

INFRASTRUCTURE AND PROJECT FINANCING AGENCY

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INFRASTRUCTURE AND PROJECT FINANCING AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Infrastructure and Project Financing Agency (IPFA) was established on 1 July 2017 as an independent executive agency under the *Public Service Act 1999*.

IPFA delivers on its vision by supporting the Australian Government in making commercially astute decisions on nationally significant infrastructure projects and programs.

The Agency provides independent, commercial and financial advisory services across all phases of a project or program's lifecycle, from program design, market sounding processes, business case development, project governance facilitation, financial and commercial risk analysis, assurance through procurement, complex commercial negotiation and delivery.

The projects, programs and initiative in which IPFA advises on cover all sectors of the economy including, energy, transport utilities and social infrastructure.

IPFA's other strategic flagship initiative is its program of knowledge sharing events, including an active secondment program. These knowledge sharing events focus on supporting the Australian Public Service in developing the commercial and financial skills and capability need to ensure the Commonwealth brings a commercially astute approach to infrastructure investment to the use of taxpayer dollars.

IPFA delivers its services through an established client focused engagement model, meaning IPFA works collaboratively with stakeholders and agencies, state and territory counterparts and our industry partners to enable commercial excellence in infrastructure investments for the benefit of all Australians.

IPFA's purpose and strategic goals are available in IPFA's 2020-21 to 2023-24 Corporate Plan, available from www.ipfa.gov.au/reports.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to IPFA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for IPFA's operations) classification.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Infrastructure and Project Financing Agency resource statement – Budget estimates for 2020–21 as at Budget October 2020

	2019-20 <i>Estimated</i> <i>actual</i> \$'000	2020-21 Budget \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	764	615
Departmental Appropriation	4,961	5,754
Annual appropriations - other services - non-operating (b)		
Equity injection	-	-
Total departmental annual appropriations	5,725	6,369
Total departmental resourcing	5,725	6,369
Total resourcing for Infrastructure and Project Financing Agency	5,725	6,369
	2019-20	2020-21
Average staffing level (number)	18	23

Prepared on a resourcing (i.e. appropriations available) basis.

All figures shown are GST exclusive – these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2020-21

(b) Appropriation Bill (No. 2) 2020-21.

1.3 BUDGET MEASURES

IPFA has no new budget measures.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in PB Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide an entity's complete performance story.

The corporate plan for IPFA can be found at: www.ipfa.gov.au/reports

The most recent Annual Performance Statement can be found at:
www.ipfa.gov.au/reports

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth's investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.

Budgeted expenses for Outcome 1

The table below shows how much IPFA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Infrastructure and Project Financing Agency					
Departmental expenses					
Departmental appropriation	5,774	5,754	5,744	4,231	4,242
s74 external revenue (a)	237	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	428	148	131	113	69
Total departmental expenses	6,439	5,902	5,875	4,344	4,311
Total expenses for Program 1.1	6,439	5,902	5,875	4,344	4,311
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	5,774	5,754	5,744	4,231	4,242
s74 external revenue (a)	237	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	428	148	131	113	69
Total departmental expenses	6,439	5,902	5,875	4,344	4,311
Total expenses for Outcome 1	6,439	5,902	5,875	4,344	4,311
Average staffing level (number)	2019-20 18	2020-21 23			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and audit fees.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth’s investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.			
Program 1.1 – To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth’s investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.			
Purposes (a)	<ul style="list-style-type: none"> • Provide independent commercial and financial advice to support the delivery of Australian Government infrastructure projects. • Build the Australian Government’s capability to deliver infrastructure priorities. • Strengthen confidence in the Australian Government’s investment through better-informed decisions and investment management. 		
Delivery	IPFA delivers on its Outcome, vision and strategic goals through three core activities: <ul style="list-style-type: none"> • Providing valued and independent, commercial and financial advisory services. • Delivering specialist infrastructure project governance and program management services. • Arranging high quality knowledge sharing forums and capability building activities. 		
Performance information			
Year	Performance criteria	Targets	2019-20 Actual Achievement/Targets
2019-20 (b)	Our advice is proactively sought by government and agencies.	50 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government	Achieved 94 per cent of our work was sought proactively through unsolicited approaches.
	Our involvement improves outcomes for and our advice is valued by all stakeholders.	80 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.	Achieved 100 per cent of stakeholders being satisfied with our advice and involvement.
	Our contribution increases confidence in the Australian Government’s infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution: <ul style="list-style-type: none"> - 100 per cent of committed activities being completed within timeframes. 	Not Achieved 97 per cent of committed activities completed within time frames. IPFA fell 3 per cent short of its target. Where IPFA was unable to meet a client timeframe, clients were informed and revised timeframes agreed.

Infrastructure and Project Financing Agency Budget Statements

Performance information			
		- 80 per cent of feedback from external stakeholders regarding our contribution is positive.	Achieved 91 per cent of feedback from external parties regarding our contribution was positive.
2019-20	Our work strengthens the commercial and financial capability of the Australian Government.	Facilitation of quality knowledge sharing and development programs, events and forums:	Achieved 17 knowledge activities completed.
		- 10 knowledge sharing activities are conducted.	
		- 80 per cent satisfaction with the quality of the activity.	Achieved 100 per cent satisfaction with quality of activity.
	IPFA is a great place for people to work and develop.	- Net Promoter score (NPS) of 80.	Achieved 82 NPS.
	IPFA has best practice corporate and governance arrangements.	- No adverse findings from a governance Perspective.	Achieved No adverse findings.
Forward looking performance information			
Year	Performance criteria	Targets	
2020-21(b)	Our partners seek our commercial and financial advice.	60 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government.	
	Our involvement improves outcomes for and our advice is valued by all stakeholders.	85 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.	
	Our contribution increases confidence in the Australian Government's infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution:	
		- 100 per cent of committed activities being completed within timeframes.	
		- 85 per cent of feedback from external regarding our contribution is positive.	
	Our work strengthens the commercial and financial capability of the Australian Government.	Facilitation of quality knowledge sharing and development programs, events and forums:	
		- 10 knowledge sharing activities are conducted.	
	- 85 per cent satisfaction with the quality of the activity.		
	IPFA is a great place for people to work and develop.	Net Promoter Score of 80.	
	IPFA has best practice corporate and governance arrangements.	No adverse findings from a governance perspective.	

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Forward looking performance information		
2021-22 and beyond (b)	Our partners seek our commercial and financial advice.	60 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government.
	Our involvement improves outcomes for and our advice is valued by all stakeholders.	85 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.
	Our contribution increases confidence in the Australian Government's infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution:
		- 100 per cent of committed activities being completed within timeframes.
	Our work strengthens the commercial and financial capability of the Australian Government.	- 85 per cent of feedback from external regarding our contribution is positive.
		Facilitation of quality knowledge sharing and development programs, events and forums:
		- 10 knowledge sharing activities are conducted.
	- 90 per cent satisfaction with the quality of the activity.	
IPFA is a great place for people to work and develop.	Net Promoter Score of 80.	
IPFA has best practice corporate and governance arrangements.	No adverse findings from a governance perspective.	

(a) Refers to purposes that are reflected in IPFA's 2020-21 to 2023-24 Corporate Plan.

(b) IPFA's performance measures are reflective of a client focused advisory services organisation where value is best demonstrated by the interaction and satisfaction of the Australian Government clients that IPFA was established to work for.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of IPFA's finances for the 2020-21 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

IPFA's primary liability is accrued employee entitlements.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	3,552	4,268	4,276	3,853	3,851
Suppliers	2,459	1,135	1,104	-	-
Depreciation and amortisation	415	481	481	481	455
Finance costs	13	18	14	10	5
Total expenses	6,439	5,902	5,875	4,344	4,311
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	237	-	-	-	-
Other	49	49	49	49	49
Total own-source revenue	286	49	49	49	49
Total own-source income	286	49	49	49	49
Net (cost of)/contribution by services	(6,153)	(5,853)	(5,826)	(4,295)	(4,262)
Revenue from Government	5,725	5,754	5,744	4,231	4,242
Surplus/(Deficit) attributable to the Australian Government	(428)	(99)	(82)	(64)	(20)
Total comprehensive income/(loss)	(428)	(99)	(82)	(64)	(20)
Total comprehensive income/(loss) attributable to the Australian Government	(428)	(99)	(82)	(64)	(20)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(339)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	52	44	44	44	18
less: depreciation/amortisation expenses for ROU assets (b)	363	437	437	437	437
add: Principal repayments on leased assets (b)	(326)	(382)	(399)	(417)	(435)
Total comprehensive income/(loss) - as per Statement of Comprehensive	(428)	(99)	(82)	(64)	(20)

Prepared on Australian Accounting Standards basis.

- (a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations.
- (b) Applies leases under AASB 16 Leases.

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Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	505	530	537	525	525
Trade and other receivables	1,449	1,424	1,417	1,429	1,429
Total financial assets	1,954	1,954	1,954	1,954	1,954
Non-financial assets					
Land and buildings	2,005	1,568	1,131	694	257
Property, plant and equipment	194	150	106	62	44
Other non-financial assets	63	63	63	63	63
Total non-financial assets	2,262	1,781	1,300	819	364
Total assets	4,216	3,735	3,254	2,773	2,318
LIABILITIES					
Payables					
Suppliers	1,035	1,035	1,035	1,035	1,035
Other payables	136	136	136	136	136
Total payables	1,171	1,171	1,171	1,171	1,171
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	1,895	1,513	1,114	697	262
Total interest bearing liabilities	1,895	1,513	1,114	697	262
Provisions					
Employee provisions	613	-	613	613	613
Other provisions	148	148	148	148	148
Total provisions	761	148	761	761	761
Total liabilities	3,827	2,832	3,046	2,629	2,194
Net assets	389	903	208	144	124
EQUITY*					
Contributed equity	105	105	105	105	105
Retained surplus/(accumulated deficit)	284	185	103	39	19
Total equity	389	290	208	144	124

Prepared on Australian Accounting Standards basis.

*'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2020-21)

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	284	105	389
Adjusted opening balance	284	105	389
Comprehensive income			
Surplus/(deficit) for the period	(99)	-	(99)
Total comprehensive income	(99)	-	(99)
of which:			
Attributable to the Australian Government	(99)	-	(99)
Transactions with owners			
Contribution by owners			
Equity injection - Appropriation	-	-	-
Sub-total transactions with owners	-	-	-
Estimated closing balance as at 30 June 2021	185	105	290
Closing balance attributable to the Australian Government	185	105	290

Prepared on Australian Accounting Standards basis.

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Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,150	5,779	5,751	4,219	4,242
Sale of goods and rendering of services	224	-	-	-	-
Other	(18)	-	-	-	-
Total cash received	5,356	5,779	5,751	4,219	4,242
Cash used					
Employees	3,446	4,268	4,276	4,350	4,197
Suppliers	1,606	1,086	1,055	(546)	(395)
Interest payments on lease liability	13	17	13	9	4
Other	(148)	-	-	-	-
Total cash used	4,917	5,371	5,344	3,813	3,806
Net cash from/(used by) operating activities	439	408	407	406	436
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	219	1	1	1	1
Total cash used	219	1	1	1	1
Net cash from/(used by) investing activities	(219)	(1)	(1)	(1)	(1)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Principal payments on lease liability	473	382	399	417	435
Total cash used	473	382	399	417	435
Net cash from/(used by) financing activities	(473)	(382)	(399)	(417)	(435)
Net increase/(decrease) in cash held	(253)	25	7	(12)	-
Cash and cash equivalents at the beginning of the reporting period	758	505	530	537	525
Cash and cash equivalents at the end of the reporting period	505	530	537	525	525

Prepared on Australian Accounting Standards basis.

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Table 3.5: Statement of asset movements (Budget year 2020–21)

	Building	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2020			
Gross book value	2,368	392	2,760
Accumulated depreciation/amortisation and impairment	(363)	(198)	(561)
Opening net book balance	2,005	194	2,199
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity	-	-	-
Total additions	-	-	-
Other movements			
Depreciation/amortisation expense	(437)	(44)	(481)
Total other movements	(437)	(44)	(481)
As at 30 June 2021			
Gross book value	2,368	392	2,760
Accumulated depreciation/amortisation and impairment	(800)	(242)	(1,042)
Closing net book balance	1,568	150	1,718

Prepared on Australian Accounting Standards basis.