The Hon. Duncan Gay MLC
Deputy Leader of Government in the Legislative Council
Minister for Roads and Ports

22 November 2012

Mr Peter Waite

28 Warne Street

Pennant Hills

NSW 2120

Dear Mr Waite,

Thank you for your letter received by this office on 20-11-12 in relation to your GIPA application.

You ask that your application process restart as you believe the Act had not been complied with, as you should have been directed under S 52 Agency to assist with invalid applications.

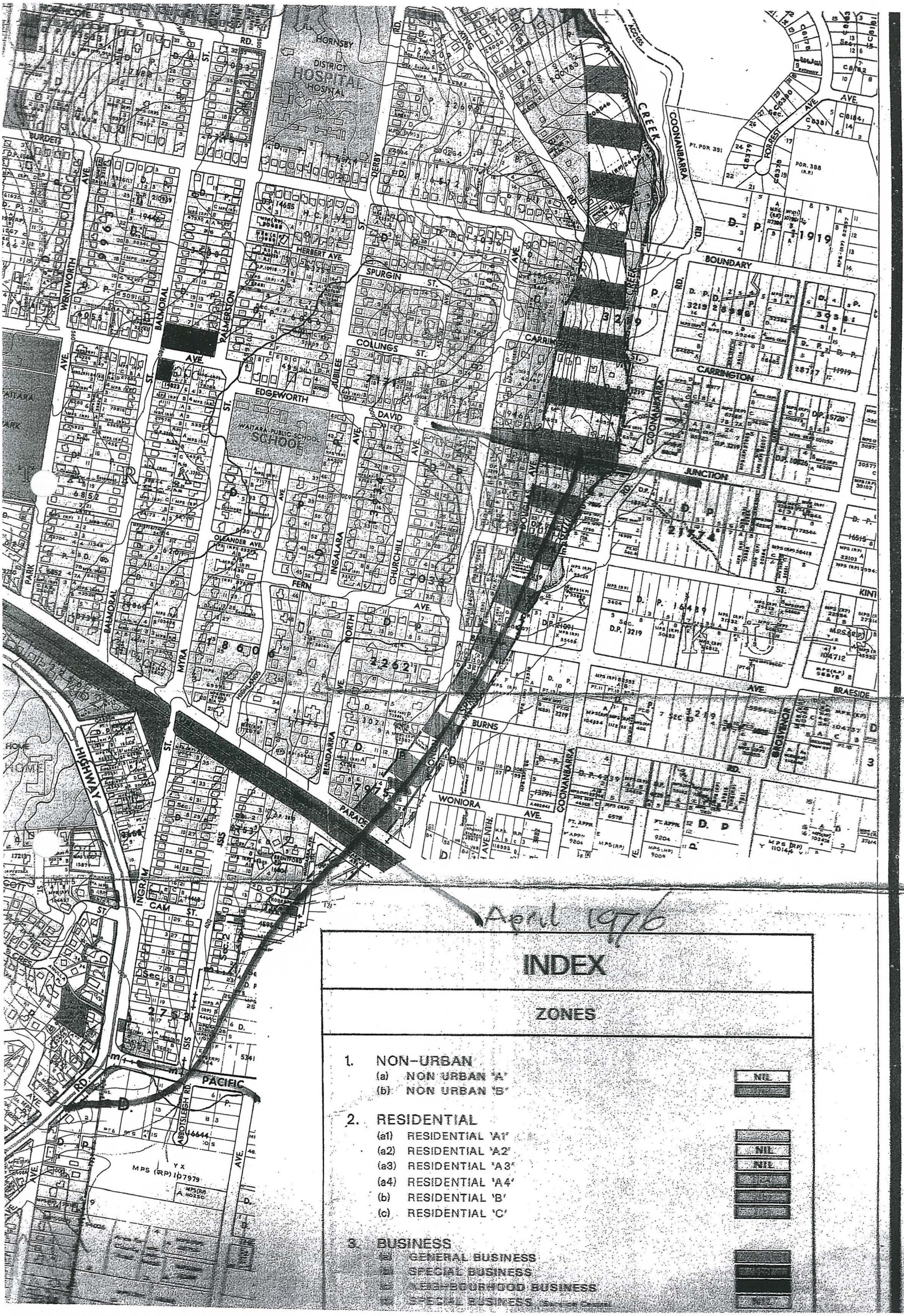
In my 7 November letter to you, I suggested you could call and I could assist you to make your application valid.

I note you have lodged a review of the original decision with the Information Commissioner.

The refund of your $30 application fee is enclosed.

Yours sincerely

[redacted]



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ZONES

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   - (a) NON URBAN 'A' — NIL
   - (b) NON URBAN 'B'
2. RESIDENTIAL
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   - (a2) RESIDENTIAL 'A2' — NIL
   - (a3) RESIDENTIAL 'A3' — NIL
   - (a4) RESIDENTIAL 'A4'
   - (b) RESIDENTIAL 'B'
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   - NEIGHBOURHOOD BUSINESS
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5/6 AUGUST 2014

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Infrastructure Road giant eyes new project

Transurban's tolled gold

Jenny Wiggins

Toll road company Transurban is eyeing its next major project after posting a healthy 44 per cent lift in profits.

On Tuesday chief executive Scott Charlton outlined a strong financial performance for the past financial year stemming from a number of highway upgrades and improving margins.

Higher traffic and toll revenues on most of Transurban's roads in Sydney and Melbourne boosted the key measure of its profit – proportionate earnings before interest, taxation, depreciation and amortisation (EBITDA) – in 2014 by 13 per cent to $934.1 million.

Net profits totalled $252.2 million for the year to June 30, up from $175 million a year earlier.

Mr Charlton said the company would now team with existing super fund partners to consider a bid for the second stage of Sydney's $11 billion WestConnex motorway.

Transurban already owns 50 per cent of Sydney's M5 South West Motorway as part of the Interlink Roads consortium, which also includes Hastings Funds Management, IFM Investors and AMP.

Mr Charlton said that same group will now consider tendering to build and finance the second stage of WestConnex, which will connect the M5 with Sydney Airport and expand the existing motorway in south-west Sydney.

"Interlink, as a consortium with Transurban in it, is certainly interested," he said.

Traffic growth in western Sydney continued to be "very strong", Mr Charlton said, even as it weakened in central business districts. "It's a little bit softer around the CBDs, on the Eastern Distributor [in Sydney] and parts of CityLink [in Melbourne] which might suggest some of the CBD activity is a bit slower," he said.

Transurban is preparing to start building NorthConnex, the $3 billion tunnel that will link the M2 and F3 freeways in Sydney, as soon as it receives environmental approvals. Mr Charlton expects construction to start early next year. Transurban struck a deal with the NSW government to build the road after approaching it in 2012 with an unsolicited proposal, with construction tendered out to a consortium led by Lend Lease and the French group Bouygues.

Transurban believes owner-operator companies like itself are best placed to build new roads, and that governments should not push pension funds to invest in new roads because they do not have their own in-house traffic forecasting and engineering teams and can "get into trouble".

Proportional toll revenues, which measure revenues relative to Transurban's ownership stakes in its toll road assets, rose 12.6 per cent to $1.1 billion.

Transurban delivered a fiscal 2014 dividend of 35¢ a share, up 4¢ on a year earlier, as previously forecast at its half-year results. It reaffirmed guidance for a fiscal 2015 dividend of 39¢ a share, despite a 3.7 per cent rise in underlying costs.

Transurban plans to keep growing dividends by using its scale – the company now manages about 1200 kilometres of roads in

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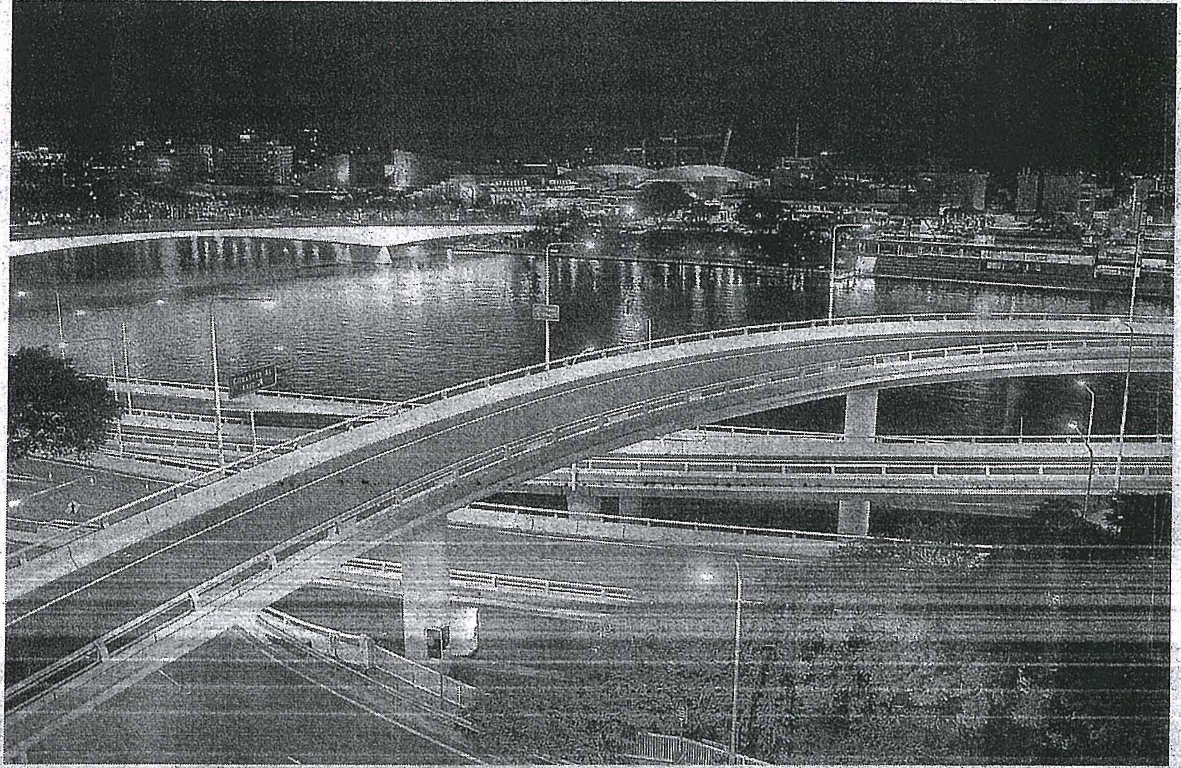

Bullish: Transurban spent $7 billion on toll roads owned by Queensland Motorways. Photo: Jessica Hromas

Malcolm Maiden

Cruising to even greater profits

Wondering why Transurban comfortably raised $2.7 billion from shareholders for its 62.5 per cent equity share of the $7 billion Queensland Motorways acquisition in May? Check out the toll road group's result for the year to June. Transurban is accelerating as smoothly as a Tesla.

It boosted revenue by 12.6 per cent in the June year, and lifted earnings before interest payments, tax and depreciation and amortisation (EBITDA) by 12.8 per cent to $934 million.

Operating cash flow jumped 27 per cent to $521 million, and free cash flow was 29 per cent higher at $571.9 million. The group has boosted its annual payout in steady steps from 22¢ a share in 2008-09 to 35¢, and says it will pay 39¢ or $594 million in 2014-15.

Distributions are tied to free cash flow. They slightly exceeded it this year, but chief executive Scott Charlton says next year's payout will be 100 per cent covered. It is that sort of predictability that allows Transurban to pay huge prices for toll roads (including 27.5 times EBITDA for Queensland Motorways in May), and sell equity to investors at similar multiples to finance deals.

The key is not so much what

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6 Aug 2014

Transurban keeps its tax burden low

Australia's monopoly toll road operator Transurban paid $3 million in taxes last year despite racking up $1 billion in tolls from motorists.

As the debate rages over "lifters and leaners" following Treasurer Joe Hockey's federal budget, the Transurban financial statements for the financial year put in stark relief the paltry income tax contributions some large corporations are making to the government coffers. Transurban Holdings Limited has tried to c[illegible] a tax refund of $45 million, which if successful would be paid next financial year. Last year's tax gain was even higher at $58 million. The company was able to achieve this because of the way in which it structures its financial accounts and runs high debt levels. It paid about $344 million in interest.

Transurban's new project: tolled gold

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Australia – to become more efficient, Mr Charlton said.

In Queensland, where it recently spent $7 billion acquiring a new network of toll roads owned by Queensland Motorways, it has brought operations and maintenance back in-house. "We think we run a tighter outcome," Mr Charlton said.

Some analysts queried the decision by Transurban's board to reduce management's long-term incentive remuneration hurdle for 2015 to 10-13 per cent growth in free cash flow, compared with the 2014 target of 12-15 per cent growth.

The previous target was higher because Transurban benefited from an upgrade of its Hills M2 toll road in Sydney, Mr Charlton said.

"Every year they see what is reasonable," he said.

The Hills M2 posted an almost 14 per cent increase in traffic and a 35 per cent lift in revenue year-on-year. The road through northern Sydney reaped $193 million in tolls to provide 17.3 per cent of Transurban's toll revenue.

Institutional investors said they were happy with the new incentive target and expected their dividends to grow at a similar rate.

"[Charlton] wouldn't agree to it unless he knew he could do it," one investor said.

Transurban's shares closed down almost 1 per cent to $7.58. Its shares are up 10.5 per cent over the past 12 months compared with an 8 per cent rise in the S&P/ASX 200.

Transurban comfortably cruising to even greater profits

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Transurban is earning and distributing to investors now, but what it will collect and pay out out over the next decade or two. There will be more cars like Elon Musk's Tesla passing under Transurban tolling gantries in years to come, but Transurban's cash flow and distributions are set to keep rising.

The group is a better earner than it might have been. In a deal with the Victorian Labor government in 2006, it redeemed concession notes valued at $2.9 billion for just $550 million in return for taking on the task of upgrading Melbourne's M1 expressway where it passes the CBD. The notes were created when Transurban won the right to build Melbourne's CityLink toll road, which opened in 2000, and they obliged the group to make annual payments to the government of either $96 million or 30 per cent of distributable cash flows from CityLink, whichever was the lower.

The notes ran until 2034, and CityLink is by far Transurban's biggest business, generating 59 per cent of its revenue and 63 per cent of its $759 million EBITDA in 2013-14. Transurban bought the notes out cheaply. With the annual concession note payment extinguished, its earnings are (and are going to continue to be) higher than they might have been.

Even without that gift, Transurban is an extraordinary business. Freed of the concession note obligation, CityLink is keeping 90.3 per cent of its revenue as EBITDA. Its portfolio of Sydney tollways generate EBITDA margins between 66.5 per cent and 94.9 per cent. Transurban issued shares at $6.75 and $6.95 to raise $2.7 billion in May. Its shares were down slightly on Tuesday but closed at $7.58, well up on issue prices. They are an obvious option for retirement portfolios.

Rates hold

Reserve Bank governor Glenn Stevens said a month ago the Reserve wouldn't blind side the markets with a cash rate rise. Long before any thought was given to an increase in rates, it would "probably be sensible for the board to cease references to a future 'period of stability'," he told an audience in Hobart.

The Reserve's latest decision to hold the cash rate at 2.5 per cent and the announcement that accompanies it shows the softening-up period has not arrived. Its statement saying rates are on hold – as they have been for a year – is similar to the one it issued a month ago. Most importantly, the following statement is repeated: "In the board's judgment, monetary policy is appropriately configured to foster sustainable growth in demand and inflation outcomes consistent with the target. On present indications, the most prudent course is likely to be a period of stability in interest rates."

On Stevens' Hobart formulation, that means that a rate increase is not on the horizon. The Reserve isn't on hold because the economy is in a sweet spot.

The central bank is keeping interest rates on hold because the handover from the resources investment boom to the rest of the economy is still not definitely confirmed.

Until it either is or it isn't, the direction of rates remains uncertain.

MWT 22 MARCH 2006

Beyond 2021, when capacity of a six-lane F3 is likely to be exceeded in peak periods, a Type C option may become a justifiable project, depending upon the manner in which Sydney, the Central Coast and Lower Hunter develop. Consequently, a decision will be required about a long term solution to traffic capacity in the Sydney Orbital to Central Coast corridor. This will revolve around:

- An eight-lane F3
- A Type C option

Both will require capacity augmentation in the Sydney road network.

Measures to improve train accessibility from the Central Coast to Sydney and land use measures, among others, may defer the need for a long term option, depending on their success. Conversely, faster than forecast travel demand growth may require a long term option sooner than 2021.

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Transurban 'well positioned' for 2015

Jenny Wiggins
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This story was found at: ***http://www.smh.com.au/business/transurban-well-positioned-for-2015-20140805-100h9j.html***