

## NSW Upper House Westconnex Inquiry

<< EcoTransit Sydney Response to *Question on Notice* during the hearing >>

**The CHAIR:** The case you have made in your submission, No WestConnex: Public Transport, is very similar to Matthew Dougherty's submission, EcoTransit, where he has similar questions in his submission to have a spotlight shone on the proponents of WestConnex and their conflicts of interest.

Could you cite any **examples** of what you are referring to?

**Mr. DOHERTY:** [these issues] were referred to earlier in relation to Goldman Sachs advising the New South Wales Government on the sale. There was also Macquarie Bank's role. Then there are specific actions taken in regards to WestConnex contracts by Lend Lease, by Leightons, and all of their partner firms. At the moment, I am going to have to take that question on notice, however, to give you more details.

Wherever one turns in the Westconnex Project, the revolving doors are spinning between government departments, Treasury, consultancies and private corporations. Disclosure as to secondments and conflicts is still even harder to find if disclosed at all. The following gives a taste of what is at least on public record and requires close forensic scrutiny by this Inquiry.

### *Ecotransit response*

1. The first individual case that must be investigated is the position of **Nick Greiner AC**. Greiner was the head of Infrastructure NSW from 2011 when he declared the Westconnex Project to be 'NSW's number one priority.' Greiner has many connections and holds Chairmanships, Directorships and Memberships in the world of Sydney business including – critically - his consultancy work for Transurban Limited. For more information see [www.nickgreiner.com.au](http://www.nickgreiner.com.au); further investigation beyond what Mr. Greiner has made public on his own website is clearly warranted in this case.

Other individuals worth investigating include **Christopher Swann**, a former director at Macquarie Bank. Swann was appointed to Infrastructure NSW in July 2011 to work on the development of Westconnex and other projects under Nick Greiner. Macquarie Capital was awarded a 58 year contract to work on the financial scoping of Westconnex (the contract has not been made public). When the NSW government then set up the Sydney Motorway Office to plan Westconnex, Swann was chosen to represent Infrastructure NSW in the planning body as it developed the first Westconnex business plan. The SMO invited a number of companies to help plan Westconnex, including Lendlease. Swann shifted in 2014 to the Westconnex Delivery Authority to head the New M5 project. In October 2015 Swann again moved, now back to the Roads & Maritime Services where he was responsible for completion of business cases for Western Harbour Tunnel, Northern Beaches Link, M1 Princes Motorway and the M4-M5 Link. In January 2017 Swann left RMS and joined Capella Capital, a partner firm of Lendlease. Swann has recently left the company, but during his time there it is clear he held much information about Westconnex. Lendlease won the huge contract for the M4-M5 Project between Haberfield and St Peters, among the projects that Swann had worked on before his departure from RMS. Notwithstanding that these business cases have never been released to the public, it is clear that Swann has been central to this gargantuan and metastasising project, and the spreading tentacle arms of its private sector embrace, with little public scrutiny.

**Jason de Sousa**, previously working as a Senior Policy Officer for the Minister for Roads since 2012 following work for the Premier, left his public positions in October 2015 to work for Lendlease. De Sousa also joined Capella Capital.

**Philip Gardiner** occupies a role of director with Roads Retained Interests Pty Ltd (see below). Mr Gardiner has had a long career in banking (Goldman Sachs & Macquarie Bank) and now occupies a role with NSW Treasury as well as the RRI Pty Ltd.

**John O'Sullivan** and **Peter McVean** are the other directors of RRI Pty Ltd, both with extensive banking experience (and political connections) who now represent the public interest in this project.

These are but a few of the individuals involved with this massive and growing project. *It is incumbent on the Inquiry to search out the many more conflicts of interest and suspect associations of this project and its proponents.* Sunlight is always the best medicine.

2. Groups and businesses that need the spotlight shone on their activities and connections include:

### **2a. Goldman Sachs:**

Goldman Sachs has a \$6 million investment in Australia's largest infrastructure company Transurban. Goldman is also advising the NSW government on the sale of WestConnex. Goldman has earned \$16.5 million in fees from NSW taxpayers for its 11 months' work. With the NSW government having now sold its controlling stake in Westconnex to Transurban, Goldman profits as Transurban/Westconnex does well through its very significant shareholding.

It is a *blatant* conflict of interest, staggering in its scope. Or it should be. However it is but scratching the surface of the deals that underpin this shady project.

### **2b. Macquarie Bank**

Macquarie Bank also works both sides of the aisle. It was advising the NSW government on the Westconnex scoping study. Shortly thereafter, it was advising Transurban on its Westconnex bid. This conflict of interest is so brazen it should surprise us. Sadly it doesn't in the state of NSW, 2018.

### **2c. Lendlease**

In addition to the involvement that Lendlease has had with this project through the individuals cited above, it needs to be pointed out the tremendous capital opportunities that Lendlease has 'won' through what passes for tendering processes. As noted, Lendlease was awarded the massive contract for the M4-M5 Project; it is also part of one of two consortia selected to construct the immense (and immensely-challenging) underground interchange slated for Rozelle, for which the public will shoulder very high risks.

The structure of the Westconnex deal is, from a public policy point of view, reprehensible. The most disgraceful is the shielding of information on a public project of such importance (per Nick Greiner above) from public scrutiny, aka *Freedom of Information* requirements. As a keen student of the administrative and public law reforms of the 1970s, I find this outrageous. The switching of public assets into a private company, the Sydney Motorway Corporation, two years ago is exhibit #1 in this sad story. Even the public control of the remaining 49%, in Roads Retained Interests Pty Ltd, has been registered as a private company with private sector directors representing NSW's interests.

*The public is on the hook for a lot through the building of 'NSW's number one priority.' This project has been clouded in secrecy. Uncertainties as to cost and forecast abound. Competition issues have not completely disappeared despite the blessing of the Australian Competition & Consumer Commission (ACCC). Indeed monopoly concerns for Transurban are clear. An unavoidable tollroad future [or dystopia] appears inevitable. There are many policy challenges for our transport future, ones whose solution will be near-impossible if this project goes ahead in its current form.*

*We urge the Inquiry to hold the government and related entities to account.*

Matthew Doherty on behalf of EcoTransit Sydney

14 November 2018

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EcoTransit Sydney is a community organisation and lacks the resources to more comprehensively investigate these matters. ***However we believe that at the very least this Inquiry must conduct more forensic investigations into both the named individuals and organisations***, as well as other persons or groups who have escaped attention in our submissions.