

Toll Review

Terms of Reference

8 May 2023

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

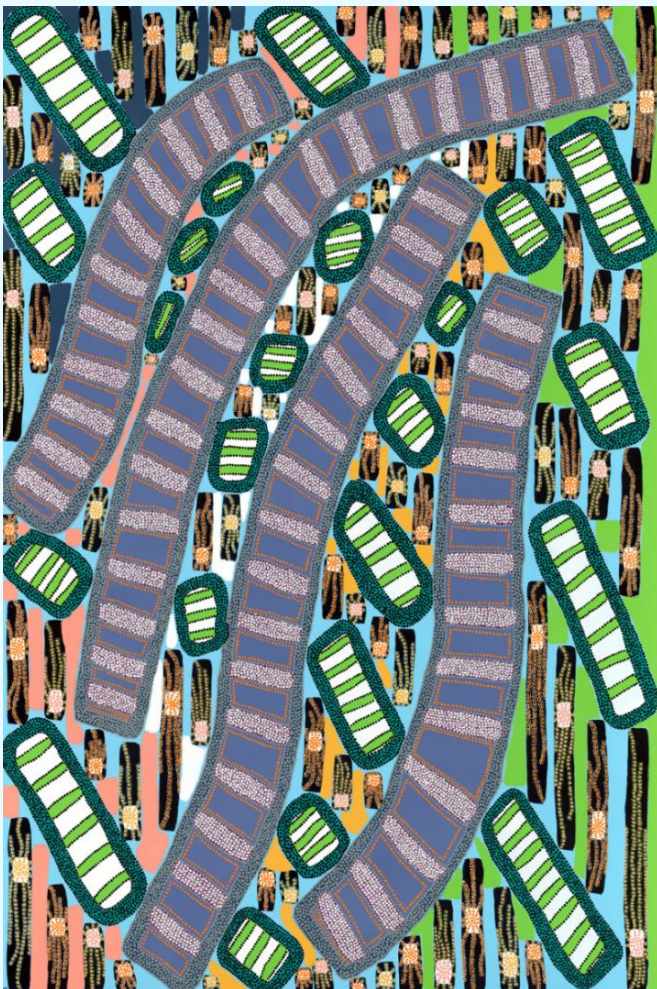
We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:

Regeneration by Josie Rose



Toll Review

Background on tolls

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 that benefit from its usage.

In addition to building infrastructure, this form of motorway pricing has a role in managing traffic flow and utilisation 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. While 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 many different charging mechanisms (i.e. different escalation rates, point versus distance, time of day versus fixed, variations in price per unit of distance or time saved, and different vehicle classification definitions).

As a result of this historical approach to tolling arrangements across the State, the following factors have been identified for consideration as part of this Review:

1. Optimising the road network to minimise congestion impacts, maximise the benefits of travel time savings and identify opportunities to reduce overall operating costs.
2. Cost of living impacts, fairness and equity for the users of NSW toll roads, particularly for regular commuters without viable public transport alternatives.
3. Inconsistencies embedded in the different arrangements leading to customer confusion.

¹ Chris Minns MP NSW Labor Leader and John Graham MLC NSW Deputy Leader of the Opposition in the Legislative Council NSW Shadow

Toll Review

Lead of the Toll Review

On 12 February 2023 the Labor Party committed to independent oversight of the review of road tolls and toll relief if it was successful at the NSW Election.

'A Minns Labor Government will also appoint Professor Allan Fels AO, former chairman of the Australian Competition & Consumer Commission (ACCC), to lead an overhaul of the toll network.

Professor Fels' overhaul would:

- immediately take charge of the current Treasury and Transport review of tolls;
- be responsible for negotiating with tolling operators to drive a good deal for motorists; and
- be tasked with looking at long term reform options to overhaul the tolling system in NSW including but not limited to potential competition in toll contracts, moving freight on toll roads at night, the intersection of public transport and toll roads, long term concessions, what other jurisdictions are doing and compliance with toll contracts.

Under Labor the review and recommendations will be made public, it will be open to submissions and will consult with the transport sector and the toll paying public'.¹

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, have been commissioned by the NSW Government to lead an 'overhaul of the toll network' – a significant policy review into motorway pricing reform across New South Wales.

Minister for Roads, 'More and Better Toll Relief for NSW Drivers', media release 12 February 2023.

Professor Fels will be the independent Chair and Dr Cousins the Deputy Chair of a cross-agency Project Steering Committee, with representatives from NSW Treasury, Transport for NSW and the Cabinet Office.

The Review will be open to submissions from the transport sector and the toll paying public, with a final report released to the public.

Upon release of the final report by Professor Fels and Dr Cousins, Cabinet will consider its recommendations.

Terms of Reference of the Toll Review

The Review will examine the basis for setting motorway tolls in Sydney and the impact of toll relief measures.

Specifically, the Review will consider the appropriate structure and level of tolls for the future having regard to their efficiency, fairness, simplicity and transparency, the historical concession agreements with providers, and the interface with all modes of transport.

It will take into account the extent to which tolls should reflect the capital and operating costs of road provision, the impact different users have on road sustainability, and the use of roads throughout the day.

Toll relief measures help to ensure the affordability of tolls for motorists. The Review will consider the appropriate targeting of relief, fairness for the whole community in funding relief, and how to ensure the community rather than toll road owners benefit from toll relief measures.

Tolls need to be readily understandable, simple to pay by motorists and administratively efficient to collect.

The Review will consider the scope for competition and regulation to influence road tolls and the efficiency of service performance by providers.

Specific activities

Specific activities will include but not be limited to:

1. Considering the work completed to date by NSW Treasury and Transport for NSW in reviewing the tolling arrangements across New South Wales, to determine if it aligns with the Government's Toll Review priorities.
2. Consulting with the transport sector and toll paying public. Key milestones underpinning this include:
 - the release of a public discussion paper in Q2 2023
 - holding public hearings in early Q3 2023
 - seeking submissions from community and industry stakeholders
3. Releasing public papers or reports which will inform the public of potential options and pathways for toll reform.
4. Working collaboratively with toll road owners to develop an implementation pathway for any proposed changes to the toll road network.

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