

Senate Economics Reference Committee

Inquiry into toll roads in Australia

Good Afternoon Chair and Committee members.

Thank you for the opportunity to be here today to discuss the infrastructure sector and the important contribution it makes to the Australian economy and liveability of our cities.

First, I would like to give you a brief overview of our company.

Transurban is an Australian ASX listed company headquartered here in Melbourne. We began in 1996 with the creation of CityLink and have since grown to wholly or partially own and operate 13 toll roads within Australia in Sydney, Melbourne and Brisbane, along with two in the United States.

We are an Australian success story – 70 per cent of our security holders are Australian superannuation funds and individual security holders. Our largest shareholder, UniSuper,

manages the retirement savings of 400,000 workers in the education and research sectors. These people, like all of our stakeholders, share in our business's success.

Transurban has over 20 years' of experience in delivering and operating world-class road projects, we have 2000 direct employees, and 5000 contractors across four locations, contributing to a current development pipeline worth over \$9 billion.

However, we are more than a road company. We work to be a valued partner for governments, delivering and supporting key infrastructure projects, which provide value to all of our communities.

We use technology and operational expertise to make our roads safer and more efficient. As a company, we are excited about the transport opportunities that technology is bringing such as autonomous vehicles. We are working in partnership with governments to best prepare for these new opportunities.

Transurban believes in a multi-modal transport system. We support all transport modes including public and active transport.

As a business, it is not in our customers or our shareholders' best interests, to have congested roads. We are not a car park company.

Commuters, and the communities we operate in, need a fully functioning network which allows them to move around the cities in the most effective and efficient way.

I believe there is an acceptance and understanding that governments alone cannot fund the growing infrastructure demands of our major cities.

Public private partnerships in road projects, where the private sector takes the risk and provides the majority of the funding, has become a vital tool for governments to deliver their wider integrated transport agendas.

These partnerships have seen a number of major road projects brought forward by decades – such as the \$3 billion NorthConnex tunnel in Sydney which we are currently delivering.

The private sector has contributed more than \$34 billion to major road, bridge and tunnel projects during the past three decades – these projects would otherwise not get built.

Partnerships with the private sector frees up governments' balance sheets. This means there is more money for other priority areas such as the \$40 billion of public transport projects currently underway across the east coast of Australia.

To support their infrastructure agendas, Governments in recent years have introduced market-led proposal processes – which actively encourage the private sector to bring forward ideas.

They also provide a clear and transparent set of guidelines for assessing proposals. These guidelines along with procurement guidelines within all states as well as the national PPP

guidelines provide transparency to the community and to industry on the governance arrangements for each engagement, including the rigorous value for money evaluation requirements.

Transurban and others have used these market-led proposals to bring options to governments.

Any of the projects we bring to government have their origins in transport master plans and align with existing government policy.

In closing, I would like to make the following points.

Both governments and the private sector need to continue to work together to ensure that current infrastructure development and delivery processes are robust.

The current market-led proposal guidelines are a powerful tool for incentivising the private sector to achieve the best outcomes for government, communities, customers and investors.

By working with the private sector as demonstrated through the NorthConnex, CTW, LEP and other network enhancements, Governments can deliver on their long-term transport plans earlier and more efficiently.

Thank you for your time and I am happy to take any questions.