

**REPORT ON PROCEEDINGS BEFORE**

**PUBLIC ACCOUNTABILITY COMMITTEE**

**IMPACT OF THE WESTCONNEX PROJECT**

**UNCORRECTED PROOF**

**At Macquarie Room, Parliament House, Sydney on Thursday, 11 October 2018**

**The Committee met at 9:38 a.m.**

**PRESENT**

Reverend the Hon. Fred Nile (Chair)

The Hon. Greg Donnelly  
Ms Cate Faehrmann  
The Hon. Wes Fang  
The Hon. Shayne Mallard  
The Hon. Daniel Mookhey  
The Hon. Dr Peter Phelps



**The CHAIR:** Welcome to the second hearing of the Public Accountability Committee inquiry into the impact of the WestConnex project. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to elders, past and present, of the Eora nation and extend that respect to other Aboriginals who may be present. Today we will hear from government departments and agencies, including the Department of Planning and Environment, Infrastructure NSW, the Audit Office of New South Wales, Dr Raymond Nassar, the Transport Workers Unions and a number of community and resident groups.

Before we commence, I will make some brief comments about the procedures for today's hearing. The hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they have completed their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation.

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

Witnesses are advised that any messages should be delivered to Committee members through Committee staff. To aid the audibility of the hearing, I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loud speakers for persons in the public gallery who have hearing difficulties. I ask everyone to turn their mobile phones to silent for the duration of this hearing. Finally, I welcome the many people in the public gallery today. I remind everyone in the audience that this hearing is not an open forum for comment from the floor. Audience interruptions can make it difficult for witnesses to communicate with the Committee and for Hansard to record the proceedings of the hearing.

**MARCUS RAY**, Deputy Secretary, Planning Services, Department of Planning and Environment, affirmed and examined

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

**The CHAIR:** I now welcome our first witnesses, who are from the Department of Planning and Environment. Do either of the witnesses wish to make a short opening statement?

**Mr RAY:** I would like to take advantage of that. Thank you very much for inviting us here today to speak at the inquiry. I will summarise the department's role in relation to WestConnex. I am the Deputy Secretary of Planning Services, and Glenn Snow is the Director of Transport Assessments. My experience includes almost 25 years in the New South Wales Government, and before that I was in the private sector. I have held various positions in the Department of Planning and Environment, and have led the Planning Services Division over the last four years. Glenn has 20 years experience in Government in strategic and statutory planning, major projects assessment, environmental impact assessment and has qualifications in construction management, urban and regional planning.

The role of the division includes, among other matters, the assessment of State significant infrastructure proposals under the Environmental Planning and Assessment Act. The Transport Assessment Team within the division is responsible for independently assessing the impact and benefits of transport projects, including WestConnex, and providing advice and recommendations to assist the Minister for Planning. These independent and rigorous assessments are consistent with those undertaken in private sector developments. Both Glenn and I were employed by the department at the time of the assessment and determination of all five WestConnex proposals. The M4 widening was approved by the then Minister on 12 December 2014, followed by the approvals for King Georges Road intersection upgrade on 3 March the following year. The M4 East was approved by the then Minister for Planning on 11 February 2016, and the new M5 on 20 April that year. The final stage of WestConnex, the M4-M5 link was approved on 17 April 2018 by the current Minister for Planning.

The department undertook a detailed assessment of the five applications in accordance with the relevant legislation and planning instruments, including the provisions of the legislation, part 5 (2) of the Environmental Planning and Assessment Act. A summary of the department's role includes issuing the secretary's requirements for the preparation of the impact statements; conducting reviews of the environmental impact statements in consultation with agencies to make sure they address those requirements; exhibiting those impact statements and inviting submissions; carefully reviewing those environmental impact statements, public and government submissions and the applicant's response to submissions; commissioning and considering input from independent experts on key issues of traffic, noise, air quality, groundwater and urban design; and undertaking a detailed assessment of each project in consultation with key government agencies such as the Environment Protection Authority, the Office of Environment and Heritage, the Department of Industry, the Heritage Council and the Office of the Chief Scientist and Engineer, and carefully considering all submissions raised.

The department also undertakes comprehensive community consultation through the exhibition of the environmental impact statement, including participation in direct consultation activities and meetings with community members and groups. The public exhibition periods for each project exceeded the statutory requirements and reflect the complexity of the projects. The environmental impact statements are publically notified in State and local newspapers and can be viewed on line at local libraries and council offices.

Through each of the assessments a number of common benefits were identified with the project: regional traffic improvements, including road safety improvements, travel time savings, and improved connectivity between Parramatta and the Inner West, Sydney and Sydney's south-west suburbs; improved access to and reliability of the motorway network, enabling more efficient freight movements; facilitation of opportunities for future urban renewal in precincts adjoining the projects; and delivery of new and upgraded pedestrian and cycling infrastructure.

The department's assessments also clearly acknowledge that the projects were to have a high level of impact on acoustic and visual amenity and traffic, particularly during construction, and that this would be particular to some local areas. The assessments acknowledged that construction would require the acquisition of residential properties, businesses and open space, and that the greatest impact would be at Haberfield and Ashfield, where over 50 residences would need to be acquired. This would affect both the heritage fabric of the conservation area, and social cohesion within the suburbs.

The three larger projects—the M4 East, M5 and M4-M5 link—require the construction and operation of air ventilation facilities to exhaust the tunnel emissions. The air quality assessments undertaken for each project predicted that the air quality outcomes would be acceptable, with only minor impacts occurring in a limited

number of locations, and improvements in roadside-level air quality at other locations due to the shift in traffic from surface roads to the tunnels. Although each of the projects has social and environmental impacts the department's assessments determined that on balance the benefits of each project outweighed the impact. However, to minimise the impact of the projects the approvals require a large number of conditions relating to noise and vibration mitigation, traffic management, visual amenity, hydrology and subsidence for both construction and operation, as well as the management of heritage issues, biodiversity, dust nuisance, contamination and complaints during construction. Requirements for urban design and landscaping, community cohesion and the management of residual land post construction are also included.

The tunnel proposals also include strict and transparent air quality provisions which have been informed by advice provided by the independent Advisory Committee on Tunnel Air Quality, which is chaired by the Chief Scientist and Engineer. Through its ongoing assessment of the WestConnex project, the department has incorporated additional requirements for the protection of community amenity. In particular, enhanced protections have been required for spoil and truck management and in relation to construction fatigue for those members of the community who will have exposure to consecutive project impacts. To address impacts associated with construction fatigue, particularly in Haberfield and Ashfield, the infrastructure approval for the M4-M5 link requires the implementation of a construction noise insulation program, the appointment of an independent acoustics advisor, coordination of utility works to ensure respite is provided during construction, and the appointment of a utility coordination manager.

The department has established an infrastructure management team charged with responsibility for regulating the post-approval requirements of the project and monitoring compliance with the conditions. It does this through a review of post-approval documentation, site inspections, consultation with the Environment Protection Authority [EPA] and relevant councils, responding to correspondence with community members and complaints, and monitoring the WestConnex website to ensure Roads and Maritime Services is uploading the correct up-to-date reports, plans and relevant documents to ensure the community has access to all the project information.

The department has also enhanced its compliance team, which ensures conditions of approval are correctly applied and that any alleged non-compliances are fully investigated. A principal compliance officer was appointed in July 2016 for the WestConnex program of works. Since then, two further officers have been appointed who undertake regular inspections, review compliance, attend community meetings and identify areas for improvement.

**Ms CATE FAEHRMANN:** Point of order: Can the witness advise how much longer this statement will take? Perhaps we can have it tabled. We have limited time and I would like to start asking questions.

**Mr RAY:** It will take about 30 seconds to complete. The three compliance officers are based part time at the Inner West Council and respond to all compliance-related matters as well as any council-raised issues. The officers manage multiple sites through a number of channels and they coordinate activities with the EPA, directing the environmental representatives for the project to review construction activities at sites. The compliance team also engages in monthly meetings with other regulatory agencies such as SafeWork NSW and NSW Health to ensure a coordinated approach to compliance issues.

Since March 2017, the department has issued three penalty notices to subcontractors for the use of local roads contrary to the approval and 33 official cautions in relation to other non-compliance. Cautions have been issued in lieu of a penalty notice where no significant environmental impact has occurred as a result of the non-compliance and because the contractor and agencies work actively with the department to implement measures to ensure that breaches are not repeated. In addition, five directions have been issued, including one requiring a review of mitigation measures to manage odours at the St Peters interchange. To do so, we work with the EPA. I am happy to answer any questions.

**The Hon. DANIEL MOOKHEY:** I ask that the document be tabled.

**The CHAIR:** The document will be tabled.

**Document tabled.**

**The Hon. GREG DONNELLY:** Thank you for appearing before the Committee today. In early public statements made by the Government and in the publicity in the public domain, Sydney Gateway was described as part of the WestConnex project. Would you agree with that?

**Mr RAY:** The department has issued environmental assessment requirements for the Sydney Gateway project, but it has not yet seen an environmental impact statement.

**The Hon. GREG DONNELLY:** That was not my question. You have described your continuity and your long service in your role. I asked whether the early announcements or the original announcement about WestConnex included Sydney Gateway in the description of the project.

**Mr RAY:** That is my recollection.

**The Hon. GREG DONNELLY:** Were there or have you been involved in discussions in the early stages with either representatives of Transport for NSW or the Sydney Motorway Corporation as it then existed or other government bodies or agencies about the Sydney Gateway project? In other words, was the Department of Planning and Environment having discussions at that time about this aspect of the WestConnex project?

**Mr RAY:** There have been discussions between officers of the departments and those agencies about the Sydney Gateway project.

**The Hon. GREG DONNELLY:** Were you involved in those discussions as a senior officer?

**Mr RAY:** I have been involved in some of those discussions.

**The Hon. GREG DONNELLY:** Can you provide the Committee with a summary of what was discussed in terms of the Sydney Gateway project being an articulated part of the WestConnex project?

**Mr RAY:** There was one briefing where there was a discussion about what could be the proposal.

**The Hon. GREG DONNELLY:** Who was at that briefing?

**Mr RAY:** I think there was a range of people. There were people from Roads and Maritime Services.

**The Hon. GREG DONNELLY:** Who were they?

**Mr RAY:** That was some time ago.

**The CHAIR:** You can take the question on notice.

**Mr RAY:** I will have to do so.

**The Hon. GREG DONNELLY:** You can take the specific names on notice. However, you were there and there were officers from Roads and Maritime Services. Who else was there?

**Mr RAY:** There was someone from the Sydney Motorway Corporation.

**The Hon. GREG DONNELLY:** Dennis Cliche?

**Mr RAY:** Yes.

**The Hon. GREG DONNELLY:** Was this a single meeting or a series of meetings?

**Mr RAY:** I recall only one.

**The Hon. GREG DONNELLY:** Do you remember what was discussed?

**Mr RAY:** It was a briefing in relation to progress with developing what might be the project for Sydney Gateway.

**The Hon. GREG DONNELLY:** As part of the WestConnex project?

**Mr RAY:** At that time, yes, it was.

**The Hon. DANIEL MOOKHEY:** When was that?

**Mr RAY:** I would have to check. Can I take the question on notice?

**The Hon. GREG DONNELLY:** Yes, you can take the specifics on notice.

**Mr RAY:** It was probably around 2016, but I will take the question on notice.

**The Hon. DANIEL MOOKHEY:** It was 2016, but was it still being discussed as part of the WestConnex project?

**Mr RAY:** Yes, it was still being discussed as part of the WestConnex project.

**The Hon. GREG DONNELLY:** You said you attended a single briefing involving senior representatives from other bodies and organisations and government agencies. What happened after that? Did discussion stop about the Sydney Gateway project as part of the WestConnex project? Was there a meeting but then no further meetings?

**Mr RAY:** I cannot answer that question in those terms. I did not attend another meeting at which the Sydney Gateway was discussed.

**The Hon. GREG DONNELLY:** Could other senior departmental representatives have attended meetings to discuss it?

**Mr RAY:** They could have.

**The Hon. GREG DONNELLY:** How can we establish that? Sydney Gateway and WestConnex is an important issue. How can we establish whether further meetings took place after that 2016 meeting that you attended? Would there be records about that in the department?

**Mr RAY:** Yes, we would have records of that in the department.

**The Hon. GREG DONNELLY:** Can you provide the fine detail of subsequent meetings to the one you attended on notice where there was discussion about the Sydney Gateway project being connected to the overall WestConnex project?

**Mr RAY:** Yes.

**The Hon. GREG DONNELLY:** With respect to the Sydney Gateway project as it is described in the public domain, can you explain the assessment process that must be followed for it to be approved?

**Mr RAY:** The assessment process is the same for all similar projects. It is a State significant infrastructure assessment. As I said, the environmental assessment requirements have been issued.

**Mr SNOW:** Not for Sydney Gateway.

**Mr RAY:** Sorry, not for Sydney Gateway. The environmental assessment requirements will have to be issued; they have not been applied for at this time.

**The Hon. GREG DONNELLY:** No application has been made?

**Mr RAY:** There has been no early application to receive environment assessment requirements, which provide the format for the preparation of the environmental impact statement.

**The Hon. DANIEL MOOKHEY:** I want to clarify something. Is this being pursued as a State significant development?

**Mr RAY:** Yes.

**The Hon. DANIEL MOOKHEY:** And as a result the consent authority is the Minister?

**Mr RAY:** Yes.

**The Hon. DANIEL MOOKHEY:** Under which section of the Act?

**Mr RAY:** I think it is part 5.2 of the Environmental Planning and Assessment Act.

**The Hon. DANIEL MOOKHEY:** So the processes you are currently describing must be followed for State significant projects under that Act?

**Mr RAY:** Yes, it is the generic process.

**The Hon. GREG DONNELLY:** You would not expect any deviation or variation from that? There is a process in the legislation that must be followed step by step and it must be progressed in that way. What discussions are now going on—formal or informal—between the department and other bodies, entities or organisations about the Sydney Gateway process? In other words, the project is there, it has been announced by the Government, and we are waiting for the Government to get the paperwork done. What else is going on in terms of discussions about this being a State significant project?

**Mr RAY:** From a practical point of view, we have not received that initial kick-off request for environmental assessment requirements. There might be some briefings from time to time about the status of the project—we might receive that letter, but—

**The Hon. GREG DONNELLY:** When was the last briefing had from the Government?

**Mr RAY:** I would have to take that on notice.

**The Hon. GREG DONNELLY:** If you could take that on notice that would be good.

**Mr SNOW:** We have had some initial discussion about the planning pathway for the project. It is quite complex, because the project goes across Commonwealth land, the airport land. It will require approval under a

range of Commonwealth and State Acts. We have had discussions with RMS about how we should manage that, and that has been the focus of the discussions prior to the application being received.

**The Hon. DANIEL MOOKHEY:** To follow that up, does it have to be assessed under the Commonwealth Airports Act?

**Mr SNOW:** That is right.

**The Hon. DANIEL MOOKHEY:** Does it have to be assessed under the Commonwealth Environmental Protection and Biodiversity Conservation Act?

**Mr SNOW:** I understand a decision has not been made on that yet, because that will be triggered by the environmental impact.

**The Hon. DANIEL MOOKHEY:** Is there a potential for it to be assessed to be determined?

**Mr SNOW:** There is a potential, yes.

**The Hon. DANIEL MOOKHEY:** What other Commonwealth laws?

**Mr SNOW:** The Commonwealth Act is the Environmental Protection and Biodiversity Conservation Act. The need to assess under that Act is in relation to measures of national environmental significance. I understand that, potentially for this project, there could be an ecological impact.

**The Hon. DANIEL MOOKHEY:** The two principal Commonwealth instruments for assessment of the Airports Act and the EPBC Act. Is that correct?

**Mr SNOW:** I think so in this circumstance.

**The Hon. DANIEL MOOKHEY:** The only New South Wales Act is the Environmental Planning and Assessment Act?

**Mr SNOW:** Yes.

**The Hon. DANIEL MOOKHEY:** So there are three Acts?

**Mr SNOW:** Potentially, yes.

**The Hon. GREG DONNELLY:** With respect to the Airports Act, does this come into play because some of the land involved in this project is Commonwealth-owned land or it is in New South Wales State-owned land caught by the Commonwealth Act?

**Mr SNOW:** I understand it is Commonwealth land subject to the Airports Act.

**The Hon. DANIEL MOOKHEY:** How are you managing the interaction between Commonwealth and State law?

**Mr SNOW:** We will be assessing it for the State law but we will be in liaison with our Commonwealth partners to ensure that we create a parallel process that addresses both requirements.

**The Hon. DANIEL MOOKHEY:** A parallel process that occurs simultaneously in time?

**Mr SNOW:** Yes.

**The Hon. DANIEL MOOKHEY:** Is that the intention?

**Mr SNOW:** Yes.

**The Hon. DANIEL MOOKHEY:** Have you secured the Commonwealth's agreement for that?

**Mr SNOW:** It is a matter for the RMS.

**The Hon. DANIEL MOOKHEY:** The RMS has to secure the Commonwealth's agreement for that?

**Mr SNOW:** I understand the RMS is working with the Commonwealth to facilitate that.

**The Hon. DANIEL MOOKHEY:** That does not really answer my question. Is it their responsibility or yours?

**Mr SNOW:** It is the RMS's responsibility.

**The Hon. GREG DONNELLY:** Will they come back to you with some form of memorandum of agreement or some other explanatory document that would codify and explain that agreement has been reached?

**Mr SNOW:** I do not know what form it will be at this stage, but the discussions to date have been about facilitating a parallel process.

**The Hon. GREG DONNELLY:** But to satisfy the department and the EPA will you be looking for a substantial statement or a very clear statement that agreement has been reached and that there is a process in place for this to progress?

**Mr SNOW:** I do not know at this stage.

**The Hon. DANIEL MOOKHEY:** Effectively any agreement that you reach with the Commonwealth will be by its nature administrative, as in you will each agree to assess at the same time. Is that correct?

**Mr SNOW:** If there is an agreement, yes.

**The Hon. DANIEL MOOKHEY:** Are you involved with negotiations with the Commonwealth, or does the RMS come to you?

**Mr SNOW:** I am not directly involved, no.

**The Hon. DANIEL MOOKHEY:** With respect to the earlier environmental approvals for the M4 widening and the M4 East King Georges Interchange, from the date of the informal level of talk to the consent conditions or the determination by the Minister, how long does it take?

**Mr RAY:** I think it can vary, but these projects take some time to develop internally within RMS. We have just been discussing, for example, the Sydney Gateway.

**The Hon. DANIEL MOOKHEY:** For the M4 widening, the Director General at the time, Mr Haddad, made his director general requirements, which I think are what you referred to as complying with the EIS, on 4 November 2013. I see that the Minister approved it maybe a year afterwards. Is that consistent with your memory?

**Mr RAY:** Yes, although I think it was slightly longer, December 2014.

**The Hon. DANIEL MOOKHEY:** What about the M4 M5. I can check the website, but basically it is about two years, is it not? Eighteen months to two years is on average how long it takes. Is that about right?

**Mr RAY:** I think that is about right.

**The Hon. DANIEL MOOKHEY:** Those processes did not involve any interaction with the Commonwealth, did they?

**Mr RAY:** The M5 did involve interaction with the Commonwealth.

**The Hon. DANIEL MOOKHEY:** The M4 widening did not. Did the M4 M5 require assessments under the Commonwealth Environmental Protection and Biodiversity Act?

**Mr SNOW:** I do not think so, no.

**The Hon. DANIEL MOOKHEY:** Those two stages took roughly 18 months to two years and did not require Commonwealth approval. The Gateway project is more complicated, so it does require Commonwealth approval. Is that correct?

**Mr RAY:** Can I just say that we need to be comparing apples with apples. We do not even have a request for those environmental assessment requirements for Gateway.

**The Hon. DANIEL MOOKHEY:** I know; you have not started yet.

**Mr RAY:** What we have been looking at is the period of time from when we do get an environmental assessment requirement to determination.

**The Hon. DANIEL MOOKHEY:** Your point is right; the clock has not started yet on Gateway. My point is that Mr Kanofski appeared before this Committee on Tuesday and he said that he thinks the EIS will be with you at the end of next year. That is really when the clock starts ticking and it is before we get to anywhere near the levels of interaction with the Commonwealth instruments. He also said that Gateway will be finished by 2023. If you are saying that in general it takes roughly 18 months, on a relatively simple project that does not involve Commonwealth interaction—granted it is complicated because it is a major motorway—how can we have any level of confidence that RMS is not going to start construction without approvals?

**Mr RAY:** The RMS is not permitted to start construction without approval.

**The Hon. DANIEL MOOKHEY:** Therefore how can we have any confidence that the RMS will meet that timetable? If RMS says Gateway will be open in 2023, and you have effectively said that approvals may not be done by that point with lodging at the end of 2019, RMS might not get approval until 2021. Are we meant to believe that RMS can get this built in two years?

**Mr RAY:** That is a matter that you will have to ask the RMS.

**Ms CATE FAEHRMANN:** Mr Ray, going back to your opening statement, you discussed some of the key benefits as well as the impacts of WestConnex. Some of the impacts that you mentioned were things such as the high level of impact on acoustic and visual amenity and traffic, particularly during construction and in some local areas permanently; and acquisition of residential properties, businesses and open space with the greatest impact being at Haberfield and Ashfield. You also mentioned air ventilation facilities to exhaust tunnel emissions air quality assessments that have to be undertaken each year. Has the department calculated the cost of those impacts?

**Mr RAY:** The department has assessed those impacts through the EIS. In relation to the costs of those impacts, what are you specifically referring to?

**Ms CATE FAEHRMANN:** You also said in your opening statement that although each of the projects has social and environmental impacts, the department's assessments determined that on balance the benefits of each project outweighed the impacts. How did you assess the impact in terms of the cost-benefit ratio? What we have seen with the cost-benefit ratio undertaken by RMS is, in fact, that the only impacts that they looked at were capital and operating costs, I believe, not the costs that I mentioned and not the costs that you put in your statement. What are the costs of everything I have said and you admitted in your opening statement? How did you weigh up the benefits and costs?

**Mr RAY:** There is not a cost-benefit analysis done for the project in this particular assessment. What happens with the project is the benefits are looked at, the impacts are looked at, and the impacts are then looked at against the various health standards and environmental protection standards that are required and whether those impacts meet the relevant standards—whether they meet the health standards, whether they meet the standards for environmental impact and environmental protection.

**Ms CATE FAEHRMANN:** Let us think about stage three. Why did stage three get approved despite the Environmental Protection Authority making it clear in its submission on the environmental impact statement that it did not support the project approval because the impacts of the project have not been fully quantified and the EPA cannot determine whether the mitigation measures proposed are appropriate? You were just saying that everything was taken into consideration and the EPA was fine about it.

**Mr RAY:** Could you give me that particular quote?

**Ms CATE FAEHRMANN:** This is not a quote. It is a quote from the EPA's response to the EIS, to the planning department, to essentially say to you that they do not approve of this being approved because the impacts of the project have not been fully quantified. The department of transport goes ahead and approves it anyway, despite what the EPA says. The environmental impact statement did not have the support of the EPA. Did it?

**Mr RAY:** The process—

**Ms CATE FAEHRMANN:** Mr Ray, the EIS did not have the support of the EPA. I have a letter that says it did not.

**Mr RAY:** If I could actually answer.

**Ms CATE FAEHRMANN:** It is a simple question.

**The CHAIR:** Allow the witness to answer the question in a way he wishes to answer it.

**Ms CATE FAEHRMANN:** It is a yes or no question. Apologies.

**Mr RAY:** The process of assessment is an iterative one and all agencies and the community have the opportunity to make submissions on the environmental impact statement. Those submissions are considered by both the department and the proponent. The proponent is obliged to do a response to submissions and address the issues of the Environment Protection Authority, other government agencies, the local councils, the department and community submissions as well.

**Ms CATE FAEHRMANN:** Thank you. Going to construction of WestConnex stage two—I have limited time—the M4 East and the new M5: why was the contract for the construction of these stages granted before planning approval was given?

**Mr RAY:** That is a matter you would have to address to RMS.

**Ms CATE FAEHRMANN:** What is your opinion of that?

**Mr RAY:** It is a matter that you have to ask RMS.

**Ms CATE FAEHRMANN:** How much pressure does that place on the planning department? In June 2015 the contract was awarded to Leighton Contractors and the consortium for the preferred design and construction. Then in September 2015 the joint venture was selected as preferred tenderer. This was all before planning approval was given, which was given on 20 April 2016. What impact would there have been if you did not give planning approval? Would there have been significant cost to taxpayers in terms of breach of contracts?

**Mr RAY:** Again, that is a matter for RMS. I am not privy to the details of what the contract is.

**Ms CATE FAEHRMANN:** It makes it difficult for you to reject a planning approval if the contracts have already been awarded. What would have happened if planning said no to these approvals and did not issue an approval? Talk me through that situation.

**Mr RAY:** As to the details of that, you would have to ask RMS because RMS knows what is in the contract.

**Ms CATE FAEHRMANN:** Did you communicate with anybody when you saw that those contracts had been issued? Did you communicate concern to Ministers or RMS that the project had not been approved yet, how could they be issuing contracts?

**Mr RAY:** It was well understood—

**Ms CATE FAEHRMANN:** That it was going to be approved?

**Mr RAY:** —within government that it was a matter that RMS would have to deal with if the project was not approved or not approved within the timeframe that the RMS had approved for the contract. That is a matter for RMS.

**The Hon. SHAYNE MALLARD:** There is likely to be a clause in the contract to cover that.

**The Hon. Dr PETER PHELPS:** Thank you for coming in, Mr Ray. Is the Office of Environment and Heritage a sub-unit of the Department of Planning and Environment?

**Mr RAY:** It is an independent agency but it is within the DPE cluster.

**The Hon. Dr PETER PHELPS:** There have been reports from previous witnesses that the Rozelle air monitoring facility in the Office of Environment and Heritage is inoperative, necessitating locals having to spend thousands of dollars on their own air monitoring equipment. Are you aware of whether the Rozelle air monitoring unit is operational at the current time?

**Mr RAY:** I am not aware.

**The Hon. Dr PETER PHELPS:** Could you take that on notice?

**Mr RAY:** Yes.

**The Hon. Dr PETER PHELPS:** Is it the usual routine of the Department of Planning and Environment to fabricate air quality figures?

**Mr RAY:** No.

**The Hon. Dr PETER PHELPS:** If there were a website from the Office of Environment and Heritage which listed the daily air quality index from Rozelle from yesterday, those figures would no doubt be coming from an air quality monitoring device, would they not?

**Mr RAY:** I would assume so.

**The Hon. Dr PETER PHELPS:** In your estimation, does DPE in New South Wales adhere to a best practice planning methodology and process?

**Mr RAY:** Yes.

**The Hon. Dr PETER PHELPS:** Has the same planning and methodology process been applied to the WestConnex projects?

**Mr RAY:** Yes.

**The Hon. Dr PETER PHELPS:** Has DPE been happy with SMC's community consultation for each stage of WestConnex?

**Mr RAY:** I think the department has spoken to SMC in the past in relation to the M4 East and we have seen significant improvements as a result of the interactions we have had.

**The Hon. Dr PETER PHELPS:** Getting on to the EIS submissions: Would it be fair to say that the EIS submissions for WestConnex have been rigorous and comprehensive?

**Mr RAY:** The department's assessment certainly has been.

**The Hon. Dr PETER PHELPS:** In your estimation, how much would each WestConnex EIS submission cost to produce in round terms? Are we talking a few thousand dollars, tens of thousands of dollars or millions of dollars?

**Mr RAY:** It would certainly be in the millions of dollars, but it is a question for RMS.

**The Hon. Dr PETER PHELPS:** Presumably, submissions of this size and scale for State significant infrastructure projects would use top-tier practice consultants?

**Mr RAY:** Yes.

**The Hon. SHAYNE MALLARD:** Thank you for your comprehensive opening statement and providing copies. You outlined the five projects you have assessed?

**Mr RAY:** Yes.

**The Hon. SHAYNE MALLARD:** Does each project take into account the previous project? Is it a cumulative assessment?

**Mr RAY:** Yes.

**The Hon. SHAYNE MALLARD:** Can you outline how that works?

**Mr RAY:** Obviously because it is a series of stages in a project as new information comes to hand or as there are design changes in the project we assess the cumulative impact of those changes and the effect that those changes would have on the earlier stages of the project.

**The Hon. SHAYNE MALLARD:** As it moves along?

**Mr RAY:** As it moves along.

**The Hon. SHAYNE MALLARD:** It is a living document?

**Mr RAY:** Yes.

**The Hon. SHAYNE MALLARD:** We heard evidence from Inner West Council and residents, and we have seen in the media reports the changes in the project as it has been going, such as the dive sites have been moved, the proposal to acquire a site for a dive site, which is then abandoned, and then a proposal to acquire a site for construction sheds, which then that changed. Are those changes advised to the department and, if they have any negative impact, you look at that? How does that work?

**Mr RAY:** The approvals provide for the work to be carried out and if there is any major changes or significant changes the roads and maritime services would come in and lodge a modification application to modify the approval.

**The Hon. SHAYNE MALLARD:** Has that happened?

**Mr SNOW:** It has happened a number of times.

**The Hon. SHAYNE MALLARD:** Operational changes, and that flows on to traffic and noise impact and you have to reassess it?

**Mr RAY:** Yes. Again, there is an assessment process. Environmental assessment requirements are given. There is an environmental assessment provided, community consultation on anything that is significant, and that is all considered and then there is an assessment done of those changes.

**The Hon. SHAYNE MALLARD:** That is on your website, that type of change?

**Mr RAY:** All of this information is publicly available on the website.

**The Hon. SHAYNE MALLARD:** As soon as you are notified it goes on the website and the community can look at that?

**Mr RAY:** Yes.

**The Hon. SHAYNE MALLARD:** You talk about the benefits of the project, and one of the benefits is delivery of new and upgraded pedestrian and cycling infrastructure. We have information about additional public open space and parklands. What role does the department have in making sure those benefits are delivered in the assessment?

**Mr RAY:** These matters are matters that are key conditions in the approval. The department works to ensure that these initiatives—cycleways, pedestrian connections and open space—are delivered by RMS and the contractors.

**The Hon. SHAYNE MALLARD:** A condition of consent?

**Mr RAY:** Yes, they will be a condition of consent.

**The Hon. SHAYNE MALLARD:** The mayor of the Inner West Council suggested to us that—I do not have the figures in front of me—the 10-hectare park at the Rozelle goods yard site, which was to be returned to the council as parkland and fields, will probably come back as a concrete slab.

**The Hon. DANIEL MOOKHEY:** He did not say that; he said it was his fear that it would.

**The Hon. SHAYNE MALLARD:** I said he "suggested". What is the level of detail in the requirement for the public benefit in the approval process?

**Mr RAY:** The conditions are clear about the standard to which that has to be developed, so it is returned back in that standard. That is all very clear and I am pretty sure that it does not say it will be delivered as a concrete slab.

**The Hon. SHAYNE MALLARD:** Likely it will have to be landscaped parkland. You talked about the construction noise insulation program. Would you outline what that involves?

**Mr RAY:** Obviously, people are affected by construction noise, particularly around the construction sites and where the tunnels come out, and they do need to be protected. There is a program—particularly for the M4-M5 Link—where some of the people will have been subject to multiple construction periods for the M4 East and for the link. We have required RMS to put insulation in at an early stage so that the insulation does not just go in later on at operational stage, and it is full insulation much earlier than it would have otherwise been, not temporary insulation or noise barriers or things of that nature.

**The Hon. SHAYNE MALLARD:** To identify—

**Mr RAY:** To identify properties that will be affected. That is clearly based on the science and the evidence of which properties will be affected by noise and what mitigation treatments would be suitable to provide a better level of amenity.

**The Hon. SHAYNE MALLARD:** Construction noise, to be clear?

**Mr RAY:** Construction noise.

**The Hon. SHAYNE MALLARD:** That includes truck movements and spoil?

**Mr RAY:** Yes, truck movements, spoil, operations of the facilities, yes.

**The Hon. SHAYNE MALLARD:** Do you use independent consultants to advise you which properties would likely be impacted?

**Mr RAY:** Indeed, we have required an independent acoustics adviser to be appointed to advise RMS on what level of treatment should be made available to each individual property.

**The Hon. SHAYNE MALLARD:** It is a sliding scale, depending on the noise impacts?

**Mr RAY:** Yes, but the important thing I think is it is not RMS or Sydney Motorway Corporation [SMC] or the contractors making that decision in isolation; there is an independent expert who is providing advice.

**The Hon. SHAYNE MALLARD:** Are we are talking double glazing, triple glazing, sealing, air conditioning?

**Mr RAY:** Air conditioning, yes—a range of measures.

**The Hon. SHAYNE MALLARD:** How many properties have had those treatments?

**Mr SNOW:** I am not sure. It is mapped in the approval.

**The CHAIR:** You can take that on notice.

**Mr SNOW:** We can take it on notice, but it is mapped in the approval, though.

**The Hon. SHAYNE MALLARD:** With the Sydney Gateway project that we were discussing before, the works being undertaken there now are not the gateway project at the airport but the road widening?

**Mr SNOW:** No, it does not form part of the gateway.

**The Hon. SHAYNE MALLARD:** My interpretation of what has happened is that the scope of the project has widened from the initial concept. It now involves railway lines being moved and so forth. Is that your view?

**Mr RAY:** I would say that the project is a particularly complicated one. It has to interact with the airport, and it has to interact with—

**The Hon. SHAYNE MALLARD:** The goods line.

**Mr RAY:** —the goods line, and also feed into the interchange at St Peters, so it is particularly complex.

**The Hon. SHAYNE MALLARD:** From concept to where it is getting to now it has become more complicated?

**The Hon. GREG DONNELLY:** But not Port Botany.

**The Hon. SHAYNE MALLARD:** All roads lead to Port Botany. We heard that last week.

**Mr RAY:** Yes, I think it has. I would reflect, from my understanding, that it has got more complicated.

**The Hon. Dr PETER PHELPS:** At any stage has the Premier, any of your portfolio Ministers or the Minister for Roads intervened to seek to have the Department of Planning and Environment's usual planning and assessment methodology changed for any stage of the WestConnex process?

**Mr RAY:** No.

**The Hon. Dr PETER PHELPS:** There has been no political interference in your departmental processes in this respect?

**Mr RAY:** No.

**The Hon. WES FANG:** You speak of the compliance measures in your opening statement. Do you believe that the compliance team has been rigorous and thorough in its investigations and diligence on the project?

**Mr RAY:** Yes, I do. I think the compliance team, co-locating them at the Inner West Council at Leichhardt meant that they could be on the ground and be available to the community. They certainly have been able to meet the community on the community's terms and have been quite dedicated really to ensuring that community concerns were addressed, and also that the contractors—whether they be subcontractors, principal contractors, all the agencies—complied with the terms of the approvals and also the spirit of the approvals.

**The Hon. WES FANG:** The compliance team has been available to the public and is co-located with the Inner West Council, which makes team members available to see complaints in a quick and methodical manner, and they have been very effective in the way that they have carried out their business.

**Ms CATE FAEHRMANN:** Not according to the submissions we have received, actually.

**The CHAIR:** The members will restrain themselves.

**Ms CATE FAEHRMANN:** I am just saying. That is a statement: Not according to the submissions we received.

**The CHAIR:** It is not your session. You are not being questioned.

**The Hon. SHAYNE MALLARD:** You have to sit over there, Cate, if you want to do that.

**Mr RAY:** They have gone to many community meetings, and they have been trying very, very hard to ensure that there is a good explanation to the community and that, as I said, the contractors—whether they be principal contractors, subcontractors or the agencies—respond to the community concerns. The important thing for the department is that we have a series of approvals and people need to abide by the approvals.

**The Hon. WES FANG:** They seem to have been quite active, with three penalty notices and 33 official cautions.

**Mr RAY:** Yes. There has been a range of breaches, most of them probably by the principal contractors but some by subcontractors. They have been on the ground there, they have been dealing with those and those penalty notices and official cautions have been assessed in accordance with the department's compliance policy. The decision about what level of enforcement action is taken is taken by a committee in the compliance team. Those actions have been communicated and penalty notices have been issued. I think one of the penalty notices is being contested at the moment, and that is the right of the person who gets the penalty notice.

**The Hon. SHAYNE MALLARD:** It is interesting that they are co-located with the Inner West Council. The mayor did not tell us that. That means that they have been working with the rangers and the council's department of planning about noise complaints and traffic movements on wrong streets and so forth?

**Mr RAY:** Yes, absolutely. They have been working with the Inner West Council's WestConnex Unit and being very active in the space with council staff to try to make a difference.

**The Hon. SHAYNE MALLARD:** On Monday the council of the City of Sydney will be before the Committee, and we know it is a strong critic of WestConnex on the southern edge of the city in the St Peters area, where Sydney Park is. Has there been that sort of relationship with the City of Sydney enforcement units?

**Mr RAY:** While the unit is co-located at the Inner West Council, it also works with the City of Sydney, it works with Canada Bay, it works with Canterbury-Bankstown Council, all the relevant councils, to try to get a very close relationship and address community issues on the ground.

**The Hon. DANIEL MOOKHEY:** It is not co-located with the City of Sydney?

**Mr RAY:** No.

**The CHAIR:** There was mention of cautions and breaches. Would you put on the record how many cautions and breaches have been issued?

**Mr RAY:** Yes, I did put that on the record. It is three penalty notices and 33 official cautions.

**The Hon. DANIEL MOOKHEY:** What were they for?

**Mr RAY:** If you will just bear with me, I have that somewhere.

**The CHAIR:** Is that an unusually high number compared to other projects?

**Mr RAY:** There are three joint venture principal contractors and we have to issue three official cautions because they are all working together. In some cases there was only one breach but there were three official cautions issued. In other cases there was one breach and it was issued to a subcontractor or it was issued to the SMC or RMS.

**Ms CATE FAEHRMANN:** To clarify, the figures you quoted to us before in respect of numbers, sometimes you were talking about the one breach but you had to issue various things to more than one contractor?

**Mr RAY:** In relation to the official cautions, yes.

**The Hon. DANIEL MOOKHEY:** What were they for again?

**The CHAIR:** We should focus on the actual number of breaches, because it is misleading.

**Mr RAY:** Yes, I can actually get you the number of breaches, but I can—

**The Hon. Dr PETER PHELPS:** Mr Mookhey also wanted to know what they were for. Would you be able to take that on notice?

**Mr RAY:** Yes, I can take that on notice.

**The Hon. DANIEL MOOKHEY:** If you have it here, feel free to tell us.

**Mr RAY:** The penalty notices were for trucks not being on appropriate roads, being on local roads, so there were three separate breaches for that. The official cautions related to blocking residential access, inadequate notification of night-time works where there were short notice periods given to the community. It was in breach of the requirements. There were also a number of breaches relating to a shipping container noise wall and removal of on-street parking.

**Ms CATE FAEHRMANN:** How many official cautions does a contractor have to receive before they are issued with a penalty for the night-time noise? Do they continue receiving official cautions or at some point do they receive a penalty notice?

**Mr RAY:** Each breach is assessed on its merits in accordance with the department's compliance policy. The question of official cautions goes to the extent of the harm and whether the harm was able to be rectified very quickly, and the willingness of the person or the company that undertook the breach to fix the problem systemically. In some cases that was not able to be done and there was a penalty notice issued.

**The Hon. DANIEL MOOKHEY:** You were telling us the other nature of the incidents. I think we interrupted you.

**Mr RAY:** Yes. I will give you any other matters on notice, if that is okay.

**The Hon. DANIEL MOOKHEY:** Lastly, what is the period of time over which those were conducted?

**The CHAIR:** Mr Mookhey, this is my session.

**The Hon. DANIEL MOOKHEY:** Sorry, Mr Chair.

**The CHAIR:** In your statement there was a reference to having to deal with hydraulics subsidence. Can you tell us where that occurred and how serious it was?

**Mr RAY:** There are groundwater issues and subsidence issues, particularly relating to both the M5 and the M4-M5 Link. I think not so much relating to the M4 East, but I can get you more details of those, if you wish.

**The CHAIR:** Particularly the main location where that was occurring.

**Mr RAY:** I will take that on notice.

**The CHAIR:** Over the years, we have heard lots of complaints about the M5 ventilation. I got the impression from other evidence that the very poor ventilation equipment is being retained in the M5, or is there a plan to upgrade that?

**Mr RAY:** The approval of the new M5 does not encompass the existing M5 ventilation equipment. There has been no approval sought from the department to change the conditions that apply to the current M5 in relation to the ventilation equipment.

**The CHAIR:** Even though it needs upgrading, it will not be upgraded?

**Mr RAY:** Not as a result of these processes.

**The CHAIR:** Should it be?

**Mr RAY:** That is a matter for RMS and the EPA.

**The CHAIR:** You indicated that the M4-M5 Link will reduce traffic volumes, et cetera, by up to 50 per cent. It seems to be a large percentage.

**Mr RAY:** I did not say 50 per cent, Chair. It will reduce traffic volumes on local roads, but I did not give a percentage.

**The CHAIR:** That is part of the submission from the New South Wales Government. Did you have any role in preparing that submission?

**Mr RAY:** I did not have any role in preparing that submission.

**The CHAIR:** Do you feel you should have been consulted as the key planning people, or that you should have approved it to make sure it is factually correct?

**Mr RAY:** We did not see it.

**The CHAIR:** You have never seen the submission?

**Mr RAY:** No. Not before it was lodged, no.

**The CHAIR:** You were not consulted in this compilation?

**Mr RAY:** No.

**Ms CATE FAEHRMANN:** Do you doubt those figures?

**Mr RAY:** No, I do not doubt those figures.

**The Hon. DANIEL MOOKHEY:** You just do not verify them.

**The CHAIR:** It puts in question in our minds the accuracy of those figures and where they have come from.

**Mr RAY:** Can I take that on notice and provide you with that information?

**The CHAIR:** Yes, particularly the reduction in traffic volumes by up to 50 per cent. The other one was reducing greenhouse gas emissions by more than 610,000 tonnes a year.

**Ms CATE FAEHRMANN:** And the modelling behind those figures is important—if that can be tabled.

**The CHAIR:** Thank you very much for appearing before our inquiry. We appreciate what you have shared with us and your opening statement. The questions on notice will be compiled and sent to you by the secretariat. You do not have to rely on your memory.

**Mr RAY:** Thank you.

**The CHAIR:** The 21 days starts from the time you receive those questions on notice from the Committee.

**(The witnesses withdrew)**

**RAYMOND NASSAR**, Specialist anaesthetist, sworn and examined

**The CHAIR:** Thank you, Dr Nassar, for appearing before our Committee and for your submission. Would you like to start by making a short opening statement?

**Dr NASSAR:** Thank you. Good morning, Chairman, and members of this inquiry. Thank you very much for giving me the opportunity to speak today. In my submission I have tried to summarise and present the most relevant health impacts due to air pollution and I am happy to discuss these further with you if you wish. However, I would also like to talk to this Committee about a very real solution to the potential health impacts of WestConnex and other similar road tunnel projects in this State, such as NorthConnex. If projects like these and others are going to proceed in favour of public transport then we need to be very careful about the health impacts. However, if they are going to proceed, then we are presented with a golden opportunity to provide infrastructure and improve public health at the same time.

I would like to discuss a recent health impact statement from Belgium, which has modelled major improvements in health and a reduction in death rates when traffic is diverted from open roads into filtered road tunnels. This is very comparable to what is happening with WestConnex. I have tabled a summary of this study as well as a copy of the health pyramid. I would like you to take a look at this health pyramid, if you do not mind. I think this is a very useful tool that is used around the world by people like yourself who are making decisions on major infrastructure projects and their effects. If you look, the apex of this pyramid is mortality and premature deaths—these are all due to air pollution effects. Down the pyramid are the less severe or non-fatal health effects and, as you can see, the populations affected increases dramatically.

When you are presented with a health impact assessment [HIA] for some of these major infrastructure projects, the end point will usually be mortality. What is not mentioned are the non-fatal effects that affect hundreds of people, thousands of people, and carry a major burden on governments and the health system. These are not reported on, but I just want to ask you: What do you think it costs to treat an acute stroke or an acute heart attack? In Sydney, if you are having a heart attack you are talking about ambulance, transfers to the emergency department, triage by doctors and nurses, pathology tests, rushed to a catheter lab, calling in people after hours including specialists and specialty teams, cardiac rehab and a lifelong of medications subsidised by the government. These costs are enormous, not only on a personal level but on a budgetary level as well. These I would like you to bear in mind when you are presented with the tip of this apex of the pyramid.

If given time I would like to talk about this trial a bit further because it does decrease mortality significantly. Interestingly, the filtration that they used in their modelling was quite inefficient yet they managed to gain major health impacts by using inefficient filtration, and that means that if we use current state-of-the-art technology it has the potential to improve health impacts even further for our communities. This is a special opportunity to capture toxins in tunnels and get rid of them entirely from communities and our environment, and that affects every one of us, especially tunnel users and surrounding communities as well as people that live in the greater Sydney basin, who will be exposed to traffic use, and that is good public health practice. That concludes my introduction.

**The Hon. GREG DONNELLY:** Thank you very much for coming along today and thank you for your comprehensive submission, which is submission 210 to this inquiry, along with the supplementary material you have provided this morning. We appreciate the time and effort you have put into this. With respect to this inquiry, we are obviously looking specifically at the WestConnex project. We had government witnesses earlier this week, two days ago, describe the ventilation stacks and the ventilation system associated with the WestConnex project as world's best practice, and we note, of course, though that the ventilation stacks will not be filtered. I have been trying to reconcile how that statement can be made about it being world's best practice without filtration or at least filtration of the standards which are now in other countries around the world. Could you comment on that and see if you can reconcile that?

**Dr NASSAR:** Thank you very much for that question—it is a very good question. As we are now seeing, international studies are using modelling that encompasses filtration and they are putting out health impact assessments that show an improvement in health—this is using filtration. I find it very hard to find evidence in the scientific literature or in the medical literature that is comparable to anything we are doing here in Sydney because most of the other tunnels that have been researched are either very short or built specially for urban areas. There is no comparable study, so it is hard to say it is best practice because we cannot really compare it. But if you look at what is happening overseas in some similar tunnels you will find that, for example in Hong Kong, they are installing filtration in urban tunnels and they are calling that a Smart City project—they are putting in air purifiers and filtration, and this is also the case in Tokyo and in Madrid, in tunnels there.

What we are having here are some very, very long tunnels in urban centres near very sensitive receptors, and sensitive receptors include children and nursing homes and people with pre-disposing conditions—elderly patients—and they are at risk. So I am not quite sure what this is based on, this statement of current world's best practice, because other countries are using different ventilation systems.

**The Hon. GREG DONNELLY:** In terms of the situation of not having filtration to a high level, you obviously have stacks emitting what is the pollution from the tunnel. In economic terms that is described as an externality; there is an outcome associated with that, and, of course, there is a cost associated with that externality. You have touched on that in some detail in your submission from this overarching health medical perspective; in other words, there is a cost associated with having this emitted and not filtered. In terms of listing in a comprehensive way, without any exaggeration but in a comprehensive way, these health matters, that is what you have sought to do in your submission—you have gone through a number of elements of the implications of the ingestion of air which is polluted. Have you set out to make this as comprehensive as you can in terms of the elements?

**Dr NASSAR:** My main focus was to outline the actual health effects from air pollution, and most of the literature in the world is talking about ambient air pollution, what we breathe in. It is very hard to find literature on tunnels and even harder to find any studies that are done around tunnel stacks and the ambient air around tunnel stacks and the health impacts thereafter, and it is a very difficult thing to measure because they are transient—there are peaks and there are troughs—and often we only get averages. So it is very hard to actually make a statement because the data is not there, it has not been done. There are some local studies that are fairly weak—low numbers of studies, no real powerful follow-ups when there maybe should have been more powerful follow-up studies done. So it is hard to put an economic number on it, but my overall submission was to address the overall detrimental health effects of air pollution. And bear in mind that environmental impact statements for tunnel projects like NorthConnex show very, very high levels of pollutants inside the tunnels. So tunnel users will be subject to the highest levels of pollutants and then those pollutants are ejected at a stack onto surrounding communities, but we do not know at what levels.

**The Hon. GREG DONNELLY:** But it is your submission essentially that, in effect, if we do have tunnels for the use of motor vehicles and trucks that the tunnel in and of itself captures the pollutants and that if, in fact, there has to be ventilation of that tunnel that it makes eminent sense, almost an obvious sense, to fit-out the ventilation to ensure that those pollutants are extracted.

**Dr NASSAR:** That is absolutely right. So this is a unique opportunity where you can eliminate these toxins which would otherwise on a surface road affect everyone.

**The Hon. GREG DONNELLY:** Yes, they would disperse naturally.

**Dr NASSAR:** Yes. You have an opportunity to capture those toxins in a tube and entirely remove them. Therefore, that is the golden opportunity to improve public health at the same time as providing infrastructure.

**Ms CATE FAEHRMANN:** Thanks for coming along today and for your comprehensive submission. It is really great. In your submission you mentioned that the reason you undertook all of this research was that you were going to live within 500 metres of a pollution stack of one of the road tunnels. You researched for your wife and your two- and four-year-old children at that time because you wanted to try and reassure them that it was safe to stay there. How did that go?

**Dr NASSAR:** That is all correct. I tried very hard to find evidence that was going to reassure my wife, who is also an anaesthetist. I looked very hard and I just could not find anything that was reassuring. There were some papers that were very vague but there was no evidence. Like I mentioned earlier, there just have not been studies done around tunnel stacks and ventilation stacks but there certainly is a lot of evidence that is just coming out, on a weekly basis, that shows the detrimental effects of air pollution—

**Ms CATE FAEHRMANN:** Particularly vehicle emissions. In terms of air pollution—

**Dr NASSAR:** Absolutely—vehicle emissions, especially diesel vehicles. The majority of the truck fleet is made up of diesel vehicles, and the tunnel that I was going to be affected by is specifically designed to carry a large load of diesel-emitting large vehicles. So I just did not want to wait for any future evidence to come out. I did not want to be part of a trial or of a study. I thought it would be wise to move away from the area, because I was not convinced by what was out there.

**Ms CATE FAEHRMANN:** Thank you. I wonder where one of the representatives from RMS who appeared on Tuesday, when questioned by the Chair about the ventilation stacks near schools, got the research to suggest:

The facilities are located in the best possible locations. I think the thing to be clear about is that these facilities are safe. That is the important thing. They are safe for the entire community.

Do you know where the RMS representative would have got the evidence to suggest that? You are sitting here as a health professional. Your wife is a health professional. You have done this incredibly comprehensive document on the impacts of air pollution. It sounds as if you have searched and searched to find evidence that these ventilation stacks are safe. Are you sure you have not found any evidence to suggest that they are safe?

**Dr NASSAR:** I am sure. It was a big move—moving away—so I did not do that lightheartedly. I had to convince myself and my family. The statements made by RMS, and the ones that we were given at the time, were based on modelling. This is computer modelling, and I am no expert on computer modelling. By the way, there were also health impact assessments done for NorthConnex, if I may refer to that particular tunnel. I had a chance to speak to the statistician who compiled this health impact assessment, and I asked her how much of her health outcomes were based on the information given to her by RMS and she said, "One hundred per cent of my information is based on the information given to me by RMS."

For this particular location there was no background data gathered on the ambient air quality or on wind speeds and dispersion. The stack is placed in a valley. The surrounding trees are higher than the stack; it is a low stack. And the area is prone to low wind speeds at a majority of the time.

**Ms CATE FAEHRMANN:** Which location are you referring to?

**Dr NASSAR:** This is the Wahroonga stack for the nine-kilometre-long NorthConnex tunnel. We tried to dispute this but we kept getting the same response, and it was not convincing. So I am not quite sure what modelling they used and how accurate that is, but I find it interesting that overseas they can use modelling that takes into account urban centres and it looks at the fact that the buildings will prevent dispersion. It actually shows that filtration will improve surrounding communities' health.

**Ms CATE FAEHRMANN:** Thank you.

**The CHAIR:** Thank you again for coming in, Dr Nassar. In your submission you were very critical, warning the Government about the impact of the NorthConnex road tunnel. You said that this is going to be Australia's longest road tunnel—nine kilometres in length, two ventilation facilities at Wahroonga and West Pennant Hills. You have mentioned Wahroonga already, and in your submission you state that the ventilation stacks would be in "close proximity of 7,000 school students". You said:

I could find no other example of this occurring anywhere else in the world.

Where did the New South Wales Government get its scientific backing for what it is doing and the impression that it is giving to people that by having tunnels everyone will be healthier?

**Dr NASSAR:** That is a very good question that I have asked myself many times, but I cannot give you an answer.

**The CHAIR:** Do you think it is a lack of scientific investigation prior to the development of the M5 and M4 tunnel system?

**Dr NASSAR:** Yes. I would like to answer that by saying that I am not an expert on the M5 tunnel ventilation or the health outcomes. I did touch on some of those reports. Statements were made by RMS that lessons had been learnt and that improvements were being made. I can see how they changed over to longitudinal ventilation and changed the gradients et cetera for the NorthConnex tunnel, but I am at a loss as to find out what other evidence they are relying on to make statements like this when, internationally, we are seeing a lot of urban tunnels being filtered, especially when they are surrounded by sensitive receptors like school children. It is school children who absorb a lot of this pollution, especially when they are out in the playground exercising. That is the real worry.

I see my role in this whole argument, and this whole debate, as the person who has got medical training and a medical background. I have looked at evidence because I can interpret it, and I am basically seeing a fire here. I can see the smoke and I can see the fire. I am just trying to alert people to the fact that there is a fire. I do not know what is burning. I do not know how long it will burn for and I do not know who started the fire. That is up to tunnel engineers and ventilation engineers to assess, but I feel that my role in this argument is to alert people to the fact that there is a fire and that we will need to do something about air pollution and its treatment before it gets out of control.

**The CHAIR:** As you quoted, with respect to those 7,000 school children affected by the smoke stacks at Wahroonga and so on, you could have included the number of children who are potentially suffering from asthma and breathing defects—nothing to do with the tunnel—before the tunnel starts.

**Dr NASSAR:** Absolutely right. Those children have been shown, in other studies, to be especially at risk to acute asthma attack. In an asthma attack in London earlier this year—as you may have seen in my submission—there was a death. That is one of the first deaths of a child which was directly linked to air pollution. It was a nine-year-old girl who had had numerous presentations to an emergency department with acute asthma attacks. Unfortunately, on the day that she died there were critical levels of air pollution in her neighbourhood. Each of her previous admissions to hospital were linked to peaks in air pollution in her home area.

**The CHAIR:** I understand that the percentages of Australian children with asthma problems is higher than in other nations for some reason.

**Dr NASSAR:** That is correct.

**The CHAIR:** Could you provide further evidence to us in that area, regarding that particular fact?

**Dr NASSAR:** Yes, I would be happy to.

**The Hon. Dr PETER PHELPS:** Thank you very much for coming in. I am very interested in the Belgian study which you have presented us with today, and the consequences that flow from it. Is part of the benefit which accrues by diverting traffic to tunnelling, the fact that you have less interaction with pedestrians with surface traffic as well?

**Dr NASSAR:** That is correct. Large studies have shown that health impacts occur within 50 metres of living near a major busy road, up to 500 metres. This study showed that there were health improvements for people living up to 1,500 metres away from this busy road. So just removing that surface traffic would increase the surface dispersion, and therefore have a beneficial health outcome for people in that area.

**The Hon. Dr PETER PHELPS:** While this is WestConnex, you are clearly a specialist on NorthConnex. For that nine-kilometre tunnel, which essentially replicates an existing transport route from Pennant Hills Road up to Hornsby, you also get a benefit by having a constant speed through a tunnel as opposed to the start-stop you get on Pennant Hills Road. Rather than being exposed to particulate matter for perhaps 20 minutes or 25 minutes when travelling from the turnoff on the M2 up to Hornsby, you might be able to do it in seven minutes travelling at 80 kilometres an hour. You get reduced emissions by being able to maintain a constant speed through a tunnel.

**Dr NASSAR:** Yes, that is true on days when there is no congestion in the tunnel. Days like that clearly occur every so often. However, there is one public health argument that fails to sit comfortably with me. That is the argument that you will improve the health of people living near Pennant Hills Road or any bypass road, but you will subject other communities to the pollution that is now taken away from the surface road at either end of the tunnel.

**The Hon. Dr PETER PHELPS:** Your point is that the current diffusion of particulate matter is all the way along Pennant Hills Road. While it might be at higher levels along Pennant Hills Road, it is diffused more generally, whereas the imposition of exhaust stacks concentrates an arguably lower level of diffusion, but necessarily concentrates it in the area where the stacks go above ground. Is that correct?

**Dr NASSAR:** That is correct.

**The Hon. Dr PETER PHELPS:** You believe that one way that could be ameliorated would be to install scrubbers or some other device on those stacks so that particulate matter, in particular, is removed from the exhaust?

**Dr NASSAR:** I agree with that. They are currently in use in Sydney. We are using electrostatic precipitators in the construction of the Sydney Metro Northwest Tunnel. We are already using this technology, and particularly there. We are using it to remove particulate matter from diesel engines to improve the health of the workers in these tunnels. This is technology that we are already utilising effectively and responsibly, and that is fantastic.

**The Hon. DANIEL MOOKHEY:** How much does it cost?

**Dr NASSAR:** I am not aware of the cost. I have been led to believe it is approximately 1 per cent of the overall project cost.

**The Hon. Dr PETER PHELPS:** But your argument would be that the health benefits that flow from the installation of scrubbers would exceed the cost, including the ongoing maintenance.

**Dr NASSAR:** Correct, that is absolutely right. That is why I see this as a golden opportunity for any government to jump in to improve public health and to provide infrastructure at the same time.

**The Hon. Dr PETER PHELPS:** Taking your concerns into account and the Belgian case study, would it be fair to say that you believe an optimal solution—presuming that we do not simply ban cars entirely—for heavily congested surface roads is subsurface roads with proper ventilation and scrubbing of exhaust fumes? Is that the optimal solution?

**Ms CATE FAEHRMANN:** Surely public transport as well.

**Dr NASSAR:** Correct, I agree with both.

**The Hon. GREG DONNELLY:** Without coal.

**Dr NASSAR:** As I said in my submission, if we are to go ahead with these projects, public transport and discouraging vehicle use are at the top of the list. If we go ahead—and we will go ahead with some of them—that would be a wonderful way to improve the health of not only tunnel users who will be subject to the highest levels of toxic pollution but also the surrounding communities.

**The Hon. SHAYNE MALLARD:** Are you aware of the Government's recent tunnel air quality reforms?

**Dr NASSAR:** I have not studied them; I have glanced at them. So I cannot—

**The Hon. SHAYNE MALLARD:** They are fundamental to what you are talking about.

**Dr NASSAR:** Yes.

**The Hon. SHAYNE MALLARD:** The Government will not approve a motorway tunnel project until the Advisory Committee on Tunnel Air Quality has provided a review and until the New South Wales Chief Health Officer releases a statement on the potential health impacts, and motorway operators are now required to get an annual licence from the EPA for all tunnel emission stacks, including the old tunnels and those being built now. An annual licence is a reassurance that air quality standards will be maintained.

**Ms CATE FAEHRMANN:** It does nothing of the sort.

**Dr NASSAR:** That is obviously very important to do. However, the World Health Organization has air quality guidelines and the American EPA has guidelines. The safe limits are changing around the world. These advisory committees will be guided by these current guidelines.

**The Hon. SHAYNE MALLARD:** That is correct.

**Dr NASSAR:** These guidelines are probably already outdated in Australia. They are being outdated by the evidence. In the United Kingdom last year, there were 29,000 premature deaths from air pollution exposure. The majority occurred at what we would consider to be safe levels of ambient air.

**The Hon. SHAYNE MALLARD:** I accept that and that science, knowledge and evidence are always evolving. However, we have to rely on the EPA to be up to date with its international colleagues.

**The Hon. Dr PETER PHELPS:** And Kerry Chant, the Chief Health Officer.

**The Hon. SHAYNE MALLARD:** Yes. They must apply their rigour and reassure the public. If the standard changes, they must change the licensing regime. That is the beauty of having annual licences as opposed to one-off approvals, which is what was in place. I put it to you that we must rely upon the scientists in the EPA, who rely upon the research they can get, to apply the standards. As you said, there might be a lack of research. That is our assurance.

**Dr NASSAR:** It is an assurance. I guess I am dictated to by what you would call the "precautionary principle", which is that if you are not sure that something is safe, you do not go ahead unless you can convince yourself it is safe.

**The CHAIR:** Thank you for appearing before the Committee today. Unfortunately the time has expired. You have taken only one question on notice, and you have 21 days in which to answer it.

**(The witness withdrew)**

**(Short adjournment)**

**JOHN ENGLISH**, Chairperson, Beverly Hills North Progress Association, sworn and examined

**KATHRYN CALMAN**, Member, Beverly Hills North Progress Association, affirmed and examined

**The CHAIR:** I welcome representatives of the Beverly Hills North Progress Association. I remind everyone that no matter what they think about what is being said, people in the audience need to listen to the debate quietly. Applause, jeering or any other gestures are not permitted. If they have something to say to those who are sitting next to them, they should do so quietly. There should be no audible conversation. Photographs and filming are not permitted, apart from by media photographers who have been authorised to do so. No signs or other props are to be utilised during the debate. Do you have a brief opening statement?

**Mr ENGLISH:** Yes, please. There is a document that I have tabled that will be going around which gives more detail of what I am going to speak about. On behalf of the Beverly Hills North residents I would like to thank the Committee for their inquiry into the conduct of WestConnex. Our experience at Beverly Hills has been catastrophic. The disregard for the community's concerns and complaints are perpetuated throughout the whole construction process. The facade of consultation has been paper thin, with lies and deceitful reporting on the community's concerns. The EIS process, together with the community submission process and the WestConnex complaints hotline, has been as useful as a chocolate teapot.

I would like to illustrate this with a few examples. Firstly, the noise walls have been constructed to choreograph the M5 motorists' journey and to achieve symmetrical perspective. To achieve this objective, and despite community objections, transparent noise walls have been installed, noise wall heights have been lowered and panels on the Coolangatta Road bridge have not been fitted. These breaches of the EIS have gone unscrutinised and uncontested. The vague and bland language used in the compliance reports in regard to community complaints is deceitful, misleading, inaccurate and has made no attempt to take any responsibility. There are no plans to apologise for or rectify their errors.

In reference to the Coolangatta Road bridge, the opening in the noise walls, at a meeting with the Minister for WestConnex a request was tabled to monitor the noise being funnelled out of the opening in the noise wall over the Coolangatta Road bridge. This was discussed and agreed to. One year later this commitment disappeared. The operational noise assessment was conducted and released with no measurement of the M5 traffic noise that was being funnelled out of the noise wall opening. High-volume noise traffic from heavy vehicle compression brakes and horn blasts, referred to as maximum noise events, are driving the residents crazy. The compression brakes start from 4.30 a.m. and the explosion of heavy vehicle horn blasts starts from 5.30 a.m., and they are getting earlier. These maximum noise events are measured in the pre-construction noise assessment at 65 to 80 decibels and an average of 55 times per night. These events have not been reported and are not measured in the post-construction noise report.

A third item is about Beverly Grove Park, a recreational space not being returned to the community for recreational use. Due to the new M5 portal at Kingsgrove, Beverly Grove Park recreational space will be diminished by at least 90 per cent. The community requested that WestConnex acquired an industrial site east of the park and that site be made available for basketball courts, futsal fields, cricket nets as well as barbecue and shaded picnic facilities. During initial consultations the merits of this proposal were recognised as a valid option and would be subject to assessment. Two years on, and with no further consultation, the proposal has evaporated. The residents of Kingsgrove North are entitled to compensation in the form of return of some of their recreational space. They have been given nothing. WestConnex cannot be allowed to trample over the communities that they ruin, manufacture some reason why they cannot fix it and again walk away with complete impunity. Where does the buck stop? Thank you.

**Ms CALMAN:** Thank you for listening to us. Our homes are damaged by WestConnex construction; our complaints are ignored. Property damage during infrastructure build is a predictable outcome. It is how the proponent deals with issues that we take to task here. We find that there is a failure to provide critical documents that residents have a right to access, a failure to identify and then mitigate the risk of damage from groundwater changes due to drainage, a failure to mitigate damage due to vibrations, a failure of the Department of Planning and Environment to enforce compliance with the conditional approval on WestConnex for property damage. I have tabled the case studies of families across the route who are also reporting damage. Just like the home acquisition debacle, we have experienced the same treatment from WestConnex with bullying, intimidation and that denial of role responsibility.

This matter is urgent. The number of families impacted by WestConnex property damage is only likely to continue to rise as construction progresses. Quoting my engineer, a reason is due to the huge swathe of the inner west, from Ryde to Kogarah, that is built on the residual clays of the weathering Ashfield Shale. This is a

highly reactive soil type that reacts to lower moisture content brought about by the significant new drainage for roadway run-off and deep excavations. Tunnelling vibrations are also an issue, and we find that despite the probability that some homes will be damaged, as expected, WestConnex and their contractors issue immediate denials without substance.

What we are concerned about is that once the contractor received sign-off, such as in our case Fulton Hogan, they walk away. There does not seem to be any accountability. Basically what happens is that families seem to be left to personally pay the repair bills for damages caused by WestConnex construction. The reality is that every home owner across this route is fully exposed to that risk. This damage is not covered by home insurance policies. I would like to make some recommendations to the Committee. The methodology of the RMS and WestConnex as to how they issue home dilapidation reports is totally inadequate and dismissive. We are experiencing stonewalling and hollow responses.

We would like to recommend that the dilapidation process on how the contractor appoints their own engineer to conduct assessments be urgently reviewed. It is like putting the fox in charge of the hen house and we have no trust in this flawed process. We request this Committee to use its influence to compel WestConnex to supply the detailed design and measurements that we need regarding drainage, soil moisture content and vibrations to residents. I ask, if WestConnex's claim of no fault is true, let us put it to bed. They should have nothing to hide, why continue to conceal these documents? We recommend that there be appointment of an independent arms-length arbiter that will oversee that the damage complaints process is conducted honestly, fairly and professionally.

Although this should be the role of the Department of Planning we find the WestConnex compliance officer quite ineffective. I just wanted to add a further thing about the impact on Beverly Hills and Kingsgrove, just a couple of facts to add to Dr Nassar: At Kingsgrove the unfiltered exhaust stack is located in the valley. We have two children's schools that are up the hill and two sports fields. Further, the EIS states that up to 40 per cent of the existing M5 traffic is predicted to flood our local roads like King Georges, Stoney Creek, Canterbury and Forest. That is impacting a lot more schools.

On a final note I wish to have a final statement that this whole episode I spent thousands and thousands of hours. This entire episode dealing with WestConnex and the RMS has been appalling. Last year I had two cancer diagnoses. Because we knew we had to take the RMS to court to get compensation for our property damage—our engineer predicts at least \$200,000—I had to cancel my sick leave to start chemotherapy, a couple of days after starting chemo. It is very personal to me what WestConnex has done.

**The Hon. GREG DONNELLY:** Thank you for coming along today. Your submissions are comprehensive, the ones to the Committee and the additional information today is helpful. With respect to the Beverly Hills North Progress Association, which obviously has put together a great deal of material on the impact of the WestConnex project on their communities, did it come together to do this specifically or it is a progress association that has other interests and activities?

**Ms CALMAN:** We have other activities as well. We have nominated to be part of the Georges River Council community liaison. We have dealt with other issues previously. This is an issue that we have spent some years on now.

**The Hon. GREG DONNELLY:** This is my point, you are a typical progress association which we find in communities around the city and State but the WestConnex project has brought people together in a focused way. People from the community, residents, came and reported to the progress association that there were a number of issues that were troubling them and they were struggling to get any answers to questions they raised?

**Mr ENGLISH:** There is a little bit of background to the association on the back page of that submission. The community was aware that there was a progress association that deals with a number of issues in the past. Since the original M5 was put through our work in the community you would say was dormant. We dealt with other issues such as people with traffic, dealing with councils, roundabouts, pedestrian crossings, those sorts of things in the community.

**The Hon. GREG DONNELLY:** In terms of trying to deal with the swathe of issues picked up in both your submissions and material provided today I sense frustration in being unable to get answers to questions being posed, satisfactory responses from the Government. The way you articulated it this morning is you could not get any response from "WestConnex". In terms of these issues who have you been primarily dealing with to get resolution of these issues? Has it been a particular person, department or office or part of WestConnex, or have you been dealing with the Department of Planning and Environment?

**Mr ENGLISH:** There are a number of other people we have tried to inform of our frustration. I apologise that you hear the frustration coming through. This is a process that has been going on for many years.

**The Hon. GREG DONNELLY:** With respect to WestConnex, who have you been trying to bowl the issues to to get breakthrough?

**Mr ENGLISH:** The primary source is the community liaison people. Then I also would send information to my local member, who was able to liaise and arrange meetings. I have had two prior meetings, one with the previous Minister for Planning, Mr Rob Stokes, and I have had a meeting with the current Minister for WestConnex, Mr Stuart Ayres.

**The Hon. GREG DONNELLY:** Notwithstanding what you have just described you still have the situation where you are coming before the hearing today with a range of matters outstanding. Where do you see this progressing from here? You have done a great deal of work to progress these matters to a satisfactory resolution for the complainants and individuals involved, but it has stuck there now?

**Mr ENGLISH:** Yes.

**The Hon. GREG DONNELLY:** Is it going to fall to you to raise money and get legal representation to progress the matters? How are you going to go forward?

**Mr ENGLISH:** We are seeking legal advice at this stage. As far as a class action is concerned with the damage incurred to a number of people, that is the only avenue that I see left at this stage.

**The Hon. GREG DONNELLY:** You feel like you have hit the wall?

**Mr ENGLISH:** I have, because phone calls are not being answered and emails are not being returned—that is stonewalling.

**The Hon. DANIEL MOOKHEY:** Ms Calman, thank you for the calibre and quality of your submission and the work you have done in the heightened circumstances you personally have faced. I can only imagine how difficult it must be to deal with a cancer diagnosis and serious litigation with a government department. I acknowledge that. Do you have confidence and faith in the integrity and honesty of the RMS in how they have been dealing with you?

**Ms CALMAN:** No.

**The Hon. DANIEL MOOKHEY:** On what basis have they lost your confidence?

**Ms CALMAN:** We were issued these post dilapidation reports—there was obvious damage to our home and our neighbour's. We were issued one page with a few photos saying, "Does not seem to be much damage." I put in my submission the exact words: "We cannot confirm or deny we caused the damage"—basically, you prove to us we caused it.

**The Hon. DANIEL MOOKHEY:** Has that litigation resolved?

**Ms CALMAN:** No.

**The Hon. DANIEL MOOKHEY:** You are still in court?

**Ms CALMAN:** No, we have not gone to court yet.

**The Hon. DANIEL MOOKHEY:** You have not gone to court?

**Ms CALMAN:** No.

**The Hon. DANIEL MOOKHEY:** Have you got a timetable?

**Ms CALMAN:** No, it is early days because we are collecting. I have gathered the case studies of a number of people.

**The Hon. GREG DONNELLY:** It is like a class action you describe. There are a number of complaints from people who have damaged property. and through you as the vehicle they are trying to work out how to deal with the Government.

**The Hon. DANIEL MOOKHEY:** Is it in the District Court or the Supreme Court?

**Ms CALMAN:** I do not know. We are just speaking to our lawyer at the moment, and they have also been dealing with quite a number of other people as well.

**The Hon. DANIEL MOOKHEY:** Prior to you and the other people who are party to the class action making the decision to sue, did you feel that RMS were perhaps eagre to mediate the dispute, eagre to respond or take steps short of litigation?

**Ms CALMAN:** No, they have not. They invited us to a meeting and they basically told us that we are there to discuss the contents of the second post-dilapidation report—I will not mention the small operator—

**The Hon. GREG DONNELLY:** You can.

**Ms CALMAN:** Inglis Engineering. It is a sole operator—and that the content of the report will not change. We have engaged a very senior engineer at quite a considerable cost to ourselves of more than \$8,000. He is very senior, with 40 years experience, and he said there are so many omissions in this additional document, such as they put the blame down to a dripping garden tap, or it could be overflow of our water tanks, which have been there for 15 years.

**The Hon. DANIEL MOOKHEY:** Is it accurate to say that you feel like their motivation here is to simply deny liability?

**Ms CALMAN:** That is right. They missed a very important part of the Australian Standard, which was that a likely cause of the damage in our home could be because of additional drainage. They have changed the pattern of drainage of the water flowing under, the groundwater, and that is what our engineers likely put it down to.

**The Hon. DANIEL MOOKHEY:** I have got very limited time left. Are you aware that RMS is subject to what is called a model litigant policy, which says that when they are being sued by anyone that they are to comply to the highest standards in terms of how they interact with the parties, that includes mediation, and to the extent possible, avoiding court action?

**Ms CALMAN:** They have not informed us of that.

**The Hon. DANIEL MOOKHEY:** Do you know that that is enforceable on RMS?

**Ms CALMAN:** I do not know. I am just a resident.

**The Hon. DANIEL MOOKHEY:** Is it a surprise to you to learn that they are meant to be following that policy?

**Ms CALMAN:** Yes, because we have been trying to call Annie Pedrussi, whom I consider a senior RMS consultative person. She refuses to answer my telephone calls.

**The Hon. GREG DONNELLY:** What is her title?

**Ms CALMAN:** She is RMS, senior compliance officer I think.

**The Hon. DANIEL MOOKHEY:** On notice, are you able to provide that correspondence—the emails that you have sent and she and other people from RMS have not answered?

**Ms CALMAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Mr English, to the extent you are able to document them, could you provide your calls to the hotline as well?

**Mr ENGLISH:** Yes.

**The Hon. DANIEL MOOKHEY:** Because we can take that up with RMS, given they have told us they have had 30,000-odd interactions and believe that they are doing a very good job. It would be most useful to have your document to be able to ask, firstly, why they have not responded to you, but equally why they are not following the model litigant policy in dealing with your class action.

**Ms CATE FAEHRMANN:** The Committee would be interested to see all of the correspondence in relation to the dilapidation reports, the one-page document that you have suggested that you received from them and also your comprehensive engineering report. Thank you for appearing today. Frankly, it is terrible that you have had to go through this, in my opinion. I think we have covered the dilapidation report. I will ask some questions about the construction of the noise barriers that you mention in your submission, Mr English. You talk about the partial installation of a perspex noise panel on the new section of Cooloongatta Road bridge. In your submission you suggest that someone called "Rachel E" said it was to afford visual symmetry from the carriageway for the motorists. Who is that person?

**Mr ENGLISH:** She is the community liaison person. But it is also documented in their submissions.

**The Hon. GREG DONNELLY:** Community liaison with whom, with which department?

**Mr ENGLISH:** WestConnex, she is one of the liaison persons. I think she is the original one, one of the ones that we dealt with, but they do swap and change.

**Ms CATE FAEHRMANN:** The visual symmetry from the carriageway—essentially these are put in to make it more appealing for the motorists, as opposed to the residents on the other side of the wall?

**Mr ENGLISH:** Absolutely.

**Ms CATE FAEHRMANN:** Was this documented in any policy or has Rachel just communicated with you?

**Mr ENGLISH:** No, it is in their documents. As I have quoted in my document there, it has come from the EIS. It comes from the new M5 EIS as well, where they have installed transparent noise walls all the way along for 400 metres where the Kingsgrove interchange extends west. That is so that the motorists can have a view of the trees over the golf course.

**Ms CATE FAEHRMANN:** What do you have a view of?

**Mr ENGLISH:** As a person walking along the pedestrian pathway there, you have a view of trucks whipping past there at 100 kilometres an hour.

**Ms CATE FAEHRMANN:** I think you said in your submission that some residents are left with a 10-lane motorway. That is their view.

**Mr ENGLISH:** That is right.

**Ms CATE FAEHRMANN:** What was their excuse for taking 13 months to install the noise walls? Originally it was 14 weeks, but that pushed out to 13 months. Did they provide an excuse to you?

**Mr ENGLISH:** "I recall, I can just say, it was only construction delays, nothing more than that."

**Ms CATE FAEHRMANN:** Ms Calman, at the beginning of your statement you referred to bullying and intimidation from RMS staff, maybe WestConnex.

**Ms CALMAN:** WestConnex, RMS, Sydney Motorway, all the same.

**Ms CATE FAEHRMANN:** Could you expand or give some examples to the Committee of what you were referring to when you used those words?

**Ms CALMAN:** It is more so my neighbour. The key thing is as a woman, not a man, and she just expressed horror at how she had been treated by WestConnex. She felt intimidated in her own home. She was starting to feel frightened, and she mentioned to Mr English that in future perhaps he could be with her when they came around again, or that we all be there. She has got a husband, but he works a lot of long hours, and they cannot both keep taking time off. We have taken so much time off, one by one, just to be there. I certainly would not want to be, as a woman, in a room myself with them.

**Ms CATE FAEHRMANN:** You made mention that you requested from WestConnex the original geotechnical reports and detailed designs as a result of the damage to your house. You have spent \$8,000—probably a lot more—on the independent engineer. What has been the excuse that WestConnex has given you, as residents with damage to your houses as a result of whatever is going on underneath them, for not providing you with that information?

**Mr ENGLISH:** Sorry to jump in: The engineer that they employed to do that second assessment, when I asked him does he have access to those documents, he said yes. I said to him, "Could you supply them to me?" He said, "I can't see any reason why not." Then, with consultation with WestConnex, he comes back, or I get a reply from him that he was told under no circumstances is he to pass on those documents to the residents.

**Ms CATE FAEHRMANN:** That was in an email that you will be providing us?

**Mr ENGLISH:** That was verbally given to me over the phone.

**The CHAIR:** Thank you again for coming in and helping us with our inquiry. In the submission you gave the Committee this morning, you state that when you ring the 1300 hotline you are connected with an overseas operator who knows nothing about the situation, and if you are lucky they call back several days later. Have you made official complaints to anyone about that?

**Ms CALMAN:** I will take that one. That was me calling, the first time at 3.30 in the morning. The incident was that there had been a car blasting, and then we were hit with a cacophony of these truck blastings—I do not know how many trucks there were. It is a bit hard to see; I did go out there. So I rang the hotline. I did not know what was going on, and a guy in Malaysia—who had no idea—he said he would find out. Then I was calling WestConnex. I had the community liaison person on my phone. No-one got back to us until the next

morning. And it was not until later that Mr English found my complaint had been watered down. We have that in the submission.

The complaint had been watered down to a single car horn blasting for five minutes. Who would complain about that? This was a small convoy of trucks. The noise was huge, and it woke us up. There was no apology, and the complaint was falsified. I put in a formal complaint to the Department of Planning and Environment after that, and it was shortly after that, I recall, that the current Fulton Hogan community liaison person left her job. I do not know if it is related, but she did.

**The CHAIR:** Thank you. You also state that breaches of the EIS go unscrutinised, uncontested and unpunished. That is relating to the Cooloongatta Road bridge. Can you comment on that?

**Mr ENGLISH:** Yes, there were a couple of issues. The EIS stated that there would be noise walls placed on all new sections of the bridge. That has not happened. When I have pointed that out to the Department of Planning and Environment, nothing has changed. There were also noise walls that were lowered, again, so that the motorists could have a symmetric view of the noise wall. That is illustrated in figure two in the document. The lowering of the noise walls was investigated by the Department of Planning and Environment and nothing changed. Nothing came back, even though the noise wall height had been lowered, as I said, for the sake of the motorist so they could have a symmetrical view of the noise wall.

**The CHAIR:** You have put that in your submission as a quote. Where did the quote come from?

**Ms CALMAN:** The EIS.

**The CHAIR:** It is actually stated in the EIS as a reason for lowering?

**Mr ENGLISH:** It does not say for lowering, but for the installation of transparent noise walls.

**Ms CALMAN:** "We wish to choreograph the motorist's journey with views across the golf course and through our parks." It does not matter about the residents. In fact, it is a breach of the RMS guidelines. I cannot remember which particular clause it is now, but the proponent is not permitted to prioritise the motorist over residents and I pointed that out to them in one of my submissions on the Kingsgrove-M5 landscaping design, but it gets ignored. They have installed the transparent noise walls.

**Mr ENGLISH:** And there was no further consultation.

**The CHAIR:** You also state that in February 2016 unscheduled work was carried out on the north GR on ramp.

**Mr ENGLISH:** Yes.

**The CHAIR:** How would you know it was unscheduled?

**Mr ENGLISH:** That was the incident that Ms Calman was talking about when they blocked off the ramp and that is what caused the delay for those trucks for that 20 minutes at 3.30 in the morning. There was no notification given to the residents that there was going to be night work on that particular night. I presume that any type of night work that was being conducted needed to go out to the residents to let them know and inform them, as they do on a weekly basis now with the new M5. I have been speaking to some of the residents over there. Their night work is going on six nights a week and they get an information sheet every week to say more night work, six nights a week.

**The CHAIR:** You also stated that the March 2016 compliance report of the event we are talking about bore no resemblance to the actual event, that the facts were distorted.

**Mr ENGLISH:** Yes.

**The CHAIR:** That is someone from where? From the department? From WestConnex?

**Mr ENGLISH:** That would be the community liaison person from WestConnex. Fulton Hogan did the compliance report. They had reported it as a five-minute single horn blast from a single disgruntled motorist, and it was not. We all went and viewed it from the bridge. You could see there were half a dozen trucks sitting there blasting their horns while a fellow had blocked off that particular lane because they were doing work on the retaining wall to the side of that lane.

**The CHAIR:** You say that went on for 40 minutes?

**Mr ENGLISH:** No, that was 20 to 30 minutes.

**Ms CALMAN:** That was a typing mistake.

**The CHAIR:** The scheduled work went on for 40 minutes?

**Mr ENGLISH:** Maybe if that is what it says, but the horn blasting went on for 20 to 30 minutes.

**The Hon. Dr PETER PHELPS:** Mr English, when was the Beverly Hills North Progress Association formed?

**Mr ENGLISH:** That was formed by a group of residents prior to me moving in. We moved in there in late 1999. The progress association had already been formed by a few residents. My main consultation was with a fellow by the name of Graham Peak. He was the previous chair of the Beverly Hills North Progress Association.

**The Hon. Dr PETER PHELPS:** The *St George and Sutherland Shire Leader* of 7 June 2015—when you were interviewed—was incorrect when it stated that it had only been recently formed?

**Mr ENGLISH:** That would be incorrect.

**The Hon. Dr PETER PHELPS:** How many members are there in your association?

**Mr ENGLISH:** On the back of that, we let it drop over 500 homes. We have 50 people on our email list and we have regular meetings with seven different community representatives.

**The Hon. Dr PETER PHELPS:** My question was: How members are there of the association?

**Mr ENGLISH:** I would associate those seven people who attend those meetings as members.

**The Hon. Dr PETER PHELPS:** So seven people. Aside from WestConnex property concerns, what other measures of progress does your association advocate for?

**Mr ENGLISH:** Sorry, could you repeat that question?

**The Hon. Dr PETER PHELPS:** Aside from opposition to WestConnex, what other matters does your organisation actively advocate for?

**Mr ENGLISH:** We advocate for community safety as well as the safety and the facilities for the children of that community.

**The Hon. Dr PETER PHELPS:** Do you have a Facebook page for the Beverly Hills North Progress Association?

**Mr ENGLISH:** No.

**The Hon. Dr PETER PHELPS:** Do you administer the WestConnex Action Group Beverly Hills/Kingsgrove Facebook page?

**Ms CALMAN:** I do, but I have not done that for quite a while now since I have been ill.

**The Hon. Dr PETER PHELPS:** You do not have a Facebook page about a progress association but you administer an anti-WestConnex Facebook page. Is that correct?

**Ms CALMAN:** Did.

**Mr ENGLISH:** I do not.

**The Hon. Dr PETER PHELPS:** Ms Calman, when you speak about "our home", what are you referring to? Who is the "our" in "our home"?

**Ms CALMAN:** Mine and Mr English.

**The Hon. Dr PETER PHELPS:** So you live together?

**Ms CALMAN:** Yes.

**The Hon. Dr PETER PHELPS:** Mr English, did you receive a complimentary property condition survey from the Sydney Motorway Corporation?

**Mr ENGLISH:** Do you mean a—

**The Hon. Dr PETER PHELPS:** Is that the one page to which you were referring?

**Mr ENGLISH:** Is that the pre- or post-construction?

**The Hon. Dr PETER PHELPS:** This is a complimentary property condition survey from the SMC.

**Mr ENGLISH:** I do not know of it by that name.

**The Hon. Dr PETER PHELPS:** Did you receive anything from the SMC about your property condition?

**Mr ENGLISH:** We received a pre- and post-dilapidation report.

**The Hon. Dr PETER PHELPS:** Which was assessing the condition of your property?

**Mr ENGLISH:** Yes.

**The Hon. Dr PETER PHELPS:** What did that first report say?

**Mr ENGLISH:** It was quite long. I have it in my bag if you would like to have a look at it. There were many, many photographs that were taken. That is most of the reason for the pre-construction dilapidation report. There were, I think, about 50 residents from around that area that also had pre- and post-dilapidation reports. Actually, there have been less post-dilapidation reports because a number of them were not followed up afterwards.

**The Hon. Dr PETER PHELPS:** Did you receive a further property condition survey from the firm Inglis Engineering?

**Mr ENGLISH:** Yes.

**The Hon. Dr PETER PHELPS:** Was that report of the order of 180 pages in length from an engineer who had at least 20 years experience in the industry?

**Mr ENGLISH:** Most of those pages would have been photographs of the damage that had been incurred.

**The Hon. Dr PETER PHELPS:** So you did receive a 180 page report?

**Mr ENGLISH:** I do not know if it was 180 pages; I have not counted them. I have it in my bag.

**The Hon. Dr PETER PHELPS:** What did the report say?

**Mr ENGLISH:** In context?

**The Hon. Dr PETER PHELPS:** Yes.

**Mr ENGLISH:** It summarised a number of things. It said things such as that it was likely that the excavation had gone through the water table and had altered the water flow of the water table. This is within 30 metres of our property and 25 metres of the property that is beside us that has also incurred damage.

**The Hon. Dr PETER PHELPS:** Did Inglis Engineering ever request a meeting with you to discuss the report after it was prepared?

**Mr ENGLISH:** Inglis Engineering did not. The liaison person from WestConnex had. We were unavailable at that particular time. We were in Queensland. I got a phone call when I was there. I said that we could not attend any particular meeting at that time, but I have always said that I would be happy to talk to that particular meeting.

**The Hon. Dr PETER PHELPS:** Were you unhappy with Inglis Engineering's report on your property?

**Mr ENGLISH:** I was unhappy with the summation that they had made. Simply because in passing that particular document on to other engineers, they have said that there are significant discrepancies in there, or omissions, mostly to the fact that it surmised that we were outside the zone of influence. Yet nothing was conducted to determine what was the zone of influence.

**The Hon. Dr PETER PHELPS:** If you were unhappy with the report and you did not wish to discuss it, did you ever think about commissioning your own report in relation to your property?

**Mr ENGLISH:** That we have done. I did not say that we did not want to discuss it. At no stage is that not up for discussion—we were unavailable to discuss it. They did go and confront our neighbour about it, who got quite annoyed about having to go again in order to take more time off. She would have said in the end, possibly in her emails, she might have said, "I am sick of this. I don't want to carry on anymore with these incursions into my particular situation." But I had not said that I did not want to discuss that any further. The question that they had asked me was to go and explain the report. I knew already what was in the report—I did not need to have it explained to me—but I have commissioned another independent engineer to look into that.

**The Hon. Dr PETER PHELPS:** In relation to this new report, the one you have commissioned, have you ever shown this report to RMS or to Fulton Hogan?

**Mr ENGLISH:** No. They have requested that. When I say "they", that is the department of Planning have requested it. Fulton Hogan or the RMS have not requested that.

**The Hon. Dr PETER PHELPS:** Why have you not sent it in if it is the basis of your complaint?

**Mr ENGLISH:** It is a matter of experience that whenever we have gone to the department of Planning and requested something and supplied them with documents, they have come back with a summation that is exactly the same as the RMS—for example, their conclusion with the Inglis report. At no stage does it say in the Inglis report that it was not their fault—that is, it was not WestConnex's fault; it does not state that.

**The Hon. Dr PETER PHELPS:** But if the basis of your contention is that the Inglis Engineering report is faulty and your report is correct, why have you not, prior to the threat of legal action, presented RMS with the facts as you see them?

**Mr ENGLISH:** I would not put it that way. I would not say one is correct and one is faulty, or either way. I have pointed out that the Inglis report had omissions within it. Our engineering report—our engineer cannot finish his report; he said to us, "I cannot come up with any degree of certainty as the cause of damage in your case. I can say that there is a degree of uncertainty". But the problem is that we do not have access, and I cannot get access, to those documents that I have put in there that Inglis Engineering had access to and our engineer does not. So he comes up with "I am uncertain."

**The Hon. Dr PETER PHELPS:** In your submission you refer to an incident about trucks blowing their horns repeatedly for some time back in 2016, and that was due to inadequate signposting.

**Mr ENGLISH:** They blocked the road, yes.

**The Hon. Dr PETER PHELPS:** Were you the individual who made that complaint?

**Mr ENGLISH:** I was one of several.

**The Hon. Dr PETER PHELPS:** Was the signage issue ever resolved?

**Mr ENGLISH:** We might be talking on different terms. The signage for the motorists—there was temporary signage that the on ramp had been closed and they had blocked it off.

**The Hon. GREG DONNELLY:** Just to be clear, Ms Calman, in the questioning from Dr Phelps he characterised the group that you are associated with, or one of the groups, as an anti-WestConnex group. It was a rather quick comment. Would you like to comment on that further? Is that a correct characterisation of the group that he referred to?

**Ms CALMAN:** No. The Beverly Hills North Progress Association is all about making it better for the community. The stance of this association was about working with WestConnex in order to just give back to the community what they have lost. We have 12 hectares of park that has been seconded by WestConnex; only two will be returned. Our own experience with the landscape and design and the urban repair is that it is just not good enough for the ongoing inconvenience, the dust, the noise, the stress, that the ugliness is what gets returned.

**The CHAIR:** We will have to move on. The time is up.

**The Hon. Dr PETER PHELPS:** With respect, Mr Donnelly has sought to suggest that my line of questioning has not been fair. Ms Calman, is this actually written on the website which you have administered previously: "This community page is managed by representatives of the Beverly Hills North Progress Association as a means of communicating updates, concerns and views of the WestConnex M5 project. This community is united with all electorates that are impacted by this toxic waste of money."

**Ms CATE FAEHRMANN:** It is a Facebook page on WestConnex by a community group.

**The Hon. Dr PETER PHELPS:** Administered by them.

**Ms CATE FAEHRMANN:** What is the point?

**The Hon. Dr PETER PHELPS:** You say that you are not a WestConnex group and yet you describe it as a toxic waste of money. Are you sure that you are not an opposition-to-WestConnex group?

**Ms CALMAN:** We are a community group. We have lived through the first M5 and we were promised, as in the opening statement, that it was going to take traffic off local roads. We were promised that the unfiltered exhaust stack was safe. We were promised that you could leave your windows open on the M5 and it was safe. We have had multiple parliamentary inquiries. The stack at Turrella, in the valley of Turrella, is unfiltered, pumping diesel exhaust into the community in Earlwood above.

Our urban environment, though promised, was never repaired. We did it; we put together a gardening thing, bought our own plants and planted them and then watered it through the severe drought of the year 2000. We beautified our environment because that is where we live and we loved our home. We are trying to work together with our residents and out of this one I have met the most wonderful elderly people—they do not have access to computers; I think I am the only visitor sometimes. That is what it has done.

**The CHAIR:** Thank you very much for your submissions and for the information you have supplied. I am not sure whether you want to table any of those other reports or whether the Committee needs them.

**The Hon. DANIEL MOOKHEY:** Just to be clear, my understanding is that they have formally already tabled them. It is up to us to decide whether we publish.

**The CHAIR:** Thank you again. You have 21 days to answer any questions taken on notice from the time the secretariat gives you the questions. Thank you for your hard work, and I am sorry it has affected your health so much.

**(The witnesses withdrew)**

**JAMES GEORGE BETTS**, Chief Executive Officer, Infrastructure NSW, affirmed and examined

**MARINA GROBBELAAR**, Acting Deputy Chief Executive Officer and Head of Investor Assurance, Infrastructure NSW, sworn and examined

**The CHAIR:** You have not made a submission to the inquiry. Are you making opening statements now?

**Mr BETTS:** I will make a short opening statement.

**The CHAIR:** Is there any reason you have not made a submission?

**Mr BETTS:** We were happy for RMS to provide the main background submission to the Committee, by way of context.

**The Hon. DANIEL MOOKHEY:** You have seen that submission?

**Mr BETTS:** Yes. It is in the public domain. It is on the web site.

**The CHAIR:** Can we have your opening statement?

**Mr BETTS:** Certainly. I will try to keep it brief. As we have just noted, RMS has already provided a submission to the Committee and provided evidence earlier this week, as I understand it, but I thought it might be helpful to the Committee if I was to provide you with a brief explanation of the role that Infrastructure NSW has played in relation to WestConnex and related projects over the years.

There are four main functions or main roles that we perform. The first relates to our statutory function—which I am happy to describe in more detail—around the production, at least every five years, of a State infrastructure strategy which advises the Government of the day of what we, as an independent body, regard as the long-term infrastructure investment priorities for the State. The first State infrastructure strategy was produced in 2012, before I was the CEO of the organisation—before I came on the scene—and it is fair to say that that strategy, which was entitled "First Things First", identified WestConnex as one of the highest investment priorities for the recently elected Government.

In proposing WestConnex, Infrastructure NSW at the time put on its web site a 30-page document which it characterised as a feasibility study, which included a target cost for the project of around \$10 billion and had a very preliminary estimate of the benefit-cost ratio of the project of 1.5, but it identified the next steps as being the production of concept designs, the assessment of options and the production of a business case. So it is fair to say that in 2012 it was a pretty preliminary piece of analysis from Infrastructure NSW. The next time we produced a State infrastructure strategy was at the request of the then Premier in 2014, by which stage the WestConnex project was underway. At that point we flagged the need for the Government to consider some augmentations to the motorway network, including the Western Harbour Tunnel and the gateway project to connect to the airport and the port, and to bring forward business cases for those.

The second function that Infrastructure NSW performs which is relevant, which I think has already been touched on in evidence from government representatives previously, is around our administration of the Infrastructure Investor Assurance Framework, which provides independent advice to the Cabinet on how major projects are travelling across Government. That framework was established and Infrastructure NSW was put in charge of it in light of an Auditor-General's review of WestConnex in late 2014. We are happy to describe in detail the processes that we follow for external assurance of major projects, including WestConnex, and the framework itself is documented and is on our website. As I said before, the predominant purpose of our reviews and our advice is to inform Cabinet. As such our findings are covered by Cabinet-in-confidence. I am as constrained by that as anybody else, but I can tell you that we have undertaken no fewer than 36 reviews on the different aspects of WestConnex. We review it on a regular basis. I am happy to discuss the framework in more detail.

A third function we perform on behalf of the New South Wales Government is liaising with the Commonwealth. That includes Infrastructure Australia, which is our national equivalent sister body. Infrastructure Australia publishes business case evaluation summaries for projects which are put to it for consideration by states and territories. There are two such evaluations related to WestConnex on the Infrastructure Australia web site. One relates to the 2014 business case. The other relates to the updated business case that was produced by the Government in 2016. Both of those summaries coming from the national independent infrastructure body express high degrees of confidence that the benefits of the project exceed the costs. Some commentary around the need to sharpen up some of the cost assessments and some of the traffic modelling in the first incarnation of the business case was substantially addressed in the second, according to Infrastructure Australia.

The final function, just to wrap up, is our administration of the Restart NSW fund, which is a statutory fund established in 2011, into which the proceeds of major asset recycling has occurred. \$1.8 billion from that fund was allocated to WestConnex in October 2013, and then some time later—at the back end of 2015—just

over \$15 million was allocated for early development work on the Sydney Gateway project. That is a summary of the functions that Infrastructure NSW performs. I am obviously happy to take any questions.

**The CHAIR:** Could you table that opening statement?

**Mr BETTS:** I am afraid it is in fairly scrappy notes that I have been reading from, but I would be happy to provide those.

**The CHAIR:** Anything that you have.

**The Hon. GREG DONNELLY:** We can read scrappy notes.

**The Hon. Dr PETER PHELPS:** Hear, hear; we love scrappy notes.

**The Hon. DANIEL MOOKHEY:** We specialise in that.

**The Hon. Dr PETER PHELPS:** Authenticity.

**The CHAIR:** Does your associate wish to make any opening statement?

**Ms GROBBELAAR:** No, thanks.

**The CHAIR:** Would you briefly explain what your role is—head of investor assurance?

**Ms GROBBELAAR:** And Deputy CEO of Infrastructure NSW.

**Mr BETTS:** Marina is my deputy responsible for the assurance process, which is the review of all the major projects being developed and delivered by the New South Wales Government, and the provision of advice to the Cabinet on how those projects are travelling. That is the subset of our functions that Marina heads up.

**The CHAIR:** She is the head, and she advises you.

**Mr BETTS:** Correct. Marina reports to me.

**The Hon. SHAYNE MALLARD:** Ongoing reviews?

**Mr BETTS:** Yes. Ongoing reviews and regular reports. It is all set out in the Investor Assurance Framework, which we are happy to describe to you.

**The Hon. DANIEL MOOKHEY:** Thank you, Mr Betts and Mr Grobbelaar, for your appearances today. And thank you, Mr Betts, for the comprehensive nature of your detailing of how Infrastructure NSW is involved in the project. Just to conclude that, though, Infrastructure NSW did produce a 2018 strategic infrastructure statement, as well.

**Mr BETTS:** It did, yes.

**The Hon. DANIEL MOOKHEY:** So it was in 2012, 2014 and 2018.

**Mr BETTS:** Correct.

**The Hon. DANIEL MOOKHEY:** You have produced 36 reviews of the project under the assurance framework since its inception.

**Mr BETTS:** Yes, that is right.

**The Hon. DANIEL MOOKHEY:** When was the last one?

**Mr BETTS:** I would have to check my notes on that. It would be relatively recently.

**Ms GROBBELAAR:** It is probably still on foot.

**Mr BETTS:** Yes. We review each of the subcomponents of the WestConnex project. We do that on a regularly basis, including at least every six months for—

**The Hon. DANIEL MOOKHEY:** What involvement did Infrastructure NSW have in the preparation of the original business case? Is it the case that RMS produced it and you assessed it under the Infrastructure NSW assurance framework?

**Mr BETTS:** No. I think it was produced by the WestConnex Delivery Authority, which was a special—

**The Hon. DANIEL MOOKHEY:** They were the responsible agency?

**Mr BETTS:** Yes, they were.

**The Hon. DANIEL MOOKHEY:** And you assessed it under the infrastructure—

**Mr BETTS:** No, we did not, because at that stage it did not exist. The Infrastructure Investor Assurance Framework was established in the light of the findings of the Auditor-General, as I said in my notes. The date is in my notes, which I no longer have. Over the year that followed that, we progressively established the assurance framework, which is now mature.

**The Hon. DANIEL MOOKHEY:** The updated strategic business case, which was produced in November 2015, was produced at that time by RMS—is that correct?—because the WestConnex Delivery Authority had ceased to exist.

**Mr BETTS:** You may well be right.

**The Hon. DANIEL MOOKHEY:** It was the responsible agency, and you assessed it the way you would any project that is being presented to you under that framework. Is that correct?

**Mr BETTS:** The investor assurance framework was established progressively from mid-2015 to mid-2016, so I am not sure that we actually did do a review on that—

**The Hon. DANIEL MOOKHEY:** Either way. It may have been assessed under the Transport for NSW assurance framework.

**Mr BETTS:** Yes, that would be the alternative.

**The Hon. DANIEL MOOKHEY:** That would be the alternative. In the updated strategic business case of November 2015, the Sydney Gateway was considered to be part of WestConnex. Does that accord with your understanding?

**Mr BETTS:** Yes. As I understand it, some \$800 million was earmarked to provide a connection between the St Peters interchange and the airport and port.

**The Hon. DANIEL MOOKHEY:** In the assurances that you have undertaken since 2016, when the investor assurance framework has been in place, how many times have you assured the Gateway component of the project to date?

**Mr BETTS:** Several times. The detail of that is Cabinet-in-confidence, but we have undertaken a number of reviews of Sydney Gateway during that time—something like eight.

**The Hon. DANIEL MOOKHEY:** When did you start assuring the gateway project as a separate project from WestConnex?

**Mr BETTS:** It was recorded as a separate project from WestConnex from September 2017.

**The Hon. DANIEL MOOKHEY:** September 2017.

**Mr BETTS:** Correct.

**The Hon. DANIEL MOOKHEY:** Can you explain why, therefore, RMS has said to us that it started considering it as a separate project in 2015, if it was removed in September 2017? Given that it is your responsibility to assure, on behalf of the taxpayers of New South Wales, I am very interested to see why you had to wait so long before you had to start assessing it as a separate project.

**Mr BETTS:** So the question is whether, if it was assessed as a separate project, it would have previously been assessed as being part of a suite of WestConnex projects. To set it in the context of WestConnex overall, WestConnex is effectively a 10-year program of investments, and those investments have been progressively procured and constructed in a staged way. It is also fair to say that those investments have been planned in a staged way.

**The Hon. DANIEL MOOKHEY:** To be fair to you, that is not what Infrastructure NSW outlined in its 2014 infrastructure strategy and it is pretty similar to its 2012 strategy as well.

**Mr BETTS:** Yes, that is right. I would like to finish that point because I think it might shed some light. The initial provision was for \$800 million in the 2015 business case to provide a connection. However, the detailed planning of that connection through to the airport and the port was at the back end. Of all the different packages for WestConnex, that was the most recent one that the Government turned its mind to—

**The Hon. DANIEL MOOKHEY:** The point is—

**Mr BETTS:** If I could finish. As I said, we allocated \$15 million to enable that planning work to occur. However, it became apparent to government that the \$800 million provision in WestConnex could provide connectivity to the port and the airport. It was so strategically significant that the project should effectively be treated as a mega-project in its own right. It should include not only a motorway-standard connection to the airport

but also the duplication of the Port Botany rail line, which was identified by Infrastructure Australia as one of the most critical projects in the country. The project has evolved from being a subset of WestConnex at \$800 million into a fully fledged project that stands on its own strategic merits.

**The Hon. DANIEL MOOKHEY:** I do not wish to rush you, but I have limited time. September 2017 is effectively when Infrastructure NSW starts treating it as a separate project for assurance purposes.

**Mr BETTS:** Correct.

**The Hon. DANIEL MOOKHEY:** That is the summary. Moving on, we are told by Roads and Maritime Services that a final business case has been prepared. Is that correct?

**Mr BETTS:** Yes.

**The Hon. DANIEL MOOKHEY:** We have been told that a final investment decision has not been taken. Is that also correct?

**Mr BETTS:** I do not want to go into the details of cabinet processes, but that is not far off the mark.

**The Hon. DANIEL MOOKHEY:** When do you anticipate Infrastructure NSW to be in a position to publish a business case summary for Sydney Gateway?

**Mr BETTS:** That will be up to the Government, but the standard process is that within four months of an investment decision being made we routinely publish business case summaries.

**The Hon. DANIEL MOOKHEY:** Does the current proposal for Sydney Gateway connect to Port Botany?

**Mr BETTS:** Obviously there is connectivity through to Port Botany at the moment. The principal focus of the upgrade, as I understand it—

**The Hon. DANIEL MOOKHEY:** It is rail connectivity.

**Mr BETTS:** —it is rail connectivity. That is correct.

**The Hon. DANIEL MOOKHEY:** Is there road connectivity in the existing proposal?

**Mr BETTS:** There is significantly upgraded road connectivity to the airport. However, it is fair to say that the Sydney Gateway project as currently conceived does not represent the final word on road connectivity to the port. Further work will be undertaken in the normal course of events to plan progressive upgrades to road connections to the port.

**The Hon. DANIEL MOOKHEY:** But in 2014—

**Mr BETTS:** Sorry. Sydney Gateway and WestConnex never purported to be the final solution to every road or transport issue in Sydney, so there will always be unfinished business; it will always be with us.

**The Hon. DANIEL MOOKHEY:** But it is fair to say that in 2014, Infrastructure Australia very helpfully published a map showing there was meant to be road connectivity to Port Botany.

**Mr BETTS:** There is. Watch the trucks go along Foreshore Road.

**The Hon. DANIEL MOOKHEY:** I used to represent those truck drivers, so I am familiar with them.

**The Hon. Dr PETER PHELPS:** Some of them.

**The Hon. DANIEL MOOKHEY:** A lot of them. Why does it not now go to the port as envisaged in the 2014 strategy?

**Mr BETTS:** There is road connectivity to the port as I have described. The port will benefit very significantly from the wider network upgrades that WestConnex and the Sydney Gateway project both produce, including connectivity between the port and the growing areas of Western Sydney. The port is a very significant beneficiary from both projects as they currently stand. However, it would be fair to say that there will always continue to be a focus on the need to provide further upgrades to road connectivity to the port.

**The Hon. DANIEL MOOKHEY:** We are now paying \$2.6 billion for it and we do not have direct road connectivity to the port.

**Mr BETTS:** You do have direct road—

**The Hon. DANIEL MOOKHEY:** Through the new gate—

**Mr BETTS:** How do you think the trucks get into the port at the moment?

**The Hon. GREG DONNELLY:** Let him ask his questions, Mr Betts.

**The Hon. DANIEL MOOKHEY:** Let me finish the question and then you can tell me why I am wrong. We are not providing rail connectivity through Sydney Gateway; we are doing it through a rail connection. That is correct.

**Mr BETTS:** The Sydney Gateway project is—

**The Hon. DANIEL MOOKHEY:** In 2014, the document your agency produced envisaged that there would be road connectivity through Sydney Gateway and rail connectivity, if you want to be strictly accurate. We now have rail but we do not have road. It is costing us \$2.6 billion and it is not going to Port Botany. Port Botany was the original justification. I am asking you as the independent agency whether you have been provided with reasons for that not happening.

**Mr BETTS:** The principal focus of the project has been to provide upgraded access at motorway standard directly to the airport. The port will significantly benefit from the project. There is scope for further upgrades to provide connectivity to the port. Infrastructure NSW would, at a strategic level, support those investments being investigated, documented and ultimately funded by the Government.

**The Hon. DANIEL MOOKHEY:** Treasury says that the State Government component of Sydney Gateway—which is not the railway; it is the road to the airport—will be paid for out of consolidated revenue. Does that accord with your understanding?

**Mr BETTS:** I do not think the Government has taken a decision that I am aware of on whether it will come out of consolidated revenue as against restructure—

**The Hon. DANIEL MOOKHEY:** Treasury was very clear about this. We asked point blank whether it was coming from consolidated revenue. I think they volunteered it was coming from consolidated revenue. Does that accord with your understanding?

**Mr BETTS:** If Treasury says that then I am happy to be guided by the record.

**The Hon. DANIEL MOOKHEY:** If it is the case that it is coming from consolidated revenue, it is therefore correct to say that the legislative requirement of the Restart NSW Fund Act that the benefit-cost ratio [BCR] be more than one would not apply. That is an accurate statement.

**Mr BETTS:** That is right; there would be no requirement related to Restart NSW for it to have a BCR of greater than one if it does not come out of Restart NSW. That is true of any investment the Government makes that is not funded by Restart NSW.

**The Hon. DANIEL MOOKHEY:** Of course. Moving on, in your 2014 infrastructure strategy you said that Infrastructure NSW recommends that Transport for NSW develop a business case for the Western Harbour Tunnel by the end of 2015 to enable the project fulfilment and the delivery of a tollway with or immediately after the delivery of stage three of WestConnex. Given that you called for it to be completed so we can contemplate whether it should connect to WestConnex, has the final business case for the tunnel been completed?

**Mr BETTS:** Yes.

**The Hon. DANIEL MOOKHEY:** Is it public?

**Mr BETTS:** No, because the Government has not yet taken a final investment decision on the Western Harbour Tunnel.

**The Hon. DANIEL MOOKHEY:** In your 2014 State infrastructure strategy, you make a point about the F6 also connecting to WestConnex. Is that correct?

**Mr BETTS:** That is correct.

**The Hon. DANIEL MOOKHEY:** Has the F6 final business case been completed?

**Mr BETTS:** Yes, and the summary has been published on our website.

**The Hon. DANIEL MOOKHEY:** But not with a final investment decision?

**Mr BETTS:** A final investment decision has in fact been taken.

**The Hon. DANIEL MOOKHEY:** About the F6?

**Mr BETTS:** About the F6 stage one, yes.

**The Hon. DANIEL MOOKHEY:** You say in this year's State infrastructure strategy:

Infrastructure NSW considers that the F6 Extension and Beaches Link both need to be weighed carefully against other potential government sector investments. In a constrained fiscal environment, a near term decision to invest in these new motorway connections serving the Eastern Harbour City may mean deferral of projects elsewhere in Greater Sydney which may have greater city-shaping impacts.

Which projects were you referring to when you said, "the Eastern Harbour City may mean deferral of projects elsewhere in Greater Sydney"? Does that include Sydney Gateway?

**Mr BETTS:** That includes any project elsewhere in the city in a constrained fiscal environment. The statement is one of arithmetic fact. If you invest in project X in a constrained fiscal environment, that ties up capital that is no longer available to invest in project Y. The strategic choice for this Government and future governments will be whether they invest in worthwhile projects to address constraints, congestion et cetera in the established eastern harbour city or whether they give priority to investment in more city-shaping projects in the central river city around Parramatta and the Olympic peninsula, or even in the longer term around Badgerys Creek in the western part of the city. Those are the choices government faces.

**The Hon. DANIEL MOOKHEY:** Of course.

**Mr BETTS:** You cannot have your cake and eat it; you cannot fund every worthwhile project immediately.

**The Hon. DANIEL MOOKHEY:** I agree with that. Hence I am asking you—in respect particularly to the Western Metro, which must coincide with WestConnex and White Bay—whether there is an impact now that you are referring to when you say it is going to lead to the deferral of projects elsewhere in greater Sydney that may have greater benefit?

**Mr BETTS:** To be honest, you would have to ask people in Treasury, who have a better sense than I do about what the available capital is over the medium and long term. When I say "in a constrained fiscal environment", you would have to know how constrained it was and the price tag of those projects to make that decision.

**The Hon. DANIEL MOOKHEY:** I hope to get Treasury back to ask them. One of the big themes that is coming through is the choice to invest in WestConnex at the expense of public transport. Does the Western Metro have a greater benefit-cost ratio than WestConnex?

**Mr BETTS:** I cannot answer that question because the final business case for the western metro will not be completed until the end of this year. At that point we will have the information.

**Ms CATE FAEHRMANN:** What percentage of the New South Wales transport budget should be spent on active transport infrastructure, according to Infrastructure NSW?

**Mr BETTS:** I do not think that we have ever identified a specific percentage that should be spent on active transport. We regard active transport as being a critical part of the equation. We want more people to be walking and cycling. We want active transport to be embedded in every major piece of infrastructure that Transport for NSW and RMS invest in, but I do not think expressing it as a percentage is something that we have ever previously done.

**Ms CATE FAEHRMANN:** Do you have key performance indicators [KPIs] in that area? You said it should be embedded in every piece of transport infrastructure. Do you have KPIs that are being met?

**Mr BETTS:** It is a matter of policy for the Government to ensure that active transport options are included in all business cases for major transport investments.

**Ms CATE FAEHRMANN:** Active transport is included in the business case for every piece of infrastructure?

**Mr BETTS:** It needs to be considered. It is obviously a decision for government about exactly what the scope of each individual project is at the end. There are a number of policy priorities identified in our State infrastructure strategy including in relation to things like health and priorities like childhood obesity that lead us to the conclusion that walking, cycling and other forms of active transport are a critical part of the mix. We would be very supportive of active transport.

**Ms CATE FAEHRMANN:** During your opening statement you talked about Infrastructure NSW in 2012 identifying WestConnex as the highest priority. Is that correct?

**Mr BETTS:** It was certainly a very high priority. I am not sure whether we ever said it was the highest, but that was before my time.

**Ms CATE FAEHRMANN:** I think I jotted that down. Was an options paper considered in terms of what WestConnex was aiming to achieve in terms of public interest? Was an options paper presented that WestConnex seemed to beat all the other options?

**Mr BETTS:** That was the business case that was subsequently produced in 2013 and updated in 2015.

**Ms CATE FAEHRMANN:** The business case was pretty light on in terms of alternatives. Generally there is an options paper with serious consideration given to rail or other forms of mass transit, for example. That was not considered in this case, was it?

**Mr BETTS:** The business case has been published in summary form. I think you have reached your own conclusion on that. WestConnex is a project that will be heavily used by public transport. Roads are not a mode of transport. Investing in motorways does not necessarily preclude investment in public transport. You need a complementary mix of having a decent road network so, for instance, buses can get from A to B. It would also be fair to say that WestConnex and road-related investments like it need to be seen in a broader context of other investments like, for instance, Sydney Metro, which is an even bigger program of investment than WestConnex and is all about mass transit.

**Ms CATE FAEHRMANN:** For massive projects such as this, which I think is the biggest project of its kind in the country at \$17.8 billion or \$17 billion or whatever it is now—

**Mr BETTS:** It is \$16.8 billion.

**The Hon. DANIEL MOOKHEY:** Plus the gateway.

**Ms CATE FAEHRMANN:** —plus the associated costs in terms of everything else that is going on around it, are you saying that Infrastructure NSW should not request that there should be alternatives, such as mass transit, that the Government offers for a spend of \$17 billion?

**Mr BETTS:** Absolutely, alternatives should be considered. If you would like me to talk about the investor assurance framework, I can talk about the way in which that is structured.

**Ms CATE FAEHRMANN:** What were the alternatives?

**Mr BETTS:** I am afraid I cannot speak to the historic record of what might have been done before Infrastructure NSW established the investor assurance framework, but our framework requires agencies that wish to secure investment in major infrastructure to complete what is called a strategic business case, which we then independently review. The purpose of that strategic business case is precisely to identify a problem that the proponent purports to be addressing and the full range of options available to address that problem. In this case that would include mass transit options; it would include regulatory options, pricing options.

**Ms CATE FAEHRMANN:** What was the full range of options in the strategic business case that the Government presented instead of WestConnex?

**Mr BETTS:** There was not a strategic business case that was produced for WestConnex, as I understand it. A business case was produced before our framework was in place.

**Ms CATE FAEHRMANN:** The feasibility study—I am a bit confused about what options were presented. What were the alternatives to this \$16.8 billion project? We have heard residents talking to us about all of the impacts of the project. They are distressed; some of them have had to sell their homes due to compulsory acquisition. What were the alternatives that Infrastructure NSW assessed?

**Mr BETTS:** I have already explained that Infrastructure NSW did not, because at that stage when the WestConnex business case was brought forward, Infrastructure NSW was not responsible for assurance.

**Ms CATE FAEHRMANN:** Let me reframe the question not in terms of assessment: What were the alternatives or options that the Government had in an options paper or feasibility study? Were other alternatives presented?

**Mr BETTS:** There is a comprehensive State infrastructure strategy, which identified all the different transport challenges that were in place in Sydney—

**Ms CATE FAEHRMANN:** To WestConnex—if no other alternatives or options were offered, Mr Betts, just say so. Is that the case?

**Mr BETTS:** If there is a problem that is being attempted to be resolved, such as the fact that Parramatta Road is subject to extreme delay, then a key part of the solution to that is to provide for improved motorway standard access through tunnels. That was complemented in the original conception of the project and is complemented now by the opportunity to provide for enhanced public transport on the surface.

**Ms CATE FAEHRMANN:** I will ask my question in a different way and perhaps Ms Grobbelaar will want to respond. In your history of assessing big and expensive road projects such as this, is it usual for a government putting forward a proposal that will cost taxpayers more than \$15 billion to concentrate on just one solution to a problem, such as congested roads? Is it usual practice to provide a list of other alternatives to resolve that problem, such as other transport options?

**Ms GROBBELAAR:** Yes, our gateway workbooks are available online and in these workbooks it is very clearly stated, in the gateway one strategic options workbook, that alternatives, as Mr Betts mentioned, need to be considered.

**Ms CATE FAEHRMANN:** So all alternatives were not considered in this case?

**Ms GROBBELAAR:** To repeat what Mr Betts has said, we did not assure the business case, so we would not have considered the business case in the context of the gateway project.

**Mr BETTS:** We cannot speak to the detail of the options that were considered at the time.

**The CHAIR:** Is it true that the Government would have considered options?

**Mr BETTS:** The purpose of business cases is to identify a range of different options. I imagine that a whole range of different engineering solutions were canvassed to try to improve traffic flows, to improve access to the port and the airport and to alleviate congestion on Parramatta Road and the M5. But I also get the sense that the question goes to whether completely different radical alternatives were considered in terms of public transport access into the central part of the city. Of course they were, and they were pursued through other projects like the multibillion-dollar Metro project, like the light rail project and so on.

**Ms CATE FAEHRMANN:** Light rail from that part of Western Sydney?

**Mr BETTS:** Western Sydney is a huge beneficiary of public transport investment through projects like the Sydenham to Bankstown, the North West Rail Link. I have mentioned \$20 billion worth of investment just there.

**The CHAIR:** There seems to be some confusion about access to Port Botany. Could you clarify that people are driving to Port Botany?

**The Hon. Dr PETER PHELPS:** And name them!

**The CHAIR:** Not people, trucks.

**Mr BETTS:** We know that Port Botany is a rapidly growing container port and is a very successful freight logistics operation. As our population grows and demand for goods, particularly imported manufactured goods, increases then the volume of containerised traffic going through Port Botany increases.

**The Hon. Dr PETER PHELPS:** MUA all the way!

**The Hon. DANIEL MOOKHEY:** Especially since we are not letting Newcastle compete for it.

**Mr BETTS:** Newcastle would be a completely inadequate alternative to Port Botany—

**The Hon. DANIEL MOOKHEY:** And contractually prohibited.

**Mr BETTS:** —whereas Port Kembla, I would argue, if you want a long—

**The Hon. Dr PETER PHELPS:** It is not prohibited.

**The Hon. DANIEL MOOKHEY:** It is contractually prohibited, as I understand it.

**The Hon. SHAYNE MALLARD:** Point of order—

**The CHAIR:** Could you finish your answer?

**Mr BETTS:** I will try. There is a functioning road connection to Port Botany at the moment, which is why Port Botany is a rapidly growing and functioning container port. The focus of the Sydney Gateway project, as announced by the Government, has been to provide motorway as standard access to the airport. That in no way precludes longer term options to improve the immediate access in the immediate vicinity of the port, nor does it mean that the port will not benefit very significantly from the cross-town connectivity that the overall WestConnex scheme will provide.

The fact that you can provide much more reliable cross-town access for trucks enables a reconfiguration of the industrial geography of Sydney such that businesses, such as logistics businesses which have been closely located to the port in the past, can move to cheaper lands and operate more economically confident that they will

have a functioning M4, M5 and link between the two to enable them to get to the port from across the Sydney basin. The port is a huge beneficiary of this. That does not mean that every issue related to access to the port has been resolved by this one project.

**The CHAIR:** Is it clear now about the access to the airport?

**Mr BETTS:** Yes. The gateway project has resolved for the very long term now the question of road access into the airport. That is a huge piece of the jigsaw strategically for Sydney which has now been settled.

**The CHAIR:** In your opening statement you made reference to a 30-page feasibility study.

**Mr BETTS:** Yes.

**The CHAIR:** Can you clarify what that was and can you table that?

**Mr BETTS:** Yes. That was a document produced by Infrastructure NSW with a number of other agencies in 2012 and it is on our website and available for anybody to access and read. It was a preliminary assessment of the transport challenges associated with constraints on the M4 and M5 and on existing harbour crossings and made the preliminary case for WestConnex, recommended that the government of the day take that high level document, produce the concept designs, undertake the economic analysis and engineering optioneering to produce a business case, which was done the following year in 2013, as I described.

**The CHAIR:** In your handwritten notes under "Assurance", you have a reference to 36 previous findings to date. Could you clarify those reviews?

**Mr BETTS:** The investor assurance framework, which Ms Grobbelaar oversees on behalf of Infrastructure NSW, provides for Infrastructure NSW to provide external scrutiny for Cabinet of all the major projects being developed and delivered across New South Wales. We focus on projects which are over \$10 million in value, and it is pleasing to say that there are over 500 such projects in development or delivery in New South Wales at the moment. We are going through an unprecedented boom in infrastructure investment. A key point along the way in accordance with the framework—whether it is at the strategic business case stage when we are referring to options, which we were talking about earlier, or it is at the final business case stage when an investment decision is about to be taken and we have a fully developed proposal, like we do with gateway at the moment—they are points along the way in terms of procurement and delivery.

Infrastructure NSW convenes panels of experts from across Australia to review all the key documentation, to talk to the project teams, to talk to other key stakeholders across government and produce advice through us to Cabinet on how those projects are travelling and any actions that need to be taken to ensure that the projects are delivered on time and on budget. That note you have there, Reverend the Hon. Fred Nile, refers to the fact that no fewer than 36 separate reviews have been undertaken on different components of WestConnex over the last three years. That shows the level of rigor and scrutiny which is being directed at this project so that Cabinet can be very well informed about its competent delivery.

**The Hon. WES FANG:** Thank you, Mr Betts. I noted when you were responding to a question from Ms Faehrmann that you offered to expand on the investor insurance framework. In a previous answer to Reverend the Hon. Fred Nile you had done so. I will give you that opportunity now for the benefit of the Committee. Can you expand on that? Ms Grobbelaar, can you explain the work that has gone into the 36 investigations into the WestConnex project?

**Mr BETTS:** To set the context, I want to reiterate that the advice we prepare is advice for Cabinet. Every month I front up to the Cabinet infrastructure committee and provide advice to the Premier, the infrastructure Minister and other key Ministers on how the full range of projects across New South Wales are travelling. The dominant purpose of the investor assurance framework is to provide advice to Cabinet, which means that neither of us are able to disclose the details of the reviews and the findings that we undertake because they are covered by Cabinet-in-confidence. That has been the convention under successive governments, governments around Australia and governments around the world. That is the way governments operate and that enables government to have open honest conversations internally. That is in accordance with rules set by this Parliament, not by me.

**The Hon. SHAYNE MALLARD:** Is that like a dashboard process?

**Mr BETTS:** Yes. We provide summary-form information to Ministers about how projects are travelling that enable them to have informed discussions about the actions that then need to be taken to ensure the projects are brought back on track and to have early warnings if there are issues that are emerging. We use experts from around Australia. If we were undertaking a review on Sydney Gateway or a WestConnex component of the project we would assemble all the key documentation, which might be a business case or request for tender or other

relevant documentation. We would convene experts from around the country who would have experience in delivering major projects. We have used experts from Victoria who have worked on projects like CityLink and EastLink and people with deep experience in this sector, and we bring them to New South Wales.

We use people who have worked in New South Wales previously. It is not just about people from interstate. Over several days we enable them to have access to all the key data and to interrogate that and to ask what the risk profile of the project is and try and dig out the things we need to be focusing on to make sure that we, and the agency in particular that is accountable for the delivery of the project, can do the best possible job. That was a regime established in 2015 in response to findings from the Auditor-General.

Similar regimes are applied in the United Kingdom, Victoria and Queensland, but in New South Wales we have a far more fully developed regime than anywhere else in the world and much more detailed and rigorous reporting to Ministers than anywhere else in the world. I cannot go into the detail of the projects but by and large we see that the infrastructure program in New South Wales is being delivered extremely effectively at the moment. There are some projects which are under pressure and they have been reported on widely in the public domain. It enables Ministers to have confidence that the projects brought to market have been thoroughly tested.

**The Hon. WES FANG:** Rigorously.

**Mr BETTS:** Correct.

**The Hon. SHAYNE MALLARD:** It underpins the very good value for money we got for the 51 per cent of the WestConnex project?

**The Hon. GREG DONNELLY:** A Dorothy Dixier question.

**The Hon. SHAYNE MALLARD:** Not at all; it might help you.

**The CHAIR:** Let the witness answer the question.

**Mr BETTS:** We are not responsible for the management of the recent sale of 51 per cent of the Sydney Motorway Corporation, but the successful tenderer for that is a company which is enormously experienced in looking at the risk profile associated with toll roads and the management of toll roads and it has put a significant amount of capital into the acquisition of that 51 per cent stake. Clearly it has confidence in the capacity of the project to stack up from a financial point of view and from an economic point of view. We talked before about Infrastructure Australia's review of the business cases for the project first in 2015 and then in 2016. Infrastructure Australia has no axe to grind; it is not part of the political processes here. It is a Commonwealth body which is independent of government and staffed by experts from around the country, people from Western Australia, people from Victoria and so on.

It found that the benefit-cost ratios 1.7 and 1.8 were, under any feasible sensitivity test or scenario, positive in terms of the benefits outweighing the costs. The costs of the project are real: They are financial costs but there are also costs in terms of impacts on the community, and those are really important and need to be taken into consideration not least through the planning system. But the benefits outweigh the costs to such an extent that, even if you were to include the costs associated with the gateway project into the overall benefit cost calculation for WestConnex, it would still come out with a benefit-cost ratio significantly greater than 1, which means that the community is the net beneficiary.

**Ms CATE FAEHRMANN:** What about health costs?

**Mr BETTS:** Yes, greenhouse gas emissions, accident savings—they are all factored into the BCR.

**The CHAIR:** It is time for Government questions.

**Ms CATE FAEHRMANN:** No, they are not.

**The Hon. SHAYNE MALLARD:** If you want Dorothy Dixers I will give you some more. Will you outline what the BCR process involves?

**Ms CATE FAEHRMANN:** Which costs do you include?

**Mr BETTS:** The benefits associated with major projects. Let us start with the costs side of the equation. We would make sure that the construction costs and the operating and maintenance costs associated with any new asset which is subject to the business case are quantified, they are reviewed by experts, like quantity surveyors and so on, and a full risk assessment takes place on cost. We have what we call a P50, P90 probabilistic methodology, which looks at the different risks associated with the project and we make sure that we are taking a reasonably conservative assessment of the cost of the project, and then that is set out in the business case.

**The Hon. GREG DONNELLY:** That informs the contingency allowance as well?

**Mr BETTS:** The more rigorous the upfront risk assessment the less the requirement for contingency, yes. There is a relationship between the two—you are right. We would then look at the benefit side of the equation.

**Ms CATE FAEHRMANN:** Just a point of clarification: That is the end of the costs?

**Mr BETTS:** I am talking about the direct financial costs associated with the costs side of the equation.

**Ms CATE FAEHRMANN:** You are talking about the direct benefits as well.

**Mr BETTS:** I will come to the benefits side of the equation. That includes the reduction in what we call externalities, or external costs associated with the project.

**Ms CATE FAEHRMANN:** Well, include that in the costs.

**Mr BETTS:** Because it is a benefit to reduce things like greenhouse gas emissions. It is quantified as a benefit.

**The Hon. SHAYNE MALLARD:** Order!

**The Hon. Dr PETER PHELPS:** Point of order—

**The Hon. WES FANG:** Point of order—

**Mr BETTS:** If we save lives as a result of road safety, is that not a benefit of a project, and should that not be quantified and weighed in the balance against the costs of delivering that project? This is standardised methodology. We did not make this up. This has been going around for decades in western governments and elsewhere around the world. We would look, for instance, on the benefits side of the equation of WestConnex, at the reliability benefits in terms of the ability to make journeys with a more predictable journey time through the additional capacity, and the avoidance of traffic lights, for instance. We would look at the reductions in vehicle operating costs, people who are driving cars or trucks, and the businesses that might own those trucks, whether they are light vehicles or heavy vehicles. We look at travel time savings, the ability to get from A to B quicker. We look at reductions in terms of accidents on the road network and the terrible toll that that imposes in terms of injury and death.

We look at the reduction in greenhouse gas emissions that comes from avoiding congestion where cars are basically idling with their engines running, pumping carbon into the atmosphere. We look at other environmental externalities, as they are called. Those are quantified, they are tested, they are the subject of rigorous reviews, they are put into environmental impact statements and are run through the statutory planning process in accordance with the requirements stipulated by the Parliament. And then a planning decision is made independently by the Minister for Planning at the back end. So the benefit-cost equation looks comprehensively at the costs of a project, which are largely financial, and at the benefits of a project, some of which are financial, but many of which are economic, or social, or environmental benefits.

**The Hon. SHAYNE MALLARD:** Are the benefit-cost ratios reviewed or monitored in the life of the project? I imagine it might come up in the assurance health check.

**Mr BETTS:** Yes. If there is a material change in the cost of a project, then that would be certainly reported to government. If that occurs before the project is committed, then the Government has the opportunity to reopen the investment decision, and, for instance, invite Infrastructure NSW in to review the numbers. But we also undertake what we call gate 6 reviews at the back end of a project, which is where we go back and look at whether projects have actually delivered the benefits.

**The Hon. DANIEL MOOKHEY:** That is the benefit realisation plan you are referring to?

**Mr BETTS:** Yes, that is right.

**Ms CATE FAEHRMANN:** What about the cost of property acquisitions? Why is that not included?

**The CHAIR:** Mr Betts is answering questions from Government members.

**Mr BETTS:** Sorry, I should have made that clear: That is included.

**The Hon. SHAYNE MALLARD:** I would have thought it would be included. How do you respond to those who are saying that the BCR for WestConnex is overstated, and I include the City of Sydney as saying that?

**Mr BETTS:** It is a bit hard to respond to that other than to say that on the relatively conservative assumptions which are made in the updated business case, the benefit-cost ratio is 1.7. For projects across the board that is a pretty strong benefit-cost ratio. Even if you make much more conservative assumptions about the cost, even if you make much more conservative assumptions about the likely benefit stream, you still have a net benefit to the taxpayer which is quantified at \$8.7 billion. So the margin between net benefits and net costs in net

present value terms is \$8.7 billion. You could be a lot more conservative and you would still have a benefit-cost ratio of greater than 1.

**The Hon. SHAYNE MALLARD:** Stepping back, Infrastructure NSW undertakes a State infrastructure strategy every five years, although I think we have seen from your evidence it is less than that. How did governments before this Government make infrastructure decisions, and did they do the work around benefit-cost ratios and so forth?

**Mr BETTS:** They may have done some analysis around benefit-cost ratios. I am sure they would have done. It was not invented in 2011. But what was created in 2011 was an independent infrastructure body, such as ourselves, to provide independent advice to government, the investor assurance framework, and all the external gateway reviews, which we have described: the Restart NSW Fund, which ring-fences proceeds from asset sales so that they can only be used for infrastructure projects, can only be used for infrastructure projects with a benefit-cost ratio demonstrated to the satisfaction of my independent board to be greater than one. These are new aspects of project governance in New South Wales which have not been there previously, and I would argue are best practice anywhere in the world. I think that that is also reflected in the fact that governments in Western Australia, South Australia and in New Zealand are setting up equivalent bodies at the moment and they are looking at New South Wales as being the model that they are keen to follow.

**The CHAIR:** That brings us to the conclusion of our question time. We thank you very much for your attendance and the information you have provided. I am not sure whether you had any questions on notice.

**Mr BETTS:** A few documents.

**The CHAIR:** If there are some they will be forwarded to you by the secretariat and you have 21 days to answer them from the time you receive them

**(The witness withdrew)**

**The Hon. Dr PETER PHELPS:** Before we adjourn, Mr Chair, I would like to again register my concern that three times during the testimony of Mr Betts the public gallery jeered, laughed and intervened in the process of the testimony. I think that is unacceptable, especially considering that he is a professional public servant. I think you should be doing something about it. If that necessitates clearing the public gallery after lunch, then so be it.

**The Hon. DANIEL MOOKHEY:** I agree that we should remind the public gallery to be civil.

**The CHAIR:** I did remind them at the beginning of the hearing.

**The Hon. SHAYNE MALLARD:** They should be called to order when they are unruly. He is a public servant.

**The Hon. DANIEL MOOKHEY:** I agree. He is a very interesting one too, and we would like to hear him.

**Ms CATE FAEHRMANN:** I suggest that when the public do make noise when a witness is presenting, they should be asked at that time to be quiet.

**The Hon. DANIEL MOOKHEY:** They can conduct a protest outside.

**(Luncheon adjournment)**

**RICHARD OLSEN**, State Secretary, Transport Workers Union, sworn and examined

**ROBERT RASMUSSEN**, Official, Transport Workers Union, affirmed and examined

**The CHAIR:** Do either of you wish to make an opening statement?

**Mr OLSEN:** I do, thank you. I would like to open by thanking the Committee for allowing the Transport Workers Union [TWU] of New South Wales the opportunity to appear on behalf of our members in this inquiry into the impact of the WestConnex project. The TWU, by way of background, is the largest representative of transport workers in the country.

**The Hon. DANIEL MOOKHEY:** Hear, hear!

**Mr OLSEN:** In New South Wales alone, it represents over 20,000 men and women in the State's construction, aviation, oil, waste management, gas, road transport, cash in transit, passenger vehicle and freight logistic industries. We have made our submissions to this inquiry on behalf of our members who have been and continue to be engaged to work on various parts of the WestConnex project, in particular, those carrying out crucial excavation and concrete work. While the creation of 10,000 jobs, including hundreds of apprenticeships for young workers, in Western Sydney was and continues to be touted as one of the key benefits of the WestConnex project, the Government has failed to ensure through its contracting positions that those jobs, which have been created by the WestConnex, are either local, safe or fair jobs for the transport workers of New South Wales.

Over the course of mid-2016 until now, the TWU has received many complaints from our membership regarding issues concerning the WestConnex work. These concerns broadly fall into three categories. One, safety issues, including the overloading of trucks, fatigue management breaches and the use of defective vehicles on the WestConnex sites. Two, the underpayment and late payments of workers by WestConnex contractors. Three, the prevalence of WestConnex contractors engaging interstate trucks to perform local work.

Unfortunately, due to the nature of the work and the industry, the majority of the complaints we have received have come to us by third parties or anonymously. However, in an attempt to illustrate the nature of the road problems, we have included in our submissions a case study on Road Constructions Australia Pty Limited, a WestConnex excavation contractor which was guilty of underpaying workers and overloading trucks. It has gone into liquidation, leaving its workers hundreds of thousands of dollars out of pocket. We have also included numerous examples of safety breaches which have come to light through our own inquiries, as well as through the various Roads and Maritime Services [RMS] and Environment Protection Authority [EPA] safety operations, which have been conducted on WestConnex sites. These safety issues continue to come to light and, even since making its submissions, the TWU has had to step in to have WestConnex work sites shut down due to gross safety breaches.

Disappointingly, despite the TWU making the Sydney Motorway Corporation [SMC] aware of our concerns, the SMC has washed its hands of the responsibility of the actions to the contractors. This is not good enough. The Government has the power to make procurement decisions which result in good, fair, and safe jobs for the people of New South Wales. By failing to ensure that the contractors it has selected to carry out the WestConnex work are fair employers who will pay their workers correctly, abide by safety standards and keep jobs local, and by failing to intervene, even when it has evidence that workers have been ripped off and put at risk, the Government has failed the hardworking transport workers of New South Wales, particularly in an industry where the catastrophe risk of allowing safety standards drop are well known.

There is no excuse for the Government failing to take an active role in ensuring all the transport contractors are complying with their safety and industrial obligations. The TWU urges the Government to take immediate steps to rectify the problems we have outlined in our submissions, including taking responsibility for all outstanding moneys owed to WestConnex workers and by undertaking audits of its transport contractors. We commend the Committee for this inquiry and thank you for the opportunity to appear on behalf of our members.

**The Hon. DANIEL MOOKHEY:** I declare for *Hansard* and for all who look at this transcript that I was an employee of the Transport Workers Union of New South Wales between 2005 and 2009, when it was not under as fine leadership as it appears to be today. Mr Olsen, your union undertook an audit on a company by the name of Road Constructions Australia Pty Limited?

**Mr OLSEN:** That is correct.

**The Hon. DANIEL MOOKHEY:** That audit was undertaken through the powers that are available to you under both the Industrial Relations Act of New South Wales and the safe work Act?

**Mr OLSEN:** That is correct, and Fair Work.

**The Hon. DANIEL MOOKHEY:** And the Fair Work Act as well?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Is Road Constructions Australia currently a liquid company?

**Mr OLSEN:** It is in liquidation. I believe it is virtually closed.

**The Hon. DANIEL MOOKHEY:** How many people worked for it?

**Mr OLSEN:** There were at least 40 to 50 people.

**The Hon. DANIEL MOOKHEY:** They were contractors?

**Mr OLSEN:** They were employees, and about a dozen or so independent contractors.

**The Hon. DANIEL MOOKHEY:** Owner-drivers?

**Mr OLSEN:** Lorry owner-drivers, yes.

**The Hon. DANIEL MOOKHEY:** Each of those owner drivers presumably would have had to borrow money to buy their trucks?

**Mr OLSEN:** Of course. That is what they all do.

**The Hon. DANIEL MOOKHEY:** They are indebted owner drivers to this company, in addition to 14 employees?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Did they all have claims for unpaid income or entitlements?

**Mr OLSEN:** At various stages throughout the years, in the first instance, we recovered some \$80,000 for underpayments. After that, they fell backwards once again and then they failed to pay their own drivers. Owner driver bills are in the tens or twenty thousands of dollars each month for work done, which was not paid.

**The Hon. DANIEL MOOKHEY:** How much money are both classes of people claiming in total as creditors against the company now in liquidation?

**Mr OLSEN:** My understanding is it is near \$500,000.

**The Hon. DANIEL MOOKHEY:** For approximately 60 people—40 employees and 20 owner drivers?

**Mr OLSEN:** That is my understanding.

**The Hon. DANIEL MOOKHEY:** Do they have any reasonable prospect of recovering that money?

**Mr OLSEN:** None whatsoever.

**The Hon. DANIEL MOOKHEY:** They are all out of pocket?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Have you informed the Sydney Motorway Corporation of this?

**Mr OLSEN:** We did.

**The Hon. DANIEL MOOKHEY:** Did you get a response from them?

**Mr OLSEN:** We did.

**The Hon. DANIEL MOOKHEY:** What did they say?

**Mr OLSEN:** They thanked us for our inquiries and indicated to us by way of an undated letter—it says, in part:

As you would appreciate, all contracts and construction sites are under the care and control of our respective contractors and as such your inquiries should be directed to the individual contractor involved.

In other words, the Sydney Motorway Corporation did not want to know or deal with the matter.

**The Hon. DANIEL MOOKHEY:** That is the letter you present and are tabling now?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** That is the last paragraph of that letter?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Since they transmitted this correspondence, which is undated, have you heard from them any further about the status of the \$500,000 that is owing?

**Mr OLSEN:** None whatsoever.

**The Hon. DANIEL MOOKHEY:** Are you aware or do you know whether or not SMC informed the RMS?

**Mr OLSEN:** I am not aware, no.

**The Hon. DANIEL MOOKHEY:** Is this the first time a contractor on a RMS-controlled project has gone bankrupt?

**Mr OLSEN:** No. It happens regularly.

**The Hon. DANIEL MOOKHEY:** Is it the case that a company on the Schofield Road project controlled by the RMS went bankrupt two years ago?

**Mr OLSEN:** That is correct.

**The Hon. DANIEL MOOKHEY:** That was also left owing \$1.5 million?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Is it the case that on the current Pacific Highway upgrade there is another class of owner drivers and employees who are equally out of pocket to the tune of about \$1 million because a contractor on the Pacific Highway upgrade or the bypass has also gone bankrupt?

**Mr OLSEN:** That is well recorded, yes.

**The Hon. DANIEL MOOKHEY:** That is three at least in the past two years on RMS-controlled projects, is that correct?

**Mr OLSEN:** Yes, that is correct.

**The Hon. DANIEL MOOKHEY:** Has RMS's failure to meet the obligations of supply chain as the head contractor resulted in the devastation of those businesses?

**Mr OLSEN:** Yes, we believe so. They attempted to and are successfully contracting out of their duties and responsibilities.

**The Hon. DANIEL MOOKHEY:** Does RMS accept any liability here, are you aware?

**Mr OLSEN:** No.

**The Hon. DANIEL MOOKHEY:** Have they said they are responsible for any of those instances and will pick up the tab?

**Mr OLSEN:** No.

**The Hon. DANIEL MOOKHEY:** Would all these problems have been solved if RMS had simply insisted that a bond be paid and be put aside that could be claimed against if there were to be any disruption in the supply chain?

**Mr OLSEN:** Of course, yes.

**The Hon. DANIEL MOOKHEY:** It was the case that effectively it was a recommendation of Mr David Crawford in his review of the construction industry that led to the establishment of the Security of Payment Act. That is correct as well?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** So we are in this circumstance where a government's own report says that a bond system should apply in addition to the Security of Payment Act, RMS as the biggest buyer of road projects in Australia is failing to do so, and we have at least three incidences of corporate collapse of a contractor, which has resulted in workers losing their jobs and entitlements and owner-drivers losing their business. That is correct?

**Mr OLSEN:** That is correct, yes.

**The Hon. DANIEL MOOKHEY:** Moving on, have you ever received an explanation from RMS as to why the heavy vehicle industry is charged three times the toll than privately registered light vehicles?

**Mr OLSEN:** No, I have not.

**The Hon. DANIEL MOOKHEY:** Is it fair that your members are charged three times as much?

**Mr OLSEN:** Totally not.

**The Hon. DANIEL MOOKHEY:** What about your employers? Is it fair that they are charged three times?

**Mr OLSEN:** No.

**The Hon. DANIEL MOOKHEY:** The Transport Workers Union represents owner-drivers. Is that correct?

**Mr OLSEN:** That is correct.

**The Hon. DANIEL MOOKHEY:** In fact, you represent tens of thousands of them nationwide, do you not?

**Mr OLSEN:** Yes, we do.

**The Hon. DANIEL MOOKHEY:** It is fair to say that you are one of Australia's largest small business organisations. That is not an unfair characterisation?

**Mr OLSEN:** Absolutely, by far.

**The Hon. DANIEL MOOKHEY:** These owner-drivers, if a toll is put on them can they recover that against the people for whom they do work?

**Mr OLSEN:** Not many are able to recover at all. They are out of pocket to the tune of hundreds of dollars per week.

**The Hon. DANIEL MOOKHEY:** So to the extent to which a toll is applied on an owner-driver, effectively they have to incorporate it in their cost base and finance it out of their margin. Is that what you are saying?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** And it results in essentially less take-home pay?

**Mr OLSEN:** Of course, obviously.

**The Hon. DANIEL MOOKHEY:** And also their ability to meet their debt obligations on their vehicles?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Which is pretty serious.

**Mr OLSEN:** Of course. The first thing that always happens is the lack of maintenance that is done on vehicles because they cannot afford to do it.

**The Hon. DANIEL MOOKHEY:** That lack of maintenance, you are talking about deferring things like tyre upgrades, brake repairs. That is all correct?

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** And as a result there is a safety link between remuneration in the heavy vehicle industry and safety practice. That is correct?

**Mr OLSEN:** Yes, it is.

**The Hon. DANIEL MOOKHEY:** You have never received an explanation from RMS as to why you are charged three times?

**Mr OLSEN:** No, we have not.

**The Hon. DANIEL MOOKHEY:** Would you describe it as a huge impact on your members?

**Mr OLSEN:** It is a mammoth impact. We have done studies before and surveys, which show that owner-drivers can spend hundreds of dollars, if not upwards of \$1,000, in any one week, seven-day period, in driving on toll roads around Sydney. That is a lot of money for anyone, including a small business that is run by a person with their partner.

**The Hon. DANIEL MOOKHEY:** The argument that the RMS put on Tuesday was that your members would benefit significantly from time savings from using the tollways as opposed to having to use general traffic. Do you place much credence on that argument?

**Mr OLSEN:** Absolutely not.

**The Hon. DANIEL MOOKHEY:** Is that because tollways tend to be very congested?

**Mr OLSEN:** Absolutely. You sit there and you can have your breakfast.

**The Hon. DANIEL MOOKHEY:** And if you are an employee who is paid on a kilometre rate, every minute you spend waiting in traffic you have to pay for yourself, you are not getting paid. Is that correct?

**Mr OLSEN:** It is totally delayed, yes.

**The Hon. DANIEL MOOKHEY:** So do you recognise that there are perhaps any savings for them if there are new tollways?

**Mr OLSEN:** No.

**The Hon. DANIEL MOOKHEY:** Moving forward, you are aware that the original proposition for the Sydney Airport gateway was to build a tunnel from the new M4-M5 link, which is part of WestConnex, to both the airport and Port Botany.

**Mr OLSEN:** Yes.

**The Hon. DANIEL MOOKHEY:** Are you aware that the current proposal does not provide direct road connectivity to Port Botany?

**Mr OLSEN:** It takes out Foreshore Drive also.

**The Hon. DANIEL MOOKHEY:** So drivers do not have to now use Foreshore Drive. How congested is Foreshore Drive currently?

**Mr OLSEN:** About 98 per cent.

**The Hon. DANIEL MOOKHEY:** And every minute a driver spends on Foreshore Drive currently, if they are an owner-driver, who is paying for it?

**Mr OLSEN:** They are themselves.

**The Hon. DANIEL MOOKHEY:** And if they are an employee on a kilometre rate, who is paying for it?

**Mr OLSEN:** The employee is paying for it himself because he is sitting there not moving.

**The Hon. DANIEL MOOKHEY:** Port Botany in general, is it a reliable port or is it a port that often comes with it a lot of delays in terms of your ability to load and unload?

**Mr OLSEN:** There is a lot of congestion.

**The Hon. DANIEL MOOKHEY:** So it is the case that had the road gone to Port Botany it would have resulted in a substantial saving?

**Mr OLSEN:** It could have.

**The Hon. DANIEL MOOKHEY:** And it would have allowed containerised freight to be separated out from general traffic, which would have led to an improved safety standard. That is correct as well?

**Mr OLSEN:** That is my understanding, yes.

**The Hon. DANIEL MOOKHEY:** Do you think it is a good thing or a bad thing that it will no longer go to Port Botany? Do you think it is a positive outcome that the new airport gateway will not go to Port Botany?

**Mr OLSEN:** I do not think so.

**The Hon. DANIEL MOOKHEY:** Moving forward, in respect to the general imposition of tolls in Sydney in the last eight years—for example, the NorthConnex—are you aware that if a heavy vehicle does not use the NorthConnex that that heavy vehicle will be fined?

**Mr OLSEN:** That is my understanding.

**The Hon. DANIEL MOOKHEY:** The NorthConnex is meant to, obviously, connect to the M7 or relates to that orbital aspect of it. In your view are the levels of tolls currently applying to heavy vehicle drivers in New South Wales affordable for heavy vehicle drivers?

**Mr OLSEN:** It is not affordable, no.

**The Hon. DANIEL MOOKHEY:** To the extent to which improvements could be made for heavy vehicle drivers, is it the case that we should be looking at changes to the Industrial Relations Act that would allow you to cost recover the cost of tolls from both your head contractor and other people down the chain?

**Mr OLSEN:** It is absolutely paramount, even for safety as well and also cost recovery for owner-drivers that there is a mechanism in the New South Wales Industrial Relations Act that that can be taken up and they can be assured to recover the payments which they have to make to meet business needs.

**The Hon. DANIEL MOOKHEY:** Mr Olsen or Mr Rasmussen, would you like to explain in further detail what changes to the Industrial Relations Act would facilitate that change? Are we talking about changes to the contract determination system?

**Mr OLSEN:** Yes, chapter 6.

**The Hon. DANIEL MOOKHEY:** Mr Rasmussen, would you like to talk more about that?

**Mr RASMUSSEN:** If we potentially had some way of dealing with specifically something that surrounds the cost mechanisms that need to be altered within the contract determinations it would provide us with a platform to be able to input into contract determinations costs that the contractors wear. As it stands at the moment the Industrial Relations Commission is able to make orders on pre-existing arrangements about remuneration, but they do not have any specific mechanisms to deal with cost factors that come in, other than an agreed rate that might be determined by negotiation with principal contractors or with industry associations.

**The Hon. DANIEL MOOKHEY:** Would you like to explain what these photos are that you have tabled so we know what you are talking about here?

**Mr RASMUSSEN:** We were approached, when the WestConnex project first started being built, by a number of contractors—and we are talking about owner-drivers as well as small fleet operators—who when they were informed that the WestConnex project was coming up they tendered their interest in working on the project. In New South Wales we were told that a number of New South Wales jobs would be created in order to build these projects—actually it said 10,000 jobs including hundreds of apprenticeships for young workers in Western Sydney. We were subsequently disappointed when we started to visit the sites to see who was working on the sites and we noticed that there were a number of vehicles that were registered in States outside of New South Wales. So the vehicles that you have photos of there—and they may not be that clear; we may need to present better photographs of them—are vehicles that are all registered in States outside of New South Wales operating on the WestConnex project.

**The Hon. DANIEL MOOKHEY:** South Australia, Victoria, and I think Western Australia I see here.

**Mr RASMUSSEN:** That is correct.

**The CHAIR:** We will move on to The Greens representative.

**Ms CATE FAEHRMANN:** Thank you for coming along today. I have a media release that you issued on 2 March 2017. In that release you talked about the safety risks to the public and to workers. You talked about the fact that there is, as you called it, "a tangled web of companies that contract and sub contract to each other, so much so that the TWU is positive that WestConnex is not even aware at any given time of which trucks are working on the site", and that you found evidence of late payments, underpayments, fatigue breaches, overloaded trucks—you have talked about this already—drivers double shifting, and that "this culminates into a dangerous mix that will impact trucks, traffic and people". So essentially it is because, or one of the reasons, of this kind of web of contracts and the prevalence of subcontractors that is essentially making WestConnex less safe. Is that what you are presenting today?

**Mr OLSEN:** Yes, that certainly is what we find. Consistently, the head contractor will contract out different aspects of the works to different companies, they in turn then contract out as well, and the two things that go missing every time they contract down the chain is safety and rates of pay and remuneration overall,

whether it be employees or owner-drivers. When you go through the chain and you try to get up to the top of the chain and highlight the safety issues they say, "No, this is not our concern. We have contracts with other people who are in charge of that."

**Ms CATE FAEHRMANN:** In light of that are there any current risks or breaches of safety that is happening at the moment around WestConnex construction sites that you are concerned about? How historical is what is going on?

**Mr OLSEN:** It is consistent, year in, year out, on different projects, and on WestConnex it happens today and it will continue happening when fatigue legislation is not addressed. Overloaded vehicles and vehicles that may not be registered are attracted to that site. It is only when we go to investigate that we can identify and highlight those issues.

**Ms CATE FAEHRMANN:** I am trying to get a handle on this project, WestConnex, compared to other similar motorway projects and how big the difference is here, in terms of what you are experiencing with, for example, the completed M5. Was there a similar degree of contracting and subcontracting that goes on in the other projects that you—

**Mr OLSEN:** Yes. I believe so.

**Ms CATE FAEHRMANN:** If you are saying that you are finding it difficult to even communicate with the Government and the SMC, what responsibility do you think the Government should be taking in this regard? What are you asking them to do?

**Mr OLSEN:** They need to open up an auditing process.

**Ms CATE FAEHRMANN:** You had to do that yourself, didn't you?

**Mr OLSEN:** Yes, that is correct. We attempted to engage with Government through the RMS and Sydney Motorway Corporation to get them involved with what we were doing to ensure that it is transparent on what we are doing, and that we actually address the issues. It is okay to identify them and go out and spout what we have found, but we want to get results. We want to clean up the industry and make sure that it is safe so that we do not kill people on our roads.

**Ms CATE FAEHRMANN:** Thank you. I might hand the rest of my time over to Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Thank you; that is very nice of you. What has happened to those 20 businesses that lost out when RCA when under? Are they still trading?

**Mr RASMUSSEN:** We maintain communication with some of the contractors that work there. The unfortunate thing is that it is pretty difficult for a person who works in the field of transport—an owner-driver in these circumstances—to simply pack up and find another job. They still have, as you mentioned before, debts outstanding on their trucks. So they wind up absorbing those costs into their businesses some how. They go around the corner and start picking up work somewhere else.

Obviously, at that point we do not know what happens, but we know that there are pressures on them to push harder and faster in order for them to be able to recover money that they are not able to recover because of somebody—

**The Hon. DANIEL MOOKHEY:** How much would an excavator who is working on WestConnex—an owner driver who had to borrow money to buy that excavator to put it to work on the WestConnex—have had to borrow? How much does an excavator cost—half a million dollars or a bit less?

**Mr RASMUSSEN:** Are we talking about the full set up?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr RASMUSSEN:** Yes, we would be talking about half a million dollars, for the truck and the excavator and everything else.

**The Hon. DANIEL MOOKHEY:** So, if they are not paid because the company goes bankrupt they still have to repay that \$500,000.

**Mr OLSEN:** Of course.

**The Hon. DANIEL MOOKHEY:** That is what you are saying is what leads them to have to find work elsewhere in order to meet the debt repayments.

**Mr RASMUSSEN:** That is correct.

**The Hon. SHAYNE MALLARD:** Buyers' risk.

**The Hon. DANIEL MOOKHEY:** I will pick up the interjection from Mr Mallard. Mr Mallard says that they took the risk on themselves.

**The Hon. SHAYNE MALLARD:** You have good hearing. These are small businesses.

**The Hon. DANIEL MOOKHEY:** Effectively, I think his position is that it is buyer beware—it is small business risk. What would you like to say in response to that?

**Mr OLSEN:** No, it is not. We would say that as far as our industry is concerned, it is regulated and payments are guaranteed by the New South Wales Industrial Relations Commission to be paid 14 days after the end of the month. That is the obligation of the employers who engage these people. So it is just total wage theft. That is what is going on here. It is not a small business risk. We do the work. We expect to be paid because we have a legal entitlement to be paid. There is no risk involved with it—especially not on an RMS site, from State and Federal governments pouring in the money. There should be no risk whatsoever. We do the work. The law says, through chapter 6 and through the Industrial Relations Act, that 14 days after the end of the month you have submitted your tax receipt then you get paid. That is the law.

**The Hon. SHAYNE MALLARD:** To be clear, who are you suggesting is stealing the money?

**Mr OLSEN:** Whoever is not paying.

**The Hon. SHAYNE MALLARD:** Not the RMS, not the Government.

**Mr OLSEN:** Well, the RMS is responsible, at the end of the day, to ensure that the contractors do pay.

**The Hon. DANIEL MOOKHEY:** But your position, Mr Olsen, is that if you are working on a government site you should reasonably expect to get paid for the work that you do.

**Mr OLSEN:** Guaranteed. Of course you should be—no different to all of us sitting in this room.

**The CHAIR:** Thank you for coming in to give evidence.

**Mr OLSEN:** Thank you so much.

**The CHAIR:** You mentioned a case of companies going bankrupt. That is not a new feature in New South Wales—

**Mr OLSEN:** Unfortunately not.

**The CHAIR:** —in a lot of industries—the building industry and so on.

**Mr OLSEN:** Yes.

**The CHAIR:** Can you take steps to identify the directors so that they do not simply go bankrupt in this company and then register another one next week in another name, which is what I think they do?

**Mr OLSEN:** They do.

**The CHAIR:** And keep trading.

**Mr OLSEN:** Absolutely. Yes, they do. We highlight that to the new contractors when they come on sites, where we can, in an attempt to ensure that they do not get work. But unfortunately it is the nature of the beast that when they come in with a cheaper price then they will get the work.

**The CHAIR:** Is there any way in which you can give that information or hope that the government could take action against these individuals?

**Mr OLSEN:** We are certainly happy to forward it to any government department that will act upon it and hopefully do something about it, to ensure that these people remain out of our industries and do not take up any further positions with any other company.

**The CHAIR:** Are you operating only in New South Wales or in the whole of Australia?

**Mr OLSEN:** Yes, New South Wales.

**The CHAIR:** Only New South Wales. Obviously these trucks—the photographs that you have shown us—have drivers. Do you know whether they are members of, say, the Victorian union?

**Mr OLSEN:** No. I do not think they were too willing to talk to us when we were taking photos of their trucks.

**The CHAIR:** There must be some way in which action can be taken to identify these drivers.

**Mr OLSEN:** Of course.

**The CHAIR:** Then their local State union could take action against them.

**Mr OLSEN:** Yes. At the end of the day, if we had access to the registrar on the sites, so we know who is in what vehicle, that could lead to a lot of safety improvements in our industry as well. As we talked about here—as was mentioned—double-shifting of drivers from one contract to another contract is also prevalent in our industry, which means people are in the driver seats of trucks for 16 or 18 hours a day. That is, one, illegal, and, two, very unsafe.

**The CHAIR:** I do not think it is applicable to members of your union, but there have been reports of some of the drivers being ill trained and not able to handle the heavy vehicle, being involved in accidents. Have you had reports of that? They are being paid less money—

**Mr OLSEN:** Of course.

**The CHAIR:** —and they will do it for whatever they get.

**Mr OLSEN:** Yes.

**The CHAIR:** They may not be qualified drivers.

**Mr OLSEN:** That is true, and/or hold the proper qualifications. They certainly have not been trained appropriately. In some instances they have been trained for less than a week and then jump in a truck which can carry up to 60 or 70 tonnes. That, at the end of the day, is very dangerous for all concerned on the road.

**The CHAIR:** Is there any action you can take, or that you would recommend the Government should take to prevent that happening?

**Mr OLSEN:** We should be working through the New South Wales Industrial Relations Act, and also WorkCover to set up auditing that can identify these issues and be dealt with appropriately through mechanisms—either through WorkCover or through the Industrial Relations Act by way of contract determinations.

**The CHAIR:** You mentioned already the problem with the tollways and the amount of money that has to be paid out. At this stage it seems that the drivers are paying it.

**Mr OLSEN:** The small business people most certainly are paying it. They have no way of recovering it off the principals which they work for, and we think it is appropriate for us to put to government and to companies and employer organisations a contract determination dealing with that specific issue of cost recovery—so that it is put into a contract determination through the New South Wales Industrial relations Act.

**The CHAIR:** Is there any hope of that happening?

**Mr OLSEN:** We are hopeful. We are making contact with the relevant parties to gauge their reaction on how we could go forward on that matter. There is a slight reluctance on their part; there is an unwillingness on the part of the employers. But we will keep working with them and talking to them to see if we can get something before the commission before Christmas.

**The CHAIR:** After the Committee concludes its inquiry, we would be happy for you to forward any recommended changes to legislation it makes.

**Mr OLSEN:** Thank you for that opportunity.

**The CHAIR:** Hopefully that will result in a more rapid response, such as the tollway providing an exemption for those drivers.

**The Hon. GREG DONNELLY:** I would support that.

**The Hon. DANIEL MOOKHEY:** That is a good suggestion.

**The CHAIR:** The second option would be to have the employer refund the toll.

**The Hon. GREG DONNELLY:** That is another good idea.

**The CHAIR:** Or even the tollway people. They are a few suggestions.

**Mr OLSEN:** Thank you.

**The CHAIR:** You also express concern that the rates of payment are not correct.

**Mr OLSEN:** That is correct.

**The CHAIR:** There are Transport for NSW inspectors. Are they involved?

**Mr OLSEN:** There are only very few on the ground and they do not tend to go and in and investigate small businesses. Talking about owner-drivers in particular, as members are aware, only New South Wales has contract termination and lawful payments and legal payments to be made to small business operators in this field through chapter 6. There is not much investigation being done by those inspectors in this space.

**The CHAIR:** That is another area we can look at and perhaps recommend greater involvement by the government inspectors.

**The Hon. Dr PETER PHELPS:** Is it fair to say that the Transport Workers Union [TWU] supports the construction of WestConnex?

**Mr OLSEN:** Overall, yes.

**The Hon. Dr PETER PHELPS:** Would it also support the construction of NorthConnex?

**Mr OLSEN:** We would support anything that makes it easier to get around town. Whether or not it achieves that objective is another matter.

**The Hon. Dr PETER PHELPS:** Does the TWU support the M6 South as a way of easing congestion on the Princes Highway?

**Mr OLSEN:** Yes.

**The Hon. Dr PETER PHELPS:** That is fine; there are no trick questions.

**Mr OLSEN:** It may be good for you. I am just trying to work out where we are at when we go here, there and where.

**The Hon. Dr PETER PHELPS:** One of the arguments raised is that we are spending too much on roads. Indeed, in its submission to the Productivity Commission, the Rail, Tram and Bus Union basically said that you guys are getting a free ride from taxpayers and from government, and that you are getting an undeserved benefit and more money should be spent on rail, especially in relation to freight. Do you have any views about that assessment?

**Mr OLSEN:** If I were them, I would be putting forward the same submission.

**The Hon. Dr PETER PHELPS:** They are a little nastier about you than you are about them.

**Mr OLSEN:** So be it. We will keep that in house and take it up later.

**The Hon. Dr PETER PHELPS:** The simple fact is that the majority of freight is now trucked because it is cheaper and more convenient. Is that not correct?

**Mr OLSEN:** Overall, yes. That is my understanding as well.

**The Hon. Dr PETER PHELPS:** Even with the development of the dual rail line to Port Botany, the majority of freight will still be carried by truck.

**Mr OLSEN:** That is my understanding.

**The Hon. Dr PETER PHELPS:** If we accept that that is likely to be the economic situation, surely it is good that we take advantage of whatever we can to improve the existing traffic, in Sydney in particular, so that we do not get bottlenecks on above-ground roads?

**Mr OLSEN:** Yes.

**The Hon. Dr PETER PHELPS:** In relation to the RCA matter, has Fair Trading NSW contacted any of those drivers or creditors about providing information to them to seek redress?

**Mr RASMUSSEN:** We will take that question on notice. We are unsure.

**The Hon. Dr PETER PHELPS:** That is fine. I would have thought that Fair Trading NSW would be the key agency that should have contacted those people about the recovery of outstanding amounts. It would be great if you could take that question on notice.

**The Hon. Dr PETER PHELPS:** I refer to the three-to-one ratio for tolling of heavy vehicles. During the inquiry into tolling, which I think the TWU also attended—

**Mr OLSEN:** That is correct.

**The Hon. GREG DONNELLY:** They did.

**The Hon. Dr PETER PHELPS:** Transurban provided information about international studies that indicated there was a comparatively greater degradation of road structure occasioned by trucks and that there was a requirement in the initial building of roads to have a greater capacity to carry loads, and that necessitated a higher cost for travel. Did you look at that information and do you accept it?

**Mr OLSEN:** I am not aware of that information.

**The Hon. Dr PETER PHELPS:** That is fine.

**The Hon. WES FANG:** Do you support Labor's proposed cashback scheme on the widened section of the M4?

**Mr OLSEN:** Yes, I do. But I do not think it extends to small business people.

**The Hon. WES FANG:** No, just generally.

**Mr OLSEN:** Yes.

**The Hon. WES FANG:** Do you know what the toll will be under a cashback arrangement?

**Mr OLSEN:** No, I do not.

**The Hon. WES FANG:** It will remain in place and it will be borne by the taxpayers. Do you accept that to fund that scheme Labor will have to pull money out of education and health? Do you think it is fair that Nepean Hospital should pay for Labor's cashback scheme?

**The Hon. GREG DONNELLY:** I think he is trying hard.

**The CHAIR:** Let the witness answer the question.

**Mr OLSEN:** I do not accept that, but I will take the question on notice and provide a more thorough response. I do not accept that premise, but I am happy to take it on notice and answer it in full.

**The Hon. WES FANG:** I know you do not represent them, but do you think it is fair that Labor's cashback scheme should come at the expense of nurses and teachers?

**The Hon. DANIEL MOOKHEY:** Point of order: That question contains an element of argument.

**The CHAIR:** Members will allow the witnesses to answer the questions.

**The Hon. DANIEL MOOKHEY:** I have taken a point of order about the question. Perhaps the member could rephrase it so that it does not contain as much argument. If he did so it might be permissible.

**The Hon. WES FANG:** I do not think it contained any argument.

**The Hon. DANIEL MOOKHEY:** That proves my point.

**The Hon. WES FANG:** How many audits of the WestConnex project has your office undertaken?

**Mr RASMUSSEN:** Zero.

**The Hon. WES FANG:** Zero?

**Mr RASMUSSEN:** Audits of the WestConnex project?

**The Hon. Dr PETER PHELPS:** I think the member is asking how many times you have been out to WestConnex to look at the situation on the ground in relation to safety conditions and non-New South Wales drivers.

**The CHAIR:** That is inspections.

**The Hon. WES FANG:** Yes.

**Mr RASMUSSEN:** Regularly; a couple of times a week.

**The Hon. SHAYNE MALLARD:** For the record, is your union affiliated with the Labor Party?

**Mr OLSEN:** Yes.

**Mr RASMUSSEN:** Absolutely.

**The Hon. SHAYNE MALLARD:** Do you donate to the Labor Party?

**Mr OLSEN:** From time to time.

**The Hon. SHAYNE MALLARD:** When was the last donation?

**Ms CATE FAEHRMANN:** They are getting desperate for questions.

**The CHAIR:** That is not relevant.

**The Hon. SHAYNE MALLARD:** Alignment with the Labor Party is relevant.

**The Hon. DANIEL MOOKHEY:** I am not sure that is in the terms of reference.

**The Hon. SHAYNE MALLARD:** You made a declaration at the beginning of the hearing. Members seem very sensitive about union affiliations.

**The Hon. DANIEL MOOKHEY:** That the Labor Party has union affiliations? What a shock.

**The Hon. SHAYNE MALLARD:** I rest my case.

**The Hon. DANIEL MOOKHEY:** We needed a parliamentary inquiry to discover that? I refer to the contract chain that applies to WestConnex and inspections. Of course, RMS is at the top. Who are the main contractors?

**Mr OLSEN:** Lend Lease, John Holland.

**The Hon. DANIEL MOOKHEY:** To the extent to which John Holland requires subcontractors to expose their corporate history, the history of their directors, is that required?

**Mr OLSEN:** Not to my knowledge, no.

**The Hon. DANIEL MOOKHEY:** What steps does John Holland have in place to ensure that it is not hiring subcontractors who have a history of phoenixing—that is, disappearing with their debt and leaving workers out of work? What steps are in place that would allow us to feel that contractors know what they are doing?

**Mr OLSEN:** I am not aware of any.

**The Hon. Dr PETER PHELPS:** Is the number of people you mentioned who are affected by RCA's collapse the people who were exclusively working on WestConnex or may they have been working on other projects that RCA was involved in?

**Mr OLSEN:** They may have been working on other projects, as I have just been instructed.

**The Hon. Dr PETER PHELPS:** I am trying to get to, if they had a broader arrangement with RCA, it might be a little unfair to expect SMC or the Government to cover all of their potential losses if only a fraction of the subcontractors' work was devoted to the WestConnex project.

**Mr OLSEN:** My understanding in relation to subcontractors is that it was all on WestConnex work. There was a very small proportion of employees perhaps on other government projects and not necessarily the WestConnex. But in the main that company was set up to perform work and they were bringing drivers down—

**The Hon. Dr PETER PHELPS:** To only tender for government projects?

**Mr OLSEN:** —from the north to only work on WestConnex.

**The CHAIR:** Thank you very much for appearing before the Committee. Unfortunately, we are out of time.

**Mr OLSEN:** I was starting to enjoy it; thank you so much.

**(The witnesses withdrew)**

**MARGARET CRAWFORD**, Auditor-General of New South Wales, Audit Office of NSW, affirmed and examined

**SCOTT STANTON**, Assistant Auditor-General, Financial Audit, Audit Office of NSW, sworn and examined

**CLAUDIA MIGOTTO**, Assistant Auditor-General, Performance Audit, Audit Office of NSW, affirmed and examined

**The CHAIR:** Thank you for appearing before our Committee. Normally we receive a substantial submission from you, but we have submission No. 310 from you which is really a covering letter. Do you have an opening statement to add to your submission?

**Ms CRAWFORD:** Thank you, Chair, I have a very brief opening statement. First, I thank the Committee for your invitation for us to give evidence today. We believe our core purpose in the Audit Office is to support the Parliament by providing independent assurance over the activities of government. We do this through the conduct of our annual financial audits of all government-controlled entities and through selected performance audits that examine the efficiency and effectiveness of government activities and compliance with relevant law. In relation to the WestConnex project, the Audit Office tabled a performance audit in December 2014 titled "WestConnex: Assurance to the Government". This report assessed how effectively project assurance processes were applied to WestConnex to provide independent assurance to government. Importantly, the audit did not look at the business case in detail to assess value for money or the accuracy or reliability of project-related estimates. Nevertheless, it did comment and conclude that there were shortcomings in the assurance processes that were applied to the project business case.

I publish an annual work program, and the program that is currently available on our website does foreshadow a further performance audit of WestConnex for next financial year. My very brief submission that you referred to also references the types of reporting my office does following our financial audits of agencies. When reporting on the Transport portfolio, we provide information of some major projects—their budget, the status of the project—with a strong focus on how well they are governed. We also audit the financial statements of RMS. Until the sale completion we audit Sydney Motorway Corporation. From 27 September 2018 we will no longer provide assurance over the finances or the operations of SMC. I brought with me today two colleagues, and we are very open to answering any questions we are able to answer.

**The Hon. GREG DONNELLY:** With respect to the WestConnex project and the work that your office has done, we obviously have the document of the 2014 audit. In your covering letter you usefully draw our attention to two further documents, the Public Accounts Committee report of the Legislative Assembly of New South Wales report No. 456 dated March 2017 and a report produced by your office the "Report on Transport 2017" dated 15 December 2017. There is a line of continuity across this project. One of the challenges we are facing in understanding this project is how the parts fit together coherently. Specifically I want to talk about the airport gateway and how that fits in in terms of the way in which the Audit Office has examined it as part of the project that commenced in 2014 and over time. Could you comment on that?

**Ms CRAWFORD:** At the time of the performance audit, or the conduct of that performance audit prior to tabling in December 2014, the Gateway project was part of the total WestConnex project. Although our audit, as I said, did not go into the details of the business case, it looked more at the assurance process that covered that, and at that time Gateway was included.

**The Hon. GREG DONNELLY:** You say with clarity and certainty that the Gateway project was clearly part of the WestConnex project at the time of the performance audit. Why do you say that with clarity and certainty? I do not mean to put you on the spot, but you made that statement and it is a matter of contestation in this inquiry.

**Ms CRAWFORD:** There was an amount of \$800 million provided as part of the allocation at that point for that project. I am conscious that subsequent to that, in our financial audits, that project has been separated. But we do not really have a comment on the status of it. We really have not audited how those arrangements came about.

**The Hon. GREG DONNELLY:** What I am trying to get at is we have a period of time that we can trace over. We have a starting point and accounting for an amount of money for the airport Gateway project, but then we are finding it being contested by the Government that the Gateway project is part of WestConnex. Has the Audit Office received any formal communication from the Government about the standing of the Sydney Gateway project as part of or not part of the WestConnex project? Has the Government come to you and said this is a matter you are looking at, there was work done in 2014, work done last year, the Legislative Assembly public accounts reports, any formal communication?

**Ms CRAWFORD:** Not to my knowledge. I am happy to take that on notice and look further to check on that. Not to my knowledge.

**The Hon. DANIEL MOOKHEY:** Ms Crawford, I am a long-time reader of your work and first-time questioner. It is nice to meet you.

**The Hon. Dr PETER PHELPS:** She looks at your entitlements so be kind.

**The Hon. DANIEL MOOKHEY:** Ms Crawford, you prepared financial statements on 15 December 2017 where you said:

The project budget was increased to \$15.4 billion in May 2015 and a further increase of \$1.4 billion in October 2015 due to changes to the scope of work.

When you prepared the financial statements on 15 December 2017 did you prepare the statements assuming Gateway was in or out of the project?

**Ms CRAWFORD:** I think what you are referring to is our report to Parliament that references projects as part of the transport cluster.

**The Hon. DANIEL MOOKHEY:** Yes.

**Ms CRAWFORD:** That is a good start. Then in terms of the detail of that, Mr Stanton, are you able to help?

**Mr STANTON:** The financial statements do not have project accounting within the annual financial statements that we audit. That is specific information in the report to Parliament, not in the audit of the financial entity of transport.

**The Hon. DANIEL MOOKHEY:** I have the report and your submission to the inquiry. You see the paragraph you have excerpted from the report and you have italicised it in this submission. When you prepared that paragraph, which you published in that report to Parliament as you described, was that paragraph prepared assuming that the Gateway was in or out? What was the status of the Gateway when you provided the advice to Parliament that said:

The project budget was increased to \$15.4 billion in May 2015 and a further increase of \$1.4 billion in October 2015 due to changes to the scope of work.

Was the Gateway in that or not?

**Mr STANTON:** My understanding is there was only a contribution of \$800 million included within the \$16.8 billion. That is in the report to Parliament.

**The Hon. DANIEL MOOKHEY:** No other reference is made in the report to "Gateway". You list WestConnex, Sydney Metro Northwest, Woolgoolga to Ballina, central business district light rail and NorthConnex, but there is no reference to Gateway in that report, why not?

**Ms CRAWFORD:** That report is a compilation of all the matters that we consider doing across the transport cluster. There are many things we could report on. In that report we are selective, we choose projects that we think are of interest to the Parliament and report on those and ones that are of very major scale.

**The Hon. DANIEL MOOKHEY:** When were you first told that Gateway was not part of WestConnex?

**Ms CRAWFORD:** I would have to take that on notice. I do not believe I have been told that.

**The Hon. DANIEL MOOKHEY:** You have not been told?

**Ms CRAWFORD:** No. Can I go back to my starting point. That matter would be something we would consider as part of a performance audit and we have not done a performance audit of WestConnex since the 2014 report. At that stage it was part of WestConnex and we have not subsequently looked at that.

**The Hon. DANIEL MOOKHEY:** I am not suggesting there is any failure of the Audit Office here. To this date the Audit Office has not been told that Gateway is not in?

**Ms CRAWFORD:** I have taken that on notice several times, because I would need to check.

**The CHAIR:** Check your correspondence.

**The Hon. DANIEL MOOKHEY:** You say you will no longer be providing assurance to Sydney Motorway Corporation, and you would expect that they will be audited under the Corporations Act, as they are a registered corporation. Do you have power to audit the Roads Retained Interest Pty Limited?

**Ms CRAWFORD:** We do.

**The Hon. DANIEL MOOKHEY:** Are you the actual auditor appointed under the Corporations Act or the Public Finance and Audit Act?

**Ms CRAWFORD:** Under the Public Finance and Audit Act. There are a range of company status organisations that we audit including under the Corporations Act but we are doing that audit as a government controlled entity under the Public Finance and Audit Act.

**The Hon. DANIEL MOOKHEY:** Have you simultaneously been appointed under the Corporations Act as their auditor?

**Ms CRAWFORD:** I am not sure. I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** You were with the Sydney Motorway Corporation. At their annual general meeting every year they selected you as their auditor.

**Ms CRAWFORD:** I would have to take it on notice. It is a very new arrangement, so I would have to take that on notice just to check.

**The Hon. DANIEL MOOKHEY:** When you say you will cease to be the auditor for Sydney Motorway Corporation does that mean also under the Corporations Act? Are you expecting they will not reappoint you as the independent auditor?

**Ms CRAWFORD:** I am expecting that. It is a private company. My mandate does not stretch to private organisations.

**The Hon. GREG DONNELLY:** With respect to the auditing of projects, some of which are done over a period of time, in fact sometimes multiple years, if the scope of works increases it would not be a surprise that the budget for the project may increase, is that a fair comment to make? Have you observed this in your role as Auditor-General?

**Ms CRAWFORD:** Again, I would not make a general observation; I would only comment in relation to audits I have conducted. In audits I have conducted there have been changes to provisions for the financial arrangements for projects.

**The Hon. GREG DONNELLY:** It would not be out of the ordinary—I am not talking about WestConnex specifically but as a statement—that if the scope of works of a project increased it would not be a surprise to have the budget for that project increase? Is that a fair statement? Is that something we have seen in New South Wales?

**Ms CRAWFORD:** I can only comment on matters that I have audited. I might have a common sense response to that but I am the Auditor-General so I can only comment on matters I have audited.

**The Hon. DANIEL MOOKHEY:** You are not entitled to common sense.

**Ms CRAWFORD:** No.

**The Hon. GREG DONNELLY:** There is no point pursuing the question if it was the other way around and a project contracts in terms of its scope the budget would contract, that is something you would not be prepared to comment on?

**Ms CRAWFORD:** I could not comment, not at a general level. They would be matters that we would examine specifically as part of a specific audit.

**The Hon. DANIEL MOOKHEY:** Are you contemplating a performance review of WestConnex?

**Ms CRAWFORD:** Yes, we have foreshadowed that in the next financial year we will conduct another performance review of WestConnex. That reflects the fact that our first performance audit was done some time ago now and it was at the early stages of this project. There have been a number of changes both in the scope of the project, in the financial arrangements for it, and in the governance arrangements. So we do believe that it is appropriate to go back and do another audit of that project. We have not finalised the scope of that yet. We intend to finalise that scope shortly, hopefully around Christmas, early new year. We would be very interested to take account of the findings of this inquiry to help us with the scoping exercise and then we will conduct the audit next financial year.

**The Hon. DANIEL MOOKHEY:** When you say "next financial year", do you mean 2018-19 or 2019-20?

**Ms MIGOTTO:** It will be tabled in 2019-2020.

**The Hon. GREG DONNELLY:** You might take this on notice if you wish. We had representatives from Infrastructure NSW and specifically there were a number of questions asked of Mr Betts from that organisation. For the first time, as far as I am aware, he put it clearly on the table that the key date when the Sydney Gateway project or airport Gateway project was seen to be a discrete separate project in this State was from September 2017. After September 2017 it was a standalone project, my words not his. That was essentially his evidence this morning.

The effect of that would be, would it not, in terms of a performance audit you will do, the one you referred to, by definition if a statement like that has been made today where you have such a specific date provided, that in terms of an audit of WestConnex that you are about to do or do in due course, that will clearly exclude the Gateway airport project? This is what is being put by Infrastructure NSW, which is a different position from where we were when the project started. This will be excised from your consideration, will it not? You obviously will not be looking at the Sydney Gateway project, will you?

**The Hon. GREG DONNELLY:** This will be excised from your consideration; you will not be looking at the airport gateway project, will you?

**Ms CRAWFORD:** As I said, we have not finalised scope. We have titled our intention WestConnex, but the Auditor-General can always choose to audit any project and I can scope things accordingly. At the moment we are foreshadowing an audit of WestConnex. So yes, that would not include gateway, but we could similarly choose to do an audit on gateway as a standalone project.

**Ms MIGOTTO:** We could also take a retrospective view of it. We can conduct a performance audit over any time frame of project implementation. That could include a time frame in which the gateway was part of the project or not.

**The Hon. GREG DONNELLY:** That is one of the challenges we are facing. It appears to be very fluid.

**Ms CATE FAEHRMANN:** Following on from that question, what that could mean, therefore, whatever we saw in relation to a business case and benefit-cost ratio—I understand you did not audit it—in this future audit you could look at that when the Sydney Gateway was part of it, then look at what the benefit-cost ratio is now without the Sydney Gateway, is that correct? I have asked a number of members of the public service, and I think RMS indicated that nothing would change in relation to the benefit-cost ratio as a result of Sydney Gateway not being a part of it any more.

**Ms CRAWFORD:** Again, it would depend on the scope of the audit, and we have not finalised that at this point, so I really do not think I could answer your question.

**Ms CATE FAEHRMANN:** It is part of this Committee's work to look at the massive expenditure of public money and the continued justification for the project. For Sydney Gateway—being such a critical component at the beginning—looking at whether there is a change in the benefit-cost ratio would be quite beneficial. There is a lot of public interest in it.

**Ms CRAWFORD:** As I said earlier, we will be very interested in the outcomes of this inquiry, and certainly take on board the areas that you are particularly interested in, in framing our scope of this next audit.

**Ms CATE FAEHRMANN:** This morning I was talking to the head of Infrastructure NSW, Mr Betts, about the business case, and again I know you did not audit the business case. He said to me, "The purpose of that strategic business case is precisely to identify a problem ... and the full range of options available to address that problem. In this case that would include mass transit options; it would include regulatory options, pricing options." I asked, "What was the full range of options in the strategic business case that the Government presented instead of WestConnex?" He answered, "There was not a strategic business case that was produced for WestConnex, as I understand it." Is that your understanding as well from your audit so far of WestConnex?

**Ms CRAWFORD:** The focus of the 2014 audit was on the assurance processes that applied to that project at its very early stages. Again, we did not go into the detail of the business case, but we did comment on the fact that a number of gateway reviews were missed over the business case. One of the gateway review stages that was missed was the zero business case stage, and one would have expected, had an independent gateway review process been undertaken, that one of the issues that would arise from that was the lack of consideration of a range of options.

**Ms CATE FAEHRMANN:** On page 19 of your review, Developing a Business Case, in terms of the overview it says in the bottom paragraph in the box:

The preliminary business case had many deficiencies and fell well short of the standard required for such a document.

From what you undertook in relation to the business case, you did it to an extent that you could put that into the report.

**Ms CRAWFORD:** We did, but again, our commentary went very much to the assurance processes over the business case. The primary findings of that report were the lack of independent gateway review, the lack of separation between the different roles, the commissioning role of the project, the delivery role and the independent assurance role. We also did comment that had those assurance processes been in place, one might have expected that certain other shortcomings in the business case would have been detected. And they go to a broad range of matters around risk. That was what we commented in that report.

**Ms CATE FAEHRMANN:** You talk about there being a multiagency team with private sector experts who developed the WestConnex concept. Was that the Infrastructure NSW board that you are referring to?

**Ms CRAWFORD:** I was not around at the time. I do not think it was the Infrastructure NSW board, but I think Infrastructure NSW brought together people from various agencies across government and the private sector with appropriate, or at least with relevant expertise.

**Ms CATE FAEHRMANN:** When all of these private sector experts got together to develop this concept, which was WestConnex—and as we have heard there were no other options or alternatives to consider in terms of other transport solutions for the problem that was identified—was there a role for somebody to ensure that they did not have any conflict of interest, such as shares, for example, or roles in the construction companies that are going to benefit from their recommendations?

**Ms CRAWFORD:** Certainly best practice would look to make sure that the participants are as independent as they possibly can be, or that if they do have interests, that they are appropriately declared and managed.

**Ms CATE FAEHRMANN:** Do you know whether that happened in this situation?

**Ms CRAWFORD:** I do not know.

**Ms CATE FAEHRMANN:** Would you consider including that as part of your—

**Ms MIGOTTO:** It is not specifically referred to in the report, but we can review our working papers and take that on notice.

**The CHAIR:** I have some general questions. Again, thank you for your attendance. In your covering letter to the Committee dated 24 August you give some figures for major transport projects and indicate that the Sydney Metro Northwest, according to your letter, will meet its original budget. The revised budget is the same. For the Sydney Metro City and Southwest, you anticipate the revised budget being met. But when we come to WestConnex, we find from the original budget to the revised budget nearly a \$2 billion difference, and the original completion date 2023. When you saw that difference, did that alarm or alert you as to whether you should look further into this particular project? A \$2 billion blowout.

**Ms CRAWFORD:** The role of the Audit Office and the Auditor-General is to audit that information that we are provided and make sure that it is appropriately accounted for. We do not really express an opinion on that unless we undertake a specific performance audit of the project. So no, I would not have expressed any particular view. I simply was reporting the facts as we knew them in that case as part of our financial audit.

**The CHAIR:** That is the point I am getting to: Should you have considered a performance review in view of those alarming figures?

**Ms CRAWFORD:** As I said, because of changes to both the funding, the governance, the scope of this project, we have foreshadowed that we will undertake another performance review of this project.

**The CHAIR:** What is the timetable for that?

**Ms CRAWFORD:** Next financial year.

**The CHAIR:** The end of next June or July?

**Ms CRAWFORD:** As you can see by your own review of this project, it is a large complicated project, and it is likely that the next audit that we do will take us some time. We would hope to finalise it in at least the second part of next year.

**The CHAIR:** So it could be the end of next year?

**Ms CRAWFORD:** It could be. I cannot say at this point. I imagine it will be a very complex audit.

**The Hon. GREG DONNELLY:** Not March next year.

**Ms CATE FAEHRMANN:** You guys over there will get off the hook.

**The Hon. WES FANG:** Bring it on.

**The CHAIR:** The point the members are making of course is that it is after the next State election.

**Ms CRAWFORD:** Really?

**The CHAIR:** You are well aware of that.

**Ms CRAWFORD:** I am well aware of that. We have made a commitment to make sure we have scoped that next audit if not before Christmas then early in the New Year, but we will not have completed that audit. Reverend Nile, if I could just say, there is a large range of matters that the Auditor-General can audit. Like any agency, we have a limited budget. We have to be selective, but we are very keen to provide the types of audit that the Parliament of New South Wales would want to see.

**The CHAIR:** Thank you. We look forward to that audit. You also put in your submission to us that you have conducted audit reports on major infrastructure projects. NorthConnex was released on 8 June 2017. Were there any matters in that review by your Audit Office that concerned you that you need to draw to our attention?

**Ms CRAWFORD:** That was quite a different performance audit in the sense that it was really looking at the unsolicited proposal arrangements for NorthConnex and the assurance within that process over the arrangements for that project, so it was quite different to the 2014 audit of WestConnex. There were a number of similar performance audits that were done around 2014-15 that looked at major construction projects—the Tibby Cotter project, large construction projects, light rail, of course. In all of those, the common element that the Audit Office was commenting on was often the lack of that independent gateway review, just missing steps in that assurance process. Our recommendations from this audit, therefore, went very much to try to reinforce the need for independent assurance and the role of Infrastructure NSW that you have heard today. Those recommendations have been accepted.

**The CHAIR:** Those recommendations would also apply to the other Audit Office report into the CBD and South East Light Rail project that you released on 30 November 2016?

**Ms CRAWFORD:** Yes.

**The CHAIR:** Were they your similar observations?

**Ms CRAWFORD:** There were other observations on that project, but there were similarities in that. Again, a number of stages in the gateway review process had been missed for the light rail project.

**The Hon. SHAYNE MALLARD:** We would love to talk about light rail, but it is outside the terms of reference. You can come back another day for that one.

**Ms CRAWFORD:** I would prefer not to talk about it.

**The Hon. SHAYNE MALLARD:** You might know there is already an inquiry for that. We heard from Infrastructure NSW this morning about the 2014 audit. You have referred to the issue of assurance. Do you want to walk us through what your concern was, your recommendation and the Government's response?

**Ms CRAWFORD:** At the time, the audit was very much targeting that question: Was the Government being provided with appropriate independent assurance over this project?

**The Hon. SHAYNE MALLARD:** On a regular basis?

**Ms CRAWFORD:** Yes, that was the focus of the audit at the time. What we found was that there were arrangements in place. There were steering committees, there were boards. Some good practices were identified, but the key gap was the level of independence, fresh eyes looking at this. There were conflicting roles from the delivery agency and them also providing assurance and reporting to Government. That was really the key findings of our audit and the recommendations were to that effect, that there should be independent gateway reviews, and that the roles of commissioner, deliverer and assurance should be properly separated. Those recommendations were broadly accepted by the agencies involved in the audit. Then the Public Accounts Committee 12 months later reviewed that audit and the responses from the agencies and the Public Accounts Committee accepted that the agencies had, according to their representations, implemented those recommendations.

**The Hon. SHAYNE MALLARD:** We heard this morning there were 36 assurance reviews that occurred. They are Cabinet-in-confidence. They go to Cabinet on a monthly basis or thereabouts. Does that assure you that that assurance project is robust?

**Ms CRAWFORD:** Since that time we have not specifically audited the infrastructure investment assurance framework, so I cannot comment specifically in answer to your question. That said, whenever we conduct an audit of an infrastructure project, we look to make sure that the agencies leading those projects are applying that framework.

**The Hon. SHAYNE MALLARD:** We heard evidence before you from the Transport Workers Union of allegations about payments not going through to subcontractors. Is that an area you would look at in an audit?

**Ms MIGOTTO:** If that is a hypothetical question, hypothetically, we could look at project management aspects like payments to contractors.

**The Hon. SHAYNE MALLARD:** As you rightly said, it is a vast project. You would be auditing full time?

**The Hon. DANIEL MOOKHEY:** If you had follow the money powers could you go into that level?

**Ms MIGOTTO:** We can look at arrangements to make payments from the agency level. We cannot use an application of payments necessarily on the contractor side.

**The Hon. DANIEL MOOKHEY:** Even with follow the money powers?

**Ms CRAWFORD:** Again, it would depend on the changes to the legislation and how they were framed, but potentially.

**The CHAIR:** One thought that occurred to me, as you indicated, the size of these projects and the infrastructure program is without parallel in Australia. Has the Government considered extending your budget so you could conduct necessary audits?

**The Hon. GREG DONNELLY:** That is a good idea.

**Ms CRAWFORD:** Very good idea.

**The CHAIR:** Would you like us to recommend that?

**Ms CRAWFORD:** As I said earlier, my role is to provide the audits that the Parliament would like to see, so if the Parliament would like to see more performance auditing, I am sure we would be happy to oblige.

**The Hon. SHAYNE MALLARD:** I am sure auditing infrastructure is a new thing for you.

**Ms CATE FAEHRMANN:** What about a stack of money to audit WestConnex a bit sooner if you were given additional resources?

**The Hon. DANIEL MOOKHEY:** Ms Crawford, given that the scope of the project has substantially changed, we are trying to understand what precisely should be the baseline for cost to be able to measure whether the budget has gone up or down. Do you have a view as to what the appropriate baseline is? Is it the \$10 billion first flag, the 11.1, the 14.5, the 15.7, or the 16.8? From an audit perspective, what is a fair description?

**Ms CRAWFORD:** Even in the conduct of this performance audit back then, it was early stage and it was foreshadowed that the design and development of the project and the scoping would change over time. That was flagged right at the outset. I think you just have to examine each component and then the total.

**The Hon. DANIEL MOOKHEY:** Accepting that logic, that we have to examine each component and the total, in 2014 the project did include the Gateway. That is what you said earlier.

**Ms CRAWFORD:** Yes.

**The Hon. DANIEL MOOKHEY:** So that component of the Gateway cost, if we were to add the now 2.2, to be generous, to the cost, that would mean that the WestConnex budget has gone up by \$16.8 billion and it means we are now looking at a project budget that is \$18.2 billion. That is, it is costing \$18.2 billion to build what was envisaged in 2014, and that is generous because it does not go to Port Botany. Is that an unfair exercise?

**Ms CRAWFORD:** I will take that as a comment.

**The Hon. DANIEL MOOKHEY:** I am asking you, arithmetically if we were to follow the logic that you just outlined, which is if you were to take the components of the 2014 design and sum them, it gets to \$18.2 billion. I am asking you: is it fair for this Committee to conclude that that is what the WestConnex project, as envisaged in 2014, now costs?

**Ms CRAWFORD:** I am sorry, I could not answer that question without conducting a proper audit of all of those components and the total cost.

**The CHAIR:** Thank you very much for attending our inquiry. We appreciate your information and the work that you do day by day, year by year. Any questions you have taken on notice you have 21 days to answer from when you receive them from the secretariat.

**(The witnesses withdrew)**

**(Short adjournment)**

**RACHEL BRITTLIFF**, Member, Haberfield Public School Parents and Citizens Association, affirmed and examined

**SHERRILL NIXON**, Member, Haberfield Public School Parents and Citizens Association, affirmed and examined

**MALACHY WARD**, WestConnex Liaison Officer, Haberfield Association, affirmed and examined

**CYNTHIA MOORE**, Haberfield Association, affirmed and examined

**The CHAIR:** In view of some of the other hearings we have had already, I remind everyone that no matter what they think about what is said, people in the audience should listen to the debate quietly. We have Hansard recorders here who are recording all the statements by the witnesses and if there is noise it makes it difficult for Hansard to record accurately what is being said, and we want to have accurate transcripts. If there is something that you do not agree with, people in the audience should just listen and keep conversations between themselves as quiet as possible so there are no audible conversations. Photographs and filming are not permitted, apart from the media photographers who have been authorised to do so. No signs or other props are to be utilised during the debate.

I now welcome our next witnesses from the Haberfield Association and the Haberfield Public School Parents and Citizens Association. We thank you very much for coming in to assist our inquiry and we look forward to your evidence. Do you have a representative who would like to make an opening statement?

**Mr WARD:** Yes, I would. Haberfield has a special Federation character as a garden suburb and a conservation area forming part of Australia's national estate but it has been torn apart by the destruction of 53 heritage homes and many businesses. Haberfield residents have been impacted by dust, vibration, noise, stress, loss of sleep, health problems, the loss of heritage, vegetation and recreation space, and the traffic congestion caused by hundreds of trucks a day travelling through the neighbourhood. Many residents have experienced these impacts for four or more years and some permanently.

Of the three primary schools in Haberfield, the one on Bland Street is affected by construction work and is just two blocks away from the unfiltered exhaust stacks. Another, in Waratah Street, is a few hundred metres from the tunnel portals. The Haberfield Association has become increasingly concerned about air quality. Of special concern is the high level of pollutants detected by the recently installed monitoring station at Haberfield Public School, where the levels exceed national standards. There are many big issues with the whole infrastructure project, but our submission is focused on just a few of those which impact residents. The scale and massive impacts of the construction on the residential amenity and fragile heritage of the suburb could not have been predicted or foreseen by residents. With the M4-M5 link, or stage 3, Haberfield will continue to be affected until at least 2023, but the longer term impacts on air quality can only be estimated.

Despite the spin from representatives of the Sydney Motorway Corporation, without filtration on the exhaust stacks, clearly air quality will deteriorate further and we will suffer an increase in dangerous pollutants in the suburb and its surrounds. It is intolerable that Haberfield and Ashfield residents will be exposed to a further five years of the atrocious impacts of WestConnex due to the M4-M5 link and the increased traffic on our local streets due to the rat-running of motorists trying to avoid the congestion of traffic exiting from WestConnex.

**Ms NIXON:** Thank you for inviting us to give evidence today. Rachel and I represent the families of about 650 students at Haberfield Public School, who live mainly in Haberfield and across Parramatta Road in Ashfield. As you have heard, the WestConnex development is taking a terrible toll on our community. What I especially want to convey today is that the parents believe that it is also putting our children's health and safety at risk in numerous and unacceptable ways. We believe the State Government and the various agencies and companies responsible for this project have not given due consideration to the fact it is occurring on the doorstep of our primary school.

The project brings hundreds, soon to be over 1,000 extra cars and trucks to our streets every day, many of them right past the school or along the main pedestrian route used by students. Parents are worried about allowing their children to walk to school alone after near misses between pedestrians and trucks at construction site driveways, and poor management of footpath and road closures. Our school crossing remains without a crossing guard, despite years of requests, and we fear that rat-running through our streets will worsen when the M4 East stage is opened in just a few months, endangering our children further.

Air quality records from the monitoring station on the school grounds show alarmingly high levels of dangerous particulate matter. Our submission given to you raises the experience of our community on 9 April this year when dust from the construction site swept across the school grounds. I would like to table a document that shows a spike in particulate matter 10 levels just after 3.00 p.m.—school pick-up time—on that day. It illustrates

two things: the effect of construction on local air quality, which has significant impacts on residents' health, as my colleague Rachel can speak to from personal experience; it also illustrates the immense effort the community members must go to to monitor the impacts of WestConnex. If we were not at our computers that day taking screenshots at the time, this data would no longer exist on the public record. As you have heard, from next year the toxic pollution from the unfiltered ventilation stacks, just a few hundred metres from the school, will be added to this mix.

There are many other impacts on our community: damaging our families' health and wellbeing, quality of life and connection. Over the best part of a decade, from the release of first plans and acquisition notices, to the opening day of stage 3, more than 1,200 students at Haberfield Public School will be affected by this development. The project and the processes behind it have left us feeling disempowered and demoralised. We feel betrayed by our political representatives, who we believe have failed to put the health and safety of our children first. Thank you.

**The CHAIR:** We will commence with questions from the Labor Opposition.

**The Hon. GREG DONNELLY:** Thank you all for coming along this afternoon. I acknowledge and thank you for the large amount of work that has been done, especially by the association and by the P&C in putting together the submissions, which have been incorporated into this inquiry's evidence. I will share the questions between the association and the P&C. I have a limited amount of time, so bear with me if I am speaking quickly.

Mr Ward, you made the point that there are still some years ahead for the residents of Haberfield in terms of the impact of the WestConnex project. In your submission you reflect on a number of shortcomings in the way that the project has been developed and implemented. What would the association say are the key priorities that should be focused on, right now, looking into the future, that need to be immediately attended to to try to mitigate the effect of these matters that you have drawn to our attention?

**Mr WARD:** There has not been adequate consultation with residents. What they call consultation is, essentially, you go along to an information session and they tell you what they are going to do. You might raise objections; they ignore them. For the EIS for stage 3, for example, I believe there were 10,000 submissions. Obviously there was some heed taken of some of them, but we found it hard to believe that all of those 10,000 submissions were taken into consideration. So the whole thing about consultation is really a sham.

**The Hon. GREG DONNELLY:** Thank you for that. That accords with evidence that has been provided to this Committee by other resident groups and other communities. Specifically focusing on that Haberfield suburb—the Haberfield community—what do you say the Government needs to be immediately paying attention to, right now, to deal with the matters in front of you with respect to the WestConnex project?

**Ms MOORE:** From my perspective, we have found that there has been a really devastating effect on our community caused by the disruption amongst the community. For instance, we have after-hours work—this is night work. The hours of construction from the beginning of the project were communicated as being Monday to Friday from 7 am to 6 pm, and Saturday from 8 am to 1 pm. But ever since the project began we have had a regular weekly notification of out-of-hours work. This is called an exception to the conditions of approval, but it is a fallacy, because if we are getting this every week—

**The Hon. GREG DONNELLY:** It is more the rule than the exception.

**Mr WARD:** Yes.

**Ms MOORE:** It is the rule. I will give you an example of what is happening in Haberfield this week. We have seven sites in Haberfield that are doing out-of-hours work. This is spread out over two consecutive days with one day in between and another day. Out of those sites there are three sites that are within two blocks of each other. They are being subject to noise for four nights this week. When I talk about noise there are saw cutters, rock breakers and jackhammers. These are called higher impact plant and equipment. They would only be used until midnight, as per the project's self-imposed rules. But saw cutting and jack hammering may occur after midnight. So all night residents are being subject to this. It is a huge impact, and this is only one week.

**The Hon. DANIEL MOOKHEY:** Ms Moore, when you say that this has been happening for a continuous period of time, going back to when?

**Ms MOORE:** The beginning of the project.

**The Hon. DANIEL MOOKHEY:** Really?

**Ms MOORE:** Yes.

**The Hon. DANIEL MOOKHEY:** You have receiving out-of-hours noise notifications that are exceptional to the planning conditions—

**Ms MOORE:** That is right.

**The Hon. DANIEL MOOKHEY:** —effectively, since the project went into construction.

**Ms MOORE:** Yes.

**Ms NIXON:** Can I add as well, that often this work is being done by the utilities. It is not actually being done by the joint venturers, as part of the project. So, it actually sits outside the conditions of approval, I think. This is one of the reasons that they can get away with doing this work at the hours that they are doing it. For the families at the school some of this work is being done right outside, very close to unit blocks where school children are trying to sleep at night time. It is very difficult, very disruptive.

**The Hon. GREG DONNELLY:** Can I press you on the point that you have just made. Is that advice that you have received legal advice as a way to be exempted from the conditions, or is this your observation?

**Ms NIXON:** I am not aware of it being done in a way that allows it to be a legal exemption.

**The Hon. GREG DONNELLY:** That is fine. I was just trying to press you on—

**The Hon. DANIEL MOOKHEY:** I might follow up there, too. Ms Nixon, with respect to what you just described, we had the Department of Planning and Environment this morning saying that they were confident that the planning instrument was being followed. Equally, they had a view that noise complaints were being dealt with adequately pursuant to the conditions of planning. I am just putting to you the propositions before you talk about them. The third dimension of it is that the extent to which there are resident complaints, they say, "We have collocated enforcement officers at the Inner West Council, who are doing a good job of acting on your complaints." Do you agree with that?

**Ms NIXON:** I think that you would already have heard over the last couple of days of evidence of complaint fatigue that our community is suffering. I think there are many reasons to complain if you are living in Haberfield or Ashfield, and noise is only one of them. The issues around parking maybe another one and there are issues around trucks driving around our streets where they should not be. People will phone the info line and make those complaints. They will be put on hold or moved around to a few different people and have all of their personal details taken.

I know of some people who feel that they have been treated dismissively. There are others who have struck a friendly community engagement person, but I think in many instances the complaints are made and there is a feeling that there is a lack of action in response to those complaints. The workers parking in the streets around the school is a good example of that. There are numerous people, including our school principal, who have made that complaint and very little action has been taken. As a result you will find that there is complaint fatigue. People are less likely to continue to make those complaints because they do not feel that they are acted upon.

**The Hon. GREG DONNELLY:** If we look at the school community as a discrete group, I think you said in your opening statement that there were 670 families, or was that students?

**Ms NIXON:** There are about 650 students.

**The Hon. GREG DONNELLY:** Okay, 650 students. Surely a reasonable person would see that as quite a large group. Those children obviously have parents and extended families affected by this. Has the school, with or without the P&C's involvement, been trying to speak to some body or some entity within this whole project to try to ventilate the range of issues you have described to get someone to come and sit down and listen and, in effect, take into account the matters that are of concern to the school community? If you have had that process play out we would like to know about that, and the success or otherwise of that exercise.

**Ms NIXON:** I am obviously here representing the parents and I am not really in a position to represent the school.

**The Hon. GREG DONNELLY:** That is fine.

**Ms NIXON:** I can give you a little bit of insight.

**The Hon. GREG DONNELLY:** Speak on behalf of the parents and tell us what you have been doing.

**Ms NIXON:** What we observe is that certainly WestConnex representatives come to the school and speak to the principal from time to time—particularly at times when new plans are released or things are changing. Although I must say that recently the modification report was released and the school did not receive notice of that for the first week. That was only open for 14 days, and for seven days the school did not receive notice. In

fact, it was not until we were at a community reference group meeting and prompted RMS to do that that they did, as I understand it. My understanding also is that the school is somewhat hamstrung. Therefore, the principal and the staff do not feel they are in a position to make public statements about the situation that they find themselves in. It is extremely frustrating from our point of view as parents that we are in that position. I have personally written to the secretary of the Department of Education and the Minister for Education and they have not responded.

**The Hon. GREG DONNELLY:** You have had no response to your letter?

**Ms NIXON:** They responded to my letter, but they referred me to the Minister for WestConnex.

**The Hon. DANIEL MOOKHEY:** How close do the trucks come to Haberfield Public School?

**Ms NIXON:** If they are following the path they should be following, they run along Parramatta Road. But I have personally witnessed trucks at the intersection of Bland Street and Denman Avenue, which is the intersection at the school.

**The Hon. DANIEL MOOKHEY:** That close?

**Ms NIXON:** That truck was in the wrong spot; it should not have been there. That is another example of where residents or community members need to take a photo, to contact the information line, to send an email, to submit the photo, and to follow up days later to get any action.

**Ms MOORE:** I live in a street that runs parallel to the school. Between April and May this year, I sighted three concrete trucks. I happened to be able to take photos of two of them and I took the number plates. One was there in school zone time. That was reported to the information line and they responded that one of the trucks had breached the conditions and would be disciplined. It was then taken up by the Department of Planning and Environment and I had to give a witness statement. The process began with the department from then. As Cheryl said, it takes a lot of effort for one person or residents to do all this—to follow up and to make a witness statement. That is only the ones we see. Many people see them but they are not able to identify the truck with the registration number, which is what they need.

**Ms CATE FAEHRMANN:** Thank you all for coming today. We have heard from many residents about the hundreds if not thousands of hours they are spending fighting this. Your comments about the hours you have spent on this one complaint are staggering. Thank you for the work you do. We are hearing loudly and clearly the toll this is taking. The Haberfield Association submission states that Haberfield was the first suburb to be declared a conservation area in New South Wales in 1985. The council produced the Haberfield Development and Control Plan, which is an exemplar. It is a significant suburb and it has many heritage buildings.

**Mr WARD:** Yes.

**Ms CATE FAEHRMANN:** The Department of Planning and Environment representative gave an opening statement this morning saying that the greatest impacts are occurring in Haberfield and Ashfield, where more than 50 residences would need to be acquired and demolished. I understand the figure is much higher than that.

**Mr WARD:** It was 53 houses and there is also a lot of apartments. I do not have the number.

**Ms CATE FAEHRMANN:** I think your submission suggested something like 180.

**Ms MOORE:** That was across the whole WestConnex project, but there was a significant number in Haberfield.

**Ms CATE FAEHRMANN:** I would like to explore the Air Quality Community Consultative Committee. You suggest that the chair, who is supposed to be independent, is responsible for appointing three representatives from the eastern ventilation facility and three from the western facility. These are community representatives.

**Mr WARD:** Yes.

**Ms CATE FAEHRMANN:** You said several people nominated but only two have been appointed. Do you want to expand on that?

**Mr WARD:** I believe there were seven applications.

**Ms CATE FAEHRMANN:** They were people who applied but only two were appointed?

**Mr WARD:** Yes. When I attended an information session—it so happens it was at Haberfield Public School—I spoke to one of the WestConnex staff. I asked her if she knew why only two people had been appointed.

I particularly asked about my application because I thought I had some relevant experience. I wanted to know why I was rejected. All she said was, "Are you a known protester?" That is all she said.

**Ms CATE FAEHRMANN:** I also understand from your submission that the community is not being told who are the community representatives on the committee. Is that correct?

**Mr WARD:** That is correct.

**Ms CATE FAEHRMANN:** You do not know who the people are who have been appointed to represent the community?

**Mr WARD:** As it so happens, I have found out who the two are at our end.

**Ms CATE FAEHRMANN:** How did you do that?

**Mr WARD:** I worked with one of them five years ago. He lives in Haberfield and he is a member of the Haberfield Association.

**Ms CATE FAEHRMANN:** I have read all the submissions and some of the stories about what people are experiencing are heartbreaking. Ms Brittliff, your son suffers from asthma. You write as though he has experienced asthma because of the construction. Is that correct?

**Ms BRITTLIFF:** Obviously I cannot say absolutely that it is because of the construction. However, I can tell you there is a definite correlation between the commencement of the construction and his asthma. My husband and I are both asthmatics. We have lived at our address for 10 years and for eight of those years our asthma was very well controlled. My husband and I have experienced a significant increase in attacks. Our preventative medication and my son's asthma ramped up in 2016 and it became worse in 2017. This year it has not been controllable with normal preventative medication. We have had our son home on at least six occasions this year.

**Ms CATE FAEHRMANN:** There is the issue of the dust storm, I understand the Sydney Motorway Corporation or Roads and Maritime Services blamed it on people with leaf blowers in the vicinity. The feedback from parents and eyewitnesses is that it was a massive dust storm coming from the construction site. You wrote that on that day your son experienced a severe asthma attack. Can you talk about that?

**Ms BRITTLIFF:** I happened to be picking up my daughter from school that day. I live two blocks from the school and visibility was affected for two blocks. The air was brown and it was very difficult to see. It got into our eyes. I got my son home from day care and he developed asthma overnight. He remained at home with me taking oral steroids for the rest of the week. That was not the normal preventative medication; it is medication you need to take when you have acute asthma. Of course, that meant I could not go to work for the rest of the week.

**The CHAIR:** Thank you again for assisting our inquiry and taking part as residents and representing the schools. It is probably not relevant to the inquiry, but I also suffer from bronchial asthma and have had many hospital tests. I know about sensitivity to dust. Even moving from warm to cold can bring on an attack. I sympathise with you. That is why I was very interested in your recommendation in your submission to install filtration on the exhaust stacks for the WestConnex project. Could you tell us about the dangers of the lack of filtration? You know that the panel requires that these exhaust stacks be built.

**Ms BRITTLIFF:** The concern with the lack of filtration is this: We are not experts, but we have been told by people who say that they are experts that the lack of filtration will not impact our health. We feel that we have been so profoundly lied to throughout this whole process that the information that we are being given about the impact to our health from the unfiltered stacks is not true, that the data mapping about the particulate matter that will come out is incorrect and that the problem with it is that once you go ahead with unfiltered stacks, even if we have the air quality monitoring data coming from our site on the school saying that we are being poisoned, nothing will happen. I would then have to make a decision about whether I remain living in my dream home or I sell up and move for my children's health. That is a pretty awful reality to be struck with.

**Ms NIXON:** We think that projects of the cost of WestConnex, the largest infrastructure project in Australia, should take every step possible to protect our health. If filtration will save one, 10, 100 children or adults from suffering from respiratory illness then that should be done.

**Ms CATE FAEHRMANN:** Especially with a \$17 billion project.

**The CHAIR:** How close would the exhaust stack be to the school?

**Ms NIXON:** It is two blocks away; it is less than 500 metres away from the school.

**Ms BRITTLIFF:** I would say more like 250 metres.

**The CHAIR:** It seems that the proximity to the school has not had any impact on the WestConnex people when they make decisions.

**Ms NIXON:** No, not at all. In fact, they are proposing to move construction sites closer to the school with stage 3. At the moment the school is at the centre of three major construction sites, with the ventilation stack and the building of two separate portals. In stage 3, which begins later this year, they propose to use what is colloquially called the Muirs site, which is on Parramatta Road.

**The Hon. DANIEL MOOKHEY:** Yes, the old pub.

**Ms NIXON:** Yes, and the old the car yards site. They propose to use both of those sites originally for a tunnel dive site, but now, I like to think because of our community action and some common sense, they propose to use them for car parking. But this is going to introduce more than 1,100 vehicle movements a day to those sites, which is just extraordinary for those of us whose children walk to school and back every day. It just raises our concerns. I do not feel that they have given due consideration to the proximity of the school.

**Mr WARD:** There is also a daycare centre, which is much closer to the exhaust stacks.

**Ms BRITTLIFF:** Might I add that my son attends that daycare centre.

**The CHAIR:** You stated in your submission the examples of non-compliance with conditions of approval, which should be automatic for a government project. You are very concerned with the lack of community representation and you have recommended that a condition of approval be that they be instructed to appoint a third community representative for the Haberfield Ashfield community. What progress have you made on that recommendation? Have you made the recommendation to the authorities?

**Mr WARD:** I have not made it to the authorities. I have taken it up with WestConnex. I have taken it up with the independent chair, and nothing has happened.

**The CHAIR:** I note that you are very concerned that the minutes of meetings have not been published promptly. The minutes of the June meeting are still not available on the WestConnex website.

**Mr WARD:** I think they are available now. When I was writing this submission, I was talking to some people. I believe one of those people put in an official complaint and mysteriously both those minutes appeared and an error that was in previous minutes, where they had stated that the EPA had been invited to those meetings and they had refused to come—they had not been invited—was then corrected in the minutes of one of those meetings.

**The CHAIR:** Thank you very much for the valuable material that you have provided. Even though we cannot include every word stated at this hearing, all the material will be considered in our official report to the Government. Your efforts are not wasted.

**The Hon. SHAYNE MALLARD:** I have always admired the beautiful gardens of Haberfield; it is regrettable that this project is having an impact upon the beauty of the suburb. I do not doubt your legitimate concerns and complaints; we have heard similar complaints from resident groups in other areas and we will hear some more later today. The only thing I can say to you is that I have been through this myself in east Sydney, and a resilient community can get through it and get a better suburb out of it. Let us hope that is what you get. Surry Hills, east Sydney and Woollahooloo did revive into better suburbs after street traffic was removed and so forth. That leads me to ask you some questions. First, is the Inner West Council working with residents on addressing local traffic redesign? Are there any changed traffic plans? I see in your submission you talk about what we used to call in east Sydney the "rat runners", people trying either to avoid tolls or to avoid traffic jams. Are there proposals from the council?

**Mr WARD:** I believe you had the Inner West Council give evidence on Tuesday and that they have prepared a report on what they would need to do. I believe it is going to cost something like \$30 million—

**The Hon. SHAYNE MALLARD:** That would be from St Peters to Haberfield, I suppose.

**Mr WARD:** I am not sure about that, but you are probably right. They are looking for the Government to provide funding for that.

**The Hon. SHAYNE MALLARD:** We will certainly put pressure on the Government to do that. On page 10 of your submission you specifically refer to the breathtaking placement of an electrical box. It is extraordinary that this box is bang in the middle of a footpath. I was a councillor for 12 years and I know all about the rules. Someone could walk along that path in the evening—not necessarily a person with disability—and walk right into the box. I will give you some good news. Because I saw your reference, the Government has instructed them to "amend the location". I think that means move it, but that is the term.

**Mr WARD:** Since I put in the submission, I have been in touch with Dan Silburn and he has been very positive about having it relocated.

**The Hon. DANIEL MOOKHEY:** Congratulations, Mr Ward.

**Mr WARD:** But as it so happens, I was walking past it a few days ago—

**The Hon. SHAYNE MALLARD:** Around it.

**Mr WARD:** —and I saw four people there and one of them was wearing a WestConnex hi-vis jacket. I asked them about it, and they said no, it is staying where it is.

**The Hon. SHAYNE MALLARD:** I think someone higher up is going to tell them to move it. The other example you give us on page 11—

**The CHAIR:** You keep an eye on it and make sure it moves.

**Mr WARD:** Sure will.

**The Hon. SHAYNE MALLARD:** —is compliant, but you also point out some issues around pole placements and so on and I will get those looked at, but there may be engineering issues.

**Ms MOORE:** Just on that figure, photo three, the cabinet in Dalhousie Street, Haberfield; the actual cabinet is on the nature strip but there is a pole that is taking up the footpath.

**The Hon. SHAYNE MALLARD:** I just referred to that. I will go back and ask a question about the poles. We will get a response from WestConnex about why they are there. I concur with those concerns. I go back to my original point about getting through this and trying to get a better outcome for your suburb. You look like a resilient community organisation, so I hope you can get through this.

**Mr WARD:** Thank you.

**Ms NIXON:** Would it be possible to make a comment in relation to that? When you say getting through this, I think we will get through this—you are right. But it would help as well if there was greater amenity at the end of the WestConnex development in our community like better pathways for pedestrians and cyclists. I feel there is a lot more that could be done in our community in terms of legacy works for a community that suffered for the best part of 10 years. Stage three has accommodated and allowed for better amenity around the Rozelle and Lilyfield area and Iron Cove as a result of the works there. I still feel Haberfield and Ashfield have missed out and there is a lot more that could be done to compensate us for the terrible disruption to our lives for the best part of a decade.

**The Hon. SHAYNE MALLARD:** You will not get any argument from me, I am a great supporter of improving street level amenity. I did put to the Department of Planning and Environment this morning the suggestion that some of the open space be returned. It will have to have more money spent on it. The Department of Planning and Environment said—and I have not seen the conditions, I admit that—that they are specific about the quality of the amenity that has to be left after the project. I encourage you to go and look at that aspect of it and make sure it is happening. As Ms Faehrmann has said, you have put in thousands of hours. Certainly monitor that. The council should be doing that too.

**Mr WARD:** Our council has been very supportive.

**The Hon. SHAYNE MALLARD:** It is a very big council and it gives a lot of weight at the table with government?

**Mr WARD:** I think they are stretched.

**The Hon. SHAYNE MALLARD:** It is a very big council.

**The Hon. GREG DONNELLY:** It is a very big problem, WestConnex.

**The Hon. SHAYNE MALLARD:** It is a big political problem.

**The Hon. Dr PETER PHELPS:** When I was running as a Liberal candidate for Drummoyne in 1999 I had a number of meetings with the Haberfield association then and part of the complaints which were raised with me, one of the major complaints, was excessive traffic on Parramatta Road and Dobroyd Parade. Do you accept that with the conclusion of stage three a significant amount of that surface traffic will be taken away from Haberfield's roads?

**Ms MOORE:** The fact is that the tunnel itself goes from Homebush to Haberfield and it stops at Haberfield and the traffic goes on City West Link, which is the existing road. In fact, we anticipate more traffic. The facts tell us that. There will be more traffic on those roads and the same with Parramatta Road.

**The Hon. Dr PETER PHELPS:** The subsequent stage will be beneath and have a tunnel all the way from essentially Ramsay Street to the Anzac Bridge?

**Ms MOORE:** Yes, but we have another probably five years until that is completed. What is going to happen to that traffic in the meantime is rat running through the suburb. That is an added thing that will happen.

**The Hon. Dr PETER PHELPS:** At the current time do you not have the existing problem coming off the existing M4, on to Parramatta Road and turning on to Dobroyd Parade?

**Ms MOORE:** Yes. But if there is a tunnel there are two more lanes coming out of the tunnel as well as what was on the surface road.

**The Hon. Dr PETER PHELPS:** If the majority of the transport is not going to Haberfield but rather through Haberfield, or as is proposed under Haberfield, will that not be a net benefit in the long run?

**Ms MOORE:** The problem at the moment is that in peak hour it is a traffic jam already. I do not understand how it is going to improve in the immediate future.

**The Hon. Dr PETER PHELPS:** Would you not accept that if you had a tunnel going all the way from the existing end at Strathfield through to the Anzac Bridge that is going to take traffic which is currently using Dobroyd Parade off your road?

**Ms MOORE:** That road does not go to the Anzac Bridge.

**The Hon. Dr PETER PHELPS:** Not at the current time, but it is planned to.

**Ms MOORE:** The extension will be going to St Peters.

**The Hon. Dr PETER PHELPS:** In 2023.

**Ms MOORE:** Yes.

**The Hon. Dr PETER PHELPS:** You do not accept that in five years time the significant traffic problems identified to me back in 1999, which are no less valid than they are today, will be substantially ameliorated by having that full tunnel link?

**Ms MOORE:** Not from my own personal opinion, no.

**Ms NIXON:** It depends on whether you believe the traffic forecasts. The experience of, for example, the Cross City Tunnel and the M4 retold indicate that those traffic forecasts do not always prove to be true.

**The Hon. SHAYNE MALLARD:** The forecasts were too high for the Cross City Tunnel; it actually went broke.

**Ms CATE FAEHRMANN:** Exactly.

**Ms NIXON:** Then how much faith should we put in traffic forecasting.

**The Hon. SHAYNE MALLARD:** It might be too high; it might be a good thing.

**The Hon. Dr PETER PHELPS:** There was inevitably going to be a problem, was there not, for people who want to commute from the western suburbs of Sydney going into the CBD and whether the capacity of Parramatta Road meant that would be virtually untenable?

**Mr WARD:** If there was improved public transport a lot of them would use that instead.

**The Hon. Dr PETER PHELPS:** There is no doubt about that, and the \$51 billion which the State Government is spending over the forward estimates on public transport will go some way to assisting with that. The simple fact is, if you are a plumber you cannot hop the train into the city.

**Mr WARD:** Sure.

**The Hon. Dr PETER PHELPS:** You still require that. If you are a truck driver in the Transport Workers Union you cannot take your truck on to a railway line.

**Ms MOORE:** Residents will be wanting to use public transport. If we had the trucks and tradies cars on there and the residents had an ability to get on public transport—we know that there has been a 23 per cent increase

in public transport usage in the last five years, that means there is demand for it. If there was additional public transport it would help relieve congestion on these roads.

**The Hon. Dr PETER PHELPS:** There is no doubt about that, but nevertheless there is still going to be a demand for people to make commuter traffic into the city and if the alternative is not building WestConnex and having increased congestion on Dobroyd Parade and/or Parramatta Road is that an acceptable solution to the people of Haberfield or do accept that in many instances WestConnex is, over the long-term, the least worst option?

**Ms BRITTLIFF:** May I say something?

**The Hon. Dr PETER PHELPS:** Sure.

**Ms BRITTLIFF:** Frankly, our submissions are not about whether or not WestConnex is the least worst option. Our submissions are around the impact to our community. What you are saying, it is insulting. You are using this as an opportunity to push a political agenda where I would like our concerns addressed during this time. Our time is valuable and our concerns are real.

**The Hon. Dr PETER PHELPS:** Just on that point, if we were to have built the plan as proposed by McKell and Cahill you would have had a freeway stretching from Blackmore Park, across Hawthorne Parade, across Tillock Street, across Kingston Street, across Dudley Street, taking out the eastern side of Loudon Avenue, the western side of Waratah Street, taking out Reg Coady Reserve, Wadim Jegorow Reserve and Croker Park. Do you think that would have been acceptable proposal from the Wran Government in 1977?

**The Hon. DANIEL MOOKHEY:** The McKell Government of 1940, that is what we are talking about.

**The Hon. Dr PETER PHELPS:** That was the road proposal which was agreed to by the Labor Government for many years.

**Ms BRITTLIFF:** Excuse me, you posed a question and someone is trying to answer it.

**Mr WARD:** Are you asking us the question?

**The CHAIR:** We are not considering that project in this inquiry.

**Mr WARD:** It is very easy to speak over somebody who is stuttering. If you let me answer. You are asking us whether or not WestConnex is a good solution? We are not traffic engineers. We are not planners. We are residents of Haberfield and we should not be speaking outside our area of expertise.

**The CHAIR:** We are not considering previous Labor Government projects in this inquiry.

**The Hon. DANIEL MOOKHEY:** From the 1940s.

**The Hon. SHAYNE MALLARD:** Let's bring them in here.

**Ms CATE FAEHRMANN:** As long as we can bring this Government in as well.

**The Hon. Dr PETER PHELPS:** It was still Labor policy up until 1977.

**The Hon. DANIEL MOOKHEY:** That certainly helps your case; 40 years ago, not 80 years.

**The CHAIR:** Thank you for appearing before the inquiry and we will take on board all your recommendations to incorporate those in our report. If there are questions on notice witnesses have 21 days to answer those when you receive them.

**(The witnesses withdrew)**

**MERILYN FAIRSKYE**, Co-convenor, Newtown Residents Against WestConnex, affirmed and examined  
**BEN AVELING**, Co-convenor, Alexandria Residents Action Group, affirmed and examined  
**LESLEY TRELEAVEN**, Convenor, Camperdown Residents Against WestConnex, affirmed and examined  
**PAUL TORZILLO**, Head of Respiratory Medicine and Critical Care, Royal Prince Alfred Hospital, affirmed and examined

**The CHAIR:** Is there a spokesperson for the panel, or do you wish to make individual statements?

**Mr AVELING:** We represent three different organisations.

**The CHAIR:** Would the leader of each of the organisations make a brief opening statement.

**Ms FAIRSKYE:** Thank you for the opportunity to be a witness at this inquiry. I am particularly appreciative of the fact—compared to some of my fellow residents in other suburbs—that we in Newtown are in advance of the start of stage 3 of WestConnex and there is still the possibility, or the hope, that it might be stopped. Newtown Residents Against WestConnex [NRAW] was convened in late 2016 when drilling sites appeared around the neighbourhood after a new WestConnex tunnel alignment under Newtown was announced in the media. There had been no prior community consultation. Since then, NRAW has held community meetings with invited experts and been a conduit for residents to ask questions of Sydney Motorway Corporation [SMC]. Our submission to this inquiry focuses on the projected impacts of stage 3 on heritage and non-heritage homes and buildings, accountability, or the lack thereof, and Sydney Motorway Corporation's chronic failure to engage in good faith with residents.

These are the issues we raise but they do not just affect us alone. There has been a systemic failure of communication. The consultation process for the M4-M5 Link has been cosmetic and a joke. A few households received advisory letters back at the end of 2016 about the proposed new tunnel route, but many, including my household, did not. We have repeatedly sent questions to SMC that have not been answered, or have been answered incompletely. Newtown residents' questions at the two SMC hosted information sessions during 2017, promoted as one on one meetings between residents and SMC, were met with either ignorance, lack of clarity, or outright hostility. There has been a refusal to meet with the Newtown community on its own terms. SMC cancelled its appearance at the eleventh hour at a community meeting we organised that had more than 200 attendees. There has been a lack of transparency in documentation that denies the community access to information they have a right to know. In addition, the widespread use of terms such as "indicative", "unlikely" or "commercial-in-confidence" is anticipated to generate confusion and mistrust within the community.

Heritage has been ignored. The entire heritage list at North Kingston Estate is within the 50 metres inclusion zone of the indicative tunnel routes. The history of the first 100 years of Newtown is written into the architecture of this estate. It is an irreplaceable part of the wider story of Colonial Sydney. The EIS simply declares "unlikely to be impacted". Tunnel expert Noel Child has a different view. He warns about the danger of subsidence over the long term and has also advised that the older fragile heritage structures are extremely vulnerable to damage from vibrations and blasting in both the short and longer terms. You can see how close the structures are to the, so far indicative, tunnel route on this map that I have sent around to all of you. They could not be closer if Sydney Motorway Corporation had tried. They are right on the very edge.

Damage to non-heritage buildings can be repaired. Damage to heritage structures is irreversible and irreparable. Given the proximity of these structures to the tunnel route—and you can see here, this is the yellow line of the so far indicative tunnel route, and the red circles are the buildings—and the mix of sandstone and shale underneath, it is alarming to note that Lane Cove Tunnel contractor, Thiess-John Holland, blamed the collapse of that tunnel on, and I quote, "rogue shale conditions". Can Sydney Motorway Corporation assure us that there are no such rogue shale conditions along the M4-M5 Link route?

The final point I want to mention is about taking responsibility. Who will take responsibility when things go wrong, especially now that SMC has been sold off? The evidence earlier today from the Beverly Hills North Progress Association paints a terrible picture for us of what lies ahead. Their submission states:

We are left with the knowledge that no responsible body is holding WestConnex to account to rectify home damages.

Who will residents turn to, to seek redress for damage that appears maybe years after construction has finished? As a matter of urgency, there needs to be clarity around the compensation processes and who is legally responsible for compensation going into the future? Subsidence, the greatest longer term threat to our properties, can take more than three years to develop. We therefore request that the time frame for registering compensation claims

be extended to five years. We also believe that given the ageing infrastructure and unstable earth under the inner west that the 50 metre zone of influence is far too small.

**The Hon. DANIEL MOOKHEY:** Point of order: We have three other groups. I wonder if Ms Fairskye is nearly coming to the end?

**Ms FAIRSKYE:** I am nearly finished. I am on my concluding remarks.

**The Hon. DANIEL MOOKHEY:** Thank you. If you could table your statement as well; we would love to have a written copy.

**Ms FAIRSKYE:** It should be extended to 100 metres either side of the tunnels. Finally, we want to know why, despite repeated requests, there has been no explanation given as to why the community or its representatives will be denied real-time access to vibration monitoring along the tunnel route. Newtown Residents Against WestConnex are opposed to WestConnex for the many reasons that have already been given to this inquiry in addition to these concerns that I have just raised. We join with groups who have called for a royal commission into WestConnex and for all work on WestConnex to be stopped pending its findings.

**Mr AVELING:** Ben Aveling, Alexandria Residents Action Group. Alexandria is at the junction of the new M5 and M4-M5 Link. If WestConnex does not work in Alexandria, WestConnex will not work. The M4-M5 EIS tells us that WestConnex will not work in Alexandria. I have circulated some extracts to the Committee. Even with the airport gateway, speeds dropped to 20 kilometres an hour by 2033, 7 per cent of vehicles "do not reach their destination". Without the airport gateway, the network is forecast not to be able to accommodate the forecast traffic demand. The forecast traffic demand caused the computer model to become "inoperable". The modelling for this project rests on unrealistic assumptions. For example, exit blocking constraints—congestion outside the stadia area—was removed. The Sydney Gateway was modelled without having a route known. Traffic in Alexandria already crawls. On many streets it is literally faster to walk than to drive. For the WestConnex to work on Alexandria streets, which are already full, they need to carry an extra 60,000 cars a day in an area which is congested and experiencing a rapid increase in population. Funnelling more cars into gridlocked streets is the wrong prescription—RMS knows this; 40 years of traffic research shows this.

The Government is wasting our taxpayer dollars on the wrong solution. This is clear from the WestConnex business case. Why was this allowed to happen? This is what we want from this inquiry. As citizens of this State, we have not been able to find out. The Government has used and abused its powers to keep the project beyond scrutiny. Our submission lists some of the information the public should be able to access, but which has been denied to us. We urge you as the Committee to unearth this information on behalf of us, the citizens and taxpayers of the State, who are watching our health, our houses, our open spaces and our quality of life and our community fabric being destroyed for a project which the Government's own documentation shows cannot work. The way we calculate costs and benefits is broken. If our democracy worked as a democracy should, with checks and balances, I would not have to be here today.

[Interruption]

**The Hon. Dr PETER PHELPS:** Point of order—

**The CHAIR:** Thank you. We will table your opening statement.

**The Hon. Dr Peter Phelps:** You gave a direction earlier in relation to applause and other interruptions from the gallery. Please remind members of the gallery that people should be heard in silence.

**The CHAIR:** Even though members in the gallery obviously agree with those statements, because you are probably residents of those areas, you have to restrain yourselves and not audibly participate in this inquiry with clapping or other noises. Any other opening statements need to be brief.

**Dr TRELEAVEN:** Camperdown Residents Against WestConnex [CRAW] welcomes this inquiry and acknowledges the Committee for, in most cases, thoroughly examining matters presented by community groups. Each has undertaken extraordinary amounts of research and communication for the wellbeing of Sydney citizens. CRAW began two years ago with an open mind to inform the local community about WestConnex. We therefore conducted two public seminars with nine speakers—of which Professor Torzillo was one—in a university venue at Mount Street after leafletting over 5,000 homes. Here, we made a well-informed decision to oppose the project. Camperdown, as you probably know now, is the only midpoint dive site for the main line tunnels, with 8½ kilometres and four lanes in each direction between St Peters and Haberfield. It is located on the triangle between Parramatta Road, Pyrmont Bridge Road and Mallet Street. A major difficulty for all of us has been the absence of timely, accurate information. Consultation conducted by AECOM was perfunctory, ticking boxes and obscuring or, at worst, withholding information. On this account, we would ask that the Committee call the head of the SMC,

his PR manager from AECOM and the Ministers in RMS who designed the financial scheme to prevent public accountability with commercial-in-confidence as one of the major mechanisms.

More recently, since the EIS was approved and Darley Road dive site excluded, WestConnex has not called any public meetings to inform residents of the changes that will inevitably flow on to our area such as dust, noise or air pollution from the increased movements of up to 4,000 trucks up and down Johnston Street each day—4,000 diesel trucks each day. Since changes were slipped into the PIR last year, there has not been any public consultation about truck and pedestrian movements that will greatly impact morning work travel and residents significantly. Perhaps this is because stage 3 is not going to go ahead. The impact on Camperdown residents for 5½ years during proposed construction and the anticipated impact after completion is well documented by stage 1 and stage 2 residents—stress and disruption to daily lives, break up of community's fabric as people move out of the area, green space we dare not use, and without filtration kids health badly affected for life.

Ray Nassar this morning and Professor Torzillo provided this inquiry with substantial evidence of public health dangers. Alternatives to unfiltered tunnels were proposed by Professor James Weirick of University of New South Wales at our seminars. At the very least, stages 3A and 3B tunnels must be designed with filtration before construction, since adding filtration at a later stage is far more costly. I believe calling tunnel engineer Noel Child to give evidence would assist the Committee in this regard. Finally, CRAW asserts that WestConnex is a completely unacceptable threat to public health and wellbeing and an unconscionable waste of taxpayer money that cannot adequately solve Sydney's congestion. We therefore respectfully request that all WestConnex work should be halted immediately pending a royal commission and a full inquiry into a safer and better infrastructure value.

**The CHAIR:** Thank you. Professor, we thank you for appearing as a witness. Do you wish to make an oral statement, or do you have a written statement as well?

**Professor TORZILLO:** I will make a brief statement, Chairman. There are three broad categories of health impacts from developments like this. The first is obviously that if you live in the path, you lose your home, you lose your community, and they are not insignificant for those individuals. Many of them have made representations to the Sydney Local Health District board that I am a member of. The second is the impact of pollution and exhaust fumes in the immediate vicinity of busy roads. You heard some comment on that this morning. The third thing I want to talk about is the population health impact of increased air pollution. In cities like Sydney, traffic-related air pollution contributes about a one-third of total air pollution. This matters because there is a lot of international experience of road developments like WestConnex and what they all find is these developments increase vehicle use and they increase the number of cars coming into the city. So they actually increase vehicles on roads, contributing to this one-third of total air pollution in the country. This matters because there is strong evidence from very esteemed bodies—the World Health Organisation, international agencies—around the effect of air pollution contributing to what could be avoidable and increased death rates. There are increased deaths from heart disease, from lung disease and from cancer. In Australia, reasonably conservative modelling would say there are a bit over 3,000 of those potential avoidable deaths each year. Of course, those people also will get sick and go to hospital, and this increases healthcare costs.

A very recent University of New South Wales detailed report on the impact of traffic-related air pollution and air pollution estimates that the cost of air pollution for the healthcare system in the country is somewhere between \$11 billion and \$24 billion—that is a big range, but they are big numbers. Even if you take the most conservative end of that estimate, that is a huge cost. There are significant studies now, particularly in the United States, demonstrating that the healthcare cost savings of reducing air pollution would go a long way to offset the cost of climate change mitigation. So the sorts of public transport facilities and utilities that are being advocated by other groups, which obviously cost governments money, need to be considered in the context of these really substantial potential savings in the healthcare sector, which across the country are in the order of billions of dollars. Thank you.

**The CHAIR:** Thank you very much. We will commence with questions from the Labor Opposition.

**The Hon. GREG DONNELLY:** I will share the time with my colleague the Hon. Daniel Mookhey. Professor, specifically the submission marked 385 by the Camperdown Residents Against WestConnex contains some useful and valuable references—links to various documents, papers et cetera. Thank you for that. We had representatives here from Transport for NSW two days ago and in questioning to them they described the ventilation arrangement with respect to the WestConnex project, the ventilation stacks, as equivalent to world's best practice. I could not comprehend how they could come to that conclusion in that there is not filtering with respect to the ventilation stacks and the stacks are obviously ventilating the fumes that are caught in the tunnel systems associated with WestConnex. With the work that you have done and your knowledge in this area, is it a reasonable proposition to describe unfiltered ventilation stacks as world's best practice?

**Professor TORZILLO:** I am not an engineer, but I could make a couple of observations. The first is that in complex road systems like this where you have tunnels, what happens is there will be certain places where you will reduce exhaust and there will be other places where you will increase it. The international experience is that funnels, entry points, exit points and for people being in the vehicles in tunnels, their exposure is increased—that is the broad international experience. The second point I would comment on is that the National Health and Medical Research Council had a specialist committee which undertook a review a few years ago of the health effects of tunnels in road systems across the country. In their summing up they said, and I will quote them, "We would like to comment on how difficult it was to obtain data about any Australian tunnels"—this is from the people who built them. So I guess a track record of organisations building tunnels for road systems in Australia is not great in providing high-quality information.

**The CHAIR:** Can you give a reference for that report you are quoting from?

**Professor TORZILLO:** I can provide that to you.

**The Hon. DANIEL MOOKHEY:** Professor, you said in your opening statement that you are on the board of the local health district.

**Professor TORZILLO:** I am.

**The Hon. DANIEL MOOKHEY:** Which one?

**Professor TORZILLO:** Sydney Local Health District.

**The Hon. DANIEL MOOKHEY:** When were you appointed?

**Professor TORZILLO:** About seven years ago, I think.

**The Hon. DANIEL MOOKHEY:** So you were appointed under this Government.

**Professor TORZILLO:** Yes, I was. I am just trying to remember that. I think that is true.

**The Hon. DANIEL MOOKHEY:** You say in your opening statement that you have a view that there is going to be 3,000 potentially avoidable deaths that arise from the WestConnex.

**Professor TORZILLO:** No, that is not what I said.

**The Hon. DANIEL MOOKHEY:** Do you wish to clarify that?

**Professor TORZILLO:** There are various expert committees who model either internationally or by country of what are we talking about. What are the numbers that you might get of deaths that are actually associated with air pollution? Obviously, there are a lot of assumptions here; these are difficult modelling exercises. They have got better over time; people have been doing them since at least the early 2000s. There is a recent very detailed study from the University of New South Wales, I think it is 2014—I could provide that information subsequent to the hearing today—which estimates 3,056 preventable deaths, according to their model, but this is across the country, related to air pollution. So not all of that is related to traffic, but about a third of air pollution in cities like Sydney is attributed directly to traffic-related air pollution. Traffic-related pollution is a big player in this issue.

**The Hon. DANIEL MOOKHEY:** Having heard that and listening to the rest of your evidence, considering the size of WestConnex, would you say that the road poses an unprecedented health risk to the city?

**Professor TORZILLO:** I probably would not use a word like "unprecedented" without giving it a bit more thought, but if you said do I think this is a really major population health issue—

**The Hon. DANIEL MOOKHEY:** Let me ask you: Do you think this is a really major population health issue?

**Professor TORZILLO:** Yes, I do.

**The Hon. DANIEL MOOKHEY:** Is it of such a magnitude that it could be a cause of public concern and action by the Parliament and the Government to do something to mitigate it?

**Professor TORZILLO:** I do.

**The Hon. GREG DONNELLY:** Trying to come to terms with why you would not put filtration or some filtering technology onto the ventilation stacks, can it be for any other reason or, in your view, would it be for any other reason other than it may impact on the cost of the project? What I am asking you is that other than cost, what would be the reason not to do it? If it is beyond your scope of expertise please say so.

**Professor TORZILLO:** It is certainly within the scope of my expertise, but from general, broad cultural knowledge I cannot think of another reason, no.

**The Hon. DANIEL MOOKHEY:** I might ask a question of the other panellists in general. Do you have faith and confidence in the accuracy of information that is provided to you by RMS and if not can you specify what caused you to lead to a loss of confidence?

**Mr AVELING:** I will go first. I have faith in the literal accuracy but I have great doubt in the spirit of accuracy because there are several times I have found things to be literally true—for example, WestConnex will save 110,000 hours a day—fantastic.

When you actually dig into several different sets of numbers—and you have to cross check against this table, against this table, against this table—you find that 80 per cent of these hours, which is where the claimed benefits come from, are not from motorways, which is to say that 80 per cent of the benefits of WestConnex are non-motorway, 80 per cent of the revenue that you might assume would come from \$20 billion worth of benefits—remembering that value-capture is always a problem—is not available to be captured as tolls because 80 per cent of those benefits are not motorway traffic moving a lot faster. It is non-motorway traffic moving just a little bit faster because there is some traffic underground. That, itself, contradicts what academics tell us. They tell us that building more roads increases the number of cars. It does not increase the speed of cars. So even that microscopic increase in a lot of cars—a big number times a small number gives a big number: 80,000 hours a day—is a very small percentage of a very big number and it probably will not happen if the academics are right.

Even if we count that it does happen you only get a very small benefit in time-saving and you get no benefit in pollution and you get no benefit in costs. To get those benefits you need free-flowing traffic, and we are not going to get free-flowing traffic outside the motorway. It is even questionable if we will get free-flowing traffic inside the motorway because nobody is driving from north-west Sydney through to south-west Sydney via the Inner West, which is this road we are building. That is what it connects—north-west Sydney to south-west Sydney.

**The Hon. DANIEL MOOKHEY:** I understand you were saying that the wider economic benefits that have been claimed as part of the benefit—

**Mr AVELING:** No, these are not wider economic benefits; these are user benefits. Eighty per cent of the user benefits are coming from road users, not motorway users. That is ignoring the wider economic benefits.

**The Hon. DANIEL MOOKHEY:** Ms Fairskye and Dr Treleaven, would you like to give us your views as to—

**Dr TRELEAVEN:** I will make a quick comment—a very practical one. Having been on the Inner West Council's WestConnex forum I have seen what has come from stage 1 and stage 2, and that is a five-year experience at Haberfield, as you already know, and several years already at St Peters. From those two stages I can tell you that on the ground what RMS asserts they are doing to look after residents—indeed this is very much the same with the EPA—is not what happens in practice. So our concerns are that when they come to stage 3 what they say have planned to do to mitigate is not what happens.

Trucks do not arrive and seamlessly go into the covered area where they pick up the spoil and go out. They arrive a couple of hours early and they sit outside idling so that they will be the first off the mark. Their breakfast scraps go out onto the footpath, they get revved up, they listen to the radio really loudly. Who can blame them? But that is the way it has been operating ineffectively—and unmonitored effectively. So we have had thousands of complaints at those meetings every month and mechanisms to try to address. But the recursive cycle, the iterative cycle, has not worked. That is why I would be extremely concerned about taking RMS on their word.

**Ms FAIRSKYE:** I am absolutely not an expert. I am no great analyst of anything, but I have looked at a few tunnel projects around the place—I am focused on stage 3—and I have been struck by the running commentary around all of them, many of which have failed as economic enterprises on the basis of an overoptimistic projection. My gut feeling, in terms of the contradictions I have found just in the documentation that has come out of WestConnex over the period of time I have been actively engaged—and the changes and the shifts from document to document—that there is a type of optimism at play here that fails to take into account the reality of things when they are put into practice and when they are enacted, and also the exigencies of human nature and the way in which people who make these things occur are subject to all sorts of things going on. So I have no confidence that there is a veracity to what I am reading or understanding.

**Ms CATE FAEHRMANN:** Thank you all for appearing and for the incredible work that you are doing on this project and, no doubt, the hundreds and thousands of hours that you have put into it, like so many other people we have spoken to over the last couple of hearings. My first question is to Professor Torzillo. On Tuesday

the RMS appeared and one of the senior executives, Mr Kanofski, was questioned about the safety of the ventilation facilities at WestConnex. The Chair asked whether it was best to avoid schools and other places with children. Mr Kanofski said:

The facilities are located in the best possible locations. I think the thing to be clear about is that these facilities are safe. That is the important thing. They are safe for the entire community.

As a health professional, what is your view on whether that is an accurate statement?

**Professor TORZILLO:** I do not think you can possibly say that that is an accurate statement.

**Ms CATE FAEHRMANN:** He went on to say:

RMS is not the determiner of the appropriate standard of air quality ... The Department of Planning and Environment is the determiner. The EPA is the determiner. They do so on the independent advice from people like those in the Department of Health, the Chief Scientist and Engineer. What all of those bodies are saying is that the process has come up with a reasonable way of managing ventilation.

Have they come up with a way of managing ventilation that is reasonable and, in fact, safe?

**Professor TORZILLO:** I do not know the details of the interaction between those bodies but it is interesting that they mention the Department of Health. There is a document from the New South Wales Health Ministry two years ago which is titled "Health effects of traffic related air pollution," which says in its summary statement the fact that traffic-related air pollution is a major contributor to air pollution which is responsible for potentially avoidable deaths from heart disease, lung disease and cancer. That is a document that has the Health Ministry stamp on it and the usual pattern, so presumably it is approved by the Health Ministry and the Minister, so obviously there is somebody in the Health Ministry who does not agree with those statements.

**Ms CATE FAEHRMANN:** I think the issue might be—I am not sure whether Mr Aveling would know this—that this is critical State-significant infrastructure, which means that it does not matter what the EPA says, generally: they have to issue a licence for these ventilation stacks, in some ways regardless of the pollution in the tunnel because there are all these exemptions—stop-work orders and everything—including that the department has to issue an EPL. I think part of the problem is that their hands are tied by the approval of this infrastructure project.

**Mr AVELING:** My understanding is that they do not have to but that the Minister is not bound by that—he can still approve it.

**Ms CATE FAEHRMANN:** Mr Aveling, did you write the submission for the Alexandria—

**Mr AVELING:** In the main. In part it is a composition of things that other people have done and things I have done.

**Ms CATE FAEHRMANN:** Thank you very much for the effort you have put into it and the recommendations to the Committee; it is very helpful. Your recommendation 7 is:

We ask the Inquiry to determine the implications for the viability of Stage 3, if User Benefits have been overstated by a factor of 4, as is suggested by an examination of the figures in the 2015 Business Case's Tech Paper 1.

Can you please explain what you mean by the "overstatement of the user benefits by a factor of four", please?

**Mr AVELING:** Which page are we on?

**Ms CATE FAEHRMANN:** This is page 5.

**Mr AVELING:** I can talk about several ways in which they are overstated, but you asked me a very specific question.

**Ms CATE FAEHRMANN:** Talk about it generally if that is easier.

**Mr AVELING:** Alright. The biggest way that user benefits have been overstated is that the time savings are not there. The time savings are based on certain estimates and the value of travel time saved is also not there. So travel time saved is based on saying that if you were not sitting in your car you could be at work earning \$20 an hour or \$50 an hour. Deduct tax from that and we will assume this is the benefit. It thinks this is interchangeable, but this is wrong because people do not value time at work and time at home that much higher than they value sitting in their cars. No-one likes sitting in the car, but very few people will pay \$20 or \$50 an hour to avoid it. So the value of travel time saved is wrong.

The total time savings also appear to be wrong because they assume free-flowing traffic. If everything stayed on the motorway, it would be free-flowing. It does not because people do not drive on motorways to drive on motorways; they drive on motorways to get places. You still have congestion in the inner city and it still banks

back into the tunnels and the tunnels fill up. There is a benefit in building motorways. It is not that it makes vehicles go faster—they still go at the same speed—but there are more vehicles and you are moving more people. The way we do cost-benefit is wrong. There are benefits, but the formulas we use have no relationship to the actual benefits.

**Ms CATE FAEHRMANN:** I feel that you could talk for a long time about that.

**Mr AVELING:** I could bore for Britain.

**Ms CATE FAEHRMANN:** I wish I could ask you more questions.

**Mr AVELING:** You can ask more questions later. I am available to any member of the Committee.

**The CHAIR:** Your submissions contain a number of recommendations. I wanted to ask for comments so they could be more prominent in the inquiry. The Camperdown residents urgently request that what they have outlined in their submission be thoroughly considered by the Committee. It has not been given due scrutiny to date in this highly politicised WestConnex project. They further state that WestConnex is a shocking threat to public health and wellbeing and should be halted immediately pending a full inquiry into safer and better value infrastructure. Would you like to comment on that recommendation?

**Dr TRELEAVEN:** Do you mean me?

**The CHAIR:** Yes, it is your comment.

**Dr TRELEAVEN:** Indeed it is; it is one I know by heart. You have heard from Professor Torzillo and Dr Ray Nassar well supported, research-based and public health-based evidence that undermines the credibility of the hopeful and generalised Roads and Maritime Services claim that everything is fine and we have a best-practice tunnel design. For that reason alone it is an unacceptable threat, but there are many others. First, the citizens of Haberfield should not have to experience these conditions for 10 years. Secondly, there is disruption to the Inner West of Sydney, which had its own character and communities, some of which are very small villages that merged. The community has been cut across, undermined and threatened by subsidence, by cracking, by people's distress, by neighbours getting on top of each other, by people upset in the streets about what is happening, and by businesses that cannot operate properly. You have all read about the light rail. That is a microcosm of what is happening and will happen in the Inner West.

Our communities are being broken up. As members know, Camperdown spans two sides of Parramatta Road. We do not relate to the other side at all because there is a great big four-lane highway between us. We are really more part of the village of Annandale, which will have 4,000 trucks going through its streets. We sit out and have our meals, our coffee or our end-of-the-day drink there. I am aware of a number of people who have sold their homes on Johnson Street. In fact, two of them were my daughter and her husband. I think that is a very reasonable and sensible thing to do if there will be 4,000 trucks going through the area. However, that breaks up our local communities

**The CHAIR:** Did they get a reduced sale price?

**Dr TRELEAVEN:** Yes.

**The CHAIR:** Why would people buy your daughter's house.

**Dr TRELEAVEN:** I cannot answer that because I have not spoken with them. I also understand that property values in Pyrmont have gone down 10 per cent already and they are expected to go down a further 10 per cent. You cannot put a dollar value on people's wellbeing and sense of community. Even when we claim that that should be included in the overall costs as part of the cost-benefit analysis, those factors were not included. When it comes to \$16.8 billion—which of course will be a lot more because we have all the local ramps, council changes to roads, signage and the additional things that will happen off and outside the motorway, including repairs to people's cracked homes as you heard this morning—it is not good value. I think we could get a lot more value by adding to the \$4.1 billion being spent on public infrastructure. I would argue that we should stop WestConnex now and see what can be done.

There are alternatives; there are better ways to do it. Some suggestions have been made already. For example, we spent a lot of time at James Merritt's seminar at the University of New South Wales talking to him about whether tunnels can accommodate rail so that we do not lose all the work done in the tunnels so far. There are alternatives in terms of making the public transport we have more reliable. Non-replacement of buses sold by the Government that keep breaking down is a good example of where the public is losing out.

I talk about the highly politicised environment. We have not known what the Labor Party's position has been on WestConnex. Both of our local members are members of the Labor Party at the Federal level. We have

been well supported by our Greens member at the local level. But when it comes to the environment within which all of this is happening, we are not able to secure any comment from the Labor Party at the State level. That means we do not have a viable unpoliticised place to go forward. I have attended meetings with Foley and residents and asked him what is his position. We cannot get a position. That is what I mean by highly politicised. We really do not know who is going into bat for us. I thank the Committee for hearing us. We hope that as a result of this we will get some traction and further inquiry.

**The CHAIR:** Thank you for taking part in this inquiry. We appreciate it.

**The Hon. Dr PETER PHELPS:** The Newtown Residents Against WestConnex concerns relate to subsidence and cracking. Would that be ameliorated to some extent if the distance from the centre line of the construction activity were increased from 50 metres to 100 metres?

**Dr TRELEAVEN:** That increase is more to do with having a larger catchment area for houses that are likely to suffer structural damage.

**The Hon. Dr PETER PHELPS:** That is what I am saying. At the moment, up to 50 metres from the centre line either way gets an assessment. Increasing that to 100 metres would give them the heritage nature of numerous buildings along the line of the route. Would increasing that to 100 metres go some way to ameliorating your concerns about potential damage beyond that 50 metre zone?

**The CHAIR:** It is a benefit to the residents.

**Ms FAIRSKYE:** It is a benefit to the residents. As long as that was accompanied by a revision of the current very limited proposed program of dilapidation reports. It is an opt-in not an opt-out process. We believe it should be an opt-out process. Every house within that inclusion zone should have an assessment before construction starts and at the cessation of construction. Subsidence can take years. It is particularly with sandstone, which absorbs water, and as the climate is drying up, in addition to whatever tunnelling works have gone on, subsidence will be exacerbated in that situation. At the moment there is no provision anywhere in the WestConnex documentation about what happens after construction finishes and the tunnels are operational.

We have consulted very extensively with Noel Child, who is a tunnelling expert and an independent engineer who has consulted on many, many tunnel projects. He is warning us that the real problem for us, as well as the vibration damage that will occur when they are blasting the escape hatches in the tunnel—and there is going to have to be blasting for that, even though the tunnel itself will not be blasted—there will be subsidence years down the track. That subsidence will be directly caused by the project, but he said it is very difficult to sue the construction company if it has gone out of business. What if Transurban goes out of business? So many tunnel operators have gone into receivership. Virtually every tunnel in Sydney has had a company operating it that has gone into receivership; some tunnels have had two bankrupt owners.

**The Hon. Dr PETER PHELPS:** If I could move on, Mr Aveling, I am going to be very nice to you because I note that you self-define as a left libertarian and I think that there should be more of you out there. My question goes to your concerns about the benefit-cost ratio that has been assessed by the Government and by Infrastructure NSW. Infrastructure NSW this morning said that they have done 36 separate analyses, all of which demonstrate that on their conservative estimates, literally the worst BCR they get is 1.7.

**Mr AVELING:** I think you are misquoting them and I think they misquoted themselves. When they said that, I went back and checked what the original report said. They said that they had a high degree of confidence in the original estimate, and if you added in induced traffic, they had a degree of confidence that BCR would exceed one. The 36 reports you have referred to afterwards are not going to be looking at the BCR of the whole thing; they are going to be looking at individual aspects of it, I am absolutely certain.

**The Hon. Dr PETER PHELPS:** They did indicate a 1.7 for the WestConnex project.

**Mr AVELING:** They did say that this morning. I believe if you check the actual reports, you will find that it has been lowered since then. They definitely misquoted themselves; I am confident of that. I know that because I checked it, and you can check my Twitter account.

**The Hon. Dr PETER PHELPS:** Do they not have P90 on that?

**Mr AVELING:** That is P50. We all know that P50 is where you have a 50 per cent chance of coming in on budget and a 50 per cent chance of going over budget, which means that on average—because some of your costs will come in on budget and some of your costs will go over budget—you will exceed your P50. P50 means that half of your costs hit, but on average you will go over.

**The Hon. Dr PETER PHELPS:** I will go back and check that. Dr Treleaven, you mentioned that you started two years ago with an open mind. Given that the name of your organisation is Camperdown Residents Against WestConnex, how open was your mind in relation to WestConnex?

**Dr TRELEAVEN:** I am glad you asked me that, because there was not room in my three-minute opening statement and I cut it out of my first draft. We started life as Camperdown Residents Aware of WestConnex. On our Facebook page we had that our first aim was to inform residents so that they could come to their own well-informed decision about their position on WestConnex. After a little bit of flak from my colleagues, we morphed into Camperdown Residents Against WestConnex.

**The Hon. Dr PETER PHELPS:** Are you aware of the history of the Camperdown Newtown area generally?

**Dr TRELEAVEN:** A little.

**The Hon. Dr PETER PHELPS:** I lived on Salisbury Road between 1973 and 1984. When you speak about a community with its own culture, I can certainly attest to that except that the community culture at that time was essentially immigrant and working class before the bourgeois-ification.

**Dr TRELEAVEN:** Where do I say this?

**The Hon. Dr PETER PHELPS:** You said earlier that you are community with its own culture.

**Dr TRELEAVEN:** Where did I say that?

**The Hon. Dr PETER PHELPS:** You said that in your oral testimony.

**Dr TRELEAVEN:** Did I?

**The Hon. GREG DONNELLY:** You said that one side of Parramatta Road is different from the other side of Parramatta Road.

**Dr TRELEAVEN:** Yes, we have different cultures.

**The Hon. Dr PETER PHELPS:** Are you aware of a road called Liberty Street, at the end of Kingston Road in Erskineville?

**Dr TRELEAVEN:** No.

**Ms FAIRSKYE:** I am aware of it.

**The Hon. Dr PETER PHELPS:** Do you know why it is called Liberty Street?

**Ms FAIRSKYE:** You are going to tell me.

**The Hon. Dr PETER PHELPS:** I am indeed. It was originally a rat run done to avoid the toll at King Street. Even 150-odd years ago there was a rat run to avoid a toll. An additional rat run—

**Ms CATE FAEHRMANN:** Point of order: I wonder if there is a question coming out of this.

**The Hon. Dr PETER PHELPS:** There is. I am asking whether they are aware of existing rat runs that exist without having tolls—for example, there is a rat run on old Canterbury Road in Petersham where you go Crystal Street, Salisbury Road, Carillion Avenue to avoid Erskineville and Newtown, is there not?

**Dr TRELEAVEN:** I am not aware of that rat run—

**The Hon. Dr PETER PHELPS:** I am; I lived on it for about 12 years.

**Dr TRELEAVEN:** —but what I am aware of in terms of the local history of Camperdown is the drainage underneath. There are very, very old drainage systems and one of the things we are concerned about is when the tunnellers arrive to put in their tunnels and there has to be a lot more drainage because of the tunnels, what will happen when they run into those old drainage systems? I think that has not yet been explored. One of the submissions from the Newtown Camperdown area points to the problems of that issue.

**The CHAIR:** Do you think it could increase subsidence?

**Dr TRELEAVEN:** And therefore subsidence, because it needs very good drainage to stop the subsidence.

**The Hon. Dr PETER PHELPS:** You also mention that there were concerns such that property values in a suburb—I am not sure which suburb you mentioned—were down by 10 per cent and there was an expectation of another 10 per cent.

**Dr TRELEAVEN:** That is Pyrmont, where there are very expensive high-rises.

**The Hon. Dr PETER PHELPS:** Is that not a great opportunity for millennials, in particular, to buy into the inner city and take over from cashed-up boomers?

**Dr TRELEAVEN:** If they have \$2 million to start with, yes.

**The Hon. Dr PETER PHELPS:** If there is a 20 per cent reduction, that is only \$1.6 million.

**The CHAIR:** The problem is the lost value for those who was selling their properties.

**The Hon. Dr PETER PHELPS:** There are a lot of millennials out there who would be happy to know that there is going to be a 20 per cent reduction in inner-city prices. Professor Torzillo, Dr Nasser earlier in the day presented a study from Belgium that looked at moving traffic from surface roads to tunnels. The conclusion from that was that in a filtered tunnel scenario the predicted health outcomes were impressive with a reduction in mortality due to a pollution by 11.5 per 100,000 people living within 500 metres of the bypass road and six per 100,000 living within 1,500 metres. In relation to the WestConnex project, would the filtering of exhaust tunnels go a large way to ameliorating your concerns about the air pollution effects of the WestConnex system?

**Professor TORZILLO:** I am not aware of that study. I would have to read it to comment on it. In regard to the second bit of your question, I guess the answer is no. The reason is what I said initially. There are a number of groups who study these sorts of projects all over the world and what they show is you increase the number of cars travelling on roads and you increase the number of vehicles coming into cities. It is 2018 and there is no doubt that that is going to have a bad effect on population health. No, it does not ameliorate my concerns.

**The Hon. Dr PETER PHELPS:** Are there already not cars coming in to the city?

**Professor TORZILLO:** Absolutely there are.

**The Hon. Dr PETER PHELPS:** They are caught in traffic on King Street, Parramatta Road, Pyrmont Bridge Road and Victoria Road.

**Professor TORZILLO:** I do not want that situation to get worse by more cars coming into the city.

**The Hon. Dr PETER PHELPS:** Do you not acknowledge that stop-start bumper-to-bumper traffic is ameliorated by having literally a system which does not have traffic lights, does not have intersections, has well constructed exit and entrance points thereby allowing for greater fluidity of transport and having less need for the high pollution which you get particularly from stop-start traffic?

**Ms CATE FAEHRMANN:** Like the M5 and the M2?

**Professor TORZILLO:** I am not an engineer, but I know there is a lot of concern about the notion you are going to get increased speed and smooth traffic and it is questioned by experts in that area. I am not.

**Ms CATE FAEHRMANN:** Farcical.

**The CHAIR:** Thank you. We have come to the conclusion of the time allocated for the hearing. We thank you for the work you have done prior to coming in to the hearing in preparing the submissions, the work you have done in your own committees and the time that has taken. We thank you for being concerned residents.

**(The witnesses withdrew)**

**The Committee adjourned at 17:21.**