

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY COMMITTEE

IMPACT OF THE WESTCONNEX PROJECT

CORRECTED

At Macquarie Room, Parliament House, Sydney, on Tuesday 9 October 2018

The Committee met at 9:15 am

PRESENT

Reverend the Hon. F.Nile (Chair)

The Hon. Rick Colless

The Hon. Greg Donnelly (Deputy Chair)

Ms Cate Faehrmann

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

The Hon. Dr Peter Phelps

The CHAIR: Welcome to the first public hearing of the Public Accountability Committee inquiry into the impact of the WestConnex project. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to elders past and present of the Eora nation and extend that respect to other Aboriginals who may be present. Today's is the first of three hearings the Committee plans to hold for this inquiry. It will hear from government departments, including Roads and Maritime Services, NSW Treasury, the Department of Premier and Cabinet and local councils, including the Inner West Council and the Strathfield Council. The Committee will also hear from Dr Patrick Harris, representing the Public Health Association of Australia, Dr Glen Searle, Penrith Valley Community Unions, and a number of community and resident groups.

Before we commence, I will make some brief comments about the procedures for today's hearing. The hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they have completed their evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcasting of proceedings are available from the secretariat.

There may be some questions that witnesses could answer only if they had more time or with certain documents to hand. In these circumstances, witnesses are advised they can take a question on notice and provide an answer within 21 days. I remind everyone here today that the Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry's terms of reference and be careful when using individual's names during the hearing.

Witnesses are advised that any messages should be delivered to Committee members through Committee staff. To aid the audibility of the hearing, I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loud speakers for persons in the public gallery who have hearing difficulties. Finally, I ask everyone to turn off their mobile phones. I now welcome our first witnesses from Roads and Maritime Services.

KEN KANOFSKI, Chief Executive Officer, Roads and Maritime Services, affirmed and examined

CAMILLA DROVER, Executive Director, Motorways Division, Roads and Maritime Services, sworn and examined

The CHAIR: Would either of you like to make a short opening statement? Please keep it to no more than a couple of minutes.

Mr KANOFSKI: I would like to thank the Committee for inviting Camilla Drover, the Executive Director, Motorways Division, and me to give evidence today and for its interest in the WestConnex project. WestConnex will form the spine of the Sydney motorway network, linking Sydney's west and south-west to the city, airport and port with more than 30 kilometres of continuous motorway. WestConnex seeks to address challenges that road users in the community encounter on a daily basis. It will deliver more than \$20 billion in economic benefits to New South Wales, support 10,000 jobs in construction, shift traffic and heavy vehicles to the underground motorway, thereby returning local streets to local communities. The WestConnex project will provide more than 14 kilometres of new and upgraded cycle and pedestrian paths linked to existing cycleways. It will also deliver more than 18 hectares of open space for local communities and will provide a bypass for 52 sets of traffic signals, improving speed, reliability and safety of travel across the city. It will reduce greenhouse gas emissions by more than 610,000 tonnes per year by 2021.

With any project of this size there will be disruption. We acknowledge that the WestConnex project has impacted members of the community and local areas. These impacts are taken very seriously. This is one of the realities of delivering major projects, particularly in a densely populated city. Most of the 33 kilometres of the project is being built in underground tunnels. This means we have been able to minimise the need for land acquisition and impacts as a result of noise during construction. We have also taken a large number of practical steps to minimise the impacts of the project. We acknowledge that construction has impacts and we do everything we can to minimise them. If we are to meet the needs of the growing city of Sydney in the future, investment in projects such as WestConnex is absolutely necessary.

I will outline the role of Roads and Maritime Services [RMS] in WestConnex. RMS is the overall client on behalf of the Government for the project. In our role, we as RMS grant concessions on behalf of the Government as well as leases over the motorway. As the client, we develop and make recommendations to government on scope, staging and any other matter in connection with the WestConnex scope of works and manage the client-side budget. Tolls are set as maximum amounts in the concession agreements; the maximum toll is not determined by the private sector operator. As the client, we have undertaken significant work at the planning approval stages, including detailed technical and environmental investigations, design work and community consultation. We also acquire any required property for the project and will continue to play the role of client throughout the life of the project until 2060.

Our role in WestConnex is similar to many other traditional public-private partnerships [PPPs] for motorways. The WestConnex Motorway follows similar governance and commercial principles to all other private motorways in New South Wales. Camilla Drover, as the Executive Director Motorways, is the accountable executive in my team for ensuring Roads and Maritime Services [RMS] delivers and meets our obligations. WestConnex is part of the New South Wales Government integrated transport plan for Sydney and is one of the largest and most complex infrastructure projects in Australia. WestConnex is made up of three stages, delivered as six projects over a 10-year period.

The WestConnex project remains on time and within budget, with more than 40 per cent of the project now complete. The King Georges Road Interchange upgrade was the first WestConnex project completed, opening two months ahead of schedule in December 2016. Motorists are already benefiting from the widened M4, with four lanes between Parramatta and Homebush easing congestion and saving time. Tunnelling activity is complete on the new M4 East tunnel, and the focus now is on the mechanical and electrical fit-out of that tunnel to allow for safe operation of the motorway. About 80 per cent of the tunnelling on the new M5 is complete and the first bridge segment of St Peters Interchange is complete.

The M4-M5 Link mainline tunnel interface with the M5 has been handed over to the M4-M5 Link contractor. The M4-M5 Link mainline tunnel contract has been awarded and construction on the site will commence later this year and will be open to motorists in 2023. The Rozelle Interchange and Iron Cove Link contract is in procurement and will open to traffic in late 2023. The WestConnex project has been and will continue to be subject to the highest level of government oversight. All major decisions regarding WestConnex are subject to government approvals processes. The three sub-projects of WestConnex are considered tier 1 high profile high risk, and as such are subject to independent external review by Infrastructure NSW under the Infrastructure

Investment Assurance Framework. RMS as the client for WestConnex is subject to the full range of public accountability measures.

There has been extensive community consultation with respect to the WestConnex project. To date we have held 2,075 face-to-face meetings with residents, businesses and stakeholders. We have held more than 180 community information sessions, forums and street meetings with residents and businesses and stakeholders. We have carried out 3,496 doorknock events with residences and businesses. We have received and responded to 17,472 phone calls and 33,565 emails and letters. We have published and distributed work notifications, fact sheets, community updates and flyers to residents and businesses across the entire corridors. The Department of Planning and Environment received and responded to approximately 28,000 submissions and of the environmental impact statement [EIS] processes for WestConnex. The project website is also regularly updated to keep the community and stakeholders informed. It currently hosts 2,277 documents documenting all aspects of the project.

We have always been upfront. When you undertake a project of this scale and complexity over this length of time, it is not going to be easy. As I stated earlier, we acknowledge that this project has impacted some local communities. We have sought to minimise those impacts where possible and will continue to work with the community and stakeholders over the course of the project. Thank you, and we are happy to take questions.

The CHAIR: Ms Drover, do you wish to make an opening statement?

Ms DROVER: No, not at this stage.

The Hon. DANIEL MOOKHEY: Thank you, Mr Kanofski; it is a pleasure to see you once more at a WestConnex inquiry of the New South Wales Parliament.

Mr KANOFSKI: It is always a pleasure.

The Hon. DANIEL MOOKHEY: Indeed; I am sure. Since we last had the opportunity to talk about WestConnex, at budget estimates, the Government has announced its Sydney Gateway project. What is the value of the Sydney Gateway project?

Mr KANOFSKI: The final business case is still in preparation, but the announced value of the project is between \$2.2 billion and \$2.6 billion.

The Hon. DANIEL MOOKHEY: Could you table your opening statement so we can get copies of it?

Mr KANOFSKI: Yes, absolutely.

The Hon. DANIEL MOOKHEY: You say that the final business case has not been completed.

Mr KANOFSKI: Yes, the final business case is in preparation.

The Hon. DANIEL MOOKHEY: That is stage six or seven of the investor assurance gate process?

Mr KANOFSKI: No, the final business case—and Ms Drover might correct me if I am wrong—I think is gate four.

Ms DROVER: Three, I think.

Mr KANOFSKI: It is three or four.

The Hon. DANIEL MOOKHEY: When will it be finished?

Mr KANOFSKI: When it is completed, it will be presented to the Government for consideration.

The Hon. DANIEL MOOKHEY: What is the timetable for it to be completed and presented to the Government for consideration?

Mr KANOFSKI: When it is finished it will be presented to the Government for its consideration.

The Hon. DANIEL MOOKHEY: When do you anticipate a final investment decision to be made on the Sydney Gateway?

Mr KANOFSKI: That is a matter for the Government.

The Hon. DANIEL MOOKHEY: In terms of the \$2.2 billion to \$2.6 billion, that is significantly higher than the \$800 million that was flagged in the original business case in the original Infrastructure NSW preparation. Would you agree with that?

Mr KANOFSKI: Yes, I would. The Sydney Gateway project is a very different project—

The Hon. DANIEL MOOKHEY: Now it is.

Mr KANOFSKI: —from what was flagged at that time. That is why a decision was taken some time ago now, probably as early as 2015, to have the Sydney Gateway as a separate project, with the WestConnex project making a contribution towards it.

The Hon. DANIEL MOOKHEY: When was that decision made?

Mr KANOFSKI: Around 2015; I would have to take the exact date on notice.

The Hon. DANIEL MOOKHEY: When in 2015 was a decision made to separate the Sydney Gateway?

Mr KANOFSKI: I would have to take the exact date on notice. What I can say is on 1 October 2015 the WestConnex delivery authority was dissolved by the Sydney Motorway Corporation and a whole range of governance changes were made. At that time, RMS was responsible for the project development of Sydney Gateway, not the Sydney Motorway Corporation. I am happy to take the exact date on notice, but that—

The Hon. DANIEL MOOKHEY: Is it about that period of time?

Mr KANOFSKI: It is around about that time. As I said, I am happy to take it on notice.

The Hon. DANIEL MOOKHEY: But that is round about the time the Gateway was removed from WestConnex?

Mr KANOFSKI: As I said, what I can say with certainty is that at that time Sydney Motorway Corporation, on the date those governance changes were taking place, was not responsible for the project development of Sydney Gateway; RMS was.

The Hon. DANIEL MOOKHEY: Really?

Mr KANOFSKI: Yes.

The Hon. DANIEL MOOKHEY: I wish to be fair to you, Mr Kanofski. Are you sure that is the period of time?

Mr KANOFSKI: I am happy to take the detail on notice, but—

The Hon. DANIEL MOOKHEY: It is astonishing, because I am looking at the WestConnex updated strategic business case from November 2015. It describes stage 2, Sydney Gateway, St Peters to Sydney Airport and Port Botany, a high-quality, high-capacity connection between the new St Peters interchange and the Sydney Airport and Port Botany precinct. If you are saying that the governance changed in October 2015, and that was the point at which Sydney Gateway was removed from the project, then RMS is simultaneously publishing documents in the updated strategic business case and you have come to two estimates hearing since then in which the Sydney Gateway was there, and it was on the WestConnex website until August 2017. Do you wish to perhaps revise your timetable, Mr Kanofski?

Mr KANOFSKI: No, I do not. The WestConnex project is making a substantial contribution to the Sydney Gateway project. The Sydney Gateway project is broader than that. There is an intersection between those two projects and I think we have gone over this at some length in the past. One of the objectives of the Sydney Gateway project is for it to link the WestConnex St Peters interchange with Sydney airport. It is entirely appropriate, and the project is making a contribution of \$800 million in order to facilitate that process. It is entirely appropriate that that link is fully acknowledged and that the business case takes account of that \$800 million. There is nothing inconsistent in the statements that I am making.

The Hon. DANIEL MOOKHEY: Who made the decision to remove the Gateway? Was that a Cabinet decision?

Mr KANOFSKI: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Would you say that there were substantial differences in the Gateway as described in the first business cases and the project as it is contemplated in the future?

Mr KANOFSKI: Yes.

The Hon. DANIEL MOOKHEY: What is substantially different?

Mr KANOFSKI: In the original business case, if we go back to the original designs, it was a pretty basic link.

The Hon. DANIEL MOOKHEY: Let us go back to the time when the WestConnex was described as a WestConnex Gateway connection.

The Hon. Dr PETER PHELPS: Point of order—

Mr KANOFSKI: I was answering your question. If you would like me to answer your question I will.

The Hon. DANIEL MOOKHEY: Please, Mr Kanofski.

Mr KANOFSKI: What was described in the WestConnex business case was a basic link between St Peters interchange and Airport Drive. What we have now is a very substantial motorway standard link between those two points, but in addition to that we have very substantial upgrades to accessibility to T1, which is the international terminal for operational vehicles. We have very substantial changes to the entrance to T2 and T3, which is the domestic terminal. Grade separating the flows of traffic between that traffic which is going to enter the domestic airport and that which is going to continue to flow past. We have a widening of Airport Drive. What we have is a range of very substantial additional things. In addition to that, the Sydney Gateway project includes duplication of the three kilometres of freight line to Port Botany.

The Hon. DANIEL MOOKHEY: Is there a direct road link to Port Botany in the current design?

Mr KANOFSKI: You can go from St Peters interchange—

The Hon. DANIEL MOOKHEY: Is there a direct road connection on the Sydney Gateway to Port Botany precinct?

Mr KANOFSKI: Of course, you can drive from Sydney Gateway—

The Hon. DANIEL MOOKHEY: No, on the Sydney Gateway, Mr Kanofski.

Mr KANOFSKI: The Gateway project—

The Hon. DANIEL MOOKHEY: Are you saying the Gateway project goes to Port Botany?

Mr KANOFSKI: All roads go to Port Botany.

The Hon. DANIEL MOOKHEY: Yes, that is true, all roads go to Port Botany. The problem, Mr Kanofski, is it worries me that you are not prepared to answer the question directly. It is a simple question. Does the route of the Gateway go to Port Botany?

Mr KANOFSKI: When you drive on the Gateway can you drive from St Peters interchange to Port Botany via Sydney Gateway? Yes.

The Hon. DANIEL MOOKHEY: Directly to the port?

Mr KANOFSKI: Yes.

The Hon. DANIEL MOOKHEY: I refer to the charging structure that is being contemplated. The Government said the Gateway will be toll free. Is that correct to the best of your information?

Mr KANOFSKI: Yes, that is correct. The Government has said the Gateway will be toll free.

The Hon. DANIEL MOOKHEY: Is that for trucks as well as for motor vehicles?

Mr KANOFSKI: That is what I understand toll free to mean.

The Hon. DANIEL MOOKHEY: Are you contemplating any charging structure on the heavy vehicle industry?

Mr KANOFSKI: The Government has made its position on charging for Sydney Gateway very clear. It is a Government decision. The Government has made that decision very clear. There will be no toll on the Sydney Gateway.

The Hon. DANIEL MOOKHEY: What about any charging structure on twenty-foot equivalent units [TEUs] from the port?

Mr KANOFSKI: The Government has made its position very clear.

The Hon. DANIEL MOOKHEY: I understand that is what the Government has said. In the absence of a final business case that is public I am teasing out precisely what that means.

Mr KANOFSKI: The final business case is not contemplating any form of charging.

The Hon. DANIEL MOOKHEY: The money for the Gateway, from what the Government has said, is to be funded from the sale of the Sydney Motorway Corporation. Is that correct?

Mr KANOFSKI: The precise funding source is a matter for Treasury not for RMS. You are examining Treasury officials.

The Hon. DANIEL MOOKHEY: We are.

Mr KANOFSKI: Basically, we are allocated money in the budget like other government departments. How that money is funded is a matter for Treasury rather than a matter for us.

The Hon. DANIEL MOOKHEY: I see there is no reservation inside Restart NSW or any other ones, which to be fair to Treasury it may well be updating. I will ask Treasury. I am asking you whether are you aware that it is coming from any of these sources.

Mr KANOFSKI: I am not aware of the funding sources; it is a matter for Treasury.

The Hon. DANIEL MOOKHEY: As your agency is preparing the final business case are you preparing it so it complies with the Infrastructure NSW requirements in order to access those funds?

Mr KANOFSKI: All of our business cases are prepared in that manner. Where the Government chooses to allocate the money from is really a matter for Government and a matter for Treasury to advise, but the business case will be prepared in accordance with the business case guidelines.

The Hon. DANIEL MOOKHEY: Do you need to have a benefit cost ratio north of one?

Mr KANOFSKI: Sorry?

The Hon. DANIEL MOOKHEY: Do you need to have a benefit cost ratio north of one?

Mr KANOFSKI: As I said before, the funding source for the project is a matter for the Government. What I would say in general terms is that projects to be funded from Restart and Rebuild need to reach a benefit cost ratio of more than one; that is correct.

The Hon. DANIEL MOOKHEY: Is the New South Wales Government putting any money into the rail line to Port Botany?

Mr KANOFSKI: The Port Botany rail line has been announced as 100 per cent Commonwealth funded.

The Hon. DANIEL MOOKHEY: When do you anticipate that the Gateway environmental impact statement will be lodged?

Mr KANOFSKI: I would have to take that on notice but I would expect probably late next year.

The Hon. DANIEL MOOKHEY: Are you going through, in the planning processes, which planning instrument you will be applying for, for Gateway approval?

Mr KANOFSKI: That is yet to be determined. The Gateway, because part of it is built on Commonwealth land, is pretty complex—

The Hon. DANIEL MOOKHEY: Hence the reason for the question.

Mr KANOFSKI: —and is still to be determined. It will require both State and Commonwealth planning approvals.

The Hon. DANIEL MOOKHEY: Ms Faehrmann may be able to help me with the direct Federal reference, but is it the Commonwealth Environmental Planning and Assessment Act?

Mr KANOFSKI: I will have to take that on notice. It requires both Commonwealth and State planning approval.

The Hon. DANIEL MOOKHEY: What is the indicative timetable, given we now have to rely on the Commonwealth as well for approval? Have you started work on it?

Mr KANOFSKI: Obviously, all of the work you do as part of the business case process, part of that work is transferable to the EIS. We have a timetable for the process for Sydney Gateway. As we said, we expect to lodge the EIS in the latter part of next year and it requires State and Federal planning approval.

The Hon. DANIEL MOOKHEY: You intend to lodge next year?

Mr KANOFSKI: What we said is late next year is when we expect it to be on exhibition.

The Hon. DANIEL MOOKHEY: The EIS. Will you be letting the construction contract prior to the EIS, Commonwealth and/or State approval?

Mr KANOFSKI: Delivery strategy is a matter for Government. It has not yet been determined.

The Hon. DANIEL MOOKHEY: In respect to the timetable do you wish to take the opportunity to explain? If it is going to EIS for approval towards the end of next year under both State and Commonwealth

instruments how will it be finished on time, given the construction timetable flagged in the first business case said we were meant to be building it starting this year?

Mr KANOFSKI: We expect to be completing the project at the end of 2023.

The Hon. DANIEL MOOKHEY: I know that. I am asking you how you are going to meet it. In the first business case you set yourself six years to get it built. We are now saying that we are not even sure we will have environmental assessment approval by the end of 2019. I am asking a reasonable question. Are you sure you are going to meet that target? Would you like now to give yourself a little more wriggle room?

Mr KANOFSKI: The target date for the completion of the Sydney Gateway project is the end of 2023 and we will be working to that target date.

The Hon. DANIEL MOOKHEY: You are absolutely confident you will meet the 2023 deadline?

Mr KANOFSKI: That is the target date and we will be working to meet that target date.

The Hon. DANIEL MOOKHEY: You can give a guarantee right now to the Parliament that the Gateway will be finished by 2023 and open to everyone who wishes to use it.

Mr KANOFSKI: No-one can give you that guarantee.

The Hon. DANIEL MOOKHEY: The reason why I am asking is that according to your own timetable you seem to be at least two years late.

Mr KANOFSKI: What I am saying to you is the target date for the completion of Sydney Gateway is the end of 2023. We will be working hard to meet that target date.

The Hon. DANIEL MOOKHEY: Is the opening date 2023?

Mr KANOFSKI: The target date for the completion, open to traffic date for Sydney Gateway is the end of 2023.

The Hon. DANIEL MOOKHEY: In respect to stage 3A, you say Lendlease Samsung has been awarded the design and construct. Is that correct?

Ms DROVER: It is Lendlease Bouygues Samsung joint venture [JV].

The Hon. DANIEL MOOKHEY: That is the full joint venture. That took place in June of this year?

Ms DROVER: Yes, the commitment deed was signed at that time in June.

The Hon. DANIEL MOOKHEY: The contract has been signed?

Ms DROVER: The contract has been signed.

The Hon. DANIEL MOOKHEY: What is the value of the construction part of the contract?

Ms DROVER: I think we will take that on notice.

The Hon. DANIEL MOOKHEY: Stage 3 of WestConnex in total is \$7.2 billion, is that correct?

Mr KANOFSKI: Correct.

The Hon. DANIEL MOOKHEY: Can you break that down between stages 3A and 3B?

Mr KANOFSKI: No, I do not think it is appropriate to do that at this point.

The Hon. DANIEL MOOKHEY: Why?

Mr KANOFSKI: We are in procurement for stage 3B of the contract and the budget for the entirety of stage 3 is \$7.2 billion, and I do not really want to prejudice the procurement process for 3B by talking in detail about what the Government's estimates might be for each stage.

The Hon. DANIEL MOOKHEY: For stage 3A—which we have established is well beyond the procurement stage because you have signed the contract—have you tabled the contract summary in Parliament?

Ms DROVER: The project deed, which is between us and Sydney Motorway Corporation [SMC] is on the website, on the RMS website, yes.

The Hon. DANIEL MOOKHEY: Why do we not know what the value of that contract is if it is on the website?

Mr KANOFSKI: I think we have taken it on notice.

The Hon. DANIEL MOOKHEY: I know you have. As you cannot answer stage 3B, I am wondering if you have more information available to you right now about stage 3A?

Mr KANOFSKI: We have taken the question on notice.

The Hon. DANIEL MOOKHEY: Is it more than \$3.5 billion?

Mr KANOFSKI: We have taken the question on notice.

The Hon. DANIEL MOOKHEY: When you say you are in the procurement process, which part of that process are you up to?

Mr KANOFSKI: Tenders have closed and we are at tender evaluation.

The Hon. DANIEL MOOKHEY: When do you anticipate tender evaluation to conclude?

Mr KANOFSKI: We are in the tender evaluation process. I am not going to speculate in detail on the procurement process. I think that is entirely inappropriate at this stage of the procurement for what is a very significant contract.

The Hon. DANIEL MOOKHEY: Are you confident that you are sticking to the original timetable for the completion of stage 3 in the updated strategic business case?

Mr KANOFSKI: The stage 3 completion dates are that stage 3B is targeted to open at the end of 2023, and stage 3A will open sometime before that.

The Hon. DANIEL MOOKHEY: Do you wish to take the opportunity now to explain why there is a disjunction between what you have just said and what Transurban said to the stock market?

Mr KANOFSKI: I do not want to speculate on what Transurban said. The only thing I would say is, people need to understand that when Transurban is talking to its investors, and they can speak for themselves. But in essence my understanding of what they were saying to the investors is, you can be confident in the investment we are making because we have been really conservative about the revenue assumptions that we have taken on board. The purpose of that briefing is an entirely different purpose.

The Hon. DANIEL MOOKHEY: The purpose of the briefing is because they have continuous disclosure requirements. Whilst it is the case that what you just described is one of the things that they have to disclose to the stockholders, another one is key risks. What they describe as a key risk is that there is a procurement risk around stage 3B. I am giving you the opportunity to put both their shareholders and the public of New South Wales at ease because they are saying you are running late on Rozelle. I am asking you do you wish to take the opportunity now to explain that you are not and why we should believe you?

Mr KANOFSKI: What I have said, and I have been very clear, is that the target date for the completion of stage 3B is the end of 2023. That is the basis on which the contract has gone to tender, and that remains the target date.

The Hon. DANIEL MOOKHEY: What was the date that you signed the Lendlease Bouygese Samsung joint venture contract?

Ms DROVER: We do not sign the contract with the JV; SMC does. But we signed a commitment deed with SMC for that package of work on 12 June.

The Hon. DANIEL MOOKHEY: Is the reason that you signed the commitment deed with Sydney Motorway Corporation, that under the General Information (Public Access) Act you do not need to table it according to the same timetable that is contemplated in that Act?

Ms DROVER: I believe under the Act we need to publish our project deed with SMC within a time frame after the contract comes into effect. That came into effect after financial close for the sale, which was 27 September.

The Hon. DANIEL MOOKHEY: What is your deadline under the Act?

Ms DROVER: We have exceeded the deadline, I believe. The exact days after the contract comes into effect, I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Has it been published in accordance with that Act, given that you have just said you think you have passed the deadline?

Ms DROVER: That is my understanding.

The Hon. DANIEL MOOKHEY: It has?

Ms DROVER: Yes.

The Hon. DANIEL MOOKHEY: Does WestConnex include smokestacks in any of the underground tunnels?

Mr KANOFSKI: Sorry?

The Hon. DANIEL MOOKHEY: Ventilation stacks?

Mr KANOFSKI: All underground road tunnels have ventilation facilities, yes.

The Hon. DANIEL MOOKHEY: The Committee has received hundreds of submissions from people who would like to know whether or not those smokestacks that are being contemplated are fit for purpose to ensure that their children are not being exposed to excessive levels of air pollution. There is a strong view coming from all of the submissions that what you have done in respect to the smokestacks is simply not adequate. Do you wish to explain how effective these are and what the cost would be if there were to be any additional constructed?

Mr KANOFSKI: I would like to talk about ventilation facilities.

The Hon. DANIEL MOOKHEY: Please.

Mr KANOFSKI: The WestConnex project is subject to air quality controls on its ventilation facilities which are equivalent to the best in the world. Also, for I think the first time in an Australian tunnel—I can confirm this on notice—we have really strict in-tunnel air quality requirements as well. The reason for that is that there is an independent air quality committee chaired by the Chief Scientist & Engineer. It has members from the Department of Health, from the Environment Protection Authority [EPA], from Planning, and what their job is to do is to provide independent advice to the Government on what the appropriate standards are. RMS is not determining the appropriate standard. The appropriate standard is ultimately determined through the planning approval, and through that planning approval the Department of Planning and Environment seeks advice from the independent air quality committee.

What I would say to give assurance to the people of New South Wales is that the standard to which those ventilation facilities are being built and being operated has not been set by RMS. It has been set by the Department of Planning and Environment, and by the EPA, in accordance with independent advice from the air quality committee, which incorporates all those people, and I will not repeat them. In addition to that, the Government has recently announced changes which means that ventilation facilities will be subject to ongoing monitoring through the EPA. Each ventilation facility is required to have an environmental protection licence. That is an ongoing process which sets out the standards that we need to meet over time, sets out monitoring regimes for independent monitoring. There is an incredibly robust process in place for making sure that these ventilation facilities produce air quality that is equivalent to the best in the world.

The other thing I would say in terms of air quality is that vehicle emissions—I would have to take the precise percentage on notice—make up a small percentage of total particulates that are in the environment. Wood fires far exceed. The reason for that is since the 1970s vehicle emissions have improved by somewhere in the order of 80 per cent to 90 per cent. What you have is a situation where clearly all of those factors are taken into account by the independent air quality committee. They have provided advice to the Government that they believe what we are doing is in the best interests of the people of New South Wales, and so that is how that process is set.

The Hon. SHAYNE MALLARD: It is much more rigorous than the M5 and what Labor had.

The Hon. DANIEL MOOKHEY: I just appreciate the thoroughness of the answer.

Ms CATE FAEHRMANN: I will keep on with air quality now that we have gone there. Mr Kanofski, one of the approvals for the M4 East is that there is a local and subregional air quality condition number E18 that suggests that the proponent must assist relevant councils in developing an air quality assessment process for inclusion in a development control plan or other appropriate planning instrument. This is to assist council when they are considering approving planning and building, approvals for new developments, which I understand is going on in quite a few councils along the route. Strathfield Council is one example and we will be speaking with Strathfield Council later. Has the RMS met its condition under that approval? Has it assisted councils?

Ms DROVER: I believe we are meeting all our conditions of approval. I am also aware there is an air quality committee which the SMC has established for both the M4 East and the M5, which works with the community and councils.

Ms CATE FAEHRMANN: You have undertaken an air quality assessment process for inclusion in a development plan for relevant councils, for example, Strathfield Council.

Ms DROVER: The exact nature of your question I will have to take on notice.

Ms CATE FAEHRMANN: The condition also suggests that the proponent must meet all reasonable costs for the development of this process and any necessary amendments to the planning instruments. Can you also take that on notice, please?

Ms DROVER: I would be happy to.

Ms CATE FAEHRMANN: We found out that the Sydney Gateway is not a part of WestConnex. Mr Kanofski, when did you specifically learn that the Sydney Gateway was not officially part of WestConnex and was going to be treated as a separate project?

Mr KANOFSKI: I will take the precise nature on notice, but what I have said previously is on 1 October 2015—

Ms CATE FAEHRMANN: I heard your response.

Mr KANOFSKI: As at that date, the Sydney Motorway Corporation was not doing the project development for the Sydney Gateway. RMS was doing the project development for the Sydney Gateway. That is a strong indication that there was at least an emerging view at that time that this needed to be a different project, because—

Ms CATE FAEHRMANN: An emerging view in October 2015?

Mr KANOFSKI: I will take the precise nature of your question on notice. As we have said—

Ms CATE FAEHRMANN: With respect, Mr Kanofski—

The CHAIR: Let the witness finish his sentence.

Ms CATE FAEHRMANN: I am going back to the terms of reference of this inquiry and the fact that we have people appearing before the inquiry to speak to this Committee. One of the terms of reference is 1 (h), "the circumstances by which WestConnex and the Sydney Gateway were declared to be separate projects in 2017." It is quite extraordinary that you have to take such a basic question like that on notice.

Mr KANOFSKI: To be fair, we have talked about the circumstances. What we have said is that the original plan for Sydney Gateway was a very different plan to the plan that exists today. The plan that exists today is a much broader plan and it fulfils a much broader set of objectives. The precise date on which a line got drawn in the sand to say, "Okay, that is the point at which that happened", we will take on notice, but what you will find is that there was an evolving view that the project needed to fulfil a range of other objectives. As we consulted with stakeholders in that area, there was an evolving view that the project needed to do more.

Ms CATE FAEHRMANN: Mr Kanofski, at some point that evolving view had to be communicated to inquiries. For example, Parliamentary members were asking you about various things. In 2017 during the tolls inquiry you said that the gateway was part of WestConnex and that \$800 million was incorporated in the \$16.8 billion cost. That was in May 2017. Today you are saying there is some evolving view from 2015, whereas in May 2017 you were advising a parliamentary inquiry that it was still part of WestConnex.

Mr KANOFSKI: There is absolutely nothing inconsistent. There is nothing inconsistent with that evidence. The issue is that the Sydney Gateway fulfils a number of objectives, one of which is to connect the WestConnex-St Peters Interchange with Sydney Airport. Because of that, the WestConnex project is making an \$800 million contribution towards the Sydney Gateway, so it is unsurprising that we talk about the two projects being linked in that way.

Ms CATE FAEHRMANN: It is an extraordinary rewriting of history, of all of the testimony before inquiries that I have read over the last five years and that other people have been witness to.

Mr KANOFSKI: It is completely unsurprising—

Ms CATE FAEHRMANN: Possibly that is sad if it is unsurprising.

Mr KANOFSKI: —in the sense that, as we have explained consistently, the project has broader objectives. Is it linked to WestConnex? Of course it is linked to WestConnex.

Ms CATE FAEHRMANN: Consistently you have said it is a part of. We should draw a line under that. Consistently the Government has said that until 2017 it was a part of. To sit here and justify that it was not is—

Mr KANOFSKI: I am not trying to justify anything. What I am trying to say is that the WestConnex project is making an \$800 million contribution to the Sydney Gateway project—

Ms CATE FAEHRMANN: This time 18 months ago—

The Hon. SHAYNE MALLARD: Mr Chair, the witness should be allowed to answer the question instead of being badgered.

Ms CATE FAEHRMANN: I will move on. I understand that in 2013 the RMS provided a \$2.5 million grant to Lendlease to undertake an airport access link reference design. Have you seen this document?

Mr KANOFSKI: I would have to take that on notice.

Ms CATE FAEHRMANN: This is between January and April 2018 and you have to take it on notice. If the RMS has a copy of this document, could it be provided to the Committee?

Mr KANOFSKI: I will take that on notice. I do not know the document off the top of my head that you are referring to. I do not know its status. We are happy to take it on notice and consider what we can do in respect of the document. I do not know its status, or I am not familiar with the document.

Ms CATE FAEHRMANN: I will move on to the cost-benefit ratio. The project business case evaluation that was submitted to Infrastructure Australia gave the WestConnex project a cost-benefit ratio of 1.7 to 1.9. Does that still stand?

Mr KANOFSKI: Correct.

Ms CATE FAEHRMANN: How can you justify that cost-benefit ratio right now, considering that was submitted several years ago? You are saying here that the Sydney Gateway is no longer a part of WestConnex. It was a part of WestConnex when that cost-benefit ratio was determined, as was the Rozelle interchange. There have been quite a few changes in the scope of the project. How can you possibly say that is still the same cost-benefit ratio?

Mr KANOFSKI: The business case for the project was submitted and assured and put forward those things. At that time, the cost of the project was \$16.8 billion. The total cost of the project remains \$16.8 billion. I have seen no evidence to suggest that there has been any material change to the amount of benefits. All things evolve over time. We have not had any change in cost. I am not aware of any material change in benefits. Therefore, I would say that, in broad terms, the business case has continued to outline the costs and benefits.

Ms CATE FAEHRMANN: The connection to the Sydney Airport via the gateway was a critical component of that cost-benefit ratio, which Infrastructure Australia and other bodies that have examined this have acknowledged. Given that it is no longer a part of WestConnex, you still stand by this cost-benefit ratio. Why would you not commit to the inquiry today that that cost-benefit ratio will be undertaken again, given there are changes in the scope?

Mr KANOFSKI: I do not accept the premise of your question in respect of the WestConnex project. Will a cost-benefit ratio be prepared for the Sydney Gateway project? Yes, it will be, on the entire cost and the entire benefits, including the costs that are being contributed by WestConnex. Of course it will be. But I do not accept the premise of your question that we need to recalculate the cost-benefit ratio for the WestConnex project.

Ms CATE FAEHRMANN: How many changes need to be made to a project to trigger a new cost-benefit ratio being undertaken and, for that matter, a new business case being written?

Mr KANOFSKI: There has been no change in cost and there has been no material change in benefits that I am aware of, that would warrant doing a—

Ms CATE FAEHRMANN: So the key benefit of having that crucial connection to the airport by 2023 as part of the \$16.8 billion—that critical part—you are saying is now costing the Government an additional \$2.8 billion. That is a critical part.

Mr KANOFSKI: But the benefits of the Sydney Gateway project are much broader than simply connecting, as we have outlined. Is one of the objectives of the Sydney Gateway to connect the St Peters interchange to the airport? Yes, it is. That is why—

Ms CATE FAEHRMANN: That was not the question, Mr Kanofski.

Mr KANOFSKI: But that is why there is an \$800 million contribution, and why those costs are being accounted for as part of WestConnex.

The CHAIR: Thank you. In your opening statement you stated that you are anticipating a reduction in greenhouse gas emissions by more than 610,000 tonnes a year by 2021. Could you outline how you plan to reduce emissions to that extent?

Mr KANOFSKI: I might make a couple of broad statements and allow Ms Drover to comment further if she wishes. In essence, what happens with motorway projects is that you relieve congestion. So traffic that is

otherwise congested becomes free flowing. When the traffic is free flowing rather than congested the vehicles have lower fuel usage and therefore they emit less. In broad terms, that is the reasoning.

The CHAIR: It is not connected with reducing the number of vehicles?

Mr KANOFSKI: No, it is not connected to reducing the number of vehicles. It is reducing the emissions from the vehicles, which already exist in any event. Those vehicles are making those trips, by and large. We do discount that for an estimate of induced demand and come up with a net figure.

Ms DROVER: Motorways obviously provide free-flowing journeys without traffic lights, good connectivity and reduce emissions because traffic is not stop-start—it is not in congestion—and therefore vehicle emissions are lower.

The CHAIR: There will be a need for ventilation stacks. Have their locations been announced? Is there a map of those ventilation stacks?

Mr KANOFSKI: Yes, there is.

The CHAIR: Could you table that map?

Mr KANOFSKI: We will certainly take it on notice to provide it to you. The ventilation facilities for WestConnex have all been considered in the various EIS processes for each of the projects. They are all well known. It is a matter of public record.

The CHAIR: Have you been able to avoid schools and other places with children?

Ms CATE FAEHRMANN: No.

Mr KANOFSKI: The facilities are located in the best possible locations. I think the thing to be clear about is that these facilities are safe. That is the important thing. They are safe for the entire community. It is not me that is saying that; it is the independent air quality committee. RMS is not the determiner of the appropriate standard of air quality. RMS is not the determiner of whether we have met those environmental standards. The Department of Planning and Environment is the determiner. The EPA is the determiner. They do so on the independent advice from people like those in the Department of Health, the Chief Scientist and Engineer. What all of those bodies are saying is that the process has come up with a reasonable way of managing ventilation.

Ms DROVER: If I can just reinforce that—it is a two-step process. First we need approval to implement and construct the ventilation outlets but there is an ongoing licensing process that the EPA will manage. So every year the projects need to apply for an environmental protection licence [EPL], and that will be required for the life of that motorway project and those ventilation outlets.

The CHAIR: Who will monitor that?

Ms DROVER: The EPA.

The CHAIR: The New South Wales EPA?

Ms DROVER: That is right.

The CHAIR: As you would realise, there have been a lot of unhappy people affected by the poor ventilation in the M5 tunnel. There have been warnings to people going through the tunnel to wind their windows up et cetera. With this new project has all that old ventilation equipment been replaced with new ventilation equipment?

Mr KANOFSKI: Just to be clear, on the M5 the existing M5 East tunnel will continue to exist in its current form. We have duplicated that with a new M5, which runs essentially parallel to it. There are a range of design issues with the M5 East, which leads to it having a lower air quality than we would like. It is still compliant, but there are a range of design issues with that tunnel. The new tunnels will have a much higher standard of air quality than the M5 East.

Ms DROVER: But all motorway tunnels in New South Wales will require one of those EPLs going forward, including the M5 East. That will be required on an ongoing basis until the end of the life of that motorway.

The CHAIR: Are you replacing the ventilation system in the M5 East?

Mr KANOFSKI: We have no plans to replace the ventilation system but it will be subject to the EPL, which the EPA will grant or not grant on an ongoing basis.

The CHAIR: Do you agree, though, that the existing ventilation system has never been satisfactory?

Mr KANOFSKI: It has been compliant. The question is: would we design a tunnel like that today? No, we would not. There are a range of design issues with that tunnel, however the tunnel is compliant. As Ms Drover has said, it will need to have an EPL, the same way all of the new tunnels will need to have an EPL. If the EPA is unhappy and believes that the air quality is not good enough then the tunnel operators will need to take action to comply, because clearly they need an EPL to operate the tunnel. You need an EPL on the vent facility to be allowed to operate the tunnel. So it will be a matter of regulation by the EPA whether the air quality standard is high enough.

The CHAIR: So that could mean replacing the ventilation system or dramatically improving it.

Mr KANOFSKI: As I said, it is a matter for the EPA. The first port of call is that the tunnel will be required to apply for an EPL. The EPA is entitled to grant that or not grant that or put whatever conditions that they see fit on that. It is an independent regulatory body.

The CHAIR: You would agree, though, that users would still be very concerned about using the M5 East in view of that because nothing has been done for years, when it was known it was not up to standard.

Mr KANOFSKI: I take issue with the comment "not up to standard". The air quality from the new tunnels will be better than the air quality in the M5 East, but the M5 East does remain compliant, and will be subject to the environmental assessment process. So I think users can take some significant comfort from the fact that the operation of the ventilation facility will be subject to an EPL.

The CHAIR: Good, thank you. In your opening statement you also stated that you had introduced extensive noise minimisation measures. What were those measures?

Mr KANOFSKI: There is a range of things that we do. Obviously we undertake hardship relocations during night work in prolonged constructions. So if people are exposed to construction then we offer them a temporary relocation. We have made adjustments to the way construction shifts are undertaken to minimise disruption to residents. We have installed temporary noise barriers. We have a range of strict operating protocols for the contractors' vehicles and machinery on the site, so that it is operated in a way so as to minimise the impact on the community. We also have strict controls over the haulage routes that the trucks hauling the spoil can take—they have to go on an approved route. We also have an extensive communication process with local residents that enables them to raise any concerns they have so that we can take action.

The CHAIR: I suppose the question is how quickly do you take action as a result of those consumer complaints?

Mr KANOFSKI: There is a range of processes, and Ms Drover will provide some detail, for the contractor, for SMC and for RMS in order for us to take action and we are required under our approvals process to do so.

Ms DROVER: I might just give you a little bit more detail on the stage 3 conditions of approval, which were given by the DPE for stage 3. There is a more proactive approach for stage 3; we are required to install noise mitigation measures ahead of construction—that is for construction noise over and above the operational noise mitigation measures that we have to undertake as well.

The CHAIR: What is an example of a noise mitigation measure?

Ms DROVER: It is a three-stage process. Obviously we want to mitigate the noise at source, so all our tunnelling works are undertaken in acoustic sheds. We also want to stop the transmittal of noise to receivers or residents; so there are things like noise walls and baffles et cetera, and then the last line of defence, if you like, is at the receivers' homes or businesses, and that is the architectural noise treatments at houses et cetera. As part of the planning process we undertake an assessment of the likely impact of noise, that is part of the planning approval. Conditions of approval are being granted by DPE associated with those noise attenuation works.

When we have got the final design and we understand the construction methodology from the contractor we undertake assessments. We meet with residents and undertake the assessments about what mitigation measures are appropriate for them and, as Mr Kanofski has outlined, there is a suite of measures that we can undertake. Occasionally some residents do not want those assessments and some residents have actually rejected attenuation measures, but in the main they take them up, and they are everything from sealing windows, insulation and respite periods and also relocations if appropriate. But we do take a very bespoke approach. We work with the residents and the businesses to work out what is going to best suit them.

As I said, under stage 3 there is a much more proactive approach and a much more proactive approach in terms of respite periods. There is a requirement, three months ahead of construction activities that are likely to be noisy, for us to work with the community, look at the impacts and give them good warning because perhaps

they can plan their activities around those noisy works and, if necessary, we will relocate them, we will give them noise attenuation measures or we will ensure there are sufficient respite periods so they do get a break from those noise works. But to construct WestConnex there is going to be some impact and there are going to be noisy periods of time.

There are some other measures with stage 3 as well. There is a new utilities coordinator position that is in place. One of the problems we have had with WestConnex is that we have got our works that are required for WestConnex, but over and above that there are utility companies that want to come in and do relocations from time to time. They are over and above DPE planning conditions and the works that were originally prescribed, so this utilities coordination role will ensure that the WestConnex works and other utility works that are going on are best coordinated, because it is often those utility works that do necessitate quite a high degree of noise; they are often outside hours, and that really does introduce disruption to communities.

But there are a raft of new positions in the stage 3 conditions of approval which do protect the community and there is also a new acoustic adviser for stage 3 of WestConnex. So although the contractor undertakes many of those noise assessments, and there is the role of SMC and RMS, there is going to be a new independent auditor who is a final sort of audit process as well. They will assess the works being undertaken, they will look at the monitoring that is occurring to make sure that that complies with our conditions of approval.

The CHAIR: Thank you very much for your answers. We will move on to the Government members.

The Hon. Dr PETER PHELPS: You might need to take this on notice, but you might know it because it has come up at previous inquiries. Can you tell me what percentage of traffic is getting onto the M4 before Parramatta, gets off at Parramatta or at some stage before Parramatta?

Mr KANOFSKI: I would have to take that on notice.

The Hon. Dr PETER PHELPS: I believe evidence has been given on this previously and it was a fairly substantial amount.

Mr KANOFSKI: It is substantial but I am not sure.

The Hon. Dr PETER PHELPS: Mr Kanofski, a person who, for example, is travelling from, let us say, Penrith to Sussex Street in the city—let us say he is Assistant General Secretary of the Labor Party—if he travelled M7, M2, Lane Cove Tunnel, Harbour Bridge, what would be the total cost of his toll at the current time?

Ms DROVER: My maths is not that good in real-time. We can take that on notice and do that calculation.

The Hon. Dr PETER PHELPS: Something of the order of \$22?

Mr KANOFSKI: I was about to say approximately \$22 would be the amount.

The Hon. Dr PETER PHELPS: What is the proposed amount if that same person were to travel from Penrith to Sussex Street via the new M4 WestConnex system?

Mr KANOFSKI: It would be \$8.95.

The Hon. Dr PETER PHELPS: In relation to the proposed Rozelle interchange, I realise that it is not finalised at this stage, but is it proposed that for the neck of the Balmain peninsula, which currently has Victoria Road on it, the proposal is to have some sort of underground arrangement from just after the Iron Cove Bridge to the Anzac Bridge or somewhere in the location of Rozelle Bay, which connects into the Anzac Bridge for traffic to the city. Is that correct?

Mr KANOFSKI: Yes. I will allow Ms Drover to comment in detail, but it is called the Iron Cove Link; it is untolled and it will be a link—and I will get Ms Drover to talk about connectivity—and it will take approximately 50 per cent of the traffic off Victoria Road.

Ms DROVER: There is probably much more to add. It is the Iron Cove Link, it was part of the reference design for the Rozelle interchange and it is part of the stage 3 conditions of approval that were granted by DPE earlier this year.

The Hon. Dr PETER PHELPS: And you said it was planned to be untolled?

Mr KANOFSKI: Yes. It is not tolled.

The Hon. Dr PETER PHELPS: So the whole idea that people would avoid a toll on that section and do a rat run over the existing link on Victoria Road would be incorrect?

Mr KANOFSKI: There would be no economic reason for them to do so.

The Hon. Dr PETER PHELPS: Indeed, it would be disadvantageous because you would have no traffic lights going that way underground and you would have numerous traffic lights above ground?

Mr KANOFSKI: That is correct.

The Hon. Dr PETER PHELPS: On that basis, does that mean that the intersections at Terry Street, Darling Street and Robert Street will have significantly less traffic, especially during peak-hour periods?

Mr KANOFSKI: Yes.

The Hon. Dr PETER PHELPS: Does that mean that, for example, at Terry Street there is a possibility that a right turn could be reintroduced to get back on to Victoria Road?

Mr KANOFSKI: We would certainly have to look at the detail of that. But, as I said, there will be significantly less congestion at those intersections than there is today.

The Hon. Dr PETER PHELPS: Given that there is an estimated 50 per cent reduction, that still seems an awful lot of traffic, or is 50 per cent your worst-case scenario in that, in fact, the likelihood is that 60 or 70 or 80 per cent of traffic using that link at the current time would continue through onto some section either of the Anzac Bridge link or some other section of WestConnex?

Mr KANOFSKI: The current modelling is 50 per cent, so that is our estimate of the traffic reduction. Ms Drover might help me out here, but the Iron Cove Link will connect to the M5, it will connect to the M4 and it will connect to the Anzac Bridge. But obviously you have got local traffic, you have also got people who want to connect to the surface network at City West Link who would remain on the surface. Our estimate is 50 per cent.

The Hon. Dr PETER PHELPS: But even given that, people who were driving to work or catching the bus to work from the entirety of the Balmain peninsula will in fact have better commute times because they will be able to avoid the bottlenecks at Terry Street, Darling Street and Robert Street, which currently exist, especially during the peak-hour periods.

Mr KANOFSKI: As I said, there will be a significant reduction. The traffic on Victoria Road will be substantially reduced. That will allow those intersections to operate in a much better way than they currently operate.

The Hon. SHAYNE MALLARD: And Parramatta Road.

The Hon. Dr PETER PHELPS: For example, a year 8 kid living in Birchgrove who catches the 444 bus to Fort Street every morning will now have substantially reduced travel times because the bottleneck at Darling Street will no longer require the bus to wait there for 10 or 15 minutes.

Mr KANOFSKI: We would expect that to follow. All intersection management is a balance between the through road, which in this case is Victoria Road, and the side roads accessing it. We obviously need to balance the speed and the throughput of the through road against local access. Clearly if there is less traffic on the through road that allows us to give more priority to people entering. Logic tells us that that would reduce travel time.

The Hon. SHAYNE MALLARD: Thank you for appearing before the Committee today. I would like to unpack some of the failings of infrastructure in the past, which we could learn from. Reverend the Hon. Fred Nile also referred to this. I commuted for two years to Liverpool, mostly by vehicle because of the hours I had to work. While we are here talking there are people in vehicles crawling—they are lucky if they are moving—in both directions in the M5 East tunnel, and particularly to the west. The incline is appalling and it causes blockages. My colleague is very keen to defend the tunnel. Semitrailers produce a lot of pollution and trucks occasionally hit the ceiling. What lessons have we learnt from that infrastructure project? Public opinion is that it is at capacity and that it was not good from day one. Are those lessons being applied to the new tunnels?

Mr KANOFSKI: The M5 East tunnel has 8 per cent grades. All of our new tunnels have grades that do not exceed 4 per cent. In terms of lessons learnt, that is an important process. Also, all of the new WestConnex tunnels are at 5.3 metres. There is never a guarantee that someone cannot contact the end, but if there is a 5.3 metre tunnel and there are detection systems prior to the tunnel—which we have—you minimise the opportunity for that sort of disruption. You can never say never, but you minimise the opportunity. The grades are probably the biggest issue. The 8 per cent grades in the M5 East tunnel, particularly in part of the network where we have a greater percentage of heavy vehicles than other parts, those two things combine. Clearly the new M5 will not have that.

The Hon. SHAYNE MALLARD: With semitrailers carrying shipping containers to the west, the intermodals and the M7 distribution, will there be incentives or a requirement for heavy vehicles to use the new tunnels as opposed to the old ones?

Mr KANOFSKI: There is no current requirement. We expect businesses to make sensible decisions. The efficiency of the new tunnel versus the old tunnel depends a little on the origin and destination. However, I would expect heavy vehicle users to take the grade issue into consideration because it clearly slows them down and time is money.

The Hon. SHAYNE MALLARD: I was reassured to hear about the Environment Protection Authority [EPA] requirements in relation to the exhaust stacks. As a City of Sydney councillor I was involved in the campaign about the East Sydney stack, which is near a childcare centre that Labor built. According to my recollection, there were no EPA requirements applying to that build in the early 2000s. When did this licensing requirement come in? Is it being applied to the old stacks as well? Will they be required to be brought up to standard?

Ms DROVER: The State Government announced that in February this year and the regulations are due to come in. They will apply to all motorway tunnels with ventilation outlets across New South Wales.

The Hon. SHAYNE MALLARD: That is reassuring. Does that include the Eastern Distributor stacks?

Ms DROVER: It includes all existing motorway tunnels.

The Hon. SHAYNE MALLARD: Your submission refers to the employment generated by WestConnex. I am interested in a breakdown of that. I am astounded when I visit the site. I live at Katoomba, so I travel down the M4 regularly. I see an enormous number of utes, trucks and fluoro vests. I imagine the project has provided a huge stimulus to the independently employed subcontractor sector. Can you comment on that?

Mr KANOFSKI: I will allow Ms Drover to provide the detail about employment. Clearly, these are very large construction projects. It is estimated that the WestConnex project will support 10,000 construction jobs. That incorporates subcontractors; it is employment generally.

Ms DROVER: On any day there are more than 3,000 workers onsite. We probably have about 1,000 people down in the tunnels working underground every day. There are huge opportunities for apprentices and trainees, for example, trainee engineers. There is great demand for those skills in Australia. There are some training facilities and hubs that have been developed as part of the WestConnex project. The M4 East has a training facility that has taken people with no experience in the workforce and trained them up. The many subcontractors working on these projects are also subject to the safety and other site inductions that major constructors have in place. We are skilling up the workforce and they can apply those skills and that training elsewhere on other infrastructure projects across New South Wales and perhaps Australia.

The Hon. SHAYNE MALLARD: I would like a breakdown of the categories of tradesmen and the percentage working on the projects. I would like details about the makeup of the workforce. I recall that when the Government started this unprecedented program across the State it took up a lot of the slack from the mining sector, which was in decline and people were leaving mining to get new jobs. I would also like the figures for apprenticeships. Can you break that down a bit more?

Mr KANOFSKI: We are happy to take that question on notice. All those records exist and we will provide full details.

The Hon. SHAYNE MALLARD: In forward planning will there be continuing work for them as WestConnex finishes, stage 3 starts and construction of the Northern Beaches line commences?

Ms DROVER: WestConnex construction is due to be completed at the end of 2023. There will certainly be many opportunities until then. However, we also have a deep pipeline of other motorway projects in development and planning at the moment.

The Hon. SHAYNE MALLARD: When I travel west on the M5 or the M4 at about 3.00 p.m. there is a flood of utes with tradies going home to the west. The project must be a big employer for Western Sydney. You probably would not have that information.

Mr KANOFSKI: No.

The Hon. SHAYNE MALLARD: I am talking about anecdotally.

Mr KANOFSKI: Clearly it is a huge employer and it has generated an enormous number of jobs for people throughout Sydney.

Ms DROVER: It is not only those who work onsite. Obviously many materials and supplies are being used on the project. All the industries that are associated with the manufacture of those materials and supplies are also creating jobs. There are jobs outside the main construction sites as well.

The Hon. SHAYNE MALLARD: You talk about the economic benefits of WestConnex. I am not talking about the construction but the forward planning. How do you arrive at that? Perhaps that question should be directed to the Treasury people.

Mr KANOFSKI: Clearly the economic benefits of job creation are taken into account. However, the biggest benefits of motorway projects that make up the lion's share of the assessment are the economic benefits of travel-time savings, which benefit all users, but particularly business users, and safety because of the reduction in fatalities and serious injuries.

Ms DROVER: There is one benefit-cost ratio [BCR] advantage, which is a direct economic benefit for the project, and there is also the BCR for the wider benefits the project delivers. For example, if we take traffic off the arterial road network and transfer it to a motorway network, that might free up capacity on the arterial network for more buses and other public transport. That is an economic benefit and that is counted, and it contributes to the wider economic benefit. That is one example.

The Hon. SHAYNE MALLARD: Is shipping containers getting to Western Sydney more efficiently built into the equation?

Mr KANOFSKI: Yes, absolutely.

The Hon. DANIEL MOOKHEY: It does not go to the port.

The Hon. SHAYNE MALLARD: I like to emphasise that; that is all.

Mr KANOFSKI: As I said, travel time savings for vehicles, heavy vehicles in particular—off the top of my head, it is probably costing you \$250, \$300 an hour to run a heavy vehicle with driver—obviously multiply out for a heavy vehicle. Those economic benefits are really very strong, from a freight perspective.

The Hon. SHAYNE MALLARD: I have to say I am a little startled by the concept that part of the savings are fewer traffic accidents, fatalities and injuries, particularly given some of the horrible car accidents we have seen. Have you calculated that figure? Do you have an idea of how many fewer accidents there will be and, heaven forbid, how many people's lives WestConnex will save?

Ms DROVER: That analysis is usually done as part of the preparation of a business case.

The Hon. SHAYNE MALLARD: I would not mind if you could provide that to us.

Ms CATE FAEHRMANN: There is the rub.

Mr KANOFSKI: Yes, we can take that on notice and provide what we can. The motorway network, in general terms, is the safest part of the entire road network. That is not to say there are no incidents on motorways, because there are incidents on motorways from time to time. But taken as a whole, the safest part of the New South Wales road network is the motorway network.

The Hon. Dr PETER PHELPS: Mr Kanofski, will the majority of the road between Strathfield and Haberfield be underground?

Mr KANOFSKI: All of the WestConnex road between Strathfield and Haberfield will be underground.

The Hon. Dr PETER PHELPS: Is the reason for that the fact that the corridor that was reserved was sold off by the Wran Government in the 1970s?

The Hon. DANIEL MOOKHEY: Maintain your rage!

Mr KANOFSKI: I would have to take that on notice.

The Hon. SHAYNE MALLARD: It was Jack Munday, actually.

Mr KANOFSKI: There are clearly a lot of benefits in undergrounding the road in terms of taking traffic off Parramatta Road and the potential urban renewal that is taking place along Parramatta Road.

Ms DROVER: It also reduces the property take. As a surface road, the property take would be significantly higher.

The Hon. Dr PETER PHELPS: Yes, you would have to have compulsory acquisitions at market rates. My final question is: You mentioned Parramatta Road; Are you aware of Parramatta Road?

Mr KANOFSKI: I have some awareness of it, yes.

The Hon. Dr PETER PHELPS: Was Parramatta Road originally a toll road?

Mr KANOFSKI: Parramatta Road was originally a toll road.

The Hon. Dr PETER PHELPS: Thank you.

The CHAIR: Thank you for appearing before the Committee today. We appreciate the information you have provided to us. We look forward to the opening of WestConnex; we will all be there.

(The witnesses withdrew)

(Short adjournment)

PHIL GARDNER, Deputy Secretary, Commercial, NSW Treasury, affirmed and examined

JIM DAWSON, Executive Director, Commercial Assets, NSW Treasury, affirmed and examined

KIM CURTAIN, Executive Director, Infrastructure and Structured Finance, NSW Treasury, affirmed and examined

SALLY WALKOM, Executive Director, Commercial Branch, Department of Premier and Cabinet, affirmed and examined

The CHAIR: As you know if there is any question that you are not able to answer today you can take it on notice and reply within 21 days. Do any of you wish to make an opening statement?

Mr GARDNER: I would like to make an opening statement and Ms Walkom would like to as well. I will introduce myself and my NSW Treasury colleagues and outline our respective involvement with WestConnex, particularly as it relates to the terms of reference for this specific inquiry. I am the deputy secretary of the Commercial Unit within NSW Treasury. I have overall responsibility for the teams that my two colleagues lead as well as for the transaction unit which manages the major asset recycling transactions undertaken, such as the 51 per cent sale of WestConnex. With respect to the WestConnex sales process, I was on the sale transaction steering committee and I am also the interim chair of the Roads Retained Interest Pty Limited entity, henceforth known as RRIPL.

My colleague, Jim Dawson, is the executive director responsible for the Commercial Assets Unit within Treasury. The unit has overall responsibility for the funding, policies and governance of the State Owned Corporations and other government businesses. With regards to WestConnex Mr Dawson and his team have worked with Sydney Motorway Corporation [SMC] board appointment, policy and reporting matters. The Commercial Assets Unit also has oversight of the recently established RRIPL entity which holds the 49 per cent of WestConnex. The role that Mr Dawson and his team plays relates to representing the shareholders and is independent of the negotiations and engagement that take place between SMC and RMS with respect to the delivery, operations and maintenance of the project. His team has been involved in the sale process to the extent that they have overseen the establishment, financing and ongoing policy oversight and reporting of the retained interest of RRIPL.

My other colleague Kim Curtain is the executive director of the Infrastructure and Structured Finance Unit [ISFU] within Treasury. The ISFU works alongside the delivery agencies on major public private partnership [PPP] projects and provides advice on procurement, risk allocations, financing and documentation. With regard to WestConnex they have been advising RMS on those matters with respect to the various project deeds for the three stages. Similarly, the transaction sale team has operated separately from the negotiations engagement that takes place between SMC and RMS with respect to the delivery, operations and maintenance of the project.

The sale team has been responsible for selling 51 per cent of WestConnex business as it operates under the project deeds between SMC and RMS. Finally, it is important to note for the inquiry the major event that has taken place between the date of the submission from the New South Wales Government for this inquiry was lodged and today, is that the agreement to sell the 51 per cent of WestConnex to the Sydney Transport Partners Consortium for \$9.3 billion was signed and announced at the end of August and financial close was achieved on 27 September.

Ms WALKOM: I am representing the Department of Premier and Cabinet and in my opening statement I will briefly describe the various roles the department has had in the development and delivery of WestConnex. First, the department is a member of the WestConnex Interagency Steering Committee which has oversight of the procurement and delivery of the project. The department was also a member of the steering committee for the sale of the majority share in SMC. And, as with all major projects, the department also provided advice to assist with the development of the business case for WestConnex as well as the strategic planning frameworks which identified the need for the project, such as the State infrastructure strategies, the long-term transport masterplan, Future Transport 2056 and the freight and ports plans.

The department also has a role in the assurance framework for projects like WestConnex. While assurance is done independently we are represented on the Infrastructure Investor Assurance Committee, which is chaired by Infrastructure NSW, and considers the outcomes of independent assurance reviews, health checks and deep dives. We also participate in a number of governance groups that report to that committee. We have also helped to develop various policies and initiatives that relate to and report to WestConnex. For example, the department is involved with implementing the toll relief initiative, which is the Government's initiative to reduce the cost of living for people who are frequent users of toll roads.

We were also involved in developing the motorway tunnel ventilation reforms announced earlier this year, which require additional health reports and analysis before motorway tunnels are approved and ongoing air quality monitoring emissions from motorway tunnel ventilation outlets. We are also currently working to respond to the capacity constraints currently being experienced in the construction sector to make sure we minimise the cost impacts of these constraints. This work is articulated in the 10-point commitment to the construction sector released in June this year. Development of this plan was led by Infrastructure NSW together with infrastructure delivery agencies, Treasury and the Department of Premier and Cabinet and implementation is well underway in collaboration with industry. Finally, as the Committee would be aware, the New South Wales infrastructure program is currently at record levels and across government. Departments are delivering on this program while continually looking for ways to optimise the long-term benefits of this investment, while minimising the short-term disruption that we acknowledge occurs.

The Hon. DANIEL MOOKHEY: Mr Gardner and Ms Walkom, would you table your statements and make copies available to us as well? Now that the bid is completed, I will start by asking some questions about the sale of the Sydney Motorway Corporation. How many Treasury officials were involved in the sale? How large is the team? How many staff?

Mr GARDNER: The transaction team, this whole process was probably around two years long, so there is no constant size of the team. But the transaction team that runs the sale process has eight permanent staff, and between four and six contractors through the majority of the life of the transaction.

The Hon. DANIEL MOOKHEY: What was the total cost to Treasury of the Treasury component of the sale?

Mr GARDNER: I will have to take that question on notice.

The Hon. DANIEL MOOKHEY: The eight staff included someone at the executive director level because that was reported in the Treasury annual report. Is that correct?

Mr GARDNER: That is correct, yes.

The Hon. DANIEL MOOKHEY: That person was the leader of the eight-person team. Is that correct?

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: You retained advisers, did you not?

Mr GARDNER: We did.

The Hon. DANIEL MOOKHEY: What category of advisers did you retain?

Mr GARDNER: The WestConnex sale process had a lot of very specific features. With all our transactions, all decisions regarding the types of advisers and the transaction needs rests with the steering committee which is charged with acting in accordance with the overall transaction objectives. The advisers we select, the process is overseen by a panel that includes staff with procurement and probity perspectives. In addition, most of our transactions have a core group of advisers across probity, legal, financial, tax and accounting.

The Hon. DANIEL MOOKHEY: Probity, legal?

Mr GARDNER: Financial, tax and accounting.

The Hon. DANIEL MOOKHEY: Is financial—

Mr GARDNER: Financial advice.

The Hon. DANIEL MOOKHEY: Is tax and accounting separate to financial?

Mr GARDNER: It is, correct. In addition to that, we had advisers advising the State on traffic modelling, on communications, on environmental matters—

The Hon. DANIEL MOOKHEY: When you say "advising the State", my question is about Treasury.

Mr GARDNER: That is advising Treasury, yes—advising the steering committee, technical, demographic and macro-economic to support the traffic modelling. We also utilised the resources of SMC management and Transport for NSW and RMS staff.

The Hon. DANIEL MOOKHEY: What was the total cost of all the advisers?

Mr GARDNER: In terms of the cost of advisers, we obviously comply with our reporting obligations under the Government Information (Public Access) Act, and all the individual adviser costings will be released in the total State sector accounts in the Crown Entity Financial Statements, which will be released this quarter.

The Hon. DANIEL MOOKHEY: That is good, but what will be the total cost?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Who are your legal advisers?

Mr GARDNER: Allens.

The Hon. DANIEL MOOKHEY: And were your financial advisers Goldman Sachs?

Mr GARDNER: They were Goldman Sachs.

The Hon. DANIEL MOOKHEY: Your communications advisers were Newgate?

Mr GARDNER: Correct.

The Hon. DANIEL MOOKHEY: For public relations. And your tax and accounting advisers were?

Mr GARDNER: PWC.

The Hon. DANIEL MOOKHEY: How much was Goldman Sachs paid?

Mr GARDNER: The total for Goldman Sachs is approximately \$15.5 million.

The Hon. DANIEL MOOKHEY: And Allens?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: What about Newgate?

Mr GARDNER: I will take that on notice.

The Hon. DANIEL MOOKHEY: In the sale process you undertook investor roadshows, is that correct?

Mr GARDNER: That is correct. Not me personally.

The Hon. DANIEL MOOKHEY: Not you personally but Treasury did?

Mr GARDNER: Yes.

The Hon. DANIEL MOOKHEY: How many?

Mr GARDNER: There was one individual from Treasury.

The Hon. DANIEL MOOKHEY: How many roadshows?

Mr GARDNER: One international roadshow.

The Hon. DANIEL MOOKHEY: How many people went on it?

Mr GARDNER: One individual from Treasury, two from Transport for NSW, and two of our financial advisory staff.

The Hon. DANIEL MOOKHEY: Did the two financial advisers from Goldman Sachs pay their own way, or did we have to pay for them?

Mr GARDNER: The cost of that is borne out of the proceeds from the transaction.

The Hon. DANIEL MOOKHEY: Where did they go?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: You placed advertisements in international publications, is that correct?

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: Which ones?

Mr GARDNER: Again, I would have to take that on notice, but domestically the *Australian Financial Review* was one.

The Hon. DANIEL MOOKHEY: Was the *Financial Times* one?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: How much did it cost?

Mr GARDNER: I will take that on notice .

The Hon. DANIEL MOOKHEY: Now that the sale is completed will Treasury be releasing the base case financial model? I asked this of your previous deputy secretary at the tolling inquiry. She made the point then it was subject to a sale process and it was kept confidential. Now that is finished, is the base case financial model, which describes how much money will be earned by WestConnex through its life, to be made public now?

Mr GARDNER: No .

The Hon. DANIEL MOOKHEY: What are the reasons for it to remain private?

Mr GARDNER: The primary reasons for keeping any aspects of the financial bids, the base case financial model or nature of the bids in the transaction private, is that that information can be used to baseline bids in other competitive processes. Whether it is capital project procurements or sale transactions, that information is commercial-in-confidence to the bidder party.

The Hon. DANIEL MOOKHEY: Is it Treasury's view that the base case financial model will now stay confidential for at least 42 years, for the remainder of the toll?

Mr GARDNER: Yes.

The Hon. DANIEL MOOKHEY: You are saying that because it will create risk in construction. Are we seriously suggesting that a construction company would not be able to figure it out, given Transurban has committed to publishing the traffic volumes?

Mr GARDNER: The base case financial model includes a lot of very specific information around—

The Hon. DANIEL MOOKHEY: Which is part of the reason why people would like to see it.

Mr GARDNER: I understand that, and the principal reasons we do not disclose it are the reasons that I set out.

The Hon. DANIEL MOOKHEY: Treasury does not feel that the base case financial model should be public, and it should remain private?

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: Moving forward, let us talk about Roads Retained Interests Pty Limited [RRIPL]. When was that company established?

Mr GARDNER: I might hand that to Mr Dawson.

Mr DAWSON: I would need to take that on notice.

Mr GARDNER: Excuse me, it was established in the period immediately prior to the announcement of the transaction.

The Hon. DANIEL MOOKHEY: Within the last two months?

Mr GARDNER: Exactly.

The Hon. DANIEL MOOKHEY: That is right and this would all be public, because you would presumably have to file the registration with the Australian Securities and Investments Commission?

Mr DAWSON: Yes.

The Hon. DANIEL MOOKHEY: My back of the envelope math tells me that if the 51 per cent equity stake is worth \$9.8 billion, then Roads Retained Interests Pty Limited must be worth \$9.41 billion. Is that an approximate valuation that Treasury would agree to, or you cannot tell us?

Mr GARDNER: We would not be able to confirm that. It would be a matter for our budget and State accounts teams and auditors to determine the appropriate value of that asset on the State's balance sheet.

The Hon. DANIEL MOOKHEY: Where would the State's interest be reported, which budget instrument? Would it be in the budget papers?

Mr DAWSON: The sole shareholder for the Roads Retained Interests Pty Limited company is the Treasurer. The financial results would be reported as part of the Crown results presented to Parliament.

The Hon. DANIEL MOOKHEY: You would agree with me it is likely to be a massive publicly owned asset? Is that correct? In terms of the State owned corporations, in respect of market value or Treasury valuation, it would be towards the more highly valued ones? That is a correct statement, yes?

Mr DAWSON: It is not a State-owned corporation. It is a Corporations Act Pty Limited company. It is holding 49 per cent of the WestConnex business. It would be sizeable.

The Hon. DANIEL MOOKHEY: Why is it not a State-owned corporation if it is worth more than \$9 billion?

Mr DAWSON: State owned corporations operate the businesses. The Roads Retained Interests Pty Limited is retaining an interest in a vehicle; it is an investment holding company. It does not run the operations of a business.

The Hon. DANIEL MOOKHEY: But it is a massive public asset.

Mr DAWSON: If I look at all the State-owned corporations, they actually run businesses. Sydney Water runs Sydney Water. Hunter Water runs Hunter Water. Road Retained Interests Pty Limited owns 49 per cent of the WestConnex.

The Hon. DANIEL MOOKHEY: Is it subject to the Treasury commercial framework?

Mr DAWSON: It is subject to certain components of the Treasury commercial framework.

The Hon. DANIEL MOOKHEY: Which ones?

Mr DAWSON: The reporting and monitoring framework.

The Hon. DANIEL MOOKHEY: The monthly or quarterly reports?

Mr DAWSON: It requires a range of reporting. There is an exception to that around capital project reporting, because the capital projects will be reported through RMS and Transport. It is subject to the board governance policy and also to the financial distributions policy.

The Hon. DANIEL MOOKHEY: That is interesting. Let us talk about the first aspect. Who are the board directories of RRIPL?

Mr DAWSON: The board directors, it is probably best to think of them in three waves, if that makes sense.

The Hon. DANIEL MOOKHEY: Let us start with the names.

Mr DAWSON: When the company was first set up, we needed a director to create the company.

The Hon. DANIEL MOOKHEY: Mr Gardner, congratulations.

Mr DAWSON: Mr Gardner was appointed at that time as director and interim chair. We then looked at having continuation of—

The Hon. DANIEL MOOKHEY: Sorry, Mr Dawson, I have limited time. It is a straightforward question: Who are the board directors?

Mr DAWSON: The board of directors today are Mr Gardner, Peter McVean and John O'Sullivan.

The Hon. DANIEL MOOKHEY: On notice, can you provide us the biographies of the three board directors?

Mr DAWSON: Yes.

The Hon. DANIEL MOOKHEY: Is Treasury intending to expand that board, shrink that board?

Mr DAWSON: Yes.

The Hon. DANIEL MOOKHEY: You are?

Mr DAWSON: Yes.

The Hon. DANIEL MOOKHEY: When?

Mr DAWSON: In about two weeks, three weeks time.

The Hon. DANIEL MOOKHEY: Is it being expanded?

Mr DAWSON: We will take directors who are currently on the Sydney Motorway Corporation and transition two of those directors to the Roads Retained Interest—

The Hon. DANIEL MOOKHEY: Which two?

Mr DAWSON: John Cooper, currently chair of SMC, and Cameron Robinson.

The Hon. DANIEL MOOKHEY: RRIPL has two board seats on the Sydney Motorway Corporation.

Mr GARDNER: It has four board seats on Sydney Motorway Corporation. Two today, Mr McVean and Mr O'Sullivan.

The Hon. DANIEL MOOKHEY: Yes.

Mr GARDNER: I am stepping down in any capacity as a director of RRIPL at the end of this month, so there will be ongoing four directors of RRIPL on the State side.

The Hon. DANIEL MOOKHEY: I turn now to the financial distributions policy that you made reference to. What requirements will it be subjected to to pay dividends to the public?

Mr DAWSON: The company itself will receive dividends from the WestConnex business.

The Hon. DANIEL MOOKHEY: Yes.

Mr DAWSON: They will only retain funds within the entity itself to the extent that it has ongoing expenses.

The Hon. DANIEL MOOKHEY: When do you anticipate RRIPL will be paid a dividend?

Mr DAWSON: That is not an issue for—when RRIPL receives money, it will pay a dividend.

The Hon. DANIEL MOOKHEY: That is obviously true. I am asking when will the Sydney Motorway Corporation be paying its 49 per cent shareholder, RRIPL, a dividend?

Mr DAWSON: That is a matter for the Sydney Motorway Corporation or WestConnex.

The Hon. DANIEL MOOKHEY: The problem is, Mr Dawson, the Treasurer has said publicly that 50 per cent of the dividends to be received from WestConnex will be paid into a community fund that will then be allocated to the public by way of public competition. Given that the Treasury made such a song and dance about this in his budget and the enthusiastic embrace of Government members today—it is a straightforward question—when will that money flow? When is this dividend funding meant to be allocated to the groups that are waiting for it?

Mr GARDNER: The dividends will flow when the business is in a position to pay those dividends, which will be a function of the time and cost to completion of the project. There are requirements set up in the investor agreement between the State—between the RRIPL entity and the joint venture partners that they are required to pay a minimum level of dividends back to the State when it is due.

The Hon. DANIEL MOOKHEY: When is it due?

Mr GARDNER: Again, the time frame of flows, financial information, anything to do with dividend streams, revenues are commercial-in-confidence.

The Hon. DANIEL MOOKHEY: Why then is the Treasurer saying to community groups, "Please come forward and make an application"? Why are we seeing the extensive public relations campaign around this if you cannot tell us the most basic information, which is when is this money going to be available to the public?

Mr GARDNER: The New South Wales Generations Fund is being seeded by \$3 billion from the Government, irrespective of the dividends and the flows from the WestConnex business.

The Hon. DANIEL MOOKHEY: You are forecasting, but do you have an estimate? Have you been advised and you are not telling us or you have no idea when this money is arriving?

Mr GARDNER: As part of the sole process, the preparation and the understanding of the economics and financial aspects of the sole process, we do an extensive amount of modelling on the cash flows and the financing of the business. So, yes, we have done that, but, again, they are forecasts based on a lot of very difficult to forecast variables—traffic numbers, cost base, time to completion, cost of completion, the cost of funding in the businesses.

The Hon. DANIEL MOOKHEY: Moving forward. Do you want to explain what the State works contribution is?

Mr GARDNER: The State works contribution is the component of the cost of funding the construction of WestConnex that is in excess of the equity value of the business.

The Hon. DANIEL MOOKHEY: That is to the value of what, \$1.6 billion, on present value of \$1.4 billion?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: When is it payable?

Mr GARDNER: It is payable according to schedule.

The Hon. DANIEL MOOKHEY: Yes.

Mr GARDNER: That is embedded in the State works deed.

The Hon. DANIEL MOOKHEY: Indeed.

Mr GARDNER: That is part of the overall project deeds.

The Hon. DANIEL MOOKHEY: That is when?

Mr GARDNER: That is commercial-in-confidence, I imagine.

The Hon. DANIEL MOOKHEY: We are paying an additional \$1.4 billion in addition to the equity share. This is what Transurban said:

The State Works Contribution is the capital contribution of Stage 3A to be provided by RMS. This is separate to the NSW Government's 49% share of the equity funding commitment of forced Stage 3A. Equivalent to the nominal amount of \$1.6 billion ...

This is the point we are trying to get to the bottom of. It states here that Transurban has said to its stockholders that this is separate to the New South Wales Government's 49 per cent share of the equity funding commitment.

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: Are we giving them an additional 1.5 or 1.6?

Mr GARDNER: No. That State works commitment was always part of the broad \$16.8 billion funding for WestConnex. There is no change to the way the project was going to be funded.

The Hon. DANIEL MOOKHEY: Moving on, this is the question that has come to us from many of the submissions that we have received, all of which call for stage 3A to be abandoned. I am not volunteering any views as to whether that is good or bad. What is the cost to the taxpayer if stage 3 was to be abandoned in both 3A and 3B? You might not be able to specify precisely the cost. What would we have to pay out?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Would we have to pay financial penalties?

Mr GARDNER: If we were to abandon stage 3?

The Hon. DANIEL MOOKHEY: I am asking because many people in the community would like to know. It has been one of the repeated themes in the submissions. To be fair to the people who have given us submissions, I should ask.

Mr GARDNER: Absolutely. It is an absolutely hypothetical scenario. It is very difficult. I do not have a framework—

The Hon. DANIEL MOOKHEY: It is not necessarily hypothetical. It is a call for action from some parts of the community. You would have to pay, presumably, financial penalties, what we said we would owe them under the base case financial model. Is that correct?

Mr GARDNER: I would take that on notice.

The Hon. DANIEL MOOKHEY: Moving on to the gateway funding. Now that we have learnt through an exotic form of evidence from RMS that the gateway is no longer part of WestConnex, the cost is \$2.2 billion to \$2.6 billion. Is that correct?

Mr GARDNER: That is my understanding, yes.

The Hon. DANIEL MOOKHEY: Last year the *Sydney Morning Herald* reported that it was to cost \$1.8 billion and that came from a leaked document from Cabinet. Of course, as a diligent deputy secretary you cannot comment on Cabinet leaks, but was it ever costed at \$1.8 billion?

Mr GARDNER: I am not aware.

The Hon. DANIEL MOOKHEY: Can you point to any aspect of the budget papers that contains a reservation for the Sydney Gateway?

Mr GARDNER: The gateway is funded, obviously, from a combination of the \$800 million within the WestConnex budget. The remainder of it will be funded, at this stage, from the Consolidated Fund and—

The Hon. DANIEL MOOKHEY: So not Restart NSW.

Mr GARDNER: There is not currently reservation in Restart NSW.

The Hon. DANIEL MOOKHEY: Is there one contemplated?

Mr GARDNER: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: That is quite crucial, because if you are not intending to use Restart NSW you do not have to comply with the Infrastructure NSW Act. That is correct, is it not? That would therefore mean that the business case and the benefit-cost ratio all has to apply. Does that mean that Treasury's guidelines will apply in its place? How is this being funded? Is it being funded from Restart NSW? If it is not from consolidated revenue, what other roads does this come at the expense of?

Ms CURTAIN: It still needs to comply with all of the Infrastructure NSW assurance processes. So it will go through all of the gateway reviews.

The Hon. DANIEL MOOKHEY: But the Act says that you cannot use Restart NSW money unless it has a benefit-cost ratio of more than one. If you are telling us that it is coming from consolidated revenue, that does not apply. In its absence the Public Accountability Committee would like to know what should we rely upon as the test if we are not going to be relying on the legislative test.

Ms WALKOM: It is correct that the Infrastructure NSW Act requirements would not apply. But nonetheless, a business case is still being prepared.

The Hon. DANIEL MOOKHEY: Treasury guidelines would apply, presumably.

Ms WALKOM: Yes. It will still need to comply with the business case guidelines. It will still need to go through all of the gateway reviews that are done independently through Infrastructure NSW. Then, when the final business case is complete, Government will make a decision as to—

The Hon. DANIEL MOOKHEY: Is the reason the Act is not complying because you are of the view that it will never pass the benefit-cost ratio of more than one?

Ms CURTAIN: No, that is not the reason.

Ms CATE FAEHRMANN: Turning to compulsory acquisition, Mr Gardner—I assume this is directed to you—how much does the legal bill currently stand at arising from compulsory acquisitions to date?

Mr GARDNER: I have had no involvement with compulsory acquisition activities, and have no knowledge of that.

Ms CATE FAEHRMANN: Anyone else?

Ms CURTAIN: No, the compulsory acquisition work was all led by RMS, so they have the details.

Ms CATE FAEHRMANN: Department of Premier and Cabinet?

Ms WALKOM: No. Again, that is a matter for RMS. The transport cluster leads on property acquisition for motorway and public transport projects. They do that through the Centre for Property Acquisition. They would have the figures on the costs so far.

Ms CATE FAEHRMANN: So there is no-one on the panel that has any knowledge of how many people have put in claims for more money in terms of market value of their houses. That is all RMS. Is that what you are saying?

Mr GARDNER: Exactly.

Ms CATE FAEHRMANN: Is it the case that final business cases are required by Treasury for projects with a total cost of over \$5 billion?

Ms CURTAIN: They certainly require a final business case.

Ms CATE FAEHRMANN: You have obviously seen the revised strategic business case of WestConnex from November 2015.

The Hon. DANIEL MOOKHEY: The updated one.

Ms CATE FAEHRMANN: Updated.

Ms CURTAIN: Treasury did.

Ms CATE FAEHRMANN: Have you asked RMS for a revised business case, once again?

Mr GARDNER: I would have to take that on notice.

Ms CATE FAEHRMANN: What do you mean you would have to take that on notice?

Mr GARDNER: We have no information. Therefore I cannot definitively rule it out. Therefore I have to take that question on notice.

Ms CATE FAEHRMANN: You are at a WestConnex inquiry. Mr Gardner, with respect, you are at a WestConnex inquiry and I am asking you whether Treasury has requested a revised business case from RMS.

Mr GARDNER: As far as I know the answer is no, but I cannot categorically affirm that no-one in Treasury has asked that. Therefore I will take that question on notice.

Ms CATE FAEHRMANN: Just back to the compulsory acquisition, I thought you could possibly take on notice—because we had such a short amount of time with RMS, as we do with you—the cost of compulsory acquisition. One of the questions was around the legal bills—where the total legal bills stand—for compulsory acquisitions. Another one is the difference between the market value—basically the claims people have made from RMS. Treasury would surely be aware, at some point, of this. Could you take that on notice, as well?

Mr GARDNER: We will take that on notice.

Ms CATE FAEHRMANN: How much as the New South Wales Government made from the proceeds of selling 51 per cent of SMC—which, I understand you just said was \$9.26 billion—minus all of the future costs associated with WestConnex? What is the balance of that \$9.26 billion? I understand the Treasurer was talking about investing that in future infrastructure projects. What is the balance?

Mr GARDNER: There are three sources of funding related to the WestConnex project. One is the \$9.26 billion that was raised in the sale transaction. A second aspect of it is that immediately after financial close, the business will refinance part of the stages. That will generate a little over \$1 billion of cash for the State. The third is that there as a sum of cash—around \$500 million—sitting in the SMC business that came back to the State. If you add that to the \$1.5 billion Commonwealth grant then you get a sum that is in excess of \$12 billion.

The \$16.8 billion was a total cost of the delivery of WestConnex. That was not what the State was going to pay for WestConnex; a proportion of that was raised through debt, so the State was likely to pay in the order of \$11 billion of grants and equity into the WestConnex project through its full life to completion. Therefore the sale proceeds and associated cash flows have exceeded that total sum of money. You also have to remember that there is a significant amount of debt—in the order of \$4 billion—that was on the State's balance sheet that SMC held, that has been removed from the State's balance sheet. And the State still owns 49 per cent of the business.

Ms CATE FAEHRMANN: What is the final figure then from all of that when you take out all of the costs associated with constructing WestConnex? I noticed that the Treasurer the other day was talking about several billions for infrastructure—schools, hospitals and what have you. What is that figure? What does Treasury say is that figure?

Mr GARDNER: I do not have that exact figure, but it is a sum combination of the amount of cash that is left over, plus you have that \$4 billion of debt that has been released from the balance sheet. The Government's decisions around funding capital projects is in reference to its ability to maintain its AAA credit rating under the Fiscal Responsibility Act. That is the reference point as to how much the State has to spend on new projects as opposed to what are the net proceeds that come out of WestConnex.

Ms CATE FAEHRMANN: I think the Treasurer the other day did say that there was a certain number of billions, did he not?

Mr GARDNER: Exactly. I cannot affirm exactly what he said.

Ms CATE FAEHRMANN: Considering we have had hundreds of people—the Committee was talking before about the number of submissions received about the impact on residents. One of the things that we have had submissions about—and we are yet to hear from them—is how people have felt absolutely ripped off in relation to compulsory acquisitions. Would it not be fair, if there are billions left over from the 51 per cent sale, to look at whether there can be a fairer compensation for many of these families and people who have missed out—as we know, an average of \$200,000 to \$300,000. If the Government has billions that it is looking at investing

in schools, hospitals and infrastructure, surely the first thing is to ensure that everybody is adequately compensated for the sale of their properties.

The Hon. Dr PETER PHELPS: Point of order: My point of order is in two parts. Firstly, as Mr Gardner made clear earlier, compulsory acquisitions are a matter for Roads and Maritime Services. So it is inappropriate to ask that question of Mr Gardner. Secondly, she is asking for a view of policy. It is deeply inappropriate to ask a public servant about a policy decision or a potential policy decision of government.

The Hon. DANIEL MOOKHEY: To the point of order: It has been longstanding practice that if public servants feel that they cannot answer a question, they simply answer by saying, "It is a matter of government policy."

The CHAIR: That is the normal procedure.

The Hon. DANIEL MOOKHEY: We heard Mr Kanofski do it multiple times this morning.

The Hon. Dr PETER PHELPS: The first part of my point of order was that it is an inappropriate question to this public servant in the first place because he has no role, and his department has no role, in compulsory acquisitions.

The Hon. DANIEL MOOKHEY: Further to the point of order: Treasury is a central agency that is capable of providing general advice and I interpreted the member's question to be more along the lines of Treasury's advice in that respect.

The CHAIR: I am sure the witness is capable of saying whether he is able to answer the question or not. We will leave it in his hands.

Mr GARDNER: The answer to the question, respectfully, is that I am unable to answer that question. It is a question for the Government.

Ms CATE FAEHRMANN: No worries. The issue we have is that we will probably try to get Ministers before this Committee but we will probably not be able to achieve that.

The CHAIR: Thank you again for appearing before the inquiry. Ms Walkom, in your statement you talked about the development of the business case for WestConnex. Is it possible to have that business case tabled? Is it a document?

Ms WALKOM: There is a summary of the business case on the WestConnex website; that has been publicly released.

The CHAIR: It is on the website?

Ms WALKOM: Yes.

The CHAIR: Can you provide us with a summary of the business case?

Ms WALKOM: I can provide you with the same thing that is on the WestConnex website, which is the summary, yes.

The CHAIR: I assume somebody in the department did the assessment as to whether it is more efficient to have a tunnel or an above ground development. Obviously, tunnelling is a major construction project underground. Who did the analysis as to whether it was more economical—it was obviously not more economical—underground or above ground?

Ms WALKOM: That would have been part of the work done by Roads and Maritime Services and its technical advisers as part of the business case. But, as we heard from Roads and Maritime earlier, tunnelling underground significantly reduces the construction impacts and also the property acquisition required. That said, you are right, it is more expensive and so those issues would have been weighed up in the business case.

The CHAIR: The acquisitions would have been a very large amount of money because of the businesses, housing, et cetera, on the route?

Ms WALKOM: That is right. We would have had to acquire more properties if we had built purely above ground.

The CHAIR: Was there a comparison between above ground and below ground done?

Ms WALKOM: I am not aware of that detail. We can take that on notice.

The CHAIR: I would like to know approximately what the saving was by constructing tunnels instead of being above ground. In your statement you also talked about the assurance framework for projects like WestConnex. Could you explain that assurance framework?

Ms WALKOM: Certainly. Infrastructure NSW administers the infrastructure investor assurance framework. It is a tiered, risk-based approach to investor assurance of infrastructure above \$10 million. Any infrastructure above that amount goes through a process of being assigned a tier. WestConnex is tier 1, which is high-profile, high-risk, and then there are four tiers, and each tier is subject to different levels of assurance depending on the tier that they are at. The projects are then subject to different amounts of project monitoring, reporting and external expert reviews such as gateway reviews, which happen at specific stages of the business case, procurement, tendering, contract award and then benefits realisation. Then there are always health checks and deep dive reviews, which can happen at other stages of delivery if required.

The CHAIR: You also mention in your statement that the department is involved with implementing toll relief. Could you explain the toll relief policy?

Ms WALKOM: Toll relief is a government initiative to ease the cost of living on frequent users of toll roads. Free vehicle registration is available to owners of privately registered light vehicles if they spend more than \$25 a week over the course of a year on a single tag account—that is \$1,300 or more a year. Toll relief started on 1 July this year and people can make a claim when they renew their vehicle registration; they will receive one free 12-month registration and, depending on the vehicle that they own, they will save between \$127 and \$715.

The CHAIR: What tolls will still exist when WestConnex is completed? Where will the tolls still operate?

Ms WALKOM: I believe that they will continue to operate where they currently operate and then WestConnex itself will have a distance-based toll with a cap on it.

The Hon. SHAYNE MALLARD: That is like the M7.

Ms WALKOM: Just like the M7. And trucks will pay more than cars, consistent with other toll roads. Tolling is obviously a matter for the Government, but they are made in line with a set of principles that the Government released—they were published in a Government submission to a Legislative Council committee on health and community services inquiry into road tolling. Essentially, similar principles that new tolls are applied if there is a direct user benefit, distance-based tolling is applied for new motorways, tolls are charged both directions, they reflect the cost of delivering the motorway network, among other things.

The CHAIR: You also outlined how you are involved in developing the motorway tunnel ventilation reforms, which I know have been a lot of concern to people. For example, the M5 East has been a disaster. What reforms have you introduced?

Ms WALKOM: Those reforms require that ventilation outlets of all current and future operating motorway tunnels in New South Wales will be regulated by the Environment Protection Authority. The EPA will require tunnel operators to meet air quality limits and undertake air quality monitoring where practicable. For new motorway tunnels that have not progressed to the environmental impact statement stage, additional checks will be required prior to planning determination. The steps are the Advisory Committee on Tunnel Air Quality, which I believe Mr Kanofski talked about earlier this morning, will coordinate a scientific review of a project's air emissions from the ventilation outlets; the NSW Chief Health Officer will release a statement on the potential health impacts of emissions from tunnel ventilation outlets and the Minister for Planning will not approve a motorway tunnel project until the Advisory Committee on Tunnel Air Quality scientific review is considered. In relation to WestConnex, this means the EPA will regulate ventilation facilities through an environmental protection licence.

The CHAIR: Mr Gardner, you gave details in your introduction about the 51 per cent sale of WestConnex to the Sydney Transport Partners consortium for \$9.3 billion, which was signed and announced at the end of August, and financial close was achieved on 27 September. Was that \$9.3 billion in line with your estimates as to what you would get from the sale?

Mr GARDNER: Thank you for that question. I will make a couple of comments around that. One is that the transactions that we run are not all about price. We set out a number of objectives related to the transactions that relate to the ability of the successful party to oversee the completion of WestConnex as well as the operations and maintenance for the 40 years. They are obviously a partner to government through our 49 per cent ownership of the stake and therefore it is very important to us that it is an organisation that has demonstrated the ability to work collaboratively with government. We got two bids that substantially met the Government's requirements in

terms of the proceeds, in terms of meeting all the transaction criteria and we were very confident, very happy, that we ran a competitive process and had a very, very good outcome.

The CHAIR: It is not just a dollar value.

Mr GARDNER: It is absolutely not just a dollar value. We have a number of important criteria that relate to the ability to deliver and work with government to ensure the best outcomes.

The CHAIR: We will move on to the Government members.

The Hon. Dr PETER PHELPS: Mr Gardner and/or Mr Dawson, I want to talk about the sale to the Sydney Transport Partners Consortium. Would it be fair to say that the recent price paid was in some way reflective of expected traffic volumes on the project?

Mr GARDNER: It is difficult for us to comment on the specific nature of how they arrived at their bid. It is a toll road with capped pricing schedules. Therefore, the price they paid is absolutely anchored in the revenue stream from the tolls as well as the cost from their perspective in terms of operating and maintaining the toll roads.

The Hon. Dr PETER PHELPS: This is something you will know about. Were the volumes forecast by the winning bidder higher than those in the base case?

The Hon. DANIEL MOOKHEY: Look at the modelling and find out.

The Hon. Dr PETER PHELPS: I am not asking for the modelling; I am just asking—

Ms CATE FAEHRMANN: Why not?

The Hon. Dr PETER PHELPS: I just want to know. It is a simple question. Was the winner's forecast higher than the base case?

Mr GARDNER: Unfortunately, I am unable to provide comment on any attribute relative to the Government's modelling versus the private sector bids. I am sorry.

The Hon. DANIEL MOOKHEY: It is frustrating, isn't it?

The Hon. Dr PETER PHELPS: Would it be fair to say that the market has reinforced the original BCR forecast?

Mr GARDNER: If you went back five to eight years and were looking to privatise a toll road such as WestConnex, there would have been extremely little appetite. There had been a series of failures—

The Hon. Dr PETER PHELPS: I think it is fair to say they were failures under Labor governments—the Cross City Tunnel and the Lane Cove Tunnel.

Mr GARDNER: Failures across a range of toll road projects.

The Hon. Dr PETER PHELPS: They are the only two which have failed and they are the only two which were Labor projects.

The CHAIR: Members will restrict themselves to questions rather than conflict.

Mr GARDNER: We are very fortunate to be in an environment that brings together a number of positive factors. One is the existence of a range of investors around the world, including the successful consortium, who are able to take on construction, operations and maintenance and the traffic risk involved in projects of this size. There is a significant amount of investor capital that supports them and we have very low interest rates and cost of funding. Therefore, I think the timing of this transaction has been very good in that those conditions may not persist into the future. We have been able to take advantage of a very good climate for passing on 51 per cent of the construction and traffic risk that the State would otherwise have had in WestConnex.

The Hon. Dr PETER PHELPS: So it is fair to say that we sold at what is reasonably foreseeable to be the top of the market?

Mr GARDNER: I will not use those words, but I am confident that we got a great outcome for the State.

The Hon. Dr PETER PHELPS: My next question was going to be did we get a great outcome for the State, but you have already answered that.

The Hon. SHAYNE MALLARD: Mr Gardner, earlier in your evidence you referred to the requirement to protect the State's triple-A credit rating. When the Coalition was elected it was under threat.

The Hon. DANIEL MOOKHEY: The economy was great.

The Hon. SHAYNE MALLARD: This is a foundation of the entire discussion about tolls and how we finance these roads. What are the consequences for the State economy and the people of New South Wales if the triple-A credit rating is reduced?

Mr GARDNER: The most direct consequence of losing the State's triple-A credit rating is an increase in the amount the State must pay to fund its ongoing and capital projects.

The Hon. SHAYNE MALLARD: Effectively loan interest would increase if we did not have an innovative financial model to build this infrastructure?

Mr GARDNER: The State's borrowing is done through the Treasury Corporation. The conventional wisdom is that if we lost our triple-A credit rating there would be credit spreads. That is the cost of funding particular to the State. That would increase and therefore the cost of borrowing would increase. That would result in either having to defer or to delay other priority projects or to borrow more to fund them.

The Hon. SHAYNE MALLARD: Or grow more debt. Does that knock on to the private sector? For example, does it have an effect on housing loans and business finance?

Mr GARDNER: Ultimately, when private sector financing is related to that type of credit rating there may be an indirect relationship.

The Hon. SHAYNE MALLARD: The Government's submission refers to relying on toll revenue to reduce the burden on taxpayers overall. Can you elaborate on how that works? Have we brought forward long overdue infrastructure that the State could not have afforded even if it were put on the debt sheet? Is that what we have been able to do?

Mr GARDNER: The answer to that question is predominantly one for the Government and its longer-term capital priorities. In terms of the specifics of WestConnex, as I said earlier, in the absence of the sale transaction the State would have had to find alternative means to finance stage 3 if it decided to proceed with it. Ultimately, there would have been an imposition either through the higher cost of borrowing, deferral of stage 4, or reprioritising stage 3 relative to other projects. There would have been implications for the State's ability to borrow or its ability to deliver stage 4 or alternative priority projects

The Hon. SHAYNE MALLARD: Looking at WestConnex—never mind all the other infrastructure being rolled out across the State—the Government could not have afforded to build WestConnex had it not introduced an innovative finance model like this.

The Hon. GREG DONNELLY: Point of order: The member knows that he is inviting a very senior public servant to speculate about a hypothetical issue. If the member is asking the witness to address a hypothetical, he should say so. I do not believe it is reasonable to pose a question in that manner.

Mr GARDNER: It is a hypothetical scenario; the sale did take place and we have been able to fund stage 3 through the sale mechanism. At some stage the Government would have had to make decisions around whether and how it would otherwise fund stage 3.

The Hon. SHAYNE MALLARD: Thank you for that. Is the innovative financial model unique? They are my words. Is it used overseas and is there overseas interest in how we have done this? Have other jurisdictions around the world applied this model to infrastructure projects?

Mr GARDNER: One of the interesting aspects of this that is unusual relative to other capital projects is that, from my understanding, the plan was to build and to sell incrementally, whether that was individual stages or as it is. From my understanding, that is a unique approach to delivering a major capital project. Most involve selling one asset to finance a completely new asset or using a public-private delivery model. As I said, when the development of WestConnex was being considered there was limited appetite in the private sector to provide funding for toll road projects given the construction risk and the traffic risk. The State has been rewarded for taking on that risk in this project given, as I said, that no-one would have been interested in it then, but today there is a tremendous appetite for this. The circumstances have aligned with a good outcome for the State.

The Hon. SHAYNE MALLARD: Ms Walkom, as I said earlier, I live at Katoomba and I travel regularly on the M4. Is the \$400 million project being done on the M4 from Penrith to Church Street and to the turnoff at Parramatta being done under the Smart Motorway project part of WestConnex?

Ms WALKOM: The widening of the M4?

The Hon. SHAYNE MALLARD: The ramps and so on.

Mr GARDNER: The widening of the M4 is part of the WestConnex project.

The Hon. SHAYNE MALLARD: All the way out to Penrith? I do not think that is the case. You are probably not the person to ask; I have probably asked the wrong person. You can take the question on notice. I am trying to establish whether that project is a Treasury or a Roads and Maritime Services investment in widening the road. It is much more than simply widening it; it involves all kinds of infrastructure. I want to establish whether it is separate from the WestConnex project.

Ms WALKOM: Yes.

The Hon. SHAYNE MALLARD: So the motorists using that road are not paying a toll for that work? That is the assumption I have made from the project information and the signs on the road.

The CHAIR: Can that be framed as a question?

The Hon. SHAYNE MALLARD: I did frame it as a question.

The Hon. Dr PETER PHELPS: Mr Gardner, you may be aware that community groups and individuals in Western Sydney have been calling for a return of the cashback scheme in place of toll relief. Has Treasury done any modelling on the cost of a return to that scheme?

Mr GARDNER: Not as far as I am aware.

The Hon. Dr PETER PHELPS: Ms Walkom, as you would be aware, there have been calls for a return of cashback. Has the Department of Premier and Cabinet done any internal modelling in relation to a potential cost for the return of the cashback scheme?

The Hon. SHAYNE MALLARD: It is still on the M5.

Ms WALKOM: Not that I am aware of; but RMS or Transport for NSW may have, so we can take that on notice.

The Hon. Dr PETER PHELPS: Would they not have gone to Treasury to seek that sort of financial advice, Mr Gardner?

Mr GARDNER: Cashbacks are a function of a lot of information that RMS is the owner of relating to the volume of traffic and what tolls that traffic pays and also how a cashback may change utilisation of the network. It is a very complex traffic modelling exercise, and therefore RMS is the agency we would direct that line of questioning to.

The Hon. SHAYNE MALLARD: The concession for the toll roads is to 2060; I will be 96 then, and I am not sure I will be still sitting on this inquiry. How do you get agreement to do upgrades of the infrastructure? The M5 is being widened out west, and that went on for years. How do you trigger those upgrades? There is going to be a requirement to upgrade in 2045; what is the trigger for the 49:51 relationship?

Mr GARDNER: The high-level answer to that is that those performance metrics and the actual management of the operations and upgrade and maintenance are all embedded in the project deed, which is the relationship between SMC, as the client, and the granter of the concession and the operator. Ms Curtain, do you want to add to that?

Ms CURTAIN: The project deeds do have provision for amendments. If government wants to make an amendment or a significant change to the roads as they are, there is a provision to work together in partnership with the WestConnex entities to make these changes. Under a normal PPP contract you would always have the provision for modifications and alterations during the term.

The Hon. SHAYNE MALLARD: It could involve a new arrangement, or a restructured arrangement.

Ms CURTAIN: Yes.

The Hon. SHAYNE MALLARD: You project a population for Sydney of 12 million by then, which is huge.

The CHAIR: We thank you very much for your attendance and the information you have provided. All the best with WestConnex. If you took any questions on notice, you have 21 days to answer those questions from when you receive them from the secretariat.

(The witnesses withdrew)

PETER HEHIR, Convenor, Rozelle Against WestConnex, affirmed and examined

MATTHEW DOHERTY, Member, Rozelle Against WestConnex, affirmed and examined

BRIAN GORMAN, Representative, North West Rozelle Residents, affirmed and examined

DENISE CORRIGAN, Representative, North West Rozelle Residents, affirmed and examined

The CHAIR: I welcome representatives of the Rozelle community panel. If there are any questions that you cannot answer, you can take those questions on notice and you will have 21 days in which to answer those questions. Do any of you have an opening statement?

Mr HEHIR: Yes, if I may. In spite of the evidence that you have heard this morning, the truth is that WestConnex is the southern hemisphere's biggest preventable unnatural disaster, a disaster from every conceivable point of view. It is a massive waste of taxpayer funds. Experts agree it will only worsen Sydney's traffic congestion. Both the benefit-cost ratio and the construction cost have been grossly misrepresented, with the true cost estimated independently by SGS Economics at \$45 billion. There has been no governance. Had there been, AECOM would certainly have been barred from the project not only because of investigations into corruption with its overseas dealings but due to it is appalling track record in relation to the business cases prepared for the failed Lane Cove Tunnel, the Clem Jones Tunnel [CLEM7] in Brisbane and the Cross City Tunnel here. These bankruptcies have involved staggering sums, with the costs subsequently borne by the taxpayer.

In New South Wales over \$1 billion has been paid to the operator of the Sydney Harbour Tunnel because of the failure to attract the patronage projected in the business case. If the Government was not aware of AECOM's abysmal track record, this establishes a prima facie case of gross incompetence. If it was aware then the Government was obviously seeking a company ready and willing to prepare a fraudulent benefit-cost ratio. There is unfortunately no other possible conclusion: It is either corruption, or incompetence. Any contract that guarantees to reimburse the operators for less than projected usage or that precludes an alternative or competing transport corridor is definitely not in the public interest. Los Angeles' eight hours of bumper-to-bumper traffic in peak periods has convinced legislators there to finally stand up to the fossil fuel lobby and to abandon the freeway approach to invest heavily in public transport.

Rozelle's four unfiltered exhaust stacks and tunnel portals will make the White Bay region the most heavily intentionally polluted area in Sydney, if not in the entire country. In excess of 50 tonnes of carcinogenic particulate material will be imported from St Peters, Cammeray and Five Dock and released above Rozelle, and will precipitate over us and the adjoining suburbs each and every year. The New South Wales Government is knowingly ignoring world's best practice. The Premier is well aware of this and said so in the New South Wales Parliament in 2008. Costs resulting from the induced and preventable morbidity and premature deaths will run into billions. She knows this, and yet she turns a blind eye.

In conclusion Rozelle Against WestConnex [RAW] request that this inquiry adopts the 10 recommendations on the final page of our submission, the principal of these being that a royal commission be convened into WestConnex and that no further contracts be signed until the commission has tabled its findings. The New South Wales Government has a legal and a moral responsibility to enhance the quality of life of its citizens and to protect them from harm. RAW urges the members of this Committee not to simply follow the dictates of your parties but to find according to your conscience. The life you contribute to saving may well be your own.

The CHAIR: Are there any other opening statements?

Mr GORMAN: I also have a statement. I could have died when I was 37 years old as the direct result of long-term exposure to air pollution. I was diagnosed with an aggressive grade three bladder cancer. After radical surgery and ongoing treatment, I am lucky to have survived. I never smoked or worked in an industry with harmful chemicals. I was shocked when my urologist told me that in my case air pollution was the number one trigger for causing my cancer. I live within 100 metres from one of the proposed unfiltered exhaust stacks and tunnel portals on Victoria Road. Within a kilometre there will be three more unfiltered stacks, and not much further away another stack at Haberfield.

There is no doubt the pollution spewing from these stacks and from the exhaust pipes of vehicles stuck in the bottlenecks at Iron Cove Bridge and Anzac Bridge will blanket all of Rozelle and all of the neighbouring suburbs. The thousands of users of the Bay Run and Callan Park will also be exposed to these pollutants. The WestConnex website leads you to believe that the pollution will pose no risk to the health of the people living in these areas. This is blatantly false. The EIS specifically states there would be an increase in concentrations of

pollutants where I currently live as a result of the general increase of traffic. This will greatly increase the risk of my bladder cancer recurring. But this will not just affect me.

A dive site the size of a mine is proposed directly across the road from Rozelle Primary School. Thousands of truck movements will be releasing diesel exhaust fumes for eight years, together with a century's worth of toxic dust, as well as lethal plumes of emissions meandering from the smoke stack up the hill towards the school. A three-year-old child starting at Rozelle preschool will be subjected to carcinogenic particulate matter for the next eight years of their school life. What disease will those children be diagnosed with by the time they are 37 years old? It was 20 years ago when my doctor told me about the carcinogenic effect that pollution had on my body. In 2012 the World Health Organisation confirmed this by classifying diesel as a carcinogen. By 2013 they declared air pollution a leading cause of death in humans. Our Premier Gladys Berejiklian stated recently in the media:

For me personally, and for the government, livability, enjoying your local area, enjoying your home, is increasingly important.

This comment angers me knowing that WestConnex is systematically wiping out suburb by suburb any chance of livability, any chance of enjoying the sanctuary of our homes and any chance at living a long and healthy life. Where is our Government's duty of care? I would like to conclude by reading a final quote:

Members of Parliament should examine their conscience and consider how they would feel if their children or the children of loved ones were exposed to this level of fumes every day and they were part of a government that could have put in place measures to reduce the impact of the fumes.

This was said by Gladys Berejiklian in 2008.

The Hon. GREG DONNELLY: Thank you for coming along today. Forgive me for going quickly but I have limited time for questions. We have received three submissions which have been incorporated into the inquiry. Mr Hehir, your submission is No. 387.

Mr HEHIR: Yes.

The Hon. GREG DONNELLY: Mr Gorman, yours is No. 554, and Ms Corrigan yours is No. 376.

Ms CORRIGAN: Mr Gorman will speak on behalf—

Mr GORMAN: I will answer the questions.

The Hon. GREG DONNELLY: That is fine.

The CHAIR: You have another submission, do you?

Ms CORRIGAN: I know the submission, but we have chosen Mr Gorman as our representative. I am just sitting here. Anything he cannot answer—

The CHAIR: There is no extra submission?

Mr GORMAN: No.

The Hon. GREG DONNELLY: First I will start with Mr Hehir's submission. On page 2 of your executive summary you go through a number of points. The fifth dot point about the compulsory acquisitions and the issue that you made some reference to in your opening statement, would you elucidate on your concerns about the compulsory acquisition process?

Mr HEHIR: It seems to have been grossly unfair inasmuch as some of the information we have had from residents who have been forced to leave Rozelle have been paid what they estimated to be about 60¢ in the dollar in terms of the comparative or expected market value of their property.

The Hon. GREG DONNELLY: They have approached you and provided evidence—

Mr HEHIR: Yes, precisely.

The Hon. GREG DONNELLY: —as to market rates?

Mr HEHIR: Yes, that is the case. RAW has something like 800 members who live principally on the peninsula and in adjoining suburbs. That is certainly the case. The problem they found is the paltry sum they have received in relation to the compulsory acquisition has meant that they have had to seek to purchase out of the area. Obviously the disruption that has caused has been a huge concern.

The Hon. GREG DONNELLY: Do any other witnesses have any information or comment about the issue of the compulsory acquisition process and its direct effect on you or on people you have been talking to and working with on this issue?

Mr GORMAN: Yes, we do. The key issue for us in our area of Rozelle is that the only way and first way we found out, as well as some of the residents on Victoria Road who lost their houses, was through a television story on *Channel 9News*.

The Hon. DANIEL MOOKHEY: The first time you heard the properties were being acquired was because you tuned in to Channel 9?

Mr GORMAN: That is right in July 2016.

The Hon. GREG DONNELLY: Was the final settlement of the price transacted for the purchase of the house below what you understand was market value or below what people believe was market value?

Mr GORMAN: I do not have any awareness of that myself.

The Hon. GREG DONNELLY: That was more a point to do with the provision of information about the process getting underway?

Mr GORMAN: That is right.

Ms CORRIGAN: Once the RMS started talking to residents in our street, those residents, whom we had known for many years, ceased to have conversations with us about compulsory acquisitions and price.

The Hon. GREG DONNELLY: Mr Hehir, on page 2 the second last point refers to the recommendation of the Audit Office of New South Wales and the Australian National Audit Office in regard to WestConnex. Both suggest that the project should not proceed "until the business cases are thoroughly revisited for stages 2 and 3." Are you quoting directly from one or either of those organisations?

Mr HEHIR: Yes, this was from information provided on the internet. Our submission was compiled with input from about a dozen people. That is clearly my understanding.

The Hon. GREG DONNELLY: Page 3, the second last point is to do with the matter of concerns of residents with respect to the exhaust stacks and the lack of provision of a filtration system. Would you expand on that?

Mr HEHIR: Certainly. World's best practice essentially is that these road tunnels adopt in-tunnel filtration which comes about as a result of the tunnel design. It is incorporated in the initial stage of tunnels. You have examples of this in Japan, Norway, Spain, Italy and China where the tunnels have been built with oxides of nitrogen and particulate matter filtration incorporated into the design. The experience in Japan has shown that this approach is incredibly effective, removing up to 98 per cent of particulate matter, which as we all know has been confirmed by the World Health Organisation as a proven carcinogen.

Clearly, the removal of these carcinogenic materials is vital if the Government is at all serious about not contributing to the decline in health not only of the tunnel users but also of the people who live adjacent. I was shocked by the evidence given this morning by the RMS; clearly it is a nonsense. World's best practice is that tunnels be filtered both for oxides of nitrogen and also for particulate matter. That is clearly world's best practice. The Premier herself is aware of this. She said so in this Parliament building in 2008 when she got stuck into the Australian Labor Party for that very reason.

The Hon. GREG DONNELLY: It is your submission and your evidence that what is being proposed and what was commented on this morning and gone into in some detail by RMS—what has been put into place with the tunnels and filtration—is not world's best practice?

Mr HEHIR: It is a long way from world's best practice. It is the antithesis of world's best practice.

The Hon. DANIEL MOOKHEY: One of the proposed smoke stacks is proximate to Rozelle primary school, is that correct?

Mr GORMAN: That is correct.

The Hon. DANIEL MOOKHEY: Can you explain what type of anxiety Rozelle parents have towards the prospect of a smoke stack that is next to or close to the school?

Mr HEHIR: Sorry, what was the question?

The Hon. DANIEL MOOKHEY: Can you tell us how the community is reacting to that? What type of anxiety? Have you been aware of any?

Mr GORMAN: We had presentations from Rozelle parents at a community meeting. We had two to three parents come up and speak to us. There is absolute fear and anguish because they do not know and there is not enough information in front of them to identify whether their children will be safe or not.

The Hon. DANIEL MOOKHEY: Have you had the opportunity to talk to RMS directly about these concerns, and have you had the opportunity to hear from RMS what steps it is taking to ensure that kids are learning in a safe playground?

Mr GORMAN: There has been no opportunity for us to speak to them about these issues. I think any information that we got is completely superficial. The best information we got was from experts that we had to source ourselves. Dr Noel Child, who is an expert—he is an engineer who I think has also provided you with a submission and I recommend you bring him to this panel—has definitely described the risks as well as Dr Ray Nassar who has also provided a submission to this panel. He outlines the extreme risk to health of anyone living near or around these exhaust stacks and tunnels. The parents were all able to come, and some did come. I am happy to table this. We had to set up our own community consultation or community information sessions because they just were not forthcoming, which we did, and Dr Noel Child did speak at that as well as a few other experts.

The CHAIR: Would you like to table that?

Document tabled.

The Hon. GREG DONNELLY: On the same theme of the stacks and the issue of no filtration, does RAW have a view about the reasons why, as best you can understand, the Government is proceeding along the track that it is with respect to funnelling the exhaust from the tunnels?

Mr HEHIR: I believe there are two reasons. The first is pretty childish, but it simply amounts to a loss of face, essentially. The second relates to cost. If, effectively, the Government has to admit that they are setting about to kill people by importing pollution on the sort of scale that they are proposing, the flow-on effect of that is that existing road tunnels would then, ipso facto, have to be filtered as well, and the costs associated with installing the filtration equipment in those tunnels would be horrendous. I think really that is the reason for the attitude that has been expressed by the RMS. There can be no other reason.

The Hon. GREG DONNELLY: Ms Corrigan, I have some questions about your submission, but Mr Gorman may wish to assist you in answering. Your submission deals with the acquisition of the Balmain Tiger's site on Victoria Road. You make some comments on page 2, going over to the top of page 3. Are there any particular points you would like to draw out and highlight about the exercise of the acquisition?

Mr GORMAN: I think the two main issues here have to do with the costs and also the traffic modelling that was done when the original DAs were put in for developments on the ex-Tiger's site. The main reason for the RMS denying approval was that there was an inability to satisfy the traffic requirements. So what completely shocks and surprises us is that the ex-Tiger's site is now going to be a dive site for the future Western Harbour Tunnel. Again, I am happy to table some information that defines exactly where that is. Of course, that is right opposite the Rozelle Public School. I do not understand how the traffic is going to work any better with hundreds and hundreds of truck movements coming onto that street.

The Hon. GREG DONNELLY: The top of page 4 of the submission relates to the issue of compulsory acquisition of property for the project, and specifically D.5 makes the point about residents unable to move due to lower house prices, presumably associated with the project. Is there anything you would like to add to that?

Mr GORMAN: I think it is just horrifying that we have seen our neighbourhood decimated, and some great neighbours of ours who had recently moved into our street on Callan Street left very quickly after they found the risk to the potential value of their homes. Now we are seeing that homes in the area are unable to be sold. I have one right next to me that has not been able to be sold as of the last two months, and it is just a newly built home. I put it down to the fact that residents can no longer move because they cannot afford to accept the prices. And why should residents be forced to move by this project? Why are we not allowed to stay in our suburb, which we absolutely love and respect?

Ms CATE FAEHRMANN: Continuing with that line of questioning, how many houses in the suburb of Rozelle have been compulsorily or voluntarily acquired? How many people have sold? Do you have that figure?

Mr GORMAN: I do not know the exact number, but I am thinking at the top of our street, there are 27 at the top of Victoria Road. And people who have left; I would say at least in our street there have been four houses where people have left.

Ms CATE FAEHRMANN: I would like to focus on air quality. Have you been told or have you heard about the monitoring of air quality before the tunnel is in operation? Is any air quality monitoring being undertaken at the moment?

Mr HEHIR: Not to my knowledge, no. In fact, the EPA has a couple of monitoring stations, one of which is sited in Callan Park underneath a tree in a nice sort of green, grassy area some distance away from sources

of pollution. And prior to the monitoring station that was erected in White Bay, the next closest to us was, again, in a lovely forested area in Lindfield. I do not think they have got any real accurate baseline measurements in relation to pollution in our suburb.

Ms CATE FAEHRMANN: You have not had any communication about that. Do you know anybody from your community who is on the air quality community consultative committee? Have you had any dealings with that committee?

Mr HEHIR: Not with the committee per se, but I am RAW's delegate to the Inner West Council forum, and recently we had a gentleman from the EPA give us a run-down on the pollution monitoring right throughout the Sydney region. And, obviously, he concurred that the monitoring was as indicated, and in fact the monitor in Callan Park, which is essentially the Rozelle monitor if you like, has been out of operation for some considerable period and has only just recently come back online. He also said that there is no monitoring of the central business district [CBD], which we all were quite alarmed at. Effectively, in the area that we are talking about on the western approaches to the CBD, there is a real paucity of baseline information. To that extent, our group and indeed a couple of others, have initiated the installation of resident monitors, which are currently being installed. This is connected to a citizens' network in Germany and is recording PM10 and PM2.5, which will provide the sort of baseline information that is currently lacking.

Ms CATE FAEHRMANN: Have you been informed that you will get more monitors in your area?

Mr HEHIR: No.

Ms CATE FAEHRMANN: You have had to do this yourselves?

Mr HEHIR: Exactly, that is right.

Ms CATE FAEHRMANN: Roughly how many residents in the community are installing these monitors to measure PM2.5 and PM10, which we know are carcinogens, and which the Government is not providing?

Mr HEHIR: With RAW, we have just put in an order for 10. They have just arrived and they are about to be installed. We have also had inquiries from a number of other residents. As the monitors appear, there will definitely be more come online. I would expect that ultimately there could be as many as 100 homes of members of RAW who would be installing these monitors in Lilyfield, Rozelle, Annandale, Balmain and so on.

Ms CATE FAEHRMANN: Mr Gorman, you spoke of one stack within 100 metres of where you live, is that correct?

Mr GORMAN: That is right.

Ms CATE FAEHRMANN: And then another three, so a total of four within a one-kilometre boundary?

Mr GORMAN: Yes.

Ms CATE FAEHRMANN: You have not been informed that you will have air quality monitors anywhere near where you live, within 100 metres, for example, of that stack? You have not been advised by the Government that your air will be monitored?

Mr GORMAN: Not only have I not been advised by the Government that my air will be monitored; the EIS describes the way that the stacks work by saying that the fumes just go up in the air and dissipate and disappear and will not affect me. However, we have been spending a lot of time talking to various experts. One in particular is Professor Ray Kearney, who has addressed many parliamentary inquiries. He directed me to the CSIRO. I would like to table some diagrams that the CSIRO has provided. This one in particular really scares me. This is a one kilometre square diagram. It shows, if you look at where it is pink and red, where particulate pollution is landing on the ground. That is pretty much where my house is, within that range. Although what is being professed by the EIS that it all disappears and is not going to affect anybody is absolutely false. This proves it and it is a CSIRO report, not something I have made up.

Ms CATE FAEHRMANN: Thank you. This is a general question for the panel. Given some of the stuff you heard from RMS and Treasury and your battle for the past six years or eight years, I think some of you are saying, do you think the benefits of WestConnex which we heard this morning, such as the time savings, are worth the cost? We are trying to get the benefit-cost ratio that the Government keeps talking about that the time travel savings are worth the cost on your health, your family, your communities.

Mr HEHIR: Certainly not. There is no justification. The cost to health has not been quantified, but clearly I would suggest it runs into billions. If we were to look at a fair cost-benefit ratio, just in respect of construction costs you are talking 16.8. SGS Economics, as I said earlier, have put that figure at something like

45 billion. The difference has to be made up by taxpayers. The cost to the community is horrendous. This is preventable and, unfortunately—there is no justification for importing 50 tonnes of carcinogenic material and putting to death a considerable proportion of the residents of our community. It is appalling.

Ms CATE FAEHRMANN: You have had a look at the cost-benefit ratio. Health costs are not included. Is that correct?

Mr GORMAN: Not at all.

Mr HEHIR: No, no, not at all.

Ms CATE FAEHRMANN: Mr Gorman, your health costs are not included?

Mr GORMAN: My health costs are very personal, and they are not included.

The CHAIR: Thank you for your evidence. You have talked about the problems with the land acquisition. The Government, in its statement to us, said that because 33 kilometres of WestConnex is being built in underground tunnels, this will minimise the need for land acquisition. What are they acquiring? What homes are they acquiring and for what reason?

Mr HEHIR: As far as Rozelle is concerned, the homes that have been acquired adjacent to where I live, there is a boarding house, the residents of which have all been moved out. A number of businesses have been acquired there as well. But the acquisition of homes, Mr Gorman could talk about more effectively because the bulk of those are in north-west Rozelle. The irony of the acquisition of these homes is simply not specifically for the construction of the tunnel portal, but, rather, as a construction zone for the installation of side offices and the ancillary equipment, parking and so on that is associated with the construction of the tunnel. At the end of the day, once the portals are constructed, the land that is left over presumably presents a windfall for the State Government and ultimately they will be flogging it off to developers who, no doubt, will be looking to erect high rises, which is completely and utterly incompatible with the existing housing stock.

The CHAIR: It also stated that it would have measures to reduce noise—minimisation measures. Are you aware of what success it has had?

Mr GORMAN: The only noise minimisation methods I have heard of are earplugs.

Mr HEHIR: Yes, earplugs. That is a tokenism, Mr Chairman—earplugs.

The CHAIR: It supplied earplugs?

Mr HEHIR: Earplugs.

Mr GORMAN: Yes.

Ms CATE FAEHRMANN: How did that go?

Mr GORMAN: We have not had noise in our neighbourhood yet, but I suspect it will not work.

Mr HEHIR: I can tell you elsewhere that has been really well received.

The Hon. DANIEL MOOKHEY: Have you been supplied with the plugs?

Mr HEHIR: We are yet to be affected, but we are anticipating the arrival of the earplugs, yes.

The CHAIR: It also stated, "We have reduced noise by installing temporary noise barriers." Have you seen the noise barriers and what effect are they having?

Mr HEHIR: Again, it is early days in our area. The works have not started yet. I understand that the contract for stage 3B will not be signed until December. Let us hope it is not signed at all. So, clearly, early days. I can, as a result of my involvement with the committee that the Inner West Council has set up—the Inner West Council forum into WestConnex—that every month I hear a litany of disaster in respect of the impact that this project is having on residents, the loss of sleep, the fact that they are working 24 hours a day, seven days a week. People are being driven crazy by the project. Clearly, the attempts at noise minimisation and minimalisation, whatever, are totally inadequate.

The CHAIR: The Government also claims it has conducted extensive and detailed communication with residents. Are you aware of that?

Mr HEHIR: That is a joke. I guess it is obviously referring to these community information sessions. This is a really sick joke, in effect. These community information sessions are staffed by people who are skilled in PR. Very few of the people who are actually in attendance have any knowledge of the project at all. In fact, what they are designed to do is divide and conquer. They take an individual off to one side, essentially, and tell

them essentially what they want to hear. The reason for this approach is because genuine community sessions where public meetings are convened with a view to having the public generally hear pros and cons in relation to what is proposed in the project simply have not been followed.

The reason that happened is because of the reception that they received at the Enmore Theatre in Newtown at the start of this project where they were essentially howled out of the theatre. The vitriol that was expressed by the members of the public who were attending, they were just so outraged at what they were hearing, that the Government decided they were not going to go down that road anymore and they were going to conduct what they deemed to be community information sessions which, in effect, were just a joke, basically. The people who attended these sessions could not answer questions. The two responses were, "I cannot answer that question because it is above my pay grade", or, "I cannot answer that question because the project has not been designed yet." Boom, boom.

The CHAIR: You say those people who were there to answer questions were more public relations officers than construction people?

Mr HEHIR: Yes, Mr Chairman. Yes, that is the case. They had zero knowledge, Mr Chairman.

The CHAIR: The Government has boasted that it has held over 2,075 face-to-face meetings with residents since the beginning of 2013. Does that seem to be an exaggeration?

Mr HEHIR: That may well have been the case, but it would be interesting to have them elaborate on the result of those meetings.

The CHAIR: It has also held 180 community information sessions, forums and street meetings?

Mr HEHIR: I am aware of the last one that they held at Five Dock. This happened at the end of the street in pitch black with a couple of tables set up in the dead of night with three or four people holding torches. If that is their idea of community consultation, it is ridiculous.

The CHAIR: Finally, it claims it carried out 3,496 doorknock events on residences?

Mr HEHIR: That may well have been the case.

Mr GORMAN: That does not necessarily mean anybody answered the door. They could have knocked on a lot of doors when no-one was home. I would like to see how many people they actually spoke to.

The Hon. Dr PETER PHELPS: Welcome to politics.

The CHAIR: We will move on to the Government representatives to enlighten us.

The Hon. Dr PETER PHELPS: You spoke about particulate matter. Do you have any reason to believe that more particulate matter will be falling on Rozelle than already exists?

Mr HEHIR: Yes, certainly. The reason for that is very, very, very, very, very clear. This proposal proposes to import pollution from Cammeray in the north by virtue of the Western Harbour Tunnel when it is constructed, from St Peters in the south-east and from Haberfield—that part of the world. So essentially you are looking at the importation of particulate matter and pollution that will only see the light of day via the four stacks in Rozelle.

The Hon. Dr PETER PHELPS: So you are saying that people travelling from those areas do not currently use Victoria Road, Anzac Bridge, the City West Link, Johnston Street, The Crescent or Balmain Road.

Mr HEHIR: I am not saying that at all. They may well use those routes—

The Hon. Dr PETER PHELPS: At the current time—

Mr HEHIR: —but the significant difference—

The Hon. Dr PETER PHELPS: —at a greater degree of inefficiency for their vehicles.

The Hon. DANIEL MOOKHEY: Point of order: We should just allow one question and one answer.

Mr HEHIR: I would be happy to answer the gentleman's question, if I could. Thank you. Yes, those routes may well be in existence at present, but the substantive difference between the two scenarios that we are discussing here is that vehicle exhaust on an open road is given an opportunity to dissipate pretty much at the point of source. The significant difference between that scenario and WestConnex is that WestConnex is proposing, as I have just outlined, to import pollution from suburbs that are kilometres distant from the point of release. That is the significant difference. If you look at the M5 East tunnel, based on the figures provided by the RMS, annually the M5 East stack emits about 10 tonnes of particulate matter every year. If we use that as a

baseline and look at the four stacks in Rozelle, you are looking at something of the order of 50 tonnes of particulate matter that will be released in Rozelle. Much of that stuff is generated from as far away as Cammeray, St Peters and Haberfield.

The Hon. Dr PETER PHELPS: So despite the fact that trucks and smaller vehicles will be moving far more efficiently at a constant speed through the tunnel, you believe—

[*Interruption*]

The Hon. DANIEL MOOKHEY: Point of order: The member is entitled to ask his question in silence.

The Hon. Dr PETER PHELPS: Do you believe that despite the fact it will be moving at a constant speed, and therefore the engines will be operating more efficiently, it will still result in greater particulate matter than exists at the current time when they have to go through multiple sets of traffic lights and through traffic congestion, particularly in peak hour?

Mr HEHIR: Yes.

Mr GORMAN: Could I answer that?

Mr HEHIR: Yes, and then I will follow up if I may.

Mr GORMAN: There are two points I would like to make. Firstly, I would like to table this, which is a current photograph of the traffic that occurs at the end of the Iron Cove Bridge just before you get to where the proposed tunnels are. The design documents which are available on the website conveniently do not show all of these lanes converging into the limited amount of lanes on that bridge. One of the questions we have is: what is going to happen to all of that traffic that currently backs up at the Iron Cove Bridge, because we are not enlarging the Iron Cove Bridge? To my understanding there is no change to this bridge or anything up in Gladesville. So it would seem to me that the traffic is going to back up into that tunnel and not move at great speed but just sit there idling away, spewing out all of that toxic emission into the smoke stack that is directly up the street from my house.

Mr HEHIR: I would agree with that.

Mr GORMAN: By the way, I would also like to table the statement from the EIS that says, "However, there would be an increase in pollutant concentrations on Victoria Road to the north of the Iron Cove link and near Anzac Bridge as a result of the general increase in traffic due to population growth and the project at that location."

The CHAIR: Thank you for that. We will table that document, and copy it for Committee members.

Mr HEHIR: I would also like to add, in an attempt to answer the gentleman's question in relation to the freer flow of traffic within the tunnels that the reality is that anybody who has ever used a freeway will tell you that it is fine when you are on the freeway, but getting on the freeway and getting off the freeway is the big problem. Where freeways interface with the local road network you invariably find huge bottlenecks. That, in fact, is definitely going to happen at the three exit portals in the now Rozelle goods yard and the fourth portal in Rozelle, which is the one that Brian was just talking about. Effectively you are going to see traffic banking up in those tunnels while they are waiting to try and interface with the existing road network. The problem that the drivers and occupants of those vehicles are going to experience is that, according to the RMS's own figures, they will be sucking in air which contains particulate matter 50 times higher than what is deemed to be the maximum acceptable level. That is a real issue.

The Hon. Dr PETER PHELPS: Mr Hehir, you mentioned vacant land and the possibility of the Government selling it afterwards for a large windfall profit. Is that correct?

Mr HEHIR: Yes.

The Hon. Dr PETER PHELPS: How do you correlate that with Mr Gorman's suggestion that properties are not selling. Is it the case that no-one wants to buy there or that everyone wants to buy there?

Mr HEHIR: All I can simply say is that the expectation on the part of the RMS is that they will sell the land that they have compulsorily acquired to developers for high-rise development. I think that they will be aided in this quest by virtue of the establishment of the Greater Sydney Commission, which is looking to achieve just that end.

The Hon. Dr PETER PHELPS: So is this project making residential land in Rozelle more or less attractive?

Mr HEHIR: I think the short answer to that question would have to be—based on the experience, information and feedback that I am getting from members of Rozelle Against WestConnex [RAW]—that there are people who have definitely got out of the area and have no desire to come back. I am also receiving inquiries from people about buying into the area and whether or not the subsidence that is likely to be caused by the tunnels or the impact on health of the stacks is likely to be a bar to that. So, really, it is very much up in the air. I would think that WestConnex is having a negative impact on property prices in the area. Once the contracts for stage 3B are signed and the works get under way I think you are going to find that the impact will be significantly greater.

The Hon. Dr PETER PHELPS: So you are suggesting that there might be a short-term downturn in prices in Rozelle, followed by a large increase afterwards, as all these property developers decide to come in and build—

Mr HEHIR: I do not think so. I think that people are ultimately going to find that the White Bay region—which incorporates Rozelle, Lilyfield, Annandale, parts of Balmain and so on—is going to become known as a toxic hot spot. Until the tunnels are filtered I think you are going to see that property prices will definitely fall in that area. But that is not going to stop the Government and developers from putting up high-rise development and attempting to flog it off.

The Hon. Dr PETER PHELPS: Mr Hehir, did White Bay once have a power station?

Mr HEHIR: It certainly did.

The Hon. Dr PETER PHELPS: And that was fired by coal.

Mr HEHIR: It certainly was.

The Hon. Dr PETER PHELPS: It did not have scrubbers on those stacks, did it?

Mr HEHIR: I do not know. I am not an authority, but if you say so, that may well have been the case.

The Hon. Dr PETER PHELPS: Those who bought in the area while White Bay power station was still operating would have had larger amounts of particulate matter than they are facing under the new regime, would they not?

Mr HEHIR: I have lived in Rozelle—

The Hon. Dr PETER PHELPS: Or are you suggesting that coal is clean?

Mr HEHIR: I am certainly not suggesting that coal is clean. I have lived in Rozelle since 1976. In that time the White Bay power station has not been operational.

The Hon. DANIEL MOOKHEY: Yes, it has been a while.

Mr GORMAN: May I make a point. I think it is important to identify that I do not think that anybody would say that it is a great thing to have particulate pollution landing on the populace in any suburb in any part of the city. So if there was an ancient substation or ancient power station that became defunct because it was no longer acceptable to have that sort of pollution on the populace, what is going to happen when you look at these tunnels and the particular pollution that is coming out of them? Aren't they just like that power station, where, in the future we will say, "Thank God that's gone because that was such a huge risk to the community's health."

The CHAIR: Did you want to add something, Mr Doherty?

Mr DOHERTY: I would also like to let the member know that the population of Pymont, by the 1980s had fallen to something in the vicinity of 1,800 people alongside this incinerator.

The CHAIR: Any further questions?

The Hon. Dr PETER PHELPS: Yes, I do have further questions. You mentioned that the business case was inaccurate, and in your submission you said that the BCR reduced slightly from 1.71 to 1.64. Would it be fair to say that both BCR figures are well above one, thereby confirming WestConnex is a value-adding project?

Mr HEHIR: My response to that is that I understand that those figures were supplied by SGS Economics and Planning, but in both cases, the cost to the community in relation to health certainly was not included. Had it been it clearly would have dropped that figure to substantially below one.

The Hon. Dr PETER PHELPS: Also in your submission you said that it failed to meet the original goals of the project in connecting ports and airport. Are you aware that the Government has made an announcement about the Sydney Gateway project?

Mr HEHIR: Yes, I am aware that that has happened quite recently, but bear in mind that the question you asked was related to the original concept of WestConnex, which I believe had four goals, one of which was connectivity to the CBD, another to the airport and a third to the port, and none of those things actually happened.

The Hon. Dr PETER PHELPS: You say in your submission that Sydney needs a world-class public transport system.

Mr HEHIR: Yes.

The Hon. Dr PETER PHELPS: Are you aware of how much money the Government is spending on public transport over the next four years?

Mr HEHIR: Yes. I am also aware of how much money the Government is wasting on WestConnex.

The Hon. Dr PETER PHELPS: So is it fair to say that you are aware that the Government is spending \$51.2 billion on public transport over the next four years?

Mr HEHIR: As I have said, as we all agree I think, Sydney, probably of all the major cities in the world, has arguably the worst public transport system bar none. So any amount of money that is spent in relation to improving public transport, particularly for those people in the west, the people who really live kilometres from a train station, kilometres away from a bus stop—these are the people who are forced into their vehicles and who will ultimately be the people who carry the can in terms of the cost of WestConnex, and I think that is a bloody inequitable situation.

The CHAIR: That brings us to the end of the questions. We thank you very much for your attendance and we also thank the members of your association and supporters from the region. We know it is a very personal, live issue for each one of you in the audience. We thank you for coming and being part of our hearing here at Parliament House and we thank your representatives, who have done a pretty good job.

Mr HEHIR: Thank you, Mr Chairman, and let us hope that you guys arrive at the right kind of conclusion.

(The witnesses withdrew)

(Luncheon adjournment)

PATRICK HARRIS, Senior Research Fellow, Menzies Centre for Health Policy, University of Sydney School of Medicine, representing the Public Health Association of Australia, affirmed and examined

The CHAIR: I welcome Dr Patrick Harris to this hearing. Thank you for appearing before the Committee. Would you like to make a short opening statement?

Dr HARRIS: The Public Health Association of Australia [PHAA] is the leading national peak body for public health representation and advocacy to drive better health outcomes through evidence-informed policy. I am the vice-president of the New South Wales branch of the PHAA and I am also a senior research fellow at the Menzies Centre for Health Policy at the University of Sydney. My expertise is in the inclusion of public health issues in public policy rather than a technical evaluation of health impacts. However, I am happy to take technical questions on notice. The PHAA is concerned about and sympathetic to the public's issues about the project's health impacts as it stands, but is focused here on planning decisions we would like to see addressed by the inquiry.

As articulated in our submission to this inquiry, the known relationship between health impacts and transport planning crosses a range of issues including safety, environmental conditions such as air, water and soil, climate change, facilitators or barriers to physical activity, social connectedness, mental wellbeing, access to goods and services, and opportunities for employment. From a public health perspective, the preference is for a mix of transport modality options, including but not limited to roads. Our concern is that the WestConnex motorway project did not allow for that in its planning. This is made more problematic by the early planning for the project never having been in the public domain. By the time updated business case was produced in 2015, the key decisions preferencing the motorway project as the sole alternative had been made but are not available for scrutiny.

There is a clear contradiction at the heart of the project. The updated business case refers to achieving the New South Wales Government's strategic goal No. 8, which is to improve public transport by reducing the number of vehicles on the road. This appears to be opposite in relation to the WestConnex project, which fundamentally provides a motorway to cater for a larger number of vehicles. There are no costings in the updated business case for alternative transport investments. The resulting analysis suggests that roads are the only viable option without testing that assumption.

The emphasis is then on maximising attractiveness to road users in order to deliver a return on capital not on meeting any proven transport need. The planning for the project is opaque and difficult to assess and to understand. For instance, the details behind the original broad and multi-modal solutions that Infrastructure NSW undertook in 2012 are missing. The original Infrastructure NSW State Infrastructure Strategy and the 35 page report about the idea of WestConnex argues that WestConnex must be more than a road. However, the analysis presented in these documents suggests that additional concerns in community consultations that informed that planning—including coordination of land use and transport planning, improved public transport, improved urban amenity, minimising air and noise issues, and protecting heritage—are consistently undervalued.

The economic analysis presented in these documents emphasises the benefits of the project, especially travel-time savings, marginalising the required mix of risks and benefits that are known to impact on public health. Further, the wider economic analyses focus on agglomeration and labour supply. This ignores the known evidence that transport infrastructure influences many different dimensions of health by shaping the environment in which we live, work, move and socialise.

Looking to the future, there are questions concerning whether the planning for WestConnex has adequately taken into account Sydney's strategic planning context. For instance, if WestConnex has been integrated into the Government's strategic decision-making, why has there not been an update to see how the project will link with the 30 minute concept being developed and progressed by the Greater Sydney Commission? If a primary driver for the project was connecting Western Sydney with the airport, the building of the second airport in the west challenges this assumption and should warrant a review of that earlier analysis.

The Hon. GREG DONNELLY: Thank for appearing before the Committee and for your submission, which is submission No. 381. I refer to pages 5 and 6 of the submission in which you mention the Public Health Association of Australia's concerns about the business case. You made further comments about that in your opening statement. Are there any particular points on those two pages on which you would like to elaborate? If there are, I would like to draw them out a little. If not, I can move on to further questions about your recommendations.

Dr HARRIS: We are concerned that the business case process does not adequately address a broad range of public health concerns. As I said in my opening remarks, the known evidence of the links between transport planning and public health is much broader than travel-time savings or issues related to driving in

vehicles. We think at this point that the benefit-cost assessment should more adequately incorporate those concerns.

The Hon. GREG DONNELLY: If we are looking at a large infrastructure project and if we say that what we want to do is to take into account the current best practice or generally understood good standards that we want to adopt in respect of public health impacts, where do we look to establish those considerations? Is there a list or a set of metrics?

Dr HARRIS: There has been a lot of evidence around the relationship between the urban form and public health since the 1990s. More recently some work has been published in a *Lancet*-commissioned series. It identifies the causal pathways between urban transport planning decisions all the way down to different risks from air quality, noise, sedentary activity to hospitalisations. That is a very sophisticated evidence base. We do not feel that that has been adequately captured in the current processes.

The Hon. GREG DONNELLY: You have an understanding of or at least some familiarity with best practice or indices that are used in making these assessments. Can you now cast your eyes towards the WestConnex project? What are the key gaps? Are there any standouts that have not been taken into account which you believe represent a missed opportunity and which, at the very least, should have been considered?

Dr HARRIS: As you know, these projects are enormously complicated to plan. One of the main concerns we have up front is that the original decision to proceed with the project was based on an opaque set of what I would call potentially motherhood statements. Initially Infrastructure NSW came up with the idea of WestConnex based on the fact that 96 per cent of the people were using cars so we should build a road. That was the planning decision. Later in the process there are points at which you can have checks and balances around what you might consider.

However, the problem is that the decision about the road has been made up front rather than after comparing roads versus other modes of transport. That it is one problem. Within the process itself, things like air quality and noise assessments are done by the Department of Health and others fairly well in terms of the impact assessment process. However, as far as we know, that is done very late in the process. That is about mitigation, compliance and project approvals. At that point it is almost too late because the decision has been made and we are trying to retrofit it to what we think the impacts might be. However, having said that, one of the issues around WestConnex that we have looked at in terms of the environmental assessment is that social issues were not really fully considered, we feel.

The Hon. GREG DONNELLY: Would you like to tell us what the term "social issues" would encompass as a consideration?

Dr HARRIS: Things like mental wellbeing, social connectedness, what is happening in local communities when these big projects come into people's lives. It is more than just the nimby response; it is about what is happening when people do not fully understand what is happening in their lives and suddenly a decision is thrust upon them that, to be quite frank, is very challenging for them.

The Hon. DANIEL MOOKHEY: Dr Harris, you have some familiarity with the WestConnex environmental impact statement?

Dr HARRIS: Yes.

The Hon. DANIEL MOOKHEY: You have read it?

Dr HARRIS: Yes.

The Hon. DANIEL MOOKHEY: Can you point me to the page on which its health effects are considered?

Dr HARRIS: Which of the 1,000 pages would you like me to point to? There is a health impact assessment area in the document—this is one of the EISs for one stage of the project we have many looked at in terms of the M4 East—and that is mainly considering air quality issues.

The Hon. DANIEL MOOKHEY: Is that the extent of it really?

Dr HARRIS: Pretty much, which we feel is limited, particularly because concerns in the community were raised around air quality issues really being tied to the transport modelling data that was included in the first place.

The Hon. DANIEL MOOKHEY: Would you describe any of the secretary's approval conditions when she or he gave planning approval—I am not sure which secretary it was—as establishing any enforceable commitments from WestConnex in respect to health that would put your association at ease?

Dr HARRIS: No.

The Hon. DANIEL MOOKHEY: Will the WestConnex make me healthier?

Dr HARRIS: No.

The Hon. DANIEL MOOKHEY: Will it make me unhealthier? If so, please explain how.

Dr HARRIS: Potentially—I do not want to get caught in the technicalities, as I said, so I can take that on notice and refer to some of my colleagues who are more expert in this area.

The Hon. DANIEL MOOKHEY: I appreciate you taking my personal health needs on notice, but you do not need to limit your answer to me per se. What are your concerns and fears about how this project could lead to adverse health outcomes for the affected communities that we should be aware of?

Dr HARRIS: At a large-scale level, if you are not giving people adequate choice to have different transport options, you are trapping them into cars for the next hundred years, which is not ideal from a public health perspective in terms of either sedentary behaviour or issues around air quality, noise et cetera. From a construction perspective, there are—

The Hon. DANIEL MOOKHEY: Before you move on, is that more likely to disproportionately affect people who live in Sydney's west than people who live close to Sydney's urban core?

Dr HARRIS: Yes.

The Hon. GREG DONNELLY: At this stage of the project—concrete is probably being poured as we speak—is it too late to look at some of the matters that you would argue should have been considered in the first instance? The dye is set in some respects, but is it too late to argue that there are matters, specifically public health matters, that we should be looking at and arguing for?

Dr HARRIS: Yes.

The Hon. GREG DONNELLY: Could you elucidate?

Dr HARRIS: The challenge from a public health perspective, as I was saying, is the strategic decision-making that went ahead to inform that a road would be built at the cost to the taxpayer of \$18 billion. From a public health perspective, you would like to see, if that cost and even smaller investments were spread across the existing network, what would be the benefit of that? But we cannot see that, because it is not clear in any of the analysis as presented in the early planning documents. By the time you get to the EIS process, which is usually when the health input happens and that is usually done using quite high technical skill and rigour, it is almost too late.

Ms CATE FAEHRMANN: Going back to your submission, particularly in relation to measuring health impacts within a cost-benefit analysis, you say on page 5 that there are legislated requirements to consider a wide range of impacts and they were not sufficiently met, specifically in relation to the cost-benefit analysis. Please point the Committee in the direction of what those legislative requirements are. You can take this question on notice.

Dr HARRIS: Yes, I will take that on notice, thanks.

Ms CATE FAEHRMANN: That is okay. I do not know if you heard the previous witnesses, who are residents of Rozelle, talking about the potential impacts of stacks. One gentleman said he will have a stack within 100 metres of his house and another three within one kilometre, and in that area there are lots of residents as well as schools and what have you. Unfortunately, he had bladder cancer, which he spoke about. As a doctor, do you have concerns about four stacks in residential areas? Are you aware of the fact that in New South Wales we do not filter ventilation stacks from motorways? Does that concern you?

Dr HARRIS: Unfortunately, I am not a medical doctor.

The Hon. DANIEL MOOKHEY: I am now far less interested!

Dr HARRIS: I am the original type of doctor, a doctor of philosophy. I cannot answer that question because I do not have the expertise, but I can take it on notice.

Ms CATE FAEHRMANN: Okay.

The Hon. DANIEL MOOKHEY: Free medical advice.

Ms CATE FAEHRMANN: Going back to the cost-benefit analysis, which is largely what the Public Health Association submission dealt with, you talk about the need to consider a wide range of impacts in the

cost-benefit analysis. What would you have preferred to have seen the consultant who did the cost-benefit analysis had done to measure all of the costs of this motorway?

Dr HARRIS: The challenge with the cost benefit as it is currently practised in New South Wales, particularly for transport projects, is that there is a real emphasis on travel time saving. That is because that can be costed fairly efficiently, I suspect. What we are concerned about as an association is the range of impacts that we have articulated in our submission. Whether or not the cost-benefit analysis is ultimately the right tool to include those things should be questioned; however—and I can take this on notice to get more detail—my understanding from health economists is that the cost-benefit analysis does not necessarily have to be as narrowly applied as it is. It can incorporate a much wider range of impacts, which is really, as we have listed at the front of our submission, the range of things we think should be considered. Going back to the previous question about equity, these types of impacts are differentially distributed across the population—in this case, particularly the disadvantaged in the west of Sydney, maybe, and also the locally impacted communities. Those should be considered better as well.

Ms CATE FAEHRMANN: That leads to my next question, which you can also take on notice, because it is a request for world's best practice cost-benefit analysis of similar transport projects that have taken into account the public health impacts.

Dr HARRIS: I will take that on notice, but at the same time I say that I am a researcher and I am investigating that line of inquiry myself. I think there is real benefit if that kind of research was to happen to understand best practice internationally.

The CHAIR: I noted in your comments on the business case, you made a very strong case that the Government is really only interested in the economic factors. I cannot find any reference to health factors, as you have indicated. I note the 2015 updated business case, particularly the economic appraisal chapter and so on. The Government has taken as approval the quote that the economic analysis undertaken demonstrates that WestConnex is economically viable. The Government's focus is clearly on the economic benefits, and there seems to be no reference to health benefits. Would you like to comment on that?

Dr HARRIS: I agree. One of the challenges for government, looking forward to these types of projects is how wide do we go around how we define the economy and currently the economy, particularly for large infrastructure projects, is on the cost of the asset. But the asset has much wider impacts and they should be factored in to the decision-making.

The CHAIR: You would be arguing that there should be stronger public health considerations by the Government in considering a project?

Dr HARRIS: I would argue there should be stronger public interest considerations of which public health would be one.

The CHAIR: Would you call that a blind spot?

Dr HARRIS: Depends how large the blind spot is. The blind spot on the sun. Yes, it is a blind spot.

The CHAIR: Would that be caused partly by the philosophy of a Liberal-Nationals Coalition Government?

Dr HARRIS: I do not believe so, no. One of the things I would like to say is I think the investment in infrastructure here in New South Wales has been unprecedented under the recent Government. That brings with it risks and it brings with it benefits for the population. I think going forward what we would like to see is a much more transparent assessment process and cost-benefit analysis with an appraisal process to inform these decisions. I am not saying infrastructure is terrible at all. It has great benefits. They are not captured in the current methodologies used to plan for this project.

The CHAIR: In your submission you make reference to "inequitable distribution of impacts". Could you expand upon what you mean by that? How do you come to this criticism and what criteria do you use?

Dr HARRIS: From a public health perspective we know that health status in the population is what we would call differentially distributed. From an urban planning or a transport planning perspective those that might be geographically disadvantaged by a decision are likely to have worse health outcomes. Something like WestConnex is interesting because it is sold on the idea of bringing the west to the centre of the city almost. But one of our concerns is that it does not actually address the urban livability problems that are happening in the west.

Also, unfortunately the people from the west are looking like they are going to have to pay for it as well with the tolls. That immediately disadvantages those people. I should say as well that locally one of the challenges

is that there is often a trade-off with regional impacts and local impacts on local communities. It would be interesting to see or think earlier on about how local communities are quite diverse. They are not necessarily homogenous as entities. I do believe that kind of detail is missing from some of the planning behind this.

The Hon. Dr PETER PHELPS: Thank you for coming in Dr Harris. I am also a non-doctor doctor. Would you say that healthy planning really hit its stride during a major legislative reform exercise that began in 2011?

Dr HARRIS: I would, and if you look at some of my own work that would be starting from work that happened in New South Wales about 10 years prior to that. Yes, that was a window of opportunity to influence.

The Hon. Dr PETER PHELPS: And that it came to a head in November 2017 when the State Parliament passed amendments to the Environmental Planning and Assessment Act?

Dr HARRIS: It did not come to a head, no. It is still going.

The Hon. Dr PETER PHELPS: I have an article here in *The Conversation* from a Dr Patrick Harris which states:

This came to a head in November 2017, when the state parliament passed amendments to the Environmental Planning and Assessment Act 1979.

Is that a different Dr Harris?

Dr HARRIS: It is the same Dr Harris, but I think you are misquoting the piece.

The Hon. Dr PETER PHELPS: It continues:

How has NSW brought health into planning?

Healthy planning has always had champions in NSW, but really hit its stride during a major legislative reform exercise that began in 2011. This came to a head—

Dr HARRIS: The exercise came to a head.

The Hon. Dr PETER PHELPS: It continues:

... in November 2017, when the state parliament passed amendments to the Environmental Planning and Assessment Act 1979. This legislation now lists two objects of direct importance for health:

protection of the health and safety of occupants of buildings

promotion of good design and amenity of the built environment.

Did you write that?

Dr HARRIS: I did. If you understand public policy, as I am sure you do, public policy does not stop at legislation. Legislative reform can come to a conclusion when that legislation has been amended but the system itself has to then respond to that legislation.

The Hon. Dr PETER PHELPS: What aspect of the current WestConnex project do you believe does not meet the requirements of the Environmental Planning and Assessment Act?

The Hon. DANIEL MOOKHEY: The EPA or the EPAB?

The Hon. Dr PETER PHELPS: The Environmental Planning and Assessment Act 1979.

Dr HARRIS: None of it meets the amendment because the amendment only happened at the beginning of this year. So the project was planned way before the amendment came into force.

The Hon. Dr PETER PHELPS: You are saying there was no health consideration done?

Dr HARRIS: Of course there was health consideration done. I have talked about that already. There was health consideration around air quality and noise, but that is not legislated. The health side of that is not in the legislation, or was not at that time.

The Hon. Dr PETER PHELPS: That is true, it was not at that time. It was under consideration during the process of the creation of the project. Surely that would be of benefit to the project's assessment?

Dr HARRIS: It would.

The Hon. Dr PETER PHELPS: It was done, was it not?

Dr HARRIS: The air quality side of the environmental impact statement was done.

Ms CATE FAEHRMANN: Not in the cost-benefit analysis.

Dr HARRIS: But not in the cost-benefit analysis, that is right.

The Hon. Dr PETER PHELPS: Did you also write:

Shifting infrastructure funding to benefit the city's West will be the core fault line for delivering on promises of equitable infrastructure provision.

Given that travel times related to the new WestConnex project will be sharply shortened from Western Sydney to the city, is that not exactly the sort of equitable benefit you are looking for?

Dr HARRIS: The challenge for that kind of thinking—I have said this in my opening remarks—I think it is a more equitable benefit were it to be shifting to a city that is a 30-minute city that benefited the west as much as it does the east. That is what is apparently happening.

The Hon. Dr PETER PHELPS: Do you know how much the Government is spending on public transport over the next four years?

Dr HARRIS: No, I tried to find this information prior to coming. I can take that on notice.

The Hon. Dr PETER PHELPS: I can tell you it is \$51.2 billion over the forward estimates, including a new metro system of \$20 billion, an intercity fleet of \$2.8 billion and trains specifically for the growth areas of Sydney at \$1.5 billion. Does that sound like a comprehensive transport solution?

Dr HARRIS: It sounds more comprehensive than was in the original Infrastructure NSW document and the updated business case, which does not give any of those figures.

The Hon. Dr PETER PHELPS: You suggest in your submission:

WestConnex has failed to adequately consider the range of health impacts that such a massive road project brings.

Are you aware that the Government will not approve the motorway tunnel project until the New South Wales Chief Health Officer releases a statement on the potential health impact of the project?

Dr HARRIS: I will take that on notice.

The Hon. SHAYNE MALLARD: Thank you, Dr Harris. We are not at odds here. I agree that health impacts and benefits should be brought into all assessments of government activity. I think Dr Phelps is reflecting that change has been embedded in reforms. You dismissed the focus of economic benefits in the business case in your evidence to Reverend the Hon. Fred Nile. Surely, if there is a strong, flourishing, robust, growing economy with higher employment, ideally increased real wages with people going about their lives in productive employment, that has a population health benefit as well?

Dr HARRIS: For sure.

The Hon. SHAYNE MALLARD: That is a legitimate health objective; it cannot be dismissed as nothing to do with health?

Dr HARRIS: The language of dismissal is probably a bit strong and I do apologise if I came across that way. I think what I said is it would be nice to broaden out what we mean by the economy as opposed to it being just financial.

The Hon. GREG DONNELLY: That is what you did say.

Dr HARRIS: Yes, thanks.

The Hon. GREG DONNELLY: You did not say "dismissal".

Dr HARRIS: The point about the difference between financial impacts and economic impacts should be noted.

The Hon. SHAYNE MALLARD: I may have implied you said it; I was suggesting you were dismissing it.

The Hon. GREG DONNELLY: You did say he said it. You said "dismissed".

The CHAIR: Do not debate with other members of the Committee.

The Hon. SHAYNE MALLARD: You did not hear the testimony but we heard from Treasury, a government witness, earlier today that part of the economic benefit of the WestConnex business case is the reduction in road trauma and the reduction in fatalities. They have taken on notice to give us that information. That is the first time I have considered that it will reduce fatalities on the service roads. That is a clear health

benefit of WestConnex that you would want to consider. Members of the audience might laugh but I think reducing fatalities is a legitimate objective.

Dr HARRIS: No, for sure. Both these things you have just mentioned are part of the range of health impacts you would like to see. We call them indirect impacts, that you would like to see considered, and they are considered fairly well. Transport planning guidance federally focuses on injury very well. What we are concerned about is the full range of impacts are not considered. The focus tends to default to a financial basis for the asset and then if it does broaden it might stop at air quality and it might stop at injury, but there are also other issues around social equity, social inclusion, access to goods and services, et cetera, which we think should be considered as well.

The Hon. Dr PETER PHELPS: Following up on that, surely time spent with one's family is positive for one's mental State and has a positive mental health outcome? Yes?

Dr HARRIS: Yes, for sure.

The Hon. Dr PETER PHELPS: If you can transit from home to the city, and city to home, saving even half an hour a day, that half an hour a day spent with your family is surely a better mental health outcome for you than being stuck in traffic on Parramatta Road?

Dr HARRIS: That is not the question. The question is: Was that considered in the cost-benefit analysis of WestConnex?

The Hon. Dr PETER PHELPS: It has certainly been in public statements from the Minister.

Mr DAVID HARRIS: Again, was it in the cost-benefit analysis? That is the question for us. We would like to see that in there. Again, I am not saying that these projects are ultimately terrible for human health. What we would like to see is that they had a balanced assessment of the impacts within them.

The Hon. SHAYNE MALLARD: I certainly put it to you, I think Dr Phelps was on the same subject, looking at WestConnex in isolation. I am pretty proud of the public transport commitment that the Government has given, because I am a big advocate for public transport. The Government's broader infrastructure investment—putting aside the massive amounts going into hospitals and so forth—is a big slice of public transport, probably the first time in 30 years there has been such a huge investment in public transport. In context, it is a more balanced approach to transport and health.

Dr HARRIS: Yes. What challenges me is coming to prepare for this today I looked through the updated business case and I looked through the Infrastructure NSW documents, and those figures are not there. I would be much happier if that balance was being achieved, or it would inform me if I was having to make a decision about the project if those figures were there. At the moment there is just sort of a box. We are investing in these different projects but it is not costed. It would be useful to have that information.

The Hon. SHAYNE MALLARD: You have to plough through the budget papers and come to estimates hearings.

Dr HARRIS: Exactly, but from a community point of view, how can they make an informed judgement when that information is not there?

The Hon. SHAYNE MALLARD: That is a fair point.

The CHAIR: We appreciate you coming in and we could keep discussing this for a while but we have other witnesses to hear from. Looking at the diagram the Government has provided about WestConnex, of course the big omission is the second airport, as you mentioned. You have 21 days to answer the questions on notice from the time you receive them. The questions will be given to you by the secretariat. Thank you again for your help and the research you have been doing on this issue. The Committee appreciates it.

(The witness withdrew)

JOHN WARBURTON, Deputy General Manager, Community and Engagement, Inner West Council, affirmed and examined

DARCY BYRNE, Mayor, Inner West Council, affirmed and examined

KENDALL BANFIELD, Manager, WestConnex Unit, Inner West Council, affirmed and examined

SAM SHAW, Environmental Projects Officer, Strathfield Council, affirmed and examined

The CHAIR: Do any of the witnesses wish to make a short opening statement?

Mr BYRNE: I begin by thanking the Committee members for the opportunity to address you at today's inquiry. I am here to represent the Inner West Council's position in relation to this project. Inner West Council has continued the democratically determined position of the former constituent councils of Ashfield, Leichhardt and Marrickville in opposition to this project, and we do so on public policy grounds. In our view the project has been wasteful and shambolically planned. We do not stand opposed, as I know some do, including some who will give evidence at this inquiry, to expenditure or investment in roads. What we do oppose is ideological obsession with investment in roads at the expense of public transport solutions as well.

We believe that the money that has been invested in WestConnex and the adjunct projects, such as the second harbour tunnel, should have been better spent on twenty-first century solutions to congestion and modern public transport. In particular, it has been the adopted position of all of our councils and the Inner West Council, that the western metro should have been prioritised over this motorway. There are a number of points that I would like to make about the process that has occurred. This goes back some time. I have been involved in this issue for a very long period of time, since December 2013 when as Mayor of Leichhardt I moved a mayoral minute to have our council actively campaign against the project. We had spent about 12 months prior to that trying to get information from the Government about the justification for it and how it would improve congestion, without any success.

We all know that there has been a great deal of difficulty in getting information about the business case or the economic justification for the project publicly released or scrutinised. There has been little consideration of alternative transport options, no consideration or very little consideration of community impact in relation to health and amenity impacts in our community, in the inner west of Sydney, and no consideration of the equity of the impact of tolls. We have been working to protect our community from WestConnex. We believe that the consultation that has been undertaken throughout the project has been tokenistic and the compensation that has been received by our community as a whole has been negligible. I acknowledge that some residents who have had their homes acquired have received fair compensation, but we all know that there are many who have not and who have had great difficulty.

There are multiple examples that I could list about the negative impacts of the project in terms of the amenity of residents in the inner west of Sydney. I will not give you a laundry list of those now, but obviously shocking impacts on residents have included: air pollution during the construction phase, noise, vibration, dust, smell, and the impact of employee parking, all of which has been poorly planned. Health issues, which are ongoing, include: Prolonged night works—and I would invite any Committee member who thinks that those impacts have been acceptable to have me or someone from the inner-west community come around to their house at 3.00 a.m. with a jackhammer and see whether you think that is morally acceptable; the impact of trucks—and we know that the cumulative impact of that in White Bay and Rozelle is going to be much worse during the next phase of the project—operational traffic; compulsory acquisitions; dilapidation of buildings; and the loss of green space.

I might add that we have had several successes in fighting back against parks that have been identified for compulsory acquisition. Obviously in most of those instances they were solutions that had been identified by an engineer rather than someone who was actually looking out for community interest. I think that the planning of this project, regardless of your view about the merits, has been shambolic and unprofessional. The fact that even now there is no certainty about exactly where the tunnel will come out in Rozelle and how the interchange will work five years after the project was first announced is symptomatic of the poor planning that has occurred throughout the process.

There is no respite for our community in sight. The proposed Western Harbour Tunnel—I know some members of the Committee might suggest this is separate and not relevant to the terms of the inquiry, but that is siloed thinking. That would be symptomatic of the problems that have occurred throughout the project where we have one team of people saying the second or third stage of the project is not relevant to them. The fact is, we said all the way along that if you create this hugely increased flow of traffic to the Anzac Bridge with no increased

capacity on the bridge, it will be a tunnel to a traffic jam. It is not surprising that the solution now is another \$14 billion expenditure on the second harbour tunnel and Northern Beaches tunnel. That involves the acquisition of the Balmain Tigers League Club site, which is the creation of the equivalent of a small mine in the middle of the Rozelle shopping centre, and it will kill off the Balmain Tigers. They have been fighting for a long time to return to their home in Rozelle. Acquisition of that site will result in the loss of one of Australia's oldest sporting institutions. I am particularly concerned about the next stage and the amenity and health impacts on Rozelle Public School. I remind Committee members that the Minister for Education and former Minister for Planning told the *Manly Daily*:

I will not be party to putting smoke stacks near kids. There is no way in hell that I'd support any development that would put the lives of pupils, teachers and parents at risk.

I respect Mr Stokes and consider him to be a reasonable man. If there is no way in hell that he would allow a smoke stack near a school in his electorate, then there is no way on earth that we should allow a small open cut mine and a smoke stack directly adjacent to Rozelle Public School. The parents of our local community—it is not just Rozelle but Haberfield Public School, St Peters Public School and all of the schools that have been impacted—consider that to be incredibly hypocritical. We know that the cumulative impacts of the major State projects in the inner west are going to be significant. In relation to the next stage, in White Bay and Rozelle we know that the cumulative impact of WestConnex stage 3, the construction of the harbour tunnel, the Sydney Metro, the concrete batching plant and multi-user facility will create a cumulative impact of more than 4,000 additional truck movements each day. I do not see how traffic is going to function on the City West Link leading on to Anzac Bridge during that construction phase. That concludes the opening statement that I wish to make on behalf of the council. I want to make one personal comment in relation to the project. I note that on election night 2015 the now member for Newtown said:

... what this win in Newtown means tonight will be that there is no WestConnex ...

She said further at another time:

... there is no way WestConnex is coming anywhere near here." The current member for Balmain is busy getting around the community—

[*Interruption*]

Excellent. I will ask you to address the question. The current member for Balmain is busy getting around the community, claiming there is a simple solution to stopping WestConnex, which is the cancellation of contracts. I would encourage members of this Committee to pose the question to the political party that they represent and its members about why Jenny Leong has not stopped WestConnex, given that was her election commitment. And how Mr Parker, the member for Balmain, is intending to fund the compensation package that would involve the cancellation of the project. Presumably that would involve cutting funding from hospitals, schools and public transport projects. I think that should be a matter of public record as well. I will leave it there.

Ms CATE FAEHRMANN: You were going quite well, Councillor Byrne—

The Hon. DANIEL MOOKHEY: Mayor Byrne.

Ms CATE FAEHRMANN: —Mayor Byrne until your last statement.

Mr BYRNE: Your Worship is the technical title, but no-one uses it.

Ms CATE FAEHRMANN: Councillor Byrne, are you a member of any political party?

Mr BYRNE: You are well aware that I am.

Ms CATE FAEHRMANN: Can you state for the record, for *Hansard*, which political party?

Mr BYRNE: The Australian Labor Party.

Ms CATE FAEHRMANN: You sound like you are completely personally opposed to the project.

Mr BYRNE: I have done more to oppose the project than you have.

Ms CATE FAEHRMANN: You were in the office of infrastructure Minister Anthony Albanese in 2012-2013—

Mr BYRNE: I am here in my capacity as the mayor of the inner west and I am happy to answer questions in that regard. I do not speak for Mr Albanese in relation to the project.

Ms CATE FAEHRMANN: Do you think it was a mistake in your capacity as Labor mayor of the inner west for then infrastructure Minister Anthony Albanese to commit \$1.8 billion to WestConnex?

Mr BYRNE: Interesting question, and I will answer it in depth. It is important to acknowledge that there was more money invested from the Federal Government, from the Commonwealth, in urban public transport between 2007 and 2013 than there was in the entirety of our federation combined.

Ms CATE FAEHRMANN: Stick to WestConnex, please.

Mr BYRNE: I am addressing the question.

Ms CATE FAEHRMANN: This is just about WestConnex.

Mr BYRNE: You are asking a question completely unrelated to my evidence and I am answering it.

Ms CATE FAEHRMANN: No, I am not.

The CHAIR: The witness is free to answer the question.

Mr BYRNE: Thank you. I think that is important to acknowledge. There was more investment in urban public transport from the Labor Government in those six years than had occurred in the 100 years before. In 2011 or 2012—you will probably know better than me; you appear to have notes before you—the proposition that was put by the Federal Government at the time was that if the New South Wales Government wanted to come up with a project that would address two problems—freight getting to and from Port Botany and commuters getting from the CBD—that the Federal Government would work with them on the planning study for that. The fact is that the project we have before us has morphed repeatedly and now meets neither of those objectives. If you would like to call Mr Albanese as a witness to this inquiry, I suggest you do so, and he can explain exactly why he has objected so strenuously to the project. I know that he has raised his objections to the project in the Federal Parliament more than 50 times.

Ms CATE FAEHRMANN: Do you think that the \$1.8 billion that Federal Labor committed to WestConnex was done so before due diligence was undertaken and possibly should not have been?

Mr BYRNE: I think you are mischaracterising the nature of the commitment that was made by the Federal Government at the time.

Ms CATE FAEHRMANN: I do not think he had seen a business case. Is that correct?

Mr BYRNE: I think you are mischaracterising the nature of the commitment that was made at the time.

Ms CATE FAEHRMANN: I will move on to Mr Banfield. Thank you very much for your detailed submission. The Inner West Council submission is excellent. You mentioned instances where notification procedures for significant noise three to four nights a week were not received. There is detail about the experiences of Inner West Council residents. I think you talk about compliance. Obviously the council is frustrated because you do not have the ability to advocate for more compliance powers. What powers, in your opinion, can be given to council when there is no compliance around the construction noises that residents are experiencing?

Mr BANFIELD: The issue of council having statutory compliance powers was raised early on in the project. As it stands, council has no statutory powers. We can only play a communication role. We are often a third party mediating between residents and State agencies, and, as you know, the Department of Planning and Environment has a key role, as does the Environment Protection Authority [EPA]. Yes, as it stands we have no statutory powers so it is only advocacy but the question has been raised. As to precisely what kind of role council could have if it was stepped up to a statutory role, that has never really been investigated.

Ms CATE FAEHRMANN: In respect of having all of these residents complaining to you, and we are hearing on this end—from the light rail inquiry, in fact—that a lot of the complaints do not seem to be dealt with in the manner that residents wish them to be. Is it frustrating for council to be on the other end of these complaints?

Mr BANFIELD: Yes, most definitely. It can be, yes. We have to be up-front with residents and say that we are a stakeholder like everyone else, but we do our best to help residents. We have compliance officers from the Department of Planning and Environment sit with us in the council office for some of the time each week, so we have a good relationship with them. But, ultimately, we are a stakeholder. We do our best to help residents where we can.

Ms CATE FAEHRMANN: We have limited time, so a question to Strathfield Council. I have got some questions relating to unfiltered stacks and the conditions around those. I asked a question this morning of RMS that there should be development controls around stacks within the approvals. Are you familiar with this and that they should be providing the council with assistance?

Mr SHAW: I am a little familiar with that, yes. It does seem that we have not been given enough assistance in planning and development controls at present. We would certainly like to see more assistance from the State Government around development costs.

Ms CATE FAEHRMANN: It does say specifically within the approval, that "the proponent must assist the relevant councils", which in this instance is Strathfield, "in developing an air quality assessment process for inclusion in a development control plan" or other appropriate planning instruments. You are saying that RMS has not approached Strathfield Council to offer that assistance and that they should also pay for anything in relation to that.

Mr SHAW: As far as I am aware, at present they have not.

Ms CATE FAEHRMANN: In the meantime, I understand that there are quite a few high-rise buildings around the stack. Is that correct? Would you like to talk about those concerns?

Mr SHAW: Yes, that is correct. Strathfield Council's perspective on the matter is that we are not against WestConnex per se. But we do have issues with the ventilation stack planned for Underwood Road and the impacts of emissions on surrounding residents, particularly with buildings like you mentioned that are planned at heights—up to 80 metres. Some of those buildings would be 30 to 40 metres from the surrounding stacks. Certainly that is our primary issue.

The Hon. DANIEL MOOKHEY: Thank you, Your Worship.

Mr BYRNE: You just became the first person to use that title.

The Hon. SHAYNE MALLARD: I think it is "Comrade" that should be used.

The Hon. Dr PETER PHELPS: I am not sure if Darcy is on Daniel's preselection committee.

The Hon. DANIEL MOOKHEY: I hope not. Mr Mayor, you say the Inner West Council has lost green space. How much?

Mr BYRNE: That is still up for debate. We still do not know, even now—

The Hon. DANIEL MOOKHEY: How many years into construction are we? This project has been underway since 2014. Are you telling me that you do not know how much green space is still at risk in the inner west?

Mr BYRNE: That is true.

The Hon. DANIEL MOOKHEY: You say that the RMS thought about using compulsory acquisitions for parks. Are you able to now, or on notice, tell us which ones?

Mr BYRNE: I will run you through some of them and then on notice I will make sure that you get a thorough list. Just working through the LGA, at the beginning of the project they talked about acquiring Ashfield Park. A community campaign was launched to prevent that.

The Hon. SHAYNE MALLARD: The Government listened.

Mr BYRNE: The Government did listen, thanks, in part, to some advocates both within and outside of the Government. Following on from that there has been the loss of other green space in Reg Coady Reserve in Haberfield. Going into Leichhardt, at different times, parks that have been targeted for acquisition have included Blackmore Oval, one of the oldest sporting fields in the Inner West, which is heavily used by both Rugby League and cricket clubs and the oval at Leichhardt within Sydney Secondary College, which is a very overcrowded public high school with very little green open space.

Some genius came up with the idea that they would take the oval as a dive site for the construction of WestConnex. They had targeted, at one point, King George Oval in Rozelle, which is adjacent to Callan Park—a very precious, highly used recreational space on the bay run. At different times we have had suggestions of parks within Birchgrove and Balmain being taken. Camdensville Park is being used as a construction site right now. In St Peters we have having ongoing disputes with the Government about whether we will get back all of the green space and facilities that were promised to us, at the conclusion of the project.

The Hon. DANIEL MOOKHEY: At the same time in the inner west, is it correct to say that the urban density—the population increase—has increased at the same time that the amount of urban green space has declined?

Mr BYRNE: Absolutely. And because most kids in the inner west do not have sizeable backyards, protection and enhancement of the existing parks and open spaces that we do have is a priority for the council and

for the community. That is why there has been such vociferous opposition from local residents and the council each time one of these precious parks has been targeted.

The Hon. DANIEL MOOKHEY: To the extent to which property has been acquired which is surplus to WestConnex's need—the design site or a variety of these different sites—do you think there is an opportunity here to increase urban green space, or is it your case that the Government is far more interested into turning it over to developers?

Mr BYRNE: That is our concern—that it will be used for development or that it will be handed back to us as a barren concrete slab, which would then have a very large price tag for us to convert into a useable park. To be honest, we have not really had any trustworthy commitments in writing—any statutory commitments—from the Government as yet about what condition we will get that land back in.

The Hon. DANIEL MOOKHEY: Have you had the opportunity to have dialogue with the Government about these concerns?

Mr BYRNE: Not really. I feel that there has been a tone of disregard and disrespect towards the Inner West community.

The Hon. DANIEL MOOKHEY: Have you figured out which Minister you should be talking to?

Mr BYRNE: It is impossible to know—they change so frequently. And it is not just Ministers; it is also senior bureaucrats within each of the delivery authorities. You get a verbal commitment from one of them that they will help you to address the loss of a park, or that they are going to progress an issue for you, and then you go back six months later and they are no longer working there. So there has been a complete failure of communication with us as the local government.

The Hon. DANIEL MOOKHEY: Just before I turn over to my colleague Mr Donnelly I have a question for Mr Mayor or Mr Banfield. You say that you are the manager of the WestConnex Inner West team. Can you describe just how much resources the Inner West Council, at ratepayers' expense—by the way, I am one of them!—has allocated to be able to deal with this whole project? What is the nature of the commitment that the council has made? That is the first aspect of it. Secondly, has any of this cost been recovered from RMS or from the Sydney Motorway Corporation or any of them, or is it simply the case that ratepayers are having to pick up the tab for this?

Mr BANFIELD: In our submission we said that to date we have spent just over \$2 million on salaries for the WestConnex unit, which is myself and two colleagues.

The Hon. DANIEL MOOKHEY: Is that since the council returned to democratic control?

Mr BANFIELD: No, the WestConnex unit was created by the administrator. In that figure is also a calculation we did about expenditure in terms of staff time from the former councils. That comes to just over \$2 million. It also includes other expenses such as notices for community meetings. But that is definitely an underestimate because there are a raft of other staff who are dealing with WestConnex amongst their other duties.

The Hon. DANIEL MOOKHEY: The last aspect to that question was: Have you had an opportunity to recover any of these costs against the project or is it that you have picked up the tab?

Mr BANFIELD: No, we have not.

Mr BYRNE: I might add that we have recently sent a document to the Government—and included it in our subsequent submissions—about the road treatments that we think will be necessary to ameliorate the impacts once stage 1 opens.

The Hon. DANIEL MOOKHEY: That you have to pay for?

Mr BYRNE: At the moment, yes.

The Hon. DANIEL MOOKHEY: How much?

Mr BYRNE: I think it is \$30 million.

The Hon. DANIEL MOOKHEY: So you think that the Inner West Council is going to have to pay \$30 million effectively to undertake the inner west integration works with WestConnex. Is that correct?

Mr BYRNE: We have planned it very carefully. We know that it will be at or above that figure, and we have received no response from the Government, as yet, about their willingness to contribute to the cost.

The Hon. DANIEL MOOKHEY: Mr Mayor, opposite my house is a street—which I would really like you to put some parking lines on by the way!

Mr BYRNE: That is very self-serving!

The Hon. DANIEL MOOKHEY: Your Worship. Are you saying that as a result of your having to budget for that \$30 million that projects like that have to be put aside, or otherwise put on hold, or you cannot make investment decisions about them because you have no idea whether or not the council is going to have to pick up the tab to pay for these integration works?

Mr BYRNE: For certain. If our ratepayers have to foot the bill for the entirety of the \$30 million of works, it will have an astronomical impact on our roads and footpaths maintenance budget.

The Hon. DANIEL MOOKHEY: Also, will you put the parking in that street up to my house?

Mr BYRNE: If you send me an email.

The Hon. GREG DONNELLY: Thank you for the detailed submission. On pages 20 through to 24 there is detailed comment about concern with respect to the air quality associated with this project in its development and its operational phases. Would you like to elucidate any particular points that you have made here and flesh them out a bit further.

Mr BYRNE: I think the crux of the issue is that our community members are well aware of the comments made by Premier Berejiklian in the past in the Parliament about how unsafe unfiltered smoke stacks can be. They are familiar with the comments which I attributed a moment ago to Minister Stokes about how dangerous unfiltered stacks can be for school children. We really do not understand why, when two very senior members of the Government have come to that unambiguous conclusion, they are willing to subject community members in the inner west to the very same impacts without concern.

The Hon. GREG DONNELLY: How do you square, if you can square, what you have just said with evidence we received from government representatives this morning that what is being proposed with respect to the stacks and how they will operate is world's best practice? Essentially the language that was used was that it is world's best practice that we are going to have. What is your response to that?

Mr BYRNE: I would say a couple of things. Firstly, I accept that we have received the same expert scientific advice that in fact the installation of stacks can reduce the harmful impact of air pollution. I understand that there is scientific evidence to that effect, but the difference between putting that in a submission or the Government asserting that here in this Committee meeting and actually going out onto the street and explaining to people who are going to have an unfiltered stack next to their home that it is safe and there is nothing to worry about, is very wide, especially when the Premier herself and Minister Stokes have both been explicit about the fact that they do not believe that unfiltered stacks are safe and that they would not put up with them in their own electorates and their own local communities.

There is another important factor to consider. Our argument all along has been that by focusing so heavily on investment in motorways you are inducing additional private vehicle traffic and that over time that has itself a detrimental impact on air quality. I do not claim to be a scientific expert, but I just believe that we should have the same respectful treatment for our local community that the Premier and the education Minister insist on having for theirs.

The Hon. GREG DONNELLY: Have there been utterances from those two senior people in government about trying to reconcile a position that they put publicly, in the public domain and in the Parliament, and what is happening to the people in your area of responsibility? How do you square the two?

Mr BYRNE: No senior Minister in the Government bothers to come to the inner west of Sydney very much. I invited Minister Constance several times whilst he was planning to privatise our buses to come and debate me on the bus and he never turned up. I have not had any correspondence directly from Minister Stokes or from the Premier explaining how they can match up those two incongruous things, and I think this goes to the general tone of disregard and disrespect that our community has been treated with throughout this project.

The Hon. GREG DONNELLY: On pages 35 through to 37 you make some quite salient points about the impact of the project on land and property values and prices and in your opening statement you made some comments about differential treatments with respect to compensation. Are there any points you would like to add to what you said in your opening statement?

Mr BYRNE: The approach to notification of residents about compulsory acquisition was atrocious. There are numerous examples of people from non-English-speaking backgrounds receiving nothing other than a leaflet under the door, in English, notifying them that their home was likely to be targeted for acquisition. So to go to an Italian pensioner in Haberfield and notify them in that way without having a conversation with him, when they do not have any access to independent legal representation or do not even know that they need to go and

acquire that, results in inequitable and unfair outcomes. I acknowledge that some people have got just and fair compensation, but the fact that the Government's own investigation into the compulsory system was kept secret and hidden for the first two years in which compulsory acquisitions were undertaken has not given us a lot of confidence that they were intent on treating people in a fair manner.

The CHAIR: Thank you very much for appearing before our inquiry. The Government has made a lot of assertions about the future success of WestConnex and I would like to get your response to some of the claims. The first one, and you made this at the very beginning of your evidence: Should there be some statutory powers for local councils to be involved with such projects like the WestConnex, that you are simply spectators on the fringe—not just your council but other councils? Does that seem to undermine the third tier of government in our State?

Mr BYRNE: I am speaking off the top of my head here but my preference would be for there to be proper regulation at the State level that strictly prohibited utility companies or any other agency from undertaking night-time works or early morning works, as is still occurring in both Haberfield and St Peters and is having a terrible impact on the health and wellbeing of people with small children, students attempting to undertake their HSC or university study, and older people, in particular. Essentially the reason that the administrator established the WestConnex unit was because the council was being inundated with complaints from residents about the fact that their complaints to the Government were not being responded to.

I think the best mechanism would be for there to be stronger protections at the State level which simply prohibited the sorts of activity that has been taking place. There has also been a range of problems with contractors employed on the contract breaching the conditions of consent of the project. The EPA is the regulatory authority in relation to most of those, and it has been very difficult for council and for the officers of the council, the public servants within the WestConnex unit and other sections of council, to try to uphold the public interest and advocate for residents when the response has been so lacking from various State agencies.

The CHAIR: That is why I was phrasing the question that I raised with you at the beginning: Should local councils have some statutory role in a major project like WestConnex, where you are not spectators?

Mr BYRNE: Let me put it another way. We would much prefer that we had increased statutory powers to regulate the construction phase of the project than the status quo, which is resulting in really difficult and unacceptable impacts on local residents in our community.

The CHAIR: The Government has made a number of claims, one which you probably would find ironic—returning local streets to local communities.

Mr BYRNE: We have analysed this very carefully and, according to the independent assessment that we have invested in, there is going to be a range of very serious traffic impacts on local streets at the opening of each stage of the project. In my view, at the opening of stage 1 we are going to see the mother of all rat runs through the inner west of Sydney while people are coming out at Haberfield and trying to find their way to the CBD or to Port Botany or the airport without there being any mechanism for them to do so. I think that will greatly increase the amount of commuter traffic on local streets, which will have amenity impacts but also pose serious safety problems.

The Hon. DANIEL MOOKHEY: Is that similar to what is happening on Parramatta Road right now? Is that what you are worried about?

Mr BYRNE: Yes.

The Hon. DANIEL MOOKHEY: Is it toll-related?

Mr BYRNE: Certainly anecdotally and from the evidence that I have seen reported in the public domain, it has been worsened by the imposition of the new toll on the M4.

The CHAIR: In your evidence you have expressed concern about preserving open space and green space and so on. The Government has claimed that 18 hectares of open space will be returned to local communities. Do you see any evidence for that?

Mr BYRNE: I will believe it when I see it because the Government's approach to the project and their interactions with us have been marked by a lack of transparency verging on dishonesty. My experience so far is that they identify a green space before we know about it that they are planning to target for acquisition, it leaks into the public domain, they deny that any decision has been made and then several months later they announce it as a fait accompli. In relation to the Rozelle interchange, the Government has made some very grandiose commitments, mostly reflected in the colourful, glossy pamphlet that they have distributed, about creating a new very sizeable park there.

But, as I stated previously in one of my earlier responses, our concern is that what will be handed back to us at the completion of the project is just a concrete slab and there is nothing on the table yet from the Government that is actually a commitment that we can hold them to in regards to what residual land will be returned to us in a manner that will allow it to be used for recreational space.

The Hon. SHAYNE MALLARD: I was tempted to hand the Government's time over to the Greens because their questioning was so enjoyable. That is a segue to my concerns. You are a politician and I am a politician, and I was in local government for 12 years of my career. If you are conducting negotiations with the Government via media releases and megaphones on milk crates it is difficult to have a working relationship with the council. I have been there before with South Sydney City Council with regard to the Eastern Distributor. We still managed to negotiate outcomes for our communities, largely by letting bureaucrats have a respectful relationship with Roads and Maritime Services bureaucrats. I put it to you that there is a breakdown in the relationship between your organisation and the Government and perhaps that is causing this problem.

Mr BYRNE: I note that there was an intervening 18 month period in during which myself and all the other elected representatives of the council were removed from office?

The Hon. SHAYNE MALLARD: It is a much bigger council now.

Mr BYRNE: By diktat of the Government and a bureaucrat was appointed to be the dictator of the Inner West. During that period there was no discernible improvement in the outcomes for the Inner West from the WestConnex project. In fact, in my view, the inherent incapability of someone without a democratic mandate to effectively advocate for the community resulted in the Government getting an easier run and having its way with the Inner West.

The Hon. SHAYNE MALLARD: It might be time to wind back the clock and to restart the discussion.

Mr BYRNE: Yes.

The Hon. SHAYNE MALLARD: In my view, there should be opportunities for you to extract additional benefits for the communities that you represent. Reverend Nile referred to the 18 hectares of green space and 10 hectares at the Rozelle rail yards. We have been briefed that that will be available for sporting fields and amenities. That is a real opportunity. It is the sort of thing that the old South Sydney City Council was able to get in its package of agreements. What relationship do you have with the State Government in regard to these areas?

Mr BYRNE: Our position is very simple. While we are opposed in principle to the project and have campaigned against it vociferously, we are also fighting for every positive piece of mitigation that we can achieve that will reduce impacts on residents and result in good public policy outcomes. I am often criticised in the Inner West by some sections of the community and some people with a certain political disposition for holding that position. Some people say, "No, if you propose any amelioration or mitigation, you are selling out the community and weakening your opposition to the project." We will continue to propose measures that can result in better outcomes for the people of Sydney and New South Wales, as well as the people of the Inner West. I am entirely open to negotiation and discussion with either bureaucrats or elected representatives from the Government at any time.

The Hon. SHAYNE MALLARD: Based on my experience on South Sydney City Council and the City of Sydney, there were dire projections of what the world would be like after this infrastructure was opened. You talked about massive rat runs and so on. After adjustment those projections did not come true; property prices improved and the health impacts were not as predicted. I put it to you that you can look around and see that it has worked elsewhere.

Mr BYRNE: Fair point.

The Hon. SHAYNE MALLARD: Let us talk about air quality. Again, reflecting on my own experience, I campaigned against the air stack in East Sydney. It is next door to a council owned-childcare centre. It is still there today. Labor built it and it is unfiltered. I was photographed with a crowd and the late Irene Doutney fighting against that stack. We are not aware of dire health consequences. However, in reflecting on your comments about leadership, the Government introduced the tunnel air quality reforms only this year. Are you aware of them?

Mr BYRNE: I am familiar with them, yes.

The Hon. SHAYNE MALLARD: For the first time in the history of this State, and probably Australia, every year every tunnel must have an environmental protection licence from the Environment Protection Authority [EPA] that will be assessed independently by the EPA. That reform will apply retrospectively to the old ones that Labor built and the new ones, which are much better—we heard that in evidence earlier today. A lot of it is to do

with tunnel design and not only the design of the extraction. You must agree that that will provide some sense of independent oversight for the community.

Mr BYRNE: First, I am enjoying the trip down memory lane. I was always a fan of your local government career. Mallard's Greatest Hits are always good to hear. I welcome any improvement in the regulation of smoke stack air quality. However, I again draw your attention to comments made within the past year by the Minister for Education, presumably while these regulations were being developed. He said, "I won't be party to putting stacks near kids. There's no way in hell I'd support any development that would put the lives of pupils, teachers and parents at risk." That is certainly incongruous with your assertions.

The Hon. SHAYNE MALLARD: I would not want to dredge up other quotes or play quote games. The point is that these reforms—which this Government put in place, not Labor—include independent oversight. The New South Wales chief health officer must also prepare a statement on the potential health impacts before a stack can proceed. Are you aware of that?

Mr BYRNE: I was not aware of that, no.

The Hon. SHAYNE MALLARD: You might want to get across some of those issues. There has been a significant advance on the issue of stacks. I was taken aback when you said today, and you have said it previously the media, that you suddenly lament the Balmain Tigers site. The council of which you were mayor fought against every development proposal for what is a derelict almost war-zone-like site in your community. It is an eyesore. The Government has identified the site for clearance and I am advised that it will be provided for urban development. I put it to you that you should be arguing for something for the community. Is it not hypocritical for the council to have fought against every development proposal that would have got the Tigers back to the site and now to say that the Government is stopping the Tigers?

Mr BYRNE: We could have an inquiry into the history of the Balmain Leagues Club site.

The Hon. SHAYNE MALLARD: There was a royal commission.

Mr BYRNE: It can take up a lot of time. The fact is that no development application was ever determined by Leichhardt Municipal Council or the Inner West Council in relation to that site. Multiple applications have been refused by State Government agencies and State Government-appointed planning panels, and most recently by the Land and Environment Court. The primary reason for the refusal of each application was that a very powerful State Government agency—I think it predates Roads and Maritime Services; it think it was the Roads and Traffic Authority in the first instance—

The Hon. SHAYNE MALLARD: Under Labor no doubt.

Mr BYRNE: No, since 2011. The State Government was implacably opposed to the project. There is a new owner of the site who has submitted a development application to council and an amended development control plan [DCP]. I note that an existing approval was issued by Leichhardt Municipal Council, which I initiated and sponsored, for an eight-storey development on the site, which we know is commercially viable. My point is that I think by any measure the amenity and health and safety impacts of having a mine in the middle of Rozelle Shopping Centre with all of the spoil and truck movements associated with that, as opposed to a development of up to 12 storeys, which is what is allowable under the local environmental plan, would be much worse. I too think it is a conflict of interest—since you brought it up—the fact that if the DA is to be determined, it will be determined by a State Government-appointed planning panel, whilst at the same time the same State Government is seeking to acquire the site through compulsory acquisition.

The Hon. DANIEL MOOKHEY: For Hansard, please tell us what LEP and DCP are.

The Hon. SHAYNE MALLARD: I am sure Hansard knows; 101 of planning.

The Hon. DANIEL MOOKHEY: Just to be clear; not all of us are councillors.

Mr BYRNE: Local environmental plan and development control plan.

The Hon. Dr PETER PHELPS: I do commend you; you oppose a project, but you seek to ameliorate what you see as the disadvantages for your community. I think that is an entirely honourable and responsible move, Mr Mayor.

Mr BYRNE: Thank you; I am not sure that that endorsement will help me, but please proceed.

The Hon. Dr PETER PHELPS: Would it be fair to say that for your council, the expanded council, the problem is that the missing link was never built in the first place?

Mr BYRNE: That is not my view, no.

The Hon. Dr PETER PHELPS: The original plan for the Western Sydney connection was an aboveground highway all through the inner west, ultimately linking up to its current location in Strathfield. That area had been reserved and, for reasons we know, that land was sold off. Given that it does stop in Strathfield and there is no existing link that can carry the current, much less the projected, capacity of transport coming in from the west, do you not think that going underground is the least worst option?

Mr BYRNE: I do not see it as my role to resolve the very longstanding and vast array of problems that have developed with the WestConnex project. Our role is to make submissions and advocate for improvements to the project or for the project's cancellation—I think that ship has sailed, but there is a difference in opinions. It is a hypothetical question. If I were the roads Minister or the Minister for WestConnex, it would be a fair question to put to me; that is a matter for Minister Ayres or the Premier to resolve. But I stand by the position that I put previously that the planning for this project has been shocking. It has been the worst planned infrastructure project in the history of New South Wales.

The Hon. Dr PETER PHELPS: I have a final question.

The CHAIR: No, we are out of time. Thank you very much for appearing before the Committee.

Mr BYRNE: Thanks for the opportunity.

The CHAIR: Thank you also the important information you have provided. I am a great supporter of local government and that is why I raised the earlier question about giving greater power to local government on these issues. You took some questions on notice and you have 21 days to answer those questions from the time you receive them. The secretariat will send the questions to you so there is no confusion as to which questions have been taken on notice.

(The witnesses withdrew)

(Short adjournment)

KELVIN RIORDAN, Convenor, NoW Annandale, affirmed and examined

RICHARD DUDLEY-SMITH, Co-convenor, NoW Annandale, affirmed and examined

ANN-THERESE KING, Vice President, Sydney Secondary College Leichhardt P&C, WestConnex Liaison Officer, sworn and examined

JANE CRAWFORD, President, Sydney Secondary College Leichhardt P&C, sworn and examined

The CHAIR: I welcome the witnesses from the Annandale and Leichhardt community panel. Do any of you wish to make an opening statement?

Ms KING: We wish to make one. Thank you Reverend the Hon. Fred Nile and members of the Public Accountability Committee for the opportunity to address you today. Our submission outlines in more detail what we are about to say. Over a six year period from February 2017 when our school community was first confronted with possible WestConnex impacts and first spent energy, time and money addressing them to when WestConnex stage 3 may be finalised in 2023 almost 6,500 students and their families will have passed through our school. We submit that the health, safety, welfare and educational experience of these students was not formally assessed as it should have been before ever commencing such a project. Appropriate risk and cost assessments were not fed into an overall business case before ever deciding whether to green light it. As such our concerns speak to the inquiries terms of reference A, C and J.

We remain highly concerned about sound public accountability processes with respect to the rollout. We refer to two examples of impacts in our submission that are no longer current but that they were ever advanced demonstrates the highly concerning and chaotic processes that have been in play for this project. The most glaring example was the dubious risk assessment processes and inadequate true costings to a school community of a proposed mid-tunnel dive site on land directly abutting the school and wrapping the school's only oval as per the picture in our submission. We only have one oval. We do not have nine, three or five. Horror can only describe the school community's reaction when in February 2017 we learnt this was nominated. In the *Herald* it was described as a "favoured and likely site".

It is a major digging, drilling and excavation site, a mid-tunnel dive site, and it would remove spoil for four to five years every four minutes. This site was 20 metres from one of the school's main entrance gates used during the day and before and after school by students. It was 36 metres from indoor classrooms and the school library with no intervening buffers or buildings and wrapped the school's only oval. Our campus is already smaller than DEC recommended size for an inner suburban school and has less outdoor space per student than nearly all other high schools in the State, but it would have been rendered unusable.

How could it ever have been possible to nominate such a site for a school for children aged 11 to 16? Where were the formal risk assessments of children's health and safety? Where were the assessments of vulnerable populations within the school, children with autism or mental health issues, when drilling and vibration started? Where was the occupational health and safety assessment for staff? Where were the costs calculated of potential relocation costs of some or all of the student population or the potential legal costs when parents took class actions against the government for the appalling loss and disadvantage in education?

A current proposal remains the main line tunnels directly under our school. We have not been formally notified about this but the parents attend a consultation meeting with RMS. We inform the principal and the principal informs the Department of Education as to what will happen with respect to tunnels going under our school. This does not seem a sound process. They will likely meet underneath the school and two phases of the project with different contractors will likely meet under our school. Yet there is an extremely vague communication about this.

Dan Murphy's dive site was also nominated subsequent to ours. Only when it was axed in June did the RMS representative admit that this was good news for the safety of our students who spill out of the light rail station en masse at that site. We also have costs involved in the traffic delays of intercampus travelling and other activities anticipated over the next five years with the construction interference to traffic. We also are highly concerned about the ventilation stacks and what that means for the health of our students. We remain concerned about public accountability and due process with respect to risk and cost.

Mr RIORDAN: Thank you Chair and members of the Committee. The residents of Annandale would like to bring to the Committee's attention a number of major concerns they have that have been imposed on them by the intended construction of the WestConnex through their suburb. Of major importance is the total disregard of the health and safety concerns associated with Johnston Street, a street of major importance throughout Annandale. The RMS describes Johnston Street as an "arterial road". It is in fact a major historic residential street

of 258 residential lots consisting of the most significant historic houses in the suburb, including the witches houses and the abbey. There are also three primary schools, two aged care facilities and two childcare centres along the street. It is of extreme concern that this street in particular is going to be subjected to a huge increase of diesel trucks using the street daily which will cause a massive increase in serious particulate pollution.

Along with this there will be all the associated dangers to pedestrians, particularly children, of serious traffic accidents. What is unforgivable is that the RMS knew that Johnston Street was going to be used as the truck route to the Camperdown dive site prior to the issuing of the EIS, yet it was not disclosed in their EIS. Richard Dudley-Smith and Sally Hardy, two members of No WestConnex, uncovered this information at a community consultation from a WestConnex staffer when they obtained an admission that the trucks were to be stationed at White Bay and that Johnston Street was to be the truck route, not Parramatta Road, as had previously been stated. This information was only disclosed and confirmed in the project initiation report [PIR] when the community had no opportunity to raise or submit objections. This is one deception of the community that has taken place and needs investigation.

The concept plan for the M4-M5 link was indicative only. There were no firm designs, engineering or construction plans, all of which should have formed part of the EIS, as was the case for stages 1 and 2 of WestConnex. Therefore, the EIS for stage 3 should never have been approved by the Department of Planning and the Environment, and the Minister without all these necessary documents being present, and proper procedures being followed. It needs to be investigated as to how this could have been allowed to happen, as it appears highly likely that the approval was given solely to facilitate the sale of the Sydney Motorway Corporation, even though this circumvented the normal procedures and the statutory approval process. Annandale, and in fact all the surrounding suburbs, have very serious concerns with the unfiltered pollution stacks located in the Rozelle rail yards next to the City West Link opposite The Crescent intersection.

The Rozelle rail yards are a low-lying area of ground surrounded by suburbs on rising and higher ground. The stacks located there will be 38 metres above sea level. Streets, houses and schools in the surrounding areas are built on land that is in many cases in or approximately the same or above the level of the top of the stacks. Balmain Road where it meets Victoria Road is at 41 metres above sea level. Just opposite this intersection is Rozelle Public School. Orange Grove Public School, which is on Balmain Road towards Lilyfield, is at 33.5 metres above sea level at footpath level. Both these schools are within 800 metres of the Rozelle rail yard stacks. Pollution from these stacks will be at ground level in many of the surrounding areas. The three schools on Johnston Street, Annandale are in virtually the same situation. This is totally unacceptable. These are just some of our concerns. In conclusion, this leads us to support other demands for a halt to this ill-conceived project, subject to a Royal Commission being called.

Ms CRAWFORD: I would like to speak on behalf of the students. The students at our school were also alarmed by and actively resisted the proposed dive site adjacent to their school. The student representative council created its own petition gathering student signatures only, and with individuals donating their time away from studies they raised more than 360 student signatures in a short time. Students were baffled by the proposal. They knew the State Government was responsible for WestConnex and therefore the proposed impacts to their school, which is also State Government owned and run. How could one part of the same Government that delivered and supposedly cared so much about their education, on the other hand also be behind this proposal? Why were those behind the proposal not providing clear information and directly talking with the school community and stakeholders? Parents learnt about the proposal on the news. Students were faced with a choice that their Government either disregarded and discounted them and the negative impacts they would face, or their government was incompetent in proposing a site adjacent to their school in the first place. Either way, students learnt lessons from this direct encounter with State Government which were unlikely positive or inspiring but will be with them for a very long time.

The Hon. GREG DONNELLY: Thank you all for coming along this afternoon. I would like to ask some questions about the NoW submission No. 366 and the Sydney Secondary College Leichhardt P&C submission No. 377. I will commence with NoW. The traffic mismanagement matters start on the bottom of what is the second page and goes over the next two pages. Beyond what was said in the opening statement, and particularly you were referring to matters involving Johnston Street, are there other traffic matters to which you want to draw the Committee's attention?

Mr RIORDAN: Are we talking about table 5-2, "without construction"?

The Hon. GREG DONNELLY: I do not have a table in my submission.

Mr RIORDAN: It is in the paragraph at the bottom of the third page.

The Hon. GREG DONNELLY: I do not have that table. What does that table say?

Mr RIORDAN: It says in the submission that 5-2 "the 'without construction' and the EIS option A the City West Link PM peak has eastbound at Fail". Is that what you are referring to?

The Hon. GREG DONNELLY: I am asking you, are there any particular parts in this section of your submission you would like to elucidate or add some additional comment to?

Mr RIORDAN: For example, that. That is virtually saying that the Anzac Bridge traffic is already at peak. With the introduction of the civil site, Hanson concrete and the truck marshalling yard, the three intersections around James Craig Road and the City West Link, the City West Link and The Crescent, and another proposed intersection 400 metres further west for the Rozelle rail yards, they will probably be subjected to heaps more traffic than what is already there at the moment, and they are projecting that those will go from service levels of E through to F. E is gridlock, F is fail.

Mr DUDLEY-SMITH: When the EIS came out, there were all the traffic prognoses in the EIS. It stated that the Rozelle rail yard would have 517 truck movements per day from that site. All the traffic modelling that was put in the EIS is now completely wrong because none of the things that were considered in the EIS at the time—there was no mention of Hanson's being relocated to the White Bay area. There was no mention at the time that the trucks based at the marshalling yards would be based at White Bay. There was no mention that the multi-use facility was going to be constructed and that there would be numerous truck movements from there. So the consequence was that in the EIS, the truck movements, although severe, the suggestion was, I think, 700 truck movements a day for around the Rozelle rail yard site. As the Inner West Council stated, these truck movements have now blown out to an enormous amount. From my own estimation it is 3,500. But, as you know, the council have already said that it is over 4,000. I cannot ascertain how the council has arrived at those numbers. I have only worked it out on the numbers that I can work out and arrived at this figure of 3,400.

The other aspect of that is that all these trucks will be coming from White Bay and the access to the rail yard site, as is stated in the EIS, the access point, the trucks were originally coming from the west. So they were coming from Haberfield, they were coming down the City West Link, and they were turning into the rail yard site 400 metres before you get to The Crescent. They were going into the rail yard site, filling up and then exiting the rail yard site opposite The Crescent. There would be new traffic light systems put in both those locations obviously with new traffic sequences involved. The difference now is that those empty trucks coming from the west would turn into the rail yard site and then when they exited obviously at The Crescent, they would have to cross the line of traffic to go back west where the spoil is meant to be going.

With the trucks now based in White Bay, the trucks that are going to be using the rail yard site are going to be coming out of James Craig Road. So at the junction of James Craig Road they then turn left on to the City West Link. Then, in order to access the rail yard site, they have to cross the line of traffic to access the rail yard site. Then they fill up. It does not matter which entrance they use, they then have to fill up and when they fill up, they have to once again cross the line of traffic to get out. As we are talking about at least 500-something truck movements a day in that site—which is stated in the EIS—of which 200 plus are at peak periods, I think you can see that even that one thing is going to add massively to congestion.

The Hon. GREG DONNELLY: We have to move on.

The Hon. DANIEL MOOKHEY: Ms King, you are the WestConnex liaison officer for the Parents & Citizens' Association [P&C]. Is that correct?

Ms KING: Yes.

The Hon. DANIEL MOOKHEY: And you act in a voluntary capacity?

Ms KING: Yes.

The Hon. DANIEL MOOKHEY: But your P&C has formally created this position?

Ms KING: Yes.

The Hon. DANIEL MOOKHEY: Is that because the level of interaction amongst your school community is such that such a position is required?

Ms KING: Interaction with the project?

The Hon. DANIEL MOOKHEY: Yes.

Ms KING: Yes. There are five impacts on our school community. The position was created earlier this year after the RMS asked us whether we would like to be on a consultative committee. We presumed it was given because the main line tunnels were going underneath our school.

The Hon. DANIEL MOOKHEY: Thank you for the work you do on behalf of your school community in a voluntary capacity. Do parents in your community trust what the RMS tells them?

Ms KING: I think the president would be best to speak to that.

Ms CRAWFORD: It is difficult speaking on behalf of all the parents in our community. I can speak about the ones who come. No. It is because the process to date, we have not been approached, we have not been consulted with as a stakeholder before the proposed site. Everyone heard about it through various news platforms.

The Hon. DANIEL MOOKHEY: This site is a Dan Murphy dive site?

Ms CRAWFORD: No.

The Hon. DANIEL MOOKHEY: It is a different one? This is your oval?

Ms KING: There was a proposal for a dive site literally on land wrapping the school's only oval. It is in the picture in the submission, and it abuts the school property. It would have been 36 metres from an indoor classroom and 20 metres from the school's main gate. It was favoured for a six-week period whilst we fought to stop it, after which they advanced Dan Murphy's formally.

The Hon. DANIEL MOOKHEY: Was the RMS up-front?

Ms CRAWFORD: No. They did not provide any information. On that site are two former tram shed buildings. The site is a triangular site and it is a complete subdivision. As Ms King said, the school is already too small for the current guidelines. It would make sense that eventually that could become part of the school site. It is a natural block. Two State heritage listed tram shed buildings are on that site. They would have had to be demolished, but there was no mention of that.

The Hon. DANIEL MOOKHEY: How much anxiety has this created in your school community? How ongoing is that anxiety?

Ms CRAWFORD: It is extreme anxiety, which is why I spoke separately representing the students. We have wonderful, informed, active, engaged students in our school and they literally could not believe that this was being proposed to happen to impact—it is actually within 36 metres of 20 classrooms with nothing in between. The school library, which is a hub—it is the IT centre, the hub of any presentations, et cetera. And there was no information provided as to really what was proposed and I think that secrecy has added to a certain cynicism. Going forward, we now look at maps where we are shown that the two tunnels connect underneath our school and we feel as though we get what I would call rather glib responses back from RMS who we are now, because of Ms King's time, in conversation with them, and these tunnels are going to overlap each other vertically underneath our school. In any of the impact statements or diagrams about tunnelling, he reassures us it will not be too close to the surface of our school, but there is no mention of two tunnels over the top of each other and what they are going to do in that situation.

The Hon. DANIEL MOOKHEY: How do we reconcile your anxiety—

The CHAIR: We have to move on.

Ms KING: Finishing with that answer, incredible anxiety over the dive site and because of the dubious way the whole thing happened, we continue to be anxious about the main line tunnels. It seems that if we are not active, nothing comes to us.

Ms CATE FAEHRMANN: Thank you for your representation of your communities and how much you work and fight on this issue. I cannot imagine the hundreds if not thousands—definitely thousands and more hours people are putting in on this. Six weeks from the time you found out on the nightly news about this ridiculous proposal, what was your time like in respect of fighting this? Of course you are still doing that with the main line tunnel proposal underneath. I am curious in respect of how much you are focusing on this as opposed to all the other initiatives and things that the P&C should be focused on?

Ms KING: It completely dominated the P&C in that period. All the meeting was about was those issues in that period.

Ms CRAWFORD: There was ongoing concern as well because there was no reassurance that the site would not be used for something else. The community has always been concerned—the principal was not informed that the site would not be used. In fact, there have been rumours at different stages. There is even the fact that tunnels by two separate contractors are going to meet underneath our school. There is concern that there will be some complication that was not foreseen and that, as a result, there will have to be an emergency dive site there. That is the kind of scenario that the community is foreseeing. We feel as though the impacts on the school have not been considered.

Ms KING: The members of the committee worked full time, double shift. Everything went off their agenda. I lost paid work over it for that six-week period. The meetings were thronged by parents coming in at that time.

Ms CATE FAEHRMANN: You found out on the nightly news about the dive site. The mainline tunnels you found out because of your own work. Is that correct?

Ms KING: We just saw that in the EIS, actually.

Ms CATE FAEHRMANN: Really?

Ms KING: We read it ourselves and we pointed it out to the principal.

Ms CATE FAEHRMANN: What about the Department of Education?

Ms KING: They seem completely missing in action on everything. There is this curious silence. They are apparently not allowed to be involved. It seems incomprehensible that they are not formally consulted and engaged with at the beginning of any major project like this.

Ms CATE FAEHRMANN: Yes, particularly on one that is underneath the school. Are they aware of this now?

Ms KING: Yes, because—

Ms CATE FAEHRMANN: Have you informed them?

Ms KING: —the parents have informed the principal, who has informed their superiors in the Department of Education.

Ms CATE FAEHRMANN: In relation to this tunnel, have you had confirmation from the RMS that indeed it is looking very likely that it will go underneath your school?

Ms KING: The EIS shows it definitely going underneath the school but we know that the final, final route will be decided by the contractor. We have asked questions at the consultative committee specifically on that. "Can you just give us an idea of the anticipated impacts so we can make due preparations. Is there likely going to be noise, relocations of sensitive populations in the school like autistic children who may need to be moved during drilling? We need you to know that it cannot happen in exam times. There need to be relocations at performance times and debating times." When we ask these kinds of questions they look at us blankly and go, "Oh, yeah, okay." They have given us information in response to that now, through the consultative committee, that it is likely that the tunnels will meet underneath the school. It is not 100 per cent certain.

Ms CATE FAEHRMANN: What does the EIS say about risks in relation to subsidence?

Ms KING: They do not discuss those as being of any greater concern under our school than anywhere else, and they do not do a formal risk assessment of sensitive receivers with respect to subsidence, to my understanding.

Ms CATE FAEHRMANN: What do you mean by "sensitive receivers"?

Ms KING: I think "sensitive receivers" are certain populations.

The Hon. SHAYNE MALLARD: Students.

Ms CATE FAEHRMANN: Thank you for that. I am particularly interested in the times that Mr Riordan and Mr Dudley-Smith have both spent in fighting and representing their communities. Would you like to inform the Committee what toll it has taken on you and how many hours you think you have given up to represent your community and by being here today?

Mr DUDLEY-SMITH: I could not say how many hours I have put in. I have been doing this for the last three years. I cannot imagine how many rallies, demonstrations, community consultations, stalls on the street to try and inform the public—

Ms CATE FAEHRMANN: Reading publications and documents?

Mr DUDLEY-SMITH: Yes. To prepare all this for my own submission took a month of work.

Ms CATE FAEHRMANN: Mr Riordan?

Mr RIORDAN: Have worked for half the time that Richard has done, because I have only been here for about 18 months, but I have certainly put in the same sorts of times on the stalls. It does get very wearing.

Ms CATE FAEHRMANN: Thank you.

The CHAIR: Thank you again for appearing before our Committee. I would like to follow up on some of the questions. You mentioned that you were given assurances that the spoilage hauling route would not traverse Annandale. How was this assurance provided to you? Is that correct?

Mr DUDLEY-SMITH: Yes, that is correct. I cannot remember when it was. It would have been four years ago at one of the first community meetings I went to at Leichhardt Town Hall, where the RMS addressed an audience. At the end of that I asked a question, "What is going to be the situation for Annandale?" I was told that Annandale would not really be affected. I then asked the question, "So there would not be any truck movements through the Annandale area or on Johnston Street, as that is a main thoroughfare?" I was told, just word of mouth, "No, that will not be the case." As you will have seen, in the EIS, the spoil trucks from the Camperdown dive site were initially coming down Parramatta Road, and accessing the Camperdown dive site. Are you aware of where it is? It is between Parramatta Road, Pyrmont Bridge Road and Mallett Street. It is on a triangle there.

That is where I am talking about. The trucks were to come down Parramatta Road to access that dive site. It was only when I went to a community consultation session at Newtown, that I managed to cross question one of the representatives of WestConnex, and challenge him about the problem of congestion. In the other previous stage—stage 1—there had been massive truck hold-ups at Burwood, because trucks could not get into the site. I said, "You can't allow that to happen here at this location." Only then did he say that he did not think that would happen because perhaps they would not be coming down Parramatta Road. I asked, "Where would they be coming?" "We might be going to locate them in White Bay." In that whole thing, through a series of questions, I was able to uncover that, in fact the truck route then being planned was that the trucks would be in White Bay. They would use Johnston Street, come down Johnston Street, onto Parramatta Road and into the dive site there.

The CHAIR: What was the approximate date that you got that information?

Mr DUDLEY-SMITH: It would have been last year before the EIS submissions had to be in.

The CHAIR: Roughly what date? What month?

Mr DUDLEY-SMITH: I would have to look it up. I cannot tell you that accurately now.

The CHAIR: You would have had no time to make a supplementary submission—

Mr DUDLEY-SMITH: No.

The CHAIR: —based on what you had just learnt.

Mr DUDLEY-SMITH: I put that information into my submission to the EIS saying that I had received that information verbally, and that that was not in the EIS. The next thing I asked him was, "How are those trucks going to get up Johnston Street," knowing that there was a historic bridge at the end of Johnston Street and that the turning circle would not allow a truck and a trailer to get up there from the lanes that existed on The Crescent at the time, and which exist today. Then he had to admit that perhaps there was going to be another lane put into The Crescent, which would be solely for trucks.

A lane obviously would be in the inside of The Crescent coming from City West Link. Then there would be another sequence of traffic lights put in at the bottom of Johnston Street, which would allow for trucks from the inside lane to turn up Johnston Street. With a truck and a trailer that would give them a sufficient turning circle to be able to make that turn. We only knew then that that was going to happen. In the EIS it was stated that Buruwan Park was going to be taken, which the mayor of Inner West Council failed to mention. The whole of Buruwan Park at the end of The Crescent is going to be taken as well.

The CHAIR: You raised, in regard to the haulage trucks, a figure of 183 so far. Is that correct? Is that what you have been experiencing?

Mr RIORDAN: Sorry. No. That is so far in relation to my adding up of the 122 a day that was in the EIS that they predicted for Johnston Street, plus another 50 from the Hanson concrete batching.

The CHAIR: And yet there were alternative routes that you suggested could have been used instead of Johnston Street?

Mr RIORDAN: No, I did not suggest any alternative routes.

The CHAIR: You could not think of any others? There are no others?

Mr RIORDAN: In relation to that, it would be only dobbing in another street in Annandale, and that is The Crescent. You could go up The Crescent.

The CHAIR: You want to stop it altogether.

Mr RIORDAN: That is right, yes, of course. There are only 58 residential lots up to the turning point into Pymont Bridge Road going that way.

The CHAIR: We will move on to the Government members.

The Hon. Dr PETER PHELPS: I just want to take you up on that. Comparatively, Johnston Street is significantly wider than is Pymont Bridge Road up to Mallett Street, is it not?

Mr RIORDAN: That is correct.

The Hon. Dr PETER PHELPS: So Johnston Street, if you like, offers better access for trucks.

Mr RIORDAN: That is correct, but it is still a residential street.

Mr DUDLEY-SMITH: And it still has three primary schools, two aged-care centres and two preschools on it, with a total of at least 1,500 students.

The Hon. Dr PETER PHELPS: And if you go up Pymont Bridge Road and then turn left you will also run past a whole range of heritage houses and in the old children's hospital a large number of residential apartments, and then when you turn onto The Crescent you will also have more heritage houses and more residential apartments all the way down to the bay, is that not correct?

Mr RIORDAN: Yes, you do.

The Hon. Dr PETER PHELPS: I lived in Camperdown for many, many years. I have got a very good understanding of the area.

Mr DUDLEY-SMITH: The problem with this whole scenario is the pollution. Last night on SBS there was a program in Britain about air pollution and what a terrible problem it is. It is costing £20 billion; 40,000 people are dying a year from air pollution and this whole program showed exactly the situation that we are in today where you have got schools on a high street with slow, congested traffic, and I would recommend that you all watch it, to be honest.

The Hon. Dr PETER PHELPS: Certainly, and some of us have actually lived it, having gone to Camperdown Demonstration School in infants and primary, which is now Bridge Road School, I believe, and then having walked down there every day to catch the 465 bus to Summer Hill Public School and then having walked down there every day to catch the bus on Parramatta Road to Fort Street High School. So I am fully aware of the nature of—

Mr DUDLEY-SMITH: Then you should be talking to Ray Nassar and get him here before the inquiry because he is an expert. Look at my age—I am 72. I grew up in London in the 1950s; I remember the pea-souper fogs, which were a joke, and yet in 1952 they had four or five days of this exceptional fog and then only later on did the Government say that actually 5,000 people had died.

The Hon. Dr PETER PHELPS: They introduced the Clean Air Act—the Victorian Government introduced the Clean Air Act.

Mr DUDLEY-SMITH: It does not matter. It was Churchill, if you want to know, but who cares?

The Hon. Dr PETER PHELPS: I am pretty sure Churchill was a Tory.

Mr DUDLEY-SMITH: Basically, the situation is that you cannot just turn to the past and say in nineteenth century Britain you had the most terrible pollution from coalmines and say you have not got that today.

The Hon. Dr PETER PHELPS: I am just saying that people who claim that in some distant past the inner west was a wonderful utopia where there was no traffic pollution—

Ms CATE FAEHRMANN: Point of order—

Mr DUDLEY-SMITH: Why are you going to inflict additional pollution when you know how dangerous it is?

The CHAIR: Dr Phelps is asking him questions.

Ms CATE FAEHRMANN: He took about 17 statements to get to the question. That is my point of order.

The CHAIR: Could you move on to the question, Dr Phelps?

The Hon. Dr PETER PHELPS: Certainly. Do you have confidence in the Environment Protection Authority?

Mr DUDLEY-SMITH: It is very difficult to say.

Mr RIORDAN: I am not an expert.

The Hon. Dr PETER PHELPS: Do you have confidence in the NSW Chief Health Officer, Kerry Chant?

Mr RIORDAN: Again, I am not an expert in health. This is why we would like to get experts.

The Hon. Dr PETER PHELPS: Do you have confidence in the independent Advisory Committee on Tunnel Air Quality?

Mr DUDLEY-SMITH: No.

Mr RIORDAN: No.

The Hon. Dr PETER PHELPS: In relation to Hanson's concrete batching plant at White Bay, do you agree that there will be reduced potential queuing and congestion on local streets because of that?

Mr DUDLEY-SMITH: No, I do not.

Mr RIORDAN: Why would there be? There is going to be an increase in trucks that we have not had before.

The Hon. Dr PETER PHELPS: But having them marshalled in one particular area keeps them off those streets until those times that they are needed. Is that not correct?

Mr RIORDAN: That may be correct, but they are still coming up Johnston Street.

The Hon. Dr PETER PHELPS: How do you propose to get concrete to the site if not in trucks on roads?

Mr RIORDAN: I do not care if you parachute them in.

The Hon. Dr PETER PHELPS: So your fundamental proposition is that you disagree with WestConnex and you do not believe stage 3 should be proceeded with?

Mr RIORDAN: That is right.

Mr DUDLEY-SMITH: Absolutely.

The Hon. Dr PETER PHELPS: I think that bird has flown.

Mr RIORDAN: Stage 3 is not done yet.

The Hon. Dr PETER PHELPS: That is true.

Mr DUDLEY-SMITH: The situation is that, in fact, you should be looking at what they are doing in London. We are talking about a few thousand extra vehicles coming into Sydney, or that is what you are trying to achieve, for a fantastic amount of money. The Crossrail in London is 70 kilometres long, it is going to open next year, it is 40 stations—10 of which are brand-new—it is going to move 200 million people a year and the cost of that, when I went into it, was a staggering \$A25 billion. What we have managed to achieve on this WestConnex, which is really a piddly little project, is already costing that money.

The Hon. Dr PETER PHELPS: We are, of course, building the Metro, but I have to move on to Sydney Secondary College.

Mr RIORDAN: But without anywhere near the 200 million people.

The Hon. Dr PETER PHELPS: I understand you have had problems in relation to the design process, but, in the end, the contractor redefined their design and no longer needed the proposed dive sites at the Tramsheds in Darley Road. Is that correct?

Ms KING: One of the contractors out of three proposed that they did not need a dive site, in June this year.

The Hon. Dr PETER PHELPS: Do you consider that to be a good outcome?

Ms KING: Yes, of course.

The Hon. Dr PETER PHELPS: So would it be fair to say that that is how a community consultation process should be run?

Ms KING: No. Our central thesis is that the true costs of a huge project like this need to be considered much more thoroughly at the beginning of the process because how can you have a sound business case if you do not have a sound cost-benefit analysis? If you overlook all these hidden costs on hundreds of people and communities—whether it is our school or whether it is the wider community—you cannot have a sound business case.

Ms CRAWFORD: And if you have not communicated with the stakeholders, how do you know what the likely negative impacts to them will be? If you show such gross misunderstanding or negligence of how a school community functions as to propose to put a site there, how can you foresee what the negative impacts will be, and if you do not communicate with those stakeholders?

The Hon. Dr PETER PHELPS: So if something is proposed and then on the basis of community feedback it is deleted, is that not a good—

Ms CRAWFORD: It is proposed. How is it communicated to us when it is proposed? How is it communicated to the stakeholders when it is proposed?

Ms CATE FAEHRMANN: There was no consultation. They found out about it on the nightly news, remember?

Ms CRAWFORD: Is that community consultation as it should be?

The Hon. Dr PETER PHELPS: I do not know what was in the minds of RMS at the time. They may well have been planning to send out to all affected parties notifications. Can you think of any other project in New South Wales which has had more community consultation than WestConnex?

Ms KING: It is not our job to—

Ms CRAWFORD: I can interject. I work professionally as an architect and urban designer and I know due community consultation that occurs on a standard project. You can be adding on the most basic addition and you have to comply with something that seems like way more due process than has taken place with this massive project.

The Hon. Dr PETER PHELPS: In relation to tunnel air quality and your concerns about tunnel air quality, again I will pose the same questions. Do you have confidence in the New South Wales EPA?

Ms KING: A question mark—it is not a yes or a no.

Ms CRAWFORD: I would like to continue here. We do not. It is our understanding that the air quality monitoring that is meant to be done by the EPA at the moment is currently down at Callan Park and the monitors down there have not functioned for the last three to five years, is what we have been informed. So the P and C we have actively sought out—many of the P&Cs in our area have forked out up to \$60,000 on air quality monitoring. We have found out about a project and we have just commissioned an air quality monitor for our school, and the information and data collected will then be part of public data available for everyone to assess. So no.

The Hon. Dr PETER PHELPS: Are you taking baseline readings now?

Ms CRAWFORD: Yes.

The Hon. DANIEL MOOKHEY: When you say "the school", does that mean the parents and citizens association raised it?

Ms CRAWFORD: Yes. We have found an avenue that is not that expensive and we are investing.

The Hon. DANIEL MOOKHEY: But the point is that the parents and citizens association is investing in the monitoring and they are not.

Ms CRAWFORD: Other schools are investing \$60,000 in air quality monitoring.

The Hon. DANIEL MOOKHEY: Not books.

Ms CRAWFORD: That demonstrates a lack of faith in the current air quality monitoring.

Ms KING: The air quality monitoring at Callan Park is in the middle of a park and on a lovely hill, so it is not an accurate representation. There is a great deal of controversial information about the ventilation stacks and we cannot have full confidence at the moment.

The CHAIR: Thank you very much for appearing before the inquiry. We appreciate all the work you are doing on behalf of the children of your school and other schools. If you have taken any questions on notice, the secretariat will send them to you as a reminder and you will have 21 days in which to answer them.

Mr RIORDAN: I would like to add one thing. If the Committee has not yet called Dr Noel Child as a witness, I suggest that it does so to get his version of tunnel air quality.

Mr DUDLEY-SMITH: He is a tunnel expert.

Mr RIORDAN: It might be worthwhile.

The CHAIR: Thank you for that suggestion. We will follow it up.

(The witnesses withdrew)

GLEN SEARLE, Adjunct Associate Professor, Faculty of Architecture, Design and Planning, University of Sydney, sworn and examined

The CHAIR: Thank you for appearing at this hearing and for your submission. Do you wish to make an opening statement?

Dr SEARLE: Thank you for the opportunity to speak to the Committee today. I point out that any views I give are offered in a personal capacity and are not necessarily those of the University of Sydney. My submission to the Committee focuses on costs that could or should have been included in the WestConnex business case. One of the key omissions in the business case is the cost of upgrading connecting roads, which has been estimated at \$1 billion for the St Peters interchange alone. The business case also does not cost increases in traffic congestion where traffic leaves WestConnex in inner Sydney, with the traffic generated by WestConnex being beyond the capacity of Anzac Bridge and the Sydney Harbour Bridge by 2031 as one example.

Nor does the business case include the negative health outcomes to residents from construction-related stress and ongoing noise and pollution stack emissions. These are serious uncosted negative amenity effects that include noise and other impacts from the motorway. These will lead to lower property values for houses next to surface sections of the motorway. These property losses are not included in the business case. The cost of land for interchanges also is undervalued because it does not consider alternative higher value uses. The lost heritage in Haberfield is omitted. Increased congestion costs during construction have been left out of the business case, as have losses of revenue for businesses adjacent to the project construction and businesses affected by traffic diversions required for construction.

There is no inclusion of public transport losses arising from 45,000 trips being switched to WestConnex each day. There is also no consideration of the public sector infrastructure costs of increased urban sprawl arising from being able to commute from further out. In addition, the business case greatly overstates one of the main claimed benefits, that is, increased productivity in inner Sydney brought about by better access for Western Sydney workers. This is because the job increases required to produce the extra productivity in central Sydney, and the Bays Precinct in particular, are much more likely to be based on public transport access, not motorway access. My submission is that these analytical shortcomings put the business case to construct WestConnex into serious doubt.

The Hon. GREG DONNELLY: Thank you for appearing before the Committee this afternoon. We have received your submission, which is a paper presented at a conference in Adelaide late last year. It is submission No. 3. By the twenty-first century all large infrastructure projects, irrespective of the jurisdiction in Australia, would have well understood parameters for businesses cases. There would also be some broad agreement or consensus about the elements. Is there an understanding that there are basic, key elements in a business case that should be incorporated if it is to be seen to have any real bona fides? Are we talking about a very debateable point and are there competing views?

Dr SEARLE: I think it is a mixture of both. There is certainly some consensus about what central things should be included in a business case or cost-benefit analysis [CBA]. However, there is also debate about things which should be included but which are difficult to measure or sometimes left out because the project does not have enough analysis costs. There are some items on the margin, including those that I have mentioned in my submission. They are not always included, and in many cases because they are difficult to measure. They are conceptual rather than practically included in all business cases. There are other items such as changes in property values and so on that I think would be considered to be important and should be included in a standard business case.

The Hon. GREG DONNELLY: Is it your understanding that that did not form a component part of the business case for WestConnex?

Dr SEARLE: I think the business case includes the bare minimum of what can be included. The things left out tend to be extra costs that have been left out for convenience, and those costs are important. There is a bare minimum of business cost analysis in the paper, but that is about it.

The Hon. GREG DONNELLY: I refer to pages 7 to 10 of your submission. You state, "CBA planning items inadequately costed". Having looked at this and studied it, you have come to the conclusion that there are some serious inadequacies in the costings, or would you judge it less harshly than that and say—

Dr SEARLE: I think serious inadequacies is the level I would put it at, particularly the bits of infrastructure that have had to be built to make WestConnex that have not been included in the business case. That is a serious omission. I am talking about the \$1 billion cost of upgrading the areas around Alexandria to cope with

traffic coming off the St Peters interchange. That is just one example. It is unclear from the publicly available papers whether the Gateway project was assumed to be part of the WestConnex case in terms of traffic congestion and analysis. That is a several billion dollar project. If the WestConnex cases assume that that will handle traffic coming off WestConnex and going to the airport and the port, then the cost of the Gateway project and the benefits that might come from that should have been included in the WestConnex business case. That is a very serious omission.

The Hon. DANIEL MOOKHEY: Is another example of that the \$162 million spent from the Housing Acceleration Fund for the Hill Road upgrades in stage 1?

Dr SEARLE: Yes, that is another example. You can go through a number of cases like that, and that is certainly one of them.

The Hon. DANIEL MOOKHEY: That fund's purported purpose is to expand housing supply, but it is being used to pay for WestConnex integration work. Is that an example of what you are talking about?

Dr SEARLE: That particular piece of infrastructure is certainly an example, yes. The means by which it is paid is another question.

The Hon. GREG DONNELLY: It seems odd to me—and other members can speak for themselves—but we are talking about large chunks that really have not been accounted for. The project has evolved and developed, and now it is different from the way it was put to the people of New South Wales. We find these component parts are out there and we are learning as we go along and trying to reconcile the current project with what was originally put. When we try to square it into how the project fits together, we are met with the constant response by the Government and bureaucrats, that these are matters of commercial in confidence. I must say that trying to understand commercial in confidence is challenging. It seems to be the blanket that is run over any question that seeks to put in shafts of light to understanding big numbers. Is it legitimate to say that things are commercial in confidence and we cannot understand them?

Dr SEARLE: That was not the focus of my submission, but I would say that there is certainly a lack of transparency in these kinds of things. I am not sure that it does affect business confidence, although in this case the WestConnex project was for sale. Without being inside the equation, if you like, and knowing what was hidden, it is difficult to say.

The Hon. GREG DONNELLY: Fair enough.

The Hon. DANIEL MOOKHEY: The business case in its first iteration was prepared circa 2013-14 and an updated version was in November 2015. Would you agree with that?

Dr SEARLE: I just checked the most recent business case and did not check the previous ones.

The Hon. DANIEL MOOKHEY: RMS said at the time that they complied with the requirements of Infrastructure Australia, which were imposed upon them as a condition of the Federal Government's loan. Do you have a view that Infrastructure Australia's guidelines, which RMS said they have to follow, are fit for purpose?

Dr SEARLE: By and large, yes, but the co-author of the submission and myself have talked with Infrastructure Australia in Sydney. We wrote an article for *The Conversation*, which was based on this project and a couple of others. We saw shortcomings in the analyses across the board. Infrastructure Australia's view is that they are forced to take what is given to them by the States; they do not have the capacity to redo the analysis. They are concerned with the quality of business case analyses coming through to them, such as the WestConnex business case. They did not say that one in particular, but that is the general concern.

The Hon. DANIEL MOOKHEY: Since this project was first conceived nearly eight years ago, those guidelines have changed, both at an Infrastructure Australia level and equally at an Infrastructure NSW level. That has prompted a concern amongst the community that if this project were going through the previous standards, it would not get approval. Would you agree with that?

Dr SEARLE: Without doing the numbers on what has been left out, I would think that it would be a very marginal case at best and probably not approved, yes.

The Hon. DANIEL MOOKHEY: I ask this question, because it is not like this is a theoretical exercise; a major project component in its first business case, Sydney Gateway, has now been hived off. We learnt this morning that a new business case has been prepared for that part of the project. What we do not know is whether or not that business case is to be made public. Given that the WestConnex business case was the last business case this Government made public in respect to any of its major infrastructure projects to do with transport—be it the Western Metro, the Sydney Metro or the other road projects—does it concern you that RMS and Infrastructure

NSW's failure to publish that business case means that the ability to scrutinise them in respect of the concerns that you have just listed is virtually impossible both for the Parliament and for the public?

Dr SEARLE: Yes, I certainly agree. I think the public has a right to know what the business case is for all projects, so that there can be a public debate about all of the priorities and so on.

The Hon. DANIEL MOOKHEY: Do you think they should publish it and we should make the publication of business cases like this a routine matter of law?

Dr SEARLE: Certainly, that is my view. It certainly was the case when I was working for the Department of Planning back in the 1980s. All the environmental impact assessments contained a cost-benefit analysis and that was a standard procedure. That suddenly disappeared, and I think that is to the detriment of public debate.

The Hon. DANIEL MOOKHEY: It was good enough when we built the M4 and all the other motorways, but somehow since then we have decided that it is better that this information be kept secret. Is that correct?

Dr SEARLE: Yes, that is unfortunately the case.

Ms CATE FAEHRMANN: What other comparable projects in New South Wales and Australia have undertaken BCAs that are better than the ones we are talking about today?

Dr SEARLE: The East-West Link in Melbourne is the obvious example. In that case, they had to fudge the agglomeration economies that were produced by the project. They had the East-West Link going across the CBD to the north, not linking into the CBD, and they had to add a transit route into the CBD as part of the business case analysis. That was a complete fudge, because they added on a bit of public transit to make the business case for the East-West Link stack up. In the WestConnex case, the same thinking about agglomeration economies has been included, but as I submitted in my paper it is fallacious because the city cannot handle the extra traffic that will come off WestConnex because of the zoning restrictions in the city and other matters.

Ms CATE FAEHRMANN: When you undertake your own cost-benefit analysis of WestConnex with all of the information that is available and you include the basic costs that you say have not been included, such as health impacts and possibly heritage loss—I am assuming there is gold standard for cost-benefit analyses and a basic model, which is the Government has not even done—

Dr SEARLE: Health costs are fairly difficult, but theoretically they should be included.

Ms CATE FAEHRMANN: Have you undertaken your own cost-benefit analysis of the WestConnex project?

Dr SEARLE: No, that is a huge project. They pay consultants millions of dollars, and I have not had the capacity to do my own small version. All I can do is to point out the inadequacies of the business case; that is as far as I can go.

Ms CATE FAEHRMANN: Given the scale of the costs that have not been included, I think you suggested in your opening statement that the business case shows that it is highly dubious that it would be approved.

Dr SEARLE: Yes, that is right.

Ms CATE FAEHRMANN: I think you are aware of the SGS Economics paper. They said that it is highly unusual to have such a high probability of a project not coming in on budget. Would you like to provide comment on that?

Dr SEARLE: No. I know they have done analysis, but I am not across the construction costs so I could not really answer.

Ms CATE FAEHRMANN: I was particularly interested in your submission about the negative impacts on public transport, for example. You suggested there would be 45,000 fewer fares. Could you explain the cost of moving people off public transport in the future?

Dr SEARLE: There are basically three possible outcomes when you lose 45,000 people—

Ms CATE FAEHRMANN: By?

Dr SEARLE: Every day onto WestConnex.

Ms CATE FAEHRMANN: By which year?

Dr SEARLE: I cannot remember the year, but that is on an average weekday. There are three costs. One, if nothing else happens, the bus system loses that revenue from 45,000 people, so there are extra losses to the public transport system. If the fares are increased to recoup those losses then that is a cost to people using the public transport system. Alternatively, if they try to reduce the frequency of services to cover the loss of customers then there is an increase in waiting times for people using the bus system. Time can be costing money, as the traffic statement for WestConnex says. There are three types of costs that come out from the 45,000 person a day loss.

Ms CATE FAEHRMANN: They have said 45,000 people a day—

Dr SEARLE: I mean trips, so 22,500 each way.

Ms CATE FAEHRMANN: In your opinion, WestConnex could result in higher public transport fares for people?

Dr SEARLE: As I said, it could go in one of three directions. It could be higher fares, or it could be extra losses, or it could be increased waiting time if frequencies are reduced. It could be any one of those three things; it could be all three.

The CHAIR: Again, thank you for your assistance with our inquiry. The general thrust of your paper seems to be focused on the inadequate manner in which projects like WestConnex have been costed. In light of externalities such as those identified by other witnesses earlier today, would that be a fair description?

Dr SEARLE: That is part of it, but I am also concerned with the things such as infrastructure costs necessary to make WestConnex happen, such as the extra road construction associated with the St Peters interchange. Those kinds of costs are also very significant. The Gateway project is a very complex but kind of omission that has the same benefits, but basically I think the WestConnex cases assume that the Gateway will be constructed and therefore the costs should have been included within the WestConnex costs.

The CHAIR: Some costs are difficult to put in economic terms, such as disruption that results in the loss of community and the breakdown of intergenerational relationships caused by the loss of public space such as parks. How could these be factored into the equation?

Dr SEARLE: Some of those are difficult to measure but basically in economics these things get reflected in property values. You can measure a lot of these things by the reduction in property values that happens when these things occur. That is a standard approach in economics using a thing called hedonic price analysis which uses all sorts of variables which you toss into the pot and you see the particular variable you are looking at, which is the construction of the motorway or the extra pollution and what effect that has on property prices. That is a fairly standard technique.

The CHAIR: Do you acknowledge the complexity involved in major transport overhauls that go across diverse urban communities and difficulties in mitigating disruption to the lifestyle of residents?

Dr SEARLE: If there are costs to the community, I think they should be included. These projects go ahead with maybe long-term benefits but if there are costs being incurred as a result of those long-term benefits being obtained, I think those costs should definitely be included. In the WestConnex case, as in most cost-benefit analyses, the cost during construction to community and businesses is not included and they can be very significant, as we have seen with the light rail project, and definitely should be included as part of project costs.

The CHAIR: Can you quote any examples where mitigation was more successfully achieved?

Dr SEARLE: Mitigation of what?

The CHAIR: The impact on the diverse urban communities, lifestyle of residents?

The Hon. SHAYNE MALLARD: The construction impacts?

Dr SEARLE: I am not sure how to answer that question.

The Hon. DANIEL MOOKHEY: Do you think the WestConnex has appropriate mitigation strategies in place?

Dr SEARLE: In those terms, from what I have seen there are some potential mitigating factors and they are a plus but the mitigation costs are not set against any costs that are being saved or incurred. Whether the mitigation costs actually do ameliorate all of the costs they are trying to ameliorate, it is a question of trying to include all the expenditure on mitigation costs and seeing what other costs might still remain after you have spent the money on mitigation.

The CHAIR: What would you have thought was a reasonable approach that might have been taken in light of the size and extent of the WestConnex project?

Dr SEARLE: A reasonable approach?

The CHAIR: Yes. What could have been done in light of the size and extent of the WestConnex project, probably the biggest project in Australia?

Dr SEARLE: The basic issue was things like connecting with the eastern part of Sydney, particularly the airport and central Sydney and relieving congestion on Parramatta Road. I think there are alternatives to those kinds of issues. For example, better rail connections between airport and Parramatta would have been one alternative. In terms of Parramatta Road traffic, I think the case put out by the City of Sydney for an alternative which would have got traffic off Parramatta Road deserves some merit. I have not gone into specific alternatives. I think there should have been a wider range of alternatives considered, particularly improving rail traffic across Western Sydney from Parramatta to Central Sydney and then down to the airport.

The Hon. Dr PETER PHELPS: Dr Searle, have you read the Government's submission to the WestConnex inquiry, specifically the section relating to the WestConnex business case?

Dr SEARLE: I have not, no.

The Hon. Dr PETER PHELPS: You seem critical of it but you have not read it?

Dr SEARLE: Correct.

The Hon. Dr PETER PHELPS: Are you aware the Auditor-General stated:

While our audit did not seek to establish whether the WestConnex project represented value for money nothing came to our attention during the audit which led to significant concerns with respect to this issue.

Dr SEARLE: Okay, I note that.

The Hon. Dr PETER PHELPS: Infrastructure Australia's assessment was:

The estimated benefits of the project are currently 80 per cent higher than the estimated costs. This provides a high degree of comfort ...

There is a degree of confidence that following an adjustment to the BCR for P90 and any negative adjustment due to induced trips, the BCR will remain positive.

Dr SEARLE: That is certainly the case if you take away the agglomeration economies the benefit-cost ratio is still about 1.2, but that is very low in the order of general public investment. There are a lot of other projects out there with benefit-cost ratios much higher than that which would make a better use of public funds. As I say, once you start to include the omitted costs such as the extra road costs from the St Peters interchange and such things adding up to several billion dollars, then that takes the benefit-cost ratio ostensibly perhaps below one to one.

The Hon. Dr PETER PHELPS: Taking you up on that and the issue of incidental costs, you will probably be aware that the growth of Sydney, the suburban sprawl, was largely occasioned by rail lines being built in a particular area and at the end of a rail line you would have some sort of urban development. Would it have been appropriate to cost the rail line to include the roads, the sewerage, the other facilities, the police stations, the schools or are they incidental to the creation of that rail line?

Dr SEARLE: I think that is the wrong way of looking at it. They are all infrastructure costs associated with that urban development in that area.

The Hon. Dr PETER PHELPS: But they are not costs associated with the rail line, they are attendant costs on the construction of a transport route, are they not?

Dr SEARLE: They are all part of urban development in those new suburbs, so the rail cost is part of the cost of urban development.

The Hon. Dr PETER PHELPS: There is no doubt about that. The question is, are the urban development costs part of costs to the rail line?

Dr SEARLE: No, they are not.

The Hon. Dr PETER PHELPS: Why should the arterial connections be considered part of the development itself?

Dr SEARLE: Which development are you talking about?

The Hon. Dr PETER PHELPS: To WestConnex. Why do you consider the arterial connections to WestConnex to be part of WestConnex itself?

Dr SEARLE: Because they are necessary to get traffic onto WestConnex and to get traffic to leave WestConnex and get into the areas that people want to go to from WestConnex.

The Hon. Dr PETER PHELPS: In the same way that urban development in greenfield sites at the end of railway lines is necessary to get traffic onto the railway lines, is it not? Point of order: Can the public gallery be cleared. I am continually being interrupted by the gallery.

The Hon. DANIEL MOOKHEY: To the point of order: Perhaps before we clear the room—

The CHAIR: We are not going to clear the room.

The Hon. DANIEL MOOKHEY: —the Chair could remind the audience a more passive contribution is welcomed.

Dr SEARLE: Getting back to that point, part of it is the capacity issue. There is very little capacity on the roads which are supposed to take traffic coming off WestConnex, so it is necessary to increase the expenditure to expand that capacity. If you are talking about roads coming to rail stations in outer suburbs, then there is usually a fair bit of capacity involved in those roads and you do not need much addition beyond serving local needs and the local roads can handle traffic that wants to go to the railway stations. I do not think it is an equivalent comparison.

The Hon. Dr PETER PHELPS: Would you agree with the statement in the Government's submission, as recommended by the Auditor-General:

The updated economic analysis undertaken demonstrated that WestConnex was economically viable and will return \$1.88 to the NSW economy for every dollar invested. WestConnex has a Benefit Cost Ratio of 1.71 without wider economic benefits and 1.88 with wider economic benefits.

Dr SEARLE: As I said, I think that is disputable in terms of what has been left out. If you accept the business case for what it is, then the figures have been presumably correctly calculated and so forth. But there are a lot of serious omissions in terms of what has been left out and that certainly makes the benefitcost ratio as analysed in the business case seriously in doubt.

The Hon. Dr PETER PHELPS: But, nonetheless, still greater than one?

Dr SEARLE: It is very difficult to say. As I say, I think the things that have been left out are in terms of the billions and it makes it a very line ball and dubious proposition, without doing a detailed comparison of exactly what has been left out. Those omissions are very significant.

The Hon. SHAYNE MALLARD: Dr Searle, you are an adjutant associate professor. How long have you been in that role at the University of Sydney?

Dr SEARLE: For three years and before that I was associate professor at the University of Queensland.

The Hon. SHAYNE MALLARD: You were in Queensland for three years before that?

Dr SEARLE: I was in Queensland for four or five years. Before that I was a senior lecturer at the University of Technology for 15 years.

The Hon. SHAYNE MALLARD: Stepping back from WestConnex to the broader issue of the Government's historic infrastructure investment in the State, public transport and roads, the transport side of it, you must be, as a planning professional, at least giving a tick in the box to the Government that it is investing significantly in public transport and road infrastructure across the board?

Dr SEARLE: Yes, that is right. But whether the car-based infrastructure should have been a big motorway like WestConnex I think is problematic because I do not think that the alternatives to WestConnex were perhaps investigated as they might have been. It was just a brainwave from Infrastructure NSW.

The Hon. SHAYNE MALLARD: In isolation I have some sympathy for that view. In isolation, if all we were doing was building WestConnex I would have a problem with that. I am a big advocate of public transport, and integrated transport, active transport, but there is a \$50 billion investment in public transport infrastructure over the next four years—historic.

Dr SEARLE: Sure, I do not think that is a negative at all; that is a very good thing. I think I would point out, in terms of spending money on motorways, it is not as if cities around the world do not spend money on motorways; it is the location in the inner city which is very problematic. Australian cities are the only big cities in the western world which are still building inner city motorways such as WestConnex. If you look at a city like

Toronto, which is very similar to Sydney, they stopped building inner city motorways some years ago. There are motorway routes in central Toronto which have been abandoned, where construction has stopped, and so forth. The whole idea of inner city motorways is a peculiarly Australian phenomenon which is not being replicated across other advanced western countries.

The Hon. SHAYNE MALLARD: But WestConnex is not delivering traffic into George Street. In fact we are pacifying George Street and trying to discourage private vehicle use in the city. Reinventing cities for people is a noble objective. I spoke about Geller in the inquiry before. In the seventies, rightly or wrongly, those roads into the CBD were abandoned and the corridor sold off. Technology is available today to tunnel, and there are environmental heritage benefits. But there always was an intention to link up the city, the north through to the west and the west through to the south. We have seen the benefits of the M5 and M7. Employment opportunities have boomed out there, unexpectedly. This is really a long-term economic vision for many governments, and now it is deliverable because of this State. Would you not see that that is part of an integrated plan for the State?

Dr SEARLE: As I say, other cities in other countries are not following this path. If you look at Vancouver, San Francisco has abandoned freeways, Toronto has abandoned freeways, in London there were enormous protests in the sixties and seventies against inner city motorways, which stopped it. I think there is a kind of roads mindset in Australia which says if you have traffic congestion you build your way out of it, and I think that is a mistake. And the evidence shows if you build motorways the traffic eventually builds up and you get back to the original levels of congestion quite quickly. In terms of George Street we are talking about, in fact WestConnex, one of the aims is to get more traffic into the central area. That was one of the benefits. That is a problem I do have with the WestConnex—

The Hon. SHAYNE MALLARD: Not to George Street, I can assure you.

Dr SEARLE: —well into central Sydney. You have nowhere to park there, you have existing congestion. I am not sure that the traffic projections for WestConnex in terms of getting into the central area are viable.

The Hon. SHAYNE MALLARD: Traffic volumes in the CBD are down quite dramatically.

The CHAIR: The time is up for this session and we will have to conclude it. Thank you for your participation in our inquiry.

(The witness withdrew)

MARY COURT, Secretary, Penrith Valley Community Unions, sworn and examined

The CHAIR: If there are any questions that you cannot answer, they can be taken on notice and you have 21 days to answer them. Do you wish to make an opening statement ?

Ms COURT: Yes, please. I come before you today on behalf of the workers and their families of Western Sydney. The M4 toll on motorists may have already started but Western Sydney will continue to rise up and roar with purpose and passion, with a clear message to this government: WestConnex and tolls are a vote changing issue for communities right across the State. Premier Berejiklian is presiding over a total frenzy of private toll road building that is sucking billions out of public transport for generations to come. We, the people of Western Sydney, will continue to rise up and stand in solidarity and defiance about the continued destruction of communities by WestConnex and the burden of the huge toll tax being inflicted on families for decades to come.

Western Sydney is a vibrant community for hundreds of thousands of people. It is not a dumping ground for Sydney's problems. The M4 toll is just another tax being inflicted on Western Sydney for the next 42 years, a toll that is set to increase at twice the rate of inflation. For most residents this massive toll tax is an assault on their standard of living, and will have a long-term chronic effect on household stress, especially when the toll is going up 4 per cent a year. Shame on the Minister for WestConnex for putting this new toll tax on his own electorate, especially after former Premier Barry O'Farrell promised in 2010 that a Liberal Government would not put any new tolls on an existing road.

Communities across Western Sydney must now pay more than \$2,000 extra a year in tolls to travel on the M4 each day to get to work. And for what? An extra lane for a 7.5-kilometre trip between Parramatta and Homebush? That road upgrade will take only two years of tolls to pay off. So why are Western Sydney and regional New South Wales being exploited to pay this massive toll tax for the next 42 years? This is unfair and unaffordable for families struggling to put food on the table. The M4 toll is highway robbery. Western Sydney trades people who need their tools to do their work are severely disadvantaged by the cost of these tolls. All goods and services from the city would have the toll costs included.

The cost of living in Sydney is out of control and leaving people on the edge. Family budgets are already under pressure from soaring electricity bills, stagnant wage growth, insecure work, cuts to penalty rates, record rents, and over-the-top house prices, and the added burden of the toll is just too much. One toll leads to another toll, and another, in this, the largest tolled city in the world, where Sydney will have more road tolls than any other city by 2023. Enough is enough. We need to get the high volume of cars off the roads, and one of the answers is fast, efficient, cheap public transport, including more trains and more express services. The Australia we once knew, which our parents experienced, is not the reality anymore, because the rules that made our country fair are broken. We need to bring fairness back to Australia. Inequality is at a 70-year high, wage growth is the lowest it has ever been but profits are up. Forty per cent of Australians now have insecure work. Youth unemployment is in double digits, and the richest 1 per cent of Australians own more wealth than the bottom 70 per cent of Australians combined.

Stop pillaging our communities. We are talking about billions of dollars to be paid in tolls over decades to national and international interests. There needs to be proper scrutiny and urgently of why this is so. If this Government thinks it can keep dumping on people and get away with it without a fight, then I repeat the message coming out of Western Sydney today: Don't mess with the west. The WestConnex and M4 toll are vote changers. For the past 18 months Penrith Valley Community Unions has had a stall at Penrith Paceway markets, as well as around Penrith's main street, gathering signatures to a letter addressed to local member of parliament [MP] Stuart Ayers, who is also the Minister for WestConnex. So far we have delivered two lots of 2,000 letters to Stuart Ayers' office, and we are about to deliver another 2,000 letters in protest about the M4 toll. You can see all the photos of people signing the letter on our Facebook page. In fact, I can categorically say with utmost confidence from our poll on the ground, that after having thousands of conversations with the public these past couple of years, there is going to be a huge swing in Penrith for the next State election, and one of the reasons is the M4 toll.

People are hurting out there. We are hearing the same story over and over again that it is more difficult for many people to earn a living wage to provide for their families. It is barely covering the bills and groceries, let alone the M4 toll. For some people, it is now taking longer to get to work because to avoid the toll they are diverting off the M4 along Parramatta Road, making that even more congested. A young woman told me only last week she has to fluctuate her travel to get to work because of the toll, and whenever she takes Parramatta Road she has to leave home three hours early. On closing, the one question which people have asked me to bring to this Committee today is: Will there be a toll from Penrith to the city where the construction works are currently underway on the northern road leading on to the M4? Thank you for hearing me today.

The CHAIR: I know people want to participate when they are in the audience, but they are not allowed to participate in the inquiry, other than to observe what is being said and what is being done.

The Hon. DANIEL MOOKHEY: Ms Court, you act as a volunteer as the secretary of Penrith Valley Community Unions?

Ms COURT: That is correct.

The Hon. DANIEL MOOKHEY: Thank you for the work you do in your voluntary capacity.

Ms COURT: Thank you.

The Hon. DANIEL MOOKHEY: The member for Penrith who is also the Minister for WestConnex says that the people of Western Sydney are very happy to pay this toll. Is that correct?

Ms COURT: Not from what I am hearing at the markets and around Penrith, no.

The Hon. DANIEL MOOKHEY: How happy are they?

Ms COURT: People are very unhappy. This is what we are hearing every fortnight. We are out there having conversations. We have been out there since before it came. As soon as we heard there was an M4 toll coming on to the freeway early last year, we were out there with the community and we have been out there ever since. So we are hearing it is affecting people in their pocket. Okay, it is just an extra. It is extra. They cannot afford it on top of everything going up—the cost of living is going up but wages are stagnant. They cannot keep up with it all. It is just another thing. People are angry, too, because we were promised by Barry O'Farrell that there would be no more tolls on the M4 after we paid it off.

The Hon. DANIEL MOOKHEY: Ms Court, have you ever been advised that every dollar spent on widening the M4 will be recovered by tolls next year?

Ms COURT: We have been told that it is 42 years that that toll is going to be there and people object to paying for the next 42 years for that 7½ kilometre strip when it will only take two years of tolls.

The Hon. DANIEL MOOKHEY: At a tolling inquiry last year we were told by RMS that the reason that that toll has to last for 60 years is to pay for stage 3 of the WestConnex, which is the least trafficked part of WestConnex. RMS say that 169,000 people will use the first stage but only 33,000 people will use the third stage, 3A. They say it is appropriate for the people of Western Sydney to effectively subsidise the construction of stage 3 because there is a network effect. Do you think it is fair and reasonable that the first stage cross-subsidises the third stage and, therefore, the people of Penrith have to pay for the use of the service in the city's east?

Ms COURT: Absolutely not. Why should they be paying for the next 42 years for an area that is not even on the M4? Why is Western Sydney paying for the rest of the State?

The Hon. DANIEL MOOKHEY: For a person who is driving, say, from Parramatta to Strathfield to get to the Royal Prince Alfred Hospital because they are working as a nurse, for example, who will never use stage 3, do you think it is fair that that person is helping subsidise the least trafficked and least commercial part of the WestConnex project?

Ms COURT: I am only talking about M4 for the people coming from Western Sydney. I do not know how people travel to the inner city. I have always been out in the west.

The Hon. DANIEL MOOKHEY: You say that the toll goes up by 4 per cent or CPI, which is every year. Are you aware that happens every three months, not every year?

Ms COURT: Yes, that is right. Every three months.

The Hon. DANIEL MOOKHEY: Are you aware forward projections—

Ms COURT: Shameful. How dare they put that on the people of Western Sydney every three months. How much will that toll be in 43 years?

The Hon. DANIEL MOOKHEY: It will be \$27 if you were to compound it.

Ms COURT: After 43 years going up 4 per cent?

The Hon. DANIEL MOOKHEY: I think it is \$27 in 2033, but you can see my point.

Ms COURT: That is right. It is shameful—\$27 one way.

The Hon. DANIEL MOOKHEY: Has the member for Penrith or the Minister for WestConnex ever explained to you—

Ms COURT: No.

The Hon. DANIEL MOOKHEY: —or your group—

Ms COURT: No.

The Hon. DANIEL MOOKHEY: —or to anyone—

Ms COURT: No.

The Hon. DANIEL MOOKHEY: Let me finish the question, Ms Court.

Ms COURT: He has ignored us.

The Hon. DANIEL MOOKHEY: Has he ever explained why it is necessary for this toll to rise by a minimum of 4 per cent every quarter when, for example, the Eastern Distributor and other ones are going up by CPI? The Queensland tolls all go up by CPI. Have you ever had it explained or been told why it is necessary?

Ms COURT: No, he has not spoken to any of us.

The Hon. DANIEL MOOKHEY: You say that a person who uses the toll every day would spend approximately \$2,000 per year on tolls?

Ms COURT: More than \$2,000.

The Hon. DANIEL MOOKHEY: To the extent that the Government says that that cost is ameliorated by the toll relief program that it promised, do you think that is effective relief for the people of Western Sydney?

Ms COURT: No, it is not, because if they are going to get it back at tax time, so I have been told—

The Hon. DANIEL MOOKHEY: Or off registration.

Ms COURT: Well, why is registration not paying for roads and tolls like they are supposed to be?

The Hon. DANIEL MOOKHEY: The Government says that if you spend \$1,500 a year on tolls, you are entitled to get some relief on your registration. Some people have said that is far more about ensuring that the traffic volume projections are met. We have now warranted, as we have sold it, that it is necessarily about providing registration relief. Do you agree with that?

Ms COURT: What I have heard is that with the new airport coming out, there are going to be more tankers on the road. In fact, six tankers are going to fill one plane, so how many more hundreds of tankers are going to be on the road?

Ms CATE FAEHRMANN: Thank you for appearing today and for all the work you do advocating for people in Western Sydney. You are probably the only witness we may have who can talk about the impact of the M4 tolls and what this means for the people of Western Sydney. Today we have heard a lot from residents about the impacts that the construction of the WestConnex is having, particularly around the inner west, but I believe you may be the sole representative to talk to us today about the impact it is having on people.

Ms COURT: Look, I totally agree with all the concerns of people from the inner city. When you have St Peters and Haberfield and Rozelle, we have been supporting them because of the destruction that has been happening in the inner city, but for Western Sydney, it is mainly that toll.

Ms CATE FAEHRMANN: Absolutely. Could you provide the Committee with one or two examples of families or people who are doing it tough and who may have been talking to you about the impact of those tolls on their daily lives? You have the No M4 Tolls group. Give us some stories.

Ms COURT: I have been speaking to a lot of the wives while their husbands are at work. They have been telling us how it is impacting on their household budgets because their husbands who work around the State are going through all these different tolls. It can be over \$100 each week, just extra in paying the tolls for their husbands to go to work. On Saturdays when we have been out in the community, we have our signs up. We do not even have to call people. People come over. They see our signs and they go, "Where do we sign? We are sick to death of this. This Government has got to go. Everything is going through the roof. That toll is rubbish when we were promised there would be no more tolls." It is the promises. People are sick to death of all the lies that we keep hearing. That is compounded with the toll, which is compounding with every other thing in their budget going up. The main thrust that is coming through is people are hurting out there. They cannot afford more and more and more. It is coming down on them. That toll is just the end of it, and the fact that it is going up 4 per cent every three months.

Ms CATE FAEHRMANN: That is extraordinary. You are hearing from people who are saying—

Ms COURT: Every fortnight. Every fortnight we are out there.

Ms CATE FAEHRMANN: —\$100 a week—

Ms COURT: Over.

Ms CATE FAEHRMANN: —they are paying in tolls.

Ms COURT: Yes, with their husbands out there who have to go to different areas of the State for jobs. Tradespeople.

Ms CATE FAEHRMANN: What are they talking to you about in respect of using WestConnex on top of the extraordinary amount of tolls that people are already paying? What is their feedback to you about spending even more on WestConnex tolls?

Ms COURT: That is right. People are angry. The lot of them say that if they can find a way of not going on that WestConnex, they will do it. But the thing is, when they bypass it, everywhere they go it has put too much congestion on the rest of the road. As some of them say, some days when they are running late then they will do the toll, but they are keeping off that road as much as they can, but it is costing too much.

Ms CATE FAEHRMANN: People who have more money can afford to pay the tolls?

Ms COURT: That is it.

Ms CATE FAEHRMANN: And they can take their time, but those who do not?

Ms COURT: Yes. There is a lot of pressure on families. What they see is big business, when it should have been put on public transport.

The CHAIR: I am assuming that there are always people out at Penrith looking for jobs.

Ms COURT: Yes.

The CHAIR: The Government has promised that under WestConnex there will be 10,000 new jobs provided during construction, direct and indirect. Do you see that as one of the advantages of WestConnex?

Ms COURT: Not really, because we believe that they are inflated. There is a lot of labour hire out there. They are less specialist jobs, as well. In Western Sydney, we cannot see the figures that have been projected.

The CHAIR: You question them?

Ms COURT: Yes.

The CHAIR: You probably heard that by having an underground motorway, which is what WestConnex will be, local streets will be returned to local communities. It makes it more liveable.

Ms COURT: After they have destroyed all the local communities.

The CHAIR: Another plus from the WestConnex is that there will be 18 hectares of open space for local communities. These are the figures provided by the Government.

Ms COURT: How can that be when, by putting in the WestConnex, they are impinging on properties? So how can they be adding to it?

The CHAIR: So even though we cannot avoid the tolls, apparently—

Ms COURT: Why not? Why is it that big business are getting all those tolls. People are going to rise up through this. As I said, I can speak with authority because we are listening to it, for the last 18 months, every fortnight.

The CHAIR: One of the advantages, I imagine, of the toll—I am only quoting the Government's response to our questions—

Ms COURT: Well, there you go.

The CHAIR: —is that drivers will avoid going through 52 sets of traffic signals. Do you see that as an advantage? Is that worth the trouble?

Ms COURT: It is the expense, Mr Chairman, on the families and the residents. That is what they are looking at, what is hitting them in the pocket. There is more and more expense out there but their wages are still the same.

The CHAIR: The other advantage of the WestConnex was that it meant that the Government did not have to resume as much land acquisitions as they would have if it was above land because it is a tunnel.

Ms COURT: I believe that they should have looked at more public transport. That would have been the answer, quick public transport. Even coming on the train here today, I felt sorry for the people coming in on the trains because after you get past Penrith you can hardly get on. People were pushing on. I said, "Why don't they invest all those billions into public transport—"

Ms CATE FAEHRMANN: Hear, hear.

Ms COURT: —instead of sending the money overseas to all these big businesses?" Public transport is the way.

The CHAIR: Thank you.

The Hon. Dr PETER PHELPS: Thank you for coming in, Ms Court. Ms Court, a paediatric nurse who travels from Penrith to Westmead Children's Hospital; how much toll will she pay?

Ms COURT: It will be \$4 or something.

The Hon. Dr PETER PHELPS: No, she—

Ms COURT: I do not know because I have not spoken to a nurse who has driven—

The Hon. Dr PETER PHELPS: What about a police senior constable who travels—

The CHAIR: You can take the question on notice if you do not know the exact answer and you can get us the answer.

The Hon. Dr PETER PHELPS: —from Emu Plains to the Police department headquarters in Parramatta?

Ms COURT: Hold on. Here we are, it is all in this. Can I just pass you this brochure? You can get all the answers from that.

The Hon. Dr PETER PHELPS: A police senior constable who travels from Emu Plains to the police department headquarters in Parramatta, how much toll would he pay?

Ms COURT: There we are; it is on that docket.

The Hon. Dr PETER PHELPS: So you do not know. What about a fireman who travels—

The Hon. GREG DONNELLY: Point of order: The witness has offered to hand up a schedule which contains the full set of tolls, which I think the member is directing the questions to.

The Hon. Dr PETER PHELPS: What about a fireman who travels in from Glenmore Park to Merrylands Fire and Rescue—

Ms COURT: I am not here—

The Hon. GREG DONNELLY: I have taken a point of order.

The Hon. Dr PETER PHELPS: Would it be true to say that each of those three people pay zero toll?

The CHAIR: Dr Phelps, a point of order has been taken by Mr Donnelly.

The Hon. GREG DONNELLY: My point of order is that the witness has handed up a schedule of what the tolls are. That is my understanding of the answer she provided.

The Hon. Dr PETER PHELPS: I will stop.

Ms COURT: Thank you.

The Hon. Dr PETER PHELPS: Would you be surprised to find that in each of those three scenarios the person pays no toll whatsoever?

Ms COURT: Good on them.

The Hon. Dr PETER PHELPS: Thank you very much.

Ms COURT: Yes.

The Hon. Dr PETER PHELPS: Are you a supporter of Labor's proposed cash back scheme on the M4?

Ms COURT: It is more than what we are getting from the Liberals.

The Hon. Dr PETER PHELPS: Is that a yes? Do you support Mr Foley's proposal?

Ms COURT: If they are going to give a cash back, that is something coming back to the people.

The Hon. Dr PETER PHELPS: What would be the cost of that to taxpayers?

Ms COURT: If you know the answer why are you asking me?

The Hon. Dr PETER PHELPS: So you support a scheme of which you have no knowledge of what the cost of the scheme is.

Ms COURT: All I have heard is that there is going to be a cash back. That is it.

The Hon. Dr PETER PHELPS: You have indicated that you support Labor's cash back scheme.

Ms COURT: Labor, Liberal, whoever, if there was a cash back it would not matter to me who was bringing it in. We are just looking at how much people are going to get back. Those tolls and roads are supposed to be coming out of registrations. So what is happening to all the rego money? That is the question people are asking us. Where is our registration?

The CHAIR: She is happy to have the cash back.

The Hon. Dr PETER PHELPS: Would you be aware that the Labor shadow Treasurer has costed the M4 cash back proposal at \$200 million or over per year over the next four years?

Ms COURT: I tell you what, they can take it out of the billions that they were going to put into the stadiums. So don't give me that. They were going to spend billions on the stadiums and now you are telling me that they cannot afford millions on cash back.

The Hon. Dr PETER PHELPS: Do you understand the difference between capital expenditure and recurrent expenditure.

Ms CATE FAEHRMANN: Point of order—

Ms COURT: That is right, I am just a resident here telling you what the people—

Ms CATE FAEHRMANN: Ms Court is here representing the residents of Western Sydney—

Ms COURT: That is right.

Ms CATE FAEHRMANN: —and I think the questions that Dr Peter Phelps is asking her are verging on bullying.

The CHAIR: Yes. Just ask the witness questions that are within her capability of answering.

Ms CATE FAEHRMANN: He knows full well.

The Hon. Dr PETER PHELPS: Capital expenditure costs are a one-off occurrence. Recurrent expenditures recur year after year.

Ms COURT: Yes.

Ms CATE FAEHRMANN: He is being patronising, Chair.

The Hon. Dr PETER PHELPS: Are you prepared for taxpayers to pay at a minimum \$200 million every year to these big businesses for a cash back scheme.

Ms COURT: I do not even want to answer you because I do not like your attitude.

The Hon. Dr PETER PHELPS: Do you believe that if a cash back scheme were brought in more people would use the M4?

Ms COURT: Yes, I think people would if they were getting some of their money back. That has been the whole thing.

Ms CATE FAEHRMANN: Point of order: Can the next question that Dr Phelps asks be with respect to the witness.

The Hon. Dr PETER PHELPS: Okay. If there was to be an increase, what do you believe the increase would be in the traffic on the M4?

The Hon. DANIEL MOOKHEY: Point of order—

Ms COURT: You have already done that with—

The Hon. DANIEL MOOKHEY: Sorry, Ms Court. We just took a point of order about the witness's capacity to answer. The question that Dr Phelps posed is one of the most complicated questions you could ask a traffic forecaster.

Ms CATE FAEHRMANN: The RMS was here this morning.

The Hon. DANIEL MOOKHEY: The RMS was here this morning. These questions could have been directed to the witnesses who have that expertise. It is unfair for Ms Court to have to provide her views as to traffic modelling on a question that complicated.

Ms CATE FAEHRMANN: Hear, hear!

The Hon. Dr PETER PHELPS: So you believe in something which you do not know, you have not costed and you have no idea what the implications would be if it were introduced?

Ms CATE FAEHRMANN: Point of order—

The CHAIR: The witness is not building it. She just wants to get a fair deal.

Ms CATE FAEHRMANN: It is because she did so well.

Ms COURT: That is not my area. I am here for the families.

The CHAIR: We understand that. We thank you for coming.

The Hon. Dr PETER PHELPS: We are here for facts, not feelings.

Ms COURT: The fact is that you will be gone at the next election because of the M4.

The CHAIR: Thank you for being a very forthright witness.

(The witness withdrew)

The Committee adjourned at 17:39

