

Report on a page

Queensland needs effective infrastructure investment to support its growth over the coming decades. Well-planned and maintained infrastructure not only drives economic growth, but also enriches our standard of living and strengthens communities. All 3 levels of government are continuing to commit significant funding each year to this. In its annual capital budget, the Queensland Government includes information on proposed state-funded projects for the years ahead.

This report provides insights into the significant infrastructure projects in Queensland, and an analysis of expenditure by the Queensland Government. This report does not cover any significant changes in the strategy or budget following the change of government in October 2024 – those will be included in our *Major projects 2025* report.

Queensland continues to increase capital expenditure

The Queensland Government's total budgeted capital expenditure for 2024–25 is \$22.9 billion, a significant increase of approximately 40 per cent from \$16.4 billion in the 2023–24 budget. This represents a total increase of approximately 82 per cent from the 2022–23 budget. It reflects the state government's continuing investment in supporting the state's growth and areas of priority including energy, education, health, water, and transport.

The Queensland Government continues to spend more on its capital projects than is budgeted. In 2023–24, estimated actual expenditures were 13.8 per cent higher than budgeted expenditures, compared to a 16.4 per cent variance in 2022–23.

Queensland's increased capital investment and projects, along with major projects planned across Australia, presents significant challenges for the construction sector. These include a tight labour market, ongoing industrial disputes, and rising supply chain costs. The Queensland Government should consider assessing and addressing these risks to effectively deliver its infrastructure agenda over the next decade.

Improving coordination and guidelines for timely asset transfers

The Cross River Rail Delivery Authority finished constructing several assets and transferred them to Queensland Rail for use prior to 30 June 2024. However, formal acknowledgement and acceptance of the transferred assets was delayed due to differing views on the transfer date. To better align the operational handovers of the assets and the accounting requirements, agencies should effectively collaborate on the transfer process. This should include discussion with key stakeholders, including ministers and relevant central agencies, on when, and how, the asset transfers should be completed and designated for financial reporting purposes.

Queensland Treasury could consider providing additional guidance to promote early collaboration between agencies, ensuring key milestones are accurately recorded, and that accounting reflects the intended transfer and use of the assets. This will assist those responsible for managing the transfer process to better understand the potential issues that may need to be considered and addressed, including accounting implications.

Labour market constraints have affected the costs and timeline of Cross River Rail

The Cross River Rail project has experienced ongoing constraints in materials, labour, and industrial relations, which has affected its productivity and delivery timelines. As a result of these supply chain and market challenges, major construction works were extended from 2024 to 2025, delaying the formal opening date. The Delivery Authority has not yet announced the revised expected opening date or provided a revised budget due to the ongoing delivery challenges.

