



09

SUSTAINABILITY REPORT 2009



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Chairman's message

Welcome to Transurban's fourth sustainability report.

Since we delivered our first report in 2006, sustainability – or corporate social responsibility as we used to call it – has become a critical part of doing business for an increasing number of companies.

Being a good corporate citizen has changed from being the 'right thing to do' for investors and communities to a strategic imperative.

At Transurban, sustainability has long been at the core of our operations – and it is pleasing to reflect on the many steps we have taken along the way to ensure that it is truly entrenched in our business.

It is also pleasing to be formally recognised for our work and achievements in sustainability. We were recently informed that we had again been listed in the Dow Jones Sustainability Indexes (DJSI) World List of high-performing companies. It is the fourth consecutive year we have received this global recognition.

While formal reporting helps us to continuously improve our approach and performance by benchmarking against leaders in the field, our commitment to sustainability has been at the core of our operations.

As a long-term toll road owner-operator, it makes good sense for Transurban to align its business with the long-term interests of its stakeholders.

We have tried – as best we can – to measure our impacts on the environment, build relationships with our local communities, and create the best workplace culture for our employees.

This year, as part of a wider Transurban program of consolidation, we decided to adopt a more formal approach to our work in sustainability.

We understood that for a business to truly embrace sustainability, employees at all levels needed to take ownership and understand what sustainability means in their day-to-work.

Firstly, we introduced a business-wide Sustainability Framework, which was approved by the Transurban Board in December 2008. In line with the framework, we set our priorities for the year and teams across the business develop action plans to meet our goals.

Secondly, we reviewed the role and structure of the Sustainability Committee of the Board to ensure that it continues to reflect and respond to our changing sustainability needs.

I'm pleased to be Chair of this new committee, along with three of our non-executive directors – Lindsay Maxsted, Bob Edgar and Rodney Slater.

This 'bricks and mortar' approach of strengthening structures and processes might not be particularly glamorous. However, the measures I have outlined above are critical and timely, and will stand us in good stead for the next stage of our development.

I would like to take this opportunity to thank the many people across the business who have worked so hard to help us deliver our sustainability vision and I look forward to the year ahead.



David Ryan AO
Chairman

CEO's message

I want to share with you a couple million reasons why we should be proud of our people at Transurban.

We achieved over one million safe work hours without a lost work day incident since construction began on the Capital Beltway project. Safety is always our first priority – and this demonstrates that our US team and construction partners share our commitment. This year we worked on raising safety awareness in the workplace to reduce our rate of lost time injuries. In the coming year this will remain a focus to ensure we see a sustained reduction in the number of injuries.

The second million to be proud of is the Run for the Kids in Melbourne, which we co-sponsor with the Herald Sun. The event raised more than \$1 million for the Royal Children's Hospital, and over half of our Melbourne employees participated as competitors or volunteers.

I also want to recognise the generosity and community spirit of our employees following the 2009 Victorian bushfires. Around our offices, employees collected money and goods to support people in the fire-affected areas. In the end, they raised almost \$5,000 through “passing the hat” and more than \$21,000 through TransGiving, our workplace giving program. The company matched those employee donations, and contributed a further \$100,000 to bushfire relief. I feel proud to be involved with a company that has this culture of giving.

These are just some examples of how our employees are putting our sustainability commitment into practice.

Climate change continues to be a focus for us. In both the US and Australia, we have been monitoring legislation related to climate change to ensure we are ready to respond to any changes that may affect our business. We also created a website to help Sydney drivers identify savings in time, fuel and carbon emissions from using our roads over alternative routes. In the coming year, we will formalise our response to climate change through a company-wide strategy.

In 2009, we introduced a Sustainable Purchasing Policy to encourage our suppliers, contractors and partners to pursue sustainable business practices. We are working closely with them to create a sustainable supply chain, which ultimately helps our business and our investors—by reducing costs, minimising risks and increasing our competitive edge.

We reaffirmed our commitment to sustainability by becoming a signatory to the United Nations Global Compact in September. This is another important step for us in our sustainability journey, and we look forward to another year of progress.



Chris Lynch
Chief Executive Officer

About this report

Scope

This is Transurban's fourth sustainability report. As in previous reports it covers our community, employees, customers and the environment.

In FY09, we introduced a new Sustainability Framework for Transurban which broadens the customer section to cover all our key external stakeholders. The new 'Marketplace' section now includes:

- customers
- suppliers, contractors and joint venture partners
- government
- investors, and
- industry.

The report contains information on activities in FY09 (the period from 1 July 2008 to 30 June 2009), unless otherwise stated. We intend to continue to report annually on our sustainability progress.

Most of the information and data presented in this year's report comes from our Australian roads as the majority of our operations are Australia based. The report covers Transurban corporate offices in Australia and our 100 per cent owned toll roads—CityLink in Melbourne and Hills M2 in Sydney.

In Sydney, we also have interests in four other motorways—Westlink M7 (50 per cent stake), the Eastern Distributor (75.15 per cent), the M4 (50.61 per cent) and M5 (50 per cent). Where we have management control of these roads, we have reported relevant sustainability information. Where we don't have management control, we are still able to report some aspects of sustainability performance on these roads.

In FY09, we have more information to report on our interests in the US as our Capital Beltway HOT lanes project in Washington DC is 18 months into construction (as at July 2009). We have again reported on our environmental and social impacts of Pocahontas 895 in Virginia.*¹

¹ Transurban has a 75 per cent stake in DRIVe, our co-investment vehicle in North America, which owns 100 per cent of Pocahontas 895 and has a 90 per cent interest in the Capital Beltway HOT lanes project.

Data is gathered from numerous stakeholders. This is done through a process of consultation between the sustainability team and various people across the business to identify material issues in the reporting period.

Some of the reported data is collected by our major road operations and construction contractors—TransLink Operations Pty Ltd (TLO) for CityLink, Bilfinger Berger Services (BBS) for Hills M2 and Abigroup Contractors Pty Limited for the Southern Link Upgrade. We believe that the work they carry out for our assets forms part of our social and environmental footprint.

We aim to provide a true picture of Transurban's social, economic, environmental and governance landscape. To ensure the report's information is accurate and balanced, we have it verified by an external assurer.

Target audiences

Our audiences for the Sustainability Report are both internal and external stakeholders. They include employees, customers, community, investors, analysts, governments, non-government organisations and opinion leaders.

Stakeholder feedback

In the past we have relied on feedback from a formal stakeholder review to help shape our reporting boundaries.

While we decided to change our focus in FY09 by strengthening our internal stakeholder management processes, our key reporting issues remained consistent with previous years. These include:

- Transurban's approach to integrated transport solutions and reducing traffic congestion. [Click here](#) for current initiatives.
- Carbon footprint monitoring and reporting about carbon trading schemes. [Click here](#) for current initiatives.
- Transurban's sustainability initiatives and how they meet community goals. [Click here](#) for current initiatives.
- Noise pollution, water and land management, and recycling. [Click here](#) for current initiatives.
- Transurban's internal workings, including more details on work safety and reporting on Human Resources policies. [Click here](#) for current initiatives.

- Clearer definitions of 'sustainability', particularly around 'organisational sustainability' and 'social/environmental sustainability'. [Click here](#) for current initiatives.

We also take on board the recommendations made to us by organisations which evaluate sustainability reports.

The Association of Chartered Certified Accountants awarded us 'Best Sustainability Report in the Transport Sector' in its Australia and New Zealand Awards for Sustainability Reporting in 2008.

The Association recommended we provide more information on corporate governance structures, risk management processes, management systems and internal audit processes. It also suggested we include more performance data. We have responded to these recommendations in this report.

For further information on stakeholder engagement, [click here](#).

GRI accordance

This report is based on G3 guidelines published by the Global Reporting Initiative (GRI). GRI is a multi-stakeholder network that is considered to set the global standard for reporting in sustainability.

The GRI G3 provides us with a comprehensive framework that helps us assess and track our economic, social and environmental performance. It also provides us with a useful benchmark against other global companies.

GRI have rated our report at an A+ level.

For more information on the GRI visit www.globalreporting.org

We also review our reporting against other sustainability performance indicators such as the Dow Jones Sustainability Indexes and FTSE4Good Index.





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Independent Assurance Statement

To the Board of Directors, Executive Committee and Stakeholders of Transurban Limited:

Transurban Limited (Transurban) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of its 2009 Sustainability Report (the Report). The Report presents Transurban's sustainability performance over the period 1 July 2008 to 30 June 2009. Transurban was responsible for the preparation of the Report and this statement represents the assurance provider's independent opinion. Net Balance's responsibility in performing its assurance activities is to the Board and Executive Committee of Transurban alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Assurance standard and objectives

The assurance was undertaken in accordance with the AA1000 Assurance Standard (AA1000AS (2008)). Assurance undertaken using this standard provides a comprehensive assessment of an organisation's management of, performance and reporting on sustainability issues. This is achieved through evaluation of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and by reviewing the accuracy and quality of disclosed sustainability performance information.

The AA1000 AccountAbility Principles (2008) against which the organisation's processes are assessed include:

Inclusivity: An assessment is made as to whether the organisation has included stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality: An assessment is made as to whether the organisation has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.

Responsiveness: An assessment is made as to whether the organisation has responded to stakeholder concerns in its Report. An assessment is also made as to whether the organisation has in place policies and relevant standards to address material sustainability issues and concerns.

Assurance type and scope

Net Balance provided Type 2 assurance in accordance with the AA1000AS (2008). This involved an assessment of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and an assessment of the accuracy and quality of the reported sustainability performance information.

The review of adherence to the principles was undertaken using the criteria outlined in the AA1000 Assurance Principles Standard (2008), while assessment of the accuracy and quality of sustainability



performance information was undertaken using the Global Reporting Initiative's (GRI) G3 Reporting Principles for Defining Quality

Assurance level and limitations

The level of assurance provided is moderate, with the exception of greenhouse gas emission and water information, for which a high level of assurance is provided. The levels of assurance are defined by the scope and methodology described in this assurance statement. The assurance covered the whole Report with the following exceptions:

- The scope of work did not involve verification of financial data.
- The assurance provider's involvement with stakeholder engagement was limited to reviewing external and internal stakeholder engagement processes and outcomes.
- Only the Little Collins St head office in Melbourne, and the Pitt St and Hills M2 offices in Sydney were visited as part of this assurance engagement. Information and data generated from all other sites, including the US, was reviewed remotely.

Assurance methodology

The assurance engagement was undertaken between August and October 2009, and the process involved:

- Development of a materiality register using the five-part materiality test, including a comparison of Transurban against its peers, a review of selected media, a policy review and review of stakeholder feedback.
- Senior management interviews to assess the effectiveness of the policies, procedures and frameworks in place to manage sustainability within the organisation.
- A review of the processes used by Transurban to engage with its stakeholders and the outcomes of external and internal engagement undertaken during the reporting period in order to understand the nature of material issues raised by stakeholders.
- A review of Transurban's key sustainability strategies, policies, objectives, management systems, measurement and reporting procedures, background documentation, and data collection and reporting procedures.
- Interviews with key employees responsible for the Report to ascertain their views, understanding and response to material sustainability issues faced by the business.
- A series of interviews with key employees responsible for collating and writing various parts of the Report in order to substantiate the veracity of selected claims.
- A review of the Report for any significant anomalies, particularly in relation to significant claims as well as trends in data.
- Examination of the aggregation and/or derivation of, and underlying evidence for 86 selected data points and statements made in the Report and evaluation of these against the GRI G3 Reporting Principles for Defining Quality.
- Detailed sampling of greenhouse gas and water data to provide a high level of confidence in the quality of the data reported.
- Collecting and evaluating evidence to support the assurance work undertaken.

Our independence

Net Balance was not responsible for preparation of any part of the Report. Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this assurance engagement. Net Balance has assisted Transurban during the year with a waste audit of a number of its assets and verification of its CDP and DJSI submissions. A member of staff at Transurban is also a board member of the Net Balance Foundation, a not-for-profit entity which draws its resources from the Net Balance Management Group. Both Transurban and Net Balance have determined that these issues are not in conflict with Net Balance's role as the independent assurance provider.

Our competency

The Transurban assurance engagement was carried out by an experienced team of professionals led by a Lead Certified Sustainability Assurance Practitioner (Lead CSAP), accredited by the International Register of Certified Auditors UK (IRCA UK). The assurance team included members with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of AccountAbility's AA1000AS, having undertaken over 50 assurance engagements in Australia throughout 2007 and 2008.

Findings and conclusions

Adherence to AA1000 principles

Inclusivity: Transurban has demonstrated a commitment to be accountable to its stakeholders. Transurban has comprehensive and continuous processes in place both at the Group and at the asset level for communicating with stakeholders, as well as actively seeking and incorporating stakeholder feedback into strategic planning. Engagement with shareholders, government and regulators, is carried out at the Group level, while individual assets are responsible for engaging with their own stakeholders including customers, employees and community. While Transurban has this year taken steps to formalise its approach to stakeholder engagement, its approach would benefit from an overarching stakeholder engagement framework, which could be used to identify stakeholder groups and develop appropriate engagement strategies.

Materiality: Transurban has in place processes to determine material issues. The Report content was found to be in alignment with the outcomes of these processes and, as such, appropriately addressed Transurban's environmental, social and economic material issues. In addition, the Report was found to provide balanced information about Transurban's sustainability management performance. However, Net Balance recommends that Transurban puts in place a more formal process for determining material issues based on ranking the relevance and significance of each issue both to Transurban and its stakeholders.

Responsiveness: Transurban was found to be responsive to stakeholder concerns and expectations. This was clearly demonstrated particularly through formal engagement and communication mechanisms established with various types of stakeholders. Transurban is in the process of developing appropriate management systems and policies that govern the way it responds to stakeholders. These systems are intended to enable Transurban to continue to provide timely and accessible responses to its stakeholders through a range of communication channels.

Reliability of performance information

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information.
- The level of accuracy of sustainability performance information was found to be within acceptable limits.
- Data trails selected were easily identifiable and traceable, and the employees responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures presented within the Report appropriately reflect environmental, social and economic performance achieved during the period.

Overall, it is Net Balance's opinion that the information presented within the Report is fair and accurate and that the Report provides a reliable account of Transurban's sustainability performance during the reporting period.



The way forward

Transurban has been reporting its sustainability performance for more than four years and, over that time, has become a leader within its sector both internationally, but particularly in Australia. To ensure that Transurban maintains this position it is essential that it now takes steps to embed sustainability within the organisation and particularly within the way that the assets operate. Over the next 12 months, Net Balance recommends that Transurban considers the resource efficiency of its assets, benchmarks their performance in the areas of energy, water and waste, and sets performance improvement targets. These targets should not only improve the resource efficiency of the business, but should also deliver significant cost savings. Transurban's supply chain represents a further opportunity to embed sustainability within the organisation and simultaneously manage risks and achieve cost savings through resource efficiencies. Transurban should aim to build upon the policy work that it is currently undertaking to engage with its suppliers on issues of sustainability.

In terms of defining report content, Net Balance recommends that Transurban develops an overarching stakeholder engagement framework and a more formal process for determining material issues based on ranking the relevance and significance of each issue both to Transurban and its stakeholders. By developing these frameworks and processes, Transurban will ensure that its report content continues to meet the needs of stakeholders.

Overall, Transurban has satisfactory processes in place for collecting sustainability performance information and the Report appropriately addresses Transurban's environmental, social and economic material issues. To ensure that Transurban continues to improve, Net Balance has provided recommendations and suggestions particularly with regard to data management at the asset level. These have been outlined in a more detailed report presented to Transurban's Executive Committee.

On behalf of the assurance team
22 October 2009
Melbourne, Australia


Terence Jeyaretnam
Director, Net Balance & Lead CSAP (IRCA UK)



ABOUT TRANSURBAN



About Transurban

At a glance

Transurban is a values-based, value-driven toll road owner-operator with assets and projects in Australia and North America.

- Transurban is listed on the Australian Securities Exchange (ASX), where it is ranked within the Top 50 companies.
- As at June 30, we had interests in six Australian toll roads and two US toll roads (one in the construction phase). They are CityLink in Melbourne, Hills M2, Westlink M7, Eastern Distributor, M4 and M5 in Sydney and Pocahontas 895 in Richmond, Virginia. Also in Virginia, our largest growth project—the Capital Beltway HOT lanes—is more than 18 months into construction (as at July 2009).
- We are continuing negotiations on a second Virginia HOT lanes project on the I-95/395.
- Transurban manages three customer tolling brands in Australia—CityLink, Roam and Roam Express.
- Our Australian corporate offices are located in Melbourne (headquarters) and Sydney, and our US corporate offices are in New York and Alexandria (Washington DC area) and Richmond, Virginia.
- We have more than 5.1 million account and non-account customers globally. ^{*2}
- The principal entities within Transurban Group are Transurban Holdings Limited, Transurban Holdings Trust and Transurban International Limited. Transurban Limited is a subsidiary of Transurban Holdings Limited.

Economy

Mobility is key to economic development. Businesses need road, rail, shipping and air networks to transport goods and services to markets, while people need them to get to jobs and use basic services (World Business Council on Sustainable Development).

Our electronic toll roads and innovative technology aid the flow of commerce by getting people to work and by helping businesses deliver goods and services efficiently.

As one of Australia's Top 50 companies, the economic impacts of our business extend to our employees, investors, the community and the government through wages, dividends, sponsorships and donations, and taxes.

² Account customers represent actual tag and video accounts held with Transurban entities. Non-account customers includes an estimate for tag account customers with EastLink, QML, RTA and E-way who use Transurban roads plus an estimated number of individual customers who use either cash, video passes, deferred toll notices in New South Wales or late toll invoices in Victoria.

Our financial performance

In the face of a volatile global economy and challenges in our sector, Transurban has emerged as a strong performer in FY09.

Our assets continue to excel, with all seven recording revenue growth. Four of those roads generated double digit percentage increases in proportional Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA).

On a proportional basis, adjusted to reflect the contribution of individual assets in proportion to Transurban's equity ownership, our results were as follows:

- Toll revenue was A\$778.7 million, a 7.6 per cent increase over the previous year.
- Underlying proportional EBITDA was 11.5 per cent higher at A\$583.4 million.
- Underlying free cash from operations was A\$283.2 million, an increase of 5.4 per cent.

Alongside this strong performance, we have further enhanced our business by exceeding our targets for cost reductions. Our aim was to take A\$21.4 million out of our ongoing cost structure by the end of FY09. In the past year, we have achieved cost reductions of A\$26.6 million on a proportional basis.

Supplier network

We contribute to the wider economy through our business relationships with a diverse network of suppliers.

We have contact with 1,436 suppliers of goods and services in Australia and North America. In FY09 our total spend was over A\$270 million.^{*3} Approximately 83 per cent of our suppliers were based in Australia.

The top five Australian suppliers by dollar spend were:

- Abigroup Contractors Pty Ltd (civil, building and asset maintenance)
- Leighton Contractors Pty Ltd (operations and management)
- SalesForce Australia (call centre)
- Transfield Services (operations and management), and
- Logica (IT outsource provider).

The top five North American suppliers by dollar spend were:

- American Infrastructure - Virginia (construction management)

³ The list excludes payments to the Australian Taxation Office and other government agencies, superannuation contributions, rent for expatriate employees, Foreign Tag Operator (FTO) payments, payments to state road bodies for vehicle details, employee reimbursements and donations.

- Kipp-Stawski Management Group (rent)
- Orrick, Herrington & Sutcliffe (legal services)
- Arup North America Ltd (consulting services), and
- Oxford Health Plans (NY), Inc (insurance).

Sustainable procurement

Transurban aims to use suppliers who share our commitment to protect and improve our environment and community. [Click here](#) for more details.

Capabilities

Transurban has a range of capabilities including:

- full electronic (open road) tolling
- road performance and safety
- traffic modelling
- financial management
- concession management
- project development
- project delivery
- stakeholder engagement, and
- customer service.

Values

Our values drive the way we do business. They are:

- honesty
- integrity
- humility, and
- accountability.



TransurbanValues

Our assets

Transurban has interests in the following toll roads:

- CityLink—100 per cent owned
- Hills M2—100 per cent owned
- Eastern Distributor (M1)—75.15 per cent owned
- M4 Motorway—50.61 per cent owned
- Westlink M7—50 per cent owned, and
- M5 Motorway—50 per cent owned.

Transurban also has a 75 per cent stake in DRI^Ve, our co-investment vehicle in North America, which owns 100 per cent of Pocahontas 895 in Richmond, Virginia and has a 90 per cent interest in the Capital Beltway HOT lanes project.

CityLink

Key facts

- 22 kilometre / 14 mile motorway in Melbourne, Australia
- Connects three major urban freeways – the West Gate, Tullamarine and Monash
- Links Melbourne's manufacturing hubs and the city centre, port and airport
- One of the world's first fully electronic toll roads
- More than 1.8 million vehicles registered to use the road
- Opened to traffic in August 1999
- 100 per cent owned and managed by Transurban
- Concession (a contract to operate the road) until 2034, and
- Major upgrade under way in CityLink's east-west corridor, in partnership with State Government.

Key events in FY09

- Traffic volume for the year was 241.1 million transactions, and toll revenue was A\$368.4 million.
- Construction associated with the M1 Upgrade—a joint project of the Victorian Government, Transurban and other partners—was the primary reason for the lower traffic.
- Revenue continues to grow due to factors such as quarterly toll price increases in line with our concession and improved revenue recovery due to developments in the capture and processing of vehicle information.
- The M1 Upgrade will have a staged opening, with the entire project due for completion by the end of 2010. The project is expected to lift traffic on CityLink by 7 per cent within five years of completion.
- CityLink completed an upgrade of roadside camera technology which has improved our ability to capture number plate details for tolling purposes.
- CityLink replaced its Central Computer Control System to ensure its systems continue to evolve with the needs of future operations.
- In November 2008, CityLink's Tunnel Safety Project received the 2008 Australian Safer Communities Award, which is sponsored by Emergency Management Australia, a division of the Federal Government.

Hills M2

Key facts

- 21 kilometre / 13 mile roadway in Sydney, Australia
- Links the lower north shore of the city with the northwest regions
- Connects to Westlink M7 and Lane Cove Tunnel
- Combination of electronic toll collection and cash toll plaza lanes
- Transurban's [Roam Express](#) is preferred tolling and customer service provider
- Opened to traffic in 1997
- Acquired by Transurban in June 2005, and
- Concession until 2042.

Key events in FY09

- Traffic volume for the year was 34.0 million trips and toll revenue was A\$124.9 million.
- Truck tolls were increased at both M2 toll points on 1 April 2009 and again after year end on 1 July 2009. The increases are part of a phased strategy to gradually bring truck tolls into line with the M2 Project Deed's allowance for a truck toll of three times the price of a car. The toll paid by trucks had been two and half times the car toll for a number of years.
- Hills M2 raised the toll for cars from A\$4.40 to A\$4.95 on 1 July 2009 at the main toll plaza only. It was the first increase in more than two and a half years.
- Transurban is continuing negotiations with the New South Wales (NSW) Government and the state's Roads and Traffic Authority (RTA) on our proposal to upgrade the M2 to three lanes on the majority of the road.
- Electronic tag and video accounts grew by about 8 per cent at Roam Express, a Transurban business and the preferred tolling and customer service provider for Hills M2.

Eastern Distributor

Key facts

- 6 kilometre / 4 mile toll road in Sydney, Australia
- Links Sydney's city centre, Harbour Tunnel and Harbour Bridge with the southern suburbs and Sydney Airport
- Combination of cash and electronic tolling
- Includes a 1.7 kilometre / 1 mile tunnel with a 'double deck' configuration (southbound lanes run below northbound)
- Opened to traffic in December 1999
- Acquired in 2007
- 75.15 per cent owned by Transurban, and
- Concession until 2048.

Key events in FY09

- Traffic volume for the year was 17.3 million trips, and toll revenue was A\$78.8 million.
- Toll price increases for cars in April 2008 and for trucks in October 2008 contributed to the increase in revenue this year even though traffic declined slightly.
- The Eastern Distributor's tolling system was upgraded to make its mixed cash and electronic tolling more efficient. On the road, new vehicle detection equipment and violation cameras were installed. Vehicle classification and image processing software was also upgraded. The road remained open during the transition to the new system.
- Several revenue recovery initiatives were implemented during the year, including outsourcing enforcement notice processes and payment to Roam Express.

M4 Motorway

Key facts

- 40 kilometre / 25 mile toll road in Sydney, Australia
- Extends from the city's inner west to the foot of the Blue Mountains
- Connects to Westlink M7 at Eastern Creek
- Combination of electronic and cash tolling, with flat rate tolls charged in both directions
- Completed in 1992
- Acquired in 2007
- 50.61 per cent owned by Transurban, and
- Concession until 2010.

Key events in FY09

- Traffic volume for the year was 40.8 million trips, and toll revenue was A\$106.2 million.
- Preparations have begun for handing back the M4 to the NSW Government when the concession ends in February 2010.

Westlink M7

Key facts

- 40 kilometre / 25 mile motorway in Sydney, Australia
- Joins Hills M2, M4 and M5 - all roads in which Transurban has an interest
- Situated in a strong industrial and residential growth corridor
- Sydney's first distance-based toll road
- 100 per cent electronically tolled
- Transurban's [Roam](#) is preferred tolling and customer service provider
- Improves access to western Sydney, and helps motorists avoid up to 48 sets of traffic lights
- Includes 17 access points, 38 over- and under-passes, 144 bridges and a 40 kilometre / 25 mile cycling and walking path
- Opened to traffic in December 2005
- 50 per cent Transurban owned, and
- Concession until 2037.

Key events in FY09

- Traffic volume for the year was 43.7 million trips, and toll revenue was A\$160.2 million.
- There was consistent traffic growth on both weekends and weekdays, with the strongest increases on the southern section of the M7.
- Roam electronic tag and video accounts increased by more than 10 per cent over the previous year. Roam, the tolling and customer service provider for Westlink M7, is owned by Transurban.

M5 Motorway

Key facts

- 22 kilometre / 14 mile toll road in Sydney, Australia
- Key route between the city centre and Sydney's southwestern suburbs
- Connects the F5, M5 East and Westlink M7 motorways
- Combination of electronic and cash tolling, with flat rate tolls charged in both directions
- Opened to traffic in 1992
- Acquired in 2007
- 50 per cent owned by Transurban, and
- Concession until 2023.

Key events in FY09

- Traffic volume for the year was 43.0 million trips, and toll revenue was A\$157.0 million.
- From 1 July 2008, the M5 began accepting casual user passes from Roam, Roam Express and the RTA. The additional payment option makes it easier for visitors to Sydney or infrequent customers to use the road. Cash continues to be accepted on the M5.

Pocahontas 895

Key facts

- 14 kilometre / 9 mile toll road in Richmond, Virginia, US
- Links Interstates 95 and 295 to create a southern bypass of Richmond
- Combination of cash and electronic tolling
- Operations, maintenance and manual toll collection handled by Transurban
- Opened to traffic in September 2002
- Acquired through negotiation with the Virginia Department of Transportation and the Pocahontas Parkway Association in 2006
- Concession until 2105, and
- Construction of direct link to Richmond International Airport started in late 2008.

Key events in FY09

- Traffic volume for the year was 5.3 million trips, and toll revenue was A\$18.5 million / US\$13.8 million.
- Revenue increased slightly despite the decline in traffic due to a toll price increase at the main toll plaza in January 2009 and a declining economic climate.
- A priority for Pocahontas 895 in FY09 was improving systems for the safety of customers, staff and vendors. This included installing weather monitoring systems on the main bridge span, roadside cameras in high-use areas of the road, and security systems in the toll and office facilities.
- Construction on the Richmond Airport Connector started in late 2008 and is running on schedule, with completion expected in 2011. Transurban will manage and operate the new road, which will provide a direct link between Pocahontas 895 and the Richmond International Airport.

Capital Beltway (I-495) HOT lanes (*under construction*)

- Project involves creating High Occupancy Toll (HOT) lanes on a section of the Capital Beltway—the ring road around Washington, DC
- Covers 22 kilometre / 14 mile section of the Beltway between the Springfield Interchange and just north of the Dulles Toll Road
- HOT lanes run alongside existing freeway lanes and give motorists the choice to pay for faster, more reliable travel
- Buses and vehicles with three or more people travel on the lanes for free
- Includes two new electronically tolled lanes in each direction, increasing the total lanes from eight to 12
- Incorporates variable toll pricing based on real-time traffic conditions to manage traffic and maintain free flow conditions at all times
- Transurban to operate and maintain the HOT lanes over a 75-year operations contract period
- Design and construction is by Transurban's partner Fluor-Lane⁴, and
- Construction began in early 2008, and HOT lanes scheduled to open in 2013.

Awards and achievements

In FY09, Transurban was recognised externally for excellence in:

Sustainability

- Listed in the Dow Jones Sustainability Indexes (DJSI) World List of high-performing companies for fourth consecutive year (the listing was announced after year end)
- Included in Carbon Disclosure Project's Climate Disclosure Leadership Index for Australia and New Zealand, for fourth year in a row (the listing was announced after year end)
- Member of [FTSE4Good](#) Index, the responsible investment index calculated by global index provider FTSE Group
- Started work to sign the United Nations Global Compact, demonstrating Transurban's ongoing commitment to human rights, labour practices, environmental performance and anti-corruption (the signing occurred after year end), and
- Won Best Sustainability Report in the Transport Sector at the Association of Chartered Certified Accountants (ACCA) Australia and New Zealand Awards for Sustainability Reporting 2008 (the award was announced in August 2009 after year end).



⁴ Fluor-Lane is our construction partner on the Capital Beltway Hot lanes project

Financing

- Named Euromoney Project Finance magazine's "Bond Deal of the Year" for the Capital Beltway (I-495) HOT lanes in Virginia, US
- Won 2008 "Deal of the Year" (non traditional financing) from *The Bond Buyer*, also for Capital Beltway HOT lanes, and
- Awarded Infrastructure Journal's "Transport Deal of the Year", for Capital Beltway.

Safety

- Received Australian Government's 2008 National Safer Communities Award for the CityLink Tunnel Safety Project in Melbourne, and
- Received a New South Wales (NSW) Police Services Award for an emergency management field exercise on the Hills M2 in Sydney.

Public-Private Partnerships (PPPs)

- Recognised for leadership in advancing PPPs in US transportation by the American Road & Transportation Builders Association

Governance

Transurban is committed to maintaining a high standard of corporate governance.

We believe that in FY09 our corporate governance framework and main governance practices complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board is accountable to security holders for the performance of the Transurban Group. The day to day management of the business is the responsibility of the CEO and the Executive Committee, subject to specific delegations of authority approved by the Board.

In FY09, the Board had four standing committees to support its work and to allow detailed consideration of complex issues: the Audit and Risk Committee (formed in 2009 when the Audit Committee and Risk Committee were combined), the Sustainability Committee, the Nomination Committee and the Remuneration Committee.

Each Committee operates under a charter which sets out its authority, membership and responsibilities.

More information on Transurban's corporate governance practices, including related charters and policies, is available in the corporate governance section of our [website](#).

Ethical decision making

All employees are covered by the Transurban Code of Conduct, which outlines their responsibilities in adhering to the principles that underpin our corporate culture.

Complying with the Code is a condition of employment. Employees are expected to understand and accept personal responsibility to preserve and enhance Transurban's reputation for honesty and integrity.

Compliance with applicable laws, regulations and policies that govern our business is expected from all employees. In support of this, the company has adopted a zero tolerance policy towards breaches of the law and the Code of Conduct.

Any suggestion or allegation of impropriety or breach of the Code is acknowledged and dealt with in accordance with our Performance Management Procedure. Possible outcomes include official warnings, and, in some cases, termination of employment.

We also have the following employee grievance procedures and processes:

- whistleblower policy
- workplace grievance procedure
- HR Department for resolving complaints
- employment policies readily available
- independent employee and family assistance, and
- employee career development process.

In FY09, six breaches of the Code of Conduct were formally reported and investigated in accordance with policies. These breaches related to fraud, theft of Transurban property, inappropriate workplace behaviour and breach of IT policy.

Whistleblower Policy

A new Whistleblower Policy was introduced in FY09 as part of our commitment to good corporate governance.

It provides a confidential avenue for reporting misconduct within the company and describes the protections offered to anyone making a report under the policy. It applies to Transurban's employees, contractors, consultants, or suppliers of goods or services and their employees. A separate policy applies to our employees in the US.

The Whistleblower Policy is intended for use where existing reporting avenues for raising issues of concern (such as talking to the relevant manager) appear to have failed or may be inappropriate.

Risk management

Managing risks is an essential part of our business. Key risks are regularly reviewed by the Board, Executive Committee, and the Audit and Risk Committee.

Transurban also has a business-wide risk framework in place to ensure a consistent and rigorous approach to identifying, analysing and evaluating risks. This framework has various policies, procedures and guidelines including the [Risk Management Policy](#).

The framework is overseen by the Audit and Risk Committee and actively managed by the Executive Committee. It is consistent with the Australian/New Zealand Standard for Risk Management AS/NZS 4360:2004 and is subject to regular review by internal audit. Our Audit and Risk Committee Charter is available on our [website](#).

In FY09 there was a renewed focus on embedding risk management into the business through the development of a strategic plan.

The plan focused on upgrading our internal risk management information system and appointing risk management facilitators in all business units. More than 170 employees were trained on Transurban's risk management methodology.

Risk management facilitators were required to review and activate more than 50 risk registers from across the business.

In FY10, we will conduct a review of our risk management standards and procedures, and continue to enhance risk reporting.

Investment review

In FY09, Transurban strengthened its investment review process.

This process now includes a uniform method for approving, reviewing and monitoring expenditure on project development, investment and capital on existing assets.

The Investment Review Committee consists of the Chief Financial Officer, Company Secretary, Chief Operating Officer, and either the Group General Manager Strategy and Corporate Development or President North America (depending on the proposal under consideration).

The Committee's approval must be obtained at the concept stage, at the end of the feasibility stage and immediately prior to capital commitment before investments can occur.

Transurban Infrastructure Governance Framework

We are continuing to roll out a framework to ensure a standardised approach to infrastructure management across the business.

The Transurban Infrastructure Governance Framework provides comprehensive guidelines on the various aspects of managing our road assets and related services.

These include 13 chapters on best practice in issues such as emergency management, environment and sustainability, safety, operations and maintenance, procurement and contracts, business continuity, and risk management.

The framework is being developed and introduced to our different assets in stages. In FY09, four elements were delivered on CityLink, Hills M2 and Eastern Distributor. In FY10, we expect to complete the roll out on these roads supported by a comprehensive infrastructure management training package.

Sustainability governance

Transurban has a Sustainability Committee to assist the Board in fulfilling its governance responsibilities for strategic oversight of our sustainability objectives.

In FY09, we reviewed the Committee's role and structure to ensure it continues to reflect and respond to the progress the business has made in sustainability during the past six years.

As a result, the Committee was restructured and its new charter sets out its authority, membership and responsibilities.

The new Committee comprises four non-executive Directors: David Ryan (Chair), Lindsay Maxsted, Bob Edgar and Rodney Slater.

A new sustainability framework

Sustainability is one of the key drivers of Transurban's business management framework.

We now have a business-wide Sustainability Framework in place to reflect this. The framework, approved by the Transurban Board in December 2008, gives our management and employees a clear articulation of:

- the definition of sustainability for Transurban
- the business case for sustainability at Transurban
- our sustainability aspirations, and
- our fundamental business-wide sustainability commitments.

The framework helps inform our annual sustainability priorities, and it is the foundation for specific sustainability action plans developed by teams across our business. Each of these teams is responsible for developing and delivering its own plan, which helps to embed a culture of sustainability within Transurban.

The in-house sustainability team provides strategic advice to the business, delivers sustainability programs and reports on progress.

Political contributions

We support the democratic process through political contributions in the communities we serve or in new markets. Our aim is to help foster both good government and good opposition.

Given jurisdictional laws, we have separate political donations policies for Australia and the US. In line with these policies, any contributions must meet the legal requirements of the relevant jurisdiction, including laws on reporting donations.

In FY09 Transurban donated money to the following political parties and/or candidates in Australia:

Australia

Australian Labor Party	A\$22,275
Liberal Party of Australia/National Party of Australia	A\$14,234

Australian political donations reported to the Australian Electoral Commission (AEC) are listed on its website at www.aec.gov.au

United States

In FY08, we reported that over a three-year period, Transurban (USA) Inc. contributed to a number of political campaigns in Virginia. Overall, we contributed US\$172,000 to 90 campaigns in this state during this three-year period.

While corporations are allowed to contribute to Virginia campaigns, unknown to us at the time, Transurban was not permitted to make those contributions under US federal election laws related to the source of the funds and citizenship of some decision-makers.

As soon as we became aware of the error, we took action to rectify it, including voluntarily reporting the mistake to the US Federal Election Commission, informing the campaigns and requesting they return the funds.

In January 2009, Transurban finalised the Conciliation Agreement with the US Federal Election Commission and paid a US\$33,000 fine, which effectively brought the legal matter to a close.

Transurban chose to donate all returned funds to the Virginia children's charity – Court Appointed Special Advocates for Children (CASA).

In FY09, we did not make any political donations in the US.

MARKETPLACE



COMMUNITIES



SUSTAINABILITY FRAMEWORK

EMPLOYEES

ENVIRONMENT

Sustainability framework

Sustainability is one of the key drivers in Transurban's business management framework.

In FY09, we introduced a formal Sustainability Framework to reflect this structure and to clearly define our aspirations and commitments in this field. This Sustainability Framework is framed around four key areas: marketplace, communities, employees and the environment.

Marketplace

Our previous Sustainability Reports had a section focused solely on Customers. In FY09, we introduced a new Sustainability Framework for Transurban which broadens the customer section to cover all our key external stakeholders. The new 'Marketplace' section now includes:

- customers
- suppliers, contractors and joint venture partners
- government
- investors, and
- industry.

We are guided by:

Customers – our customer charters and privacy policies available on our customer service websites. These can be viewed in the privacy sections of www.citylink.com.au, www.roam.com.au and www.roamexpress.com.au

Suppliers – our contracts or agreements with contractors or partners, and our sustainable purchasing policy

Government – our concessions (contracts to operate a road) with governments

Investors – our corporate governance policies. These can be viewed in the "Our company" section of www.transurban.com

Customers

Customers are our largest stakeholder group—and the cornerstone of our business. In our two markets, more than 5.1 million⁵ customers use our roads.

⁵ These include both account and non-account customers. Account customers represent actual tag and video accounts held with Transurban entities. Non-account customers includes an estimate for tag account customers with EastLink, QML, RTA and E-way who use Transurban roads plus an estimated number of individual customers who use either cash, video passes, deferred toll notices in NSW or late toll invoices in Victoria.

In Australia, we serve our Victorian customers through the CityLink brand and in New South Wales (NSW) through our Roam and Roam Express brands. In both states we also consider people travelling on our roads using non-Transurban brand accounts to be our customers.

In the US state of Virginia, where we operate Pocahontas 895, the customer tolling interface is managed by the Virginia Department of Transportation through the Smart Tag Customer Service Centre.

Tolling Customer Ombudsman

Customer complaints are initially reviewed internally by Transurban's Customer Resolutions Group. If they are not resolved during this process, complaints may then be raised with the Tolling Customer Ombudsman (TCO) for further investigation.

The TCO provides a free and independent alternative dispute resolution process for customers of [CityLink](#), [Hills M2](#), [Roam](#), [Roam Express](#) tolling businesses.

In FY09, the model also continued to be adopted by toll road operator ConnectEast for its EastLink road and Breeze tolling business.

The TCO has the power to make a decision regarding a customer's complaint. These decisions are binding on the relevant tolling business. However, customers who are not satisfied with the outcome may seek legal advice.

In FY09, Transurban's Customer Resolutions Group received 5,764 enquiries, with 178 (or around three per cent) escalating to the Ombudsman. After consultation with Transurban, the Ombudsman was able to resolve all of these cases.

Tolling Customer Ombudsman results

	Total number of enquiries	Complaints escalated to Ombudsman	Number of unresolved complaints
FY06	5,787	81	0
FY07	6,900	150	2
FY08	5,300	154	0
FY09	5,764	178	0

One possible reason for the 9 per cent rise in complaints to the TCO this year is the increased complexity of the tolling environment in Victoria following the opening of the new EastLink toll road. In the TCO's review of activities from 1 September 2008 to 28 February 2009, the Ombudsman pointed out that the sharing of customers has created challenges for CityLink and EastLink. He acknowledged the efforts of both organisations

to enhance their interoperability and to address customer concerns quickly and efficiently.

For further details, visit www.tollingombudsman.com.au

Customer safety

Safety is a top priority in Transurban's business management framework. Our workplace has to be safe for our employees and our roads have to be safe for our workers and customers.

We undertake a number of routine safety initiatives on roads where we have management control, including:

- routine road safety inspections to assess the condition of road delineation (signage and pavement markings), safety barriers, lighting and road surface
- incident inspections that target damage likely to occur to drainage infrastructure following heavy rain events, or inspection of guard rails after traffic accidents
- routine asset inspections that assess the condition of roadside drainage, road furniture, pavement and bridge structures
- 'desktop' emergency management exercises held every year and field exercises conducted every three years on the roads, and
- an independent road safety audit in Australia every five years as well as site-specific audits any time we change the functionality of the road.

We also review tunnel safety systems and practices. All recommendations arising from the inspections and reviews are formally recorded and managed through Asset Operational Safety Forums. The forums, which include relevant managers and employees, meet to review operational safety performance and act on recommendations arising from internal and external audits or studies.

Incident response and road maintenance

In Australia our emergency response teams provide 24-hour roadside assistance on our wholly-owned assets—CityLink and Hills M2. The teams are responsible for removing road debris, directing traffic at accident scenes and helping motorists who have broken down or are having other difficulties on our roads.

TransLink Operations Pty Ltd is contracted for traffic control, incident response and environmental management on CityLink. On Hills M2, Bilfinger Berger Services Australia performs incident response and Transroute provides traffic control room operations.

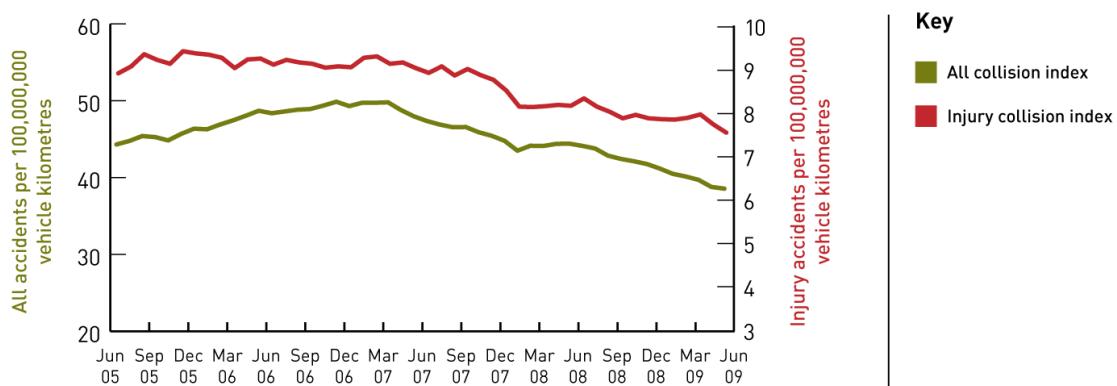
On Pocahontas 895 in the US, our contractor Transfield Services North America Transportation Infrastructure provides routine and preventive maintenance, including landscaping, snow and ice control, pavement management and bridge inspection.

Collision index

We use an internationally recognised index to report collision⁶ information on our roads. The collision index shows the number of collisions per 100 million vehicle kilometres travelled.

In FY09 we changed the method used to report the number of collisions on our roads. We have reported the number of collisions via a one year or three year rolling average, depending on the amount of historical data we have for each road. In previous years, we reported the average number of collisions over the year. The three year rolling average is a more useful measure as it shows collision trends over time and removes the variability inherent in collision occurrences.

CityLink collision index—three year rolling average*



*A three year rolling average is used given the variability in collision occurrences.

The Tullamarine-Calder interchange, just beyond the northern limit of CityLink's western section, was under construction between October 2005 and January 2007. After it was completed, collision frequency decreased significantly as peak hour congestion eased.

The M1 Upgrade project in the Monash-CityLink-Westgate corridor started in October 2007 and is due for completion by the end of 2010. Collision rates on CityLink have

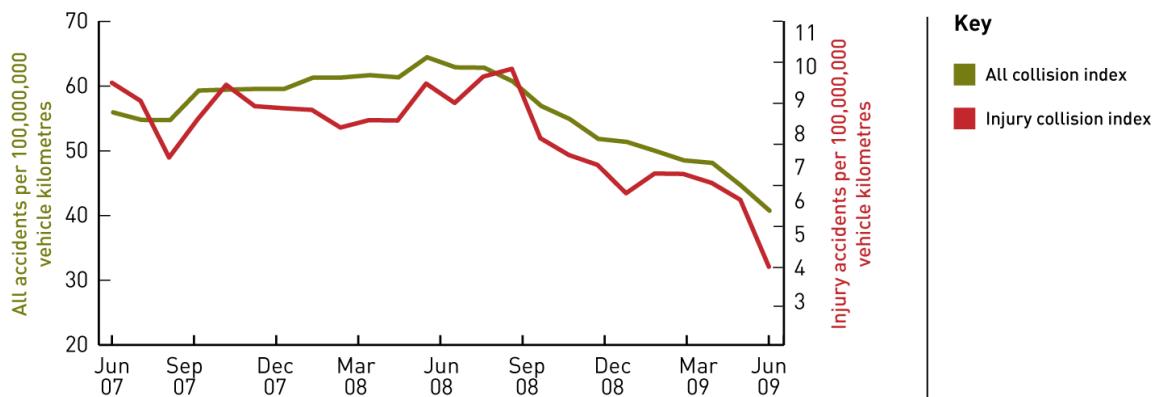
⁶ Collisions refer to an impact that damages a motor vehicle or an incident that requires maintenance or asset repair. Injury accidents involve a person being declared injured at the site of an accident and taken by ambulance for treatment. They also include fatalities. The all collision index (see graph below) is where there has been third party damage and incident response teams are required to respond.

All collision index = All collisions per 100,000,000 vehicle kilometres travelled

Injury collision index = All collisions resulting in injuries per 100,000,000 vehicle kilometres travelled

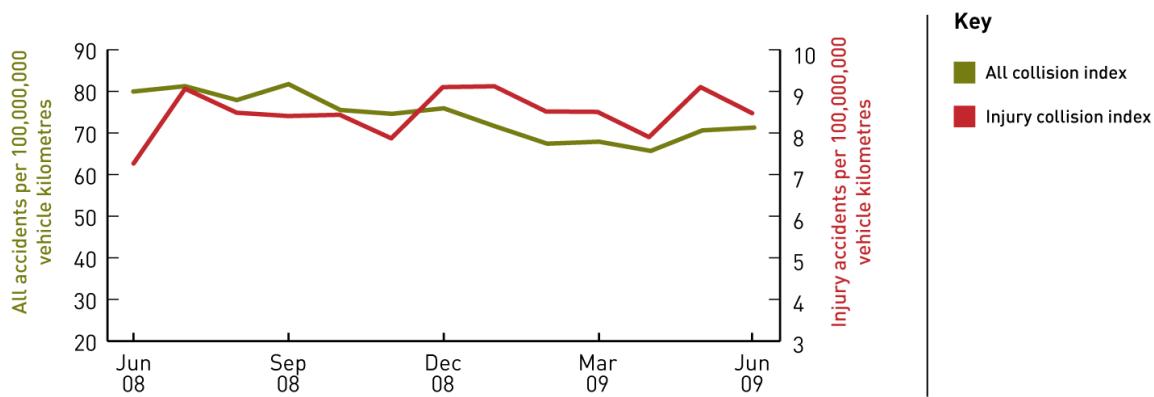
fallen during the project, which is likely the result of reduced speed limits during construction.

Hills M2 collision index—one year rolling average*



*Our aim is to report a three year rolling average in the future when we have a longer history of collision data for Hills M2.

Eastern Distributor collision index—one year rolling average*



*Our aim is to report a three year rolling average in the future when we have a longer history of collision data for the Eastern Distributor.

We have seen reductions over time in the number of collision occurrences on both the Eastern Distributor and Hills M2. However, there has been a greater reduction on the Hills M2 as we have had ownership of this road for a longer period of time, allowing our

safety initiatives to take effect (see the 'Safety improvements' section below for more details).

Road fatalities

This year there were two fatalities on CityLink and one on the Eastern Distributor. The fatalities on CityLink were in two separate incidents. One was a single vehicle incident, and the other involved a vehicle and a motorbike. The fatality on the Eastern Distributor occurred after a two vehicle collision.

Fatalities on Transurban's roads ⁷	FY07	FY08	FY09
CityLink	4	1	2
Hills M2	1	Nil	Nil
Eastern Distributor	Nil	Nil	1
Pocahontas 895	Nil	Nil	Nil

Safety improvements

CityLink

In FY09, we replaced CityLink's Central Control Computer System to update our technology and to support changes associated with the Southern Link Upgrade, part of the Transurban-Victorian Government M1 Upgrade project in the Monash-CityLink-Westgate corridor.

The new system will also improve safety on the road in the following ways:

- In conjunction with new advanced lane usage signs on Southern Link and closed-circuit TV cameras, the new system will allow our traffic control room operators to improve incident detection and traffic management measures to significantly reduce the risk of secondary incidents. Traffic management measures may include lane closures, a reduction in speed limits and use of Variable Message Signs (VMS) to advise motorists of road conditions.
- The new system provides better information on congestion levels on the road. This will allow the control room operators to be more proactive in managing incidents, including by providing travel time information via coloured VMS at CityLink on-ramps.
- The system has also improved Graphical User Interfaces (graphical displays on computer screens) for the operators, which allows them to perform their tasks more efficiently and spend more time monitoring traffic.

Other FY09 safety initiatives on CityLink include:

- Incident response teams now collect GPS data on all jobs to facilitate more accurate analysis of collision trends.

⁷ These figures report the number of road user deaths.

- New barriers were installed at the Bolte Bridge exit to the Westgate Freeway (east bound) to improve delineation and merge conditions.
- At 30 June 2009, the installation of a system to prevent entry to the tunnels during an incident was 95 per cent complete. The system's barriers and traffic lights will be controlled by the CityLink Traffic Control Room.

Hills M2

Some of the Hills M2 safety highlights during the year include:

- We were the first open road toll operator in New South Wales (NSW) to begin using towable attenuators on the road. These devices improve work zone safety. The attenuators can safely stop vehicles up to two tonnes in size travelling at 100 kilometres per hour. See our [Employee section](#) for further information.
- With our contract partner Bilfinger Berger Services Australia, we introduced random drug and alcohol testing for our field staff involved in incident response and maintenance.
- We began regular traffic operation activities with the NSW Police Services, including helping police commands in the Eastwood and Castle Hill precincts with speeding motorists and illegal travel in bus lanes (see case study).
- We also supported the police by funding traffic control measures over two evenings to allow for random drug and alcohol testing, registration and licence verifications, and monitoring compliance of placarded vehicles to avoid hazardous loads in the tunnel. In FY10 Hills M2 plans to fund four two-day police operations on the motorway.
- An independent road safety audit was completed in June 2009. We will address priority issues identified in the audit in FY10.

Eastern Distributor

Some of the Eastern Distributor's safety highlights during the year include:

- A safety review this year concluded that we should introduce a second controller on the road round-the-clock to meet best practice. We have made the change, which has enhanced our response during major incidents and improved our coordination with emergency services.
- We installed new bollards in the southbound tunnel to minimise a dangerous and illegal weave manoeuvre. The bollards have significantly reduced the incidence of vehicles making this lane change.
- We have developed formal procedures to help us identify possible safety improvements after incidents occur.

Pocahontas 895

Some of the Pocahontas 895 safety highlights during the year include:

- We enhanced safety signage on the bridge and ramps. The signage is solar-powered and can be programmed remotely to keep drivers informed of changing conditions, particularly during bad weather.

- We installed new weather monitoring equipment to measure wind velocity, pavement temperatures and surface moisture content, which is particularly crucial in icy and snowy conditions.
- We installed roadside security cameras and a new security system to monitor the toll booths and office facilities.
- We partnered with Virginia's Department of Transportation (VDOT), State Police, Department of Motor Vehicles and other organisations on the Virginia Highway Safety Challenge. The initiative is aimed at addressing the biggest risk factors for highway fatalities and significantly reducing the number of deaths on the state's highways.

Capital Beltway HOT lanes project (under construction)

Our decade of experience in managing safe roads is informing the design and operations for the Capital Beltway HOT lanes project. Design features to promote driver safety include:

- improved driver information through a new on-road network of signage
- dedicated entry and exit points with advance toll, traffic and driver information signs to help drivers make a decision on whether to use the HOT lanes before entering
- replacement of more than US\$250 million of ageing infrastructure, including more than 50 bridges and overpasses
- design upgrades at existing interchanges to improve traffic flow, particularly in areas where major commuter routes are entering the Capital Beltway, and
- dynamic tolling to reduce congestion and create more consistent travel speeds and volumes to reduce driver frustration and help create safer driving conditions.

Once it is open to traffic, the Capital Beltway HOT lanes project will have a number of safety features to enhance on-road safety and improve emergency services access, including:

- an advanced Intelligent Transportation System (ITS) incorporating dynamic message signs, traffic sensors, video-based automatic incident detection and CCTV cover to promote safe operations and traffic management
- dedicated incident response teams, with fully equipped service vehicles
- a 24-hour, seven-days-a-week operations centre, built with backup systems to ensure availability during power outages, and
- established protocols and coordination with VDOT and emergency services to minimise response timeframes.

We have tested our signage and operations strategies in focus groups comprised of future customers to ensure they are aligned with information and safety priorities.

Hills M2 road safety campaign

Hills M2 and its contractors are building stronger relationships with the emergency services to maintain high standards of safety on the motorway.

In May 2009, our operations contractor, Transroute Australia, coordinated and supported the NSW Police Hills Local Area Command (LAC) with booze bus operations westbound in the Windsor Road area.

At the same time, a road safety campaign targeting speeding drivers and illegal use of the bus and breakdown lanes was coordinated with both the Eastwood and Castle Hill LACs. This meant a greater daily police presence on the motorway for the month of May.

The initiative helped set the record for the lowest recorded number of accidents in any month since the motorway opened in 1997. All incidents recorded in May were minor, with only two reportable and none involving injuries.

Both participating LACs have called the joint effort a success.

Safety recognition

In FY09 Transurban was recognised for safety on its assets in Australia with two awards:

- In November 2008 our CityLink Tunnel Safety Project was awarded the National Safer Communities Award, sponsored by Federal Government agency Emergency Management Australia. The project improved safety in the Domain and Burnley tunnels in Melbourne by enhancing existing safety features such as emergency exits, improving pedestrian safety rails and directional signs, and introducing new lighting.
- Hills M2 won a NSW Police Services Award in December 2008 for an emergency field exercise held on the road in May 2008. Every three years a field exercise deploying operational resources is run to provide practical experience. This field exercise was held jointly with the emergency services and the NSW Roads and Traffic Authority (RTA). It was the first time a toll road operator had received this type of award in NSW. Hills M2 also runs a separate annual desktop exercise to further test procedures and look for ways to strengthen incident response.

Emergency management

We hold regular 'desktop' (office-based) or field exercises to test the effectiveness of established threat and emergency procedures on our assets and identify areas for improvement. This work plays a vital role in ensuring the safety of motorists using these roads.

In FY09, Hills M2, the Eastern Distributor and Pocahontas 895 held desktop exercises. CityLink also held its annual terrorism exercise (see case study below).

In addition, the Eastern Distributor conducted its biennial field exercise involving operations and maintenance staff, and emergency services personnel.

The exercise, held in June 2009, saw Transurban collaborate with Airport Motorway, Leighton Contractors, the RTA, the NSW Police, NSW Fire Brigade, and the State Emergency Service to stage a mock road accident on the Eastern Distributor.

The scenario involved a multi-vehicle collision, including a related fire. The exercise tested the coordinated response between the Eastern Distributor and the emergency services to a major incident. It also tested the tunnel deluge and ventilation systems.

The exercise and reviews that followed identified a number of improvements that will help us handle a real incident.

The reviews also looked at the public information plan and the impact of the exercise on motorists.

Emergency services are expected to be heavily involved with looking at ways to improve communication between responding agencies in the tunnel.

CityLink's terrorism exercise

In January 2009, CityLink held its annual terrorism exercise designed to test its Terrorism Risk Management Plan. This plan is an essential part of our threat preparation and required by the State Government in order to protect our assets from terrorist related activity.

The terrorism scenario involved threats to our infrastructure, our staff and our customers.

Transurban's Emergency Strategy Team and the CityLink Emergency Management Group were required to put a range of emergency response plans into action. VicRoads, TransLink and Transfield were also involved in helping to test response procedures.

Representatives from the Department of Transport and the Victoria Police Counter Terrorism Unit assessed the exercise, which is part of our obligations as a declared essential service under the Terrorism (Community Protection) Act. They gave us positive feedback and found we had satisfactorily met their assessment criteria.

CityLink is now working on a review of its emergency response structures and policies to further enhance our emergency response process.

Customer Service

We take a 'customer-first' approach to managing our roads to help ensure motorists experience convenient, efficient and seamless service.

Our customer service values reflect this approach. They are:

- Cultivate a customer driven culture which aims to make doing business with us easy.
- Listen and engage with customers to help us meet their needs and understand their concerns.
- Aim to align our products to the needs of our various customers to ensure flexibility and choice.

Customer tolling brands

Transurban has three customer tolling brands—CityLink in Melbourne, and Roam and Roam Express in Sydney.

Following are the FY09 customer service highlights from each brand.

CityLink

CityLink uses an independent company to conduct customer surveys measuring customer satisfaction of the call centre, customer service centre and customer care (our back office). 525 customer surveys are conducted per month, with 400 for the call centre, 75 for customer care and 50 for the customer centre.

A target of 80 per cent customer satisfaction is set for each site. In FY09 this target was exceeded at all sites.

	FY08	FY09
Consumer Call Centre	86.40%	85.44%
Commercial Call Centre	88.49%	86.88%
Customer Care	82.10%	82.50%
Customer Service Centre	89.50%	89.60%

There has been a slight decline in the Consumer and Commercial Call Centre results from last year. A number of factors have had an impact on the FY09 results. These include:

- traffic congestion associated with M1 Upgrade road works
- an increase in call volumes, and
- a change in service levels at the call centre - see [CityLink scorecard](#) for more details.

Each year independent surveys are also conducted by an internal quality assessor who monitors a number of random recordings of customer calls each month to ensure CityLink's internal processes are applied.

In addition, team leaders at the call centre do a number of assessments each month, and these are compared to the internal and external results from the assessors. The information is used to identify processes that need to be updated or determine where further training is required to improve service.

Roam

Roam employs an internal quality assessor to listen to call recordings from the call centre and review customer case notes to ensure all processes are applied. The results are used to identify opportunities to improve procedures or provide additional training.

Other FY09 initiatives:

- Roam continued to participate in a mystery shopper program to improve the level of service at the call centre. This program measures the performance of the Roam call centre over time and compares it to other tag providers in the New South Wales (NSW) and Victorian markets. In the latest September 2008 survey, Roam scored 97 per cent placing equal first with a non-Transurban tolling brand. It was the first time it achieved this ranking since joining the program.
- American Express and Diners Club were introduced as payment options in July 2008, primarily as a result of customer feedback. Nearly 30,000 transactions were made using these payment options in FY09.
- The online payment tool for Westlink M7 toll notices was enhanced in April 2009 to cover payment via electronic tag accounts and credit card. From April to June 2009 nearly 60,000 M7 toll notices were paid online.

Making a statement online

In late FY09 Roam ran a trial aimed at encouraging customers to obtain their statements from the website (www.roam.com.au) to reduce the impact on the environment.

The trial was a success, with 98 per cent⁸ of the 722 customers involved converting to online statement delivery.

Roam supported the campaign by improving account functionality on the web, allowing customers to select statement delivery methods. The new functionality was promoted through a banner ad on the website's home page. It has been well received, with over 3,000 customers using the new functionality in May and June 2009.

In FY10, this campaign is being rolled out to all e-TAG customers who receive a

⁸ As at 12 June, 2009.

quarterly mailed statement.

The three month campaign is aiming to get 85 per cent of Roam customers who receive quarterly mailed statements to switch to online delivery. If they choose to keep receiving quarterly mailed statements they will not be charged a fee. (Roam does charge a fee for monthly mailed statements.)

Roam Express

In FY09 Roam Express participated in a series of customer forums involving approximately 80 people. Each forum involved a facilitated discussion to identify customer impressions of Sydney's toll road network and to hear about their experiences with Roam Express and Hills M2. The information will be used to identify ways to measure and improve customer experiences and satisfaction levels.

Other FY09 initiatives:

- Since the Roam Express Visitor's e-Pass became available, customers have had the convenience of setting up one non-tag account to cover their trips within Sydney. This has generally been successful. However, there have been instances where the e-Pass has failed to capture trips, largely as a result of teething problems as customers familiarise themselves with the system. We are working to resolve these issues.
- The industry is also working on a solution which will enable customers who hire a rental vehicle in NSW (and potentially other states), to have their details registered to a valid tolling product, covering their travel on all toll roads. This initiative will eliminate the need for toll roads to pursue payment via the rental vehicle operators and greatly reduce the volume of notices issued across the toll road network.

Introducing the Visitor's e-PASS

In July 2008 Transurban introduced two interoperable products for casual users of Sydney roads – the Roam Express Visitor's e-PASS and the Roam Visitor's e-PASS. What this means is that once motorists make tolling arrangements with one road, they are registered on a central database.

With a Visitor's e-PASS, customers can travel on any toll road in Sydney without the hassle of having to make individual arrangements, or paying cash, for each road they have travelled on.

Their number plate details are simply captured by our camera technology and matched to the database for invoicing.

Roam Express, Roam and the Roads and Traffic Authority introduced interoperable passes in FY09, which required complex negotiations with all the Sydney toll roads.

Weighing up options on My Commute

Toll roads are successful when they add consistent and tangible time savings to customers' daily trips.

In FY09, we created a new customer website (www.mycommute.com.au) that provides Sydney drivers with information that helps them determine the time savings they get from using the Eastern Distributor and Hills M2.

The site covers some of the secondary issues customers consider when deciding to use toll roads like the Eastern Distributor and M2 or take an alternative route.

On the toll road versus an alternative route, the site allows for comparisons of:

- the number of traffic lights
- greenhouse gas emissions, and
- theoretical monetary values related to time savings.

The site also addresses the safety of toll roads and ways to save fuel in a daily commute.

How we performed

CityLink, Roam and Roam Express set customer service targets based on customer feedback and report their results every six months.

CityLink scorecard

In FY09, CityLink met or exceeded all the benchmarks outlined in its customer charter.

Target	FY09 average result	
Our incident response vehicles will respond to an incident in a traffic lane in less than 10 minutes (on average), and in less than 40 minutes for a breakdown in an emergency lane.	4 min 27 secs (traffic lane) 7 mins 00 secs (emergency lane)	✓
70% of customer calls will be answered within 30 seconds. ⁹	75.43%	✓
95% of all consumer calls will be resolved on first contact.	97.37%	✓
99% of formal complaints will be responded to within 7 days. ¹⁰	99.4%	✓
95% of formal complaints will be resolved within 30 days.	99.6%	✓
95% of new e-TAG requested will be dispatched within 4 business days.	99.28%	✓
100% compliance with EPA Victoria environmental requirements.	100%	✓

For more details on CityLink's promises, targets and results, visit www.citylink.com.au

⁹ Note the FY08 target was: 80% of consumer call centre calls will be answered within 20 seconds.

¹⁰ Note the FY08 target was: 99% of letters and emails will be responded to or acknowledged within two business days.

Roam scorecard

In FY09, Roam met or exceeded all the benchmarks outlined in its customer charter.

Target	FY09 average result	
75% of consumer call centre calls will be answered within 20 seconds.	81.39%	✓
90% of customer calls will be resolved on the first contact.	97.07%	✓
80% of issues raised with customer resolutions finalised within 7 days.	87.95%	✓
95% of letters and emails will be responded to or acknowledged within 2 business days.	99.54%	✓
95% of new e-TAGs requested will be dispatched within 4 business days.	98.02%	✓

For more details on Roam's promises, targets and results, visit www.roam.com.au

Roam Express scorecard

In FY09, Roam Express met or exceeded all but one of the benchmarks outlined in its customer charter.

Target	FY09 average result ¹¹	
70% of customer calls will be answered within 30 seconds.	74.51%	✓
85% of customer issues will be resolved on the first contact.	82.8% ¹²	✗
95% of letters and emails will be responded to or acknowledged within 2 business days.	100% of letters and faxes and 95% of emails were responded to within 2 business days	✓
95% of new e-TAGs requested will be dispatched within 4 business days.	95%	✓

For more details on Roam Expresses' promises, targets and results, visit
www.roamexpress.com.au

¹¹ The Roam Expresses scorecard was established in March 2009. Results above are for the period March 2009 to June 2009.

¹² The volume of first contact resolutions (82.8%) refers to calls dealt with by the initial call centre operator. This is consistent with the way other Transurban entities report this metric. In the case of Roam Express, when an escalation is required calls are transferred to Customer Care immediately. This results in an overall resolution rate of 95%, as only a very small proportion of calls require follow-up after this transfer.

Customer focus on Capital Beltway

In FY09, the Capital Beltway HOT lanes project team in the US commissioned a leading transportation research centre – Texas Transportation Institute – to conduct a signage behavioural study.

The study drew on the Institute's expertise to help develop signage plans for the Beltway project and test them with future customers through focus groups and surveys.

The study's ultimate aim is to help ensure that drivers on the Beltway project are able to make safe choices through clear and easy-to-understand signage.

Other FY09 initiatives:

- We conducted extensive customer research and a stakeholder sounding board program to best understand how to tailor tolling products and customer service to meet the needs of different stakeholder groups.
- We formally consulted stakeholder groups involved in regional traffic and incident management to help coordinate safety and incident response efforts ahead of the Beltway opening. These groups include local stakeholders such as the Virginia State Police and the Fairfax County Department of Fire and Rescue.

Customer privacy

We are committed to protecting the personal information of our customers.

All customer information is managed in accordance with the Federal Privacy Act 1988 and privacy-specific sections of applicable toll road legislation. In addition, we have developed privacy codes to regulate our handling of personal information collected from our customers.

We regularly review our compliance with privacy policies. These policies are available in the privacy sections of our retail websites at www.citylink.com.au, www.roam.com.au and www.roamexpress.com.au

There were no known incidents of internal fraud involving an employee breach of customer privacy in FY09.

Suppliers – Contractors – Partners

We own and operate large-scale infrastructure, so we rely on a wide range of suppliers, contractors and partners to help us deliver transport solutions.

We have contact with more than 1400 organisations providing us goods and services in Australia and North America. [Click here](#) for more information on our largest suppliers in both markets.

Supply chain management

Through our business operations, we source a range of products—from asphalt to paper—through suppliers, contractors and partners.

We are dedicated to making purchases from groups who share our commitment to protecting and improving the environment and our communities.

In May 2009 we introduced a Sustainable Purchasing Policy to encourage our suppliers, contractors and partners to pursue sustainable business practices.

A sustainable supply chain has social and environmental benefits, and can reduce costs, minimise risk, enhance our competitive edge and increase security holder value.

In consultation with our key suppliers, we have also developed a Supplier Code of Practice which sets out the minimum sustainability standards we expect from them.

Throughout FY10, we will collaborate with our suppliers to better understand their sustainability performance.

Key partnerships

In FY09, Transurban was delivering two major projects through partnerships.

The M1 Upgrade in Melbourne's CityLink-Monash-Westgate corridor is a partnership of Transurban and the Victorian Government. The upgrade of CityLink's Southern Link section is being delivered through an alliance of Transurban, AECOM (formerly Maunsell AECOM) and Abigroup. [Click here](#) for more information on the project.

In the US, Transurban, our partner Fluor and the Virginia Department of Transportation are working together to construct and operate the Capital Beltway HOT lanes. [Click here](#) for more information on the project.

Government

Strong partnerships with government are the foundation of our business.

Governments set the transport policy and planning framework for their communities—and they are increasingly turning to the private sector to help provide solutions.

Once contracts are awarded, the development and operation of roads involves a close working relationship with government at all levels.

State and local relationships

Our key relationships are with state governments, which grant us the concessions to operate our roads. These states are:

- Virginia, US—where we are partners in operating Pocahontas 895 and advancing the Capital Beltway HOT lanes
- New South Wales, Australia—where we own five out of the nine motorways in Sydney's orbital network, and
- Victoria, Australia—where we own and operate one of the two motorways in the city, and are teaming up on a major upgrade of CityLink and the connecting state-managed roads (see case study below).

In all our markets, we have relationships with state governments at both a political and bureaucratic level.

In the US, we also have contact with state governments through our membership in the following organisations:

- National Conference of State Legislatures
- American Legislative Exchange Council, and
- National Governors Association.

We have ongoing contact with local governments in the communities in which we operate, which helps us understand and meet their changing needs. In Virginia, where our key US business interests are located, we work closely with the state legislature during the annual legislative session to advance transportation policy outcomes.

M1 Upgrade

The M1 Upgrade is a partnership between Transurban and the Victorian Government to improve traffic flow and safety in one of the state's busiest road corridors.

It includes major improvements to CityLink's Southern Link and the two adjoining state-managed freeways—the Monash and the West Gate. Together, they form a 75-kilometre freight and commuter corridor carrying around 160,000 vehicles per day.

In FY09, most of the heavy construction work was completed on the Southern Link section, with the entire project due for completion by the end of 2010. The upgrade's staged opening started in August 2009.

The design and construction of the Southern Link Upgrade is being delivered by an alliance of Transurban, AECOM (formerly Maunsell AECOM) and Abigroup.

The project is expected to deliver a range of benefits, including:

1. improving connections between the eastern and western suburbs, the port, the city centre, and Melbourne's manufacturing corridors
2. removing bottlenecks at both ends of CityLink's southern section to allow the road—and particularly the CityLink tunnels—to operate at capacity
3. increasing traffic flow capacity along the entire corridor, and
4. reducing traffic incidents by removing bottlenecks and better managing traffic flow.

The upgrade is also expected to lift traffic on CityLink by 7 per cent within five years of completion.

The Government funded A\$1.4 billion of the project and Transurban contributed A\$166 million for Southern Link works.

For more information, visit www.mcwupgrade.com.au

[Click here](#) for more information on our relationships with state and local governments.

Federal transport advocacy

Transurban participates in the debate on urban planning, transport policy and financing, and infrastructure provision.

In FY09, we added our voice to government transport planning at both a federal and state level.

The Australian Federal Government's establishment of Infrastructure Australia, a specialist body charged with defining the nation's infrastructure priorities, has emphasised the role infrastructure plays in the economic wellbeing of the country.

We took part in a number of Infrastructure Australia processes, and made submissions on the proposed national infrastructure priority list and the development of national guidelines for Public Private Partnerships (PPPs).

In the US, Congress is working to reauthorise the US surface transportation program, which will likely include new policies related to PPPs and tolling. Transurban is working with key industry stakeholders to communicate the value of PPPs and advocate for expanded opportunities for innovative financing, tolling and partnerships to help meet growing transportation needs.

Government assistance

The Commonwealth of Virginia is making a contribution of nearly US\$409 million to support the construction of key elements as part of the Capital Beltway HOT lanes project. This contribution is being paid in lump sums each year over the course of the

project. In FY09, Transurban received about US\$21.6 million from the state fund for the construction of these improvements.

Investors

We are committed to keeping our security holders informed of important company news and events. We use a range of tools to do this, including Australian Securities Exchange (ASX) announcements, the web, meetings and briefings, and reports and other written materials.

We also employ Investor Relations staff who can assist security holders with queries or requests.

Website

Our website (www.transurban.com) is our primary tool for communicating with investors and others interested in Transurban.

On our homepage and in the ‘Investors’ and ‘Media’ sections, we publish news and information as it becomes available. This includes:

- Transurban media releases
- annual reports and financial results
- speeches by the Chairman and the CEO, and
- presentations to analysts.

Meetings and briefings

We hold our Annual General Meeting (AGM) in October each year. The AGM and related briefings for investors are usually held in Melbourne, where we have our headquarters.

In the lead up to the AGM, we regularly update a dedicated AGM page in the Investors section of the website. This page includes details of the time and place of the meeting, any resolutions for the meeting, and voting information.

Presentations made to financial analysts during the year are also posted on the ASX and Transurban website. These give current or potential investors more insight into the operations and direction of Transurban.

Reports

Our Annual Report is made available to investors in September as either a downloadable PDF or interactive “mini-site” on the website.

We encourage investors to view the Annual Report and all other communications electronically in the interests of minimising financial and environmental costs.

Investor Relations staff

Our Investor Relations and Public Affairs teams work together closely to ensure Transurban communicates progress and goals clearly and on an ongoing basis.

These staff members are available to handle queries from investors via mail, telephone or emails through the corporate website (corporate@transurban.com).

Industry

This year we worked on strengthening our relationships with industry groups and transport opinion leaders in our markets.

Our involvement with these groups helps us stay on top of issues for our sector and gives us a greater voice in policy debates on urban planning, transport financing and infrastructure provision.

Industry memberships

In FY09, we belonged to a number of industry groups in each of our markets.

In Australia, this included:

- Tourism and Transport Forum
- Infrastructure Partnerships Australia
- Roads Australia
- ITS [Intelligent Transport Systems] Australia
- Committee for Economic Development of Australia
- Urban Taskforce Australia, and
- Sydney First.

In the US, this included:

- American Road and Transportation Builders Association
- International Bridge, Tunnel and Turnpike Association (IBTTA)
- Association for Management and Operation of Transportation Infrastructure Assets
- Womens Transportation Seminar, and
- Intelligent Transportation Society of Virginia.

During the year we also attended or presented at several major industry events, and in March 2009 we hosted the IBTTA's first tolling summit for the Asia Pacific region in Sydney.

Business, transport and other groups

We belong to a number of groups representing the interests of business.

We are involved with many local and regional business-related groups in the US, particularly in Virginia where we have one operating asset, one project under construction and another under negotiation. This year, these included:

- Fairfax County Chamber of Commerce
- Arlington County Chamber of Commerce
- Alexandria Chamber of Commerce
- Annandale Chamber of Commerce
- Greater Springfield Chamber of Commerce
- Prince William Regional Chamber of Commerce
- Fredericksburg Regional Chamber of Commerce
- Greater Richmond Chamber of Commerce
- Chesterfield County Chamber of Commerce
- Eastern Henrico Business Association
- Greater Washington Board of Trade, and
- Quantico/Belvoir Regional Business Alliance.

In Australia, we were involved with the Sydney Chamber of Commerce.

In FY09, we were also active in several transport organisations or interest groups. In FY09, these included:

- Victorian Trucking Association
- Northern Virginia Transportation Alliance
- Virginia Transit Association, and
- Tysons Transportation Association.

We support other organisations in the US and Australia that do not fit neatly into an industry, business or transport category. This includes the Reason Foundation, a Washington DC think tank that promotes private sector involvement in the delivery of transport solutions.

[Click here](#) for more information on our stakeholder groups.

Our commitments

Progress on commitments from FY09

Customer Commitments	Status	Comments
Introduce interoperable video service for customers to allow casual motorists to travel on all toll roads in Victoria and New South Wales (NSW) without tags.	In progress	An interoperable pass has been introduced within Victoria and within NSW. An interstate interoperable video service is planned for completion in FY10.
Promote the options of using e-statements and e-alerts to our CityLink consumer customer base to reduce paper consumption.	On hold	We are currently assessing the feasibility of an e-alert trial for customers. Promotion of e-statements is on hold to provide time to improve stability of our website.

New commitments for FY10

Australia

- Conduct an industry based campaign in Victoria and New South Wales to 'Lock Down that Load'.
- Develop a strategy and plan to address bicycle safety on Transurban's NSW motorways.
- Roll out the Supplier Code of Practice to our top 15 Australian suppliers (based on criteria such as dollar spend, risk and business materiality).

United States

- Conduct desktop emergency management exercises on Pocahontas 895 and the Capital Beltway HOT lanes project.
- Establish a 'sounding board' comprising representatives of major customer groups for the Capital Beltway HOT lanes project to get feedback on their customer service and product needs.
- Conduct an awareness campaign on driving distractions during Capital Beltway HOT lanes construction.

CityLink

- Review on-road and off-road signage and traffic systems to reduce congestion and improve communication of incidents or adverse road conditions to customers.
- Conduct a program to educate customer service employees on the changes associated with the M1 Upgrade project.

Roam

- Encourage customers to move to online statements.
- Enhance the online payment tool for Westlink M7 toll notices to enable customers to pay multiple notices in one transaction.

Roam Express

- Encourage customers to mount tags correctly and keep their accounts in working order through Variable Message Signs on the road and website banners.

Communities

Transurban manages toll roads over concession periods which can span decades—in one instance, on Pocahontas 895, for 99 years.

As a long term owner-operator we are committed to understanding and managing our impacts on society.

To achieve this, we work with communities and stakeholder groups during development and construction, and through the long-term operation of our roads.

We are guided by: the Community Relations Framework and the Transurban Sponsorship Policy

Community Relations Framework

Transurban's Community Relations Framework provides a consistent approach to community relations across all our operations and all stages of our business model. It is designed to allow flexibility in dealing with unique local issues.

The goal of the framework is to contribute to liveability in communities where we operate our roads. Its key principles are to:

- find common ground with local communities and to identify issues, goals and solutions
- commit to long-term partnerships to manage our impact
- earn the trust of local communities by listening and responding to what they say, and
- be transparent and accountable.

Listening to the community

Transurban works closely with key stakeholders throughout the life of a project. For more information about our stakeholder engagement process, [click here](#).

[Click here](#) to view our new commitments for FY10.

Our community partnerships and sponsorships

In FY09, Transurban contributed about A\$560,000 to communities through partnerships and sponsorships in Australia and the US (compared to almost A\$600,000 the previous year).

These included:

- charitable donations – toll credits and cash donations to not-for-profit organisations, schools and clubs
- in-kind support for community events – including toll waivers, road closures and expenditure on traffic management, promotion and logistics for community events, and
- community sponsorships – financial support for community initiatives.

Of the total contributions, about A\$130,000 consisted of corporate donations to support people and wildlife affected by the Victorian bushfires.

While our total community cash contributions this year fell by about A\$130,000 as a result of a company-wide cost-reduction program, our in-kind support rose by about A\$97,000.

[Click here](#) for a full list of our community partnerships and sponsorships.

Our initiatives

Some of the highlights of our community initiatives and events in FY09 include:

Victoria (CityLink)

- **Run for the Kids** – in April 2009, more than 27,000 runners and walkers took to our roads to raise money for Melbourne's Royal Children's Hospital. More than 250 Transurban employees and their families took part in the event, with another 13 helping as volunteers. Transurban also entered the biggest corporate team. This is our fourth year as event co-sponsor with our partner Herald & Weekly Times. Altogether, the event raised more than A\$1 million for the hospital. Transurban contributed A\$75,000 in cash and more than A\$110,000 as in-kind support.
- **Napier Street Studios Street Art Project** – we completed funding for this project, which helps disengaged young people to develop their artistic skills and contribute legally to large-scale public art rather than do random graffiti. It also provides training to help emerging young artists improve their employment opportunities. In 2005, the year before the program was launched, our average monthly graffiti cleaning costs were around A\$8,700. These costs had dropped to a monthly average of A\$4,178 in FY09 partly due to the project. While CityLink is the core funding body, the local government authority—the City of Yarra—provides a venue, direct project management and other support.
- **CityLink Crossings** – in June 2009, we announced a new partnership with Moonee Valley City Council to create a contemporary artwork on the tunnel walls of a bridge crossing over the Moonee Ponds Creek at Evans Street. Artists have been invited to submit proposals for the A\$25,000 project in a stencil form or style that reflects the creek's natural environment and urban setting. Work is

expected to begin towards late 2009. The tunnel site is jointly owned by CityLink and VicRoads (the State's traffic and road authority) and forms part of a popular pedestrian and bicycle path. It is the fifth community art project we've undertaken with the council since 2006 to help protect local infrastructure from graffiti and tagging.

Victorian bushfires

Transurban was among the many Australian organisations, governments and individuals to offer support to those affected by the devastating bushfires in Victoria in February 2009.

Through CityLink, we made a A\$100,000 donation to the Victorian bushfire appeal run by the Australian Red Cross.

We provided further financial assistance by matching, dollar-for-dollar, employee donations raised by "passing a bucket around" and through Transgiving, our workplace giving program.

In addition to these efforts, CityLink introduced a number of customer service measures including:

- setting up a special email and phone number specifically to manage CityLink issues which arose as a result of the fires
- waiving tolls for bushfire emergency and support vehicles involved in fire recovery efforts, and
- temporarily halting the issuing of toll invoices, account suspension letters and debt collection activities to people affected by the fires.

These initiatives were aligned to our Financial Hardship Policy, which aims to support customers who are struggling financially due to circumstances beyond their control.

The business also provided material aid in the form of white goods from one of its recently closed offices.

New South Wales

We have developed a formal evaluation process to assess the value of specific community partnerships for both the business and the community in the New South Wales (NSW) market.

The process involves forming a partnership steering group, who meet a minimum of four times a year to discuss project objectives, milestones and achievements. At the end of a twelve month period, the group assesses the partnership using an evaluation tool referenced from the London Benchmarking Group.

This process was completed in the past year for the following two partnerships:

- **Roads to Sustainability (Hills M2)** – this A\$75,000 partnership with Sydney Olympic Park has paid for almost 3,000 students from 53 schools to attend curriculum-based field studies at the Park. The participating schools were selected by the NSW Government to qualify for special economic assistance via the Priority Schools Program. Students visited specialist environmental education facilities at the Park such as a solar-powered classroom, water recycling facilities and wetlands areas. The program was launched in 2007 and finished in June 2009 (Transurban funding for the project finished in FY08).
- **Devlins Creek Community and Environment Project (Hills M2)** – this partnership with Hornsby Shire Council was launched in March 2008 and will run until 2011, with a A\$90,000 sponsored grant from Hills M2. The project focuses on native bush regeneration at the Beecroft, Cheltenham and Chilworth Reserves near Devlin's Creek. The project also aims to improve community access to the Reserves with improved walking tracks, boardwalks and interpretative signage. So far the project objectives are on target with the planting of 700 trees and shrubs, regeneration of 2,000m² of bushland and construction of 240 linear meters of new walking track. Transurban staff have so far participated in two corporate planting days where almost 100 work hours have been donated to the project to help with track clearing, weeding, mulching and tree planting.

United States

- **The Transurban and Fluor Community Grant Program (Capital Beltway HOT lanes project)** – this program with partner Fluor is designed to support communities in surrounding neighbourhoods. It offers annual grants of up to US\$5,000 for non-profit organisations to enhance or protect the environment and communities along the project's corridor. The corridor refers to the area along the Capital Beltway from the Springfield Interchange to just north of the Dulles Toll Road. Grants will be awarded on an approximate quarterly basis.
- **WT Woodson High School** – in early June, we provided a US\$7,500 grant to the school, which is in the Capital Beltway project corridor. The grant will contribute to the school's Capital Campaign to make improvements to its athletic facilities and programs.

Integrated transport solutions

We believe modern cities require integrated transport infrastructure where public transport and roads both have their place.

The integration between our toll roads and other forms of transport and surrounding roads is generally dictated by the governments that award the concessions. They set the

agenda, balancing economic development and community amenity issues with environmental, greenhouse and social impacts.

HOT lanes in the US

In the US, our largest growth project—the Capital Beltway High Occupancy Toll (HOT lanes)—is 18 months into a five-year construction period.

HOT lanes operate alongside regular lanes and use variable toll prices to manage traffic in the lanes and keep them congestion free, even during rush hour. When traffic is light, toll prices are low. When congestion increases, toll prices go up to regulate the number of cars using the lanes.

Transurban and partner Fluor will expand a 22-kilometre / 14-mile section of the interstate from eight to 12 lanes under an 80-year concession agreement with the Commonwealth of Virginia.*¹³

The project will provide more opportunities for public transit in the North Virginia region by:

- allowing carpools, buses, motorcycles and emergency vehicles to travel the HOT Lanes for free while vehicles with only one or two occupants will pay a toll to access the lanes
- creating a regional, free-flowing network for carpools and transit, and
- providing first-time transit and carpool access to key activity hubs, including the region's largest and fastest growing employment centre – Tysons Corner.

The Capital Beltway HOT lanes will also provide new or expanded bicycle and pedestrian access on every bridge crossing over the Beltway—a critical first-step to connecting communities and activity centres currently divided by the eight-lane highway.

An independent report on the HOT lanes released in January 2009 showed that the US\$2 billion project will deliver significant economic benefits to the Fairfax County, the Washington metropolitan area and the Commonwealth of Virginia. The HOT lanes are scheduled to open in 2013.

The report, by economist Dr Stephen Fuller of the George Mason University – Center for Regional Analysis, said the project is expected to support more than 30,000 jobs in the Washington metro area and elsewhere in the national economy over the construction period.

It is also expected to generate US\$2.7 billion in economic benefits for the metro area between 2008 and 2013. For more information on the report [click here](#).

¹³ Transurban's stake in the Capital Beltway HOT lanes is held through DRIVe, our co-investment vehicle in North America. DRIVe holds 90 per cent of the equity in the project, and Transurban holds 75 per cent of DRIVe.

Sydney's motorway network

As part of Transurban's commitment to encourage informed discussions on the future of integrated transport, we commissioned an independent study on the economic contribution of toll roads.

The Ernst & Young report, 'The economic contribution of Sydney's toll roads to NSW and Australia', was released in August 2008. It assesses the economic impact and wider socio-economic impacts of Sydney's tolled motorway network.

Of Sydney's nine motorways, Transurban has ownership interest in five.

Key findings included:

- a net economic benefit of the network of A\$22.7 billion in 2007 dollars, which is about 15 per cent above initial forecast values from the original cost-benefit analysis for each individual project
- increased gross state product ranging from A\$1.6 million in 1986 to A\$3.4 billion in 2020 from increased private consumption, investment and overseas trade
- increased employment ranging from an extra 100 jobs per year in 1986 to an extra 4000 jobs per year in 2020
- estimated avoided greenhouse gas emissions and noise valued at an economic benefit of A\$1.1 billion, and
- primary direct benefits include travel time savings, vehicle operating cost savings, reduced accidents and reduced vehicle emissions.

The findings underline the need for greater consideration of transport networks in long-term urban planning and for increased integration of transport modes.

Our commitments

Progress on commitments from FY09

Community Commitments	Status	Comments
Review the methodology for the annual stakeholder engagement process in Australia.	Complete	
Embed our customised software tool TURTle (Transurban Relationship Tracker) as the key process for tracking and managing our stakeholder relationships.	Complete	
Continue to promote bushcare activities and public access to urban nature reserves in our New South Wales (NSW) asset corridors.	In progress	Continuing until 2011 through projects at Devlins Creek and Toongabbie Creek.
Undertake community consultation on a planned project to upgrade and widen the Hills M2 in collaboration with partners.	In progress	Appropriate consultation has been undertaken in line with the status of negotiations with the NSW Government.

New commitments for FY10

- Develop a formal strategy for Transurban's community involvement to complement the Community Relations Framework.
- Measure, monitor and assess our stakeholder engagement performance in line with the AccountAbility AA1000 Stakeholder Engagement Standard.
- Conduct an independent stakeholder research and engagement review for Australian stakeholders.
- Continue to promote bushcare activities and public access to urban nature reserves in our NSW asset corridors.
- Continue to support programs connecting the diverse communities in which we operate with the local environment.

Additional community data

In-kind support for community events including toll waivers, road closures and expenditure on traffic management, promotion and logistics for community events:

- Jefferson Davis Association
- Melbourne Run (formerly known as Run to the G) toll revenue forgone with road closure
- New Years Eve 2008
- Olympic Dream
- Red Cross Bushfire Support
- Run for the Kids

Community sponsorships and charitable donations

Sponsorship of community initiatives, toll credits and cash donations to charitable organisations:

- Amazon Heart Thunder Motorcycle Ride for Breast Cancer
- Australian Red Cross Bushfire Appeal
- Beecroft Rotary Community Carols By Candlelight
- Carlingford Dundas Lions Club Lionheart Dinner
- City of Ryde Australia Day 2009
- City of Ryde/Ryde Rotary Carols By Candlelight
- CityLink Crossings (Indigenous Art Program - Moonee Valley)
- Epping Boys High; Environment Day Prize
- Hornsby Shire Council Devlins Creek
- Killester College Bike Safety Equipment
- Moonee Ponds Creek - Sponsorship of Clean Up Australia Day
- Moonee Valley Racing Club - Race Sponsorship
- Napier Studios
- Peter Mac Foundation
- Redkite
- Richmond Asian Business Association - 2008 Lunar New Year Sponsorship
- Run for the Kids
- Sound Relief Concert Sponsorship
- The Smith Family
- Very Special Kids
- Victorian Transport Association - Freight 2009 program support
- VIP Catering for Run for the Kids
- West Coburg Bowls Club Sponsorship
- Western Chances
- Wildlife donation for Victorian bushfires
- WT Woodson High School Capital Campaign Contribution
- WWF- Australia

Employees

At Transurban, our employees are the key to our success. Developing our workforce was a priority in FY09—and will continue to be a focus for us in the future.

This year, we worked on:

- embedding new company values across the business
- further strengthening employee skills and providing focused training
- attracting and retaining the best employees
- encouraging and supporting work/life balance, and
- supporting and rewarding high performance.

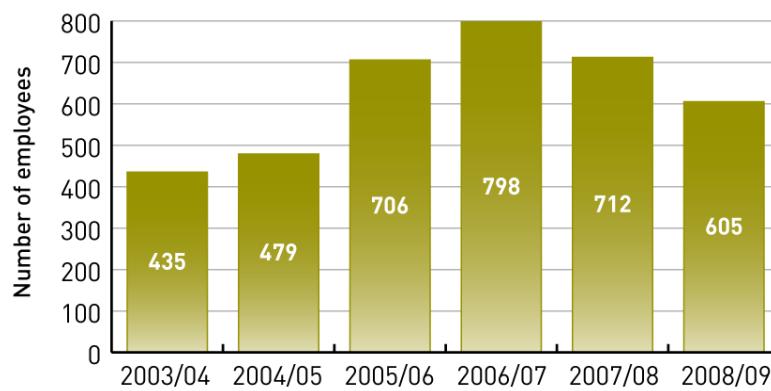
We are guided by our policies on: Learning & Development, Occupational Health & Safety, Employee Relations, Equity in the Workplace, Leave, Recruitment & Selection, Remuneration & Benefits, International Transfer, and the Nomination Committee and Remuneration Committee charters.

Our workforce profile

Transurban directly employs 587 people in Australia and the US, with 93 per cent of our workforce based in Australia (as at June 30). In addition we have 18 contract staff working for our business, which is reflected in the total 2008/09 figure in the chart below.

Employment growth

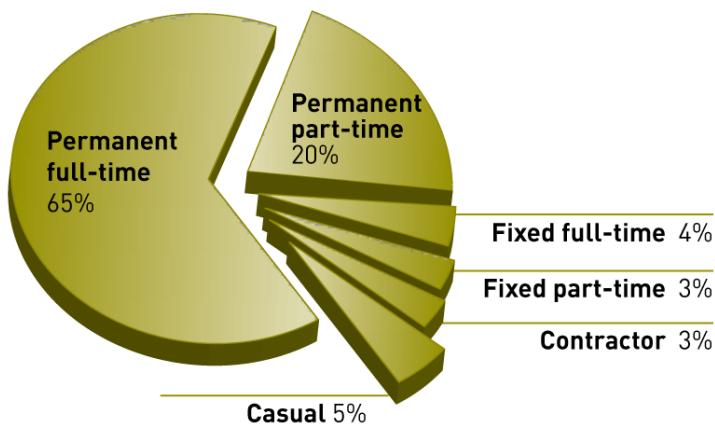
2003/04 to 2008/09



Note: excludes Board of Directors and employees on maternity leave.

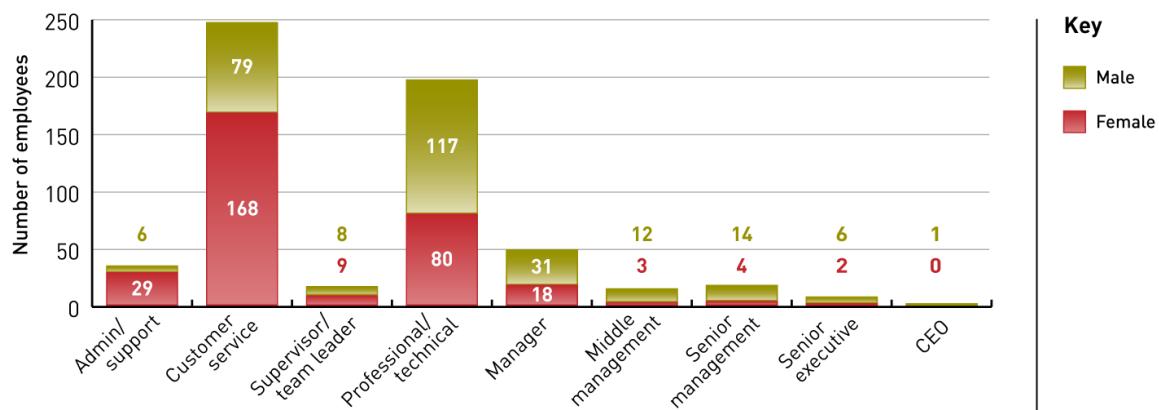
This year, our contract staff numbers have decreased from 5.8 per cent to 3 per cent of our workforce, and we have had a 14.3 per cent decrease in our permanent employees. These decreases were primarily the result of a company-wide cost reduction program which began in the first quarter of FY08 and continued in FY09. For more details [click here](#).

Employee profile 2008/09



Note: excludes Board of Directors and employees on maternity leave.

Employee profile 2008/09

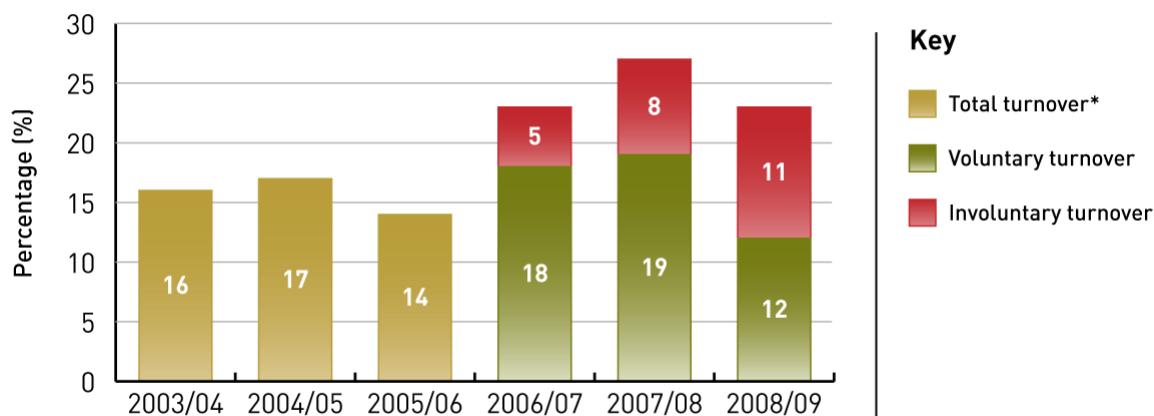


Note: excludes contractor and temporary employees, Directors and employees on maternity leave.

Our voluntary turnover rate has decreased from 18.7 per cent to 11.4 per cent, which equates to 64 employees leaving voluntarily. This is still high, and we will continue to focus on retention strategies to reduce voluntary turnover.

Employees leaving Transurban

2003/04 to 2008/09



*The breakdown of voluntary and involuntary turnover data from previous years is not available.

37 per cent of Transurban's workforce is covered by a collective workplace agreement. In FY10 we will work closely with both our employees and trade unions to negotiate a new agreement.

Safety in the workplace

The importance of safety is formally reflected in our business management framework. Providing a safe workplace for our employees and safe roads for our customers is our highest priority.

We believe all injuries are preventable, and so we aim for zero injuries in our business. To achieve this we focus on continuous improvement of our safety management system.

In FY10, we aim to have our health and safety management system certified against the AS/NZS 4801 Australian standards. As a result, a number of the activities we undertook in FY09 were designed to support certification. These included:

Safety component in variable remuneration

We introduced a safety component which makes up 10 per cent of management's variable compensation (short term performance incentives). This is an important acknowledgement of the importance safety plays within the company and of our goal of embedding safety into our workplace culture.

Occupational Health & Safety (OHS) advisory group

We established a senior advisory group in Australia to help redesign the company's OHS Management Framework in accordance with the AS/NZS 4801 standards. We also significantly changed the membership, functions and constitution of the Victorian OHS Committee which covers the office premises where most of our employees are located. It is now focused on injury prevention, process improvement, consultation and the dissemination of safety information.

The commitments in our OHS Policy are:

- Fostering a safety culture amongst our workforce
- Eliminating or minimising risks that might cause injuries
- Continuously improving our safety and contractor management
- Training and supporting employees to identify and manage workplace hazards
- Heightening understanding of relevant OHS legislation and other requirements
- Promoting information on safety, and
- Monitoring, reporting and continuously improving our safety culture and safety performance.

Safety training

The ongoing training and development of our employees remains an important element of our safety strategy. More than 150 employees participated in our revised OHS training program in FY09 in areas such as OHS Compliance, OHS and Ergonomics for Managers, Ergonomic Assessor training, Mental Health for Managers and First Aid training. Further courses covering these and additional safety topics have been scheduled for FY10.

Lost Time Injuries

Our Lost Time Injury Frequency Rate increased from 7.37 in FY08 to 8.10 in FY09¹⁴. The majority of incidents were related to musculoskeletal injuries.

All of the incidents occurred in Australia, where 93 per cent of our total workforce is based, and where we employ many customer service and image processing employees who are more likely to experience these types of injuries.

As part of an ongoing employee safety awareness campaign, we have introduced a number of initiatives to minimise the incidence of musculoskeletal injuries.

These include introducing:

- compulsory stretch breaks
- additional tasks to reduce role repetitiveness, and
- a trial of desktop software which tracks keyboard and mouse use, and prompts employees to take work breaks.

These initiatives have been introduced for all employees whose jobs require a high level of repetitive computer use for long periods (see case study below).

We believe the increase in the Lost Time Injury Frequency Rate could also be attributed to increased safety awareness, which has led to more reporting of workplace injuries, hazards and near misses throughout the company.

Our US business did not report any incidents.



Stretching for safety

In FY09, we identified an increase in Lost Time Injuries in our Image Processing Team, which manually views more than one million images a month from vehicles travelling on CityLink without an e-TAG.

HR created a working party with members of our Tolling and Customer Management group to find the cause of the injuries—and come up with some solutions.

One of the key recommendations was to introduce a program of mandatory stretch breaks throughout the day.

Now, employees stop five or six designated times in a six-hour shift for a stretching

¹⁴ We have changed the methodology used to calculate injury frequency. Prior to 2007/08 we used Lost Time Occurrence Incidence Rate (LTOIR) and cannot compare this to LTIFR.

session led by an employee. A working group creates new exercises every couple of months to keep the program fresh and relevant for employees.

Image Processing Manager Louise James said making the program a requirement “shows our commitment to this and reduces the level of embarrassment. It just becomes part of the standard working day.”

The program caught on quickly—and stretch breaks are now taken by employees across the floor, even if they are not part of the Image Processing Team.

The working party’s other major recommendation was to introduce new tasks into the day to alleviate the repetitive nature of image processing work. Since this was adopted, over 60 per cent of the team is now performing other duties.

The next step for the team is a full rollout of ergonomic intervention software, which identifies the number of mouse moves or keystrokes an employee performs and then prompts them to take a break when necessary. The software also delivers regular messages on workplace health and safety.

Contractor safety

Construction is well underway on our Capital Beltway HOT lanes project in the US. On this project, safety measures are being enforced by the project’s design-build contractor through a team of safety managers.

From the time construction started in early 2008 until July 2009, over 1.3 million safe work hours were recorded without a Lost Work Day incident. This rate is significantly below the US national average.

This year, we were the first open road toll operator in New South Wales to begin using towable attenuators on the road. These devices—which are being used on our Hills M2 toll road in Sydney—create a safe work zone by providing a barrier between traffic and road workers. The attenuators can safely stop vehicles up to two tonnes in size travelling at 100 kilometres per hour.

Hills M2 also achieved another safety milestone this year. Their road operations team—which includes Bilfinger Berger Services Australia, Transroute Australia and all their subcontractors—recorded no lost time injuries from 1 May 2006 (when contracts started) to 30 June 2009.

On another one of our Australian assets, the Eastern Distributor, an external OHS Review was conducted in FY09. The review made significant recommendations for improvement to ensure compliance with Australian Standard AS4801, including OHS reporting and training. All of the identified gaps and recommendations have now been addressed and implemented by the tunnel’s contracted operator, Leighton Contractors.

Workplace environment

Communicating with employees

We use a range of communication channels to keep our employees informed about company progress and organisational change.

These include a weekly newsletter, quarterly business updates (where employees get the opportunity to hear from senior managers), an employee intranet and regular team meetings.

More formal communication activities include an annual staff briefing with our CEO Chris Lynch, and half-year and full-year financial results briefings by our executive team.

Our CEO also has a dedicated email facility that allows employees to raise questions, provide feedback and propose ideas.

Employee Opinion Survey 2009

Listening to employees

Our success as a business is achieved through the engagement and commitment of our employees. We monitor our level of employee engagement through our Employee Opinion Survey, which enables employees to provide us with an indication of how they feel about Transurban as a place to work.

In April 2009 we conducted our global Employee Opinion Survey. The response rate was 83 per cent, up from 70 per cent for our last survey in 2007.

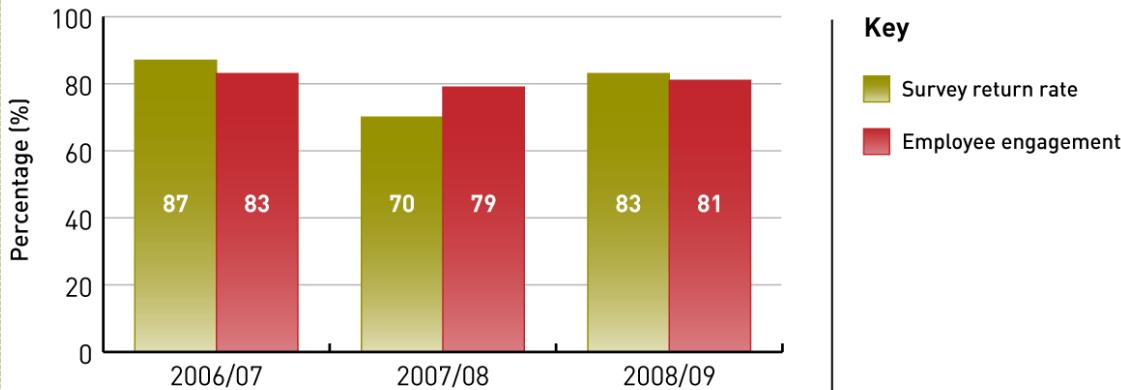
Our benchmarking data showed we significantly outperformed other Australian companies, achieving excellence in 16 of the 18 categories including Communication, Response to Survey, Ethics and Values, and Safety and Working Conditions.

Compared to the Global High Performance Norm, we outperformed in six of the 18 categories including Employee Empowerment, Safety and Working Conditions, and Performance Management.

Our overall employee engagement score was 81 per cent, up 2 per cent from 2007.

Employee opinion survey results

2006/07 to 2008/09



The survey identified several areas for improvement. In FY10, we will hold focus groups with managers from across the company to improve our understanding of these issues and create action plans to address them.

Our next company-wide Employee Opinion Survey will be conducted in April 2010.

Workplace flexibility

Flexibility plays an important role in creating a satisfying work experience and environment for employees.

In FY09, we developed and introduced a formal workplace flexibility framework in Australia. The framework helps to ensure a consistent approach to providing flexible work arrangements for all employees (see case study below).

This framework includes guidelines to help managers make fair and consistent decisions when managing flexible work arrangement requests. It also helps them balance the professional needs of the individual with those of the company, on either a temporary or permanent basis.

The current flexible work options available to employees include:

- part time
- job share
- work from home
- flexible working hours, and
- phased retirement.

As at June 2009 we had 138 part-time employees, who make up 20 per cent of our total workforce. Since the introduction of our formal flexible workplace framework in April

2009, we have received an average of two flexible work requests per month, with a 100 per cent acceptance rate to date.

In FY10, we will finalise a flexible workplace policy in our US offices.

Managing attendance

Flexibility in action

Our employees have embraced the workplace flexibility framework we introduced in FY09. In most of our offices, you can find employees working outside the typical 9-5 hours, five days a week—for a range of reasons.

Scott Hughes, a Systems Support Engineer with our Infrastructure Group, has a young family and a 47 kilometre commute to work. He wanted to change his hours to reduce the time he spent in peak hour traffic—and increase his time with family.

The week the framework was introduced, he approached his manager with a proposal to arrive and leave earlier. They came to a compromise and he now works 7:30am-4pm. The change has meant he spends 30 minutes less in the car each day and arrives home around 45 minutes earlier. “I’m pleased I was able to make the change,” Scott said.

Our Manager of Communications & Emergency Management, Megan Fernandez-Chavez, started working from home part-time when her commute became difficult during her pregnancy. She comes to the office three days a week and uses a home office the other two days. She plans to return to work six months after having her baby, and her manager has agreed to let her continue with flexible hours.

Jane Wilford, a customer service officer with our Commercial Case Management team, approached HR and her manager about reducing her full-time hours after her elderly mother became ill.

“They were fantastic,” Jane said. “I walked away from our meeting with figures on how the change would affect my salary and my annual leave. I was very comfortable with all my options.”

They all agreed that Jane could move to three days a week for a two-month period while she provided care for her mother. The change was almost immediate, with Jane working the new hours within two weeks. She was able to share some of her workload with the team, which had recently increased in size due to members returning from secondment to another project.

This year, we continued to see an increase in the level of unplanned absences across the business. The average number of days absence per full time employee has increased from 7.73 days in FY08 to 8.05 days in FY09, which compares to an

Australian national average of 5.63 days (*Ref: Mercer Human Resource Effectiveness Monitor*).

In response, we developed a new attendance management framework in consultation with key stakeholders in our business. We then introduced new processes, guidelines for both managers and employees, and management training to help improve attendance levels. The framework was first rolled out at CityLink, and then across the rest of the business.

We are continuing to monitor our unplanned absence level on a quarterly basis to see if we are making progress in reducing it.

Recruitment

We implemented several initiatives in FY09 to streamline our recruitment process and measure its effectiveness.

As part of our company's cost reduction program this year, we have significantly reduced our recruitment via agencies. Instead, we are relying more heavily on direct-to-market activities, referrals and job boards.

Some of this work has helped us reduce the average cost to fill per position from A\$6,300 to A\$2,600 this year, a decrease of 59 per cent.

Some of the recruitment highlights this year include:

- We introduced a Preferred Supplier Panel within Australia to support our recruitment efforts. All six preferred suppliers have participated in an induction program to help them understand our business, strategy and values. This will help ensure they identify candidates with the skills, capabilities and experience to suit our business needs.
- We launched a candidate portal, which enables people preparing to join our company to access our policies, including the Code of Conduct, OHS and IT Security policies. We also provide candidates online access to view the range of rewards and benefits available at Transurban.

Recruitment and internal appointments

120 vacancies were filled in FY09, down from 176 the previous year.

	FY 08		FY 09		Variance	
	Number	%	Number	%	Number	%
Candidate Source						
Internal	44	25%	35	29%	9	-20%
Direct sourcing	59	34%	64	54%	5	+8%
Vendor	73	41%	21	17%	52	-71%

Note: These figures include permanent and fixed term placements.

Developing our employees

Our business continues to focus on building employee capabilities, developing a leadership pipeline, and attracting and retaining high performing employees.

Learning programs

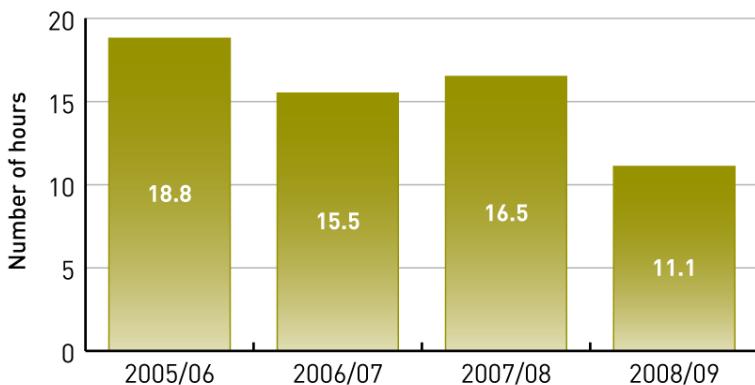
Our learning program is designed to support future growth, increase organisational capability and meet operational learning needs. The company offers a range of learning and support programs, including internal and external courses, coaching, study leave, and financial assistance towards the attainment of a professional qualification.

In FY09, our training hours decreased from 16.5 hours to 11.1 hours per employee (see chart and table below). Some of the reasons for this are:

- Many sessions have moved from open enrolment to “invitation only”, which means they are tailored to employee needs.
- Due to employee feedback, most programs are now 1-4 hours in duration instead of 1-2 days as in previous periods.
- The number of programs was reduced due to delays in a major tolling project which necessitated significant employee training.

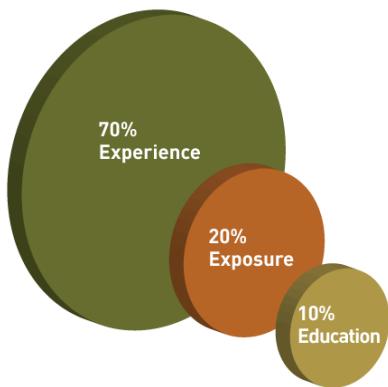
Average training hours per employee

2005/06 to 2008/09



Each year, employees are encouraged to put together Personal Development Plans in consultation with their manager. This identifies activities that will help employees enhance their knowledge, skills, and abilities to perform in their job. The Personal Development Plans follow Transurban's 70/20/10 learning framework.

70/20/10 Learning framework



- **70% = learning on the job**
On-the-job experiences, tasks, problem solving, projects, stretch assignments, work with senior managers, rotations
- **20% = feedback and observation**
Observing and working with role models, workplace coaching, guided observation and practice
- **10% = formal training**

Leadership development

In FY09, employees identified as "high potentials" had the opportunity to participate in two leadership development programs which fit within our company's leadership and sustainability strategies.

The first was a Board Orientation Series, which helps prepare professionals to be effective members of a not-for-profit board. Three employees are participating. The second program matches business professionals with a long-term unemployed person, who they coach through a job search for 13 weeks. Four of our employees are

participating in this program, which helps them refine their leadership skills while also giving back to the community.

This year we again ran our Diploma of Management program (formally known as the Frontline Manager program) which started in April 2009 and finishes in December 2009. The program, which is designed to build leadership skills, culminates in presentations to our senior leadership group. Thirty employees are participating across our Australian offices.

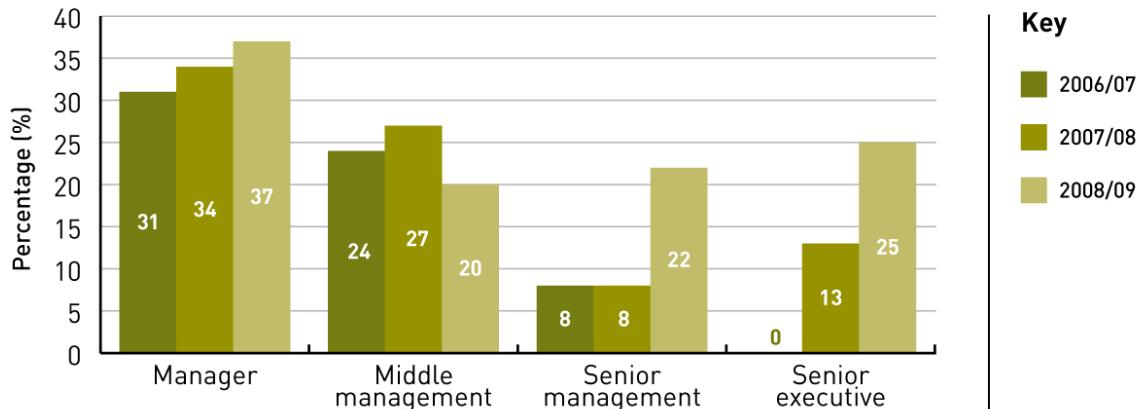
Women in leadership

The balance of women and men in our business has remained steady, with women representing 53 per cent and men 47 per cent of our workforce.

In FY09 we saw an increase in the representation of women in the majority of our management categories (see chart below). A steering committee was investigated in FY09 and will be fully established in FY10 to look at possible ways to expand opportunities for women in leadership. The committee's recommendations will be presented to the Executive Committee in FY10.

Women in management

2006/07 to 2008/09



Succession planning

This year we completed a succession planning activity across the business to identify critical roles, possible successors, and high potential employees.

The information we collected during this exercise was validated with our senior executive group and our Board in FY09. We are now looking at what is required in the development plans that all identified employees will be completing as part of the annual performance management cycle.

Pay and performance

At Transurban we have a “pay for performance” culture.

Our remuneration package for employees includes a variable pay component, with the rate of variable compensation increasing in line with an individual’s level of responsibility. All employees have an ability to influence this variable pay through their performance.

Variable pay within Transurban is based on performance results at both a company and individual level. An employee’s individual variable pay component is determined by Key Performance Indicator (KPI) targets which take into account the company’s strategic objectives each financial year.

For the first time this year, employees had the opportunity to earn up to 150 per cent of their individual variable pay component.

Transurban has the ability to deny the payment of variable pay to any employee who breaches the company’s Code of Conduct and associated policies.

Employee equity plans

The Australian Federal Budget, announced in May 2009, introduced significant changes to the taxation of employee equity plans.

The initial changes had a direct impact on our employee equity offering, ShareLink. Under the June 2009 ShareLink Tax Deferred Plan and ShareLink Tax Exempt Plan, employees would have been disadvantaged by the proposed tax changes. Both plans were then suspended by Transurban.

Since that time, the Federal Government has revised its initial position in response to lobbying by corporations. The latest proposal was issued in a policy statement in July 2009, which sets out the Government’s current view of the final taxation treatment of employee equity plans. Final legislation is expected to be passed in the first half of FY10.

We remain committed to offering employee equity plans, but we have decided to put any decisions on hold until this legislation is passed.

Community involvement

Workplace giving

Our TransGiving program allows Australian employees to voluntarily donate to selected charities from their pre-tax pay. Our charity partners are The Smith Family, Very Special Kids, Redkite, the Peter MacCallum Cancer Centre and WWF Australia.

At June 2009, 20 per cent of our Australian employees were participating in the program.

In FY09, they donated A\$31,584 to our charity partners and Transurban matched this dollar for dollar. In total, A\$63,168 was donated to our charity partners.

This financial year the total amount employees donated decreased by over A\$14,000 and the overall number of employees donating decreased by 2 per cent. This was the result of a reduction in our workforce.

Several times a year, employees also raise money for charities of their choice through Gold Coin Fridays. In FY09 over A\$800 was collected through gold coin donations.

For the past nine years, our employees have participated in The Smith Family's Christmas Toy & Book Appeal. In December 2008, we collected eight boxes of goods for The Smith Family to distribute to families throughout Australia.

Community events

Our employees volunteer at many [community events](#) each year, including tree plantings, bush regeneration programs, school programs, Clean Up Australia Day and our annual Herald Sun - CityLink Run for the Kids, which raises money for Melbourne's Royal Children's Hospital.

In April 2009, more than 27,000 runners and walkers took to our roads to raise money for the hospital. More than 250 Transurban employees and their families also took part in the event, with another 13 helping as volunteers.

This is our fourth year as event co-sponsor with our partner Herald & Weekly Times. Altogether, the event raised more than A\$1 million.

Supporting bushfire relief

Like most Victorians, our employees were devastated by news of the February 2009 bushfires that raged across the state.

So our employees decided to do something about it – by literally chipping money into a bucket for the Australian Red Cross Victorian Bushfires Appeal. Altogether, we raised almost A\$5000 this way, which was matched dollar for dollar by the company.

Customer Service Officer Annette New, who volunteered to collect money at the Melbourne head office, said she was thrilled – but not surprised – by the generosity of her colleagues.

“People were throwing money at me,” she says. “They were chasing me to give me money – up-ending their handbags and emptying their pockets. There was such a sense of relief that we could do something.”

In addition, employees donated more than A\$21,600 to the appeal through TransGiving, our workplace giving program. This amount was also matched by Transurban. The company also made a one-off donation of A\$100,000 to the bushfire appeal.

Between employee contributions, matching donations from the company and this one-off amount, Transurban gave over A\$150,000 to bushfire relief.

For more information on company initiatives to support those affected by the bushfires [click here](#).

Our commitments

Progress on commitments from FY09

Employee Commitments	Status	Comments
Continue to review areas for improvement in our Occupational Health & Safety Management Framework.	In progress	We are currently updating our OHS Management System, as well as our educational and general promotional activities. We aim to certify Transurban's Safety Framework against AS/NZS 4801 in FY10.
Continue to review and enhance how we report HR statistics.	Complete	
Investigate the development of a formal workplace flexibility program.	Complete	
Roll out the Values communications plan and hold a range of individual and group activities to ensure employees understand and buy into the new values.	Complete	
Expand BeWell@TU, our employee health and well-being program, by working with an external partner to offer new initiatives.	Complete	
Review and refine Transurban leadership programs.	Complete	

New commitments for FY10

- Successfully negotiate a new Transurban Workplace Agreement.
- Achieve AS/NZS 4801 Certification for our health and safety management system.
- Relaunch our employee share plan.
- Undertake an equity pay review.
- Explore options to advance women in leadership.
- Develop plans for a workplace giving program for North American employees.
- Formally introduce workplace flexibility policies and procedures in our US offices.

Additional employee data

Total workforce by employment type*

	2004/05	2005/06		2006/07		2007/08		2008/09		
Casual	12	2.50%	65	9.20%	56	7.02%	30	4.21%	31	5.12%
Contractor	27	5.63%	37	5.24%	100	12.53%	41	5.76%	18	2.98%
Fixed full-time	21	4.38%	17	2.40%	9	1.13%	25	3.51%	22	3.64%
Fixed part-time	14	2.92%	20	2.83%	24	3.01%	27	3.79%	19	3.14%
Perm full-time	352	73.48%	477	67.56%	487	61.03%	462	64.89%	396	65.45%
Perm part-time	51	10.64%	84	11.89%	120	15.04%	127	17.84%	119	19.67%
Temporary	2	0.41%	6	0.84%	2	0.25%	0	0%	0	0%
Total	479		706		798		712		605	

*Excludes contractors and temporary employees, Directors and employees on maternity leave

Total workforce by business unit*

Business Unit	2007/08	2008/09		
Corporate Services	180	25.28%	141	23.31%
IT	82	11.52%	64	10.58%
Assets NSW	9	1.26%	13	2.15%
Assets VIC	33	4.63%	28	4.63%
TCM National	22	3.09%	9	1.49%
TCM NSW	139	19.52%	131	21.65%
TCM VIC	209	29.35%	177	29.26%
US	38	5.34%	42	6.94%
Grand Total	712		605	

*Business units have changed in 2007/08

*Excludes maternity leave, Board of Directors and Salary continuance

Total workforce by region*

Location	2007/08	2008/09		
Melbourne	469	65.87%	383	63.14%
New South Wales	194	27.25%	180	29.75%
US	47	6.60%	43	7.11%
Canada	2	0.28%	0	0%
Grand Total	712		605	

*Excludes maternity leave, Board of Directors and Salary continuance

Total workforce by age

Age groups	2004/05	2005/06	2006/07	2007/08	2008/09
Up to 25 years	7.78%	8.30%	9.13%	8.49%	7.21%
26-30 years	22.67%	20.06%	19.13%	18.03%	17.05%
31-35 years	18.67%	18.25%	18.84%	18.33%	20.00%
36-40 years	18.22%	19.00%	17.39%	16.54%	15.08%
41-45 years	10.44%	11.61%	12.61%	13.56%	15.25%
46-50 years	9.33%	8.60%	8.84%	9.84%	9.34%
51 years +	12.89%	14.18%	14.06%	15.20%	16.07%
Total	100%	100%	100%	100%	100%
Average age	37.74 years	38.24 years	38 years	38.84 years	38.86 years

Employee turnover by gender*

	2004/05		2005/06		2006/07		2007/08		2008/09	
Female	37	54.41%	37	53.62%	65	47.45%	74	46.84%	64	49.61%
Male	31	45.59%	33	47.83%	72	52.55%	84	53.16%	65	50.39%
Total	68		70		137		158		129	

* Includes all permanent full-time and part-time employees

Employee turnover by age*

Age group	2004/05	2005/06	2006/07	2007/08	2008/09					
Up to 25 years	6	8.82%	8	11.43%	10	7.30%	5	3.16%	8	6.20%
26 - 30 years	21	30.88%	20	28.57%	32	23.35%	30	18.99%	19	14.73%
31 - 35 years	20	29.41%	20	28.57%	29	21.17%	41	25.95%	30	23.26%
36 - 40 years	10	14.71%	7	10%	31	22.63%	32	20.25%	21	16.28%
41 - 45 years	3	4.41%	7	10%	11	8.03%	24	15.19%	18	13.95%
46 - 50 years	4	5.88%	1	1.43%	13	9.49%	10	6.33%	10	7.75%
51 years +	4	5.88%	7	10%	11	8.03%	16	10.13	23	17.83%
Total count of age group	68		70		137		158		129	

* Includes all permanent full-time and part-time employees

Freedom of association

	2005/06	2006/07	2007/08	2008/09
Percentage of employees covered by collective bargaining agreements	Not reported	38.65%	37.11%	37.00%
Employees represented by a trade union*	Not reported	0*	0*	0*
Incidents of forced or compulsory labour/violations of freedom of association and collective bargaining	Not reported	0*	0*	0*

* We do not collect this data

Percentage of eligible workforce represented in OHS committees

	Management	Other Employees
2008/09	29.19%	4.81%

Occupational Health and Safety

Type	2007/08	2008/09
Lost time injury frequency rate (LTIFR)*	7.37	8.10
Fatalities	Nil	Nil
Absenteeism**	PENDING	8.05 days
Occupational diseases	n/a	n/a

* Excludes journey claims

** No. of days unplanned leave per employee

LTIFR = (No. of occurrences/number of hours worked) * 1,000,000

Nb. Prior to 2007/08 we used Lost Time Occurrence Incidence Rate(LTOIR). We cannot not LTIFR prior to 2007/08.

Performance and career development training

	2008/09
Employees receiving performance & career development review	100%
Average hours of training per employee (avg total workforce)	11.13
Average percent of remuneration allocated to learning & development (per employee)	0.6

Average hours of training per employee by employee category 2008/09*

Employment category	Employee category headcount	Total hours per category	Avg hours per employee by category
CEO	1	0.0	0.00
Senior executive	8	30.5	3.81
Senior management	18	140.0	7.78
Middle management	15	153.5	10.23
Manager	49	1047.0	21.37
Professional/technical	197	2862.0	14.53
Supervisor/team leader	17	507.0	29.82
Customer service	247	1426.5	5.78
Administration/support	35	366.5	10.47

* Includes All Permanent, Fixed Term and Casual employees

Composition of governance bodies by gender*

	2004/05	2005/06	2006/07	2007/08	2008/09
Female	1 12.50%	1 12.50%	1 14.29%	1 %18.18%	1 10.00%
Male	7 87.50%	7 87.50%	6 85.71%	8 81.82%	9 90.00%
Total	8	8	7	9	10

* Excludes US Advisory Board and Directors of Transurban International Ltd.

Average hours of training per employee by employee category 2008/09*

Employment category	2006/07 F:M ratio	2007/08 F:M ratio	2008/09 F:M ratio
CEO	0:100	0:100	0:100
Senior executive	0:100	49:51	34:66
Senior management	55:45	54:46	38:62
Middle management	41:59	45:55	40:60
Manager	44:56	46:54	47:53
Professional/technical	46:54	44:56	45:55
Supervisor/team leader	45:55	45:55	49:51
Customer service	50:50	50:50	50:50
Administration/support	55:45	55:45	52:48

* Includes All Permanent and Fixed Term employees

Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations

	2008/09
Percentage above standard entry level wage (VIC region)	24.5%

Breaches of Code of Conduct*

Total workforce	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Breaches of code (no. of incidents)	8	15	7	8	4	6
Employees covered by code	100%	100%	100%	100%	100%	100%

* Reported and investigated by HR

Environment

Transurban is committed to working towards environmental sustainability in all our activities.

We develop, own and manage toll roads. In doing that, we value solutions that:

- minimise resource and energy use
- anticipate environmental issues and manage them at the source
- improve air and water quality
- provide protection for local habitats
- minimise impacts on ambient noise, visual and social amenity
- meet or go beyond regulatory requirements, and
- provide added environmental value to road projects through features such as parklands, shared pathways and wetlands.

We are guided by: the EMS (Environmental Management System), Transurban Infrastructure Governance Framework, Transurban Sustainability Framework, Transurban Environment Strategy.

Our environment strategy

We have a number of formal structures in place to help us deliver our environmental initiatives. These include the:

- Environmental Management System (EMS) – The EMS is used to identify, measure and manage environmental impacts. It forms the “Environment and Sustainability” chapter in the Transurban Infrastructure Governance Framework (TIGF) which extends to those road assets where we have management control. The framework provides comprehensive guidelines and best practice in environmental management. In FY09 two priority areas of the EMS – reporting and environmental issues, and opportunities management - were rolled out to CityLink, Hills M2 and the Eastern Distributor. In FY10 the remaining areas will be rolled out to these roads. [Click here](#) for more information on the TIGF.
- Sustainability Framework – This articulates our definition of sustainability, the business case for sustainability at Transurban and our fundamental business-wide sustainability commitments. [Click here](#) for more information.
- The Transurban Environment Strategy, which sets out our business requirements, will be updated in FY10 to align with the Sustainability Framework,

and Environment & Sustainability chapter of the Transurban Infrastructure Governance Framework.

- We have developed an online information site for best practice sustainable road design, construction and operations. The purpose of this is to share knowledge across the business and further embed sustainability. The repository provides the relevant teams with access to sustainability ideas and the knowledge we have gained from development projects and operations.

[Click here](#) to view our new commitments for FY10.

Climate change

In FY08, Transurban began work on a Climate Change Strategy to help us keep ahead of changing regulations and community views. The aim of the strategy is to better understand and manage the risks and opportunities associated with climate change.

The Climate Change Strategy identifies the key objectives and initiatives required to manage the impacts of climate change on our business operations across the following five focus areas:

- risk management
- regulation, advocacy and strategic partnerships
- GHG emissions footprint
- revenue generation, and
- community and reputation.

In FY09 we continued work on the Climate Change Strategy and further progressed initiatives around risk management and measuring our GHG emissions footprint.

In FY10 we will finalise the formal Climate Change Strategy for approval by the Board and continue to progress our priority climate change initiatives under the five focus areas we have identified.

[Click here](#) to view our submission to the Carbon Disclosure Project 7.

Risks

The physical risks of climate change to Transurban's business are both direct and indirect:

The direct risks are:

- increases in the cost of road maintenance, and
- extreme weather conditions that reduce travel and therefore revenue on our roads.

The indirect risks are:

- increased cost of insurance premiums resulting from increased claims frequency and/or severity of extreme weather events, and
- climate change could potentially lead to people and businesses moving away from areas served by our existing roads, reducing traffic and revenue.

Direct risks

The risk of higher road maintenance costs is due predominantly to the effects of rainfall and temperature. How serious these risks are will depend on how much temperatures increase and how rainfall patterns change.

Research by the Australian Commonwealth Scientific and Industrial Research Organisation (CSIRO) Marine and Atmospheric Division published in 2006 estimates that road maintenance costs in Australia will rise by 17 per cent if the average temperature increases by more than two degrees Celsius.

The State of Victoria's Department of Sustainability and Environment, together with CSIRO, commissioned consultants AECOM (formerly known as Maunsell AECOM) to conduct a risk assessment on climate change impact on Victoria's infrastructure.

The study found that increased frequency and intensity of extreme rainfall events may cause significant flood damage to bridge and tunnel infrastructure. Bridges are susceptible to extreme wind events and coastal infrastructure is particularly at risk when storm surges combine with rises in sea level.

Accelerated degradation of materials, structures and foundations of transport infrastructure may occur through increased ground movement and changes in groundwater.

Increased temperature and solar radiation could reduce the life of asphalt on road surfaces. Increased temperature stresses the steel in bridges through expansion and increased movement of concrete joints, protective cladding, coatings and sealants on bridges. The study also found that sea level rises could have an adverse impact on tunnels built close to the coast, causing flooding.

Extreme storms and high wind events will impact the operation of Transurban's roads as high sided vehicles will be required to slow down in such events to maintain stability. Major bridges and high, exposed areas of the road may be closed to high sided vehicles to prevent exposure to these conditions. This would reduce travel on the road and toll revenue.

Indirect risks

The Intergovernmental Panel on Climate Change (IPCC) report highlighted the risk that climate change may lead to industrial relocation, resulting from sea-level rise in coastal-zone areas. If businesses relocate and private passenger traffic use patterns change,

this will affect the use of immovable infrastructure such as road networks close to the sea.

A higher frequency of extreme weather events over a sustained period may lead to increased insurance premiums. This will translate into higher costs for the business. How significant these direct and indirect risks are for Transurban's current road assets depends on when the physical impacts of climate change manifest.

In June 2009 we contracted AECOM (formerly known as Maunsell AECOM) to assess the potential impacts of various climate change scenarios on CityLink's infrastructure. The findings of this study are due in October 2009.

Regulatory risks

In both Australia and the US, Transurban has been monitoring legislation related to climate change to ensure we are prepared to respond to any changes that may affect our business.

National Greenhouse and Energy Reporting Act

The National Greenhouse and Energy Reporting Act (NGER Act) came into effect in Australia in September 2007. The legislation establishes a framework for the reporting of greenhouse gas (GHG) emissions and energy use.

While CityLink triggers the GHG emissions threshold for reporting under the Act, all reporting obligations fall to CityLink's operations contractor, TransLink Operations Pty Ltd. Transurban does not have reporting obligations under the NGER Act.

Carbon Pollution Reduction Scheme

Under the Australian Federal Government's proposed emissions trading scheme, the Carbon Pollution Reduction Scheme (CPRS), Transurban would not be required to surrender permits. The scheme only covers direct (Scope 1) GHG emissions. Transurban's direct emissions are negligible.

Transurban may be exposed to indirect impacts from the introduction of the CPRS in the form of higher energy prices, higher construction materials costs and a potential impact on traffic numbers.

The extent of these impacts will depend on the final design of the CPRS and the GHG emissions reduction trajectory the Government commits to as this will determine the price of carbon permits.

Professor Ross Garnaut's Climate Change Review report released in 2008 predicted that a carbon emissions price of between A\$20 and A\$40 per tonne — an average expectation of where the market price might settle — would increase the price of unleaded petrol by between 5 and 10 cents per litre. For the first three years that the CPRS operates, these price increases will be offset by a reduction in the fuel excise.

Transurban's preliminary view, based on the impact of previous increases in fuel prices on our traffic numbers, is that these price increases will not have a significant impact on traffic numbers on our roads.

In the coming year, Transurban will model the potential impact of higher prices from the introduction of the CPRS on its business.

American Clean Energy and Security Act of 2009 (Waxman-Markey Bill)

In late June the United States House of Representatives passed The American Clean Energy and Security Act of 2009, also known as the Waxman-Markey Bill, incorporating an emissions trading scheme similar to the Australian Federal Government's proposed Carbon Pollution Reduction Scheme. It is unclear at this time whether or not the US Senate will take action on the legislation by the end of 2009.

Initiatives proposed in the current version of the bill that may be relevant to Transurban's US operations include:

- new requirements for states to establish transportation-related GHG reduction targets
- incentives for increased transit and other alternative transportation projects
- the harmonisation of federal and state light-vehicle fuel economy standards, and
- mandates for significant increases in energy efficiency for buildings.

We will continue to monitor policy developments in this area.

Other risks

In Australia, there has been increased public debate around the role of road transport in a carbon constrained future. This has focused on the balance between public transport and road transport and the need for more integrated transport solutions.

Despite concern about climate change, road use in our cities is predicted to grow significantly in the next 20 to 30 years. Governments are expected to make major investments in public transport and there will be a shift away from private vehicle use for some trips by some people.

We expect that there will be new toll road projects, but they will probably cost more to build and develop because an emissions trading scheme will increase construction costs. Governments may also require an analysis of climate change impacts before awarding new road projects.

New road projects will increasingly be part of integrated transport solutions for entire cities or transport corridors.

There is growing debate in both the US and Australian markets about the benefits of full road user charging. We are currently undertaking work to better understand the potential risks and opportunities of this for Transurban.

Opportunities

Transurban's in-house skills will allow us to pursue opportunities arising from climate change in cooperation with governments.

Intelligent Transport Systems (ITS)

Electronic tolling, dynamic lane control systems and other traffic control measures aid efficient traffic flows. These technologies lead to increases in average speeds, reduction of travel times and stop-start travel and therefore reductions in vehicle GHG emissions. An example of ITS in action is in the use of HOT lanes.

High Occupancy Toll (HOT) lanes

Transurban is developing the Capital Beltway HOT lanes project in the US and is pursuing further such projects. HOT lanes are electronically tolled lanes constructed next to congested motorways so drivers have the choice to pay for travel time savings. Fluctuating toll prices are used to manage traffic in the lanes and keep them congestion free, even during peak periods. When traffic is light, toll prices are low. When congestion increases, toll prices go up to regulate the number of cars using the lanes. HOT lane projects being proposed by Transurban encourage efficient transport solutions by creating free-flowing networks for bus transit and carpools. Free-flow traffic conditions produce fewer emissions than congested transport corridors.

Pricing structures

Transurban has the capability to work with governments to develop road pricing systems that encourage consumer transition to more GHG-efficient vehicles.

[Click here](#) for more information on Transurban's carbon footprint and carbon reduction program.

Energy use and greenhouse gas emissions

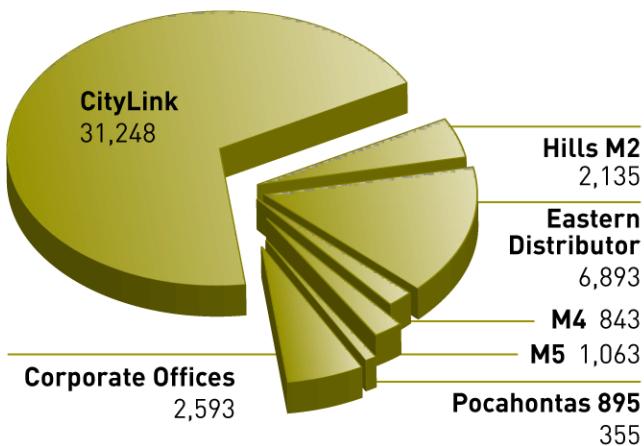
We continue to investigate ways to improve resource efficiency and further reduce greenhouse gas (GHG) emissions. We have a carbon reduction program that is based on developing a comprehensive inventory of GHG emissions from our business operations and then working to reduce these.

GHG emissions are divided into Scope 1, Scope 2 and Scope 3.

Scope 1 emissions are direct emissions from sources that are owned or controlled by the business. For Transurban, this includes the fuel used in our maintenance and emergency vehicles.

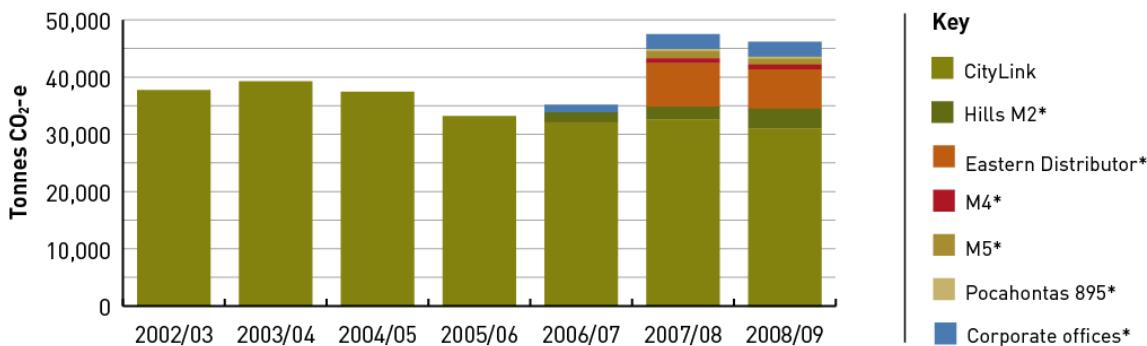
Scope 2 emissions are indirect emissions associated with the generation of purchased electricity. For Transurban, this includes electricity used on our roads and tunnels, and in our offices and other facilities.

Transurban's scope 1 and 2 GHG emissions FY09

Tonnes CO₂-e

Transurban's scope 1 and 2 GHG emissions

2002/03 to 2008/09



*Data does not exist for years prior to 2007/08.

Scope 3 emissions are indirect emissions that arise as a consequence of the activities of the business but occur from sources not owned or controlled by the business.

Suppliers

Transurban outsources the day-to-day operation and maintenance of our road assets. We have calculated the GHG emissions produced by the vehicles our contractors use on our roads for operations, maintenance and incident response purposes.

We have calculated the GHG emissions associated with fuel refining and transport for CityLink, Hills M2, M4 and M5. We have also calculated the emissions associated with

electricity transmission and distribution loss for our Australian road assets and corporate offices.

Customers

We have calculated the estimated GHG emissions produced by customer vehicles travelling on Transurban roads.

Support services

We have calculated the GHG emissions from all employee air travel undertaken for business purposes.

In FY09 we expanded the scope of GHG emissions data to include Scope 3 emissions from waste generated on CityLink, Hills M2 and the Eastern Distributor.

In FY09 we reduced our corporate air travel as part of the company-wide cost reduction program. This resulted in an indirect energy consumption saving of 6.4 GJ and 444.9 tonnes CO₂-e of GHG emissions.

Energy consumption by primary energy source 2008/2009*

Indicator	Unit	CityLink	Hills M2	ED	M4	M5	P895	Corp. offices	Total
Direct energy consumption, of which:	GJ	939	65	0	835	1,678	54	31	3,603
Natural gas	GJ	801	0	0	0	0	0	0	801
Fuel (petrol)	GJ	138	60	0	835	1,678	54	31	2,797
Indirect energy consumption, of which:	GJ	354,071		0	107,233	12,211	14,807	9,442	29,793 527,556
Electricity (coal)	GJ	354,071		0	107,233	12,211	14,807	9,442	29,793 527,556

* This excludes energy used for building elevators, and heating and cooling as our lease agreements currently create difficulties in accurately measuring our total building emissions

Total direct and indirect GHG emissions by weight 2008/2009

Indicator	Unit	CityLink	Hills M2	ED	M4	M5	P895	Corp. offices	Total
Total direct and indirect GHG emissions, of which:	tonnes CO2-e	35,951	0	8,439	997	1,254	412	2,593	49,646
Scope 1	tonnes CO2-e	51	3,421	0	58	111	4	2	3,647
Scope 2	tonnes CO2-e	31,198	5	6,893	785	952	351	2,391	42,573
Scope 3*	tonnes CO2-e	4,703	2,131	1,546	154	191	57	232	9,014
Other relevant GHG emissions									
Customer travel#	tonnes CO2-e	220,638	124,433	42,883	N/A	N/A	24,615	N/A	412,569
Employee air travel	tonnes CO2-e	N/A	N/A	N/A	N/A	N/A	N/A	233	233

* The scope three emissions for CityLink, Hills M2 and Eastern Distributor in FY09 has increased compared with FY08 because this is the first year we have calculated our Scope 3 emissions associated with waste for these assets.

Reducing GHG emissions

More than 58 per cent of our total Scope 1 and 2 GHG emissions are produced from the electricity used to power the ventilation systems in the CityLink tunnels.

In late FY09, Transurban ran a six-week trial to reduce ventilation in CityLink's Domain Tunnel to allow portal emissions at night, thereby reducing electricity usage.

CityLink's current EPA Waste Discharge Licence requires that the tunnels operate with zero portal emissions 24 hours a day.

However, air quality modelling by Transurban shows that ambient air quality would not be adversely affected if emissions were allowed from the tunnel portals at night – when a significant amount of energy is consumed even though there are very few vehicles using the tunnels.

The trial confirmed these findings. In-tunnel air quality complied with EPA licence limits and outside air quality met State environment protection objectives.

We will now work with the EPA to have the Waste Discharge Licence revised to allow us to operate the ventilation systems under this new regime. This would reduce GHG emissions on CityLink by approximately 820 tonnes CO2-e a year.

In FY10 we will also modify air quality monitoring equipment to allow us to capture NO₂ data and install smart meters in the Domain and Burnley tunnels to get a better understanding of energy usage.

Improving energy use in our offices

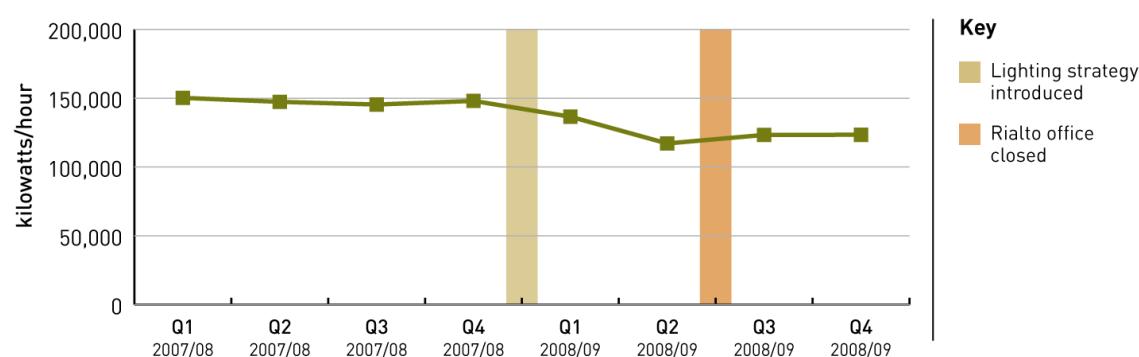
In FY09, we reduced energy consumption at our head office by about 3 per cent. These savings were due to the installation of an energy saving system for office lighting at our head office in Melbourne, where 59 per cent of employees are based. Lighting accounts for about 20 per cent of total energy use at this site.

As part of the energy saving system we upgraded our automated lighting system to include motion sensors in common areas and all desk areas to minimise the amount of time lights are switched on in the building.

This energy saving was lower than we originally estimated because an additional 50 employees relocated to this office in January 2009 following the closure of our Rialto office.

505 Little Collins St—energy savings from lighting strategy

2007/08 to 2008/09



Pitt Street building

In January 2009, 26 employees moved into a new office at 50 Pitt Street in Sydney. 50 Pitt Street is Sydney's first existing commercial building to achieve a 4 Star Green Star Office Design v2 rating.

Some Green Star features include:

- environmentally efficient chilled beam air conditioning
- electrical sub-meters, allowing both the building owner and tenants to monitor their own electrical usage
- energy efficient light fittings
- paints, carpets and finishes in the building that do not include volatile organic compounds or formaldehyde, and
- a dedicated recycling store installed in the basement for waste management and disposal.

As a tenant Transurban has also introduced a number of recycling and other waste management initiatives.

Reducing emissions from construction

New public infrastructure projects are an opportunity for setting new community and environmental standards.

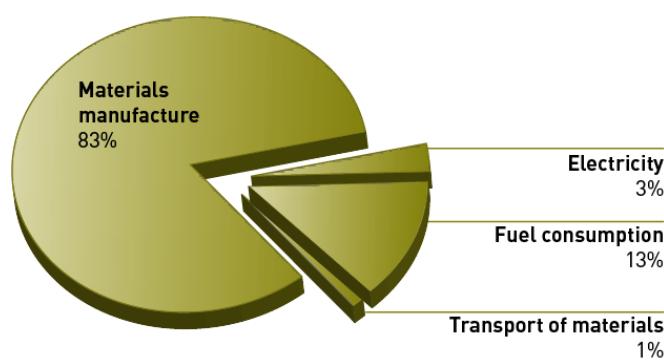
On our Southern Link Upgrade project – which is part of the [M1 Upgrade](#) in the Monash-CityLink-Westgate corridor in Melbourne – we've set ambitious sustainability targets, including a plan to make all the construction work carbon neutral.

During construction we are tracking greenhouse gas (GHG) emissions, reporting them against GHG targets and reducing these where possible. Remaining emissions will be offset once the project is expected to be completed in 2010.

The project team has developed a comprehensive GHG emissions tracking program to calculate the emissions associated with the project's construction activities.

Tracking undertaken since construction began shows that the majority of emissions are generated from the manufacture of construction materials such as concrete, asphalt and steel. The full breakdown of GHG emissions by source is shown in the diagram below.

GHG emissions by source 2008/09



We have implemented a number of initiatives to reduce the project's GHG emissions. These include:

- purchasing construction materials with an increased recycled content such as 100 per cent recycled steel reinforcement and 10 to 30 per cent recycled asphalt pavement
- assessing contractors' level of environmental and sustainability focus

- purchasing green power for the project office, saving approximately 10 tonnes of CO₂ per month, and
- sourcing products and construction materials from facilities close to the project site where possible to reduce GHG emissions from transportation.

Lighting

Lighting is critical to the safe and efficient operation of our roads.

The project team has identified ways to significantly reduce energy use and GHG emissions through sustainable lighting initiatives along the Southern Link Upgrade roadway.

We are trialling the use of smart meter lighting energy controllers (LEC) that reduce the voltage of individual roadside lights from 240 volts to 210 volts.

The benefits of the LEC system are environmental, rather than financial, as the actual long-term cost savings in monetary terms are minimal.

Data collected in June 2009 showed the system had reduced electricity use from lighting along the trialled section of road by approximately 25 per cent.

If the two-year trial proves successful, the team will roll the system out to the remainder of CityLink. By 2034, this initiative is expected to lead to a reduction of 2,370 tonnes CO₂-e.

Materials reuse and recycling

We are committed to reducing the amount of construction waste going to land fill. The project team is tracking construction waste, re-use and recycling rates. It has implemented a number of initiatives to reduce waste. These include:

- recycling demolition materials such as reinforcement steel, concrete, PVC and asphalt at appropriate facilities
- re-using existing materials and demolition concrete in pavement construction where suitable, and
- re-using asphalt as a stabiliser on vehicle access tracks around the construction site.

Measuring emissions from customer travel

Transurban has an in-house traffic model that allows us to assess the greenhouse gas (GHG) emissions savings for customers who travel on our Australian freeflow roads compared with stop-start alternative routes.

This model is based on Australian conditions, including emission factors, travel patterns and fleet mix.

In FY08, we tested the accuracy of our in-house model by conducting a series of surveys measuring the actual GHG emissions produced from driving along the Hills M2 and Eastern Distributor in New South Wales and similar routes along arterial roads.

The surveys confirmed that using the freeflow route produced less GHG emissions per kilometre than using an alternative route along arterial roads. These results also demonstrate that our in-house traffic model is robust in estimating emissions per kilometre. See our [Sustainability Report 2008](#) for further information.

In FY09, we conducted additional surveys along the following routes:

- Westlink M7 and Hills M2
- Hills M2, and
- Eastern Distributor.

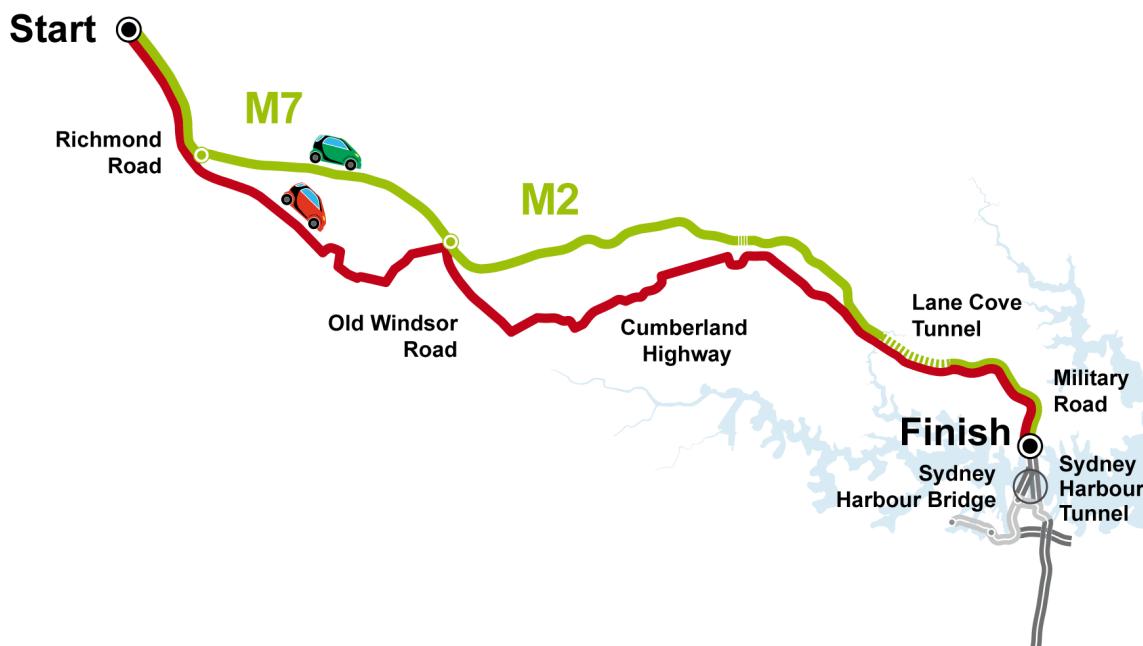
These surveys found that using the freeflow route produced between 10 and 29 per cent less GHG emissions per kilometre than vehicles travelling on the alternative route.

We created a new customer link (www.mycommute.com.au) on the Eastern Distributor and Hills M2 websites to provide New South Wales drivers with information on GHG emissions savings on freeflow roads. This information is based on the actual results from the travel time surveys.

Westlink M7 and Hills M2

The results of the travel time survey showed that a petrol-engined car travelling from Bligh Park (Richmond Road) to Sydney Harbour Bridge using the Hills M2 produced an estimated 18 per cent fewer GHG emissions per kilometre than using an alternative route.

The traffic model estimated that the car would produce 19 per cent fewer emissions per kilometre. On the Transurban route a car has to travel through only two traffic lights compared to 48 on the non-Transurban route.



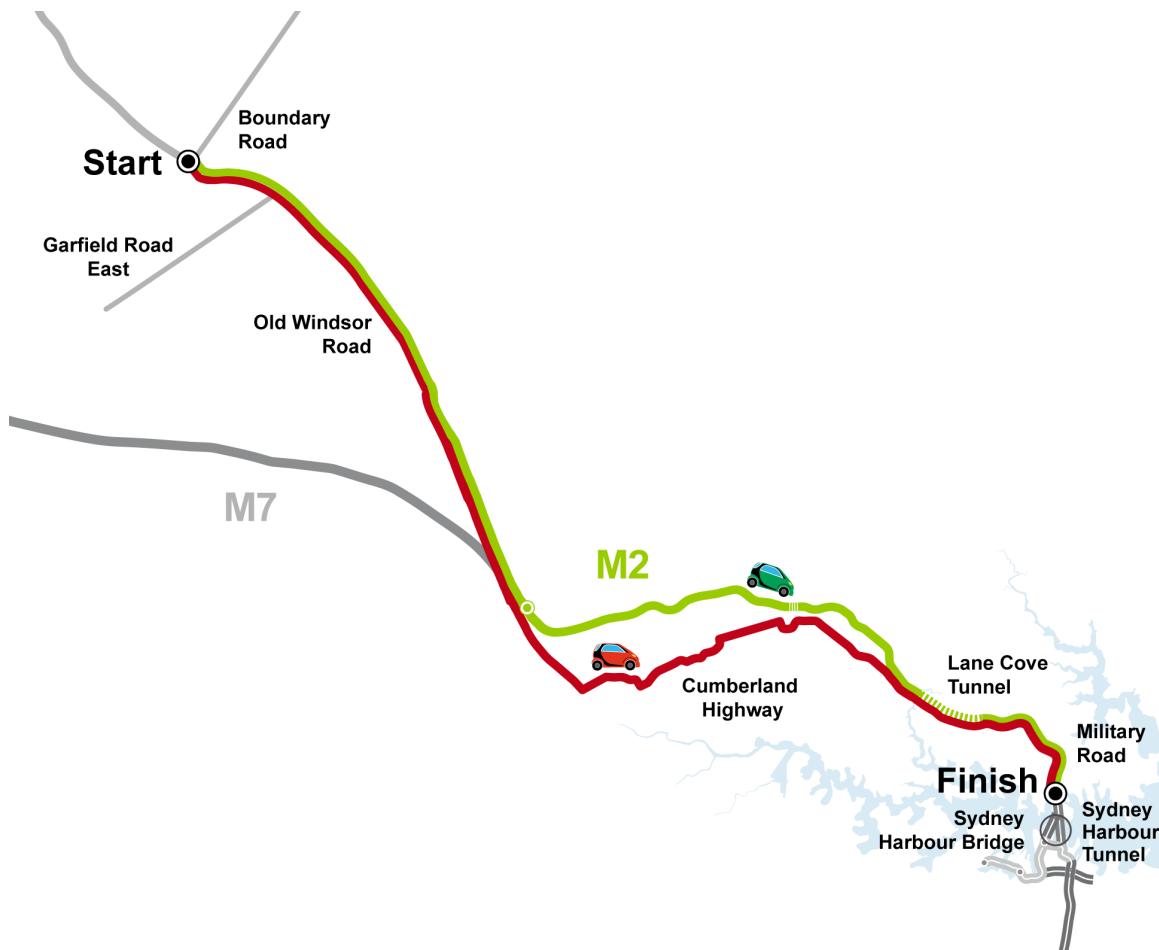
SYDNEY—Bligh Park to Harbour Bridge

AM peak period (private vehicle—petrol)	Survey results		Model results		Traffic lights encountered
	CO ₂ (kg/km)	Difference	CO ₂ (kg/km)	Difference	
Transurban route	0.275	18%	0.312	19%	2
Non-Transurban route	0.337		0.387		48

Hills M2

The results of the travel time survey showed that a petrol-engined car travelling from Box Hill (Windsor Road) to Sydney Harbour Bridge using the Hills M2 produced an estimated 10 per cent fewer GHG emissions per kilometre than using an alternative route.

The traffic model estimated that the car would produce 12 per cent fewer emissions per kilometre. On the Transurban route a car has to travel through 16 traffic lights compared to 51 on the non-Transurban route.



SYDNEY—Box Hill (Windsor Road) to Harbour Bridge

AM peak period (private vehicle—petrol)	Survey results		Model results		Traffic lights encountered
	CO ₂ (kg/km)	Difference	CO ₂ (kg/km)	Difference	
Transurban route	0.268	10%	0.295	12%	16
Non-Transurban route	0.296		0.336		51

Eastern Distributor

The results of the travel time survey showed that a petrol-engined car travelling from Bondi Junction to North Sydney using the Eastern Distributor produced an estimated 29 per cent fewer GHG emissions per kilometre than using an alternative route.

The traffic model estimated that the car would produce 11 per cent fewer emissions per kilometre. On the Transurban route a car has to travel through only eight traffic lights compared to 15 on the non-Transurban route.



SYDNEY—Bondi to North Sydney

AM peak period (private vehicle—petrol)	Survey results		Model results		Traffic lights encountered
	CO ₂ (kg/km)	Difference	CO ₂ (kg/km)	Difference	
Transurban route	0.056	29%	0.066	11%	8
Non-Transurban route	0.078		0.074		15

Water

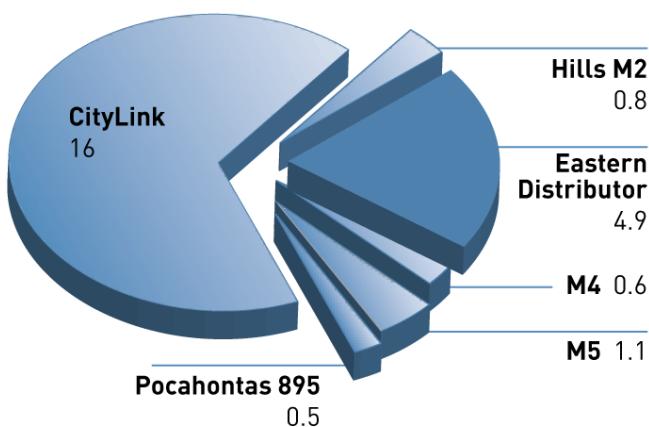
We manage our roads to minimise water use.

Over 65 per cent of Transurban's water use on our road assets is for CityLink where we use potable water to:

- irrigate landscaped areas surrounding the road
- conduct deluge testing of the fire safety systems in the tunnels, and
- clean the filters at the water recycling plant.

Transurban's potable water use 2008/09

Million litres



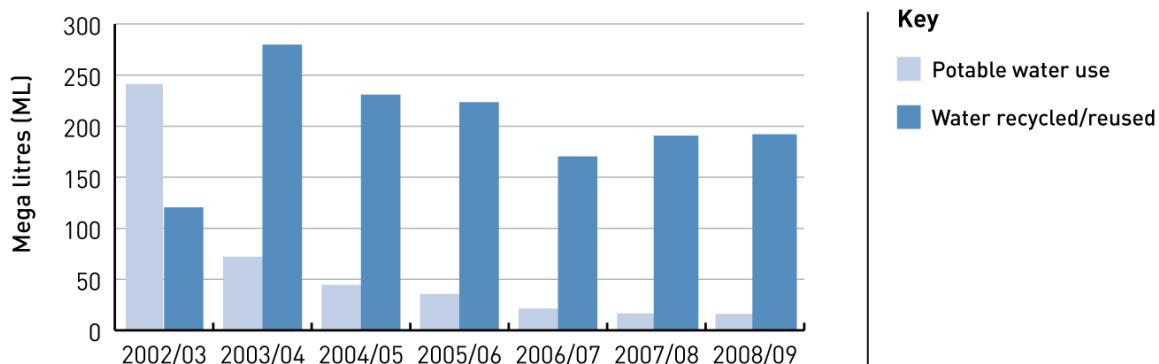
In FY09 approximately 252 million litres of water drained into the CityLink tunnels from the underground aquifers that surround them. Transurban collects and treats this water at a A\$1.5 million recycling plant, which was built in 2002, and recharges the aquifers, but only to their natural summer levels. TransLink Operations Pty Ltd holds the pollution abatement notice for the discharge of the rest of the treated water. This water, which is still very salty, is discharged into the Yarra River where it runs into Port Phillip Bay. In FY09 we pumped 60 million litres to the river.

The prolonged drought in Melbourne has reduced water levels in the underground aquifers meaning that less water drained into the CityLink tunnels in FY09. This reduced the volume of water we discharged to the river by 22 million litres.

The CityLink water recycling plant has saved 1.4 billion litres of Melbourne water since it began operation in October 2003.

CityLink's water use from potable and recycled sources

2002/03 to 2008/09



CityLink water withdrawal by source

Indicator	Unit	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total water withdrawal, of which:	mega litres	637.3	383.4	367.0	347.2	286.9	292.1	267.9
Groundwater from tunnels*	mega litres	396.0	311.3	322.6	311.5	265.7	275.5	251.9
Total potable water use, of which:	mega litres	241.3	72.1	44.4	35.7	21.2	16.6	16.0
Deluge testing in tunnels	mega litres	0.8	0.8	0.8	0.3	0.5	1.3^	1.1
Groundwater recharge#	mega litres	214.5	45.3	17.6	9.3	8.7	9.2	8.8
Irrigation	mega litres	26.0	26.0	26.0	26.1	12.0	7.0	6.1
Volume of water recycled/reused	mega litres	120.4	279.9	230.8	223.5	170.2	190.7	192.0
Percentage of water recycled/reused	%	19	73	63	64	59	65	70

* This water is natural leakage that drains into the CityLink tunnels. Most of this water is treated at the water treatment plant and returned to the aquifers.

^ This is different from the 0.5 mega litre figure we reported in FY08. This is because the final quarter's figure for FY08 was the first actual reading for that year provided by the water utility. The previous readings were estimates, however, when an actual reading was taken a significant difference was found between the estimate and the actual water usage. We have now adjusted the FY08 figure to reflect this. We are currently investigating why there has been a significant increase in water use for deluge testing in FY08 and FY09 compared with previous years.

This figure comprises potable water used to clean the filters at the water treatment plant and additional recharge to the aquifers as required.

CityLink water withdrawal by destination FY09

Indicator	Unit	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total water discharge:	mega litres	610.5	356.7	332.5	320.8	276.3	284.7	260.7
Groundwater recharge	mega litres	279.3	310.9	230.8	223.5	172.5	194.2	190.8
Groundwater discharge to Yarra River	mega litres	275.6	31.4	91.8	88.0	95.5	84.8	60.0
Discharge to sewer	mega litres	55.6	14.4	9.9	9.3	8.3	5.7	6.8

Water saving initiatives

We recognise the importance of sustainable water use during the life of a project.

In FY09, the Southern Link Upgrade project team investigated various options to minimise the amount of potable water used during road construction – which is highly water intensive – on the project. For more information on the Southern Link Upgrade project on CityLink, [click here](#).

The team also sought out water recycling options which would benefit the community beyond completion of the upgrade.

While we participated in a number of sustainable water use initiatives in FY09, one of our main projects involved engaging the Melbourne Sports and Aquatic Centre to develop a strategy that would allow its swimming pool backwash water to be captured for use on the Southern Link Upgrade project. This water would otherwise be discharged to the sewer.

The strategy included installing equipment to allow water carts to tap into the Centre's backwash water tanks.

Water quality assessments showed the backwash water was not suitable for plant irrigation so the project team used the water for dust suppression during construction. In the six months to June 2009, more than 250,000 litres had been used for this purpose.

The project team also developed a concept design for permanent stormwater harvesting facilities to be set up along the Southern Link Upgrade corridor within one of the local council areas.

The concept design includes specifications for stormwater capture, treatment and storage, the size of the water storage facility needed, and potential uses for the recycled water such as irrigating public spaces.

The information developed by the team will be left as a legacy item for the council.

Stormwater discharge – Capital Beltway HOT lanes project

In the US, our [Capital Beltway HOT lanes project](#) has an extensive stormwater management program, which is monitored by the Virginia Department of Transportation (VDOT) and the Department of Conservation and Recreation.

Due to an extraordinary amount of rainfall in May and June 2009, some stormwater management controls in isolated areas within the project corridor were overtaxed and found not to be fully compliant with Virginia erosion and sediment control standards.

Consequently, VDOT directed Transurban's design-build contractor Fluor-Lane to stop work in a portion of the construction area to assess the situation and take proper action. Fluor-Lane introduced improved stormwater management tools in these areas and increased environmental monitoring along the entire project corridor.

These enhancements include:

- reinforced silt fences (referred to as “super-silt” fences) to keep water clean
- deeper basins to collect sediment and keep water clean
- additional rock check dams and slope drains to ensure better drainage and protect water
- re-seeding of grass, and
- installing additional loose stones along the edge of streams to stabilise embankments.

As a result of these enhanced measures, VDOT restored work along the entire corridor in one week.

Noise

Noise from vehicle traffic and road construction can impact local communities and residents in motorway corridors.

We work with relevant road and traffic authorities and governments to respond to community concerns about traffic noise impacts.

In FY09, we completed sample noise tests at almost 20 locations along the Hills M2 as part of a traffic noise monitoring study we began in March 2008.

Under the Hills M2 project deed, the Roads and Traffic Authority (RTA) currently has responsibility for noise. As part of our commitment to partnering with local communities, Transurban supports the RTA on noise management issues.

In FY09 we also commissioned external consultants to develop a computerised noise emulation model to predict traffic noise levels at residential houses and other buildings.

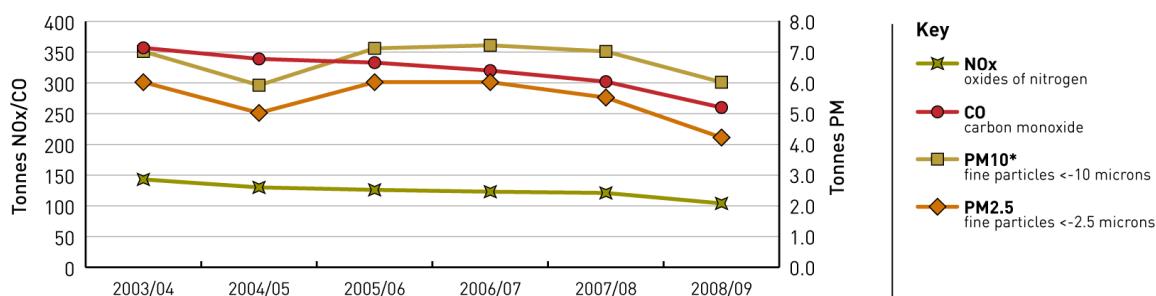
Air emissions

Air emissions result from the operation of the tunnels on our roads. We monitor and manage atmospheric emissions in our tunnels to maintain public health and environmental standards.

We manage CityLink in-tunnel air quality and ventilation stack emissions of carbon monoxide, oxides of nitrogen and particulate matter to meet the requirements of our Waste Discharge Licence. Stack emission data is posted to the CityLink website daily.

CityLink's NOx, CO and PM10/2.5 in-tunnel air emissions

2003/04 to 2008/09



*The reported number for PM10 in FY08 contains an estimate. Faults with the PM10 monitoring unit operated by EcoTech Pty Ltd, an independent firm contracted to monitor air quality, resulted in the loss of data for 5 months of FY08. The estimate is based on the known ratio of PM10 to PM2.5 which is approximately 1.3.

We monitor and manage Hills M2 in-tunnel air quality to ensure emission levels are kept below Road Transport Authority (RTA) and World Health Organisation (WHO) standards. If emission levels exceed these standards, traffic controllers will initiate measures such as jet fans or temporary tunnel closure. However, through continuous monitoring, levels never reach the RTA-stated maximums (which are considerably less than WHO levels).

We manage Eastern Distributor in-tunnel air quality and ventilation stack emissions of carbon monoxide and oxides of nitrogen to meet the requirements of RTA and WHO standards.

Waste

We aim to minimise office and roadside waste from our operations. We are developing a culture of resource conservation incorporating waste avoidance, reuse, recycling and appropriate disposal.

In FY09, we commissioned an external consultant to review waste management practices on three of our roads – CityLink, Hills M2 and the Eastern Distributor.

The purpose of the review was to:

- estimate the weight and composition of roadside waste disposed to landfill for each of these roads
- develop recommendations and opportunities to improve roadside waste management logistics and costs, and
- develop strategies for reducing waste and increasing recycling of materials.

The review found that:

- Most of our roadside waste is generated by motorists littering and material falling from moving vehicles. The review recommended we develop a customer education program to reduce this waste. In FY10 we will use our overhead electronic roadway signs and our websites to educate customers to reduce litter.
- Up to 70 per cent of roadside litter disposed to landfill is recyclable. The review recommended that we sort litter collected from the roadside to prevent recyclable material going to landfill. The review also recommended that Transurban participate in the Container Deposit Legislation debate in Victoria and New South Wales (NSW) to discourage motorists from discarding recyclable material on our roadways.
- Some bulky roadside waste is recyclable but due to its size is often disposed to landfill. The review recommended that we introduce larger recycling skips at our operations and maintenance sites so bulky items can more easily be recycled. The review also recommended we educate contractors responsible for collecting and disposing of roadside waste. In FY10 we will assess the feasibility of introducing larger skips for recyclable material at our operations and maintenance sites, and provide more education on recyclable waste streams for our contractors.
- Some waste data is being estimated where actual data is not available from waste collection invoices. The review recommended that we amend contractual terms with our operations and maintenance providers where this is feasible to ensure this data is recorded.

Product responsibility

For the past four years, Transurban has engaged a specialist recycling contractor Chemsal Pty Ltd to disassemble and recycle all decommissioned e-TAG®s and their plastic, metal and battery components.^{*15}

This recycling process is held within an EPA approved and industry best practice framework. Every component of the e-TAG is recycled including the plastic casing, circuit boards, springs and lithium/thionyl chloride batteries.

Conventional practice regarding waste lithium batteries is to export these items to specialist battery re-processors overseas as they are unable to be recycled in Australia.

In 2006 and 2007, Transurban worked with Chemsal and the Victorian EPA to seek a license to recycle the batteries within Australia. Unfortunately these trials were not successful. As a result all e-TAG batteries are now exported to Singapore for recycling, before part of the material undergoes further recycling in China.

Approximately 1.5 million e-TAGs have been issued since we began operating in 1996.

Since then, 519,163 e-TAGs have been returned to the company and have either been recycled or are undergoing recycling. More than 126,000 e-TAG devices were recycled in FY09.

e-TAG device life cycle assessment

In April 2009 we commissioned an independent Life Cycle Assessment of our e-TAGs. The study looked specifically at the consequences of sending e-TAG batteries overseas for recycling versus local landfilling when the environmental impacts of the entire life cycle of the tag is taken into account.

The results found that Transurban should continue recycling e-TAGs at the end of their useful life.

The study also identified potential opportunities to reduce the environmental impacts of our e-TAGs at the transportation stage from our supplier. This opportunity will be further explored in consultation with Transurban's logistics team.

¹⁵ Once the battery in the e-TAG device expires, it must be returned and a replacement issued because the battery is hardwired into the device for functional reliability. ® e-TAG is a registered trade mark of CityLink Melbourne Limited, ACN 070 810 678.

Packaging and paper use

In FY09 we introduced a number of customer-related initiatives to reduce packaging and paper use for CityLink including:

- reducing the size of our recyclable plastic/metallic packaging used for delivering e-TAGs to customers
- reducing the size of information flyers in the customer welcome pack and printing these on recycled paper, and
- reducing the length of letters sent to customers, removing unnecessary correspondence and encouraging customers to receive their statements online.

As a result of introducing these measures, we saved approximately one million pages of paper in FY09. This equates to a saving of 112 trees.

Transurban will introduce similar initiatives for Roam customers in FY10.

In FY10, we will also include a logo on e-TAG packaging to encourage our CityLink customers to recycle their packaging. The welcome pack information will be revised to explain that returned e-TAGs are recycled down to component parts at the end of their life.

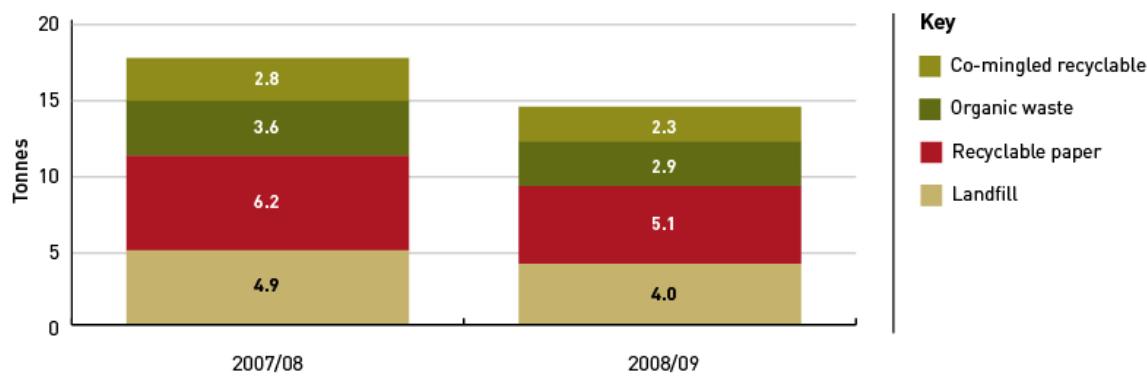
Green stationery

In October 2008, we moved to a new office supply distributor Lyreco. Lyreco has ongoing accreditation to ISO 14001, a standard for environmental management systems. The company's green product range features stationery that is manufactured from material which is less harmful for the environment (for example polypropylene instead of PVC) and made from re-used or water base materials to conserve natural resources (for example re-manufactured toner cartridges or recycled paper).

Between January and June 2009, our volume of green stationery purchases increased from 24.4 per cent to 26.2 per cent. We will continue to work towards lifting this percentage in FY10.

Breakdown of office waste production for 505 Little Collins Street

2007/08 to 2008/09



In FY09 we reduced the amount of waste generated at our head office in Little Collins Street in Melbourne due to a reduction in employee numbers as part of the business-wide cost reduction program. Waste was reduced by 3.2 tonnes across all streams including recyclables and waste going to landfill.

Biodiversity and the natural environment

We aim to identify opportunities for restoring and protecting natural systems and to conserve biological diversity in the environments in which we operate.

Our key impacts on biodiversity usually occur during project construction. In FY09, these projects were the [Southern Link Upgrade \(SLU\)](#) on CityLink, the [Capital Beltway HOT lanes](#) and the [Richmond Airport Connector](#) – the latter two in the US.

Southern Link Upgrade

In 2007 we conducted an independent study of flora and fauna along the SLU corridor to assess its biodiversity value.

River Red Gums were found in an area along Gardiners Creek. Under Victoria's Native Vegetation Management framework – a State Government strategy – this species needs to be "offset" if removed.

As part of the SLU project, we needed to remove 35 medium to large trees and 197 small trees and shrubs. The offset requires about 1,500 indigenous trees and shrubs to be planted and maintained for ten years.

The Offset Management Plan, developed to manage the initial planting and long-term maintenance of these plants, has been approved by Victoria's Department of Sustainability and Environment. The revegetation offset planting will be delivered in FY10 in partnership with the City of Yarra and Greening Australia, a non-government organisation. The revegetation planting will occur on the northern banks of the Yarra River between CityLink and Melbourne Girls College.

In FY09 we began the project's landscaping stage, which involved planting 65,000 native plants.

Capital Beltway HOT lanes

Original plans proposed by the government for the widening of the Capital Beltway would have required the acquisition of a large area of land surrounding the road, which would have likely resulted in the displacement of more than 300 homes and businesses.

The HOT lane alternative proposed by the private sector and now under construction has a much smaller footprint, and is largely able to be constructed within the existing corridor of the Capital Beltway.

In fact, the area impacted by the HOT lane project is only about 10 per cent of the total area that would have likely been impacted by original widening plans.

Despite this, tree removal on the Capital Beltway HOT lanes project has been a sensitive issue for local communities in Fairfax County.

While our design-build contractor Fluor-Lane only clears whatever is necessary to make room for construction of the new lanes, the removal of some trees in the area immediately next to the existing road is unavoidable. Transurban and its partners have worked with stakeholders to minimise the impact by:

- holding a significant number of meetings with impacted stakeholders to provide information on construction activity
- hand delivering advance notices to local residents before construction activities, and
- direct and ongoing response to community issues by the dedicated project communications team.

As of September 2009, clearing activities are 95 per cent complete and have involved clearing approximately 220 acres of trees in the Beltway corridor in Fairfax County.

Transurban, VDOT and its contract partners actively participate in the Fairfax County Restoration Committee – a formal group of public, private, and non-profit stakeholders working together to develop strategies, programs and funding to support reforestation solutions along the corridor after HOT lanes construction is complete.

New noise walls will be built along the newly constructed lanes to reduce the noise impact on surrounding communities.

Home acquisitions

To deliver the Beltway project, the Virginia Department of Transportation needs to acquire eight homes and portions of 137 land parcels. To date, one home has been acquired with seven home acquisitions remaining.

This outcome is far more favourable to the community than the initial proposal in the Beltway project's original plans to displace about 300 homes.

Richmond Airport Connector

In the US, the Richmond Airport Connector project was officially launched with a groundbreaking ceremony in December 2008.

The Connector route passes through a largely forested, rural area in Henrico County, just southeast of the city of Richmond. As part of construction almost 70 acres of trees were cleared and recycled by chipping.

The route also passes through old battle sites that are significant in American Civil War history.

As part of the environmental assessment that the Virginia Department of Transportation completed for the Federal Highway Administration, the Airport Connector route was surveyed and evaluated for archaeological importance.

The Airport Connector project agreement now includes specific elements to mitigate these historical impacts, including a placement of a historical marker and a public education program about the area's links with the Civil War. Transurban will develop plans in FY10 to deliver these initiatives.

Spills

We monitor our roadway for vehicle spills and manage the cleanup to minimise environmental damage.

In FY09, there were two oil spills on the Southern Link Upgrade project. One spill related to a hydraulic hose blowing out while the other was caused by a leaking hydraulic oil line. Both incidents were successfully resolved.

In FY09, there were 16 spills on CityLink.

The most significant incident involved a truck that caught on fire resulting in burning oil entering the Yarra River. The Metropolitan Fire Brigade, responsible for containing the fire, arranged for the Environmental Protection Agency and Parks Victoria to control and clean up the fuel that had entered the river.

The remaining incidents consisted of eight fuel spills, four minor engine or hydraulic oil spills and one slurry spill (a mixture of water and cement). Two were undetermined spills resulting from car fires. These spills were all contained without environmental damage.

Oil and fuel spills are cleaned up using biodegradable soaker products which are then collected and disposed at a prescribed waste facility. In FY09, 3,300 kilograms of soaker were used to clean up fuel and oil spills on CityLink.

In FY09 there were six spills on Hills M2. One was a major 500 metre oil spill, and five were minor oil, fluid or diesel spills from trucks, including one that was the result of an accident. Thirty kilograms of soaker were used to clean up the spills.

There were no spills on the Eastern Distributor in FY09.

Our commitments

Progress on commitments from FY09

Environmental Commitments	Status	Comments
Roll out the Sustainable Purchasing Policy to the business.	Complete	
Set feasible greenhouse gas emissions reduction targets for Australian road assets for which baseline performance data had been established.	In progress	A number of projects to potentially reduce GHG emissions were trialled in FY09 on CityLink. Examples include the CityLink tunnel ventilation trial and a lighting trial on the SLU project. Feasible projects will be implemented in FY10.
Assess the potential physical impacts on CityLink from changes in climate (for example, increased road maintenance costs from higher temperatures).	In progress	We commissioned an independent consultant to hold this assessment in June 2009. The results are due in October 2009.
Conduct waste audits to measure roadside waste from CityLink, Hills M2 and the Eastern Distributor.	Complete	
Develop an internal communications program to reduce office waste and promote recycling.	In progress	A formal communications strategy is currently being developed and will be rolled out in FY10.

New commitments for FY10

- Complete a formal Climate Change Strategy and conduct a risk assessment on the physical impacts of climate change on CityLink infrastructure.
- Develop action plans in response to the waste audit review conducted in FY09.
- Investigate the installation of new in-tunnel air quality monitoring equipment to allow us to capture NO₂ data and the installation of smart meters in the CityLink tunnels to better understand energy usage.
- Update the Transurban Environment Strategy to align with the Sustainability Framework and Environment & Sustainability chapter of the Transurban Infrastructure Governance Framework.

- Participate in a regional reforestation task force and determine what Transurban can do to offset the impact of removing trees surrounding the Capital Beltway project.
- In Australia, develop a company policy on green printing to be used as a standard in sourcing all external printing and work to increase percentage of green stationery.
- Develop an internal communications program to promote recycling.
- Reduce paper or packaging waste through a range of initiatives.

STAKEHOLDER ENGAGEMENT



Stakeholder Engagement

Transurban manages toll roads over concession periods which can span decades beyond the completion of construction.

As a long-term toll road owner-operator and developer, the success of our business relies on lasting relationships with a diverse range of stakeholders including governments, customers, employees, communities, industry and other stakeholders.

Our key stakeholders

Stakeholder	Relationship	Engagement
Business partners	Engage in joint road projects, research trials and initiatives	Commercial contracts Alliance contracting
Community groups(e.g. residents, environment groups, schools, safety advocates)		Community engagement plans for all of our wholly-owned assets and our development project in the US, Capital Beltway Collaboration on community and environment issues to manage and respond to potential or real impacts of our operations
Special user groups (e.g. cyclists, taxis/hire cars, bus operators, carpool advocates, commercial users)		Partnerships and sponsorships Volunteering and mentoring for community groups Community participation in events Formal meetings Informal consultation Phone calls, emails and/or written correspondence
Customers	Pay to use our roads	Customer service and call centres Customer billing Customer charters and scorecards Tolling Customer Ombudsman On-road messaging Customer research and focus groups Retail websites
Emergency services	Collaboration to ensure safety on our roads	Joint emergency management exercises and meetings

		Informal correspondence
Employees		Roadshows and presentations Employee Opinion Surveys Learning and development programs Intranet Online newsletter Rewards and recognition
	Foundation of our business	
Industry groups	Participate in debates on issues affecting the transport, infrastructure and urban planning sectors	Formal participation in forums, conferences and other events Submission of regular articles to industry journals Industry event sponsorships Networking
Investors		Security Holder Review Annual General Meeting Corporate website Phone calls, emails and/or written correspondence
	Owners of the business	
Local councils	Keep us in touch with key local issues particularly planning and other community needs	Informal consultation Formal meetings
Media	Potential to affect our corporate reputation and credibility	Press releases Corporate website Phone calls, emails and/or written correspondence Media appearances
State and Federal Government	Award our contracts to build and manage roads Regulate the management of our roads Regulate our environmental	Formal contractual obligations and statutory reporting requirements Informal engagement via emails and phone calls Regular meetings and written correspondence as required Formal submissions Cooperative action on shared

	performance	interests
Suppliers	Provide goods and services	Formal commercial contracts Sustainable Code of Practice
Unions	Protect employees' rights Negotiate collective bargaining agreements	Formal negotiations with management

Engagement and research

Since 2006, we have conducted a formal Stakeholder 360® Review of our stakeholder engagement process for wholly owned Australian roads.

The Stakeholder 360 has been our main tool to formally assess and improve the quality of our stakeholder relationships. It systematically maps networks of stakeholders and identifies their key issues – which have remained consistent during the past three years.

They include:

- community, environment and liveability
- traffic planning and infrastructure needs and impacts
- engagement and reputation, and
- transport integration and road user concerns.

In previous years, the Stakeholder 360 process has also primarily focused on stakeholder mapping. This was useful in the early stages of our stakeholder engagement process.

In FY09*¹⁶ we did not conduct a Stakeholder 360 review. Instead, we focused on strengthening our internal stakeholder management processes by:

- Creating a Stakeholder Tracking Plan – this provides a guide on identifying significant stakeholders, assigning relationship managers to each stakeholder group and the method for recording these relationships. The plan's primary tool is a customised online stakeholder management database called TURTle (Transurban Relationship Tracker). This tool monitors more than 60 of our key stakeholder relationships.

[®]Stakeholder 360® is registered to Synergy Communications, trading as the Australian Centre for Corporate Social Responsibility, 2006.

¹⁶ The exception to this was on our Southern Link Upgrade project, of which Transurban is an alliance member.

- Developing or reviewing community or stakeholder engagement plans for all our wholly owned road assets – CityLink, Hills M2 and Pocahontas 895^{*17} as well as on Capital Beltway, our major construction project in the US.

In FY10 we will concentrate on measuring, monitoring and assessing our stakeholder engagement performance in line with the AccountAbility AA1000 Stakeholder Engagement Standard. An independent stakeholder research and engagement review will be conducted.

Community engagement plans

While Transurban works closely with a number of key stakeholders throughout the life of a project, community engagement tends to intensify at certain stages of a project – particularly around construction periods.

In FY09, our two key construction projects were the Capital Beltway HOT lanes and the Southern Link Upgrade.

Capital Beltway

Construction on the Capital Beltway HOT lanes project began in early 2008. In FY09, the Capital Beltway outreach team held or participated in approximately 180 community meetings about the project.

We also introduced a Beltway community engagement plan that focuses on safety, the environment, partnerships and regional mobility. This plan includes offering grants to non-profit organisations and programs directly affected by the Beltway project.

Other efforts include sponsorship of transportation programs such as the highly visible Bike-to-Work Day event, grants to support a local high school's efforts to implement energy efficient athletic facilities and equipment, highway safety campaigns and a major employer stakeholder group. For more information on our stakeholder engagement activities [click here](#).

In April 2009, we engaged an external consultant to survey more than 1,000 Beltway travellers and compare results with a similar study held the previous year.

The survey found a favourable public perception of the project, despite highly visible construction impacts.

Key findings of the survey:

- Traffic congestion is still cited as the biggest problem for those living in the

¹⁷ Transurban has a 75 per cent stake in DRIVe, our co-investment vehicle in North America, which wholly owns Pocahontas 895 in Richmond, Virginia.

Washington DC area (49 per cent), followed by the housing market (12 per cent) and the economy (11 per cent).

- 66 per cent say they have a positive impression of HOT Lanes.
- 73 per cent believe vehicle traffic on the HOT Lanes will be faster.
- 82 per cent see a benefit from HOT Lanes for the Greater Washington DC region.

In FY10, we will scope the feasibility of developing a driver education program for learner drivers travelling on toll roads as part of our driver education program. We will also use regular six-monthly HOT lanes tracking research to better understand local market attitudes to sustainability issues.

We also built or strengthened relationships with a number of [industry groups and chambers of commerce](#).

For more information on the Beltway project, visit www.virginiahotlanes.com

Southern Link Upgrade

Stakeholder 360

In FY09, Transurban – along with its partners AECOM (formerly Maunsell AECOM) and Abigroup – completed most of the heavy construction work on the Southern Link section of the M1 Upgrade. For background on the M1 Upgrade, a project on the Monash-CityLink-Westgate corridor, [click here](#).

As part of its community engagement process, the project team commissioned the Australian Centre for Corporate Social Responsibility to conduct a Stakeholder 360 process in FY09 for the second year running.

Stakeholders were drawn from a range of groups including local councils, water and environment groups, transportation bodies, project neighbours, community, and emergency services. Altogether 19 stakeholder organisations participated in the process.

Stakeholder 360 key findings:

- Before construction began, only three of 12 stakeholders “highly rated” their relationship with the project team. In 2008 this number increased to 10 of 14 stakeholders.
- 68 per cent “strongly agree” that they are satisfied with the respect received from the team compared with only 24 per cent in 2007.
- Stakeholders are also satisfied with the team’s communication and with the information given on construction works (60 per cent).

Key stakeholder issues:

- Community, environment and liveability – mainly related to concerns about

future increases in noise.

- Traffic planning and infrastructure maintenance – there were concerns about loss of access to facilities such as bike paths and car parks during construction and traffic impacts post construction. However, stakeholders recognised that impacts have so far been minimal.
- Communication and engagement – there was an acknowledgement that communication has been regular and consistent. Most stakeholders report a good working relationship with the Southern Link Upgrade project team.

Community outreach

In FY09, the SLU team continued extensive community outreach program to address stakeholder issues. Some examples of the outreach activities included:

- Distributing monthly works alerts and neighbourhood bulletins to about 10,000 surrounding residents and businesses to update them on construction progress, night works, noise and other issues directly impacting them.
- Sending weekly emails to a wide range of stakeholders, advising them of planned works. Special arrangements were also made to ensure patrons at major event venues such as the Rod Laver Arena or the Melbourne Cricket Ground (MCG) were aware of potential road delays or disruptions via special announcements made during football matches, concerts, etc.
- Rescheduling construction work in consultation with two adjoining schools to minimise disruption to their daily and exam timetables.
- Scheduling construction work to minimise the impact on local and freeway traffic.
- Ensuring the contact person from the SLU communications team is available 24 hours a day, for 365 days a year.
- Posting regular information on the Bicycle Victoria website to ensure that regular users of the bicycle path are aware of any changes that may affect them.
- Disseminating all traffic management and communication plans for review and approval by relevant councils.

In FY10, remaining construction activities on the SLU project will be completed.

Pocahontas 895

Also in the US, we have continued strengthening our relationships with groups that

have an interest in Pocahontas 895, which we have been managing since June 2006.

In FY09, we made contact with almost 100 stakeholder groups including community organisations, governments, local Chambers of Commerce, schools, transport bodies, media and emergency services.

Key issues identified included progress on the Richmond Airport Connector project, safety and road enhancements, environment and sustainability, and community improvement and liveability.

GRI Index

Profile	Description	Comments	Reporting Level	Details
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1.2	Key impacts, risks and opportunities		Reported	1. CEO's introduction & Chairman's message 2. 2009 Annual Report 3. About Transurban > Governance 4. Stakeholder engagement 5. About Transurban > Economy 6. About Transurban > Awards and achievements
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2.2	Primary brands, products, and/or services		Reported	1. About Transurban > At a glance 2. About Transurban > Our assets 3. Financial Statements 2009
2.3	Operational structure of organisation		Reported	1. About Transurban > At a glance
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2.9	Significant changes during the reporting period		Reported	1. CEO's introduction & Chairman's message 2. 2009 Annual Report 3. Financial Statements 2009
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3.6	Report boundary		Reported	1. About this report > Scope
3.7	Limitations on the scope or boundary of the report		Reported	1. About this report > Scope
3.8	Reporting on joint ventures and other entities		Reported	1. About this report > Scope
3.9	Data measurement techniques and the bases of calculations	Data measurement techniques and assumptions are described where relevant throughout the report.	Reported	
3.10	Explanation of the effect of any re-statements		Reported	1. Environment > Water
3.11	Significant changes from previous reporting periods		Reported	1. CEO's introduction & Chairman's message 2. 2009 Annual Report 3. Financial Statements 2009
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Economic	Disclosures on management approach	Reported	1. About Transurban > Supplier network 2. About Transurban > Economy 3. 2009 Annual Report 4. About Transurban > Our assets	
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EC3	Organisation's defined benefit plan (Core)	Reported	1. Employees	
EC4	Significant financial assistance received from government (Core)	Reported	1. Marketplace > Government > Government assistance	
EC5	Standard entry level	Not reported	1. Employees >	

	wage/local minimum wage (Additional)			<u>Additional employee data</u>
EC6	Locally based suppliers	Transurban does not have a policy for preferring locally based suppliers. However, almost all of our suppliers in FY09 were based in Australia.	Reported	<p>1. <u>About Transurban > Supplier network</u></p> <p>2. <u>Marketplace > Suppliers - partners - contractors</u></p>
EC7	Local hiring (Core)	Transurban does not have a local hiring policy. However, it is common practice to employ local residents wherever practicable.	Reported	<p>1. <u>Employees > Our workforce profile</u></p>
EC8	Infrastructure services providing public benefit (Core)		Reported	<p>1. <u>Communities > Our community partnerships and sponsorships</u></p>
EC9	Indirect economic impacts (Additional)		Reported	<p>1. <u>About Transurban > Economy</u></p> <p>2. <u>About Transurban > Supplier network</u></p> <p>3. <u>Marketplace > Suppliers – Partners - Contractors</u></p>
Environment	Disclosures on Management Approach		Reported	<p>1. <u>Environment</u></p>
EN1	Materials used by weight or volume (Core)	We have systems in place to track this and have been doing so on the Southern Link Upgrade since the project began. We will report on this at the conclusion of construction at the end of 2010. We will establish systems to track this information on future construction projects.	Reported	
EN2	Percentage of materials used that are recycled input materials (Core)	We now have systems in place to track this and have been doing so on the Southern Link Upgrade since the project began. We will report on	Reported	

		this at the conclusion of construction at the end of 2010. We will establish systems to track this information on future construction projects.		
EN3	Direct energy consumption by primary energy source (Core)		Reported	1. Environment > Energy use and greenhouse gas emissions
EN4	Indirect energy consumption by primary source (Core)		Reported	1. Environment > Energy use and greenhouse gas emissions
EN5	Energy saved due to conservation and efficiency improvements (Additional)		Reported	1. Environment > Energy use and greenhouse gas emissions > improving energy use in our existing offices
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives (Additional)		Reported	1. Environment > Measuring emissions from customer travel 2. Environment > HOT lanes
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		Reported	1. Environment > Reducing GHG emissions
EN8	Total water withdrawal by source (Core)		Reported	1. Environment > water
EN9	Water sources significantly affected by withdrawal of water (Additional)		Reported	1. Environment > water
EN10	Percentage and total volume of water recycled and		Reported	1. Environment > water

	reused (Additional)			
EN11	Location in areas of high biodiversity (Core)	Reported	1.	Environment > Biodiversity and the natural environment
EN12	Impacts on biodiversity (Core)	Reported	1.	Environment > Biodiversity and the natural environment
EN13	Habitats protected or restored (Additional)	Reported	1.	Environment > Biodiversity and the natural environment
EN14	Future plans for managing impacts on biodiversity (Additional)	Reported	1.	Environment > Biodiversity and the natural environment
EN15	IUCN Red List species and national conservation list species (Additional)	Reported	1.	Environment > Biodiversity and the natural environment
EN16	Total direct and indirect greenhouse gas emissions by weight (Core)	Reported	1.	Environment > Energy use and greenhouse gas emissions
EN17	Other relevant indirect greenhouse gas emissions by weight (Core)	Reported	1.	Environment > Energy use and greenhouse gas emissions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved (Additional)	Reported	1.	Environment > Energy use and greenhouse gas emissions
EN19	Emissions of ozone-depleting substances by weight (Core)	This indicator is deemed not material to our business. We emit ozone depleting substances from the air-conditioning units in our corporate offices. As these are operated by Building Management, it is the responsibility of Building Management to report these emissions.	Reported	

EN20	NOx, SOx, and other significant air emissions by type and weight (Core)	Emissions from the CityLink tunnel stacks are monitored by a NATA accredited laboratory. During 2007 the laboratory reviewed the methodology used to calculate annual emissions and subsequently revised the data previously supplied in the 2006 report. It was found that previously average flows and concentrations were used to derive discharge volumes rather than real time flows. As a result the above figures reflect actual discharge volumes. CityLink tunnel emissions are reported daily on CityLink website.	Reported	1. Environment > Air emissions
EN21	Total water discharge by quality and destination (Core)		Reported	1. Environment > Water
EN22	Total weight of waste by type and disposal method (Core)		Reported	1. Environment > Waste
EN23	Total number and volume of significant spills (Core)		Reported	1. Environment > Spills
EN24	Hazardous waste (Additional)	Not available due to lack of data systems to generate the required information.	Reported	
EN25	Effect of organisation's discharges of water and runoff (Additional)		Reported	1. Environment > Water
EN26	Environmental impact mitigation of products and		Reported	1. Environment > Waste

	services (Core)			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category (Core)		Reported	1. Environment > Waste > Product responsibility
EN28	Non-compliance with environmental laws and regulations (Core)	There were no incidents of, and fines or non-monetary sanctions for non-compliance with environmental laws and regulations.	Reported	
EN29	Transportation of products and workforce (Additional)	This indicator is deemed not material to our organisation.	Reported	
EN30	Total environmental protection expenditures (Additional)	Not available due to lack of data systems to generate the required information. We will aim to report on this indicator in the future.	Reported	
Human Rights	Disclosures on management approach		Reported	1. Employees
HR1	Human rights clauses in investment agreements	No investment agreements made.	Reported	
HR2	Human rights screening for significant suppliers (Core)	Transurban's Sustainable Purchasing Policy.	Reported	1. Marketplace > Suppliers – Contractors - Partners
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Our Code of Conduct requires the fair and equitable treatment of all employees, customers and contractors by all Transurban employees. All employees undergo equity training. See Transurban's Code of Conduct. See Transurban's Code of	Reported	

	(Additional)	<u>Conduct.</u>		
HR4	Total number of incidents of discrimination and actions taken (Core)	There were no known incidents of discrimination and actions taken.	Reported	
HR5	Freedom of association and collective bargaining (Core)	All employees are free to join unions and collective bargaining arrangements.	Reported	
HR6	Child labor (Core)	This indicator is deemed not applicable to our business because we abide by the laws and labour practices in the two markets where we operate - North America and Australia. These laws prohibit child labour.	Reported	
HR7	Forced or compulsory labor (Core)	This indicator is deemed not applicable to our business because we abide by the laws and labour practices in the two markets where we operate - North America and Australia. These laws prohibit forced or compulsory labour.	Reported	
HR8	Security personnel training (Additional)	This indicator is deemed not applicable to our business as we do not employ security personnel.	Reported	
HR9	Violations involving rights of indigenous people (Additional)	This indicator is deemed not material to our business.	Reported	
Labor	Disclosures on management approach		Reported	1. Employees
LA1	Total workforce by employment type, employment contract, and region (Core)		Reported	1. Employees > Our workforce profile 2. Employees > Workplace environment 3. Employees >

				Additional data
LA2	Total number and rate of employee turnover by age group, gender, and region (Core)		Reported	1. Employees > Our workforce profile 2. Employees > Additional data
LA3	Minimum benefits (Additional)		Reported	1. Employees > Pay and performance
LA4	Collective bargaining agreements (Core)		Reported	1. Employees > Our workforce profile 2. Employees > Additional data
LA5	Notice period(s) (Core)	Notice periods range from 2 weeks to 3 months depending on the position. Where appropriate we are committed to consulting with our workforce and communicating any significant operational changes in advance.	Reported	
LA6	Health and Safety Committees (Additional)		Reported	1. Employees > Safety in the workplace
LA7	Lost Time Injury Frequency Rate (Core)	We do not collect data on the incidence of occupational diseases. However, as part of the AS4801 certification process our reporting framework will be reviewed in FY10 and this item will be considered.	Reported	1. Employees > Safety in the workplace
LA8	Communicable diseases (Core)	This indicator is deemed not material to our business as we do not have operations in areas with a high risk of communicable diseases. Nor do our business activities / work tasks increase employees' exposure to communicable diseases. Assessments conducted on our organisation have	Reported	

		concluded that risks to health and safety are material to our business.		
LA9	Health and safety in trade union agreement (Additional)	Health and safety issues are not included in trade unions agreements.	Reported	
LA10	Average hours of training per year per employee by employee category (Core)		Reported	1. Employees > Developing our employees
LA11	Employability and managing career endings (Additional)		Reported	1. Employees > Developing our employees
LA12	Performance and career development (Additional)		Reported	1. Employees > Developing our employees
LA13	Workforce diversity (Core)	We do not gather information on ethnic background as there is no business requirement or advantage to do so. We focus on eliminating barriers to equal opportunity employment.	Reported	1. Employees > Developing our employees 2. Employees > Additional data
LA14	Basic salary of men to women (Core)		Reported	1. Employees > Additional data
Product Responsibility	Disclosures on management approach		Reported	1. Environment
PR1	Life cycle stages of products and services (Core)		Reported	1. Customers > Customer safety 2. Customers > Customer service > How we performed 3. Customers > Customer service > Customer focus on Capital Beltway
PR2	Non-compliance products health and safety information (Additional)	There were no known incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of	Reported	

		products and services during their life cycle.		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements (Core)		Reported	<p>1. Marketplace > Customer Service > Weighing up options on My Commute</p> <p>2. Environment > Waste > Product responsibility</p> <p>3. Marketplace > Customer Service > How we performed</p> <p>4. Marketplace > Customer safety</p>
PR4	Non-compliance of product and service information and labelling (Additional)	We have not identified any non-compliance with regulations and voluntary codes.	Reported	
PR5	Customer satisfaction survey results (Additional)		Reported	<p>1. Customers > How we performed</p> <p>2. Customers > Customer service</p>
PR6	Marketing communications (Core)	Transurban complies with relevant industry Codes of Practice, including the Australian Marketing Institute Code of Professional Conduct and the Australian Direct Marketing Association Code of Practice. These laws seek to protect customers and stakeholder from inappropriate marketing communications. We also require our advertising suppliers to comply with the Australian Association of National Advertisers Code of Conduct. We comply with the provisions of the Privacy Act and the National Privacy Principles.	Reported	
PR7	Non-compliance with regulations and voluntary codes concerning marketing	We have not identified any incidences of non-compliances with marketing communications	Reported	

	communications (Additional)	regulations and voluntary codes.		
PR8	Breaches of customer privacy and losses of customer data (Additional)	There were no known breaches of customer privacy or losses of customer data.	Reported	
PR9	Monetary value of significant fines (Core)	There were no incidents of, and fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Reported	
Society	Disclosures on management approach		Reported	1. Communities
SO1	Management of operations of communities (Core)		Reported	1. Communities 2. Stakeholder engagement
SO2	Percentage and total number of business units analyzed for risks related to corruption. (Core)	As part of the annual internal audit program, all business units are analysed for a number of risks including possibility of fraud or corruption. This is conducted by both business self assessment and through independent assessment.	Reported	
SO3	Anti-corruption policies and procedures (Core)	All employees are required to sign the Transurban Code of Conduct upon commencement of employment.	Reported	1. Transurban Code of Conduct
SO4	Actions taken in response to incidents of corruption (Core)	There were no known incidents of corruption.	Reported	
SO5	Public policy positions and lobbying (Core)		Reported	1. Marketplace > Government 2. Marketplace > Industry
SO6	Political donations (Additional)		Reported	1. About Transurban > Political contributions
SO7	Anti-competitive behavior, anti-trust and monopoly	There were no known legal actions for anti-competitive, anti-trust and	Reported	

	practices (Additional)	monopoly practices during the reporting period.		
SO8	Non-compliance with laws and regulations (Core)		Reported	1. About Transurban > Political contributions

Enquiries and information

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