

16 April 2018

At 5.00 pm

Item 3.2 - Lord Mayor's Minute - WestConnex Deals Demand Urgent Review



Council

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File No: S051491

Minute by the Lord Mayor

To Council:

WestConnex is the very opposite of State and City policy to reduce the number of cars coming into the city centre. Congestion is already costing our city \$6 billion a year and will rise to \$14.8 billion by 2031 if public transport isn't prioritised.

The State's own data shows that, in the 10 years between 2003 and 2013, the number of people driving into the Sydney city centre remained fairly static, while trips by public transport increased by around 40 per cent. And since light rail construction commenced in 2015, there has been an 11 per cent reduction in the number of inbound vehicles and a 9.4 per cent increase in public transport use into the CBD during the morning peak period.

This clearly shows that productivity in the global city centre does not require more road capacity, it requires more public transport capacity.

WestConnex is an unmitigated disaster for our global city. As a key driver for the national economy, the City of Sydney's future is vital to Australia's future and the future of NSW. Since 2004, our City economy has grown by \$50 billion. The City economy now totals approximately \$125 billion, or almost a quarter of the entire NSW economy.

Independent analysts suggest the City economy alone is contributing more than 10 per cent of Australia's current economic growth. It has overtaken the mining sector as the driver of Australia's economy, along with the inner centres of other major Australian cities like Melbourne and Brisbane.

This economic growth is driving an increase in jobs. Since 2006, job numbers have grown by 100,000 to 495,000, an increase of almost 30 per cent. This makes the City of Sydney the epicentre of jobs and job growth in Australia.

But one of the most significant risks to this growth and the future economic viability of our city centre is congestion. The business case for WestConnex makes clear it will dramatically increase congestion, making it a significant threat to our future liveability and to investment in the city centre and Green Square.

You just need to walk up Euston Road, past Sydney Park, to see the impact. The hundreds of trees that have been chopped down and the massive destruction for the St Peter's interchange - 27 hectares with exit and entry roads 38 metres high in a spaghetti junction, designed for truck speeds of up to 100km an hour.

This interchange alone will dump up to 120,000 extra vehicles in our area every day. To manage the impacts, Roads and Maritime Services (RMS) is planning a motorway from Alexandria, threatening city neighbourhoods, significant trees and precious parkland, ending in a massive intersection at Moore Park called a continuous flow intersection channelling WestConnex traffic to the city, Green Square, Erskineville, Redfern, Surry Hills, Paddington, Randwick and the eastern suburbs, and into car parks serving the SCG sporting facilities.

This \$500 million 'continuous flow intersection' at Anzac Parade will have 12 lanes of traffic, with light rail running through the middle, and pedestrians will wait at five sets of lights just to cross it.

It is another project being planned in secret without any input from the community.

The evidence is also clear that WestConnex will destroy air quality in the inner city with a tenfold increase in particulate emissions which cause respiratory problems, particularly in young children and the elderly.

And all this for what? The last business case showed that, on key corridors, using public transport will be quicker than using WestConnex so it won't work for the west. Instead, WestConnex forces people in Western Sydney to use private tolled motorways and pay thousands of dollars every year in tolls which will increase every year for the next 43 years.

Without action, WestConnex will destroy our liveable villages which, since 2004, we have worked hard to create. Walkable, liveable neighbourhoods with safe streets, trees and parks and much loved community facilities.

It also threatens the future of our State. The official cost of the project has grown from \$10 billion to \$17 billion and rises to \$50 billion when you include the publicly funded road upgrades needed for every exit and entrance and the new stages that have been announced.

WestConnex will create a massive budget black hole that will undermine all future infrastructure spending and services if the transfer to the private sector continues in its current form.

And it's being built in secret beyond the scrutiny of Parliament, ICAC or the public. Already the National Joint Committee of Public Accounts and Audit has criticised the project and both the State and Federal Auditor General have raised serious concerns about conflicts of interest and a lack of an independent assessment of the business case.

The State is now trying to sell 51 per cent of Sydney Motorway Corporation (SMC), the organisation tasked with building WestConnex, but we don't know what they are promising potential buyers to sweeten the deal. Are they promising to underwrite the toll revenue, keep tolls going beyond the expected life of toll roads, agreeing not to build public transport in areas that would impact on WestConnex revenue?

These are all valid questions – in NSW many toll road contracts implemented by numerous State Governments, such as the initial M2 motorway, specifically prohibit the development of competing projects, like rapid transport networks, unless Governments compensate the toll road operator.

And, as was revealed last week, we can't trust that public interest will be a key priority when this State Government enters into deals. The secret deal which prevents Port Newcastle from ever competing with Port Botany, as part of the Government's Ports privatisation package, is bad news for communities living in Newcastle and Sydney.

It stymies investment in Newcastle, means items going in and out of Port Botany will be more expensive and it means there will be more trucks on our city streets – and all for nearly another 100 years.

The Government said they needed to build WestConnex to accommodate more trucks and, in fact, the original aim of the project was to provide a tunnel for trucks to get from Western Sydney to the Airport and to the port at Botany. But, in the last five years, the project has morphed into a revenue led network of privatised tolled commuter roads and two massive spaghetti junction style interchanges in Rozelle and St Peters.

It now doesn't even meet its stated aims – trucks are actually being delivered to St Peters, a residential parkland neighbourhood, more than seven kilometres from Port Botany. They then need to travel on local roads, past homes and hotels and along a freight rail line to get to the Port. And though the State says they are working on a project to connect the St Peters interchange with the Port and Airport – there is no timeline, no design and no budget.

And acting as a government imposed tariff on imports, road tolls on container movements to and from Port Botany are estimated to rise to \$60 to \$80 a vehicle, affecting our economy and increasing the cost of living.

Now the Government is again looking to privatise another company - in this case SMC - and again is doing it in secret without any input from the public. We must demand greater transparency and full disclosure.

As the NSW Opposition Leader wrote last week:

“When the idea of privatising public assets was first developed in the 1980s, it was designed to lift productivity and promote innovation by strengthening competition. As the ports scandal demonstrates, the NSW government now uses privatisation to thwart competition, obstruct innovation and entrench private monopolies.”

With so much at stake for NSW, the sale of the SMC should be delayed and any deals being considered about the sale should be made public.

It is obvious that an independent review of the whole WestConnex project is now critical, given that key considerations have changed since the original decision was made, including:

- the impact of the Sydney Metro West project which was not considered;
- the impact of the second Sydney Airport with its new rail and road connections which was not considered;
- the failure to develop the ‘Sydney Gateway’ link to the airport – which was a key justification for the original project; and
- proposed additional stages (F6 Extension and Western Harbour Tunnel and Beaches Link) which have been added with shockingly little assessment and no public information about their impact.

While Stage One is nearly complete, there is still time to change and reduce the impact of Stage Two and to scrap Stage Three before it devastates our city and the future of our State.

Recommendation

It is resolved that Council call for:

- (A) an end to the legacy of secret deals that favour vested interest at the expense of the public, as well as contracts entered into without proper process and transparency by this State Government;
- (B) an independent review of WestConnex, now that a number of significant factors have changed since it was first announced;
- (C) the sale of the Sydney Motorway Corporation to be delayed until after the review of the WestConnex project and for any deals being considered as part of the sale to be made public; and
- (D) the Lord Mayor to write to both the Premier and the Leader of the Opposition to inform them of Council's concerns.

COUNCILLOR CLOVER MOORE

Lord Mayor