



## WestConnex: a timeline of key developments

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### 1. INTRODUCTION

The WestConnex project has generated controversy since first proposed in 2012. For its part, the NSW Government has [advocated](#) the project's potential economic benefits from reduced congestion and increased freight movements. Alternatively, the project has faced significant criticism, including about its claimed benefits, value for money, and ability to adequately address Sydney's future transportation issues.<sup>1</sup>

While acknowledging these issues, this paper does not attempt to assess them. Rather, it outlines in a timeline format key regulatory and project developments since the project was first announced by Infrastructure NSW in the [2012 State Infrastructure Strategy](#). The paper also lists legislation relevant to the WestConnex project, as well as funding, administration and costing details. The intention is to update this document to take account of any future developments.

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<sup>1</sup> NSW Parliamentary Research Service. (2015) [Key Issues for the 56<sup>th</sup> Parliament](#), Chapter 4 – WestConnex, p.37

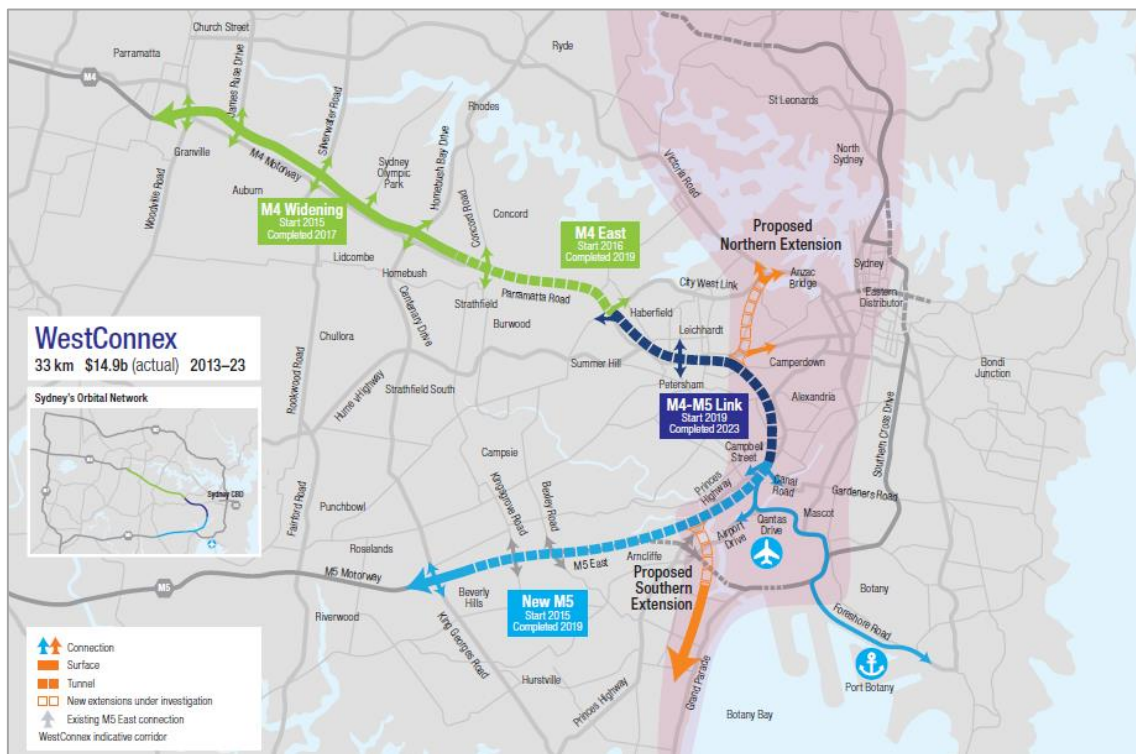
## 2. PROJECT OVERVIEW

The WestConnex project involves 33 kilometres of upgraded and new motorways linking the M4 and M5 corridors and providing connections to the Sydney CBD and Airport/Port Precinct.<sup>2</sup>

The project is being delivered in three stages – Stage 1 from Parramatta to the City West Link; Stage 2 is the New M5 East; and Stage 3 from the City West Link to St Peters. Anticipated start dates and deadlines are below:<sup>3</sup>

- M4 Widening—Construction commenced on 8 March 2015 and be completed in 2017.
- M4 East—Construction is expected to commence in mid-2016 and be completed in 2019.
- The New M5 including the King Georges Road Interchange—Construction is expected to commence in mid-2015 and be completed in 2019.
- M4 - M5 Link—Construction is expected to commence in 2019 and be completed in 2023.

Figure 1: Westconnex project proposal, including extensions<sup>4</sup>



<sup>2</sup> NSW Auditor-General, [Westconnex: Assurance to the Government](#), December 2014, p.7

<sup>3</sup> Department of Infrastructure and Regional Development, [Westconnex](#), accessed 19 August 2015

<sup>4</sup> Infrastructure NSW, [State Infrastructure Strategy Update](#), 2014, Chapter 3, p.51

### 3. TIMELINE OF KEY PROJECT AND REGULATORY DEVELOPMENTS

Timeline of project and regulatory developments for WestConnex	
Date	Description
September 2011	The <a href="#">Restart NSW Fund Act 2011</a> came into effect to finance the delivery of priority infrastructure projects using funds sourced from asset recycling initiatives, Waratah Bonds, interest income and windfall tax revenues. The Government allocates Restart NSW funding to projects on the advice of Infrastructure NSW (which was established under the <a href="#">Infrastructure NSW Act 2011</a> ).
September 2012	The WestConnex concept was first developed by Infrastructure NSW as part of the <a href="#">State Infrastructure Strategy 2012</a> which identified the expansion and extension of the M4 corridor and expansion of the M5 East as the two highest priorities for enhancing Sydney's motorway network.
October 2012	A formal <a href="#">concept paper</a> for WestConnex was prepared and coincided with the release of the <a href="#">State Infrastructure Strategy</a> . The cost of WestConnex was originally estimated at \$10 billion, including property acquisition costs. 75% of this cost would be sourced from user charges, with the NSW and Commonwealth Governments providing the remaining \$2-3 billion.
September 2013	The <a href="#">WestConnex Business Case Executive Summary</a> was published which estimated a higher project cost at \$11-11.5 billion; with the NSW Government providing \$1.8 billion upfront and the Commonwealth Government providing \$1.5 billion over 4 years from 2013-14.
September 2013	<p>The <a href="#">WestConnex Strategic Environmental Review</a> was published which identified environmental benefits as well as key challenges associated with WestConnex and considered how those issues could be avoided, managed and/or mitigated during project development and delivery.</p> <p>This document was designed to provide an overarching discussion of the key issues and to set the scene for subsequent project specific environmental impact assessment and approvals documents.</p>

## Issues Backgrounder

<b>September 2013</b>	The <a href="#"><u>State significant infrastructure Application report</u></a> for the M4 Widening was lodged to support the State significant infrastructure application under section 115X of the NSW <i>Environmental Planning and Assessment Act 1979</i> . It is specifically put forth to assist the formulation of environmental assessment requirements by the former Director-General under section 115Y of the <i>Environmental Planning and Assessment Act 1979</i> .
<b>October 2013</b>	The NSW Government established the <a href="#"><u>WestConnex Delivery Authority</u></a> to lead the delivery of the project.
<b>November 2013</b>	<a href="#"><u>Transport Administration (General) Amendment (WestConnex Delivery Authority) Regulation 2013</u></a> commenced to constitute WestConnex Delivery Authority as a public subsidiary corporation of Roads and Maritime Services and to enable the corporation to exercise certain functions of RMS (primarily under the <a href="#"><u>Roads Act 1993</u></a> ) in relation to the delivery of the WestConnex program of works in Sydney.
<b>November 2013</b>	The <a href="#"><u>Director General's Environmental Assessment requirements</u></a> were issued for the M4 Widening.
<b>November 2013</b>	The <a href="#"><u>State Significant Infrastructure Application Report</u></a> for the M4 East was lodged.
<b>January 2014</b>	The original <a href="#"><u>Director General Environmental Assessment requirements</u></a> were issued for the M4 East component of WestConnex.
<b>May 2014</b>	The Commonwealth Government confirmed funding in the <a href="#"><u>2014-15 Budget</u></a> Papers of \$1.5 billion for WestConnex and a concessional loan of up to \$2 billion to accelerate delivery of Stage 2 by up to 18 months.
<b>July 2014</b>	<a href="#"><u>Public Authorities (Financial Arrangements) Amendment (Sydney Motorway Corporation Pty Ltd) Regulation 2014</u></a> was passed to include Sydney Motorway Corporation Pty Ltd and its subsidiaries in the definition of controlled entity in the <a href="#"><u>Public Authorities (Financial Arrangements) Act 1987</u></a> .
<b>August 2014</b>	The Sydney Motorway Corporation, a State-owned incorporated company, was set up separately to the WestConnex Delivery Authority to organise the financing of WestConnex. This company is governed by a majority independent board of directors that ensures commercially responsible investments. The Treasurer and the Minister for Roads and Freight are the joint shareholders.

<b>August 2014</b>	The <a href="#">Environmental Impact Statement</a> for the M4 Widening was submitted.
<b>August 2014</b>	<p>Three joint ventures were shortlisted for the construction of the M4 East on 7 August 2014:</p> <ul style="list-style-type: none"> <li>• Thiess Samsung John Holland joint venture;</li> <li>• Lend Lease Bouygues joint venture; and</li> <li>• Future Connect (Acciona Obayashi McConnell Dowell Ghella joint venture).</li> </ul>
<b>September 2014</b>	Expressions of interest were called for international contractors to design and construct the New M5 were called.
<b>October 2014</b>	<p><a href="#">Public Authorities (Financial Arrangements) Amendment (Sydney Motorway Corporation Pty Ltd) Regulation (No 2) 2014</a> was passed to prescribe an additional investment power in respect of the shareholders of Sydney Motorway Corporation Pty Ltd (currently the Treasurer and the Minister for Roads and Freight).</p>
<b>November 2014</b>	Infrastructure NSW recommended in its <a href="#">State Infrastructure Strategy Update</a> that final business cases be developed for north and south extensions of WestConnex by the end of 2015. Total project costs were upgraded to \$14.9 billion, including \$1.8 billion for the northern and southern extensions.
<b>November 2014</b>	The original M5 <a href="#">State Significant Infrastructure Application Report</a> was lodged and later superseded by an updated version in July 2015.
<b>November 2014</b>	<p>Three consortia were shortlisted for the design and construction of the New M5 tunnels:</p> <ul style="list-style-type: none"> <li>• Lend Lease Acciona joint venture;</li> <li>• Leighton Dragados Samasung joint venture; and</li> <li>• TunneLink (Ferrovial Agroman, Ghella and McConnel Dowell Constructors).</li> </ul>

<p><b>December 2014</b></p>	<p>The <a href="#">Secretary's Environmental Assessment Requirements</a> were issued for the WestConnex M4 Widening. The Assessment found that "the potential environmental impacts associated with the construction and operation of the proposal would be acceptable subject to the implementation of appropriate mitigation measures. The proposal would comply with the objects of the <i>Environmental Planning and Assessment Act 1979</i> and with the principles of Ecologically Sustainable Development."</p> <p>"On balance, it is concluded that the proposal's benefits outweigh its potential impacts and that any residual impacts can be managed and would not, subject to conditions, result in any long term adverse or irreversible effects."</p>
<p><b>December 2014</b></p>	<p>The WestConnex M4 Widening was <a href="#">approved</a> by Minister for Planning Pru Goward.</p>
<p><b>December 2014</b></p>	<p>On 5 December 2014, it was announced that the Rizzani De Eccher Leighton joint venture had been awarded the contract to design and construct the M4 Widening.</p>
<p><b>December 2014</b></p>	<p><a href="#">Public Finance and Audit Amendment (WestConnex Delivery Authority) Proclamation 2014</a> was issued to provide for the WestConnex Delivery Authority to be a statutory body for the purposes of the <a href="#">Public Finance and Audit Act 1983</a>.</p>
<p><b>December 2014</b></p>	<p>NSW Auditor General published the <a href="#">WestConnex: Assurance to the Government</a> report. As acknowledged in the report, "the objective of this audit was to assess how effectively project assurance processes have been applied to WestConnex to provide independent assurance to Government and thus improve project development and delivery."</p>
<p><b>March 2015</b></p>	<p>The Secretary's <a href="#">Environmental Assessment Requirements</a> issued for the new M5.</p>
<p><b>March 2015</b></p>	<p>Construction commenced on the M4 Widening.</p>



## WestConnex: a timeline of key developments

<b>May 2015</b>	The <a href="#"><u>Electricity Network Assets (Authorised Transactions) Bill 2015</u></a> was passed through the NSW Legislative Assembly. If assented, it will authorise the Government to undertake a long-term lease of 49 per cent of the electricity networks, introducing private investment and management into TransGrid, Ausgrid and Endeavour. Funding from this lease will be directed to the northern and southern extensions of WestConnex.
<b>May 2015</b>	Construction contract was awarded to Fulton Hogan Construction for the King Georges Road Interchange upgrade.
<b>June 2015</b>	<a href="#"><u>Public Authorities (Financial Arrangements) Amendment (Sydney Motorway Corporation Pty Ltd) Regulation 2015</u></a> was passed to authorise the Treasurer to make certain investments in Sydney Motorway Corporation and any of its subsidiaries.
<b>June 2015</b>	As outlined in the NSW Budget 2015-16, with approved scope changes and increases in land acquisition costs, the estimated nominal outturn cost for the WestConnex project was upgraded to \$15.4 billion.
<b>June 2015</b>	<p>The NSW <a href="#"><u>Appropriation Act 2015</u></a> came into effect which included spending measures related to the WestConnex project for 2015-16:</p> <ul style="list-style-type: none"> <li>• \$993m in funding was allocated to Roads and Maritime Services in the NSW Budget for WestConnex in 2015-16, on top of the \$324.5m allocated up to 30 June 2015.</li> <li>• WestConnex Stage 1 Allocation for Sydney Motorway Corporation Pty Ltd and its subsidiaries in 2015-16 is \$404.2m (Total Spend to 30-06-15 - \$105.7m)</li> <li>• WestConnex Stage 2 Allocation for Sydney Motorway Corporation Pty Ltd and its subsidiaries in 2015-16 is \$322.9m (Total Spend to 30-06-15 - \$60.3m)</li> </ul>
<b>June 2015</b>	<p>As reported in the <a href="#"><u>Sydney Morning Herald</u></a>, the WestConnex Delivery Authority and the Sydney Motorway Corporation will be merged due to “governance issues”. The WDA released a statement regarding these changes:</p> <p style="padding-left: 40px;">...the NSW Government has taken the opportunity to evolve the early governance model created to deliver the WestConnex. This has resulted in the transfer of the project delivery functions...to the Sydney Motorway Corporation.</p>
<b>June 2015</b>	Amended <a href="#"><u>Secretary’s Environmental Assessment Requirements</u></a> were issued for M4 East component of WestConnex.

<b>July 2015</b>	An amended <a href="#">State Significant Infrastructure Application Report</a> was lodged for the new M5.
<b>September 2015</b>	Roads Minister Duncan Gay <a href="#">announced</a> on Wednesday 2 September that a consortium of Leighton, Dragados and Samsung was the preferred tenderer for the \$5 billion second stage of the WestConnex motorway.
<b>September 2015</b>	Plans were <a href="#">revealed</a> by WestConnex Delivery Authority to build the interchange on a former landfill site in St Peters.
<b>September 2015</b>	The <a href="#">Environmental Impact Statement</a> for the M4 East component of the motorway was released. See Sydney Morning Herald <a href="#">article</a> for discussion.
<b>Late 2015</b>	An updated business case including the northern and southern connectors is expected to be finalised.
<b>Mid-2016</b>	M4 East construction is expected to commence.
<b>2017</b>	M4 Widening is expected to be completed.
<b>2019</b>	M4 East construction is expected to be completed.
<b>2019</b>	New M5 construction, including the King Georges Road Interchange, is expected to be completed.
<b>2019</b>	Construction of the M4 – M5 Link is expected to commence.
<b>2023</b>	Construction of the M4 – M5 Link is expected to be completed.

#### 4. THE APPROVALS PROCESS

The three stages of WestConnex – namely the M4 Widening, M4 East and New M5 and the M4-M5 link – are assessed separately as State Significant Infrastructure under Part 5.1 of the *Environmental Planning and Assessment Act 1979*.

As such, individual Environmental Impact Statements (EIS's) are to be published for each individual stage. This will be based on the Department of Planning and Environment Secretary's Environmental Assessment Requirement, which outline the issues that need to be addressed in each EIS.

Each of the EIS's will outline the key features of the WestConnex projects and assess any potential environmental or social impacts during both construction and



operation. Importantly, each EIS will also outline recommended measures to minimise and manage potential impacts.

During the preparation of the Stage 1 EIS, the proponents of the **M4 Widening** were required to consult with the relevant government authorities, service providers, community groups and affected landowners:

- Local, State and Commonwealth government authorities, including the: Environment Protection Authority; Office of Environment and Heritage (including Heritage Division); The Heritage Council of NSW; Department of Primary Industries; NSW Office of Water; NSW Health; Auburn Council; Holroyd City Council; Parramatta City Council; and Strathfield Council.
- specialist interest groups, including Local Aboriginal Land Councils, Aboriginal stakeholders, and pedestrian and bicycle user groups;
- utilities and service providers;
- the public, including community groups and adjoining and affected landowners

The EIS’s for individual WestConnex project stages are lodged with the NSW Department of Planning and Environment and the public are invited to provide comments and make submissions. The project proponents are then required to respond to these submissions.

The final determination is made by the Minister for Planning and the Environment, which is informed by the Secretary’s final Environmental Assessment Report.

For more detailed information about the State Significant Infrastructure approvals process, see the NSW Department of Planning and Infrastructure [factsheet](#).

Status of Approvals for WestConnex Stages			
	Stage 1 - M4 Widening	Stage 2 – M4 East	Stage 3 – M4/M5 Link
<b>Status</b>	<a href="#">Approved</a>	<a href="#">Environmental Impact Statements Lodged</a>	<a href="#">Secretary’s Environmental Assessment Requirements Issued</a>

## 5. LEGISLATION RELEVANT TO THE WESTCONNEX PROJECT

- [Transport Administration Act 1988](#)
  - [Transport Administration \(General\) Regulation 2013](#)
    - [Transport Administration \(General\) Amendment \(WestConnex Delivery Authority\) Regulation 2013](#) which commenced in November 2013 to constitute WestConnex Delivery Authority as a public subsidiary corporation of Roads and Maritime Services and to enable the corporation to exercise certain functions of RMS

(primarily under the *Roads Act 1993*) in relation to the delivery of the WestConnex program of works in Sydney.

- [Environmental Planning and Assessment Act 1979](#)
  - [Environmental Planning and Assessment Amendment \(WestConnex\) Order 2014](#) - The object of this Order is to declare development for the purposes of the following parts of WestConnex to be State significant infrastructure and critical State significant infrastructure.
    - Critical State significant infrastructure are outlined in [Schedule 5](#) of the [State Environmental Planning Policy \(State and Regional Development\) 2011](#).
  - An Environmental Impact Statement must be prepared in accordance with, and meet the minimum requirements of *Schedule 2* of the [Environmental Planning and Assessment Regulation 2000](#). Other components of the planning approval process under the Regulation are listed below:
    - Section 115X – State significant infrastructure application
    - Section 115ZA – Secretary’s Environmental Assessment Report
    - Section 115ZB – Infrastructure Approval
    - Section 115Y – Director General Requirements
- A number of key considerations take place under the Environmental Impact Statement, including but not limited to:
  - An assessment of the noise impacts of the project during operation, consistent with the [Road Noise Policy \(Environment Protection Authority 2011\)](#).
    - The assessment must include specific consideration of impacts to receivers (dwellings, child care centres, educational establishments, hospitals, motels, nursing homes, or places of worship), as relevant and identify reasonable and feasible mitigation measures.
  - An assessment of construction noise and vibration impacts, consistent with the [Interim Construction Noise Guideline \(Department of Environment, Climate Change and Water 2009\)](#), and [Assessing Vibration: a technical guideline \(Department of Environment and Conservation 2006\)](#).
  - An assessment of construction and operational erosion; sediment and water quality and hydrological impacts on adjacent rivers and creeks:
    - with reference to the [Australian and New Zealand Guidelines for Fresh and Marine Water Quality \(ANZECC/ARMCANZ 2000\)](#)
    - taking into account the [Floodplain Development Manual \(Department of Natural Resources 2005\)](#).
  - management of waste with reference to:
    - [Waste Classification Guidelines \(Department of Environment, Climate Change and Water 2009\)](#).
- An [Environmental Protection Licence](#) will have to be obtained for the various stages of WestConnex under the [Protection of the Environment Operations Act 1997](#). Licence conditions relate to pollution prevention and monitoring, and

cleaner production through recycling and reuse and the implementation of best practice.

- Other related environment and conservation legislation that will need to be considered in the development of WestConnex include:
  - [NSW Contaminated Land Management Act 1997](#) – the object of this Act is to establish a process for investigating and (where appropriate) remediating land that the EPA considers to be [contaminated](#) significantly enough to require regulation under Division 2 of Part 3.
  - [NSW Water Management Act 2000](#) – the object of the Act is the sustainable and integrated management of the State's water for the benefit of both present and future generations.
  - [NSW Waste Avoidance and Resource Recovery Act 2001](#) – the key objects of the Act is to minimise the consumption of natural resources and the final disposal of waste by encouraging the avoidance of waste and the reuse and recycling of waste.
  - [NSW Dangerous Goods \(Road and Rail Transport\) Act 2008](#) - The purpose of this Act is to regulate the transport of dangerous goods by road and rail in order to promote public safety and protect property and the environment.
  - [Heritage Act 1977](#) – the object of the Act is to encourage the conservation of the State's heritage and to provide for the interim protection of items of State heritage significance.
  - [NSW Soil Conservation Act 1938](#)
  - [Fisheries Management Act 1994](#)
- All [property acquisitions](#) will be negotiated in accordance with the RMS Land Acquisition Policy, and compensation will be assessed under the provisions of the [Land Acquisition \(Just Terms Compensation\) Act 1991](#):
  - Owners may also be eligible for other payments such as: legal costs (including conveyancing); valuation fees; relocation expenses (including stamp duty costs in connection with the purchase of another property of equal value); mortgage re-establishment costs and other payments.
- Despite the limited habitat in the study area, some threatened fauna species listed under the [Threatened Species Conservation Act 1995](#) and/or the [Environment Protection and Biodiversity Conservation Act 1999](#) or their habitats will need to be considered as part of the WestConnex project.
  - The [Environment Protection and Biodiversity Conservation Act 1999](#) is the Australian Government's central piece of environmental legislation. It provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places.
- WestConnex developers may be required to obtain an Aboriginal Heritage Impact Permit under the [National Parks and Wildlife Act 1974](#) if harm to an Aboriginal object or Aboriginal place cannot be avoided.

## 5.1 Legislation related to funding and financial administration of WestConnex

- [NSW Appropriation Act 2015](#) appropriates out of the Consolidated Fund sums for the recurrent services and capital works and services of the Government for the year 2015–16 – included are aforementioned expenditure to Roads and Maritime Services and Sydney Motorway Corporation for WestConnex project delivery.
  - [Appropriation Bill 2015](#)
- [Electricity Network Assets \(Authorised Transactions\) Act 2015](#)
  - This authorises the Government to undertake a long-term lease of 49 per cent of the electricity networks, introducing private investment and management into TransGrid, Ausgrid and Endeavour.
  - WestConnex northern and southern extensions will be funded through the [Rebuilding NSW](#) funds generated from the sale.
- [Restart NSW Fund Act 2011](#)
  - Restart NSW was established to fund the delivery of priority infrastructure projects (including WestConnex).
  - As at 30 June 2015, \$9.2 billion is expected to have been deposited in the Restart NSW Fund, sourced from asset recycling initiatives, Waratah Bonds, interest income and windfall tax revenues.<sup>5</sup>
  - The Government allocates Restart funding to projects on the advice of Infrastructure NSW (which was established under the [Infrastructure NSW Act 2011](#)).
- [Public Finance and Audit Act 1983](#)
  - [Public Finance and Audit Amendment \(WestConnex Delivery Authority\) Proclamation 2014](#) - The object of this Proclamation is to provide for the WestConnex Delivery Authority to be a statutory body for the purposes of the *Public Finance and Audit Act 1983*.
- [Public Authorities \(Financial Arrangements\) Act 1987](#)
  - [Public Authorities \(Financial Arrangements\) Amendment \(Sydney Motorway Corporation Pty Ltd\) Regulation 2014](#) - The object of this Regulation is to include Sydney Motorway Corporation Pty Ltd and its subsidiaries in the definition of controlled entity in the *Public Authorities (Financial Arrangements) Act 1987*.
  - [Public Authorities \(Financial Arrangements\) Amendment \(Sydney Motorway Corporation Pty Ltd\) Regulation \(No 2\) 2014](#) - The object of this Regulation is to prescribe an additional investment power in respect of the shareholders of Sydney Motorway Corporation Pty Ltd (currently the Treasurer and the Minister for Roads and Freight).
  - [Public Authorities \(Financial Arrangements\) Amendment \(Sydney Motorway Corporation Pty Ltd\) Regulation 2015](#) - The object of this

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<sup>5</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, p. A-9

Regulation is to authorise the Treasurer to make certain investments in Sydney Motorway Corporation and any of its subsidiaries.

**6. WESTCONNEX FUNDING AND PROJECT DELIVERY**

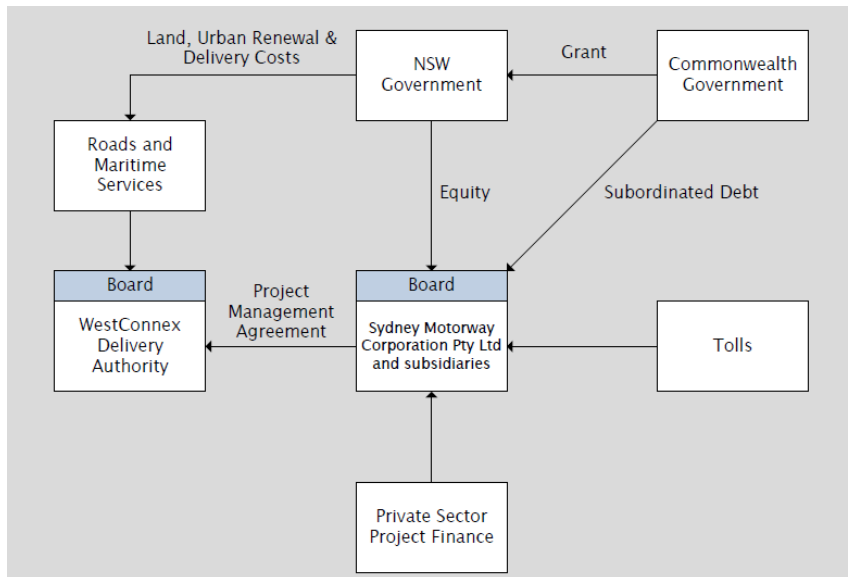
Total NSW government funding for WestConnex comprises \$1.8 billion from Restart NSW toward WestConnex, \$928 million from the Consolidated Fund and \$1.5 billion in grant funding from the Commonwealth Government.<sup>6</sup> The Commonwealth Government also agreed to provide a separate \$2.0 billion concessional loan to accelerate the delivery of Stage 2 (M5 East tunnels).<sup>7</sup> As outlined in the NSW Auditor-General [report](#).<sup>8</sup>

The balance of the funding for the scheme will come from private sector debt and equity capital raised against tolls on completed stages of the Project, with the recycling of Government capital invested in the individual stages of WestConnex once traffic volumes are established.

As outlined in the [2015-16 NSW Budget](#):

- \$993m in funding was allocated to Roads and Maritime Services for WestConnex in 2015-16, on top of the \$324.5m allocated to 30 June 2015.
- WestConnex Stage 1 Allocation for Sydney Motorway Corporation and its subsidiaries in 2015-16 is \$404.2m (Total Spend to 30-06-15 - \$105.7m)<sup>9</sup>
- WestConnex Stage 2 Allocation for Sydney Motorway Corporation and its subsidiaries in 2015-16 is \$322.9m (Total Spend to 30-06-15 - \$60.3m)<sup>10</sup>

**Figure 2: Original Westconnex Financing Structure – Note there are plans to amalgamate the Sydney Motorway Corporation and WestConnex Delivery Authority**



<sup>6</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, Chapter 1.4, p.1-4

<sup>7</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, Chapter 1.4, p.1-4

<sup>8</sup> NSW Auditor-General, [Westconnex: Assurance to the Government](#), December 2014, p.8

<sup>9</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, p.6-5

<sup>10</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, p.6-5

In October 2013 the Government established the [WestConnex Delivery Authority](#) to lead the delivery of the project. In August 2014 the Sydney Motorway Corporation, a State-owned incorporated company, was set up separately to the WestConnex Delivery Authority to organise the financing of WestConnex. This company is governed by a majority independent board of directors that will ensure commercially responsible investments. The Treasurer and the Minister for Roads and Freight are joint shareholders.

As reported in the [Sydney Morning Herald](#), the WestConnex Delivery Authority and Sydney Motorway Corporation will be merged due to “governance issues”. The WestConnex Delivery Authority released a statement regarding these changes:<sup>11</sup>

...the NSW Government has taken the opportunity to evolve the early governance model created to deliver the WestConnex. This has resulted in the transfer of the project delivery functions...to the Sydney Motorway Corporation.

Of the \$3.3 billion in total funding, Sydney Motorway Corporation will be capitalised with seed capital of up to \$2.7 billion in shareholder funds to enable delivery of WestConnex.

Subsidiaries of Sydney Motorway Corporation will be created to contract with the private sector to design, build and finance the individual stages of WestConnex:

- WestConnex M4 Pty Limited will commence construction of the M4 Widening in early 2015. This will provide four lanes in each direction between Church Street, Parramatta and Homebush Bay Drive, Homebush.
- WestConnex M5 Pty Limited will begin construction of Stage 2 in mid-2015. Significant private sector involvement will be sought. Stage 2 increases capacity along the M5 East corridor, and extends the motorway to St Peters. It will also include a new access link to the Sydney Airport area.

## 7. WESTCONNEX COSTS

The estimated cost of WestConnex has been revised several times. In 2012 the Integrated Project Team [estimated](#) the cost to be \$10 billion, including property acquisition costs. 75% of this cost would be sourced from user charges, with the NSW and Commonwealth Governments providing the remaining \$2-3 billion.

The 2013 WestConnex Business Case [Executive Summary](#) (2013 Business Case) estimated that the project would cost \$11-11.5 billion, with the NSW Government providing \$1.8 billion upfront and the Commonwealth Government providing \$1.5 billion over 4 years from 2013-14.

In 2014 Infrastructure NSW [revised](#) total project costs to \$14.9 billion, including \$1.8 billion for the northern and southern extensions. The Commonwealth Government also agreed to provide a \$2 billion concessional loan to bring forward delivery of Stage 2.

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<sup>11</sup> Sydney Morning Herald, [WestConnex governance shake-up as Parramatta Road tunnel nears](#), 3 June 2015



As outlined in the NSW Budget 2015-16, with approved scope changes and increases in land acquisition costs, the estimated nominal outturn cost for the WestConnex project is \$15.4 billion.<sup>12</sup>

**Author:** Andrew Haylen

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For further information please contact the Research Service on 9230 2356

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<sup>12</sup> NSW Treasury, [Budget Paper No.2](#), 2015-16, Infrastructure Statement, p.A-13