

**Submission
No 94**

INQUIRY INTO ROAD TOLLING

Organisation: Penrith City Council

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The Hon. Greg Donnelly MLC
Chair, General Purpose Standing Committee No. 2
Legislative Council
Parliament House, Macquarie Street
Sydney NSW 2000

Dear Chairman,

Parliamentary Inquiry into Road Tolling

Penrith Council welcomes the State Government's Parliamentary Inquiry into Road Tolling and makes this submission in line with the Terms of Reference, particularly relating to items a, b, c and g.

Whilst recognising the benefits of better connectivity predicted through delivery of the entire WestConnex project, it is Council's view that the introduction of tolls on the M4 will create a significant cost burden to Western Sydney commuters, therefore substantially undermining its benefits. The re-introduction of tolls on the first stage, between Church Street and Concord Road, is particularly unfair.

More than 300,000 people travel out of the Western Sydney region every day for work, including almost 65% of the Penrith Local Government Area's workers. Limited access to public transport to undertake these journeys means the region has an extremely high car dependency. Deloitte (2016) found that 88% of Western Sydney workers use a car as their main mode of transport and the average family from Western Sydney pays approximately \$22,000 a year in transport costs (Transport Affordability Index).

The cost of travelling to work for Western Sydney workers is already inequitable compared to residents in inner Sydney. In addition to running a motor vehicle, this cost will rise exponentially with the proposed introduction of an M4 toll in mid-2017. By comparison, the highest possible weekly payment for a public transport user in Sydney, via an Opal Card, is capped at \$60, which amounts to a maximum \$3,120 each year. Most public transport users, particularly Sydney's inner and middle ring workers those who travel to Sydney's CBD, pay less than this.

The suggested \$4.21 toll per trip for the widened M4 over a working year is in excess of \$2000pa for regular users. For workers on average wages, around \$60,000 per year after tax, the introduction of tolls adds considerably to cost of living expenses and in addition to vehicle operating costs, may cause some of these workers to leave employment.

We strongly oppose the introduction of tolls and do not accept that the current tolling arrangements represent the fairest possible outcome for Western Sydney residents.

Penrith has a high participation in the workforce but much of Penrith's workforce has no choice but to travel for work. Penrith's unemployment rate (4%) is lower than Greater Sydney (4.9%), NSW (5%) and Australia (5.7%). However, our employment capacity is low (0.72), meaning there are less jobs in the area than employed residents and our proximity to other centres of low jobs density (Hawkesbury and Blue Mountains) places further demand on available jobs. As of June 2015 there were 100,543 Penrith City residents employed and only 71,933 local jobs available. In the Committee for Sydney's report *Adding to the Dividend, Ending the Divide #3*, areas west of Parramatta are well below average in terms of effective job density. Effective job density is highest in Sydney's CBD and North Sydney, remaining steady in areas leading up to Parramatta which is above average. The effective job density drops rapidly beyond Parramatta, with Penrith reporting one of the lowest figures.

There is an established east-west economic corridor, extending along the Great Western Highway and Western Rail line from Emu Plains, Penrith, Blacktown and Parramatta and on to the Sydney CBD – mirroring the M4 route into Sydney City. It is the most significant economic corridor in Australia, contributing over 380,000 jobs. Penrith is the 'Nepean node' of this corridor.

The employment capacity increases as you travel east along this corridor. Comparatively, Parramatta, Ryde and Sydney City have employment capacities of 1.46, 1.55 and 4.48 respectively. The number of workers leaving the Penrith area to work in these regions also increases, with the M4 providing an essential part of a commuter's route. Approximately 40% of Penrith's workforce works along this corridor, with 7% of workers leaving Penrith to work in Parramatta, 1.2% in Ryde and 5.4% in Sydney City.

The number of workers travelling out of Western Sydney is only set to increase with significant population growth predicted for the region. In 2036 two out of every three new Sydneysiders will make their home in Western Sydney. More than 3 million people will be living in Western Sydney in 20 years. More people will be living west of Parramatta within the next 20 years, than east of it.

Current tolling arrangements on the M7, M5 and M2 and the future tolls on the M4 cumulatively represent unfair allocation cost for Western Sydney residents who live in areas with low jobs density and often use multiple tollways for journeys to work.

As such, it is our belief that continued increases in housing and population in areas of low effective jobs density overlayed with limited public transport access create a disproportionate and unfair cost impact of road tolls onto Western Sydney communities.

While Council does not accept that the current tolling scheme represents the fairest possible outcome for Western Sydney residents, we do accept there are amendments that could improve the fairness of tolling on Western Sydney residents.


When formulating the fairest possible tolling agreement, the NSW Government should:

- Take into account the traveller's origin and destination. Having a distance based tolling scheme does not consider the situation for Western Sydney residents who do not have practical, or effective, public transport options.
- Provide incentives for those that can shift their travel to off-peak periods
- Promote a "journey" cap instead of individual link caps. Individual link caps are economically and socially inequitable for Western Sydney residents because many people from the region are long distance road users that, in many cases, require travel across multiple motorway links.
- In relation to WestConnex, the NSW Government should not implement a toll on the Church Street-Concord Road section as this can be considered road upgrading, not new road delivery. Beyond this point, where tunnelling begins, motorists who choose to use this new roadway should pay for the privilege commensurate with journey caps as raised above.

Council's position is that:

- 1. The M4 widening from Church Street to Concord Road should not attract any toll. Council considers the M4 widening is not a new road but an essential infrastructure upgrade to address long term congestion points.**
- 2. Consideration be given to a motorist's point of origin, with concessions or reduction in tolling for areas poorly serviced by public transport along with a journey cap for distance travelled.**

If you would like to discuss any aspect of Council's submission, please contact Council's Assistant General Manager, _____, on _____ or _____

 Yours sincerely

General Manager