

AUSTRALIA · INFRASTRUCTURE INSIGHT

Australia – still an opportunity down under!

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Roughly A$700 billion of work is moving through the pipeline, and strong project controls will decide who delivers it well.



Australia is delivering rail, road, high-speed rail, airport infrastructure, data centres, transmission, renewables, hydropower and the venues for the Brisbane 2032 Olympic and Paralympic Games at the same time, alongside a major lift in defence spending. The money is committed. The harder question is how much of it reaches the finished asset, rather than being lost to delay, cost growth and avoidable disputes.

THE BACKDROP: A RESILIENT ECONOMY WITH REAL EXPOSURES

Australia's economy is still growing, but not comfortably. Annual growth slowed to **2.1 per cent in the June quarter**, and the Reserve Bank has raised the cash rate four times this year, to **4.60 per cent in September**, with inflation still above target. Its August forecasts, made before the latest rise, saw growth softening to 1.4 per cent by the end of 2026 and business investment slowing over the next two years.

The economy is also sensitive to China. China and Hong Kong took **36.9 per cent of Australia's goods exports** in 2024, and more than 80 per cent of iron ore volumes, the largest export, go to China. New competing supply from Guinea is expected to test that position. Some analysts caution against overstating the risk, but it means conditions can shift quickly if Chinese demand softens.

Defence adds a second, very large layer of public spending. Defence funding is about A$63 billion in 2026–27, around 2.8 per cent of GDP, and is planned to rise towards 3 per cent in the early to mid 2030s. The 2026 National Defence Strategy projects roughly **A$887 billion over the next decade**, including A$425 billion for capability. The AUKUS submarine programme is estimated at A$268 billion

to A$368 billion over 30 years, the largest defence acquisition in Australian history. That spending is additional to the programmes below, and it will add to demand for the same scarce engineers, planners and contractors.

THE SCALE, IN APPROXIMATE TERMS

A$120bn+
RAIL AND ROAD
Rolling federal pipeline over ten years

A$55–90bn
HIGH-SPEED RAIL
First phase A$55bn, A$70–90bn with the Western Sydney Airport extension

~A$16bn
NSW AIRPORT
Western Sydney airport construction funding plus its metro rail link

A$7.1bn
BRISBANE 2032
Federal and Queensland agreement covering 17 venues

A$104bn
DATA CENTRES
Tracked projects, up four-fold in a year

A$377bn
POWER AND UTILITIES
A$96bn under construction or committed, A$281bn planned

Roughly A$700 billion
Combined headline value of the programmes above. The figures overlap and cover different bases, so treat the total as an indication of scale rather than a precise number. Defence spending is additional and not included.

RAIL AND ROAD: A STEADY PROGRAMME UNDER CAPACITY STRAIN

The federal government is maintaining a rolling infrastructure pipeline of **more than A$120 billion over ten years**, with commitments to the states and territories now at A$85.3 billion. The 2026–27 Budget adds A$12.1 billion of new investment across the portfolio, much of it for transport. Analysts describe it as a refocusing rather than an expansion, with road investment lifting now and expected to slow from 2028–29.

HIGH-SPEED RAIL AND AIRPORTS IN NSW: CITY-SHAPING DELIVERY

High-speed rail is moving from concept to delivery planning. The federal government has committed A$659.6 million to a two-year development phase to lock in design, approvals, scope and cost. The first phase is estimated at **A$55 billion, rising to between A$70 billion and A$90 billion** once the line is connected to Western Sydney International Airport. The Newcastle to Central Coast section is targeted for 2037, Sydney Central for 2039 and the airport for 2042. At the upper end it would be among the most expensive pieces of infrastructure the federal government has ever funded, and tunnelling is a major cost driver.

Airport infrastructure in Western Sydney presents a different challenge: fixed opening dates and tightly integrated rail, civil and terminal works. The associated metro line is a roughly A$11 billion project, and the federal government separately committed about A$5.3 billion to build the airport itself.

Early-stage estimates, deep tunnelling and interfaces between many packages are exactly where **strong baselines, early cost and risk forecasting, and disciplined change control** pay for themselves.

BRISBANE 2032: A DEADLINE THAT WILL NOT MOVE

The Games will be held on a fixed date. ANZ Research has noted that the hard deadline for Games infrastructure may add to cost pressure, and it expects public-sector-backed investment in

Queensland to overtake that of New South Wales and Victoria within a few years. **Fixed completion dates, evolving scope and a crowded market** make for demanding delivery conditions.

DATA CENTRES, TRANSMISSION, RENEWABLES AND HYDROPOWER

Data centres: the fastest-growing asset class

Data centre projects tracked by Deloitte Access Economics are now worth about **A$104 billion, a four-fold increase in a year**. CommBank estimates around six gigawatts of potential capacity in the pipeline, roughly four times what was operating at the end of 2025. These are complex, multi-stage builds with demanding programmes, and they depend on power arriving when they need it.

Transmission and renewables: the pressure point

Power and utilities account for A$96 billion of work under construction or committed, with a further A$281 billion planned. Transmission underpins the federal target of **82 per cent renewables by 2030**, and cost increases and delays have affected a number of key transmission projects. Network operators identify social licence and landowner opposition as a major challenge.

Hydropower: long-duration storage at scale

Pumped hydro is central to firming a grid with high wind and solar, yet it has struggled to progress in Australia. Underground works, geotechnical uncertainty, specialist plant and long-lead equipment leave very little tolerance for weak controls.

SKILLS: THE CONSTRAINT BEHIND THE PROGRAMME

Funding is only half the equation. The workforce to deliver it is the other half, and it is under strain.

Estimates suggest Australia will need an additional **300,000 infrastructure workers, plus 116,000 residential construction workers**, over the coming years. Master Builders Australia says the construction sector faces a labour shortage of more than 100,000. Unemployment has edged up to 4.7 per cent (September 2026, seasonally adjusted), but shortages of skilled trades and professionals persist.

Skilled migration is the obvious bridge, but attracting experienced expatriate professionals is difficult. Senior engineers, planners and project managers have global options, and Australia competes on more than salary. Industry voices have argued that high rents, vehicle costs and school fees can make senior overseas staff think twice, and that people who come for a few years pay a high rate of tax while they are here. Industry submissions have also argued that high living costs combined with comparatively high tax rates can be enough to dissuade talented people from relocating. Process matters too: Master Builders describes the skilled migration system as fragmented, costly and slow at recognising skills.

For project teams, the consequences are practical:

- Thin benches of experienced planners, cost managers and contract administrators
- Higher remuneration and retention costs, which flow into project budgets
- Lower productivity, more rework and more turnover mid-project
- Programme risk when key roles stay unfilled or keep changing

THE DELIVERY RISK

Resource shortages are not just an employment problem. They are a delivery risk, and often the origin of delay, disruption and productivity claims.

Realistic resource-loaded programmes, early warning of resourcing risk and good records of its impact are essential.

WHY PROJECT CONTROLS MATTER MORE THAN EVER

Fixed deadlines, long linear assets, deep civil works and many contractors competing for the same labour and plant mean that small slippages compound. ANZ Research expects elevated cost inflation to be an enduring feature of the infrastructure market. The projects that avoid disputes tend to do the basics well:

- **A credible baseline programme,** with realistic logic and float, agreed early.
- **Contemporaneous records** of change, delay, ground conditions and instructions.
- **Notice and early warning discipline,** so entitlement is protected and risk is managed while it can still be mitigated.
- **Integrated cost and time forecasting,** with clear visibility of interfaces across packages.
- **Prompt, transparent change management,** so variations are agreed as they arise.
- **Early, structured resolution** of differences before they harden into formal disputes.

HOW SYSTECH HELPS

Systech is a leading boutique project controls consultancy, specialising in construction claims, dispute resolution and commercial management. We are appointed on many major government infrastructure projects in Australia, each valued in the billions. Across road and rail projects, we help clients to:

- Set up project controls and commercial management that stand up under scrutiny
- Provide independent programme, delay and quantum analysis
- Advise on notices, change and entitlement in real time
- Assess resourcing and productivity risk in programmes and forecasts, and document its impact on delivery
- Resolve issues early, and support claims and defences where disputes cannot be avoided

The most cost-effective dispute is the one that never happens. If you are planning, delivering or funding major infrastructure in Australia, we would welcome a conversation.

I'M VISITING AUSTRALIA, AND WE'RE HIRING

I will be visiting Melbourne, Sydney and Brisbane to meet our staff and clients. While I'm there, I will also be interviewing senior candidates for our Australian business and, from Australia, for senior roles in our European, Canadian and US businesses.

If you are an experienced professional interested in a senior, long-term position on major infrastructure projects, I would like to hear from you. Please get in touch with me or the Systech team directly, including by message here on LinkedIn. If you are a client or contact and would like to meet while I'm in Australia, please let me know.

Systech is an independent, privately owned consultancy providing claims, dispute resolution, commercial management, legal and expert witness services. Figures reflect published sources as at October 2026 and are approximate. This article is general commentary, not legal or financial advice.