

REPORT ON PROCEEDINGS BEFORE

PUBLIC WORKS COMMITTEE

**IMPACT OF THE WESTERN HARBOUR TUNNEL
AND BEACHES LINK**

UNCORRECTED

Virtual hearing via video conference on Monday, 27 September 2021

The Committee met at 12:33 pm

PRESENT

The Hon. Daniel Mookhey (Chair)

Ms Abigail Boyd
The Hon. Sam Farraway
The Hon. John Graham
The Hon. Trevor Khan
The Hon. Shayne Mallard
The Hon. Tara Moriarty

The CHAIR: Welcome to the third virtual hearing for the review of the impact of the Western Harbour Tunnel and Beaches Link. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of the land on which the Parliament sits. I would also like to pay respect to the Elders past, present and emerging of the Eora nation and extend that respect to other First Nations people present or who are watching. Today's hearing is being conducted as a fully virtual hearing. This enables the work of the Committee to continue during the COVID-19 pandemic without compromising the health and safety of members, witnesses and staff. Today we will be hearing from government departments and agencies including Infrastructure NSW; the Department of Planning, Industry and Environment; the NSW Environment Protection Authority, and Transport for NSW.

Before we commence, I would like to make some brief comments about the procedures for today's hearing. While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the virtual hearing. I therefore urge witnesses to be careful about comments they may make to the media or to others after they complete their evidence. Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. In that regard, it is important that witnesses focus on the issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily.

All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Today's proceedings are being recorded and a transcript will be placed on the Committee's website once it becomes available. The hearing is also being broadcast and saved on the Parliament's YouTube channel. Finally, a few notes on virtual hearing etiquette to minimise disruptions and assist our Hansard reporters: I ask Committee members to clearly identify who questions are directed to and I ask that everyone please state their name when they begin speaking. Could everyone please mute their microphones when they are not speaking, and members and witnesses should avoid speaking over each other so we can all be heard clearly.

SIMON DRAPER, Chief Executive, Infrastructure NSW, affirmed and examined

The CHAIR: I welcome our first witness. Would you like to make a short opening statement of no more than three minutes?

Mr DRAPER: No, thanks, Chair. That is fine. I will take questions.

The CHAIR: Great, we will proceed immediately to questioning, commencing with the Opposition. Mr Draper, I might ask, to establish the most preliminary of facts, Infrastructure NSW is responsible, amongst its other functions, for reviewing business cases, is it not?

Mr DRAPER: That is correct, Chair. One of our functions is to undertake reviews of business cases as part of our assurance process and we provide reports to the Government on the status and satisfaction of business cases.

The CHAIR: Yes, and under the Infrastructure Investor Assurance Framework, which I believe applies to the New South Wales Government, you have to review both the strategic business case and final business case, do you not?

Mr DRAPER: That is correct.

The CHAIR: Can you tell us when the final business case for the Western Harbour Tunnel and northern Beaches Link was reviewed by Infrastructure NSW?

Mr DRAPER: Yes, just give me a moment and I will. So there is a business case for Western Harbour Tunnel and a business case for Beaches Link—they have been done separately. Are you after the one on Western Harbour Tunnel?

The CHAIR: Why don't we go for both? When was last time each of them was reviewed?

Mr DRAPER: The business case for Beaches Link is still being reviewed so there is no investment decision on Beaches Link as yet. I am just looking for my notes for the Western Harbour Tunnel. It has been through a number of iterations. There was what we call a Gate 2 review undertaken in November 2017 and then I believe there was a subsequent one done in 2019. There was an update in September 2019.

The CHAIR: So it has not effectively been looked at in the past two years. Is that fair?

Mr DRAPER: At the end of 2019 was when the Gate 2 review was undertaken for Western Harbour Tunnel.

The CHAIR: Just on the Beaches Link, can I ask when that review of that business case will be complete?

Mr DRAPER: It is underway. There has been a review being undertaken for Beaches Link but it is not completed yet.

The CHAIR: Okay. Can we turn to the sources of funding for the Western Harbour Tunnel and/or northern Beaches Link project? Do either of them have any reservations or commitments from the Restart NSW Fund?

Mr DRAPER: There was an initial reservation—I think it was about \$1.1 billion—for Western Harbour Tunnel, and that stands. It was used for a number of motorway projects, but about \$870 million of that was for Western Harbour Tunnel.

The CHAIR: So there is an \$870 million reservation in the Restart NSW Fund for Western Harbour Tunnel as of still today. Is that correct?

Mr DRAPER: That is the approved amount for the Western Harbour Tunnel.

The CHAIR: Have any funds from Restart NSW been released for the Western Harbour Tunnel project?

Mr DRAPER: I couldn't tell you where that is at. The process is that we make recommendations to the Treasurer on whether the funding meets the criteria of the fund, and the funding is then managed through the Treasury. So we do not directly manage that process.

The CHAIR: Can I ask, is Infrastructure NSW considering re-reviewing the business case for Western Harbour Tunnel, given the COVID developments?

Mr DRAPER: No, we are not reviewing the business case for Western Harbour Tunnel because of COVID.

The CHAIR: Is there a reason why not?

Mr DRAPER: It would be more the case of, "Is there a reason to do so?" Has there been such a fundamental change—well, first of all, we only review business cases when they get redone by the sponsor agency and Minister, so unless that is brought to us there is nothing to review. I guess there is no real basis that we would go to the Government and say that the business case needs to be reviewed at this stage. There are number of things that will emerge over the course of coming months and through the procurement process there will be more information coming through about the project, but there is no particular reason why this would be reviewed as a stand-out to any other project.

The CHAIR: Are you aware that Transport for NSW abandoned the development partner model for this project?

Mr DRAPER: I know that they were exploring it and that they examined that as a model, and that it was decided not to proceed with that approach.

The CHAIR: Did that cause Infrastructure NSW to change its risk rating of this project?

Mr DRAPER: No. There was no particular reason why we would rate it differently because of the different model. In fact, a delivery partner model was something that we have not commonly used in New South Wales Government; it is something which is being used on other major projects—I think with the Western Sydney Airport the Commonwealth Government is using a similar model—but it is not something we use as a standard in any case.

The CHAIR: What is the exact existing risk rating on this project—the Western Harbour Tunnel and Beaches Link—for Infrastructure NSW?

Mr DRAPER: I am not sure what you mean by risk rating.

The CHAIR: You are required by the Infrastructure Investor Assurance Framework, are you not, to both assess the risk of the project being delivered late and the project being delivered on budget?

Mr DRAPER: Those are two of the criteria we use, yes, to rate it to provide advice to Cabinet.

The CHAIR: So do you consider this project to be on track in terms of its delivery timetable?

Mr DRAPER: Look, I will speak generally. We would say generally it is on track, but I do want to advise the Committee that there are a number of things and information we receive through the assurance process that we cannot discuss because we provide advice to Cabinet on that, so it is Cabinet-in-confidence.

The CHAIR: Sure. I will allow you whenever you wish to cite that, Mr Draper, to feel free. We accept it is a different question but you are entitled to cite it. What about in terms of cost? Do you maintain the view that the cost is likely to come in in accordance with the 2019 business case?

Mr DRAPER: As far as we are aware, that is the case. But we are going through a procurement process now—well, not "we are": Transport is going through a procurement process at the moment and that will reveal a lot more information about the likely outturn cost of the project. As you know from other hearings we have been in together, Chair, the view of Infrastructure NSW is that those costs become firmer and firmer the more you get down that path.

The CHAIR: Sure. I only have a few more questions before I invite my colleagues to ask. What is your understanding of what procurement model Transport is currently pursuing? You have made repeated references to this procurement process. What procurement process are they currently doing?

Mr DRAPER: There are a couple of different elements to the project if we are talking about Western Harbour Tunnel. As you know, the Warringah Freeway Upgrade was originally treated as part of the overall package; that has already been contracted. I think that is a design and contract or more of an incentivised target cost approach, which I think is very sensible. I think that was the outcome of engagement with the market about the types of risks involved and the form of procurement that would allow a number of participants to involve themselves in that project. The Western Harbour Tunnel—the main project—there are a couple of different elements. There is an asset manager role that is going through procurement. That is an ongoing operations and maintenance role into the future and provides advice as the project is being built. Then there are, I think, two tunnel packages and the other associated mechanical and electrical works that go with that that will go to the market. I think one of those is currently in the expression of interest stage.

The CHAIR: Were these contracts considered as part of your business case review or not? Sorry, let me just rephrase the question, Mr Draper. Did you assess the 2019 business case according to the development partner procurement model or the current procurement model?

Mr DRAPER: The development partner model was considered almost separately. We evaluated that because they were going through a process of evaluating that process. It was never, if you like, a fundamental element of the project; it was an option that was considered. It was examined by the agencies. We did reviews on that process and we concurred with the decision of Transport not to proceed with that approach.

The CHAIR: Did they give you a reason why they were not proceeding with that approach?

Mr DRAPER: I will speak generally, because we are getting into that area I described earlier that is Cabinet-in-confidence for us. Generally, the process we would go through is to compare a process like that with what you would call a comparator, where you would use a more standard process [disorder.]

The CHAIR: A public sector comparator? Which form of comparator?

Mr DRAPER: A public sector comparator is something more when you are providing the private sector an opportunity to take on the complete project. This is more just a comparator with what I would call a more standard procurement model, which is more that the agency itself is undertaking the role of the client more comprehensively.

The CHAIR: Basically, is it the case that Transport abandoned that model because it would have been too expensive to proceed with a development partner and it was cheaper to continue on with the public sector procuring it itself?

Mr DRAPER: Yes, I think that is a core element of the process—that it is a value for money question. That is correct.

The Hon. JOHN GRAHAM: Mr Draper, I might just ask you in relation to the Beaches Link part of the proposal that we are looking at for any perspective you have on Infrastructure Australia's view of this project. In their most recent infrastructure priority list—that is the current infrastructure priority list in September 2021—the Beaches Link has now disappeared altogether. It previously had been on the list; it was on the long list for five to 10 years. It has now gone altogether. Can you give us any perspective on why Infrastructure Australia does not regard this Beaches Link part of the project as a priority?

Mr DRAPER: I do not know that that is actually the case. I have not discussed that with Infrastructure Australia since that time. I must admit during that period you are describing we have been pretty preoccupied with just getting the industry back up and running so, no, I do not have an answer for that. I do not know that they do have that reflection or they do have that view, but I accept your account of the facts in the report. I do not have any comment on why they have taken that approach.

The Hon. JOHN GRAHAM: You talked about the business cases you reviewed. You also would have reviewed the previous business case when the Western Harbour Tunnel and Beaches Link were considered together. Did you review the project definition and delivery report that was then produced in order to deal with some of the constraints of that early business case?

Mr DRAPER: Yes, I think the project definition and delivery report was the one that we evaluated—that was an outcome after the first business case evaluation. That was the one we did in late 2019, I believe. That was for Western Harbour Tunnel rather than the combined package, I believe.

The CHAIR: We will go to questions from the crossbench. Because of technical difficulties we might run a couple of minutes over if you do not have any objections, Mr Draper.

Mr DRAPER: No, that is fine.

Ms ABIGAIL BOYD: Thank you very much for making yourself available this afternoon, Mr Draper. I just want to come back to the impacts of COVID and the fact that the business case has not been reviewed since 2019. If you were asked to do an update, reviewing that business case today, would you expect the assessment to be very different?

Mr DRAPER: I do not have any reason to believe that is the case, Ms Boyd. I guess there are two things you would be looking at. One would be whether we know more about the costs of the project but we do not yet because it is about to go through procurement. Once we go through the process we would have a more up-to-date assessment of the costs of the project. I am not sure if this is what you are getting at, but many people ask about the level of demand for the project. That has been a general discussion in the infrastructure sector. I guess our view on that is that it is very easy to overweight the current circumstances. When you are in the midst of something

like a pandemic and there has been a major decline in demand for public transport, for motorways and all of those transport assets that we have, it is hard to see a future where they might just bounce back but, actually, that is a very likely scenario. The other thing I would say about these projects is they are very long in the delivery phase and also very long in life, so you have to take a very long-term view of the assets rather than be too overly influenced by the current circumstances.

Ms ABIGAIL BOYD: Recently the Productivity Commission released a report entitled "Working from Home", which modelled the changes that have been brought about by COVID, where a number of people have shifted the way they work but they are also moving further out of the city. Don't you think that would impact on the business case for this project?

Mr DRAPER: Well, again, I think what the Productivity Commission might be referring to is what we would call general long-term trends and changes in patterns of people's movement. In the case of something like the Western Harbour Tunnel, this is not an asset which I would say is heavily reliant on people travelling into CBDs to go to offices, which is sort of where some of that focus is. This is an asset which is part of a motorway network involving moving not just people but goods and materials around the State and around the city. So I do not think that the impact would be that great. But, look, we would always be open to examining it if there was an opportunity to do so. I am just giving you my sort of preliminary view that we have not seen a lot of evidence so far that this will be a long-term impact that would undermine the viability of a lot of these assets.

Ms ABIGAIL BOYD: In that case, how much of the business case is reliant on there being an increase in the amount of freight that goes through on this project?

Mr DRAPER: There would be underlying demand drivers and forecasts sitting behind the business case but I do not think the business case itself would have developed its own assumptions around that; that would have just been taking broader assumptions from demand drivers that we produce. For example, we produce central population forecasts for the State through the department of planning. A lot of the forecasts for freight and other things are driven off that. So they would have just relied on those base assumptions, I think.

Ms ABIGAIL BOYD: You state in your review that the project will improve the B-Line services between Sydney CBD, North Shore and northern beaches, and accommodate a new express bus service route or routes. Is that the case? Is there a guaranteed bus lane being proposed for this project?

Mr DRAPER: That is a level of detail I do not know. I am sure that the Transport people who are appearing before you could clarify that for you. I think the point behind that was to say that motorways are not only for private vehicles but also very useful for high-volume public transport as well—that is on-road public transport.

Ms ABIGAIL BOYD: In assessing the business case, did you assume that there would be a dedicated bus lane through the tunnels?

Mr DRAPER: I think we would have just assessed it with the assumptions that were in there—well, we definitely did that—but I do not know whether that was a stand-out assumption that was in the business case. Again, I think the Transport officials who are appearing could probably let you know where they stand on that.

Ms ABIGAIL BOYD: But from your perspective presumably a dedicated bus lane would take away from the toll revenue that the road would otherwise provide.

Mr DRAPER: That is a level of detail—at the business case stage there are assumptions about tolling, about traffic. They are not high-level in the sense that they are unreliable but they are not as detailed as they would be once you get into a detailed design process. I do not think that that would have fundamentally changed the robustness of the business case.

Ms ABIGAIL BOYD: The benefit-cost ratio was pretty marginal, wasn't it? I am just trying to find it—was it 1.1 or 1.2?

Mr DRAPER: I think it is 1.2 to 1.3, yes.

Ms ABIGAIL BOYD: So we are talking about a fine calculation here. We sort of touched on the benefits and the potential assessment of the benefits there. I do not know if you have been tuning in to our previous hearings but there has been a lot of talk about how little we know about the impacts on the environment, the costs of remediating contamination in the harbour and so on. Given how little we know about the true costs, how much of that was taken into account and what sort of leeway did you give to that when you were reviewing the business case?

Mr DRAPER: To explain the process that the Chair referred to earlier, when we undertake these reviews we appoint independent reviewers to do that work; we do not do that through our staff ourselves. They are

experienced industry people. What they would normally be looking for would be to see whether the agency had made a sufficient provision for the level of detail the design was at and a technical investigation into whether the agency had made a sufficient provision for factors like you just described—contamination and other things that are going to draw on contingencies. The fact that the business case was supported suggests that they had made sufficient provision for those things.

Ms ABIGAIL BOYD: Given the potential underestimating of the costs and the potential for COVID or a bunch of other things to have impacted on the extent of the benefits, do you think that if you were to do a new review now that margin would come down in terms of the benefit-cost ratio? Would that be reasonable to assume?

Mr DRAPER: There would be a lot of variables. You have picked two: if the costs were higher and one type of the benefits were lower. But if we did it again you might find they identify other benefits. Look, they do move around, they are estimates and they do get updated; even the costs get updated as you go through. There was another calculation of the benefit-cost ratio [BCR] which included wider economic benefits and what they call flow breakdown, so there are some things—we always take the more conservative measure of the BCR but I think if you take those ones into account there are also other benefits which we did not take into account. So it is swings and roundabouts.

Ms ABIGAIL BOYD: What alternatives were considered in this project? Your review states that the design of this project resulted from extensive consultation and evaluation of the options. What were those options?

Mr DRAPER: I think there were options at two levels, as I understand it. One was at the conceptual level—you always start with: If you do not do the project, that is one option. If you were to undertake other approaches like augmenting existing motorway assets or expanding public transport, which we are doing in any case, as you know, with the metro, they are the sorts of options that were examined as part of this process. Then at a technical level there were options examined around the design, around the technical approach to building the tunnel and about where the connection to the rest of the network would occur. There were two levels of options analysis undertaken.

Ms ABIGAIL BOYD: Was there a solid public transport alternative that was considered as one of those options?

Mr DRAPER: As I said, there is already a major public transport investment happening across the harbour—the Sydney Metro City & Southwest, which is in full delivery at the moment. Both those investments were actually announced around the same time, so they were complementary.

Ms ABIGAIL BOYD: But was a metro line to the beaches considered as an alternative?

Mr DRAPER: No, I think the main existing commitment that would have been taken into account there was the bus rapid transit to the beaches. That is why there was the reference to public transport through the Western Harbour Tunnel and Beaches Link themselves.

Ms ABIGAIL BOYD: In relation to the impacts of emissions and the climate impacts, when you did your review did you explicitly consider the New South Wales Government's Net Zero Plan and the Greater Sydney Commission's sustainability goals?

Mr DRAPER: I do not know the answer to that. When you say, "Did we consider it?" we were assessing the robustness of the business case—whether it was done thoroughly and met the standards of the Government. Whether the agency considered those things, they certainly would have considered it as part of their environmental impact statement process, as part of the planning process, so I think that would have been thoroughly examined. But I do not say that Infrastructure NSW in its own right examined those factors.

Ms ABIGAIL BOYD: One final question: Whose idea was the Western Harbour Tunnel and Beaches Link project? Where did it first come from? I am told that in the 1960s it was floating around but where did this current iteration of it come from?

Mr DRAPER: Yes, you are right, all of these things have these histories and they kick around for a long time with transport planners and they are not visible to all of us. I think the first modern version of it was probably in the Long Term Transport Master Plan about 10 years ago. It emerged and was certainly referred to in the Infrastructure NSW's first State Infrastructure Strategy. So there is a reference to this in that infrastructure strategy in 2012 and then I think it was announced as part of the 2014 State Infrastructure Strategy. But before things get into State infrastructure strategies usually the responsible agency has been working on options and possible projects for many years prior to that.

Ms ABIGAIL BOYD: So you do not know where it originally came from.

Mr DRAPER: It originally came from Transport but it would have been through the various plans that Transport has developed over the years. I think the most modern version of that was the Long Term Transport Master Plan.

The Hon. SHAYNE MALLARD: Thank you, Mr Draper, for coming away from your very important and busy job to attend this inquiry. I thought I might start with a history lesson for the benefit of the report. When was Infrastructure NSW created?

Mr DRAPER: In 2011 there was legislation enacted.

The Hon. SHAYNE MALLARD: Indeed. Did such a body exist under the previous Labor Government?

Mr DRAPER: Not that I am aware of, no.

The Hon. SHAYNE MALLARD: Your role, which has been used as a weapon against the project today by members of the inquiry, is to assess business cases, provide confidential reports to Cabinet, go through Gateway processes and the Infrastructure Investor Assurance Framework—those types of things—to give Government and the Cabinet assurance about the sturdiness and robustness of the project that we are undertaking.

Mr DRAPER: Yes, it is to give the Government—as the very word itself—investor assurance over the quality of the work that is being done to prepare and some of the risks that might emerge. As I said earlier, it is not just the staff and executives at Infrastructure NSW but we engage people with a long history in industry and people with subject matter expertise in particular areas—engineers, people who have been involved in delivery or operating those types of assets—to do reviews.

The Hon. SHAYNE MALLARD: You have oversight over some pretty tricky financial and construction projects, like the WestConnex.

Mr DRAPER: Yes, WestConnex, the metro—we have some very large megaprojects in New South Wales and ranging all the way down. I do not diminish the importance of some of the smaller projects: the school projects, the community facilities and all those things as well. They are all captured in that assurance process. They are tiered at different levels but obviously the large projects are generally more demanding on the public purse and they are riskier and trickier to deliver. That is correct.

The Hon. SHAYNE MALLARD: With that vast experience of delivering unprecedented infrastructure in the history of this State ever, your organisation is confident that these two projects—or one project, the Harbour Tunnel and the northern beaches tunnel—are on track and heading in the right direction.

Mr DRAPER: Yes. I mean, the Western Harbour Tunnel is at a point where it is going to market and I think that is a really critical point. It takes a long time to get to that point. There is a lot of community engagement to get to that stage—the planning consent process, the market engagement. So we are at a really important stage. The fact that it was announced in 2014 and it is now 2021 and we are going to the market gives you a sense of how complex that can be. Beaches Link is just a step or two behind that. They work together very effectively but they are quite discrete projects.

The Hon. SHAYNE MALLARD: So do you do a dashboard report to Cabinet at each Cabinet meeting or every quarter or something like that?

Mr DRAPER: Every month.

The Hon. SHAYNE MALLARD: On all your projects every month?

Mr DRAPER: Yes, all the projects and particularly the tier 1 projects. There are around 45 of those at the moment.

The Hon. SHAYNE MALLARD: And this is tier 1?

Mr DRAPER: Yes.

The Hon. SHAYNE MALLARD: Okay. With over a decade of in-depth and I think probably globally unrivalled experience in overseeing infrastructure and delivering infrastructure—at generally a surplus, particularly the tier 1, to the taxpayer—you are confident that this is the right decision and going forward in the right direction.

Mr DRAPER: Yes, it has been thoroughly examined. That is the main test for us: Is the strategic decision that gets made at the front right? Has it been carefully examined? Have other options been? Is there demand for it?—all of those underlying assumptions. Then, secondly, into delivery: Is it being done cognisant of all the costs and risks and benefits that will be involved? Yes, we are very satisfied with that.

The Hon. SHAYNE MALLARD: I am going to ask you some questions now which may not be your area. They might be something we should ask Transport for NSW. Hopefully you can answer them. How critical is this piece of infrastructure, or these two pieces, which are really separate, in a sense, to the completion of the much talked about—for all of my life—Sydney road network in terms of the missing pieces?

Mr DRAPER: Transport planners will have a much more thorough response to that than I can give. Western Harbour Tunnel, if you take that one first—we have limited numbers of harbour crossings. As a city divided by the harbour we have a couple of crossings but they all suffer from congestion and they are all capable of being disrupted by events, as those who have to cross them regularly know. Having a further crossing adds to the resilience of the city and the capacity to grow. Beaches Link, I think those who live on the northern beaches would be the loudest [disorder]—

The Hon. SHAYNE MALLARD: [Disorder].

Mr DRAPER: —that they have less by way of public transport or motorway assets to service those communities. It is a very large part of Sydney so it is certainly what we would call a missing element of the overall network.

The Hon. SHAYNE MALLARD: You mentioned the harbour bridge and the Sydney Harbour Tunnel. Would your assessment be that they are at capacity—probably overcapacity, certainly, at peak hour now—and there needs to be another crossing of the harbour for motor vehicles?

Mr DRAPER: Yes, there is no question that those parts of the network can get congested and those who travel across the harbour bridge regularly would know what that is like. This will clearly add to the capacity of the city to grow and to reduce travel times for people who have to make that trip or goods that have to go past that way.

The Hon. SHAYNE MALLARD: I think goods is an important point. I heard Ms Boyd suggesting that perhaps you could carry freight on the CBD metro rail rather than on the road system, or alluding to that. Have you done an assessment—

Ms ABIGAIL BOYD: Point of order—

The Hon. SHAYNE MALLARD: Really? I took no point of order for all of your leading of your witness.

Ms ABIGAIL BOYD: You have misrepresented what I have said there, Mr Mallard. At no point did I make that suggestion. Thank you.

The Hon. SHAYNE MALLARD: I said you implied.

The CHAIR: I will rule on that.

The Hon. SHAYNE MALLARD: I withdraw it. Ms Boyd did not say it. She is totally supporting the project. Anyway, Mr Draper, do you do an assessment of the economic benefit of a project like this? Clearly there is the individual commuter but, to my way of thinking, it is the economic benefit through freight and business and services that really multiplies the benefit of these projects. Do you do an assessment in that regard?

Mr DRAPER: Yes. One of the underlying objectives of a lot of this, particularly transport infrastructure, is around productivity, particularly freight productivity and capacity to provide growth in that space. That would have been a major feeder into the business case for this project, as it was with WestConnex and others. Public transport projects do not have that element to them, but of course they are moving people around cities. We have goals around 30-minute cities and ensuring that people can get to work and access services. That is an important part of the portfolio as well.

The Hon. SHAYNE MALLARD: I am amazed how many gyprockers or tradies are on trains. They have to go into the city to work and do not drive in. I think that is a good outcome of public transport. But you cannot move goods—there is a manufacturing hub up at Brookvale and in the northern beaches area that supplies to the city. You cannot move that on metro rail.

Mr DRAPER: No, clearly not.

The Hon. SHAYNE MALLARD: You need a good road network to extend the business opportunities for these regions.

Mr DRAPER: Yes.

The Hon. SHAYNE MALLARD: I call it a region; essentially it is a region.

Mr DRAPER: Yes. The thing about the Western Harbour Tunnel is it is not an isolated road on its own. It connects into WestConnex. A big part of the WestConnex case was about moving freight and goods on motorways and also getting that movement away from residents. By putting a lot of those movements in tunnels and away from residential areas it has favourable impacts on those communities as well.

The Hon. SHAYNE MALLARD: I am not sure if my colleagues have questions—Mr Faraway, Mr Khan? If it was the tunnel in the Blue Mountains Mr Faraway would be onto it. It is a great project that we are working on. That is the end of my questions, Mr Chair.

The CHAIR: We have got a few more minutes if Mr Draper is still willing.

Mr DRAPER: Yes, I am fine.

The CHAIR: Just to compensate, I might allow members to seek the call in the remaining three to four minutes in order to ask a question of Mr Draper. I will ask one to kick it off. The Government has publicly said that construction of this project was meant to commence a year and a half ago. Did Infrastructure NSW at any point warn that the project was running late?

Mr DRAPER: I am not sure of that reference to the commencement of construction a year and a half ago.

The CHAIR: I am referring to comments made, I think, in 2018 by the then transport Minister at a press conference, which was then reported subsequently by *The Sydney Morning Herald* on at least a few different occasions. It is not really disputed, to be fair, but I accept it if you might not take the reference. I will still put the question, perhaps without the context, and then you can tell me whether that is the case or not. Has Infrastructure NSW ever warned that this project was running late?

Mr DRAPER: It is a fair question. The way we would normally put that is not so much whether it was running late but if the Government had made a public commitment or had a time frame to which it was working, we would provide a report on whether that was likely to be achieved or not. That would appear in our regular reports to Cabinet. From our point of view, I guess we are also often cautioning about rushing projects and trying to do them more quickly than they can be safely done. As you know from some of the other stuff we have published, our concern is that we do this methodically and in stages. It is balancing those things, Chair.

The CHAIR: I appreciate the context, Mr Draper, but the question—even if you wish to put it in the way you put it—is have you ever issued such a warning that the Government was unlikely to make its publicly stated timetable when it comes to this particular project?

Mr DRAPER: If we had, it would have been in a Cabinet submission so I could not comment on it any further.

The Hon. JOHN GRAHAM: Mr Draper, I might return to that question you were asked and started to answer but perhaps did not—I am hoping you did not complete it. That was the question about the Beaches Link business case. You indicated that that was not yet completed but you did not indicate when you expected that it would be completed. When will that be the case?

Mr DRAPER: I think probably the best way to say it is, the approval of the business case is not completed. We are still providing input on that decision but I would expect that would be done very soon. But it is a question of when the—it is really up to the portfolio Minister and the agency responsible as to when they want to bring that forward for decision.

The CHAIR: Sorry, just to be clear: We are talking about the final investment decision there, Mr Draper? Is that the part that you are referring to?

Mr DRAPER: Yes. I guess the way to say that is, if that had been done, we would have published the business case summary.

The Hon. JOHN GRAHAM: Yes, and that is consistent with the answers we have been getting from Transport. This has been hanging around a long while. The analysis is done. What has not happened is that the Government has not made that final investment decision. That is correct, is it not?

Mr DRAPER: I will let the Minister, if he is appearing, answer that question because that is getting into a Cabinet process itself. But I guess the best way to say that is, it is going through a lot of thorough analysis. If there was a final decision and a final business case on which we could publish a summary, we would have done that.

The Hon. JOHN GRAHAM: One of the concerns put to us in evidence was that the benefit-cost ratio that you referred to did not include any remediation cost. That seems unusual. Can you give us any brief reflections on that question?

Mr DRAPER: Sorry, who—where did you get the idea there was no provision for remediation?

The Hon. JOHN GRAHAM: That was one of the views put to us by one of the community groups in a detailed submission.

Mr DRAPER: Right. No, I could not comment on that. I have not heard that assertion. But I would probably just say what I said to Ms Boyd earlier: Our reviewers would be examining the adequacy of any contingency built into the cost structure to make sure that those sorts of things were allowed for thoroughly.

The CHAIR: I invite any final questions from Ms Boyd. Otherwise, we will excuse Mr Draper.

Ms ABIGAIL BOYD: Thank you, Chair. No, I am alright.

The CHAIR: Mr Draper, thank you for joining us. It turns out your internet connection was a lot more stable than we thought.

Mr DRAPER: Yes, apologies for that.

The CHAIR: No, it is not your fault. I am not sure whether you took any questions on notice per se, but if you did you will have 21 days to return an answer after contacted by the secretariat. Again, we thank you for taking the time and you are otherwise excused.

(The witness withdrew.)

DAVID GAINSFORD, Deputy Secretary, Assessment and Systems Performance, Department of Planning, Industry and Environment, affirmed and examined

GLENN SNOW, Director, Transport Assessments, Department of Planning, Industry and Environment, affirmed and examined

STEPHEN BEAMAN, Executive Director, Regulatory Operations, NSW Environment Protection Authority, affirmed and examined

JACINTA HANEMANN, Acting Director, Regulatory Operations, NSW Environment Protection Authority, affirmed and examined

The CHAIR: I welcome our next set of witnesses, representatives of the Department of Planning, Industry and Environment [DPIE] as well as the NSW Environment Protection Authority [EPA]. I invite each of the organisations present to make a short opening statement of no more than three minutes, if they wish. I will invite DPIE to do so first, if they wish to.

Mr GAINSFORD: Yes, I do have a short opening statement. The statement I will be making is on behalf of both our department and also the EPA, so it will be the one statement.

The CHAIR: Great.

Mr GAINSFORD: I would like to thank the Committee for the invitation to appear before it and to give evidence to this inquiry. My division is responsible for the independent assessment of State-significant infrastructure proposals under the Environmental Planning and Assessment Act 1979, including the Western Harbour Tunnel and Warringah Freeway Upgrade project and on the Beaches Link and Gore Hill Freeway connection project. These projects are at different stages of planning and construction but are subject to the same detailed and rigorous assessment process.

The department's role in this process is extensive. We issue secretary's requirements for the preparation of environmental impact statements [EIS], review assessment documentation in consultation with agencies to ensure that they meet those requirements, place environmental impact statements on public exhibition and then carefully assess them, considering advice from key government agencies and independent experts. The assessment of these complex linear infrastructure projects differs to a normal development application process, in that a reference or conceptual design is assessed. Following rigorous assessment and a project approval, the proponent must, through detailed design and environmental management, meet the environmental outcomes prescribed in an approval, being both proponent commitments and conditions of approval. As such, a project approval will establish the criteria and limits on potential impacts and incorporate a range of ongoing environmental management and monitoring requirements.

The EPA is one of the key government agencies that provides advice to the department throughout the planning and assessment process, including providing recommendations to protect the community and environment from the predicted impacts of the project. The department considers the EPA's advice in determining the project and setting the conditions of approval. For both projects, the public exhibition periods exceeded the 28-day statutory requirements—62 days for the Western Harbour Tunnel and 61 days for the Beaches Link—to reflect the complexity of these projects. The Western Harbour Tunnel and Warringah Freeway Upgrade project was approved by the Minister for Planning and Public Spaces on 21 January 2021. Following this determination, my division has a dedicated infrastructure management team which reviews documents required by the conditions of approval, from pre-construction, construction and through to operations.

In addition to requirements in the conditions to prepare detailed management plans and reports, the conditions require monitoring of the effectiveness of the mitigation measures and to adaptively respond to risks and impacts. The conditions also contain requirements for regular project audits both by the project and the independent environmental representative, and also periodic independent audits. The findings of these audits feed back specifically into the project documentation to improve the performance of the project. Construction of the project cannot commence until the management and monitoring plans have been approved and an environment protection licence is attained from the EPA. The EPA regulates the construction of these projects through environmental protection licences issued under the Protection of the Environment Operations Act 1997. The EPA will also license the ventilation facilities when the projects are operational. The environment protection licences issued by the EPA need to be consistent with the project approvals.

The department and the EPA share responsibility for regulation of the impacts from the construction of these projects and work collaboratively in our compliance functions. The department regulates the projects against the conditions of approval and the EPA regulates against the conditions of the licences. Matters that fall under

both the approval and licence are typically regulated by the EPA. Any person can contact the compliance teams at any stage—from pre-construction through to operation of the project—if they have concerns around noncompliances, which will be investigated.

The exhibition period for the Beaches Link and Gore Hill Freeway connection proposal concluded in March 2021 and all submissions received have now been provided to Transport for NSW, which is now preparing a detailed response to the issues raised. In addition to this, and in consideration of the submissions and independent expert advice, the department has asked Transport for NSW to prepare a preferred infrastructure report, which must contain further information to allow proper consideration of the project. I can assure the Committee that, as with the Western Harbour Tunnel and Warringah Freeway Upgrade project, the department will continue to work with relevant agencies, the community and Transport for NSW to achieve the best outcome possible and provide high-quality advice to the Minister. We are happy to answer any questions the Committee may have.

The CHAIR: Thank you. Mr Gainsford, if you have not already, can you please email through that opening statement to the secretariat to assist Hansard? Otherwise we will go to questions, commencing with the Opposition and Ms Moriarty.

The Hon. TARA MORIARTY: Thank you all for joining us today. A number of community groups have expressed concern about early works at sites around the Warringah Freeway, particularly how risk levels of contamination of moderate to high risk are being managed. They have done that through this inquiry but also outside of it. What has been put in place to notify the community of the risks and also the work?

Mr GAINSFORD: Thank you, Ms Moriarty. With regard to those complaints and those investigations, what I can say is that the department is currently investigating the concerns that have been raised by the community with regard to some of those early works and allegations of contamination. We have been in contact with the community through those allegations. As we complete our investigations we will certainly make sure we feed back to the community as well.

The Hon. TARA MORIARTY: While you are investigating it, obviously the community concerns are quite strong, particularly in relation to some of the sites near schools and parkland. Are there any protections in place between the contaminated sites and the parks and schools?

Mr GAINSFORD: The advice that has been provided to me, Ms Moriarty, is that at this point in time the works that are being carried out are not, we do not believe, causing a high level of potential risk in terms of human health. But we continue to work with the contractor to make sure that those works are not having risk and we will continue to investigate the allegations that have been made.

The Hon. TARA MORIARTY: Perhaps to the EPA, I am told that the Flat Rock Gully site has been notified to you as contaminated under the contaminated lands Act. What further testing has been done by you around that site?

Ms HANEMANN: That is correct. We have been notified under the Contaminated Land Management Act 1997 of that site by Willoughby council. That was in February this year. Council is currently completing some additional investigations at that site and that information is due back to the EPA at the end of October. That information is actually critical for us to then assess the significance of contamination on that site and whether it is actually warranted to be regulated under the Contaminated Land Management Act or not.

It might be worth me just mentioning how contamination is regulated in New South Wales. There is a framework that sits there. Sites that are considered to be significantly contaminated are regulated by the EPA under the Contaminated Land Management Act. Contamination otherwise is regulated through the Environmental Planning and Assessment Act, particularly State Environmental Planning Policy 55 [SEPP 55] and also through our accredited site auditors, who then assess whether the sites can actually be either remediated or managed for their existing or proposed use and verify what happens with that work. At this stage, this site is still under assessment and the information will not become available until later this year.

The Hon. TARA MORIARTY: When the assessment is completed and that information is available will it be publicly available?

Ms HANEMANN: All the sites that the EPA has assessed to be significantly contaminated are put on the public register, which is available on the EPA's website. There will be public knowledge as to whether it is a site that the EPA is regulating or not and if the contamination is deemed to be significant.

The Hon. TARA MORIARTY: Perhaps to the department, are you confident that the costs to manage and mitigate the tip site have been provided under the business case?

Mr GAINSFORD: Ms Moriarty, we are not assessing the business case as part of the environmental impact assessment so I would not be able to comment on that.

The Hon. TARA MORIARTY: I understand and accept that. But in terms of the need for any future works or mitigation, do you assess whether there are any resources or money put aside for that—and is it enough?

Mr GAINSFORD: Certainly from a contamination—and I am happy to also ask Mr Snow to make some comment here—but certainly as part of the assessment for the Beaches Link project we would expect to have identified all of those potential contamination risks and that appropriate mitigation is being put in place to cover off on that risk. Mr Snow, I do not know whether you had anything further you wanted to add?

Mr SNOW: Mr Gainsford is correct in saying that we will thoroughly assess the contamination status of the site, having regard to the Contaminated Land Management Act, and if necessary we will put in appropriate conditions if approval is recommended. The actual cost of those works is a matter for Transport for NSW.

The Hon. TARA MORIARTY: Just on that tip site, do you know if there was any consideration given to bypassing it altogether?

Mr SNOW: One of the questions we have asked of Transport for NSW is for further information on the analysis of different sites for that ancillary facility.

The Hon. TARA MORIARTY: Okay. Again to the EPA, has the Cammeray Golf Club site been notified to you under the contaminated lands Act, similar to the last one?

Ms HANEMANN: No, that site has not been notified to the EPA under the Contaminated Land Management Act. We are actually regulating the early works of the Warringah Freeway Upgrade under an environment protection licence at the moment, and works at that site are covered and regulated under that environment protection licence.

The Hon. TARA MORIARTY: It is close to a sports field and a kids' playground. Are you aware of any issues at that site?

Ms HANEMANN: The conditions that exist in the licence are to protect the community from noise, water and air quality impacts. There are some fairly standard conditions on that licence that relate to the minimisation of the generation of dust. We have received one complaint since the licence was in place—since the end of May—and that was in relation to dust. The EPA goes through a process—every complaint or report that comes to the EPA we do investigate. That typically might involve us getting in contact with the complainant, initially, but also the licensee, requesting documentation and information. We may undertake site inspections as well. Then with all that information we make a determination as to whether any action is undertaken or not.

The Hon. TARA MORIARTY: Throughout the hearings so far—and also outside of them—there has been quite a number of concerns raised by most of the local communities but also local community groups about what they say is a lack of consultation, or that strong objections that have been submitted in relation to elements of the project have been essentially ignored. It is particularly concerning for a lot of groups that feel as though they were not heard or that this was rushed in COVID conditions. Do you have any views or comments on that?

Mr GAINSFORD: Just a point of clarification, Ms Moriarty: Are you referring to the Beaches Link project in that question?

The Hon. TARA MORIARTY: Yes.

Mr GAINSFORD: Just going back to my opening statements, certainly the EIS for the Beaches Link was exhibited for more than double the minimum period of time. We do look to continue to engage with community groups. Certainly we received a number of submissions that came through as part of the EIS exhibition process. We will continue to ensure that there is lots of engagement with the community.

The Hon. TARA MORIARTY: We have heard some specific concerns from some local school and community groups in relation to air quality issues for the longer term—once the projects have completed—but also during construction. One of the things that came up last week was concern, particularly, in relation to the reopening of schools and construction during the impacts of COVID, given that schools will have been told to have their windows shut et cetera. Do you have any views on that and on air quality issues in general that have been raised?

Mr GAINSFORD: Again, with regard particularly to the Western Harbour Tunnel, which is the project that obviously has received approval, certainly there are a number of strict conditions of approval that relate to the management of noise, dust and various other amenity impacts associated with those projects. Certainly we would have an expectation—and we have also reached out to some of those school communities that have been

raising issues with us—to ensure that those works are well managed. Ms Hanemann was also mentioning the role that the EPA plays in that as well.

The Hon. TARA MORIARTY: Through this process we have had concerns, again, from local communities but also local councils in relation to potential damage to some public swimming spots—baths near dredging sites, particularly Dawn Fraser Baths, Greenwich Baths and Northbridge. Have you got any views on potential damage and any response to their concerns?

Mr GAINSFORD: Yes, I did see those concerns that have been raised. With regard particularly to the Dawn Fraser Baths, I would note that they are quite some distance away from where the proposed immersed tube tunnel works are proposed to happen. What I would say with regard to the requirements within the planning approval for those proposed works is that the assessment itself did provide predictions of what the impacts are likely to be and put mitigations forward, which I guess we as part of our assessment accepted would reduce the potential impacts of sediment and also toxins leaving the site. But the other thing I would make mention of is that there are very detailed dredging and disposal management plans that are required as part of the conditions of approval. Once Transport for NSW has selected a preferred contractor and has finalised their design for how they will undertake those works, there is a very detailed management plan that will need to come to the department, which will provide further detail around how those impacts are going to be managed and mitigated.

The Hon. TARA MORIARTY: Just a couple of questions before I hand over to my colleagues for the last part of our time here. There are concerns about increased—some project documents refer, in fact, to a really large increase in the number of heavy vehicles using the Warringah Freeway corridor if the tunnels are built, leading to significant diesel emission increases. Have you got any views or comments on that, particularly the health concerns in relation to that?

Mr GAINSFORD: Mr Snow, you might want to tackle that question.

Mr SNOW: Thanks, Mr Gainsford. The assessment did identify increases and decreases in air quality throughout the project. Those increases were primarily located along the Warringah Freeway as can be expected, as heavy vehicles will be directed onto that corridor and away from other routes. That was an expected outcome. Notwithstanding that, the health impact assessment identified that that would not pose a significant risk to human health.

The Hon. TARA MORIARTY: One final question before I hand over to my colleagues. According to some of the EIS documents these projects will remove over 3½ thousand trees, place 63 threatened species at further risk, impact up to 20 significant Aboriginal sites and many more impacts than that. What are your comments on whether this meets requirements around climate and sustainability issues into the future?

Mr GAINSFORD: With regard to the Western Harbour Tunnel project, one of the conditions of approval requires that any trees that are removed are replaced at a ratio of two to one. That is consistent with a number of major infrastructure projects that we have assessed in the past. With regard to the Beaches Link project, obviously that is the assessment that is underway. Whilst I note those aspects that you have mentioned there around biodiversity and tree removal, which we will obviously thoroughly assess, we have not finalised that assessment. That is underway at the moment.

The Hon. JOHN GRAHAM: In the remaining time, I might reiterate that last point about the Flat Rock Gully that my colleague has put. To me that was some of the most concerning evidence: the scale of that regional tip that operated there; the refrigeration factory producing 1,200 refrigerators a week, with chrome plating potentially generating hexavalent chrome and PFAS; open burning going on at the tip; and possible dioxins due to the burning of plastics. The evidence that has been given to us is there are no references to the factory or to these potential contaminants in the EIS. If they are not identified they might not be tested for. What does either agency say about why these are not referred to—why these have not been appropriately identified?

Mr GAINSFORD: Thank you, Mr Graham. I might kick off and then see if my colleagues would like to offer further. Again, making reference to the Beaches Link, obviously that is midway through assessment. Part of the process that I mentioned in my opening statement is that all of the submissions—which I know include issues that have been raised with regard to potential contaminants associated with the old tip site at Flat Rock Drive—have been forwarded to Transport for NSW and their expert consultants to respond to. I also mentioned that there is also a requirement for a preferred infrastructure report because we have identified that there were some gaps in the assessment, so we are requiring some further information to come through as part of that preferred infrastructure report. We would expect that all of those issues that you have raised and have been raised in submissions will be addressed by Transport for NSW.

The CHAIR: Thank you. We will go to the crossbench—unless, I believe, Mr Beaman has a little bit more to add?

Mr BEAMAN: Thank you, Chair. Mr Graham, just to follow up on your question about Flat Rock Gully and to put it on record our comment on that: EIS identified that it was only a desktop assessment done to date and that a detailed site investigation was required to determine any risk and what any remediation measures might be. That is what then dovetails into what Ms Hanemann talked about, which was the notification by Willoughby council of the gully to us in February this year. We are expecting further reports from council to be delivered to us in late October. But that risk you identified was one that we also identified and raised in the EIS submissions.

Ms ABIGAIL BOYD: Thank you all for making yourselves available this afternoon. There is a lot to get through in terms of what we have been hearing from community groups about concerns around various environmental and health impacts. I just wanted to touch on a couple of things that my colleagues raised. Firstly, in relation to the comment on the trees and the policy to plant two new trees for every one tree, Mr Gainsford, you said that that was standard. Where does that come from? Is that a standard policy for all projects—and if so, why?

Mr GAINSFORD: It is a condition of approval for the Western Harbour Tunnel and Warringah Freeway Upgrade. There is a similar condition that we have applied on a number of other major linear infrastructure projects. Some organisations have their own policies in terms of tree replacements and there are obviously biodiversity offsets that are required for impacts on endangered ecological communities, but this is trying to capture the removal of trees that sit outside of those communities. It is a condition of approval.

Ms ABIGAIL BOYD: Is that legislated or is that something that the department decides, in terms of it being a standard condition?

Mr GAINSFORD: It is the same as any other condition of approval, in terms of the requirements that have a legal standing. Any condition of approval has that—

Ms ABIGAIL BOYD: Sorry, my question is whether the department has discretion to change that or whether it is something that you are bound to because it is in some sort of governing legislation.

Mr GAINSFORD: We are not following a specific guideline or piece of legislation in formulating this. But it is obviously reflecting partly the community concerns that have been raised about tree removal on projects and also reflecting commitments that the department and, I know, the Minister have been making with regard to planting of trees, particularly within western Sydney.

Ms ABIGAIL BOYD: And how long has this particular two-for-one condition been a standard condition?

Mr GAINSFORD: I would need to take that on notice, but there have certainly been a number of projects where we have applied similar conditions.

Ms ABIGAIL BOYD: I ask because, in light of the recent Intergovernmental Panel on Climate Change [IPCC] report, what we know about climate and the importance of mature trees versus saplings, there is obviously a huge amount of science in the last few years in particular that has pointed to why new trees for one old-growth tree is not necessarily best practice anymore. Is that something that will be reviewed by the department and that the department is open to changing its approach on?

Mr GAINSFORD: Ms Boyd, yes, we are always open for feedback in terms of the application of our conditions. As I say, some agencies actually put forward higher standards. Certainly, from our point of view, we have been applying this two-to-one ratio for some period of time. But, yes, we are always open to feedback on conditions.

Ms ABIGAIL BOYD: That definitely needs to be updated. Thank you. Perhaps I have just one more question for you, Mr Gainsford. I understand that the Jacobs Group completed the EIS technical review, but they are also now one of the contractors being awarded the early works and also responsible for some of the detailed site investigations and testings. How is the conflict of interest managed?

Mr GAINSFORD: So, ultimately, both of those contracts would be Transport for NSW contracts rather than contracts with the department. The department obviously plays a role in assessing the environmental impact assessment and any subsequent documentation that comes through, so the actual letting of those contracts that you have mentioned there really is a matter for Transport for NSW.

Ms ABIGAIL BOYD: Would it be usual practice to have a group that is going to be involved in the construction preparing the EIS technical review?

Mr GAINSFORD: It would be hard for me to answer about whether that is usual or not. Certainly the conditions of approval do talk to areas of additional work that happens once the conditions are in place where we require independent consultants and independent technical advice as part of those areas. So we are quite clear in

terms of where we highlight where there is potential risk and where we require that independence, but I would not be able to make comment with regard to this issue that you have raised.

Ms ABIGAIL BOYD: My understanding is that ordinarily this review would be undertaken by someone who is independent. If indeed they are not independent by virtue of a conflict of interest, would that impact on the department's assessment of the EIS?

Mr GAINSFORD: Obviously, with regard to—sorry. If I can just ask a clarifying question, is it with regard to the Beaches Link or is it with regard to the Western Harbour Tunnel?

Ms ABIGAIL BOYD: That is a very good question. I believe it is to do the Western Harbour Tunnel. I do not know if it is also Beaches Link, but it is definitely Western Harbour Tunnel.

Mr GAINSFORD: Okay. With regard to the Western Harbour Tunnel, obviously we have already assessed that project and so our assessment process for that project has been completed. There would be no ability for us to reassess with regard to, I guess, the ongoing works that you are saying is being done by this organisation. It would really depend on what the conditions of approval say are the requirements for that work, whether any further management plan documentation that has come into the department as a result of those conditions requires our approval and, obviously, that independence aspect that I was referring to before.

Ms ABIGAIL BOYD: I will take it up further with Transport for NSW. Thank you. Perhaps if I could turn to the EPA. Just picking up on the questions that my colleague Ms Moriarty was asking in relation to air pollution, this is another one of those areas where there has been a huge amount of new knowledge acquired in relation to air pollution globally in the last few years, but also a lot has changed in the last couple of years since the EIS was produced, particularly the bushfires we have had and we have now got COVID restrictions and the schools being told that they need to keep windows open. Hasn't there been significant change sufficient to warrant perhaps taking another look at the air pollution impacts of this project?

Mr BEAMAN: Ms Boyd, in relation to the health impacts of emissions from this project, there have been two processes that have occurred. One was the review by the Office of the Chief Scientist and Engineer and one that is also a requirement that the Chief Health Officer actually verify the air quality modelling, including the health impacts. So those assessments by those two eminent bodies have been undertaken in terms of the air emission work. I think those independent reviews give us confidence that the air modelling work that has been done and presented in the EIS is appropriate.

Ms ABIGAIL BOYD: Just to clarify, once an EIS has been undertaken as at a certain date it does not matter how much changes after that time; the EPA will not step in to put on new conditions to take into account the new circumstances?

Mr BEAMAN: We will always consider new information but the information that we have got today—and it was part of the assessment review done by the Office of the Chief Scientist and also the Chief Health Officer—verified that the assessments and modelling done to date in terms of the human health impacts were appropriate, and that was supported by our internal expert review by our own air specialists at the time.

Ms ABIGAIL BOYD: At the time. Do you acknowledge that Dr Kerry Chant was only asked to review the stack contributions of the project and not the whole of the project in terms of its contribution to health outcomes?

Mr BEAMAN: I might get my colleagues to talk around the role of the Office of the Chief Scientist and the Chief Health Officer because that sits more in terms of the planning framework.

Mr GAINSFORD: Yes. Mr Snow might be able to help me with my answer here. But, as Mr Beaman is referring to there, the assessment process, which includes the chief scientist and the Chief Health Officer, has also included reviews from international consultants that have helped with that assessment. We also, as part of the process that we have done, had an air quality specialist give us advice in helping to set the parameters for the condition of approval. The last thing I guess I would say with regard to your question is that also one of the conditions of approval that we have in place is that if there are new technologies or different methodologies that arise, both during the construction and operation of the project, there are requirements for those to be incorporated into the design and, if needed, retrofitted into the tunnel. We are trying to ensure that the best available advice and technology can continue to be incorporated into the design. Mr Snow, I am not sure if you have anything to add there?

Mr SNOW: The only thing I would add is that the department does an assessment, as does its independent reviewer assess, both in-tunnel and ambient air quality as well, so not just alert emissions. But I should say that the alert emissions are the key determinant of ambient air quality as well in relation to the outlet emissions.

Ms ABIGAIL BOYD: Can I just confirm this? My question was is it true that Dr Kerry Chant was only asked to review the stack contributions in terms of overall health outcomes and not the overall project. For example, the extra congestion in certain areas that we have heard will be a product of this project, the additional congestion and dust during construction and the number of access changes to the Warringah Freeway—there is a bunch of non-stack-related emissions that when you have so many schoolchildren and children generally in that area, assessing the health outcomes of the whole project might have made more sense. Can you confirm that she only looked at the stack emissions?

Mr SNOW: I cannot comment on whether Dr Chant reviewed in relation to the construction impacts but I do know that the department does liaise with NSW Health with the assessment as well, so we would have liaised with NSW Health on those broader non-operational issues. My understanding is that advice provided in relation to the EIS is primarily related to operational impacts.

Ms ABIGAIL BOYD: I am finding it difficult to understand—let me take a step back. Do you believe that there is sufficient monitoring and data available of current air pollution in the impacted areas from this project?

Mr GAINSFORD: Mr Snow, are you happy to answer that?

Mr SNOW: Sure. I think so, yes, both from a construction-operational circumstance and in both those situations as well that there will be further monitoring undertaken during both construction and operation. In relation to construction the proponent is required to develop an air quality monitoring program which will be done in consultation with the EPA and the broader community, as will the operational monitoring as well.

Ms ABIGAIL BOYD: What will happen when there is a notification that there has been an air pollution event near a school? What is the action that then gets taken to protect those children?

Mr GAINSFORD: Mr Snow, are you able to respond?

Mr SNOW: Look, it is probably a question better answered by the EPA or a compliance person. But I am happy to provide advice, particularly in relation to operational matters. The operational performance is actually live and as real time as possible. That is identified on a public website and has been for recent tunnels as well.

Ms ABIGAIL BOYD: I do not—

Mr SNOW: If there are exceedances, then that gets reported to the department, EPA and NSW Health.

Ms ABIGAIL BOYD: I appreciate that. My concern is with those schools that are also being told to keep their windows open when they return and, for the foreseeable future, living with COVID we are asking for maximum ventilation. But at the same time we are building projects that are increasing the amount of air pollution around those schools. What are those schools supposed to do—close the windows, or open the windows?

Mr GAINSFORD: Ms Boyd, I guess talking to the overall assessment that was done for the Western Harbour Tunnel and the air quality assessments, the assessments themselves predicted at various point sources some increases and decreases in pollutant levels, but what I would say is that the levels of impact that were predicted where there were increases were quite small and the predictions have suggested that none of the air quality levels would be exceeded at those points. So, again, the monitoring system that has been put in place is obviously designed to ensure that the modelling itself was accurate but also that what actually happens, in effect, does not lead to those potential impacts that you have referred to there. But what I would say is that the evidence that has been provided as part of the assessment is that the impacts, where there are increases, are very low.

The CHAIR: Thank you. We will go to Government members now, although I think I may have inadvertently cut someone off. Was that you, Mr Snow?

Mr SNOW: It was me. I could give some further advice to Ms Boyd in relation to compliance. My understanding is that if we did receive advice that there was an exceedance during construction that the department's compliance team would engage with the EPA and would either have those works cease or additional mitigation measures implemented.

The CHAIR: Thank you, Mr Snow. We will go to Government members. Mr Mallard, are you taking the call?

The Hon. SHAYNE MALLARD: It would appear so. I thank you for appearing today in this inquiry during such a hectic time for government employees and organisations. I was interested in the conversation from Ms Boyd around narrowing down health outcomes. I am not sure if you can answer this, but there is plenty of evidence from overseas studies and academics around the fact that freeways, motorways and roads have increased

health benefits and economic benefits to individual freedom by greater freedom and better access to health care. In terms of the population health approach, has there been a look at the health benefits to greater access to our city from the new motorways that have been built?

Mr GAINSFORD: Yes. As part of the assessments, as part of the environmental impact assessment that was conducted for the Western Harbour Tunnel and also for the Beaches Link, obviously there is a whole series of impacts that are looked at from both the positive and negative points of view. Obviously, you are pointing to those accessibility aspects that are obviously one of the drivers for these types of projects. Yes, on the balance of weighing up all of those aspects of projects, we concluded for the Western Harbour Tunnel that it was in the public interest.

The Hon. SHAYNE MALLARD: They are weighed up against short-term narrow impacts, say, before construction, which you still try to manage very carefully, but they are all weighed up as part of a bigger equation.

Mr GAINSFORD: That is correct. We do weigh up all of those issues. That is correct.

The Hon. SHAYNE MALLARD: That is very good to hear. I have some questions to the EPA, I think, relating to evidence that we heard from retired—I do not know if they were retired but I think they were—scientists, for want of a better term, at our last inquiry regarding the assessment of the impacts of the harbour tunnel on the sediments in the harbour. I do not think these questions have been canvassed at all. It was suggested and I assume and I hope that our friends in the EPA have reviewed that evidence. It was suggested that the environmental impact statement was inadequate because it did not address the issue of ocean currents and them coming into the harbour. There was the suggestion that the sediments that were stirred up would wind up at Parramatta. Would the EPA like to comment upon the allegation, for want of a better term, that the EIS work was lacking in that area?

Mr BEAMAN: Yes. Thank you for that question, Mr Mallard.

The Hon. SHAYNE MALLARD: It is not a Dorothy Dixier. I am genuinely interested in that answer.

Mr BEAMAN: Yes, absolutely. Look, all dredging operations present significant environmental challenges, no matter whether we have had to regulate for these. I think the protection of Sydney Harbour's water quality value is absolutely paramount, and the EPA hears the community's call around protecting Sydney Harbour's water quality very loudly and clearly. Our views are very aligned to the community in that respect. We do not want to see any diminution of the water quality values in the harbour. Just a couple of points I will make before I answer your question directly: We have had pretty extensive experience in regulating dredging operations, particularly those that are in contaminated sediments. We have had experience at Homebush Bay, Port Kembla harbour, Kendall Bay, Hunter River and the redevelopment and placement of material for the Barangaroo headland. There is a lot of practical experience and particularly around Sydney Harbour and particularly around the regulation of those sites.

But based on the information that we have had and saw in the EIS and some follow-up information that we actually got from the proponent and Transport for NSW, we firmly had the view that all the risks have been identified and could be addressed under the approved management plans. That issue, I think—the issue about the hydrodynamics in the harbour—was actually pretty well documented in one of the technical attachments in the EIS. By memory, appendix P, I think it is.

The Hon. SHAYNE MALLARD: It is important to note that because that was a very strong criticism of your assessment of the EIS.

Mr BEAMAN: Yes. Appendix P had extensive modelling of the hydrodynamics, the flows within the harbour, and the modelling from that on where, if there were to be turbidity impacts, what the nature of those impacts are. They were pretty well documented in the EIS.

The Hon. SHAYNE MALLARD: Were you involved in the area's assessment?

Mr BEAMAN: No. I led the team to do it. Jacinta Hanemann looks after or leads those teams, but we use our teams inside the EPA across a range of technical expertise—noise, water, air and contaminated lands—to give us that technical expertise.

The Hon. SHAYNE MALLARD: My colleagues might correct me but, from memory, it was suggested that you forgot to do the assessment and put in an assessment at a minute to midnight before the requirement to provide that assessment.

Mr BEAMAN: Yes.

The Hon. SHAYNE MALLARD: From memory, it was suggested. Would you like to defend the work you and your team have done in regard to that allegation?

Mr BEAMAN: Yes, absolutely. It was a little bit disappointing to hear that. I have got great regard for the gentleman who actually did that. He is highly respected by myself and my colleagues. There seems to be some sort of unusual view in the community that, because we did it on the last day, we seemed to have forgotten about it. I am sort of reflecting on how to answer that question and I was almost thinking about when I was at uni. You are going to submit that at the very end because I want to give my guys the maximum amount of time to actually get into the detail. So it was not a case of we did it on the last day and we forgot about it. As soon as these projects come into our office, the teams are activated, they are looking through them as quickly as we can and we are probably, a little bit to Mr Gainsford's frustration, giving him the advice at the very last time that we have to so that we can maximise our time reviewing them. It certainly was not a case of the assessment being missed.

The Hon. SHAYNE MALLARD: Thank you, Mr Beaman. I am very pleased to have put that on the record, because I really thought that was a bit unfair, given the professionalism of the EPA. Mr Snow, Director of Transport Assessments in the Department of Planning, Industry and Environment sounds like a very important role. I raised this earlier on with an earlier witness. If this is your area, would you like to comment on the assessment of the fact that this is one of the last missing links of the road network talked about from the sixties for around the Sydney CBD and inner-metropolitan Sydney in regard to this project and how important it is as that last missing link?

Mr SNOW: What I can say about that is that the focus of our assessments is actually on the environmental impacts of the projects. We do report on these strategic business case and how that fits within government policy and that is documented in our assessments, but the focus of our assessments is in relation to the environmental impacts.

The Hon. SHAYNE MALLARD: Okay. That is why you are in the department of planning, though, aren't you?

Mr SNOW: Yes.

The Hon. SHAYNE MALLARD: For environmental impacts.

Mr SNOW: Yes.

The Hon. SHAYNE MALLARD: Okay. That is clear to me. Back to the EPA. A perennial issue that has been identified in previous inquiries and this one and in the 2000 period when I was a councillor and South Sydney and the City of Sydney campaigned against stacks in East Sydney, in Stanley Street and others, and worked hard to try to get filtration. I have been briefed thoroughly and read many documents on stacks and the latest technology and the fact that exhaust emissions today are much more filtered just from the cars, let alone the type of fuel. Can you outline the EPA's role in the ongoing licensing and management of exhaust stacks?

Mr BEAMAN: I might get Ms Hanemann to be able to respond to that one, Mr Mallard.

Ms HANEMANN: Thank you, Mr Beaman. The EPA regulates emissions from the tunnel ventilation outlets through environment protection licences and the licences themselves are very much outcomes focused. They will include air emission discharge limits for those ventilation outlets, but they do not actually prescribe how those limits need to be achieved. So, for example, the licence will not prescribe that they need to filter the tunnels. It simply sets what the discharge emission limits need to be. The discharge limits are actually determined looking at what are the ambient air quality criteria that need to be met at the receptors. It is modelling that works out what those actual criteria should be.

The Hon. SHAYNE MALLARD: I hate that term "receptors". You are talking about the human population around the stacks.

Ms HANEMANN: Residents. Absolutely. That is exactly right. The community.

The Hon. SHAYNE MALLARD: I had that in an inquiry about schoolkids called receptors: not a very attractive term. It seems like a panacea, which attracted me in the middle 2000s, to whack in filters. But are there other methods that can be applied to maintain air quality that a filter, if they even work, would do? What would the tunnel operator do to manage it if there was a traffic jam of trucks or something? How would they manage that air emission to reduce it and maintain that output at the level that you require?

Ms HANEMANN: I cannot specifically comment on exactly what they would do because I am not a technical person, but I do understand there is a range of measures that they can undertake. What I can comment on is that since the EPA has actually been licensing the ventilation outlets from these tunnels, we have had a number of exceedances reported to us but they have never been in relation to the actual performance or the

operation of the motorway tunnel. For example, I think WestConnex is a good example and the M4 and M8 tunnels. We have had a licence in place since July 2020 and they have had 12 exceedances that have been reported to us. Six of those were in relation to dust within the tunnel when they first started off. It was residual construction dust. Some were instrumentation error and some were related to regional air quality impacts, such as hazard reduction burns and bushfires that were happening.

The Hon. SHAYNE MALLARD: So they are all not related to actual exhaust emissions.

Ms HANEMANN: That is correct.

The Hon. SHAYNE MALLARD: Who reports that to you? Is that automatically triggered by a monitoring system inside the stack, or does the operator monitor it and then, by law—as happens in so many other examples—then automatically have to report to you the exceedance?

Ms HANEMANN: That is correct. It is the latter. They have got their real-time monitoring and there is a requirement, both in the conditions of approval and also in the licence, for them to actually report that through to us. So they report those exceedances to the department of planning, to NSW Health and to the EPA.

The Hon. SHAYNE MALLARD: Real-time reporting—like, within 24 hours or 12 hours?

Ms HANEMANN: I cannot recall what the time is but it is a short period of time; that is correct.

The Hon. SHAYNE MALLARD: Will you take that on notice and just let us know how quickly they report that?

Ms HANEMANN: Yes.

The Hon. SHAYNE MALLARD: What are your remedies when an exceedance is reported? Obviously, you have investigated those other ones and maybe they gave you advice about what they believed the problem was. What are the EPA's remedies? You have a licence. Are you in a position to give them warnings about their licence to emit from the tunnel?

Ms HANEMANN: That is correct. There is a whole range of actions that the EPA can do. So, yes, the proponent or the licensee is required to provide the reports to us and we review those to determine whether, I guess, the conclusions that have been formed satisfy us. Then, as you say, we have got the licence that sits in place so if we are concerned in terms of what the monitoring results are showing we can vary that licence to include additional conditions. Often what we would use is something like a pollution reduction program. As you also mentioned, there is a whole range of compliance actions that the EPA can take if there is an alleged breach and we would look at that to see whether it warrants something like an advisory letter through to formal warnings, penalty notices and the like. There is a range of action that can be taken.

The Hon. SHAYNE MALLARD: I have two more questions on stacks because it is a real big issue of concern anywhere they are. The transparency of that data and the transparency for the community about what is going on out of their stack, do you want to comment on that?

Ms HANEMANN: My understanding is that monitoring data is available to the community.

The Hon. SHAYNE MALLARD: Live on a website, or do they have to make an application to get that?

Ms HANEMANN: I am not aware if it is live. I am not sure if my planning colleagues could advise on that.

The Hon. SHAYNE MALLARD: Would you take that on notice?

Ms HANEMANN: Yes. We can definitely take that on notice.

The Hon. SHAYNE MALLARD: That might be something, Chair, that I suggest we might look at as a recommendation. I think the community would have more confidence if they knew daily they could look at data from the stacks.

Mr SNOW: It is publicly available on websites, yes.

The Hon. SHAYNE MALLARD: Okay. That is good. My other question is based on evidence given the other day. I was sort of laughed at when I suggested that in relation to electric vehicles, 55 per cent of the fleet were expected to be electric in 20 to 30 years. But for the EPA, that must be a goal and a golden light on the horizon for pollution with electric vehicles replacing diesel and petroleum consumption?

Mr BEAMAN: Yes. Thanks, Mr Mallard. You are absolutely correct. I think a lot of the ambient regional air quality issues that we face, particularly in the Sydney Basin, are often driven by our transport sources

being the motor vehicles and trucks. So the positive movement that has been made by the community to move towards electric vehicles and the greening of fleets is going to have a significant improvement.

The Hon. SHAYNE MALLARD: Led by the State Government, which is converting totally to electric vehicles and our bus fleet over a period of time and, you know, showing leadership. Chair, that concludes my line of questioning. I do not know if my colleagues have any questions. Thank you.

The CHAIR: I thank the witnesses for their appearance. Witnesses have taken some questions on notice for which you have 21 days to return an answer after you receive the transcript from the secretariat. The Committee will take a break and reconvene at 2.35 p.m. for our final session. I remind members to mute their microphones and turn off their cameras, unless they would like to broadcast their goings-on to the internet.

(The witnesses withdrew.)

(Short adjournment)

CAMILLA DROVER, Deputy Secretary, Infrastructure and Place, Transport for NSW, affirmed and examined
DOUG PARRIS, Director, Project Development, Central River & Eastern Harbour City, Infrastructure and Place, Transport for NSW, affirmed and examined

The CHAIR: I welcome our next set of witnesses from Transport for NSW. I invite either of you to make a short opening statement on behalf of Transport for NSW of no more than three minutes.

Ms DROVER: I will make the opening statement and we are cognisant of the three-minute rule.

The CHAIR: Thank you, Ms Drover.

Ms DROVER: I would like to start by acknowledging the traditional custodians of the various lands on which we meet today and pay our respects to Elders, past and present. I recognise and celebrate the diversity of Aboriginal peoples and their ongoing cultural connections to the lands and waters of New South Wales. Sydney is a rapidly growing city. By 2056 it will become a global city of nearly eight million people, similar in size to New York or London, with more people than ever before accessing our integrated transport network. To prepare for this growth, we must invest in world-class infrastructure that will not only reduce congestion but also contribute to the overall liveability of our communities. One of our key areas of focus is to complete the missing links of Sydney's motorway network and improve traffic flow to support the growth of our communities, places and economy, and so people and goods can move safely and reliably around our city and beyond.

The Western Harbour Tunnel will create a western bypass of the Sydney CBD, taking pressure off the heavily congested Sydney Harbour Bridge, Sydney Harbour Tunnel and Anzac Bridge. The Beaches Link will revolutionise how we move between the northern beaches and the rest of Sydney by providing an alternative to the Spit Bridge and Warringah Road corridors. Importantly, the program has been designed to focus on new public transport connections and improved journey times and reliability for buses. By putting traffic underground in tunnels we will reduce traffic on local streets, improve public and active transport options for cyclists and pedestrians and unlock opportunities for urban renewal. A program of this scale is also expected to unlock 15,000 full-time equivalent jobs during construction.

I acknowledge building a project of this scale and complexity will have unavoidable impacts on the community and the environment. We not only are building the first road tunnel under Sydney Harbour in 30 years but we are upgrading one of Australia's busiest and most complex roads and we are working in an urban environment where people live, work, learn and play. That is why we carried out one of the most extensive community and stakeholder engagement processes for a program associated with a road project since the program was announced in 2017. From the early design stages through to public exhibition of the environmental impacts statements, we have actively engaged and listened to the communities and stakeholders to hear their feedback, understand their concerns and what is important to them.

The project team held both online and in-person community information sessions, hosted market stalls, met with key stakeholders and community groups, carried out thousands of door knocks, produced online interactive websites, published and distributed fact sheets, community updates and flyers and were readily available on the phone or email to answer questions. This critical feedback has helped us to refine the design, identify opportunities to deliver improved place-based community outcomes and reduce our community impacts wherever possible. We will continue to proactively engage with communities and stakeholders throughout construction with targeted engagement strategies so we can further reduce the impacts. On behalf of Transport for NSW, we welcome today's opportunity to answer questions of the Public Works Committee on the Western Harbour Tunnel and Beaches Link program. Thank you.

The CHAIR: Thank you, Ms Drover. Do you mind emailing through your opening statement to the secretariat to assist Hansard?

Ms DROVER: Yes, we can.

The CHAIR: We will kick off with questions from the Opposition. Committee members, I propose that we will go through each part of the Committee in two rounds each. We will kick off with the first round of Opposition questions, which will be about 20 minutes. Mr Graham?

The Hon. JOHN GRAHAM: Thank you, Chair, and thank you, officials. I might first turn to the overall cost of this project. The Committee is weighing up in its recommendations the benefits and the cost of both projects. There has been plenty of information from the Government publicly and in the Government's submission about the benefit but very little detail about the cost. There have been public reports suggesting that the cost of the two projects combined is \$14 billion. What is the total cost of the Western Harbour Tunnel and Beaches Link project?

Ms DROVER: Is that question to myself?

The Hon. JOHN GRAHAM: Yes, Ms Drover.

Ms DROVER: Okay, as you would be aware, we have awarded the main contract for the Warringah Freeway Upgrade project. So the cost of that main contract is now known and confirmed, and that is the \$1.18 billion contract that was awarded just this month. We have not commenced the main procurement for the Western Harbour Tunnel so therefore the costs associated with that are not confirmed and have not been announced. We have not yet received the investment decision for Beaches Link so the cost details for that project similarly have not been announced.

The Hon. JOHN GRAHAM: Can you understand, Ms Drover, that it is very difficult for the public, let alone the Parliament or this inquiry, to assess this project if the Government is being so closed with the costs of this project, even a ballpark? It was projected as \$14 billion—possibly higher, but \$14 billion combined. Is that in the ballpark? Is that cost accurate?

Ms DROVER: What the Government has confirmed is that in the next forward years, in the forward estimates, we are going to spend \$6.3 billion and there is a breakdown per project for that. So \$60 million of that is for further work on Beaches Link, \$268 million of that is for the Warringah Freeway Upgrade project and \$108 million for the Western Harbour Tunnel, and that is just for this year. So there is \$454 million just for 2021-22.

The Hon. JOHN GRAHAM: So the total cost of the whole project or either of the elements is a State secret—that is really the position of the agency or the Government.

Ms DROVER: Well, we have not received an investment decision for Beaches Link, so the cost of that component of the program is not confirmed. Similarly we have not completed the procurement for the balance of the Western Harbour Tunnel program and therefore the costs associated with that again have not been confirmed and announced.

The Hon. JOHN GRAHAM: But the Government would not have made an investment decision for the Western Harbour Tunnel without a cost. What was that cost that went in front of the Government in order for the project to get this far?

Ms DROVER: Infrastructure NSW [INSW] did release the summary final business case. That is readily available on their website. That was released in May 2020. That included some benefit-cost ratio [BCR] information but I think you will also see that it confirmed that when the procurement for the Western Harbour Tunnel was complete the costs will be confirmed and therefore known and could be announced.

The Hon. JOHN GRAHAM: Yes, so again they did not provide costs in that document is what you are confirming. What about cost overruns? The Government submission to this inquiry in relation to those projects is simply this: "There are no cost overruns," in a very brief section on costs. Now, Ms Drover, isn't that ridiculous given your own Minister has flagged on 26 November 2019 that the cost of this project could be higher than the estimates of \$14 billion? The Minister is being more upfront than your own agency's submission to this inquiry. Where are we up to with cost overruns on this project?

Ms DROVER: So although the program—Western Harbour Tunnel and Beaches Link—has been in development for many years, we are just in the very, very early stages of its procurement. So for the Warringah Freeway Upgrade, which is the first project to be procured and delivered as part of the program, we have only just this month awarded its main contract. It would be quite usual not to have cost overruns in the very, very early stages of a project, particularly when a large part of the program has not achieved assessment decision and another large part of the program has not gone through its procurement process.

The Hon. JOHN GRAHAM: Ms Drover, can you confirm, given those answers, even though the Government's position is this is a State secret, that the total cost of the Western Harbour Tunnel and Beaches Link that was put to Cabinet in the final business case in 2016 was \$13.6 billion?

Ms DROVER: I am not familiar with that number and I am not sure about the timing either. It is quite usual for INSW to publish its final summary business cases not long after the investment decision, and that was published in 2018.

The Hon. JOHN GRAHAM: Can you confirm that the total cost of the Western Harbour Tunnel component in the final business case that Cabinet saw at the end of 2016 was \$6.38 billion?

Ms DROVER: I cannot confirm that and that is also a Cabinet-in-confidence matter.

The Hon. JOHN GRAHAM: Can you confirm that the total cost of the Beaches Link component was \$7.38 billion?

Ms DROVER: Again, Beaches Link has not received investment decision from government yet and the final business case and what government would see would be a matter for Cabinet, Cabinet-in-confidence.

The Hon. JOHN GRAHAM: Yes, but those costs—some of those come from leaked Cabinet documents—confirm that the Beaches Link component in the final business case was more than half the cost—

The Hon. SHAYNE MALLARD: Point of order: Mr Graham is very good with the flourish, the language, "State secrets" and so on. But the witness has said quite clearly on two questions on this matter they are Cabinet matters. His pursuing it is forcing the same outcome that these are Cabinet matters and not matters that she can reveal. He should change his line of questioning.

The CHAIR: I do not uphold that point of order.

The Hon. JOHN GRAHAM: Given those costs, can you confirm that the Beaches Link is actually more expensive than the Western Harbour Tunnel part of the project, despite the fact there is less transport on that part of the route? Is that still the case?

Ms DROVER: The Beaches Link is longer. There are more lane kilometres of tunnels than the Western Harbour Tunnel. It also includes a harbour crossing, albeit not as long a harbour crossing as the Western Harbour Tunnel, so you may anticipate that the cost of that project would be greater than the Western Harbour Tunnel. The Western Harbour Tunnel also includes the Warringah Freeway Upgrade project as well.

The Hon. JOHN GRAHAM: That is right. So, longer, less traffic and more expensive—those things almost flow automatically, don't they, in relation to the Beaches Link?

Ms DROVER: What I said was there is more infrastructure being built as part of the Beaches Link tunnel than the Western Harbour Tunnel.

The Hon. JOHN GRAHAM: What proportion of traffic will the Beaches Link component carry compared to the Western Harbour Tunnel and the Warringah Freeway Upgrade? Some of those internal government documents have it assessed at 25 per cent. Is that accurate?

Ms DROVER: The details of the anticipated traffic modelling and the demand, that was included in both environmental impact statements [EISs] for the Western Harbour Tunnel, the Warringah Freeway Upgrade project and also the Beaches Link project. They are both being, obviously, publicly displayed. The Western Harbour Tunnel one has achieved planning approval. We are waiting for planning approval for the Beaches Link.

The Hon. JOHN GRAHAM: One of the bits of evidence we take quite strongly from these local communities is that they are prepared to support the road but they do not want residential development. They do not want the development that might flow with this. Has Transport for NSW, has the former Roads and Maritime Services [RMS], been working at any stage over the last few years with the Department of Planning, Industry and Environment [DPIE], with the Greater Sydney Commission on land use intensification plans for the northern beaches?

Ms DROVER: Not to my knowledge. Our group is focused on the delivery of this important road infrastructure, not on urban development et cetera.

The Hon. JOHN GRAHAM: Ms Drover, I might ask you to take that question on notice, given the period of time you have been in this role. Could you take on notice whether any land use intensification work has been done by RMS in relation to the northern beaches?

Ms DROVER: I am fairly confident there has been no work undertaken. I think that would be brought to my attention if there was. But I am happy to take that on notice and see what information can be brought back, if there is any information in that regard. I was with the RMS prior to joining Transport and was closely associated this project and was not aware of any work of that nature.

The Hon. JOHN GRAHAM: You may be able to tell us the benefit-cost ratio for the Beaches Link project then, given that involves—

Ms DROVER: As I have also said, that would be included in the final business case which will be considered by government. When investment decision is achieved, INSW will publish the final business case summary on their website. But until that time, the BCR is not available.

The Hon. JOHN GRAHAM: I will give you the BCR as it went to Cabinet in 2016 and that was 1.2. The Western Harbour Tunnel was a very thin benefit-cost ratio and that has been published. The Beaches Link

component had an even narrower benefit-cost ratio of 1.2. And the wider economic benefits when they were considered also resulted in a BCR of 1.2. That is, they did not shift the dial at all when it came to this project. Can you confirm those numbers?

Ms DROVER: I can confirm the BCR for Western Harbour Tunnel because, as you rightly say, that is published by the NSW final business case summary. For Beaches Link, I reconfirm investment decision has not been made and therefore the BCR has not been confirmed. I am not familiar with the numbers you have quoted. It sounds as though perhaps they were from leaked documents so I cannot comment on those documents because I am not familiar with what they are. Regardless, it would be Cabinet-in-confidence if it was a Cabinet document.

The Hon. JOHN GRAHAM: Have you ever seen a project that the Government was considering to sink billions of dollars into where there were no wider economic benefits when that analysis was done? I have not seen it. Is that a common occurrence? Have you ever seen that?

Ms DROVER: It is common when we are assessing BCRs to assess both the transport-only benefits and the wider economic benefits—yes, absolutely.

The Hon. JOHN GRAHAM: Yes, and normally they increase the BCR, as they did for the Western Harbour Tunnel. They do not for the Beaches Link. Have you ever seen that in another project?

Ms DROVER: Again I am not sure what you are referring to in terms of Beaches Link.

The Hon. JOHN GRAHAM: I am referring to the documents that went to Cabinet in 2016.

Ms DROVER: Yes, well, they would be Cabinet-in-confidence. I am not across those documents. I was not in government in 2016.

The Hon. JOHN GRAHAM: I am hoping that the agency is familiar with them though.

Ms DROVER: What I can say is it is very common in preparing a BCR to look at the transport-only benefits and the wider economic benefits, yes.

The Hon. JOHN GRAHAM: Could you perhaps take that question on notice then in relation to agency?

Ms DROVER: Can I just clarify what the question is?

The Hon. JOHN GRAHAM: What other projects that the Government is considering investing billions of dollars into experience no change in the BCR when wider economic benefits are considered?

Ms DROVER: I can confirm that it is, in my experience, highly unusual not to have wider economic benefits but I am just not clear the point being made, because the BCR [disorder].

The Hon. JOHN GRAHAM: I might move on, Ms Drover. Can you confirm that the cost of integrating a project into existing road networks was estimated at the time at \$2 billion?

Ms DROVER: For which? For the program or which project?

The Hon. JOHN GRAHAM: For the overall program, for the Western Harbour Tunnel and Beaches Link.

Ms DROVER: I can confirm that the cost of integrating both Western Harbour Tunnel, Warringah Freeway and Beaches Link into the wider network is included in the cost estimate for the program.

The Hon. JOHN GRAHAM: Great. Thank you. That was my next question. I might turn to the development partner model. In the Government's submission to this Committee the model is robustly defended. It has now, in the months that followed, fallen apart. What compensation will be paid to those firms that were part of that development partner process?

Ms DROVER: Okay, if I can just step back a little bit and just explain the development partner process. It was a process which was market led. When the process was commenced we did go out to the market and say, "Please, would you like the opportunity to tender for services to assist us to procure and then deliver the two proposed contracts for Western Harbour Tunnel?" It was a proposed model. There was always the uncertainty that we would progress with it and adopt it but we were willing to work with industry and the market to see what could be offered to us. And, as I said, it was a market-led process. Because of that and in line with the 10-point planned commitment to the construction industry, and also in accordance with Treasury's guidelines for bid cost reimbursement, we did offer to reimburse bidders' costs up to 50 per cent of what we estimated their costs would be. On that basis we estimated that a cap of up to \$1 million per bidder would be payable.

The Hon. JOHN GRAHAM: Thank you.

Ms DROVER: But it was very clear at the outset that we may not proceed and actually [disorder].

The Hon. JOHN GRAHAM: Understood. That is nearly a year gone out of this project. What delays will that introduce into the project?

Ms DROVER: It has not led to any delays because we had always planned for the scenario where we would not proceed with the development partner. So you may be aware that just in August we actually issued the expression of interests [EOIs] for the two stages, the two packages for the Western Harbour Tunnel. So the scenario where no development partner was pursued was always planned for.

The Hon. JOHN GRAHAM: What other options were assessed when this project was first looked at to deliver it? This development partner model was adopted. What other options were looked at?

Ms DROVER: Okay, like most of the toll roads to date in Sydney, a public-private partnership [PPP] was looked at but was discounted and it was confirmed that this would be a State-led delivery. That meant that the financing and funding would be provided by the State and the contracts for the main works would be between the contractors and the State. So the development partner was just buying in services to assist with resourcing and approaches and methodologies to procure and administer and manage the [disorder].

The Hon. JOHN GRAHAM: They are two of the potential models. What other models were considered? Did the agency consider perhaps securitising the revenue from the Sydney Harbour Bridge and the Sydney Harbour Tunnel?

Ms DROVER: I think if I can just clarify, there are two different concepts. There is how we are going to procure and deliver, which was always to be State-led, albeit we may have done it with the assistance of a development partner, versus the funding and financing of the project, and that remains with the State Government. [Disorder].

The Hon. JOHN GRAHAM: Did the agency consider establishing a State-owned corporation in the way it might have done, for example, with the Sydney Motor Corporation [SMC] and WestConnex?

Ms DROVER: A range of options were looked at but that one was not progressed at that time.

The Hon. JOHN GRAHAM: But it was looked at?

Ms DROVER: Yes, well, normally we would provide a broad range of analysis to government. We would look at a number of historic models, including the ones you have mentioned, which have been used previously. But we are going forward with the State-led model and we will manage the procurement and the delivery of the Western Harbour Tunnel.

The Hon. JOHN GRAHAM: When that assessment happened, can you confirm that the model that became the development model, what was at the time referred to as the "hybrid model", was the least preferred of the options that were examined for delivering these projects?

Ms DROVER: I am not familiar with that term or that language, so I am sorry, I cannot comment on that.

The Hon. JOHN GRAHAM: I am looking at Cabinet-in-confidence documents that indicate the range of delivery models that were considered. One of those is the model that became the development partner model and it is clear from those things that this was the least preferred model when it was assessed by Transport. Can you confirm that?

Ms DROVER: I do not have the benefit of what you have in front of you, but if it is a Cabinet-in-confidence document I am not able to comment on it either.

The Hon. JOHN GRAHAM: This is Transport information. I do not want you to refer to these documents. I am referring to these documents. I want you to confirm: The development partner model, which has fallen apart, which we are compensating firms for, was it the least preferred model when assessed by Transport?

Ms DROVER: As I said, I am not clear what you are referring to. I do not have those documents in front of me. But if I can just also clarify: The development partner has not fallen apart. We went through a process where we worked with industry and the market to see what they could offer. We did a value-for-money assessment and we decided that the best interest of the taxpayer would not be to adopt that model and go forward with it, and Transport for NSW would procure and manage the delivery of Western Harbour Tunnel themselves.

The Hon. JOHN GRAHAM: Ms Drover, you have talked about the options that were considered. You have talked about some that were put aside and one that was adopted—the development partner model. I am going

to give you a final chance to answer the question: Was it the least preferred model in the Transport analysis as it came through the agency?

Ms DROVER: My response is: I have no knowledge of the advice that you are referring to and therefore I cannot comment on it.

The Hon. JOHN GRAHAM: Can you give us any information about why Infrastructure Australia, which is assessing projects right across the country, when it looks across New South Wales in its most recent assessment of all the projects in September 2021, no longer has any reference to the northern Beaches Link on that infrastructure priority list. It was there on the long list previously when it was combined with the Western Harbour Tunnel. It is now not present at all. Why is Infrastructure Australia expressing what could only be interpreted as doubts about the urgency of this project?

Ms DROVER: I cannot comment on Infrastructure Australia but what I can say is the program, both Western Harbour Tunnel and Beaches Link, was part of the Future Transport 2056 strategy. It was also part of the long-term transport strategy which was published in 2012. It has also been part of the State Infrastructure report, which INSW prepares, since, again, 2012 and it has been included as a key priority ever since 2012.

The Hon. JOHN GRAHAM: Where is the State Infrastructure Strategy? It has not been produced now for a number of years.

Ms DROVER: Infrastructure NSW prepares that strategy. That would be a matter for them.

The CHAIR: Mr Graham, your question time has expired. We will go to Ms Boyd for 20 minutes.

Ms ABIGAIL BOYD: Thank you, Ms Drover and Mr Parris, for your time this afternoon. I want to start with Ms Drover. Right at the beginning you read out an opening statement and you referred to Sydney having population levels that we currently see in cities like London and New York. Sydney is the most tolled city in the world, I understand—I do not know if it has still got that title but it certainly did a couple of months ago—whereas New York and London rely very heavily on public transport. Why is Transport for NSW so determined to build new toll roads?

Ms DROVER: As you rightly say, the projects, the program will be tolled—the Western Harbour Tunnel and Beaches Link. The Warringah Freeway obviously will not be tolled. It will remain toll-free. We do see this program and its projects as very much part of an integrated transport network. Yes, they are road projects but they provide significant benefits particularly for bus transportation and also active transportation as well for cyclists and pedestrians. It is all about providing that interconnected and integrated transport solution for Sydney. There is dedicated bus infrastructure provided as part of the program. There are also new active transport, pedestrian, cycle paths et cetera being delivered.

We must remember that road transport does provide public transport, particularly for buses et cetera. There are plenty of new opportunities, particularly with Beaches Link, for new express services too, so that those express services can get into the tunnel quickly and then have a direct connection, particularly to North Sydney, into the CBD, through towards the inner west and also to new destinations like Macquarie Park. So, yes, it is a road project but we see it very much as an integrated transport project. There is also a clear focus on connection with the new Sydney Metro at North Sydney for both Western Harbour Tunnel and Beaches Link.

Ms ABIGAIL BOYD: Will a dedicated bus lane be included in both the tunnels?

Ms DROVER: There is not a dedicated bus lane in either of the tunnels but there is a new southbound dedicated bus lane from Miller Street right through onto the Sydney Harbour Bridge. That removes the current weaves that people experience on the Warringah Freeway currently. That is unsafe and it also impacts the reliability and the travel times for buses that are coming from the North Shore and the northern beaches into the Sydney CBD.

Ms ABIGAIL BOYD: How can you run an express bus service without having a dedicated lane?

Ms DROVER: Express buses can use the tunnel along with the other traffic—commuters, freight, commercial vehicles et cetera—and get a very fast connection from their origin through to the destination in the tunnel. So whether that be the inner west or the CBD or North Sydney—

Ms ABIGAIL BOYD: No express lane as such?

Ms DROVER: There is no express lane as such, no. We are proposing three lanes in each direction, though, for both Western Harbour Tunnel and Beaches Link.

Ms ABIGAIL BOYD: Was a bus-only lane considered as part of this project and then excluded or has it never been on the table?

Ms DROVER: Not to my knowledge but I might perhaps ask my colleague Mr Parris if he can comment on that.

Mr PARRIS: Thank you, Ms Drover. Thank you for the question, Ms Boyd. If I can just check the question is: Was a dedicated bus lane proposed or considered for the projects? As Ms Drover said, we have got three lanes in each direction for both tunnels. What we have looked is obviously public transport solutions and how we actually deliver on those. In that consideration we actually looked at how the tunnels perform in peak periods—we obviously focused on that—to see whether or not there was a benefit to providing a bus lane and whether it was required.

Our modelling so far that we have done, or the modelling that we have done to prepare for the projects in the planning process, says that the tunnels will operate in a free-flow state, which means that the buses will actually be moving with general traffic. It is an 80-kilometre-an-hour zone. They should be moving in line with that. That is what our modelling is showing. We do have direct connections in it, for example, on Beaches Link straight in from Wakehurst Parkway and in from Balgowlah straight into the tunnels. So that is what our modelling is showing now. If that changes in the future, if there is a large uptick or there is a large increase in demand for buses, there is an opportunity to put a bus lane in, of course. It is just not what our modelling is showing that we require in the early years of opening.

Ms ABIGAIL BOYD: Okay, so there is not an integrated public transport option within this tunnel. What you are telling me is that it is a road like any other that a bus can go on.

Mr PARRIS: It is a road that is opening up new opportunities for buses, you know, as far as express buses, the opportunity for a last pick-up at Warringah Mall and the next drop-off at the CBD. I would say it is probably not just like "any other" road in that it is: no traffic lights, 80 kilometres an hour, use the Warringah Freeway bus lane and you are in the city fairly quickly. I think that has got a fair attraction from a public transport perspective. I think I might just couch it like that. But as far as providing access, so there is bus infrastructure on Burnt Bridge Creek Deviation at Balgowlah, there will be opportunities for new bus routes to come down Wakehurst Parkway and enter the tunnel portal, for example, so those are new opportunities for buses to use that tunnel.

Ms ABIGAIL BOYD: Thank you. Ms Drover, going back again to your opening statement, you talked about the road reducing congestion. We have had a number of submissions from community groups and experts who have claimed that in fact there are large parts of impacted areas that will actually experience increased congestion both during the construction period as well as afterwards. Have you been following those criticisms and have you got a response to them?

Ms DROVER: During construction there will obviously be some localised impacts of the construction activity. Those impacts and potential impacts were all assessed as part of the EISs for both projects—we are obviously waiting for the planning conditions for Beaches Link—and remembering that an EIS looks at all of the potential impacts before they are mitigated by the activities of construction. So we will be working with very closely with our construction contractors to mitigate those impacts during construction. In terms of operations, a motorway and particularly a tunnel motorway will take surface traffic off local streets and put it down underground and provide that express connectivity. That will change some of the travel patterns on the surface but it will obviously substantially take surface traffic down underground. We will get a slight moderation of traffic, if you like, on the surface. But all those impacts were absolutely detailed in the environmental impact statements for both projects. Obviously it is more of a feature of Beaches Link. Western Harbour Tunnel is a different project with less impact on surface traffic given it is a under-harbour crossing.

Ms ABIGAIL BOYD: I understand that a number of submissions have been made in relation to the area around North Sydney and Berry Street, suggesting that although these people are not necessarily opposed to the Western Harbour Tunnel they would like to see some changes to the entry points in order to reduce the traffic flow. Is there still room for negotiation in relation to that part of the project?

Ms DROVER: There is the North Sydney Integrated Transport Plan. It is at strategic business case stage at the moment. That is a collaboration between Transport for NSW, North Sydney Council and the Greater Sydney Commission. They are looking at place-making opportunities in North Sydney and access to integrated transport. We will need to see where that project goes and whether it has any impact on the Warringah Freeway, for example.

Ms ABIGAIL BOYD: Given that, in the long term, building more roads creates more traffic and your statement that this particular project reducing congestion, what time period would that be limited to before we start to see an increase in traffic which then leads to more congestion and desires to build a new road?

Ms DROVER: Again the EIS did include all that information. The traffic modelling was done for various years out. Perhaps Mr Parris can give us a little bit more detail on that, what was included in the EIS.

Mr PARRIS: The EIS outlines a number of scenarios. As I am sure you have had a look at that Ms Boyd, I will give you that credit absolutely. We have modelled and presented scenarios there in 2027 and 2037 showing the changes in traffic levels in various locations, as you would expect, around the network, with and without the project and a few versions in between as well of different scenarios. So that is presented on that basis. Generally there is less congestion in those locations and I think what we also have got to think about as we go into the future is changes in use. Obviously we would like to see mode shift onto the buses, opportunities for those express buses that we were talking about just a few minutes ago, to actually get leveraged and absolutely delivered on. We have not actually explicitly modelled, at least not to my knowledge, a date as such, to answer to your question as to what point does it change. I think we normally model about 10 years after opening and present those results.

Ms ABIGAIL BOYD: When you are talking about the impacts on congestion, versus having the road, versus not having this particular road, was there also modelling done as to if you were to have another metro service or something else as an alternative to a road?

Mr PARRIS: I think the assessment that we carried out today is really looking at these being integrated as part of the network. If we step back a little bit, the challenge we are solving is that we have a range of trips. We have a lot of trip origins and destinations. They are very diverse. We have a fairly spread out population in Sydney and the northern beaches in particular. In the northern beaches there is a population of 270,000-odd people spread over a huge area—it is 250 square kilometres, give or take. It is spread out and the nature of the trips are spread out. Some trips are appropriate to public transport. For some people getting to work or schools that is a good idea, or maybe going into the city or something—there are some examples like that.

There are plenty of other trip types, if you like, that are not serviced by public transport, whether that is freight or online deliveries or possibly taking the kids to weekend sport. So there is a range of trips that we are trying to address with both of these projects. That is where we are talking about an integrated transport network. We are trying to look at the range of trips that customers want to take and provide a solution for them. Public transport, as we talked about, without wanting to back over the old ground or the ground that we just covered, has been thought about but for the northern beaches in the medium term the buses are going to do the heavy lifting, and ferries to an extent. And that is provided by this, as are a number of other trips that are accommodated by having a road-based solution.

Ms ABIGAIL BOYD: You mentioned freight there. And, as Mr Mallard brilliantly surmised, we do not use metros for freight trips. But is this project essentially being built as a freight route primarily?

Mr PARRIS: Can I just clarify: Are you talking about the Western Harbour Tunnel or Beaches Link or both in that instance?

Ms ABIGAIL BOYD: Both.

Mr PARRIS: Thank you for clarifying. It is not primarily for freight, no. As I mentioned there is a range of trips that customers want or need to use to complete their trips around town to maintain our economy. Freight is one of those—moving goods, online deliveries is one of those. But getting to and from school, getting to and from work, tradies moving around to various locations—there is a range of trips that are out there. Freight is one of those, obviously. The connection to provide a freight link will lead to efficiency gains, productivity gains in the economy. At the current time, for example, heavy vehicles have to go up and around Mona Vale Road typically. That is an impost and a cost, I suppose, that can be made more efficient, as will the running costs more broadly, by using a project such as this.

Ms ABIGAIL BOYD: There have also been some questions put to previous witnesses in relation to the impact of electric vehicles on air pollution in particular. What is the trajectory, if you know, for these heavy vehicles, these freight vehicles, to become reliant on electric motors as opposed to diesel?

Mr PARRIS: I am not able to comment on that. I am not familiar with the numbers and the trajectory as to a time frame where there is a switch coming in diesel and what that time frame looks like. I am just not privy to that information, I am afraid. What I can say, from the perspective of designing our tunnels and having to think about them and how to work with vehicles more broadly, and emissions more broadly, I suppose, is designing them so they have got sufficient capacity so they operate in free-flow that is more efficient for any engine and having appropriate gradients such that engines do not have to work as hard to get up the hill, for example. So we give consideration to that because these are long-term assets, obviously. We talk about them as 100-year assets, colloquially perhaps, but they are long-term assets whereby by then, one would imagine, the internal combustion engines are long gone, so we want to be able to design them to be actually still useful when electric vehicles come to the fore, or hydrogen vehicles—in time, probably automated vehicles—so we want to provide that infrastructure such that it can be readily adopted and perhaps repurposed in due course for those sorts of transport solutions in the future.

Ms ABIGAIL BOYD: Given COVID and the instructions for people to have well ventilated workplaces and schools, and given the range of other impacts over the last two years from bushfires to a range of other things—on our air, as well as a better understanding of the health impacts of air pollution, particularly on children—can you understand the community's concern in relation to these projects unacceptably increasing air pollution in the area?

Mr PARRIS: If I might just address a couple of points in there. Firstly, we need to look at that last statement as to increasing air pollution in the area. I think we need to—if you just come back up a level. The way we design our ventilation systems and, more broadly for these tunnels, is to—well, firstly, they are obviously underground, so the emissions and things are captured underground in the tunnels. What we do is we capture them before the emissions and the air leaves the tunnel portal, so they are not leaving at ground level. We capture them there and eject them through the ventilation outlets. What we then need to do is we design those outlets such that there is a negligible impact on air quality. That has been something that has been researched and reviewed by the Chief Scientist, by the Advisory Committee on Tunnel Air Quality [ACTAQ], who have found that well designed ventilation systems and ventilation outlets will have negligible impacts on local air quality. So that is how we design our systems. They are not finished until that is the outcome. Plus we have got some very strict criteria that we need to meet.

To answer your question, I understand why people are concerned but I also understand that we have done the modelling, we have assessed it and presented it very transparently in a way that has been reviewed by the Chief Scientist and the Chief Health Officer, and that shows not an increase—or not a large increase. It is a negligible impact around those ventilation outlets. I think the other thing maybe to keep in mind is that the scenario that is presented in the EIS is very conservative. It is what we call a "regulatory worst case", which is effectively a scenario where each of the Western Harbour Tunnel and the Beaches Link are under breakdown conditions for a year. It sounds ridiculous but it is a scenario to test whether or not our system is actually capable of addressing what we need to from an air quality criteria perspective.

Ms ABIGAIL BOYD: Why was the Chief Health Officer not asked to review the health impacts of the project as a whole? Why was it only around those ventilation stacks?

Mr PARRIS: The process that was set up some time ago, in 2018, was for the ventilation outlets being an area of, I suppose, let's call it "community concern and focus" around those areas. It is probably reasonable to characterise it as such. It was to focus on those results, and that is something that is focused on by the Chief Scientist and the Chief Health Officer separately. But I think, if we also remember, the EIS does go through a review process by all government agencies, or at least all relevant government agencies. Just as the community can comment and put a submission in on the environmental impact statement, so can a government agency, and they do. ACTAQ, the Advisory Committee on Tunnel Air Quality, does undertake a review of the EIS more broadly, as do other agencies—be that Fisheries, be that council groups, be that the Office of Environment and Heritage, for example.

The CHAIR: We will go now to—

Ms DROVER: If I can just reply to Mr Parris' response. The Chief Health Officer is part of that advisory committee on air quality. It should also be noted that to operate ventilation systems for all tunnels in Sydney, we need to obtain an environment protection licence from the EPA before we operate and then throughout operations. They set the parameters within which we need to operate, but also monitor air quality within the tunnel at the ventilation outlets and in the surrounding environment.

The CHAIR: We will go to Government members. Mr Mallard.

The Hon. SHAYNE MALLARD: Thank you for coming in today at a busy time for your agencies. We took evidence from the last witnesses around the issue of the licence and EPA monitoring and how that works, so we have got that on the record very strongly. Thank you for that. I am interested in the North Sydney CBD submission to us—I am not sure if it is the council or the resident group—around the issue of Berry Street and the opportunity to underground that connection from the Pacific Highway through to the Warringah Freeway, and ultimately the tunnels and the bridge, I guess. Having worked in North Sydney, I know what it is like at peak hour up there. We did something similar—and I will give Labor credit for it; it was a failed project—to the Eastern Distributor with the Woolloomooloo outlet, to channel people into there forcing them to pay tolls, which was reversed later. But, nonetheless, that was added on later on in the project. It was not initially going to be there. Is there scope to examine the issue of an improvement to North Sydney CBD with the Berry Street proposal that was put to us?

Ms DROVER: If I can start and then I might hand over to Mr Parris for some further details. I am aware of that proposal from North Sydney Council to underground Berry Street. We did look at that very closely, and

Mr Parris can provide you some more detail on that. It has been determined that would not proceed largely based on achievability in terms of construction, and the cost associated with that also balanced with the outcomes it delivers for North Sydney.

The Hon. SHAYNE MALLARD: You are saying there are impediments underground to build such infrastructure?

Ms DROVER: There is a range of factors, including the topography and the fall-away of the land, for example. But, as I said, the integrated transport plan for North Sydney still progresses. That, again, has the objective of improving access to integrated transport at North Sydney but also some place making outcomes. I might hand to Mr Parris, who can give us some further detail on that—particularly the analysis that was undertaken on the underground.

The Hon. SHAYNE MALLARD: It would be good for the community to know that it has been looked at at a higher level.

Mr PARRIS: Yes, as Ms Drover said, we did have a look at that. There are challenges with that, absolutely. I think the challenges were really a lot about topography. If you are coming down, for example, south from, say, Crows Nest down the Pacific Highway, you are already coming down quite a steep hill. To try to get underground is—you have obviously got to increase that and that becomes a challenge. Plus, underground, turning that corner—it is basically a 90-degree turn right now. That does not really work too well in a tunnel. You need turning circles, let's call it, or a turning radii to get around there. That has led to property impacts—the potential, the need to take out high-rise buildings. And, if you are familiar with the area, that is fairly challenging.

We looked at that and we also looked at the extent of that tunnel, if we were going to do it, and how we would actually build that. It would be above the metro line, which is doable. I think, as Ms Drover said, the potential—at the moment Berry Street does feed a motorway system. That is the existing arrangement, and the scenario that is presented in the EIS relies on that. But the scenario that has been proposed and worked on in the North Sydney integrated transport program with council would look to change the outcomes, I suppose, change how traffic moves to, from, in and through the North Sydney CBD. That could lead to different ways for vehicles to move around North Sydney.

The Hon. SHAYNE MALLARD: It is reassuring to hear that you have analysed this. I am not sure that the proponents or the community were aware of that. I can understand the impediments that you have described. I can imagine the steepness to come out of the tunnel and back up onto the highway would be a serious issue for trucks, like the M5 is. My second line of questions is a romantic, purest vision of having a bus lane in the tunnel. I travel on the M2 and in the Lane Cove Tunnel regularly. The T3 lane on the M2, where you have to have a driver and two passengers in your car, is virtually empty; and the bus lanes going down the M2 out to Blacktown have one bus every now and then; and cars wishing they could use those lanes. Is that the evidence you have used to say it is not necessary to dedicate such an important amount of road space in a tunnel—it is an expensive piece of infrastructure—to just buses? Is that the sort of information you are working from?

Ms DROVER: If I can reiterate Mr Parris' prior evidence, the traffic forecasting at the moment does not indicate the necessity to have a dedicated bus lane. What we are building is capacity, underground capacity—which, quite frankly, is mode agnostic for the future. The current modelling for the near term suggests not the need for a dedicated bus lane but it is not also ruling it out for the future.

The Hon. SHAYNE MALLARD: So there is capacity for adding lanes in in the future, like you see in the WestConnex—there is quite a lot of space?

Ms DROVER: We are not proposing to add additional lanes to the Western Harbour Tunnel and the Beaches Link, but we are providing capacity which aligns with the current traffic forecasting and demand forecasting therefore.

The Hon. SHAYNE MALLARD: On another inquiry I was on—goodness me, there are so many—which I think was the WestConnex inquiry, we had evidence from the RMS that they acknowledge that the design of the M5 tunnel, the original one done by Labor, was a disaster. It was too steep and badly ventilated and has created so many problems. That is why the new tunnel had to be built. And also the new tunnels they said would be higher because trucks go in with their backs up and smash up the whole M5 tunnel. Have these new tunnels addressed those issues that we have learned from the badly designed M5?

Ms DROVER: Yes. You will find in all the motorway projects that are in delivery, they are all higher, they are all flatter than they have been historically, and they are wider too, to accommodate a range of different vehicles, and buses particularly.

The Hon. SHAYNE MALLARD: Okay, that is good. I have to go to another briefing, unfortunately. The Hon. Sam Faraway has some questions, since there is time. My last question is this inquiry is clearly dominated by people who do not support infrastructure like this being built. If there is a recommendation to cancel and not proceed, what would it cost the State to not proceed with these two projects?

Ms DROVER: That is not a scenario that we have modelled. All I can say is that we have now awarded a main contract for the Warringah Freeway Upgrade project. That is a \$1.18 billion contract. We have also got the early works for the Warringah Freeway project underway. There are obviously material sunk costs in the development of these projects, and in August we started the EOI for both packages of the Western Harbour Tunnel.

The Hon. SHAYNE MALLARD: There would be millions of dollars, tens of millions of dollars or more in compensation if that were to occur?

Ms DROVER: As I said, we have not modelled that scenario.

The Hon. SHAYNE MALLARD: Sovereign risk—would that be an issue?

Ms DROVER: I think history says that cancelling infrastructure projects always has sovereign risk issues. But, again, it is not something that we have thought very widely about for this project and its progress.

The Hon. SHAYNE MALLARD: And you will not need to. I have to go.

The Hon. SAM FARRAWAY: I want to continue on. Obviously you cannot answer that theme about the sunk costs and what it would cost to not proceed with it. Obviously we have seen examples of significant pieces of infrastructure in other States where they have not been proceeded with. The Western Harbour Tunnel and the Beaches Link is the program and then you have essentially the three projects: the Warringah Freeway, the tunnel and the Beaches Link. How many jobs in the construction phase are involved in the entire program?

Ms DROVER: We have anticipated that about 15,000 full-time equivalent jobs will be generated during construction for the program—so that is the Warringah Freeway Upgrade, the Western Harbour Tunnel and the Beaches Link project. I think the other thing to note is the Western Harbour Tunnel is the seventh tunnel motorway project being delivered in recent times across Sydney. We are seeing an industry being built around that—efficiencies, workforces, legacy skills and training opportunities coming out of that program. It is part of the integrated transport plan, which is about completing a motorway network for Sydney.

The Hon. SAM FARRAWAY: Two points I want Transport for NSW to expand on for the Committee, if possible, and that is obviously around the reduction in congestion with these projects and also the safety improvements. Would you be able to expand to the Committee obviously some of the major points in and around reducing congestion and improving safety that this program through the three projects would deliver for Sydney, and in particular for the interconnectivity for this road infrastructure?

Ms DROVER: I might start with the Western Harbour Tunnel. As I said earlier, this is the first time in 30 years that we are putting an additional harbour crossing in for a road, noting that roads carry both commercial vehicles, freight and commuters and passengers. There are not many opportunities to increase capacity. For example, it is not really feasible to widen the Sydney Harbour Bridge nor is it feasible to widen the Sydney Harbour Tunnel. So the only way we can get additional road capacity across Sydney Harbour in those 30 years—and, obviously, Sydney has changed materially in the last 30 years. There has been changed land use north of Sydney—on the northern beaches, Chatswood, Macquarie Park, St Leonards, for example. So the only way to get additional road capacity is actually a new crossing, and that is why we are proposing the Western Harbour Tunnel.

It will introduce that new capacity, therefore that will relieve congestion. It also improves travel times reliability, because that is sometimes more important to people than the actual travel time—the reliability of how long it will take to get from A to B—and it will also have safety improvements. That is particularly important for the Warringah Freeway project. That is one of Australia's busiest road corridors. There are thousands of incidents on that corridor every year. There have been some very major incidences which have blocked that corridor and meant that the harbour crossings have not been open and available to customers. Given the weaved nature of the Warringah Freeway—we have buses mingling and having to cross multiple lanes—we do have a number of safety incidences happening in that corridor. The same with the Beaches Link, to increase capacity and the movement of customers through the northern beaches. The most efficient way to do that is to build that new capacity and to put it underground. That gives you the express connectivity but it also reduces the impact on the surface environment.

The Hon. SAM FARRAWAY: I am quickly having another look at the Transport for NSW submission. Once the project is fully implemented and constructed, you are looking at Dee Why to Sydney Airport expected to be 56 minutes faster. Is that correct?

Ms DROVER: Yes. That is what we have included in the EIS.

The Hon. SAM FARRAWAY: Did you want to expand? Are there any other key indicators around some of the travel times and—in particular, perhaps—is there any modelling to show the improved safety conditions on this critical and very significant road infrastructure into the future once it is fully implemented?

Ms DROVER: There is a range of travel time savings included in the EIS and many of the community updates. Frenchs Forest to Roseville is a 54-minute forecast travel time saving; Manly to Macquarie Park—particularly an emerging employment centre—is a saving of 32 minutes; and Balgowlah to the CBD is a 38-minute saving as well. If I can also just raise the dedicated southbound bus lane from Miller Street onto the Sydney Harbour Bridge or Sydney Harbour Tunnel. That is dedicated to buses only and it stops all those weavings and intermingling of normal traffic from the bus travel. That provides safety but also a very, very fast service for bus passengers.

Mr PARRIS: Mr Faraway, may I just add to Ms Drover's comments, if that is okay?

The Hon. SAM FARRAWAY: Go ahead, yes.

Mr PARRIS: I think it is also important to appreciate the nature, I suppose, of the changes that these projects bring. They change how people move around the network. If you step back and think—for example, let's just take the Beaches Link, it is a project that connects on the northern beaches but it does more than just plug in at the Warringah Freeway and provide a bypass to Military Road. It does connect in at the Gordon Freeway, so it opens up that east-west travel movement. So people who wanted to go, for example, to Macquarie Park from Manly could do that. That takes pressure off, I suppose, a bunch of rat run routes that currently exist through the North Shore. We call them "rat runs". It makes some people cringe but that is the colloquial term.

What we see through Mosman and Cremorne, for example, is people who do not want to use Military Road use Ourimbah Road, use Kurraba Road. People who use the Roseville Bridge and Warringah Road, they still wind their way down Eastern Valley Way to pick up Brook Street and get onto the freeway if they are heading to the city, for example. There are opportunities really to take a lot of that traffic—that rat run traffic, that through traffic that otherwise does not need to be there—off those streets and improve the amenity and the outcomes in those areas. We are seeing some pretty material impact there—33-odd per cent reductions on Spit Bridge—but we also seeing numbers in the order of 30 per cent to 40 per cent reductions on the Eastern Valley Way, for example, and seeing reductions on the Sydney Harbour Tunnel and bridge by the same token.

The Hon. SAM FARRAWAY: My final question before I hand over to my colleague the Hon. Trevor Khan is, my colleague the Hon. Shayne Mallard mentioned the cost in not proceeding with the project in terms of sunken costs and what it would actually cost as a monetary amount to government. But has Transport modelled what the cost would be longer term as legacy infrastructure if the opportunity is missed and this infrastructure is not built? Ms Drover touched on obviously that interconnectivity and the fact that there are not a lot of options and obviously finding another route in addition to what is there. If we do not proceed with legacy infrastructure like this, what is the opportunity? Does it completely remove the opportunity into the future?

Ms DROVER: The cost of congestion on the community and the stop-start nature of congestion was included in the EIS. I do not have in front of me those facts and figures but it was quantified, the cost of congestion, both in these areas but also on the broader Sydney transport network. I am not sure whether Mr Parris could perhaps add to that comment.

Mr PARRIS: Thanks, Ms Drover. I do not have the numbers to hand but the cost of congestion is something that is measured and assessed, I suppose, by various agencies from time to time. I do not have those figures with me. I think, to your question—or your comment, Mr Faraway—is there an opportunity to come back and redo this infrastructure? I think there are opportunities to build. As Ms Drover mentioned, we have got an industry that is trained up and in a good position to be able to build these projects. The project is in an advanced stage of its development life cycle, so this is a prime opportunity to move ahead and deliver these projects. That would be probably my main comment on that.

The Hon. TREVOR KHAN: In previous inquiries that have been undertaken by committees, including this Committee, evidence was given with regard to the use of toll roads. Particularly the distinction was drawn between commuter traffic and commercial traffic—that is, I suppose you could say, heavy vehicle and light commercial traffic. My recollection is that, with regard to WestConnex, it was estimated that the level of commercial traffic—that is, both heavy and light—was in the order of 50 per cent of the vehicles using those roads. I am wondering if you are able to comment with regard to what I will describe as essentially the two projects—that is, the Western Harbour Tunnel project and the Beaches Link project—as to whether there has been any analysis undertaken as to what percentage of commercial traffic is anticipated to use these roads as opposed to commuter traffic?

Ms DROVER: When we develop a traffic model, which assists us to forecast the demand for the infrastructure, the mix of traffic is assessed along with the volumes per mix. All that analysis is undertaken and included in the traffic model. Obviously today I do not have that at hand, but you would anticipate, given the location of these projects, that there would be a lower freight component than WestConnex for both the Western Harbour Tunnel and the Beaches Link. I am not sure whether Mr Parris has any information with him today that he could share on the mix between light vehicles and heavy vehicles.

Mr PARRIS: No, I do not have those figures readily available today. I guess my comment would be that the Western Harbour Tunnel would provide, I suppose, better freight connectivity options to light industrial and commercial areas such as Artarmon, for example—an area that has, once upon a time, been described as the "global economic corridor", but I do not think that is necessarily appropriate. There is a strong commercial industrial corridor that runs north-west, I suppose, so there is a good connection there. The Beaches Link I would expect to have less as far as freight just generally. There is the Brookvale area and there are obviously commercial areas up in that direction and a steady flow of lighter commercial vehicles—be that tradies or business-to-business connections et cetera—but I do not have those figures readily to hand.

The CHAIR: We will now go back to the Opposition and kick off the second round of questions from each part of the Committee. Ms Drover and Mr Parris, I flag that, unless you have any objections, I am hoping to finish the hearing sometime between 4.40 p.m. and 4.45 p.m., to permit some of that time. Is that okay? Are there any objections to that?

The Hon. TREVOR KHAN: Why?

The CHAIR: Well, we started five minutes late. I am not too stressed. If the Committee is insisting that we close at 4.30 p.m. we will, but an additional eight minutes will—

The Hon. TREVOR KHAN: It seems to me that we seem to drift out on these things all the time. I am just wondering of the justification for the extension.

The CHAIR: Again, I am putting it to the witnesses. If they have an objection, we will stick with the original timetable.

Ms DROVER: We have no objection. We will be guided by the Committee.

The CHAIR: Thank you, Ms Drover. I want to pick up on some of the questions that my colleague the Hon. John Graham was asking about the development partner model. When did Transport decide to abandon that method of procurement?

Ms DROVER: We undertook a rigorous assessment process of the tenders that we received from the three parties. That process had an independent Chair overseeing the tender evaluation panel. There was also a tender review panel. When the evaluation was complete and we could assess the value for money being offered by the three parties, it was assessed that it was not value for money and therefore we did not proceed.

The CHAIR: When was that, Ms Drover?

Ms DROVER: That assessment was made when we evaluated the three tenders that were submitted.

The CHAIR: When was that?

Ms DROVER: It was several months ago. I have not got the exact timing with me. I know we are in feedback sessions at the moment with the three parties, so it must have been a couple of months ago.

The CHAIR: Who made the decision to abandon the development partner model?

Ms DROVER: The tender evaluation panel made a recommendation to the tender review panel, and that recommendation was not to proceed with any of the three bidders' offers and for Transport to proceed to themselves procure and deliver both packages for the Western Harbour Tunnel.

The CHAIR: Was that decision made by the tender review panel or the tender evaluation panel? There are two of them, are there?

Ms DROVER: The tender evaluation panel makes a recommendation to the review panel, and that ultimately went up to the steering committee for the Western Harbour Tunnel. On that steering committee sits representatives from Transport for NSW and also Treasury.

The CHAIR: So that committee abandoned the development partner model?

Ms DROVER: No. As I said earlier, the recommendation came from those assessing the three tenders, including the independent Chair, who is not from Transport nor Treasury. Their strong recommendation was not to proceed with any of the three tenders.

The CHAIR: Was that decision given concurrence by the Minister or the Government?

Ms DROVER: The Minister was not part of the evaluation process.

The CHAIR: Was it required to go to Cabinet to abandon that decision or was that a decision that Transport could make within its authority, as you described?

Ms DROVER: It was a decision, it is my recollection, of the steering committee to proceed onward.

The CHAIR: Ms Drover, I will press you again—do you know what month we are talking about, or can you take it on notice, as to when you made the decision to abandon?

Ms DROVER: Yes. It was about the middle of this year, 2021.

The CHAIR: In March, April?

Ms DROVER: I think it was a little later than that, but I can take on notice the exact date when the recommendation was endorsed by the steering committee.

The CHAIR: When were the consortiums told?

Ms DROVER: After that decision was made we advised the three consortia.

The CHAIR: Did you give them any prior indication that that was being considered as an option?

Ms DROVER: Sorry, what was being considered as an option, that we may not—

The CHAIR: The abandonment of the development partner model, yes.

Ms DROVER: From the outset we always said it was the proposed model. We went out to market to see what the market could offer in terms of resourcing, approaches, methodology and risk allocation. So they were always aware that we may not proceed with the development partner model, which is one of the rationales for offering the cost reimbursement on the way through.

The CHAIR: People participating in that process, from the perspective of the consortiums, have gone public with their concerns and basically implied that Transport ambushed them and they did not see it coming. Did you ambush these consortiums or did you give them enough adequate warning that this was being considered?

Ms DROVER: As I said, we were very clear from the outset that this was a process that would be market led, but there was definitely always a scenario where we would not proceed with a development partner. It was a function of the offers that we were receiving from the private sector.

The CHAIR: My last question on this before I pass to the Hon. John Graham is, the Hon. Shayne Mallard raised the concept of sovereign risk, which is another fancy way of saying "bad reputation by the New South Wales Government in the market". Have you not materially damaged the New South Wales Government's reputation in the construction market by the choice to abandon this development partner model with what seems to be no notice to these particular contractors?

Ms DROVER: I think we have to be clear what the development partner model was actually seeking to achieve. We were looking to procure resources to run a procurement process, and then seeking resources to manage and administer two construction contracts for the Western Harbour Tunnel. There was no financing component with the development partner nor was there a funding component, and the contracts remained between Transport and the construction contractors in all scenarios, whether there was a development partner or not. So it perhaps could be characterised as just the outsourcing of procurement processes and then the administration of two construction contracts. That is, in essence, what the development partner was seeking to buy services for.

The Hon. JOHN GRAHAM: Ms Drover, I will continue questions to you. I will turn to the toll rates which will apply to what will be Sydney's latest toll project, Sydney's latest toll road. Some of this material has been revealed publicly before, so I will put that to you first all together. It was revealed that these would be flat rates, not distance-based charges; that they would be each way on each of these roads—that is, the Western Harbour Tunnel and the Beaches Link; and also that they would mean a move to each-way tolling on the Sydney Harbour Bridge and the Sydney Harbour Tunnel. The toll rates for those, when this was revealed publicly, were \$3 each way for the Western Harbour Tunnel, for the Sydney Harbour Tunnel and the Sydney Harbour Bridge; and \$5 each way for the Beaches Link—these are in a 2016 dollars; and finally that heavy vehicles would be charged three times the amount of cars. That was publicly reported by the Herald some years back. It is consistent

with the information I have seen about what was put to Cabinet about the toll rates that would apply when this final business case for both projects were considered.

The Hon. TREVOR KHAN: Point of order: It is unfair to have bundled up, for any witness, the number of propositions that the Hon. John Graham has sought to make up, combined with his common practice of adding in a variety of inflammatory commentary. I would ask that he simply ask a question and give the witness an opportunity to answer each part of it.

Ms DROVER: I am happy to respond to your question.

The Hon. JOHN GRAHAM: I think I am going to get the same answer to each bit. I was trying to save us all time.

Ms DROVER: When the New South Wales Government announced the Western Harbour Tunnel and the Beaches Link program in 2017, they were open and transparent that both works would be tolled. As I said earlier, not the Warringah Freeway Upgrade, though that remains toll free. The decisions on the level of tolling have not been made by Government. The information that you refer to, I am not across. When the Government has made a decision on the tolling regime, it will publicly announce it.

The Hon. JOHN GRAHAM: Thank you for that answer. Accepting that—and I am not asking you to comment on the information that the Herald has published about what went to Cabinet or what I have seen about the tolling proposals—could you answer in general terms if there was a flat rate toll of \$3 put on trips on the bridge, can you confirm that it would be an end to time-of-day tolling on the bridge? That necessarily flows, doesn't it?

Ms DROVER: There has been no decision on the tolling regime for either the Western Harbour Tunnel or the Beaches Link.

The Hon. JOHN GRAHAM: I am not asking you if there is a decision, Ms Drover. You have been very clear on that. I am saying if a toll—I am asking you to answer in general terms—was put on the Harbour Bridge of \$3, a flat toll, that would be the end of time-of-day tolling on the bridge.

Ms DROVER: It is not a scenario I am familiar with. You are saying if it was a \$3 flat toll? There is currently a flat toll on the Sydney Harbour Bridge and the Sydney Harbour Tunnel, albeit there is time-of-day tolling.

The Hon. JOHN GRAHAM: Yes.

Ms DROVER: There is not a—

The Hon. JOHN GRAHAM: And that time-of-day tolling kicks in at—that is right.

Ms DROVER: What I can say is flat tolls, not distance-based tolls, are a common feature of motorways and crossings where there is only one entry and exit point.

The Hon. JOHN GRAHAM: Yes.

Ms DROVER: For example, the Sydney Harbour Tunnel, obviously you get in one end and you come out of the other. There are no on and off ramps on the way through, so you could apply a flat toll.

The Hon. JOHN GRAHAM: Yes.

Ms DROVER: But, as I said, there is no decision by Government on the tolling regimes for the Western Harbour Tunnel or the Beaches Link.

The Hon. JOHN GRAHAM: Yes. Again, in general terms, without asking about the Government decision, if that model which has been in the public discussion—a flat toll of \$3 as you travelled on the Sydney Harbour Bridge—was applied, can you confirm it would be lower than the current peak toll of \$4 as you cross the Harbour Bridge at the moment?

Ms DROVER: I think given Government has not made a decision on the tolling regime yet, it would be inappropriate for me to comment on a number of scenarios that might—

The Hon. JOHN GRAHAM: But you are not disagreeing that the peak toll is \$4 on the Harbour Bridge, are you?

The Hon. TREVOR KHAN: Point of order: It relates to the procedural fairness resolution that was adopted, and indeed it was adopted unanimously by all parties. I think it is resolution 10, which says:

Public officials will not be asked to give opinions on matters of policy ...

There have been three attempts at least so far by the Hon. John Graham on this occasion to do precisely that. It is pretty clear by the resolution that he is outside the terms of the resolution adopted not only by the Privileges Committee but also by the Parliament.

The CHAIR: It is good to have you back with us today, Mr Khan.

The Hon. TREVOR KHAN: Indeed, it is.

The CHAIR: On the point of order, I did not characterise Mr Graham's question as an attempt towards an opinion; I characterised it more as an attempt to access some expertise. Nevertheless, I am sure Mr Graham will wisely spend his remaining time.

The Hon. JOHN GRAHAM: Thank you, Chair. Can you also confirm that in addition to tolls under that proposal falling on the Harbour Bridge, that will be on top of the fact that the Government, over the last 10 years, has never raised the Sydney Harbour Bridge toll despite being required to review it annually?

Ms DROVER: As I said earlier, a decision on the tolling regime for the Western Harbour Tunnel and Beaches Link has not been made by Government. I am actually not across what changes to the tolling regimes on the other crossings have been made in recent years. Today's inquiry, as I understood it, was about the Western Harbour Tunnel and Beaches Link.

The Hon. JOHN GRAHAM: I might ask one final question on the tolling regime, which is just on the escalators. Again, I will not ask you to comment on the information that is there. But in the information I have seen, each of the options contains a 4 per cent escalator. In the Herald analysis, some of the options contain that 4 per cent escalator. My question to you, Ms Drover, is this: Have we learnt the lesson of putting up these toll costs by 4 per cent a year when we now know that wages are lower than that, inflation is lower than that and interest rates are lower than that? What assurance can you give to the public that we are not about to make the same mistake? Will Transport advise against those 4 per cent toll escalators?

Ms DROVER: All decisions around tolling regimes and policy is a decision for the New South Wales Government, and I do not think it would be prudent for me to comment on information published in *The Sydney Morning Herald*.

The Hon. JOHN GRAHAM: Finally, I might ask this and then hand to my colleague. Returning to the Beaches Link proposals, we are preparing to make recommendations as a Committee. You have agreed that this is more costly than the Western Harbour Tunnel, and that makes sense looking at the geography. It necessarily has less traffic. It is not on the September 21 Infrastructure Australia priority list. The evidence we have had from the councils there and the communities there is that they would like the road but only if it means no more residential development. It has been separated from the Western Harbour Tunnel and the Warringah Freeway Upgrade part of the project and delayed. In your view, will this project ever proceed? If so, when will it start?

Ms DROVER: There are a number of items in that question. If I might just start by reiterating my prior evidence, what I said is there are more lane kilometres for the Beaches Link project than there is for the Western Harbour Tunnel. I have not given evidence on the cost of the Beaches Link because the investment decision for that project has not been made yet and, therefore, the cost of that project is not confirmed. The other point you made, I think, was about—sorry. There are two other matters that you raised with me.

The CHAIR: The question was when will the project start.

Ms DROVER: As is of course the process with the INSW insurance process, we need to receive an investment decision before we can proceed. We are also awaiting the planning approval. The exhibition for the Beaches Link project finished in March 2021. Next month, in October, we are hoping to submit our preferred infrastructure report [PIR], which is our response to all the community feedback and all the other stakeholder feedback we have had for the EIS. That will go back to the DPIE. They will then assess the PIR and all that response from the community and stakeholders and they will, ideally and hopefully, give us planning approval sometime early next year. We would not be in a position to procure a project without having a planning approval in place.

As you have seen in our budget for this year, we have continued to spend \$60 million on Beaches Link. That allows us to complete our packaging and procurement strategy for Beaches Link. It has only been a couple of months since we completed our engagement with industry, and we had a very interactive and rigorous process with industry to look at how we would package up the works for Beaches Link. The other work that continues is obviously further site investigations and analysis. We want to make sure that we are ready to deliver Beaches Link when we get that investment decision.

The CHAIR: Ms Drover, is it fair to say that the Government cannot make a final investment decision until all of those processes you just described are completed?

Ms DROVER: No, investment decisions can be made before planning approvals are granted.

The CHAIR: So can we imply that is has been the discretionary choice of the Government not to make the final investment decision given that they haven't yet?

Ms DROVER: An investment decision is the purview and responsibility of the New South Wales Government.

The CHAIR: Can I just ask about the Western Harbour Tunnel. When will it be open to motorists?

Ms DROVER: We need to first procure it. As I said, at the end of August we issued the two EOIs for both packages of the Western Harbour Tunnel. After the EOI, we will do a shortlisting process, and then we are anticipating starting the tendering process early next year. I think, in line with the advice that is in the INSW final business case summary, it is roughly a five-year build. But that will be confirmed when we procure and we get the firm offers back from our construction partners in the tendering process.

The CHAIR: On that timetable, we are looking at it opening to motorists circa 2027-28 at the earliest?

Ms DROVER: We still need to go through the procurement process. There are two packages and we need to look at the interfaces between those two packages and what industry can offer us in terms of optimising that interface and the [disorder].

The CHAIR: Ms Drover, it is not a particularly difficult or, for that matter, tricky question. When can motorists expect to use this piece of infrastructure? Are we saying it is 2027-28 at the earliest with a chance that it could be later? Is that fair?

Ms DROVER: We need to award the contracts, which we are aiming to do by next year—the end of 2022. And then we are anticipating it is about a five-year build.

The CHAIR: The last available public information we had said that it would open in 2025-26. Has there been a slippage in the timetable of at least a year?

Ms DROVER: What we have done since the project was first considered is that we have moved away from the PPP model and, more importantly, the single package model. That is very much in response to market dynamics. The market has quite clearly told us that they want it procured as two packages. Because we need to do one and come back and finish it with the other, that has added some time to the delivery program.

The CHAIR: Sure. Ms Drover, if that is the rationale for the reasons why it is now running at least another two years after the original timetable, so be it. But are you saying that the reason why this is now going to take two years longer was because it would have been too expensive to procure according to the original procurement model?

Ms DROVER: No. What I am saying is that we have done the necessary work. We have had at least three rounds of intensive engagement with industry to share our reference design for the project to really workshop what the key delivery risks are and how they would be best managed, mitigated and shared, the best way to package up the work to manage and mitigate those risks and the best programming approach. We have put the time into doing that with industry and, in parallel to that, we have also been getting on and doing further site investigations. With a project of this scale and complexity, we are not going to rush into it. We are going to make sure we have done the work.

The CHAIR: Ms Drover, I have got time for one last question here. I am a good Chair. My last question is this: In terms of the funding strategy for the Western Harbour Tunnel, is Transport for NSW, either directly or jointly with Treasury, considering a model that would see the Western Harbour Tunnel privatised after completion? Are you currently doing any work on that?

Ms DROVER: We are currently focused on procuring the two packages for Western Harbour Tunnel. We have got the EOI out and, as I said, we are focused on getting those in, doing the shortlisting and getting on with the procurement of those. The other thing we have also done is we are looking to procure an asset manager who will assist us in that procurement and provide advice about the operations and maintenance of the project when finished. That is our focus at the moment.

The CHAIR: Okay, an asset manager. We will go to Ms Boyd.

Ms ABIGAIL BOYD: If I could start with you, Ms Drover, I asked a question in the last session around the potential conflict of interest involving the Jacobs Group. I understand that Jacobs completed the EIS technical

review but are also one of the contractors who are part of the Sydney Program Alliance that were awarded the early works around Warringah Freeway Upgrade. Now they will also be doing some detailed site investigations and testing in relation to the project. Is that a conflict of interest?

Ms DROVER: Can I just clarify, Jacobs were the environmental adviser for both the Western Harbour Tunnel and Beaches Link EISs. They assisted RMS and now Transport to prepare those EISs. They obviously then went to the Department of Planning, Industry and Environment to give the planning approval. So they prepare the EIS and DPIE gives the planning consent. Now, post-planning approval for Western Harbour Tunnel, they are part of the Sydney Project Alliance, as you rightly say. That is an alliance which has three main participants: Transport for NSW, the John Holland organisation and Jacobs. They are predominantly doing works on the Sydney Harbour Bridge. They are also assisting us with the services and utility relocations, which are the early works for the Warringah Freeway Upgrade project.

There are quite different teams at Jacobs, so their environmental team would have prepared the EIS. Now another part of Jacobs—the consulting and engineering part, if you like—are assisting John Holland to manage the service and utility relocations. There is not a conflict, given their original work was pre-planning approval and their current engagement is different in nature. It is also post-planning approval. They are not checking their own work, if you like. There is also a probity adviser who was absolutely involved for all of the procurement for the Warringah Freeway Upgrade project, both the early works package and the main contract which has just been awarded.

Ms ABIGAIL BOYD: Is it standard practice for an entity that is likely to be granted some form of contract in relation to a project if it goes ahead to be treated as an independent entity for the purposes of producing an EIS for that project?

Ms DROVER: Jacobs would have been engaged many years ago when they prepared the EISs. Independent of that, they were also part of that Sydney Project Alliance. I cannot recollect when that alliance was established, but it is only in more recent times that that alliance has been issued with a variation to also assist with the services and utility relocations for the Warringah Freeway Upgrade project. It is a very small amount of work. It is only limited to services relocations. They are already in that geography, they know the stakeholders in that environment and they are already established and mobilised. That is why it was thought that we could vary that existing engagement with the alliance to do the early works, which is the services and utility relocations for the Warringah Freeway Upgrade. But there was no perceived or actual conflict identified.

Ms ABIGAIL BOYD: We heard in the first couple of hearings a lot of concern that the EIS had not been produced particularly robustly, with a lot of discussions about the various testings not being done at appropriate times and perhaps mitigation measures being put in place being inadequate. There was a lot of criticism of that EIS. Do you think that it is reasonable for the community to feel a lack of confidence in that EIS process given that the people who wrote it are now financially benefitting from the project?

Ms DROVER: Perhaps if I can just step back and explain the EIS process. The secretary for the Department of Planning, Industry and Environment sets out what is called the SEARs—the Secretary's Environmental Assessment Requirements that have to be met. They are the criteria with which we need to prepare our EIS. We prepare it, most often with an external adviser. It is then put on public exhibition and the community and stakeholders can comment, as you would be aware. Then it is DPIE that gives us planning approval or not. That is not the end of the process; it is really just the start. To then actually start any works, we need to prepare the construction environmental management plan [CEMP]. That is the contractor's response to how they will actually comply with the planning conditions and how they will mitigate any of the potential impacts that arise. It is directly correlated with their actual final design. It also takes into consideration and correlates to their actual methodologies. That is the overriding construction management plan, which sets out how they are actually going to build the project and, when they encounter impacts, how they will manage them, how they will mitigate them and the extent of monitoring, et cetera, that will be undertaken.

Ms ABIGAIL BOYD: How much of that plan relies on the EIS information?

Ms DROVER: What it does is it looks to the planning conditions, which are set by DPIE. It then looks at their actual proposed design and their actual methodology, and it comes up with a plan of how they are actually going to deal with the project. That CEMP also needs to be reviewed and approved, and that is done by the Department of Planning, Industry and Environment. It is also reviewed by the EPA and, importantly, it is also reviewed and accepted by an independent environmental representative. Over and above that, the construction contractor also needs to work within the bounds of the environmental protection licence, which is issued by the EPA. That, similar to the conditions of approval, if you like, sets out the limits within which they can operate, the extent of monitoring that is required and what they can and cannot do.

Ms ABIGAIL BOYD: My question was: How much of that is reliant on the EIS? I take it no-one goes back and redoes the tens of thousands of pages of EIS, but instead these plans are built upon the information provided in the EIS. Is that correct?

Ms DROVER: The EIS outlines all the potential impacts that the project might generate, and that is based on a reference design. And then the planning conditions set by DPIE look at those impacts and say, "If those impacts do eventuate or materialise, how would you manage them and what are the conditions that have to be complied with?" It is the CEMP which actually says what has to be done, what can and cannot be done and how it will be done to ensure that the contractor complies with the planning approval and its conditions.

Ms ABIGAIL BOYD: But if the EIS underestimates a risk or fails to recognise a risk that needs to be mitigated, that is not going to be picked up in the CEMP, is it?

Ms DROVER: Well, it is because the CEMP has below it a whole range of other plans—everything from the soil erosion plan, the dredging plan, the noise attenuation plan and stormwater management plans. All of these plans look to the planning conditions, but it also says how the contractor will go about its works. It also refers to other standards and other specifications and procedures that it must comply with. There is also a plan for unexpected fines, for example, which I think goes to your point. If there is something that arises that has an impact on the community or the environment which was not contemplated in the EIS, there is still a strategy for how it must be managed, monitored and mitigated. That is addressed in the CEMP. I think the other thing that is valid—

Ms ABIGAIL BOYD: Sorry, just to clarify, I understand that there are layers of protections that are put on top. What I am asking about, though, is if that EIS has got things wrong, at what point does that get picked up unless the actual person who is doing the work comes and tells you about it?

Ms DROVER: I think there are multiple layers to it. Obviously the contractors will not want to breach any legislation, EPA parameters, et cetera. There is a whole raft of onsite supervision as well—not only the contractors' supervision, they have got representational risk to protect and Transport has their own supervision, as does DPIE and the EPA. There is a huge variety of other independent parties. For example, the dredging management plan needs to be reviewed and approved by not only the EPA but also the Department of Fisheries.

Ms ABIGAIL BOYD: Let us just clarify, that plan will be based on what is seen in the EIS. Is that right?

Ms DROVER: No, it is based on what the contractor anticipates the impacts of its work will be. It also reflects the conditions of approval and it reflects a whole lot of other, as I said, specifications, policies and procedures that they may need to comply with on the way [disorder].

Ms ABIGAIL BOYD: The conditions of approval are based on the EIS, correct?

Ms DROVER: They are, yes.

Ms ABIGAIL BOYD: I think we are going around in circles. Thank you for those answers. You talked a moment ago about the representational risk for the contractors, et cetera. We heard on day two of our inquiry some evidence from individuals who have been impacted by WestConnex, particularly about the cumulative impacts that they have felt with noise and vibrations and a bunch of other things. They also talked about how difficult it was for them to enforce requirements that have been placed on those contractors. My question to you is what has been learnt so far from that experience on WestConnex and how will this be different for impacted residents?

Ms DROVER: A lot obviously has been learnt. I think I said earlier the Western Harbour Tunnel will be the seventh motorway tunnel that will be delivered in recent times and Beaches Link will be the eighth. I think the other thing to note is the EIS for Western Harbour Tunnel very specifically did look at the cumulative impacts of construction, particularly in the Rozelle and Balmain precinct. We are very cognisant that the M4-M5 link is being constructed, as is the Rozelle interchange. There is also the Metro project, which is now in that precinct as well. So it is an issue that we are very alive to and we are very concerned about, which is why the cumulative impacts were modelled and assessed as part of that EIS, because we are cognisant of the issue and we do want to, to the extent that we can, mitigate construction fatigue in that precinct.

We have got a range of forums going. For example, there is one with Metro so that we coordinate our works and manage them in an integrated fashion, particularly around respite periods, et cetera. But a lot of the planning conditions for Western Harbour Tunnel actually acknowledge those cumulative impacts of constructions in that precinct. That has led to many of the conditions of approval related to noise attenuation, respite periods, the extent of night works and generally the extent of work that can be done at any one point in time. It is a real issue. It is an issue that we are very alive to and we are working very hard with that community, with Metro and with the Rozelle interchange particularly, so that we can, to the extent possible, mitigate those impacts.

Ms ABIGAIL BOYD: Will you be putting into new contracts with these contractors a provision that says that they cannot try to gag residents from speaking to the media? I am sure you are aware of the noise-cancelling headphones issue. Can we have an assurance that will not happen again?

Ms DROVER: What I can say on that issue is that deed was used—I know this is beyond the remit of this inquiry but I will comment on it otherwise. That deed has been used many times by that particular contractor. There was one instance where there was pushback, and I understand the contractor has now modified the language and the wording in that deed to address that issue. The provisions of noise-cancelling headphones are a method that many in the community welcome and have adopted and taken up. They are over and above what is actually required, hence that deed that is in place between the community and that contractor. But as I said, I understand they have actually modified the wording to take on board that community feedback.

Mr PARRIS: Ms Boyd, may I just add a comment to your earlier question?

Ms ABIGAIL BOYD: Please do.

Mr PARRIS: Thank you. It was your earlier comment about things that we have taken on board as to how we are going to manage our impacts in the community. I think it is worth reflecting on the nature of the works on the Warringah Freeway, for example. That is a busy service road and that will obviously entail an amount of night works just by definition. We obviously need to strike a balance between keeping the network moving and doing our work. We have been very alive to that and we do have, as Ms Drover mentioned, some conditions on the nature and extent of that work—how many can be done at night, respite periods and the like.

The point that I was wanting to make was that we recognised that quite early, and we actually got on with putting together what is probably the largest property acoustic treatment program. Our EIS identified around about 2,000 or just under 2,000 properties that may be eligible for noise treatments. That number has now actually gone up as we have done more work. It is about 2,200 give or take—do not quote me on the exact figure. But that is something that we have been trying to get ahead of so that we can actually treat those properties as early as possible. We have contacted around about 90 per cent of those people already, so that is well ahead of construction. Without wanting to waffle on too much, we are acknowledging that there is going to be a large impact and we have been embarking on that journey for probably three years to try to get ahead of that, such that our impact will be hopefully more manageable for those people that do happen to be in the immediate vicinity of the Warringah Freeway.

Ms ABIGAIL BOYD: Thank you. That is good to hear. Ms Drover, this is probably one for you. I wanted to talk about the numbers of properties that will need to be acquired by Transport for NSW in relation to both projects. Do you have an estimate for how many homes will need to be acquired?

Ms DROVER: For the combined Western Harbour Tunnel and Warringah Freeway Upgrade project, there are 17 residential properties that are required to be acquired.

The CHAIR: Was that 70 or 17?

Ms DROVER: Seventeen. We have actually completed all the acquisitions for those 17. That is for the Warringah Freeway and the Western Harbour Tunnel.

Ms ABIGAIL BOYD: How about the substratum acquisition?

Ms DROVER: The substratum is done when we have got the detailed design from the contractor. Obviously we have not procured the Western Harbour Tunnel yet, so we do not know exactly where the substratum is. We only acquire what we actually need. We wait until we have got the very detailed design which confirms exactly what substratum is required, and then we acquire that substratum. Obviously surface properties are more easily able to be assessed prior to construction. So obviously no substratum being acquired for the Warringah Freeway Upgrade.

Ms ABIGAIL BOYD: Thank you. Do you have an estimate for what will be required for both of those projects in terms of substratum acquisition? The number of people [disorder].

Ms DROVER: No, I do not have an estimate available.

Ms ABIGAIL BOYD: Was there an estimate included in the overall estimated cost of the project?

Ms DROVER: No compensation is paid for substratum acquisition, so there would not have been a cost associated with that.

Ms ABIGAIL BOYD: And no compensation paid to the impacted families?

Ms DROVER: Compensation is paid where there is impact to a property. Given the substratum is at depth, it has been assessed as having no impact and, therefore, compensation is not paid. That is in accordance with the just terms Act.

Ms ABIGAIL BOYD: I might pass back to you, Chair.

The CHAIR: Thank you. I understand that Government members have waived their final 20 minutes. Therefore, I think we will close the hearing at 4.30—the original scheduled time. The witnesses will be excused at that point.

The Hon. TREVOR KHAN: That was my proposition, yes.

The CHAIR: That was Mr Khan's proposition.

The Hon. TREVOR KHAN: [Disorder].

The CHAIR: There are about seven more minutes left, which will be pooled between the Opposition and the crossbench if there are any particularly strong questions there. I might just complete that round of questions that Ms Boyd was asking. Ms Drover, do you have the number of business acquisitions that are required as part of the Western Harbour Tunnel? You gave us the residential numbers. Do you have the business numbers?

Ms DROVER: There are four non-residential properties that are proposed to be acquired for Western Harbour Tunnel and the Warringah Freeway Upgrade project. I understand we have acquired one out of those four to date.

The CHAIR: Do you have any estimates of both residential and business for the northern Beaches Link component of the project?

Ms DROVER: Yes, I do. These were included in the EIS. Thirty-five residential properties for Beaches Link and 12 non-residential properties for Beaches Link.

The CHAIR: Have you started the acquisition process with those 35 and those 12?

Ms DROVER: For Beaches Link?

The CHAIR: Yes.

Ms DROVER: When the project was announced, even at the concept design stage, there was a high certainty that properties would be acquired for the project. Property owners were given the option whether they would like us to acquire their properties via negotiation. Some of those properties have been acquired—some of them were on a hardship basis. My understanding is that we have issued opening letters for all of the residential properties for Beaches Link, but we have not started the compulsory acquisition process yet.

The CHAIR: Thank you, Ms Drover. You are welcome to provide any additional detail you wish to on that on notice. Could I just add a couple of questions before I pass to my colleague. Just on the funding model aspect of this, my colleague did ask you earlier about whether or not you were considering securitisation of the Harbour Bridge and stapling it to this project. Is that work that is being undertaken by Transport or Treasury, to the best of your knowledge?

Ms DROVER: I think in the life of this project there has been a broad range of analysis that has been undertaken, probably provided to government over time. Any decision around that would be that decision of governmental policy.

The CHAIR: Of course. I do agree that the funding model is a question for government, but I am asking more from the public service perspective. Am I right to imply from that answer that this has been an option that has been modelled by the transport department or Treasury?

Ms DROVER: Securitisation and that sort of activity is led by Treasury, so that would be a question for Treasury. All I can say is that obviously a project of this maturity, lots of different options would have been looked at and that advice provided to government. The Government would need to make a decision on how it goes forward if it did want to take up any of those options.

The CHAIR: Has Transport ever provided advice to the Government that it should include the Sydney Harbour Tunnel in with this project when its concession expires and staple it to this project for the purposes of then selling it onwards to the private sector?

Ms DROVER: I am not aware of that advice. What I can say, though, because I mentioned that we were going out for an asset manager—just to clarify what an asset manager is, they would provide operational services and maintenance services. We are going to market to see whether we can get an operations and maintenance

provider to take over the O and M services for the Sydney Harbour Tunnel, given that concession expires at the end of next year. We are also seeing whether, at that same time, they would also like to bid for the O and M services for the completed Western Harbour Tunnel. We are looking at that opportunity at the moment. But that is for operations and maintenance services and nothing more.

The CHAIR: So we are considering stapling the operations and maintenance of the harbour tunnel to the operation and maintenance of the Western Harbour Tunnel?

Ms DROVER: I would not characterise it as "stapling" it. I think that language is used for other purposes.

The CHAIR: Well, concurrently offering them to the market.

Ms DROVER: I would say we are going out to see whether it would make sense to bundle the O and M services for the Sydney Harbour Tunnel with the new Western Harbour Tunnel given they are in the same precinct, they are both under-harbour tunnels and there would be some synergies, economies of scales and sense in doing that. So just really looking at the bundle [disorder].

The CHAIR: Finally, before I pass to my colleague, on the question of the delivery authority and the corporate structure, my colleague put to you the State-owned corporation option. Has Transport created, or is it considering creating, a proprietary limited company to contract with any party to do in any respect whatsoever with this project?

Ms DROVER: I think I said earlier that we are very focused on dealing with the EOIs and getting the projects procured so we can get them to delivery.

The CHAIR: That is why I am asking, Ms Drover, because I am interested in who precisely is procuring. Is it the transport department, is it a delivery authority you are establishing or is it going to be, like the Sydney Motorway Corporation for WestConnex, a proprietary limited company?

Ms DROVER: At the moment it is Transport for NSW staff that are supported by a transaction adviser that—

The CHAIR: Which legal entity is signing the contract on behalf of taxpayers that you are currently planning to procure for the construction?

Ms DROVER: The contract for the Warringah Freeway Upgrade project, for example, is between Transport for NSW and the [disorder] contractors delivering that.

The CHAIR: Yes, but the WHT construction.

Ms DROVER: We have not finished the procurement. In fact, we have just barely started the procurement for the Western Harbour Tunnel. But that is the status report at the moment.

The CHAIR: I will just return to my first question then, which is are you considering establishing a proprietary limited company that would be outside the State's freedom of information laws for any purpose whatsoever connected to the WHT?

Ms DROVER: That is not my understanding of our current approach. We are focused on procuring and having a contract between Transport and the contractors, and that is the basis on which we have taken it to the market. That would be the expectation of the market at the moment.

The Hon. JOHN GRAHAM: You have given us the timing for the Western Harbour Tunnel.

The Hon. TREVOR KHAN: Wait a minute. Before we go—

The Hon. JOHN GRAHAM: I might just finally ask you to give us [disorder]—

The Hon. SHAYNE MALLARD: It is 4.30.

The Hon. TAYLOR MARTIN: It is 4.30.

The Hon. JOHN GRAHAM: [Disorder] the Beaches Link as my final question.

The Hon. SHAYNE MALLARD: No. On notice.

The Hon. JOHN GRAHAM: Once the Government gives an investment decision—

The Hon. TREVOR KHAN: [Disorder] there was an agreement to do it until 4.30. It is 4.30.

The Hon. JOHN GRAHAM: I am happy to withdraw that question, and I will put it on notice.

The CHAIR: We do thank the Government for its vigilance with the clock—the one thing I am sure you guys can deliver on time.

The Hon. SHAYNE MALLARD: At least we deliver anything, unlike you guys.

The CHAIR: I thank the witnesses for spending the afternoon with us. It is most appreciated. Ms Drover and Mr Parris, you did take some questions on notice for which you will have 21 days to return an answer after you receive the transcript from the secretariat. You are now excused. I ask members to stay on for our short deliberative. Otherwise, we will thank everybody who has been viewing and we will bring the hearing to an end there.

(The witnesses withdrew.)

The Committee adjourned at 16:30.