

Evaluating major infrastructure projects

(Report 14: 2019–20).
Tabled 5 May 2020.

Welcome

Welcome to our presentation on the performance audit report on evaluating major infrastructure projects.

Please note that this is a summary and the full report can be read on our website.

Audit objective

In this audit, we assessed whether Building Queensland (BQ):

- effectively leads and/or assists agencies to deliver robust business cases for major infrastructure projects
- provides agencies with expert advice
- operates efficiently and effectively.

We selected five business cases for review.

Developing business cases

BQ has developed best practice frameworks and worked with government agencies to improve the quality of business cases. Government now receives more robust analysis to support investment decisions.

BQ's frameworks are generally sound, and the business cases we reviewed generally aligned with its frameworks. However, BQ does not always effectively apply its frameworks, and some business cases could be more robust. Four of the cases we reviewed assessed options using qualitative analysis only, without the required quantitative analysis. Three of the cases we reviewed were endorsed on benefits that could not be monetised.

BQ's assurance activities are well planned but not always fully implemented. Some assurance activities were informal and others were not conducted at the optimal time, limiting their assurance. In some cases, issues raised by peer reviewers remained unresolved and peer review logs were not always fully maintained.

The timing of infrastructure investment announcements affects the value of business cases. Early announcements create risk and lead to undue pressure to progress. There are currently no guidelines for scenarios when government announces its preferred option before the business case is complete.

Providing infrastructure advice

BQ provides infrastructure advice about the business cases it develops and the projects that agencies propose. However, it has not necessarily fulfilled its legislative role to provide expert advice about infrastructure to government. BQ's pipeline report overlaps with the State Infrastructure Plan. BQ does not identify proposals through research and does not publish the criteria it uses to identify priorities.

Operating efficiently and effectively

BQ effectively delivers and/or facilitates robust business cases, but could be more efficient. BQ's significant use of external consultants limits its ability to develop its internal capability.

Unlike agencies in other jurisdictions, BQ has two roles—developing business cases and providing assurance. This affects how BQ's stakeholders perceive its independence. Central government agencies value its independent assurance role, but agencies with extensive business case experience question its role in leading business cases.

Our recommendations

We made six recommendations to improve the effectiveness and efficiency of BQ, including improved application of BQ's frameworks, improved transparency of criteria used to identify new proposals, review of the overlap between BQ's infrastructure pipeline and the State Infrastructure Plan, and clarification of BQ's dual role in leading business cases and providing project assurance.

For more information

For more information on the issues, opportunities and recommendations highlighted in this summary presentation, please see the full report on our website.

Thank you.