

**INQUIRY INTO IMPACT OF THE WESTCONNEX
PROJECT**

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Partially
Confidential

INQUIRY INTO THE IMPACT OF THE WESTCONNEX PROJECT

31 August 2018

Legislative Council - Public Accountability Committee

I thank the Members of the Public Accountability Committee for the opportunity to give evidence regarding the impact WestConnex on so many Communities across Sydney. Two members of the Beverly Hills North Progress Association are willing to appear at the Inquiry to further elaborate on the issues raised in this document if required, in particular property damage.

Out of courtesy to the Members, this document will (try to) remain brief. Where appropriate, additional information as an Appendix will be provided. This document will commence with the Term of Reference (j) 'any other related matter' with a focus on property damage as our key concern at this time followed by other matters.

Inquiry into the impact of the WestConnex Project

Terms of reference

1. That the Public Accountability Committee inquire into and report on the impact of the WestConnex project, including:
 - (a) the adequacy of the business case for the WestConnex project, including the cost-benefits ratio
 - (b) the cost of WestConnex project, including the size and reasons for overruns
 - (c) consideration of the governance and structure of the WestConnex project including the relationship between Sydney Motorway Corporation, Roads and Maritime Services, the Treasury and its shareholding Ministers
 - (d) the compulsory acquisition of property for the project
 - (e) the recommendations of the Audit Office of New South Wales and the Australian National Audit Office in regards to WestConnex
 - (f) the extent to which the project is meeting the original goals of the project as articulated in 2012
 - (g) the relationship between WestConnex and other toll road projects including the Sydney Gateway, Western Harbour Tunnel, F6 and Beaches Link
 - (h) the circumstances by which WestConnex and the Sydney Gateway were declared to be separate projects in 2017
 - (i) the cost of the project against its current valuation as determined through the sale of the Sydney Motorway Corporation and whether it represents a good investment for NSW taxpayers
 - (j) any other related matter.

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1 Introduction

The WestConnex project is not in the Public's best interest. We will all pay dearly in terms of higher traffic impacts, poorer air quality, expensive tolls, and state and federal taxes having been diverted from public transport and other, more worthy causes. WestConnex fails everyone, including drivers, our economy, our livability, our mobility, community health and the urban and natural environment.

The weaknesses of the proposal have been amplified through poor project governance.

My family lived through the construction of the first M5 (circa 2000) and noted the impact this had on our community through the loss of neighbours, the increase of traffic through our residential streets, the increased pollution, and the loss of visual amenity with a failure to properly repair the urban environment and the lost community recreational space and sports fields. The M5 had a detrimental effect on the well-being of the resident community and our quality of living. In our ignorance (and lack of accessible information) we were not made aware that there were far better options to improve commuting mobility. We thought that our elected Members and the Parliament of NSW, with access to transport experts, were doing the "right thing" for the Public.

We were promised that the legacy M5 will "take traffic off local roads". We were assured that the unfiltered exhaust stack located in the valley of Turrella was "safe". We were also assured that it was perfectly fine to leave our windows open whilst travelling through the M5 tunnel¹. We were told the legacy M5 was constructed with leading edge technology and world class experience².

It didn't take long to reveal that the legacy M5 was a dog's breakfast. Within 6 months of opening it was a car park. It featured as the first road mentioned each day on the traffic report, always queued to Revesby Road (evidence that congestion itself is an inhibitor for more congestion). Our local roads, such as Stoney Creek, Canterbury, and King Georges were hammered by additional traffic³. Two Parliamentary Inquiries⁴ into the Turrella exhaust stack revealed irregularities of project governance and that the community's health was at risk due to the concentrated diesel exhaust pumped from the single stack inappropriately located in a valley⁵.

Fast track to 2013 when we realised that significant road works were again on the table. We learnt that more progressive and better managed cities no longer thrust motorways into the

¹ <https://www.smh.com.au/national/tunnel-safe-but-best-wind-up-your-windows-20060317-gdn65h.html>

² <http://www.abc.net.au/news/2008-11-07/m5-tunnel-among-worlds-worst/197156>

³ <http://cfsites1.uts.edu.au/find/isf/publications/zeibots2003beforeandafterm4.pdf>

⁴

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/1970/M5%20East%20Tunnel%20Final%20Report%20dated%20051202.pdf>

⁵ <https://www.greenleft.org.au/content/residents-demand-clean-air>

heart of their city. Cities, like Paris⁶, Madrid⁷, Portland⁸ and Seoul have been active in the removal of motorways for decades, returning the space for public use and focusing on mobility and urban livability via public transport investment.

In the heyday of freeway building in the 1950s, the well-known architect and urbanist Lewis Mumford warned that trying to cure traffic congestion with more road capacity was like trying to cure obesity by loosening your belt. The result of too much belt-loosening can be seen throughout the USA, where 'suburban gridlock' is endemic. With each new road we have imported more of this problem; we should avoid making it any worse.

“Congestion, it turns out, is an inevitable consequence when the private sector produces an unlimited number of vehicles and expects the public sector to spend limited resources to build an unlimited amount of space for them to run on.”⁹

---Gordon Price, Transport Planner and former City Councillor, Vancouver

The Public deserves to know why Sydney and our politicians are completely out of step with global modern transport planning and release the full details regarding the vested interests poised to benefit at our expense.

I look forward to a frank and open investigation in WestConnex, above the undue influences of vested interests and political interference.

2 Questions to the Committee

1. How can NSW Infrastructure retrospectively re-write in late 2013 the *NSW Transport Master Plan 2012* that had been publicly released in February 2012 that completely override all the original objectives?
2. What deals were made with Transurban in the 51% sale of WestConnex.? The public has a right for full disclosure of “no compete” and minimum revenue clauses.
3. Who were the Members that influenced the decision that Cabinet would not consider public transport proposals?
4. What new processes were established by Cabinet relating to the management of the Business Case and avoiding the need for independent Gateway reviews?
5. How were the WestConnex Delivery Authority, RMS and SMC permitted to be not subject to the same level of oversight as other much smaller projects?
6. The RMS certainly seems to follow the theory that to continue to add road space will solve our congestion problems and they always seem to manage to crowd out

⁶ <https://www.citylab.com/transportation/2017/04/fixing-a-fractured-paris/521967/>

⁷ <https://www.gizmodo.com.au/2014/03/6-freeway-demolitions-that-changed-their-cities-forever/>

⁸ <https://www.businessinsider.com.au/highway-closing-city-transformation-2018-5?r=US&IR=T>

⁹ <https://ptua.org.au/myths1/congestion.shtml>

needed extra investment in mass transport solutions. When will the tipping point be reached?

7. Why does NSW Government allow their roads portfolio to have such power and influence over transport planning, when other countries absorb roads into a holistic transport department? (*perhaps that's why more innovative cities don't have their citizens sitting in congestion with no alternatives*)
8. Why have the RMS/WestConnex been permitted to sustain a culture of inhumane and contempt for communities in property acquisitions, damages and noise?
9. Is the RMS behaviour acting outside the law and how will this culture stand up under a Royal Commission?
10. Will the NSW Government be required to face ICAC for ignoring the 2013 recommendations of the Valuer-General relating to the unfair practices of property acquisitions ignored?
11. How can WestConnex operate outside the law regarding to advertising disseminating false, misleading and deceiving material for public consumption?.
12. State Significant Infrastructure projects appear to allow the NSW Government to push through projects without due process or governance. Why is this allowed?
13. How can obvious conflicts of interest be ignored with the appointment of Nick Greiner (former Premier and agent for Transurban) and self-proclaimed "King of Tollroads", permitting him to head up NSW Infrastructure?
14. Who and why was the WestConnex project permitted to bypass all the checks and balances of merits based assessment by Infrastructure Australia?
15. There are so many anomalies with the Business Case, such as inadequate traffic modelling. Why was WestConnex permitted to proceed?
16. Why are we continuing to allow Politicians to decide infrastructure projects based on re-election purposes rather than the advice of expert transport engineers?
17. Why are the WestConnex proponents permitted to conceal important information from the public, such as documents relating to property damage?
18. Why are the Department of Planning and Environment so inoperable in enforcing WestConnex to comply with the Conditions of Approval (as minimalistic as they are)?
19. The time savings are so small. Why was the WestConnex project allowed to continue this basis.
20. The public needs to see the revised business case that reflects all the increases in scope.

3 TERMS OF REFERENCE (J) ANY OTHER RELATED MATTER

3.1 Property Damage



Figure 1 - Hallway of No 8 identifying induced strain on internal brickwork. Damage extended through the house

I have another section of plaster about to collapse exposing more brickwork in the loungeroom. Allegedly caused by a dripping garden tap.

Reference Appendix A – 20180321 WestConnex KGR Interchange Home Damage for more details.

Our homes have been damaged by WestConnex construction at the King Georges Rd M5 Interchange section of the WestConnex project (M5KGRIU). ¹⁰

We have found the conduct of RMS, SMC and WestConnex staff to families experiencing home damage has been unconscionable. As like those with homes compulsory acquired, we have experienced WestConnex bullying, intimidation, and the denial of all responsibility. ¹¹ WestConnex / RMS have employed sneaky tactics to mislead, deceive and silence homeowners with Dilapidation Reports that are incomplete.

Our homes at Beverly Hills are just the first of many properties now reporting damage from construction and tunnelling. ¹² I hope as an outcome of this Inquiry will be a proper compensation process and budget to be set by the Government to “fix”, rather than “address” the damages they have caused. It’s critical that WestConnex (and future infrastructure projects) does not set the precedent of allowing Agencies to abrogate their responsibility by simply ignoring valid claims and to demand a more professional and honest standard of behaviour. ¹³

We are left with the knowledge that no responsible body is holding WestConnex to account to rectify home damages. Directions even from the Department Planning and Stuart Ayers, Minister for WestConnex to fix our homes are ignored.

Our insurance provider, NRMA, has rejected our claim based on their findings that the likely cause is due to WestConnex construction, which is a standard exclusion in home building insurance.

No family should be left to personally pay the repair bills for damages caused by WestConnex construction, yet the reality is that every homeowner across the route is exposed to the full financial risk of repairing their own property. In our case, our Engineer has indicated we may be looking at a repair bill of at least \$100,000 but more than likely upwards to \$250,000 as the foundations need re-pinning.

¹⁰ <https://www.theleader.com.au/story/4553332/plea-for-help-after-westconnex-rejects-blame-for-cracks-in-home/>

¹¹ <https://au.news.yahoo.com/families-blame-west-connex-for-damage-to-homes-and-foundations-39680710.html>

¹² <https://www.dailytelegraph.com.au/newslocal/inner-west/residents-in-haberfield-and-beverly-hills-claim-westconnex-work-is-cracking-the-walls-of-houses-near-motorway-construction-sites/news-story/d1fe2685fa896aaa90fed7767cd0003d>

¹³ <http://www.abc.net.au/news/2017-08-09/westconnex-overshadows-house-and-leaves-it-falling-apart/8787194>

We have already incurred substantial fees just to receive an independent assessment from a large, reputable Engineering Company. Something that we had requested, but was ignored by WestConnex, who appointed Inglis Engineering (sole operator keen for WestConnex gigs)

¹⁴ These small operators are hardly going to bite the hand the feeds them, thus allowing WestConnex to engineer the outcome of “no fault” in these reports.

3.1.1 Property Damage Brief

Property damage during infrastructure build is a predictable outcome. It's how the proponent deals with the issue that I take to task here. Failure to act professionally in a manner befitting a public service. Failure to acknowledge requests for documents we have a right to access. Failure to identify and then mitigate the risk of damage from groundwater changes due to drainage. Failure of the Department of Planning to enforce the compliance of the Conditions of Approval on WestConnex/RMS.

I strongly suspect that there may be a cover up here by WestConnex/RMS. I would appreciate the Committee investigate this further.

I would further request that the Committee investigate why the Department of Planning and Environment fail to provide governance of Conditions compliance.

The issues being experienced now by residents at Beverly Hills are the entirely predictable consequence of deep excavation and changed subsoil groundwater. WestConnex failed to identify and mitigate a known engineering risk in the M5KGRUI EIS as well as the cumulative impact of the legacy 1999 M5 plus New M5 on the groundwater table under our nearby homes. They now endeavour to hide this oversight by issuing structural assessments that “cannot ascertain if the defects are a direct result of the construction work” and so lay the blame for the continued deterioration of our homes by clutching at spurious reasons, like a non-existent “dripping garden tap”.

Given our experience of the dishonesty and underhand tricks we have encountered with WestConnex staff over the last 4 years, we engaged our own engineer to review the WestConnex assessments. Our engineer identified significant omissions contained in these reports including the “elephant in the room” having ignored the likely impact that deep excavation through the groundwater table and the instillation of a roadway runoff drain below the natural groundwater level caused just 30 metres from our homes.

WestConnex are also withholding requested information from residents relating to original geotechnical reports and the detailed designs. We have a right to access this information, and its concerning that the structure of the private “Sydney Motorway’s Corporation”

¹⁴ <https://www.inglisengineering.com.au/our-people/>

enables them to hide behind “commercial in confidence” excuses or access via freedom of information.

It happens that this strategy is to stonewall residents to avoid compensation payments, as like the unfair property acquisition practices. They are deliberately making it so expensive and difficult to seek redress, that many families will find the stress, effort, delay and costs prohibitive in seeking compensation, which is the desired outcome. It’s as if their KPI’s hinge on no property damage claims, so energetic are the staff denials, right down to the office receptionist.

RMS Community and Stakeholder Management Officer, who has stated her commitment to assisting impacted homeowners, is the latest of RMS staff who is complicit in the denial of providing reports. She now refuses to respond to emails, letters or telephone calls despite this matter heading to court.

The number of families impacted by WestConnex property damage will continue to rise as construction progresses. The reason is due to a huge swathe of the inner west – from Ryde to Kogarah – is built on the residual clays from the weathering of Ashfield shales. This is a highly reactive soil type that reacts to lowered moisture content brought about by significant new drainage for roadway runoff and deep excavations. Older homes are particularly vulnerable.^{15 16}



Figure 2 and who caused the soil moisture change?

3.1.2 Brief description of construction activities

Water is the biggest risk to the longevity of road surfaces, hence drainage is a key feature of construction.

M5KGRU excavation penetrated the groundwater table around 6.4 to 7.4 metres below ground level, with new sub-soil drainage at the base of the excavation, and dewatering activities to facilitate the boring of over 50 pilings to a depth of some 10 metres for the vertical piled retaining walls. As can be indicated in Figure 3 in Appendix A, the distance of

¹⁵ [http://dro.dur.ac.uk/18298/The impact of changes in the water table and soil moisture on structural stability of buildings and foundation systems : systematic review CEE10-005 \(SR90\).](http://dro.dur.ac.uk/18298/The%20impact%20of%20changes%20in%20the%20water%20table%20and%20soil%20moisture%20on%20structural%20stability%20of%20buildings%20and%20foundation%20systems%20%3A%20systematic%20review%20CEE10-005%20(SR90).)

¹⁶ Burland et al
+Building+response+to+tunneling&ots=R1fZGrvGQP&sig=QX0IK1J2ZYFFNJTUvo_FttYMMI4#v=onepage&q=burl and%20et%20al%20-%20Building%20response%20to%20tunneling&f=false

the M5 road surface runoff drainage system shifted much closer to homes from 48 metres (in 1999) to 30 metres. This drainage has caused dewatering of the groundwater table that would naturally flow south towards Wolli Creek situated behind our homes, to now flow north to the significantly deeper M5 drain at the front of these premises.

J.C. Small and J.P. Hsi (School of Civil and Mining Engineering, University of Sydney, 2006) published ["Analysis of excavation in an elasto-plastic soil involving drawdown of the water table"](#) in "Computers and Geotechnics" (Vol 13, Issue 1, p1-19). In this analytical study Small & Hsi surmise "When such (vertical) excavations are carried out, movement of the surrounding soil is caused by two main factors; firstly, there is movement due to stress release and secondly, if flow can occur into the excavation (and subsequent permanent drains installed), there is settlement caused by the lowering of the water table."

Please refer to Appendix A as it contains important information relating to the failure to identify the risk of differential settlement in the M5KGRIU EIS.

3.1.3 Misleading Dilapidation Reports

3.1.3.1 Example one - AS2870-2011 Clause 1.3.3

The "independent" report of 19 July 2017 authored by Inglis Engineering for the WestConnex sub-contractor Fulton Hogan referenced only selected parts of AS2870-2011, ignoring part (b) "unusual moisture conditions caused by drains, channels, ponds, dams or tanks which are to be maintained or removed from the site". Only an experienced Engineer, with access to the Australian Standards documents (as residents do not), could observe the significance of this key omission and alert the homeowner.

Instead, Inglis Engineering based his opinion of causation for the deterioration of our homes these last 2 years:

- I. Large advanced trees (that has been insitu for some 65+ years)
- II. Overflow/leaks from water tanks (insitu for 15+ years installed by professional plumber and inspected by Sydney Water as we were claiming the rebate)
- III. Removal of a frangipani tree (occurred 15+ years ago)
- IV. Possible subsurface saturation from No 10 (i.e. the non-existent dripping garden tap)

Again, only an experienced Engineer can point out that items II to IV ADD moisture to the soil. It's the drying of our highly reactive soil that is the key issue for our damaged homes.

As mentioned above, the key item (b) of AS2870-2011, being the excavation deep into the groundwater table and more subsurface drainage for road runoff was ignored by Inglis Engineering, Fulton Hogan and WestConnex despite such construction 30 metres on the north side of our homes. The M5KGRIU construction is the only significant change to our environment in these last few years. Indeed, a decade. How could this major event within our urban environment be omitted when assessing damage causation that has recently occurred?

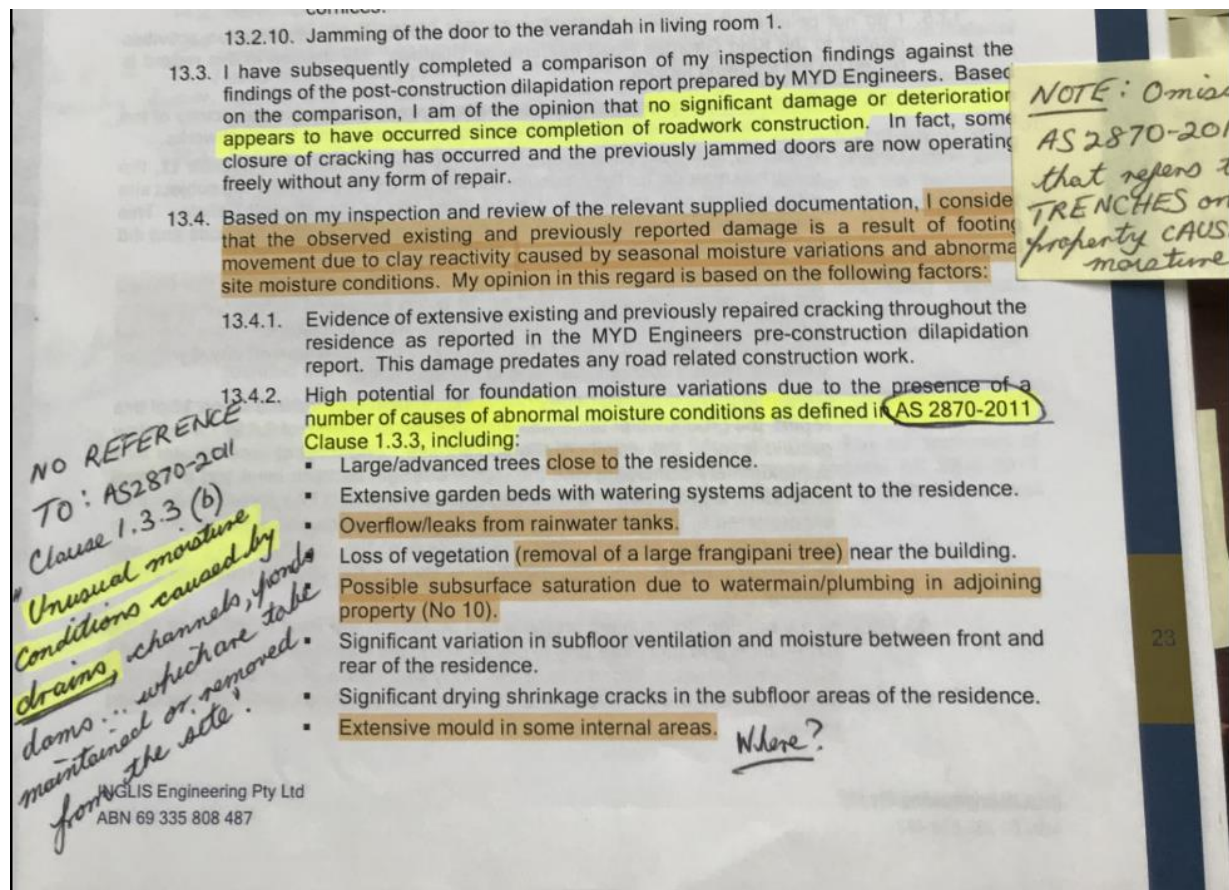


Figure 3 AS2870-2011 Clause 1.3.3 not listing in entirety

3.1.3.2 Example Two – Denial of damage

This is an example of homes significantly deteriorating since construction commenced. Homes that have been in-situ for 80 + years, suddenly experiencing significant internal cracking. Figure 4 is a photo from the (just after construction started) pre-dilapidation report. Figure 5 is a recent photo highlighting the significant change. Figure 6 demonstrates the size of the cracks. Figure 7 is a screenshot of the post dilapidation survey which stated, "In our opinion we cannot ascertain if these new and re-occurring defects are a direct consequence of the New M5 construction works as they may be attributed to the continuous settlement and movement that is occurring in the building which has caused the other defects in the residence previously documented"



Figure 4 - No 10 front bedroom October 2015 (a few months after construction commenced)



Figure 5 - Recent photo of same room



Figure 6 - Close up demonstrating size of cracks

This report documents a comparison of defects between the original photos of the dilapidation survey and the post dilapidation survey after the course of construction. We have photographed these defects and have attached them in appendix A.

We have compared the defects between the two surveys and we believe in the majority they have not generally changed; however there appears to be minor new defects and re-occurring defects in the internal parts of the building (refer to attached sketch for locations).

In our opinion we cannot ascertain these new and re-occurring defects are a direct consequence of the M5 construction works as they may attributed to the continuous settlement and movement that is occurring throughout the building which has caused the other defects in the residence previously documented. All the defects observed are not of structural significance.

Figure 7 Post dilapidation report "outcome"



Figure 8 Major cracks in No 8 plaster work – alleged possible cause a “dripping garden tap”

3.1.4 A resident’s request for help to get her house fixed!!

This is a letter from one of the impacted residents experiencing property damage:

To whom it may concern

“I am truly disappointed to say that we have had no luck with WestConnex and they have decided to close the chapter to a book that has not yet been finished.

We have been seeking assistance from Hon. Ayres' office however have been advised that they will take the advice that they have received from WestConnex where Fulton Hogan have stated that the state of my home has had nothing to do with the heavy construction work which was conducted across the road from our home back in 205. And therefore, representing the Premier's office and their office, they have deemed that the matter is closed.

The matter, in our opinion, is FAR FROM CLOSED.

It's been 3 long years and it seems everyone else have been able to get on with their lives as if nothing has happened. Except something huge has happened .. by huge, I mean the cracks that have appeared in our home and for us, we have had to continue to walk into our home every day and we must live with the cracks that started when the road works started and they haven't stopped.

Fulton Hogan was quick to advise that if they are continuing and the work has stopped that it clearly has nothing to do with them. It seems absurd that it was merely a coincidence that this started when the road works started and when the heavy machineries were being brought across the road from our home and to have them dig through for the expansion of the M5.

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I would like to have our book re-opened and have everyone read exactly what has happened to our home and to our lives. Only when all have been fixed can I agree to bring this book to a close.

It's a story that must be told of hardworking citizens who have done nothing wrong and don't deserve to have their homes in the state that they are in.

It's truly unfair and unjust and the big companies will need to reconcile the fault and fix what have been broken.

We have had the RMS and NSW Department of Planning and Environment connect with us to assist with our home. We would have the opportunity to meet with our Independent engineers to discuss the report we received from Inglis Engineering. However, upon asking for more information, we were advised as per the note from [REDACTED] RMS below which added insult to injury:

I apologise if there has been a miscommunication.

This offer is to provide you with a forum including RMS, the Department of Planning and the author of the Inglis Engineering report.

The purpose of the meeting would be for the engineer to respond to any questions you have, and for them to provide an explanation of the findings in the technical report. The report will not change, and the author will not be amending the findings of the report.

Regardless of your decision now about whether you would like this meeting, the offer will be available for you to take up for the foreseeable future if you change your mind.

We are to use our time to discuss a report where it will not change - kindly advise whether you would choose to invest any of your time to a meeting where the outcome would be exactly as what it was prior to the meeting taking place?

I will be the first to put my hand up to speak to anyone who is willing to help ... Thus far, it's not gotten us nowhere .. not anywhere close to getting anything fixed. In fact, we couldn't be further from the meeting with Hon. Ayres' office and further from the request that we had sent to request for the engineers to come and recommend HOW our homes can be fixed . NOT to have engineers come and tell us that because of a tree and a tap that the cracks have appeared .. could this be the furthest thing to being the biggest joke of the century?

It's not nice to be taken for fools and we certainly don't appreciate it. In the last 'independent' assessment it's allowed the likes of Inglis Engineering to come and find reasons why the cracks have appeared and reasons why it's got nothing to do with WestConnex. Please please make this nonsense stop and please bring someone with some sense to the party and to join us to help us have this matter resolved and fixed ASAP.

I've mentioned it before in my first letter to the Premier .. and I will mention it again ... We are the David in this story and the Goliaths of this story should be held accountable ... we are willing to fight and ensure that we win this battle .. it isn't right and it isn't fair and it really

upsets me that we have to actually fight WestConnex and the Premier's office over the state of our home. They need to be held accountable and they can't walk away with the damage that we have to endure on a daily basis.

They should be ashamed and they should be embarrassed that there isn't an ounce of care or duty of care to the citizens that continue to work hard and contribute to the state of affairs for the state.

We are still hopeful and continue to believe that this will be fixed.

3.1.5 Inadequate assessment of Department of Planning and Environment

The Department of Planning and Environment (DPE) has an oversight role in assessing infrastructure projects and providing approval based on a series of Conditions of Approval. I am questioning the capabilities of the DPE in properly assessing and managing WestConnex, and other major works.

The DPE seems to not have the appropriately experienced staff to assess the EIS. They also missed the anomaly that no new drainage was part of the project, and as a result, did not set a Condition of Approval to repair nearby buildings in the likely event of land subsidence.

The best Rob Sherry (DPE) can provide to me are the conditions of approval relating to Noise and Vibration and its management plan. Nothing to do with differential settlement. I am still assessing multiple documents on this subject, but won't be finished by the close of submissions for the Inquiry.

3.1.6 Property damage – suggested recommendations to Committee:

- That property dilapidation assessments be conducted at a genuine arms-length from WestConnex and their sub-contractors. They should not be conducted by sole operators that may give a favourable outcome for the proponent in exchange for more contracts.
- That where deterioration is noted, or residents are claiming damage, these assessments be subjected to further independent reviews by an experienced independent engineer for completeness and accuracy.
- That original geotechnical and design documents be readily available for residents and their own engineers.
- Where there are damage claims, further geotechnical investigations (conducted or the results assessed by independent party) of the groundwater and soil moisture content be conducted and the results made available to residents and their Engineers.
- That the attitude be changed from the "the resident proving WestConnex construction caused their property damage" to "WestConnex proving beyond reasonable doubt they did not damage adjacent properties"
- Establishing appropriate procedures in place regarding damage claims that treat residents honestly and fairly and promptly deals with complaints instead of the current procedure of denial and stonewalling.

- That there be an in-depth investigation of the RMS / WestConnex culture to determine the root cause of the lack of co-operation and overall poor treatment of residents. An example that comes to mind – “are there bonus incentives for staff for not allowing any property damage claims?”
- Provide additional budget to the DPE to enable employment of experienced engineers to professionally assess the proponents EIS. Reliance on contractors seems to have failed the public.

No family should be left facing the full financial risk of repairing their own properties damaged by WestConnex construction and operations.

4 TERMS OF REFERENCE (A) ADEQUACY OF THE BUSINESS CASE

3.4 Economic appraisal

Economic appraisal helps decision-makers to understand the economic worth of a proposal in monetary terms and allows the economic worth of a particular initiative to be considered in the context of other potential benefits and impacts.

An economic appraisal was undertaken for WestConnex as reported in the *WestConnex Business Case Executive Summary*. The economic appraisal identified a benefit-cost ratio (BCR) of 2.55, including wider economic impacts reflecting the benefits of WestConnex across the Sydney road network (SMPO 2013a).

Figure 9 Page 18 King Georges Rd M5 Interchange EIS claiming BCR 2.55

Australia has a long history of failed motorway projects based on dodgy traffic figures, overstated benefits and understated disbenefits.

In December 2014 within 9,000 pages of previously secret documents the Andrews Government revealed the Melbourne East-West link business case for the project was so tenuous that the former Napthine government decided not to submit it to Infrastructure Australia for fear the figures "may be used as a justification for not supporting the project".¹⁷ This is a failure of appropriate project governance by the VIC Government in bypassing Infrastructure Australia.

In March 2017 it was revealed that major discrepancies between Roe 8's environmental report and its business case have raised concerns that the project is a rush job based on massaged figures that could hang WA taxpayers out to dry.¹⁸

Brisbane Airport Link operator BrisConnections collapsed in 2013 with more than \$1 billion debt. Receivers sued Arup, the traffic forecaster, over allegedly misleading forecasts (who are also heavily involved in WestConnex).

¹⁷ <https://www.theage.com.au/national/victoria/east-west-link-business-case-revealed-56-years-to-pay-off-20141215-127dyq.html>

¹⁸ <https://www.watoday.com.au/national/western-australia/documents-suggest-figures-fudged-in-ro-8-rush-job-20170302-guphpe.html>

Sydney's Lane Cove tunnel failed swiftly after opening, with the traffic forecasters settling for reportedly \$50-\$100 million.¹⁹

WestConnex is no different with a scathing report in 2014 by the NSW Auditor General, the only independent review of the business case for the \$14 billion WestConnex motorway, the biggest transport initiative in Australia, concluded "it was not able to form a view on whether the project is a worthwhile and prudent investment ... for the NSW government".²⁰

The final business case for the WestConnex project was not subjected to an independent review. This final business case was prepared while traffic forecasts for the project were still incomplete.

Indeed, Prime Minister Tony Abbott and former Premier Barry O'Farrell released an "executive summary" of the business case in September 2013, two months before a limited review of traffic modelling was finished. When it was finished, this reviewer concluded that the traffic data he received "raises questions about the underlying quality of the modelling".

According to the business case, WestConnex will encourage an increase in driving through Sydney. By 2031, vehicles will travel an extra 600,000 kilometres in Sydney because of the motorway. But the business case says the total hours driven will fall by about 110,000 a day - suggesting trips will be quicker²¹. Smart cities don't encourage driving in their inner cities because it fails everyone.

It's difficult to believe that a compelling business case that supports the benefits being touted by its proponents would have needed to redact so much critical information - including the cost and revenue figures that form the cornerstone of any business case - particularly given the increasingly controversial nature of the WestConnex project.

"Commercial in confidence" excuses for this secrecy can hardly apply when the project is being funded almost exclusively by taxpayers. Any other project would see investors have full access to the accounts of the project before placing their money at risk. It is difficult to see how successive federal governments could have done this before placing billions of dollars of taxpayers' money at risk on WestConnex when this business case did not exist before any such commitments were made.

¹⁹ <https://www.smh.com.au/national/nsw/trial-to-start-on-144-million-lane-cove-tunnel-debacle-20140809-102c6d.html>

²⁰ <https://www.smh.com.au/national/nsw/damning-report-into-westconnex-motorway-released-by-nsw-auditorgeneral-20141218-129r7t.html>

²¹ <https://www.smh.com.au/national/nsw/westconnex-motorway-cost-blows-out-by-14-billion-20151120-gl3isl.html>

4.1 SGS Economics and Planning Business Case Assessment

SGS Economics and Planning conducted their analysis when the WestConnex Business Case was finally released in early 2016 only after intense public pressure.²²

Their findings were (despite the heavy redactions) the document was confused, contained many inconsistencies, overstated benefits and failed to include certain costs.

I encourage the Committee to read the attachment.

http://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0008/251891/Report-SGS-Westconnex-Business-Case-Final-Report-160204.pdf

“After little more than two years of project development, the business case for WestConnex, Australia’s most expensive transport infrastructure project was approved by the New South Wales Government in August 2013.

It was sold as a congestion busting project which would help to revitalise the Parramatta Road corridor and improve links to Sydney’s Global Gateway with a benefit cost ratio (BCR) of 2.55.

The full business case was not released publicly so the detailed thinking and modelling could not be independently assessed. The decision to invest in 33 kilometres of motorway at a cost of \$16.8 billion was surprising given Sydney’s global peers are using public transport investment and demand management tools such as road pricing to manage congestion and help their cities grow.

The decision was also questioned due to the failures of the Cross-City Tunnel, Lane Cove Tunnel and similar projects in Brisbane. The New South Wales auditor expressed a range of concerns regarding the business case on which the decision to proceed with WestConnex was made. Infrastructure Australia also raised concerns and the project was not, and still is not, rated as ‘ready to proceed’. Despite this, the project is underway.

Sydney’s level of road congestion is ranked amongst other global cities to help justify WestConnex, but the Updated Strategic Business Case does not acknowledge that building major new motorways is not a solution that other similarly congested cities are implementing. The Updated Strategic Business Case describes how WestConnex will help renew Parramatta Road by reducing traffic on the surface, but then presents information showing that many parts of Parramatta Road will carry more traffic, not less, due to WestConnex. **Access to Sydney’s Global Gateway is touted as a key benefit of the project. However, the actual road link to Sydney Airport and Port Botany is not included in the scope of the Updated Strategic Business Case”.**

²² http://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0008/251891/Report-SGS-Westconnex-Business-Case-Final-Report-160204.pdf

“The transport modelling contains many unexplained and counterintuitive results. This raises some doubts about the effectiveness and accuracy of the transport demand forecasts and the economic benefits claimed for the WestConnex project.”

4.2 NSW Auditor General’s Performance Audit of WestConnex

In its report the auditor-general's office said it had since reviewed the final business case and "identified some issues". "These deficiencies related to the way the business case dealt with risks around traffic projections, project cost, economic benefits, financial analysis, governance arrangements and the procurement strategy."

The [NSW Auditor General’s Performance Audit of WestConnex](#) conducted in 2014 highlighted the importance of proper evaluation and identified serious deficiencies in the development of the WestConnex project.

The Executive Summary concluded:

“In the period covered by this audit, the processes applied to WestConnex to provide independent assurance to Government did not meet best practice standards...”

“The preliminary business case submitted for Gateway review had many deficiencies and fell well short of the standard required for such a document. Further, on our analysis, the business case put to the Government still included some deficiencies that independent Gateway reviews and external assurance arrangements, if they had occurred, should have identified...”

“The post-business case governance arrangements did not clearly separate board-level responsibilities for commissioning from responsibilities for delivering the WestConnex project. After not separating the roles, they also failed to provide mechanisms to effectively manage the conflict between these roles.

“The WestConnex project offers several lessons. While good internal controls are critical, they are not a substitute for externally managed Gateway reviews. Steering committees and boards cannot be responsible for both project delivery and independent assurance and reporting to the Government. Responsibility for commissioning should be clearly differentiated from the responsibility for project delivery. Challenging deadlines heighten the need for good assurance but, paradoxically, also the risk of departure from best practice.”
(p.3-4)

*“The Government approved a new Major Projects Assurance Framework in December 2011...
“The objective of the Framework is to increase the Government’s confidence and assurance in planning and implementation of major projects through their entire lifecycle, specifically:*

- *prevent projects failing or not realising their stated objectives/benefits*
- *improve clarity in the feasibility phase of projects*
- *drive better governance*
- *inform Cabinet Infrastructure Committee intervention*

“A key component of the Major Projects Assurance Framework is the Gateway review system. The Gateway system is a series of structured reviews at key decision points (gates) in a project’s lifecycle. Gateway gives the Government a level of independent assurance on:

- *whether an investment in a project is warranted*
- *the strategic options considered*
- *the agency’s capacity to manage and deliver the project on time, on budget and achieve desired project outcomes*
- *whether a project is on track and ready to move to the next phase.”(p.10-11)*

4.2.1 WestConnex Concept

“Based on the Major Projects Assurance Framework, we expected a Gateway review (or similar arm’s length, independent review) either during the concept phase or early in the development of the business case.

“The Major Projects Assurance Framework introduced a Gate Zero to provide assurance that projects are well justified after considering a wide range of options. A Gateway review or similar should therefore be conducted early in a project’s life cycle to provide assurance around whether:

- *the need for a project is properly defined*
- *there is justification for addressing that need*
- *the best value means of servicing that need are being proposed after considering a broad range of alternatives and their associated costs and benefits.*

“We also expected that Infrastructure NSW or some other body would have recognised the need for a Gateway review during the concept phase, or early in the development of the business case and taken steps to ensure this occurred, including reporting to the Cabinet Infrastructure Committee.

“There was no independent Gateway review or equivalent undertaken at the concept stage. Infrastructure NSW has indicated that the concept paper it prepared to advise Government before WestConnex was publicly announced was not subjected to any independent assurance reviews. The first gateway review was of the preliminary business case late in the business case development phase..

“We saw no evidence that:

- *the Government specifically exempted WestConnex from the Major Projects Assurance Framework Gate Zero*
- *provided an explanation or justification for the variation from the Major Projects*

Assurance Framework

- *the alternative approach adopted was assessed as being equivalent to, or better than, the Major Projects Assurance Framework.*

“...we believe that a Gate Zero Gateway review should have been conducted. It would have provided independent assurance that the project was justified...”

“Infrastructure NSW’s roles at this stage of the WestConnex project were in conflict. It was responsible for developing the WestConnex concept and at the same time it was the key agency responsible for providing assurance to Government over major capital projects including WestConnex. A fundamental principle is separation between those providing independent assurance and those developing and delivering a project.” (p. 16-17)

4.2.2 Developing the business case

“Given no Gate Zero Gateway review was conducted during the concept phase, we expected one (or an equivalent arm’s length, independent expert review) at the beginning of this phase.

“In line with the Transport for NSW Investment and Gating System we also expected to see the following Gateway reviews (or equivalent arm’s length, independent expert reviews)

- *a strategic business case review (Gate One)*
- *a preliminary business case review (Gate Two)*
- *a final business case review (Gate Three).*

“We expected there would be acquittals of each of these reviews, and that the review reports and acquittals would be provided formally to Infrastructure NSW and followed up in each subsequent Gateway review or equivalent. We also expected regular progress reports to, and monitoring by, Infrastructure NSW.” (p.21)

“We expected to see outputs from the other peer reviewers but detailed reports were limited to infrastructure solutions, capital costs and traffic analysis. Even here, timing was a concern. The peer reviewer engaged to review the traffic analysis produced a report, but not until November 2013 after the business case went to the Government. The reviewer’s report indicated that the review was supposed to be continuous throughout the process of modelling, but the traffic modellers were too pressed for time to consult on a continuous basis with the peer reviewer. The reviewer described the exercise as more an audit than a peer review. The reviewer concluded that the traffic data he received in early August 2013 ‘raises questions about the underlying quality of the modelling’.

“The agencies concerned advised us that significant analysis and review of traffic numbers was undertaken by the specialist work streams established within the Project Office. However, we have seen no evidence of an independent, arm’s length review of the traffic analysis used for the final business case, by someone technically qualified to do so, before

the business case was presented to the Government.

“We did not find peer review outputs for land use, urban planning or transport planning.”(p.26)

4.2.3 Gateway review of preliminary business case

“One formal, independent Gateway review was conducted during the development of the business case. This was on a preliminary business case.

“In its report to the Sydney Motorways Project Office (dated 14 June 2013), the Gateway Review Panel concluded that:

“due to lack of key information presented for the review, the Gateway Review Panel was not able to form a view on whether the project is a worthwhile and prudent investment (both economically and financially viable) for the NSW Government”.

“Further, the Gateway Review Panel stated that:

“A number of key documents were delivered later than anticipated and the Review Panel had very limited time to review the Silver business case.

“Relevant documentation relating to a number of critical areas of the business case was not available for review – these included the Governance Section, Financial Plan and Communications Plan. The absence of these documents did impact on the ability to review related sections.

“The Review Panel did not have access to a number of Stakeholders or documents that were considered essential in order to satisfactorily complete the review.

“The Review Panel noted that not all key benefits nor all key risks were adequately documented, and that the business case would benefit from these and other inclusions”.
(p.28)

“The Gateway Review Panel also found the preliminary business case should have been more advanced than it was and would have benefited from previous iterations and review processes which had not occurred.

“The Gateway Review Panel’s ‘traffic light’ risk ratings against the Gateway criteria were all red and yellow, with no greens.”

4.2.4 Matters a Gateway review may have identified

“We reviewed the final business case and identified some issues with the underlying analysis which we believe a full Gateway review should have identified.

“These deficiencies related to the way the business case dealt with risks around traffic projections, project cost, economic benefits, financial analysis, governance arrangements and the procurement strategy.” (p.31)

4.2.5 Purpose of the business case

“Roads and Maritime Services say that the assurance provided to the Government on the WestConnex business case was appropriate for its purpose.

“It says the overall objective outlined in the Business Case Implementation Plan was to “produce a business case that demonstrates the overall technical and financial viability of the WestConnex scheme, consistent with the State’s Fiscal Strategy”.

“Roads and Maritime Services advised that at the conclusion of the business case in July 2013, Stage 1 was regarded as being sufficiently developed to proceed to procurement and environmental planning phases. For the other stages, the business case outlined a pathway for their further development and planning. It says that it was always envisaged that there would be additional Gateway reviews conducted on the component parts of the scheme.

“Roads and Maritime Services’ arguments do not justify the lower level of independent assurance provided on WestConnex than that offered by the Major Projects Assurance Framework. The objective was to “produce a business case that demonstrates the overall technical and financial viability of the WestConnex scheme, consistent with the State’s Fiscal Strategy.” Approval of the business case was the key decision point so far for this project, and arguably the stage at which independent assurance was most critical.”(p.31)

Peter Newman, Professor at Curtin University in Western Australia and a former board member of federal advisory body Infrastructure Australia : "What I found on the board ... was that all the rail projects were actually far better in terms of benefit-cost ratios than the road projects." ²³

"That's why WestConnex [in Sydney] and the East-West Link in Melbourne, they wouldn't even give them to us to look at, because they knew the benefit-cost ratios were pathetic."

The failure to produce even an adequate business case for a motorway project probably the biggest in the world is not satisfactory. This failure to employ best practice governance from project inception continues to reduce the public’s confidence in WestConnex and the ability and integrity of our Government representatives.

An ICAC investigation recommendation from the Committee is requested.

²³ <https://www.smh.com.au/business/building-more-roads-is-not-21st-century-thinking-20150111-12lstx.html>

5 TERMS OF REFERENCE C – GOVERNANCE AND STRUCTURE OF WESTCONNEX

5.1 Lack of Transparency and Proper Process in Project Selection

The Federal and NSW governments have called WestConnex the largest road infrastructure project in Australia's history. For such a major piece of infrastructure it has had a relatively short period of review. It appears to have been 'fast-tracked' bypassing important evaluation steps aimed at providing assurance to government and the taxpayers that the project is the best solution.

The Productivity Commission in its inquiry into public infrastructure found, "an urgent need to comprehensively overhaul processes for assessing and developing public infrastructure projects." It pointed to "numerous examples of poor value for money arising from inadequate project selection, potentially costing Australia billions of dollars". It argued that further spending under the status quo will simply increase the cost to users, taxpayers and the community, and lead to more wasteful infrastructure.²⁴

At the request of the Senate Select Committee into the Abbott Government's Budget Cuts, the Grattan Institute recently prepared a paper on infrastructure financing and expenditure with a focus on transport infrastructure.²⁵

"To get a better return from infrastructure spending, governments should focus on selecting the right projects, and on making the business cases and their underlying assumptions more transparent. Governments can also get a better return through use of new technologies to get more value out of existing infrastructure; through minor augmentation and relief of pinch points; and through more systematic maintenance".

"The capacity to waste money is a serious risk for infrastructure, given the very large amounts of money involved." (p.1)

"The wrong projects can destroy value and divert funds from projects that would be more valuable to the economy and community." (p.4-5)

Unfortunately for the public, the WestConnex project is not an example of industry best practice in project selection and transparency (see NSW Auditor General's comments in business case section).

²⁴ <https://www.pc.gov.au/inquiries/completed/infrastructure/report>

²⁵ https://grattan.edu.au/wp-content/uploads/2015/08/Terrill_submission__budgetcuts.pdf

Auditor-General Grant Hehir's report highlights the lack of independent monitoring of the concept, business case and tendering for WestConnex, a series of projects that would form a 33-kilometre toll road through inner-Sydney.²⁶

The auditor-general's report shows that, paradoxically, the biggest transport project in the state has not been subjected to the same level of oversight as other initiatives. Projects costing more than \$100 million are typically subject to multiple "gateway" reviews, in which independent authorities scrutinise decisions. But only one independent "gateway" review was ever organised for the WestConnex project, and this was of a preliminary and unfinished business case.

The NSW Roads Minister, Duncan Gay, immediately rejected the criticism. Mr Gay said: "We respectfully disagree, we have followed world best practice on procurement and delivery and it complied with the processes set by cabinet."

I would like the Committee to investigate the "processes set by cabinet"

It is disturbing that instead of responding to this criticism of the NSW Auditor General by improving processes, the NSW Government chose to 'address' them by dissolving the public WestConnex Delivery Authority and transferring its responsibilities to the private Sydney Motorway Corporation (SMC).

By doing so, the NSW Government made the process even less transparent, as the SMC refuses to release contract details or respond to freedom of information requests.

Even before this changeover occurred, very little information about NSW government contracts for WestConnex were made available to the public.²⁷

5.2 Failure to incorporate feasible alternatives to motorways, such as public transport

The SEARS provide for an analysis of feasible alternatives to the carrying out of the proposal and proposal justification, including:

- an analysis of alternatives/options considered, having regard to the proposal objectives (including an assessment of the environmental costs and benefits of the proposal relative to alternatives and the consequences of not carrying out the proposal), and whether or not the proposal is in the public interest,
- justification for the preferred proposal taking into consideration the objects of the Environmental Planning and Assessment Act 1979,
- details of the alternative ventilation options considered during the tunnel design to meet the air quality criteria for the proposal,

²⁶ <https://www.smh.com.au/national/nsw/damning-report-into-westconnex-motorway-released-by-nsw-auditor-general-20141218-129r7t.html>

²⁷ http://www.westconnexactiongroup.org.au/westconnex_issues

- details of the short-listed route and tunnel options from the tender process and the criteria that was considered in the selection of the preferred route and tunnel design, and staging of the proposal and the broader WestConnex scheme, and in particular access to Sydney Airport and Port Botany and improved freight efficiencies.

WestConnex has failed all of the above SEARS requirements

The NSW government has been instructing transport officials to ignore public transport alternatives to motorway projects, according to explosive internal documents obtained by Fairfax Media.²⁸

The document also suggests that the government has excised the development of public transport alternatives to other major toll-road projects. These include the Western Harbour Tunnel project, which is to be an extension of WestConnex, and the Beaches Link tunnel that is to extend that road to the northern beaches. The memo prepared within Transport for NSW says a new rail tunnel and freight line could cut the time taken for commuters to travel from Wollongong to Central from 90 minutes to about 60 minutes for as much as \$10 billion less than the cost of the toll road.

Dated September 26, 2016 and headed "Failure in Critical Options Analysis", the memo released to the *Herald* under the Government Information (Public Access) Act says the decision not to benchmark the cost of the toll road against the cost of rail solutions "represents a serious and significant shortcoming of the F6 Extension Business Case".

The NSW Government has failed the public in pushing the agenda of the WestConnex motorway ahead of more efficient, more cost effective public transport. In my opinion and that of the community I represent, this is tantamount to fraud.

5.3 Undue Secrecy by NSW Government and RMS

As reported SMH 17 October 2015, the largest transport project in the country – WestConnex - is shielded from public scrutiny after the Government has transferred control to a "private corporation". The Sydney Motorway Corporation. There are no representatives of transport agencies on the Board. A Board comprised of Treasury officials, builders and financiers.²⁹

According to Labor's spokeswoman, Jodi McKay, it is "all about shutting down scrutiny". She has also commented that "I do not understand how they can call themselves a private corporation when they have two minister share-holders".

²⁸ <https://www.smh.com.au/national/nsw/f6-planners-told-to-ignore-public-transport-build-roads-documents-show-20170407-gvgbon.html>

²⁹ <https://www.smh.com.au/national/nsw/westconnex-shielded-from-scrutiny-after-control-handed-to-private-corporation-20151016-gkapzx.html>

Ms McKay had introduced a private members bill seeking to include the Sydney Motorway Corporation, which is delivering the \$17 billion West Connex project, within the GIPA Act. As a corporation, it is exempt.³⁰

"The Baird approach is to lock the truth away – conceal the facts – and do whatever it takes to privatise and hide the proper functioning of government from public oversight," said Ms McKay.

Roads and Maritime Services also saw a doubling of the "secrecy" excuse to block public access to documents, applying it in 514 cases, up from 215 in 2013-14. But there was one group that was more likely than any other applicants to have access to information granted in full – the private sector. By contrast, community groups were the least likely to gain access to government documents.

Community or non-profit groups gained partial or full access in less than half of applications (46 per cent), compared to 70 per cent of applications by private companies, the report showed. When questioned by the commissioner, the agency responded that it had changed its processes, and now recognised the "secrecy provisions in legislation such as the Road Transport Act 2013."

"This report from the Privacy Commission confirms Mike Baird is Premier of the secret state," said Labor's roads spokeswoman, Jodi McKay.

5.4 Politics ahead of public interest

Grattan Institute Report April 2016 – Better Transport Investment³¹

Too often, politics comes ahead of the public interest. Too much has been spent on highways that are not especially important to the economy, but are popular with local voters. Decisions on particular projects are dubious or made on the basis of weak or undisclosed business cases.

One difficulty is that there is little to stop politicians committing to projects before they are properly evaluated – particularly during election campaigns. Without more public information on potential projects, the public can't be sure that funds will be spent wisely.

Recognising the problem, Commonwealth and state governments have established bodies, such as Infrastructure Australia, to improve infrastructure spending. This is a positive move. But in their current form, these bodies have limited impact. A better approach would

³⁰ <https://www.smh.com.au/national/nsw/baird-government-labelled-secret-state-as-information-increasingly-blocked-20160227-gn56hb.html>

³¹ <https://grattan.edu.au/wp-content/uploads/2016/04/869-Roads-to-Riches.pdf>

involve three steps. Governments currently cherry-pick the evaluation method that suits the result they want. Instead, they should not be able to commit to a transport infrastructure project before tabling in parliament a rigorous like-for-like evaluation of the net benefit, conducted by an independent body.

More disciplined selection of infrastructure projects would have a double benefit. It would mean less wasteful spending and better transport networks, built where they will make the most difference.

The main purpose of transport infrastructure is to enable people to commute to work reliably and safely, buy goods without excessive transport costs or delays, and use services that rely on others being able to get to where they are needed. Most of the time, transport is an intermediate step to people getting to work and moving goods and services to the people who want them. Roads and railways that support the nation's economy make the nation as a whole better off, even though different people will inevitably have different levels of access to transport connections. The key goals for transport infrastructure policy should be that any government spending be in the public interest, and the public be confident this is the case.

Former Prime Minister Tony Abbott's influence over federal policy was both decisive and disruptive. Infrastructure Australia, set up by the Rudd Government to select state infrastructure projects for Federal funding, had used evidence-based approach to select projects and, in a ground-breaking move, it prioritised key rail and light rail projects proposed by state and regional governments.

On a personal whim, Abbott changed all that and dictated that the Commonwealth would fund only roads. Abbott's pro-freeway stance was not only against the advice of the Commonwealth's top infrastructure advisor³², it is also in defiance of the fact that motorways, in construction and operation, are a climate disaster.

Professor Peter Newman, in his speech "We need to build the cities of the 21st century, not the roads....."³³ "We were trying to improve access to the port and airport. Various proposals came in that included potential roads to fix the freight issue. You could never get a benefit cost ratio above 0.4 which is pathetic. Next we heard a grab bag of roads had been pulled together to bring cars into the equation". Suddenly, in came Tony Abbott who said "I'll do it. I'll make it part of my 'roads of the 21st century'. Out of the blue we had the biggest road project in the world".

"This dropped out of the sky. It had nothing to do with Infrastructure Australia's processes, nothing to do with our strategic approach to building transport, nothing about getting better economic productivity, let alone sustainability".

³² <https://www.smh.com.au/politics/federal/budget-spending-on-roads-tipped-to-send-states-off-the-rails-20140525-38wwz.html>

³³ <https://www.thefifthestate.com.au/videos/watch-this-peter-newman-on-why-westconnex-should-be-dropped>

Entrepreneurial engineers should be the ones that are trying to solve the numerous problems Australia's infrastructure has, not politicians, according to Curtin University sustainability professor Peter Newman, who spoke at this year's Australian Engineering Conference (AEC).³⁴

Addressing the liveability, workability and sustainability of our cities, as well as the way in which they might be improved... , entrepreneurial engineers will be the ones to play a vital role in improving our cities' transport infrastructure in the near future, and points to trackless trams as an example of innovation in this space.

Newman also believes that although cars serve an important purpose, there is a risk of them becoming our masters, rather than our servant. Because of this, he says that it is now the time for Australia to embrace high-speed rail. Those cities that have become automobile dependent, such as Detroit, are now struggling economically," Newman adds.

"Cities like Houston and Atlanta are rebuilding around rail and they're doing well, because that's where the new jobs are, the new knowledge-economy jobs.

This view is supported by so many independent transport experts Michiel Bliemer, Professor in Transport at the University of Sydney.³⁵ "Plenty would make a virtue of the decline in car use in our major cities, and argue that it is also a rational response to the changing nature of urban life."

"More people work in offices and shops in densely populated areas – there is not enough space for everybody to drive and park. Higher rates of public-transport use across the country in major cities reflect the way in which people are responding to this lack of space".

Bliemer is one who thinks the time has come to more aggressively support this growth in public transport, and get off the never-ending cycle of motorway building. "Maybe we should not build more roads and just invest more in public transport, and then we don't have that problem in the future maybe," he says of the constant requirement to upgrade road systems.

Ian Bell, actuary and transport analyst³⁶ "The greatest flaw in this project has perhaps been the failure to consider, from the start, whether rail might have been a better option than road. There was no "Public Sector Comparator" to contemplate a mass transit alternative which might be cheaper and more efficient. No public consultation or discussion. Just roads to be privatised, tolls to be had to juice up the sale price from privatisation".

So far, says Ian Bell, the state infrastructure bureaucracy has refused or omitted to seriously study rail solutions. "How would the public know that Transport for NSW has decided the

³⁴ <https://www.insideconstruction.com.au/site/opinion/1054031/engineers-solving-infrastructure-issues-politicians>

³⁵ <https://www.smh.com.au/business/building-more-roads-is-not-21st-century-thinking-20150111-12lstx.html>

³⁶ <https://www.michaelwest.com.au/westconnex-sale-looms-as-bidding-duel-narrows-to-transurban-industry-funds/>

best strategy for this corridor if we simply do not know if any other alternatives have been considered?"

The department, RMS, certainly seems to follow the theory that to continue to add road space will solve our congestion problems and they always seem to manage to crowd out needed extra investment in mass transport solutions. *(Perhaps it's time to reduce their outdated undue influence on NSW transport planning)*

The authorities keep playing catch up in trying to speed up traffic flows but they never seem to understand the principles, because politicians like cutting tape on projects and boasting that they are addressing a problem when in truth for the main part they are the problem. The SMH article ³⁷ from 2016 shows that trying to get road speeds up and travel times down is like a rat in a wheel cage.

The problem is that governments come and go and the bureaucracy either doesn't learn or doesn't care beyond the next election cycle, says Bell. There is enough evidence if one wants to look. For instance, the Sydney road speed story according to Fairfax Media analysis of RMS data.

In Sydney's south, the likes of the Liberal MP for Cronulla and state's Attorney-General, Mark Speakman, believe work needs to start on extending the F6 "sooner rather than later" because of worsening congestion. In fact, it has been a high priority for him since he declared in his inaugural speech to Parliament in 2011 that he would "fight for the F6 extension". ³⁸ Yet he is ignoring the greater benefits that rail investment would have on his electorate.

Berejiklian has a difficult balancing act in appeasing residents in Sydney's south and the blue-ribbon north, as well as those within her own party who want priority to be given to projects in or near their electorates. Weeks before several byelections in northern Sydney in April, she declared her government was "absolutely committed" to building the long-promised link to the northern beaches. Federal Liberal MP for Murrumbidgee Jason Falinski says the Beaches Link is "absolutely necessary".

The authorities keep playing catch up in trying to speed up traffic flows but they never seem to understand the principles, because politicians like cutting tape on projects and boasting that they are addressing a problem when in truth for the main part they are the problem. The SMH article from 2016 shows that trying to get road speeds up and travel times down is like a rat in a wheel cage.

³⁷ ³⁷ <https://www.smh.com.au/national/nsw/peak-hour-in-sydney-is-getting-worse--and-longer-data-shows-20160310-gnftvd.html>

³⁸ <https://www.smh.com.au/national/nsw/120-a-week-and-we-are-just-sitting-there-time-for-toll-road-charge-overhaul-say-experts-20170725-gxig28.html>

An ICAC investigation is recommended to the Committee. A Government should not be able to run roughshod over all governance and project principles of infrastructure for their political purposes.

6 TERMS OF REFERENCE (B) COST OF WESTCONNEX

A measured and justified position by transport engineer experts for advocating a planned city is critical – one that our governments both state and federal should be guided by. This would reduce the fallout on local road networks, increased emissions and adverse health impacts. Economics are only one part of the equation for a city, so it's important our federal and state governments need to understand what makes a society inclusive, sustainable, healthy and financially comfortable.

Peter Newman "It has been well documented that car dependence is costly in terms of environmental, social and economic externalities — for example, McGlynn and Andrews (1991) suggest an extra 20c per pass.km would be needed to pay these costs. Government costs due to accidents, pollution, noise etc. have been estimated and compared to the government revenue benefits of the road system in Australia, and there was an overall 'road deficit' of \$8 billion in the late 1990s (Laird et al. 2002). Added to this is what Nicholas Stern calls 'the biggest externality in history' — the cost of climate change, which is likely to become part of all future transport planning as the world seeks to find a way to stop runaway impacts from occurring." ³⁹

6.1 WestConnex Costs

The NSW government's initial estimate for WestConnex was set at \$10 Billion in 2012. It has now blown out by 68%.

At the launch of WestConnex in September 2013, the Industry Briefing document lists the project cost as \$11-11.5 billion, with a \$1.5 billion grant from the Commonwealth.

In May 2014, the Abbott budget included a \$1.5 billion grant committed to WestConnex, plus a \$2 billion concessional loan "to accelerate delivery of [the New M5 and St Peters Interchange: Stage 2 of WestConnex]".

At this stage, no EIS existed for stages 1-3. There was a preliminary business case for a version of WestConnex that has since evolved. Traffic modelling was rushed and presented

³⁹ <http://www.curtin.edu.au/research/cusp/local/docs/pb-cusp-research-paper-section-abcd.pdf>

after the business case. Only one gateway review was conducted by the NSW government on an incomplete business case.

In the June 2014 NSW Budget, the WestConnex budget was \$14.9 Billion, increasing to \$15.4 Billion in the 2015 budget. ⁴⁰

The budget has since increased to \$16.8 Billion on the release of the Business Case in November 2015. The budget is now 68% over the original costings.

WestConnex Action Group spokeswoman Pauline Lockie said the cost of the project was blowing out to the tune of \$1.5 billion a year before even a sod had been turned.

"How far down the path are we going to have to go before we realise this is a dud for the NSW taxpayer?" she asked.

Ms Lockie said the escalating cost of the project raised serious questions about how the outlay would ever be recovered over the coming decades. "There are huge costs in tolls and in the huge social and health costs that NSW will have to live with if this is built." ⁴¹

SGS reports compared to other motorway projects built in Sydney over the last 20 - 30 years WestConnex is extraordinarily expensive. SGS Economics and Planning showed that in 2015 dollars, the M4, M5, Harbour Tunnel, M2 Eastern Distributor (62.5 km in total) cost \$6.1 billion while the 33km WestConnex is costing \$16.8 billion.

The Government's own preliminary cost estimates for the Western Harbour Tunnel, Beaches Link and F6 Stage 1 double the overall cost, to around \$32 billion. This is not taking into consideration future stages of the F6. This doesn't include the Sydney Gateway, that was once "front and centre" of WestConnex justification.

This makes it one of the most expensive collections of road projects ever undertaken in the world, and one has to question how sensible this approach is.

Premier Gladys Berejiklian is resolute that WestConnex is costing \$16.8 Billion and has been strongly critical of the City of Sydney estimates costing WestConnex at \$45 Billion which included local road upgrades.

"Every extension of the toll network, every exit and every entrance associated with WestConnex generates hundreds of millions of dollars of publicly funded road upgrades

⁴⁰ <https://www.smh.com.au/national/nsw/westconnex-motorway-cost-blows-out-by-14-billion-20151120-gl3isl.html>

⁴¹ <https://www.smh.com.au/national/nsw/westconnex-motorway-cost-blows-out-by-14-billion-20151120-gl3isl.html>

required to funnel traffic to the toll way, and to take traffic from it," lord mayor Clover Moore said.⁴²

My personal opinion is that City of Sydney have not incorporated all of the costs of local road changes in the urgency for the RMS to "shift the bottleneck on".

They probably focussed on the larger more expensive changes. Every traffic calming measure or pedestrian crossing removed costs.⁴³ Every clearway installed or extended costs, both financially and socially.

We also have a further large piece of work to occur at the King Georges Rd where the M5 underpasses that is being kept under wraps. Widening this section was specifically called out in the King Georges Road M5 Interchange EIS as out of scope as causing too much disturbance for the A1. Nevertheless, its quite obvious that these works are planned, as otherwise it will be a massive jam as two M5 tunnels converge into just two lanes at Beverly Hills. The cost to widen this section must surely be around \$800 million plus mark, take some 2 years to construct, and impact the same residents for a 4th WestConnex project stage.

In May 2018 leaked documents pointed to the Berejiklian Government is heading for a half a billion-dollar blowout on the New M5 section of WestConnex which will be delivered almost a year late.⁴⁴

The contractors of the New M5 project are in dispute with the Berejiklian Government over hidden costs to deliver the \$4.3 billion second stage of the WestConnex toll road, the documents show. The contractors are claiming more than \$500 million in costs to finish the road due to "unforeseen planning approval requirements" that were only revealed six months after the contract was signed, the letters show. The documents also show that the road was slated to open in early 2020 but is now likely to be open almost a year later.

Shadow Minister for Roads Jodi McKay *"This government is addicted to secrecy and has no intention of informing the community that its signature roads project is heading for a half a billion dollar blowout and is running a year late."*

"Every aspect of WestConnex has been shrouded in secrecy. It is high time that the Premier and her Transport Minister Andrew Constance tell the public the real cost of their infrastructure programs."

⁴² <https://www.smh.com.au/national/nsw/new-motorways-and-road-upgrades-take-westconnex-bill-beyond-40-billion-council-20170414-gvl1pe.html>

⁴³ <https://www.theleader.com.au/story/5158897/traffic-calming-measures-call-for-beverly-hills-station-precinct/>

⁴⁴

leaked_docs_berejiklian_faces_half_a_billion_dollar_cost_blow_out_and_one_year_delay_on_the_new_m5

A further concern is that in their review of the business case, SGS found that the costs were uncertain and very high.

"All the information presented is based on the P50. The P50 is seen as most likely cost for the project where there is a 50 per cent or less chance of this cost being exceeded.

For a project of this scale, it is normal practice to produce a P90 cost (that is there is only a 10 per cent chance cost will be exceeded). Despite an Infrastructure Australia request to provide this information, the Updated Strategic Business Case provides no information on what the P90 cost of the project could be. Page 56 of the Updated Strategic Business Case claims⁸ that there is a P90 provided in the Business Case but there is no estimate labelled as such in the cost section.

The Infrastructure Australia assessment makes reference to a six per cent difference between the P50 and P90 on the Stage 2. Given the complexity of the project this would seem low. For example, the Western Distributor Project in Melbourne has a roughly 15 per cent difference between the P50 and P90. However, even a six per cent increase would add \$1 billion to the project cost and a 15 per cent increase would add \$2.5 billion to the project cost."

This reliance on a P50 cost suggests there is a very high risk that the WestConnex will not represent value for money or protect the Commonwealth's interests.

As a project manager I know how critical it is to manage the scope and costs. The larger the project is, the more critical it is to be disciplined and adhere to governance principles. This is quite the reverse with WestConnex where lower level of independent assurance is provided than that offered by the Major Projects Assurance Framework.

I consider WestConnex will ultimately cost far more than the \$45 Billion calculated by the City of Sydney.

I recommend the Committee investigate

- the Cabinet direction to preclude rail as a viable option for investing our public funds that has made a farce of infrastructure planning
- Why WestConnex adopted a lower level of independent assurance rather than adhering to the Major Projects Assurance Framework

“This is a project that’s got a life of its own. It might be the only project in history in which people have started digging a hole at one end without knowing where it was going to come up.”

**ANTHONY ALBANESE MP
14 FEBRUARY 2017**



6.2 Spatial Costs

Professor Peter Newman, in his speech “We need to build the cities of the 21st century, not the roads” ⁴⁵

“Around the world, cities are now competing on walkability and good public transport, because the knowledge economy is now the difference between cities. If you have a thriving, productive, creative, innovative, knowledge economy, then you can compete”

“So the knowledge economy needs spatial efficiency, and spatially efficient transport modes. Public transport, cycling and walking are very spatially efficient”.

⁴⁵ <https://www.thefifthstate.com.au/videos/watch-this-peter-newman-on-why-westconnex-should-be-dropped>

"I went to the NSW Government's White Bay planning conference and it was very exciting to hear talk about a metropolitan strategy that was all about making a city centres more walkable and public transport orientated. I thought this was exactly what Sydney needed. But we didn't hear a word about White Bay being used for a giant WestConnex interchange – which emerged a few weeks later"

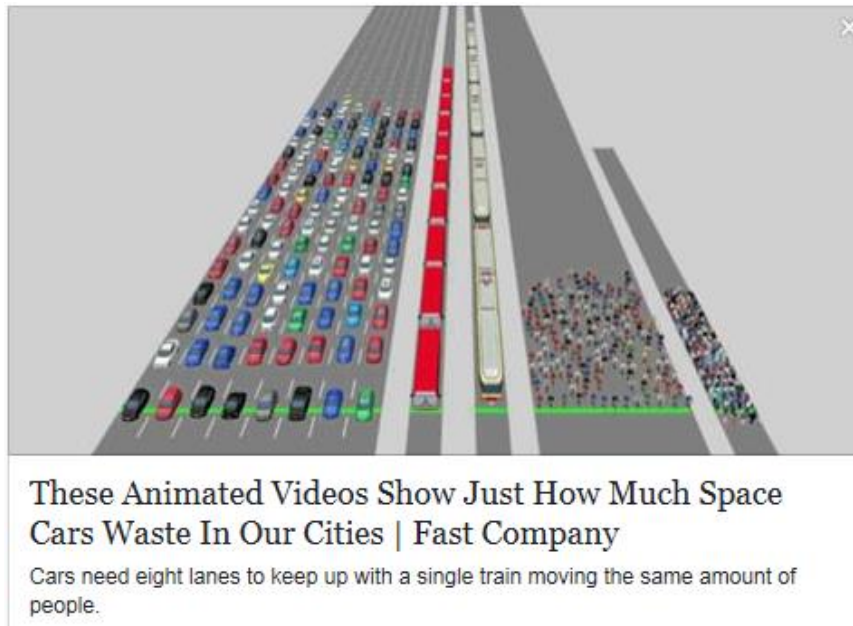
Roads are space hungry. Around 35% of Sydney's real estate is devoted to cars and their parking, but it can never be enough. It's physically impossible to give over all the space for everyone to drive where and when they want in a private vehicle. Imagine the wealth in real estate that is locked into this wasted space. The acquisition of this land that could have been used for other higher value activities.

WestConnex and the myriad of additional works will end up in hundreds of homes, businesses, wetlands and much needed greenspace taken over. Suburbs, like St Peter's, Arncliffe, Haberfield are virtually wiped off the map ⁴⁶. It's disingenuous to claim that WestConnex is all tunnels.

To demonstrate, this is the space needed to move 50,000 people in an hour by various modes of transport



⁴⁶ <http://www.abc.net.au/news/2017-11-03/nsw-government-documents-reveal-houses-to-go-for-sydney-f6/9112404>



6.3 Opportunity Costs

6.3.1 The Public's preference for rail over road

The F6 Extension planned between St Peters and Waterfall is the least popular transport project among Sydneysiders, new polling shows.⁴⁷

The Ipsos polling indicated Sydneysiders want new public transport infrastructure to take priority over big road projects.

Separate unpublished Ipsos polling conducted last year showed 88 per cent of Sydney respondents felt the city needs more public transport, with 55 per cent agreeing "a lot more" is required.

"There is clearly demand for better public transport and more of it – we really see that coming through in the data," said Ipsos research institute director, Stuart Clark.

Eamon Waterford, the Committee for Sydney's acting chief executive, said the results showed there is public appetite for prioritising new rail projects over the building of new roads. "There has been a cultural shift in Sydney as more people are leaving their cars at home and realising the benefits of using public transport," he said.

"These polling numbers show that there is a greater demand and expectation from the public for an efficient and integrated transport system and for the government to continue

⁴⁷ <https://www.theleader.com.au/story/5454535/f6-extension-ranks-low-among-transport-projects-sydneysiders-want-the-most/>

investing in public transport infrastructure. It shows strong public support for mass public transit projects like West Metro.”

Opal figures show skyrocketing passenger demand on Sydney train lines ⁴⁸

6.3.2 F6 costing more than rail

The planned toll road linking Sydney and Wollongong has been costed at an extraordinary \$18 billion – almost \$12 billion more than the rail alternative that would cut the journey to about one hour. ⁴⁹

The cabinet-in-confidence costing lends weight to a claim in a separate Transport for NSW report released under the Government Information (Public Access Act) that the difference in cost between the road and rail options would be "sufficient to construct the equivalent of almost three Snowy Mountains Hydro Schemes".

In the Federal Faster Rail EOI process last December, the Sydney FastRail Consortium put forward a two tunnel solution (the second tunnel being Thirroul-Helensburgh, a partial solution much discussed over the years) to bring transit from Wollongong to Central down from a current 90 minutes to around 45 minutes, with their provisional cost estimate for a two-bypass solution being around \$3.5 billion. ⁵⁰

So far, says Ian Bell, the state infrastructure bureaucracy has refused or omitted to seriously study rail solutions. “How would the public know that Transport for NSW has decided the best strategy for this corridor if we simply do not know if any other alternatives have been considered?”

Instead, it seems what the public will get is Stage 1 of F6, which will fill up over time, then Stage 2 and Stage 3, and apparently all before properly addressing possible augmentation of public transport in a way which takes enough cars off the roads such that such expensive increased motorway provision is no longer really necessary.

6.3.3 Cost on failing to invest in our rail network

According to David Hill on 702 Radio Sunday 19 March 2017, “Sydney’s rail network was built in the 1940s to move 1 million people”. Little in the way of rail investment has occurred since that time (Gladys Berejiklian, 2012). Mr Hill recommended that Sydney needed 6 more train lines to accommodate a population of 5 million.

⁴⁸ <https://www.smh.com.au/national/nsw/opal-figures-show-skyrocketing-passenger-demand-on-sydney-train-lines-20170811-gxubre.html>

⁴⁹ <https://www.smh.com.au/national/nsw/more-than-westconnex-f6-extension-to-cost-18-billion-20170704-gx49zp.html>

⁵⁰ <https://www.michaelwest.com.au/westconnex-sale-looms-as-bidding-duel-narrows-to-transurban-industry-funds/>

Geoffrey Clifton, a senior lecturer in transport management at Sydney University, said the rail patronage figures showed that Sydney risked reaching a "gap in capacity" on its rail network sooner than forecast.⁵¹

"There is absolutely the risk of overcrowding. We have already seen an increase in capacity and that is translating into more people using the service," he said.

The state's Auditor-General recently warned that Sydney's trains will increasingly struggle to run on time unless "sustained and substantial investment" is made in the existing heavy rail network. Rail patronage growth has been outstripping both the government's forecasts and the rail system's capacity to cope.

The original NSW Transport Master Plan (2012) *"Most of Sydney's rail network was built more than 100 years ago and is primarily centred on servicing the CBD. There has been little recent expansion of the network, with 39 kilometres of the total CityRail system of 1,050 kilometres built in the past 33 years (as at 2012). As Sydney has grown and evolved to a multi-centred city, its needs have changed and our rail system needs to evolve to keep up with these changes."*

"Businesses often cite the lack of public transport connectivity as an inhibitor to establishing a presence in the three regional cities of Parramatta, Penrith and Liverpool, as well as precincts like Macquarie Park, Sydney Olympic Park and Port Botany".

"By enabling industries to set up in the regions, in transport terms, this would reduce the impacts of dispersed employment in Greater Sydney, alleviate car dependency and long commutes, and promote more liveable communities".

Our radial rail network is at capacity. It has not kept pace with the changing commuting patterns of commuters. Not only has rail and other public transport investment been largely neglected over 30 years, rail timetable changes has had a disastrous impact on communities and connectivity and productivity.^{52 53}

NSW Transport Master Plan v1 (2012) original version

There is a requirement for the EIS that the proponent's proposal is consistent with all Sydney's strategic planning instruments. Requiring WestConnex to be consistent with all

⁵¹ <https://www.smh.com.au/national/nsw/opal-figures-show-skyrocketing-passenger-demand-on-sydney-train-lines-20170811-gxubre.html>

⁵² https://www.smh.com.au/national/nsw/crush-capacity-the-worst-time-to-get-on-sydney-s-light-rail-20180823-p4zz8q.html?ref=rss&utm_medium=rss&utm_source=rss_feed

⁵³ <https://www.smh.com.au/national/nsw/commuter-crush-more-trams-needed-to-cope-with-surge-in-light-rail-demand-20160120-gm9vse.html>

strategic planning instruments, this project was clumsily shoehorned into the document in 2013 and completely overhauled in 2016 in order to place WestConnex at the center of their transport strategies.

Below are the original core objectives of Ms Gladys Berejilkian as Transport Minister. This document was been completely rewritten to retrofit WestConnex as front and centre of Sydney's transport planning late 2013, replacing the \$10 Billion of public transport initiatives. This objective in the current version has been completely removed.

NSW Transport Master Plan v1 2012

The city will become more liveable by improving the design of buildings and public areas, developing mixed-use spaces where people work and live, and creating more opportunities for people to walk and cycle to work and major service centres. Protecting our natural environment, improving access to green spaces and improving air quality will be critical. The Metropolitan Strategy for Sydney underpins this land use and planning vision for Metropolitan Sydney to 2031.

Central to these outcomes will be an integrated and efficient transport system that is closely aligned with land use planning. Sydney's transport infrastructure and services will cater to the customer, providing diverse transport options and reduced travel times, while being readily accessible across all parts of the city. Improved public transport networks will increase productivity and global competitiveness

Improve sustainability – by maintaining and optimising the use of the transport network, easing congestion, growing the proportion of travel by sustainable modes such as public transport, walking and cycling, and becoming more energy efficient

For public transport - If Under a 'do nothing' scenario, most travel in Sydney would continue to be by motor vehicle, with roughly the same percentage of trips still made by car in 2031.

Transport has an important role in supporting Sydney as a global city. Strong connectivity across the city, quality public transport networks and opportunities for walking and cycling can all contribute to maintaining Sydney's role as a centre of economic and social activity.

The city will become more liveable by improving the design of buildings and public areas, developing mixed-use spaces where people work and live, and creating more opportunities for people to walk and cycle to work and major service centres. Protecting our natural environment, improving access to green spaces and improving air quality will be critical.

*Central to these outcomes will be an integrated and efficient transport system that is closely aligned with land use planning. Sydney's transport infrastructure and services will cater to the customer, providing diverse transport options and reduced travel times, while being readily accessible across all parts of the city. **Improved public transport networks will increase productivity and global competitiveness***

*The Master Plan also goes on with the rationale "Currently, **around 14 percent of greenhouse gas (GHG) emissions** produced in NSW come from the **transport sector**, making it the State's **second highest source** of emissions. In the context of population growth and increasing travel demand, mitigating GHG emissions is a major challenge for the future".*

Providing people with opportunities to use public transport instead of private vehicles will help to reduce the environmental impact of transport in NSW. Increased walking and cycling, particularly for short, local trips, will also contribute to improved environmental outcomes.

The cost and availability of oil and the rising cost of electricity will also have a direct influence on the choices we make in procuring the most environmentally sustainable and energy efficient technologies to power our transport fleets”.

The growing travel task is also a challenge for preserving the amenity of many of our communities. The movement of freight is rarely silent and the generation of noise on a shared network in proximity to residential areas is a recognised issue”.

Regular physical activity is important to our health and wellbeing. Recent research shows that many people get an additional eight to 10 minutes of exercise each day when they use public transport. Importantly, being active for part of our journey to work or school incorporates exercise into our daily routines. The NSW Centre for Population Health has observed that public transport use, walking and cycling are associated with a number of health benefits, including a reduced incidence of obesity, higher levels of exercise and improved mental health.

*Building social and community goals into our transport planning will strengthen communities, reduce disadvantage and open up opportunities. To meet our objective of reducing social disadvantage, we will require new ways of thinking about how to distribute transport services more evenly across the State. We will need to give people healthier travel options, such as making it easier and safer to cycle to work or walk to the nearest train station. We will also need to integrate our transport system more closely with land use planning, creating well-designed cities and suburban centres that **reduce our reliance on cars**, encourage us to be more active and produce safe, attractive and well-used urban spaces.*

Most of Sydney’s rail network was built more than 100 years ago and is primarily centred on servicing the CBD. There has been little recent expansion of the network, with 39 kilometres of the total CityRail system of 1,050 kilometres built in the past 33 years (as at 2012).. As Sydney has grown and evolved to a multi-centred city, its needs have changed and our rail system needs to evolve to keep up with these changes.

Businesses often cite the lack of public transport connectivity as an inhibitor to establishing a presence I n the three regional cities of Parramatta, Penrith and Liverpool, as well as precincts like Macquarie Park, Sydney Olympic Park and Port Botany.

By enabling industries to set up in the regions, in transport terms, this would reduce the impacts of dispersed employment in Greater Sydney, alleviate car dependency and long commutes, and promote more liveable communities.

6.3.1 Freight by rail projects by private sector

There were proposals for alternate investments to move freight more efficiently and cheaply by rail from Port Botany.

An announcement by Asciano aimed to have a second freight hub transporting containers by rail to Port Botany within 12 months, as it prepares to spend \$100 million building a new intermodal terminal in western Sydney. This new 43-hectare hub, will be located in St Marys which is claimed as an ideal location for big retailers such as Woolworths, Coles and Bunnings, which have distribution centres nearby. It will be Asciano's second intermodal terminal in western Sydney after Chullora. The Chullora terminal started transporting containers on rail to the port two months ago.⁵⁴

The new hub's rail shuttle will have annual capacity of 300,000, 20-foot equivalent units (TEUs) annually. Chullora has annual capacity of 600,000 TEUs, including up to 135,000 TEUs that can run on rail to Port Botany. Chullora is running some 75,000 TEUs annually on rail to Port Botany.

At full capacity, moving freight from Port Botany by rail from Chullora could take up to 100,000 truck journeys off roads every year, according to Asciano chief executive John Mullen.

A much-bigger competing freight terminal will be opened at Moorebank by logistics group Qube and rival rail group Aurizon in late 2017.

The distribution centres at both Chullora and Moorebank are better suited for distributions in the inner west. Mr Mullen stated that with "most of the distribution centre activity is further north-west" then it makes sense to transport via a cheaper and more efficient rail mode.

The WestConnex project will perpetuate an inadequate, antiquated and highly congested transport route that will not meet the needs of the freight transport industry and the people of Sydney and NSW. The Freight Industry recognises this, and have embarked on their rail projects that will better support Sydney's global economic corridor. Why does this Government and the RMS not recognise 21st century solutions to our congestion problem?

6.3.2 NSW Government has failed in aim to increase freight by rail

The NSW government has failed in its aim of moving an increasing proportion of freight throughout Sydney on rail, leading to more heavy trucks on the road. This outcome, which Roads and Freight Minister Duncan Gay concedes is a "slight embarrassment", comes amid rapid growth in the volume of goods and commodities being moved through Sydney's container port at Botany.

The state Coalition government wants to lift the share of containers moved through the port from 14 per cent to 28 per cent by the start of the next decade. This is a downgrade from the former government's target of 40 per cent, which it never got close to meeting. But

⁵⁴ : <http://www.smh.com.au/business/asciano-spends-100m-on-expanding-sydney-freight-hub-network-20151008-gk44qp.html#ixzz3oFxu8ITj>

over the life of the O'Farrell and Baird governments, the rail share of containers has remained stuck at about 14 per cent. Asked about the failure to lift the share at budget estimates about the failure to lift the share, Mr Gay said: "We believe we will do it, but we are a long way off at the moment."⁵⁵

Mr Gay attributed the failure to move a larger share of goods by rail to improvements in truck access to the port, which started under a program set up by former ports minister Joe Tripodi.

"It is success in one area that has stopped progress in another," Mr Gay said.

The executive general manager of NSW Ports for planning and infrastructure at NSW Ports, Marika Calfas, attributes the number of trucks due to the lack of terminals to transport containers by rail, and to a lack of regulation. "We need the facilities out there to increase capacity," Ms Calfas said. "We need to be able to take the boxes somewhere."

6.3.3 Decades of underinvestment in freight rail

Tony Abbott - in his 2009 book *Battlelines*, the "humblest person is king in his own car". He went on to dismiss outright the practicality of public transport in Australia's sprawling cities: "Mostly, there just aren't enough people wanting to go from a particular place to a particular destination at a particular time to justify any vehicle larger than a car, and cars need roads."

Despite this assertion, the new Sydney motorways partly funded by the Road-focussed Abbott government are being built in the most densely settled parts of Sydney. The NorthConnex and WestConnex involve building very long tunnels. All are likely to ignore the safety recommendations from the coronial inquest by Judge Jennifer Coate into the three-truck pile-up inside Melbourne's Burnley tunnel in 2007. Between them, the projects involve more than 23 kilometres of new tunnels. Coate urged governments to build tunnels with dedicated emergency lanes and to eliminate the need for lane-changing, but the NSW government has shown that such features won't be included.

The relentless rise of heavy vehicles in Australia's transport system over the past four decades has occurred in part because Australia has no proper charging system, and because governments have starved the publicly owned rail-freight system of investment. As a result, rail's share in moving the goods that Australians buy every day has steadily declined, while the volume of road freight has increased almost tenfold over the past 40 years, to 203 billion tonne kilometres.

This development is in marked contrast with the situation in the United States. The US still moves about 40% of its intercity freight via rail. The US rail system is one of the most

⁵⁵ <https://www.smh.com.au/national/nsw/more-trucks-on-sydney-roads-as-government-fails-to-hit-rail-share-targets-20140921-10jyab.html>

efficient in the world, and it is also profitable. It's such a good business that the shrewd investor Warren Buffett recently sank \$US26.5 billion into buying a rail company.

Australia's shift to the roads has locked us into a freight system that is inherently costlier, more carbon intensive and more dangerous. Figures published by the federal government's Bureau of Infrastructure, Transport and Regional Economics (BITRE) show that the cost of moving 1 tonne of freight by road over a distance of 1 kilometre (known as cost per tonne kilometre) is 7.5 cents for road, more than double the 3.5 cents for rail. The greenhouse-gas emissions for road are more than triple those for rail: 52 grams per tonne kilometre versus 15.

This road-dependent freight system also means that Australia's cost of living is much more exposed to oil price rises. The carbon-intensive nature of the system makes it vulnerable to any future moves to introduce international trading systems or other regulations for greenhouse emissions.

There's also road dependency's cost to human life. In the five years to 2011, the average number of fatalities from Australian road accidents that involved a truck of more than 4.5 tonnes was 239 a year. The comparable number for rail, including passenger trains, was 34 deaths a year, which is remarkably low given that rail moves greater tonnage than road when bulk commodities such as minerals and grain are included. This means that trucks cause around 20% of all road fatalities in Australia even though they make up only 2.5% of the vehicles on the road. The number of people injured in such accidents continues to rise. In 2008–09, the latest year for which injury data is available, 1536 people were hospitalised after accidents with trucks. Accident victims classified as suffering a "high threat to life" totalled 551 in 2008–09, an increase of 18% in eight years, according to a 2014 BITRE report.

BITRE predicts a further 50% rise in the number of trucks on our roads over the next 15 years. Despite the urgent need for policy action, the wheels of government are moving slowly.

Two key reforms would give Australia a less costly, less dangerous and more climate-friendly freight system, and they are related. The first is distance-based charging for heavy vehicles, and the second is the construction of an inland rail line between Melbourne and Brisbane, which would avoid Sydney's notorious congestion and the 19th-century coastal rail line.

Trucking has become so dominant that even the trucking companies are saying that it's in their interest to shift more freight onto rail. Fox and his company executives declined to answer a series of questions put to them, and Abbott would not comment on his relationship with Fox. But back in 2009, Fox broke ranks with the industry, and the Abbott view, and said Australia had to shift back to rail if it were to have a viable freight system.⁵⁶

⁵⁶ <https://www.themonthly.com.au/issue/2014/december/1417352400/paul-cleary/roads-nowhere>

“I’m talking against myself when I’m talking about putting things on rail,” Fox told a forum at the National Press Club. Fox backed the inland rail line, but he also advocated making greater use of coastal shipping, transferring more of Sydney’s trade activity to Newcastle or Wollongong, and shifting Melbourne’s major port to Hastings on the Mornington Peninsula. In the early ’70s, about one-third of the freight moved between Victoria and Queensland went by sea, but that has now fallen to nil. He said Australia could learn a great deal from China, which has built deep-water ports away from major cities. “We do need to move away from running transport operations in the centre of the city, particularly on the east coast of Australia.”

Fox expressed what might be the vain hope that he would see **sensible reform** happen in his lifetime: “We’re only here for a short time. I’ve got probably less than ten years to go. I’d certainly like to see some of these things that are in the **interests of the nation.**”

Without the NSW Government investing in the right infrastructure , i.e. to invest in a more efficient movement of freight around our state and country – instead of the antiquated and polluting motorways, our country will continue to decline in profitability.

6.3.4 WestConnex reasoning for road over rail

King Georges Road M5 Interchange – page 22 – “Public transport options could be a feasible alternative if WestConnex was primarily about transporting people to and from centres”

WestConnex is already passed its use-by date. Sydney will regret the decision of WestConnex for decades, as we spend billions on sorting out WestConnex congestion.

4.2 Alternatives

WestConnex has been developed as a key transport component of the Transport Master Plan, integrated with the strategic land use outcomes as identified in the Draft Metropolitan Strategy for Sydney to 2031 (Draft Metropolitan Strategy). To support the global economic corridor, an integrated transport solution was identified as the preferred solution. As an integrated transport solution, WestConnex brings together planning for freight and passenger movements, as well as all modes of transport including road, rail, bus, ferries, light rail and active transport options (cycling and walking). Public transport options could be a feasible alternative if WestConnex was primarily about transporting people to and from centres. In addition to dispersed and longer distance passenger movements, the key customer markets identified for the WestConnex scheme include heavy and light freight and commercial services and businesses that have highly diverse requirements for the transfer of goods and services (ie containerised freight, use of rigid and articulated trucks through to small trucks, vans utility vehicles and cars) and whose travel patterns are highly dispersed and diverse in nature.

Public transport would only partially address these customer demands. There are no feasible strategic transport alternatives such as heavy or light rail options or bus corridor enhancements that will meet the diverse range of customer needs for travel in this corridor and address the core project objectives as effectively as the project and WestConnex more broadly.

Figure 10 - Screenshot King Georges M5 EIS page 22

Research shows us that in most industrialised cities, including Sydney, car use is declining due to fuel prices and other living pressures, while demand for public transport continues to grow. Sydney is a model example of this shift. So while (former) Prime Minister Tony Abbott believes the "humblest person is king in his own car", the evidence says many of us are opting out of this 1950s mindset.⁵⁷

The claim that WestConnex is an integrated transport solution is also deceptive. "Integrated" transport can be interpreted as allowing different travel modes to complement each other. A more holistic understanding implies the incorporation of social, economic and environmental elements, and policies to reduce the need for travel and the impact of journeys made.

WestConnex does neither. First, widening the M4 and M5, and building an 8.5-kilometre tunnel, does not enable private transport users to integrate walking, cycling or public transport as part of their journey. Second, it does not meet key environmental, social and economic outcomes. The government's business case executive summary provides no insight into how WestConnex will meet environmental criteria or encourage healthier transport choices.

⁵⁷ <https://www.smh.com.au/opinion/ideology-runs-over-logic-in-the-drive-to-build-westconnex-20131020-2vuv7.html>

Equally misleading is the assertion WestConnex will reduce congestion and travel times. Research shows increasing capacity eventually increases traffic congestion.⁵⁸ It is likely WestConnex will not reduce "real" travel times as commuters to and from the airport and Parramatta will not use WestConnex when there are three other options that take the same or less time and they are available now.

So, the NSW government's persistence is intriguing. Choosing roads over integrated public transport options is not logical, but ideological, as shown by Abbott's plans to abolish funding for urban rail, while promising support for WestConnex, Perth's airport gateway road and Melbourne's east-west link. Mike Baird, then NSW Treasurer's so-called innovative financing model for the WestConnex is underpinned by this same neo-liberal ideology.

6.3.5 Transurban and no compete clauses.

"When they leave a negotiating room nothing is left on the table, not even the Laminex. They just have this reputation for being superb negotiators at the taxpayers' expense."

former NSW auditor general Tony Harris

There is no doubt that a secret sweet and cosy deal to buy 51% WestConnex by Transurban has been struck, as announced today.⁵⁹

In an SMH article, it was revealed Transurban have negotiated compensation from the government if too few trucks use the NorthConnex. Naturally, the government will not say how many trucks are required to use the NorthConnex tunnel before compensation will be paid, nor how much toll-road company Transurban might receive in compensation.⁶⁰ Basically, Transurban gets the returns and the public pays.

"The government's mismanagement is hard to beat," said Labor's transport spokeswoman Jodi McKay. "Road users pay the toll company for using the road, and taxpayers pay the toll company if they don't," said Ms McKay. "Either way the toll operator can't lose."

The Greens' transport spokeswoman, Mehreen Faruqi, said described the arrangement as a sweetheart deal for a near monopoly toll-road company. With the NSW Liberals it's hard to figure out where corporations end and government begins," Dr Faruqi said.

⁵⁸ <https://www.smh.com.au/national/nsw/westconnex-the-wrong-project-for-sydney-report-says--invest-in-public-transport-instead-20150223-13m8f0.html>

⁵⁹ <https://www.smh.com.au/business/companies/transurban-wins-bid-for-majority-control-of-sydney-s-westconnex-20180831-p500ws.html>

⁶⁰ <https://www.smh.com.au/national/nsw/transurban-to-get-paid-if-trucks-use-northconnex-motorway-and-if-they-dont-20170521-gw9r20.html>

"I think it's a slippery slope when government starts making rules and regulations that benefit a single corporation," she said.

It has been further leaked that Transurban may reap tens of millions if the F6 is not a tunnel and surface road.

The opportunity cost of failing to properly invest in public transport for decades is precisely why we are in a congested mess. We don't have adequate transport alternatives.

Add in the uncompetitive practice of "no-compete" clauses on a toll-road contract, this will entrench car dependency for the concessional period as investment in public transport will be stymied for this timeframe. In the case of WestConnex, until 2060.

My children, who are yet to join the workforce, will be nearing retirement before WestConnex tolls expire.

Transurban will say people can use the roads or not – but it's not an equal playing field. People don't have equal opportunities to use public transport or equal amounts of money to pay.

Why are we turning public assets into private monopolies, anyway, that puts Transurban in the powerful positions of increasing tolls at 4% a year.

Recommendation: Reveal the full details of the 51% sale of WestConnex to Transurban. The financing, any 'no compete' or minimal return clauses

6.4 Productivity costs – we need to prioritise moving people, not cars

Australians are sacrificing the equivalent of up to 6 per cent of their salaries sitting in morning traffic, a study conducted in June 2016 analysis suggests.⁶¹

The study compared how many hours people spent driving to work every year in 108 cities around the world. Sydney was the worst-ranked Australian city, coming in at number 17 globally, with workers each wasting the equivalent of \$3308, or 5.9 per cent of average after-tax salaries, driving to work.

Sydneysiders lose three working weeks a year to congestion, according to GPS.

⁶¹ <https://www.smh.com.au/business/the-economy/the-true-cost-of-sitting-in-traffic-on-the-way-to-work-20160628-gpt9z2.html>

Workers in Melbourne, placed 44th in the world, lose the equivalent of 3.9 per cent of their salaries, those in Brisbane lose 3.8 per cent and driving to work in Perth costs 3.6 per cent of earnings.

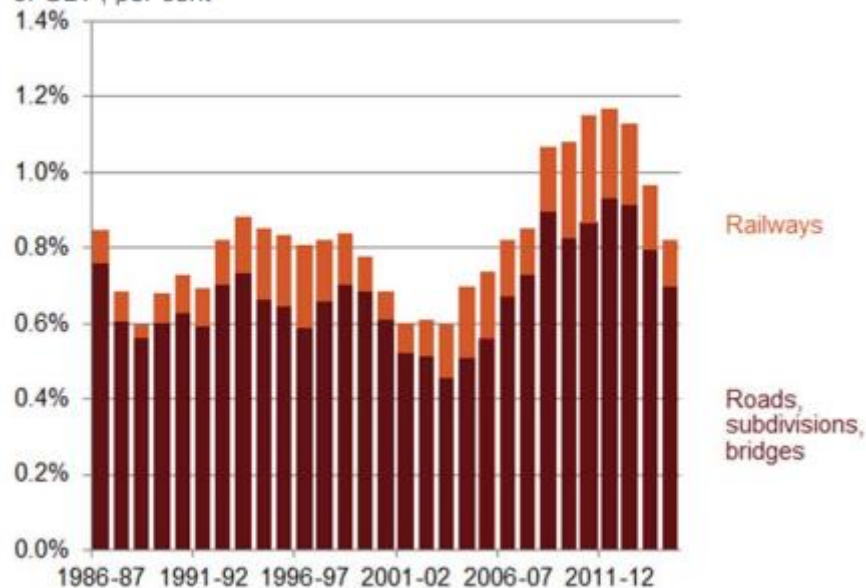
Australian rank	City	World Rank	Per cent of earnings lost (net after tax)	Earnings lost
1	Sydney	17	5.9	\$3308
2	Melbourne	44	3.9	\$2158
3	Brisbane	49	3.8	\$1950
4	Perth	55	3.6	\$1910
5	Adelaide	78	2.6	\$1344

Source: Global Positioning Specialists

Despite the majority of spending devoted primarily to roads over the decades, we are still in a congested mess. It's a sign of madness to keep trying the same thing over and over, each time hoping for a different result. Isn't it time to look at what more innovative cities are doing to improve mobility of people and freight? We can't afford not to.

Figure 1.1: Spending on transport infrastructure has risen sharply over the past decade

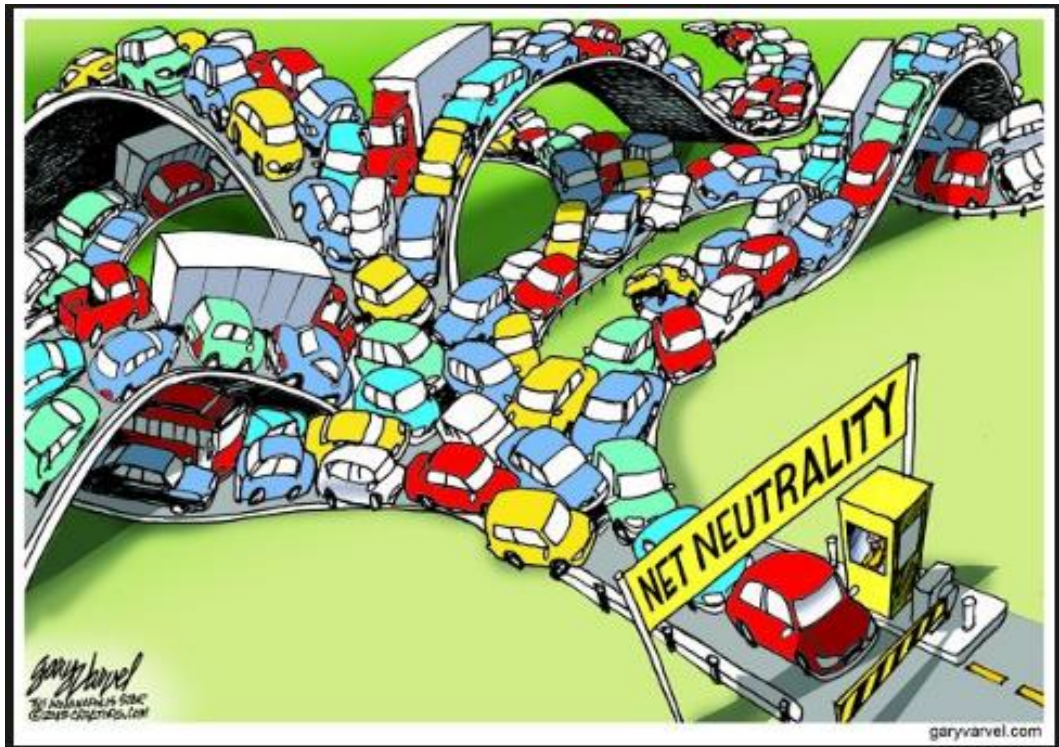
Engineering construction work done for the public sector as a proportion of GDP, per cent



Notes: Includes work done by the private sector for the public sector.
Source: ABS (2016b), Table 11; ABS (2016a), Table 3.

Look at the traffic jam around you, and note the single occupant vehicles that form the bulk of the traffic. There is a better way to address congestion. Remember how easy it was to get about in the 2000 Sydney Olympic Games? We were told to leave our cars at home and hop onto public transport. Busses galore for extended hours meant our roads were clear, pollution was less and it was a whole lot easier and more pleasant to get about.

Why don't we do this all the time?



Efficient big cities don't rely on motorways; they rely on frequent mass transit, and good facilities for walking and cycling. We have to prioritise moving people and goods, not vehicles.⁶²

Second, traffic congestion isn't a problem we should be trying to eradicate. All successful cities have congestion. It's inevitable. The issue is not one of congestion, but access.

Can people avoid the traffic and still access the jobs, education and other opportunities in our city? And do employers have access to the biggest possible pool of talent? The key to making the most of our city's opportunities, and harnessing the demand for public transport, will be to accommodate that demand, and to let it flourish.

Large numbers of people make roads less efficient, but make the most convenient, frequent mass transit more viable.

The London Tube and the New York City subway are rightly revered by visitors, because you never have to wait more than a few minutes for a train. And where the trains don't go, there are plenty of buses.

⁶² <https://www.theage.com.au/national/victoria/we-can-afford-better-public-transport-if-we-stop-building-freeways-20180419-p4zaj0.html>

WestConnex – despite its goal to improve productivity is sending Sydney spiralling into a time-wasting traffic jam as many folks in Sydney don't have a reasonable public transport alternative.

6.5 Tolling regimes that deliver private profit rather than ongoing public benefit

Refer Appendix H: WAG submission to the Toll Inquiry

Road charging in itself does not need to be inherently unfair. University of Sydney researchers have found that most drivers can actually be better off under a such a system if expenses such as vehicle registration and unfair tolls are scrapped.⁶³

As well as being an effective way to ration road space, road charges can also help ensure the full costs of road travel are covered by road users. In overseas jurisdictions such as London and Stockholm, road charging has also been shown to be an effective at reducing traffic congestion by prompting drivers to shift to alternate modes such as active or public transport, car sharing, or avoiding car trips at the most congested times of day, or eliminating unnecessary travel altogether.

A key factor in the success of this strategy is the quality and availability of alternatives to motorways, such as integrated and effective public transport, which much of Sydney currently lacks, particularly throughout the west.

Road travel creates other external costs for society in addition to congestion. Perhaps the most significant is the damage caused to the environment and human health by vehicle emissions. With the right policies in place, road charging can be used to help cover the costs of these environmental externalities.

In cities like London, congestion charges are also reinvested into improving the city's transport network, and particularly subsidising public transport infrastructure. However, we note that the tolls being proposed for WestConnex and its extensions are very different to these kinds of congestion charges, which are designed to deliver ongoing public benefits in the form of improved public transport, reduced congestion, and so on.

This is because after the public has borne the upfront cost and risk of building WestConnex, the NSW Government plans to sell the tolling concessions off to a private corporation or corporations, which will have the right to charge tolls on each stage of WestConnex until at least 2060.

While the revenue from this sale is supposed to be reinvested into public infrastructure, the reality is that this outcome is not guaranteed - particularly if WestConnex fails to recoup its massive cost, and no profit is realised. Once these roads are sold, the revenue from the tolls themselves will deliver profits to the private companies, not the public.

⁶³ <http://www.smh.com.au/comment/why-sydney-needs-congestion-20160510-gos5dz.html>

It is in the public's interest that if road charges are to be introduced in NSW, the revenue earned should be used to deliver ongoing public benefits - not large profits to a limited number of private corporations and their shareholders.

6.6 Cash Backs

The ALP propensity to award cash backs for their political purposes is a long term drain on the public purse. I am not averse to tolls or road pricing, provided that adequate public transport is available, and the proceeds are retained by Government for further investment in public transport.

The problem for Sydney is inadequate public transport with only 2% of suburbs, and 38% of homes, are meeting public transport targets.

With the annual cost for the M5 now set to amount to more than \$100 million a year, taxpayers are on the hook for a \$1 billion-plus bill over the next decade. ⁶⁴

The Harbour Tunnel has also been a public purse drain ⁶⁵

The ALP is now promising permanent cash backs for the M5 West and M4 West ⁶⁶

These cash backs, directed to private pockets, deplete the funds available to invest in more important assets like schools, hospitals, disability support and public transport

6.7 Most liveable city – except you can't really get around to do your living

Quoting Ben Langford (Fairfax journalist)

Sydney has been named the "most liveable" capital city in Australia by a study that includes one caveat: the public transport situation.

Yep, just one small detail. How do you get around Sydney? RMIT classifies liveable because most people live within 400 metres of open space and within 1.29km from an activity centre. But its transport fails, with only 2% of suburbs, and 38% of homes, meeting public transport targets.

Real people know liveability has a lot more to do with how much time you spend making traffic, and whether there is a train station nearby, than it does with targets. What good are bureaucrats' policies if the trains and busses aren't actually there?

Despite decades of investment in predominantly more roads, we have ground to a halt on our roads, with peak hour stretching to 12 hours.

⁶⁴ <https://www.smh.com.au/national/nsw/taxpayer-bill-for-cashback-scheme-on-sydney-toll-roads-hits-15-billion--and-climbing-20161208-gt6hiq.html>

⁶⁵ <https://www.smh.com.au/national/jitters-about-sydney-harbour-tunnel-loan-20071212-1gly.html>

⁶⁶ <https://www.smh.com.au/national/nsw/labor-s-m4-cashback-plan-an-earnings-free-kick-to-westconnex-owners-20180711-p4zqrj.html>

It's no secret that part of what makes great cities work is their first-class transport. Tokyo, London, San Francisco, New York, Melbourne. Sydney had its chance, but they have blown it as the big money has gone to serve the car. There is no measure of "liveability" is based on cars.

6.8 Health Costs

6.8.1 Pollution kills more people than cars

Pollution is more deadly than smoking, kills nearly 15 times more people than all the world's wars and violence combined, and is three times as deadly as AIDS, malaria and tuberculosis all put together, killing a total of nine million people a year, according to a report released by The Lancet Commission on Pollution and Health on October 19 2017. ⁶⁷

The report authors say the new pollution numbers are "intimately" linked to climate change mainly because of air pollution, which is a major source of greenhouse gases. Fuel combustion of all kinds "accounts for 85% of airborne particulate pollution and for almost all pollution by oxides of sulphur and nitrogen," according to the authors.

Productivity losses from what they refer to as "unhealthy and unsustainable development" are prompting illness and death that rob the world economy of 2% GDP annually.

Someday our descendants will marvel that we ever lived in cities filled with emissions direct from the tailpipes of cars. ⁶⁸

The most threatening kind of air pollution is fine particles, and although cars represent only 7% of this kind of air pollution in the US, but because cities are so saturated with tailpipe emissions, cars have a disproportionate impact on people's health.

6.8.2 Dangerous pollution at St Peter's school – why didn't anyone tell the parents?

An air quality monitor at St Peters public school in Sydney's Inner West has recorded the highest average levels of PM 10 of any Sydney monitoring site during the first three months of this year. ⁶⁹

Those living near the monitor and students who play on the oval will have been exposed on occasions to dangerous levels of pollution. Even more worrying, WestConnex told the school that they were placing the monitor well away from the major roads. The school buildings and a nearby preschool are much nearer to the WestConnex construction sites and major roads. For months, construction work using heavy diesel equipment has taken place within

⁶⁷ <https://www.businessinsider.com.au/pollution-kills-more-people-than-wars-obesity-smoking-malnutrition-2017-10?r=US&IR=T>

⁶⁸ <https://qz.com/135509/more-americans-die-from-car-pollution-than-car-accidents/>

⁶⁹ <http://www.wendybacon.com/2018/dangerous-pollution-at-st-peters-school/>

metres of homes in St Peters, including over 24 hour periods. It is highly likely that levels nearer the roads works have been higher than those near the air monitor.

One of the major flaws in the New M5 EIS process was the finding that construction impacts did not need to be quantified because they would only be 'temporary'. This reasoning was applied again during the Stage 3 M4 M5 process, although construction impacts will go on up to 7 years in some areas. The NSW EPA was critical of this response but NSW Planning approved it. The idea that the construction impacts are temporary is absurd. But the EIS Air quality case depends on no account being taken of construction dust. For this reason, RMS and Sydney Motorway Corporation have a very big stake in asserting that elevated levels of pollution are not due to construction.

Responsible Ministers in NSW are deflecting responsibility for public health to the private and unaccountable Sydney Motorway Corporation, which is currently on sale to the highest bidder of three consortia. SMC rides roughshod over people's health and safety and should not be doing its own air monitoring. There is a clear conflict of interest in this arrangement.

This is a perpetual motion machine where the buck never stops long enough to hold anyone accountable. Meanwhile, students and residents suffer the health impacts. Will anybody acknowledge a duty of care in this situation?

6.8.3 Failure to provide air quality data

Back in early 2015, when the WestConnex Delivery Authority (later turned into the private corporation Sydney Motorway Corporation) wanted to install the monitor, the school community was very concerned about the health impacts of WestConnex. In March 2015, the P & C sent a list of questions to WestConnex community engagement manager. Louise Bonny. Some of these focused on how the school community could obtain the data recorded by the monitor.

Ms. Bonny replied:

WDA intends to make the calibrated data recorded by the air quality monitoring station publicly available....The calibrated data can be sent to St Peters Public School for distribution to parents and interested stakeholders.

She promised that WestConnex would work with air quality specialists to prepare a suitable format for presenting the data to the public.

The School P and C were not satisfied with the answers so it wrote a further letter. P & C Committee member Peter Ross wrote:

As you can imagine, we are very concerned about the impact of the proposed project on the health, safety and well-being of our children, staff, parents and citizens, and others who use the School's facilities. We are aware that high concentrations of nitrous dioxide and other noxious gases released from tunnels, as well as the release of particular matter including

INQUIRY INTO THE IMPACT OF THE WESTCONNEX PROJECT

ultrafine particulates, which possess significant toxicity, have been linked to a range of health problems including asthma, cancer, allergies (especially in children), eczema, hay fever, and strokes in adults.

He asked, "Does "intends" mean "will"? At what intervals will the data be made available?

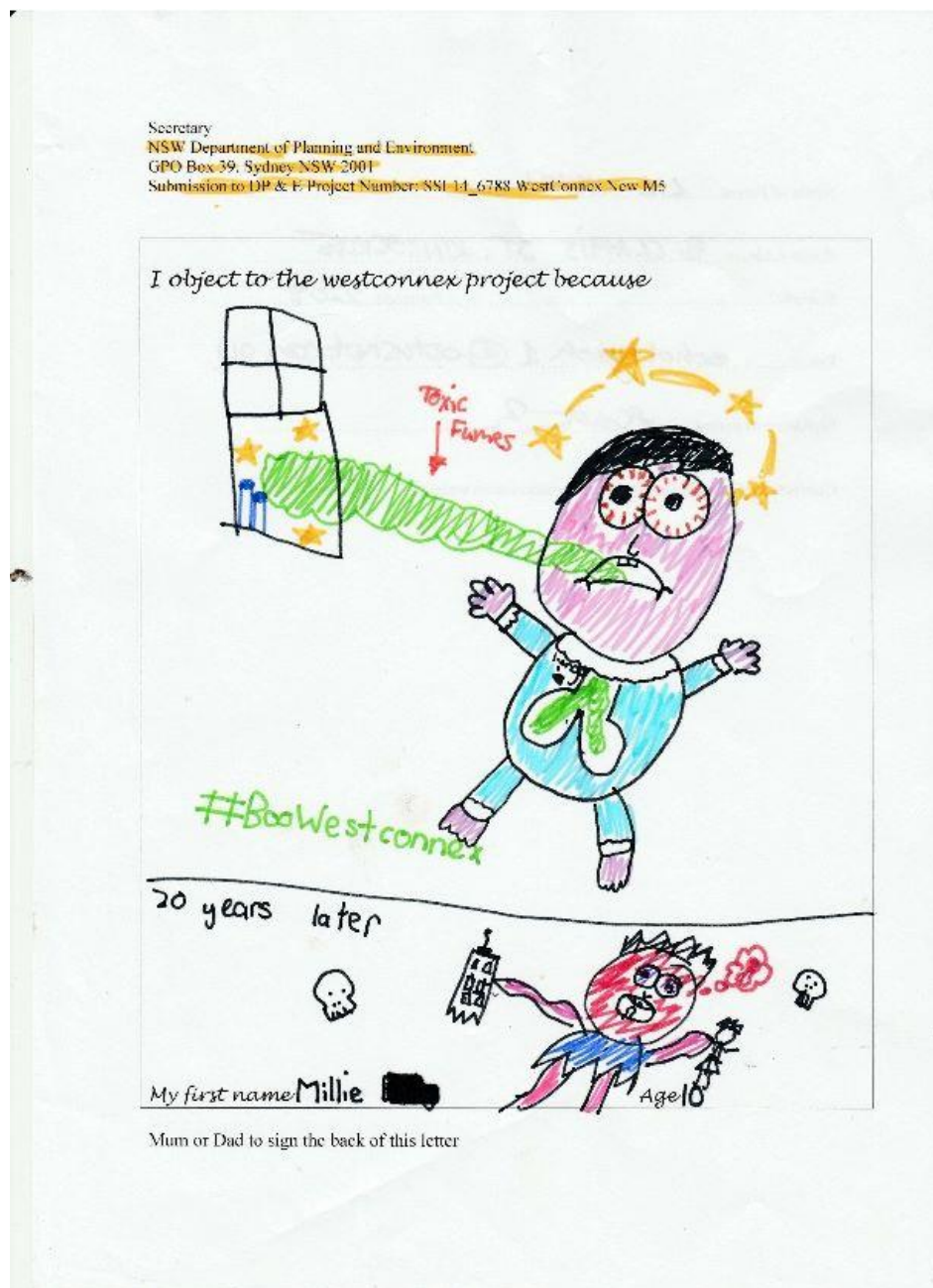
In July, WestConnex's Louise Bonny responded:

Yes, WestConnex Delivery Authority will make the calibrated data recorded by the air quality monitoring stations publicly available. This data will be made available on a monthly basis....WDA will send the calibrated data to the school and to the P&C.

The parents also expressed great concern that there would be no monitoring of asbestos, given the amount that was to be removed from the landfill and in buildings that were to be demolished. Later parents were appalled to discover that the asbestos was being removed before the project had been approved and without any monitoring at the School.

The St Peters parents that we have spoken to believe that the results were never sent through and the school principal also does not have them.

I would like to recommend to the Committee that SMC provide the air quality data as committed AND that the detailed results be assessed by a large independent air quality experts.



6.8.4 Nitrogen Dioxide spikes at Haberfield School

Under NSW Department of Planning and Environment's (DPE) conditions of approval for the M4 East tunnel, WestConnex also monitors two other pollutants - Nitrogen Dioxide (NO₂) and Carbon Monoxide (CO).⁷⁰

⁷⁰ <http://www.wendybacon.com/2018/nitrogen-dioxide-spikes-at-haberfield-school-an-ecotech-error-or-a-national-exceedance/>

The major source of nitrogen dioxide is the burning of fossil fuels: coal, oil and gas. Most of the nitrogen dioxide in urban areas comes from motor vehicle exhaust or off-road equipment. Manufacturing can also contribute.

The national limit for NO₂ is 0.12 parts per million (ppm) over one hour. The average yearly limit is 0.03 ppm.

Exceedances are rare in Australian cities in recent years, although this may be explained by a lack of monitoring in spots where combustion of fuel is highest. It was predicted for example, that there would be some exceedances along the WestConnex widened M4 in Sydney but because there is no monitoring, we don't know if that is the case since the widened M4 opened or not.

Short periods of exposure to high levels of NO₂ can aggravate respiratory diseases, particularly asthma, leading to symptoms, such as coughing, wheezing or difficulty in breathing) and hospital admissions. Longer exposures to elevated concentrations of NO₂ may contribute to the development of asthma and potentially increase susceptibility to respiratory infections. People with asthma, as well as children and older people are generally at greater risk for the health effects of NO₂ (For more information on NO₂ visit [US EPA](#)).

Below is a screenshot of the WDA assurance to the community in 2015. WestConnex have a long track record of secrecy, withheld information and failure to honour commitments.⁷¹

Tunnel ventilation systems for WestConnex will be designed and operated to meet stringent in-tunnel; local and regional air quality criteria. Extensive detailed traffic and air quality modelling will be undertaken to ensure designs and operating strategies are effective and can demonstrate compliance with air quality criteria.

In-tunnel air quality criteria will be based on international best practice. This will take into account the in-tunnel air quality performance requirements in the planning approval for NorthConnex.

Air quality is nevertheless expected to be an issue of substantial community interest. WDA and the relevant government agencies will ensure transparent, comprehensive and factual information is made available to the community to inform this discussion.

Key issues for community acceptance are likely to be location and operation of ventilation outlets, air quality criteria for in-tunnel concentrations of nitrogen dioxide and fine particles.

The results of monitoring of earlier tunnel projects and detailed air quality modelling will be used to demonstrate how the proposed approach will protect air quality. Filtration of tunnel emissions is not envisaged as it is not required to meet air quality requirements.

⁷¹ <https://westconnex.com.au/sites/default/files/Tech%20Paper%20%20-%20Updated%20Strategic%20Environmental%20%20Review-Sep2015.pdf>

6.8.5 Dr Paul Torzillo – WestConnex impact on human health

Professor Paul Torzillo, Executive Clinical Director and Head of Respiratory Medicine at Sydney's Royal Prince Alfred (RPA) hospital, spoke out about the extensive physical, mental and social health impacts of WestCONnex at a public meeting in Camperdown. That attachment contains his video along with the transcript of his talk.⁷²

I want to talk about three ways that WestCONnex is bad for health, and I'll just start with what you've already heard. Which is if you're in the direct path of this, you either lose your home, completely lose your community lose the place you've lived in, and you have to move somewhere generally an incredibly long way away because you don't get enough recompense to live anywhere around where you want to.

The second option is what you've had eloquently described to you with the last talks: just a constant exposure to disruption to your environment, to access, to dust, to noise, to vibration.

That sort of constant life pressure doesn't just lead to upset and anxiety. It has a direct impact on physical health problems as well.

But I want to talk a bit about the broader impact of this project and that's really through firstly the contribution that traffic-related air pollution makes to air pollution in general.

In cities like ours, traffic-related air pollution is a major contributor to air pollution. It's probably around 30% and upwards in most cities like ours.

Traffic-related pollution – there is a huge amount of evidence that air pollution increases death from cardiovascular disease, that's the leading cause of death in Australia. It leads to increased hospital admissions from heart disease. It leads to increased stroke. It leads to increased respiratory disease, and it leads to increased deaths from respiratory disease. It leads to higher rates of low birth weight in kids.

The big picture evidence is traffic-related air pollution is a major contributor to air pollution in general. Air pollution is unequivocally, absolutely shown to increase death rates and the frequency of major health problems for people. That's the big picture focus we should be concentrating on.

I think in fact that the agencies and government don't mind getting into debates about monitoring because they're a sideshow in the end. They become a bit of a distraction.

Just a final point on that is there's a large review by the NHMRC of Australia, the National Health & Medical Research Council, the leading scientific body in the country, looking at the impact of tunnels and looking at health hazards. And they say two very interesting things.

⁷²

http://www.westconnexactiongroup.org.au/rpa_prof_paul_torzillo_on_westconnex_devastating_health_impacts

In the summary of their report, they say: “We would like to state how difficult it was for us to obtain any data that was relevant to our investigation around tunnels in Australia.”

So if the NHMRC – a federally funded, senior scientific body – has trouble getting the real story about pollution and the impact of these tunnels, we're going to have a lot of trouble getting it.

The third impact that I want to talk about is the absence of a dollar on public transport systems.

Every city in the world in developed countries that's become more liveable has invested hugely in transit systems that move people in a way which doesn't consume fossil fuels, moves people in a way which is efficient, moves people in a way which allows interaction with walking space, which encourages green space, encourages activity in people, as well as getting them around.

That problem of not investing in public transit systems has a health impact. It has all the bad things we've been talking about and it impacts on the physical health of people.

The last thing I want to talk about is the way projects like these change the living environment in a city.

It won't just be for the people who are suffering at the moment; they change the nature of the city. They change the environment; they change the attractiveness of living in it.

So they have a social health impact as well. And the cities around the world that are investing in this and in fact finding an improvement in that.

There's a big argument at the moment around the long-term economic benefits of approaching cities with these mass transit systems, reducing traffic, reducing this sort of pollution, and make cities more attractive to live in and more attractive to work in, which improves social health. .

WestConnex has got an impact for the whole city. It's going to change the nature of Sydney. It's going to change it for the worse. It's going to have really major population health impacts.

Our health system will be put to the test from the costs of WestConnex and its pollution. This cost was not factored in the business case. It should have.

6.9 Human Social Costs

It would be easy to view WestConnex as a project of local concern, a story of lost trees, destroyed parkland, poor planning and the removal of families from their homes.

Or, as proponents would put it, a tale of nimbyism stymying a project designed to help those in the city's west overcome the barriers shutting them out of jobs, education and services in Sydney's centre.⁷³

I take exception to the behaviour of Duncan Gay (ex Minister for Roads) and his disgusting comments regarding people that live in the Inner West.⁷⁴ He would hardly be allowed to direct such language to "Westies" or folk based on religious beliefs. Why the Inner West?

Duncan Gay has been vicious in shutting down valid critics to the WestConnex project, such as the public humiliation of Dr Tim Williams for daring to state the obvious – no other city in the world still builds motorways in their inner cities⁷⁵. As it stands, the 33 plus communities across the WestConnex route had very real reasons to be concerned, as I will detail further in this section.

I also take exception to the language used by Mike Baird (ex-Premier) who claimed "just a few cracked eggs". Across the route (which includes the tentacles) well over two million people are directly impacted, some much worse than others. This is not a "few cracked eggs" and the number of people impacted should have deserved a higher level of attention and respect for the human and social impacts.

I recommend to the Committee that human health and the detrimental impacts of infrastructure in construction and operation must be given weight in the EIS.

6.9.1 Community Budget

The WestConnex budget appears to have not appropriately costed the following:

- Property acquisitions
- Property damage
- Urban repairs
- In house noise attenuation
- Relief housing

I would appreciate if the Committee could investigate the budget allocations for each of these items to explain the failure to properly compensate / protect the community from WestConnex construction.

The inappropriate treatment to residents by WestConnex / RMS with their bullying and intimidating tactics forcing families to sell below market value. This is covered in further detail in Section D.

The treatment of homeowners regarding property damage is covered in-depth in Section J.

⁷³ <https://www.theguardian.com/australia-news/2017/apr/05/sydney-westconnex-road-bitterly-disputed-future>

⁷⁴ <https://www.smh.com.au/national/nsw/roads-minister-duncan-gay-chattering-classes-are-more-of-a-pollution-risk-than-trucks-20150519-gh51w3.html>

⁷⁵ <https://www.smh.com.au/national/nsw/roads-minister-duncan-gay-admits-to-angry-phone-calls-over-westconnex-criticism-20150515-gh24li.html>

The failure to follow through original commitments for in-house noise treatment and instead issue cheap foam earplugs in its place. I can just imagine the jesting that went on when they decided to mail these out to highly impacted residents. So immature and unprofessional. A further insult to residents in very high impact areas, like St Peters are noise treatments fully installed for RMS properties yet family homes are left untouched or under touched.

Relief housing has generally not been made as available as it should. Families have been exposed to 24/7 construction – be it WestConnex or utilities – yet have had to fight to be relocated.

Failure to deliver urban repair has been covered in the next section.

It seems community commitments were not properly budgeted resulting in many families exposed to undue noise or stress dealing with callous RMS/WestConnex employees.



It's no wonder the average person doesn't have any faith in the process as we are treated like mushrooms. The WestConnex Private Tollway project has shown that neither the EPA nor NSW Health have the necessary powers to protect us from big business driven projects. The onslaught of dust, noise, trucks, demolitions and traffic congestion through our communities has been a living hell for hundreds and hundreds of families and now the government wants us to trust them and be allowed to sell it off and give them total control.

6.9.2 Failed urban repair

Refer Appendix B – 20170215 Kingsgrove Urban Design Feedback

Refer Appendix C – 20161101 Does WestConnex keep their promises?

Refer Appendix D – 20180802 WestConnex adds insult to injury in St Peters

WestConnex have a track record of non-delivery of urban repair, witnessed at Beverly Hills, Kingsgrove and now St Peters.⁷⁶

Quoting the IW Courier article 02/08/2018 *“WestConnex adds insult to injury in St Peters”* the failure to deliver urban repair envisaged by the EIS artists impressions the original master plan is a “missed opportunity for WestConnex to go some way to make amends for the immense physical and psychological damage the toll road has visited upon the local community”.

Residents can make presentations to local Members, Council, and the Dept. of Planning to no avail.

The public needs to be assured that WestConnex and their sub-contractors comply with not only the advertised design, but to meet their stated objectives too. WestConnex and Fulton Hogan (of M5KRRUI Section) not only failed to design reasonable urban repairs, there was a failure of delivery to key elements in Beverly Hills, such as:

- a. Failing to install Perspex noise panels on the entire new section at Coolangatta Rd bridge. Only partial installation occurred, the reason supplied by Rachel E “was to afford visual symmetry from the carriageway for the motorist”. It is also a Breach of DPE planning conditions not to benefit the motorist at the expense of residents. We need these panels to better block off M5 traffic noise. Who cares about the appearance of symmetry for the motorist from the carriageway.
- b. Failure to install the promised community art as a feature wall on Elouera Rd North
- c. Failure to reinstate the critical noise walls within EIS timeframe of 14 weeks. It took 13 months.
- d. Failure to reinstate noise walls at the promised minimum of previous height and continued refusal to provide measurements until the Dept. Planning stepped in. Some sections are over a metre shorter than previous.

⁷⁶ <https://www.innerwest.nsw.gov.au/news-hot-topics/media/media-releases/westconnex-adds-insult-to-injury-in-st-peters>

- e. Stepped height in noise walls which breaches RMS noise wall design guidelines as it looks cheap
- f. Priority given to the motorists for noise wall colour selection. We are left with the visually divisive noise wall colour of 'concrete' that does not recede into the background behind plantings. The colour choice is a breach of RMS noise wall design guidelines.
- g. Failing to soften visually divisive noise walls with landscaping set as a priority. WestConnex staff advised residents at Beverly Hills that noise walls will be left predominantly bare "as it is easier for the maintenance crew to inspect a wall bare of foliage"
- h. Failing to maintain landscaping (eg watering) for stipulated 12 months
- i. Installing resident facing transparent noise walls at Beverly Hills. It was alleged it was for cyclist safety but WDA staff were unable to provide the guidelines to support this allegation. We later found it was to "reduce the appearance of bulk for the motorist" leaving residents with a view of 10 lanes of motorway and not permitted to landscape to hide this eyesore.

The environmental and human impact of such a massive footprint of the WestConnex toll road, thrust through densely populated areas, was never an authentic consideration.

The RMS and WestConnex did not consider the cumulative impacts of road construction of the legacy M5 and the New M5 on suburbs like Beverly Hills / Kingsgrove, Arncliffe, Bexley North and the Strathfield community in the EIS. They then justify even further destruction of our suburbs as merely that our environment becomes 'an already disturbed LGA'. To quote one of many examples, the EIS discusses the Motorway Operations Complex in the following way:

"The MOC2 shares a boundary with the M5 Linear Park. Although this narrow parkland is used for public recreation, the land is zoned SP2 Infrastructure and is closely associated with the M5 East Motorway, having been created as a legacy project for the construction of the motorway. The change within the MOC2 site (from public open space to the MOC2) does constitute a significant character change from the existing condition, but as the zoned SP2 Infrastructure, this change is (therefore) acceptable within the anticipated character of the site considering the current zoning. Using other areas within the M5 Linear Park as a benchmark, the narrowed pedestrian and cycle access around the edge of the MOC2 would not be out of character for this linear park."

Yes, there were instances where the amenity of the pathway was a low standard, such as behind Gareema Circuit heading to Kingsgrove Road. Although these visually divisive sections did exist, the fact that they existed shouldn't then be used as the benchmark of 'the

character’ that provides the excuse to degrade the rest of our walkway and urban environment to the same low standard.⁷⁷

I would like the Committee to investigate:

Why are WestConnex permitted to operate outside the Conditions of Approval with Impunity?

Why are the Department of Planning so powerless to reign them in?

6.9.3 Failed objectives of Urban Repair

WestConnex Framework for design – objectives or merely buzzwords?. Who and when will WestConnex be held to account for these claims, as the Department of Planning and Environment appear powerless:

- leading edge environmental responsiveness
- connectivity and legibility
- place making
- liveability and urban renewal
- memorable identity and a safe, pleasant experience
- a new quality benchmark.

Our urban environment is dominated by the visual impact of noise walls, the audio impact of high traffic noise, and our health and safety at risk from more pollution and higher volumes of traffic. Although there is always scope to make it better for residents, there seems to be either an element of malice or designers that are completely oblivious that a motorway is an eyesore. Either way, it’s not acceptable.

I hope that the recommendations from the Committee will include holding Agencies to account for breach of urban repair design and/or promises and that human and environmental impact must be given equal weight as the alleged “economic benefits” for project selection.

6.9.4 Social and Environment Impacts

The lives of so many thousands of people are directly affected by the negative impacts of the WestConnex project. Sydney as a whole is impacted through increased pollution, expensive tolls directed to private pockets until 2060, and the lost opportunity of investing in game-changing public transport.

The New M4 was criticized for its inadequate and superficial assessment of impacts on the community, but although insufficient, at least it somewhat recognised the significant stress

⁷⁷ <https://m5eis.org/2016/01/15/beverly-hills-resident-explains-why-westconnex-impacts-on-south-west-sydney-are-unreasonable/#more-1796>

and psychological impacts on residents of loss of community, the psychological impacts of being forced to move away from your social networks and the stress of living with years of construction and loss of social and visual amenity. The New M5 EIS was slammed for basing its conclusions on “research” undertaken by the community consultation team rather than direct community consultation or the various active community groups. There was strong criticism for exaggerating the potential positive aspects of the project, while the negative aspects were either downplayed, insufficiently detailed or omitted altogether. Further criticism was levelled at WestConnex for missing a significant number of sensitive receivers being schools, pre-schools, retirement homes and kids sports field as absent from the list. This sloppiness has raised many questions within the Community.

Appendix D – AECOM cut and paste “Social and Economic impact study” fails basic task.

The approach requires appraisal of projects on an incremental basis, which compares the economic benefits with and without the project by considering the following parameters:

- The direct costs of a project to the community
- The direct benefits of a project
- The indirect benefits of a project to the community.

Figure 11 A screenshot from the King Georges Road M5 Interchange and the failure to acknowledge dis-benefits

6.9.5 Community anger at noise mitigation measures

Across the WestConnex route, communities are saddened and angry at the destruction, the failure of the NSW Government to include public transport alternatives, the constant noise, dust and heavy truck movements together with the lack of respect shown to residents by the sub-contractors with a failure to follow even the basic “Conditions of Approval” of avoiding unnecessary noise, especially at night.

In-house noise treatments have gone by the wayside due to WestConnex cost cutting. Residents have been further insulted with the issuance of movie tickets or 50 cent foam ear plugs instead of the promised mitigation.

My family were advised by Faye Woodward (WestConnex Community Consultant) that we were entitled to in-house treatments at the Beverly Hills 2014 Community Information session. I recall some 24 homes were entitled. Not a single resident we have door knocked received their entitlement. One family in Allambee Crescent advised us that instead they were “offered counselling” to help them deal with the noise. They refused, likening “counselling by WestConnex the equivalent to be counseled by your attacker”. A few months later, the husband (fit and aged only 50) suffered four heart attacks and died in the ambulance on the way to hospital. Luckily, he was revived but it took him a very long time to recuperate. This family considers the stress of construction and the frustrations of dealing with WestConnex was a contributor to his health issues.

Relief housing is also very difficult to obtain. I was fortunate, being at the very early stage of WestConnex, to get 5 weeks alternate housing for my son during his HSC exams. WestConnex were rightly concerned I would be taking the matter to the media. HSC students now only get noise cancelling headphones. Not sure how they can sleep with these. So many young people are unfairly disadvantaged with one of the most important years of their young lives.

One of the most obvious exogenous factors by which sleep might be affected in the general population is traffic noise. It is a major cause of extrinsic sleep disturbances and negatively affects performance, mood, and health.[14,15] It is also well established that nocturnal road traffic noise causes sound-induced awakenings and autonomic arousals during sleep.[16,17] These physiological reactions lead to sleep fragmentation, which in turn can impair daytime functioning.⁷⁸ Now throw in 24/7 jackhammering just outside premises into this mix.

Hundreds of people are facing months or even years of direct impact WestConnex construction, which includes utility work. Residents are frustrated that there seems no co-ordination amongst the various Departments to ensure residents are afforded some relief. Residents are further frustrated that their complaints are not acted upon, and requests for local work site noise measurements ignored.

6.9.6 Failure to address complaints.

I'm sure the Committee will be receiving many submissions relating to complaints being ignored.

NSW Planning grants approval for WestConnex projects on condition that SMC put in place community feedback and complaints schemes. But when residents try to use these mechanisms to raise concerns, they often find themselves blocked. It is frustratingly difficult to hold the SMC and its contractors accountable for their actions.

WestConnex aim to reduce complaints to nil. Not by acting and resolving issues, but by inaction hoping residents would give up. WestConnex rely on complaint fatigue.

Here is how my complaint at 3.30am on 3 February 2016 was treated. My key complaint was the mismanagement of failing to sign post the closure of the M5 resulting in 20 minutes of continuous horn blasting by multiple trucks waking a suburb. The below log inserted by Christine Keynes of Fulton Hogan did not represent my complaint. I later lodged a formal complaint to the DPE regarding false and misleading notification to their department by Fulton Hogan and the failure of WestConnex in having their 24 / 7 complaints hotline in place. I ended up speaking to a call center in Malaysia who did not know what to do.

⁷⁸ . <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4900478/>

February 2016 **3.30 AM**

A noise complaint was received on the morning of the 3rd of February from a resident complaining about a horn sounding on the M5 motorway on ramp, east of the King Georges Rd Intersection. After investigations and discussions with the night crew it was discovered a motorist sounded the horn repetitively for a period of approximately 5 minutes when irritated by the short term lane closure required for the works. The ground crew tried to explain the delay to the driver who continued to sound his horn at the workers. The resident was called on the same day of the complaint to discuss what had happened and to confirm that the horn was not sounded by a Fulton Hogan worker.

Followed by a small convoy of trucks blasting their horns for a continuous period of 20 minutes *20 mins*

The complaint was about traffic mismanagement, and not properly sign posting the road closure

Figure 12 - Falsified resident complaint

On the afternoon of 9 April 2018 at 4.30 pm, a Haberfield resident sent a complaint to Sydney Motorway Corporation M4 East contractors CPB Contractors. She sent a copy of the complaint to the NSW Environmental Protection Agency, NSW Planning, the Inner West Council and Summer Hill MP Jo Haylen. She began: ⁷⁹

"I wish to complain about the massive dust blowing off from the Parramatta Rd civil site, across the Bland St and Parramatta Rd, Haberfield/Ashfield intersection. I stepped out of my house just before 3 pm today, to be engulfed by dust blowing up from the intersection. I looked down to the intersection and could barely see the road. I saw parents and kids struggling up the hill towards the school all, coughing and complaining. ... I could taste and feel the dust. What on earth is happening on the site, that no preventative measures are in place to stop dust from rolling off the site, across the road, engulfing homes and people, obscuring the intersection, and blowing up the hill onto school grounds? I look forward to your response."

She attached the footage from her phone and noted the Ecotech monitor on the school grounds had shown 400 u/gm3 during the episode.

CPB Contractors community relations manager Sally Brough replied the next day. Brough, who describes herself on LinkedIn as a 'Corporate Social Responsibility professional', acknowledged the complaint and thanked her. She then made four points.

"The safety of workers and the community is our number one priority for the project. As contractors engaged to build the M4 East project we continue to meet all regulatory requirements in the management of air quality levels. Construction dust levels across all project sites are regularly monitored as mandated by SafeWork Australia, to ensure the safety of workers and the local community. As we have mentioned in prior correspondence mitigation measures are in place to suppress dust on site and reduce airborne particles

⁷⁹ <http://www.wendybacon.com/2018/haberfield-dust-storm-not-just-a-regional-event/>

including the use of water, covering the site with hard stand, and the use of spray sealing. This is in accordance with the approved Construction Air Quality Management Plan, which is available on the WestConnex website.”

(This response is typical of how WestConnex responds to many communications. Regulatory requirements and policies are referred to as if their very existence is evidence that they are being put into practice on the ground.) She went on:

“The project has investigated the event you reported yesterday afternoon and has come to the following conclusions: A review of the photos you provided and photos taken by the project do not suggest that the source of the dust in the video you provided was the Parramatta Road construction site. The site-specific photos you provided illustrate negligible dust occurring on site during adverse weather conditions and this is supported by our own evidence; Third parties, completely unrelated to the project, were witnessed by members of the project team undertaking dust generating activities with leaf blowers in the vicinity of the site between 2.45 – 3.00pm, seemingly around the time of the complaint. Two separate members of our project team raised this as a concern yesterday afternoon due to the magnitude of the dust being created”

The Parramatta Road site stretches across more than a hundred metres. Another resident later told Skid Row Radio that the idea that 'leaf blowers' could create the volume of dust observed as 'farcical'.

Although the Conditions were set far too low, the Department of Planning and Environment nevertheless seem incapable to enforce WestConnex and their contractors to abide with mitigation measures. It's reasonable to conclude that WestConnex consider themselves above the law.

The community can be very tolerant of the impacts of infrastructure construction where it's recognised that it's the public benefits. Witness the success of the Dulwich Hill ⁸⁰ and Gold Coast Light Rail ⁸¹. These projects aimed to relieve congestion, but its footprint in both construction and operation are minimal in comparison to a toll road project.

The long term psychological impacts of both construction and operations for WestConnex are heightened where the public is very aware that the key beneficiaries of the project are toll-road and construction companies and that the public will be paying for decades.

I recommend to the Committee to enforce WestConnex to comply with their obligations to properly resolve complaints.

⁸⁰ <https://www.dailytelegraph.com.au/newslocal/inner-west/state-government-announces-another-95-weekly-services-on-crowded-inner-west-light-rail-line/news-story/8a09044aeed9b31a23c94a435d75737b>

⁸¹ <https://www.danielbowen.com/2017/01/28/gold-coast-light-rail/>

7 TERMS OF REFERENCE (D) COMPULSORY ACQUISITIONS

There are many aspects of the WestConnex project that have aroused opposition. But none carry as profound a personal impact as the acquisition of more than 200 homes.

In Homebush, 13km west of the city centre, Aurelia Roner-Tyler's family was nearly torn apart by the decision to stay and fight for their home, or abandon the life they had built to make way for WestConnex.

"I basically lost three years of my life," Roner-Tyler says. "My husband got really depressed, he had to take 18 months off work as a result, my marriage nearly ended, because both of us wanted different things. Forty-three houses were lost in Homebush, where I lived. A community was gone."

The government says 80% of the homes across the city were acquired through a negotiated process, and that the acquisition process has been improved. But many homeowners felt they had no choice but to abandon their homes.⁸²

In 2013, the joint standing committee on the office of the valuer-general published a major report on the NSW land valuation system. It found the compulsory acquisition system is "unfair and inadequate".

In 2016, despite the report of a parliamentary committee chaired by Liberal MP Matt Kean calling for an overhaul of the compulsory acquisition system, the government has not implemented key recommendations while forging ahead with forced resumption of private homes for WestConnex.⁸³

The Fairfax newspaper reported in August 2016⁸⁴ on how advice on how to improve the fairness of the system by which private homes are forcibly acquired for major infrastructure was rejected by the Baird government over fears it could delay projects like the \$17 billion WestConnex motorway.

Now, leaked documents reveal, Finance Minister Dominic Perrottet wrote to Premier Mike Baird telling him to not act on many of the recommendations, following advice from an interdepartmental committee.⁸⁵

"The key concern of agencies, such as Roads and Maritime Services, is that a number of the recommendations would likely have adverse impacts including increased disputation,

⁸² <https://www.theguardian.com/australia-news/2017/apr/05/sydney-westconnex-road-bitterly-disputed-future>

⁸³ <https://www.smh.com.au/national/nsw/warning-of-unfair-process-unheeded-as-government-forges-ahead-with-property-resumptions-20160110-gm2mm8.html>

⁸⁴ <https://www.smh.com.au/national/nsw/baird-government-rejected-westconnex-fairness-advice-due-to-project-delay-fears-20160823-gqyz9k.html>

⁸⁵ <https://www.news.com.au/national/nsw-act/damning-report-on-nsw-government-housing-acquisitions-marked-never-to-be-released-documents-reveal/news-story/bd7db776b6ac9667c9daf71d69c5a00b>

valuation complexity, additional costs and delay to the completion of infrastructure projects" wrote Dominic Perrottet.



So many families are left hundreds of thousands out of pocket because of WestConnex compulsory acquisitions. So many families have been sent backwards financially by at least a decade forcing some to re-mortgage for the difference or move well away from their community support and kids schools. Add to this the anger, the stress, the strain on marriages, the family unit, and health impacts not just at the emotional level, but has real costs on our health system.

This is not behaviour that befits the office of Premier and his senior ministers and nothing short of a Royal Commission or ICAC investigation can be accepted by the public.

I am sure the impacted residents would appreciate a detailed inquiry into the behaviour of WestConnex property acquisition process and retrospective compensation for the loss of value, at times reported at almost half of their property value.

Below is a submission to the M4 EIS by 9 year old Cameron whose family suffered years of stress relating to insufficient compensation for their home. It affects the kids too, especially when they need to move away from their school, their friends and nearby family that assists with their care.



8 TERMS OF REFERENCE (E) – RECOMMENDATIONS OF AUDIT OFFICE AND ANAO REGARDING WESTCONNEX

Refer Appendix F – WAG ANAO Audit submission

ANAO report ⁸⁶ ⁸⁷

A \$2 billion loan for Sydney's new WestConnex motorway from the Coalition government failed to achieve its key goal of fast tracking the project's second stage by two years, the National Audit Office has found. ⁸⁸

In a report highly critical of the federal government's funding of the \$16.8 billion motorway, Commonwealth Auditor-General Grant Hehir also found that upfront payments and altering milestones for later support "did not adequately protect the Australian government's financial interests".

⁸⁶ https://www.anao.gov.au/sites/g/files/net4981/f/ANAO_Report_2016-2017_38.pdf

⁸⁷ https://www.audit.nsw.gov.au/ArticleDocuments/351/01_Westconnex_Full_Report.pdf.aspx?Embed=Y

⁸⁸ <https://www.smh.com.au/national/nsw/audit-office-highly-critical-of-government-funding-for-westconnex-20170214-guc9dr.html>

The report said a decision in May 2014 by the then Abbott government to pay the \$500 million in advance led to the motorway project being approved without "any documented analysis and advice to ministers that the statutory criteria for giving such approvals has been met".

And it said the decisions by both major parties to provide support at the early stages of the project were "inconsistent with the advice" from both Infrastructure Australia and the Department of Infrastructure.

It is the second time Mr Hehir has released a report critical about elements of the project.

In his previous role as NSW's auditor-general, he released in [2014 a report into WestConnex](#) that concluded it was not able to "form a view on whether the project is a worthwhile and prudent investment ... for the NSW government".

In October 2017 The NSW Auditor-General will examine the \$16.8 billion WestConnex toll road for a second time, due to the huge cost, risks and high level of public interest in the project.⁸⁹

A day after the NSW government said it had knocked back the only bid it received to build a major interchange for WestConnex at Rozelle in Sydney's inner west, the state's Audit Office has confirmed that it will again turn its attention to the project.

Labor's transport spokeswoman, Jodi McKay, said it was "high time" that some light was shone on the way in which the project had been managed.

"The community will learn exactly why this government is over budget by almost \$10 billion. Motorists will have to pay tolls for 40 years to pay for their mismanagement and cost overruns," she said.

9 TERMS OF REFERENCE (F) – EXTENT ITS MEETING PROJECT GOALS

⁸⁹ <https://www.smh.com.au/national/nsw/nsw-auditorgeneral-to-inquire-into-westconnex-for-a-second-time-20171012-gyzqvb.html>

WestConnex was sold as a congestion busting project which would help to revitalise the Parramatta Road corridor and improve links to Sydney's Global Gateway with a benefit cost ratio (BCR) of 2.55.

"It will take traffic off local roads, and according to Duncan Gay, we will be singing in our cars".

Addressing congestion is also critical to the ongoing competitiveness of Greater Sydney as a global city in regional competition with other global business centres such as Hong Kong, Singapore and Shanghai.

The NSW Government's Long Term Transport Master Plan sets out a number of projects to meet Sydney's transport challenge.

The plan identified WestConnex as one of the highest priorities to meet the future transport needs of Sydney.

It is the largest integrated transport and urban revitalisation project in Australia, linking Parramatta to the central business district (CBD), Sydney Airport and the Port Botany precinct and the M5 in south-west Sydney via a 33 km tolled motorway completely free of traffic signals.

When completed, WestConnex will save 40 minutes on a typical journey between Parramatta and Sydney Airport, bypassing up to 52 sets of traffic signals.

Figure 13 Page i) King Georges Road M5 Interchange EIS

Throwing billions to deliver "average network speed improvements of one kilometre per hour across the Sydney network". Wow. Such a level of disruption for such a miniscule return.

When fully constructed, WestConnex will:

- Cut forecast travel times between Parramatta and Sydney Airport by up to 40 minutes
- Effectively halve bus travel times between the Inner West and the CBD
- Create 10,000 jobs during the construction phase, including hundreds of apprenticeships
- Bypass up to 52 sets of traffic signals
- Remove through traffic from local areas, improving amenity and quality of life
- Deliver more than \$20 billion in economic benefits to NSW.

By providing a fast motorway standard route, the fully completed WestConnex would also deliver average network speed improvements of one kilometre per hour across the Sydney network. With more than 15 million car and truck trips predicted on the network by 2031, the cumulative benefit of this average network speed improvement would be substantial.

The M5 King Georges Road Interchange Upgrade project would support the freight transport task by improving access to, and reliability of, the motorway network and King Georges Road itself.

Figure 14 Page v) King Georges Road M5 Interchange EIS

WestConnex has key objectives that the whole project is supposed to meet.

The stated objectives for the project were contrived to fit the project *after* it had already been announced. In a **democratic strategic planning process**, objectives are **set first based on the needs and desires of the community**, and then **alternative projects/policies are appraised against their ability to meet those objectives**.

Westconnex's stated objectives have no associated targets by which their achievement can be ever be determined. For example, how can it ever be determined if the objective to "maintain regional air quality" has been met?

Objectives/targets need to be:

1. Specific
2. Measurable
3. Achievable
4. Relevant
5. Time-bound

Even though the objectives of WestConnex have been contrived to fit the project, the **project still does not meet them.**⁹⁰

Each objective below is accompanied by an explanation of why the project does **NOT** meet that objective.

- 9.1.1 Support Sydney's long-term economic growth through improved motorway access and connections linking Sydney's international gateways and south-western Sydney and places of business across the city.
- There is already an extensive and high-capacity road and motorway network linking Sydney's international gateways (Sydney Airport and Port Botany), Western Sydney and places of business across the city. The operation of this network could be improved significantly with demand management such as road pricing reform. There is no need for costly and destructive new motorways.
 - WestConnex represents productivity costs (not benefits) as the motorway will be congested in less time than it takes to build.

⁹⁰ <https://m5eis.org/2016/01/20/part-3-chris-standen-westconnex-fails-to-meet-own-objectives/>

- The most efficient and economical way to link large trip generators is with mass transit. A single motorway lane can transport only 2000 passengers per hour, under ideal conditions. A single railway line can transport 24,000 passengers per hour.
- WestConnex does not go to the CBD nor the airport or port.

This is a massive failure of one of their key goals.

9.1.2 Relieve road congestion to improve the speed, reliability and safety of travel.

- There is no evidence that increasing road capacity and building urban motorways can relieve road congestion in the long term, because the added capacity simply induces more demand.
- As travel speeds increase, so do travel distances, i.e., increasing the speed of the road network encourages urban sprawl. Perversely, this sprawl has the effect of reducing the population's accessibility to employment, education and services, and increasing transport costs (because people have to travel longer distances).
- Road congestion is inevitable in any large city, in the absence of adequate demand management. There can never be enough road capacity to satisfy the latent demand for driving, where everyone can live as far from work as they like, and drive whenever they like, to wherever they like in free flowing traffic. It is geometrically impossible.
- Congestion on Sydney's roads is the main thing keeping private vehicle travel demand in check. If this congestion is relieved temporarily by increasing the road supply, then demand will increase until a new equilibrium between supply and demand is reached (i.e., congestion will return to its previous level)
- A better objective would be to give as many people as possible a reasonable alternative to sitting in traffic. How many people would really prefer to spend hours each week crawling along a dark tunnel inhaling truck fumes, than sitting in a modern train that takes them swiftly to their destination, where they can use the time to relax, read, work etc.
- A claimed benefit of the project is that daily traffic on the existing M5 East would reduce by 20-40 percent due to the new tolls. If it is acknowledged that tolls alone are effective in meeting the project objective (reducing congestion), then there is no rationale for adding more capacity.

- **More intersections in the study area will have an LOS of F with the project (4) than without it (3) in 2021, such as King Georges Road.**
- The re-introduction of the M4 West tolls resulted in a significant impact on the Parramatta Rd and surrounds which demonstrates the lie that WestConnex will “take traffic off local roads”.⁹¹
- Sydney appears to have reached toll-saturation, forcing those that need to drive onto local roads⁹²

9.1.3 Cater for the diverse travel demands along these corridors that are best met by road infrastructure.

- There is already more than sufficient capacity along these corridors to cater for all the essential vehicle travel. Non-essential vehicle travel could be discouraged through better demand management, e.g., road pricing reform.
- A holistic multi modal approach to transport is a better fit for meeting diverse travel needs than a motorway.
- WestConnex is outdated before its even finished, with advancing technologies to meet on demand travel eg on demand transport to or from the station such as the new inner west on demand bus.
- Even the NRMA is critical: Some level of toll avoidance is to be expected, however, the very high level of traffic diversion to surface streets is a strong indication that the New M5 does not serve many trips currently taken via the M5 East, and that many motorists will not perceive the proposed tolls on the New M5 and the new toll on the M5 East as representing value for money.⁹³

• ⁹¹ <https://www.smh.com.au/national/nsw/new-m4-toll-funnels-more-motorists-onto-sydneys-parramatta-road-20170815-gxwaob.html>

⁹² <https://www.smh.com.au/national/nsw/120-a-week-and-we-are-just-sitting-there-time-for-toll-road-charge-overhaul-say-experts-20170725-gxig28.html>

⁹³ <https://www.mynrma.com.au/-/media/documents/reports-and-subst/westconnex--new-m5.pdf?la=en>

9.1.4 Enhance the productivity of commercial and freight generating land uses strategically located near transport infrastructure.

- It has to be questioned whether a highly populated inner city area is the optimal location for some commercial and freight generating land uses. Could some of them be relocated to less populated areas, where the transport costs and externalities are lower?
- This objective would have been better achieved and more economically by not privatising Sydney's Port in 2016 and instead shifting the bulk of container movements to Newcastle Port.
- More details under Section 11.

9.1.5 Fit within the financial capacity of the State and Federal Governments, in partnership with the private sector.

- The project has a high financial risk. The flaws and optimistic assumptions in the traffic modelling mean that toll revenue is likely to be significantly lower than forecast. AECOM has a history of providing over-optimistic traffic forecasts for toll roads, resulting in previous financial failures (e.g., Clem7).
- The WestConnex motorway is unlikely to reduce traffic on local roads, exposes the taxpayer to huge financial risk, and will not benefit many western Sydney commuters. Journey-to-work figures analysed by SGS show only about four per cent of workers in suburbs such as Penrith, St Marys and Camden travel to the CBD. Moreover, about 90 per cent of these work trips to the CBD from the west are using public transport.
- Principal of SGS Terry Rawnsley said a metro rail line along Parramatta Road between Westmead and Central would be a better fit for the city than a new motorway.

9.1.6 Optimise user pays contributions to support funding in an affordable and equitable way.

- More than 99% of the NSW population will not use the project each day, but they will still have to pay for it through general taxation.
- Many of the potential users will be from low-income households who cannot afford to live near employment centers or railway stations. They will have to pay high tolls

while higher-income households have access to cheaper roads and public transport. This is hardly equitable.

- The State ALP 2019 election pledge to re-instate the M4 West and M5 West cash-back scheme will be a further drain on the public purse. More detail for this is contained in the costs section.

9.1.7 Provide for integration with other WestConnex projects and the proposed Southern extension, while not significantly impacting on the surrounding environment in the interim period

- There will be significant impacts on the surrounding environment, both in construction and operation. The footprint of these works is massive and will expose the same community to further high impact disruption. Many suburbs are exposed to back to back projects spanning 7-8 years.
- There is a high risk that future stages of the WestConnex scheme will never go ahead, due to the likely financial failure of the preceding stages and the significant cost blowouts or huge political fallout.

9.1.8 Manage tunnel ventilation emissions to ensure local air quality meets NSW Environment Protection Authority (EPA) standards

- The emissions from the exhaust stacks and tunnel portals will not be filtered.
- Local air quality near the project is already poor, with air toxin levels regularly exceeding standards. Even when they do not exceed standards, they still cause health problems. There is no safe level of air pollution.
- The project will result in poorer local air quality. The air quality modelling in the EIS is worthless because it is based on flawed traffic modelling.
- Health costs has been expanded in Section 6.5

9.1.9 Maintain regional air quality

- Regional air quality in Sydney is already poor, with air toxin levels regularly exceeding standards. Even when they do not exceed standards, they still cause health problems. There is no safe level of air pollution.
- The project will result in poorer regional air quality. The air quality modelling in the EIS is unreliable because it is based on flawed traffic modelling.

9.1.10 Manage in-tunnel air quality to stringent air quality standards

- The in-tunnel air quality will be poorer than that for surface roads. People using the tunnels on a regular basis will have a higher risk of lung cancer, asthma, heart disease and other diseases. The health of children being driven through the tunnels is a particular concern.

9.1.11 Minimise energy use during construction and operation

- Roads are one of most energy-intensive ways of moving people and freight. Road construction is also energy-intensive.
- The project will encourage longer travel distances (sprawl), which will result in increased transport energy use.
- The project will encourage travelers to switch from energy-efficient public transport to energy-inefficient private vehicles.
- Transport energy use could be better minimised by:
 1. Providing for energy-efficient transport modes (public transport, walking, bicycling).
 2. Land use planning that places homes closer to employment and other destinations.

9.1.12 Manage noise impacts in accordance with the NSW Road Noise Policy and realise opportunities to reduce or mitigate noise

- Traffic volumes on surface roads will increase, resulting in increased noise pollution.
- No noise monitoring cameras are in place, even though such technology is available.
- Residents across the route are rightly complaining construction noise is not managed. Works continue well beyond stated finish times. Works include jack-hammering during the night. Relief housing or in-house noise treatments are generally refused.
- Noise mitigation opportunities, such as at Beverly Hills were ignored in pursuit of a cheaper design that has cost dearly in human comfort.

My family (amongst many more) are unable to open our windows due to traffic noise. It doesn't matter how hot it's been, or how refreshing that southerly that just whipped up at

9pm may be, our windows stay firmly shut. Even though shut, our sleep is still interrupted by excessively noisy cars and motorbikes.

As an example, the design of the M5 at Beverly Hills has been poorly engineered. What had been sloping soil mounds with foliage absorbing some noise, the sheer walls has caused an echo chamber. Traffic noise reverberates throughout the neighbourhood. No effort for sound acoustics was considered in the design.

9.1.13 Provide for improvement of social and visual amenity

- The project will reduce social and visual amenity.
 1. The concrete interchanges and pollution stacks will be visually obtrusive.
 2. The increased traffic volumes on surface roads will result in lower amenity (more noise pollution, more fear and intimidation, increased crash risk etc.).
 3. The increase in petrochemical exhaust emissions from the tunnel portals, pollution stacks and surface roads will result in increased smog and reduced visibility and air quality.
 4. There is a track record already for failed urban repair, minimalistic as it was.
 5. Urban repair bears no resemblance to the “artistic impressions”
 6. Community recreational space is taken for road lanes
- 7. Motorway design gives priority to motorists over residents which is a breach of conditions. (Refer to Appendix B for more detail)

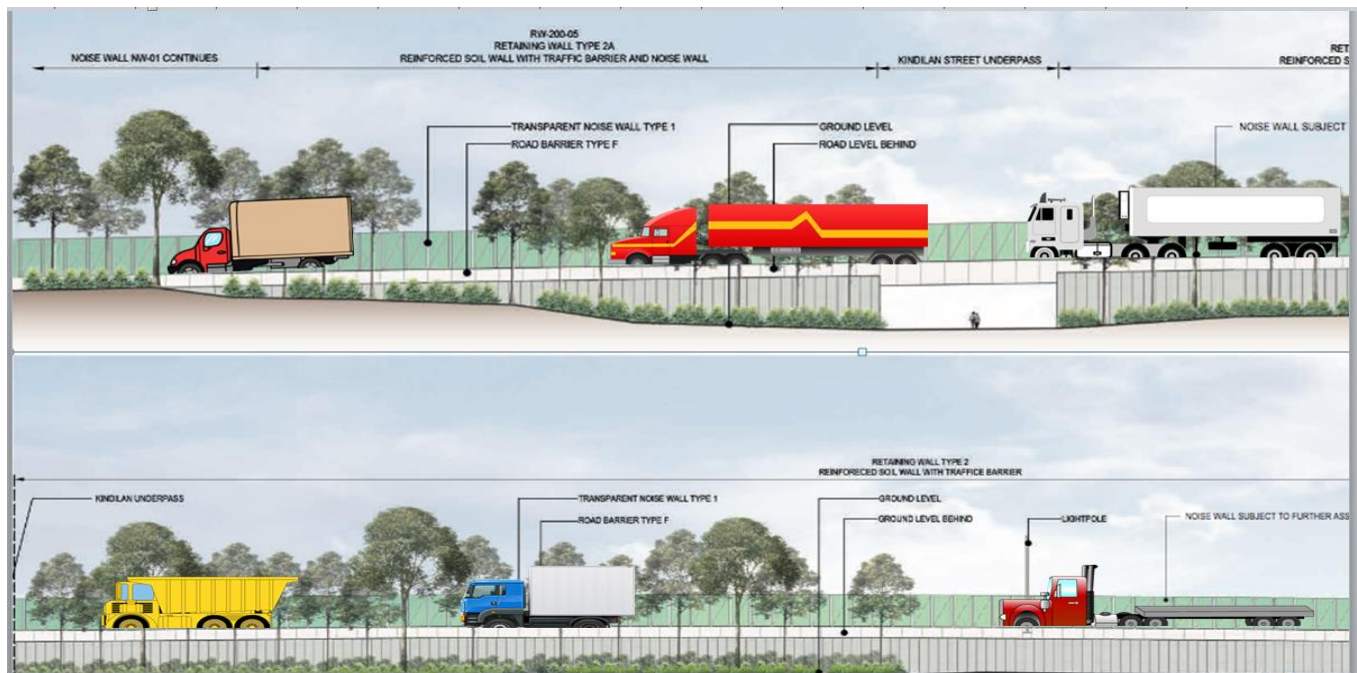


Figure 15 Alternative artists impression of the impact of transparent noise walls

9.1.14 Minimise impacts on natural systems including biodiversity

- The project will cause irreversible biodiversity loss.
- The project will contribute to climate change through increased greenhouse gas emissions. This will result in further biodiversity loss and damage to natural systems.

9.1.15 Protect surface and groundwater sources and water quality including management of contaminated areas

- The project will result in increased VKT (Vehicle Kilometres Travelled), and therefore more contaminants (brake and clutch dust, hydrocarbon particulates etc.) being deposited on roadways and washed into waterways.
- The project will result in significantly more sub surface drainage, potentially altering the soil moisture content that properties are built on. Refer property damage section.

9.1.16 Reduce susceptibility to, and minimise impacts of, flooding

- The project will contribute to climate change through increased greenhouse gas emissions. This will increase the risk of flooding and other extreme weather events, not just in Sydney, but worldwide.
- Insufficient justification within the EIS to support this objective.

9.1.17 Integrate sustainability considerations throughout the design, construction and operation of the project, including consideration of the Infrastructure Sustainability Council of Australia (ISCA) Sustainability Rating tool scorecard

- The project is not a sustainable development.
 1. Not economically sustainable. The costs far outweigh the productivity benefits.
 2. Not socially sustainable. It will destroy and sever communities, and result in poorer public health, more car dependency, more transport inequity, and more social isolation.
 3. Not environmentally sustainable. It will result in higher greenhouse gas emissions and irreversible biodiversity loss.

9.1.18 Take traffic off local roads.

- More road capacity induces more traffic
- A failure to provide adequate public transport has created countless car dependent suburbs.
- We have reached toll saturation, which means more traffic on local roads avoiding expensive tolls
- WestConnex own traffic modelling in the EIS, although optimistic as possible, predicts local roads will be slammed by significantly more traffic

9.1.19 Community Consultation and Engagement

- community consultations have been a sham, where information is misleading and deceiving.
- The original intent of the EIS process for community engagement has been corrupted.

What is perhaps most frightening about the EIS process is that Westconnex's so called professional experts who are working on the EIS do not even acknowledge, let alone engage with a whole body of work that critiques their EIS. They ignore powerful arguments raised by independent consultants hired by Council and some 16,000 submissions which over 99.9 rejected the project. Many of these submissions were detailed and well researched. None of them were found to have any weight by the Department of Planning.

10 TERMS OF REFERENCE (G) – RELATIONSHIP BETWEEN WESTCONNEX AND OTHER TOLLROAD PROJECTS



The state's roads agency will receive no benefit from funnelling traffic from the proposed F6 Extension on to the soon-to-be-sold WestConnex toll road, an analysis of traffic modelling contained in a leaked government document shows.⁹⁴

⁹⁴ <https://www.smh.com.au/national/nsw/leaked-documents-show-sydneys-f6-extension-to-benefit-new-owners-of-westconnex-20171031-gzbrwx.html>

The analysis contained in a business case for an extension of the F6 in Sydney's south shows the proposal is likely to increase traffic and revenue for each of the three stages of WestConnex, a majority stake in which the government is selling to private interests.

While the new owners of WestConnex stand to benefit, the leaked document reveals the ability of Roads and Maritime Services to "capture any additional value" from the F6 Extension is limited by so-called upside-sharing regimes in the project deeds for WestConnex.

The upside-sharing arrangements are "generally less favourable to RMS than market", the document states.

The leaked document also reveals that the roads agency will have to pay tens of millions in compensation to the owners of WestConnex if the F6 is "other than a tunnel and surface road connection" from the new M5 at Arncliffe to Kogarah.

Further, the inclusion of tolling revenue from existing motorways such as the M5 South West and a widened section of the M4 between Homebush and Parramatta will help improve the attractiveness of Australia's largest motorway project to large private investors.

Leaked documents dated September 26, 2016 and headed "Failure in Critical Options Analysis"⁹⁵ says the decision not to benchmark the cost of the toll road against the cost of rail solutions "represents a serious and significant shortcoming of the F6 Extension Business Case". The memo prepared within Transport for NSW says a new rail tunnel and freight line could cut the time taken for commuters to travel from Wollongong to Central from 90 minutes to about 60 minutes for as much as \$10 billion less than the cost of the toll road.

We have the situation where although rail has a better CBR and gives the superior commuting time savings the NSW Government will proceed with road over rail to avoid tens of millions in compensation to Transurban. Something is seriously wrong here!

11 TERMS OF REFERENCE (H) – CIRCUMSTANCES THAT WESTCONNEX AND SYDNEY GATEWAY WERE DECLARED SEPARATE PROJECTS

11.1 RMS failed to plan properly

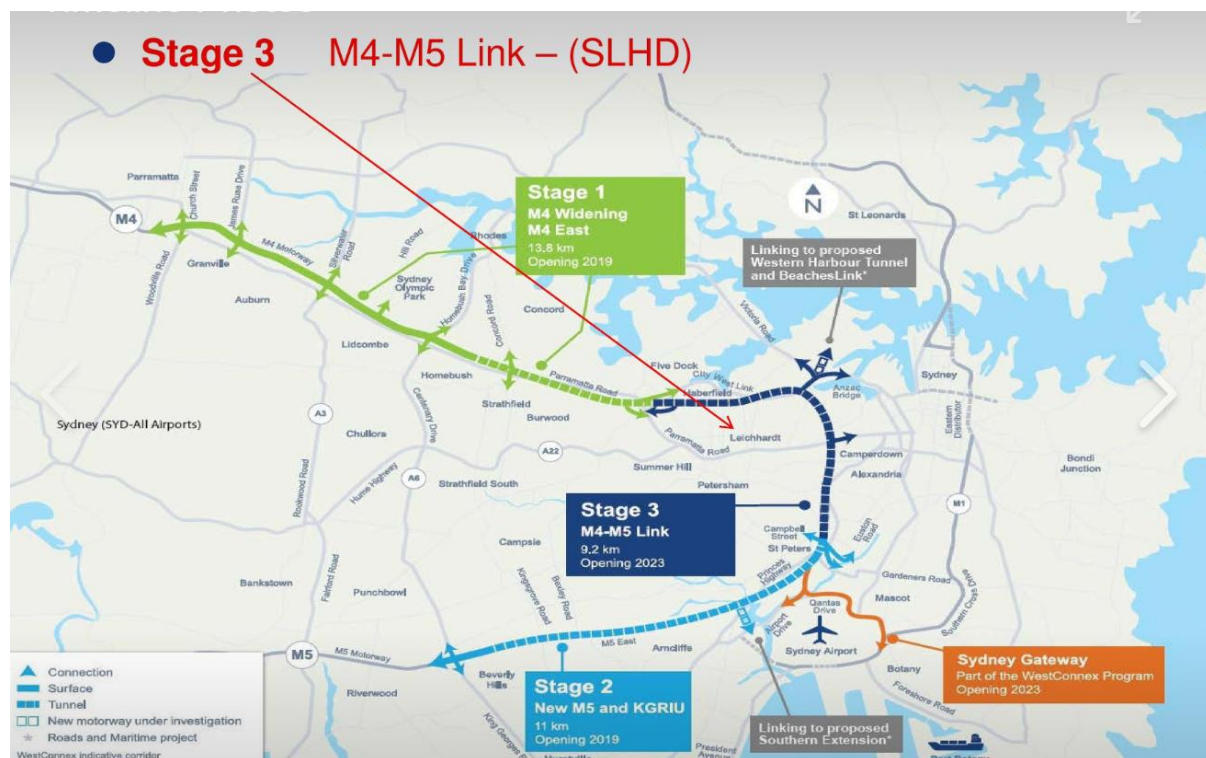
Connecting to the Airport and Port Botany was front and centre of the WestConnex strategy.

⁹⁵ <https://www.smh.com.au/national/nsw/f6-planners-told-to-ignore-public-transport-build-roads-documents-show-20170407-gvgbon.html>

It was reported in December 2015 of the complexities The Sydney Motorway Corporation is yet to finalise a plan to link WestConnex to the airport, one of the original justifications for constructing what has become Australia's largest motorway project.⁹⁶

Denis Cliché advised that under the latest plans for the "Sydney gateway", a motorway of two lanes each way would split much closer to St Peters in Sydney's inner west than had been previously envisaged. One arm of the new roadway would connect to the international terminal and the other to the domestic terminals known as T2 and T3.

The tentative plans would require moving a rail freight line near the northern boundary of the airport about 500 metres north. The single rail line connects Port Botany to Sydney's west.



The new motorway connection could result in significant changes to Qantas Drive, which is at the northern edge of Sydney Airport and connects to Airport Drive and Joyce Drive. Shifting the rail link would also require commercial negotiations with organisations such as Sydney Airport, transport companies Asciano and Qube, and NSW Ports.

The MP for Heffron, Labor's Ron Hoenig, criticised the failure to devise a firm plan to connect the new road to the port and airport. *"This project, this huge project, was actually to clear up Australia's economic hub, the airport and Port Botany ... but these people can't*

⁹⁶ <https://www.smh.com.au/national/nsw/sydney-gateway-rail-line-to-be-moved-properties-affected-under-plan-to-link-westconnex-to-airport-20151201-glcekd.html>

build a road to get to the port," he said. "If they are not going to the port or the airport, why do they need the St Peters interchange?" Indeed, why do they need any of WestConnex.

In February 2018 Leaked documents marked "Cabinet in confidence" show the capital cost of the Sydney gateway link between the airport and WestConnex was estimated at nearly \$1.8 billion as early as 2016.⁹⁷

While it is scheduled to open in 2023, the documents reveal a "potential risk" of the timeframe blowing out because the project is "highly reliant" on reaching a deal with the (privatised) airport over compensation for land which is apparently at deadlock in negotiations.

This explains that sometime in 2017, the Sydney Gateway suddenly disappeared from the WestConnex project.

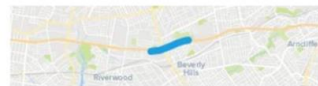
WestConnex projects



M4 Widening
Widening the existing M4 Motorway from Parramatta to...



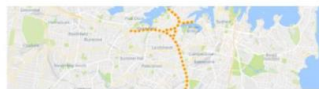
M4 East
Extending the M4 Motorway in tunnels between...



King Georges Road Interchange Upgrade
Upgrade of the King Georges Road Interchange...



New M5
Duplicating the M5 East from King Georges Road...



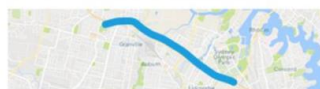
M4-M5 Link
Tunnels connecting to the New M4 at Haberfield and...



Sydney Gateway
A high-quality, high-capacity connection between the...

BEFORE

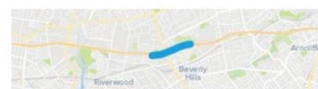
WestConnex projects



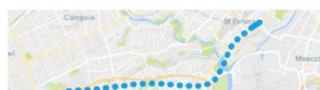
M4 Widening
Widening the existing M4 Motorway from Parramatta to...



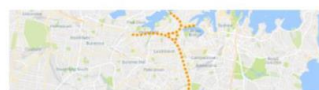
M4 East
Extending the M4 Motorway in tunnels between...



King Georges Road Interchange Upgrade
Upgrade of the King Georges Road Interchange between...



New M5
Duplicating the M5 East from King Georges Road...



M4-M5 Link
Tunnels connecting to the New M4 at Haberfield and...

GONE!

The gateway project was meant to be pivotal to the success of WestConnex because of the crucial access it will provide to the country's busiest airport, and second-busiest container port and justification to the entire WestConnex project, why didn't RMS sort this matter earlier?

⁹⁷ <https://www.smh.com.au/national/nsw/sydney-airport-road-block-to-state-governments-18-billion-link-to-westconnex-20180131-h0r78i.html>

This is a spectacular fail, highlighting that the RMS do not have the ability to manage this project.

11.2 Failure to consider public transport alternatives to arrive to the airport.

There is no need to bring cars to the airport if decent public transport access was available. At this time we have a rail link that is extraordinarily expensive. When my family was taking our eldest to the airport for her first overseas trip the initial choice was travel by train. The calculated the cost would be \$152.60 for the family. Extraordinary. So we drove and augmented Sydney Airport's carpark bottom-line with a \$25 fee.

The single bus stop is tucked well away from the terminal servicing a single bus route – Bondi to Burwood.

Sensible transport planners would recognise that there are plenty of options to enhance the mobility of people and freight to and from the airport. Options such as light rail through disused freight lines, adding another train station at Doody Street, slashing the (privatised) airport station gate fee (*note the NSW Government pockets 85% of the revenue*), more bus routes and imposing a roads pricing system at the airport. We can't do that though, as Sydney is stuck in the 1950s time warp of a roads-only mentality.

11.3 Restrictions on privatised ports are adding to Sydney's gridlock

Hundreds of thousands of trucks could be shifted from Sydney's roads by a new container terminal at Newcastle, but secret restrictions introduced during the privatisation of NSW ports are preventing its development.⁹⁸

The Australian Competition and Consumer Commission is now investigating the restrictions, which were introduced when Port Botany and the Port of Newcastle were being privatised.

Modelling by Deloitte Access Economics has found a new container terminal at the Port of Newcastle would immediately slash the number of shipping containers transported through Sydney's transport networks by half a million, rising to 1.1 million by mid-century.

The operator of Newcastle's port wants to build a container terminal but claims that a new facility is not viable because of constraints imposed at the time of privatisation.

Roy Green, the chair of the Port of Newcastle, said the efficiency of our port system "is being compromised by the restrictive arrangements that the government set up at the time of privatisation".

⁹⁸ <https://www.smh.com.au/business/the-economy/restrictions-on-privatised-ports-adding-to-sydney-s-gridlock-deloitte-report-20180411-p4z91q.html>

Deloitte's analysis, which was commissioned by the Port of Newcastle, draws attention to the impact of tolls on the movement of containers to and from Port Botany. It will cost \$60-\$80 in tolls to move a container west of Port Botany in future, the report estimates.

Mr Green said the business model for the WestConnex motorway was “thoroughly tied up” with restrictions favouring Port Botany.

In 2016 *The Newcastle Herald* revealed a secret NSW government agreement to compensate the operator of Port Botany and Port Kembla for loss of trade to a competing container terminal in Newcastle. Under the "strictly confidential" arrangement, Newcastle would have to make "cross payments" of about \$100 per container unit (about \$1 million per vessel) it handled above a threshold of 30,000 a year.

Port Botany now handles about 2.4 million containers a year and that is forecast to rise to 5 million by 2040. Deloitte estimates more than 90 per cent of container movements within the metropolitan area are by road.

In 2013, Port Botany and Port Kembla were leased for 99 years for \$5.07 billion. A similar lease was awarded for the Port of Newcastle in 2014 for \$1.75 billion.

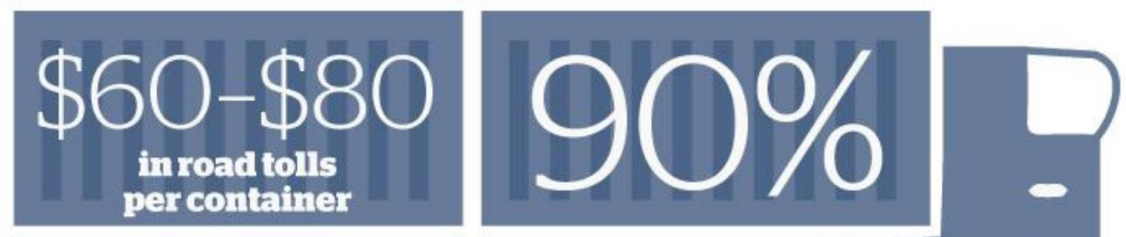
The ACCC has written to a number of organisations “to seek information relating to the viability” of a container terminal at the Port of Newcastle. The letter says the commission has “concerns about arrangements that may limit or prevent the development of a container terminal at the Port of Newcastle”.

The Deloitte report said port restrictions were hampering efficient trade in NSW and greater competition from a new container terminal in Newcastle would also improve port productivity by 2.5 per cent boosting the state economy.

“NSW relies on ports for almost all of our international trade, and so a lack of competition both reduces port efficiency and increases landside transport costs,” it said.

**Road tolls on
each container
movement
from Port
Botany**

**Nearly all
containers
transported in the
Sydney metro area
are moved by road**



The sensible approach to reform our ports by directing more volume of the freight containers from Sydney to Newcastle should have been the preferred approach to “get trucks off Sydney’s roads”. Even the trucking magnate Lindsay Fox feels its high time.

Another strategy is to improve access for freight to move by rail by enhancing the Southern Industrial freight line.

The freight issue has been a problem that transport planners have been grappling for years, yet at the same time as formulating WestConnex the NSW Government was privatising our Ports with ‘no compete’ clauses.

I recommend that the Committee investigate:

At the time planners were battling with the logistics of increasing freight through inner suburbs, why did the NSW Government privatise Sydney’s Port in 2013, at the time WestConnex was being formulated?

Why were “no compete” clauses included in the Sydney’s Port sale contract

Why didn’t the concept of shifting the reliance on freight movement to regional ports like Newcastle to address the traffic problem in inner Sydney?

12 TERMS OF REFERENCE (I) – COST OF PROJECT COMPARED TO ITS CURRENT VALUATION

Ian Bell, actuary and transport analyst ⁹⁹ “It is all compressing in time as the Australian Financial Review reports that final bids for the transaction to sell 51 per cent or more of Sydney Motorway Corporation are due just four days after competition regulator, Australian Competition and Consumer Commission (ACCC) has said it will announce its decision on competition aspects such as the bid by monopoly toll-road operator, Transurban”.

“It also means banking some financial commitments sufficiently before the March 19 state election such that things can’t be over-turned. And that is regardless of what happens with the design of the controversial Rozelle “spaghetti interchange”, says Bell. “But the awarding of a winning bid before that design being fixed might clarify some aspects of the vexed issue.”

What would be a good outcome for the state? How much will the bidders pay? As there are no details as to future patronage, debt, and even what assets are being sold into SMC, it’s a pure stab in the dark.

It was released today (31 August 2018) ¹⁰⁰ that Transurban has won the bid for majority control of WestConnex at a cost of \$9.3 Billion. As expected the media release was cunningly crafted and accompanied by a narrative of “cash rolling into the state coffers by unlocking over \$4 billion which we in NSW can now invest in schools and hospitals, road and rail, across our great state,” the Treasurer said today.

No doubt the number was manufactured to be as large as possible for the headlines, but even now we don’t know the secret deals made to make sure there was a sale.

The public have a right to know what debt and conditional payments over how many years did Transurban negotiate. What are the “no compete” arrangements set in place to stymie investment in public transport for decades? What minimum return arrangements that will hamstring future Government’s ability to invest public funds for public benefit over private pockets?

Could there be debt forgiven SMC? Perhaps. Vendor finance? Perhaps. The attractive aspect of the structure, on the face of it, is that as the state is slated to retain a 49 per cent minority stake in SMC, it has “skin in the game” if the toll-roads perform well. Its interests appear to be, and ought to be, aligned with the interests of the buyers – risk and reward.

And what about the F6. Has it been written into the contract that the roads agency will have to pay tens of millions in compensation to the owners of WestConnex if the F6 is “other than a tunnel and surface road connection” from the new M5 at Arncliffe to Kogarah forcing

⁹⁹ <https://www.michaelwest.com.au/westconnex-sale-looms-as-bidding-duel-narrows-to-transurban-industry-funds/>

¹⁰⁰ <https://www.smh.com.au/business/companies/transurban-wins-bid-for-majority-control-of-sydney-s-westconnex-20180831-p500ws.html>

yet another set of suburbs facing years of significant disruption and permanent local traffic snarls to benefit a private company, Transurban.

Transurban have negotiated compensation from the government if too few trucks use the NorthConnex. Naturally, the government will not say how many trucks are required to use the NorthConnex tunnel before compensation will be paid, nor how much toll-road company Transurban might receive in compensation.¹⁰¹ Basically, Transurban gets the returns and the public pays.

"The government's mismanagement is hard to beat," said Labor's transport spokeswoman Jodi McKay. "Road users pay the toll company for using the road, and taxpayers pay the toll company if they don't," said Ms McKay. "Either way the toll operator can't lose."

The Greens' transport spokeswoman, Mehreen Faruqi, said described the arrangement as a sweetheart deal for a near monopoly toll-road company. With the NSW Liberals it's hard to figure out where corporations end and government begins," Dr Faruqi said.

"I think it's a slippery slope when government starts making rules and regulations that benefit a single corporation," she said.

I'm not an actuary, but in my opinion a build cost of \$45 Billion the sale of 51% of the asset should equate to \$23 Billion (incorporating construction completion costs).

It certainly looks like Transurban has got another motorway to add to their stable at a bargain basement price.

I recommend the Committee release the full details of the sale contract, including the level of subsidisation in this deal.

¹⁰¹ <https://www.smh.com.au/national/nsw/transurban-to-get-paid-if-trucks-use-northconnex-motorway-and-if-they-dont-20170521-gw9r20.html>

13 TERMS OF REFERENCE (J) – OTHER MATTERS (More)

13.1 RMS and its unhealthy influence on transport planning

Global cities provide multi-mode transport options recognising the importance in sustainable accessibility covering rail, bus, cycling, safe walking as well as road. We can't all cycle, and we need to drive sometimes, nevertheless to be an efficient and fair transport system planning must serve diverse needs. Not all of us can or want to drive, as indicative of the Victoria Transport Policy Institute ¹⁰²

Non-Automobile Travel Demands

- Youths 10-20 (10-30% of population).
- Seniors who do not or should not drive (5-15%).
- Adults unable to drive due to disability (3-5%).
- Lower income households burdened by vehicle expenses (15-30%).
- Law-abiding drinkers, and other impaired people (a small but important demand to serve).
- Community visitors who lack a vehicle or driver's license.
- People who want to walk or bike for enjoyment and health.
- Drivers who want to avoid chauffeuring burdens.
- Residents who want reduced congestion, accidents and pollution emissions.

Conventional transportation planning strives to maximize traffic speeds, minimize congestion and reduce distance-based crash rates using a well-developed set of engineering, modelling and financing tools. [The RMS adoption of] conventional planning practices support automobile dependency, which refers to transport and land use patterns favouring automobile travel over alternative modes. In recent years transportation planning has expanded to include more emphasis on non-automobile modes and more consideration of factors such as environmental impacts and mobility for nondrivers. In recent decades many highway agencies have been renamed transportation agencies, and have added capacity related to environmental analysis, community involvement and nonmotorized planning. Some are applying more comprehensive and multi-modal evaluation (Litman 2012). Transport modelling techniques are improving to account for a wider range of options (such as alternative modes and pricing incentives) and impacts (such as pollution emissions and land use effects). In addition, an increasing portion of transport funds are flexible, meaning that they can be spent on a variety of types of programs and projects rather than just roadways. ¹⁰³

One such example of this approach is the Swedish Transport Administration and its Urban Mobility planning for sustainable accessibility in Stockholm. "Road traffic can comprise a danger in itself but is also a source of air pollution and noise, which are damaging to people's health. How we choose to transport ourselves also impacts our health. Our access to a variety of travel alternatives impacts our social lives... However, the greatest challenge

¹⁰² http://www.vtpi.org/multimodal_planning.pdf

¹⁰³ http://www.vtpi.org/multimodal_planning.pdf

is the contribution made by traffic to global climate change and the significant efforts that will be required to achieve the ambitious target of a fossil-fuel free city by 2050”¹⁰⁴

A city with cars – not a city for cars

While in many contexts, the car has a crucial function, efficient car travel in a major city requires people to make the majority of journeys by other modes of transport.

For Stockholm’s transport system to function efficiently, and for car traffic to function efficiently, the proportion of journeys undertaken by car must be reduced. More people need to choose to walk, cycle and use public transport. To achieve this, the street environment must make the step-by-step transition to more dedicated lanes for public transport, more cycle lanes, fewer parking places and an enhanced street environment for pedestrians. This will not happen overnight, but it is a strategic aim for 2030. If the city steers towards these goals, the traffic situation will become sustainable given time.

The reduction of car traffic is not a barrier for satisfactory and functional car traffic, distribution traffic and other commercial traffic. On the contrary, it is a necessity. An increase in the region’s population of up to 25 per cent is planned by 2030, and all these people will not be able to use a car to the same degree that people do today. Accordingly, not working to reduce car traffic would be an anti-car strategy.

The RMS represents a powerful and thus unhealthy influence on shaping the way we travel through our urban environment and the transport project selection.

I draw the Committee’s attention of the original NSW Transport Master Plan v2012.

There is a requirement for the EIS that the proponent’s proposal is consistent with all Sydney’s strategic planning instruments. Requiring WestConnex to be consistent with all strategic planning instruments, this project was clumsily shoehorned into the document in 2013, completely overhauled in 2016 and again subsequently in order to place WestConnex at the center of their transport strategies.

“How to fix the sad state of transport decision making” wrote Dr Tim Williams¹⁰⁵. Certainly, the process by which Government prioritises infrastructure. “The RMS, being a separate roads department, has as its sole purpose for existence is to build roads. It’s role is not to compare options, and according to Dr Williams, have “a flawed understanding of congestion and induced demand”.

In my personal opinion, the RMS seem not to view pedestrians as having an equal right to the streetscape, instead focussing on moving cars.

¹⁰⁴ <https://international.stockholm.se/globalassets/ovriga-bilder-och-filer/urban-mobility-strategy.pdf>

¹⁰⁵ <https://www.thefifthestate.com.au/columns/spinifex/how-to-fix-the-sad-state-of-transport-decision-making>

We witnessed this at Beverly Hills with the removal of the pedestrian crossing near the station 6 months ago. The stated reason was “pedestrian safety” where we are now corralled at the signalised traffic lights to cross what is “a side street”. The wait time is 2 minutes 22 seconds, which means your bus or train may have already left. The predictable outcome is people are crossing everywhere, weaving in and out of traffic since the pedestrian crossing was removed. The real reason for the removal, and refusal to improve pedestrian wait time, is the RMS are desperate to shift the significant traffic expected to slam our local roads when the M5 tolls are in place.

This is an urban environment. A side street that has high pedestrian activity, including children from a number of schools, local shoppers, park n ride commuters, and kiss n drop. The result is pedestrian mayhem mixed in with a higher volume of faster vehicles. A serious accident is waiting to happen.

Tim Williams “Road-building or improving access to areas by removing speed impediments cannot actually solve a city’s congestion problems largely because of what is called “induced demand”. Essentially, in Sydney the desire to travel by car is actually suppressed by congestion. Whenever you make it easier to travel by car, by adding more road supply, more people get in their car – often out of their public transport to do so – and quickly fill up the new road space. This result has been observed internationally and the jury both of intellectual research and of every day road users is in”. The increase of traffic on Beverly Hills Tooronga Terrace proves the point. The speedy return of car-users to the M4 will again prove the point. ¹⁰⁶

The collective Roads Lobby has done incredible damage to our city. Their influence of our successive governments to continue to build more and more roads has been at the expense of investment in good quality public transport.

The Roads Lobby ‘persuasion’ has been instrumental for decades, involved in one of the greatest acts of vandalism being the ripping up of our tram lines in Sydney in 1961. Still regarded as one of the biggest events of ‘legitimised’ vandalism in our history,

If a key role of ministers is to curb the excesses of the bureaucracy to protect the interests of the community, the strong impression given is that either this is not happening or – worse – they are happy with the way things are being handled.

¹⁰⁶ <https://www.thefifthestate.com.au/columns/spinifex/how-to-fix-the-sad-state-of-transport-decision-making>

13.2 Even the NRMA is critical of WestConnex

The NRMA – as a motoring association – loves the idea of more cars and thus more memberships. But even this body has had to criticise WestConnex:

Making WestConnex work for road users and the surrounding communities ¹⁰⁷The fundamental issues for WestConnex are how well it will work for traffic and how well it will be perceived by road users and the wider community.

The EIS for the New M5 indicates the New M5 and the associated new toll on the M5 East will lead to a large reduction in traffic using the M5 East (a 40% reduction from 116,000 vehicles per day to 69,000 vpd in 2021). This will make a very positive difference to the operation of the M5 East.

Unfortunately, this positive benefit is offset by the large increase in traffic diverting to surface streets (a 35% increase in traffic on Stoney Creek Road through Bexley).

This will significantly increase congestion on the designated detour route for the M5 East (Marsh and Wickham Streets and Forest and Stoney Creek Roads) and will inevitably lead to traffic intrusion into local streets, restricting freedom of travel and resulting in other impacts for the adjacent communities.

Some level of toll avoidance is to be expected, however, the very high level of traffic diversion to surface streets is a strong indication that the New M5 does not serve many trips currently taken via the M5 East, and that many motorists will not perceive the proposed tolls on the New M5 and the new toll on the M5 East as representing value for money.

For those motorists who need to continue to travel in the M5 East corridor, the options will be to either pay a new toll to use the M5 East, or to divert to the surrounding streets. This is presumably the reason for the significant increase in congestion the EIS predicts on the parallel surface streets.

Importantly the significant increase in traffic and travel times on parallel surface streets to the M5 East means the traffic and community implications for this section of WestConnex are very different to those affecting both the M4 widening and the M4 East projects. In contrast to the predicted 35% increase on roads such as Stoney Creek Road as a result of the New M5 and the new toll on the M5 East, the predicted traffic volume changes on the majority of Parramatta Road as a result of the M4 East are relatively small.

This indicates a need to adopt a different approach with the New M5 to that taken for the previous WestConnex projects.

One of the five 'core' project objectives identified in the EIS Appendix G, Section 2.1 is to "Relieve road congestion so as to improve the speed, reliability and safety of travel in the M5 Motorway corridor, including parallel arterial roads".

¹⁰⁷ <https://www.mynrma.com.au/-/media/documents/reports-and-sub/westconnex--new-m5.pdf?la=en>

The EIS predicts that large volumes of traffic will divert to arterial roads through Bexley and Arncliffe, inevitably also leading to traffic intrusion into local streets.

This, is a strong indication that the current project does not satisfy this 'core' project objective.

Given the propensity to overestimate traffic volumes on recent Australian toll roads, it is feasible the EIS may actually under-estimate the level of toll diversion. The high level of traffic predicted to divert to the surrounding streets is a significant concern and the EIS appears to offer little in the way of solutions to address the associated congestion, road safety, noise and air quality issues that will affect the users of these roads, and the adjacent communities.

All in all, a pretty damning critique by a motoring lobby.

13.3 Transport "Ethical Decision Making" – Does the RMS cut it?

There is the huge disconnect between the government and its bureaucracy and the community – a gap usually driven by the pursuit of piles of cash tied to hitting contract deadlines.¹⁰⁸

We've seen a similar attitude in play with the many hundreds of homes and businesses being compulsory acquired to make way for WestConnex and the Sydney Metro rail project.

In case after case, Roads and Maritime Services and Transport for NSW have been exposed as displaying callous disregard for the circumstances distressed home and business owners find themselves in through no fault of their own.

Even the CBD light rail is a public relations disaster zone, due to the huge impact its ongoing construction is having on local businesses.

These are the behavioural guidelines of our transport bureaucracy. Given the content contained in this submission, with information sourced from experts, do you agree that the RMS, WestConnex and SMC are breaching their own guidelines.

I recommend the Committee investigate the RMS for breaches in standards of behaviour, a failure of duty of care to the public and conflicts of interest in regards to WestConnex.

¹⁰⁸ <https://www.smh.com.au/national/nsw/bureaucratic-brazenness-shows-westconnex-consultation-just-a-cliche-20171109-gzhrrh.html>

5. Ethical decision making

We must ensure that our decisions:

- are made lawfully, ethically and impartially;
- promote agency values;
- align with overall organisational objectives; and
- are in the public interest.

You must consider the implications of your conduct, decisions and actions for yourself, customers, colleagues and Transport. Any information or advice you give or any decisions you make must not lead to personal gain ahead of public interest.

If you have delegation to make decisions on behalf of Transport, the decisions must be able to withstand external scrutiny. This includes holding and maintaining adequate records of decisions and actions, including the reasons for those decisions.

Any information or advice you give or any decisions you make must not lead to personal gain ahead of public interest.



13.4 Political donations by the roads lobby – democracy for sale

Democracy for Sale, a project associated with Senator Lee Rhiannon, recently published a report showing donations from big road industry companies over 15 years. The detail it revealed provided strong indications that donations to the Liberal-National (LNP) and Labor parties have had undue influence on transport policy, and far more influence than the concerns and needs of ordinary citizens. In the case of WestConnex, it seems very likely that this influence has placed Commonwealth funding and Australian taxpayers at unnecessary risk.

Support for roads has been built through donations from various industry players over a long period. Over 15 years, major companies associated with the industry have donated more than \$15 million to political parties, with Labor receiving slightly more than the Coalition (though there were more Labor governments in power during the selected period). Macquarie and Leighton Contractors (now CIMIC), both of which are heavily involved in WestConnex, have been the biggest donors.

NSW reforms banning developer donations in 2009 along with the publicity around the corrupting influence of donations have seen a reduction in this activity, but the timing of more recent Leighton donations is interesting.

The Gillard Labor government went to the polls in August 2010. It was always going to be a tightly fought contest.

Leighton's annual return for 2010 – 2011 shows that the company made a \$50,000 donation to Federal Labor on July 7, 2010 and further donations to Federal Labor totalling more than \$10,000 between July and April 2011. On July 7, Leighton also made a donation of \$70,000 to the Federal Liberal Party and on July 30, \$5,500 to the Federal Branch of the National Party and a further \$10,000 on August 27 and \$1,750 before June 2011.

The NSW Coalition government was elected in March 2011 and then Premier Barry O'Farrell set up Infrastructure NSW, which was chaired by former Liberal premier Nick Greiner. In October 2012, Infrastructure NSW recommended a 33km tollway system, which it called WestConnex.

On January 28, 2013, the then Shadow Minister for Infrastructure Anthony Albanese announced \$25 million to "advance the WestConnex project". The NSW government invited a number of companies to work on the business case that would justify WestConnex.

Despite the corruption allegations and the company's record of being involved in failed tollways, Leightons was one of several companies that was invited to be part of the planning and development of WestConnex. This was a key moment in a number of decisions through which the O'Farrell government attempted to make the project a political fait accompli.

Greens Senator Lee Rhiannon raised the issue of donations and WestConnex tollway company political donations in February 2013 when she told the Senate, "The ears of politicians have been successfully bent by the likes of the motorway construction companies... companies like John Holland, Leighton, Thiess and Macquarie Bank have given big donations to the major parties. The public do not know if deals are done behind closed doors, but there is the perception that MPs are favouring private road building businesses at the expense of public transport."

In the March 2013 budget, Labor included \$1.8 billion for the WestConnex. One of its conditions was that it should go to the Sydney CBD. The LNP opposition promised \$1.5 billion. In 2013, Leighton Contractors and its subsidiary Thiess were awarded more than \$4 million dollars to work on early plans to justify WestConnex.

Analysis of Leighton's donations for 2012/2013 shows that several donations during this critical period totalled \$7,272 to Federal Labor. The pro-tollway Tony Abbott led opposition also received \$2,450 in donations to the Federal Liberal Party branch, \$2,200 to the Tasmanian Liberal Party and \$909 to the Nationals. In 2013/2014, Leightons donated a further \$10,700 to Federal Labor with the Liberal party only receiving \$3,000.

But the Democracy for Sale report reveals some fascinating detail about the politicians who were directly funded by Leighton in early years. Unfortunately, later donation returns do not include such detail.

In 2005/06, Leighton executives attended a private dinner with the then Liberal Minister for Foreign Affairs Alexander Downer, a fundraising lunch with Labor's Kim Beazley, lunch and

dinner with then-Liberal shadow minister Chris Hartcher, who retired in 2014 after NSW Independent Commission Against Corruption investigated his involvement with Liberal party donations, a dinner with then ALP MPs Paul McLeay and Michael Costa, dinner with National Party MP Warren Truss, and a boardroom dinner with Victorian ALP ex-Premier Steve Bracks. There was also a private dinner with Wayne Swan and Peter Garrett, lunch with former LNP Defence Minister Kevin Andrews, dinner with Queensland Labor ex-Premier Peter Beattie and a NSW Labor cabinet dinner for which \$5,000 was paid.

In 2006/2007, Leighton's donations returns record that the Shadow Treasurer Chris Bowen's Prospect Campaign received two donations totally \$2,700 and Labor's now Deputy Leader Tanya Plibersek Election Fund received \$1,800. In the same year, Tony Abbott's Warringah campaign received \$1,000. In 2007/2008, Leighton's donations return shows that then Labor Minister Martin Ferguson's campaign account received \$3,000 in September 2007, and the current Shadow Labor Minister for Communications Jason Clare's campaign received two donations of \$2,000 in July and August 2008.

Transfield Services, which has since been acquired by Ferrovial, a major player in tollways, also provide some earlier details of support for particular politicians.

The donations return for Transfield Services in 2010 recorded that in March 2010, the NSW ALP organised a fundraising lunch with Labor Treasurer Wayne Swan and the Minister for the Status of Women Tanya Plibersek, at which Transfield Services donated \$2,500. On June 7, 2010 Transfield Services attended a dinner with then Labor MP and now Opposition Leader Bill Shorten and Minister for Infrastructure and Transport Anthony Albanese and donated \$2,500. Two weeks later, Transfield attended a dinner for PM Julia Gillard at which a further \$5,000 was donated. A week later a further \$1,000 was donated at an NSW ALP budget dinner. On June 5, 2012 Transfield Services donated \$5,500 to the North Sydney Business Forum, a business political funding associated with then-North Sydney Liberal MP Joe Hockey.

The report also found Macquarie declared the largest amount of donations for the 2000 – 2015 period. It is a huge donor to both LNP and Labor, and has been heavily involved in promoting the tollway industry in both Australia and in operating tollroads overseas. Including all donations relating to the Macquarie Group and Bank generally, and removing those that were clearly related to the telecommunications industry, it found that entities associated with Macquarie donated \$5,061,170. In 2000/1, 2003/4, 2004/5 and 2013/4, it donated more than \$400,000, and in no year did it contribute less than \$150,000.

Such donations are all the more concerning when examined in light of the influence these companies have had on the NSW government's decision to proceed with WestConnex.

In December 2012, Macquarie Capital was granted the financial scoping contract for WestConnex until 2070. In January 2013, the NSW government selected several companies to be closely involved in helping design and justify the WestConnex project. As stated earlier, Leightons and its subsidiary Theiss Constructions were paid \$4 million to be "industry partners." AECOM was selected as the traffic modeller.

These were the very companies had been deeply involved in failed tollway projects in Australia and/or overseas. All had a huge stake in WestConnex going ahead, and were ideally positioned for further involvement once they had recommended that the project should proceed – especially given the private sector's understandable reluctance to continue investing in large toll road projects after the financial failure of the Airport Link, Clem7, Lane Cove Tunnel and Cross City Tunnels.

It is unlikely that this will have led to the appropriate advice having been given to the Commonwealth government before it made the decision to fund WestConnex, or ensure value for money and protection of the Commonwealth's interest in relation to the concessional loan.

I recommend the Committee investigate the undue influences of Nick Greiner and NSW Infrastructure overturning the public transport focus of the original 2012 Master Plan to retrospectively insert WestConnex.

Criticisms by experts

Peter Newman

<https://sourceable.net/infrastructure-australia-ex-board-member-slams-westconnex/>

Christopher Standon

<https://sourceable.net/nsw-infrastructure-plans-draw-extremely-mixed-response/>

Ron Christie

<https://www.smh.com.au/national/nsw/comments-on-the-infrastructure-nsw-report-20121014-27ksl.html>



14 Conclusion

The public has a right to be very concerned over the WestConnex project, a concern shared by the Federal Auditor General, NSW Auditor General, the Productivity Council, Gratten Institute and transport experts.

Wherever you look it seems the boofheads are back in charge. And I don't just mean Abbott's bizarre elevation of militarists and monarchs. No, I mean the diehard collusion of coal, cars and climate denial jack-booting up and down our land. But what saves boofhead culture – or rather, what sometimes saves us from it – is its incompetence. Here the WestConnex debacle offers a textbook case.¹⁰⁹

It must be on the nose, as the announcement that the M5-M4 section had been rubber-stamped was quietly released on a Friday afternoon. No shiny shovels and media events like the previous sections.

We can be forgiven for thinking this is a wholesale self-entitled feeding frenzy off the public teat by the corporate sector which is beyond comprehension.

The future Sydney will describe this mad gamble on the private motor car known as WestConnex will turn out to have been as bad for the city as the killing of the excellent tram system we had until the 1960s.

Even the current NSW transport minister has already implied that it's pointless building urban motorways, as the future with AVs and EVs will mean that most of any journey will be done by metro, with the car picking you up only for the last few kms of your journey.

Car centric urban planning is not sustainable. For a city to function, we need an extensive network of mass public transport to be the backbone of Sydney's transport system.

Sydney – we have blown it. Now. How to we fix the sad sorry state of decision making?

¹⁰⁹ <https://www.smh.com.au/opinion/westconnex-the-road-to-ruin-is-paved-with-more-roads-20150128-12zswr.html>