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## **ROAD ACCESS PRICING**

**Name:** Mr Ian Bell  
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## OPENING COMMENTS BY IAN F BELL, FIAA

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### INTRODUCTION & UPDATING STATUS OF VIEWS IN SUBMISSION

When I sat down to think what I might say in my opening comments for today, I had just heard the news that the F3 to M2 Link, under Transurban's unsolicited proposal to the Department of Premier & Cabinet, would go ahead with some additional funding jointly by the Commonwealth Government and by NSW (\$400 million each, according to media reports).

This adds one more piece to the "mosaic" of Sydney's motorways system. I call it a mosaic because it is analogous to each piece being laid individually and each being different shapes, sizes and heights. My point here is the likelihood (though details are not yet public) that after this next project there might be even less coherence in the toll rates that people pay for travelling in different parts of Sydney.

What it demonstrates is that Transurban is progressively controlling more & more of Sydney's motorways network. To illustrate this, if I can, I will table a graphic out of the recent Transurban investor presentation to the ASX which illustrates visually the extent of Transurban controlled road assets in the Sydney basin. This graphic does indicate that there is one dominant party with whom the State might have possibly lengthy negotiations in the event that a decision is ever made to seek to instigate a network wide system for tolls based on distance, mass, location, and time of day or week. We do consider, however, that such negotiations would be achievable, providing the State recognises that it needs a capability for modelling the performance of Transurban's Sydney road assets, in terms of both toll revenue and their operating and maintenance expenses for each remaining year of their concessions, namely to ensure that the State can restrain Transurban's claims under any changed system to within reasonable bounds.



Such

computer models are in effect the mathematical representation of these PPP deals, and are vital strategic pieces of information. The State should recognise that. My own view is that certain aspects of them should be publicly available for scrutiny. In the case of the failed Brisconnections PPP deal, we have taken some time to develop our own models, and it may be relevant to allude to some of my findings later.



I might add that regrettably we have found it easier to get basic traffic data from Transurban's reports to the Stock Exchange than it has been to secure good, helpful data from the RMS. The RTA in the past produced large quantities of annual traffic volume data but the latest on the RMS web site is only from 2006. The process of our obtaining reliable vehicle count data from RMS for our modelling work remains incomplete and unsatisfactory for purpose, in particular there being a paucity of data (and this applies generally within the public sector, Australia-wide) on Vehicle Kilometres Travelled (or Vkt). Later data than 2005/6, such as from 2011, has to be obtained via a time-consuming process, and is not always of the format that is relevant for working on Network Tolling concepts. So any values quoted in my submission, need to be qualified by saying we don't yet have the right data available from RMS, and we would like to see the publicly available data improved in several respects. For the purposes of West Connex, which will be a major funding challenge, I would think that length of trip data in the western corridor is vitally important as distinct from just past AADT statistics at different measuring points.

Finally, before questions, I would like to add that I very much appreciated the public submissions I saw from Professor Hensher and from John Gardiner. It would be interesting to be able to cross-fertilise ideas with those two gentlemen, because much of what we each say could be blended into yet a better system. Based on our work in the 1990's funding water treatment plants, we had been considering suggesting an availability charge and usage charge style structure for registration fees, but had not completed any numerical work on that notion. There are some similarities with what Prof. Hensher has submitted.

My particular leaning has been to point to ways for NSW to raise capital from usage-charging on the way to a more coherent system, whilst seeking to foster mass transport projects also in order to take future pressure off the road system. It is a work-in-progress, without the rigour of a commissioned professional report, and I would welcome the opportunity to take it forward with better data and assistance from Transport for NSW specialists.

Finally, before questions, may I remind the Committee that our network tolling suggestions are both scaleable and stageable, and can be varied, for instance, to encompass such things as cordon charging.



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# GROWTH IN SYDNEY

## NETWORK DEMOGRAPHICS



 TRANSURBAN ASSETS  
 MISSING LINKS

# A future RAB model for the road network

