



INDEPENDENT TOLL REVIEW

Independent Toll Review

Interim Report – Executive Summary

March 2024

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.

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Executive Summary

The broad significance of tolls

Tolls cost motorists in Sydney around \$2.5 billion each year. For ordinary motorists, tolls can be a significant cost at a time when cost of living pressures are a worry. For businesses, especially smaller businesses, tolls can also be a concern, particularly if competitive pressures prevent these costs from being fully passed on to customers.

More generally, tolls have an important role in the life of the people of Sydney. They affect where they live and work and the communities in which they live. They are affected by, and themselves affect, demographic, economic and social changes.

Besides reflecting and affecting land settlement patterns they affect property values and patterns of public transport use.

They affect how quickly, safely and comfortably people travel. They also have an impact on people who are not driving on toll roads, relieving, or in some cases, adding to congestion, and they affect carbon emissions and the environment. They are also heavily used by trucks to carry freight around the metropolitan area and thereby contribute to costs in the business sector.

Toll roads are part of a wider system of roads and public transport.

This report is about tolls in the Sydney metropolitan area. There are 13 toll roads in Sydney, including two¹ operated by the State Government. The remaining 11² are operated by private concessionaires³. This makes Sydney the most tolled city in Australia. The city location of the toll roads makes their economic and social impact large.

Tolls have been developed for each of the thirteen toll roads separately without regard to any overall system linking them.

There is no unified system of tolling.

Tolls differ. Some are charged on the basis of distance travelled, with varying charges per kilometre for different roads; others charge an access fee; yet others charge a combination of an access fee and a distance related charge. Some roads have caps on the tolls charged. Over time, tolls are escalated by set rates, but the escalation rates again vary between roads.

Regarding the Sydney Harbour Bridge and the Sydney Harbour Tunnel, only southbound motorists pay tolls. On the Eastern Distributor only those travelling north pay.

The myriad of arrangements reflect a mixture of economic, commercial and political considerations that were brought to bear in determining the toll for each tollway.

An important theme of this report is the need to have a coordinated network pricing system based on simpler principles than at present. This will enhance the efficiency and fairness of tolls and help motorists to have a better understanding of the cost of their trips.

¹ Sydney Harbour Bridge and Sydney Harbour Tunnel

² WestConnex M4, WestConnex M4-M8 Link (including Rozelle Interchange), WestConnex M8, WestConnex M5 East, Westlink M7, Hills M2, Lane Cove Tunnel (including Military Road E-Ramps), Eastern Distributor, M5 South-West, Cross City Tunnel and NorthConnex

³ There are 10 concession agreements covering these 11 roads. One concession agreement covers both the WestConnex M5 East and WestConnex M8.

Most toll roads are leased from Government and operated by private ‘concessionaires’. Transurban has a minimum 50 per cent ownership of each of the privately operated toll roads.

The system is based on each tollway having its own individual contract, each long lasting although of different durations. The contracts are tightly written. In theory they can be changed by agreement between the Government and the concessionaires, but in practice it is considered unlikely all parties involved will agree to genuine reform of tolls and if they did this is likely to involve significant cost to the public.

There are also competition law restrictions about agreements, not to mention substantive competition policy issues. There are significant contractual rights if the arrangements are changed by law.

Problems with toll setting

There are numerous concerns about the structure and level of tolls identified in this report. These problems essentially stem from the way tolls have been set under individual concession agreements at different times over the past three decades or so.

Public Private Partnerships

Private finance has been used to construct and operate most of the toll roads under Public Private Partnership agreements between governments and the concessionaires. In return the private concessionaires have been able to collect tolls from users of the roads according to amounts specified by toll schedules in their concession agreements. These schedules specify base tolls as well as escalation rates over the length of the concession agreements, generally between 30-40 years.

It is widely accepted that Governments can borrow more cheaply than private sector organisations, but that the latter may have stronger incentives and scope to perform necessary road design, construction, operation and maintenance tasks efficiently. Any new road should be justified on the basis that the community benefits to be obtained outweigh any associated costs. The use of private finance in preference to Government funding of roads should in turn be based on value for money considerations (generally assessed by comparing public and private costs with the aid of a Public Sector Comparator). However, governments have often perceived that they have not had the capacity to fund new road projects and have therefore placed significant emphasis on private sector finance.

No cost or limited cost to governments

A reluctance to support major motorway projects with government borrowings has also in the past often meant that the great majority of funding for these roads has had to come from the private sector and ultimately from tolls. The desire to have roads funded at no or little cost to government has meant that more of the funding burden has fallen on the users of roads via tolls, even when the broader community has obtained substantial benefits from a road.

Absence of competitive bidding to provide the lowest tolls under concession agreements

Competitive bidding processes have been used to determine who the concessionaires would be for the individual roads. Competitive processes have not, however, operated in the determination of tolls. Rather tolls have been determined administratively by governments and bidders have framed their bids around the advice on tolls given to them. Other criteria, such as reputation, past experience and design innovation, have determined the bidding outcomes.

Tolls have been set administratively by governments with little opportunity for future amendment

Since tolls have been set administratively rather than by competitive market forces, the likelihood that they have not always been set appropriately becomes a real one.

The concession agreements specify the basis for setting tolls over the life of the concession agreements. An inappropriate toll base or escalation rate, for example taking account of changes in demand or technology over time, could not be readily corrected.

Toll setting was more focused on financial concerns than on economic management of the roads

The approach to setting tolls has been influenced more by the perceived need to cover the concessionaire's financing costs than by the need to manage traffic on the roads. It has also not had a strong regard to principles of efficiency and fairness in setting individual tolls.

Tolls can influence demand and their structure and level can be altered to modify traffic flows over time. One concession agreement (NorthConnex) contemplates that the concessionaire may wish to set time of day (peak/off peak) tolls. But the application of this approach to pricing would depend on whether the concessionaire wished to implement it and requires Government approval.

It is only in recent years that an attempt has been made to develop for future roads a more uniform approach to setting tolls based on a common set of principles. However, there remains in place a wide diversity in the way tolls are set under the different concessions.

Lack of transparency on key elements of toll determinations

Another major problem with the toll setting process has been its lack of transparency. While much information has generally been made available about proposed new roads from a planning perspective, it has not included the detail needed to assure the public that tolls have been set appropriately. In particular, the Base Case Financial Model (BCFM) information related to the tolls has not been made available to the public and concessionaires have not been required to disclose data on actual rates of return realised on individual road investments. Further, assessments of user willingness to pay, including Value of Travel Time Savings surveys, have not been subject to public review before decisions about tolls have been taken.

The allocation of traffic risk to concession holders adds to the level of tolls

A significant aspect of the concession agreements is the allocation of risk between government and concession holders. Particularly important here is the allocation of traffic risk. The income of concessionaires will depend on the volume of traffic which uses the road and pays tolls. This can be uncertain, especially at the time of construction of the road. Higher tolls will need to be set if concessionaires take on this risk rather than governments.

Most of the concession agreements have, in fact, allocated the traffic risk to the concessionaires, and this will be reflected in higher tolls.

Rates of return for concession holders have been generous

Most of the concession agreements date from the 1990s and 2000s, and their built-in rates of return have reflected the higher costs of capital prevailing at the times the agreements were concluded. These rates can be regarded as generous compared to rates which would be considered should apply today.

Tolls set under the concession agreements encourage concessionaires to seek efficiency improvements since the benefit of these improvements can be retained by them. There is no general requirement for efficiency benefits to be shared with users in the form of lower tolls.

Toll escalation means users pay more in the future

Under the concession agreements tolls are escalated over time at least in line with the Consumer Price Index and often above this index when inflation is more modest than it has been in Australia for the past couple of years. Most concessions include 'floor' provisions, which means that the toll price does not decrease, even if Consumer Price Index (CPI) does. This pattern of cost recovery for toll road operators means that governments have been able to avoid, to some degree, criticisms in the short term of high tolls since there is an element of deferral of these to the longer term.

Transurban's dominance

Past governments have allowed Transurban to become the dominant player in the Sydney toll market. The Australian Competition and Consumer Commission (ACCC) has also not opposed Transurban's acquisitions of other concessions, although this approach seems to be changing. Transurban has benefited significantly from its road acquisitions. It has acquired assets which are attractive to investors because of their long-term earning power and protection from inflation. Transurban has been able to retain the efficiencies gained from being able to operate multiple toll roads. It has benefited from being able to develop expertise in toll road operations and spread its risks more widely. Its dominance has given it both market power, especially in bidding for new concessions, and political power, in dealing with governments. It has been able to influence government road planning decisions to its benefit, for example through unsolicited proposals.

The public appears to view Transurban as a monopolist taking advantage of its position to make excessive profits. The Review considers in the early years of a concession excessive profits are less likely to be realised as debt payments are significant, and revenues are building. It is in the later years, when tolls have escalated greatly and traffic has grown significantly, that profitability may be high.

Most motorists think tolls are too high

The Review sought to ascertain through a representative sample of more than 1,500 drivers across the Sydney metropolitan area information on the use of toll roads and attitudes to tolls. The responses were emphatic. The great majority of respondents (87 per cent) considered that tolls were too high (60 per cent strongly agreeing with this proposition). A similar overall proportion thought that the financial burden of tolls had increased over time; and over 70 per cent considered the cost of tolls to be unfair.

The increased number of toll roads has added to concerns about tolls

Sydney now has more toll roads than any other capital city in Australia. Comparisons with overseas cities are difficult as the nature of tolling schemes can vary significantly. For example, the cordon tolling schemes operating in London, Singapore, Stockholm and Milan effectively cover many roads within their cordon areas. The significance of tolls, however, is also not just related to the number of roads covered by tolls or the kilometres these roads cover, it is also related to the level of tolls. Wherever Sydney stands in relation to other cities, it seems clear that concerns about the cost of tolls have grown as the number of toll roads in Sydney has increased. One manifestation of this has been the tendency for governments to try to soften the impact of tolls by providing various toll relief schemes, such as cash back and caps on individual road tolls and overall spending on tolls.

Leading transport economist Professor David Hensher⁴ has referred to the notion of toll saturation as likely to be applying in Sydney. This hypothesises that as more and more toll roads have been added to the network some motorists may have run up against a toll budget barrier causing them to economise on their use of these roads. Toll saturation is one factor which may have led to an over-estimation of the Value of Travel Time Savings (VTTS) from using toll roads.

The growth of toll roads has no doubt also heightened community concerns about the complexity and variation in the methods of calculating tolls across the various concessions, which have come to make up parts of the total toll road network.

Toll roads and congestion

Sydney has been regarded as the most congested capital city in Australia. It is also relatively high up in the rankings of congested cities in the world. The toll roads should help to relieve congestion across the metropolitan area. This assumes that they attract traffic away from congested ancillary and local roads. However, if tolls are set too high, they may deter use of the tolled road and this effect may be muted.

Analysis conducted by the Review has highlighted a dichotomy between the toll roads and the major non-toll roads in Sydney. Overall, the toll roads, even at their busiest time in the morning peak hour in 2022, were found to move relatively freely with limited delays and only a few persistent congestion hot spots. However, the untolled roads were more crowded and congested on average throughout the day. This may, partly at least, reflect the aversion a significant proportion of motorists have to paying tolls and the perception held by the great majority of users that tolls are set too high. Rather than use the toll roads, motorists are continuing to utilise the more congested untolled roads.

The future toll burden is likely to be huge

The Review is concerned about the future burden of tolls for Sydney motorists. The NSW Government estimate that over the next 37 years, with escalation growth until 2060, \$123 billion of tolls will likely be paid by motorists across Sydney motorways in today's dollars. In nominal dollars the figure is \$195 billion. The WestConnex scheme alone accounts for around 52 per cent of the estimated toll figure in today's dollars. Based on these figures, it seems that users will be paying for the cost of this scheme three times over in tolls.

Our terms of reference

The Review was asked to consider specifically the efficiency, fairness, simplicity and transparency of tolls as well as the impact of competition and regulation on tolls. We make further comments on these matters below.

Efficiency concerns

First, high tolls relative to operator costs cause efficiency losses. They unduly restrict use of the roads (causing allocative inefficiency).

Second, the absence of a consistent network approach to setting tolls is also a source of inefficiency, as well as complexity.

The significant variations, which now exist between the way tolls are calculated on individual toll roads impacts on the use of those roads by users. Some roads have significantly higher charges, expressed on a per-kilometre

⁴ Hensher, D. A., Ho, C. Q., Liu, W. & Institute of Transport and Logistics Studies. (2014). How much is too much for tolled road users: Toll saturation and the implications for car commuting value of travel time savings? The University of Sydney.

basis, than others, for reasons that do not have a clear economic rationale. Different escalation rates for tolls add to distortions over time. For example, tolls on the Sydney Harbour Bridge and Tunnel were not changed for thirteen years, until recently, while other tolls were subject to quarterly or annual escalation. The Cross City Tunnel has had relatively high tolls ever since it commenced operating, and this has no doubt contributed to its long-term under-use. One-way tolling has impacted significantly on traffic flows on some toll roads and adjacent ancillary and local roads.

Users of the toll roads should have a clear idea of the basis of charging from wherever they join the toll road network. The methodology by which tolls are set should be coherent and economically rational.

A third source of inefficiency in tolls is their lack of flexibility in reflecting demand conditions on the toll roads. When use of toll roads is low, there are strong grounds for setting tolls at lower levels to attract further traffic. The additional cost to the road operator of further traffic when a road is under-utilised is negligible. On the other hand, if a road is congested there is a case for rationing demand by raising tolls for a time to ensure traffic can flow more freely. This is to take account of the external costs associated with use of the roads at these times. Peak and off-peak tolls are currently only set for the Sydney Harbour Bridge and the impact of having these tolls has been diminished as their real value has declined over time.

Fairness concerns

Current tolls lack fairness in that they impact more severely on users living in Western Sydney. We refer to Western Sydney broadly - including the North-West and South-West.

From surveys we have conducted, and from the submissions of stakeholders, we have found that the financial impact of tolls is greatest in Western Sydney. These areas of Sydney have the highest number of motorists who will be eligible for the Government's new \$60 Weekly Toll Cap⁵, who report a lack of alternatives to toll roads, and report high use of toll roads. Our analysis of public transport access in Sydney shows that these areas of Sydney have comparatively lower access.

Concerningly, we know these areas also face risks of mobility-related social exclusion, that is, of being unable to access essential services and opportunities due to transportation barriers. Using indicators such as age distribution, family income, and unemployment levels, we observe the risk of mobility-related social exclusion in the South-West of Sydney.

Different tolling regimes across the roads are another source of unfairness, for example one-way tolling on the Sydney Harbour Bridge, Sydney Harbour Tunnel and Eastern Distributor is anomalous.

Toll relief should be directed to reducing tolls.

To offset some of the perceived unfairness of tolls, governments have introduced toll relief schemes, currently costing over \$0.5 billion per annum. These schemes have historically had a relatively low take-up rates and are not particularly well targeted to disadvantage. They cause distortions when tolls bear no relation to the benefits derived by users. Concessionaires benefit significantly from any extra traffic generated by relief measures but have no requirement to repay this benefit to government. The Review considers a better use of funds associated with current relief schemes, if it was considered that relief should continue beyond the current temporary schemes, would be to apply this relief directly to reducing tolls.

Simplicity concerns

Tolls can be complex but widespread availability of information about the basis of their calculation can help to deal with this issue. However, when the basis of their calculation varies significantly between roads, as it does at

⁵ Minister for Roads (2023, December 8). \$60 weekly toll cap to provide cost of living relief to 720,000 motorists. NSW Government. <https://www.nsw.gov.au/media-releases/toll-cap-cost-of-living-relief>

present, simplicity is replaced by complexity. The Review considers that a coherent network tolling approach to setting tolls can help to restore simplicity for users.

Transparency concerns

The Review is concerned about the lack of transparency generally in toll setting and sees the need for a much more open process for setting tolls to help detailed understanding by the public of the basis on which tolls have been set.

Transparency also applies to individual user decision making. Information should be readily available and timely to assist users to make good choices in their use of the toll roads. For example, users should be able to compare readily the time savings by using toll roads against the toll cost. This should be made available in different forms to cater for different skills and competencies in handling electronic means of communications. Roadside communication could be improved. The Review considers there is scope for both current retailers but particularly E-Toll to enhance their performance in relation to helping motorists understand past and future spend on tolls.

Competition and regulation issues

Concerns about Transurban's dominance have already been alluded to. The Review considers that a stronger competition lens is needed by governments when granting concessions, when considering unsolicited proposals, and when considering the terms of concession agreements, including setting tolls.

The Review also considers that more conventional regulatory approaches and institutional arrangements should be applied to toll roads than is now the case under the concession agreements. This includes more regular reviews of tolls and independent oversight by the Independent Pricing and Regulatory Tribunal (IPART) in New South Wales. This would bring independent, expert pricing experience to the task. It would provide assurance to toll road operators that their valid interests would be protected. However, pricing would be more flexible and above all the process of determining tolls would be more transparent to the public.

Elements of the reform program proposed by the Review

The Review is proposing a significant three phase toll reform program to introduce a new network system of tolls and fairer and more efficient tolls.

Phase 1

Phase 1 involves legislation being passed by the Government and network tolls being set. The legislation would:

- a. Provide authority for a system of network tolls to replace tolls currently set under individual concession agreements.
- b. Establish a new government body (State TollCo) to assume responsibility for setting network tolls in the future. It would be expected that State TollCo would initially move to implement the network structure recommended by the Review.
- c. Establish a role for IPART to specifically provide oversight for network toll setting by State TollCo, as well as a more general inquiry power to consider toll industry pricing issues in more detail outside any specific price reset.
- d. Provide a mechanism to resolve expeditiously and fairly issues relating to the distribution of network revenues to individual toll road operators to maintain the current status quo in this regard.

Phase 2

Phase 2 involves continued periodic reviews and reset of tolls by State TollCo and IPART taking into account the experience of the first reset of the structure of tolls in Phase 1 and subsequent reviews. These reviews and resets would consider the appropriate structure as well as level of tolls.

Phase 3

Phase 3 of tolling reform might involve consideration of other ways to reduce the toll burden on motorists by, for example:

- a. Removing some roads from tolls if government had the financial capacity.
- b. Broadening the tolling base by incorporating motorways that are now part of the continuous network but remain untolled. Exemptions from the tolled network create distortions and complicate operation of the tolled network. Including them within the tolled network would be consistent with the efficiency, fairness, simplicity and transparency criteria used to evaluate existing tolls. This may be appropriate in the longer term particularly with the likelihood of broader road pricing reforms being introduced. However, as it would be contrary to existing government policy to impose tolls on currently untolled roads and also road pricing is not within our terms of reference, we make no recommendation on these particular matters.
- c. Amending the approach to PPP agreements to enhance competition. This may involve taking a stronger approach to designing contracts which are consistent with the promotion of competition and improving toll setting processes.

Government may also not wish to enter further PPP arrangements for the provision of tolled roads. However, if it does, it should look to:

1. amend the guidelines relating to these schemes to ensure government contributions cover benefits provided to non-users of the toll roads,
2. ensure there is competition between potential concessionaires in relation to tolls where this is feasible,
3. reflect amended pricing principles proposed by the Review,
4. not accept unsolicited bids to construct new roads or enhancements to existing roads before considering other options, including utilising pricing strategies for demand management on the existing road and the possibility of competitive bids,
5. avoid extensions to concession agreements that enable concessionaires to obtain excessive rates of return.

Declining distance-based tolls should form the basis of the proposed new network structure of tolls (to be implemented in step 1 of the reform process)

While a range of different approaches have been used to calculate tolls, there has been a growing use of distance-based tolls. Distance-based tolls, together with an access charge or flagfall have been applied on WestConnex, and distance tolls on the M7. Distance-based tolls are in line with the 2014 Principles for tolling, developed by the then government. Road pricing is also generally discussed in terms of distance-based pricing and while the adoption of road pricing seems some way off and can be clearly delineated from tolling, there are some advantages of trying to align the methodologies.

We recognise that distance-based tolling can be beneficial, however, it also disadvantages motorists who need to travel longer distances. In the case of both Westlink M7 and WestConnex, a cap was adopted to deal with this

issue. However, this had the negative effect of effectively charging no tolls for the distances beyond the cap level and therefore distorting travel decisions.

The Review also considered the possibility of determining network tolls on a distance basis but with the distance charges varying between designated zones. This approach was considered in detail by the 2022 Toll Road Pricing and Relief Reform Review. However, zones were considered to be arbitrary and meant that the tolls paid depended on where on the network trips were taken. A fairer approach would be to determine tolls on the same basis wherever trips originated from on the network.

The Review considers that declining distance-based charges (rather than a flat rate) overcomes the weaknesses of these alternative distance-based approaches and should form the basis for determining network tolls under our proposed new system. This means that the further a user travels on the network the lower the per-kilometre charge becomes. From an efficiency perspective, the higher initial kilometre charge could be seen as helping to cover fixed costs of the network and possibly providing some discouragement to inefficient short trips. The declining kilometre charges align with falling variable costs as distance increases. However, the major reason for preferring declining distance-based charges as the basis for network charges is the desire to reflect fairness in tolling. It assists those who are required to travel longer distances. It will help to deal with inequities which now exist across the network particularly concerning people in Western Sydney who lack adequate transport alternatives and have to pay more in tolls to travel to employment centres and other necessary activities.

The Review also supports the use of pricing strategies like peak/off-peak pricing and dynamic pricing where it is feasible. These strategies aim to influence traffic flows so that these can be maintained at reasonable levels. Prices may be reduced in some cases where roads are significantly under-utilised and increased in other circumstances such as the presence of persistent congestion. At present, the dominant characteristic appears to be the former rather than the latter. General reductions in tolls at this time would, significantly reduce toll revenues, due to inelastic demand. The growth in traffic induced by lower tolls would not be sufficient to offset the revenue impact of the lower tolls.

Reforms are also proposed which will affect tolls paid by specific user groups. A more detailed classification of vehicle types and modifications to vehicle multipliers will see reduced tolls for motorcycles, towed caravans and mid-sized heavy vehicles. We are not proposing an increase in the heavy vehicle multiplier at this time, though some have suggested this, and further consideration will be given to the issue before our Final Report is completed. We see a need to attract greater use of the toll roads by trucks for freight deliveries, including inter-city deliveries. We do not consider that freight operators should bear a disproportionate share of the costs associated with tunnels that provide broader community benefits.

Our price reform objectives

The Review modelled the effect of applying a declining distance-based charge in combination with infrastructure access charges across the network with a number of objectives in mind.

- First, we wished to develop an option that effectively raised a similar amount of revenue for toll road operators as in total they had received under the existing tolling arrangements. The aim was to move to a network system of tolls while maintaining so far as possible the expected revenue position of the concessionaires and publicly owned roads assuming the existing tolling arrangements were still in place. Adoption of this principle mitigates impacts of the change and the need for contractual dispute resolution.
- Second, we wished to avoid unduly large changes in toll revenues for individual trips. Inevitably, when implementing a change in the structure of tolls, especially in an unchanged total revenue envelope, there will be changes that increase some trip costs and reduce others. However, so far as possible, we wanted to smooth these changes by minimising their size.
- Third, we applied two-way tolling to the roads currently not having this in place. The circumstances which led to the introduction of one-way tolling, for example not having the availability of full electronic tolling or the alternatives provided by a more extensive network, no longer apply. Further one-way tolling has been found to significantly distort traffic flows.

- Fourth, we wanted to ensure that proposed changes to tolling arrangements for motorcycles and heavy vehicles were taken into account as much as possible, acknowledging the uncertainty at this stage of the precise volumes of vehicle movements likely to be affected.
- Fifth, we examined bookend options of removing toll relief altogether, or of applying toll relief to reducing the level of tolls. In practice, it is recognised that a change in approach to toll relief may need to be phased in over time.

Overall, it was found that it was not possible to meet all these objectives in the short term by applying declining distance-based charges alone. This to a significant extent reflects the level of distortion built into existing tolls.

Accordingly, it was necessary to add a further component to the distance-related charge to achieve a set of network tolls which better satisfied our modelling objectives. This was done by applying a charge to specific parts of the network which incorporate more costly infrastructure, like ventilated tunnels and the Sydney Harbour Bridge. The infrastructure charges are fixed, in that they do not vary with distance, but are at variable amounts reflecting a range of factors, not just the cost of the infrastructure. These factors include the existing level of tolls - the aim being not to have substantial toll changes in the initial reform to network tolling. They also include the nature of trips undertaken by motorists particularly where they have to go through multiple tunnels. For example, trips on WestConnex often involve travelling through multiple tunnels. And finally, the need to develop a network-wide set of tolls which generated the same revenue envelope as under the status quo.

Initial assessment of recommended price reforms

Our initial assessment of the modelling suggests strong benefits from reform. Further refinement of the modelling and the cost benefit assessment is underway ahead of finalising recommendations in the Final Report.

The modelling to date has focused on three scenarios. These are a status quo scenario, which assumes that current conditions, trends, and policies are maintained into the future. In addition, we have developed two reform scenarios focusing on a new structure of tolls that includes a declining distance base charge with a fixed infrastructure charge. To understand the spectrum of policy options, the first of these, Network Tolling A, includes no subsidy, while the second, Network Tolling B, includes a subsidy that is used to lower toll prices for all motorists. The subsidy is based on an approximation of forecast government spending on toll relief in 2026. Additionally, both Network Tolling scenarios assume:

- two-way tolling on the Sydney Harbour Bridge, the Sydney Harbour Tunnel and the Eastern Distributor,
- a wider range of vehicle classes and multipliers than the status quo by adding new vehicle classes for motorcycles and mid-class heavy vehicles; the vehicle classes have been applied consistently network wide, including to the Sydney Harbour Bridge, the Sydney Harbour Tunnel which currently don't have different tolls for different vehicle classifications,
- discontinuation of the M5 South-West Cashback.

Chapter 9 provides details of additional assumptions that have shaped the modelling approach.

At this stage the report presents results for 2026 only for simplicity, as these illustrate trends that are also seen in later years. The Final Report will include more comprehensive documentation of modelling outcomes.

In terms of headline results, as Figure 1 shows, average toll prices in the Network Tolling scenarios are both lower than in the Status Quo scenarios.

Figure 1. Average toll price by scenario, 2026

Vehicle type	Status Quo	Network Tolling A (no subsidy)	Network Tolling B (with subsidy)
Class A	\$8.50	\$7.33	\$6.19
All vehicles	\$10.40	\$9.03	\$8.50

Source: Independent Toll Review

Figure 1 illustrates how the subsidy in Network Tolling B results in lower overall tolls.

A factor in the lower average tolls in the Network Tolling scenarios is that more trips in these scenarios involve paying a toll. This is largely due to the introduction of two-way tolling on the Sydney Harbour Bridge, the Sydney Harbour Tunnel and the Eastern Distributor. In short, there are more trips paying a toll, but the average toll price (per tolled trip) is lower. Another factor is the modelled expansion of vehicle classes on the Sydney Harbour Bridge and the Sydney Harbour Tunnel.

Figure 2 and Figure 3 provides a greater decomposition of the impacts of the Network Tolling. They detail the proportion of Class A trips (by trip length band) that involve the motorway network. They show where a price decrease would apply relative to the Status Quo, where there would be no change, and where the toll would be higher.

Figure 2. Class A, toll Price Difference, Network Tolling A compared to Status Quo, 2026

2026 Declining Distance A (no subsidy) vs Status Quo								
Trip Distance	\$3+ lower	\$1-3 lower	\$0-1 lower	No Change	\$0-1 higher	\$1-3 higher	\$3+ higher	Total
<10 km	2%	6%	5%	27%	9%	5%	11%	64%
10-25 km	2%	5%	3%	4%	4%	5%	3%	26%
>25 km	2%	2%	3%	0%	1%	2%	1%	11%
All trips	6%	13%	11%	30%	13%	12%	15%	100%

Source: Independent Toll Review

Figure 3. Class A, toll Price Difference, Network Tolling B compared to Status Quo, 2026

2026 Network Tolling B (with subsidy) vs Status Quo								
Trip Distance	\$3+ lower	\$1-3 lower	\$0-1 lower	No Change	\$0-1 higher	\$1-3 higher	\$3+ higher	Total
<10 km	5%	7%	7%	27%	7%	1%	10%	64%
10-25 km	6%	8%	3%	4%	2%	2%	2%	26%
>25 km	7%	2%	1%	0%	1%	0%	0%	11%
All trips	18%	16%	10%	30%	10%	3%	12%	100%

Source: Independent Toll Review

Figures 2 and 3 detail that most motorists are as well off, or better off, under the modelled structure of tolls: about 60 per cent in Network Tolling A and about 74 per cent in Network Tolling B.

Alongside changes in the toll outcomes for motorists, the Review has considered the implications for journey times, and traffic behaviour across the network for all motorists (not just motorists who use the toll road network).

Taking a geographic lens, our initial results illustrate greater use of toll roads to the west and north of Sydney, where we observe higher traffic volumes in the Network Tolling Scenarios, and correspondingly less traffic on

arterial roads. Conversely, we observe lower traffic volumes on the toll road network around the Eastern Distributor, Sydney Harbour Bridge and Sydney Harbour Tunnel. The introduction of two-way tolling is a factor in this outcome. Additionally, there is a reduction of traffic volumes on the M5 South-West, for which the discontinuation of the M5 South-West Cashback is a factor.

The analysis indicates that those who start their journeys to the north and east of Sydney's CBD pay net higher tolls /and or have net longer travel times. Two-way tolling is a factor in this outcome. In the Network Tolling A scenario, motorists who start their journeys in the southwest also experience net higher tolls and/or have net longer travel times. The modelled assumption of discontinuation of the M5 South-West Cashback is a key factor causing this.

Based on the initial assessment of results from transport modelling, the declining distance-based and infrastructure charge basis of tolls better meets the Review's criteria of efficiency, fairness, simplicity, and transparency than other alternatives modelled, including one based on fixed distance-based charges and geographic zones. The selection of zones was considered somewhat arbitrary, although ultimately it did reflect some of the matters, like infrastructure differences, which are given more direct and explicit recognition in the preferred option. Importantly, the benefit of the declining distance toll is available to all users who travel longer distances, not just to those who travel in particular parts of the network, as was the case under the zoning option.

This initial reset of tolls is relatively modest in line with the conservative modelling assumptions which underlie it.

Our modelling covers an initial reset of tolls to introduce network tolling. We would expect that further resets of the structure of tolls could be made in following years to achieve further reform to tolls.

Why have we proposed that the new network tolls be set under legislation rather than under the individual concession agreements?

It is conceivable, but in practice we consider highly unlikely, that some reforms to tolling arrangements could be achieved through negotiations with individual toll road operators and associated investors and lenders. There are numerous counter parties to the concession agreements and many financiers whose agreement would be needed to effect substantial change to the tolling provisions of the concession agreements. Negotiations would be difficult and time consuming and would not be in line with the transparency objective of this review. Transurban, the dominant equity owner, would seek to play a major role in such negotiations. Transurban has indicated a willingness to consider a network approach to tolling but negotiated agreement with Transurban alone on network tolling involves the risk of further entrenching the dominant position of this company in the overall market and the perception of its influence over Government.

Competition laws prevent competitors from reaching agreements on matters which are likely to fix or maintain prices. We see this as being a real obstacle to achieving network tolling through negotiation and agreement.

In the past, it has been suggested that reforms to road tolling are not possible given the nature of the concession agreements. We do not accept this claim. We do accept the proposition that the State needs to act responsibly in achieving reforms in this area and that the reasonable expectations of toll road operators need to be protected and honoured. Our overriding focus, however, is the public interest and toll reform is necessary in the public interest.

An ambitious reform agenda requires government to lead the process. Legislation will enable Government to do this, specifying a new approach to toll setting which better reflects the public interest. It can establish a mechanism to ensure the reasonable expectations of toll road operators are honoured. It can introduce institutional changes to achieve on-going reform.

State TollCo will be the major vehicle for reform in the longer term

A central element of proposed toll reform is the establishment of a State-owned tolling entity. It is envisaged State TollCo will determine network tolls in the future with input into a transparent toll setting process from IPART. State TollCo will work closely with the concessionaires in this role.

State TollCo would become a retailer and we consider it could also take over the functions of the existing government retailer, E-Toll. State TollCo and other retailers will receive toll revenues and make payments to toll road operators based on agreed arrangements. An independent dispute resolution process will operate to resolve matters where agreement has not been able to be reached. In its retailer role it is expected that State TollCo would be at the forefront in initiating user service improvements covering information provision and a more efficient, effective and customer centred approach to the collection of overdue toll payments.

It will be important to put in place a more independent and effective industry external dispute resolution mechanism. The existing Tolling Customer Ombudsman (TCO) effectively acts as an internal dispute resolution body for most, but not all private concession holders in Australia. It does not deal with public operators. The TCO scheme does not have the acceptable governance and operating structure of other recognised industry ombudsman schemes in Australia.

The Review considers that the State TollCo could effectively encompass the role of an external dispute resolution body for the industry as a whole in New South Wales. Complaints not satisfactorily resolved by the TCO could be referred to State TollCo.

State TollCo would need to be established to operate within a clear budgetary framework determined by the Treasurer and be subject to any written directions or guidelines provided to it by the relevant Minister. It is anticipated that State TollCo will be established as an independent entity.

In addition to its toll price determination and retail functions, the Review can envisage State TollCo managing the concession contracts for private toll roads and possibly even having direct oversight and management of the operation of public toll roads. This would add to the strength of the State TollCo balance sheet and provide it with greater insights of the operation of the toll roads. State TollCo could help to ensure there is competitive tension between the State-owned toll roads and the privately owned toll roads. There would, however, need to be a clear separation between the wholesale and retail parts of State TollCo. The involvement of IPART in tolling decisions will help to ensure a level playing field between State-owned toll roads and privately owned toll roads is maintained.

The Review expects to undertake further detailed consideration of the specific design characteristics of State TollCo in the period leading up to our Final Report.

The time is right for major reform of road tolls

This is the first major independent review of tolls in New South Wales. It comes at a time when the State now has a fully developed network of toll roads and when the emphasis on private delivery of this major infrastructure is no longer seen as an imperative. We have no doubt however that new roads will continue to be built over time and that the private sector will continue to have an essential role in this.

The legacy of past decisions made within the context of PPP arrangements is what we now have to deal with. Eminent economist and commentator Professor John Quiggin has aptly described the problem as ‘unscrambling

the toll road egg'.⁶ Past decisions have left an uncoordinated and inconsistent system of tolls, unsustainable long-term burden for users, under-utilised toll roads and continuing problems of congestion on other roads.

Action to deal with these problems will not be easy, but we have painted a realistic vision for the way forward. We recognise that toll roads are unique in a number of significant respects, which justifies the significant government intervention proposed.

Toll roads are regulated under PPP contracts which have significantly different features than most other infrastructure regulatory schemes where there is an independent regulator involved, regular reviews of prices, regard for efficiency improvements and importantly greater public transparency and involvement is associated with them.

Moreover, the PPPs affecting toll roads have unique features and have evolved over time in the light of experience. They are one type of PPP which includes private financing, have been developed in particular ways, allocate risks in particular ways, and affect prices in particular ways.

Our public interest assessment is that these arrangements now need to be reformed and that unique measures need to be taken to do this. In particular, in order to establish a proper network system of tolls, it is necessary to replace the existing contractual provisions relating to the setting of tolls with new provisions. These particularly relate to the proposed new institutional arrangements relating to State TollCo and IPART.

In undertaking reforms, the Government should respect the contracts it has with concessionaires and the reasonable expectations of concessionaires. In our view, concessionaires should be constructively engaged in the reform process.

⁶ Quiggin, J. & Wang, I. (2019). Unscrambling the toll road egg. *Economic Analysis and Policy*, 61.

Table of Findings and Recommendations

Draft Findings:	
Process for setting tolls	Finding 1: The process for setting tolls has been flawed.
Public Private Partnerships	Finding 2: The important details of PPP arrangements relating to toll setting are not disclosed to the public, reducing the information available to assist public understanding.
	Finding 3: Toll Road users bear a disproportionately high proportion of the cost of toll roads.
Structure of tolls	Finding 4: There is no overall system of tolls.
	Finding 5: The lack of a unified pricing system creates complexity, inefficiency, inequities and unfairness.
	Finding 6: Tolls are too rigid and are locked-in for decades without options for review.
	Finding 7: On most toll roads, time-of-day pricing is not used to improve traffic management.
	Finding 8: The financial impact of tolls is greatest in Western Sydney.
Level of tolls	Finding 9: The level of tolls appears to be higher than necessary and desirable.
Competition	Finding 10: Transurban has a dominant position in the current provision of toll roads in Sydney.
	Finding 11: Transurban is dominant in the NSW market for acquisition of toll road concession contracts.
	Finding 12: The significant position of Transurban in the toll retailer market could adversely affect competition for tolling concessions.
Toll transparency	Finding 13: Current toll pricing information fails to adequately enable, inform, and educate motorists thus reducing user empowerment and efficient decision making.
Toll relief schemes	Finding 14: Toll reform is preferable to toll relief. The current toll relief schemes are inadequately targeted and under-utilised, in part due to overly complex administration. Toll relief is not financially sustainable given the existing pattern of toll escalation and limitations on the availability of government resources to fund relief.

Draft Findings:	
	<p>Finding 15: Concessionaires are an unintended beneficiary of the current approach to toll relief. Increased traffic and patronage of toll roads, through induced demand created by toll relief, directly benefits operators by increasing their revenues. Concessionaires have to date not been willing to return this revenue to the public purse, other than through the contractually agreed revenue share provisions.</p>

Recommendations:	
Tolling principles	<p>Recommendation 1: The NSW Government should adopt the Proposed New Tolling Principles.</p>
The opportunity for reform: moving to network tolling	<p>Recommendation 2: The NSW Government should adopt network tolling. Implementation will require detailed planning, investment in infrastructure and close monitoring of impacts.</p>
	<p>Recommendation 3: The NSW Government should adopt declining distance-based pricing as the foundation of network tolling. This would lead to a simpler, more consistent and coherent system of tolls which aligns more closely to the criteria the Review has been asked to consider, namely efficiency, fairness, simplicity and transparency.</p>
	<p>Recommendation 4: The NSW Government should consider the role of toll relief in supporting the transition to network tolling. Significant changes in toll relief may need to be phased over time.</p>
	<p>Recommendation 5: If NSW Government chooses to extend or phase out toll relief, it should be with consideration of the following principles:</p> <ul style="list-style-type: none"> • Toll relief should be targeted to those that are most in need to the extent practicable through means-testing. • Toll relief should take into account the availability of alternative transport options, in particular alternative non-tolled roads and public transport. • Toll relief should avoid distorting price signals (e.g. it should not make trips on the tolled network free). <p>Toll relief should apply to the entire toll road network.</p>
Future opportunities: using pricing to influence demand	<p>Recommendation 6: Flexible pricing techniques including peak/off-peak pricing, and dynamic pricing should be available as part of a network tolling system.</p>
	<p>Recommendation 7: The NSW Government should consider an initial focus on freight operators for peak and off-peak pricing.</p>
	<p>Recommendation 8: The NSW Government should further explore refining tolling classes in New South Wales, adopting a uniform definition for Class A</p>

Recommendations:	
Updating vehicle classifications and charges	vehicles, and a fairer classification for towed recreational vehicles and motorcycles.
	Recommendation 9: The NSW Government should continue to apply toll price multipliers to vehicles exceeding Class A vehicle dimensions.
	Recommendation 10: The NSW Government should investigate a new classification for mid-class heavy vehicles to incentivise these vehicles to use toll roads.
	Recommendation 11: Vehicle multipliers should be applied consistently across the toll road network.
	Recommendation 12: The NSW Government should simplify the arrangements allowing public bus services to be exempt from tolls to ensure consistency across the network.
Expanding toll coverage to improve outcomes for motorists	Recommendation 13: The Review recommends consistent two-way tolling as part of the network tolling system. Practical issues with the implementation are still being investigated.
	Recommendation 14: The NSW Government should investigate the scope of the tolled network in Sydney to achieve greater consistency, efficiency, and fairness.
Initial assessment of price reforms	Recommendation 15: The NSW Government note the initial modelling conducted by the Review, which will continue to be refined prior to the introduction of any network tolling.
State TollCo	<p>Recommendation 16: NSW Government should establish a government-owned special purpose entity ('State TollCo') with responsibility for improving outcomes and transparency for motorists to strengthen governance and accountability over NSW toll roads.</p> <p>State TollCo will drive and implement toll reforms:</p> <ol style="list-style-type: none"> State TollCo will set network toll prices payable by motorists, with periodic adjustments. State TollCo will improve competition outcomes. State TollCo will absorb current Transport for NSW toll collection functions (E-Toll retail business and issuing toll notices). State TollCo will have an ongoing focus on constantly innovating to improve the toll road experience for motorists in New South Wales.
	Recommendation 17: The NSW Government should consider options for the ownership and contract management of privately operated toll roads.
	Recommendation 18: The NSW Government should consider options for administrative arrangements concerning public toll roads.

Recommendations:	
Independent oversight of toll setting	Recommendation 19: Tolls set by State TollCo should be subject to oversight by IPART. IPART's role may involve making its own determinations, providing recommendations to State TollCo and investigating specific toll pricing issues.
Setting tolls - legislative package	<p>Recommendation 20: In addition to including establishing State TollCo and IPART roles, the legislative package should also:</p> <ol style="list-style-type: none"> Enable network toll prices to be set independently of contractual frameworks. Provide for a revenue adjustment mechanism to enable appropriate sharing of network toll revenues between toll road operators. Provide for an independent toll issue resolution mechanism. Modernise the legislative framework for NSW toll roads.
Competition measures	Recommendation 21: The NSW Government should ensure future procurement processes have greater regard for desirability of maintaining a competitive industry structure.
	Recommendation 22: The NSW Government should review existing concession agreements with the aim of enhancing competition.
	Recommendation 23: The NSW Government should place a greater focus on long term implications for control and competition rather than short term benefits in the approach to future procurement of toll roads.
	Recommendation 24: As with other aspects of toll setting, there should be clear public transparency in relation to determining the length of concession agreements. The concession period should be based on clear public interest considerations, including maintaining competitive industry structures.
	Recommendation 25: The NSW Government should favour competitive tender processes over unsolicited proposals for new toll road concessions.
	Recommendation 26: The NSW Government should regulate roaming fees to promote competition for future toll road PPPs.
	<p>Recommendation 27: The NSW Government should disclose full details regarding the setting of tolls. This includes publication in a timely matter of:</p> <ol style="list-style-type: none"> surveys and analysis concerning willingness to pay, value of travel time savings, and toll saturation detailed traffic forecasts for proposed network toll prices actual, forecast and benchmark concessionaire costs the expected rate of return for each concessionaire
Transparency for motorists	Recommendation 28: Improve the retail experience for motorists by providing personalised insights into past and projected toll spend.

Recommendations:	
	Recommendation 29: The NSW Government should simplify and modernise the toll compliance process.
	Recommendation 30: The NSW Government should improve decision making and trip planning information available to motorists online, on the road and through Service NSW.
Enforcement and debt recovery	Recommendation 31: The NSW Government should review legislation and policies around the issuing of penalty notices for toll non-payment.
Complaints	Recommendation 32: An independent, external dispute resolution function for the toll road industry should be established within State TollCo.

Glossary

Term	Description
2014 Principles	A broad set of principles approved by the NSW Government in 2014 to guide future tolling decisions on Sydney's motorway network.
ACCC	Australian Competition and Consumer Commission.
AWE	Average weekly earnings.
Availability PPP	A PPP model where the private sector is responsible for delivering specified assets and services (including financing of those services) through an outcome-based contract. The Government retains demand risk and the primary form of revenue for the private sector is a regular periodic service payment for making the asset available and providing services to the required performance standard i.e. based on key performance indicators.
BCFM	Base Case Financial Model. A financial model referred to in a concession contract containing forecasts of a concessionaire's revenue and expenditure over the term of a concession.
Class A	A tolling class which includes cars and motorcycles.
Class B	A tolling class for vehicles which exceed the Class A dimensions.
Concessionaire	For the purposes of this interim report, the holder of a toll road concession. Concessionaires are typically granted the right to finance, build, operate, toll and maintain a motorway for a set term, before returning the motorway back to Transport for NSW in the required condition.
CPI	Consumer Price Index.
Declining distance	For the purposes of this interim report, a toll calculation method that involves a variable charge based on travel distance on toll roads. This variable charge is declining, that is, motorists pay a lower rate on a per kilometre basis the longer they travel on tolled motorways. Declining distance is a specific type of distance-based toll.
Distance-based toll	A toll calculation method based on the distance travelled on a toll road or network of toll roads.
Dynamic pricing	For the purposes of this interim report, real-time adjustments to a toll price to maintain traffic flow.
Economic PPP	A PPP model where the primary revenue stream is in the form of third-party user charges and not service payments from Government. The financial impact to Government is significantly less for an Economic PPP than for an Availability PPP.

Term	Description
Environmental Impact Statement	For the purposes of this interim report, a report prepared by a proponent for the development of a new toll road (or toll related infrastructure or activity) and exhibited for public consultation under the <i>Environment Planning and Assessment Act 1979</i> (NSW).
Escalation	For the purposes of this interim report, a regular (quarterly or annual) increase in the toll price provided for under a concession contract.
Flagfall	A fixed fee component of a toll price. Also referred to as an ‘access charge’.
Fixed toll	A toll price which is constant and not dependent on other variables, e.g. distance travelled or time of day.
GIPA Act	<i>Government Information (Public Access) Act 2009</i> (NSW).
GSF Act	<i>Government Sector Finance Act 2018</i> (NSW).
IPART	Independent Pricing and Regulatory Tribunal.
IPART Act	<i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Independent Reviewers	Professor Allan Fels AO and Dr David Cousins AM appointed by the NSW Government in April 2023 to identify reform options for the NSW tolling network.
MCHV	Mid-class heavy vehicle. A potential new tolling class considered by this Review.
Means-tested	Where eligibility for financial assistance is based on income/asset levels.
Motorway	A distinct type of road that has a pure mobility function with minimal or no access to adjoining land. Motorways provide for major regional and inter-regional traffic movement.
Multiplier	A method for calculating a toll price for one tolling class based on the toll price for another tolling class.
Network tolling	A toll pricing structure that is consistent across the toll road network.
Peak/Off-Peak Pricing	A form of variable toll pricing where the price differs based on the time of day.
Proposed New Tolling Principles	The Independent Reviewers’ proposed tolling principles to guide toll setting in future.
PTAL	Public Transport Accessibility Level. A measure a location’s connectivity by public transport. Based on walking distance to nearest stations/stops, waiting times at nearest stations/stops, number of services passing through nearest stations/stops, whether there are major rail stations nearby.

Term	Description
PPP	Public Private Partnership. The creation of an infrastructure asset through private sector financing and private ownership for a concession period (usually long term). The Government may contribute to the project by providing land or capital works, through risk sharing, revenue diversion or purchase of the agreed services.
Review	The independent review led by the Independent Reviewers to identify reform options to overhaul the toll network.
RMS	Roads and Maritime Services. RMS merged with Transport for NSW on 1 December 2019.
Roads Act	<i>Roads Act 1993 (NSW).</i>
Roads Regulation	Roads Regulation 2018 (NSW).
Roaming fee	A fee paid by toll road operators to toll retailers for collecting tolls from motorists.
State Owned Corporation	A Government entity with a governance structure mirroring as far as possible that of a publicly listed company. NSW State Owned Corporations are listed at Schedule 5 of the <i>State Owned Corporations Act 1989 (NSW)</i> .
Status quo	A strategic traffic modelling scenario which retains the current tolling regimes pricing structures, escalation rates and tolling classes. This scenario is used as a comparator for the analysis of alternative options.
STP	Sydney Transport Partners. A Transurban-led consortium which owns 100 per cent of the WestConnex concessionaires.
TAA	<i>Transport Administration Act 1988 (NSW).</i>
TCO	Tolling Customer Ombudsman.
Transport for NSW	Transport for New South Wales.
Toll	A charge imposed for traffic using a toll road.
Toll relief	A government policy to reduce the financial impact of toll prices to motorists. Most toll relief schemes have been provided as a rebate.
Toll retailer	A service provider which issues motorists with an account to enable them to pay their tolls. There are currently two toll retailers in NSW, Linkt (owned by Transurban) and E-Toll (owned by Transport for NSW). The Roads Regulation refers to toll retailers as ‘toll service providers’.
Toll road	The Sydney Harbour Bridge and tollways established by Ministerial order published in the Government Gazette.

Term	Description
Toll road network	A collective description for the toll roads in Sydney. They are not a network in a conventional sense as they are commonly separated by sections of public (untolled) roads.
Network tolling	Adopting a common pricing structure across the toll road network. This pricing structure would be payable by all toll motorists, regardless of which toll roads they drive on.
Toll Road Operator	Operators of toll roads whether private or public. The toll road operators in NSW are the concessionaires and Transport for NSW. Referred to as 'toll operators' in the Roads Act and Roads Regulation.
Toll Road Pricing and Relief Reform Review	A review which commenced in December 2021, under the previous Coalition government to consider longer term tolling reform.
Treasury	Refers to NSW Treasury.
USP	Unsolicited proposal. An Unsolicited Proposal is an approach to Government from a Proponent with a proposal to deal directly with the Government over a commercial proposition, where the Government has not requested the proposal. This may include proposals to build and/or finance infrastructure, provide goods or services, or undertake a major commercial transaction.
VTTS	Value of travel time savings. The benefits provided by reductions in the amount of time spent on travel ⁷ .

⁷ Victoria Transport Policy Institute. (2023). Transportation Cost and Benefit Analysis II - Travel Time Costs. <https://www.vtpi.org/tca/tca0502.pdf>.

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