



Government
of South Australia

Infrastructure SA Annual Report **2018-19**



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To:

The Hon Steven Marshall 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.

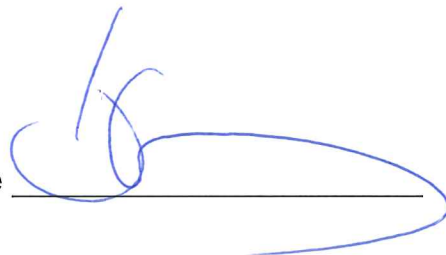
Submitted on behalf of Infrastructure SA by:

Jeremy Conway
Chief Executive

Date

26/9/19

Signature

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal stroke that curves upwards at the end.

From the Chair



The SA State Budget 2019-2020 commits \$11.9 billion over the next four years toward infrastructure development in support of the Government's target of achieving 3% per annum growth for South Australia. Infrastructure SA has been tasked with providing independent and rigorous expert advice to government on how best to expend these taxpayer funds to maximise economic, social and environmental outcomes for the State and all those who call it home.

Given the long-lived nature of infrastructure and the long lead times in its construction, a longer-term, non-partisan approach to its planning, prioritisation and assessment will undoubtedly add value.

To do this well, Infrastructure SA itself must operate in a way that is open, effective and accountable. To that end, it is served well by its foundations.

The Premier of South Australia, The Hon Steven Marshall, sought advice on Infrastructure SA's establishment from infrastructure luminaries including Sir Rod Eddington and Mr Mark Birrell. Both had extended tenure as Chairmen of Infrastructure Australia to cap off notable careers and contributions to the sector.

The governing board that has since been established by the Government for Infrastructure SA brings together both public and private sector expertise. The former provides key insights into the machinery of government to effectively leverage systems and processes, while the latter informs our efforts with astute commercial and community insights.

The Board's initial priorities in the first year have included clarification of Infrastructure SA's scope of work as defined in the Premier's [Statement of Expectations](#) and the establishment of governance, suitable executive roles and the budget required to deliver on our statutory functions. The Board has simultaneously sought to progress the organisation's key functions and obligations, including the development of the 20-Year State Infrastructure Strategy, the first annual Capital Intentions Statement and a robust assurance framework for qualifying capital projects. Infrastructure SA expects to issue the 20-Year Strategy early in 2020.

I wish to thank the Government and the various state agencies for their encouragement and support in assisting in our establishment. It is great to see Team SA in action. I thank our Board for their wise counsel and hard work in establishing Infrastructure SA. Last but by no means least, on behalf of the Board, thank you to our CEO Mr Jeremy Conway and our staff for all they have achieved in such a short time.

A handwritten signature in blue ink, likely belonging to Anthony F. Shepherd, AO.

Anthony F Shepherd, AO
Chair
Infrastructure SA

From the Chief Executive



Infrastructure SA is an independent advisory body tasked with ensuring South Australia has robust long-term planning and transparent decision-making for critical public and supporting private infrastructure projects across the State.

Established on 26 November 2018 under the *Infrastructure SA Act 2018*, Infrastructure SA (ISA) is governed by the Infrastructure SA Board, which combines expertise from public and private sectors and reports directly to the Premier of South Australia.

ISA will provide independent advice to assist the South Australian Government to plan, identify and prioritise the delivery of major infrastructure across the State. That includes establishing clear goals and measuring outcomes over the long term for the projects and initiatives ISA supports across both social and economic infrastructure.

Done right, this will support economic growth, social wellbeing and sustainable environmental management.

While ISA has been establishing its operations in its first year, it has also commenced developing a 20-Year State Infrastructure Strategy (the Strategy) as an immediate priority. The Strategy will set the long-term vision for infrastructure development in South Australia and provide the overarching framework to identify and prioritise South Australia's current and future infrastructure needs, as well as guidance on how to most effectively address those needs.

ISA's role includes delivering an annual Capital Intentions Statement that prioritises potential major infrastructure projects for government decisions over a five-year timeframe, and a project assurance framework to evaluate high value, high risk capital investments.

As a small agency with a large agenda, the contributions and input from state government agencies and other stakeholders has been invaluable in driving ISA's work to date. We look forward to continuing this collaboration into the future.

While 2018-19 has seen a focus on laying the foundations for a new agency and culture, 2019-20 will be a transition to delivery, with the release in 2020 of the inaugural 20-Year State Infrastructure Strategy and Capital Intentions Statement.

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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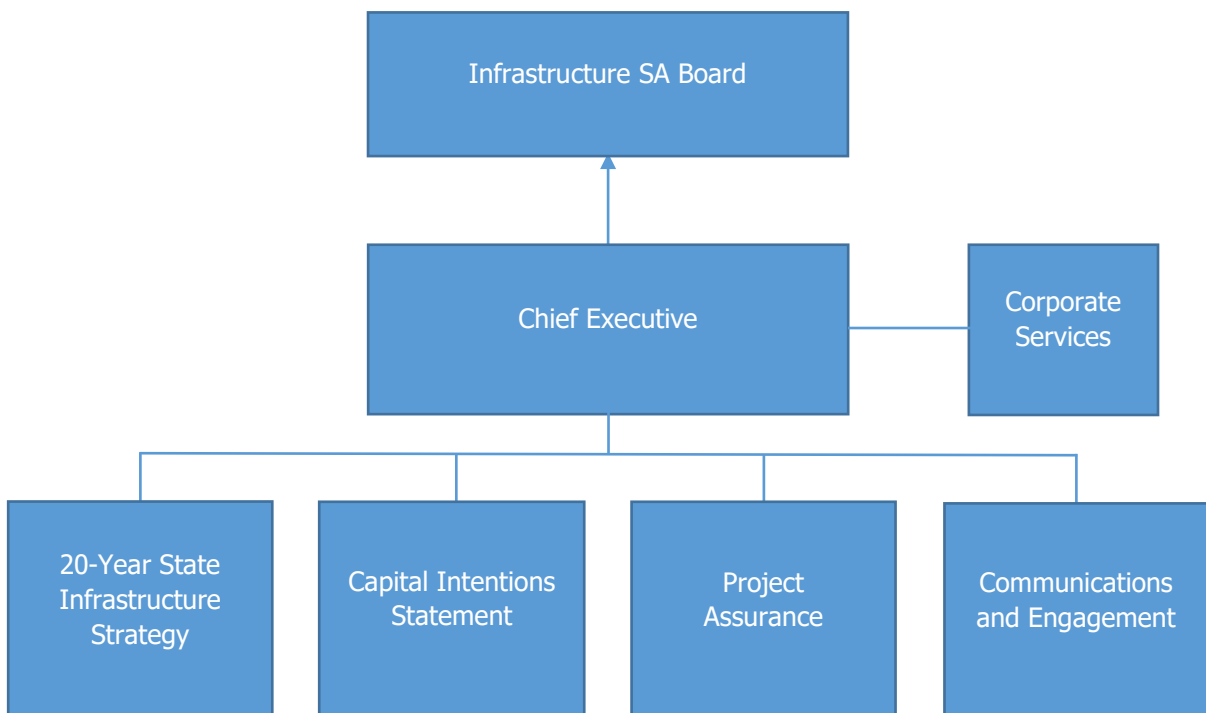
OVERVIEW: ABOUT THE AGENCY

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 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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Organisational structure



Changes to the agency

During 2018-19, ISA was in its establishment phase and there were no changes to agency structure and objectives as a result of internal reviews or machinery of government changes.

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 is 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 Management Limited, as well as the Sydney Cricket Ground Trust and the AFL GWS Giants. He is also a Director of Menzies Research Centre, Virgin Australia International Holdings Limited and Racing NSW. He is an advisor to the MUFG Bank Ltd and a member of the ASIC External Advisory Panel, and Pacific Leadership and Governance Precinct Executive Advisory Board.

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 BHP and serves on the Federal Government Growth Centres Advisory Board. She was a Panel Member on the

Federal Government's Financial System Inquiry and has been a director of various companies including 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, Impact 100 South Australia and the Australian Advisory Board on Impact Investing. 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's diverse industry background encompasses state and national project experience in private sector consulting and state and local government sectors. She offers 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. In both cases he built an effective team with a proven record of major project delivery. 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 is a current board member of the Adelaide Football Club, the Australian Strategic Policy Institute and 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, and 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 and 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.

Executive team

➤ Jeremy Conway, Chief Executive

The Chief Executive oversees all legislated functions and corporate responsibilities.

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

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.

AGENCY 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 2018-19 financial year:

- ISA established as a new enduring statutory authority under the *Infrastructure SA Act* on 26 November 2018.
- The Board of ISA established as the governing body and became operational, holding its inaugural meeting on 5 February 2019.
- Jeremy Conway formally appointed as Chief Executive in May 2019.
- ISA Risk and Performance Committee established to report to the ISA Board and provide advice on fulfilling their responsibilities in areas such as financial reporting, internal control systems, risk management systems and audit functions. The Committee held its first meeting on 7 May 2019.
- ISA website – infrastructure.sa.gov.au – launched and a Customer Relationship Management system implemented to support stakeholder engagement.
- Work commenced on the development of the first 20-Year State Infrastructure Strategy, including stakeholder engagement with business, major industry groups and all levels of government.
- Strategy Discussion Paper launched 17 June 2019 to invite public submissions to the 20-Year State Infrastructure Strategy over an eight-week period.
- Preparation underway for development of the first Capital Intentions Statement.
- Development underway of across-government infrastructure investment assurance framework, to be administered by ISA, with a view to implementation in 2019-20. The framework will apply to high value capital projects that cost \$50 million or more or are regarded as high risk.
- The ISA Board held a regional meeting in Whyalla on 14 May 2019 and met with regional development, local government and business representatives.
- ISA established 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	Establishment of ISA to ensure that the State has a strategic and productive approach to infrastructure planning to grow our economy and create jobs.
Lower costs	Commenced delivery of an assurance 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 is aiming to drive better decisions about the provision of infrastructure that will take a holistic 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>Commenced working collaboratively with agencies and undertaking a program of strategic stakeholder engagement to develop a 20-Year State Infrastructure Strategy that will be released in 2020 and set the vision for the State's future requirements.</p> <p>Released a Discussion Paper to invite public (business, industry, local government, community organisations and individuals) submissions to the Strategy.</p> <p>Executive and staff met directly with key stakeholders.</p> <p>Chief Executive participated in the Community Engagement Panel for the preparation of a Regional Development Strategy.</p> <p>Executive and staff engaged with other agencies developing the State Government's plan for growth to facilitate sharing of ideas and information.</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.	Preparation underway of Capital Intentions Statement that sets out ISA views on capital investment priorities over a five-year period and is informed by the 20-Year State Infrastructure Strategy. Due for release in 2020.
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>Commenced investigating options for assurance frameworks to apply in South Australia, with a view to making a recommendation to government in 2019-20.</p> <p>In advance of an assurance framework being fully implemented, ISA is undertaking assurance on high capital value, high risk projects.</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>	<p>Since its commencement on 26 November 2018, ISA has primarily comprised temporary and seconded staff to support the implementation phase. An organisation structure has been developed, with recruitment to be finalised for ongoing positions in 2019-20.</p> <p>The Board of ISA has been appointed.</p> <p>A Risk and Performance Committee has been established with an independent, external chair.</p> <p>A stakeholder engagement and communication plan has been developed and is being implemented by ISA.</p> <p>Corporate branding and a public website for the agency have also been developed and launched.</p>

Corporate performance summary

Following its formation on 26 November 2018, ISA has been in an establishment phase, with corporate functions being developed and implemented in tandem with progress towards legislative obligations.

ISA has leveraged the resources of DPC through an SLA to access corporate services and for advice on establishing 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>During the establishment phase of the agency, ISA is considering options for a suitable performance management and development system to be implemented during the 2019-20 financial year.</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 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 (2018-19)
Total new workplace injury claims	0
Fatalities	0
Seriously injured workers	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 full-time employees)	0

* As ISA commenced during the 2018/19 financial year, no comparative data is available.

Work health and safety regulations	*Current year (2018-19)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0

* As ISA commenced during the 2018/19 financial year, no comparative data is available.

Return to work costs	*Current year (2018-19)
Total gross workers compensation expenditure (\$)	0
Income support payments – gross (\$)	0

* As ISA commenced during the 2018/19 financial year, no comparative data is available.

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

* As ISA commenced during the 2018/19 financial year, no comparative data is available.

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 2018-19 are attached to this report.

ISA have reported a \$0.266 million favourable result for the 2018-19 financial year. This is primarily the result of a delayed passage of the legislation resulting in ISA only being established on 26 November, along with the complexities involved in establishing the new organisation, while delivering on legislative functions.

Statement of Comprehensive Income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	*2017-18 Actual \$000s
Expenses	1,970	1,727	243	0
Revenues	0	23	23	0
Net cost of providing services	1,970	(1,704)	266	0
Net revenue from SA Government	1,970	1,970	0	0
Net result	0	266	266	0
Total comprehensive result	0	266	266	0

Statement of Financial Position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	*2017-18 Actual \$000s
Current assets	0	870	870	0
Non-current assets	0	18	18	0
Total assets	0	888	888	0
Current liabilities	0	443	443	0
Non-current liabilities	0	179	179	0
Total liabilities	0	622	622	0
Net assets	0	266	266	0
Equity	0	266	266	0

* ISA was established in the 2018/19 financial year.

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	\$82,447
	Total	\$82,447

As ISA was established in the 2018/19 financial year, no comparative data with previous years is available.

Data 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 each

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

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

Contractors	Purpose	\$ Actual payment
KPMG	Assurance framework	\$104,837
Australian Launch Vehicles	Assurance review	\$14,000
DigSILENT	Assurance review	\$15,225
MacDonald Project Advisory	Assurance review	\$29,999
Lamond Advisory	Assurance review	\$13,131
Christine Cunningham	Assurance review	\$14,568
Geoff Whitbread	Assurance review	\$13,050
Hays Specialist Recruitment	Temporary staff	\$93,195
Total		\$298,005

As ISA was established in the 2018/19 year, no comparative data with previous years is available.

Data 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](#).

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 our 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

As a key part of its establishment, ISA has formed a Risk and Performance Committee (Committee).

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

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>
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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.

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the Whistleblowers Protection Act 1993:

Nil

As ISA was established in the 2018-19, no comparative data with previous years is available.

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

Reporting required under any other act or regulation

Act	Requirement
<i>Infrastructure SA Act 2018</i>	19—Annual report <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 2018-19

Complaint categories	Sub-categories	Example	Number
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; lack of 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	0

Complaint categories	Sub-categories	Example	Number
		standard; not accessible to customers with disabilities.	
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
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

Data for previous years is available at: 'Data.SA Public Complaints received by Infrastructure SA.

APPENDIX: AUDITED FINANCIAL STATEMENTS 2018-19



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To the Chair Infrastructure SA

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 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Infrastructure SA as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- 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* have been met.

I believe that the audit evidence 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 the 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


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 the 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 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

26 September 2019

Infrastructure SA

Financial Statements

For the year ended 30 June 2019

Infrastructure SA
Certification of the Financial Statements
for the year ended 30 June 2019

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

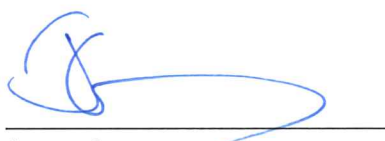
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of Infrastructure SA; and
- present a true and fair view of the financial position of Infrastructure SA as at 30 June 2019 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

24 September 2019



Jeremy Conway
Chief Executive

24 September 2019

Infrastructure SA
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000
Expenses		
Employee benefit expenses	2.3	1 053
Supplies and services	3.1	674
Total expenses		1 727
Income		
Resources received free of charge	4.2	2
Other income	4.3	21
Total income		23
Net cost of providing services		1 704
Revenues from SA Government		
Revenues from SA Government	4.1	1 970
Total revenues from SA Government		1 970
Net result		266
Total comprehensive result		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 2019

	Note	2019 \$'000
Current assets		
Cash	6.1	824
Receivables	6.2	46
Total current assets		870
Non-current assets		
Intangible assets	5.1	18
Total non-current assets		18
Total assets		888
Current liabilities		
Payables	7.1	298
Employee benefits	2.4	144
Provisions	7.2	1
Total current liabilities		443
Non-current liabilities		
Payables	7.1	15
Employee benefits	2.4	163
Provisions	7.2	1
Total non-current liabilities		179
Total liabilities		622
Net assets		266
Equity		
Retained earnings		266
Total equity		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 2019

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	-	-
Net result for 2018-19	266	266
Total comprehensive result for 2018-19	266	266
Balance at 30 June 2019	266	266

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 2019

	Note	2019 (Outflows) Inflows \$'000
Cash flows from operating activities		
<i>Cash outflows</i>		
Employee benefit payments		(686)
Payments for supplies and services		(460)
Cash used in operations		(1 146)
<i>Cash inflows</i>		
Cash flows from SA Government		
Receipts from SA Government		1 970
Cash generated from SA Government		1 970
Net cash provided by operating activities		824
Net increase in cash		824
Cash at the beginning of the period		-
Cash at the end of the period	6.1	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 2019

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Infrastructure SA

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

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

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.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. 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 for key management personnel was \$297 000.

Transaction with Key Management Personnel and other related parties

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

2.2. Board and committee members

Members during the 2019 financial year were:

Infrastructure SA Board

Anthony Shepherd (Chair) (appointed 26 November 2018)

Tony Braxton-Smith* (appointed 26 November 2018)

Carolyn Hewson (appointed 4 February 2019)

Jim McDowell* (appointed 26 November 2018)

Amanda Price-McGregor (appointed 4 February 2019)

David Reynolds* (appointed 26 November 2018)

Robert Rust (appointed 4 February 2019)

Infrastructure SA Risk and Performance Committee

Yvonne Sneddon (Chair) (appointed 17 April 2019)

Robert Rust (appointed 5 February 2019)

Tony Braxton-Smith* (appointed 5 February 2019)

*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:	2019
\$0 - \$19 999	7
\$80 000 - \$99 999	1
Total number of members	8

The total remuneration received or receivable by members was \$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 2019

2.3. Employee benefits expenses

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

	2019
	No
The number of employees whose remuneration received or receivable falls within the following bands:	
\$171 001 - \$191 000	1
Total	1

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.

2.4. Employee benefits liability

	2019
	\$'000
Current	
Accrued salaries and wages	29
Annual leave	95
Long service leave	17
Skills and experience retention leave	3
Total current employee benefits	144
Non-current	
Long service leave	163
Total non-current employee benefits	163
Total employee benefits	307

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

2.4 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 11.1.

3. Expenses

3.1. Supplies and services

	2019
	\$'000
Consultants	82
Intra government transfers	150
Contractors	205
Temporary Staff	93
Administrative costs	49
Information technology	31
Legal services	8
Other	56
Total supplies and services	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.	2019
		\$'000
\$10 000 or above	1	82
Total	1	82

Other

Resources provided free of charge were \$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 2019

4. Income

4.1. Net revenues from SA Government

	2019 \$'000
Revenues from SA Government	
Intra government transfers	1 970
Total revenues from SA Government	1 970

Intra government transfers are recognised on receipt.

4.2. Resources received free of charge

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

4.3. Other income

	2019 \$'000
General recoveries	21
Total other income	21

5. Non-financial assets

5.1. Intangible assets

	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.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

5.1 Intangible assets (continued)

Reconciliation 2018-19

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

6. Financial assets

6.1. Cash

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

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

6.2. Receivables

	2019 \$'000
Current	
Trade receivables	21
Prepayments	25
Total receivables	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.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

7. Liabilities

7.1. Payables

	2019 \$'000
Current	
Trade payables	1
Accrued expenses	276
Employment on-costs	21
Total current payables	298
Non-current	
Employment on-costs	15
Total non-current payables	15
Total payables	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 is 41% and an average factor for the calculation of employer superannuation cost on-costs is 9.8%. These rates are used in the employment on-cost calculation.

7.2. Provisions

	2019 \$'000
Current	
Provision for workers compensation	1
Total current provisions	1
Non-current	
Provision for workers compensation	1
Total non-current provisions	1
Total provisions	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 2019 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.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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 ATO is classified as part of operating cash flows of the Department of the Premier and Cabinet, not ISA.

9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

10. Outlook

10.1. Unrecognised contractual commitments

Expenditure commitments

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

10.2. Contingent assets and liabilities

The agency is not aware of any contingent assets or liabilities as at 30 June 2019.

10.3. 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.

Infrastructure SA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

11. Measurement and risk

11.1. Long service leave liability – measurement

AASB 119 Employee Benefits contains the calculation methodology for 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 2019 was 1.25%.

The actuarial assessment performed by the Department of Treasury and Finance applied a salary inflation rate of 4% for long service leave liability.

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