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Premier and Treasurer of New South Wales
Australia

JSC CROSS CITY TUNNEL

13 FEB 2006

RECEIVED

The Hon Reverend Fred Nile MLC
Chairman
Joint Select Committee on the Cross City Tunnel
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Reverend Nile

Thank you for your further letter of 2 February 2005 concerning the Inquiry into the Cross City Tunnel.

For the reasons set out in my previous letter, I will not be attending before the Committee to give evidence. However it is appropriate for the Government's position on these issues to be placed on the public record.

Please find attached responses to the Committee's questions that will assist the Committee to finalise its deliberations.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Morris Iemma', written over a large, stylized blue scribble.

Morris Iemma MP
Premier and Treasurer

13 FEB 2006

**HON MORRIS IEMMA
PREMIER AND TREASURER**

Questions 1, 6 & 10

I refer to the answers given by the Minister for Roads to the same questions.

2. What plans are there to strengthen the capacity for strategic planning in the NSW Government?

The Government's Metropolitan Strategy, released in December 2005, sets the strategic planning context for Sydney for the next 25-30 years. Regional strategies are being progressively developed for other areas of the state. A State Infrastructure Strategy, with a 10 year horizon revised annually, is being prepared – and will be publicly released later this year. This Strategy aligns the Government's priorities for infrastructure expenditure within the broader metropolitan and regional strategies, while taking into account issues affecting the delivery of infrastructure – for example, the ageing population, technological change and changes in employment and transport usage trends as well as specific issues like the requirement to address increasing community mental health problems.

Consistent with the recommendations in the Review of Future Provision of Motorways, future motorway projects – as well as other major infrastructure projects where necessary – are required to be endorsed by Cabinet as consistent with the metropolitan and state infrastructure strategies, before proceeding to formal community consultation.

3. How will you be implementing the recommendations of the Infrastructure Implementation Group's Review of Future Provision of Motorways in NSW?

The Cabinet Standing Committee on Infrastructure and Planning (IPCC), which I chair, has approved a process for the implementation of the Review recommendations. This process requires individual agencies such as the RTA, the Department of Planning and Treasury to report to the Cabinet on the tasks required by that agency to implement the recommendations and to submit for approval subsequent changes to procedure and policy. These changes include alterations to the *Working with Government* Guidelines and other relevant policy documents. The Infrastructure Implementation Group is coordinating the implementation process.

4. What will be the future role of the Infrastructure Implementation Group and how will it interact with the Department of Planning?

The Infrastructure Implementation Group (IIG) was established to assist in the delivery of major infrastructure projects. This may range, depending on the nature of the project, from assistance with the scoping of projects and the planning approval process through to oversight of construction and commissioning. The Group may take a "hand-on-shoulder" role, providing high level expertise and experience, for example on project control groups, or – in rare circumstances – the Group may at my direction take over a project. The *Infrastructure Implementation Corporation Act* provides the legislative means by which this will occur.

The IIG is an essential part of the Government's overall framework to improve the coordinated delivery of land use planning and infrastructure. It works closely with

Treasury, the Department of Commerce and the Department of Planning on improved project management and delivery.

As the *Review into the Future Provision of Motorways* identified, there is a need for a greater alignment of the planning approval process with other project approval processes within Government. The IIG is currently working with the Department of Planning to implement the Review recommendations aimed at achieving this alignment.

5. Which Cabinet Committees make decisions about strategic planning for transport needs?

The Cabinet Standing Committee on Infrastructure and Planning.

7. Will the NSW Government consider other funding alternatives for future road projects?

Consistent with the *Review of Future Provision of Motorways in NSW*, the Government will consider all options for the structure of future motorway projects, ranging from projects with exclusively government ownership to full private equity, and combinations thereof.

8. Do you back the recommendations of David Richmond and his review into motorways?

Yes, I have accepted all 32 recommendations and, as indicated in the above responses, have moved to implement those recommendations for the future provision of motorways – and, as appropriate, for other major infrastructure projects.

9. What lessons have been learned as a result of the Cross City Tunnel project?

Consistent with the *Review of Future Provision of Motorways in NSW*, all future contracts for new Sydney motorways will include introductory toll free periods and will not limit alternative public routes.

The Government will retain control of the public road network and preserve alternative routes for motorists, even if that means abandoning the 'no cost to Government' policy. While, the Government will continue to work with the private sector to deliver these important infrastructure projects, full or partial public ownership will remain open to the Government. As Sydney grows it will need more motorways and the private sector will have a role to play in helping deliver them.