

WestConnex Delivery Authority

# 2014-15 Annual Report

Volume 1



Transport  
WestConnex  
Delivery Authority

# Contents

- 1. Letter to Minister .....3
- 2. Chairman’s message .....4
- 3. Chief Executive’s report.....5
- 4. About WestConnex.....7
- 5. Key dates ..... 17
- 6. Review of operations ..... 18
- 7. Community engagement .....21
- 8. Environment and sustainability.....25
- 9. Appendices .....28
  - Appendix 1: Obligations under the GIPA Act .....28
  - Appendix 2: Privacy Management Plan .....28
  - Appendix 3: Public Interest Disclosures Act 1994.....29
  - Appendix 4: Management remuneration, structure and responsibilities .....30
  - Appendix 5: Management and activities.....31
  - Appendix 6: Response to matters raised by the Auditor General .....32
  - Appendix 7: After balance date events.....32
  - Appendix 8: Exemptions from Financial Reporting Code.....32
  - Appendix 9: Major assets .....32
  - Appendix 10: Land disposals.....32
  - Appendix 11: Disclosure of controlled entities .....32
  - Appendix 12: Disclosure of subsidiaries.....32
  - Appendix 13: Internal audit and risk management disclosure.....33
  - Appendix 14: Risk management and insurance.....34
  - Appendix 15: Credit card certification.....36
  - Appendix 16: Human resources .....36
  - Appendix 17: Payment of accounts.....37
  - Appendix 18: Time for payment of accounts .....39
  - Appendix 19: Grants to non-government community organisations .....39
  - Appendix 20: Overseas travel by WDA staff .....39
  - Appendix 21: Payments to consultants .....40
  - Appendix 22: Transport for NSW practices and policies adopted by WDA .....40

# 1. Letter to Minister



**Transport**  
WestConnex  
Delivery Authority

---

The Hon. Duncan Gay  
Minister for Roads, Maritime and Freight  
52 Martin Place  
Sydney NSW 2000

Dear Minister

I am pleased to submit the WestConnex Delivery Authority Annual Report and Financial Statements for the financial year ended 30 June 2014 for presentation to the Parliament of New South Wales. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dennis Cliche".

Dennis Cliche  
Chief Executive  
(From the period from August 2014 to 17 August 2015)

**WestConnex Delivery Authority**

---

Level 18, 101 Miller Street, North Sydney NSW 2060

---

## 2. Chairman's message

The NSW Government has embarked on a significant and exciting program of integrated land use and transport planning to deliver its vision for Greater Sydney. It is a bold vision to keep Sydney moving as our population grows by more than a million people over the next decade and ensure that Sydney remains our premier city. WestConnex is playing a vital part in delivering this vision.

WestConnex is a 'transformative' infrastructure project in every sense of the word, providing the opportunity to revitalise and reconnect urban communities, easing congestion in the face of ever increasing demand and, most importantly, helping to increase productivity across NSW. WestConnex will also provide welcomed economic stimulus at a time of structural change in our economy.

It will also enable more efficient public transport with new dedicated bus lanes on Parramatta Road and more reliable travel times for public transport users.

The alignment of the State and Federal governments on this project cannot be understated; it is a great example of how to deliver much needed infrastructure that benefits the whole nation. The NSW Government has contributed \$1.8 billion; the Federal Government has provided a \$1.5 billion grant and more recently a \$2 billion concessional loan to fast-track Stage 2, enabling work to start early on fixing the major pinch point at the King Georges Road Interchange.

WestConnex has been designed for the future with provision made for interconnectivity with Sydney's road network as it expands.

WestConnex is applying a new and innovative form of delivery for public infrastructure. While the public sector is the initial investor, private debt and equity will be invited as the project develops. The intention is to sell down completely to the private sector and recycle the proceeds into further stages of the project.

The State and Federal governments are truly invested in the success of WestConnex and we are delivering on our commitment to them, with more than \$9 billion worth of construction contracts awarded, or to be awarded, by the end of 2015 - this is a remarkable achievement.

There is still much to do and with the recent merging of WestConnex Delivery Authority and Sydney Motorway Corporation to form a single financing, delivery and operational entity we are well equipped to meet our milestones in the coming years.

I congratulate the project team led by Chief Executive Dennis Cliche and Chief Operating Officer Robert Rust on the achievements of the Authority and acknowledge the commitment and enthusiasm with which WestConnex is being delivered. I also thank the Board of the Authority for its wise counsel and guidance.



Anthony F Shepherd, AO  
Chairman  
WestConnex Delivery Authority (to June 30 2015)

### 3. Chief Executive's report

Over the next decade, Sydney will be home to an additional one million people. Over half of this increase will be in western Sydney. As Sydney's population grows, so too does the demand for travel on the road network with Sydney's roads directly supporting around 75 per cent of the 17.6 million trips made every weekday<sup>1</sup>.

Commuters make up around 20 per cent of trips across an average working day. While the road network is important in supporting these trips, it serves a diverse range of other purposes, many of which are not ideally served by public transport. Commercial and freight road users move over 35 billion tonne kilometres across the State every year. Light commercial vehicles supporting people performing services or making deliveries make over 1.1 million trips on an average weekday.

A key beneficiary of WestConnex is the Global Economic Corridor, an area of concentrated employment, economic activity, transport gateways and industrial land. Over a quarter of all jobs in Sydney are based in the Corridor which takes in Port Botany and Sydney Airport, the Sydney CBD, Macquarie Park, Parramatta, Norwest, and Sydney Olympic Park.

Even in the context of significant public transport investment by the NSW Government, roads will continue to play a critical role in keeping Sydney moving.

The international gateways of Port Botany and Sydney Airport will accommodate much of the rapid growth forecast for containerised cargo and air travel over the next 20 years. Significant planning has taken place to manage additional freight throughput (mainly imports) at the port and airport. The completion of WestConnex will provide additional capacity and enhance movements from these gateways.

That is why WestConnex is so important. By providing the missing link in Sydney's orbital network, WestConnex will help to ease congestion, create jobs and connect communities. It will inject more than \$20 billion into the State's economy. We are making great progress, with the first sod turning earlier this year for Stage 1- M4 Widening, signalling the start of construction on the largest transport infrastructure project in the State's history.

The Federal Government's concessional loan of up to \$2 billion was a major turning point for the project, enabling work on Stage 2 - the New M5 to be fast-tracked by up to 18 months. The contract for the construction of the King Georges Road Interchange Upgrade - the key to fixing one of Sydney's worst pinch points - was awarded in May and construction is now well underway.

The importance of the project to keeping Sydney moving was further solidified with the NSW Government's announcement of a northern extension at Rozelle to enable the second road crossing of Sydney Harbour. Work to enable a future Southern Extension to the Sutherland Shire is also being considered.

Working closely with Transport for NSW, Roads and Maritime Services and Sydney Motorway Corporation, we expect to have awarded more than \$9 billion in construction contracts by the end of 2015 - a tremendous effort by everyone involved in the project.

Our commitment to listening to the community and our many stakeholders remains a key priority. We've had more than 500,000 conversations with the community through door-knocking, by phone, over email or face-to-face at our kiosks and in meetings since 2013.

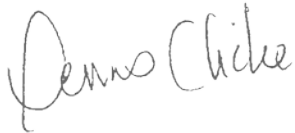
---

<sup>1</sup> Bureau of Transport Statistics, 2012/2013 Household Travel Survey

We've selected contractors who have found innovative ways to reduce the impact of the project on the community and the environment and we will continue to work with the community to optimise local outcomes.

Our achievements to date would not have been possible without the dedication and commitment of our people. We have achieved a great deal in the past year and I look forward to building on this momentum as we further progress the project.

WestConnex - we're making it happen.

A handwritten signature in black ink that reads "Dennis Cliche". The signature is written in a cursive, flowing style.

Dennis Cliche  
Chief Executive  
WestConnex Delivery Authority (August 2014 to August 2015)  
Sydney Motorway Corporation

## 4. About WestConnex

WestConnex is a crucial part of the NSW Government's integrated transport solution which includes public transport and road infrastructure to keep Sydney moving. WestConnex will widen and extend the M4 and M5 and join them together to form a 33-kilometre continuous, free-flowing motorway with connections to the city, airport, and Port Botany.

It is Australia's largest transport infrastructure project, and will generate over 10,000 jobs and inject more than \$20 billion into the State's economy.

### A crucial part of an integrated transport solution for Sydney

Since 2011, the NSW Government has undertaken a comprehensive review of the State's transport infrastructure and urban development needs. The conclusions of this work are set out in *NSW 2021*, *NSW Long Term Transport Master Plan 2012*, *NSW State Infrastructure Strategy 2012*, *NSW State Infrastructure Strategy Update 2014*, *NSW Freight and Ports Strategy* and *A Plan for Growing Sydney*, all of which identify WestConnex as a key priority for a sustainable Sydney.

### WestConnex objectives

The objectives of WestConnex are to:

- Support Sydney's long-term economic growth through improved motorway access and connections linking Sydney's international gateways, Western Sydney and key places of business across the city
- Relieve road congestion so as to improve the speed, reliability and safety of travel in the M4, M5 and CBD/airport/port corridors, including parallel arterial roads
- Cater for the diverse travel demands along these corridors that are best met by road infrastructure, including road-based public transport
- Create opportunities for urban renewal, improved liveability and public and active transport improvements along and around Parramatta Road
- Enhance the productivity of commercial and freight-generating land uses strategically located near transport infrastructure
- Fit within the financial capacity of the State and Federal Governments, in partnership with the private sector
- Optimise user-pays contributions to support funding in a way that is affordable and equitable
- Provide the ability to deliver an additional harbour road crossing, the Western Harbour Tunnel, through connections to the WestConnex motorway
- Support improved connectivity between Sydney, the Sutherland Shire, and the Illawarra; maximising the benefit of other NSW Government investments such as the 'Gateway to the South' upgrades.

## **Key deliverables**

WestConnex will be delivered in three stages over 10 years.

### **Stage 1- M4 Widening and M4 East**

Stage 1 is the widening of the M4 Motorway to four lanes in each direction from Church Street, Parramatta to Homebush Bay Drive, Homebush, and the extension of the M4 Motorway by building two new tunnels (5.5 kilometres), three lanes in each direction, from Homebush Bay Drive, Homebush to City West Link / Parramatta Road, Haberfield. Construction began in 2015 and is expected to be complete in 2019.

### **Stage 2 - New M5**

Stage 2 will double the capacity of the M5 corridor by building two new tunnels (up to nine kilometres) between Kingsgrove and St Peters. Stage 2 includes upgrading the King Georges Road Interchange by widening and extending the eastbound on-ramp and westbound off-ramp between King Georges Road and the M5 East, and increasing ramp lengths by 180 metres. A new interchange at St Peters will provide access to the Sydney CBD west of the airport. Construction began in 2015 and is expected to be complete in 2019.

### **Stage 3 - M4-M5 Link**

Stage 3 will join the M4 and M5 between Haberfield to St Peters with two new tunnels (9.2 kilometres), three lanes in each direction. It includes connections at Rozelle to Victoria Road, the Anzac Bridge, and to the proposed Western Harbour Tunnel. Construction is expected to start in 2019 and be completed in 2023.

## **Benefits**

WestConnex will provide relief to the hundreds of thousands of road users struggling in traffic congestion every day and help return local streets to local residents.

WestConnex will:

- Ease congestion, create jobs, and connect communities
- Remove bottlenecks and relieve congestion for local trips
- Provide better connections along the M4 and M5 corridors to cater for the forecast growth in employment and population along these routes
- Provide quicker, more reliable trips between western and south-western Sydney and the Port Botany/Sydney Airport precinct to support Sydney's urban freight task
- Increase opportunities for pedestrian and cycling activities, and public transport in key urban hubs along the Parramatta Road corridor.



# WestConnex indicative corridor



## **Sydney Motorway Corporation and WCX M4**

Sydney Motorway Corporation (SMC) was established by the NSW Government in August 2014 as the financing entity for WestConnex.

WCX M4 is a private company established by the NSW Government in November 2014 to deliver Stage 1. WCX M4 is a wholly-owned subsidiary of SMC under the *Corporations Act 2001*. WCX M4 is governed by a Board appointed by SMC.

### **Changes in operation**

Following the acceleration of Stage 2, in June 2015 the NSW Government took the opportunity to evolve the early governance model created to deliver WestConnex. This resulted in the transfer of the project delivery functions of WestConnex Delivery Authority (WDA) to SMC, forming a single decision-making entity. The transition began in June 2015 and is expected to be completed in September 2015.

### **WestConnex Delivery Authority Board**

The WDA Board was established under clause 51C of the Transport Administration (General) Regulation 2013.

The Board is principally accountable to the Minister for Roads, Maritime and Freight and has an oversight and assurance role for WDA and the WestConnex project.

The Board is specifically responsible for:

- Advising and making recommendations to the Minister with respect to any matter relating to the WestConnex works
- Advising and making recommendations to the WestConnex Delivery Authority with respect to any matter relating to the WestConnex works, and
- Providing advice on such matters as are referred to it by the Minister.


From 1 July 2014 to May 2015, the Board functioned as a governance board. It consisted of the Secretary of Transport for NSW, the Chief Executive of Roads and Maritime Services (Roads and Maritime) and other Members (not exceeding five) appointed by the Chief Executive of Roads and Maritime with the approval of the Minister for Roads, Maritime and Freight.

In June 2015, the transfer of WDA functions to SMC commenced. Tony Shepherd AO was appointed Chair of the SMC board, and Dennis Cliche and Peter Regan appointed Chief Executive and Deputy Chief Executive of SMC respectively. Further information about the SMC Board is included in the SMC Directors' Report 2014-2015.



Post the reporting period, the WDA board reverted to an Advisory Board comprising the Secretary of Transport for NSW and the Chief Executive of Roads and Maritime. Peter Duncan replaced Dennis Cliche as Chief Executive of WDA.

The WDA Board members are shown in Figure 1.

Figure 1. The WDA Board members.

Name	Particulars
 <p><b>Mr Anthony (Tony) Shepherd AO</b> Chair Non-executive Director October 2013-June 2015</p>	<p>Tony has a long track record in infrastructure and was awarded an Officer of the Order of Australia for Services to Infrastructure.</p> <p>Tony has a portfolio of roles and projects that include the NASA tracking stations, the Moomba to Sydney Gas Pipeline, the Anzac Warships, the Sydney Harbour Tunnel, the CityLink and EastLink toll ways in Victoria, the Walsh Bay Redevelopment in Sydney and a range of water treatment plants, power stations, roads, railways and tramways.</p> <p>Most recently, Tony was Chair of the Australian Government's National Commission of Audit and President of the Business Council of Australia.</p> <p>Tony is currently Chair of the Sydney Cricket Ground Trust, GWS Giants AFL Club and ASTRA. He is a Director of Virgin Australia International Holdings Pty Limited and an advisor to Bank of Tokyo-Mitsubishi UFJ.</p>
 <p><b>Mr Rod Pearse OAM</b> Non-executive Director September 2014-June 2015</p>	<p>Rod has over 40 years of experience in business management and was awarded a Medal of the Order of Australia (OAM) for Services to Youth in 2009.</p> <p>Rod's prior positions include CEO of Boral Limited, Director of the Business Council of Australia, Chair of the BCA's Sustainable Growth Taskforce and a member of the COAG Reform Council Expert Advisory Panel on Cities.</p> <p>Rod is currently Chair of Fife Capital Funds Limited and Outward Bound Australia, and Director of O'Connell Street Associates, the SMART Infrastructure Facility Advisory Council at the University of Wollongong, the Australia School of Business Advisory Council, and the Juvenile Diabetes Research Foundation Advisory Board.</p>
 <p><b>Mr Peter Brecht</b> Non-executive Director October 2013 – June 2015</p>	<p>Peter has more than 35 years of experience in the construction industry Prior to joining the Board, Peter was Managing Director - Construction Australia of Lend Lease, CEO of Bilfinger Berger Australia and Managing Director of AbiGroup Limited.</p> <p>Peter was the President of the Australian Constructors Association (ACA) and was a Board Member on Advisory Boards for Engineering and Built Environs at Newcastle University and The School of Business at QUT.</p> <p>Peter is currently a Director of SRG Limited and Fulton Hogan Limited.</p>

Name	Particulars
 <p><b>Mr Robert Hamilton</b> Non-executive Director October 2013 – June 2015</p>	<p>Robert Hamilton is a Director of Urban Growth NSW, and has 50-years of experience in the property sector.</p> <p>Robert co-founded the Mirvac Group in 1972, before retiring as its Managing Director in 2005.</p>
 <p><b>Mr Peter Duncan AM</b> Chief Executive Roads and Maritime Services October 2013 – June 2015</p>	<p>Peter Duncan was appointed to the Board in his capacity as Chief Executive of Roads and Maritime Services.</p> <p>He has led the Department of Services, Technology and Administration, Forests NSW (a Public Trading Enterprise), and Centennial Parklands (a Government Trust). Peter was also previously Deputy Director General of the Department of Premier and Cabinet, and Director, Estate Management for the Olympic Coordination Authority.</p> <p>Current appointments include Chair of Austroads and Director of Roads Australia.</p>
 <p><b>Mr Simon Smith</b> Non-executive Director July 2014-February 2015</p>	<p>Simon is currently Secretary of the Department of Industry, Skills and Regional Development. At the time of his board appointment, Simon represented the Department of Premier and Cabinet as the Deputy Secretary for Productivity and Sustainability.</p> <p>Simon trained as an economist, first joining the NSW Public Sector in 1994. His public sector roles have focused on the nexus between the economy and the environment, including roles in regulation, policy development and program delivery. Prior to joining the Public Sector, he worked in a variety of private and non-for-profit roles including in the insurance industry.</p>
 <p><b>Mr Simon Draper</b> Non-executive Director February 2015-June 2015</p>	<p>Simon Draper replaced Simon Smith in February 2015.</p> <p>Simon is Deputy Secretary, Economic Policy Group, at the Department of Premier and Cabinet.</p> <p>Previously a Tribunal Member at the Independent Pricing and Regulatory Tribunal, he has extensive senior executive management experience in infrastructure and utility companies. He is a former Managing Director of Lumo Energy, CEO of Wellington Airport in New Zealand, General Manager Commercial at Integral Energy and CEO of Northern Territory Airports.</p>

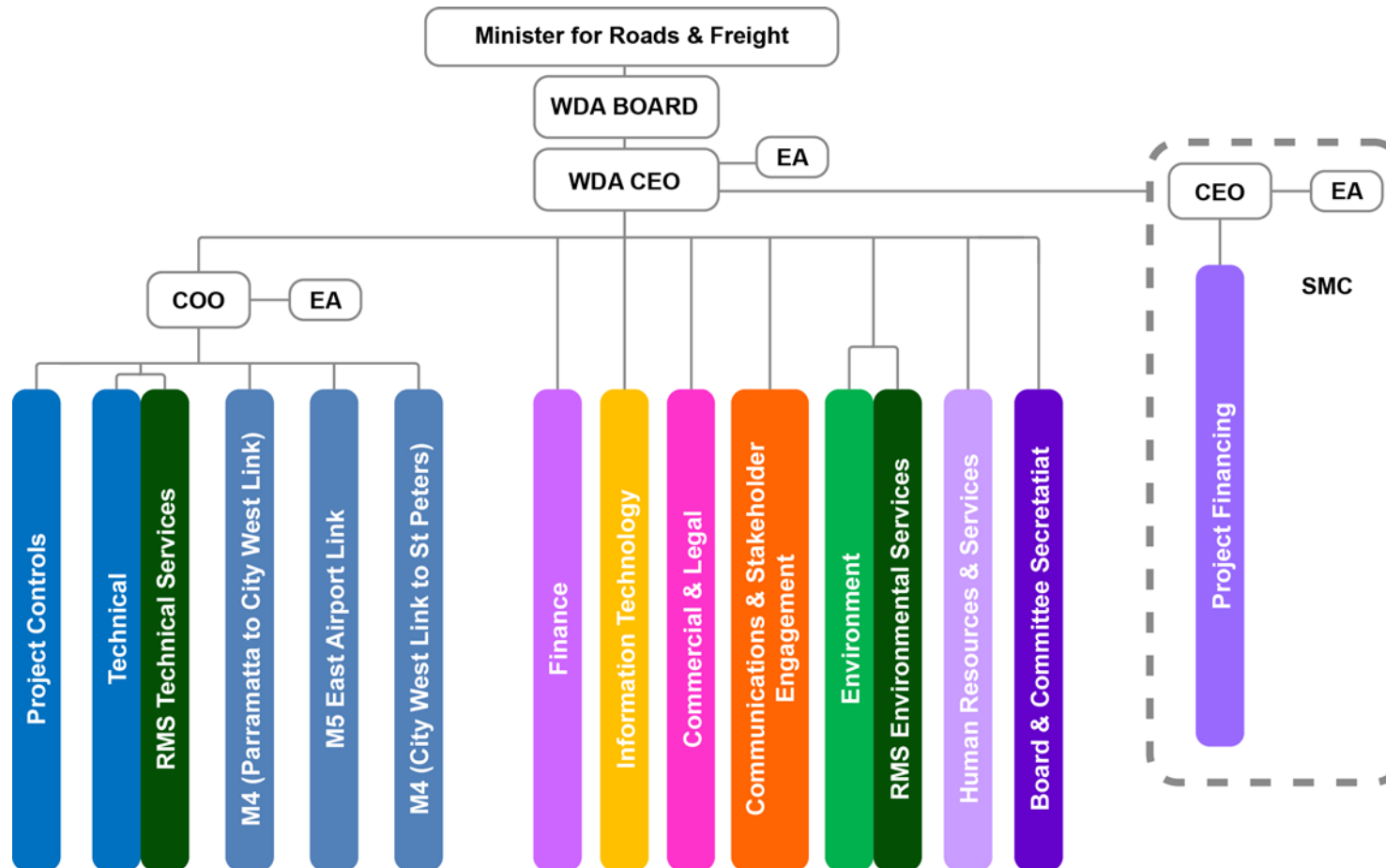
Name	Particulars
 <p><b>Mr David Stewart</b> Secretary for Transport for NSW October 2013-February 2015</p>	<p>David Stewart was appointed to the board in his capacity as Secretary for Transport for NSW. He resigned in February 2015.</p> <p>David previously served as Executive Director of projects Queensland. Mr Stewart led the development of many of Queensland's major transport projects and delivered a significant government capital works program. Formerly Director-General of the Queensland Department of Transport and Main Roads, David was awarded a fellowship by the Transport and Logistics Institute.</p>
 <p><b>Mr Tim Reardon</b> Secretary for Transport for NSW February 2015 – June 2015</p>	<p>Tim Reardon replaced David Stewart as Secretary for TfNSW in February 2015.</p> <p>Tim was previously a Strategic Adviser in Deloitte Touche Tohmatsu's Economics and Infrastructure Advisory Group and he has extensive government and private sector experience in NSW, Queensland and overseas.</p> <p>Tim previously held senior roles in the Department of Transport as Director of Rail Policy, Manager of Transport Integration, and Senior Policy Adviser for Industry Reform. In Queensland, he was Executive Director of the Policy Division for the Department of Premier and Cabinet.</p>

## WestConnex senior executive

Name	Position held	Experience
Dennis Cliche	Chief Executive (Aug 2014-June 2015)	<p>Dennis was previously Managing Director of ConnectEast, operator of Melbourne's EastLink tollway where he led the company from early ramp up to steady state operations. He oversaw the company's sale to eight pension funds and its subsequent delisting from the ASX. More recent activities included the refinancing of \$1.2b debt including an inaugural issue of Australian bonds.</p> <p>Prior to ConnectEast, Dennis was CEO of TransdevTSL, a joint venture company responsible for the Australian public transport operations of Transdev/Transfield Services including Yarra Trams, Shorelink Buses and Brisbane Ferries. He started his career with Air Liquide Canada and spent 22 years with the Air Liquide Group in a variety of executive and technical roles in Canada, France and Australia. His last role was Managing Director of Australian/New Zealand.</p> <p>Prior to joining WDA, he was also the Honorary Consul of Canada in Victoria, a Director of Roads Australia and was Chairman of the Transport Reform Network. He holds the Ordre National du Mérite from the French government. Qualifications: B Engineering, MBA</p>
Robert Rust	Acting Chief Executive (Feb 2014-Aug 2014)  Chief Operating Officer (Feb 2014-June 2015)	<p>Robert has more than 20 years of experience in the area of privately-financed projects with a focus on road, stadia, rail and power, including bidding and/or delivering projects such as Sydney Harbour Tunnel, Melbourne City Link and Melbourne Regional Fast Rail. He also ran bids for the Basslink Power Interconnector, the Melbourne Docklands Stadium and a number of rail projects.</p> <p>Prior to joining WDA, Robert spent five years as Chief Executive of Health Infrastructure, overseeing the planning, management and delivery of major capital works projects and sub programs greater than \$10 million within the NSW Health Asset Acquisition Program, including their PPP program which included Royal North Shore Hospital.</p> <p>Qualifications: B Engineering (Civil)</p>
Bill Hartnell	Chief Financial Officer (Jan 2015-June 2015)	<p>Bill is a senior finance executive with extensive experience in the transport and infrastructure sectors. He has worked across the public and private sectors including Qantas, Integral Energy and NSW Treasury.</p> <p>Key responsibilities have included capital management (investment and funding), management of major reforms and business planning.</p> <p>Qualifications: MBA, B.Commerce, CPA.</p>

Name	Position held	Experience
Peter Regan	Chief Financial Officer (July 2014-Sept 2014)	<p>Peter previously ran the Corporate Finance team at Transport for London where he managed a £10billion borrowing program to finance development and expansion of the London Overground and Docklands Light Railway, delivered financing and governance structures for the £15 billion Crossrail project, and led the restructuring of various Public Private Partnership (PPP) projects including the London Underground PPP.</p> <p>Prior to joining WDA, Peter was the Head of Infrastructure Finance for NSW Treasury, with responsibility for the development and financing of major new infrastructure projects including the North West Rail Link, NorthConnex, Darling Harbour Live, Sydney Light Rail and the Northern Beaches Hospital.</p> <p>Qualifications: B Commerce.</p>
Ken Reynolds	Project Director-Stage 2 (March 2015-June 2015)	<p>Ken has extensive experience in major projects and PPPs having involvement in the design, construction, operations and ownership (including Concession Financing) of infrastructure both in Australia and overseas. Examples include the Melbourne Citylink the Clem7 tunnels, the new Darwin prison, the new Port Botany container wharf and a cable-stayed bridge in Ho Chi Min City.</p> <p>Ken has held Directorships and Senior Executive roles in a number of organisations including Baulderstone, Lend Lease and Transurban leading the Transurban equity investment of the M7 Motorway and taking up the initial CEO role for the M7 Motorway.</p> <p>Qualifications: B Engineering (Civil)</p>
Tricia Wunsch	Director Community and Stakeholder Relations (Oct 2014-June 2015)	<p>Tricia has more than 20 years' experience as a corporate executive and consultant for top tier listed companies, government and not-for-profits across a diverse range of industries.</p> <p>Tricia has held Senior Executive roles with the Metropolitan Fire Brigade, Acciona, Hadsel Grace &amp; Associates, and Tabcorp Holdings.</p> <p>Qualifications: B Arts</p>

## WestConnex Delivery Authority organisational structure





## 5. Key dates

<b>Date</b>	<b>Milestone</b>
August 2014	M4 Widening Environmental Impact Statement released for community comment
September 2014	Call for expressions of interest to build King Georges Road Interchange Upgrade New M5 pre-construction work (geotechnical drilling) started
October 2014	King Georges Road Interchange Upgrade Environmental Impact Statement released for community comment
November 2014	Planning application lodged for the New M5 tunnels
December 2014	Plans for M4 Widening approved M4 Widening contract awarded to Rizzani De Eccher Leighton joint venture
March 2015	First sod-turning on the M4 Widening Plans for King Georges Road Interchange Upgrade approved
April 2015	M4 East midway tunnel construction point announced
May 2015	King Georges Road Interchange Upgrade contract awarded to Fulton Hogan Construction
June 2015	Preferred design for M4 East tunnels announced New M5 western entry point announced

## **6. Review of operations**

WestConnex has been designed to limit the number of property acquisitions and reduce the impact on local communities and the environment.

WestConnex is being delivered in three stages, over 10 years. In 2014-15 significant work was undertaken to progress each of the project's three stages.

### **Stage 1 - M4 Widening**

The M4 Widening will widen the M4 Motorway to four lanes in each direction between Church Street, Parramatta and Homebush Bay Drive, Homebush. This section of the M4 is one of Sydney's most congested roads. In 2031, the \$500 million project is expected to cut travel times for motorists by as much as 74 per cent.

### **Contracts**

In early December 2014, the contract to design and construct the M4 Widening was awarded to the Rizanni Leighton Joint Venture, while the independent certifier contract was awarded to Jacobs Group (Australia). The contract for tolling infrastructure was awarded to Kapsch Traffic Com Australia.

### **Environmental Impact Statement**

The Environmental Impact Statement (EIS) for the M4 Widening was displayed for public feedback during August and September 2014. A number of public displays were established and drop-in sessions held to inform the community about the EIS and encourage submissions.

### **Planning approval**

Planning approval for the M4 Widening was received in December 2014, enabling pre-construction activities to progress. Pre-construction activities included the development of a number of management plans including traffic and the Contractors Environmental Management Plan (CEMP), which includes information on how environmental impacts will be mitigated. The CEMP was approved in May 2015.

### **Initial works and construction**

Between January and May 2015, final geotechnical work and investigation of utilities were completed. This work informed the design development and ensured that major construction works were able to commence as soon as all other approvals were received.

In February 2015, the project delivery team was established and co-located at Silverwater with the design and construction contractor and the independent certifier.

Following the sod turning in March and associated site preparation work, major piling work and the development of the pre-cast yard began in June. Also in June, procurement and a detailed design for the project progressed.

The M4 Widening will support 1000 jobs on site and another 1000 in associated industries off site.

## **Stage 1 - M4 East**

The M4 East will extend the M4 Motorway from Homebush Bay Drive, Homebush to City West Link/Parramatta Road, Haberfield with two new tunnels, providing up to three lanes in each direction. Subject to planning approval, construction is expected to start in mid-2016 and is expected to be completed in 2019.

## **Contracts**

In 2014-15, the contract to design and construct the M4 East was awarded to the Leighton, John Holland, Samsung Joint Venture. The Independent Certifier contract was awarded to APP SMEC Joint Venture.

## **Environmental Impact Statement**

Significant work to prepare the Environmental Impact Statement for the M4 East was undertaken in 2014-15. The EIS is expected to be displayed for public feedback in September 2015, with planning approval targeted for early 2016.

## **Property acquisition**

The alignment of the motorway has been designed to limit the number of properties required. The acquisition of the 182 properties and 10 local roads required to build the M4 East began in early June 2015.

## **Stage 2 - New M5**

The New M5 will double the capacity of the M5 East corridor with new twin tunnels running underground for nine kilometres between Kingsgrove and St Peters. It includes the \$130 million King Georges Road Interchange Upgrade, which will cut interchange travel times by up to half. The New M5 project will also transform a waste facility into a new interchange at St Peters to provide motorists with connections to Alexandria, Green Square, Redfern, Marrickville and Mascot.

## **Federal Government concessional loan**

In June 2014, the Federal Government announced a \$2 billion concessional loan to fast-track the New M5. The loan enabled work on the King Georges Road Interchange Upgrade to begin in July 2015, up to 18 months earlier than planned.

## **Contracts**

Expressions of interest for international contractors to design and construct the New M5 were called in September 2014 and a shortlist was announced in November 2014. Tender submissions were received in March 2015. A Commitment Deed was signed shortly after the reporting period, with the Leighton Dragados Samsung joint venture.

The construction contract for the King Georges Road Interchange Upgrade was awarded to Fulton Hogan in May 2015.

## **Alexandria Landfill**

In 2014-15, WDA took possession of the Alexandria Landfill, the proposed site for the St Peters Interchange. Clean up work is underway at the site, under existing EPA licences and approvals.

## **Stage 3 - M4-M5 Link**

The M4-M5 Link will join the M4 and M5 from Haberfield to St Peters with two new tunnels, three lanes in each direction. The M4-M5 Link will also provide connections to Victoria Road and the Anzac Bridge.

In 2014-15, WDA began to prepare the business case for the Stage 3 M4-M5 Link. The business case will be submitted to the NSW Government later in 2015.

In November 2014, the NSW Government endorsed the Stage 3 Strategic Project Definition Plan. This report recommended a realignment of Stage 3 from Parramatta Road to a "City West Link" duplication with an interchange within the Rozelle Goods Yard to facilitate the future delivery of the proposed Western Harbour Tunnel.

## **The Northern and Southern Extensions**

In June 2014, the NSW Government requested that WDA investigate two potential extensions of the WestConnex motorway to provide enabling works for an additional harbour road crossing and improve connectivity to the Illawarra. These were:

- a Northern Extension, from the M4-M5 Link toward ANZAC Bridge and Victoria Road, providing access to the future Western Harbour Tunnel.
- a Southern Extension, from the New M5 at Wolli Creek to Kogarah.

This work was carried out in 2014-15. As a result of this work, the alignment of the M4-M5 Link was redesigned to incorporate the Northern Extension as part of Stage 3.

Whilst the Southern Extension is not included in the scope of WestConnex, enabling works will be undertaken to ensure that Stage 2 will be able to connect to a future Southern Extension.

## 7. Community engagement

During 2014-15, WDA undertook a broad and varied program of community engagement, communication and consultation.

### Community Information sessions

WDA hosted 16 community information sessions throughout the year for interested residents as part of ongoing community consultation. These community information sessions supported the M4 Widening and King Georges Road Interchange Upgrade Environmental Impact Statements, the New M5 St Peters Interchange announcement, and the M4 East midway construction point and preferred design announcements.

Sessions were held at:

- Parramatta Town Hall, Monday 25 August 2014, 3pm to 6pm
- Newington Community Centre, Tuesday 26 August 2014, 2.30pm to 5.30pm
- Granville Town Hall, Wednesday 27 August 2014, 3pm to 6pm
- Strathfield Library, Monday 1 September 2014, 11am to 1pm
- Auburn Centre for Community, Saturday 6 September 2014, 10am to 1pm
- Regina Coeli Church Hall, Saturday 1 November 2014, 9am to 12pm
- Beverly Hills North Public School, Monday 10 November, 3pm to 7pm
- St Peters Town Hall - Sydenham, Tuesday 25 November, 10am to 2pm and 4.30pm to 7.30pm
- St Peters WestConnex Pop-up - Saturday 22 November, 10am to 1pm
- Enmore Theatre - Newtown, Monday 23 February, 7pm to 8.30pm, Presentation and audience Q&A
- St Peters WestConnex Pop-up - Thursday 5 March, 2pm to 7.30pm
- Canterbury Council, Thursday 23 April 2015, 10am to 12pm
- Hurstville Library, Thursday 23 April, 2pm to 4pm
- M4 East Consultation on midway construction point – Club Burwood RSL, Friday 8 May, 11am-2pm and 4.30pm-6.30pm.

### Door knocking

WDA undertook a range of door-knocking activities in 2014-15 to notify residents of updates to the project. Residents were notified of property impacts, geotechnical investigations, air quality and noise monitoring activity and construction impacts.

WDA door-knocked:

- Over 90 residences regarding the construction compound for the King Georges Road Interchange Upgrade (August 2014)
- Over 70 residences in the road widening corridor in St Peters regarding property acquisition (November 2014)

- Over 90 residences in Concord (April 2015)
- Over 170 residences in Homebush, Concord, North Strathfield, Ashfield, and Haberfield regarding the M4 East preferred design and property acquisition (June 2015)
- Over 200 residences in Kingsgrove regarding the New M5 Western portal (June 2015).

WDA letter-box dropped or door-knocked more than 2,100 properties about geotechnical investigations for Stage 2.

WDA also delivered over 85,800 notifications about construction, geotechnical investigations and other work during 2014-15.

## **Kiosks**

In February 2015, WestConnex opened public information kiosks in local shopping centres to provide further information in communities along the WestConnex corridor. The kiosks provided a first point of contact, with staff able to answer basic questions about the project. Questions requiring detailed answers or customers with complex or sensitive issues were referred to WDA's Community Engagement team.

The kiosks were located at:

- Centro Roselands Shopping Centre, Roselands Drive, Roselands
- Westfield Hurstville, Corner of Cross Street and Park Road, Hurstville
- Westfield Burwood, 100 Burwood Road, Burwood
- Westfield Parramatta, 159-175 Church Street, Parramatta.

In total, 18,532 customers visited the four kiosks between February and June 2015.

## **Sydney Royal Easter Show**

WDA participated in the Easter Show as part of the Transport for NSW display. Staff engaged with 3875 customers over the duration of the Easter Show and the overall display was awarded Best in Show for the Commercial Exhibitor Awards.

## **Brochures**

WestConnex published and distributed eight different community updates. These covered:

- King Georges Road Interchange Upgrade (July 2014, 6,000 recipients)
- M4 Widening EIS (August 2014, 89,000 recipients)
- King Georges Road Interchange Upgrade EIS (Oct 2014, 5,500 recipients)
- St Peters Interchange (November 2014, 8,700 recipients)
- M4 East midway tunnelling point (April 2015, 1,800 recipients)
- King Georges Road Interchange Upgrade (May 2015, 5,500 recipients)

- M4 East (June 2015, 108,000 recipients)
- New M5 (June 2015, 2,700 recipients)

WDA also produced and distributed a range of project fact sheets during 2014-15.

## **Meetings and briefings with key stakeholders**

In 2014-15, WDA held over 300 meetings and briefings with key stakeholders to update them on the project, answer questions and respond to feedback. These stakeholder groups and activities included:

- Presentations to Rotary groups, sports clubs and residents associations
- Ongoing interagency consultation with Urban Growth NSW, Department of Planning and Environment, Roads and Maritime, Transport for NSW, and other government agencies
- Meetings and briefings to selected peak industry groups, preservation/progress societies, school communities
- Executive briefings to key groups, including business associations and industry groups.

## **Ongoing feedback recorded via WestConnex information line and correspondence**

WDA staff answered 3,792 phone calls on the Community Information Line in 2014-15, which was operational between 8:30am and 5:30pm Monday to Friday, and at key times outside office hours.

WDA received 903 emails, 313 feedback submissions via the WestConnex website and 40 letters of enquiry. WDA replied to 653 stakeholder emails online and made 1,011 outgoing phone calls to stakeholders. Additionally, WDA replied to or provided advice on 301 letters received by Members of Parliament.

In 2014-15, WDA provided updates on key project milestones to subscribers to project-based mailing lists. WDA distributed 13 email updates to relevant mailing lists, totalling 37,337 individual emails.

## **Research**

WDA undertook baseline quantitative (December 2014, Greater Sydney and along corridor) and qualitative (May 2015) research for the M4 Corridor.

The quantitative study was designed to measure and benchmark community awareness, interest, knowledge and perceptions of WestConnex. It comprised an online survey of 1,555 respondents conducted between 11 and 23 December 2014. It evaluated attitudes within the Greater Sydney area as well as the attitudes of local residents living along the WestConnex route.

The qualitative study was based on a series of six focus group discussions conducted between 7 and 12 May 2015. The study involved two groups comprising people living west of Parramatta, two groups comprising people living along the M4 East corridor and two groups

comprising people living along the M4 Widening corridor. The groups included a mix of people of different age, gender, life stage and cultural backgrounds as well as a mix of home-owners and renters and people who used the M4 and public transport with varying degrees of frequency.

The research found that support for investment in both public transport and roads was strong, most respondents had a positive opinion of WestConnex, and that attitudes became significantly more positive after respondents were provided with information about the project.



## 8. Environment and sustainability

### Policy

The WestConnex Environment and Sustainability Policy sets out the sustainability vision and commitments for the project, and describes how these will be met throughout the motorway's design, construction and operational stages.

### Environment and sustainability objectives

WDA's overarching environment and sustainability objectives are to:

- Demonstrate sustainability leadership and continual improvement
- Protect and enhance the natural environment and local heritage
- Contribute to liveable communities (ease congestion, connect communities, integrate land use and transport planning and facilitate urban revitalisation)
- Optimise resource efficiency (materials, energy, water, land) and waste management
- Increase resilience to future climate
- Allow for future transport needs (transport modes, connectivity for multi-modal extensions, access points)
- Support sustainable procurement – whole-of-life environmental, social and economic considerations
- Maximise equitable training and employment opportunities.

### Strategic Environmental Review

In addition to the Environmental Assessments prepared for each project in accordance with State and Federal environmental legislative requirements, a Strategic Environmental Review (SER) has been undertaken for the motorway. This was published in 2013. In 2014-15, WDA began work to update the SER to ensure it considered changes to relevant environmental factors since it was published, such as changes to the WestConnex alignment and developments in NSW Government policy. As of 30 June 2015 this work was being finalised and is expected to be completed in late 2015.

## **Sustainability Strategy**

In 2014-15, WDA developed the WestConnex Sustainability Strategy to integrate environmental sustainability into the planning, construction and operation of WestConnex. The strategy defines WDA's sustainability vision, commitments, guiding principles, objectives and overarching targets across a range of sustainability themes, and ensures a consistent approach to sustainability across WDA's business units and the project's delivery. Objectives and targets specific to each stage of the project will be set based on the Sustainability Strategy.

## **Initiatives**

### **Sustainability Management Plans**

The objectives and targets of the WestConnex Sustainability Strategy will be met through the contractual requirements, tender evaluation criteria and Sustainability Management Plans for each stage of the project. Selected contractors for the design and construction for each stage will develop a Sustainability Management Plan detailing the processes and methodologies for implementing sustainability initiatives into their design, procurement and construction processes and achieving the sustainability targets and objectives. The contractor will also regularly report on progress towards achievement of the sustainability objectives and targets.

### **Sustainability rating**

The Infrastructure Sustainability rating scheme provides a third party assurance review of a project's sustainability performance (environmental, social and economic, impacts and opportunities evaluated).

The IS scheme is administered by the Infrastructure Sustainability Council of Australia (ISCA). ISCA is a member-based, not-for-profit industry (public and private) council. All stages of WestConnex must achieve an Infrastructure Sustainability rating of at least Excellent.

### **Minimising surface land impacts and land remediation**

In 2014-15, detailed work was carried out to ensure the alignment of the motorway was designed to limit the number of property acquisitions and its impact on the environment and communities.

Land in the WestConnex corridor has high environmental, social and economic value. WDA has selected, and will continue to select, contractors for the design and construction of WestConnex that have found innovative ways to reduce the impact on the surface.

In 2014-15, WDA sought to maximise opportunities to remediate contaminated land and provide green space for the community along the WestConnex corridor. WDA determined that the new St Peters Interchange, which forms part of Stage 2, New M5, would be located in an old landfill and waste transfer facility in Alexandria to minimise the impact on local traffic and surrounding residential areas. WDA will stabilise and remediate parts of the old landfill site, leaving a positive legacy for the community.

## **Skills and employment legacy**

In 2014-15, WDA developed a skills and employment approach to provide the WestConnex construction workforce with transferable knowledge, skills and experience that contributes to sustainable employment. Minimum contractual requirements for apprenticeships/traineeships on a project-by-project basis were also set.

WestConnex will generate training, education and employment opportunities (including hundreds of apprenticeships/traineeships) which can provide people with transferable knowledge, skills and experience that contribute to sustainable employment.

WDA has developed a skills and employment approach to ensure the project leaves a positive skills and employment legacy for NSW. The NSW Government and WDA have committed to:

- Maximising the employment of apprentices/trainees
- Setting minimum contractual requirements for apprenticeships/traineeships on a project-by-project basis
- Providing WestConnex construction workers with transferable skills for their future, by ensuring the construction Contractors provide structured training to at least 20% of the workforce
- Encouraging contractors to provide skills and employment opportunities to young people, Aboriginal and Torres Strait Islanders, disadvantaged groups, the long-term unemployed and people who live in Greater Western Sydney and along the project's alignment
- Encouraging contractors to engage local, Indigenous and small and medium enterprise suppliers.

This legacy will continue with SMC once the transfer of the delivery function of WDA to SMC is complete.

## **Implementation of the NSW Government Resource Efficiency Policy**

A number of the NSW Government Resource Efficiency Policy measures, targets and minimum standards have been included within the WestConnex Sustainability targets and project specific contractual requirements. For example, the M4 East and New M5 projects will purchase a minimum of 6 per cent GreenPower.

## **Corporate Energy, Water, Waste**

The WDA and SMC teams are located within Roads and Maritime's Miller Street offices, and Roads and Maritime vehicle fleet are used. Water, energy and waste reduction, monitoring and reporting requirements associated with WDA and SMC corporate activities are included in the Roads and Maritime Annual Report.

## 9. Appendices

### Appendix 1: Obligations under the GIPA Act

WestConnex obligations under the GIPA Act were managed and met by Transport for NSW (TfNSW) and statistical information about access applications is reported in the TfNSW Annual Report.

### Appendix 2: Privacy Management Plan

Clause 6 of the Annual Reports (Department) regulation 2010 requires NSW Government Agencies to provide a statement of the action taken by the Department in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (PIIP Act).

In compliance with section 33 of the PIIP Act, TfNSW has a Privacy Management Plan which has been adopted by WDA. The Plan includes: information about the development of policies and practices to ensure compliance by the agency with the requirements of the PIIP Act and the Health Records and Information Privacy Act 2002 (HRIP Act); the procedures that the agency adopts in relation to any internal review under part 5 of the PIIP Act; and such matters as are considered relevant by WDA in relation to privacy and the protection of personal (and health) information held by the agency.

The Plan is located on the TfNSW website at [transport.nsw.gov.au/about/privacy](http://transport.nsw.gov.au/about/privacy)

WDA's Privacy Policy is located on the WestConnex website at [westconnex.com.au/privacy\\_policy.html](http://westconnex.com.au/privacy_policy.html)

WDA has been working with TfNSW towards creating greater consistency in the management of personal information to achieve the best possible results for members of the public. The Privacy Management Plan is designed to provide the highest standard of information about the compliance with the information protection and health records principles in the PIIP and HRIP Acts.

As a demonstration of WDA's commitment to privacy, WDA was involved in Privacy Awareness Week (3-9 May 2015).

Questions, compliments or complaints about WDA's management of personal and health information should be directed to the Privacy Officer:

Post:	The Privacy Officer WDA Locked Bag 928 North Sydney NSW 2059
Phone:	02 8588 5881
Email:	<a href="mailto:privacy@westconnex.nsw.gov.au">privacy@westconnex.nsw.gov.au</a>

## Privacy reviews

During 2014-15 WDA did not receive any applications for any review of conduct under part 5 of the PPIP Act.

## Appendix 3: Public Interest Disclosures Act 1994

In accordance with section 31 of the Public Interest Disclosures Act 1994 (the Act), WDA must include in its annual report the following information:

1. Whether the public authority has a Public Interest Disclosures policy in place.

The TfNSW *Public Interest Disclosures Policy and Procedures* documents were adopted by WDA. The Transport cluster Code of Conduct, also adopted by WDA, outlines positions and obligations provided for in the Act.

2. What action has the head of the public authority taken to ensure staff awareness responsibilities under section 6E(1)(b) of the Act have been met?

The CEO has undertaken the following activities to ensure WDA staff and contractors are aware of the Act and their rights and obligations under the Code of Conduct:

- The TfNSW Public Interest Disclosures Policy and Procedures documents are on TfNSW's intranet under a *Conduct and Ethics* page, where internal reporting hotlines and the Code of Conduct are also located. This page provides information on the significance and purpose of the Act
- The Code of Conduct, which refers to the Act as a key document, is presented to staff upon commencement and circulated to all staff on a regular basis. The Code is located on the TfNSW intranet
- A number of training and presentation sessions have been provided to WDA staff and senior officers by the Independent Commission Against Corruption (ICAC) on corruption awareness and the role of ICAC. These included information about the Act and its protections.

## Appendix 4: Management remuneration, structure and responsibilities

### WestConnex Delivery Authority Senior Executive Service

Financial Year 2014 – 2015				
Senior Service Level	Female	Male	Total	Average of TRP
Senior Service Level 2		2	2	\$234,306
Senior Service Level 3	1	3	4	\$283,185
Senior Service Level 4			0	
Senior Service Level 5	0	2	2	\$397,500
Senior Service Level 6		2	2	\$552,332
<b>Total</b>	<b>1</b>	<b>9</b>	<b>10</b>	

The names, offices, qualifications and responsibilities of principal officers at 30 June 2015.

Name	Position	Qualifications	Responsibilities
Dennis Cliche	Chief Executive	Masters of Business Administration Concordia University  Bachelor of Engineering McGill University	The Chief Executive provides strategic leadership, direction and management for the WestConnex project.
Robert Rust	Chief Operating Officer	Bachelor of Engineering (Civil) University of Technology	The Chief Operating Officer is primarily responsible for coordinating the delivery of the three stages of the WestConnex project to budget, within the required timeframes and to the appropriate standards.

Name	Position	Qualifications	Responsibilities
Bill Hartnell	Chief Financial Officer	Masters of Business Administration Australian Graduate School of Management  Bachelor of Commerce, Finance UNSW	The Chief Financial Officer leads, directs and manages strategic finance functions and ensures statutory financial compliance with internal and external audit requirements. The position is primarily responsible for developing, implementing and maintaining financial and management and accounting information, policies and control frameworks, standards, practices, financial systems and minor procurement.
Ken Reynolds	Project director – Stage 2	B Engineering (Civil)	The Stage 2 Project Director is responsible for leading, directing and managing the delivery of WestConnex Stage 2 New M5, within the required time frames and to budget.

## Appendix 5: Management and activities

The NSW Government's investment in WestConnex is primarily via the Sydney Motorway Corporation Pty Limited (SMC) Group, a company incorporated under the Commonwealth Corporation Act in August 2014 and owned by the NSW Government with the Treasurer and the Minister for Roads, Maritime and Freight as the representative shareholders. In November 2014, SMC established a wholly owned subsidiary, WCX M4, which is responsible for the delivery and financing of the M4 Widening and M4 East.

The WestConnex Delivery Authority (WDA) provides project development and management functions for WestConnex and the SMC Group, and holds certain capital assets on a transitional basis. These include:

- Alexandria Landfill Site

The New M5 will connect to a major interchange to be built on what is currently a waste facility at St Peters, to limit the number of properties needed to be acquired and impacts on green space.

The interchange will allow traffic from the New M5 and from the M4 to exit for Sydney Airport, Sydney Port and surrounding areas.

- King Georges Road Interchange Upgrade contract

The King Georges Road Interchange Upgrade Project is part of Stage 2 of WestConnex and will facilitate the construction of the New M5 between St Peters and Kingsgrove. The New M5

will alleviate congestion on the M5 Motorway and the King Georges Road Interchange by lengthening and widening the on and off ramps, upgrading M5 motorway carriageways, realigning cycle routes and improving operational management control systems.

## **Appendix 6: Response to matters raised by the Auditor General**

The Auditor General in the Statutory Audit Reports for the year ended 30 June 2015 identified a number of opportunities to improve governance and independent assurance over the early stages of the WestConnex project, which were implemented.

In June 2015 WDA announced the transfer of the project delivery function of WDA to the project's financing entity, Sydney Motorway Corporation. This resulted in changes to the WDA governance structure.

## **Appendix 7: After balance date events**

WDA has one non-adjusting event after the balance date in relation to compulsory acquisition of land valued at \$26 million which was published in the Government Gazette on 3 July 2015.

The NSW Government has decided to refine the responsibilities for the delivery of WestConnex. As a result, WDA's project delivery roles will move to SMC while its government 'client' functions will move to RMS. These transfers are targeted to occur by September 2015. WDA will remain a subsidiary entity of RMS, pending its wind up and transfer of remaining functions, assets and liabilities to RMS.

## **Appendix 8: Exemptions from Financial Reporting Code**

WDA did not apply for any exemptions from the Financial Reporting Code.

## **Appendix 9: Major assets**

WDA's major asset is land acquired at Alexandria Landfill (Dial-A-Dump site) and work-in-progress in the financial statements relating to King Georges Road Interchange Upgrade.

## **Appendix 10: Land disposals**

WDA did not dispose of any land during 2014-15.

## **Appendix 11: Disclosure of controlled entities**

WDA does not have any controlled entities.

## **Appendix 12: Disclosure of subsidiaries**

WDA does not have any subsidiaries.



## Appendix 13: Internal audit and risk management disclosure

Internal Audit and Risk management Statement for the 2014-15 Financial Year for the WestConnex Delivery Authority:

I, Peter Duncan, am of the opinion that the WestConnex Delivery Authority has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Peter Duncan, am of the opinion that the Audit and Risk Committee for the WestConnex Delivery Authority is constituted and operates in accordance with the independence and governance requirements set out in Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Mr Brian Blood, independent chair (three year appointment from 20 October 2014).
- Mr David Antaw, independent member (three year appointment from 20 October 2014).
- Mr Steve Lennon, independent member (three year appointment from 20 October 2014).
- Mr Rod Pearse, non-independent member (three year appointment from 28 October 2014).
- Mr Peter Brecht, non-independent member (three year appointment from 28 October 2014).

These processes provide a level of assurance that enables the senior management of the WestConnex Delivery Authority to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.



Peter Duncan AM  
Chief Executive  
WestConnex Delivery Authority

## Appendix 14: Risk management and insurance

### Risk management

WestConnex is committed to managing the risks and opportunities in accordance with the AS/NZ ISO 31000:2009 Risk Management – Principles and Guidelines to ensure successful achievement of its objectives in the delivery of the WestConnex program of works.

A risk management framework has been implemented that enables WestConnex to manage risk in an effective, efficient and consistent way across all projects and corporate functions. Clear roles and responsibilities ensure risk management is embedded within the organisation.

Structured processes are in place for the measurement and reporting of risk management activities. Risks are escalated to the right level in the organisation. Risk reports and registers are reviewed monthly by the Executive Team. Reports are provided to the Audit and Risk Committee (Quarterly) and Board (Monthly).

WestConnex's risk management framework complies with the NSW Treasury Internal Audit and Risk Management Policy (TPP 15-03).

WestConnex's Risk Management Policy outlines the commitment to risk management and the obligations of WestConnex staff. The overriding purpose is to ensure that opportunities are fully exploited and that threats are mitigated.

WestConnex is committed to:

- Embedding a strong, proactive and risk-aware culture throughout its business including within service providers and contractors.
- Implementing systems and processes for risk management which provide assurance to key stakeholders.
- Managing risks in accordance with best practice principles.

WestConnex project risks are allocated to the party who is best placed to manage the risk to arrive at an optimum value for money outcome. The procurement method used will determine the risk allocation for each stage of the WestConnex program of works.

The awareness and process of risk management is integrated into the culture of the organisation and includes leadership and commitment from the Board, the Audit and Risk Committee, the Chief Executive, Project Directors, the Executive Leadership Team and staff.

### Insurance

WDA is insured under NSW's Treasury Managed Fund (TMF). WDA's policy is based on TMF's Statement of Cover. TMF is a self-insurance scheme provided by SICorp, a branch within the NSW Department of Finance and Services to cover all the insurable risks of the participating government agencies.

The TMF provides the following areas of cover for WDA:

- Workers Compensation
- Liability (Public Liability, Professional Indemnity, Directors and Officers Liability and Product Liability)
- Property
- Comprehensive Motor Vehicle

- Miscellaneous Risks

The NSW Treasury now requires all NSW Government agencies, other than State Owned Corporations, to place Principal Arranged Insurance (PAI) through SICorp for all government capital works projects estimated to cost \$10 million or more. Contractor-arranged insurances (CAI) are required for any contract not covered by PAI. CAI is taken out by the contractor to protect themselves against potential risks and liabilities that could arise as a result of services provided under the contract. A certificate of currency must be provided by contractors engaged by TfNSW.

## **Digital Information and Security Attestation Statement**

The NSW Government's Digital Information Security Policy requires that each NSW Government Department and Statutory Body must include a Digital Information Security Annual Attestation Statement in its Annual Report under the section dealing with risk management and insurance activities.

I, Peter Duncan, am of the opinion that WestConnex Delivery Authority (WDA) had an Information Security Management System (ISMS) in place during the 2014-15 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls designed to mitigate identified risks to the digital information and digital information systems of WDA are adequate, however it is acknowledged that some of these systems are in the early stages of development as WDA is a newly formed agency.

WDA risks to digital information are primarily managed and mitigated within the Transport for NSW (TfNSW) and Roads and Maritime Services (RMS) ISMS. WDA notes that two systems (TeamBinder and BoardPad) are outside of this environment and are not subject to these controls. Plans were in place to develop a WDA ISMS, and undergo certification as to compliance with ISO 27001 Information technology – Security techniques – Information security management systems – Requirements; however, these were not undertaken following the Government's decision to wind-up WDA.

There is no agency under the control of WDA which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.

TfNSW and RMS have maintained compliance with, but are not certified to, ISO 27001 during the 2014-15 financial year, and both are currently being audited by accredited third parties to allow for certification.



Peter Duncan AM  
Chief Executive,  
WestConnex Delivery Authority

## Appendix 15: Credit card certification

I certify that Credit Card usage in WestConnex Delivery Authority during the year ended 30 June 2015 was in accordance with the Premier's Memoranda and Treasurer's Direction.

 30.9.2015

Peter Duncan AM  
Chief Executive,  
WestConnex Delivery Authority

## Appendix 16: Human resources

WDA remained under Transport for NSW's human resources policy framework and aligns to its corporate values.

WDA headcount was 35 full time equivalent (FTE).

WestConnex Delivery Authority workforce (excludes cadets, casuals, and contractors / skill hire)			
Gender			
Annual Salary	Female	Male	Total Count
<\$50,000	0	0	0
\$50,001 - \$75,000	1	0	1
\$75,001 - 100,000	3	2	5
\$100,001 - \$125,000	6	6	12
\$125,001 - \$150,000	2	1	3
\$150,001>*	4	10	14
Total	16	19	35

\* Includes Senior Service receiving a total remuneration package

## Movement in Salaries, wages and allowances

Staff employed under the provisions of the Transport Service of NSW Salaries and Conditions of Employment Award 2011 received annual increases of 2.27 per cent from 1 July 2014.

## Appendix 17: Payment of accounts

All suppliers:

Measure	September \$'000	December \$'000	March \$'000	June \$'000
Number of accounts due for payment	395	602	653	1,045
Number of accounts paid on time	210	450	406	604
Actual percentage of accounts paid on time (based on number of accounts)	53%	75%	62%	58%
Dollar amount of accounts due for payment	\$14,227	\$27,997	\$21,859	\$41,323
Dollar amount of accounts paid on time (based on \$)	\$8,189	\$19,472	\$7,596	\$25,147
Actual percentage of account paid on time (based on \$)	58%	70%	35%	61%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-\$	-\$	-\$	-\$

Small business suppliers:

Measure	September \$'000	December \$'000	March \$'000	June \$'000
Number of accounts due for payment to small businesses	7	3	5	2

Measure	September	December	March	June
	\$'000	\$'000	\$'000	\$'000
Number of accounts due to small businesses paid on time	4	3	3	2
Actual percentage of small business accounts paid on time (based on number of accounts)	57%	100%	60%	100%
Dollar amount of accounts due for payment to small businesses	\$62	\$6	\$153	\$86
Dollar amount of accounts due to small businesses paid on time	\$32	\$6	\$149	\$86
Actual percentage of small business accounts paid on time (based on \$)	52%	100%	97%	100%
Number of payments to small business for interest on overdue accounts	-	-	-	-
Interest paid to small businesses on overdue accounts.	\$0	\$0	\$0	\$0

## Appendix 18: Time for payment of accounts

All suppliers:

Quarter	Current (i.e. with due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
September	\$8,189	\$5,642	\$365	\$30	\$1
December	\$19,472	\$5,152	\$1,327	\$1,708	\$338
March	\$7,596	\$6,361	\$3,798	\$2,886	\$1,218
June	\$25,147	\$9,298	\$5,143	\$714	\$1,020

Small business suppliers:

Quarter	Current (i.e. with due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
September	\$32	\$28	\$2	\$0	\$0
December	\$6	\$0	\$0	\$0	\$0
March	\$149	\$2	\$1	\$0	\$0
June	\$86	\$0	\$0	\$0	\$0

## Appendix 19: Grants to non-government community organisations

There were no grants to non-government community organisations during the reporting period.

## Appendix 20: Overseas travel by WDA staff

There was no overseas travel by WDA staff during the reporting period.

## **Appendix 21: Payments to consultants**

There were nil payments to consultants.

## **Appendix 22: Transport for NSW practices and policies adopted by WDA**

Information about the following WDA policies and practises can be found in the Transport for NSW Annual report 2014-15.

- Work health and safety
- Workforce diversity
- Multicultural Policies and Services Plan
- Agreements with the Community Relations Commission
- Disability Action Plan
- Resource efficiency



**westconnex.com.au**

**Tel 1300 660 248**

Locked Bag 928, North Sydney NSW 2059

**Disclaimer**

While all care is taken in producing this work, no responsibility is taken or warranty made with respect to the accuracy of any information, data or representation. The authors (including copyright owners) expressly disclaim all liability in respect of anything done or omitted to be done and the consequences upon reliance of the contents of this information.

**© WestConnex Delivery Authority**

Users are welcome to copy, reproduce and distribute the information contained in this report for non-commercial purposes only, provided acknowledgement is given to WestConnex Delivery Authority as the source.

ISSN 2205-8834

