

Chris Cox



Committee Secretary
Transport and Public Works Committee
Parliament House
George Street
Brisbane Qld 4000

RE: Submission to inquiry into the operations of Toll Roads in Queensland

Dear Sir/Madam,

The purpose of the development of these toll roads was primarily to alleviate congestion by providing alternate, higher speed, higher capacity routes that bypass congested local roads.

By doing so, this reduces congestion, improves quality of life for local residents, reduces time spent in traffic congestion and provides associated improvements to economic benefit with fewer delays in shipping passengers and freight.

In essence, the purpose of these toll roads was to encourage people to use them.

The original Logan Motorway was run by a Government owned corporation, Logan Motorway Company Ltd, which became Queensland Motorways. This company was committed to be sold off by the State Government in 2009, and was sold to TransUrban in 2014.

When former Lord Mayor Campbell Newman began the Trans Apex motorway development in 2008 – Clem7, AirportLink and Legacy Way – it was done in a public-private partnership. The public-private partnership model, necessitating tolls, enabled a cost sharing arrangement to enable these significant infrastructure projects to be funded and built quicker than relying on public money alone.

As such, all these roads are privately held assets that were, for the most part, built with public money.

The distinction is significant. The primary causes of complaint with the operation of Toll Roads in Queensland are:

- a) High cost of tolls
- b) High cost of penalties for non-payment or late payment

The goal, as stated by TransUrban and as required by corporate obligations to shareholders, is to take in as much revenue, and therefore as much profit, as possible. The public benefit of the road assets for the use of the general public, and the urban planning needs for a growing city like Brisbane that is at risk of congestion due to car dependence and inefficient public and active transport alternatives is not their primary concern.

Given the rising problem of traffic congestion, and the physical impossibility of creating wide enough roads to cope, putting a price on congestion and thus using a demand moderation response is appropriate. The current paradigm of specific toll roads is not the most efficient, however.

- a) **The operation of existing toll roads in South East Queensland and**
- b) **Toll pricing and incentive options to deliver better outcomes for Queenslanders**

Fundamentally, the operation of toll roads in South East Queensland is a revenue generation exercise for TransUrban. That's accepted, and entirely reasonable given the investment they made in purchasing public assets off the state government – the merits of which are for another debate.

However, the current model of fixed high toll prices and strict penalties applied for payment failures on the roads that have been built to bypass and relieve local congestion means that this method of operation is against the public interest, is not delivering outcomes for Queenslanders, and defeats the purpose of motorways reducing and alleviating congestion.

A more flexible pricing model around demand is essential if the motorways – Gateway, Logan, AirportLink, Clem7 and Legacy Way – are to achieve their stated goals of reducing congestion and travel time for motorists.

Such considerations should be:

- Peak time fares to be LOWER in price, to encourage use during high congestion times on the network
- Weekend fares to be LOWER in price. Congestion is increasingly a problem on Saturdays in particular due to recreational sport across the city. Encouraging use of the motorways will have similar benefits in reducing local road demand as on work days

It sounds counter intuitive to lower price in peak demand, but it will encourage higher use and draw more congestion off local streets.

Realistically, the cost of a vehicle using the roads is no different whatever time of day, or however many other vehicles are using the road. So there is scope for flexibility in the pricing regime.

What should also be considered by the State Government is a system of congestion charging on the surrounding network during those same peak times. Congestion charging has proven highly successful in major cities like London and Stockholm, with drastic reductions in local congestion in their city areas.

Ideally most of the revenue from the Congestion Charging should go straight into delivering better public transport infrastructure, services and reduced fares to ensure motorists have an effective, cost efficient alternative to driving.

However, a portion of this congestion charging could also be used to compensate TransUrban for lower peak hour prices on their network. Similarly, motorists who choose to use the toll roads to bypass the congestion zones should avoid the congestion charging.

A congestion zone in Brisbane could appropriately be scoped to cover from the Royal Brisbane and Womens Hospital at Herston, east as far as Woolloongabba and South Brisbane, West to Toowong and St Lucia and south as far as West End and Dutton Park.

This approach would:

- Increase patronage of the TransUrban toll road network

- Reduce traffic congestion on surrounding roads as people choose alternatives such as public or active transport, or the toll roads
- Reduce costs for consumers to use the toll roads during peak congestion times
- Compensate TransUrban for this hit to revenue
- Increase revenue
- Increase investment into public and active transport to cater for a growing city and less ability to meet demand for motor vehicle journeys

It would be hugely beneficial for the private enterprise maintaining and managing our toll road network working with the State Government and local councils to ensure their services deliver better outcomes for Queenslanders through reduced congestion and more investment in public and active transport for the benefit of all residents.