

A. Entity responses

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

- Minister for Transport and Main Roads
- Treasurer, Minister for Energy and Minister for Home Ownership
- Acting Under Treasurer, Queensland Treasury
- Chief Executive Officer, Queensland Rail
- Chief Executive Officer, Cross River Rail Delivery Authority.

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

- Premier of Queensland
- Deputy Premier, Minister for State Development, Infrastructure and Planning and Minister for Industrial Relations
- Minister for Sport and Racing and Minister for the Olympic and Paralympic Games
- Acting Director-General, Department of the Premier and Cabinet
- Director-General, Department of Transport and Main Roads
- Director-General, Department of State Development, Infrastructure and Planning
- Lord Mayor, Brisbane City Council
- Chief Executive Officer, Brisbane City Council
- Mayor, Council of the City of Gold Coast
- Chief Executive Officer, Council of the City of Gold Coast
- Chief Executive Officer, Powerlink Queensland
- Chief Executive Officer, Queensland Hydro.

This appendix contains the responses we received.

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



Comments received from Minister for Transport and Main Roads



Minister for Transport and Main Roads

Our ref: MC148063

7 January 2025

Ms Rachel Vagg
Auditor-General
Queensland Audit Office

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Dear Ms Vagg

Thank you for your email of 27 November 2024 about the Queensland Audit Office's proposed report to Parliament titled 'Major Projects Review 2024'. I also note a copy of this report was sent to Ms Sally Stannard, Director-General, Department of Transport and Main Roads (TMR).

TMR appreciates the opportunity to review this report and has provided feedback on the content within this proposed report.

I am pleased to read that there were no significant issues raised by the team performing this audit and I appreciate the insights and the analysis of expenditure that these reports provide so that we can continue to develop our culture of continuous business improvement.

I also acknowledge that while this was a point-in-time report, we have since publicly released further data in relation to the time and cost parameters associated with the Cross River Rail project.

If you require further information, please contact [redacted]

I trust this information is of assistance.

Yours sincerely

BRENT MICKELBERG MP
Minister for Transport and Main Roads



Comments received from Acting Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: QT00279-2024
Your Ref: PRJ04162

Ms Rachel Vagg
Auditor-General of Queensland
Queensland Audit Office
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Email: QAO.Mail@qao.qld.gov.au

Dear Ms Vagg

Thank you for your email of 27 November 2024 with a copy of your proposed Report to Parliament *Major Projects 2024*. The Treasurer, Minister for Energy and Minister for Home Ownership and has asked me to respond on his behalf.

In response to the recommendations, I provide the following responses:

Recommendation 1: We recommend that agencies involved with future asset transfers implement appropriate governance arrangements ...

- Queensland Treasury acknowledges that there were delays in the transfer of the first tranche of Cross River Rail assets from the Cross River Rail Delivery Authority to Queensland Rail. Treasury continues to meet regularly with relevant stakeholders to progress the rail asset transfers, noting there is now an established process in place which forms the template for future transfers.

Recommendation 2: We recommend that Queensland Treasury consider whether additional guidance can be provided to better assist agencies in understanding their responsibilities for asset transfers and the issues they may need to consider in discharging their responsibilities.

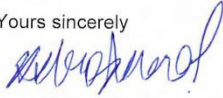
- Queensland Treasury will review the current guidance provided to agencies and consider whether amendments or enhancements are required.

Regarding the recommendations from the *Major Projects 2023* report, Treasury has implemented several components of these and is actively working to implement the remainder using a staged approach.

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If you require any further information, please cc [redacted] Fiscal,
[redacted] v.au, who will be
pleased to assist.

Yours sincerely



Rachel Crossland
Acting Under Treasurer

16 / 12 / 2024



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



Our ref: D2024/124670
Your ref: PRJ04162

- 7 DEC 2024

Ms Rachel Vagg
Auditor-General
Queensland Audit Office
qao@qao.qld.gov.au

Dear Ms Vagg

Thank you for the opportunity to review and provide comment on your proposed Major Projects 2024 report which will be tabled in Parliament this year.

As indicated in your report, the Cross River Rail Delivery Authority (Delivery Authority) is currently working with its delivery partners to assess the impacts of ongoing industrial actions, market conditions, and contractor performance issues. A revised completion date and budget will be announced subject to the outcome of the integrated schedule review. The integrated schedule is intended to allow all parties to work together to ensure there are limited gaps at interfaces.

Similar to my response to the Major Projects 2023 report last year, the Delivery Authority implemented the integrated schedule approach to reduce the risk of whole elements of the project being handed over simultaneously for testing and commissioning. It allows for progressive testing, thereby reducing the potential impact on delivery from a resourcing and program point of view. The Delivery Authority will continue to manage the cost and align delivery schedules with all stakeholders to review and achieve the revised milestones.

In this report, you recommended that relevant agencies should work together better to ensure all legal, accounting and operational aspects of asset transfers are considered early and agreed prior to the transfer. This recommendation extends to agencies involved with future asset transfers to implement appropriate governance arrangements to ensure that:

- there is early collaboration between the respective operational, legal, and financial teams, and if necessary, relevant central agencies and key stakeholders;
- all delivery milestones are accurately recorded, and the operational handover date of the assets is agreed;
- the accounting entries in their financial statements are understood and appropriately reflect the transfer and/or use of the assets; and
- where required, approval for the equity designation is obtained at or before the transfer of assets, aligning both the accounting and operational aspects of the transfer.

In response to your recommendation, the Delivery Authority attends ongoing meetings with the asset handover group which was already in place prior to January 2023 when the first assets were handed over to operations. The asset handover group comprises key officers from the Delivery Authority, Department of Transport and Main Roads (TMR), Queensland Rail (QR) and Queensland Treasury (QT). However, the differences in opinion on when the control of assets was transferred caused the delay in the processing of the asset transfer between the Delivery Authority and QR as indicated in your report.

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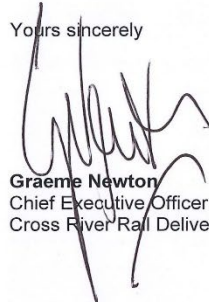
On 27 September 2024, the Transfer Notice made under *Queensland Rail Transit Authority Act 2013* was gazetted which prompted the equity accounting transfer for the first batch of asset transfers. All asset transfers prior to 30 June 2024 have now been transferred from the accounting books of the Delivery Authority to QR.

The asset handover group is in the process of finalising an Enduring Designation to expedite future asset transfers. The Delivery Authority will continue to work with TMR, QR and QT to ensure timely processing of equity designation notices in the future.

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

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

Yours sincerely



Graeme Newton
Chief Executive Officer
Cross River Rail Delivery Authority



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



Queensland
Government

Office of the
Director-General

Department of
Transport and Main Roads

Our ref: DG47205
Your ref: PRJ04162

11 December 2024

Ms Rachel Vagg
Auditor-General
Queensland Audit Office
rachel.vagg@qao.qld.gov.au

Dear Ms Vagg

Thank you for your email of 27 November 2024 about the Queensland Audit Office's (QAO) proposed report to Parliament titled 'Major Projects 2024'.

The Department of Transport and Main Roads (TMR) appreciates the opportunity to review this report and has provided feedback on the content within this proposed report.

I am pleased to read that there were no significant issues raised by the team performing this audit and I appreciate the insights that these reports provide so that we can continue to develop our culture of continuous business improvement. We will continue to share insights about our major projects with QAO to give visibility of our program.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SStannard'.

Sally Stannard
Director-General
Department of Transport and Main Roads

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Comments received from Director-General, Department of State Development, Infrastructure and Planning



Queensland
Government
Department of
**State Development,
Infrastructure and Planning**

Our ref: MC24/4304

17 DEC 2024

Ms Rachel Vagg
Queensland Auditor-General
Queensland Audit Office
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Dear Ms Vagg

I refer to your email of 27 November 2024 to the Honourable Jarrod Bleijie MP, Deputy Premier, Minister for State Development, Infrastructure and Planning and Minister for Industrial Relations about the Queensland Audit Office's *Major Projects Report 2024*. The Deputy Premier has asked me to respond on his behalf on this occasion.

The Crisafulli Government is committed to providing infrastructure for Queenslanders and restoring respect for public money and local governments. I note the contents of the *Major Projects Report 2024* and support the recommendations. With a forward decade of investment opportunity leading up to and beyond the Brisbane 2032 Olympic and Paralympic Games, coordinated infrastructure planning and responsible management of a productive and deliverable capital program is critical to ensuring Queenslanders are afforded the infrastructure and lifestyle they deserve.

If you require any further information, please contact [redacted]
[redacted]
Department of State Development, Infrastructure and Planning, by telephone on [redacted] who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Sosso'.

John Sosso
Director-General

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