appointed 8 October 2020
- Carolyn Hewson, Board representative, appointed 8 October 2020
- Amanda Price-McGregor, Board Representative, appointed 8 October 2020
- Andrew Cadd, DTF representative, appointed 1 February 2023

Legislation administered by the agency

The following Act is administered by ISA:

- *Infrastructure SA Act 2018*

The agency's performance

Performance at a glance

Infrastructure SA is an independent body established to combine the expertise of the private and public sectors to develop a state infrastructure strategy to grow the economy, support local jobs and meet the needs of communities across South Australia.

Key highlights for the 2022-23 financial year:

- Continued to provide Cabinet with independent information and advice to inform infrastructure investment decisions.
- Completed a detailed business case to investigate a range of sustainable water delivery options for the State's north.
- Released the 2022 Capital Intentions Statement, developed the 2023 Capital Intentions Statement and monitored the implementation of the recommendations made in previous releases
- Commenced preparation for a revised 20-year State Infrastructure Strategy. Continued to monitor the implementation and assess the outcomes from the first 20-year State Infrastructure Strategy.
- Worked with agencies to identify target initiatives and coordinate further submissions for Infrastructure Australia (IA) in respect of the national Infrastructure Priorities List (IPL) and monitor the progress of initiatives and projects already on the list.
- Maintained oversight of planning, delivery and performance of State Government funded major infrastructure projects (capital value greater than \$50 million) via Premier and Cabinet Circular PC049 and Infrastructure SA Assurance Framework.

Premier's Statement of Expectations:

The Premier of South Australia, The Hon Peter Malinauskas 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](#).

Board meetings and attendance

Infrastructure SA held seven board meetings over 2022-23. The meetings were held in August, September and November 2022 and February, April, May and June 2022. The below table details the number of meetings attended by each member.

Board Member	Number of meetings attended
Anthony Shepherd	7
Carolyn Hewson	7
Amanda Price-McGregor	7

Robert Rust	5
David Reynolds	5
Rick Persse	4
Damien Walker	4

Agency specific objectives and performance

Agency objectives	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.	ISA has commenced planning and research for a revised 20-year State Infrastructure Strategy. Continued to work with agencies to monitor the implementation and assess the outcomes from the first 20-year State Infrastructure Strategy.
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 fourth Capital Intentions Statement (CIS) was developed. 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.	ISA has continued to develop an assurance framework to monitor and review the development and delivery of capital, as requested under the Statement of Expectations. 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>ISA has undertaken a review of the Premier’s Circular 049.</p> <p>ISA conducted a total of 29 reviews for 11 State Government agencies across 22 projects in 2022-23 financial year, which is an increase from previous years.</p> <p>The ISA Cost Recovery Model has been modified to capture megaprojects.</p> <p>ISA has also produced new workbooks and has revisited the management and engagement process of assurance reviewers.</p> <p>ISA has worked closely with Infrastructure Australia and the other State Infrastructure Bodies sharing information and experience.</p>
<p>High-performance organisation comprised of individuals that work together effectively and hold each other accountable in order to achieve exceptional outcomes.</p>	<p>The ISA team is working toward the same goals. 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>	<p>During the 2022-23 financial year, ISA has ensured that it has a complete and stable staffing complement in order to guarantee it can achieve and deliver on its strategic goals.</p>

Corporate performance summary

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 Services
- Risk and Audit Services
- Objective Support and 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.

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 participate in bi-annual discussions as a minimum, in line with the Premier’s direction	ISA is committed to continuously monitoring and supporting employees to engage in regular and meaningful performance development discussions.

Work health, safety and return to work programs

Program name	Performance
Injury and Workers Compensation Management	Through the SLA with DPC, strategies have been adopted to minimise the potential for work-related injury. ISA has adopted DPC’s WHS performance measures, which align with government WHSIM performance measures and have been achieved.
Wellbeing and Engagement	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. 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.

Workplace injury claims	2022-23	2021-22	% 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	2022-23	2021-22	% 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**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

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

Executive employment in the agency

Executive classification	Number of executives
SAES 2	1
SAES 1	6

Data for previous years 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 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	10 919	9 129	1 790	13 953
Total Expenses	18 211	17 607	604	6 062
Net Result	(7 292)	(8 478)	1 186	7 891
Total Comprehensive Result	(7 292)	(8 478)	1 186	7 891

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	2 312	2 617	(305)	9 604
Non-current assets	0	0	0	0
Total assets	2 312	2 617	(305)	9 604
Current liabilities	(516)	1 999	(2 515)	701
Non-current liabilities	219	412	(193)	219
Total liabilities	(297)	2 411	(2 708)	920
Net assets	2 609	206	2 403	8 684
Equity	2 609	206	2 403	8 684

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	Various	\$ 3,213

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

Consultancies	Purpose	\$ Actual payment
Acil Allen Consulting	SA Future Energy Supply analysis scenario paper	\$ 190,359
Aecom Australia	SA Renewables Circular Economy Study	\$ 44,300
ARUP Australia	Public transport integrated land use analysis for 20-year State Infrastructure Strategy	\$ 11,895
Australian Housing & Urban Research Institute	Housing Economics Analysis Report	\$ 45,197
Deloitte	Commercial and Economics required to support the Final Business Case services	\$ 717,243
DTF Operating Bank Account	Land access investigation for the Northern Water Supply Project	\$ 11,036
Inside Infrastructure Pty Ltd	Advisory services for business case scope and technical specifications for Northern Water Supply Project	\$ 534,463
Jacobs Group	Environmental and specialist studies required to support Northern Water Supply Project	\$ 72,241
Olivia River Family Trust	Provision of advisory services to assist with Regulatory approval, Native title and cultural heritage management, Land Access Planning and Reporting for Northern Water Supply Project	\$ 327,300
Partners in Performance	Trans-shipment Study	\$ 199,091

Consultancies	Purpose	\$ Actual payment
Project Partners Advisory	Commercial and Economics support for the final Business Case for Northern Water Supply Project	\$ 790,401
Systra Bamser Pty Ltd	Geotechnical Baseline report scope preparation for Northern Water Supply Project	\$ 30,818
WSP Australia Pty Ltd	Digital engineering assessment for 20-year State Infrastructure Strategy	\$ 49,860
	Total	\$ 3,024,203

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	\$102,069

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

Contractors	Purpose	\$ Actual payment
Academie Consulting Pty Ltd	Assurance Review	\$ 39,975
Akera Partners Pty Ltd	Procurement support for Northern Water Supply Project	\$ 501,380

Contractors	Purpose	\$ Actual payment
Arcblue Consulting Pty Ltd	Procurement support for Northern Water Supply Project	\$ 59,717
Arup Australia Pty Ltd	Data analysis of public transport baseline performance and support development of a revised 20-year State Infrastructure Strategy	\$ 38,805
Ashurst Australia	Legal professional services for Northern Water Supply Project	\$10,660
Asset Institute	Analysis on asset management for 20-year State Infrastructure Strategy	\$24,200
Aurecon Australasia	Energy policy strategic benchmarking review for 20-year State Infrastructure Strategy	\$ 40,000
Aurecon Australasia	Energy storage technology scan for 20-year State Infrastructure Strategy	\$ 40,000
Barker Wentworth Pty Ltd	Assurance Review	\$ 15,000
Bell Rock Engineering Pty Ltd	Assurance Review	\$ 36,300
Catherine Russo Consulting	Assurance Review	\$ 19,562
C Moore Solutions Consulting	Discussion Paper support for 20-Year State Infrastructure Strategy	\$ 37,125
David Russell	Consultancy on engagement/model update for Northern Water Supply Project	\$ 11,500

Contractors	Purpose	\$ Actual payment
Deloitte Financial Advisory	Secondment of Director Assurance	\$ 96,854
Deloitte Financial Advisory	Professional services for Northern Water Supply Project	\$178,706
Deloitte Touche Tohmatsu	Accounting advice for Northern Water Supply Project	\$ 20,000
Djma Project Consulting	Assurance Review	\$ 12,650
Duffield Consulting Pty Ltd	Assurance Review	\$ 30,000
Electranet Pty Ltd	Providing advice on Northern Water Supply Electricity connection	\$ 15,499
Energetics Pty Ltd	Electricity price estimation advice for Northern Water Supply Project	\$ 31,920
Feasa Consultancy Services	Assurance Review	\$ 33,000
Flagstaff Consulting Group Pty	Assurance Review	\$ 26,828
Flinders University	Oceanographic Monitoring for Northern Water Supply project	\$ 550,000
Flynn Advisory Solutions	Assurance Review	\$ 12,100
Furgo Australia Marine Pty Ltd	Provision of topographic and bathymetric surveys for Northern Water Supply project	\$ 365,072
Geo Solutions Australia	Web map application support for Northern Water Supply Project	\$ 42,526
Graeme Joyce Pty Ltd	Assurance Review	\$ 10,800
Griffen People Solutions	HR Support for Northern Water Supply Project	\$ 52,950

Contractors	Purpose	\$ Actual payment
Howarth Consulting	Assurance Review	\$ 44,800
Huw Gerner Consultants	Land access and cultural heritage support for Northern Water Supply Project	\$ 114,031
Inside Infrastructure Pty Ltd	Provide technical representation and interfacing with the engineering services provider for Northern Water Supply Project	\$ 104,040
Inxure Pty Ltd	Assurance Review	\$ 30,750
Jacobs Group (Aust) P/L	Professional services for Northern Water Supply Project	\$ 3,643,520
JBS&G Australia Pty Ltd	Professional services for Northern Water Supply Project	\$ 1,381,623
JJ Barrow & Co Pty Ltd	Assurance Review	\$ 36,500
JLT Consulting Australia	Assurance Review	\$ 12,100
John Case Consulting Pty Ltd	Assurance Review	\$ 13,200
Johnstaff Advisory Pty Ltd	Assurance Review	\$ 69,853
Joined Thinking Pty Ltd	Stakeholder engagement support for the Northern Water Supply Project	\$ 331,597
K-Design	Assurance Review	\$ 12,600
Ken Kanofski Advisory Pty Ltd	Assurance Review	\$ 13,475
Kokatha Aboriginal Corporation	Heritage consulting for the Northern Water Supply Project	\$ 40,776

Contractors	Purpose	\$ Actual payment
Lathwida Environmental Pty Ltd	Ecology services and advisory support for Northern Water Supply project	\$ 207,932
Littlehorn Pty Ltd	Assurance Review	\$ 13,200
Living Infrastructure Pty Ltd	Assurance Review	\$ 27,500
Maguire Consulting (SA)	Assurance Review	\$ 20,900
Marshfield Consulting	Geotech investigations for Northern Water Supply Project	\$ 17,840
McClure Civil Management	Assurance Review	\$ 18,250
Michelle Gheorghiu	Assurance Review	\$ 11,000
MS Consult Pty Ltd	Assurance Review	\$ 46,150
Ninesquared	Assurance Review	\$ 25,659
Oceanedge Consulting	Marine environmental advice for Northern Water Supply Project	\$ 71,033
Peter Severin	Assurance Review	\$ 13,200
Pier2pier Consulting Pty Ltd	Assurance Review	\$ 22,200
Planning Futures Pty Ltd	Stakeholder engagement strategy support for the Northern Water Supply Project	\$64,467
Programme Consulting Pty Ltd	Assurance Review	\$ 60,405
Project Partners Advisory	Business Case commercial and economic advice for the Northern Water Supply Project	\$48,992
Project Services Intl Pty Ltd	Assurance Review	\$ 14,340

Contractors	Purpose	\$ Actual payment
Ranfurlie Consulting Group P/L	Assurance Review	\$ 13,200
Redleap Consulting Pty Ltd	Assurance Review	\$ 11,000
Rhelm Pty Ltd	Assurance Review	\$ 28,720
RI Wattle Pty Ltd	Assurance Review	\$ 24,570
Rodger Gibbins	Assurance Review	\$ 11,700
SA Power Networks	SA Power network consultation for Northern Water Supply Project	\$ 44,200
Seam Logistics Pty Ltd	Assurance Review	\$ 12,100
Sequana Partners Pty Ltd	Advisory services for governance and business model advice for Northern Water Supply Project	\$ 163,464
Sync Advisory Pty Ltd	Assurance Review	\$ 15,400
Systra Bamser	Geotechnical survey advice for Northern Water Supply Project	\$ 39,493
Tactix Group Pty Ltd	Property and land access services for the Northern Water Supply Project	\$ 34,750
Tanja Dear Design	Corporate design support for Northern Water Supply Project	\$ 16,759
The Trustee For Julian	Assurance Review	\$ 44,200
The Trustee For Moules Family	Assurance Review	\$ 10,500
Tim Bamford Consulting Pty Ltd	Assurance Review	\$ 14,400
Transvalue Management Pty	Assurance Review	\$ 12,100

Contractors	Purpose	\$ Actual payment
The University of Adelaide	Technical assessment of Marine environment impacts for Northern Water Supply Project	\$ 71,500
WHR Australia Pty Ltd	Assurance Review	\$ 31,368
WSP Australia	Sustainability assessment for Northern Water Supply Project	\$ 22,500
	Total	\$ 9,506,983

Data for previous years is available at: [Data.SA Contractors 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.](#)

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

Risk management

Risk and audit at a glance

ISA has An Audit and Risk 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"> • Strategic risk register • annual internal audit plans • monthly Executive Financial Performance Reports

	<ul style="list-style-type: none"> 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 inductions 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. This is reinforced through the mandatory online training program.
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: [Data.SA Fraud detected in Infrastructure SA](#).

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 Infrastructure SA Public Interest Disclosure](#).

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 or Regulation	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 2022-23
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 2022-23
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: [Data.SA Complaints received by Infrastructure SA](#).

Service Improvements

The ISA Cost Recovery Model (CRM) has been modified to capture megaprojects. ISA have implemented a fairer “3-tier mega project” calculation method based on each monitored project’s capital budget, instead of one single CRM fee that applies to all. In addition to the flat rate CRM fee per project, projects estimated to cost more than \$500m will be categorised into three different tiers and pay an additional percentage of the CRM fee to compensate the extra assurance effort required on these mega projects.

ISA has also produced new workbooks and has revisited the management and engagement process of assurance reviewers. The Assurance workbooks were produced to provide guidance for agencies and review teams across each type of Assurance Review. The workbooks outline the areas that review teams will explore for each type of assurance review, guidance on the types of documents that will be expected and the likely people to be interviewed as part of the review.

ISA also reviewed the procurement process used to engage independent reviewers to participate in assurance reviews and have developed a more streamlined process that is intended to use fewer administrative resources and improve the sourcing and identification of the appropriate mix of skills, knowledge and experience tailored to each review.

Compliance Statement

Infrastructure SA is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Infrastructure SA has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2022-23



Our ref: A23/032

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

Mr A Shepherd AO
Chair
Infrastructure SA
Level 15
Wakefield House
30 Wakefield Street
ADELAIDE SA 5000
email: Almerinda.Pollice@sa.gov.au

Dear Mr Shepherd

Audit of Infrastructure SA for the year to 30 June 2023

We have completed the audit of your accounts for the year ended 30 June 2023. 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 report 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 report will be published on that website on Tuesday 17 October 2023

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:

- revenue
- expenditure
- payroll.

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

Yours sincerely



Daniel O'Donohue

Assistant Auditor-General (Financial Audit)

29 September 2023

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair Infrastructure SA

Opinion

I have audited the financial report of Infrastructure SA for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Infrastructure SA as at 30 June 2023, 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair 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 – Simplified Reporting Requirements, 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.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive 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.

The Board is 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 2023.

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
- conclude on the appropriateness of the Chief Executive'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 report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

29 September 2023

Infrastructure SA

Financial Statements

For the year ended 30 June 2023

Infrastructure SA
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

- financial statements of Infrastructure SA:
 - are in accordance with the accounts and records of Infrastructure SA;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of Infrastructure SA at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by Infrastructure SA for the financial year over its financial reporting and its preparation of financial statements have been effective.



Anthony Shepherd AO
Chair
29 September 2023



Jeremy Conway
Chief Executive
29 September 2023

Infrastructure SA
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	2 527	2 529
Sales of goods and services	2.2	2 592	2 225
Commonwealth-sourced grants and funding	2.3	-	1 500
SA Government grants, subsidies and transfers	2.4	4 000	7 692
Other income	2.5	10	7
Total income		9 129	13 953
Expenses			
Employee benefits expenses	3.3	3 612	2 205
Supplies and services	4.1	13 995	3 857
Total expenses		17 607	6 062
Net result		(8 478)	7 891
Total comprehensive result		(8 478)	7 891

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner. Please refer to Note 1.3 for information about the impact of the Northern Water Supply Project on the total comprehensive result.

Infrastructure SA
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash	5.1	2 202	9 379
Receivables	5.2	415	225
Total current assets		2 617	9 604
Total assets			
		2 617	9 604
Current liabilities			
Payables	6.1	1 660	512
Employee benefits	3.4	335	187
Provisions	6.2	4	2
Total current liabilities		1 999	701
Non-current liabilities			
Payables	6.1	40	19
Employee benefits	3.4	361	194
Provisions	6.2	11	6
Total non-current liabilities		412	219
Total liabilities			
		2 411	920
Net assets			
		206	8 684
Equity			
Retained earnings		206	8 684
Total equity		206	8 684

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 2023

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 1 July 2021	793	793
Net result for 2021-22	7 891	7 891
Total comprehensive result for 2021-22	7 891	7 891
Balance at 30 June 2022	8 684	8 684
Net result for 2022-23	(8 478)	(8 478)
Total comprehensive result for 2022-23	(8 478)	(8 478)
Balance at 30 June 2023	206	206

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 2023

	2023	2022
	Inflows	Inflows
	(Outflows)	(Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriation	2 527	2 529
Sales of goods and services	2 433	2 196
Commonwealth-sourced grants and funding	-	1 500
SA Government grants, subsidies and transfers	4 000	7 692
Cash generated from operating activities	8 960	13 917
Cash outflows		
Employee benefits payments	(3 105)	(2 288)
Payments for supplies and services	(13 032)	(3 479)
Cash used in operating activities	(16 137)	(5 767)
Net cash used in operating activities	(7 177)	8 150
Net decrease in cash	(7 177)	8 150
Cash at the beginning of the reporting period	9 379	1 229
Cash at the end of the reporting period	2 202	9 379
5.1		

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 2023

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.

ISA was established 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

These financial statements are general purpose financial statements prepared in accordance 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, applying simplified disclosures.

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). 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.

Significant accounting policies are set out throughout the notes.

Cash flows are exclusive of Goods and Services Tax (GST). The GST component of cash flows 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 (DPC), not ISA.

1.2 Objectives

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

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

1.3 Northern Water Supply Project

Infrastructure SA was asked by the South Australian Government to oversee preparation of detailed studies investigating new sustainable water supply for northern South Australia. The timing of associated income and expenses for the project has resulted in a notable variance in the net comprehensive result reported for 2021-22 and 2022-23.

- There has been increased supplies and services and employee benefits expenses in 2022-23 associated with the completion of the Northern Water Supply Detailed Business Case – refer to notes 3.3 and 4.1;
- Funding for the project from the Commonwealth Government is recognised upon receipt. \$3.5 million has not yet been received, and no income has been received in 2022-23 – refer to notes 2.3 and 7.1;
- Funding for the project from SA Government grants is recognised upon receipt. \$3.5 million less was received in 2022-23 than in 2021-22, although there was a net underspend for 2022-23 – refer to notes 2.4 and 7.1.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1 Appropriation

Appropriations are recognised on receipt.

2.2 Sales of goods and services

ISA, in accordance with the Cabinet-approved ISA Assurance Framework and its Act, charges government agencies for assurance reviews. ISA reviews, evaluates and monitors delivery and performance of major infrastructure projects and programs with a capital investment value of \$50 million and above, or those considered high risk. Sales of goods and services also includes recoveries of costs for project monitoring and the Northern Water Supply Project.

Sales of goods and services are recognised on receipt.

2.3 Commonwealth-sourced grants and funding

The Commonwealth has provided funding to the State for the Northern Water Supply Project. Revenue is recognised on receipt.

2.4 SA Government grants, subsidies and transfers

SA Government grants are recognised on receipt.

During 2022-23, SA Government grants, subsidies and transfers included funding for the Northern Water Supply Project from the Business Case Fund of \$4 million (2022 \$7.5 million). ISA has underspent these funds by \$1.635 million as at 30 June 2023. These remaining funds will be incurred over the lifetime of the project.

2.5 Other income

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

ISA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services free of charge from Shared Services SA following Cabinet's approval to cease intra-government charging.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3. Board, committees and employees

3.1 Key management personnel

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

Total compensation paid by ISA for key management personnel was \$665 000 (2022: \$831 000).

The compensation disclosed in this note excludes salaries and other benefits the Premier receives. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

See DPC's Financial Statements for disclosures of the Premier's remuneration paid and recovered from the Consolidated Account.

Transactions 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 2023 financial year were:

Infrastructure SA Board

Anthony Shepherd (Chair)

Carolyn Hewson

Amanda Price-McGregor

David Reynolds*

Robert Rust

Rick Persse*

Damien Walker*

Infrastructure SA Audit and Risk Committee

David Powell (Chair)

Carolyn Hewson

Catherine Jamieson*

Robert Rust

Graeme Brown* (appointed February 2023)

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

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2 Board and committee members (continued)

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2023 Number	2022 Number
\$0 - \$19 999	6	9
\$20 000 - \$39 999	3	-
\$40 000 - \$59 999	-	3
\$160 000 - \$179 999	1	1
Total number of members	10	13

The total remuneration received or receivable by members was \$286 000 (2022: \$301 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.3 Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	2 182	1 448
Annual leave	282	155
Long service leave	194	(3)
Board and committee fees	260	273
Employment on-costs - superannuation	520	245
Employment on-costs - other	138	76
Skills and experience retention leave	9	4
Workers compensation	7	2
Other employee related expenses	20	5
Total employee benefits expenses	3 612	2 205

Employment expenses

ISA staff are employed under Part 2 of the *Infrastructure SA Act 2018* and Part 7 of the *Public Sector Act 2009*.

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

Employee remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

	2023	2022
	Number	Number
\$160 001 - \$180 000	1	-
\$180 001 - \$200 000	-	1
\$200 001 - \$220 000	1	-
\$220 001 - \$240 000	1	-
\$240 001 - \$260 000	1	-
\$340 001 - \$360 000	-	1
\$380 001 - \$400 000	1	-
Total number of employees	5	2

The total remuneration received by those employees for the year was \$1.3 million (2022: \$539 000).

The table includes all employees whose normal remuneration was 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, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left ISA.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.4 Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	286	162
Long service leave	41	20
Skills and experience retention leave	8	5
Total current employee benefits	<u>335</u>	<u>187</u>
Non-current		
Long service leave	361	194
Total non-current employee benefits	<u>361</u>	<u>194</u>
Total employee benefits	<u>696</u>	<u>381</u>

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.

The salary inflation rate applied in the calculation of the annual leave and SERL calculations increased to 2% in 2023 from 1.5% in 2022.

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.

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

The actuarial assessment performed by DTF 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 has increased from 2022 (3.5%) to 2023 4.0%.

The net financial effect of the changes to the actuarial assumption in the current financial year is a decrease in the long service leave liability of \$13 000 and employee benefits expense of \$13 000.

The salary inflation rate applied in the actuarial assessment performed by DTF for the long service leave liability is 3.5% (2022 2.5%).

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

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Expenses

4.1 Supplies and services

	2023	2022
	\$'000	\$'000
Contractors	9 609	1 315
Consultants	3 027	1 605
Intra government transfers	308	258
Information technology	152	197
Administrative costs	93	62
Temporary staff	30	76
Audit fees	11	11
Shared Services SA	10	7
Other	755	326
Total supplies and services	13 995	3 857

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:

	2023		2022	
	No.	\$'000	No.	\$'000
Below \$10 000	1	3	-	-
\$10 000 or above	16	3 024	10	1 605
Total	17	3 027	10	1 605

Audit fees

Audit fees paid/payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

5. Financial assets

5.1 Cash

The agency does not earn interest on its deposits with the Treasurer. Cash is measured at nominal amounts.

5.2 Receivables

	2023	2022
	\$'000	\$'000
Current		
Trade receivables	324	165
Prepayments	91	60
Total receivables	415	225

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.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Liabilities

6.1 Payables

	2023 \$'000	2022 \$'000
Current		
Trade payables	98	38
Accrued expenses	1 513	445
Employment on-costs	49	29
Total current payables	<u>1 660</u>	<u>512</u>
Non-current		
Employment on-costs	40	19
Total non-current payables	<u>40</u>	<u>19</u>
Total payables	<u>1 700</u>	<u>531</u>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual 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 and superannuation contributions that are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long-service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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 DTF, the portion of long service leave taken as leave has increased to 43% (2022 42%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.1% (2022: 10.6%). 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 \$1 000 and employee benefits expense of \$1 000.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6.2 Provisions

Provision for workers compensation

	2023	2022
	\$'000	\$'000
<i>Reconciliation of workers compensation</i>		
Carrying amount at the beginning of the period	8	7
Additional provisions recognised	7	1
Carrying amount at the end of the period	15	8

ISA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, ISA is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to a variety of factors involved. The liability is impacted by ISA's claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Infrastructure SA
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Outlook

7.1 Unrecognised contractual commitments

Commitments include operating and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Other contractual commitments

Expenditure contracted for at the reporting date but not yet recognised as liabilities in the financial report, are payable as follows:

	2023	2022
	\$'000	\$'000
Within one year	410	213
Total expenditure commitments	410	213

Commitments as at 30 June 2023 comprise costs relating to the Northern Water Supply project, portfolio management and workflow system solutions and the 20-year state infrastructure strategy discussion paper.

Commitments as at 30 June 2022 comprise costs relating to a future energy supply analysis and a housing economics analysis.

Revenue commitments

ISA has funding agreements for the completion of the Northern Water Supply Detailed Business Case as follows:

- a Federation Funding Agreement – Infrastructure with the Commonwealth Government for \$5 million. \$1.5 million was received during 2021-22, with the balance to be received in 2023-24;
- Funding from the State Government's Business Case Fund of \$11.5 million, which has been received in full. \$7.5 million was received in 2021-22 and \$4.0 million in 2022-23.

	2023	2022
	\$'000	\$'000
Within one year	3 500	7 000
Later than one year but not longer than five years	-	500
Total revenue commitments	3 500	7 500

7.2 Contingent assets and liabilities

ISA is not aware of any contingent assets or liabilities as at 30 June 2023.

7.3 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.