

INQUIRY INTO ROAD TOLLING

Organisation: No WestConnex Public Transport - NoWPT
Date received: 28 February 2017

The Legislative Council's General Purpose Standing Committee No. 2

To: inquire into and report on matters relating to tolling regimes for roads in New South Wales including:

- (a) A review of the tolling regimes in place on different roads and an explanation for the differences between each
- (b) the process for determining how tolls are set for all types of vehicles, the length of tolling concession periods, the rationale for extending these concession periods and opportunities to increase transparency for the public, particularly given the absence in some instances of any competitive process
- (c) how tolling contracts are negotiated and varied and opportunities to increase public scrutiny and accountability of the negotiations that take place between private tolling companies and the NSW Government
- (d) the rationale for allowing higher than CPI increases on certain tolls
- (e) the extent of any consultation undertaken with the trucking industry before changes are made to tolling regimes
- (f) the appropriateness of involving the Independent Pricing and Regulatory Tribunal (IPART) in the determination of tolls and their escalation, given the involvement of IPART and other such independent regulators in setting public transport fares and other services such as electricity transmission and distribution charges
- (g) opportunities to increase the assurance to the public that tolling arrangements represent the fairest possible outcome
- (h) an examination of road tolling arrangements in overseas jurisdictions, and
- (i) any other related matter.

SUBMISSION

No WestConnex Public Transport (NoWPT) is a coalition of community groups and individuals from across Sydney campaigning to protect our suburbs and environment from the WestConnex toll road, and in favour of active and public transport solutions. In response to the inquiry into road tolling established by the Legislative Council's General Purpose Standing Committee No. 2, NoWPT states at the outset that we do not support tolls on any roads in the present situation where public and active transport alternative modes of transport are not available or that are inadequate

It is noted that the terms of the LC's inquiry are very broad and look far beyond the current tollway road projects the NSW Government has begun. Nonetheless the NoWPT makes the following points particularly in connection with WestConnex which is our area of concern and knowledge. The points made relate mostly to items (d) and (g).

NoWPT does not support the ownership or operation of toll roads by the private sector. Operation of tollways can be done more efficiently by the Government, and 100% of revenue after costs returned to public use. Such funds should be used to improve transport infrastructure, particularly public transport, better facilities for freight movement, and active personal transport within and between neighbourhoods. Further, NoWPT is also concerned that a likely purchaser of the tollroad system when the Government sells it would be Transurban – a company which has and continues to dominate road planning policy and which has attracted a high level of controversy and criticism due to its practices

(source: <http://thescandal.com.au/news/transurban/transurban-a-case-for-a-senate-inquiry-31-8-2016>).

Historically where tolls have been imposed in Australia, the funds returned have been used in the first instance to pay for building the road or bridge in question (most obviously the Sydney Harbour Bridge) and for its on-going maintenance. The road and

bridge users accordingly are understood to pay for their facilities. More recently tolls were imposed to recompense the private builders in public-private partnerships of specified time periods, but always on the understanding that they were a temporary measure to be removed when the infrastructure was returned to public ownership. Elsewhere in the world where tolls have been imposed they have been justified as necessary to discourage vehicle use, especially in peak periods, and the funds recovered were dedicated to improving and expanding public transport to provide alternative means of transport. While there are pros and cons for tolls as congestion taxes, NoWPT notes that the flat tolls imposed by successive NSW governments have never been presented as congestion taxes and generally have been tied to payment for the roads affected.

Tolls as proposed on Stages 1 and 2 of WestConnex are inequitable because the Western Sydney residents, commuters, business users and other groups such as students have the least choice of modes of transport and will face the highest tolls because of the distances. There seems to be little recognition of users of the toll roads outside business or commuter use between Western Sydney and the CBD. No attention is paid to cross Western Sydney travel nor to the travel needs of people looking for work, for students at both secondary and tertiary level, or for people travelling for specialist services including medical services. The high tolls will penalise the very people the NSW government says it is building WestConnex for, and the inevitable result will be avoidance of the tollways and increased congestion on local roads.

The decision to increase the toll rates by 4% or the CPI (whichever is greater) in these circumstances is completely unjustifiable and can only have been decided to increase the attractiveness of the final road asset for sale to private operators. In passing, NoWPT notes that inflation has not risen above 3% in nearly a decade and it is widely recognised that the economy has entered a low-inflation phase for the foreseeable future. A toll rate so far above the inflation rate is unjustifiable on equity grounds alone. It is assumed the principal reason for such a high rate of increase is to attract private investors.

Accordingly it appears the WestConnex project is another element in the NSW Government's privatisation program in keeping with the replacement of public rail services with the private Sydney Metro and the plans to sell the Sydney bus services. NoWPT argues that the cost of transport to the user should more closely reflect the cost to society. At present however, for each dollar spent by a user on driving, an effective subsidy of around \$9 is provided. By contrast, when a user spends a dollar on public transport, they are only subsidised by \$1.50. By some accounts, walking actually saves society money, but it is hardly supported at all. (Ref:

<http://movingforward.discoursemedia.org/costofcommute/>) These imbalances must be addressed.

The NSW public will pay for the WestConnex toll roads several times over – first as public funds, granted or borrowed from tax revenue - are used to build the roads; second as toll-paying motorists for decades and decades to come; and third, as the health and global warming impacts of increased vehicle pollution and carbon emissions affect state and federal budgets in hospital and medical costs and in adaption to and disaster recovery from climate change.

Conclusion

Once adequate public transport infrastructure is in place that significantly improves access, frequency, speed and comfort, a significant shift away from private motor vehicles will occur. This will reduce road congestion and obviate the need for toll roads.

Recommendations

NoWPT's position is that:

1. Current toll roads should be state-operated and the revenue returned is invested in improving public transport to reduce car dependency and social inequity.
2. Future toll roads planned or under construction should be stopped and reviewed to investigate how they can be converted to public transport.
3. Public and active transport infrastructure should be improved and expanded, especially in regions where they are lacking.
4. Public transport on commuter routes should be free of charge.

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