

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2015 - 2016

**Department/Agency: Treasury**

**Question: SBT 33**

**Topic: Bruce Highway**

**Reference: Hansard page no. 92 - 21 October 2015**

**Senator: Canavan, Matthew**

**Question:**

Senator CANAVAN: I am particularly interested in the Bruce Highway, which is a bit in between those two definitions. It is not an individual project; it is a set of projects. But I know a number of them have come in well under budget and maybe, again, if you could take on notice for me how much, currently, it is tracking under budget. I think the commitment was originally around \$10 billion for that program. If you could provide figures on how much it has underspent then that would be appreciated.

Mr White: The infrastructure department will have all those numbers, but we can check with them.

Senator CANAVAN: What happens with that money, exactly, if there is an underspend? I will give you an exact project: the Yeppen South upgrade near where I live. It was originally budgeted at \$294 million. I believe it has come back at around \$170 million-odd. What happens to the \$120 million?

Mr White: I think it needs another government decision, is the answer. In many ways it is a good thing that something has been built for far less than anticipated.

Senator CANAVAN: Absolutely.

Mr White: That is then another decision around what happens to infrastructure money, which is, again, in the infrastructure department's domain, really.

Senator CANAVAN: So the money does not just stay with the infrastructure department to spend it on something else? You would have to be involved as a central agency?

Mr White: The process of the infrastructure budget is basically agreeing projects. Some of those projects have conditions around what happens to money that is not needed for them if there are underspends; others do not. It comes back as a general amount of money that was an underspend, as you said, and then it is up to ministers to make decisions about what they do with those sorts of things—whether they come back to the budget or whether they are used for different projects. It is a process that has to be worked through.

Senator CANAVAN: If I could have that one question taken on notice, particularly about the Bruce Highway. I will add to that: are there any changes to the costings on the second range crossing as well? That has not started yet, but it has progressed.

Mr White: That is the Toowoomba one?

Senator CANAVAN: Yes, that is the Toowoomba one.

**Answer:**

The Australian and Queensland governments have committed up to \$8.5 billion over a ten year period on the Bruce Highway with the Australian Government committing up to \$6.7 billion. Any savings from approved projects are placed in the Bruce Highway Contingency, which is held within the Infrastructure Investment Programme. As at 31 October 2015, there is \$752.01 million in the Bruce Highway Contingency.

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In the May 2015 Budget, the Australian Government made a commitment of up to \$1.285 billion for the delivery of the Toowoomba Second Range Crossing. Since this time, a contract has been awarded and further detailed design has been undertaken resulting in a reduction in the costs required to deliver the project. The final scope and funding for the project has subsequently been approved, reducing the total Australian Government funding commitment to \$1.137 billion.