

Portfolio Committee No.6 – Transport and the Arts
Parliament House
Macquarie Street
SYDNEY NSW 2000

22 May 2024

Re: Inquiry into the impact of the Rozelle Interchange – Post-hearing responses – 23 April 2024 (answers to supplementary questions)

To Committee Chair Ms Cate Faehrmann,

Thank you for the opportunity to appear before the Portfolio Committee No.6 - Transport and the Arts' *Inquiry into the impact of the Rozelle Interchange* on 23 April 2024.

As requested by the Committee by email on 1 May 2024, I am pleased to provide the following answers to the Committee's supplementary questions.

As outlined in the Transurban-WestConnex submission to the Committee dated 22 March 2024 (**Submission No 27**), Transurban is part of the Sydney Transport Partners consortium, who acquired WestConnex. The relevant WestConnex entities are parties to the concession agreements entered into with Transport for NSW (**TfNSW**).

The relevant WestConnex entities (as concessionaires) are the operators of the WestConnex motorway, which includes the operation of Rozelle Interchange (but not the adjacent surface roads). As such, I primarily refer to WestConnex when detailing operation and maintenance obligations relating to Rozelle Interchange.

Answers to supplementary questions

1. In relation to compensation:

- a. Are there any circumstances under which the NSW government would have to pay Transurban financial compensation in the future?**

As would be the case with any legal contract between organisations, especially when involving multi-billion-dollar assets and multiple contractors, there are agreed clauses that refer to potential compensation. However, when and how the WestConnex entities' entitlement to claim might be triggered depends on the specific circumstances giving rise to the claim, which are set out in the WestConnex concession agreements.

The WestConnex concession agreements are published online by TfNSW. I refer the Committee to TfNSW's website.¹

¹ <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-contracts-2>

Transurban Limited

ABN 96 098 143 410

Melbourne (registered address)

Level 31, Tower Five, Collins Square
727 Collins Street
Docklands Vic 3008 Australia

Telephone +61 (0)3 8656 8900

Facsimile +61 (0)3 8656 8585

Sydney

Level 12, 210 George Street
Sydney NSW 2000 Australia

Telephone +61 (0)2 9254 4900

Facsimile +61 (0)2 9254 4990

Brisbane

Level 39, 300 George Street
Brisbane Qld 4000

Telephone +61 (0)7 3323 0100

Facsimile +61 (0)7 3423 3209

transurban.com

I also note that the NSW Government Treasury has published a summary of the WestConnex project as at February 2019 on its website.²

Note: these websites are maintained by NSW Government agencies, not by WestConnex or Transurban.

- b. If the NSW government makes any changes to Transurban's WestConnex toll roads that involve slowing down traffic going through the WestConnex tunnels or altering lane arrangements in the WestConnex tunnels exiting onto the Anzac Bridge to provide more space for traffic coming from public roads will it need to financially compensate Transurban?**

This is a hypothetical question and as at the date of writing, I am not aware of any such requests from TfNSW. As per my evidence given in at the hearing on 23 April 2024, if the NSW Government wanted to make changes to the WestConnex motorway, given the long-standing partnership between the NSW Government and Transurban, the NSW Government would engage with the relevant WestConnex entities.

The WestConnex concession agreements are published online by TfNSW. I refer the Committee to TfNSW's website.³

I also note that the NSW Government Treasury has published a summary of the WestConnex project as at February 2019 on its website.⁴

Further questions should be referred to the NSW Government, and previous public statements on this matter.

- c. If so, what are the details of those compensation arrangements and in what documents are those compensation arrangements disclosed?**

I refer the Committee to my answer to question 1b above.

- d. If the NSW government had changed the design of the Rozelle Interchange before handing it over to Transurban in November 2023, and reduced the number of lanes entering into and exiting from the WestConnex toll roads or the location of entries and exits, would it have had to financially compensate Transurban?**

I refer the Committee to my answers to questions 1a and 1b above and to the Schedule 33 Rozelle Interchange Compensation Principles (now publicly available).

- e. If so, what is the amount of that compensation? Please provide a copy of the Rozelle Interchange Compensation Principles, which has been redacted in publicly available documents.**

I refer the Committee to my answers to questions 1a and 1b above and to the Schedule 33 Rozelle Interchange Compensation Principles (now publicly available).

² <https://www.treasury.nsw.gov.au/projects-research/public-private-partnerships/awarded-projects/westconnex>

³ <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-contracts-2>

⁴ <https://www.treasury.nsw.gov.au/projects-research/public-private-partnerships/awarded-projects/westconnex>

2. Transurban told the committee that the NSW government would need to "consult" with the company before making any changes to the WestConnex toll road.

a. Is there any documentation outlining exactly how these consultation sessions would happen and the procedures governing the consultation?

The WestConnex concession agreements are published online by TfNSW.⁵

I also note that the NSW Government Treasury has published a summary of the WestConnex project as at February 2019 on its website.⁶

As set out in the concession agreements there are a number of requirements for TfNSW and the WestConnex entities to consult with respect to the delivery, maintenance and operation of the WestConnex motorway. For example, each of the WestConnex concession agreements contain provisions regarding "Changes" which set out the procedure for implementation of changes or variations to the project works. These procedures require TfNSW and WestConnex to give each other notice of proposed changes or directed changes and, where possible, to reach agreement on how those changes will be implemented.

3. In relation to ramp metering:

a. Why is there a special agreement between Transurban and the NSW government over the ramp meters, which Transurban says are for "maintenance" reasons, but no special agreement for the maintenance of regular traffic lights, which are right next to some of the new ramp meters on the public lane entries to the Anzac Bridge?

Under the WestConnex M4-M5 Link concession agreement, TfNSW has absolute discretion to implement or operate ramp meters on the WestConnex motorway. WestConnex has obligations under the agreement to maintain and repair traffic management assets, including ramp meters.

b. If the NSW government has responsibility for operating and maintaining the regular traffic lights, shouldn't it also have full technical and operational responsibility for the ramp meters?

TfNSW has full technical and operational responsibility for the ramp meters. As set out in my answer to question 3a, the M4-M5 Link concession agreement allocates maintenance responsibility for those ramp meters to WestConnex.

c. Photos show the ramp meters and regular traffic lights are just a few metres apart. Can Transurban provide a map showing where its technical boundaries on the Rozelle Interchange start and end, both above ground and below ground?

This question is more appropriately directed to TfNSW as it has full technical and operational responsibility for the ramp meters.

d. Do the full concession contracts between Transurban and the NSW government for all stages of WestConnex include any references to ramp meters? Please provide copies of

⁵ <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-contracts-2>

⁶ <https://www.treasury.nsw.gov.au/projects-research/public-private-partnerships/awarded-projects/westconnex>

the full concession agreements for all three stages of WestConnex and the Rozelle Interchange.

Ramp meters are captured within the definition of “Smart Motorways” as set out within the WestConnex concession agreements. The WestConnex concession agreements are published online by TfNSW.⁷

I would like to thank the Committee for the opportunity to provide this response to the Committee’s supplementary questions.

For further information or discussion, please contact Alisa Hitchcock, Head of Public Affairs, on or via email at .

Yours sincerely,

Denise M. Kelly
General Manager
WestConnex

⁷ <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-contracts-2>