

Assessment of certain nationally significant infrastructure projects that were committed to without prior evaluation by Infrastructure Australia

2024-25 report

Purpose of this report

Section 5DA of the *Infrastructure Australia Act 2008* (IA Act) requires Infrastructure Australia to assess and report on certain nationally significant infrastructure projects that have been committed to without prior evaluation by Infrastructure Australia.

This requirement came into effect following amendments to the IA Act in December 2023.

An assessment of a proposal under Section 5DA does not and should not be used in lieu of an Infrastructure Australia evaluation of a proposal under Section 5B of the IA Act prior to the commitment of funding.

Comprehensive evaluations of well-planned, fully formed proposals prior to commitment and funding by governments helps to ensure that the right projects are developed and delivered at the right time. It also assists to minimise risk to governments from cost, time and scope increases.

The Section 5DA Report for 2024-25

Our Approach to assessment

Legislative requirement

Projects considered for an assessment must meet all four criteria set out in subsection 5DA(2) of the IA Act:

- are for investment in, or enhancements to, nationally significant infrastructure; and
- involves expenditure by or on behalf of the Commonwealth; and
- the Commonwealth Government's total expenditure involved in the project is more than \$250 million; and
- the Commonwealth Government has committed to the project without prior evaluation (or endorsement of evaluation) of a proposal for the project by Infrastructure Australia.

Projects must be in one or more of the sectors in Infrastructure Australia's remit: transport, energy, communications, water and social infrastructure¹.

Expenditure can include both actual or planned expenditure.

For the 2024-25 report, we identified eligible projects that were committed to through the Government's Infrastructure Investment Program.

Section 5DA does not require Infrastructure Australia to assess all eligible projects in each financial year.

Sources of information

Projects meeting the criteria above were identified through the Federation Funding Agreement Schedules for Land Transport Infrastructure Projects (2024-2029), the Mid-Year Economic and Fiscal Outlook 2024-25, and 2025-26 Budget documents and announcements.

A project's stage of development and the information available to us influence the breadth and depth of the assessment we are able to undertake on a particular project. For example, reliance on only publicly available information may limit the depth of our analysis. The sources of information that informed our findings are described in the project assessments.

Projects selected for assessment

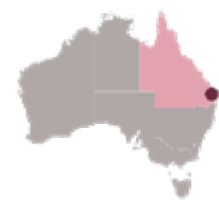
For the 2024-25 Report, the following projects were selected for assessment as they meet the legislative criteria, are active projects (they are not closed or nearing completion), and they have not been subject to evaluation under section 5B of the IA Act:

- Bruce Highway – Targeted Safety Package (Queensland)
- Suburban Roads Upgrades – South Eastern Roads and Northern Roads (Victoria)

The project assessments are provided on the following pages.

¹ As per the Government's Statement of Expectations for Infrastructure Australia and our Statement of Intent, social infrastructure will generally be considered in the context of broader place or region-based infrastructure planning and include integrated investments in other infrastructure (such as land transport).

Bruce Highway – Targeted Safety Package



ASSESSMENT OF A NATIONALLY SIGNIFICANT PROJECT WITH AN AUSTRALIAN GOVERNMENT COMMITMENT WITHOUT PRIOR EVALUATION BY INFRASTRUCTURE AUSTRALIA - AN ASSESSMENT CONDUCTED UNDER SECTION 5DA OF THE INFRASTRUCTURE AUSTRALIA ACT 2008

LOCATION	SECTOR	DELIVERY PARTNER
Queensland	Transport	Queensland Government

DATE OF INITIAL COMMITMENT	DELIVERY TIMEFRAME AT DATE OF COMMITMENT	CAPITAL COST AT DATE OF COMMITMENT
January 2025	Construction start: Q2 2025 Completion by: 2032	\$9,000 million

SCOPE AT COMMITMENT

Upgrade the Bruce Highway north of Gympie to align with requirements for a minimum three-star safety rating^{2,3}.

FUNDING COMMITTED

Australian Government: \$7,200 million		QLD Government: \$1,800 million
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Assessment Summary

- The Bruce Highway is Queensland’s primary north–south corridor, connecting coastal population centres between Brisbane and Cairns. Servicing 62 per cent of Queensland’s population and carrying 20 million tonnes of freight each year, the 1,673-kilometre highway forms part of the National Land Transport Network and is a Key Freight Route⁴.
- The Australian Government’s commitment of \$7.2 billion towards the \$9 billion project will support upgrading sections of the Bruce Highway to align with requirements for a three-star safety rating. This commitment builds on substantial previous investments made by both governments. An initial \$300 million early works and planning package was announced on 19 March 2025⁵.
- Crashes on the highway significantly impact access for communities, freight and tourists.
- Although we did not undertake an evaluation of this commitment, we strongly support ongoing investment on the Bruce Highway to improve safety, resilience and productivity. Upgrades to the highway have been included on the Infrastructure Priority List since 2016, recognising that transport connectivity and productivity on this critical road link is nationally significant.
- We note that the commitment is an extension of current works under delivery and that strategic planning has been undertaken for the corridor with established governance mechanisms in place. Due to recent safety and resilience concerns there was a clear need for governments to move quickly with additional investment, and this has been supported by industry and the community.
- Additionally, Infrastructure Australia recommends that both governments consider undertaking a review of the benefits realised to date and lessons learned through the delivery of current and previous safety treatment projects if this has not already occurred.

² [\\$7.2 billion in new funding from the Australian Government to fix Bruce Highway](#)

³ The Australian Road Assessment Program uses data about a road’s attributes and usage to determine a road safety star rating (1-5). See [AusRAP Road Safety Star Rating](#) | Austroads for more information.

⁴ [15-year Vision and Action Plans for the Bruce Highway](#)

⁵ <https://minister.infrastructure.gov.au/c-king/media-release/fixing-bruce-9-billion-safety-package-kicks>

Project description

The Bruce Highway handles significant traffic volumes, from 2,600 vehicles a day north of Rockhampton to 165,000 vehicles per day north of Brisbane. Heavy vehicles, with daily volumes between 600 and 23,000, carry around 20 million tonnes of freight each year⁶.

On 6 January 2025, the Australian Government announced an additional \$7.2 billion to upgrade and fix the Bruce Highway in Queensland, to align with requirements for a minimum three-star safety rating. This brings total Australian Government funding on the highway to more than \$21.4 billion since 2008.

The announcement advised funding will:

- focus on sections of the Bruce Highway that have a safety rating less than three-stars, which is approximately 40% of the highway.
- fast-track critical projects along the whole corridor, initially focusing on priority sections north of Gympie identified by stakeholders due to their higher than average crash rates.
- deliver safety improvements such as: installing safety barriers, wide centre lines and audio tactile line marking; constructing wider shoulders; increasing run off areas and removing roadside hazards, reseal and rehabilitate pavement, construct overtaking lanes and rest areas; and improving intersections, signage, and sight lines and drainage.

The Australian and Queensland governments are working with the Bruce Highway Advisory Council to identify, scope and prioritise projects. The upgrades will be delivered in packages commencing in 2025, with estimated completion in 2032.

The Queensland Department of Transport and Main Roads will deliver the package and has substantial experience in delivering these types of projects.

Changes since the commitment was made

There have been no announced changes to the scope, time or cost of the project since the commitment was made.

Expected benefits

The proposed works aim to reduce fatalities and serious injuries by reducing the risk of the prevailing fatal crash types on the Bruce Highway of head-on and run-off road crashes.

The Safer Bruce 2030 Action Plan advises that upgraded sections of the Bruce Highway utilising the proposed safety treatments have seen a reduction in vehicle crashes⁷.

Some productivity benefits will likely arise through a reduction in heavy vehicle crashes and road closures. Resilience of the highway will also be improved through sealing and rehabilitating road surfaces to 'build back better'⁸, thereby helping to mitigate damage from increasing weather events.

Identified risks

The project is scalable to available funding. However, for the objective of the commitment to be realised, funding will need to be carefully managed to maximise the benefits produced by the upgrades on the Bruce Highway.

Infrastructure Australia's 2024 Infrastructure Market Capacity report identifies local supply constraints in northern Australia, especially in regional areas. Constraints are expected to be exacerbated by recovery works following natural disasters.

Commentary

The Bruce Highway upgrade was added to our Infrastructure Priority List in 2016, recognising the importance of the highway, which is part of the National Land Transport Network and a Key Freight Route. We have conducted evaluations of business cases for over a dozen projects on the Bruce Highway.

Our Infrastructure Priority List assessment acknowledges that the problems identified along the Bruce Highway include safety concerns. Increased traffic volumes associated with population and economic growth has also resulted in congestion around key economic hubs. This diminishes Queensland's freight productivity.

The investment aligns with the Australian Government's Infrastructure Policy Statement strategic themes of productivity and resilience and liveability, by improving freight efficiency and safety for users of the highway.

It also aligns with broader Australian Government policies and strategies, including the National Road Safety Strategy 2021-30 and Action Plan, and the National Freight and Supply Strategy.

The Australian and Queensland governments have been working closely on the Bruce Highway Upgrade Program since 2013⁹. The Program is supported by the Bruce Highway Vision and Action Plans, and informed by the Bruce Highway Advisory Council (BHAC). The strategic planning and governance

⁶ Safer Bruce 2030 Action Plan

⁷ As above.

⁸ \$7.2 billion in new funding from the Australian Government to fix Bruce Highway | Ministers for the Department of Infrastructure

⁹ Bruce Highway Upgrade program | Department of Transport and Main Roads

structure over the upgrade through the BHAC provides confidence in the selection and delivery of projects. We would expect that the upgrades will be coordinated with existing maintenance programs to minimise traffic disruptions.

There was a clear need to provide further funding to address increasing safety and resilience concerns, supported by governments and the community, with 42 people losing their lives on the Bruce Highway in 2024 alone.

Given the quantum of funding both the Australian and Queensland governments have committed to the Bruce Highway, Infrastructure Australia recommends that both governments consider undertaking a review

of the benefits realised to date and lessons learned through the delivery of current and previous safety treatment projects if this has not already occurred. This will ensure that this commitment and any future funding is targeting treatments of the highest benefits.

This assessment has been informed by publicly available information and information provided by the Australian Government regarding the initial funding allocation for 2025. Given the extended period of delivery, the Bruce Highway Targeted Safety Package requires further planning to inform project scoping, phasing and investment allocation for future years. Infrastructure Australia would expect to evaluate component projects that exceed \$250 million of Australian Government funding.

Suburban Roads Upgrade - South Eastern Roads and Northern Roads



ASSESSMENT OF A NATIONALLY SIGNIFICANT PROJECT WITH AN AUSTRALIAN GOVERNMENT COMMITMENT WITHOUT PRIOR EVALUATION BY INFRASTRUCTURE AUSTRALIA - AN ASSESSMENT CONDUCTED UNDER SECTION 5DA OF THE *INFRASTRUCTURE AUSTRALIA ACT 2008*

LOCATION	SECTOR	DELIVERY PARTNER
Melbourne, Victoria	Transport	Victorian Government
DATE OF INITIAL COMMITMENT	DELIVERY TIMEFRAME AT DATE OF COMMITMENT	CAPITAL COST AT DATE OF COMMITMENT
April 2019	Construction start: Jan 2021 Completion by: mid-2029	\$2,269 million

SCOPE AT COMMITMENT

Upgrade and ongoing maintenance of 12 suburban roads in Melbourne’s South East and Northern suburbs. Upgrades include road duplications, widening and intersection improvements.

FUNDING COMMITTED¹⁰

Australian Government: \$1,577 million		VIC Government: \$1,566 million
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Assessment Summary

- The Suburban Roads Upgrade (SRU) program responds to significant transport issues faced by Melbourne’s growing outer suburbs.
- The South Eastern Roads and Northern Roads packages are delivering 12 road and 6 bridge upgrades, and associated safety infrastructure across Melbourne’s south-eastern and northern suburbs. Increasing the capacity and safety of the arterial road network will enhance productivity by reducing congestion, increase access to jobs and housing in growth areas and improve quality of life for Melbourne’s growing suburban communities.
- The Australian Government committed \$1,140 million towards the South Eastern Roads and Northern Roads packages in April 2019 and to date has increased its commitment to \$1,577 million towards the \$3,143¹¹ million package of projects.
- Initially proposed as a Public Private Partnership (PPP), market conditions in 2020 resulted in the procurement of the South Eastern Roads and Northern Roads packages shifting to an alliance-style collaborative contracting model. This approach accelerated delivery and enabled greater participation of local contractors, which may have helped to moderate demand pressures on an already at-capacity construction market.
- Lessons learnt and benefits realisation monitoring of the SRU program should be leveraged to inform and maximise value for money of similar suburban road upgrade projects funded by the Australian Government.

^{10,11} Federation Funding Agreement Schedule on Land Transport Infrastructure Projects (2024-29) – 27 March 2025 Funding Table - Victoria. Note, the Victorian [2025-26 State Capital Program](#) identified an increased total estimated investment for the project.

Project description

The broader SRU program involves upgrades across Melbourne's western, northern, and south-eastern suburbs. The upgrades include road duplications, new bridges, intersection upgrades, the provision of shared user paths and road safety barriers. An objective of the program was to establish long-term maintenance contracts.

Major Road Projects Victoria (MRPV) is delivering the projects. MRPV is a dedicated Victorian government agency that has substantial experience in planning and delivering major road projects.

Individual road upgrade projects included in the South Eastern and Northern Roads Upgrades packages, and their delivery status, are listed below.

South Eastern Roads Upgrade package		Northern Roads Upgrade package	
Project	Status ¹²	Project	Status
Lathams Road	Complete	Sunbury Road	Complete
Healesville-Koo Wee Rup Road	Complete	Childs Road	Complete
Hallam North and Heatherton Road	Complete	Craigieburn Road	Complete
Narre Warren-Cranbourne Road	Complete	Bridge Inn Road and Yan Yean Road ¹³	Complete and in pre-construction respectively
Pound Road West	Complete	Epping Road	Construction
Golf Links Road	Complete	Fitzsimons Lane	Complete

Changes since the commitment was made

In April 2019, the Australian Government committed \$1,140 million towards the South Eastern Roads and Northern Roads packages of the SRU program. The Australian Government's funding commitment has increased by \$437 million and is now \$1,577 million towards the \$3,143 million project. Cost increases are stated to have occurred due to market escalation, utility relocation costs and the Yan Yean Road Upgrade – Stage 2¹⁴ project. The total investment includes additional funding for developer funded design and construction works.

Delivery of the South Eastern Roads and Northern Roads packages was initially proposed as a PPP, with the contractor to provide asset maintenance for a certain period once delivered. After a detailed market engagement process, the PPP procurement model was abandoned in 2020 due to constrained construction market conditions. The Victorian Government opted for an alliance style collaborative contracting model, similar to that used in the Level Crossing Removal Project, to accelerate delivery, reduce pressure on the Tier 1 construction firms and build local construction market capability by involving local contractors.

As a result of the change to the contracting model, the ongoing maintenance component of the packages was removed. This meant that a key objective of the

investment was not met and potentially reduced the delivery contractor's incentive to ensure long term durability of the roads during construction. However, the economic uncertainty and highly constrained market conditions experienced at the start of 2020 meant that removing the maintenance component may have reduced upfront contract size and financial risk, improving overall affordability of the works.

The South Eastern Roads package has completed delivery. Environmental planning approvals for the Yan Yean Road project, in the Northern Roads package, has resulted in delay to delivery of this project. As a result, this package is expected to be fully delivered by mid-2029¹⁵.

Expected benefits

The South Eastern and Northern roads upgrade packages aim to improve road capacity, ease congestion, and increase productivity across Melbourne's south-eastern and northern suburbs which are experiencing rapid population growth and increasing freight demand. Each individual project also aims to improve road safety by introducing safety infrastructure that will reduce crash frequency and severity.

Once completed, the upgrades are expected to support significant economic development by attracting and improving access to employment and services, and reducing vehicle wear and tear.

¹² [Big Build Roads - Victoria's Big Build](#)

¹³ The Yan Yean Road Upgrade is funded via the SRU packages but will be delivered separately.

^{14,15} 2025-26 Victorian State Budget – State Capital Program

Additionally, the projects will enhance local amenity and liveability by reducing noise and facilitating more active transport.

Identified risks

For the two projects in the Northern package still in delivery, residual risks for projects of this type generally relate to adverse stakeholder and community sentiment, particularly if land acquisitions are required, construction in a live traffic environment and unforeseen delays that impact the delivery timeline.

As is common with road upgrade projects that increase network capacity, it is likely the improved road infrastructure will attract new users, limiting the long-term congestion relief and potentially increasing vehicle emissions as more vehicles access and use the road network.

Commentary

Delivering the South Eastern Roads and Northern Roads packages will support achieving the strategic themes outlined in the Australian Government's Infrastructure Policy Statement, noting the statement was not in place at the time of the commitment. Overall, they will enhance productivity by reducing congestion, improving freight efficiency, and increase access to jobs and housing in growth areas. They support liveability by improving road safety, enhancing access to essential services, and creating local employment opportunities, contributing to a better quality of life for suburban communities.

Infrastructure Australia's Infrastructure Priority List includes proposals that aim to improve transport connectivity in Melbourne's outer suburbs. While

these are primarily focused on mass transit public transport initiatives, the road upgrades will support these objectives by improving bus service reliability and reducing delays caused by congestion.

The Victorian Government's decision to change the contracting model from a PPP to an alliance style model allowed lower tier construction market participants to contribute to the delivery of the South Eastern and Northern Roads Upgrade packages. Enabling greater participation of local contractors may have helped moderate demand pressures on an already at-capacity construction market.

In March 2025, the Australian and Victorian governments committed \$1.2 billion to a new package of works called the Road Blitz, which aims to increase capacity and improve efficiency in growth areas around Melbourne. The Victorian Government is contributing \$200 million to this initiative. We recommend the Australian and Victorian governments work closely to review the lessons learnt and validate benefits realisation from the South Eastern Roads and Northern Roads packages to inform and maximise value for money of the Road Blitz initiative.

Our assessment of the South Eastern Roads and Northern Roads packages of the SRU program was informed by publicly available information and information provided by the Australian Government.

It is anticipated that the Yan Yean Road project will be seeking more than \$250 million of Australian Government funding, and therefore Infrastructure Australia will undertake an evaluation of this component of the program.

Infrastructure Australia is
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significant infrastructure investment
planning and project prioritisation

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