

## **INQUIRY INTO ROAD TOLLING**

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## **SUBMISSION TO THE INQUIRY ON TOLLING**

### **HOW SHOULD WE VIEW TOLLING?**

The road tolling system in Australia has become dominated mostly by a single owner-operator, Transurban. This represents the successful neoliberal outsourcing of transit provision, away from Government responsibility and on to the private sector. In turn the private sector, maintain the system and profit from road users – most of whom are individual motorists.

It's logical that the more people who use these tollways, the more profitable the balance sheet for the private owner operators who run them – that's a conflict of interest now that congestion is also a multi-billion dollar problem for economic productivity in other industries which the government keeps claiming it can fix.

When Bruce Baird signed the contracts for Sydney's M2, there was a clause stipulating that no competing rail line would be built for commuters across the decades of tolling ahead. When Barry O'Farrell (nearly twenty years later) pledged to build the north-west rail link, it was challenged by Transurban but lost on a technicality.

The great injustice of the current tollway system; is that for many Australian cities (particularly since the ripping out of the old tram networks in the mid-20th century), the use of these tollways has become the only perceived – if not *actual*, viable way to get anywhere in a reasonable amount of time – this needs to be addressed on social equity grounds.

### **HOW TOLLING HAS CHANGED**

In the late Eighties, Australia's tollways were mostly PPP operations, where the private sector would be rewarded with toll revenue for taking on the risks of construction. At present (after the failure of several motorways in more recent years), the risk has started to return to Governments who feel they must provide the start-up cash into current projects like the WestConnex, before the private sector can see the benefits of ownership. This does not guarantee they will succeed, it just means the taxpayers loses out big-time, if our new motorways also fail.

### **CONCERNS OF COMMUNITY EXPLOITATION**

Tollways are but one way to pay for a population's transport needs, but when it's the only way a government will fund – meaning that motorists become a cornered market with no alternative – that's effectively when tolls become an everyday expense. This impacts the cost of living and is more like another level of inescapable taxation. Despite this, most of the revenue from tollroads now goes

to the private sector – and this needs to be examined if we wish to put an end to the revenue crisis the nation currently finds itself in.

## BOTTOM LINE

We don't have a debt crisis, we still have a revenue crisis. Ironically, the former Treasurer, Joe Hockey, sought to reward the States willing to recycle assets and who wished to build roads with Commonwealth funds. How we pay for transit provision in the future must be addressed with more sustainable levels of finance – because the bottom line is we will not end congestion by building more roads - and we will not be able to achieve a sustainable level of revenue if our Governments continue to sell-off our assets, which have the potential to still turn an ongoing profit.

## HOW THE CAR HAS SHAPED OUR CITIES AND WHAT SHOULD

Since the disruption that came with affordable and accessible private motor vehicles, public transport has been considered less and less of a priority for Governments of all persuasions. Cars have been a disruption to society as much as a distraction from building a sustainable future. Suburbia continues to sprawl – and our politicians may surrender commentary to populist shock-jocks and tabloid newspapers – who rant about the need to build our 'missing link roads' first, but the truth is we need build our cities more sustainably, with greater densities, more public transport and active transport links - and ensure development is first transit-oriented, not car-dominated. If we look at Global cities around the world, the most iconic and successful are those with excellent transport systems – and this seldom involves roads. That's why New York and London are dominant centres of commerce over sprawling cities like Los Angeles.

Once upon a time our major arterial roads were known as 'freeways'. Now, we have a user-pays system and on most metropolitan centers. Consequently, any big new roads we build are referred to as "motorways" – but more accurately they are 'tollways'.

## WHAT DO WE NEED?

Essentially, more public transport, particularly rail – both heavy and light – to take the pressure off our existing road systems.

## SUMMARY OF RECOMMENDATIONS

- Stop funding WestConnex

- Make legislation which ensures that viable public transport alternatives are always funded to compete with motorways monopolies
- End the ability of toll operators to fund political parties
- Redirect toll revenue into public transport provision
- Nationalize key motorway links to increase revenue which can be spent on providing public transport alternatives.

Thanks for your time,

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