

INFRASTRUCTURE PIPELINE REPORT

DECEMBER 2016





Cover: Government Wireless Network (Image courtesy of Department of Science, Information Technology and Innovation)

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INFRASTRUCTURE PIPELINE REPORT DECEMBER 2016
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OUR MANDATE

Building Queensland was established as an independent statutory body on 3 December 2015 under the *Building Queensland Act 2015*.

Governed by an eight-member Board, Building Queensland provides independent expert advice to Queensland Government agencies, government-owned corporations and selected statutory authorities to enable better infrastructure decisions.

Building Queensland's core functions are to:

- » provide strategic advice on infrastructure matters
- » assist with the early stage development of proposals
- » assist with Business Case development for proposals with a capital value of \$50–\$100 million
- » lead the development of rigorous Business Cases, including cost benefit analyses, for proposals over \$100 million
- » develop and publish an Infrastructure Pipeline of priority proposals every six months
- » play a role in procurement and delivery of infrastructure projects if directed by the Minister.



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CHAIR'S FOREWORD

It is with great pleasure that I provide the second edition of the Infrastructure Pipeline Report to the Queensland Government on behalf of Building Queensland, in accordance with the *Building Queensland Act 2015*.

The Infrastructure Pipeline is integral to Building Queensland's purpose as it provides the government with independent advice on the infrastructure proposals that best meet the needs of the state. It is a clear, transparent Pipeline that looks across a broad range of sectors to help guide sensible investment of public monies.

Despite our infancy, Building Queensland has already had a significant influence on the infrastructure investment decisions of the Queensland Government. With the release

of the first Pipeline in June 2016, three of the four proposals recommended for government consideration now have a funding commitment.

The Pipeline will continue to be refined with detail added to ensure it remains useful for stakeholders. I would like to acknowledge the stakeholder feedback Building Queensland has received and reiterate our commitment to working actively with government and industry to drive the right projects for the state.

Moving forward, Building Queensland will continue its work ensuring proposals focus on responding to the needs of Queenslanders, rather than the influences of the political cycle,

and that the development process is staged to ensure good proposals progress when they are needed.

By providing Building Queensland's independent view of priority proposals through this report, Building Queensland will drive greater certainty in the role successive governments must play in delivering infrastructure projects.



Alan Millhouse
Chair,
Building Queensland Board



INSIGHTS FROM THE CHIEF EXECUTIVE OFFICER

This report proposes a government-wide pipeline of priority proposals that we believe can meet the needs of the state. In addition to our work in identifying priority proposals, this report goes on to explain Building Queensland's key role in developing rigorous infrastructure proposals.

In preparing this report, Building Queensland has found that there is opportunity for agencies to lift the standard of proposal development. Although more proposals are entering our Pipeline at earlier stages of development, Building Queensland continues to focus on getting the fundamentals underpinning proposals right. This will help ensure the proposals that progress address a clear need for the state.

Our Infrastructure Pipeline is part of a program of ongoing work. Since the release of our first report we have been working closely with agencies to improve the standard of infrastructure proposals. This is essential work. Our experience has shown that collaboration with government and the private sector can help facilitate a consistent yet innovative approach to infrastructure proposal development.

We are finding new ways to make government more efficient, flexible and better able to meet the needs of Queenslanders. That is why our Business Case Development Framework is continually being enhanced as we engage with stakeholders and respond to changes in international best practice and the economic and social landscape.

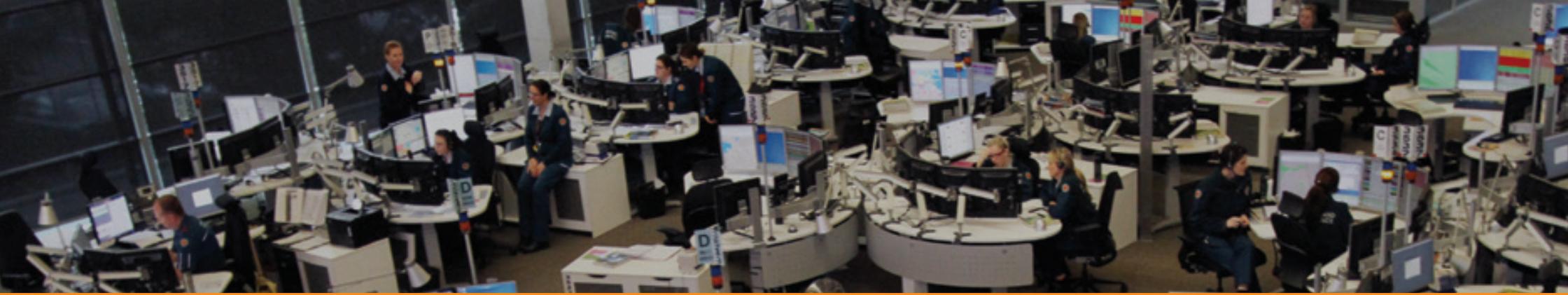
Ultimately, better proposal development, coupled with careful prioritisation, will lead to quality infrastructure and a stronger Queensland.

In closing, as this report corresponds to our 12 month anniversary, I would like to acknowledge and thank the Board and my staff for the critical role they have played in the development of Building Queensland to date.



David Quinn
Chief Executive Officer,
Building Queensland

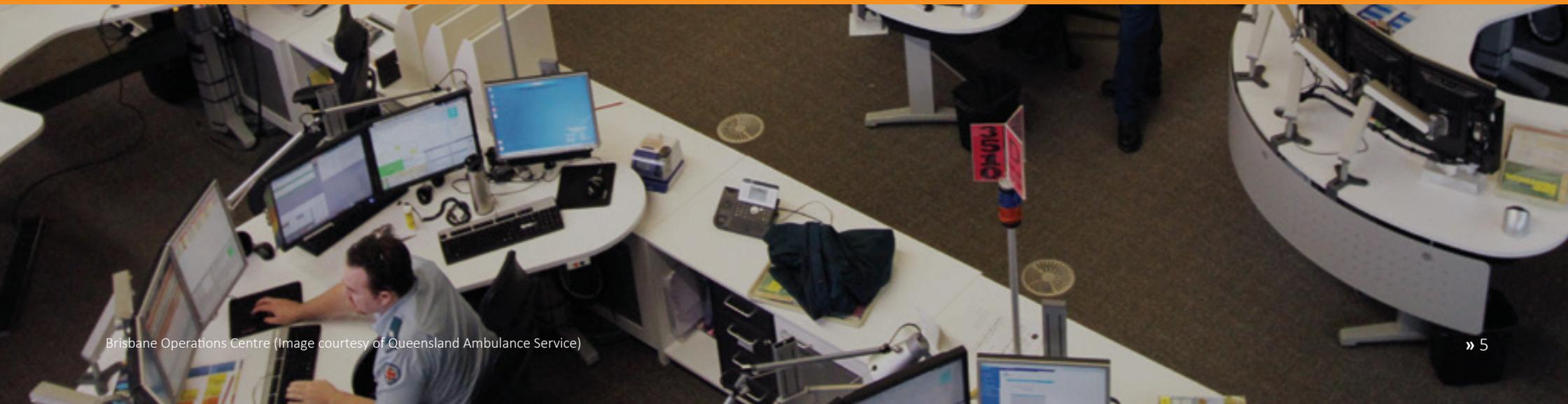




INTRODUCTION

The Infrastructure Pipeline Report has been developed to assist the Queensland Government in making its major infrastructure decisions. Our rigorous appraisal process and Business Case requirements help ensure that priority proposals are based on merit and are independent of political cycles.

This report is divided into two parts. The first focuses on the priority proposals in the December 2016 update. The second reports on Building Queensland's activities to improve proposal development and depoliticise priorities for the state.



An aerial photograph of Queensland, Australia, showing the coastline and inland terrain. A semi-transparent orange banner is overlaid across the top portion of the image, containing the title text.

PART 1: THE PRIORITIES

THE INFRASTRUCTURE PIPELINE

This Infrastructure Pipeline is Building Queensland's independent assessment of infrastructure proposals under development by the Queensland Government. These are the unfunded proposals that Building Queensland recommends the government consider further developing or are ready for consideration as part of Budget processes.

Building Queensland's Infrastructure Pipeline includes both economic and social infrastructure proposals where the estimated capital cost is expected to be greater than \$50 million.

The Pipeline is set out by stage of development to provide visibility of a proposal's current status. Proposals in the earliest stage, Strategic Business Case,

are primarily focused on defining the service need or opportunity. Proposals in the next stage, Preliminary Business Case, investigate the financial, economic, social and environmental viability of options to address the need. The final stage, Detailed Business Case, involves the examination of the preferred option and delivery models, after which an informed decision can be made by government.

It is important to note that the inclusion of a proposal in the Pipeline is Building Queensland's recommendation to government to further develop that proposal. Proposals at earlier stages of development are not ready for consideration and instead are recommended for further rigorous planning (see Figure 1).

Proposals in the Pipeline are:

- » unfunded—proposals with a partial or full funding commitment for procurement or delivery are excluded
- » estimated to have a minimum capital value of \$50 million
- » state government infrastructure proposals.

The Infrastructure Pipeline is updated every six months to reflect the status of priority proposals under development. This is the second edition of the Pipeline and it is a critical update as it informs the annual revision of the State Infrastructure Plan and the 2017-18 Queensland Budget.

INFORMING GOVERNMENT DECISION-MAKING

The Infrastructure Pipeline is a decision-focused list providing visibility of unfunded proposals. Building Queensland applies robust analysis to identify proposals that we recommend for further development or investment decision-making by the Queensland Government.

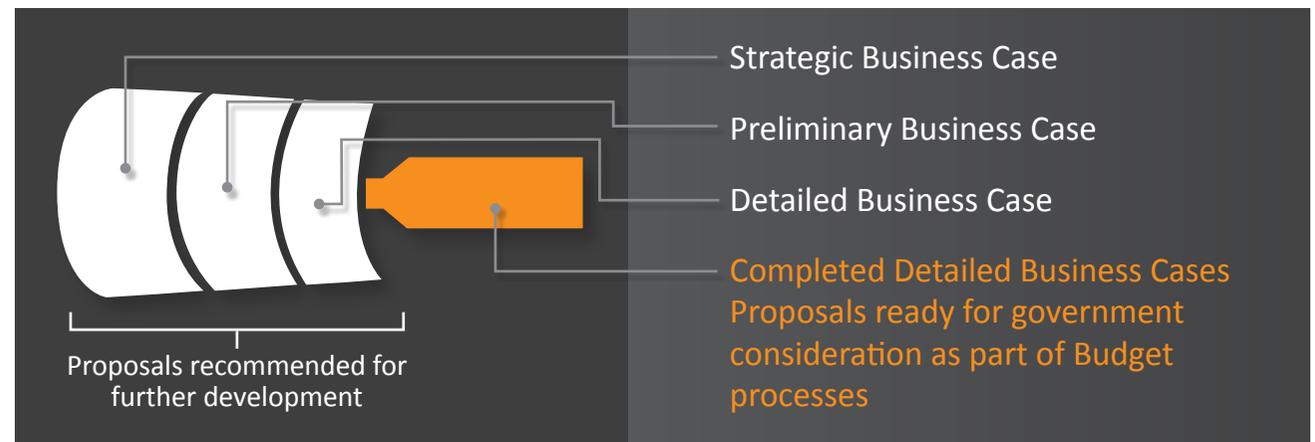


Figure 1. Status of Proposals in the Pipeline

WHAT'S CHANGED

In the inaugural Infrastructure Pipeline Report (June 2016) 16 proposals were identified. Since then, various proposals have been added and some have progressed reflecting the dynamic nature of the Pipeline. A total of 20 proposals have been identified in this December Pipeline.

WHAT'S MOVED

Key changes in the Pipeline since June 2016 are reflected in Figure 2.

Committed Proposals

All five proposals that no longer appear in the Pipeline have received either a partial or full funding commitment from the state government and are therefore no longer within scope. These proposals will now appear in the State Infrastructure Plan annual update.

Three of the four proposals Building Queensland recommended as being ready for government consideration have received a funding commitment, including:

- » Cross River Rail
- » European Train Control System—Inner City
- » Pacific Motorway—Mudgeeraba to Varsity Lakes.

Funding for a further two proposals was announced in the 2016–17 Queensland Budget under the Department of Health's Reprioritised Capital Program. These include the Financial System Renewal and the Laboratory Information System proposals. ICT proposals like

these do not always follow the traditional built infrastructure path.

Business Case development and procurement of ICT proposals can occur concurrently as the solution often requires market engagement during various stages of a proposal's development to define the solution. A degree of confidence that funding is, at least in principle, already committed is required to stimulate market engagement. Market engagement includes activities such as pilots, co-development and proofs of concept. These approaches provide clarity and confidence in the underlying analysis, particularly given the rate of technological change.

Updated Analysis

As proposal development progresses, those that demonstrate value to Queensland continue to be eligible for progression through the Pipeline.

Building Queensland has now completed the Detailed Business Case for the Beerburrum to Nambour Rail Upgrade Project. Developed using Building Queensland's Business Case Development Framework, the Business Case demonstrates value to the state and meets Building Queensland's prioritisation criteria. Subsequently, this project has progressed for government consideration.

The Townsville Eastern Access Rail Corridor proposal has also progressed with the commencement of a Detailed Business Case. Several other proposals have completed their current stage of development and are awaiting a decision from government to further develop the proposals.

The Cunningham Highway—Yamanto Interchange to Ebenezer Creek Detailed Business Case is the first proposal in the Pipeline to undergo an update. The appraisal of the 2012 Business Case confirmed there is still a strong need for this project; however the Department of Transport and Main Roads is undertaking a review of land requirement matters with the Department of Defence and RAAF Base Amberley, as well as current costs and economic assessment.

WHAT'S NEW

Early Stage of Development

For the first time, two proposals have entered the Pipeline at the earliest stage of development—the Strategic Business Case stage.

These proposals are:

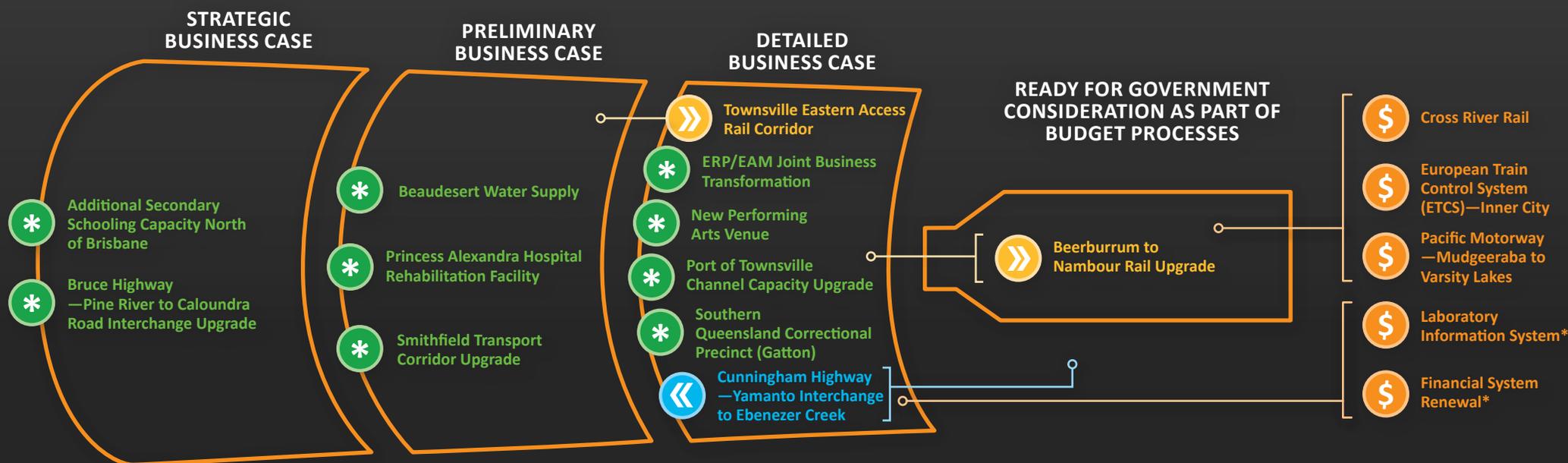
- » Additional Secondary Schooling Capacity North of Brisbane
- » Bruce Highway—Pine River to Caloundra Road Interchange Upgrade.

The analysis and documentation supporting these proposals were completed by the relevant agencies during the six-month period since the release of the June Pipeline Report. The strategic need for these proposals was well documented and consistent with Building Queensland's Strategic Business Case Guide.

Building Queensland is encouraging agencies to put forward proposals in this early stage so that all options receive active consideration before moving to the more advanced stages of the Pipeline.

WHAT'S CHANGED

- * New Proposal
- » Proposal that has progressed
- « Proposal that is subject to update
- \$ Proposal that has received partial/full funding



*ICT proposal where Business Case development and funding are occurring concurrently.

Figure 2. Key Changes in the Pipeline Since June 2016.

Social Infrastructure

In addition to the proposed secondary school north of Brisbane, three other social infrastructure proposals also appear in the Pipeline for the first time.

Princess Alexandra Hospital Rehabilitation Facility: Statewide spinal cord and brain injury rehabilitation services, as well as other general rehabilitation services, are located at the Princess Alexandra Hospital. The Preliminary Business Case for the project has been appraised as a priority as it addresses both capacity constraints for specialised services and concerns that ageing facilities require upgrading to suit a modern care setting.

Southern Queensland Correctional Precinct: The Department of Justice and Attorney-General recently ‘reactivated’ the Detailed Business Case developed in

2014 in light of the prisoner population continuing to exceed earlier forecasts. The department is updating the analysis with Building Queensland’s assistance and the Detailed Business Case is expected to be completed in early 2017.

New Performing Arts Venue: Brisbane’s major performing arts venues are currently at capacity and there is increasing pressure on Brisbane’s largest venues to satisfy demand. The Detailed Business Case currently being developed by Arts Queensland presents an evidence base supporting the need for new performing arts capacity.

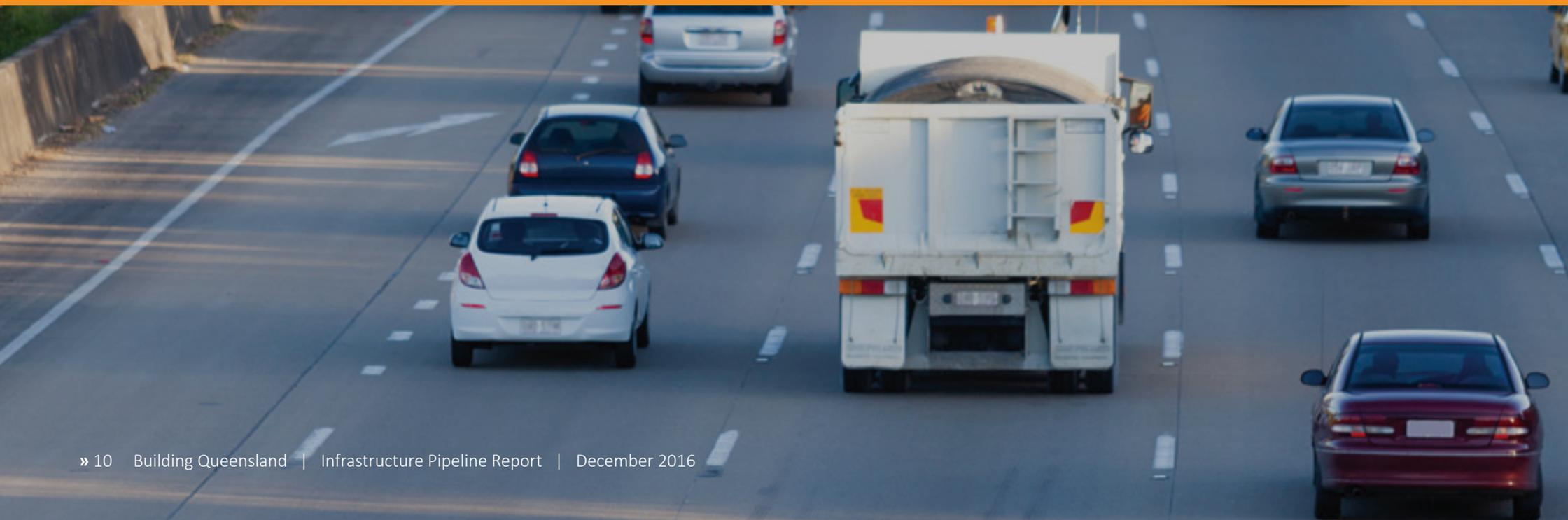
The preparation of compelling Business Cases for social infrastructure proposals can be challenging as the benefits they deliver can at times be difficult to articulate and quantify. Building Queensland is increasingly

working with agencies to improve the development of infrastructure proposals so that decision makers can make important investment decisions based on rigorous analysis that supports a clearly articulated service need.

Social infrastructure refers to community facilities and physical networks that help individuals, families, groups and communities to meet their social needs, maximise their potential for development and enhance community wellbeing. These include built assets such as schools, universities, hospitals, correctional centres and community housing. Social infrastructure does not typically extend to the provision of social services.



ALL FIVE PROPOSALS THAT HAVE PROGRESSED OUT OF THE PIPELINE HAVE RECEIVED A PARTIAL OR FULL FUNDING COMMITMENT FROM THE STATE GOVERNMENT.



Economic infrastructure typically refers to assets that provide broad scale services that are direct inputs to the production processes and systems of an economy. It is usually characterised as technical structures including built assets such as roads, airports, seaports, railways, water supply networks, sewerage systems, electrical grids and telecommunications networks.

Economic Infrastructure

The Beaudesert Water Supply and Smithfield Transport Corridor Upgrade proposals were appraised at the Preliminary Business Case stage for the first time. The ERP/EAM Joint Business Transformation proposal was appraised at the Detailed Business Case stage.

The Port of Townsville Channel Capacity Upgrade Detailed Business Case has recently been updated, including refinement of the economic analysis and demand driver data. A compelling economic case for upgrading the port has been presented and this proposal has been added to the Pipeline. Responses to submissions received following closure of public consultation periods for the additional Environmental Impact Statement are currently being prepared by the Port of Townsville.

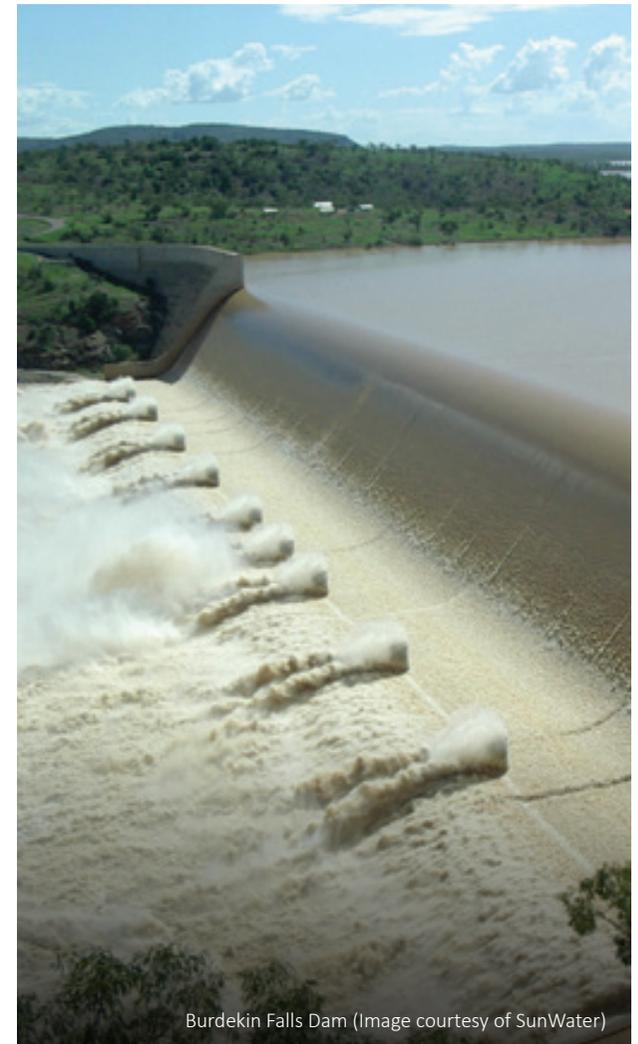
SECTOR OBSERVATIONS

A significant number of social infrastructure proposals were appraised but did not meet Building Queensland's prioritisation criteria. A lack of strategic alignment and rigorous analyses supporting a clearly articulated service need were the most common shortcomings observed by Building Queensland.

Building Queensland encourages consideration of the wider system when developing individual infrastructure proposals. For example, regional service planning currently being updated in the Health sector will assist in strengthening the evidence base on which Building Queensland will consider Health proposals.

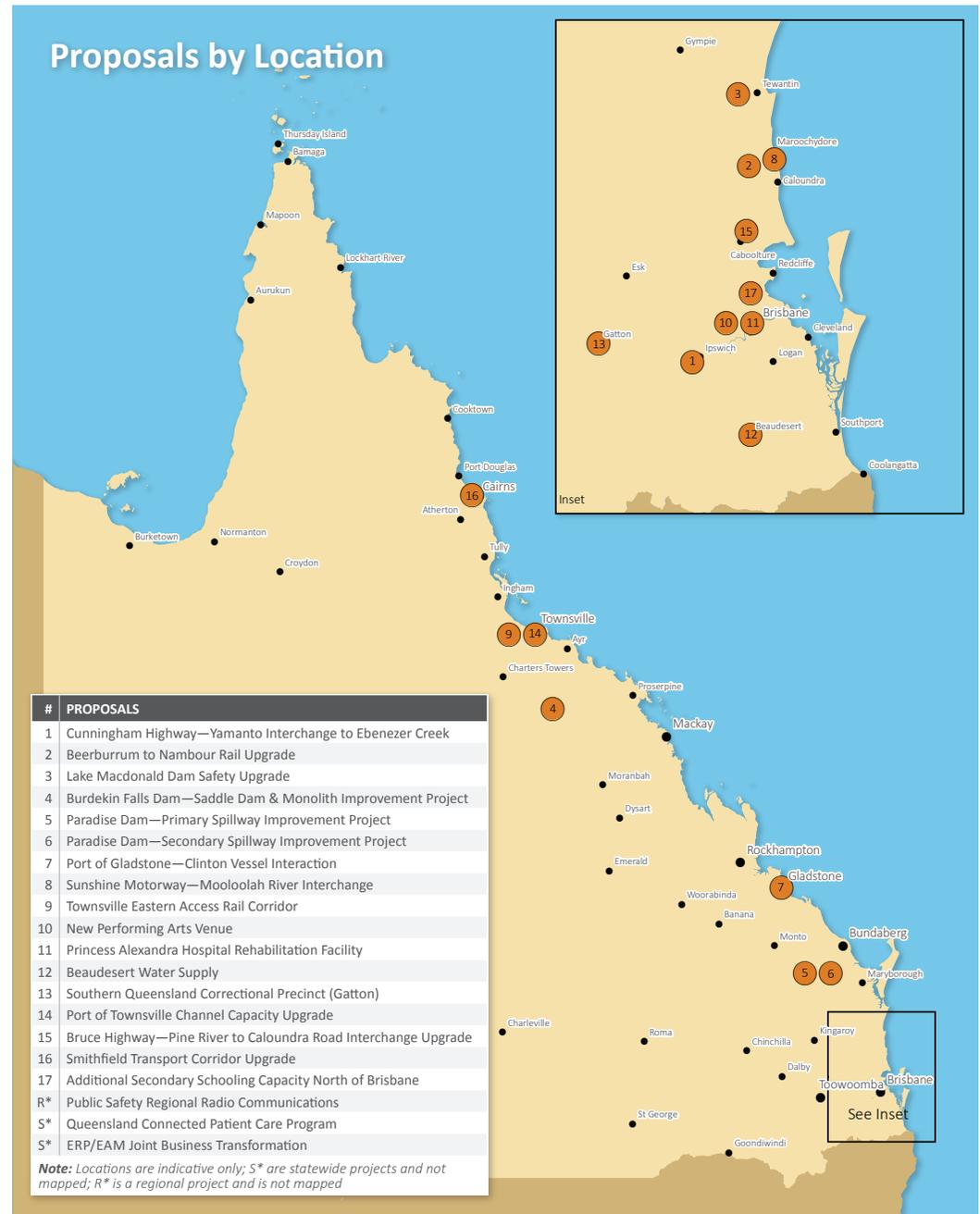
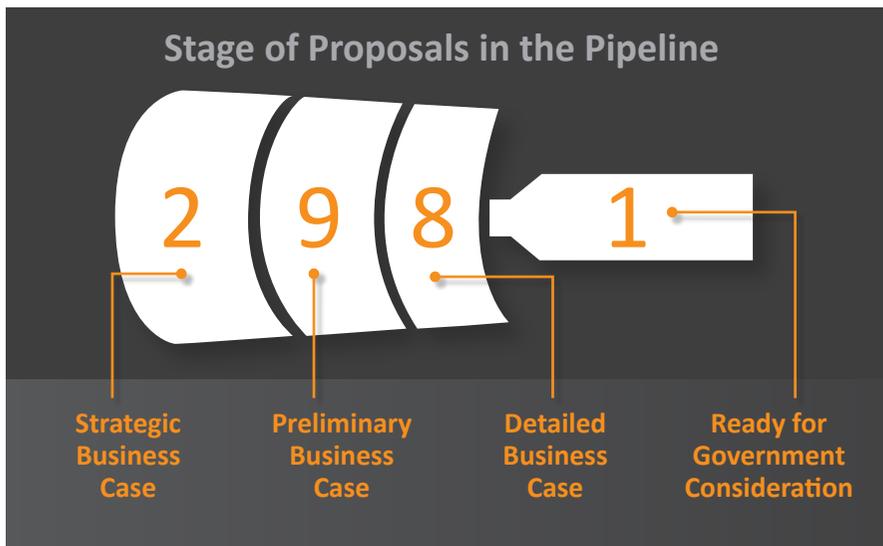
Decisions to invest in infrastructure should be based on contemporary information. A number of proposals in the Pipeline have recently been updated or are undergoing updates, such as the Cunningham Highway—Yamanto Interchange to Ebenezer Creek proposal. Where necessary, Business Cases should be revised to reflect current needs, particularly if there has been a change in economic conditions that may impact the proposal.

The identification and effective management of risk is an inherent part of any proposal and should be considered throughout the development of Business Cases. Risks need to be robustly quantified and proposal costs adjusted to reflect those risks. Building Queensland believes that risk identification and management is an area that can be improved. Thorough assessment of risk helps ensure the financial and economic analysis of proposals can be relied upon.



Burdekin Falls Dam (Image courtesy of SunWater)

SUMMARY OF PRIORITY PROPOSALS



Map courtesy of Spatial Services Unit, Department of State Development

DECEMBER 2016 PIPELINE OF PRIORITY PROPOSALS

IDENTIFY THE NEED

Strategic Business Case

ASSESS THE OPTIONS

Preliminary Business Case

UNDERTAKE DETAILED ANALYSIS

Detailed Business Case

Ready for Government consideration as part of Budget processes



Beerburrum to Nambour Rail Upgrade*

*Refer to page 16.



Additional Secondary Schooling Capacity North of Brisbane



Bruce Highway—Pine River to Caloundra Road Interchange Upgrade



Beaudesert Water Supply



Burdekin Falls Dam—Saddle Dam & Monolith Improvement Project



Paradise Dam—Primary Spillway Improvement Project



Paradise Dam—Secondary Spillway Improvement Project



Port of Gladstone—Clinton Vessel Interaction



Princess Alexandra Hospital Rehabilitation Facility



Queensland Connected Patient Care Program



Smithfield Transport Corridor Upgrade



Sunshine Motorway—Mooloolah River Interchange



Cunningham Highway—Yamanto Interchange to Ebenezer Creek



ERP/EAM Joint Business Transformation



Lake Macdonald Dam Safety Upgrade



New Performing Arts Venue



Port of Townsville Channel Capacity Upgrade



Public Safety Regional Radio Communications



Southern Queensland Correctional Precinct (Gatton)



Townsville Eastern Access Rail Corridor



DIGITAL



WATER



HEALTH ICT



HEALTH BUILT



TRANSPORT PORTS



ARTS, CULTURE AND RECREATION



TRANSPORT RAIL



EDUCATION



TRANSPORT ROAD



ENERGY



JUSTICE AND PUBLIC SAFETY



PROPOSAL SUMMARIES

The following infrastructure proposals are presented in order of their stage of development, with those ready for government consideration appearing first. Proposals are then listed alphabetically within each stage. Proposals are not presented in order of importance. The ultimate decision about which proposals are funded rests with the state government.

All cost estimates are indicative. Cost figures are provided by responsible agencies, with the exception of figures for Detailed Business Cases that have been led by Building Queensland. Proposals with a cost range indicate that a number of options are still being considered. For Strategic Business Cases, costs are not provided as they are still being determined.

STAGE OF DEVELOPMENT

PROPOSAL NAME

SECTOR

LOCATION

PAGE

STAGE OF DEVELOPMENT	PROPOSAL NAME	SECTOR	LOCATION	PAGE
Ready for Government Consideration	Beerburrum to Nambour Rail Upgrade	 Transport—Rail	SEQ	16
Detailed Business Case	Cunningham Highway—Yamanto Interchange to Ebenezer Creek	 Transport—Road	SEQ	17
	ERP/EAM Joint Business Transformation	 Energy	Statewide	18
	Lake Macdonald Dam Safety Upgrade	 Water	SEQ	19
	New Performing Arts Venue	 Arts, Culture and Recreation	SEQ	20
	Port of Townsville Channel Capacity Upgrade	 Transport—Port	Regional	21
	Public Safety Regional Radio Communications	 Digital	Regional	22
	Southern Queensland Correctional Precinct (Gatton)	 Justice and Public Safety	SEQ	23
	Townsville Eastern Access Rail Corridor	 Transport—Rail	Regional	24
Preliminary Business Case	Beaudesert Water Supply	 Water	SEQ	25
	Burdekin Falls Dam—Saddle Dam & Monolith Improvement Project	 Water	Regional	26
	Paradise Dam—Primary Spillway Improvement Project	 Water	Regional	27
	Paradise Dam—Secondary Spillway Improvement Project	 Water	Regional	28
	Port of Gladstone—Clinton Vessel Interaction	 Transport—Port	Regional	29
	Princess Alexandra Hospital Rehabilitation Facility	 Health—Built	SEQ	30
	Queensland Connected Patient Care Program	 Health—ICT	Statewide	31
	Smithfield Transport Corridor Upgrade	 Transport—Road	Regional	32
	Sunshine Motorway—Mooloolah River Interchange	 Transport—Road	SEQ	33
Strategic Business Case	Additional Secondary Schooling Capacity North of Brisbane	 Education	SEQ	34
	Bruce Highway—Pine River to Caloundra Road Interchange Upgrade	 Transport—Road	SEQ	35

BEERBURRUM TO NAMBOUR RAIL UPGRADE

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$780 MILLION*



NEED

The 39 kilometre section of North Coast Line rail track between Beerburrum and Nambour carries a complex mixture of commuter, freight and long distance passenger trains on a single line track with passing loops at stations only. The infrastructure constraints on this section of the line include:

- » insufficient capacity to meet future freight and passenger demand due to the single track configuration, inadequate parking facilities, inadequate passing loops and single platforms at stations between Landsborough and Nambour
- » competition between freight and passenger services (passenger services have priority) and high track utilisation rates that result in the rail network being unable to recover from disruptions, with impacts on service reliability
- » current track configuration which allows only three peak-direction train services (plus one contra-peak) per hour, restricting the ability for rail to be part of the solution to relieve congestion on the Bruce Highway
- » ageing infrastructure, single line and poor track geometry resulting in reduced train speeds, extended delays to freight and passenger services and higher maintenance costs.

Freight train paths that meet supply chain needs are expected to reach capacity by 2023. Without the project, freight will likely be required to switch to road based transport beyond this time to meet supply chain requirements.

PROPOSAL

The objectives of the proposal are to:

- » remove capacity constraints to cater for forecast increases in passenger and freight demand
 - » remove design constraints to enhance rail operational efficiency and service reliability
 - » enable an increase in the number and frequency of passenger and freight services
 - » reduce maintenance and improve overall rail whole-of-life cost.
- The proposal has assessed a duplication of the North Coast line between Beerburrum and Landsborough (approximately 20 kilometres in length) and a range of upgrades to the existing rail infrastructure between Landsborough and Nambour including passing loop extensions, provision of dual platforms at stations connected by lifts and pedestrian bridges, and additional car parking at some stations. The proposal also assessed the elimination of level crossings at Barrs Road near Glass House Mountains and Caloundra Street in Landsborough. The proposal is forecast to deliver:
- » increased capacity and travel time savings for freight and passenger services
 - » up to four additional passenger services per hour in the peak
 - » increased passenger service reliability
 - » a more integrated and effective transport system, through the provision of additional parking at stations and additional feeder bus services.

NEXT STEPS

Queensland Government consideration as part of Budget processes.

CUNNINGHAM HIGHWAY—YAMANTO INTERCHANGE TO EBENEZER CREEK

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UPDATE

PLANNED STAGE END DATE

Q2 2017

ESTIMATED COST OF DELIVERY

\$340 MILLION*



NEED

Increases in travel demand and expected developments along parts of the Cunningham Highway are likely to create additional safety considerations and capacity constraints, particularly at the intersection with Ipswich–Rosewood Road.

PROPOSAL

The objective of the proposal is to meet current and forecast travel demand driven by development in the south-western corridor, including the Aerospace and Defence Support Centre, Ripley Valley and Greater Springfield residential developments.

The Cunningham Highway—Yamanto Interchange to Ebenezer Creek proposal involves strategic upgrades to a 4.75 kilometre section of the Cunningham Highway between Warwick Road at Yamanto and Ebenezer Creek, to the south west of Ipswich.

The proposal is investigating the delivery of a highway interchange and new alignment connecting the Cunningham Highway, Centenary Motorway extension and the Western Ipswich Bypass.

NEXT STEPS

Complete update of Detailed Business Case

Business Case completed prior to the establishment of Building Queensland. Responsible Agency currently undertaking an update of cost estimate and economic analysis.

*Nominal cost in Australian dollars, Responsible Agency Business Case 2012.

ERP/EAM JOINT BUSINESS TRANSFORMATION

RESPONSIBLE AGENCY

ENERGY QUEENSLAND

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q2 2017

ESTIMATED COST OF DELIVERY

COMMERCIAL-IN-CONFIDENCE*



NEED

The current software used for the Enterprise Resource Planning (ERP) and Enterprise Asset Management (EAM) systems is considered end-of-life and out of vendor support—as are several of the underlying infrastructure technologies. Continued operation of the system is limiting the opportunity for business process improvements.

PROPOSAL

The objective of the proposal is to transition the Energy Queensland group of companies to a new suite of ERP/EAM systems and business processes, such as finance management, human resource management, and asset and works management.

Energy Queensland is currently undertaking an open market Request For Offer to inform the development of the proposal.

NEXT STEPS

Complete Detailed Business Case

Building Queensland assisting with Detailed Business Case

*Due to current market engagement.

LAKE MACDONALD DAM SAFETY UPGRADE

RESPONSIBLE AGENCY

SEQWATER

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q1 2017

ESTIMATED COST OF DELIVERY

\$80 MILLION*



NEED

Lake Macdonald Dam on Six Mile Creek on the Sunshine Coast requires an upgrade to meet modern standards and the performance requirements of the Queensland dam safety regulations into the future. The upgrade will allow the dam to safely manage severe weather and earthquake events.

PROPOSAL

The objective of the proposal is to ensure the dam can meet performance standards into the future. This includes improving the spillway discharge capacity and earthquake stability while maintaining water supply security. Studies have considered a range of options including decommissioning of the dam, retrofit of strengthening works and new build options.

NEXT STEPS

Complete Detailed Business Case

Building Queensland assisting with Detailed Business Case

*Nominal Cost in Australian Dollars 2016, estimate provided by Responsible Agency.

NEW PERFORMING ARTS VENUE

RESPONSIBLE AGENCY

ARTS QUEENSLAND

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q1 2017

ESTIMATED COST OF DELIVERY

COMMERCIAL-IN-CONFIDENCE*



NEED

Brisbane's major performing arts venues are currently at capacity and there is increasing pressure on the largest venues to satisfy demand from touring producers and audiences.

PROPOSAL

The proposal is investigating the delivery of a 1,500 to 1,700 seat theatre venue in close proximity to the existing arts, cultural and entertainment precincts.

The objectives of the proposal are to:

- » meet demand from the arts sector for greater access to Brisbane venues
- » increase economic activity driven by touring productions and tourists
- » showcase Queensland's home companies to wider audiences and attract talent to Queensland
- » grow the range of performing arts experiences available to Brisbane
- » strengthen Brisbane's cultural tourism offering and reinforce the state's cultural credentials.

NEXT STEPS

Complete Detailed Business Case

Building Queensland assisting with Detailed Business Case

PORT OF TOWNSVILLE—CHANNEL CAPACITY UPGRADE

RESPONSIBLE AGENCY

PORT OF TOWNSVILLE LIMITED

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY*

PLANNED STAGE END DATE

Q2 2017

ESTIMATED COST OF DELIVERY

\$190 MILLION**



NEED

The existing navigational channels to the Port of Townsville are not wide enough to allow safe access for larger vessels and are affecting the navigational safety of existing vessels.

PROPOSAL

The objective of the proposal is to improve the capacity and safety of vessels accessing the Port of Townsville. The proposal is investigating:

- » widening of the Platypus Channel and the Sea Channel connection
- » constructing rock walls and revetments to form receiving ponds for the beneficial re-use of dredge material
- » establishing a quarry to supply marine-grade armour rock required for rock walls and revetments
- » installing navigation aids aligned with the new channel configuration.

NEXT STEPS

Complete Detailed Business Case*

Building Queensland assisting with Detailed Business Case

*Responsible Agency preparing responses to submissions received following closure of public consultation periods for the additional Environmental Impact Statement.

**Nominal cost in Australian dollars 2016, estimate provided by Responsible Agency.

PUBLIC SAFETY REGIONAL RADIO COMMUNICATIONS

RESPONSIBLE AGENCY

DEPARTMENT OF SCIENCE, INFORMATION TECHNOLOGY AND INNOVATION

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q2 2017

ESTIMATED COST OF DELIVERY

\$400–\$600 MILLION*



NEED

Outside of South East Queensland, Public Safety Agencies rely on outdated analogue networks that are not secure and do not allow for cross-agency communication. They are nearing network capacity and have coverage limitations in some areas. In addition, equipment is nearing end-of-life and requires upgrading. In some areas equipment does not comply with Australian Communications and Media Authority licensing requirements.

PROPOSAL

The proposal is assessing the most suitable delivery model and value for money options for the provision of a fit-for-purpose digital radio communications network for Public Safety Agencies in regional Queensland. Australian Communication and Media Authority radio spectrum compliance has been taken into consideration as well as the utilisation of existing infrastructure and state resources. Implementation of the proposal is expected to deliver the following benefits:

- » Public Safety Agency collaboration and performance
- » officer safety and enhanced operational effectiveness
- » alignment to mission critical communication standards
- » operational resource management
- » data to inform future operational and strategic plans, policies and procedures.

NEXT STEPS

Complete Detailed Business Case

Building Queensland leading Detailed Business Case

*Nominal cost in Australian dollars, Building Queensland Detailed Business Case 2016.

SOUTHERN QUEENSLAND CORRECTIONAL PRECINCT (GATTON)

RESPONSIBLE AGENCY

DEPARTMENT OF JUSTICE
AND ATTORNEY-GENERAL

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS
CASE UNDERWAY

PLANNED STAGE END DATE

Q1 2017

ESTIMATED COST OF DELIVERY

\$740 MILLION*



NEED

After a period of high growth in the prisoner population, the capacity of the state's male high-security facilities is constrained.

PROPOSAL

The objective of the proposal is to improve safety and reduce pressure on existing facilities across the prison system.

This proposal is investigating the construction of Stage 2 of the Southern Queensland Correctional Precinct near Gatton to provide a new 1,004 cell, high-security facility for male prisoners to address growth in demand for correctional facilities in the medium term (3-5 years).

Expansion of the Southern Queensland Correctional Precinct has been investigated as there is already a Master Plan for a larger facility at this site that could also help to relieve capacity constraints at other facilities in southern Queensland.

NEXT STEPS

Complete Detailed Business Case

Building Queensland assisting with Detailed Business Case**

*Nominal cost in Australian dollars 2016, estimate provided by Responsible Agency.

**Update of original (2014) Business Case underway by Responsible Agency.

TOWNSVILLE EASTERN ACCESS RAIL CORRIDOR

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

DETAILED BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q4 2017

ESTIMATED COST OF DELIVERY

\$500–\$700 MILLION*



NEED

Infrastructure constraints and inefficiencies limit the use of longer trains on the existing rail network to the Port of Townsville, impacting freight throughput.

PROPOSAL

The objectives of the proposal are to:

- » enhance regional development as well as state and national economic prosperity by effectively moving increasing volumes of freight—primarily for export
- » eliminate supply chain constraints and bottlenecks affecting Australia’s ability to expand its productive capacity
- » manage community amenity, safety, sustainability and congestion impacts associated with future increases in rail freight moving through the Townsville urban area
- » protect freight corridors for current and future use.

The proposal is investigating the movement of up to 1,400 metre freight trains via a new rail link connecting the Mt Isa Line and North Coast Line, through the Townsville State Development Area to the Port of Townsville.

The proposal includes a double track configuration, a bridge over the Ross River and road-over-rail infrastructure.

NEXT STEPS

Complete Detailed Business Case

Building Queensland leading Detailed Business Case

*A range is provided by Responsible Agency based on 2011 Preliminary Business Case. An estimate will be provided once the Detailed Business Case is further progressed.

BEAUDESERT WATER SUPPLY

RESPONSIBLE AGENCY

SEQWATER

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$80 MILLION*



NEED

The projected bulk water demand from the Beaudesert Township is expected to exceed capacity by approximately 2022 and increase significantly thereafter due to significant growth in the area, particularly within the Bromelton State Development Area. There is also significant growth predicted in the adjacent Logan City Council area of South Logan (including Yarrabilba, Travis Road, Woodhill and Flagstone).
Water supply to the Beaudesert Township is currently provided by the Beaudesert Water Treatment Plant. The Beaudesert Water Treatment Plant is a stand-alone water supply that extracts raw water from the Logan River. It is not connected to the South East Queensland Water Grid. The Water Treatment Plant was refurbished in 2014 to increase its water treatment capacity to four megalitres per day.

PROPOSAL

The objectives of the proposal are to meet the future demand for the Beaudesert Township and provide water supply security to growth areas in the Logan City Council area.
The proposal is to augment the bulk water supply by either construction of a pipeline connecting Beaudesert to the Water Grid via growth areas in Logan City Council or construct a new Wyaralong Water Treatment Plant. If either option proceeds, the existing Beaudesert Water Treatment Plant will be decommissioned.

NEXT STEPS

Commence Detailed Business Case

Building Queensland to assist with Detailed Business Case

*Nominal cost in Australian dollars 2016, estimate provided by Responsible Agency.

BURDEKIN FALLS DAM—SADDLE DAM & MONOLITH IMPROVEMENT PROJECT

RESPONSIBLE AGENCY

SUNWATER

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$190 MILLION*



NEED

Burdekin Falls Dam is located 210 kilometres south east of Townsville on the Burdekin River. The dam is owned and operated by SunWater and comprises a mass gravity main dam and three earth and rock-fill saddle dams. Since its construction in 1987, there have been changes to the dam safety standards and hydrological information. The dam needs improving to reflect these changes.

PROPOSAL

SunWater proposes to undertake improvement works to the saddle dam and monoliths so the dam continues to meet current best practice standards. The works will address the saddle dam capacity and improve stability in the monoliths to enhance performance in extreme weather, such as high rainfall. SunWater regularly conducts dam improvement projects in line with national industry guidelines to maintain safe and efficient dam operation.

NEXT STEPS

Commence Detailed Business Case

Building Queensland to lead Detailed Business Case

*Nominal cost in Australian dollars 2015, estimate provided by Responsible Agency.

PARADISE DAM—PRIMARY SPILLWAY IMPROVEMENT PROJECT

RESPONSIBLE AGENCY

SUNWATER

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$260 MILLION*



NEED

Paradise Dam is located approximately 80 kilometres south west of Bundaberg on the Burnett River. It is a key component of the Bundaberg Water Supply Scheme—holding up to 300,000 megalitres of water for the city of Bundaberg and farmland irrigation.

During the 2013 floods, extensive scour occurred downstream of the primary spillway. SunWater immediately repaired the scour and downstream toe. It also investigated options to prevent scour occurring in future extreme weather events.

This investigation identified necessary improvements to the primary spillway. Improvement works are being proposed to maintain efficiency and further assist safe operation of the primary spillway during extreme weather events.

PROPOSAL

SunWater proposes improvements to the primary spillway to prevent significant scour occurring downstream of the toe of the dam in major flood events. Improvement works will address energy dissipation in the primary spillway and improve the primary spillway apron and dissipator.

These works will ensure the dam continues to function as intended in line with best management practices for large dams. Works are not expected to impact landholders adjacent to the dam, irrigation customers or recreational users wanting to access boat ramps, picnic areas and other dam amenities.

NEXT STEPS

Commence Detailed Business Case

Building Queensland to lead Detailed Business Case

*Nominal Cost in Australian dollars 2015, estimate provided by Responsible Agency.

PARADISE DAM—SECONDARY SPILLWAY IMPROVEMENT PROJECT

RESPONSIBLE AGENCY

SUNWATER

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$160 MILLION*



NEED

Paradise Dam is located approximately 80 kilometres south west of Bundaberg on the Burnett River. It is a key component of the Bundaberg Water Supply Scheme—holding up to 300,000 megalitres of water for the city of Bundaberg and farmland irrigation.

During the 2013 floods, extensive scour occurred downstream of the primary spillway. SunWater immediately repaired the scour and downstream toe. It also investigated options to prevent scour from occurring in future extreme weather events.

This investigation identified necessary improvements to the secondary spillway. Improvement works are being proposed to maintain efficiency and safe operation of the secondary spillway during extreme weather events.

This project represents the highest priority for this storage beyond the works currently under construction.

PROPOSAL

SunWater proposes improvements to the secondary spillway to prevent significant scour in major flood events. Upgrades will include constructing a concrete apron and training wall in the secondary spillway, addressing the potential for scour.

This will ensure the dam continues to function as intended in line with best management practices for large dams. SunWater regularly conducts dam improvement projects in line with national industry guidelines to maintain safe and efficient dam operation.

NEXT STEPS

Commence Detailed Business Case

Building Queensland to lead Detailed Business Case

*Nominal cost in Australian dollars 2015, estimate provided by Responsible Agency.

PORT OF GLADSTONE—CLINTON VESSEL INTERACTION

RESPONSIBLE AGENCY

GLADSTONE PORTS CORPORATION

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q1 2017

ESTIMATED COST OF DELIVERY

\$65–\$80 MILLION*



NEED

The movement of larger vessels (draft over 14 metres) through the Clinton Channel at the Port of Gladstone is resulting in interaction of forces between the passing vessel and vessels berthed at the RG Tanna Coal Terminal. These forces impact on the safe mooring and operations at the terminal.

PROPOSAL

The objective of the proposal is to create a safer environment for vessels berthed at the RG Tanna Coal Terminal when larger vessels using the Clinton Channel pass by. The options being assessed are:

- » controlling transit speed and utilising tugs to control vessels berthed at time of transit
- » introducing a new mooring system
- » deepening of Clinton Bypass Channel
- » widening of Clinton Channel.

NEXT STEPS

Complete Preliminary Business Case

Building Queensland assisting with Preliminary Business Case

*A range is provided by Responsible Agency as a number of options are still being considered.

PRINCESS ALEXANDRA HOSPITAL REHABILITATION FACILITY

RESPONSIBLE AGENCY

QUEENSLAND HEALTH,
METRO SOUTH HOSPITAL
AND HEALTH SERVICE

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS
CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$150–\$250 MILLION*



NEED

The need for an infrastructure upgrade has been identified to provide for statewide spinal cord and brain injury rehabilitation as well as general rehabilitation services for patients utilising the Metro South Hospital and Health Service. This includes development of health solutions that provide flexibility to respond to changing models of care and future capacity growth.

PROPOSAL

Options to ensure the longer term delivery of statewide spinal cord and brain injury rehabilitation services as well as other general rehabilitation services for Metro South Hospital and Health Service are under development.

Subject to government endorsing the Preliminary Business Case, site master planning will be undertaken and include the preparation of the project definition plan and schematic design as part of the Detailed Business Case development stage.

NEXT STEPS

Commence Detailed Business Case

Building Queensland to lead Detailed Business Case

*A range is provided by Responsible Agency as a number of options are still being considered.

QUEENSLAND CONNECTED PATIENT CARE PROGRAM

(FORMERLY PATIENT ADMINISTRATION PROGRAM)

RESPONSIBLE AGENCY

QUEENSLAND HEALTH

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q2 2017

ESTIMATED COST OF DELIVERY

TO BE DETERMINED*



NEED

The Queensland healthcare system is evolving. Increased demand for services is being driven by the ageing population, growth in per capita use of health services and the growing burden of chronic conditions. Increasingly, healthcare models are shifting focus from episodic and provider-centric service delivery to patient-centric and accountable health management. The current patient administration system in use in Queensland is not designed to support this evolving model of care and a modernised ICT solution is under investigation.

PROPOSAL

The objective of the proposal is to deliver an efficient and cost-effective system that supports patient-centric care. The proposal aims to:

- » provide more comprehensive, up-to-date and accurate information about the care a patient has received
- » work in a more integrated way with specialised scheduling systems, clinical information systems and clinical support systems
- » enable a patient to actively participate in, and control, their care
- » support new models of care and care delivery
- » improve efficiency of resource allocation and support more accurate costing of activity and billing.

The proposal is investigating contemporary solutions for registering patients, billing, managing patient flow and tracking activity in all Queensland public hospitals. A staged implementation is planned to support early benefits realisation.

NEXT STEPS

Complete Preliminary Business Case

Building Queensland assisting with Preliminary Business Case

*An estimate will be provided once the proposal has been developed further.

SMITHFIELD TRANSPORT CORRIDOR UPGRADE

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE UNDERWAY

PLANNED STAGE END DATE

Q1 2017

ESTIMATED COST OF DELIVERY

TO BE DETERMINED*



NEED

The Smithfield Transport Corridor is a 3.8 kilometre section of the Captain Cook Highway between Yorkeys Knob Road and McGregor Road which is approaching full capacity. This is creating congestion that is a contributory factor to crash rates in some locations, which are up to six times higher than the Queensland average.

Anticipated future population growth and associated increase in traffic will further exacerbate existing congestion and accident rates.

PROPOSAL

The objective of the proposal is to deliver improved operational functionality, improved safety and support regional development.

The proposal is investigating a number of options including:

- » non-asset (e.g. improved signage)
- » improvements to existing assets (e.g. signalised roundabouts and road upgrades)
- » new asset (e.g. construction of a new road).

NEXT STEPS

Complete Preliminary Business Case

Building Queensland assisting with Preliminary Business Case

*An estimate will be provided once the proposal has been developed further.

SUNSHINE MOTORWAY—MOOLOOLAH RIVER INTERCHANGE

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

PRELIMINARY BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

\$430 MILLION*



NEED

The existing Sunshine Motorway, Nicklin Way and Kawana Way transport infrastructure lacks capacity to accommodate forecast travel demand, resulting in significant congestion.

PROPOSAL

The objectives of the proposal are to:

- » improve safety by reducing crashes and weaving behaviours at the Mooloolah River Interchange
- » increase capacity on the Sunshine Motorway between the Kawana Way interchange and the new Mooloolah River interchange
- » better connect Sunshine Coast University Hospital, Maroochydore, Kawana and Caloundra via a new Mooloolah River Crossing.

The proposal is investigating a range of road works in the area of the Mooloolah River interchange of the Sunshine Motorway, including expanded lane connections, river crossings and intersection upgrades.

NEXT STEPS

Commence Detailed Business Case**

Building Queensland to lead Detailed Business Case

*Nominal cost in Australian dollars 2015, estimate provided by Responsible Agency.

**The Responsible Agency has advised that the commencement of the Detailed Business Case is subject to Queensland Government direction.

ADDITIONAL SECONDARY SCHOOLING CAPACITY NORTH OF BRISBANE

RESPONSIBLE AGENCY

DEPARTMENT OF EDUCATION AND TRAINING

PROPOSAL STAGE OF DEVELOPMENT

STRATEGIC BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

TO BE DETERMINED*



NEED

Additional state secondary school capacity is required in the high growth corridor north of Brisbane to deliver quality learning outcomes for all students. The capacity of the existing state schools in the area under investigation is not considered sufficient to meet future enrolment demand. This area has experienced significant population growth over the past five years. In particular, school-aged population growth has exceeded expectations. Rapid population growth is expected to continue due to the considerable degree of residential development activity in the area under investigation.

PROPOSAL

The objective of the proposal is to deliver additional state secondary schooling capacity for local students over the next five years. This may include:

- » augmenting the capacity of existing schools and/or
- » delivering a new school.

NEXT STEPS

Commence Preliminary Business Case

Building Queensland to assist with Preliminary Business Case

*An estimate will be provided once the proposal has been developed further.

BRUCE HIGHWAY—PINE RIVER TO CALOUNDRA ROAD INTERCHANGE UPGRADE

RESPONSIBLE AGENCY

DEPARTMENT OF TRANSPORT AND MAIN ROADS

PROPOSAL STAGE OF DEVELOPMENT

STRATEGIC BUSINESS CASE COMPLETE

PLANNED STAGE END DATE

NOT APPLICABLE

ESTIMATED COST OF DELIVERY

TO BE DETERMINED*



NEED

The existing section of the Bruce Highway from Pine River to the Caloundra Road Interchange lacks capacity to accommodate current peak demand, resulting in significant congestion and potential increases in motor vehicle incidents. This section of the Bruce Highway is also prone to flooding.

PROPOSAL

The proposal is investigating flood, safety and capacity improvements spanning the 60 kilometre section of the Bruce Highway from Pine River to the Caloundra Road Interchange.

A number of options are being considered including:

- » non-asset (e.g. improved signage and variable messaging)
- » improvements to existing assets (e.g. flood immunity, safety and operational improvements)
- » new asset (e.g. new road corridor).

NEXT STEPS

Commence Preliminary Business Case

Building Queensland to assist with Preliminary Business Case

*An estimate will be provided once the proposal has been developed further.

A photograph of the Princess Alexandra Hospital in Brisbane, Australia, taken at dusk. The building is a large, modern, multi-story structure with a curved facade and several cylindrical towers. The sky is a mix of blue and orange, indicating sunset. The hospital's name is visible on the building in blue letters. In the foreground, there is a paved road with a few people walking, some trees, and a sign for the emergency department.

PART 2: INFORMED DECISION-MAKING

IDENTIFYING PRIORITIES

Prioritising the projects that will meet the needs of the state and deliver the greatest return requires not only robust Business Cases but a solid appraisal methodology that confirms a clear need.

Building Queensland's Prioritisation Framework is intrinsically linked to the Business Case Development Framework. The Prioritisation Framework balances a set of four criteria (see Figure 3). The first criterion, strategic, must be satisfied for a proposal to appear in the Pipeline. This criterion considers a proposal's strategic alignment, underlying need and the identification and assessment of options. As a proposal progresses through more detailed development, it is considered against the financial and economic, social and environmental viability, and deliverability criteria.

Building Queensland undertakes a rigorous and independent appraisal process for each Pipeline update. If Building Queensland finds a proposal to no longer be a priority, it is expected that this will occur at the completion of a stage—such as when a proposal completes the Strategic Business Case and is ready to commence a Preliminary Business Case. For example, it may become apparent that a non-infrastructure solution could better address the need and provide an improved value-for-money outcome. The non-infrastructure solution would be removed from the Pipeline—saving the Queensland Government, and ultimately taxpayers, development costs as an infrastructure solution is not required.



Figure 3. Building Queensland's Prioritisation Methodology

AN INDEPENDENT PIPELINE

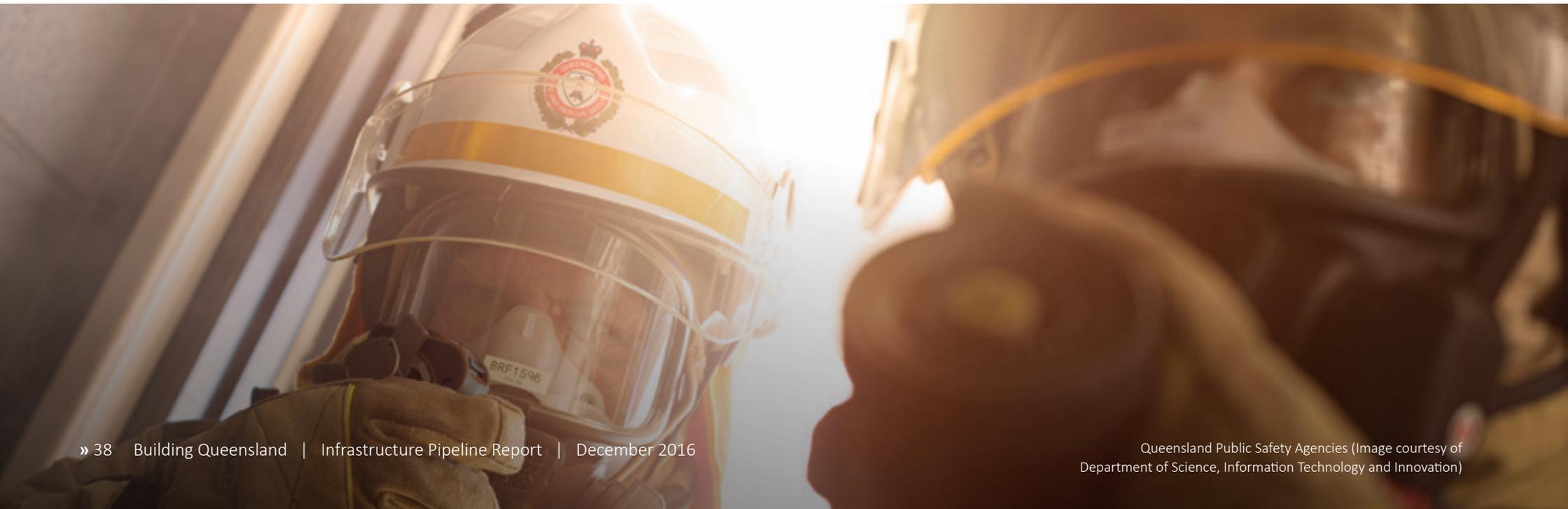
Building Queensland is responsible for developing and independently prioritising major infrastructure proposals. This two-pronged approach means Building Queensland plays a key role in shaping infrastructure outcomes for the state.

Building Queensland's role is significantly different to our interjurisdictional peers. Although we give advice, we are not tasked with developing infrastructure policy and planning for the state government. The State Infrastructure Plan sets the government's vision

for infrastructure policy and planning and outlines a committed program of projects for the next 1–4 years.

Before the establishment of Building Queensland, infrastructure proposals were planned by the relevant government entity taking into consideration demand, existing infrastructure assets, long-term infrastructure requirements and potential to unlock economic opportunity. These infrastructure proposals were largely managed on a departmental basis and, as a consequence, the government's ability to drive the best outcomes was limited as the standard of proposals varied, impacting government's ability to then prioritise.

Having involvement in infrastructure proposals over \$50 million, Building Queensland ensures proposals get fair consideration by bringing a rigorous and consistent approach to proposal development and prioritisation. Building Queensland's Pipeline is a key input informing government investment decisions which are reflected in the State Infrastructure Plan's 1–4 year Program (see Figure 4) and the State Budget.



PROJECT DEVELOPMENT

UNFUNDED

Queensland Government agencies



Government Owned Corporations



Statutory Authorities



BUSINESS CASE DEVELOPMENT FRAMEWORK

FURTHER DEVELOPMENT

BUILDING QUEENSLAND'S INFRASTRUCTURE PIPELINE

Priority Proposals >\$50 million

OTHER

Proposals <\$50 million

QUEENSLAND GOVERNMENT CONSIDERATION

FUNDED

State Infrastructure Plan
1-4 Year Program

FRAMEWORK FOR DEVELOPMENT

All major infrastructure proposals led by Building Queensland move through our Business Case development process. Ultimately, the Business Case provides an objective assessment of the proposed project by identifying both the benefits sought and problems to be solved, as well as ascertaining the best way to achieve the desired outcomes.

Building Queensland has created a best practice Business Case Development Framework that complements state and federal processes to bring a consistent and rigorous approach to infrastructure proposal development.

The framework comprises a suite of interconnected guides that span from the earliest stages of identifying the service need right through to a detailed Business Case on the preferred option. The foundation for the Business Case Development Framework is the Queensland Government's Project Assessment Framework (PAF). Building Queensland's framework supplements the PAF by providing enhanced guidance on how to complete the required assessments to develop robust Business Cases (Figure 5).

The Framework is intended to be a living suite of documents that will be periodically refined and enhanced as we continue to engage with stakeholders and respond to changes in international best practice and the economic landscape. The Framework can be accessed on Building Queensland's website.



Southern Queensland Correctional Centre (Image courtesy of Queensland Corrective Services)

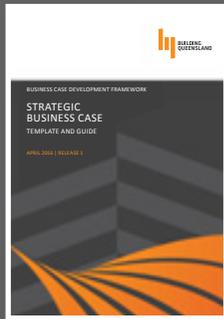
SUPPORTING GUIDES

The Business Case Development Framework is supported by the Cost Benefit Analysis Guide and Social Impact Evaluation Guide. Cost Benefit Analysis is a mandatory element of the assessment of projects in Business Cases led by Building Queensland. It is an analytical technique used to determine the economic viability of proposals. It helps inform the allocation problem of assigning scarce funding among competing investment choices.

Social impacts that cannot be incorporated in the Cost Benefit Analysis must be considered as part of the Social Impact Evaluation. Social Impact Evaluation is an emerging area of economic and social analysis and incorporates key concepts such as impact risk assessment, social baseline study and mitigation strategies. The goal of this evaluation is to drive improvements that increase the value of infrastructure to the people it serves.

Some types of social impacts include: community, cultural, health and quality of life impacts.

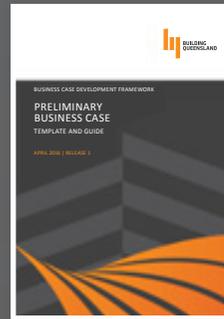
BUILDING QUEENSLAND'S BUSINESS CASE DEVELOPMENT FRAMEWORK



STRATEGIC BUSINESS CASE

Defines the service need or opportunity to determine the outcome required and then validates it as a priority, relative to other needs.

Strategic Assessment of Service Requirement



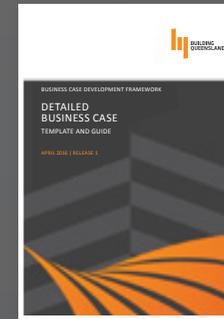
PRELIMINARY BUSINESS CASE

Assesses the financial, economic, social and environmental viability of options. At the completion of this stage, the state government decides whether to invest in fully developing a Detailed Business Case.

Preliminary Evaluation



Supplementary Guidance



DETAILED BUSINESS CASE

Analyses the preferred option in detail, including a full Cost Benefit Analysis and Social Impact Evaluation. This stage identifies the delivery model most likely to achieve the service requirement and provide the best value for money.

Business Case

QUEENSLAND GOVERNMENT'S PROJECT ASSESSMENT FRAMEWORK

Figure 5. Building Queensland's Business Case Development Framework

PRIVATE SECTOR INVOLVEMENT

As part of leading Business Case development, Building Queensland investigates a range of delivery models for project implementation, such as alliances, public-private partnerships, design-build-operate-maintain arrangements and other models. A key source of input for these delivery models is Building Queensland's engagement with the private sector through market sounding processes—an important element of every Detailed Business Case that Building Queensland leads.

The market sounding process helps Building Queensland understand the potential for private sector involvement in projects and informs the scope of delivery packages. These elements can be determined by a range of factors considered during the market sounding process, such as risk allocation, opportunities for innovation, availability and capacity of contractors and other major projects in the Pipeline.

Market sounding supports decision-making and developing a procurement strategy. It can also be used to gain feedback on ways to present a project to market to increase its attractiveness or to reduce obstacles for investment. Certain projects also require more detailed engagement with the market to identify specific solutions to a problem, and potentially to provide financial/cost information where private sector parties may have different or innovative offerings to provide.

Building Queensland's first completed Detailed Business Cases—ETCS Inner City and Cross River Rail—provided recommendations to the Queensland Government that included delivery models tested through the market sounding process. Building Queensland will continue engaging with the private sector to identify, investigate and assess project delivery models that promote innovative solutions and drive value for money outcomes for Queensland.

We want our Business Cases to lay the foundations for successful project procurement and delivery when an investment decision is made. In a dynamic infrastructure environment, input from the private sector is key to ensuring market interest, capacity and views on the delivery method are captured in the Business Case.

GETTING THE BUILDING BLOCKS RIGHT

During the past six months Building Queensland has undertaken an intensive education program to improve the way the Queensland Government develops its infrastructure proposals.

Building Queensland has provided feedback to agencies on the first Pipeline and focused on providing support in their early stage investigations to ensure the correct fundamentals underpin proposals. This has resulted in the addition of early stage proposals now being identified as priorities in the December Pipeline.

Building Queensland acknowledges that it is during these early stages that it can exert influence and save the government and taxpayers money by preventing the progression of proposals that cost a significant amount of money to develop but may not address a clear need for the state.

As part of our focus on early stage proposal development, Building Queensland has formally introduced the Investment Logic Mapping process to the Queensland Government. This process ensures a strong understanding of the need before any detailed project development is progressed. The output is an agreed visual representation of the logic underpinning the proposal on a single page. It identifies a wide range of initiatives for addressing the problem ranging from non-asset solutions to major capital asset solutions. It forms the core of the Strategic Business Case—the early, strategic case for making an investment.

CASE STUDY: INVESTMENT LOGIC MAPPING

Building Queensland held an Investment Logic Mapping workshop with the Department of Education and Training to help inform planning for the expanding state school network. Rapid growth in some regions is adding to the school age population and resulting in enrolment pressures on local schools. The Investment Logic Mapping workshop was used to test for the factors contributing to this scenario and whether the responses should be limited to building new assets. Potential enrolment pressures typically necessitate an asset solution and the Investment Logic Mapping process clearly articulates the need for the investment. However, through detailed analysis, a number of associated issues were also identified. These findings can inform policy settings and analysis by the agency and will contribute to planning and investments in future schools.

The Department of Education and Training saw great value in the Investment Logic Mapping process to inform:

- » benefits identification
- » refinement of policy settings
- » potential infrastructure solutions
- » shared understanding across key stakeholders
- » investment planning.

Building Queensland continues to work closely with our partners in the Department of Education and Training and other agencies to support proposal development.

The Investment Logic Mapping workshop proved to be a great process to identify and confirm options and solutions for state school infrastructure planning.

Infrastructure Services, Department of Education and Training.

VISIBILITY OF MAJOR INFRASTRUCTURE

In delivering independent advice to government, Building Queensland is also providing industry and the community with visibility of infrastructure proposals currently being considered.

Building Queensland publishes proposal summaries where we lead the preparation of a Business Case or assist an agency in developing an infrastructure proposal—some of which are not included in the Pipeline.

For example, the Lower Fitzroy River Infrastructure Project and Nullinga Dam Business Cases are currently

being led by Building Queensland. These proposals are not included in the December Pipeline as Building Queensland is continuing to assess demand for water in the respective regions, as well as the economic, financial and technical viability of the proposals.

To further increase visibility of government investment decisions, Building Queensland publishes Cost Benefit Analysis summaries for the Detailed Business Cases we have completed.

Full Business Cases are not released as ultimately major infrastructure projects require competitive tender

processes. Premature release of information has the potential to prejudice the state's commercial position and procurement process which would be at the expense of taxpayers.

By increasing visibility of proposals under development, taxpayers can be assured that the projects the Queensland Government takes forward are the most compelling proposals that boost productivity, provide the best value returns to the state and ultimately meet the needs of the community.







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