

Submission
No 483

**INQUIRY INTO IMPACT OF THE WESTCONNEX
PROJECT**

Name: Name suppressed

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Partially
Confidential

I am a PhD research student in human geography and I have been carrying out interviews and documentary analyses pertaining to the WestConnex project. The submission below includes issues I have come across in my research.

1. (a) The adequacy of the business case for the WestConnex project

Cost Benefit analysis

The benefit-cost ratio calculated in the business case has some basic mathematical errors and in general has been overestimated. [SGS Economics' analyses](#), commissioned by the City of Sydney, indicates that in the calculation of the benefit to cost ratio, dividing the present value benefits by the present value costs puts the BCR at 1.64 as opposed to 1.71. The report also finds that construction costs have been underestimated, minimal benefits such as travel time reductions of less than 5 minutes have been over-valued, and reductions to benefits through the effects of induced demand have been under-estimated. Costs arising from the reduced amenity impacting on urban redevelopment, land acquisitions where land could have been used for higher value activities, reduced health benefits through a reduction in public transport users and an increase in the severity of car crashes have not been accounted for or have only been partly factored in ([SGS Economics and Planning 2016](#)).

I have listed some of the costs of the WestConnex project that were not accounted for in the business case but that were brought to my awareness by interviewees and through other fieldwork in section 1(b) below. Of these the health and environmental costs are particularly acute and deserved more attention in the Business Case.

Environmental and Health impacts

While the EIS does the detailed work of assessing environmental and health related benefits, these should have been considered more seriously in the business case. The business case claims

“The economic assessment found that WestConnex will produce a greenhouse gas emission saving of \$3.58 billion (undiscounted). This means that in 2021, WestConnex will contribute to a reduction in CO₂ emissions of 610,719 tonnes. By 2031 this rises to 1,417,420 tonnes.” (pp 43).

Induced demand has not been factored into the business case properly, with benefit reductions because of such demand being placed at *only* 3%. This raises questions about the accuracy of such greenhouse gas predictions, (see [Chris Standen's submission to the M5 EIS](#) where he discusses the problems with the assumptions made in WestConnex's traffic modelling which is also relevant to the Business case). Furthermore, it is unclear what assumptions have been made in drawing a conclusion that WestConnex, Australia's largest road project, will actually reduce greenhouse gases. It is worth looking at examples from around the world to see how many road projects, with tunnels, have actually achieved such a result. That should serve as a sense check as to the validity of such a claim.

The accuracy of the emissions forecasts on which the savings are based is questionable. It needs proper scrutiny. The [NSW EPA in their submission](#) have raised doubts about the vehicle emission forecasts presented in the M4-M5 EIS for when the WestConnex opens in 2023. Presumably a similar method, or perhaps less robust method was adopted in the business case. The EPA's main criticism is that the document assumes tighter time frames for the introduction of the more stringent Euro 5 and 6 emissions standards than is actually the case. The result is an over estimation of the proportion of vehicles that conform to such standards, and an underestimation of future traffic pollution. This is particularly so for NO_x emissions from diesel cars, which are expected to significantly decrease with the Euro 6 standards. Anna Mortimore from Griffith University's Business School explains that lagging behind on emissions regulation in the past has cost Australia, as manufacturers have been “encouraged to sell their higher-emission vehicles in countries with no regulatory standards, such as Australia.” (Mortimore 2015). The National Transport Commission's (NTC) report supports her claims. It

shows that the average emissions intensity for new passenger vehicles sold in Australia was 46% higher than their European Union counterparts in 2014. Mortimore and the NTC put this down partly to consumer preference for larger cars in Australia, and partly the lower levels of regulation.

The health impacts of WestConnex do not feature in the business case as a cost of the project as far as I am aware. Given the construction work's noise impacts and sleep deprivation this really should have been accounted for as a cost. It could be monetised as a loss of productivity or loss of working days. People I have interviewed as well as case studies recorded by the media are testimony to this loss of sleep and hence productivity. Furthermore, the construction and operational impacts with regards to air quality should also be accounted for as a health cost. This should account for an increase in air pollutants as a consequence of induced demand across Sydney, and also the impacts on local health. Costs should include the financial burden placed on local health districts.

See the following links for more details on air pollution and noise concerns raised by a community action group, WestConnex Action Group

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

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

1. (b) The cost of WestConnex project

The WestConnex project has burdened residents and governments with costs that are not accounted for in the project. The costs are financial, emotional and social, and environmental, are borne by people and local councils who have to live with the current impacts and manage its long terms impacts.

- Physical and social space- loss, disruption and environmental degradation

Interviewee experiences

A couple and their 2 children left their neighbourhood in Concord as they could not live on a construction site for years on end.

A couple in St Peters are trying to leave because their home is on the edge of the construction work. They expect difficulties in selling it because of its location next to a construction site, which could be there for many years. In the mean time the noise works have disrupted their sleep for nearly a year.

There are concerns among parents in local schools in Haberfield and St Peters about the air quality given the nearness of the road and construction site. Some people have removed their children from St Peters public school, while others are concerned and contemplating such a move following media reports of spikes in particulate matter recorded by the on site continuous monitor. The school's reputation and ability to attract students might suffer as a consequence. Some parents claim it already is.

Residents in Beverly Grove lost the Ironbark forest, an endangered ecological community. While it was on land owned by the RMS and had not been accessible to local residents, it still had environmental value. Furthermore, it was an offset from the previous M5 project and so residents were not expecting it to be destroyed. They were only given a few days to retrieve a few plants. WestConnex staff were not particularly helpful in this process. The local volunteers

retrieving the plants were not allowed to remove them, they had to direct WestConnex workers to do so making the process unnecessarily difficult. My interviewees claim that there is still no public information on where the new bio-banking offset will be that is compensation for the forest.

There is a constant presence of WestConnex construction staff in St Peters, some of whom have been aggressive to locals. While most staff members are fine, they have jobs that require them to constantly be around people's homes. This has created a wariness, frustration and a loss of privacy for residents I have spoken with. It is not so much that all the staff, or even most of the staff, are unpleasant but more that they need to be there constantly and will often have to work late hours.

The construction work has disrupted access to and walkability around Euston Road and around Campbell Street. This has mean people with mobility issues and parents with young children cannot get around easily.

A parent whose child attends St Peters Public School explained that having to check for WestConnex notices to figure out which streets and roads were accessible in order to drop her son to school was tiring because of the constant changes. It required planning for small things, which previously did not require this much work. Pedestrian crossings around Euston road are blocked and so the parent is hyper-aware when taking their child around there. And this had lasted months and is expected to last years.

Another St Peters resident claimed that her neighbour who was on a wheel chair had to leave the area because of the extended construction works and that a couple whose son was physically disabled had to place him in a home because the footpaths had been taken over by construction works. These are examples of some of unexpected human costs of the project.

A person I interviewed in the Kingsgrove area and their neighbour have suffered property damage such as fault lines from differential settlement in the wall and the falling of old plaster creating dust which is likely to have lead particles given the age of the house. This has had financial repercussions and raised health concerns particularly as there is a child living in one of the homes.

A person I interviewed in the St Peters area whose house is close to the interchange has noticed significant cracks in their home which they have lived in for a decade.

1. (d) Compulsory Acquisitions

The people I interviewed in St Peters and Concord whose homes were acquired found the process extremely emotionally distressing. Furthermore, the process lacked consistency in that residents received varying amounts for their properties depending on the extent to which they could negotiate with RMS/SMC staff responsible for the acquisition process.

Financial difficulties and emotional distress

The compulsory acquisition process was emotionally and financially taxing. Those residents I spoke with who lacked the social and monetary resources in their lives to contend with the process particularly struggled.

- Communications

The manner in which some people became aware that their home was slated for acquisition was impersonal and caused distress. The way the government breaks the news of plans, projects or processes such as compulsory acquisition, that have significant impacts on people's lives, needs to be rethought. The communications process throughout the acquisition poor was poor for some residents, with people being left in the dark and having to constantly question and push for more information.

Interviewee experiences

One interviewee explained that the first time they realised their home was ear-marked for acquisition was through a local pop up shop. While the SMC/WestConnex Delivery Authority claimed at the time that they had door knocked and posted a letter the interviewee disputes that. To learn that their home was being acquired in this way left them in a state of "disbelief".

A relative learned of the acquisitions on the interviewee's street from a tv news report and subsequently informed them. It was weeks before Christmas. A reporter/journalist arrived at their home the following day asking for reactions, my interviewee was shocked and burst into tears.....While they later received a letter later about an information session on the project it was 2 months away. The session provided little information.

- Renting their former properties

People I spoke with had to rent the homes that they up until recently held title to, while they were waiting for the government to pay them their compensation. That caused outrage and distress. It also ate away at residents' finances, thus affecting people who on average have less economic resources such as pensioners, single people and women more severely than others. While the Just Terms Act 1991 has been amended since the Russell review so that landholders are now not expected to pay rent for the 90 days period that they are entitled to stay in the property, really former landholders should not be expected to pay rent at all, or at least not until the acquiring state agency has paid them sufficient compensation. Furthermore, ***if*** rent must be charged, it should not be market rent, and should only be equal to any rates, taxes and bills the RMS has to pay as the landholder. People who paid rent in their former homes should receive some form of compensation.

Interviewee experiences

One resident claimed that in addition to approximately \$750 a week in rent, they were expected to pay a bond on their former property.

Another resident vacated their home prior to the cut-off date from which rent was payable. They would have been expected to pay approximately \$670 a week for remaining in their home.

One of my interviewees who is retired and single was expected to pay \$550 a week rent to live in their home.

- The emotional and financial loss of a home

Many people lost their *homes*, NOT *houses* or *assets*. In the acquisition process the dwelling spaces that they filled up with things, where they lived with their partners, where they raised their children and that they shared with friends and family were treated like objects that had no emotional value. Furthermore, their homes were tied up with future life plans that were disrupted.

Interviewee experiences

Losing their home impacted my interviewee from St Peters significantly. All the things they 'envisaged for their future' disappeared. They had to re-build their life and re-think where they could and wanted to live. Their former property was large, allowing them to have people stay over and to rent out a room. The property price in Sydney meant they were not able to buy a home of the same size resulting in a loss of social life, but also of the rental income that they

relied on. Moving away from St Peters following the acquisition of their home meant they lost easy access to Sydney Park where they walked their dogs regularly.

A family in concord I interviewed had just completed a renovation on their property. They had saved money in order to do this. That activity had been futile, a waste of time and money. One of the family members had been in the neighbourhood for over 40 years. Their entire family moved to different streets in the area and the loss of their home disrupted those social connections. They also lost their relationship with close neighbours. Their workplace has been a short commute and that is no longer the case.

A single parent in St Peters I interviewed was renting a property and had a new lease, when their landlady was made aware that the acquisition process was being brought forward. My interviewee had moved back to the area to be close to their friend who was willing to provide support to them. They had to leave their home prior to the expiry of their lease.

One of my interviewees who had been in St Peters for decades with their partner was distraught at the loss of their home. Prior to it being demolished they came down every day just to see it and sit by it and “remember what it used to be” like.

- Finding a new home and relocating

The process of finding another home was stressful and time consuming especially in Sydney's property market. Timing and lining up finances were important in allowing people to purchase new homes where they could do this. People's financial stability, and their particular life situation impacted their ability to buy new properties.

Interviewee experiences

They were able to stay in inner city Sydney because their partner sold their property and pooling together finances improved their situation. They explained it would not have been possible independently.

- Community tensions

I have noticed the community tension and mistrust the acquisition process fuelled in the St Peters and Concord areas. Some residents blamed each other for colluding with the RMS/SMC and others avoided interaction with outspoken community members as they feared protesting the project would lead to a bad outcome for them.

- Long term development plans – “they bought knowing”

While people in the St Peters bought their homes knowing the Department of Main Roads, a predecessor to the RMS, had earmarked the area for a road project, that designation was 50 years ago. Given this time period, the announcement of the WestConnex project was a shock to many and was not really expected. Where such government plans have been on hold or not materialised for long time periods it is unsurprising that people doubt that they will actually commence. Residents should be provided with an approximate 2-3-year time frame as to when such plans will commence. If this is not possible, the plans should be nullified after a given length of time.

- Private renters received a raw deal in the compulsory acquisition process. They received no compensation where their leases were affected before the term was up from the SMC.

Consistency and fairness

With regards to disputes over the valuation of properties in the acquisition process, some interviewees explained that they had to be extremely assertive to receive the right amount for their homes. If they had not done that they claim the compensation would have been below the value of their properties. Regardless of the accuracy of residents' own valuations or those conducted by the RMS/SMC, it is clear that having the skills to negotiate with government staff, being in a financial position to hire a good lawyer, having the time and energy to spend on negotiations, and having family members and friends who could support them through the acquisition process had a large impact on the final outcomes. This type of inequality and inconsistency should not enter into government compulsory acquisition processes. Making the process transparent, with all home valuations, offers and the reasoning behind these being *disclosed* to all affected residents and an independent authority responsible for monitoring the fairness of the process will mitigate against such unfairness in the future. The fact that this information was not open and shared allowed residents' different and unequal personal and socio-economic circumstances to produce unequal outcomes in the course of property acquisition.

Interviewee Experiences

They attended meetings with the RMS/SMC and included their lawyer and valuer in these meetings. They stuck to their original valuation. They were used to dealing with bureaucracy and they were able to confidently negotiate with government staff.

The RMS started off with a low valuation and my interviewee and their partner were able to challenge this because of rigorous book keeping where they made note of how much had been spend on the property and had records of bills. They also compiled records of property sales in the area over the previous 6 months and accessed predictions of future property prices from local real estate agents based on recent zoning changes. This aided their negotiations with the RMS/SMC, with the latter raising their offer until my interviewees were satisfied....They worked a with a good lawyer who they had known for a while and this helped them through the process.... They claim that they received approximately \$500,000 more than their neighbours for their property. Their neighbours it seems were not able to face government bureaucracy with the same level of support and know-how.

One interviewee claims that they were offered in the region of between \$900,000 to \$950,000s for their home, but it had been independently valued at \$1.35 m.

One of my interviewees lost an important family member just prior to the acquisition process' commencement, adding to the difficulties of the process. It was a huge emotional toll. And while this is "outside" of the acquisition process, it is an example of how someone's particular social and economic circumstance can influence their resilience and ability to engage with a complicated, long drawn out and financially and emotionally taxing property acquisition.