

Report on a page

Queensland needs infrastructure that is effective, well-maintained, and in place when and where it is needed. It is important for our economy, our standard of living, and our communities. All levels of government commit significant funding each year to the delivery of infrastructure. The annual state budget includes information on spending on proposed projects by each government entity.

This audit brief provides details on Queensland's major infrastructure projects and analyses expenditure by the Queensland Government.

Infrastructure is costly to deliver. When making decisions about investing in it, governments must consider the community's needs, as well as possible changes to expectations, population, and technology. In the last 5 years, the largest portion of the Queensland Government's expenditure on infrastructure has been on transport (including rail and roads), followed by energy, education, and health. This has mainly been within the south-east of the state, which has a larger population and is expected to have higher population growth than the rest of Queensland.

Over the last 5 years, budgeted capital expenditure has increased from \$9.9 billion in 2018–19 to \$12.6 billion in the 2022–23 budget. This does not yet include future projects for the Brisbane 2032 Olympic and Paralympic Games, which will involve all levels of government. The Games should deliver many social and community benefits over many years, and we will continue to review these projects as they are delivered.

Cross River Rail

This audit brief also assesses the Cross River Rail, which is currently the state's largest infrastructure project and is budgeted to cost \$6.888 billion. It is expected to be completed in 2025. The Queensland Government has committed to contributing \$5.389 billion to the project, with the remainder being funded by private financing. As of 30 June 2022, a total of \$4.6 billion had been spent.

Since 2011, 3 detailed business cases have been prepared to guide decisions about entering into and continuing with the project. In each business case, the anticipated benefits were expected to exceed the forecast costs. Assumptions related to the expected numbers of rail users, and to the impacts on road users (which represent 64.7 per cent of the anticipated benefits), are difficult to predict, particularly given changes in commuter behaviour since the COVID-19 pandemic.

Any significant changes to the assumptions (a greater than 20 per cent increase in costs and 20 per cent decrease in benefits), or an extension to the delivery date of more than 2 years, may mean the expected costs exceed the benefits. We have also reviewed the Cross River Rail Delivery Authority's procurement activities and have not found any indication that these were not in line with the Queensland Government's guidelines.

Reference to comments

In accordance with s. 64 of the *Auditor-General Act 2009*, we provided a copy of this report to relevant entities. In reaching our conclusions, we considered their views and represented them to the extent we deemed relevant and warranted. Any formal responses from the entities are at [Appendix A](#).

