

## 2012-2013 Assessment Brief

Recommended Status:	<b>Ready to proceed</b>
Status in 2012 Report to COAG:	<b>Ready to proceed</b>
Initiative Name:	Cross River Rail – core project
Geography:	South east Queensland
Proponent:	Queensland Government
Project description:	<p>The Queensland Government is seeking \$3.33 billion of Commonwealth funding to construct the core Cross River Rail project. This is the first stage of a program of works to develop an 18 kilometre rail line from near Salisbury, under the Brisbane CBD, to Bowen Hills, north of the CBD.</p> <p>An updated capital cost of \$4,445 million was announced publicly by the Queensland Government in late June 2012. This brief is based on the business case provided for the 2011-12 Assessment.</p> <p><b>Objectives:</b></p> <p>The objectives of the Cross River Rail project are to provide the necessary infrastructure to support the transformation of Brisbane into Australia’s third internationally competitive city, support critical freight networks.</p> <p><b>Problem:</b></p> <p>The submission identifies a range of challenges that the project is designed to address: rapid population growth; growth in CBD employment; low density development; continued car dependency; increased road congestion; growth in freight; increased transport-related emissions; oil dependency; rapid public transport patronage growth; overcrowding; limited CBD rail capacity; limited inner city coverage by rail; an indirect rail service; and passenger and freight rail conflicts.</p> <p><b>Solution:</b></p> <p>The core Cross River Rail project is the river crossing, which is scheduled to be delivered by 2020. It includes: 10 kilometres of twin single track tunnels between Yeerongpilly and Victoria Park; and Development of four new underground stations along the tunnel - in Woolloongabba, Boggo Road, Albert Street and Roma Street.</p> <p>This core project forms the first stage of a broader program of works that may be developed in the future. The staged approach to delivery of the full project has been adopted by the Queensland Government following advice from Office of the Infrastructure Coordinator.</p> <p>In addition to the core project, the full Cross River Rail solution includes:</p> <ul style="list-style-type: none"> <li>• New surface stations at Yeerongpilly and Exhibition;</li> <li>• Minor station upgrades at Moorooka and Rocklea; and</li> <li>• 5 kilometres of additional corridor surface tracks from Yeerongpilly to south of Salisbury (includes 4 kilometres of additional freight track, 3 kilometres of two additional passenger tracks and various track realignments).</li> </ul>
Proponent’s capital cost estimate:	\$4,445 million (\$2010, P90 cost)
Contribution sought by Proponent including requests for project development funding (\$million):	\$3,334 million (75 per cent of costs)
Project timing Start/Completion by Proponent (month/year):	Earliest delivery 2020 (for core project)
BCR by proponent, excluding Wider Economic Benefits:	1.34

## **Strategic alignment**

### **Alignment with Infrastructure Australia's strategic priorities:**

Cross River Rail is closely aligned with a number of Infrastructure Australia's strategic priorities, and will contribute to developing our cities and regions, improving social equity and quality of life in Australia's cities, as well as expanding Australia's productive capacity and improving productivity.

The Office of the Infrastructure Coordinator has previously recognised the Cross River Rail as a project of national significance. South east Queensland is one of Australia's major growth centres and this initiative would have a significant impact on improving transport options for a large proportion of the population.

Furthermore, the project is likely to provide considerable benefits for freight movement to and from the Port of Brisbane and associated inter-modal facilities, including inter-regional, inter-state and international movements.

### **Alignment with state strategies:**

The Office of the Infrastructure Coordinator has previously recognised the alignment with Queensland state strategies and the high prioritisation the Queensland Government has given to the Cross River Rail project.

## **Problem analysis**

The Office of the Infrastructure Coordinator has previously acknowledged the strength of the problem analysis presented in the Cross River Rail submission.

## **Solution assessment**

Over the period of assessment, the Queensland Government has addressed and/or is taking appropriate steps to address issues raised by the Office of the Infrastructure Coordinator, particularly in respect of the options analysis and deliverability of the project. This additional work supports the alignment of the project with Infrastructure Australia's Reform and Investment Framework and justifies the Cross River Rail – core project being recommended at Ready to Proceed on the infrastructure priority list.

It is the Office of the Infrastructure Coordinator's view that the approach to risk assessment is comprehensive.

## **BCR appraisal**

The economic appraisal was updated to address a number of concerns raised in 2011. While there remain some minor areas of contention (including the inclusion of the North West Transit Corridor in the base case), the Office of the Infrastructure Coordinator is comfortable that the cost benefit analysis methodology is robust and that the BCR remains above 1:1 under a number of scenarios.

## Infrastructure Australia Priority List Recommendation

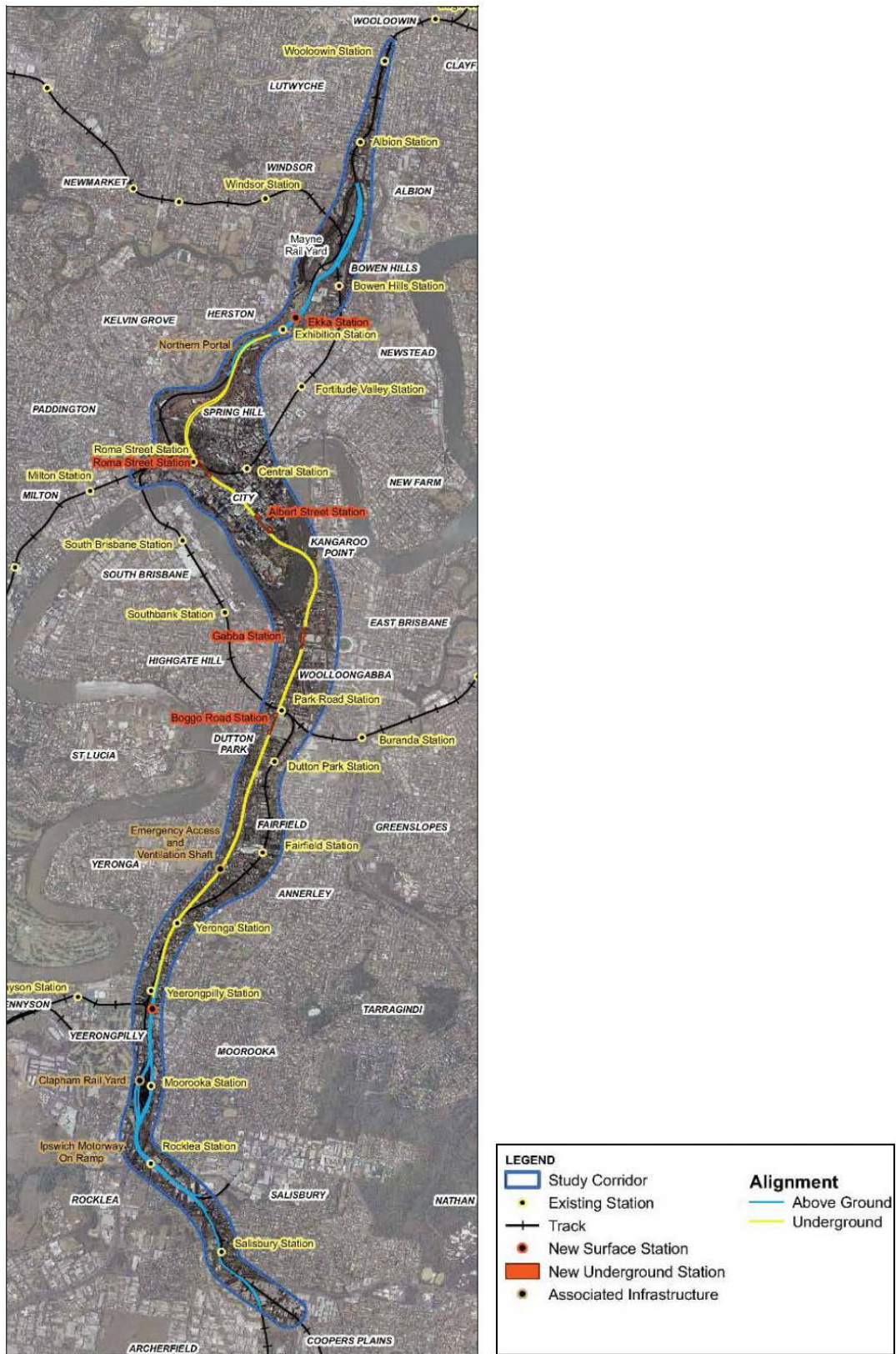
Infrastructure Australia recognises the national significance and validity of the overarching project, which has the potential to transform the city of Brisbane.

The Queensland Government has taken a number of steps to address the Office of the Infrastructure Coordinator's concerns regarding the extent of options analysis, robustness of the economic appraisal, reliability of cost estimates and implementation plans. It is the Office of the Infrastructure Coordinator's view that the primary issues have been adequately addressed.

It is recommended that the project be included on the 2013 Infrastructure Priority List at **Ready to Proceed** with the following conditions:

- The proponent considers alternative options for revenue generation, including a parking levy and congestion charging;
- The analysis undertaken on the land value capture opportunity is subject to an independent review;
- The proponent undertakes further market sounding to ensure that procurement options are based on up to date feedback;
- The proponent develops a comprehensive governance model for procurement and delivery;
- The proponent agrees to planning approval conditions that balance amenity and more efficient delivery; and
- The proponent agrees to undertake a post completion evaluation of the project;
  - upon completion, for example to test whether the project was completed within scope, on time and on budget; and
  - at agreed future intervals to assess whether demand projections underpinning the project's development were robust, and whether other project benefits have been realised.

Figure 1 Cross River Rail (Full Project) - Brisbane



Source: Queensland Coordinator General's report on the project environmental impact statement, December 2012