

ITEM 3.5. WESTCONNEX TRANSPORT MODELLING**FILE NO: S112830****MINUTE BY THE LORD MAYOR**To Council:

The \$15 billion WestConnex toll road project is the largest transport project in Australia's history. It is Sydney's biggest transport project since the Harbour Bridge and, as the NSW Roads Minister boasts, "double the Snowy Mountains project".

Despite the multi-billion dollar cost, new independent research by SGS Economics & Planning has found that the overall impact of WestConnex will be relatively minor, compared with a 'do nothing' scenario.

Sydney's notorious congestion (currently costing \$5 billion and projected to increase to \$8 billion by 2021) will continue to worsen at the same rate with or without WestConnex.

The research shows that the greatest impacts from WestConnex will result from new toll charges along the route. The reintroduction of tolls on the M4 will improve traffic flows on that road at the expense of increased congestion onto Parramatta Road (which will experience up to 25 per cent higher traffic volumes). Traffic volumes on the M5 East will continue to increase by up to 25 per cent leading to increased congestion and longer peaks, as the new M5 East will not be a more attractive route to the airport, port or City.

The traffic modelling confirms the City's major urban renewal area at Green Square will be seriously affected by increased congestion.

By 2021, over 31,000 vehicles a day will use the St Peters interchange, increasing to 55,000 vehicles by 2041. SGS concludes that this will increase traffic and congestion in the CBD to airport corridor and impact on the viability of the Green Square and Ashmore urban renewal areas.

SGS concludes that there will be low traffic growth on the toll roads that is unlikely to make the various WestConnex toll roads financially viable. The State Government and consequently the NSW taxpayers would be exposed to the financial risk.

The ultimate cost of WestConnex is likely to be far greater than \$15 billion as it potentially locks Sydney into more large scale road projects, such as the recently announced northern extension (Western Harbour Tunnel) and southern extension. These roads will generate traffic to make WestConnex Stage 3 financially viable but are outside the current \$15 billion price tag.

SGS Strategic Review of WestConnex

In December 2014, Council resolved to commission an independent assessment of WestConnex due to the lack of information released publicly by the State Government on the business case, traffic modelling and environmental impacts.

On 23 February 2015, I provided to Council a first report from SGS, the 'Strategic Review of the WestConnex Proposal'.

That report showed that WestConnex would not achieve the State Government's stated objectives for the project - to support Western Sydney's population and economic growth; to connect Sydney Airport and Port Botany with Western Sydney, especially for freight; to create opportunities for urban renewal on Parramatta Road; and to relieve road congestion.

The project does not take into account significantly changed freight needs following completion of the Badgerys Creek airport, and vital linking roads to Sydney Airport and Port Botany are unfunded. The current WestConnex route won't contribute to urban renewal along Parramatta Road and will increase vehicle congestion in central Sydney.

Importantly, WestConnex does not align with the multi-centre strategy in the State Government's "Plan for a Growing Sydney" released last December. It reinforces radial road travel focused on central Sydney, rather than job opportunities in Western Sydney with transport links to them. Eighty-nine per cent of Western Sydney workers travelling to the CBD use public transport and would benefit from new investment in heavy and light rail.

Sydney's travel and employment patterns are changing and the needs of the future will not be met by more inner city motorways.

SGS Report: WestConnex Transport Modelling

Tonight, I am providing Council with further research by SGS Economics & Planning with Veitch Lister Consulting on detailed transport modelling to assess the impacts of WestConnex using the Zenith transport model.

The Zenith model covers the Sydney metropolitan area and has previously been used by toll road operators and government to assess projects such as the Cross City Tunnel, M5 Motorway and Lane Cove Tunnel.

The key findings of this transport modelling are:

- ***WestConnex will 'make only minor differences' (p. 2) to Sydney's traffic congestion, which will continue to worsen.***

The M4 widening and extension and the New M5 and St Peters interchange will not encourage a significant level of traffic off alternative routes. The improved roads will benefit those people that use them, but not carry a significant share of Sydney traffic.

There will be a minor increase in traffic on the M5 and mostly decreased traffic volumes on the M4, including almost 20 per cent less traffic between Homebush Bay Drive and Concord Road. This is primarily because the proposed new tolls will displace motorists off these toll roads and instead worsen traffic on other roads.

The New M5 will not provide a more attractive route to the airport, port and the city. Traffic volumes on the M5 East will continue to increase by up to 25 per cent.

As the report concludes, "The net effect is similar to the status quo." (p. 2)

- ***WestConnex will undermine urban renewal along Parramatta Road***

The most significant impact of toll charges on the M4 and M4 eastern extension is that traffic avoiding the tolls will increase flows on Parramatta Road by over 20 per cent - a conclusion that is 'consistent with the WestConnex Delivery Authority's own assessment' and the traffic flow impacts observed when the M4 toll was removed in 2010 (p.5).

An original objective of WestConnex was the revitalisation of Parramatta Road by directing traffic underground, improving surface public transport and making residential and commercial development feasible for over 50,000 new residents by 2030.

- ***Traffic volumes will have major impacts on Green Square***

Over 31,000 vehicles a day will use the St Peters interchange by 2021, increasing to over 55,000 vehicles by 2041. This traffic will flow onto already congested local roads between the CBD and the airport, impacting on residential and commercial areas.

The SGS report concludes that this will impact on the viability of urban renewal areas such as Green Square and Ashmore.

- ***'Low growth in users means it is unlikely there will be sufficient demand to ensure the various WestConnex toll roads are viable' (p. x)***

The report concludes that NSW taxpayers are facing a financial risk for WestConnex. The NSW Government plans to fund Stage 1 and possibly Stage 2, and then sell these toll roads to fund Stage 3.

As with other recent toll roads such as the Cross City Tunnel, there is a high risk of financial failure. The finding of the SGS/Veitch Lister transport modelling on WestConnex is that as currently structured, taxpayers are likely to be saddled with a loss-making tollway. Either Stage 3 will not be built or a further multi-billion commitment will be required from NSW taxpayers to complete the motorway.

- ***WestConnex 'potentially locks Sydney into a series of large-scale road projects' (p. x)***

WestConnex project documents include a northern extension across the Sydney Harbour and an extension south of WestConnex. The SGS/Veitch Lister report notes that the additional traffic generated by these extensions could be 'vital to the financial health of the motorway', inducing the NSW Government to invest billions more on motorway extensions.

The report confirms that investment in public transport, better use of the existing road network by alleviating bottlenecks, and introducing pricing mechanisms to reduce peak loads would be a more effective solution to traffic congestion.

In the Strategic Review study, SGS warns that WestConnex diverts funds from more effective public transport projects to connect centres in the Western Suburbs with each other and the Sydney CBD, such as the West Metro.

Based on this research by SGS Economics & Planning, the NSW State Government needs to focus on the lessons from the Melbourne East-West Link. Like that cancelled project, WestConnex risks locking taxpayers into a financially risky tollway without due process, transparency and rigorous assessment of its business case.

RECOMMENDATION

It is resolved that:

- (A) Council oppose the current WestConnex project based on the key conclusions in the independent report “WestConnex Transport Modelling Summary Report” by SGS Economics and Planning, including:
 - (i) WestConnex will not significantly reduce Sydney’s traffic congestion;
 - (ii) WestConnex diverts limited transport funding from more effective public transport projects;
 - (iii) WestConnex will undermine potential for urban renewal along the Parramatta Road;
 - (iv) WestConnex will compromise the quality of urban renewal in Green Square and Ashmore; and
 - (v) WestConnex exposes NSW taxpayers NSW taxpayers to extremely high financial risks; and
- (B) the Lord Mayor provide the Premier, Minister for Transport and Minister for Roads and Freight with a copy of the “WestConnex Transport Modelling” summary report, shown at Attachment A to this Minute, and call on the State Government to:
 - (i) halt the tender process for the New M5 and M4 East;
 - (ii) publicly release information on the business case and traffic modelling; and
 - (iii) begin a full public assessment of alternative infrastructure projects, especially intra- and inter-regional public transport projects for western Sydney.

COUNCILLOR CLOVER MOORE

Lord Mayor

ATTACHMENTS

Attachment A: Westconnex Transport Modelling Summary Report