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**PORTFOLIO COMMITTEE NO.5 – INDUSTRY AND TRANSPORT**

**INQUIRY INTO THE WINDSOR BRIDGE REPLACEMENT PROJECT**

**Responses to Questions on Notice**

**Hearing – 18 June 2018**

**Roads and Maritime Services**

**Response:**

An extract from the updated economic analysis prepared by Arcadis dated May 2018 is below.

***Table 3-1 Summary of Economic Appraisal - 7% Discount Rate (P50 and P90)***

Decision Criteria	P50 Cost	P90 Cost
PV Cost (\$M)	\$109	\$115
PV Benefit (\$M)	\$217	\$218
NPV	\$108	\$103
BCR	2.0	1.9
IRR	12.4%	12.0%

**Response:**

The revised Economic Analysis dated May 2018, was prepared to reflect the increase in cost. The NPV of \$108M (P50) is shown in the table at Question 1. See attachment A.

**Response:**

The traffic modelling was updated utilising new counts and congestion values in 2017. The base model was designed to replicate the existing road/bridge conditions and was calibrated to replicate observed conditions.

The revised modelling looked at the benefits that the adopted project of a new bridge would bring compared to the existing conditions.

Irrespective of the bridge loading requirements it is likely that the existing narrow lanes on the bridge would not permit heavy vehicles to travel at the posted light vehicle speed limit.

**Response:**

A cost reconciliation was undertaken as part of the RMS Project Management Office estimate concurrence report for the project dated 18 May 2017. This report contains a section outlining reasons for the budget variation on page 5, attachment B.

A further assessment was undertaken dated 12 April 2018, after the close of tenders, to review the increase cost above the RMS tender estimate. This assessment is included on page 7 of attachment C.

**Response:**

The revised traffic model is included in the updated 2017 Traffic Study which is available on the Roads and Maritime Services website.

**Response:**

See map at attachment D.

**Response:**

The Yarramundi Bridge height is 6.6 metres AHD (Australian Height Datum).



**Response:**

Actual costs associated with the delay of the project are difficult to quantify as Roads and Maritime Services resources were re-allocated to other projects as a result. There was an approximate 3½ year delay arising from 18 month Court proceedings and 2 years complying with the conditions of approval.

The cost escalation that has been occurring in the construction industry within NSW over recent years is approximately 6.5%. This was confirmed by Mr Stephen Fox, Executive Director Group Finance, TfNSW in evidence provided to the Inquiry on 7 May 2018.

The increased cost associated with the time delay for the Windsor Bridge project is greater than 6.5%. This is due to the larger portion of the project expenditure profile being weighted towards the later years of the project when construction is underway.

**Response:**

Please refer to the response provided to questions on notice from the hearing of 7 May 2018.