

**Submission
No 170**

INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT

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Submission to Parliamentary Inquiry into the “Impact of the Westconnex Project”

Submitted by Andrew Lillicrap

29 August 2018

My concerns about West Connex relate to the way in which decisions were made to compulsorily acquire properties and the uncertainty that poor decision-making processes created.

I was a property owner at North Strathfield (Concord Rd) for 18 years until the threat of WestConnex came. We had not intended to move at that stage and were content to remain in this house.

Initially, I was informed my property was not going to be acquired by Westconnex. What was obvious from the plans though, is that it was going to be adversely affected by being so close to tunnelling and tunnel access routes near the corner of Sydney St and Concord road.

This looming hazard pressured myself and my family into wanting to get away from it. We had lived in this historical house for 18 years. Over those years we had renovated, painted, installed a new kitchen and bathroom, attic and decking. We had retained its historical value and this was recognised when Canada Bay Council placed this house and other houses in the precinct on a local historical register. We understood that major changes to the property, particularly the façade, were restricted and that knocking it down completely would never be approved. But the onset of West Connex convinced us this would no longer be a secure place to live.

We made a decision to get out and we attempted to sell our house on the market in February 2014. We tried to sell in what was otherwise a very “hot market”, but the impact of WestConnex meant that interest was flat and it passed in at auction at \$820,000, considerably lower than we had hoped for.

It took a further five months before we sold it for \$895,000.

I emphasise this was otherwise in a hot market, but at that time WestConnex had no plans to acquire my property. It would have been one of the last houses left, next to the new tunnel entrances and therefore left dormant in a busy part of the project. Prospective purchasers knew this and stayed away.

So WestConnex forced us to make a decision about moving house, only to destroy its value in the sale process.

But it got worse later, when it became apparent that Westconnex had misjudged the properties they needed and changed the boundaries for the project.

Subsequent to the sale of our house in June 2014, Westconnex changed its plans several months later. WestConnex later started compulsorily acquiring adjacent properties along Concord Rd between Sydney St and Concord Rd (my old house).

My understanding is that the house next door at Concord Rd, was eventually acquired for around \$1.9m. My own (former) property at Concord Rd, was also eventually compulsorily acquired for (I believe) a similar amount. Notwithstanding the historical value of this house (and other nearby houses), the house was demolished! Canada Bay Council restrictions on me developing the house and seeking greater value out of it had been prevented, but the WestConnex project was able to override those historical considerations.

While I do not know the exact price my old house was compulsorily acquired for, my understanding is that it was around \$900,000 to \$1m more than I sold it for (just 18 months earlier). In short, WestConnex came along, pressured us into considering selling earlier than we would have done, suppressed the value of my property, only to then change its plans and grant a \$1m uplift for the new owners. This represented a substantial opportunity cost to us when it was compulsorily acquired. The subsequent change to the plans added a million dollars worth of salt into the wounds.

The uncertainty created by a project like this, leads people to make decisions based on known information at the time. If we had known Westconnex would eventually acquire our property, we would have made different decisions. When it passed in at auction, I had been considering holding on to the property and renting it out until we could get a better price, as we had already committed to buying a new property and were due to settle in July 2014. However, the uncertainty and further negative impact on the value of having the house on the market with a major construction project next door, deterred us from doing this.

Accurate and well considered plans, put on display by WestConnex, would have led us to make different decisions. It was entirely feasible for us to hold onto the property, move into the new house, rent out the old house at Concord Rd, while proceeding through the compulsory acquisition process. Unfortunately,

the way Westconnex conducted the process effectively denied us this opportunity.

I recommend the Committee consider the following:

- When proposed plans of a major project are announced, they should be fixed.
- If plans subsequently change, fresh assessments need to be made on the financial and other impacts of residents and the community of changing those plans. This should include the opportunity costs to residents of the original plans and any new plans.
- A mechanism to retrospectively assess these impacts needs to be built in to the acquisition process.
- Any other mechanisms which provide certainty to the process so that residents affected can make reliable decisions.