

PUBLIC ACCOUNTABILITY COMMITTEE

INQUIRY INTO THE IMPACT OF THE WESTCONNEX PROJECT

Responses to Questions on Notice

Hearing – 9 October 2018

1. Mr KANOFSKI: from what was flagged at that time. That is why a decision was taken some time ago now, probably as early as 2015, to have the Sydney Gateway as a separate project, with the WestConnex project making a contribution towards it.

The Hon. DANIEL MOOKHEY: When was that decision made?

Mr KANOFSKI: Around 2015; I would have to take the exact date on notice.

Response:

The WestConnex Delivery Authority was dissolved on 1 October 2015. Subsequently, in November 2015, Roads and Maritime Services began developing a separate business case for Sydney Gateway. Sydney Gateway is not being developed or delivered by Sydney Motorway Corporation – Roads and Maritime Services is the responsible delivery agency, with the WestConnex motorway program contributing \$800 million to the road component of Sydney Gateway.

2. The Hon. DANIEL MOOKHEY: Who made the decision to remove the Gateway? Was that a Cabinet decision?

Mr KANOFSKI: I would have to take that on notice.

Response:

This was a decision made by Government.

3. The Hon. DANIEL MOOKHEY: When do you anticipate that the Gateway environmental impact statement will be lodged?

Mr KANOFSKI: I would have to take that on notice but I would expect probably late next year.

Response:

Roads and Maritime Services is currently targeting exhibition of the environmental impact assessment for the road component of Sydney Gateway in late 2019. Roads and Maritime understands that the Australian Rail Track Corporation (ARTC) is currently targeting exhibition of the environmental impact assessment of the rail component of Sydney Gateway in second half of 2019.

4. The Hon. DANIEL MOOKHEY: Are you going through, in the planning processes, which planning instrument you will be applying for, for Gateway approval?

Mr KANOFSKI: I will have to take that on notice. It requires both Commonwealth and State planning approval.

Response:

Sydney Gateway requires both Commonwealth and State land and is subject to approval under Commonwealth and State legislation.

Sydney Airport is on Commonwealth land. The works within the airport site are subject to approval under the *Commonwealth Airports Act 1996*.

The works in State land required for parts of the road and for the Port Botany Rail Line duplication are subject to approval under the *NSW Environmental Planning and Assessment Act 1979*.

The Port Botany Rail Line duplication is being delivered by ARTC on behalf of the Federal Government.

5. The Hon. DANIEL MOOKHEY: In respect to stage 3A, you say Lendlease Samsung has been awarded the design and construct. Is that correct? ...

The Hon. DANIEL MOOKHEY: What is the value of the construction part of the contract?

Ms DROVER: I think we will take that on notice.

Response:

The estimated cost of the full M4-M5 Link (including the Rozelle Interchange) is \$7.2 billion.

6. The Hon. DANIEL MOOKHEY: Is it more [construction part of the stage 3A contract] than \$3.5 billion?

Mr KANOFSKI: We have taken the question on notice.

Response:

Please refer to the response to question 5.

7. The Hon. DANIEL MOOKHEY: Is the reason that you signed the commitment deed with Sydney Motorway Corporation, that under the General Information (Public Access) Act you do not need to table it according to the same timetable that is contemplated in that Act?

Ms DROVER: I believe under the Act we need to publish our project deed with SMC within a time frame after the contract comes into effect. That came into effect after financial close for the sale, which was 27 September.

The Hon. DANIEL MOOKHEY: What is your deadline under the Act?

Ms DROVER: We have exceeded the deadline, I believe. The exact days after the contract comes into effect, I would have to take that on notice.

Response:

The *Government Information (Public Access) Act 2009* requires that the Deed be published within 45 working days of it becoming effective. The deed was published 14 working days before the date it became effective.

8. Mr KANOFSKI: The WestConnex project is subject to air quality controls on its ventilation facilities which are equivalent to the best in the world. Also, for I think the first time in an Australian tunnel—I can confirm this on notice—we have really strict in-tunnel air quality requirements as well ... The other thing I would say in terms of air quality is that vehicle emissions—I would have to take the precise percentage on notice—make up a small percentage of total particulates that are in the environment.

Response:

Air Quality Controls

In January 2016, the NSW Government released a policy for emissions compliance in new tunnel projects to protect the health and safety of tunnel users. The In-tunnel Air Quality (Nitrogen Dioxide) Policy sets a limit of 0.5 ppm for nitrogen dioxide emissions in all new tunnels more than one kilometre long to ensure air quality continues to improve over time. An in-tunnel nitrogen dioxide compliance standard of 0.5 ppm - as a 15 minute rolling average across the whole tunnel – sets the benchmark in Australia and compares favourably to the international in-tunnel nitrogen dioxide design guidelines which range between 0.4 ppm and 1 ppm.

On 17 February 2018, the NSW Government announced that it is putting in place stronger protections on emissions from motorway tunnels. Under these reforms, the ventilation outlets of all current and future operating motorway tunnels in NSW will be regulated by the NSW Environment Protection Authority (EPA). The EPA will require tunnel operators to meet air quality limits and undertake air quality monitoring, where practicable.

In addition, for new motorway tunnels that have not progressed through to the Environmental Impact Statement stage, additional checks will be required prior to the exhibition of the EIS, including:

- The Advisory Committee on Tunnel Air Quality (ACTAQ) will coordinate a scientific review of a project's air emissions from ventilation outlets;
- The NSW Chief Health Officer will release a statement on the potential health impacts of emissions from tunnel ventilation outlets; and
- The Minister for Planning will not approve a motorway tunnel project until the ACTAQ scientific review is considered.

Vehicle Emissions:

Sydney is a major international centre with residential, commercial, industrial, and natural occurrences such as bush fires, all contributing to air pollution. Motor vehicles are one contributor to emissions, contributing 14 per cent of PM2.5 (Particulate matter), and 62 per cent of nitrogen oxides. Other major contributors include wood heaters, which contributes 51 per cent of PM2.5, and industry, which contributes 18 per cent of PM2.5 and 19 per cent of oxides of nitrogen.

Despite there being more cars on the road, a number of initiatives and technological developments have resulted in substantial reductions to Sydney's vehicle emissions over the past two decades.

9. Ms CATE FAEHRMANN: You have undertaken an air quality assessment process for inclusion in a development plan for relevant councils, for example, Strathfield Council.

Ms DROVER: The exact nature of your question I will have to take on notice.

Response:

New M5 - M5AT have been working with CPB Contractors, Dragados, Samsung Joint Venture (CDS-JV) to prepare a framework that will assist Councils develop an air quality assessment process as part of their relevant Development Control Plan (DCP). CDS-JV's air quality consultant, Ramboll, is to prepare the framework (and also previously completed the dispersion modelling). A draft framework has recently been prepared and is currently under review by M5AT and CDS-JV. The framework includes procedures that assess:

- Impacts to new developments from air pollutant emissions released from the ventilation outlets
- Influences on the dispersion of air pollutant emissions from the ventilation outlet by a new development structure due to building downwash effects.

Once finalised, M5AT will commence consultation with the relevant Councils as required by Condition of Approval E29.

New M4 - In relation to compliance with Condition of Approval E18, meetings were held with Inner West and Strathfield Councils in May 2017 to discuss the project's requirement under the Conditions of Approval to develop an air quality assessment process for inclusion in a DCP. Following further communications with councils, which indicated that neither council required direct input into the scope of the modelling works, SMC engaged ERM Australia to undertake the required air quality modelling, which is required to inform the preparation of the development controls. In July 2018, both Councils were asked to provide information about any proposed developments in close proximity to the Parramatta Road Vent Facility and Underwood Road Vent Facility.

ERM will use this information in the modelling work and, once completed, the results will be reviewed and reported on. It is anticipated that ERM and SMC will engage further with the Councils, following which ERM will prepare the draft DCP for review by Councils. Once the DCPs are finalised (expected in early 2019), the relevant amendments to planning instruments will need to be undertaken by the respective Councils.

10. Ms CATE FAEHRMANN: I will keep on with air quality now that we have gone there. Mr Kanofski, one of the approvals for the M4 East is that there is a local and subregional air quality condition number E18 that suggests that the proponent must assist relevant councils in developing an air quality assessment process for inclusion in a development control plan or other appropriate planning instrument....

Ms CATE FAEHRMANN: The condition also suggests that the proponent must meet all reasonable costs for the development of this process and any necessary amendments to the planning instruments. Can you also take that on notice, please?

Ms DROVER: I would be happy to.

Response:

Please refer to the response to Question 9.

11. Ms CATE FAEHRMANN: We found out that the Sydney Gateway is not a part of WestConnex. Mr Kanofski, when did you specifically learn that the Sydney Gateway was not officially part of WestConnex and was going to be treated as a separate project?

Mr KANOFSKI: I will take the precise nature on notice As we have said—

Response:

Please refer to the response to question 1.

12. Ms CATE FAEHRMANN: I will move on. I understand that in 2013 the RMS provided a \$2.5 million grant to Lendlease to undertake an airport access link reference design. Have you seen this document?

Mr KANOFSKI: I would have to take that on notice.

Ms CATE FAEHRMANN: This is between January and April 2018 and you have to take it on notice. If the RMS has a copy of this document, could it be provided to the Committee?

Mr KANOFSKI: I will take that on notice. I do not know the document off the top of my head that you are referring to. I do not know its status. We are happy to take it on notice and consider what we can do in respect of the document. I do not know its status, or I am not familiar with the document.

Response:

In 2012 and 2013 Roads and Maritime Services engaged with multiple Industry Partners who had sufficient experience, capability and expertise to provide the services required to identify a technically feasible solution for Sydney's congestion. One of the engagements was with Baulderstone (now Lendlease) Bouygues joint venture.

13. The CHAIR: There will be a need for ventilation stacks. Have their locations been announced? Is there a map of those ventilation stacks?

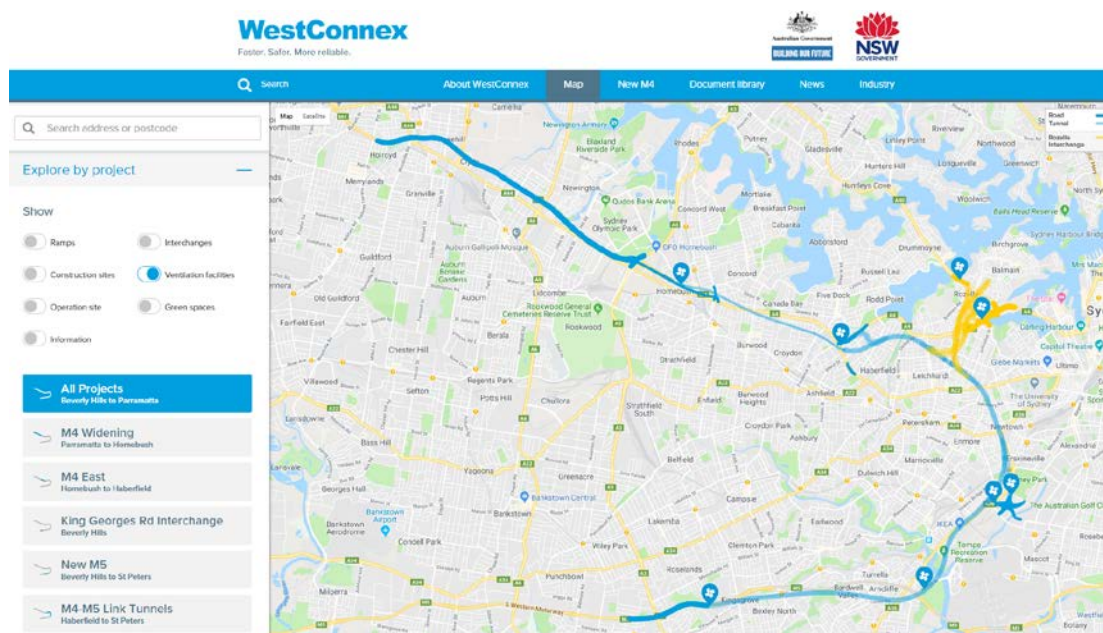
Mr KANOFSKI: Yes, there is.

The CHAIR: Could you table that map?

Mr KANOFSKI: We will certainly take it on notice to provide it to you.

Response:

An interactive map showing the locations of WestConnex ventilation outlets is publicly available on the WestConnex website at www.westconnex.com.au/map. See example image below.



14. The Hon. Dr PETER PHELPS: You might need to take this on notice, but you might know it because it has come up at previous inquiries. Can you tell me what percentage of traffic is getting onto the M4 before Parramatta, gets off at Parramatta or at some stage before Parramatta?

Mr KANOFSKI: I would have to take that on notice.

Response:

The traffic split is approximately 70-75 per cent use the M4 past the toll point at Parramatta and 25-30 per cent get off at Parramatta (toll point).

15. The Hon. Dr PETER PHELPS: Mr Kanofski, a person who, for example, is travelling from, let us say, Penrith to Sussex Street in the city—let us say he is Assistant General Secretary of the Labor Party—if he travelled M7, M2, Lane Cove Tunnel, Harbour Bridge, what would be the total cost of his toll at the current time?

Ms DROVER: My maths is not that good in real-time. We can take that on notice and do that calculation.

Response:

Currently this trip via the M7, M2, Lane Cove Tunnel, and Sydney Harbour Bridge would cost \$22.67 for a Class A vehicle.

WestConnex will use distance-based tolling, similar to the M7. This means motorists will pay tolls only for the sections of motorway they use. Tolls for the entire WestConnex will be capped at a maximum amount of \$8.95. All tolls are calculated using a 'flagfall' of \$1.27 and then \$0.47 per kilometre. All amounts are in 2018 dollars.

Free alternative routes remain available for those not wanting to pay a toll.

16. The Hon. Dr PETER PHELPS: On that basis, does that mean that the intersections at Terry Street, Darling Street and Robert Street will have significantly less traffic, especially during peak-hour periods?

Mr KANOFSKI: Yes.

The Hon. Dr PETER PHELPS: Does that mean that, for example, at Terry Street there is a possibility that a right turn could be reintroduced to get back on to Victoria Road?

Mr KANOFSKI: We would certainly have to look at the detail of that. But, as I said, there will be significantly less congestion at those intersections than there is today.

Response:

The incorporation of WestConnex into the Sydney road network naturally requires adjustments to some existing roads, both to enable motorists to effectively connect to WestConnex and to make the most of the opportunity that the additional motorway capacity provides. Network performance will be monitored after the opening of each stage of WestConnex, with assessments conducted 12 months and five years after opening.

Additional measures will depend on actual network performance, other elements of the road network and Roads and Maritime's prioritisation of work across the entire transport network.

17. The Hon. SHAYNE MALLARD: I would like a breakdown of the categories of tradesmen and the percentage working on the projects. I would like details about the makeup of the workforce. I recall that when the Government started this unprecedented program across the State it took up a lot of the slack from the mining sector, which was in decline and people were leaving mining to get new jobs. I would also like the figures for apprenticeships. Can you break that down a bit more?

Mr KANOFSKI: We are happy to take that question on notice. All those records exist and we will provide full details.

Response:

WestConnex will deliver more than \$20 billion in economic benefits to NSW and help to create 10,000 direct and indirect jobs during construction. The project will also deliver 500 apprenticeships/traineeships during the life of the project. Currently there is around 4,000 people working across all projects. With tunnelling on the New M4 completed earlier this year, work underground has turned to the fitout of the tunnels.

18. The Hon. SHAYNE MALLARD: I have to say I am a little startled by the concept that part of the savings are fewer traffic accidents, fatalities and injuries, particularly given some of the horrible car accidents we have seen. Have you calculated that figure? Do you have an idea of how many fewer accidents there will be and, heaven forbid, how many people's lives WestConnex will save?

Ms DROVER: That analysis is usually done as part of the preparation of a business case.

The Hon. SHAYNE MALLARD: I would not mind if you could provide that to us.

Ms CATE FAEHRMANN: There is the rub.

Mr KANOFSKI: Yes, we can take that on notice and provide what we can.

Response:

Please refer to Technical paper 2 - KPMG WestConnex economic appraisal - November 2015 available on the WestConnex website.

19. The Hon. Dr PETER PHELPS: Mr Kanofski, will the majority of the road between Strathfield and Haberfield be underground?

Mr KANOFSKI: All of the WestConnex road between Strathfield and Haberfield will be underground.

The Hon. Dr PETER PHELPS: Is the reason for that the fact that the corridor that was reserved was sold off by the Wran Government in the 1970s?

The Hon. DANIEL MOOKHEY: Maintain your rage!

Mr KANOFSKI: I would have to take that on notice

Response:

Most of WestConnex is being built underground, to minimise the need for land acquisition and remove through traffic from local streets. Please refer to Chapter 5 of WestConnex Updated Strategic Business case for a description of the option design process.