

## **WestConnex - a case study in how things are still done in NSW**

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Corruption, dodgy deals and vested interests have unfortunately been synonymous with NSW politics for a long time. After sixteen years of ALP rule which saw government ministers delivering sweet deals for big business, developers, coal mining companies and their mates, the NSW public made it clear that enough was enough. The Coalition was elected on a landslide in 2011 only to be exposed for having some rather dirty laundry of their own.

But when Mike Baird stepped up to lead the state nearly two years ago, there was at least a sense that those dark days were behind us and that things would change. Surely, we would see an end to in house corruption, improvements to governance, and increases in transparency and improvements to independent oversight - all cornerstones of a functioning democracy.

However with the Liberal government's privatisation agenda working overtime and Baird driving the country's most expensive - and apparently the southern hemisphere's largest - urban motorway project, there's a growing lack of confidence in his seemingly shiny clean exterior.

WestConnex is the penultimate example of how things are *still* done in NSW politics. Shoddy, irregular and ad hoc planning, the lack of a credible business case, massive budget blowouts ,a complete absence of any genuine community consultation, no clear community benefit - all of this is on display for all to see.

So why this mammoth infrastructure project? And who's benefiting from it? It seems NSW politics is back to its old shady ways.

### **Planning rubber stamp**

WestConnex is a 33 km, private tollroad with an exorbitant \$16.8 billion price tag - a \$6.8 billion cost blowout and climbing from when it was initially announced in 2012, despite the fact that major works have not yet started or even been approved by the NSW Department of Planning.

It would be reasonable to think that such a significant project – funded by public money from Federal and State governments, would have broad reaching support and strong advocates, but this is not the case.

WestConnex is coming under increasing scrutiny and facing well founded criticism – not just because it beggars belief that in 2016 we are planning to spend billions on a polluting, private tollroad in the middle of metropolitan Sydney rather than investing in integrated, world-class public transport, but because the irregular approach with respect to the governance, planning and development of this mega project has been scandalous and is nothing short of grossly deficient.

Given the growing list of failed tollroads around the country one would assume that a project of this size and cost would have undergone extremely rigorous planning and budgeting, that strong governance and independent review mechanisms would have been in place right from the concept stage, but in fact the reverse has been the case as highlighted by the NSW Ombudsman's [report](#)

from December 2014 or the City of Sydney's independent [report](#) from Oct 2015.

Meanwhile hundreds of residents in Haberfield, Ashfield, Strathfield, & St Peters are facing the loss of their homes, months before any Planning approvals have been given for work to commence on either the M4 East or the New M5. They are being forced out of their homes, reluctantly accepting compensation payouts far below market price, because they can't afford to run costly appeals. And under a process we now discover was found to be wanting in a [state government report](#) from 3 years ago.

Construction has proceeded in areas contaminated with asbestos without adequate safety procedures in place nor proper community notification. And there are glaring omissions in the Environmental Impact Statements that have been prepared with numerous local schools, some sports fields and key community facilities and organisations not even identified in the New M5 EIS, much less consulted.

Thousands of individual and key peak organisation submissions against the M4East EIS have been virtually hidden by NSW Department of Planning on their WestConnex [Major Projects](#) site so the large and credible opposition to this project is not easily accessible.

## **Business Case spin**

The long awaited updated WestConnex Business Case was delivered following the final sitting week of the NSW Parliament in December last year after billions of dollars of contracts had already been signed and planning for Stage 1 sections had already been submitted.

This document is an impressive (and extensive!) exercise in spin. It doesn't offer any comprehensive alternate public transport scenarios to solve Sydney's transport issues, many experts in a range of fields have questioned the financial assumptions and many sections have been redacted so the traffic modelling figures can't be independently assessed.

But key elements can't be hidden, like the fact that while the first two stages will be financed by a combination of taxpayer money and loans to be repaid from tolls, the third stage is identified as not being financially viable and completely un-funded. Perhaps funds will be found from the further fire sale of public utilities and services and, almost certainly from the sale of both Stages 1 and 2 to private toll road companies.

The official WestConnex documents acknowledge that under the proposed new tolls, traffic levels will fall below their current levels on the M4 and M5, as people flow into surrounding roads to avoid the tolls. This will cause an increase in traffic jams at scores of key existing intersections and surrounding roads as noted in the M4 East and New M5 EIS documents—hardly a solution to Sydney's congestion woes!

The much touted \$20 billion economic benefit has been calculated in terms of 'expected time savings' and reliability however as [experts have explained](#), savings in personal travel time do not equate with higher productivity and the monetary value placed on these savings has been vastly overestimated. It is clear this is a spurious claim.

## **Liberals tollway vision**

So where do Mike Baird and Malcolm Turnbull sit with this proposed polluting tollway disaster? NSW Liberal government's arrogant Roads Minister Duncan Gay is aggressively driving it and the former PM Tony Abbott was one of its greatest champions. But is this dirty, polluting, budget blackhole of an infrastructure project really what Baird and Turnbull want as their legacy?

There's been a tacit view that nothing will stop this monstrosity. Not the opinion of former Infrastructure Australia board member, Professor Peter Newman who first [slammed](#) WestConnex in April last year saying it had not passed any impartial assessment of its merits and that normal planning and consultation processes had been subverted. He claimed WestConnex was an antiquated approach to transport planning driven by an arbitrary political decision by Tony Abbott. Nor the NSW [Auditor](#) General's report from Dec 2014, highlighted similar concerns including the lack of independent monitoring of the concept, business case and tendering for WestConnex.

Criticism and public opposition has been mounting from all quarters – including all affected local councils, experts, professional bodies, local residents, schools and community organisations. Even CEO of the Committee for [Sydney](#) slammed the idea. Most recently, even one of the initial proponents of WestConnex, Shadow Minister for Infrastructure, Anthony Albanese [criticised](#) the planning and rationale for the project – despite the fact that it was on his watch as former Infrastructure Minister that the initial federal money for this project was granted.

Despite this growing doubt – or indeed perhaps because of it - WestConnex is advancing at an alarming pace even though planning approval has not been granted.

This is NSW, why waste time waiting for the rubber stamp of planning approval?

## **Public monies flowing into private companies**

Billions in contracts have already been signed. The contracted developers (Leighton Samsung John Holland Joint Venture) obviously believe approval for the M4 East and New M5 Westconnex stages will simply be a rubber stamp, as numerous key positions for work on these stages of the toll road construction have already been advertised.

To add to all of this, the entire project is now being overseen by the newly formed Sydney Motorway Corporation (SMC), a private corporation set up to secure the finance and ongoing project delivery (with two high ranking government minister shareholders and a government public service Director as witnesses). The establishment of SMC will further obscure details concerning this project, including the massive contracts and government funding agreements because the SMC will be outside the GIPA Act – which means it will not subject to freedom of information requests - and it will no longer have to publish contracts even though this is a core accountability issue for all government departments.

Given the damage that a lack of transparency, good governance and independent oversight has had on NSW political decisions of the past, it's hard to imagine how this arrogant and secretive approach will end well for Baird and Turnbull.

Both have strong backgrounds and professional experience in finance and promote squeaky clean images but in the end they are ultimately responsible for this dodgy, infrastructure disaster.

So why is it going ahead? It's clear that WestConnex will not solve Sydney's transport congestion problems, but it will enable the NSW and Federal Government to undertake a massive transfer of public funds into private hands under the guise of infrastructure project.

The Federal Government has promised \$1.5 bn direct grant funding as well as an additional \$2 billion in concessional loans to WestConnex – something that is still supported by the ALP despite their local cries of opposition to elements of this disaster. In addition to this CBA, Credit Agricole, NAB and Westpac banks have recently signed onto a rather paltry \$1.5bn seven year project loan, which some experts say shows a lack of confidence in the overall financial modelling for Westconnex.

On top of all of this, another \$1.8bn will come from the NSW Government. These sums of money are just the tip of the iceberg - expensive tolls and more taxpayer's money will be required to build this small 33 km stretch of road and tunnels which will no doubt will be sold off to a private toll road consortium for far less than the excessive cost to build.

The private toll road company Transurban currently manages and runs 12 key Australian roads as well as many others in the US. Former Premier of NSW and the inaugural Chairman of Infrastructure NSW, Nick Greiner is currently an advisor to Transurban and was leading Infrastructure NSW when this newly created body propelled WestConnex to become the state's major transport infrastructure project.

And so the NSW revolving door between government and big business continues to be well oiled.

Given the backlog of road and transport black spots throughout NSW, and the desperate need for more public transport infrastructure in Sydney and in other towns and cities, it belies belief that in a city of almost 5 million, this polluting \$16.8 billion toll road will be built to service a minute percentage of commuters and businesses who can afford to pay the expensive tolls that will eventuate when there are so many other solutions.

It's clear the long-held nexus between the NSW government with big corporations and developers is what is driving this financial and environmental disaster.

Given NSW's history of dodgy deals, and the amount of public money that is at stake, it's high time the federal government stepped in and supported the Greens call for a halt to all construction and funding of WestConnex until there's an independent enquiry and an investigation by the federal Auditor General's to assess whether the case for this toll road really stands up.

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