



INDEPENDENT TOLL REVIEW

Public Consultation Summary Report

2023 Independent Toll Review

August 2023

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Acknowledgement of Country

The Independent Toll Review acknowledges the traditional custodians of the land on which we work and live.

We pay our respects to Elders past and present and celebrate the diversity of Aboriginal people and their ongoing cultures and connections to the lands and waters of New South Wales.

Many of the transport routes we use today – from rail lines, to roads, to water crossings – follow the traditional Songlines, trade routes and ceremonial paths in Country that our nation’s First Peoples followed for tens of thousands of years.

The Independent Toll Review is committed to honouring Aboriginal peoples’ cultural and spiritual connections to the lands, waters and seas and their rich contribution to society.

Overview

On 5 April 2023, the Independent Toll Review (the Review) was announced by the Premier, the Hon Chris Minns MP; the Treasurer, the Hon Daniel Mookhey MLC; and the Minister for Roads, the Hon John Graham MLC.

The Review is being led by Professor Allan Fels AO, former Chairman of the Australian Competition & Consumer Commission, and Dr David Cousins AM, former Chair of the Prices Surveillance Authority and Director of Consumer Affairs Victoria.

Consultation with the community and stakeholders ran from 14 June to 28 July 2023.

This document provides an overview of the public consultation activities undertaken during this period. It highlights the key themes and issues raised by the community and stakeholders and explains the next steps in the Review.

Background

Tolls in New South Wales are a form of motorway pricing which apply a ‘user-pays’ model, whereby the cost of providing motorway capacity and connectivity can be recovered from the road users who benefit from its usage.

In addition to building infrastructure, this form of motorway pricing has a role in managing traffic flow and the use of the motorway and broader road network to minimise delays, congestion and accidents.

The evolution of tolling arrangements in New South Wales has largely been on a case-by-case basis as new toll roads have been commissioned. Although there is a set of ‘NSW Tolling Principles’ that guides the toll setting process, the current arrangements do not reflect a system-wide approach, and incorporate a variety of different charging mechanisms.

The 10 specific principles are:

1. New tolls are applied only where users receive a direct benefit.
2. Tolls can continue while they provide broader network benefits or fund ongoing costs.
3. Distance-based tolling for all new motorways.
4. Tolls charged for both directions of travel on all motorways.
5. Tolls charged reflect the cost of delivering the motorway network.
6. Tolls take account of increases in expenses, income and comparable toll roads.
7. Tolls will be applied consistently across different motorways, to the extent practicable, taking into account existing concessions and tolls.
8. Truck tolls at least three times higher than car tolls.
9. Regulations could be used so trucks use new motorway segments.
10. Untolled alternative arterial roads remain available for customers.

About the Independent Toll Review

Context

In 2022, the previous NSW Government established a Toll Road Pricing and Relief Reform Review. The terms of reference for that review were released in March 2022. NSW Treasury (Treasury), with support from Transport for NSW (Transport), were requested to lead that review, identifying areas of concern, and suggesting areas of reform. No formal report on this work was released.

In its 2023 NSW Election campaign, the Labor Party promised, if elected, to conduct an independent review of road tolls and toll relief. On the 5 April 2023, the Independent Toll Review was announced by the Premier, the Hon Chris Minns MP; the Treasurer, the Hon Daniel Mookhey MLC; and the Minister for Roads, the Hon John Graham MLC.

The Government committed to the Review and its recommendations being made public. It indicated that the Review would be open to submissions and would consult with the transport sector and the toll-paying public.

Aim of the Review

The Review aims to streamline toll road pricing arrangements. Specifically, the Review will examine:

- the structure and level of tolls in New South Wales, looking at their efficiency, fairness, simplicity and transparency, existing agreements with providers and the impact on all forms of transport
- the extent to which tolls should reflect the capital and operating costs of roads, the impact different users have on road sustainability and the use of roads throughout the day
- the appropriate targeting of relief to provide fairness for the whole community and how to ensure that the community, rather than toll road owners, benefit from toll relief
- whether tolls are understandable, simple for motorists to pay and administratively efficient to collect
- the scope for competition and regulation to influence road tolls, and the efficiency of service performance by providers.

Approach and activities

The Review is being led by Professor Allan Fels AO, former Chairman of the Australian Competition & Consumer Commission (ACCC) and Dr David Cousins AM, former Chair of the Prices Surveillance Authority and Director of Consumer Affairs Victoria.

Professor Fels and Dr Cousins serve as the independent Chair and Deputy Chair, respectively, of a cross-agency Steering Committee for the Review, with representatives from Treasury, Transport and the NSW Cabinet Office.

The [Terms of Reference](#) for the Review were tabled in Parliament in May 2023. A [Discussion Paper](#) was released by the Review leads in June 2023.

As part of their Review, the Review leads have considered the extensive work completed to date by Treasury and Transport in reviewing the tolling arrangements across New South Wales, a [summary](#) of which can be found on the [Treasury website](#).

The Review's public consultation period ran from 14 June to 28 July 2023. Members of the public as well as other groups, organisations and industry stakeholders were invited to make submissions in writing or at one of three public consultation hearings held across Sydney.

As part of the consultation process, the Review also held targeted, private meetings with relevant stakeholders to hear their questions and feedback.

The Review leads will consider all submissions made to the Review.

In mid-2024, a final report with recommendations will be presented by the Review leads to the NSW Government.

The Independent Toll Review – public consultation period

What we did

Consultation with the community and stakeholders ran from 14 June to 28 July 2023. Members of the public, businesses, academics, local councils, government agencies, peak bodies, local business chambers, member organisations, interest groups and industry stakeholders were invited to make submissions in writing or through one of three public consultation hearings held across Sydney.

The Review engaged with more than 700 groups and individuals to promote the Review and invite submissions. Transport also conducted a social media campaign about the Review from 3 to 20 July on Facebook, LinkedIn and Twitter. This campaign was supported by Treasury.

In communications about the Review, members of the public were directed to the [Discussion Paper](#) released by the Review leads in June 2023. To encourage as wide engagement as possible, the Discussion Paper was made available in English, Arabic, Punjabi, Simplified Chinese and Vietnamese.

As part of the consultation process, the Review also held meetings with relevant stakeholders to hear their questions and feedback. Many of these stakeholders went on to make formal submissions to the Review.

The consultation period of the Review presented an opportunity for stakeholders and members of the public to directly have their say about the impacts of tolls and share ideas for reform. The consultations helped build a deeper understanding of the impacts that tolls have on different stakeholders and will help ensure that the Review's outcomes are well-informed, and resonate with community needs.

Who we heard from – a snapshot

- The Review received formal submissions from 1120 members of the general public.
- The Review received formal submissions from 51 stakeholders, with 12 making a submission at the public consultation hearings held in Sydney.
- The Review held 21 other meetings with stakeholders. This report does not summarise the content of these meetings, but many of these groups went on to make formal submissions to the Review.
- Three public consultation hearings were held on the following dates.

Tuesday 11 July – Sydney, stakeholders that presented:

- Transurban

- Lidunian Partners
- Infrastructure Partnerships Australia
- Bayside Council
- National Road Transport Association Transport.

The Sydney session was also livestreamed with more than 300 views on the day.

Wednesday 12 July – Parramatta, stakeholders that presented:

- City of Parramatta
- National Roads and Motorists Association (NRMA)
- Australian Logistics Council.

Thursday 13 July – Penrith, stakeholders that presented:

- Transport Workers Union
- Blacktown City Council
- Western Sydney Regional Organisation of Councils
- One community member and one small truck business owner

What we asked

In the [Discussion Paper](#) that was released by the Review leads in June 2023, a number of guiding questions were provided, to help prompt feedback during the public consultation period of the Review.

The guiding questions covered topics such as: determination of tolls, competition and regulation, criteria for assessing tolls (with subcategories for efficiency, simplicity, transparency and fairness), heavy vehicles and public transport.

It should be noted that the submission process for the public consultation (comprising an online portal with both free text and document-attachment options, as well as the chance to attend a public hearing in Sydney) did not require the answering of specific questions.

What we heard – general public

Key themes at a glance

The top ten issues raised in submissions from the general public (ranked in order of most to least mentions) were:

1. Level and setting of toll prices and administrative fees and charges.
2. Toll relief for car share users.
3. Privatisation of toll roads and everyday operation of toll roads.
4. NSW Government policy – planning, public transport, relief schemes.
5. Capped pricing.
6. Toll waivers and reductions for sitting in congestion or for other delays.

7. Exemptions or reductions in tolls for motorhomes, recreational vehicles, campervans.
8. Distance-based pricing.
9. Exemptions or reductions in tolls for motorcycles.
10. Peak and off-peak pricing.

Other themes at a glance

Other themes that were mentioned in submissions from the general public included:

1. Cashbacks, rebates and toll relief schemes.
2. Zonal charging, including CBD zones or other cordon zones.
3. Changes to tolling and toll roads for heavy vehicles.
4. Special relief for pensioners and low-income earners.
5. Consistency and simplification of toll pricing, better communication of toll prices.
6. Relief for electric vehicles.
7. Transparency around use of tolling revenue.

Key themes in detail

1. Level and setting of toll prices and administrative fees and charges

The most common issue raised in submissions from the general public was the overall level and setting of toll prices. This also included discussion of administrative fees and charges, including fines, and regular toll price escalation.

The overwhelming sentiment was that tolls in New South Wales are too expensive, particularly in light of cost-of-living pressures, high taxes – including fuel excise taxes, other costs associated with vehicle ownership including insurance, maintenance and registration; the regularity of toll increases; inequitable social outcomes arising from the overall toll pricing regime; and how the expensive nature of tolls drives user behaviour (e.g. motorists being forced to avoid using toll roads altogether due to prohibitive prices).

Associated commentary from the submissions

- ‘Motorways are supposed to be a convenient means to travel long and complicated distances, and the current toll rates are hindering this.’
- ‘The current toll charges are absolutely unfair for common and regular commuters.’
- ‘The cost is prohibitive and drives traffic onto surrounding roads making it an overall nightmare.’
- ‘The taxes we pay on car rego, licences and petrol are supposed to be going to building and maintaining our road networks, but either this isn't happening, or the government and residents are being ripped off.’
- ‘Public roads should not be tolled at all. We are already charged so many times to use our cars and pay for the roads.’
- ‘The toll prices are unfairly biased against Sydney's poorest population.’

- ‘The government really needs to understand how much we are struggling. We don’t just have money in our savings anymore.’
- ‘The government incentivises moving out west of Sydney, to receive a better chance for first home buyers incentives, yet increases tolls drastically.’
- ‘The exorbitant charges hinder socioeconomic mobility and restrict individuals’ ability to seek employment, education, healthcare, and other essential services located outside their immediate areas.’
- ‘Sydney families are being punished for seeing their loved ones, especially seeing their families from the West.’
- ‘I’m a low-income earner, working school hours to keep a roof over my kids’ heads. Last financial year I paid over \$2400 in tolls, I worked a month to pay to sit in slow moving traffic.’

2. Toll relief for car share users

Many submissions mentioned car share vehicles and the lack of tolling relief currently provided for such vehicles under the existing NSW tolling regime. During the public consultation period a large number of submissions were received from members of GoGet supporting toll relief for car share users. Peer-to-peer car sharing services such as Uber Carshare (as distinct from Uber) were also mentioned.

A common theme was that the community should be incentivised to use car sharing services. They noted benefits such as being more environmentally sustainable than personal car ownership, helping to reduce overall congestion on roads, and helping to alleviate parking challenges in high-density areas. These submissions noted that the lack of toll relief provided for in the existing tolling regime for car share vehicles was acting as a disincentive to using such services. It was seen as unfair to extend tolling relief to personal car owners while not extending the same relief to users of car share services. Although some submissions noted that car share users should be granted access to toll relief, others argued that they should be exempt from paying tolls altogether.

Associated commentary from the submissions

- ‘It is disheartening to note that toll relief is not provided to car share users despite their commitment to eco-friendly transportation practices.’
- ‘If toll relief is available for private car owners, why is it not for car sharing commuters? We use the same roads and pay the same taxes for said roads.’
- ‘Toll relief for GoGet Car Share users aligns with the government’s broader objectives of promoting sustainable transport options, achieving environmental targets, and improving the quality of life for NSW residents.’
- ‘You need to reward good behaviour – give toll relief to the share car user.’
- ‘It doesn’t make sense that we are trying to do the right thing and reduce unnecessary cars on the roads but then get penalised by not being able to claim back the tolls we pay – as we used to be able to do using our own car.’

3. Privatisation of toll roads, and everyday operation of toll roads

The third most commonly raised issue in public submissions was privatisation of toll roads. Many argued against toll roads being owned and operated by private companies, noting that toll roads are important pieces of infrastructure for the community and should be owned and operated by the state – especially since the public pays taxes to help fund their construction. Some submissions

called for the involvement of the competition regulator to encourage more competition between different toll road operators and help lower prices. A significant number also commented on the poor state of various privately-operated toll roads – particularly the M2 and the M5, blaming a lack of accountability and responsibility on the part of the toll road operators towards the general public.

Associated commentary from the submissions

- ‘Roads are a public resource, having major thoroughfares owned and used as a source of income by private businesses is an injustice, and a sign of a government’s failure to take and hold responsibility for its road networks.’
- ‘There should be a rule against a monopoly on toll road ownership to generate competition on pricing.’
- ‘Infrastructure operated under a for-profit model hurts the average consumer who have very little choice in using other means, or the other choices are costly in other ways such as higher travel times.’
- ‘The operator should have to maintain the road to an acceptable condition.’
- ‘The developers seem to build in obsolescence (e.g. number of lanes) so that they can ‘force’ the Government to extend the contract by offering widening. This causes disruption and poor citizen experience on the road.’

4. NSW Government policy – planning, public transport, relief schemes

Many submissions criticised the NSW Government in relation to broader policies – not necessarily directly related to toll roads – but which nevertheless operate to worsen the overall situation in relation to toll roads. Some submissions called for the government to provide better public transport and active transport options – including better cross-city links like metro lines, light rail, buses, footpaths and cycle ways – to help reduce the community’s reliance on toll roads. Other submissions expressed dissatisfaction overall with toll relief in the present tolling regime, arguing that taxpayers are funding the relief and the benefit is landing back with private toll road operators. Other submissions noted a lack of foresight by present and previous state governments when it comes to city planning and toll road planning.

Associated commentary from the submissions

- ‘More investment into genuinely useful, efficient, and practical public transport should be made to help alleviate pressure on the road network.’
- ‘Better cross city links (e.g. North-south running train or metro lines) would help to encourage people away from road use and onto public transport, which allows for things like heavy vehicles to have easier movement on the roads.’
- ‘... the complete lack of foresight in the approval of Tolling Concessions in the state has created a situation of such extreme financial burden on users that it has been necessary for the Government to intervene with a toll relief program. The “toll relief” program is effectively a taxpayer funded handout to Transurban, and allows them to continue to profit from absurd concessions that allow them to increase tolls for over two decades at a rate that’s higher than average inflation.’

5. Capped pricing

The fifth most common issue related to the need for a cap on toll pricing. Some called for a daily cap while others called for a weekly, monthly, quarterly or yearly cap. Others expressed general support for the present government's plan to introduce a \$60 a week toll cap in early 2024 on top of the existing Toll Relief Rebate Scheme.

Associated commentary from submissions

- 'We really need to introduce the same system as Opal for trains busses and ferries to toll roads, have a daily and weekly cap to help people cope better during this cost of living crisis.'
- 'Tolls need to be scrapped or capped. The quarterly increase every toll, every road, every quarter is just unsustainable. As a pensioner with an active lifestyle and various community activities, this is a substantial portion of my pension paying to make Tollways more profitable.'
- 'The downside [of caps] is there would still be revenue flowing to concessionaires, and that revenue (above the cap) would be borne by people not using the tollways through government funding. It can be argued that this is part of the "greater good" but it disadvantages those, particularly regional and remote who infrequently or never use the toll roads.'

6. Toll waivers of reductions for sitting in congestion or for other delays

Some submissions called for waivers/refunds or reductions in toll fees in circumstances where motorists were unable to drive at the posted speed limit of the toll road – whether due to congestion, maintenance, accidents or other issues outside motorists' control.

Associated commentary from the submissions

- '... as a user of a toll road, I'm paying to get somewhere faster than I would otherwise. As such, I believe the toll road operators need to provide discounts to tolls charged when we aren't able to travel at the normal speed.'
- '... accidents and time wasted sitting in traffic caused by poor management of toll roads should be compensated by toll operators, giving refunds to toll users and those impacted by their inability to provide the basic service of a road that was built to reduce congestion and traffic.'

7. Toll exemptions or reductions for motorhomes, RVs, campervans

Under the present tolling regime, motorhomes over 2.8 metres in height are charged as 'Class B vehicles' – the same way that heavy commercial vehicles are charged. Submissions relating to this issue noted that motorhomes should be charged in another way – either the same as Class A vehicles, or that they should be eligible for other discounts/reductions, because these vehicles are typically not used for commercial purposes (often owned by pensioners) and do not weigh as much as commercial trucks, thereby resulting in less wear and tear to roads.

Associated commentary from the submissions

- 'My motorhome is for recreational purposes and not for business. A truck driver gets to claim their charged toll as this is part of what they need to pay in order to conduct their business.'
- 'A large proportion of RVs are owned by retirees ... people who have paid taxes all their lives and are now living on limited financial means. Recreational vehicles should be charged the same as passenger vehicles.'
- 'I believe the fairest way is to charge by class. I currently drive a motorhome on a class 1 licence. I am charged the same as a B double truck weighing up to 80 tonnes. This operator can claim this as an expense on the tax system, also they charge the customer.'

8. Distance-based pricing

The greater use of distance-based calculations in toll pricing was a key theme, with the M2 in particular mentioned quite regularly. Submissions noted that it is unfair for motorists who use only a small portion of a motorway to be charged the same as motorists who go greater distances.

Associated commentary from the submissions

- ‘The tolls on M2 need to be tolled per distance. People getting on at Pennant Hills Rd or Beecroft Rd pay a toll for the entire M2 even though they don’t even use half the distance of the road. For this reason, I avoid the M2 completely.’
- ‘The toll charge for minimal distances are not reasonable, example being from King Georges Rd to Bexley Rd ... this short 2-3 kilometre stretch was previously toll free however now with the M8 connection there’s a \$3.30 toll in addition to the M5 toll making travel into and out of Sydney more expensive.’

9. Toll exemptions or reductions for motorcycles

Under the present tolling regime, motorcycles are charged as ‘Class A vehicles’ – the same way that regular cars are charged. Submissions noted that motorcycles should be eligible for reductions or discounts, because they are smaller, cause less congestion, cause less damage to roads, are more fuel efficient and release less emissions. Of this group, some noted that New South Wales should treat motorcycles in the same way as Victoria, where motorcycles are toll exempt.

Associated commentary from the submissions

- ‘There is absolutely no need for motorcycle riders to be paying the same toll as sedans or large SUV vehicles. Motorcycles have a smaller footprint, do not damage the road like vehicles and produce less pollutants.’
- ‘If tolls were reduced [for motorcycles] then it would encourage more motorists to switch to motorcycles for daily commuting, so easing congestion. Most cars on Sydney roads in peak hour contain only one person, a very inefficient use of fuel and road space.’

10. Peak and off-peak pricing

Peak and off-peak pricing arrangements should be introduced to NSW toll roads. Toll prices during peak hours would be higher, and toll prices during off-peak hours would be lower. This would help to encourage motorists to avoid using toll roads in peak hour, where possible (either they would travel at a different time, or via other means, such as public transport). This would help to reduce traffic congestion and accidents. Some submissions said tolls should be entirely free during off peak hours. Others suggested there should be a third category of pricing for ‘shoulder’ periods.

Associated commentary from the submissions

- ‘Motorists should be discouraged to use their vehicles during peak hours and should pay a premium for tolls. This will also help reduce traffic during peak hours and promote public transport usage and ride sharing.’
- ‘The Toll Roads should charge less during non-peak hours, weekends and public holidays.’

Summary of other themes

The table below is a summary of the other themes and ideas mentioned in the submissions of the general public.

Themes	Ideas mentioned in the submissions
1. Cashbacks, rebates and toll relief schemes	<ul style="list-style-type: none"> • Calls to keep the cashback scheme on the M5 • Desire for more cashback schemes across other tolled roads, such as the M7 • Cashback schemes should be automated • Motorists should have the option of crediting their cashback towards their next vehicle registration renewal • Relief scheme is biased and discriminatory in that only those with an online Service NSW account can access the scheme
2. Zonal charging, including CBD zones or other cordon zones	<ul style="list-style-type: none"> • Some support for zonal charging, with different prices for different areas (zones) across the motorway network • Some support for a CBD pricing zone – with higher tolls/a levy to discourage entering the CBD unless necessary, thereby reducing traffic congestion • A CBD zone would allow for greater pedestrianisation and public transport expansion in the CBD • If a CBD congestion zone/levy is introduced, the Cross City Tunnel should be made free
3. Changes to tolling and toll roads for heavy vehicles	<ul style="list-style-type: none"> • Heavy vehicle multipliers on some toll roads create too much of a disincentive for heavy vehicles, which pushes them onto non-toll roads (colloquially known as ‘rat running’) and disrupts the roads for regular cars. Creates noise, pollution, wear and tear to roads, disruption to residential areas, driving hazards/pedestrian hazards • Heavy vehicles need more incentives to use toll roads. Especially for small businesses • Heavy vehicles cause more wear and tear to toll roads, so should pay more than other motorists • Calls for toll relief for zero-emission heavy vehicles • Toll caps for heavy vehicles could assist in incentivising them to use toll roads • Calls for night-time discounts on toll roads (e.g. 10 pm – 5 am) to encourage heavy vehicles to use toll roads during these hours, freeing up the toll roads for other motorists during the day • Some calls for toll exemption for all heavy vehicles • Heavy vehicle users not complying with road rules like dangerous tailgating should be banned from using tolls for a period • Heavy vehicles should only be allowed to travel in the left lane to ease congestion on tollway roads
4. Special relief for pensioners and low-income earners	<ul style="list-style-type: none"> • Support for toll relief or toll exemption for age pensioners, similar to public transport • Toll roads are generally in better condition than non-toll roads – age pensioners should be incentivised to use these safer roads • Calls for anyone with a Health Care Card to be granted toll relief • Support for means-tested toll relief more generally – low-income earners, apprentices, students, cannot afford current toll prices
5. Consistency and simplification of toll pricing, better communication of toll prices	<ul style="list-style-type: none"> • Toll road prices are inconsistent, different charges for different roads, makes it more difficult to budget and to predict travel costs • Calls for more consistent pricing across the toll road network • Support for flat fees for toll roads

	<ul style="list-style-type: none"> • Calls for better static signage in the leadup to toll roads, to better inform motorists of prices, with adequate time to choose an alternate route • Calls for better dynamic signage in the leadup to toll roads re: maintenance/ accidents/ expected delays, with adequate time to choose an alternate route • Calls for toll price information to be delivered to motorists when they start a navigation on Google Maps or any satellite navigation device
6. Relief for electric vehicles	<ul style="list-style-type: none"> • Calls for toll relief or exemption for lower impact vehicles such as electric vehicles • Toll relief for electric vehicles would incentivise faster uptake, leading to better environmental outcomes
7. Transparency around use of tolling revenue	<ul style="list-style-type: none"> • Some submissions noted a lack of information and transparency provided by the government and toll road operators around the use and allocation of toll road revenue • Many submissions expressed discontent about tolls being charged on toll roads long after construction costs have been paid off • Some submissions called for revenue on particular toll roads going back into the communities that most use the particular toll road

What we heard – stakeholders

In addition to the feedback received from the general public, the Review also heard from key stakeholders ranging from local councils, academics, think tanks and private consultants, toll road operators, associations and member organisations, chambers of commerce, ports, trucking groups and businesses, peak bodies, government bodies, an independent dispute resolution body and car share companies.

In total, the Review received 51 submissions from stakeholders, with 12 making submissions at the public consultation hearings held in Sydney. Two stakeholders wished for their submission to remain confidential.

The Review also held 21 other targeted stakeholder meetings with stakeholders. This report does not summarise the content of these meetings, but many of these groups went on to make formal submissions to the Review.

Local Councils

The Review received submissions from 10 local councils and one organisation of councils as follows:

- Bayside Council
- Blacktown City Council
- Central Coast Council
- City of Canterbury Bankstown
- City of Parramatta
- City of Sydney
- Liverpool City Council
- Penrith City Council
- Shoalhaven City Council
- The Hills Shire Council
- Western Sydney Regional Organisation of Councils.

Submissions strongly recommended improving the toll pricing regime, through the implementation of measures such as toll caps, distance-based pricing and peak and off-peak periods.

Councils located within Western and South Western Sydney outlined the unique financial and geographical disadvantages their constituents experience with toll roads in comparison to those in the CBD and Eastern suburbs, who are generally less reliant on toll roads. The financial burden of tolls for these Western and South Western communities, the councils argued, is impeding equitable access to infrastructure, jobs and services.

Another issue that was raised by local councils was toll road avoidance, notably by heavy vehicles. Councils noted the negative impacts of heavy vehicles' toll road avoidance on local communities including noise pollution, decreased air quality, threats to safety, and traffic congestion. Councils recommended better incentivising toll road usage for heavy vehicles and/or disincentivising toll road avoidance.

Many councils argued that there is a lack of strategic engagement between the NSW Government and local councils in relation to tolling.. Submissions expressed the need for the public to be better consulted about tolling through genuine and open dialogue. They argued for increased, ongoing transparency in relation to the present Review.

Associated commentary from the submissions

Bayside Council

- 'We need both genuine incentives for using motorways and deterrents for using local connections, especially for heavy vehicles.'

Blacktown City Council

- 'Western Sydney residents feel that they are being unfairly burdened by the costs of toll roads, while others benefit from the convenience of living in areas with better public transportation.'

Central Coast Council

- ‘A successful review of the toll road network would ultimately deliver practical, deliverable and targeted measures which would ensure fair pricing to toll road users; the simplification of pricing structures; and improved user-friendly access to information about the toll road network to improve transparency with the community.’

City of Canterbury Bankstown

- ‘Council is calling on the Review Chair and Deputy Chair to make strong and actionable recommendations to rectify the structural inequality, inequity and opaqueness that is built into current toll regimes.’

City of Parramatta

- ‘Toll avoidance results in significant economic and social impacts on businesses, workers, visitors to the centre and residents living in and around the centre.’

City of Sydney

- ‘Support to address cost of living should not lock the Government into what is effectively a long-term transfer payment to toll road operators.’
- ‘Achieving a good deal for motorists cannot be at the expense of great, economically vibrant places and achieving a more equitable and sustainable transport system to support Sydney’s future.’

Liverpool City Council

- ‘Public transport infrastructure and services in the Liverpool LGA are inefficient and not well connected compared to other parts of the Sydney Metropolitan Area.’

Penrith City Council

- ‘Council believes that our community wants to see evidence that the money spent on tolls is leading to better community outcomes in the long-term.’

The Hills Shire Council

- ‘The main mode of vehicular travel across the Sydney region for our residents often intersects with the toll network – particularly trips to/from the Sydney CBD. To date other regions have been subsidised but not Hills residents.’

Western Sydney Regional Organisation of Councils

- ‘Strategic dialogue with communities is, at the moment, a fragmented, incoherent, project-focused process that fails to engage with the very people that are supposed to be beneficiaries of this process.’

Academics, think tanks and private consultants

- Committee For Sydney
- Grattan Institute
- Infrastructure Partnerships Australia
- Lidunian Partners
- University of Melbourne
- University of Sydney
- University of Queensland
- University of Wollongong.

The Review received submissions from three think tanks, one private consultancy and four academics.

Submissions argued that the NSW toll network needs to become fairer and more efficient. They noted that tolls are too expensive, are confusing to understand, are increasing cost of living pressures and causing inequitable societal outcomes.

Some submissions noted that the current pricing regime, which includes fuel excises and various other fees, lacks transparency and fails to reflect the true costs of road use.

Some submissions argued for tolls to be set on a network-wide basis, incorporating peak, shoulder, and off-peak distance-based charges with fairness criteria.

One submission argued for an overall reduction in toll prices, while other submissions noted the effect such measures would have in increasing congestion on toll roads. These submissions suggested taking a more holistic view of the entire road and transportation system, with toll roads being just one part of the picture. They suggested that toll road reform should occur at a national level and that New South Wales should take a leading role.

There was some support in submissions for greater involvement from the Independent Pricing and Regulatory Tribunal (IPART) in toll pricing reform.

There was a suggestion that NSW Government could consider introducing a low-emissions zone in metropolitan Sydney, which would prevent high-polluting vehicles from driving in heavily populated areas.

Associated commentary from the submissions

Committee for Sydney

- ‘Sydneysiders spend too much time and money sitting in traffic.’
- ‘In our view, the introduction of a per kilometre road user charge in Sydney would have the biggest impact on reducing traffic.’
- ‘If we make it cheaper for people to drive, more people will drive, meaning more people will be stuck in traffic for longer.’
- ‘To ensure we don’t review the cost of tolls in isolation and accidentally make driving a cheaper option than public transport, we should review the cost of travel in Sydney more broadly.’

Grattan Institute

- ‘... New South Wales is on its third toll relief scheme, and it’s possible that taxpayer-funded compensation will be paid to toll companies. It’s clear that tolls won’t fully fund roads.’
- ‘A new scheme should set peak-period charges that vary by location, and offer free or cheap use of the roads when they are not overly busy. It should build in a mechanism for updating tolling rates from time to time when road conditions change.’
- ‘... tolling for congestion management means tolls should vary by time of day and location, and when conditions change, toll rates should change too.’
- ‘The aim should be to change the behaviour of drivers who are flexible about when, where, or how they travel.’

Infrastructure Partnerships Australia

- ‘The existing network of motorways is regularly impacted by congestion, important road links remain incomplete and pressure on the network is set to grow considerably over coming decades.’
- ‘Network tolling provides a practical and short-term option for improving utilisation of the Sydney Motorway Network without placing substantial cost pressures on the state budget. Indeed, if well designed and implemented, the development of an efficient tolling regime for the network could potentially contribute a new revenue stream to fund infrastructure.’

Lidunian Partners

- ‘I believe the logical solution for fixing our toll road contracts is to adopt the regulated utility model.’
- ‘... from the broader community perspective, it’s important that there is this regulatory oversight because that is actually deemed to be providing issues around equity and fairness and consistency.’
- ‘The main area that I think is the big opportunity here is these projects, once they become operational, how do we then best ensure that our investors, our superannuation funds are then earning a fair return for the risks per se that they’re actually taking on.’

University of Melbourne

- ‘Tolls can be used to achieve sustainability-related objectives such as congestion alleviation, emission reduction, safety enhancement and social equity.’
- ‘When user costs for both cars and trucks are optimised this leads to significantly lower toll levels for cars and trucks and lower social and environmental costs are achieved as well as attaining reasonable return of investment.’

The University of Queensland

- ‘Since the value of a road network does not depend on a single road, but on the transport system as a whole, efficient management of toll roads are crucial to the nation’s welfare, even when individual roads are privately owned.’

University of Sydney

- ‘... the toll review should be positioned to be able to transition to a network-wide solution as part of a longer-term commitment to ensuring road use efficiency, accompanied by some equity (justice and fairness) rules to ensure that no one is worse off financially.’

University of Wollongong

- ‘There needs to be some pricing carrots and sticks to get people to think twice before getting into a car and driving around Sydney.’
- ‘The Greater Sydney Region faces transport challenges on many fronts. To restore Sydney’s ranking in the top ten liveable cities of the world (it had a place there, for many years, until 2019) will require road pricing reform along with sustained investment in its rail system.’

Toll road operators

- NorthWestern Roads
- Transurban.

The Review received two submissions from toll road operators.

NorthWestern Roads’ submission suggested two potential improvements to the operation of New South Wales motorways. Firstly, enhancing information provision at crucial decision points to facilitate informed choices – for example, sharing live information on traffic conditions, transit times and toll rates. Secondly, enhancements to simplify the administrative process for toll notice payments to reduce fees and the burden on customers. Currently, a single journey without an eTag sees a hard copy invoice printed and mailed to the motorist, based on the vehicle registration. Instead, NorthWestern hopes the NSW Government will assist in shifting to an email system. They noted it will reduce costs to the customer, improve accuracy and make paying easier.

Transurban’s submission supported a more consistent pricing approach across the toll road network which could combine distance-based tolling (by zone) and access charges, in addition to time-of-day pricing to manage demand. Transurban noted that a fixed access charge across the Sydney toll road network could help capture the marginal cost of short trips, given the impact these shorter length trips can have on congestion, thereby impacting overall network efficiency. It noted that time of day pricing may be effective in demand and congestion management, and that off-peak pricing for trucks would encourage them to drive at less busy times, providing a safer and better customer experience for other commuters. Transurban sees an opportunity to improve the toll notice process and also on-road signage, to provide motorists with additional information to help inform their route choices.

Associated commentary from the submissions

NorthWestern Roads

- ‘At a time of economic uncertainty, cost-of-living pressures and challenging state finances, it is more important than ever that our infrastructure provides value for money and supports economic growth.’
- ‘Westlink M7 and NorthConnex have made substantial contributions to the ongoing development from Western Sydney through to the Central Coast, benefiting both residents and businesses.’

Transurban

- ‘Transurban recognises that the evolution of the network, through the progressive addition of toll roads and “missing links”, has led to a variety of tolling regimes. These regimes have been determined predominantly by the funding requirement to develop each motorway.’
- ‘Transurban see an opportunity to work with the NSW Government to address pricing disparities across Sydney’s toll road network to create a simpler and more transparent system for customers, and one that achieves a more efficient road network.’

Associations and member organisations

Recreational

- BMW Touring Club of NSW
- Campervan and Motorhome Club of Australia
- National Association of Caravan Clubs
- Motorcycle Council of NSW.

Other

- NRMA
- Action for Public Transport
- Business NSW
- Bus NSW
- Epping Civic Trust
- Transport Workers’ Union of NSW.

The Review received submissions from four recreational associations and six other associations/member organisations, including one trade union.

Submissions argued that there is a lack of transparency around the conditions for price setting. They noted that distance-based tolls and time of day pricing together with a comprehensive user pays model which reflects when and where congestion arises may aid in improving toll fairness.

Submissions supported improving signage on all toll roads – both in relation to pricing and expected delays or hazards – so that motorists can make more informed decisions about whether to use or avoid toll roads.

Submissions noted that buses and coaches in New South Wales are subject to the same charges as trucks, which pay triple the amount charged for cars. Submissions argued that toll prices should better recognise the difference between tasks performed by trucks as opposed to buses and consider removing tolls altogether for buses that provide regular passenger and school services as well as rail replacement services.

Submissions argued for new vehicle classes to be introduced, which better take account of vehicle type, dimensions and weight. Submissions noted that the present tolling regime is particularly unfair for motorcyclists, who are charged like regular cars.

With regard to heavy vehicles, such as trucks, submissions suggested an extensive review of the current pricing multipliers. They argued that contract carriers and small business operators in the transport industry are particularly unfairly impacted by the present multipliers.

Submissions noted that the present tolling regime disproportionately impacts residents of Western Sydney as compared to those in the Northwest or East Sydney. They argued that previous attempts to address price inconsistencies through ad hoc initiatives, including rebates and reductions, have not provided adequate relief.

Associated commentary from the submissions

NRMA

- ‘Less than 10 per cent of NRMA members understand how tolls are calculated.’
- ‘Primarily due to geographic location, NRMA members in Western Sydney ... the Southwest, Northwest and the Blue Mountains feel most disadvantaged by toll roads.’
- ‘Given current pricing structures, members in Western Sydney are more likely to actively avoid using toll roads than in any other area.’

Transport Workers’ Union of NSW (TWU)

- ‘The “burden” faced by small businesses ... can be attributed to the high cost of toll charges that apply to heavy vehicles, the frequency at which heavy vehicle operators need to use toll roads, and ... the lack of a daily toll charge cap.’
- ‘Contract carriers and small business owners in the industry have expressed that they often face thoughts of “giving up”... as it is becoming increasingly more difficult to operate sustainably.’
- ‘... transparency in how [heavy vehicle] multipliers are determined is necessary. Currently, there is no transparency about what methodology, quantitative or qualitative data is considered when setting toll road rates.’
- ‘The TWU (Transport Workers Union) supports a “revision” to heavy vehicle multipliers. However, this support doesn’t come from a belief that it is necessary to increase charges, but rather, lower the multiplier for certain types of heavy vehicle.’

Chambers of Commerce

- Bexley Chamber of Commerce
- Canterbury Bankstown Chamber of Commerce.

The Review received submissions from two chambers of commerce. The submissions noted the deficiencies in the present toll pricing regime. They outlined the economic importance of having efficient road systems and advocated for actions to improve road user productivity.

Submissions outlined the impacts that toll roads are having on local roads and major town centres, including bottlenecks and traffic congestion. In particular, they argued that the recent opening of the M8 has worsened road conditions in the Bexley area as road users seek free alternative routes.

Regarding toll pricing, these submissions argued for time-of-day tolling measures for heavy vehicles, to encourage driving during off-peak periods. This would optimise road performance, decrease disruption to local communities and create cost savings that would be passed onto the community – for example, in lower delivery charges for goods.

Ports, trucking groups and businesses

- Australian Logistics Council
- Freshmark
- National Road Transport Association
- NSW Ports
- Road Freight NSW.

The Review received five submissions from ports, trucking groups and businesses.

Submissions noted that overall, tolls in New South Wales are too expensive. Submissions were especially concerned with the fairness and accuracy of the tolling regime for heavy vehicles, and advocated generally for more transparency in relation to price setting and how toll revenue is used.

Submissions suggested that peak and off-peak pricing arrangements should be introduced to NSW toll roads, noting that such arrangements would need to be carefully considered to ensure they do not negatively impact the freight and trucking industry.

Submissions noted that under the NSW tolling regime, commercial operators are not able to access the same toll relief or concessional rates that private vehicles are offered.

One submission recommended that an independent regulator be established to assess and approve new toll pricing arrangements and concessions. Another suggested that a new toll price regime should provide exemptions or discounts to low emission vehicles.

NSW Ports noted the importance of having a robust NSW motorway network in the broader context of supply chains and Australia's international trade. Its submission focussed primarily on the reform needed in the tolling regime in relation to heavy vehicles. It supported lowering the existing heavy vehicle multipliers in off-peak periods.

Associated commentary from the submissions

Australian Logistics Council

- 'The impact of Sydney's tolling charges on freight logistics is a matter of growing concern for the industry; the tolling system in Sydney is fragmented, costs are high and variable, and there is a lack of system connectivity between the tolling roads. This plus congestion leads to increased costs that cannot be passed onto commercial customers and consumers, a lack of reliability, decreased efficiency and no opportunity for productivity gain.'
- 'Although new roads funded through tolls often promise increased productivity, they frequently fail to deliver on these promises, leaving the industry burdened with additional costs and limited (if any) benefit.'
- 'The financial burden of tolling charges is challenging for the transport operators to pass on to their customers due to established contract pricing and highly competitive markets.'

National Road Transport Association

- ‘Under the current approach to user pricing, heavy vehicle tolls and setting the truck toll multiplier ... results in serious negative impacts on the ability of the motorway network to play its public role in creating a liveable, productive and global Sydney.’
- ‘The introduction of new, lower tolls for low and zero emission vehicles would accelerate the uptake of these vehicles by improving their total cost of ownership. This would accelerate public outcomes for both improving urban air quality (noxious emissions) and achieving net zero carbon emissions.’
- ‘Before considering a potential Sydney CBD congestion charge zone as raised in the discussion paper, the NSW Government should first end the practice of subsidising light vehicle movements with heavy vehicle tolls and reduce the heavy vehicle toll multiplier to a cap of two times the light vehicle toll.’

NSW Ports

- ‘Truck toll multipliers need to provide the right incentives for the use of higher productivity vehicles. An efficient tolling regime for heavy vehicles is critical to ensuring land transport costs remain low and that freight can move efficiently around the city.’
- ‘Current NSW regulations do not permit the transport of dangerous goods (including tankers or containerised dangerous goods) through tunnels – as a result, surface roads, outside of the tolled motorway network, are used to avoid tunnels on the motorway network. It is critical reliable and high-capacity dangerous goods surface routes are maintained for heavy vehicles to safeguard the continued efficient distribution of fuel products across Sydney and New South Wales.’

Road Freight NSW

- ‘Off-peak discount tolling for trucking companies, and “last mile” delivery, to incentivise trucking companies and others to perform work after peak times would work well and lead to safer roads because trucks and deliveries are not on the roads during light vehicle commute times.’
- ‘Heavy vehicle operators should not be paying for road network improvements through increases in tolls without experiencing the promised efficiencies themselves.’

Peak bodies

- Australasian College of Road Safety
- Cement Concrete and Aggregates
- NSW Council of Social Service
- Roads Australia
- Walk Sydney.

The Review received five submissions from peak bodies.

These submissions noted that tolls in New South Wales are too expensive, especially considering cost-of-living pressures. They also noted the inequitable societal outcomes arising from the overall toll pricing regime.

Some submissions called for the NSW Government to provide better public transport and active transport options, and suggested reallocating road space to encourage walking and cycling for

shorter journeys and to help reduce communities' reliance on toll roads. Some also supported distance-based and peak and off-peak pricing arrangements.

One submission suggested the NSW Government should consider a range of other tolling options for heavy vehicles and should alter the tolling system so that transportation companies that invest in environmentally sustainable equipment and low emission vehicles receive greater toll relief or exemptions.

Associated commentary from the submissions

NSW Council of Social Service

- 'Our primary recommendation is that poverty and economic disadvantage should be a consideration in both the setting of tolls and the design of relief schemes.'
- 'People on low incomes can be highly reliant on toll roads, and not always due to choice ... more low-income households are being forced to move further away from employment centres and ready access to schools, services and other amenities in their quest for affordable housing. This is causing more low-income households to use toll roads to travel for work, education and other essential reasons such as access to healthcare ...'
- '... low-income households should be given higher levels of toll relief than those with higher incomes, irrespective of where they live and which toll roads they use.'

Roads Australia

- 'Toll roads in New South Wales have delivered benefits such as the accelerated delivery of new assets and the introduction of new technology that can deliver safer and more efficient roads.'
- 'This Review is a timely look at both the short-term relief measures to manage immediate concerns as well as longer term considerations that can ensure fair, efficient and transparent tolling on the NSW motorway network in the future.'

Government bodies

- Independent Pricing and Regulatory Tribunal (IPART)
- NSW Ombudsman.

The Review received submissions from two government bodies.

These submissions emphasised the complexities of the tolling system and the need for a more streamlined pricing structure.

IPART expressed support for the Review and indicated its willingness to provide additional regulatory oversight of tolls in future.

The NSW Ombudsman detailed the types of customer complaints it receives about tolls and noted that it does not have jurisdiction to deal with complaints about private toll road operators or complaints relating to policy issues. Complaints within its jurisdiction are generally administrative in nature and relate to: receiving multiple toll notices for vehicles not owned by the complainant; delays in processing refunds; incorrect and unexpected debits from bank accounts; incorrect and unexplained charges; incorrect classification of vehicles; faulty e-tags and related issues such as administration fees and charges for video matching fees; debt collection issues; complaint handling and customer services issues such as failure to respond and resolve; difficulty accessing toll account; difficulty understanding toll statements and details; fines related to tolls and internal review outcomes. The NSW Ombudsman has also received complaints about the toll relief program

and cashback scheme, including concerns about eligibility, delays in receiving payments, errors and customer service concerns.

Associated commentary from the submissions

IPART

- ‘... there may be a case for further regulation of [toll roads] ... IPART would be well-placed to provide additional oversight of tolls.’
- ‘We would bring our extensive experience in regulating transport infrastructure and setting prices for public transport services ... We actively engage with stakeholders as well as undertake independent research and analysis. When making decisions and recommendations, we focus on protecting consumers from unreasonable price increases, improving providers’ efficiency and service quality, encouraging competition, protecting the environment, and ensuring that efficient service providers remain financially viable.’

NSW Ombudsman

- ‘In the two years 2021-22 and 2022-23, the NSW Ombudsman received 304 actionable complaints that related to tolls.’
- ‘Over the past two financial years, at least 20 per cent of contacts to the NSW Ombudsman about tolling issues were classified by us as “misdirected” – meaning that they concerned matters outside of our jurisdiction.’
- ‘Some tolling-related complaints we receive can raise general fairness concerns about the existence of toll roads, toll increases or challenges in finding alternative (non-tolled) routes. Beyond bringing concerns to the attention of the relevant authorities, we are generally unable to assist in the resolution of these complaints, which relate to policy issues.’

Independent dispute resolution body

Tolling Customer Ombudsman.

The Review received one submission from an external dispute resolution body, the Tolling Customer Ombudsman.

The submission suggested improving the collection of tolls, such as consolidating notices. It noted that often the inability to contact users arises from a failure to update contact or registration information. This may lead to an increase in administrative costs as well as other tolls which may be incurred and owing, each of which attract their own administrative costs.

Car Share companies

Go Get.

The Review received one submission from a car share company, GoGet. GoGet noted that there is no toll relief for car share vehicles under the existing NSW tolling regime and argued for relief to be introduced.

It mentioned the community benefits that car sharing provides, including reduced emissions and reduced overall congestion on roads. The submission argued that the lack of toll relief for car share vehicles is acting as a disincentive for motorists to use such vehicles.

More generally, the submission supported a distance-based pricing model and a cordon zone charge in areas that are congested but well served by public transport.

Next steps

The Review leads will continue to closely review all submissions from the general public and stakeholders. The Review is still continuing to accept submissions for consideration. Should you wish to make a submission, please email Tolling_PMO@transport.nsw.gov.au.

The Review is expected to be completed in mid-2024 when the Review leads provide their final report to the NSW Government.

Thank you

Thank you to everyone who participated in the public consultation period of the Independent Toll Review.

We appreciate the generous contributions from community members and stakeholders across New South Wales and look forward to continuing to engage with you on the future of tolling.



INDEPENDENT TOLL REVIEW