

14/05/2024

Independent Toll Review  
Treasury  
NSW Government  
[tolling\\_pmo@transport.nsw.gov.au](mailto:tolling_pmo@transport.nsw.gov.au)

## **Re: Independent Toll Review - Interim Report - May 2024**

AustralianSuper welcomes the opportunity to provide an investor perspective on the Interim Report into Sydney's Toll Roads.

AustralianSuper is Australia's largest superannuation fund, with over 3.4 million members, and over \$335 billion in member assets under management. Our purpose is to help members achieve their best financial position in retirement.

Around half of members' retirement savings managed by AustralianSuper is invested in Australia. AustralianSuper invests around \$44 billion in listed and unlisted assets in NSW, including holding an equity stake in WestConnex. The long-term investment horizon for unlisted infrastructure assets is aligned with the investment horizon of AustralianSuper and with delivering on our purpose for members.

### **Support for the objectives of the Review**

AustralianSuper agrees that through successive governments, the passage of time and the changing demographics of Sydney, a fragmented toll road network has evolved. We support the Government's desire to achieve the principles of efficiency, fairness, simplicity and transparency of tolls, while ensuring the NSW road network remains efficient. There is also a need to ensure that NSW remains an attractive investment location.

Members of AustralianSuper rely on the creation of long-term value for their retirement outcomes, and creating long-term value in assets such as WestConnex play an important role in delivering these outcomes. These infrastructure assets also provide wider economic and community benefits. AustralianSuper has almost 1 million members in NSW, and many of Sydney's road users are Fund members. We agree that road users should be able to make evidence-based decisions that support their cost-of-living considerations.

### **Investment considerations**

To support investment in infrastructure, AustralianSuper, like many other superannuation funds and long-term investors require the certainty delivered by long-term policy settings that provide the conditions for ongoing commitment of capital, while ensuring assets meet their social and economic purpose. Our need for a stable policy environment that supports investment is underpinned by the imperative to deliver member investment outcomes over the long-term.

By nature, significant change to existing toll road network arrangements may result in varied outcomes for users, investors and other stakeholders. The recommendations in the Interim Report are complex and have the potential to alter the fundamental risk and overall investment profile of investments. It is important that processes to create a more efficient road network do not inadvertently impact on future private capital allocation because of the potential investment uncertainty they create.

Lack of certainty around the consultation process or the impact of the tolling changes on existing concessions will increase sovereign risk. Further modelling, policy development and detail is needed for investors to fully assess the likely impact of the recommendations. There is a need to ensure modelling is robust and developed enough to understand the impact of changes on network efficiency, and the distribution of costs among users, toll road operators and Government. There is also a need to ensure that the function, processes and operation for IPART and TollCo are clear.

AustralianSuper is committed to working with the Review and the NSW Government on reform options to achieve the desired outcomes. Thank you for considering our submission. If you have any questions, please contact Nick Coates, Head of Government Relations & Public Policy via email at: [ncoates@australiansuper.com](mailto:ncoates@australiansuper.com).

Yours sincerely

A handwritten signature in black ink that reads "Paula M. Benson". The signature is fluid and cursive, with a long horizontal flourish at the end.

**Paula Benson AM**  
Chief Officer, Strategy & Corporate Affairs