

## **INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT**

**Organisation:** Public Health Association of Australia (PHAA)

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**Public Health Association**  
AUSTRALIA

## **Public Health Association of Australia submission on the impact of the WestConnex project**

**Contact for recipient:**  
Stephanie Galbraith,  
Principal Council Officer  
Public Accountability Committee of the NSW  
Legislative Council

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**Contact for PHAA:**  
Terry Slevin – Chief Executive Officer

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# Preamble

## The Public Health Association of Australia

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia.

The PHAA works to ensure that the public's health is improved through sustained and determined efforts of the Board, the National Office, the State and Territory Branches, the Special Interest Groups and members.

The efforts of the PHAA are enhanced by our vision for a healthy Australia and by engaging with like-minded stakeholders in order to build coalitions of interest that influence public opinion, the media, political parties and governments.

Health is a human right, a vital resource for everyday life, and key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people's health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

All members of the Association are committed to better health outcomes based on these principles.

## Vision for a healthy population

A healthy region, a healthy nation, healthy people: living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health for all.

The reduction of social and health inequities should be an over-arching goal of national policy and recognised as a key measure of our progress as a society. All public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

## Mission for the Public Health Association of Australia

As the leading national peak body for public health representation and advocacy, to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.



## Introduction

The PHAA (NSW Branch) welcomes the opportunity to provide input to the inquiry into the impact of the WestConnex project. This submission focusses on:

- TOR point A 'Adequacy of the business case'
- TOR point C 'Governance'.

The PHAA (NSW Branch) is concerned that the cost benefit analysis (CBA) for WestConnex has failed to adequately consider the wide range of health impacts that such a massive road project brings. It also fails to present alternatives to this project by which to compare the cost-benefit ratio.

Transport infrastructure, and thereby large infrastructure projects, have an immense impact on public health by shaping the environment in which we live, work, move and socialise, including:

- safety and the likelihood of injury
- environmental conditions (changes to air, water, noise and soil quality)
- climate change
- facilitation / barriers to physical activity through active transport among other healthy behaviours
- social connectedness (to people and places)
- mental wellbeing (stress)
- access to goods and service
- opportunities for employment. <sup>(1-7)</sup>

Transport investment decisions also influence whether these impacts are experienced equally by different population groups, including by age, gender, socio-economic status and/or geographic location.

## Comments on the business case

### *Cost-benefit analysis of social and economic benefits*

While the Infrastructure Australia strategic priorities include “Improve social equity, and quality of life” (Table 3.1) the analysis presented in the WestConnex business case (see tables 12.5 and 12.6) preferences Vehicular traffic, for instance, travel time savings, over and above the required mix of transport options that are known to positively impact on community wellbeing. The over-emphasis on ‘Vehicle Kilometres Travelled’ (VKT) with ‘Injury’, ‘Travel time savings (for motor vehicle users)’ as the key ‘social’ performance indicators<sup>(8)</sup>, marginalises other key social and health outcomes mentioned earlier.

The 2015 updated business case – and particularly the Economic Appraisal chapter – demonstrates that the analysis was based on an over-reliance on benefits and underestimation of costs, for instance this overview:

*‘The economic analysis undertaken demonstrates that WestConnex is economically viable and will return \$1.71 for every dollar invested. The project has a Benefit Cost Ratio of 1.71 without wider economic benefits and 1.88 with wider economic benefits’.*

This is an example of a misuse of Cost Benefit Analysis (CBA) that, ultimately, as has been shown with WestConnex, culminates in massive cost blow outs, over-runs, and impacts that are not in the public interest. Internationally comprehensive research into infrastructure planning demonstrates that such cost overruns, benefit shortfalls, and waste stem from planning and appraisal that tends to overestimate the benefits and underestimate the risks<sup>(9)</sup>.

The PHAA finds this inappropriate use of CBA particularly concerning as, in the subsequent Environmental Assessment and Environmental Impact Statements for WestConnex, the legislated requirements to consider a wide range of impacts were not sufficiently met to ensure the project adequately addresses human health impacts<sup>(10, 11)</sup>. As such, there appears to be no place in the current business and approvals process for such projects to ensure they are constructed and operated in the public interest, of which human health is core.

Transport policy guidance<sup>(8, 12)</sup> and the transport literature<sup>(13)</sup> emphasise the value of making informed decisions about projects based on comprehensive analyses of how they contribute to quality of life. Both the current evidence base<sup>(1)</sup> and transport policy guidance<sup>(8)</sup> are calling for policy decisions based on comprehensive analyses that consider multi-modal transport options (a mix of roads, public, and active transport).

Both Infrastructure Australia<sup>(14)</sup> and the Productivity Commission<sup>(15)</sup> have acknowledged that inadequate project planning and appraisal means infrastructure projects like WestConnex struggle to achieve stated aims to improve quality of life and liveability (in which health is crucial), risking productivity.

There is no reason, in principle, why public health considerations could not be part of CBA. The CBA process is a framework to identify, measure and value different types of costs and benefits, make explicit any potential trade-offs, and assess overall net societal impact. Health impacts ranging from hospital admissions to years of life lost can be quantified according to changing exposures and behaviours. To conduct CBA on projects as important for the city in the short and long terms, a ‘societal perspective’ should be adopted, meaning that all major costs and benefits should be included. If relevant factors are not included, it is no surprise that they are not part of decision-making.

Further, the practice of CBA rarely accounts for how impacts are distributed in the population but rather focusses on net outcomes. This raises concerns regarding inequality and differential impacts on different population groups. Ultimately the challenge facing the implementation of CBA is normative, concerning 'whose values' and 'whose preferences' are used to account for and value impacts.

There is an opportunity and need to explicitly value the differential impacts of projects. This can be achieved through the development of numerical weights that could, for instance, give higher weight (higher value) to the preferences of or impacts on disadvantaged groups like those in the west of Sydney who will should the burden of the toll costs for WestConnex.

### *Lack of options presented*

This business case also does not present a set of options to achieve its strategic goals. Regardless of the flawed CBA inputs, the lack of alternatives means that the merits of the project are only being assessed on its improvement from a business as usual case. This ignores other potential solutions which may have a greater positive impact on health including through a focus on public and active transport. When going to consultation, decision-makers and the public can hardly develop an informed opinion without being able to compare the outcomes of the project to alternatives.

### *Governance*

Finally, the PHAA is concerned at the well documented governance failures that have plagued the WestConnex project, and draw the inquiry's attention to the 2014 report by the Audit Office of NSW [https://www.audit.nsw.gov.au/ArticleDocuments/351/01\\_Westconnex\\_Full\\_Report.pdf.aspx?Embed=Y](https://www.audit.nsw.gov.au/ArticleDocuments/351/01_Westconnex_Full_Report.pdf.aspx?Embed=Y). A particularly concerning finding was the failure to comply with the Major Projects Assurance Framework and that the governance arrangements failed to clearly separate those responsible for delivery, commissioning and assurance. For instance the report found:


*'Reliance was placed on steering committees and boards with responsibility for project delivery to also provide independent assurance to the Government. There is a fundamental conflict in such an arrangement. A steering committee or board with delivery responsibility cannot provide truly independent advice to government.'*

## Recommendations

PHAA recommends that the inquiry:

- note the inappropriate exclusion of the wide range of public health impacts in the WestConnex business case and cost-benefit analysis including barriers to physical activity, exposure to environmental hazards, and barriers to social connectedness
- note the inadequate assessment, in the WestConnex business case, of the unequal distribution of health impacts and benefits in the population
- note the lack of alternative projects presented in the business case for WestConnex by which to compare the cost-benefit ratio
- consider recommending the inclusion of detailed, comprehensive public health impacts in the business case for future infrastructure projects, with particular focus on the inequitable distribution of impacts

The PHAA appreciates the opportunity to make this submission. Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.



Chief Executive Officer  
PHAA

Patrick Harris  
PHAA Branch Vice-President  
New South Wales

Peter Tait  
Co-Convenor, PHAA Ecology and  
Environment Special Interest Group

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