

ROADS, MARITIME AND FREIGHT MISSION TO CANADA AND USA

THE HON DUNCAN GAY MLC

**MINISTER FOR ROADS, MARITIME AND FREIGHT
LEADER OF THE GOVERNMENT IN THE LEGISLATIVE COUNCIL
LEADER OF THE HOUSE**

5- 14 JULY 2015 (inclusive)

POST VISIT REPORT

MISSION PURPOSE

The purpose of this mission was to ensure the NSW approach to infrastructure development is consistent with best practice, avoiding unnecessary costs in project development, delivery and operation that have been experienced elsewhere.

In particular, the mission sought to gain a stronger understanding of the approach in Canada and the United States, which are ahead of NSW in their road system delivery, to financing and delivery of infrastructure as well as securing improved road safety, congestion, accident management and operations outcomes.

The mission sought to advance policy thinking in four areas:

- **Motorway development**—comparing and contrasting the reference motorway delivery model in NSW (including systems, road regulation, road safety, congestion management during construction on brownfields assets, and project staging) with similar North American approaches, such as that on the 407 ETR.
- **Stimulating private investment in road infrastructure**—Understanding public sector initiatives to stimulate infrastructure delivery through private sector investment, such as that provided by the US Transportation Infrastructure Finance and Innovation Act, specific financing instruments such as Private Activity Bonds.
- **Road safety and user pays innovations on tollways and highways**—Looking at new innovations in highways, procured as part of privately financed projects, including road safety measures and congestion management.
- **Incentives for private operators to improve congestion and incident management**—Understanding how concession contracts can be framed to incentivise toll road operators to optimise road network and incident management to reduce congestion.

MISSION DESCRIPTION

NSW is in the process of procuring new major toll road infrastructure such as WestConnex Stages 1 and 2. Stage 3 of WestConnex and the Western Harbour Tunnel projects are currently in business case development stage.

In the nearly ten years since the last NSW toll road was opened (the M7 in 2005), significant advancements in the delivery of privately financed roads have taken place overseas, in particular in the areas of:

- Co-investment between public and private sectors in greenfield toll roads
- Public sector financing models to stimulate private sector delivery
- Road safety on highways and motorways (with a focus on improving road network efficiency by reducing the costs of accidents, fatalities and congestion from such events)
- Road network (congestion) management (network optimisation and accident clearance)
- Super fund engagement on infrastructure development.

Canada and the United States of America are leading markets in the delivery of new road infrastructure. Several jurisdictions are driving new and innovative ways of engaging with the private sector to deliver new toll road infrastructure.

NSW shares many similarities Canadian and US jurisdictions, including:

- Constrained general government balance sheet position
- A large infrastructure deficit which cannot be addressed solely through public financing
- Significant public demand for improved road infrastructure, with some acceptance that much of new road infrastructure will be user pays
- Geographic similarities, including long distances and some low population bases in regional areas, constraining revenue streams from which to recover new infrastructure funding
- A focus on increasing road safety and reducing the costs of congestion from reductions in road accidents
- Stringent heavy vehicle enforcement and regulation.

The mission involved a number of investor briefings, meetings with Government infrastructure agencies and site visits. It also built on data and information reviewed as part of the development of the NSW motorways and highways, in particular WestConnex and Northconnex and the Pacific Highway.

During the mission, Minister Gay also delivered the keynote address at the Australia-Canada Infrastructure Symposium and was NSW's representative at the Australia Canada Economic Leadership Forum.

A list of meetings and cities visited as part of the mission is provided in Attachment A.

KEY OUTCOMES

1. Minister met with key pension funds in Toronto, including investors in the desalination plant and NothConnex project.
2. Minister committed to a high level delegation of Canadian investors to NSW to view infrastructure investment opportunities in NSW, including WestConnex, and to providing a Rebuilding NSW briefing.
3. Conducted site visits to key motorway projects and operations centres being used as reference points for NSW projects including the 407 ETR and McConnell Public Safety and Transportation Operations Centre, Fairfax County.
4. Minister met with senior Ministers and members of the Government agencies in all cities including, strengthening these key relationships.
5. Promoted the concept of a US Governor's meeting to be held in NSW as part of developing the bilateral relationship.
6. Interviews with print media in Canada on the NSW infrastructure program.

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LEADER OF THE HOUSE**

5- 14 JULY 2015

OFFICIAL DELEGATION

The Hon Duncan Gay MLC
Minister for Roads, Maritime and Freight

Accompanied by:

Mr Jason de Sousa
Chief of Staff
Office of the Minister for Roads, Maritime and Freight

Mr Dennis Cliche
Chief Executive
Sydney Motorway Corporation (WestConnex)

Mr Laki Kondilakis Ω
NSW Commissioner of Trade and Investment, North America
New South Wales Government - Trade & Investment Office, San Francisco

Ω *Based in San Francisco*

ROADS, MARITIME AND FREIGHT MISSION TO CANADA AND USA

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5- 14 JULY 2015

MEETINGS

Sunday 5 July 2015 – Vancouver, Canada

1. Welcome function for Australian Delegation to Australia Canada Economic Leadership Forum

Monday 6 July 2015 – Vancouver, Canada

2. Keynote address: Australia Canada Infrastructure Symposium (With Assistant Minister for Infrastructure and Regional Development, Hon Jamie Briggs MP)
3. Attend Australia Canada Infrastructure Symposium
4. Business Meeting: Executive Project Director, George Massey Tunnel Replacement, and CEO of Partnerships British Columbia
5. Business Event: Reception and Dinner - Australia Canada Economic Leadership Forum, hosted by Canadian Minister for Trade, the Hon. Ed Fast MP

Tuesday 7 July 2015 – Vancouver, Canada

6. Government Meeting: CEO, Insurance Corporation of British Columbia (ICBC) (Organisation responsible for BC Road safety Programs)
7. Government Meeting: CEO and Senior Staff, TransLink (Vancouver Roads and Public Transportation Authority)
8. Business Meeting: CEO, 407 Express Toll Route (ETR)

Wednesday 8 July 2015 – (Travel) Toronto (Travel)

9. Afternoon site visit: 407 Express Toll Route (ETR)
10. Evening business Meeting: Brookfield Asset Management

Thursday 9 July 2015 – (Travel) Toronto and Washington DC

11. Business Meeting: NSW Superfund Investor Breakfast Briefing
12. Business meeting: CEO and Senior Staff, International Bridge, Tunnel and Turnpike Association

Friday 10 July 2015 – Washington DC

13. Business meeting: NSW Infrastructure investor breakfast
14. Government meeting: U.S. Department of Transportation
15. Business meeting: World Bank - Director of PPP Advisory Facility
16. Government meeting: Australian Ambassador to the United States of America
17. Site visit and meeting: McConnell Public Safety and Transportation Operations Centre, Fairfax County
18. Government Event: Australian Embassy Reception

Saturday 11 July 2015 – Dallas

19. Site visit: Dallas North Tollway (DNT)
20. Site visit: DNT interchange - University Boulevard overpass
21. Site visit: Houston Street viaduct (Dallas to Oak Cliff bridge and light rail project)

TRADE AND INVESTMENT MISSION TO CANADA AND THE UNITED STATES, BY

**THE HONOURABLE DUNCAN GAY MLC
MINISTER FOR ROADS, MARITIME AND PORTS
LEADER OF THE GOVERNMENT IN THE LEGISLATIVE COUNCIL
LEADER OF THE HOUSE**

5-14 JULY 2015

ESTIMATED COSTS AND DETAILS OF TRAVEL

Minister	The Honourable Duncan Gay MLC
Portfolio	Minister for Roads, Maritime and Freight
Countries visited Cities visited	Canada/United States (a) Vancouver (b) Toronto (c) Washington (d) Dallas
Dates of travel	Departed Sunday 5 July 2015 Returned Tuesday 14 July 2015
Number of accompanying: (a) Ministerial Staff (b) Government Officials (c) Other Delegation (d) Media	(a) one (b) One (c) 0 (d) 0
Accompanied by spouse in an official capacity	No

Air fares	
(a) Minister and Ministerial Staff	(a) \$25,575.36
(b) Government Officials	(b) \$130058.11
Accommodation	
(a) Minister and Ministerial Staff	(a) \$6,533.27
(b) Government Officials	(b) \$3 046.29
Meals	
(a) Minister and Ministerial Staff	(a) \$1 069.65
(b) Government Officials	(b)

Official meetings & hospitality expenses Includes Minister, Ministerial Staff & Government Officials	\$ 450.00
Official gift presentation expenses	
(a) Minister and Ministerial Staff	(a) \$450.00
(b) Government Officials	(b)
Reconnaissance expenses (including accommodation, ground transport, meals and incidental expenses)	N/A
Other expenses	
(a) Ground and surface transport	(d)
(b) Ground and surface transport	(b)
(c) Ground and surface transport	(c)
(d) Design/printing trade materials and brochure	(d) (e)
(e) Interpretation Services	(f)
(f) Photographer for events	(g)
(g) Media release	(h)
(h) Courier costs	(i)
(i) Other miscellaneous (including entry fees, wireless network access not covered as incidentals, meals not covered above and refreshments)	

Total estimated travel costs	\$ 49 732.68
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Note: currency conversion cost estimates are based on:

1 AUD = CAD 0.9441

1AUD = USD 0.7422

Note: Any outstanding costs will be updated in the finalisation of expenses.