

Stage 2 Unsolicited Proposal

The NSW Government has agreed that the proposal described below, in concept form, is of sufficient interest to warrant further development and progression to Stage 2 of the Unsolicited Proposals process. The NSW Government has not agreed to the proposal.

Proponent: WSO Co. Pty Limited
(Transurban Group, QIC Limited and Canada Pension Plan Investment Board)

Proposal Title: M7-M12 Integration and Delivery

Proposal Description:

The Proponent proposes to:

- a) fund and deliver widening of the M7 motorway;
- b) deliver the M7-M12 interchange; and
- c) manage incident response and operations and maintenance for the M12.

Potential Public Benefits:

Widening the M7 would ensure it continues to move people and goods rapidly over long distances. It would also:

- support the growth of Western Sydney by meeting demand for road travel and would improve productivity by reducing journey time on a key freight route; and
- reduce stop-start traffic that would improve the safe flow of traffic and reduce traffic in the local road network, enabling liveable and safe urban communities.

The proposal includes further works on the M7 to enable an interchange with the M12 motorway, a 16km east-west motorway being developed by Transport for NSW (and the Federal Government) to service the Western Sydney International Airport and Western Parkland City growth area <https://www.rms.nsw.gov.au/projects/m12-motorway/index.html>. The M12 Motorway will be toll free.

It is proposed to widen the M7 and construct the M7-M12 interchange at the same time with the benefit of reducing cost to government and disruption to M7 traffic and local communities.

Justification for Progress to Stage 2:

The Proponent is uniquely placed to deliver the proposal and potentially deliver better transport and value for money outcomes than could otherwise be achieved.

The Proponent's long term (until 2048) Concession Agreement to operate the M7 makes the Proponent the only party that could deliver the M7 widening and provide project delivery efficiencies for the M7-M12 Interchange. Together with the proposed

transport benefits for Western Sydney, the proposal is assessed as warranting further development and progression to a more defined project.

The M12 operations, maintenance and incident response component of the Proposal remains subject to development of a compelling and verifiable case that the Proposal would provide better value for money than could be achieved by a Government initiated procurement process.

Stage 2 Governance:

A Proposal Specific Steering Committee has been established as follows:

- Department of Premier and Cabinet (chair)
- NSW Treasury
- Transport for NSW

At the end of Stage 2, the Proposal Specific Steering Committee will make a recommendation to Government on whether or not to proceed to Stage 3.

An Assessment Panel has also been established and will report to the Steering Committee:

- Transport for NSW (chair)
- Department of Premier and Cabinet
- NSW Treasury

The Assessment Panel will be supported by a range of commercial, technical and legal advisors as required.

Probity Advisor:

Details of the probity advisor will be published once appointed.