

**Submission
No 338**

INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT

Name: Ms Louise Warren

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The Director
c/- Legislative Council
Standing Committee on Public Accountability
Parliament House
Macquarie Street
Sydney NSW 2000

Submission to the Inquiry into the Impact of WestConnex

Name: L Warren

To the Director,

Please find my comments on the Inquiry into the impact of WestConnex based on the Terms of Reference as follows.

I agree to my name being published.

(a) The adequacy of the business case for the WestConnex project, including the cost-benefits ratio

The Business Case for this project is inaccurate and misleading and has not been amended to reflect the significant changes to this project's scope from the March 2016 SEARS to revisions in September and then November 2016 which include extra kilometres of tunnel and stub infrastructure to link to further proposed infrastructure. Additionally the removal of the proposed portals in Camperdown means that the existing traffic modelling is more inaccurate particularly in relation to the St Peters Interchange and therefore the predictions of usage of WestConnex are also inaccurate.

(b) The cost of WestConnex project, including the size and reasons for overruns

The cost of westconnex project in a monetary sense has been a great waste of money. The sheer cost of these toll roads which will toll everyone until i'm likley departed this life will have societal impacts as well as small business.

I believe 22 billion dollars could have been better spent perusing better public transport and upgrading areas that haven't seen a lift since the inception of the station.

(c) 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

In 2015 the government transferred the functions of the WestConnex Delivery Authority and to the Sydney Motorway Corporation.

o The Sydney Motorway Corporation is a private company which now has

responsibility for the largest transport infrastructure project in the country and as such operates outside Roads and Maritime Services and the expertise within NSW Transport.

o There no representatives from transport agencies on the Board of the organisation responsible for building WestConnex.

o There is no proper transparency and accountability regarding crucial information on the WestConnex project such as expenditure, tenders and contracts because this information is no longer accessible to the public via freedom of information

requests.

o The public should have access to all information about this project whose shareholders are publicly elected politicians. However the government's plan to sell off a controlling share in the Sydney Motorway Corporation will mean that the public benefit is severely compromised.

(d) The compulsory acquisition of property for the project

The NSW Greens Submission to the M5 EIS states:

o The compulsory acquisition of residential homes and businesses to secure the passage for Westconnex is a serious concern and whether the true impact of this has been assessed by this EIS is highly questionable. Building Westconnex will mean that suburbs all along the 33 km route will be carved up by huge multi-lane roads, destroying community cohesion and access to amenities. The social impact statement barely recognises the impact that this will have on many residents and neighbourhoods, and the inconvenience, not to mention the financial loss that many people and businesses will surely experience.

i. Many residents have faced expensive and lengthy legal battles with the government in order to get fair valuations on their homes. One resident received an offer from the RMS that valued his home at \$75,000 less than the NSW Valuer-General's assessment. "We're being more than reasonable. I've even had to come down in my valuation. I'm making concessions for them yet they continue to trample all over residents." (Nicholls, 2017, para. 8)

i. A comprehensive review of land acquisition was completed by David Russell SC in 2014.

o The Russell Review recommended a number of changes to the compulsory acquisition system including extra compensation, more time for home owners to negotiate and for home owners to be compensated on a reinstatement basis to ensure they can afford an equivalent home.

o This report and its recommendations was concealed from the public by the government for 2½ years

References:

Nicholls, S. (2017). Minister vows to review WestConnex property valuation. Retrieved from <https://www.smh.com.au/national/nsw/minister-vows-to-review-westconnex-property-valuation-20170226-gulkpg.html>

(e) The recommendations of the Audit Office of New South Wales and the Australian National Audit Office in regards to WestConnex

NSW Auditor-General's Report to Parliament WestConnex Assurance to the

Government. This audit assesses the assurance provided to the NSW Government for the initial stages of the WestConnex project. It found a number of shortcomings with the governance of the WestConnex project during its early stages and makes recommendations on how to better govern the remainder of the project to minimise the risk of failure.

The National Audit Office's Report the Approval and Administration of Commonwealth Funding for the WestConnex Project. This report was highly critical of the federal government's funding of the \$16.8 billion motorway and also found that upfront payments and altering milestones for later support "did not adequately protect the Australian government's financial interests".

o The NSW Greens Submission to the M4-M5 EIS also states: The Report found that despite the consistent early advice from the Department of Infrastructure and Regional Development and Infrastructure Australia that the project could not be recommended for federal funding, both the ALP and the Coalition provided significant support for it.

o The report showed the government bypassed key governance structures in pushing through up a \$2 billion, 34 year concessional loan and providing a

\$1.5billion grant. And that the public's interest was not fully represented in the terms of the concessional loan.

(f) The extent to which the project is meeting the original goals of the project as articulated in 2012

Since the project was first announced in 2012 there have been constant changes.

- o WestConnex began as a proposal to provide a road link from Western Sydney to Port Botany and Mascot airport. But in the last five years, designs have been scrapped, extra lanes and tunnels added, major intersections moved and removed, tolls introduced, construction sites proposed and abandoned. The current proposal does not include a link to Port Botany or Mascot airport but delivers vehicles seven kilometres away from Port Botany at St Peters.

- o The SGS WestConnex Business Case Review outlines the evolution of this project from the original route proposed in 2012 to the updated route (2014) and finally the 2015 Updated Strategic Business Case about which it specifically states:

- o Urban amenity and local traffic conditions will not be improved along Parramatta Road by WestConnex, and the opportunities for urban renewal will not be improved by the project. Hence one of the key strategic reasons for the project has been lost.

- o The Updated Strategic Business Case is also silent on the potential impact of the Western Sydney Airport on future traffic demand in relation to WestConnex

(g) The relationship between WestConnex and other toll road projects including the Sydney Gateway, Western Harbour Tunnel, F6 and Beaches Link

The SGS WestConnex Business Case Review states that:

A key justification of WestConnex is access to Sydney Airport and the Port. However, the Sydney Gateway which would provide access to Sydney Airport is not going to be built at the same time as Stages 2 or 3. While supporting works to enable Sydney Gateway will be constructed, the Gateway itself will not be constructed as part of WestConnex and the costs associated with it are excluded. To this end, it appears Westconnex Business Case Review 21 counter-intuitive that data around travel time to the airport is presented at all in the Strategic Business Case.

Patronage forecasts for WestConnex require the Western Harbour Tunnel to feed traffic

to Stage 3. The Western Harbour Tunnel has a preliminary cost of \$4.5 billion. The State Infrastructure Plan Update aims for the Western Harbour Tunnel to be delivered with, or immediately after, Stage 3 of WestConnex. However, a final business case is yet to be released. The full patronage potential of WestConnex Stage 3 cannot be realised without the Western Harbour Tunnel.

Traffic across ANZAC Bridge is estimated to increase by 20,000 vehicles for an average weekday due to the opening of on-ramps at Rozelle, providing westbound access from ANZAC Bridge to WestConnex. However, this will change once the Western Harbour Tunnel and Northern Beaches Link are in operation in the future.

(h) The circumstances by which WestConnex and the Sydney Gateway were declared to be separate projects in 2017

The City of Sydney's Submission on WestConnex Stage 3 states:

The M4-M5 Link is designed as one component of the WestConnex program of works, with the final phase being the Sydney Gateway (the Gateway). The Gateway is a connection between the St Peters Interchange and the Sydney Airport and Port Botany precincts without which the supposed benefits of the M4-M5 Link cannot be realised.

The current design doesn't serve this original purpose. Despite the Government's enthusiastic support for the Sydney Gateway project, in reality it remains a project in name only. There is no information available about it, no preliminary design, which raises questions about whether the project is feasible, particularly given the technical challenges involved at Sydney Airport.

The completion of the M4-M5 Link without the Gateway means the primary goal of completing the link between Sydney's west and south-west with Sydney Airport and the Port Botany precinct will have failed.

i. This raises a number of questions:

- o Why and when were these two projects separated?
- o If the Sydney Gateway is now excluded, how does this impact the cost-benefit

analysis for WestConnex? Does it necessitate a new business case?

(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

"WestConnex doesn't represent a good investment for NSW taxpayers because the whole premise of the NSW Government's current proposal that WestConnex will reduce

(j) Any other related matter

The societal and environmental impacts of Westconnex