

**RESPONSE TO JOINT SELECT COMMITTEE ON THE CROSS CITY
TUNNEL'S FIRST REPORT (FEBRUARY 2006)**

Recommendation 1

That the *Working with Government: Guidelines for Privately Financed Projects* be made more prescriptive in relation to the public interest evaluation of projects before the decision to consider them as Privately Financed Project. Specifically:

- **The part of Government responsible for making the decision should be clearly identified**
- **The decision, including a summary of the evaluation should be made public**

Response:

The Working With Government Guidelines for Privately Financed Projects (the Guidelines) are currently being revised, and, this recommendation is being considered as part of the process.

Recommendation 2

That toll levels for future toll roads should not be assessed only in terms of what the private sector offers during tender processes and contract negotiations. Mechanisms must be in place to ensure that appropriate environmental and planning consideration is given, in particular, to the impact of tolls and tolling regimes on mode shift, traffic inducement, and value for money for the motorist.

Response:

The Review of Future Provision of Motorways in NSW led by Professor David Richmond AO made recommendations concerning toll levels and in particular that tolls should be value for money for the road user and that there should be flexibility in future proposals about the toll and the concession term [page 7]. The Review's recommendations are publicly available at www.premiers.nsw.gov.au. The Government has endorsed the findings and recommendations of the Motorways Review.

Recommendation 3

That the review of the *Working with Government: Guidelines for Privately Financed Projects* consider specific issues raised in relation to the Cross City Tunnel project, including:

JSC CROSS CITY TUNNEL

29 AUG 2006

RECEIVED

- **Process to be followed where both conforming and non-conforming bids are to be considered by agencies contemplating the use of privately financed projects**
- **Clearer guidance on the role of the environmental planning and assessment process and its relationship to other processes and procedures required in entering into privately financed projects.**

Response:

The evaluation process for both conforming and non-conforming bids is being considered as part of the process of revising the Guidelines.

In revising the Guidelines, a number of stakeholders have been consulted including NSW Planning. Further information will be included in the revised Guidelines on the planning process and PPPs.

Recommendations in the Motorways Review relating to greater integration of government decision-making processes have been endorsed by Government and are being implemented.

Recommendation 4

That a separate, more detailed, policy on privately financed projects be developed to guide government agencies. This will be further considered in the Committee's second report.

Response:

The revised Working With Government Guidelines, which is the detailed policy document that guides government agencies in developing and implementing PFPs, will continue to be mandatory for government agencies.

Recommendation 5

That both the *Working with Government: Guidelines for Privately Financed Projects* and the detailed policy on privately financed projects include review mechanisms to ensure that changes to relevant government policy, changes to key agencies and structures, and significant issues arising out of project reviews of privately financed projects can be incorporated in an efficient and timely manner.

Response:

The Government's framework is continually under review. The revised Guidelines anticipate changing circumstances and will continue to be updated as required.

Recommendation 6

That the Summary of Contracts for future infrastructure projects include a summary of the comparison of the Public Sector Comparator with private sector proposals. The summary should:

- **Outline the criteria used in the comparison and relative weightings assigned to those criteria**
- **Include details of the analysis conducted against the criteria**

Response:

The Government supports this recommendation, which will be considered as part of the process to revise the working with Government Guidelines.

Recommendation 7

That the NSW Roads and Traffic Authority request that CrossCity Motorway place daily and monthly Cross City Tunnel traffic use figures on their website.

Response:

Publication of Cross City Tunnel traffic use figures is a matter for the CrossCity Motorway. However, the Government will encourage the CrossCity Motorway to do so.

Recommendation 8

That any policy of charging private consortia a fee for a 'right to operate' a piece of infrastructure be expressly discontinued.

Response:

This recommendation is not supported.

The Motorways Review recommended that in appropriate circumstances Cabinet may determine that an upfront payment to recover costs is appropriate for a specific project.

Recommendation 9

That any information relevant to an increase in toll pricing resulting from contract variations should be transparent and publicly available. The information should include:

- **The original toll price proposed**

- Toll price projections for each period where a price escalation or Consumer Price Index increase is provided in the contract
- The price component of specific contract variations that increase the toll price

Response:

The Government supports this recommendation.

Recommendation 10

That the Government review existing community consultation practices, particularly in relation to major infrastructure projects, and develop standardised, plain English guidelines available to the community defining 'community consultation' in relation to such projects

Response:

The Review of Future Provision of Motorways in NSW led by Professor David Richmond AO made recommendations concerning consultation and community relations [page 8]. As stated earlier, the Review is publicly available at www.premiers.nsw.gov.au. Government has endorsed the findings and recommendations of the Motorways Review.

Recommendation 11

That the Government refer the issue of community consultation to the Standing Committee on social Issues to conduct a review of the experiences of New South Wales residents with consultation processes, and perform a comparative study of best practice consultation methods

Response:

The Government does not support this recommendation.

The Review of Future Provision of Motorways in NSW led by Professor David Richmond AO made recommendations concerning consultation and community relations [page 8]. The Government has endorsed the findings and recommendations of the Motorways Review.

Recommendation 12

That the NSW Roads and Traffic Authority ensure that the community consultation process in relation to Bourke Street's future status is inclusive and considers the wide variety of opinions and views in the community. The process should be conducted with a view to addressing the opposing views and if possible develop a consolidated position.

Response:

The Premier announced on the 4 June 2006 that the reopening of CBD roads was planned. The reopening of Bourke Street intersection on the southern side of William Street for left in/left out movements was one of the road changes to be made.

Following the approval of the Director General of the Department of Planning under Condition of Planning Approval 288 and a public notification process, the road was reopened on 7 July 2006.

A program of consultation is to be undertaken with the local community on the development of urban design measures to address the changes in traffic.

Recommendation 13

The trial closure of Bourke Street ends on 28 February 2006. The Committee recommends that the NSW Roads and Traffic Authority immediately reopen the street while the review is being conducted.

Response:

This recommendation has been implemented, as noted in Recommendation 12.

Recommendation 14

That the NSW Roads and Traffic Authority immediately reverse the traffic measures identified in Appendix 5 of this report and categorised as category B, C or D and further investigate reversing those referred to as category A as soon as possible.

Response:

Attachment A contains a list of changes to traffic measures announced by the Government. The changes to traffic measures are in the process of being implemented following the Minister for Planning's approval of the modification on 7 July 2006 (except for Bourke Street, which was reopened on 7 July 2006 following the approval of the Director General of the Department of Planning under Condition of Planning Approval 288 and a public notification process).

Recommendation 15

That the Government continue to encourage the operators of the Cross City Tunnel to lower the toll. A reduction of the toll to \$2.90, as suggested by the NSW Roads and Traffic Authority's traffic consultants, would be revenue neutral and improve patronage of the tunnel.

Response:

The Government supports this recommendation. However, the level of the toll (up to the maximum prescribed by the Cross City Tunnel project deed) is a matter for CrossCity Motorway, which has declined to lower the toll below its current levels.

Recommendation 16

That the Government finalise the revised guidelines for public release of documents, taking into consideration the recommendations of the Infrastructure Implementation Group's Review of Future Provision of Motorways in NSW and the Auditor General.

Response:

The Government supports this recommendation. Ministerial Memorandum 2000-11, Disclosure on Information on Government Contracts with the Private Sector, will be updated and replaced shortly.

Recommendation 17

That the revised guidelines for the public release of documents clarify the status of amendments or variations to existing contracts.

Response:

The Government supports this recommendation. Ministerial Memorandum 2000-11, Disclosure on Information on Government Contracts with the Private Sector, will be updated and replaced shortly.

Recommendation 14

CHANGES TO TRAFFIC MEASURES ANNOUNCED BY THE GOVERNMENT

- Two way traffic flow installed in Sussex Street Between Druitt Street and Bathurst Street to facilitate Cross City Tunnel construction reversed.
- Installation of temporary dedicated left turn lane westbound in Park Street into Castlereagh Street reversed.
- Installation of U turn construction facility in Shakespeare Place to facilitate movement of construction traffic retained for future emergency use.
- Temporary closure of slip lane from Macquarie Street southbound into Shakespeare Place reversed.
- Two eastbound lanes in William Street between College and Yurong that were temporarily occupied for footpath construction removed on completion of the construction works.
- Removal of eastbound bus lane on Bathurst Street between Sussex Street and Kent Street completed and remaining red coloured pavement removed.
- Westbound right turn ban from Park Street into George Street removed.
- Lane configuration on Bathurst Street viaduct adjusted to develop lane 3 instead of lane 1, on approach to Cross City Tunnel portal.
- Planned extension of bus lane in Druitt Street westbound between George and York Street not implemented.
- Planned extension of new bus lane in lane 2 of York Street on approach to Druitt Street not implemented.
- Planned extension of new bus lane in lane 2 of George Street northbound from approximately 80 metres north of Druitt Street to Market Street not implemented.
- 30 metre right turn bay southbound in George Street at Druitt Street for bus retained.

- Planned linemarking adjustments in George Street between Bathurst Street and Druitt Street to remove one northbound left turn lane and create new bus lane in lane 2 not implemented.
- Planned investigation of changed merging arrangement for Darlinghurst on ramp/William Street westbound (including continuity of the T2 transit lane between Kings Cross tunnel and Forbes Street) not undertaken.
- Planned introduction of a dual left turn from Eastern Distributor exit to William Street westbound only to be implemented if it improves surface road traffic movement.
- Planned creation of new bus lane southbound on Elizabeth Street between Market Street and Park Street by linemarking adjustments will now not be implemented.
- Reopening Druitt Street to general traffic running westbound between Kent Street and Clarence Street.
- Retaining two right turn lanes from Elizabeth Street northbound into Park Street eastbound and not installing a new bus lane southbound of Elizabeth Street between Park Street and Bathurst Street.
- Provision of an additional traffic lane eastbound along William Street east of Palmer Street to McElhone Street.
- Removal of cycle lanes on Kings Cross Road eastbound between Darlinghurst Road and Ward Avenue and on Craigend Street between Roslyn Street footbridge and Darlinghurst Road.
- The following changes in and around Sir John Young Crescent:
 - Removing the seagull island at the intersection of Sir John Young Crescent and Cowper Wharf Road to allow direct access to the harbour crossing from Palmer Street/Sir John Young Crescent;
 - Reintroducing traffic signals at the intersection of Palmer Street and Sir John Young Crescent to assist efficiency of traffic flow;
 - Changing Palmer Street from one lane northbound and one lane southbound between Sir John Young Crescent and Cathedral Street to two lanes northbound: and,
 - Reinstalling the second right turn lane on the Cahill Expressway off ramp to Cowper Wharf Road.
- Provision of a dedicated right turn lane at Queens Cross for a turning movement from Darlinghurst Road northbound into Kings Cross Road eastbound.