

Wednesday, 26 March 2025

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Dear Mr Murray,

RE: *Roads Act 1993* Issues Paper – Transurban submission

Thank you for the opportunity to make a submission in response to the *Roads Act 1993* Issues Paper issued by Transport for NSW (TfNSW) and dated February 2025 (Issues Paper).

Transurban's history and expertise in road infrastructure in NSW makes us uniquely placed to contribute to the discussions on modernising the *Roads Act 1993* to ensure it continues to support the State's mobility and prosperity into the future. In preparing this response, we have focused on key areas relevant to Transurban's business, operations and experience:

- road safety
- regulating the network
- penalties and compliance framework
- road network planning.

Transurban is an Australian Securities Exchange (ASX)-listed toll road company. Since commencing operations in 1996, we've partnered with governments to build and operate toll roads across Australia and North America. Since 2005, Transurban and its investment partners have invested more than \$36 billion into Sydney's motorway network.

Over the past decade, NSW has grown and changed at an accelerated pace, with the population increasing by around one million people in this period alone. Major infrastructure is needed to support the way we move and keep us connected. Governments' and the private sector's ability to partner and work together have played a key role in creating the NSW of today and the quality of life it offers its citizens. The NSW Government has recognised that the *Roads Act 1993* must evolve to align with current community expectations which prioritise sustainability, safety and urgent transport needs.

Road safety

The Issues Paper seeks input regarding the consideration of safety, public health and environmental outcomes for NSW roads. Every day motorists rely on Transurban's Sydney roads and tunnels for safe travel. State-of-the-art safety and traffic management technology combined with 24/7 monitoring ensure their journeys are as safe as possible, controlling conditions such as speed limits and lane closures.

We also have rapid response traffic control rooms ready to deploy crews in case of an incident. The team responds to around 500 incidents per week, clearing the scene within a few minutes and working with first responders as necessary to manage traffic flow and ensure motorists' safety. This all contributes to Transurban's roads being safer to drive on than similar roads. Recent analysis by Monash University Accident Research Centre (MUARC) found our Sydney roads are around three and a half times as safe as like roads.

Our roads are built to meet high safety standards, verified via the International Road Assessment Program (iRAP). All Transurban roads are rated by iRAP as three stars or higher. In Sydney, 88% of our roads are four-stars or higher, with NorthConnex rated as five-star.

Our commitment to road safety extends beyond our everyday operations. We also invest in research and development that has the potential to improve safety outcomes for motorists across Australia. Our partnership with Neuroscience Research Australia (NeuRA) in Randwick began in 2017 when we established the Transurban Road Safety Centre – Australia's first research-dedicated crash test lab. The Centre's crash sled enables researchers to test a myriad of simulated road accidents, providing valuable data that can be used to improve road user safety. NeuRA's research program explores practical injury prevention strategies to prevent and reduce serious injuries and deaths on the road.

Transurban has significant experience implementing a Safe Systems approach when managing our roads and we would welcome the opportunity to meaningfully contribute to the consideration of changes to the *Roads Act 1993* to improve safety and public health outcomes on NSW roads.

Regulating the network

Transurban frequently undertakes road works and utilises Road Occupancy Licences (ROLs) for maintenance closures of its assets.

Transurban's operations and asset management team work closely with TfNSW who support us to quickly process and manage ROLs. We have conducted productive knowledge-sharing events with TfNSW staff to provide greater insight into how we manage our assets – including maintenance closure tours and control room tours. We would welcome the opportunity to hold these events more regularly.

ROLs are required for all works on Transurban assets, except on running lanes on the M2. We believe there are opportunities to make the ROL process more efficient and less resource intensive for all parties, in line with our current processes on M2 and on CityLink in Victoria which do not require ROLs for low-impact closures.

Opportunities include: upgrading the Online Planned Incident System (OPLINC) to a more user-friendly, modern system; implementing longer-term ROLs for less impactful works (e.g. single lane closures); and arrangements to allow for rapid deployment of emergency works without an ROL.

These changes would assist to minimise disruption to the network and free-up resources in TfNSW to focus on higher priority requests. As the Issues Paper proposes a review of the cost of regulating the road network, including the processes and costs of TfNSW services and the framework for the application and issuance of ROLs, Transurban is eager to participate in discussions about the permitting process and share our experience and perspective.

Penalties and compliance framework

NSW has the highest rate of 'non-arranged' toll road travel in Australia, with millions of hard copy toll notices issued for Transurban's NSW roads in the 2024 financial year.

Transurban can provide an end-to-end enforcement and collections solution that improves the experience for NSW motorists who progress to hard copy toll notices.

We are currently engaged in productive discussions with TfNSW in relation to proposed enforcement reform. The proposed model would allow for earlier and more frequent contact with motorists, such as alerts and follow-up reminders, and could potentially offer significant fee reductions for people who promptly pay for their non-arranged travel. It would also substantially reduce the amount of posted hard-copy toll notices.

The proposed model is designed to improve the experience for motorists who make inadvertent or occasional toll road trips without an arrangement, while strengthening the consequences for people who deliberately refuse to pay tolls and consistently ignore attempts to resolve their travel.

While tolling reform is outside the scope of this review, Transurban is well placed to contribute to a broader consideration of tolling and other violations, the corresponding compliance and penalty frameworks, and the processes for collection and enforcement.

Road network planning

Toll roads are an important part of the road network in NSW – making the entire road network more efficient and reliable. Motorists benefit with faster travel times, more reliable journeys, and lower fuel consumption and vehicle operating costs. Research by KMPG found the economic benefit of toll roads in Sydney amounts to \$3.6 billion in annual benefits for all road users.

We would welcome the opportunity to help shape a more strategic approach to planning the road network. As the owner and operator of 11 road and tunnel assets in Sydney, we are well placed to contribute towards a more systematic framework for strategic road network planning that aligns with broader land use and development and transport planning objectives.

While not explicitly referenced in the Issues Paper, declining fuel excise revenue means that people who drive newer, more fuel-efficient vehicles pay less towards road funding than those with older vehicles. Road funding also relies on fixed taxes, such as registration and licensing, that are not commensurate with the amount of time someone spends on the roads and the impact they cause. Transurban has long advocated for a fairer and more sustainable road-user charging model to replace the current system.

In 2016, we conducted the first real-world test of a road user charging model in Australia. The study demonstrated that a road user charging funding model would work in Australia and can provide a sustainable, fair and flexible funding system that grows with demand. More recently, research undertaken by Transurban in 2021 found that most people believe a road-user charge model would be a fair way to contribute towards road funding.

Australia must move towards a sustainable road-funding system to ensure our transport infrastructure is resilient into the future, and prevent congestion undermining the liveability and productivity of our cities. Transurban is well placed to contribute to the consideration of a more systematic framework for strategic road network planning that aligns with broader land use and transport planning objectives. We would welcome the opportunity to share our experience, research and insights, and to play a constructive role in helping to develop a system that meets Australia's needs.

Case study: NorthConnex

NorthConnex was the first transport project delivered via the NSW Government's Unsolicited Proposal process. The tunnel, which was developed and delivered by Transurban in partnership with other Westlink M7 investors, is an excellent example of government and the private sector working together to fast-track a project with huge benefits for the community and road users. NorthConnex, which opened in October 2020, created the much needed 'missing link' in the National Highway route, providing a bypass to the perennially gridlocked Pennant Hills Road. Since opening, NorthConnex has reduced peak travel by up to 10 minutes compared to alternative routes.

There have also been marked improvements in congestion on the surface roads above NorthConnex, including Pennant Hills Road which is now around 21% faster. Before NorthConnex opened, around 9,000 heavy vehicles used Pennant Hills Road every day to move goods. The majority of this traffic now uses NorthConnex.

The impact of less congestion has resulted in road safety improvements on local streets. Data from Compass IoT found a 65% reduction in near misses along Pennant Hills Road and surrounding streets during peak times since NorthConnex opened. The NSW Centre for Road Safety also found crashes on Pennant Hills Road (between the M1 and M2) more than halved in the year post-opening, compared to the year prior.

Air quality has also improved. Measurement of ambient air quality taken two years before the tunnel opened and for three years after demonstrated a significant improvement, with total NOx levels (a dominant emission from car and truck exhaust) decreasing by approximately a third since opening.

We would like to acknowledge the collaborative working relationship we have with the TfNSW, and thank you for the opportunity to participate in the review of the *Roads Act 1993*. We welcome further discussion on the matters detailed in this submission. Please feel free to contact our Senior Manager, Government and Industry Relations, Chris Taylor at chrtaylor@transurban.com.

Yours sincerely

Nicole Green
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Transurban