

# A. Entity responses

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As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the:

- Treasurer and Minister for Trade and Investment
- Under Treasurer, Queensland Treasury
- Minister for Transport and Main Roads
- Director-General, Department of Transport and Main Roads
- Chief Executive Officer, Cross River Rail Delivery Authority.

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- Premier and Minister for the Olympics
- Director-General, Department of the Premier and Cabinet
- Executive General Manager, Brisbane Organising Committee for the 2032 Olympic and Paralympic Games
- Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure
- Director-General, Department of State Development, Infrastructure, Local Government and Planning
- Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence
- Director-General, Department of Justice and Attorney-General
- Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement
- Director-General, Department of Energy and Public Works
- Chief Executive Officer, Queensland Rail
- Lord Mayor, Brisbane City Council
- Chief Executive Officer, Brisbane City Council
- Mayor, Council of the City of Gold Coast
- Chief Executive Officer, Council of the City of Gold Coast.

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



## Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 04597-2022

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002

Email: QAO.Mail@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 24 October 2022 seeking comment on your draft report to parliament *Major Projects 2022*.

As discussed, at 10 November 2022 meeting, under the section heading "Most capital expenditure is in South East Queensland", the draft report provides a comparison of capital expenditure for each region from 2019 to 2023, with projected population growth percentage for 2016 to 2041 by region, with an associated graph.

Queensland Treasury considers this analysis could be enhanced to provide an accurate representation of the capital expenditure deployed across each region to service the respective population.

When doing similar analysis, Queensland Treasury recommends using spend per capita to reflect the underlying population distribution. As such, if Figure 1C is retained, it is recommended that average per capita spend by region be added. For ease of reference, we have included a relevant chart.

If you require any further information, please contact [redacted] who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read "Leon Allen".

Leon Allen  
Under Treasurer

14 / 11 / 2022

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# Comments received from Director-General, Department of Transport and Main Roads

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Office of the  
**Director-General**  
Department of  
**Transport and Main Roads**

**Confidential**

Our ref. DG43887

Your ref. PRJ02798

15 November 2022

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 24 October 2022 about the Queensland Audit Office's proposed report to parliament titled 'Major Projects 2022'.

While there are no specific recommendations for the Department of Transport and Main Roads (TMR) to address from this report, we note insights into major projects that the state budgeted for from 2018–19 to 2022–23 as well as insights into several major projects that are not included in the state budget.

If you require further information, please contact [REDACTED]

I appreciate the opportunity to provide feedback in relation to this proposed report.

Yours sincerely

A handwritten signature in blue ink that reads 'Neil Scales'.

Neil Scales  
**Director-General**  
Department of Transport and Main Roads

1 William Street Brisbane  
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Queensland 4001 Australia

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ABN 39 407 690 291

# Comments received from Chief Executive Officer, Cross River Rail Delivery Authority



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ABN: 21 542 690 798  
☎ 1800 010 875  
✉ info@crossrivrail.qld.gov.au  
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Our ref: D2022/98819  
Your ref: PRJ02798

14 NOV 2022

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
qao@qao.qld.gov.au

  
Dear Mr Worrall

## QUEENSLAND MAJOR PROJECTS REPORT

Thank you for the opportunity to review and provide comment on your proposed Major Projects 2022 report which will be tabled in Parliament this year.

It is pleasing to note that your independent review of the Cross River Rail (CRR) project:

- Did not identify any matters of significance relating to the assessment of the options or the decision on locations for the southern tunnel surface stations.
- Did not identify any significant issues in relation to compliance with the Queensland Government frameworks and guidelines with respect to the three detailed business cases prepared for the CRR project.
- Did not identify any significant issues relating to the procurement activities for each of the three major work packages, being:
  - Rail, Integration and Systems
  - Tunnel, Stations and Development, and
  - European Train Control System.

Your report identified that the original business case assumptions had been impacted by the COVID-19 pandemic, with actual Queensland Rail Citytrain Network Passenger numbers reduced by 25.3 per cent in 2020–21 due to the pandemic, noting that in recent months rail passenger numbers have started to improve.

The recently launched SEQ Rail Connect identifies CRR as the centrepiece of this blueprint to prepare the South East Queensland (SEQ) rail network to meet population growth, get ready for the Brisbane 2032 Olympic and Paralympic Games, shift people from car to train travel, and integrate new train stations and services with the existing SEQ public transport network. SEQ Rail Connect reflects current planning against a backdrop of COVID-19 impacts.

As you have also noted, the CRR project is not immune to the impacts of global economic factors which are contributing to supply chain issues and the report indicates that the Cross River Rail Delivery Authority (the Delivery Authority) will need to continue to monitor performance and budget and adjust for impacts relating to the supply chain and consequential pricing outcomes.



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The Delivery Authority is monitoring impacts that have continued to materialise on the CRR project, including shipping delays and additional manufacturing and freight costs and wait times for key supplies such as rail steel, lift components, signal relays and signal heads, and escalation in raw material inputs such as stainless steel.

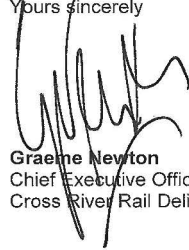
The Delivery Authority's risk management approach to this issue is being considered in the context of assessed impacts on the broader construction industry and the experience of similar Australian projects. The Queensland Government's decision in 2020 not to shut down worksites is a key point of difference to comparable projects in NSW and Victoria.

An assessment of these impacts is ongoing, and the Delivery Authority continues to progress work on an Integrated Schedule which will assist in informing the State's position and approach to managing the timing, costs and completion of the project.

Once again, thank you for the opportunity to comment on the proposed report and I look forward to continuing to work with the Queensland Audit Office.

If you require further information, I encourage you to contact [REDACTED]

Yours sincerely



**Graeme Newton**  
Chief Executive Officer  
Cross River Rail Delivery Authority