

28 July 2023

Professor Alan Fels AO
Review Chair
2023 Independent Toll Review
Transport for NSW
PO Box K659
HAYMARKET NSW 1240

Dear Professor Fels AO,

CCAA RESPONSE TO THE INDEPENDENT TOLL REVIEW DISCUSSION PAPER

Thank you for the opportunity to comment on the Independent Toll Review Discussion Paper. We note that the independent oversight of the review of road tolls and relief was a pre-election commitment of the NSW Labor Party if elected at the 2023 NSW Election in March.

Cement Concrete & Aggregates Australia (CCAA) is the peak industry body for cement manufacturers, concrete suppliers and extractive operators throughout New South Wales & Australia. Collectively known as the heavy construction materials industry, our members are engaged in the quarrying of sand, stone and gravel, the manufacture of cement and the supply of pre-mixed concrete to meet New South Wales's building and construction needs. These businesses range from large global companies to SMEs and family operated businesses. Heavy construction materials are vital to delivering the infrastructure required to support the NSW population, our transition to renewable energy and economic growth.

Background

Given the unique nature of our sector and its requirement for the efficient and timely delivery of materials to construction projects, either directly to market or through concrete batching plants, our members are significant users of Sydney's Motorway network and are typically hit with a disproportionate share of tollway revenue, which in turn adds costs to the completion of new infrastructure, commercial projects and housing. The cost for concrete in the Greater Sydney Region is already the highest in the nation and tolls simply exacerbate the cost to do business for Government, the private sector and for potential homeowners.

Congestion across some of the Motorway network also reduces its benefit and efficiency and may lead drivers to avoiding tollways and using arterial roads during peak periods. Maintaining the road network would benefit from:

- Encouraging a shift in construction working hours of operation to get delivery vehicles off the roads during peak times, to assist motorways, arterial roads and smaller access roads with congestion.
- A change of planning allowing materials to leave quarries during an extended period of operation and to be delivered to customer sites and concrete batching plants outside of peak times.
- Encouraging heavy vehicles to use motorways through reduced toll charges, thereby significantly reducing maintenance on other arterial roads, noting that the life of a heavily

trafficked road is primarily based on the number heavy vehicles using the road, particularly during stop start operation.

CCAA has reviewed the summary report and noted the range of options presented and **in-principle**, support a more consistent method of pricing that would allow our sector to factor in travel times and pricing into the costs of new projects.

Options we support

- **Motorway Network or Zonal Pricing Concept** – a model consisting of an access charge, a distance charge and a single, network wide escalation rate. This option, depending on price settings, should theoretically assist to lower transportation costs, in particular if a zonal system was adopted. CCAA cautions that any changes resulting in higher overall charges will result in increased costs for infrastructure and housing.
- **Heavy Vehicle Night Time Discounts** – the adoption of a heavy vehicle night time discount would certainly be welcomed by our industry, not only to reduce congestion and assist with discouraging arterial road usage but also to factor in the timing of works on construction projects to reduce transportation costs. Night Time discounts would be even more effective if planning authorities (local and state) relaxed rules around construction hours so that more infrastructure could be completed in non-peak periods/outside of traditional business hours. Furthermore, hours associated with quarry operations for the purposes of transporting quarry materials would also need to be changed in many cases.

Options we oppose

- **Additional Tolling added to arterial roads without tolls** – we note that the Continuous Motorway Network (CMN) option discusses the possibility of adding new tolling points to arterial roads and the creation of a new CBD zone. We believe that these options are not only politically unpalatable but could also make it more difficult or costly to transport materials to CBD based projects unless construction hours are better aligned with night time or outside of business hours.
- **Truck Multiplier Classification** – CCAA strongly disagrees with the option of a heavy vehicle pricing option (either based on vehicle length or axle configuration) being adopted across the Sydney Motorway Network. This option would simply lead to transport operators carrying more of the tollway revenue collection, particularly as suggested in the summary report, if prices were set at three times the charge of a passenger vehicle. Furthermore, we assert that this option does nothing to promote or deliver the desired equity or efficiency across the Motorway Network that the former Labor Opposition, now Minns Government has suggested and they will only add to the cost of delivering new infrastructure projects across the Greater Sydney Region.

We thank you again for the opportunity to comment on the Independent Toll Review Discussion Paper. While the setting of pricing will always be of critical importance for our members, in-principle, CCAA supports a more consistent and equitable approach to setting of tolls across Sydney's

Motorway Network that enables greater flexibility and decision-making to be factored into the costs of construction projects.

I welcome the opportunity to discuss this policy with you in further detail. Accordingly, I can be contacted on 0448 848 848 or email Jason.kuchel@cca.com

Yours sincerely,



JASON KUCHEL
State Director, New South Wales & South Australia