

Submission
No 396

INQUIRY INTO IMPACT OF THE WESTERN HARBOUR TUNNEL AND BEACHES LINK

Organisation: Waverton Precinct

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**Response to Legislative Council NSW Inquiry into the Impact of the Western Harbour
Tunnel and Beaches Link Terms of Reference
Submission by Waverton Precinct (North Sydney LGA)
17 June 2021**

Introduction: Thank you for the opportunity to make a submission into the Impact of the Western Harbour Tunnel and Beaches Link. We hope your enquiry will help to unearth the truth about the viability of the project and impacts on the public and taxpayers generally of the State of NSW.

Some of the issues and problems with the project were covered in our Submission to the Department of Planning, Industry and Environment in March 2020 in relation to the EIS for the Western Harbour Tunnel and Warringah Freeway Upgrade Works (WHT&WFU). The Beaches Link was covered in a separate EIS and a submission was also made on that project.

Waverton Precinct dealt with mainly that part of the EIS for the WHT & WFU which directly impacts on residents of the North Sydney LGA, but also the specific and highly localised concerns about the Berrys Bay construction site and its operations. It mentioned the harbour crossing proposal and our concerns about the disturbance of highly toxic – albeit very heavy and fairly inert – sediment from a century of ship repair facilities on Birchgrove Point. However, our submissions did not cover the tunnels to Rozelle.

Like many organisations and resident groups which did lodge submissions on the Beaches Link and like the WHT&WFU we had many concerns and questions, though unlike many of those submissions we did not oppose that project on an idealistic or in principle basis. We mainly saw it as an unexpected project to get State Government prioritisation.

Terms of Reference. This submission responds in the order of your Terms of Reference and is based on the formal submission that Waverton Precinct lodged in relation to the respective EIS at the time.

(a) The adequacy of the business case for the project including the cost benefit ratio:

The business case has not been established because factual information on traffic numbers using existing roads and forecasts of how these numbers will change have not been published. Nowhere in the EIS is there mention of origin and destination surveys of road users currently using the Harbour Bridge and Tunnel.

At no stage has there been any official, quantitative statement of disclosure from the government as to the estimated cost of either project. A search discovered nothing that could be relied upon, but rumours suggested somewhere between \$14 billion to \$16 billion. The only official statement received by Waverton Precinct came from Roads and Maritime Service in answer to a request made by Wollstonecraft Precinct in relation to the cost and benefit of the WHT&WFU, which stated:

“A summary of the final business case will be prepared and released by Infrastructure NSW, the NSW Government’s independent infrastructure advisory agency, once an investment decision has been made.”

In May 2020, a Final Business Case Summary for the WHT & WFU was published. It indicated a benefit cost ratio of between 1.2 to 1.7, a very wide range that suggests a wide range of assumptions (which were not disclosed). The Net Present Value of the project cost was in the range of \$0.8 to \$2.4 billion which is considered low given the \$14 billion cost and the current high rate of cost increases in construction and the low rate of inflation, both of which are forecast to continue at current levels into the foreseeable future. In the absence of essential information on assumptions and the likely actual project cost, the Business Case Summary appears suspect.

Infrastructure Australia on behalf of the Federal government which is contributing Commonwealth funding towards the cost of the project has recently reported a benefit cost ratio of \$1.30 for each \$1.00 of cost.

One thing is certain though, their forecast (and the NSW government's forecast) would not include the negative costs resulting from traffic congestion in the North Sydney LGA: Particularly in the CBD where, by Transport for NSW's own admission, gridlock is certain to occur on Berry Street and nearby suburbs where many road intersections would be rated 'Fail' in every morning peak hour period.

It would undoubtedly ignore the impacts on the marine environment arising from dredging of the harbour floor of contaminated waste and any additional treatment costs of that contamination that have not at this stage been envisaged in the EIS and as a consequence, not included in the cost estimate. It would have ignored the costs borne by the community from traffic disruption and congestion, loss of amenity due to reduction in open space at Cammeray and the loss of North Sydney Council's ability to harvest 30 million litres of rain water run-off each year at Cammeray to service the parks, gardens and the golf course.

Nor would it have taken into account the health costs resulting from: increased dust during construction; up to an additional 2.58 million tons CO₂(e) generated during construction and operation over 25 years; and undisputed additional particulate pollution from the exhaust stacks located near schools.

The tunnel is 6.5 km long and all of the particulate generated by vehicles travelling in both directions is directed by fans in the tunnels to the exhaust stacks located near Anzac public school. The government then demonstrates by expert review that ground level particulates will be no worse than current levels. This can't be possible.

(b) The adequacy of consideration of alternative options.

Consideration of alternative options was not adequate at all. **Infrastructure NSW** an independent Authority, in its 8 years of operation since inception in 2011 and first reporting in 2012 has never once chosen in any of its annual reports up to and including 2019, to promote the WHT project as one worthy of investment that meets its charter to ensure that the taxpayer's money is spent wisely. Although INSW had been directed to include the project in the State Infrastructure Strategy (see below) the caveat has always been that it should be subject to an approved business case.

Against that background in 2014, the then Premier directed, in developing the *State*

Infrastructure Strategy, Infrastructure NSW should take into account certain State strategic priorities - major projects to address congestion on key arterial routes across Sydney, including in Southern Sydney, the West and Northern Beaches, and the augmentation of WestConnex with greater north/south connectivity.

This is significant because the Premier's direction effectively prioritised motorway construction before a comparative evidence-base was generated or detailed regional analysis of current and future travel patterns was undertaken, to inform decisions about the preferred transport mode or route alignment from a broad set of options. This analysis is ordinarily expected to occur in best practice strategic transport planning.

The Premier's directive resulted in the inclusion of the Western Harbour Tunnel (*WHT*), on an alignment premised on a future motorway connection to the Northern Beaches (Beaches Link), in INSW's 2014 update of the *State Infrastructure Strategy*.

It is difficult to understand that a Premier would issue such a firm direction without wondering how it originated. It could be that a vested interest such as Roads and Maritime Service or even a private organisation with experience in Toll Roads had some influence over such a direction. In either case, transparency would have been compromised. But this is pure speculation not fact.

Roads and Maritime Service were directed to design a road tunnel and to explore alternative modes of transport. The adequacy of consideration of alternative options of transport under such a direction can only be described as poor at best and useless at the extreme. **The EIS, which is 9000 pages devotes less than three pages to summarising its consideration of alternative modes of transport options of bus and rail. Its conclusion was predictable.**

*(c) **The cost of the project including cost overruns:***

It is too early to be able to answer all of this question but the estimates which range from \$14 billion to \$30 billion are extremely high. Tenders for the Warringah Freeway Upgrade portion of the project which is more generally described as enabling works for the two tunnels have recently closed and is well over \$1 billion. It is a major part of the project but there has been no announcement yet that a contractor has been appointed. Preliminary investigation work around North Sydney has only just recently commenced.

*(d) **the consideration of the governance and structure of the project including the use of a 'development partner' model:***

Use of a managing contractor as a partner relieves the client of a heavy administration of managing a raft of major subcontractors on complex projects but it comes at a cost which Transport for NSW would otherwise have to fund internally. It has been used in major projects before and is a good model provided competent partners are chosen. A short list of three competing managing partners for the WHT part of the project was announced in early 2021 and all three would have been invited to tender.

The term could also be used to describe the rumoured early engagement with a partner and an operator who would both be involved in the project construction financing phase and be awarded a long term concession to operate and maintain the tunnels by allowing them to collect all Tolls, possibly with some form of additional subsidy from the government. Ultimately that subsidy would be recouped from the road users by way of additional tolls on say the Harbour Bridge and/or Tunnel. In such arrangements, the contract is deemed to be

confidential or “commercial in confidence” and therefore transparency is avoided. The taxpayer is denied all knowledge of the “deal” and who knows what is decided behind the screen of confidentiality. If the government were to choose this path, then full disclosure of the contract details must be available to the taxpayer.

*(e) **the extent to which the project is meeting the original goals of the project:***

It is too early to tell.

*(f) **the consultation methods and effectiveness, both with affected communities and stakeholders:***

The EIS and the consultation process was not unusual for government– top down written communication only and verbal clarification at a number of display centres with limited time available and resistance to requests for more time in which to lodge submissions. Preparation of the EIS took the best part of two years and yet the public and stakeholders were given just 6 weeks to respond. Even Alan Jones with all his influence, was unable to convince the Premier to extend the closing date for submissions beyond the 30 March.

Transport for NSW made no attempt to explain the project in a way that would lead the audience to fully understand all of its implications including benefits and drawbacks. In fact, it failed to explain how the environmental impacts would be mitigated or ameliorated. Conversely, it went to great lengths to demonstrate that there would be no impact on air quality and as a consequence there would be no need to provide air filtration equipment now or in the future even if their experts were wrong.

The EIS is a document more like a sales brochure than one that listed and examined the environmental impacts of the project. It was prepared in a similar way that a merchant bank would prepare a case for sale of a business to interested parties. Such a document would require a prospective purchaser to make its own enquiries or due diligence. But that is not what we should expect of government because it represents the interests of all parties. Having allowed Transport for NSW to do its bidding, the government then relied upon the Department of Planning and Environment to examine and assess the project without the benefit of its own independent experts in the respective fields to produce responses for the express purpose of identifying issues that Transport for NSW has ignored. For example, there is no independent detailed traffic analysis report which is at the core of the project. There is no independent analysis of the impacts on the marine environment.

In regard to traffic, the government failed to consult adequately on the project’s impact on traffic in and around North Sydney CBD (the City Centre). It has taken the approach not to connect traffic onto the several freeways at intersections with arterial roads – which is exactly where such interchanges should be placed - and instead has intensified the appropriation of an ordinary suburban street(Berry Street) to be utilised as the On-Ramps to connect traffic onto the Warringah Freeway, the Sydney Harbour Bridge, the Sydney Harbour Tunnel, the Cahill Expressway, the Western Harbour Tunnel , and the Beaches Link.

In other words, traffic that wants to use these new roads will be forced to go from their point of origin to locations outside the North Sydney CBD via the Berry Street on ramps. This is insane traffic design. Nowhere else in the world would such an arrangement be tolerated let alone contemplated. These people do not want to be routed through the North Sydney CBD and it is completely unnecessary that this happens. The correct place to connect

is from Arterial Roads on to those major traffic freeways and toll roads. That is why they are called 'Arterial Roads'. The Committee for North Sydney is currently campaigning to get the government to think again and devise a proper solution to these traffic issues. It will undoubtedly make its own submission to this Inquiry.

(g) the extent to which changes in population growth, work and travel patterns due to the Covid-19 pandemic have impacted on the original cost benefit ratio:

Given the current view widely held by industry and government that as a result of Covid, there will be a permanent reduction in office accommodation required, and a much greater incidence of working some days at home and some in the office in future as a prevalent employment pattern, it follows that road traffic is also very likely to be reduced. The latest forecast of benefit cost ratio which was published in May 2020 when the impacts of Covid were just beginning to become obvious, could be impacted adversely by reduced usage or patterns.

(h) whether the NSW Government should publish the base-case financial model and benefit cost ratio for the for the project and its component parts:

It is incomprehensible to think otherwise. If these are not published Truth becomes the victim of secrecy and of confidential agreements ; and uninformed speculation.

For a government that advocates transparency, it is vital that they adhere to that policy. Too often, they hide behind the expression that something is "commercial in confidence" You will see this used in the submission on that part of the EIS that deals with the submerged tunnel between Berrys Bay and Birchgrove and how that policy prohibited important analysis of that part of the project. There is no excuse for such a term when developing a base case model. The government must avoid signing confidentiality agreements that restrict their ability to adhere to transparency.

(i) whether the project is subject to the appropriate levels of transparency and accountability that would be expected of a project delivered by a public sector body:

The project is subject to inappropriate levels of transparency and accountability because the government has refused to disclose the cost for the base case. The RMS advice that a benefit cost analysis will be released by Infrastructure NSW after the investment decision has been made suggests that there is something to hide.

North Sydney Council's submission on the WHT & WFU EIS made a careful analysis of the information available to the public. The conclusion is clear: Transport for NSW no explanation of the chosen plan, no alternatives, no options, no financial analysis, no business case, no useful traffic forecasts and no assessment or amelioration of traffic impacts on North Sydney.

To aggravate matters, North Sydney Council had, at the mandate of the NSW government, completed an assessment several years prior of the North Sydney CBD to accommodate over an extra one million square metres of office space which resulted in significant gazetted amendments and height increases to the North Sydney 2013 LEP. This amendment required Council to also plan for additional open space in the CBD which has led to several adopted plans. The most critical plan is the creation of a Civic Plaza by closing Miller Street between the Pacific Highway and Berry Street and a change to Berry Street to a two lane bi-directional

road with parking along each kerb. The government is aware of all planning that happens in local government, yet it has allowed Transport for NSW to forge ahead with planning for the WHT and Beaches Link that jeopardises these adopted plans. This is not the appropriate level of transparency or accountability that would be expected of such a major government project.

(j) the impact on the environment, including marine ecosystems:

Impacts on the environment will be very significant both during construction and operation. The issues of most concern are:

- a. the immersed tunnels proposed for both tunnels as they cross the main harbour between Berrys Bay and Birchgrove and the upper reaches of middle harbour at Northbridge.
- b. Ventilation exhaust stack gases containing particulate matter, especially so close to the r Anzac primary school.
- c. Proliferation of CO₂ from exhausts of vehicles using fossil fuels. The EIS for WHT forecasts 2.58 million tons of CO₂ during construction and operation over 25 years. This forecast must have allowed for the take-up of electric vehicles over that period. The NSW Chief Scientist commissioned a review of the Beaches Link EIS in relation to air quality. In the final paragraph of that report the highly qualified independent authors said in effect, that the air quality predictions were not evidence based and could not be believed.

(k) the adequacy of processes for accessing and responding to noise, vibration and other impacts on residents, during construction and operationally:

No comment.

(l) the impact of the project on nearby public sites, including Yurulbin Point and Dawn Fraser Baths:

We have no comment on Yurulbin Point or Dawn Frazer Baths. We note there are three other significant public sites in North Sydney that will be seriously impacted:

- a. Cammeray Golf Course will suffer permanent loss of up to 3 hectares of open space and North Sydney Council will lose its ability to harvest up to 30 million litres/year of rain- water run-off
- b. The western arm of Berrys Bay will be off limits to the public for up to 8 years and there is no agreement on what it will look like / who will own the land/ what permanent improvements can be done before the project commences.
- c. The immediate legacy of this project, as currently proposed, is that traffic impact on North Sydney CBD will be catastrophic. North Sydney CBD and Civic Centre is broadly a triangular shape site bounded by the Pacific Highway, the Warringah Freeway and Falcon Street - all arterial roads. Yet, Transport for NSW is proposing to direct all traffic from the North, South and East of the Civic Centre onto the Western Harbour Tunnel, the Sydney Harbour Bridge, the Sydney Harbour Tunnel

and Cahill Expressway by requiring it all to cut straight through the CBD along Berry Street. This proposal will cut the North Sydney CBD in half and destroy Council's plans to make North Sydney CBD and Civic Centre a 'Place for People'. Transport for NSW is also proposing to eliminate the existing off-ramp from the Warringah Freeway to Falcon Street which means that all traffic from the Warringah Freeway destined to the suburbs north and west of the Civic Centre will now have to use the Pacific Highway. That traffic is currently split about 50-50 between the off-ramp to Falcon Street and the Pacific Highway.

The Committee for North Sydney has been investigating this issue and has written many articles about the impacts on North Sydney which can be accessed on the website at <https://committeeformorthsydney.org>. That committee is launching a campaign aimed at the government of NSW to address the alternative of using arterial roads, not local roads to access the WHT and Beaches Link.

The Committee for North Sydney will be making its own submission to this inquiry.

(m) and any other related matter:

- a. **Harbour Bridge tolls:** It is understood that there is a plan to charge northbound tolls on the harbour bridge and tunnel, to prevent increased usage by people trying to avoid the WHT tolls. This is considered to be highly unreasonable, unless the peak hour toll is reduced to say \$2 in each direction, compared to the current peak hour cost of \$4 southbound.
- b. **Motorways and Cities:** almost every city in the world has stopped building city motorways. The key issue is reported to be that motorway construction attracts more vehicles which can jam up other streets. It is however, noted that underground motorways are less damaging than above-ground due to the limited need to break up suburbs, though generally more expensive. A search on Google for "positive motorways and cities" generated 1 million sites, while for "negative motorways and cities" generated 3 million, suggesting that around 75% of web articles do not support urban motorways. The main reasons are the breaking up of cities and generation of increased traffic in surrounding areas.
- c. **Public transport options** must be better addressed as part of this proposal - Rail/metro/bus development options need to be considered as a serious alternative to the road tunnels program. It is noted that almost all European cities have been focussing on strengthening their public transport networks rather than developing new major roads.
- d. It is recommended that an **origin and destination survey** is now conducted if one has not already been undertaken. The results must be published and provided to affected residents and businesses.
- e. It is now universally accepted that **new road construction generates more traffic**, with negative environmental effects and impacts on other local roads. The current problems being experienced near the M5 following toll imposition need to be taken into account.