

**Submission
No 217**

INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT

Organisation: NSW Greens
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This submission was prepared for the Greens NSW by the office of Jenny Leong MP, Member for Newtown and NSW Greens WestConnex spokesperson, with additional material from Jamie Parker MP, the Member for Balmain and other Greens representatives including Senator Mehreen Faruqi, formerly a NSW Greens MLC and Transport Spokesperson, Australian Greens Transport Spokesperson Senator Janet Rice and former Greens Senators Lee Rhiannon and Scott Ludlam.

For further information about our submission please contact Cathy Peters on _____ or by emailing newtown@parliament.nsw.gov.au

Chapter 1: Introduction and Recommendations

The NSW Greens welcome this inquiry and the scrutiny it will bring to WestConnex. It is something that is long overdue, and that we have been calling for with the community for many years.

WestConnex is an unjustifiably expensive, unacceptably polluting, undeniably disastrous toll-road that is unwanted by the community and unable to address Sydney's transport and congestion needs.

We need to be investing in infrastructure projects that make our city work for the people who live in it. We need more, better and accessible public transport. We need integrated, long-term, innovative planning. We need to put the needs of our community at the heart of any decisions we make about how public money is spent. And we need to be putting environmental sustainability and action on climate change front and centre of government decisions.

WestConnex is the exact opposite of all of these things. It is a \$16.8 billion toll-road that has been arrogantly progressed by this NSW Liberal Government since it was announced by then Liberal Prime Minister Tony Abbott, then NSW Premier Barry O'Farrell and then NSW Roads Minister, Duncan Gay in September 2013.

As this submission will make clear:

- There is no social licence for WestConnex – with community opposition and criticisms of it continuing to grow.
- There has been no adequate justification or approval of this project – from its initially stated purpose, to its flawed and incomplete business case, and its indicative and still incomplete planning process.
- There have been significant cost blow outs – with the purpose of the project appearing to be designed to enable a massive transfer of public money into private hands, rather than solve Sydney's congestion problems.
- There continues to be an absolute disregard and no respect for the community - our transport needs, our neighbourhoods and our environment, when it comes to the planning and delivery of WestConnex.

The Greens maintain that the WestConnex project is completely flawed and should never have been progressed as a 'solution' to congestion in Sydney. WestConnex represents the greatest transfer of

public funds and public responsibilities to private corporations in the history of NSW. The public good is not being served by this project and the social, environmental and economic impacts will be far-reaching and extremely detrimental for decades to come.

WestConnex has taken billions of dollars of state and federal funds, which should have gone to developing world class public transport and rail freight solutions, but instead put them into private toll-roads which will not solve Sydney's congestion challenges and is predicated on massive further toll-road extensions to avoid complete gridlock on key existing city roads.

The project and the proposed offshoots of it are in direct conflict with all current best practice transport and city planning. It is completely astounding that such a retrograde project can have been progressed this far – and the question must be asked as to why this is the case? And who is benefiting?

WestConnex has been developed and approved in discrete stages. This has meant that the cumulative impacts have never properly been examined and properly costed. The original project justification to link Sydney's western suburbs with Mascot airport and Port Botany has not been realised and the actual link to the airport and port has been removed from WestConnex completely.

Based on our close scrutiny of WestConnex since its inception and our experience working with and for communities, organisations and groups as well as individuals impacted by this polluting toll-road disaster we make the following recommendations:

Recommendations

- **Halt all WestConnex works and the release of any new contracts**
- **Seek an urgent report and costings on alternative options to the St Peters and Rozelle Interchanges and the M4-M5 incorporating options for enhanced rail freight and utilization of existing road infrastructure and public transport corridors.**
- **Abolish the Sydney Motorway Corporation and return its functions to the Ministers for Transport and Roads**
- **Halt all planning for the Western Harbour Tunnel and Beaches Link and F6 and reallocate funds to developing public transport options**
- **Make state significant infrastructure project approvals subject to parliament and not the Planning Minister**

- **Require Planning to review the WestConnex EIS documents as a whole to consider and respond to the cumulative impacts and consider project as a whole and in light of changes made since planning approval for initial stages was made**
- **Release the full WestConnex Updated Business Case**
- **Release all contracts, including compensation clauses limiting the development of public transport or free road infrastructure along the WestConnex route**
- **Abolish the position of Westconnex Minister, and combine the Roads and Transport portfolios**
- **Convene an expert panel – including councils – to report on transport alternatives to alleviate traffic congestion taking into consideration, social impacts, pollution and climate change**
- **Request full current costing of Westconnex including legal challenges to acquisitions, local road infrastructure and works, compensation payments to contractors, community grants and all other related expenditure**
- **Institute fair compensation for all WestConnex compulsory home and business acquisitions retrospectively in line with the Recommendations of the Russell Review**
- **Resource an independent report on air quality monitoring and standards**
- **Make the EPA the authority which monitors and enforces compliance for all dust, noise and air quality on all SSI projects**
- **Appoint a special ombudsman to review and handle complaints and compliance failures in relation to WestConnex construction works**
- **Establish an independent review of the way asbestos was managed on all WestConnex sites including the controls used on the former Alexandria Landfill site and include all on site storage, transportation and disposal for Stages 1, 2 and 3**

Chapter 2: ‘You Say Tollway, We Say Railway!’: No Social Licence and No Solution ¹

“Congratulations to the concerned residents and families, local community groups, including the WestConnex Action Group, Save Newtown, No WestConnex public transport and local businesses, as well as the hundreds of volunteers who spent their time collecting signatures so this debate could occur... I stand here leading in this crucial debate on WestConnex because of you—because people like you demanded this debate...”

Let us be clear: It is not only the people who live in the inner city and in the inner west who have signed this petition. People from all over New South Wales have signed the petition. From Banora Point near Tweed to Coonamble in the State's central north and to Gerringong on the South Coast, people have signed on to oppose this road. There are Maria and Beth from Bankstown, Monica from Camden, Ian from Cranebrook, Nathan from Penrith, Colleen and Bob from Seven Hills, Sally from Broke in the Upper Hunter—the list goes on. In Randwick, Coogee, Miranda and Heathcote, people have signed the petition. In Parramatta, Fairfield, Granville and Chipping Norton, people have signed the petition to say stop WestConnex.”

– Jenny Leong MP, NSW Parliament Speech, 19 November 2015.

The Greens rejected WestConnex from the first iterations of this project in 2012 and have worked in the federal and state parliaments to oppose it since it was first announced, calling instead for investment in world class public transport.

Since this time, tens of thousands of people working with community action groups and their neighbours, have held hundreds of community actions and public meetings and raised concerns through countless emails, petitions and submissions to highlight and expose the disastrous realities of this polluting toll-road.

In October 2013, former NSW Greens MLC, Mehreen Faruqi formally called for all papers relating to WestConnex in the NSW Parliament. In May 2014 the Greens in the NSW Parliament first called for an Inquiry into WestConnex. Prior to this, in May 2012 and February 2013, the Australian Greens

¹ This section responds to the following Terms of Reference:

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

(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

(i) any other related matter

See Appendix 1 for the work undertaken by the Greens with the Community in relation to WestConnex as well as a selection of relevant reports and media coverage that support of our submission and recommendations. Additional information, including individual submissions to the planning processes and correspondence from individuals regarding specific issues with WestConnex can be provided to the Inquiry on request.

warned against WestConnex calling on then Infrastructure Minister, Mr Anthony Albanese to justify the initial \$25m spend on this project given the lack of process and justification for WestConnex at this early stage. In August 2015, former Greens Senator Lee Rhiannon wrote to the Australian National Audit office requesting an audit of WestConnex to look at the impacts of this project and the federal funding which was going into it. In November 2015, the NSW parliament held a debate on WestConnex which was triggered by the 10,000 strong petition which Jenny Leong MP, presented on behalf of the community.

Throughout this period Greens federal and state MPs continued to call for a stop to the WestConnex plans and a release of the full business case through Senate and Budget Estimates questions, Notices of Motion, Private Members Statements, and supported the community in many actions, demonstrations and public meetings. In 2016, we took matters into our own hands and held the Peoples' WestConnex Inquiry.²

To date, tens of thousands of submissions have been made in criticism of the EIS planning documents for Stages 1, 2 and 3 of WestConnex.

From September 2016 to early 2018 the Greens supported the community's establishment of a 24 hour onsite camp in Sydney Park, Alexandria in protest against the impact of WestConnex on the park and surrounding residential areas. This camp comprised of over 120 volunteer community members who were at times violently arrested by local police.

The Greens key concerns were about the lack of transparency from the outset and the lack of analysis and discussion of alternative transport options. We were concerned that WestConnex had been prioritized despite existing NSW Transport priorities which were reshaped to accommodate this project in line with a political agenda.

The evidence of shoddy, irregular and ad hoc planning, the lack of a credible business case, massive budget blowouts, a complete absence of any genuine community consultation and no clear community benefit are all issues which came to the fore rapidly as this project was progressed.

Initially the communities, organisations and voices opposing WestConnex were small in number, but at every stage of this disaster the numbers and strength of those on our side have continued to grow until now there is a large and organised resistance movement against WestConnex comprising approximately over 10 locally based campaign groups.

² Video evidence from this inquiry is available here - http://www.stopwestconnex.org.au/peoples_inquiry or the transcripts can be viewed in Appendix 6

Chapter 3: ‘Dodgy from Day One’: Flaws and Failures of Governance and Planning³

“We are faced with the complicity of senior Ministers in the deplorable process of allowing our Parliament to become the handmaiden of private corporations and for our public service to become nothing more than a rubber stamp for projects, such as WestConnex, which would never pass muster if they were subject to proper objective analysis and evaluated against well-developed alternatives.”

- Jenny Leong MP, NSW Parliament speech 5 May 2016⁴

a. Why did the Government approve and progress WestConnex when original business case was inadequate?

The Government has released two WestConnex business cases which were heavily redacted and did not present sufficient justification for the project, nor have alternatives ever been adequately explored.

The New South Wales Auditor General⁵, the Australian National Audit Office and Infrastructure Australia (IA)⁶ examined the original business case and highlighted a range of concerns including the lack of consideration afforded to the impacts of induced traffic congestion and the fact that the cost estimates provided for the project were not estimated on a P90 basis which is the standard requirement but were closer to P50 (median) costs which indicated that the project only had a 50% chance of realising the budget costs. Overall it was determined that the project was not ‘ready to proceed’.

The original business case stated that WestConnex would reduce traffic congestion, revitalise Parramatta Road and improve links to Port Botany and Mascot airport.

³ This section responds to the following Terms of Reference:

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

(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

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

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

See Appendix 2 for relevant supporting documents relating to this section and these Terms of Reference.

⁴ Jenny Leong MP speech Government Information (Public Access) Amendment (Sydney Motorway Corporation) Bill 2016 5 May 2016

⁵ NSW WestConnex Assurance to the Government, Auditor-General's Report to Parliament, 18 December 2014

⁶ Infrastructure Australia WestConnex 2014-2015 Assessment Brief

b. When was the Updated Business Case for the project prepared and completed? Why did the Government continue with WestConnex when the Business Case contained inaccurate and misleading information? And why was it so heavily redacted when it was released publicly?

The heavily redacted Updated Business Case was released in the final sitting week of the NSW Parliament in December 2015. The release of this information publicly came after intense community pressure for transparency, including a 10,000 signature petition debate in the NSW Legislative Assembly, as well as a number of public rallies and actions. It was only released after billions of dollars of contracts had already been signed and planning for Stage 1 sections had already been submitted to the NSW Government. It is still unclear when this Updated Business Case was 'updated'.

c. Is there a complete, up-to-date, accurate Business Case? In fact, has there ever been one?

To date the WestConnex Business Case 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 in November 2016 which include extra kilometres of tunnel and stub infrastructure to link to further proposed infrastructure. Additionally the subsequent removal of the proposed portals in Camperdown and the addition of extra lanes in the M4-M5 tunnel mean that the existing traffic modelling and hence cost benefit ratio is more inaccurate particularly in relation to the St Peters Interchange.

d. Why is the NSW Government proceeding with WestConnex when the actual Benefit Cost Ratio is less than one?

The City of Sydney commissioned an independent report into the WestConnex Updated Business Case by SGS Economics and Planning in Feb 2016⁷. It is a scathing criticism of many of the assumptions made in the Business Case – 'SGS report that any benefit of WestConnex "is likely to be marginal at best and it is quite possible that the actual BCR (Benefit-Cost Ratio) is less than one – meaning the costs will exceed any potential benefits.'

The much touted \$20 billion economic benefit has been calculated in terms of 'expected time savings' and reliability, however, as experts have explained, savings in personal travel time do not equate with higher productivity and the monetary value placed on these savings has been vastly overestimated. It is clear this is a spurious claim.⁸

⁷ WestConnex Business Case Review Final Report SGS Economics and Planning Feb 2016

⁸ WestConnex a Case Study in How Things are Still Done in NSW - New Matilda, Jan 2016

Even if the information in the business case was accurate at the time, significant additional factors and costs will have further altered the Benefit-Cost Ratio. The Updated Strategic Business Case is was produced prior to the announcement of the Western Sydney Airport and so is silent on the potential impact of this airport on future passenger and freight traffic demand as well as increased employment rates in Western Sydney in relation to WestConnex.

The costs of subsidiary road works undertaken by RMS to accommodate the impacts of WestConnex have not been quantified. These roadworks include increasing capacity on the City West Link, the Alexandria to Moore Park route and the widening of Euston Road Alexandria. Additionally the cost of the extra toll-roads planned as offshoots of WestConnex such as the Sydney Gateway, Western Harbour Tunnel, the Beaches Link and the F6 have not been taken into account when looking at the overall cost of WestConnex.

There are serious concerns about traffic modelling being overestimated or inaccurate. A Citigroup report indicated that the traffic modelling figures had overestimated usage of WestConnex by 10%.⁹

*'[The SGS Report] stated it was highly unlikely there would be sufficient demand to ensure the motorways various tollways were viable - 'Journey to work data does not support construction of WestConnex. Analysis suggests that the travellers in the key catchment, that are intended to be users, are now more likely to make use of public transport. Only 4 per cent of workers in Penrith, St Marys and Camden travel to the CBD. Furthermore, 90 per cent of work trips to the CBD from the west are made by public transport.'*¹⁰

Traffic modelling for WestConnex was done by AECOM a company which has been sued successfully for wildly inaccurate modelling done for the Clem 7 motorway in Brisbane.¹¹

The travel demand model and the inputs used for the traffic modelling are unreliable because the model inputs (such as population growth and willingness to pay the toll) are uncertain, and so travel demand is uncertain.¹²

⁹ Red flags raised on potential Transurban purchase of WestConnex - Australian Financial Review, Oct 8 2017

¹⁰ Westconnex benefits questions by economic study commission by City of Sydney Council, 24 Feb 2015

¹¹ WestConnex Peoples Inquiry - Session 4 - Governance - Professor Wendy Bacon

¹² Why fewer drivers are likely to use WestConnex than predicted, The Conversation 16 March 2015

e. Why were alternatives never adequately considered or costed?

The overarching question that appears to have never been asked (or answered) is this: How can we most effectively, efficiently and sustainably reduce Sydney's traffic congestion problems including revitalising Parramatta Road and improving links to Port Botany and Mascot airport?

This was the purpose of WestConnex set out in the original business case. However, an adequate analysis of alternatives to WestConnex or consideration of costs associated with these alternatives were not ever properly considered.

The questions of how best to spend billions of dollars of public money to address the issues this project was slated to 'solve' is something that seems to have been overlooked.

The SGS Report on the Updated Strategic Business Case concludes that one of the most significant issues is that strategic alternatives to the road were not considered in the Updated Business Case or in the Environmental Impact Statements – 'This approach fails to consider Sydney's transport future beyond 2031 when WestConnex is likely to reach capacity. As a global city, Sydney must look at the way transport issues have been managed internationally. The continued construction of roads has been shown to generate more traffic over time. The proliferation of toll roads in Sydney is of particular concern from a sustainability and social equity perspective. New, integrated transport initiatives are needed – not only in planning policy, but in practice.'

From the start this has been about scrambling to put together information to attempt to justify the building of a tollroad which was an 'announceable' for the Liberals, shamefully then backed in by Labor, in the context of an election.

f. Governance Concerns: Who is actually responsible and accountable? Who is calling the shots?

Currently the NSW government has more than three Ministers who have some responsibility for WestConnex including the Minister for WestConnex, the Minister for Roads, the Treasurer and the Minister for Transport. The Board of the Sydney Motorway Corporation has three government ministers as board members - Stuart Ayres MP, Minister for WestConnex, Dominic Perrottet MP, Treasurer, Victor Dominello MP, Minister for Finance, Services and Property.

There are serious concerns about the way the WestConnex project has been developed and progressed regarding the lack of good governance and assurance processes from the concept stage

which were issues raised by the Office of the NSW Auditor General in 2014 right through to the sale of the Sydney Motorway Corporation.

There has been an absence of independent oversight and transparent economic rationale for this major infrastructure project. The lack of transparency around the project, including state and federal governments' refusals to table documents detailing the budget and traffic modelling used in the business case, the establishment of the Sydney Motorway Corporation and the subsequent lack of transparency at all levels of the project's development, is astounding given the project's size and cost.¹³

The NSW Auditor General's Report in Dec 2014 stated that, 'This audit 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.'¹⁴

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. With the sale of 51% of WestConnex the access to information will now be further curtailed.

g. How are serious conflicts of interest being addressed when it comes to Ministerial approvals and engagement of contractors and consultants?

The Planning Minister is in a position of serious conflict of interest as a member of cabinet in a Government that has publicly advocated and promoted this toll road while simultaneously being the independent assessor of all the EIS submissions. It is unclear how the Minister has objectively considered the EIS submissions and the before granting approvals.

Furthermore, the Planning Minister is aware that the Roads Minister (and later Minister for WestConnex) has announced that contracts have been signed, and knows that companies have been awarded contracts before approval has been granted.¹⁵

The process by which construction contracts were awarded to companies which were involved in developing the original rationale for the project shows an alarming lack of good governance as has the awarding of contracts to companies (Leightons/CIMIC) which were being investigated for corruption at the same time as the contracts were let.¹⁶

¹³ WestConnex: A Case Study In How Things Are Still Done In NSW, New Matilda, 30 Jan 2016

¹⁴ NSW WestConnex Assurance to the Government, Auditor-General's Report to Parliament, 18 December 2014

¹⁵ NSW Greens submission, M4 East EIS, 2 November 2015

¹⁶ Inquiry asked to probe Leighton over WestConnex after corruption evidence, SMH 27 April 2016

Companies which were contracted to work as part of the original Sydney Motorway Office such as Leighton Contractors and its subsidiary Thiess Constructions were paid some \$4 million to be partners on the initial justification, planning and design of the WestConnex project and then later were beneficiaries of large contracts for work on this project.

AECOM was contracted to do the traffic modelling despite litigation at the time in relation to this company's traffic modelling for the Clem 7 motorway. AECOM was subsequently contracted to prepare the Environmental Impact Statements on all three stages of the project and was also awarded other large WestConnex contracts.¹⁷

Many of the companies which were awarded large contracts for WestConnex have made significantly large donations to both the Liberal and Labor Party.¹⁸

h. Why did the Government set up the Sydney Motorway Corporation? How is the absence of transport expertise on the SMC Board justified? And why isn't the SMC subject to GIPA?

In 2014 the NSW Liberal government transferred the functions of the WestConnex Delivery Authority to the Sydney Motorway Corporation. The Sydney Motorway Corporation is a private company limited by shares which was established by the NSW Government in August 2014 under the Corporations Act 2001 which now has responsibility for the largest transport infrastructure project in the country and as such operates outside Roads and Maritime Services and outside the expertise within NSW Transport and with no ability for public oversight.¹⁹

There are no representatives from government transport agencies on the board of the Sydney Motorway Corporation (SMC), the organisation responsible for planning and building WestConnex²⁰.

Additionally now with the sale of a controlling share of the Sydney Motorway Corporation, the planning, construction and operation of new toll-road offshoots to WestConnex such as the Sydney Gateway, the Western Harbour Tunnel, the Beaches Link and the F6 will be undertaken by the SMC without proper coordination or transparency.

This lack of proper planning and process has reached its apex with the M4-M5 Link EIS which is by its own admission only an 'indicative' plan. The lack of detailed plans in this EIS for what would be the most complex and expensive stage of WestConnex, is staggering.

¹⁷ WestConnex: Mike Baird's Tunnel Of Big Corporate Love, New Matilda 4 June 2014

¹⁸ Report - Political Donations and the Roadway Lobby – Office of NSW Senator Lee Rhiannon, 27 June 2016

¹⁹ Jenny Leong MP speech on the Government Information (Public Access) Amendment (Sydney Motorway Corporation) Bill 2016 May 2016

²⁰ WestConnex shielded from scrutiny after control handed to private corporation, SMH 16 October 2015

i. What is Transurban's role in all of this? And how are they benefiting from this toll-road building?

Transurban reported a doubling in full year profit to \$484 million in 2018 which included an 8.7 per cent rise in toll road revenue to \$2.3billion.²¹

The sale of WestConnex and the Sydney Motorway Corporation to the Sydney Transport Partners consortium headed by Transurban was investigated by the ACCC due to concerns that should Transurban purchases WestConnex, it would be unfairly positioned to gain ownership of future toll road extensions in Sydney. Transurban already owns seven of the nine toll-road concessions in Sydney and subsequent to the ACCC investigation, the consortium led by Transurban has been successful in purchasing the 51% controlling share of the Sydney Motorway Corporation.

The sale of WestConnex by the state government to a private consortium has been enhanced by many government funded schemes and large road works which will secure ongoing profits for Transurban.²²

Transurban has indicated to potential investors that more than 50% of the valuation of WestConnex will come from the contributions of previously un-tolled roads.²³ This indicates that the monopoly control now given to Transurban will allow it to apply 'parity' pricing to the other toll-roads it currently operates.

j. How has WestConnex been approved when it has been characterized by planning on the run and had constant changes since 2012? What future approval will be needed for changes made after planning approval has been granted? Why wasn't the entirety of the project ever considered as part of the approval process?

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.

Major changes include the 1km tunnel extension under Victoria Road Rozelle, the abandonment of dive sites in Camperdown and Leichhardt, the proposal to situate the Rozelle Interchange underground, the reintroduction of tolls on the M4.

²¹ Toll road road operator Transurban profit doubles to \$485million ABC News online, 8 August, 2018

²² WestConnex privatisation: A bad deal for taxpayers and motorists... a bonanza for Transurban 3 September 2018

²³ Transurban nabs WestConnex: winners and losers, michaelwest.com.au

k. With the Sydney Gateway removed from WestConnex – this being a primary reason for the project to connect to the Port and Airport – why is it still going ahead?

WestConnex began as a proposal to provide a road link from Western Sydney to Port Botany and Mascot airport. Six years on, the link to the airport and port, the Sydney Gateway has been dropped from the WestConnex project despite this being one of the key Secretary's Environmental Assessment Requirements (SEARS) for the project. It is now being planned by RMS²⁴ and there is no expected completion date and no planned route despite this being an integral part of the original rationale for the project. Currently WestConnex will deliver vehicles seven kilometres away from Port Botany at St Peters where the predicted traffic volumes supplied by WestConnex indicate that most roads will have significantly higher traffic volumes such as Euston Road which will see an increase of 50,000 vehicles per average weekday.²⁵

Another of the key justifications for WestConnex was that urban amenity and local traffic conditions would be improved along Parramatta Road however this is not the case because of the extra traffic which will use Parramatta Road to avoid the tolls.²⁶

The Sydney Gateway was planned as a key element of WestConnex connecting Sydney's west and south west via the St Peters Interchange to Sydney Airport and Port Botany. The Gateway was removed from the project in November 2017 with no public consultation and no revision of the Business Case and existing Planning approvals which were predicated on the Gateway as part of the overall project.

The removal of the Sydney Gateway is yet another result of the seriously inadequate planning for the whole WestConnex project with key impediments to the Gateway project only realised many years after it'd been included as a key element. These impediments include the technical problems with tunnelling along a route from St Peters to the airport, the pre-existing freight line and the inability of the state government to acquire airport lands or to reach an agreement on the sale of a parcel of these privatised airport lands.²⁷

At this point the Sydney Gateway project is apparently being progressed by RMS however no concept designs or timelines for the project have been produced. There is no indication that the Gateway will ever be delivered or delivered by the time the M4-M5 Stage 3 of WestConnex is due for completion.

²⁴ Sydney Gateway - Sydney Airport and Port Botany drive the NSW economy with \$31 billion of output each year and growing. RMS projects - www.rms.nsw.gov.au

²⁵ WestConnex Updated Strategic Business Case – Technical Paper 1, Traffic Report

²⁶ WestConnex Business Case Review Final Report SGS Economics and Planning Feb 2016

²⁷ A sudden detour on the motorway, SMH 7 February 2018

This means the stated benefits in relation to the Sydney Gateway in the M4-M5 EIS and other two stages of WestConnex will not be realised.

Chapter 4: ‘Don’t believe us?’: Read the NSW and Australian Audit Office Reports²⁸

‘There are daily revelations in the media about shonky dealings and the severe impact that this is having on a number of communities. Because of these huge costs and risks and the public fury about this project, it is not surprising that the New South Wales Auditor-General has chosen to re-examine WestConnex. We have the findings of the Australian National Audit Office and its scathing report, which are matters of concern. This Liberal-Nationals Government continues to bulldoze our communities and to spend exorbitant amounts of public money while bankers and lawyers have a field day.’

- Jenny Leong MP, NSW Parliament speech 13 March 2018

a. Has there been an adequate response to the NSW Audit Report which found a number of shortcomings in governance of WestConnex?

The NSW Auditor General’s 2014 audit assessed 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 made recommendations on how to better govern the remainder of the project to minimise the risk of failure.²⁹

The NSW Auditor General’s report recommended that Infrastructure NSW must ensure the Major Projects Assurance Framework is applied to all major capital projects valued at \$100 million or more. The NSW Auditor General recommended that NSW government sector agencies should ensure the governance arrangements for future major capital projects include a clear separation of those responsible for delivery, commissioning and assurance.³⁰

b. Has there been an adequate response to the National Audit Report which found federal funding for the project not justified and not in public interest?

The 2017 Australian National Audit Office’s Report - ‘the Approval and Administration of Commonwealth Funding for the WestConnex Project’ found that despite the fact that consistent early advice from the Department of Infrastructure and Regional Development and Infrastructure Australia,

²⁸ This Section relates to Terms Of Reference (e) The recommendations of the Audit Office of New South Wales and the Australian National Audit Office with regard to WestConnex.

See Appendix 3 for relevant supporting documents relating to this section and these Terms of Reference.

²⁹ NSW Auditor-General’s Report to Parliament ‘WestConnex Assurance to the Government, 18 December 2014

³⁰ NSW Auditor-General’s Report to Parliament |WestConnex: Assurance to the Government | Executive summary

the project could not be recommended for federal funding, both the ALP and the Coalition provided significant support for it.

The Report was highly critical of the federal government's funding of the \$16.8 billion motorway and showed that the government bypassed key governance structures in pushing through a \$2 billion, 34 year concessional loan and providing a \$1.5 billion grant as well as finding that certain milestones were altered after the funding had been allocated.

This Report found that the public's interest was not fully represented in the terms of the concessional loan which "did not adequately protect the Australian government's financial interests".³¹

c. What is the timeframe for the re-examination of WestConnex by the NSW Audit Office?

In October 2017 the NSW Auditor General's office announced that it would again look at WestConnex because of the project's 'sheer size, cost and risks and the level of public interest and the fact that it had reached another stage in its development'.³²

Chapter 5: 'How to Transfer Public Funds in to Private Hands Disguised as an Infrastructure Project and other Neo-Liberal Horror Stories: Costs, Profits and Privatisation'³³

"That is just one of the latest financial disasters and rip-offs in inaccessible and secret contracts—thousands of pages of modelling and deals concerning WestConnex that cannot be assessed or reviewed by the community. It is not the first time I have spoken in the Chamber about the disastrous impact that this is having on our communities. Too many giant red flags are now flying in regard to this project and its octopus-like offshoots, including the murky financial machinations that are driving it."

- Jenny Leong MP, NSW Parliament speech 4 April 2017

³¹ The Approval and Administration of Commonwealth Funding for the WestConnex Project Tuesday 14 February 2017

³² NSW Auditor to inquire into WestConnex a second time, SMH 12 October 2017

³³ This section responds to the following Terms of Reference:

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

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

(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.

See Appendix 4 for relevant supporting documents relating to this section and these Terms of Reference.

a. How does the NSW Government justify or explain the 68% increase in the official cost of the project and the potentially billions more in hidden and spin off costs?

WestConnex has blown out from an initial estimated cost of \$10b to \$16.8b which is a 68% increase from the original estimate. This cost is now considered to be highly inaccurate especially if you consider the costs which have not been taken into account including the Sydney Gateway, the associated RMS road works, the spin off toll-roads including the Western Harbour Tunnel, the Beaches Link and the F6. This is the largest transport infrastructure project in Australia and has not been adequately costed or planned and will not solve Sydney's transport congestion in the short or long-term.

Many costs were not included in the cost estimate of WestConnex. The cost of compulsory land and property acquisition is excluded from WestConnex's capital cost. The cost of legal challenges to compulsory acquisitions. According to an investigative report last year by the SMH, 'The state government's potential legal bill arising from compulsory acquisitions has soared to more than \$650 million, as landowners challenge the forced purchase of their properties.'³⁴

The environmental and health impacts of increased car usage induced by WestConnex and the impacts of over a decade of construction works in Sydney's Inner West have not been included. In the NSW Greens submissions to the New M5 EIS, the health impacts of WestConnex in relation to PM 2.5 and PM 10 are discussed.³⁵

The City of Sydney has identified \$28.5 billion worth of extra costs for spin off road works on connecting roads to WestConnex which have been identified as being crucial to the project, bringing the total cost to an estimated \$45.3 billion.³⁶ The SGS Business Case Report compared WestConnex to major international transport projects and even projects in Sydney over the past two decades to show that WestConnex has an exceedingly high cost.³⁷

The Sydney Motorway Corporation has instituted a Community Grants Scheme which offers grants of up to \$10,000 per project to community organisations, schools and not-for-profit bodies which are located in close proximity to WestConnex. In 2016-2017, 130 grant applications were funded and in

³⁴ Legal bill for forced property purchases jumps to more than \$560 million SMH, 29 Oct 2017

³⁵ NSW Greens New M5 EIS submission – Jan 2016

³⁶ The WestConnex Challenge – City of Sydney Draft Public Summary Report - June 2017

³⁷ WestConnex Business Case Review Final Report SGS Economics and Planning Feb 2016

2017-2018, 95 grant applications were funded.³⁸ The amount of funding available to this scheme is not published and the funds used have not been considered as part of the WestConnex costs.

Consultant's fees for WestConnex are extensive and largely not available publicly. One analysis indicates contracts that have been available to the public between 2012-2015 have an approximate value of \$1.7b³⁹ but this list does not include current contract or contracts worth less than \$150,000 or contracts that have not had a public contract award notice. This is far from the full picture.

One company, Goldman Sachs received a contract for \$16.5 million to manage the sale of the Sydney Motorway Corporation.⁴⁰

b. How much will SMC and Transurban earn through toll revenue and non-compete clauses that mean the NSW government will have to pay compensation if additional public transport is built near WestConnex?

The sale of the Sydney Motorway Corporation to the Sydney Transport Partners Consortium with Transurban owning a majority share means that Transurban will control the toll concessions on key existing and future toll-road projects in Sydney. The approximate value of these spin off toll-roads from WestConnex is \$23b and Transurban will likely be controlling the planning, development and operation of these as the majority shareholder of the Sydney Motorway Corporation. Other toll-road projects have been predicated on WestConnex and traffic modelling has included them but not costed them.

A key justification of WestConnex was access to Sydney Airport and to Port Botany. However, the Sydney Gateway which would provide access to the airport and port will not be built at the same time as Stages 2 or 3. While supporting works to enable Sydney Gateway will be constructed, the Gateway project has been removed from the WestConnex project and the costs associated with it are excluded. But the Westconnex Strategic Business Case includes data related to travel time to the airport.

Traffic modelling for WestConnex Stage 3 includes vehicle trips from the Western Harbour Tunnel. Therefore the realisation of the Western Harbour Tunnel must occur for the traffic modelling on WestConnex to be accurate. But the Western Harbour Tunnel does not yet have a final business case or any approvals.

³⁸ Sydney Motorway Corporation, Community Grants Scheme, 2016-17 Grant Scheme Showcase, 2017-18 successful applicants

³⁹ Who profits from WestConnex? www.whywestconnex.herokuapp.com

⁴⁰ Investment Bank Goldman Sachs reaps \$16.5m for 11 months WestConnex work SMH 12 November 2017

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 congestion and decrease travel times for people in Western Sydney – is blatantly false.

This is made clear in the Government's own business case which shows:

- WestConnex will save most users less than five minutes in travel time
- In many cases catching public transport will remain a faster way to move around
- It will reach capacity in just eight years

Chapter 6: 'No respect - the public good has been trashed'⁴¹

"Apart from the disastrous environmental and economic issues being caused by the WestConnex project, we must recognise that communities are hurting and neighbourhoods are being destroyed at the hands of the Baird Government. Proper planning processes and independent oversight have been absent, and the Premier, the Treasurer, the Minister for Planning, the Minister for Health, the Minister for the Environment and others have failed to acknowledge the glaring problems that the motorway will cause. They are leaving it to the Minister for Roads, Maritime and Freight to deliver the project. Serious questions were raised at the people's inquiry about budget blowouts, incorrect modelling and assumptions, failure to address the concerns raised in the environmental impact statement, and the failure to comply with conditions of consent".

- Jenny Leong MP, NSW Parliament speech 10 May 2016

a. Why was the Russell Review of the Land Acquisition Act delayed at the expense of hundreds who had their homes and businesses compulsorily acquired?

The compulsory acquisition is grossly unfair. The fact that the NSW government knew that the compulsory acquisition process was unfair was revealed with the release of the Review of the NSW Land Acquisition (Just Terms) Compensation Act 1991 by David Russell SC and Housing Acquisition Review by Michael Pratt AM, Customer Service Commissioner. This Report and the Recommendations of the Russell Review were withheld by the Baird government for 2 ½ years during which time the majority of compulsory home and business acquisitions were undertaken.⁴²

⁴¹ This section responds to the following Terms of Reference:

(d) The compulsory acquisition of property for the project

(j) Any other related matter

See Appendix 5 for relevant supporting documents relating to this section and these Terms of Reference.

⁴² Review of the Land Acquisition (Just Terms Compensation) Act 1991 David J Russell SC February 2014

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.⁴³

The social and financial impact of the compulsory acquisition process was devastating for many and not adequately considered.

Key issues which emerged as a result of the compulsory acquisition process were the inadequate compensation and the subsequent dislocation of residents from their communities. There was a lack of any significant consultation process with affected individuals and businesses. Many residents and businesses received offers far below market value and subsequently had to undertake expensive and lengthy legal battles with the government in order to get fair valuations and compensation on their homes. Many home owners reported being offered compensation well below the market value of their homes by an average of \$200,000 to \$300,000.⁴⁴

The fact that homes were acquired – and the acquisition process commenced in some areas – prior to the public release of the business case and before planning approval was granted, demonstrates further the flaws in the management and oversight of this project.

Westconnex will mean that suburbs all along the 33 km route are carved up by huge multi-lane roads, destroying community cohesion and access to amenities. The social impact statements in the EIS statements for each stage of project do not recognise the impact that this dislocation will have on many residents and communities and neighbourhoods.

Haberfield has lost over 50% of its apartment dwellings, home to mostly single and elderly long term residents, who will find it impossible to find similar accommodation nearby. This situation has faced most residents who've been displaced by WestConnex who have found it impossible to remain in their communities due to the in

The WestConnex Stage 1 will dump 3 lanes of traffic from the M4 onto Wattle Street Haberfield, to connect to the already congested City West Link. Many will have to move away from their established communities that have been home for years.⁴⁵

⁴³ Compulsory acquisitions: owners get more time, money but fairness questions remain SMH 18 October 2016

⁴⁴ Baird's compulsory acquisition overhaul too little too late – Jenny Leong MP 18 October 2016

⁴⁵ NSW Greens submission to the WestConnex M4 East Tunnel EIS, 2 November 2015

b. What consideration has been given to the serious health impacts that will occur as a result of WestConnex?

Unfiltered exhaust stacks in high population zones are serious cause for concern. WestConnex will impact negatively on the health and wellbeing of residents in the inner west specifically increasing toxic pollution levels near the proposed unfiltered ventilation stacks which are located in residential areas and also near schools and parks. Particulate Matter affects more people than any other pollutant and the most health-damaging particles are those with a diameter of 10 microns or less, (\leq PM10), which can penetrate and lodge deep inside the lungs which are those which will be concentrated in highly densely populated areas as a result of WestConnex.

Additionally the negative health impacts of using this series of long tunnels over the short and long term are unacceptable due to the increased levels of toxic exhaust pollution concentrated in these tunnels.⁴⁶

Extensive information on air pollution and the impact of ventilation stacks can be found in the 2001 Report by the Legislative Council into the M5 East Ventilation Stack.⁴⁷

As a matter of policy by both Labor and Liberal governments, no tunnel ventilation stacks in NSW are filtered. The former NSW Labor government ignored the huge campaign to filter the M5 tollways and still does not have a policy to filter all smokestacks.

The Liberal government has exactly the same policy for the tollways they are proposing, including WestConnex. This is despite current premier Gladys Berejiklian's strong opposition to unfiltered exhaust stacks when in opposition. Adding a filtration system to tunnel exhaust stacks is world's best practice.

No assessment or modelling on impacts of toll-roads on pedestrians and bicycle users has been done.

The New M5 EIS does not include any objective assessment or modelling of the impacts of the New M5 on pedestrians and bicycles using the local and regional road network particularly with reference to the substantial impacts the proposed St. Peters Interchange on thousands of Sydney Park users and bike commuters to the city from surrounding local suburbs.

⁴⁶ NSW Greens submission to Stage 3 EIS ADD DATE

⁴⁷ <https://www.parliament.nsw.gov.au/committees/reports/pages/reports.aspx>

Pedestrian and bicycle movements were not included in the strategic model (WRTM) nor the intersection models. There is no forecast of the impacts on walking and bicycling travel times and accessibility.

c. What consideration has been given to the negative environmental impacts of WestConnex?

WestConnex will greatly impact upon our environment and biodiversity. Open space and parklands have been lost including some of the last remnants of natural bushland in the Inner West and South West. The threats were insufficiently summarised under the M4East and New M5 EIS according to external research that indicates the breadth of impact.

The EIS reports are underwhelming in the field studies, which accepts [in the case of the M4 East] that only “short duration of surveys” (1B, 20-3) were performed, as well as stating that “it is possible that seasonal species were not identified” (1B, 20-3). It is unacceptable that the EIS that by its own admission lacks the detail that could have a drastic effect on species populations.

Protected urban bushland such as the Cooks River Castlereagh Ironbark Forest, had 1.4 of the 1.8 hectares of land destroyed despite the fact that this forest was protected land when the first M5 was built, designated as a ‘critically endangered ecological community’. This move demonstrates the complete disregard for proper procedure and a lack of compliance with biodiversity protection measures.⁴⁸

The Green and Golden Bell Frog (GGBF) is endangered in NSW and vulnerable at a national level. The habitat of the vulnerable Green and Golden Bell Frog at Kogarah Golf Course at Arncliffe will also be slashed by the New M5.

d. What about climate change? Why are we building a polluting toll-road when we should be building infrastructure that reduces emissions?

There are significant high risks identified to the operation of the project related to climate change, including an increase in the intensity and frequency of extreme rainfall and an increase in frequency and intensity of extreme heat events. Of note is the extreme risk of flooding at Rozelle as a result of intense rainfall combined with sea level rise and an increase in extreme storm surges into Rozelle Bay. These risks have not been properly assessed and no mitigation proposals have been included in this plan. The expenditure of billions of dollars of public money on a project with risks such as these is

⁴⁸ NSW Greens submission on M4East EIS, 2 November 2015

irresponsible. The climate impacts of large scale unsustainable infrastructure such as WestConnex are unacceptable.

Chapter 7: Conclusion

It is not too late for WestConnex to be halted, for remedies to be put in place to seek to address the damage already done and for a coordinated effort to be undertaken to redirect the resources and the funds currently directed towards WestConnex to sustainable transport alternatives that put the needs of the community and the liveability of our city first.

This can only be done if we remove the private, vested interests that are set to profit from this project from the equation.

This Inquiry has the power to make strong recommendations that reflect the significant flaws in this project and try to limit the damage done.

We urge the Committee Members to listen to the community and expert submissions that raise serious concerns about WestConnex, to consider their recommendations and to do what is needed to put a stop to this polluting, toll-road disaster.