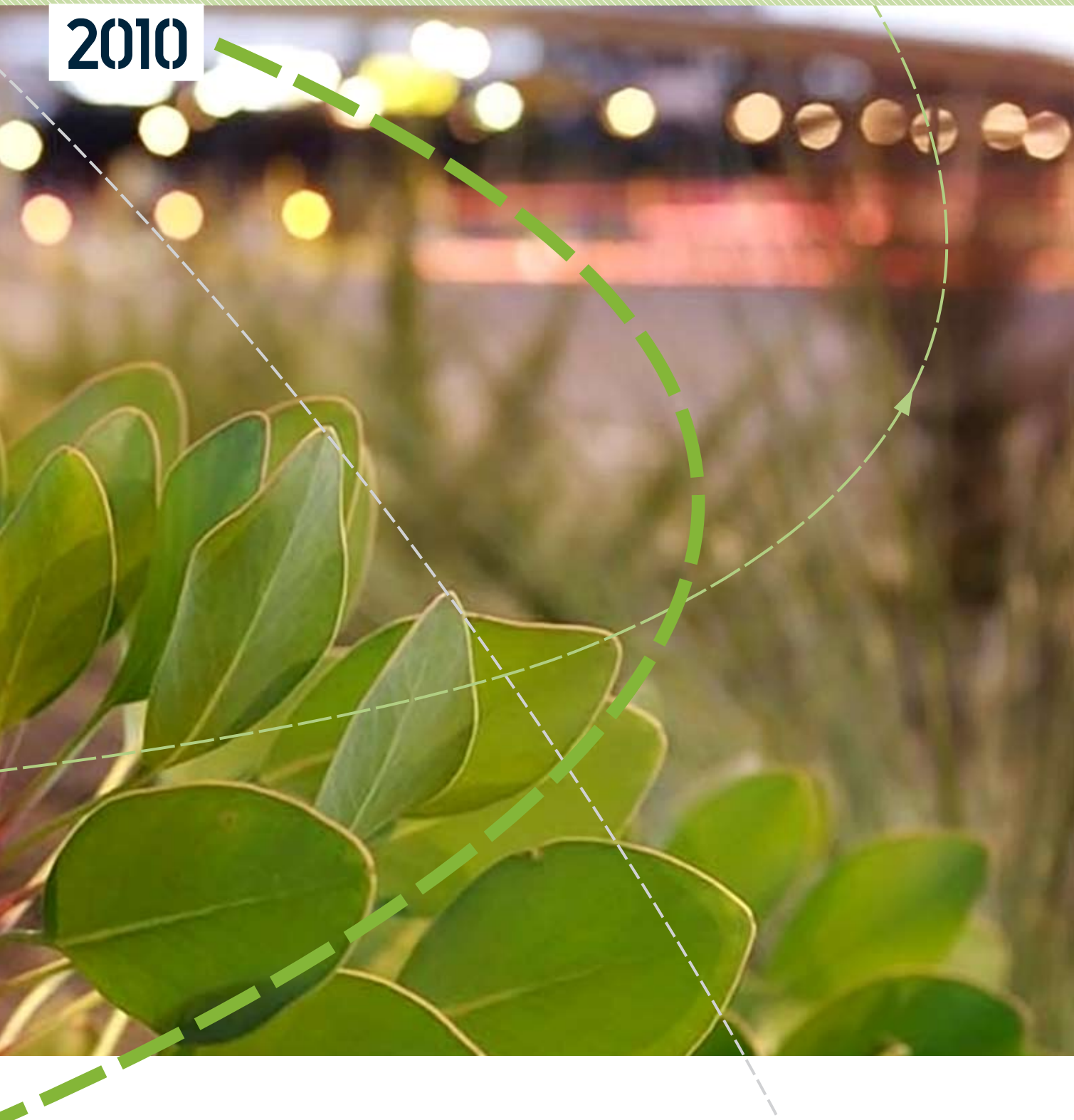


SUSTAINABILITY REPORT

2010



GRI INDEX

To view our GRI Index please visit
www.transurban.com/sr10/GRI.htm

CONTACT US

Your feedback on this report is valuable,
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SUSTAINABILITY AT TRANSURBAN: AN INTERVIEW WITH CHAIRMAN LINDSAY MAXSTED

Lindsay joined the Transurban Board as an independent, non-executive director in March 2008. In August 2010 he was appointed Chairman. He was a member of the Board's Sustainability Committee for more than two years.

WHY DO YOU THINK SUSTAINABILITY IS IMPORTANT TO TRANSURBAN?

Our company owns and operates road infrastructure for long periods of time, so we need to align our business with the long-term interests of our stakeholders. That's one of the best ways to build lasting relationships with governments and with communities, among others. And if we don't have their support, we don't have a thriving business.

I also believe sustainability means a lot to our employees. Many of them are passionate about 'giving back' to the community and show a great dedication to helping the company build sustainability considerations into everything we do. I think this ultimately makes Transurban a more rewarding place to work.

WHAT DO YOU SEE AS TRANSURBAN'S BIGGEST SUSTAINABILITY CHALLENGES?

Some of society's largest challenges are in the infrastructure space. How will state and federal governments fund future transport needs? How will cities manage rapid growth – and increasing urban congestion? Can we find sustainable and innovative solutions that will minimise the effects of climate change and other environmental impacts? These are all questions we hear asked regularly in the media and in government and industry forums. We believe Transurban's capabilities and experience position us well to work with others on solutions to these challenges.

IN YOUR OPINION, WHAT WERE TRANSURBAN'S SUCCESSES DURING THE YEAR – AND WHERE COULD THE COMPANY HAVE DONE BETTER?

Since we first reported on sustainability in 2006, our business has made solid progress in addressing our impacts. We have been recognised in the Dow Jones Sustainability Index (DJSI) World list and the Carbon Disclosure Leaders Index (CDLI) for Australia/New Zealand for five years in a row, and included in the FTSE4Good Index for even longer. Our ongoing inclusion recognises our continued progress in this area.

We have not, however, become complacent about sustainability. We are setting new goals each year and working hard to reach them.

In 2009 we became a signatory to the United Nations Global Compact, further demonstrating our commitment to the principles on human rights, labour, environment and anti-corruption. We have outlined our progress against these commitments throughout this report.

In 2010, our focus on safety both on our roads and in our offices continued, and we had some significant achievements. In the US, along with our partners we ran a successful 'distracted driving' safety campaign on our Capital Beltway High Occupancy Toll (HOT) lanes project that has attracted favourable government attention and won national awards. This past year we also launched the state-of-the-art freeway management system on the M1-CityLink Upgrade in Melbourne, which is an innovative approach to improving traffic flow and safety in the busiest traffic corridor in the State of Victoria.

In our Australian offices, we undertook a number of safety activities that helped us substantially reduce our Lost Time Injury Frequency Rate (LTIFR), and we started the process of achieving safety certification AS4801.

The Board's approval of a formal climate change strategy for the business was also a significant achievement this year.

There are always areas for improvement. For example, we need to continue to refine our stakeholder engagement processes so they align across the markets in which we operate.



We also need to have a more consistent and strategic approach to our community investment and improve our measurement of the impacts of our involvement.

On DJSI World, we scored well on the economic and environmental indicators, and we improved on the social indicator. In the coming year we will take action to further improve our performance in the social dimension.

WHERE WILL THE COMPANY FOCUS ITS ATTENTION IN THE COMING YEAR?

Stakeholder relations will continue to be a major focus for us. In FY11, we will be looking at how we can better incorporate sustainability considerations into key development projects.

We will be rolling out the climate change strategy and developing action plans across the business to help us continue to manage potential risks that climate change may pose to Transurban.

Through our Board renewal process we are also committed to addressing the need for gender diversity among our directors. Our Board and management plan to set clear diversity goals to help the company reflect the customers and communities we serve.

In FY11 we will continue to progress our commitment to the UN Global Compact principles to ensure they are a key focus of our sustainability strategy.

As in previous years, everyone at Transurban will be focused on continuing to incorporate sustainability into everyday business practices. Our aim is to make sustainability a key part of our culture.

ABOUT TRANSURBAN

We are a values-based, value-driven toll road owner and operator with assets and projects in Australia and the United States.

We have more than five million account and non-account customers globally.¹

OUR ASSETS

AUSTRALIA Melbourne

→ CityLink – 100 per cent ownership

Sydney

→ Hills M2 – 100 per cent ownership

→ Lane Cove Tunnel – 100 per cent ownership (assumed operational control 10 August 2010)

→ Eastern Distributor – 75.1 per cent ownership (managed by Transurban)

→ Westlink M7 – 50 per cent ownership

→ M5 Motorway – 50 per cent ownership

→ M4 Motorway – concession with New South Wales Government ended 15 February 2010 (previously 50.61 per cent ownership)

UNITED STATES

Transurban also has a 75 per cent stake in DRIVe, 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 High Occupancy Toll (HOT) lanes project in northern Virginia, just outside Washington DC.

For more information about Transurban please visit our corporate website at www.transurban.com.

OUR TOLLING BRANDS

Transurban manages three tolling brands in Australia – CityLink, Roam and Roam Express.

OUR KEY CAPABILITIES

Transurban has a range of capabilities including:

- innovative transport solutions
- asset enhancement
- concession management
- tolling and customer service
- road performance and safety
- financial management, and
- stakeholder engagement.

OUR VALUES

Our values underpin the way we do business and are therefore central to how we work at Transurban. They are:

- Honesty
- Integrity
- Humility, and
- Accountability.



OUR BUSINESS FRAMEWORK

Transurban has adopted a business framework that we call 'the wheel'. At its heart are our values and the joining segments represent our areas of focus.



They are:

- **Safety** – our first priority is a safe workplace for our employees and safe roads for our customers.
- **People** – our employees help us operate and grow our business, so we have to create a workplace where they will thrive.
- **Excellence** – we are working to continually improve our performance – and we aim to be a leader in our sector.
- **Financial discipline** – every dollar we spend should bring a return to investors and the community.
- **Growth** – we have a disciplined approach to growth. We will only consider new opportunities that meet our strict investment criteria.
- **Relationships** – the success of our business relies on lasting and meaningful relationships with governments, communities, investors and other stakeholders.
- **Environment** – we are committed to minimising our environmental impacts.

Our success in these areas will shape our corporate reputation and the sustainability of our business, and deliver benefits to Transurban investors and the community.

1. 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, FLOW 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.

TRANSURBAN'S SUSTAINABILITY CHALLENGES

Transurban has made significant progress and received external recognition since we began reporting on sustainability in 2006. But there is still more that we can do – and challenges that we still face.

In FY10, we identified three key sustainability challenges for our business:

- Urban congestion and the need for innovative solutions for our transport networks
- The traditional approach to Public Private Partnerships (PPP), and
- Managing the risks and opportunities climate change poses for our business.

Each of these challenges is far from ours alone, but we believe we have the capacity to shape outcomes in the areas in which we operate.

URBAN CONGESTION

Traffic congestion is one of the critical challenges facing cities around the world today.

In the US, the Texas Transportation Institute estimates the cost of traffic congestion at more than US\$87 billion per year.

In Australia, the Bureau of Infrastructure, Transport and Regional Economics estimates that, without reform, urban road congestion could cost the national economy A\$20 billion by 2020 – nearly double today's estimates.

This is against a backdrop of the Australian Government's prediction that the population may reach 36 million by 2050, up from today's 22 million.

Given the challenges posed by climate change, simply building more roads and allowing our cities to continue to sprawl is not the answer.

In its July 2010 Infrastructure Priority List, the Australian Government body Infrastructure Australia said "addressing transport congestion presents the greatest opportunity to improve national productivity" and indicated that reforms that "better use" existing infrastructure are as important as new capital investments.

Transurban shares this view. While there will always be a need to look at new pieces of infrastructure, as an industry we also need to be open to discussion about new ways to improve our transport networks and create a more sustainable future.

Innovative solutions such as managed lanes, integrated transport infrastructure and road pricing should all be part of this discussion. We have to learn to make more of what we already have; we have to make our existing infrastructure work better for us.

Transurban has the expertise and experience to play a strategic role in addressing the challenges posed by urban congestion.

In Sydney, where we have a stake in five of the city's toll roads, we are already working with government on solutions that will benefit the whole network – and the whole community.

We are working with the State on the development of two major upgrade projects that will enhance the existing Hills M2 and the M5 motorways.

In Melbourne, the M1-CityLink Upgrade is another example of how we are working with government to address congestion and use existing road space more effectively.

The project is adding lanes to the corridor and removing congestion hotspots. But, perhaps most importantly, it is helping to regulate traffic flow through one of the world's most advanced freeway management systems – showing the role technology can play in making our roads more efficient.

The Victorian Government estimates that the upgrade project will generate A\$14.5 billion in community benefits by easing congestion in the State's most important freight and commuter corridor.

In Washington, DC, we are developing HOT lanes on the Capital Beltway (I-495) – one of the most congested roadways in the country.

The project is a joint initiative with the Commonwealth of Virginia. It is an innovative solution for a corridor where there is limited space for expansion.



Carpools and buses will use the lanes for free – while other motorists will pay the toll for more predictable travel. Prices will fluctuate with demand to keep the lanes congestion free – even during peak hours.

And, for the first time, the Capital Beltway will have better options for high occupancy and transit vehicles.

The project ticks a lot of boxes – facilitating improvements in public transport, encouraging carpooling and keeping cities moving. It's about maximising capacity and adding value to existing infrastructure corridors.

We have to work together with government on solutions such as these – which can help to ensure the ongoing economic, social and environmental health of our cities. This is our challenge if we are truly committed to sustainable cities.

PPP MODEL

In July 2010 Infrastructure Australia released an A\$82 billion list of priority projects it considered key to creating a stronger economy.

These projects were selected for their ability to generate significant economic benefits, as well as the potential to address the challenges of population growth, urban congestion and climate change.

A year prior, Citigroup had estimated Australia's infrastructure investment task to 2018 would exceed A\$770 billion – with the call on private sector capital at above A\$360 billion.

TRANSURBAN'S SUSTAINABILITY CHALLENGES

There is little disagreement over the scale of the nation's infrastructure need and the economic benefit it would create. Inevitably there has been debate about the most effective way to finance and deliver those projects considered highest priority.

The traditional PPP model – through which some of the country's biggest road infrastructure projects have been delivered – has come under scrutiny in the face of some highly publicised projects that have struggled to deliver value for investors.

Many have questioned whether the traditional model is viable any longer, with key investors wary of new investment in 'greenfield' toll road projects that have untested assumptions about traffic expectations.

Some believe the government should revert to fully funding infrastructure itself, or that the 'availability payment' model where the industry constructs and operates a road, receiving ongoing government payments, is the future.

In our view, Australia and the US will not be able to meet their infrastructure needs and realise the economic and social benefits without private sector investment.

Transurban still believes the private sector is best placed to take the risk – including in the case of toll roads, the traffic risk – because it still delivers the greatest value to the community and to government.

There is no overlooking the benefits the PPP model has already delivered through projects such as CityLink in Melbourne and Westlink M7 in Sydney. Transurban's assets play a major role in the efficiency of the cities they serve, meeting the community's transport needs, while at the same time offering significant value to those who have chosen to invest.

The success of PPPs relies on a longer term and more responsible approach to the way infrastructure projects are structured, delivered and operated, based on a real partnership between the private sector and government. The focus needs to be on long-term value and delivering the greatest benefit to the community.

While we are firm advocates for the existing PPP model when used responsibly, we recognise the value in working with government and the infrastructure sector as the debate about financing infrastructure evolves.

CLIMATE CHANGE

Climate change is one of the greatest environmental, social and economic challenges facing the world today. There is now a broad consensus among climate scientists that human activities are having a discernible effect on the climate.

In Australia and the US, the transport sector is the second largest contributor to greenhouse gas (GHG) emissions. In 2008 it represented 14 per cent of Australia's emissions and 27 per cent of US emissions.^{2,3}

Governments around the world are increasingly focused on climate change and are grappling with how to reduce GHG emissions. In both Australia and the US, climate change has been the subject of much debate at a government, business and community level in recent years. Many institutional investors are also interested in the potential impact that climate change, and government action to address it, may have on the companies in which they invest.

Transurban's business relies on road vehicle travel, which generates significant amounts of GHG emissions and contributes to climate change. We believe we have a responsibility to our investors, governments and other stakeholders to understand and respond to the risks and opportunities associated with climate change.



Our expertise in operating complex electronic tolling systems, intelligent transport systems and traffic modelling puts us in a strong position in an environment where traffic demand management will be key. New transport models offer an opportunity for us to work with governments to deliver less carbon intensive solutions than traditional toll road models.

Approaches such as these could be used to appeal to consumers wanting to reduce their carbon footprint while driving. Ultimately, people could choose free flowing roads for more of their travel because they can produce less GHG emissions than stop-start travel on alternative roads.

This year we developed a climate change strategy for the business that identifies the potential risks and opportunities of climate change and our strategic response to these. The strategy formalises the work that the business has already done on this issue over the past few years and builds on it to help us prepare to respond to any future risks. These are detailed in the **Environment – Addressing climate change** section of this report.

We have already made good progress in understanding and addressing climate change issues, which is reflected in our listing in the Carbon Disclosure Leaders Index (CDLI) for Australia and New Zealand each year since 2006. We are committed to doing even more in coming years with the input and cooperation of our key stakeholders.

2. Source: Australian Greenhouse Office, *Department of the Environment and Water Resources National Greenhouse Gas Inventory 2010* (2010).

3. Source: US Environmental Protection Agency, *Inventory of US Greenhouse Gas Emissions and Sinks: 1990-2008* (2010).

TRANSURBAN'S APPROACH TO REPORTING

Transurban's Sustainability Report is aimed at all internal and external stakeholders with an interest in Transurban's sustainability performance. They include employees, customers, the community, suppliers, contractors, investors, financial analysts, governments, non-government organisations and industry leaders.

Our 2010 Sustainability Report addresses key sustainability topics, relevant to Transurban and other players in the industry.

DETERMINING PRIORITY ISSUES

The content in this report has been checked against the output of our formal materiality review with internal stakeholders.

The review determined the most important and relevant issues for both Transurban and our stakeholders.

A comprehensive list of issues was compiled through a 5 Part Materiality Test⁴ that covers:

- Direct short-term financial performance
- Transurban's ability to deliver on its strategy and policies
- Best practice norms exhibited by peers
- Stakeholder behaviour and concerns, and/or
- Societal norms, particularly where these are linked to possible future regulation.

A cross-section of employees then rated the issues to determine the most material issues to our business and our stakeholders.

Consultation was also held with subject experts across the business to identify, collect and interpret data and case studies relevant to this year's report.

Data and content was stored on an online portal and was edited by the Sustainability and Public Affairs teams and reviewed by multiple data owners, demonstrating a collaborative approach to reporting.

SCOPE

The report contains information on activities in FY10 (the period from 1 July 2009 to 30 June 2010), 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 three other motorways – Westlink M7 (50 per cent stake), the Eastern Distributor (75.1 per cent) and the M5 (50 per cent). Transurban also had an interest in the M4 until it was handed back to the New South Wales Government on 15 February 2010. Transurban also acquired Lane Cove Tunnel in May 2010, and assumed operational control in August (outside the reporting period).

In the US, we have 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.

On the roads where Transurban has management control – CityLink, Hills M2, Eastern Distributor and Pocahontas 895 – we have reported relevant sustainability information. For the other roads – Westlink M7, M5, M4, and the Capital Beltway HOT lanes – we are still able to report some aspects of sustainability performance.

Some of the reported data is collected by our major road operations and construction contractors – TransLink Operations Pty Ltd (TLO) for CityLink, Leighton Contractors for the Eastern Distributor, Bilfinger Berger Services (BBS) for Hills M2 and Abigroup Contractors Pty Limited for the M1-CityLink Upgrade. We believe that the work they carry out for our assets forms part of our social and environmental footprint.

ACCURACY

Through this report, we aim to present fairly a picture of Transurban's social, economic and environmental performance, and governance landscape.

To provide stakeholders with a greater level of confidence in the company's sustainability reporting, Ernst & Young, which combines the strengths of financial auditing experience with technical competency in environmental and social standards, was appointed to provide limited assurance over certain information of this 2010 Sustainability Report.

After assessing the results of our materiality review, Transurban and Ernst & Young agreed that assurance should primarily focus on six key issues:

- customer safety
- employee safety
- diversity
- pay equity
- GHG emissions data, and
- water data.

Ernst & Young's Limited Assurance Statement can be viewed at www.transurban.com/sr10/assurance.pdf.

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 has rated our report at an A+ level for the fifth consecutive year. To view our GRI Index visit www.transurban.com/sr10/GRI.htm.

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



4. Described in Accountabilities AA1000 Stakeholder Engagement Standard.

TRANSURBAN'S APPROACH TO REPORTING

UN GLOBAL COMPACT – COMMUNICATION ON PROGRESS

We have communicated our progress against the UN Global Compact's ten principles throughout this report in line with the GRI framework.

DATA METHODOLOGIES

GHG EMISSIONS:

Scope 1 and 2

Transurban uses The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to draw boundaries around emission sources when quantifying our Scope 1, Scope 2 and Scope 3 GHG emissions. Emission factors and calculation methodologies outlined in the Australian Government Department of Climate Change – National Greenhouse Accounts (NGA) Factors June 2009 are then applied to each data source.

For our US operations, emission factors and calculation methodologies outlined by the US EPA for the calculation of GHG emissions from transportation and mobile sources are used for calculating Scope 1 GHG emissions. The EPA's eGRID2007 Version 1.1 (December 2008) Year 2005 Summary Tables are used to calculate Scope 2 GHG emissions.

Scope 3

Transurban applies the GHG Protocol air travel method and emission factors to individual flight details to generate our Scope 3 emissions associated with corporate air travel. Australian Government NGA Factors June 2009 have been used to calculate Transurban's Scope 3 emissions from waste, fuel use in incident response and operations and maintenance vehicles, fuel refining and transport and electricity transmission and distribution losses.

Customer travel

We have calculated the Scope 3 emissions produced by customer vehicles travelling on CityLink, Hills M2 and Eastern Distributor. GHG emissions from these roadways were calculated using our traffic model developed in-house. The model uses traffic data that is extracted from our tolling system and represents actual trips along the roadway.

The tolling system records information such as vehicle class, entry point and exit point of vehicles, giving an accurate representation of vehicle types and trip lengths.

Travel speeds are an additional contributing factor to calculating GHG emissions. As our tolling system on these roads time stamps each transaction it is possible to estimate average travel speeds for each individual trip. Fuel type is also important in the calculation of GHG emissions. Vehicle fuel type is estimated from information on fleet mix and fuel type for each state and city documented in the 2006 motor vehicle census. Transurban's in-house traffic model uses the above information and applies emission factors sourced from the University of South Australia that are sensitive to average travel speeds to calculate GHG emissions from customer vehicles travelling on CityLink, Hills M2 and Eastern Distributor.

We have also calculated the Scope 3 emissions produced by customer vehicles travelling on Pocahontas 895. Customer vehicle miles travelled and vehicle class are estimated from tolling system information, and relevant emissions factors from US EPA Highway Vehicle Emission Factor Models are applied to calculate the associated Scope 3 emissions.

We have not calculated the Scope 3 emissions produced by customer vehicles travelling on the M4 or M5 motorways. This is because there is only one toll point located on each of these roads, making it difficult to obtain accurate information on customer vehicle kilometres travelled and average speeds from which to calculate the associated GHG emissions.

SAFETY:

Lost time injury frequency rate

The Lost Time Injury Frequency Rate (LTIFR) is the generally accepted way of measuring the safety performance in many companies in Australia. The definition of LTIFR is the number of Lost Time Injuries multiplied by 1 million divided by the number of man hours worked in the reporting period.

A Lost Time Injury is a work injury or disease where the injured party has at least one complete day or shift off work.

Lost Work Day Case

In the US our contractors monitor the number of man hours worked without a lost work day case. The term 'Lost Work Day Case' means a nonfatal, traumatic injury causing any loss of time from work beyond the day or shift in which it occurred – or a job-related nonfatal, nontraumatic illness/disease that causes disability at any time. They also track their safety performance against industry peers through the nationally accepted Occupational Safety and Health Administration Recordable Incidence Rate benchmarks.

Collision index

We use an internationally recognised index to report collision information on roads where we have management control – CityLink, Hills M2 and the Eastern Distributor. The collision index shows the number of collisions per 100 million vehicle kilometres travelled. Collision data is collected by our road operations contractors.

HOW WE OPERATE AT TRANSURBAN

CODE OF CONDUCT

Transurban is committed to maintaining a high standard of corporate governance. In FY10 our corporate governance framework and main governance practices complied with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations.

In FY10 a revised Code of Conduct – How We Work @ TU – was introduced to help employees make decisions at work that are aligned with Transurban's values and the way Transurban aims to conduct business. It provides information about how employees are expected to behave in the workplace and how to treat others whether they work for our business or are external contacts. The Code applies to all permanent and temporary employees, contractors and consultants. The Code can be found on our website at <http://www.transurban.com/37.htm>.

All employees were also required to complete an Equity and Code of Conduct education program in FY10. This covered issues such as harassment and bullying in the workplace, managing conflicts of interest and how to avoid corrupt practices. The training also incorporated our recently refreshed Whistleblower and Fraud policies.

Breaches of the Code are considered to be a serious matter. Alleged and reported breaches are fully investigated by Human Resources to determine if a breach has occurred. Breaches of the Code are recorded by Human Resources along with corrective actions taken.

In FY10, 15 breaches of the Code of Conduct were formally reported and investigated in accordance with policies. These breaches related to improper email and/or internet usage, theft, inappropriate language and verbal abuse of colleagues. Outcomes of investigations may include official warnings, and, in some cases, termination of employment.

RISK MANAGEMENT

Managing risk 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 help create a consistent and rigorous approach to identifying, analysing and evaluating risks. This framework has various policies, standards and guidelines including the Risk Management Policy which can be found on our website at <http://www.transurban.com/37.htm>.

The framework is overseen by the Audit and Risk Committee and actively managed by the Executive Committee. It is consistent with the International Standard ISO31000 and is subject to regular review by internal audit. Our Audit and Risk Committee Charter is available on our website.

BUSINESS CONTINUITY, EMERGENCY AND THREAT MANAGEMENT

In FY10 Transurban established the Business Continuity, Emergency and Threat Management Steering Committee. This group provides strategic oversight and guidance on preparedness, compliance and training for Business Continuity, Emergency and Threat Management across all geographic areas of Transurban. It helps ensure the effort towards these functions is being sustained across the business. It is chaired by the Chief Operating Officer and reports to the Executive Committee and the Transurban Audit and Risk Committee.

In FY10 we held a business continuity exercise at our primary office in Victoria. This validated the effectiveness of business continuity plans across multiple departments and functions. The crisis response exercise was devised by consultants.

Transurban's implementation of the plans received positive feedback and some recommendations for improvement from the consultants.

In New South Wales, the Hills M2, M4, M5, the Eastern Distributor and Westlink M7 also participated in business continuity exercises run by the consultants.

CityLink held its annual terrorism response exercise which was assessed by the Department of Transport. This field exercise was a large scale validation of the effectiveness of established threat and emergency procedures. It involved

the tactical deployment of response personnel, operational management participation and strategic level input from our executive team. Hills M2 also held a desktop emergency management exercise during the year.

In April 2010, Transurban's Capital Beltway HOT lanes team and project partners participated in an emergency preparedness desktop exercise with state and local police, and fire and rescue services. The exercise, which was initiated by Transurban, simulated a major roadway incident on the Beltway to prepare all participating organisations in case of an emergency.

These exercises identify areas for improvement and play a vital role in ensuring the business is prepared for, and can respond to, a genuine incident.

TRANSURBAN INFRASTRUCTURE GOVERNANCE FRAMEWORK

We have continued to roll out the Transurban Infrastructure Governance Framework, which gives us a standardised approach to infrastructure management across the business.

The framework has increased to 14 chapters with an additional chapter on Infrastructure Occupational Health and Safety (OHS) Management being added this year. Nine of the chapters are fully implemented with the remaining chapters to be rolled out in FY11.

FY11 will also see the commencement of the roll out of the framework to Lane Cove Tunnel. The implementation has been supported with a comprehensive training package and compliance regime. ISO accreditation of the framework's Project Delivery System is also being targeted for FY11.

In FY11 we will also develop the Transurban Operations Governance Framework. This framework will be the mechanism used to help create a standardised approach within Australian Group Operations. Existing processes around Business Planning, the Value Framework, and Budgeting Framework will be formalised into the Governance Framework.

HOW WE OPERATE AT TRANSURBAN

SUSTAINABILITY GOVERNANCE

The Sustainability Committee of the Transurban Board (formerly the Corporate Social Responsibility Committee) was established in August 2003 to oversee and provide guidance to the Board on the development and implementation of the company's sustainability program.

In early 2009, management conducted an independent review of the role of the Committee. The review made a number of recommendations about the Committee's role and structure which were accepted by the Sustainability Committee and the Board.

A recommendation was made that the Board set a limited term for the Sustainability Committee Charter, so it would be reviewed in December 2010. This was based on the premise that once sustainability was sufficiently embedded in the business, there would be no additional value from a separate Committee. Instead, sustainability should be considered by the Board – just like other strategic issues.

To support this, and other recommendations, the Committee set three performance measures in FY10 based on key sustainability priorities identified by management:

- Ensure Transurban is prepared for climate change (see **Environment – Addressing climate change**)
- Embed sustainability into standard business practice at Transurban (see **How we operate at Transurban – Embedding sustainability**), and
- Improve the quality of sustainability reporting so it continues to align with stakeholder needs (see **Transurban's approach to reporting – Determining priority issues**).

These performance measures were achieved in FY10. In August 2010 (outside the reporting period), the Transurban Board agreed that sustainability was now sufficiently embedded in Transurban's business, so the committee could be disbanded and all sustainability matters overseen by the Board.

As at 30 June, 2010 the Committee comprised four non-executive Directors: David Ryan (Chair), Lindsay Maxsted, Bob Edgar and Rodney Slater.

SUSTAINABILITY FRAMEWORK

In 2009 Transurban developed its Sustainability Framework. The purpose of the Transurban Sustainability Framework is to provide our Board, management and employees with 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.

Transurban's overall approach to sustainability is formed around "four pillars" of sustainability – the environment, employees, marketplace, and communities.

Transurban's sustainability pillars both influence and are influenced by our corporate strategy and governance framework. We believe there is a strong link between excellence in governance and business performance.

We choose to publicly report our sustainability performance to our stakeholders in the interests of accountability and transparency. We evaluate our performance against the sustainability goals and targets we set for our programs and projects.

Sustainability reporting is also used as a management tool to assess sustainability performance, benchmark against industry peers and identify key gaps in our sustainability program. Our sustainability reporting has also helped to drive the agenda for change across the business.

In subsequent sections you will find a review of our performance in each of the "four pillars".

EMBEDDING SUSTAINABILITY

To further our goal of embedding sustainability into standard business practice at Transurban, in FY09 and FY10 all teams across the business developed sustainability action plans. Our in-house Sustainability team helped facilitate the development of these plans, which were shaped by Transurban's Sustainability Framework. Each team's plan focuses on those areas where they can have the greatest impact on Transurban's ability to meet our overall sustainability objectives.

Each year teams will review and update their sustainability action plans as part of the company's annual planning process. As at 30 June, 82 per cent of the actions identified in FY10 team action plans were finished, against a target of 85 per cent completion. Another 15 per cent of the actions are in progress and 3 per cent were not undertaken.

In addition to the action plans, we are maintaining an online database of global best practice examples in sustainable development for use across the business. It is primarily used by our project development teams.

TRANSURBAN'S SUSTAINABILITY FRAMEWORK

COMPANY STRATEGY AND GOVERNANCE

Environment

The natural environment on which Transurban's operation may have an impact.

Employees

Those people who work for Transurban, in a permanent, temporary or contractual capacity.

Marketplace

Customers, investors, suppliers, joint venture partners, contractors and government.

Communities

Local government, residents, community and civic organisations in areas where we operate.

REPORTING

15 JULY 2009: DEBT REFINANCING

Refinancing of A\$515 million of non-recourse project debt for the Eastern Distributor motorway in Sydney was completed, highlighting the strength of our banking relationships.

26 AUGUST 2009: FULL-YEAR RESULTS

We announced our full-year results reporting an underlying proportional EBITDA of A\$583.4 million,⁵ an increase of 11.5 per cent on the prior corresponding period.

9 SEPTEMBER 2009: DISTRACTED DRIVING CAMPAIGN LAUNCH

Transurban launches campaign to reduce distracted driving in the HOT lanes construction zone with project, motorist and law enforcement partners.

22 SEPTEMBER 2009: UNITED NATIONS GLOBAL COMPACT

We signed the UN Global Compact aligning our company's operations to 10 universal principles on human rights, labour practices, the environment and anti-corruption.

13 OCTOBER 2009: HILLS M2 UPGRADE AGREEMENT

We reached in-principle agreement with the New South Wales Government for a major upgrade of the Hills M2 motorway in Sydney. The upgrade will deliver badly needed relief to the congested M2 corridor in Sydney and will help support continued growth in this important transport corridor.

27 OCTOBER 2009: TRANSURBAN ANNUAL GENERAL MEETING

Our Remuneration Report was adopted at the meeting but did draw some criticism from the media and security holders. See **Marketplace, Engaging with our investors**.

5 NOVEMBER 2009: CHANGE OF CONTROL PROPOSAL

We announced we had received a change of control proposal from two of our largest security holders – Canada Pension Plan Investment Board and Ontario Teachers' Pension Plan Board.

The Board rejected the proposal to acquire the company through a Scheme of Arrangement on the grounds that it was "incomplete, non-binding and highly conditional" and did not provide sufficient value for security holders. See **Marketplace, Engaging with our investors**.

NOVEMBER 2009: SAFETY AUDIT

Pre-audit for Australian Safety Standard AS4801 was completed with the certification audit planned for September 2010.

21 DECEMBER 2009: M5 UPGRADE AGREEMENT

The New South Wales Roads and Traffic Authority (RTA) and Interlink Roads (50 per cent owned by Transurban) reached initial agreement to develop a concept design and funding plan to widen Sydney's M5 Motorway. The widening would relieve congestion on the major road freight, commercial and passenger route between Port Botany and Sydney Airport and south-west Sydney.

23 DECEMBER 2009: DEBT REFINANCING

Interlink Roads (50 per cent owned by Transurban) completed re-financing of A\$510 million of non-recourse project debt for the M5 Motorway in Sydney.

15 FEBRUARY 2010: M4 CONCESSION ENDS

The concession held by Statewide Roads (50 per cent owned by Transurban) on Sydney's M4 Motorway ended at midnight on 15 February. The motorway was returned to the New South Wales RTA.

17 FEBRUARY 2010: INTERIM RESULTS

Transurban released its half year results for the six months ended 31 December 2009. Underlying free cash was up 18.6 per cent.

14 MARCH 2010: RUN FOR THE KIDS

More than 30,000 walkers and runners took part in our fifth Run for the Kids event in Melbourne, raising more than A\$1 million for the Royal Children's Hospital.

10 MAY 2010: LANE COVE TUNNEL ACQUISITION

We reached agreement to acquire Sydney's Lane Cove Tunnel for A\$630.5 million with funding through equity and non-recourse project debt. We undertook a A\$542.3 million capital raising to fund the equity component. The capital raising, completed in June, took into account our broader capital funding requirements for growth projects including the planned upgrades of the Hills M2 and M5. We reached financial close on Lane Cove Tunnel on 9 August (outside the reporting period).

11 & 12 MAY 2010: CHANGE OF CONTROL PROPOSALS

We received two change of control proposals from our largest security holders – Canada Pension Plan Investment Board, CP2 Limited and Ontario Teachers' Pension Plan Board – to acquire the company through a Scheme of Arrangement. The Transurban Board rejected both proposals on the grounds that neither proposal offered sufficient value or certainty for security holders. See **Marketplace, Engaging with our investors**.

25 MAY 2010: TAKEOVERS PANEL APPLICATION

CP2 Limited applied to the Australian Government's Takeovers Panel to restrain Transurban from proceeding with the capital raising in its current form and preventing the issue and allotment of any shares on exercise of rights. The Takeovers Panel declined to conduct proceedings on the application.

26 MAY 2010: CAPITAL BELTWAY HOT LANES OPERATIONS CENTRE

Construction on the 'nerve' centre for our Washington, DC project starts – and gets widespread media and government attention.

25 JUNE 2010: ENTERPRISE BARGAINING AGREEMENT

Eligible employees voted to accept a new Enterprise Bargaining Agreement. The Australian Electoral Commission received 173 valid votes, with 73 per cent in favour of the Agreement and 27 per cent voting against. See **Employees – A new workplace agreement**.

5. The underlying proportional result for the year ending 30 June 2009 has been restated in FY10 and now excludes the M4 result. The revised underlying proportional result is \$537.0 million.

TRANSURBAN IN FY10



Safer motorways: CityLink's new freeway management system.

29 JUNE 2010: EMPLOYEE OPINION SURVEY

86 per cent of employees responded to this year's Employee Opinion Survey. The results showed that we are outperforming top Australian companies in 16 out of 18 categories in the survey. Our employee engagement score was 80 per cent. See **Employees – Listening to our employees**.

30 JUNE 2010: CAPITAL BELTWAY SAFETY:

The Capital Beltway HOT lanes project recorded one lost-work day case in 3.06 million construction hours, which is well below industry average.

AUGUST 2010 CLIMATE CHANGE STRATEGY

(outside the reporting period): Our Climate Change Strategy was completed and endorsed by the Board. The strategy sets out the potential impacts, opportunities and commitments for our business. See **Environment – Addressing climate change**.

ONGOING

M1-CITYLINK UPGRADE

The joint Transurban and Victorian Government A\$1.39 billion project is nearing completion and includes a state-of-the-art freeway management system to monitor and improve traffic flow and safety on one of Victoria's busiest freight and commuter routes.

I-95/395 HOT LANES PROJECT

With our partner Fluor Lane, we are working with the Virginia Department of Transportation in the US to review and finalise the scope and financial plan for the I-95/395 HOT lanes project. The project schedule remains uncertain as the Commonwealth of Virginia and US Federal Highway Administration seek to resolve Arlington County's legal challenge to the project's federal environmental review process.

HOT LANES DEBATE

State governments in the US continue to examine HOT lanes to help meet transportation needs in urban areas as transportation revenues continue to decline and congestion increases. The debate surrounding HOT lanes has remained consistent with a focus on issues related to increasing transit options, minimising impacts on the environment and ensuring the availability of affordable options for all users.

AWARDS AND ACHIEVEMENTS

- Freeway management system developed for the M1-CityLink Upgrade won the inaugural Australian Smart Infrastructure Award from Infrastructure Partnerships Australia (IPA) and the Commonwealth Government in 2010 (August – outside reporting period).
- Listed in the Dow Jones Sustainability Indexes World list each year from 2006 to 2010.
- Included in the Carbon Disclosure Leaders Index (CDLI) for Australia and New Zealand each year from 2006 to 2010.
- Listed as a member company in the FTSE4Good Index.
- "Orange Cones. No Phones." safety campaign on Capital Beltway HOT lanes project won two national awards in US – the 2010 Silver Anvil Award of Excellence (Public Relations Society of America) and a 2010 Work Zone Safety Awareness Award (American Road & Transportation Builders Association).
- Australian Council of Super Investors (ACSI) recognised Transurban for 'Best Practice' reporting in the ACSI's 2010 sustainability reporting review.
- Included on the 2010 ASX200 Blue Ribbon List compiled by the Australian Government's Equal Opportunity for Women in the Workplace Agency (EOWA). Transurban was recognised for having two or more female Executive Key Management Personnel.



TRANSURBAN'S KEY FIGURES FOR 2010 REPORT (AS AT 30 JUNE 2010)

FINANCIAL

	2005-06 ^a	2006-07	2007-08	2008-09	2009-10
Underlying Proportional results ^b :					
Toll Revenue (million)	N/A	564.4	678.6	724.9	773.9
Total Revenue (million)	N/A	582.9	738.6	787.7	842.4
Proportional EBITDA (million)	N/A	388.6	484.9	537.0	606.9
Free Cash (million)	N/A	135.9	256.5	263.6	347.5
Distribution per security (cents)	50.0	54.0	57.0	22.0	24.0

ENVIRONMENT

	2005-06	2006-07	2007-08	2008-09	2009-10
Total direct and indirect GHG emissions (tonnes CO ₂ -e), of which:					
Scope 1 (tonnes CO ₂ -e) ^g	6	27	209	231	204
Scope 2 (tonnes CO ₂ -e) ^h	33,200	35,076	47,304	44,701	45,861
Scope 3 (tonnes CO ₂ -e) ⁱ	2,604	3,779	6,081	8,403	7,254
Customer travel emissions (tonnes CO ₂ -e)	N/D	333,180	392,842	412,569	428,467
Transurban's potable water use (million litres)	35.7 ^c	21.7 ^j	26.5 ^k	23.9 ^k	23.4 ^l
CityLink total water withdrawal (million litres), of which:	347.2	286.9	292.1	267.9	263.7
Groundwater from tunnels (million litres)	311.5	265.7	275.5	251.9	243.2
Potable water use (million litres)	35.7	21.2	16.6	16.0	20.5
CityLink volume of water recycled/reused (million litres)	223.5	170.2	190.7	192.5	183.9
CityLink percentage of water recycled/reused (%)	64	59	65	72	70
Compliance with EPA Victoria waste discharge licence for CityLink tunnels (%)	100	100	100	100	100
e-TAGS issued – CityLink, Roam and Roam Express	N/D	305,487	318,388	327,594	292,179
e-TAGS recycled – CityLink, Roam and Roam Express	207,741	86,700	98,649	126,079	97,193

a Underlying proportional results are from the continuing portfolio and excludes the M4. The Group's underlying proportional results reflects business performance. The exclusion of certain items permits a more appropriate and meaningful analysis of the Group's underlying performance on a comparative basis. The method of presentation differs from the statutory accounting format.

b The Group did not report underlying proportional results prior to 30 June 2007.

c Includes CityLink data only.

d Includes CityLink, Hills M2 and corporate office data only.

e Includes CityLink, Hills M2, Eastern Distributor, M4 (until 15 February 2010), M5, Pocahontas 895 and corporate office data.

f Includes CityLink, Hills M2, Eastern Distributor, M4 (until 15 February 2010), M5, Pocahontas 895 and corporate office data.

g 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.

h 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.

i 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. For Transurban, this includes air emissions, life-cycle of fuel, contractor emissions, and transmission losses from electricity and waste.

j Includes CityLink and Hills M2 data only.

k Includes CityLink, Hills M2, Eastern Distributor, M4 (until 15 February 2010), M5 and Pocahontas 895 data.

l Includes CityLink, Hills M2, Eastern Distributor, M4 (until 15 February 2010), M5, Pocahontas 895 data.

TRANSURBAN'S KEY FIGURES FOR 2010 REPORT (AS AT 30 JUNE 2010)

EMPLOYEES

	2005-06	2006-07	2007-08	2008-09	2009-10
Total number of employees ^m	706	798	712	605	640
Employees leaving Transurban – voluntary (%) ⁿ	N/A	17.9	18.7	11.6	7.9
Employees leaving Transurban – involuntary (%) ⁿ	N/A	5.0	7.7	11.4	3.5
Lost Time Injury Frequency Rate (LTIFR) ^{op}	N/A	N/A	7.4	6.9 ^a	3.6
Employee fatalities	0	0	0	0	0
Employee engagement score (%)	83	N/A	79	81	80
Number of unplanned absences (days)	N/D	N/D	N/D	8.1	6.1
Average training hours per employee (hours) ^r	18.8	15.5	16.5	11.1	11.7
Women in Leadership (%) ^s	N/D	6	9	22	26
Employees covered by collective bargaining agreements (%)	N/D	38.7	37.1	37.0	37.2
Breaches of Transurban's Code of Conduct (number of incidents) ^t	7	8	4	6	15

MARKETPLACE

	2005-06	2006-07	2007-08	2008-09	2009-10
Transurban Customer Resolution Group – number of enquiries	5,787	6,900	5,300	5,764	4,564
Number of complaints escalated to Ombudsman ^u	81	150	154	178	178
Fatalities on Transurban's roads – CityLink	1	4	1	2	0
Fatalities on Transurban's roads – Hills M2	0	1	0	0	0
Fatalities on Transurban's roads – Eastern Distributor	N/A	0	0	1	0
Fatalities on Transurban's roads – Pocahontas 895	N/D	0	0	0	0
Customer satisfaction – CityLink Service Call Centres (%)	N/D	N/D	86.6	86.1	82.1
CityLink Incident Response time – traffic lane (mins:secs)	4:07	4:11	4:39	4:27	4:44
CityLink Incident Response time – emergency lane (mins:secs)	6:40	6:55	7:52	7:00	7:46
Number of suppliers compliant with Transurban's Supplier Code of Practice	N/A	N/A	N/A	N/A	19

COMMUNITY

	2005-06	2006-07	2007-08	2008-09	2009-10
Total community contributions (\$ thousands approx)	N/D	800,000	600,000	560,000	450,000
Total employee contributions through TransGiving (\$) ^v	37,815	41,831	45,982	31,584	26,099
Employees participating in TransGiving (% as at June 30)	29	28	22	20	18

m Excludes Board of Directors, maternity leave employees and employees on salary continuance for more than 12 months.

n Includes all permanent full-time and part-time employees.

o LTIFR = (number of occurrences/number of hours worked) x 1,000,000.

p Excludes journey claims.

q The 2008-09 figure reported in last year's Sustainability Report has been adjusted from 8.10 to 6.94. After our 2009 report was published, one lost time injury case was disputed by the insurer and was subsequently removed from the results. We now only report cases which have been accepted by the insurer.

r This figure represents hours spent on in-house training courses offered by learning and development. It does not capture hours spent on external training courses.

s Employees within CEO, senior executive and senior management roles.

t Represents breaches reported and investigated by Human Resources.

u All complaints escalated to the Ombudsman are resolved after consultation with both Transurban and the customer.

v These contributions are matched dollar for dollar by Transurban.

N/A Not applicable.

N/D No data available.

ENVIRONMENT

Transurban is working toward environmental sustainability in all our activities – whether on our roads or in our offices. We have several formal structures in place to help us do this, including an environmental management system (EMS) and an environment strategy.

For full environment data please visit www.transurban.com/sr10/envdata.htm.

ADDRESSING CLIMATE CHANGE

In August 2010, our Board Sustainability Committee approved a formal climate change strategy for the company. The purpose of the strategy is to articulate:

- Why climate change is a significant issue for Transurban
- Potential risks and opportunities climate change presents to our business, and
- Transurban's strategic response to these.

The strategy formalises the work the business has already done over the past few years and builds on it to help us in continuing to make progress in responding to the potential risks of climate change.

In FY10 we undertook the following climate change initiatives:

- Continued to develop our GHG inventory measuring our Scope 1, 2 and 3 emissions
- Continued to find ways to reduce our emissions within our operations and projects
- Commissioned market research to better understand how driver behaviour may be affected by climate change in the future, and
- With external advisers, undertook an infrastructure risk assessment of the physical impacts of climate change on CityLink (we are now developing a plan to manage the risks identified).

Some of the long-term actions we have committed to in the climate change strategy include:

- Incorporate a formal assessment of climate change risks in the investment review process
- Demonstrate the congestion (and therefore fuel savings) benefits of HOT and managed lanes to governments and other stakeholders, and
- Provide information and tools to educate customers on ways to reduce their emissions from driving.

For further information about the opportunities and risks posed by climate change to our business, see our 2010 CDP submission at http://www.transurban.com/misc/Transurban_CDP_2010_Response.pdf.

REVIEWING OUR EMS

In FY10, we commissioned NetBalance Management to undertake an assessment of our existing EMS.

The study assessed the effectiveness of our EMS as a tool to manage environmental risk, and considered the value to Transurban of gaining ISO14001 accreditation for the EMS, in the context of our external operating environment.

The study's key recommendation was to enhance the existing EMS so that it is aligned with ISO14001. This would improve our internal environmental risk management processes and enable Transurban to quickly move to accreditation in the future when this becomes a more influential factor for our external stakeholders.

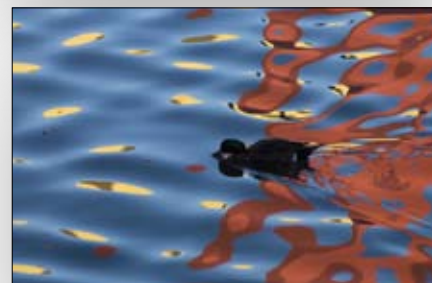
We plan on commencing the recommended enhancement to the EMS in FY11.

MINIMISING ENERGY USE

ADDRESSING OUR KEY IMPACTS

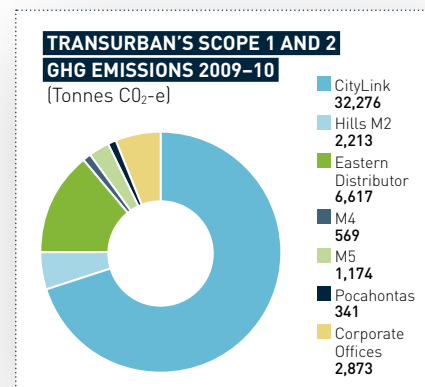
Approximately 60 per cent of our total Scope 1 and 2 GHG emissions are produced from the electricity used to power the ventilation systems in the CityLink tunnels.

In May 2009 Transurban started a trial to reduce ventilation in CityLink's Domain Tunnel to allow portal emissions at night, thereby reducing electricity use from the tunnels.



The trial was supported by EPA Victoria, which requires the tunnels to operate with zero portal emissions 24 hours a day via CityLink's Waste Discharge Licence.

The trial indicated minimal effects on air quality around the tunnel portals when the ventilation system was switched off overnight. Subsequently, in September 2010 (outside of the reporting period) EPA Victoria issued a new licence which allows tunnel portal emissions for the Domain Tunnel during low traffic periods – between 8pm and 4am. Once the change to the ventilation system takes place GHG emissions on CityLink will be reduced by approximately 820 tonnes CO₂-e a year.



ENVIRONMENT

DELIVERING A CARBON-NEUTRAL SLU

On our Southern Link Upgrade (SLU) project – part of the **M1-CityLink Upgrade** in Melbourne – we have set ambitious sustainability targets, including a plan to make all the construction work carbon neutral.

During construction we are tracking GHG emissions, reporting them against GHG targets and reducing these where possible. Remaining emissions will be offset once the SLU project works are complete.

For more information, see the **2009 Sustainability Report**.

MANAGING WATER USE

We are working to reduce our water use across our assets and projects, and we have a number of mechanisms in place to help us do this. This includes a water treatment plant that captures and recycles the water draining from around the CityLink tunnels. The plant has saved approximately 1.59 billion litres of Melbourne water since it began operation in October 2003.

However, in FY10 our potable water use increased over the previous year on CityLink. The increase was caused by the internal corrosion of the steel pipe used to convey recharge water from the Swan Street groundwater recycling facility to the Southbank Interchange. In May 2010, before the pipe could be replaced, the Southbank recharge wells had to be temporarily switched from recycled water to potable water – resulting in our increased usage in FY10.

On the Eastern Distributor, there was a significant decrease in potable water use this year. This was the result of two things: an unexpected disconnection in water service, and higher rainfalls – which reduced the need to water landscaped areas.

Potable water use was also much lower on Hills M2 this year than in FY09, when an emergency field exercise required the use of water during the simulation.

REDUCING WASTE

ROADSIDE WASTE

In FY09, we commissioned an independent waste audit of our majority-owned assets – CityLink, Hills M2 and the Eastern Distributor. In line with the audit's recommendations, this year we changed some of our waste management practices. On CityLink and the ED we have improved our collection of waste data by moving from estimated to actual tonnage.

In addition, on the Eastern Distributor we expanded recycling of roadside waste, and on both Hills M2 and the Eastern Distributor we have been educating customers on the environmental impact of littering – or having unsecured loads – while travelling on our roads.

PAPER USE

After a successful trial in FY09, our tolling brand Roam ran a three-month campaign this year to encourage e-TAG[®] customers to move from paper to online statements. During the campaign, Roam sent letters to 127,000 customers – and just 2.3 per cent of the

targeted customers elected to continue receiving mailed quarterly statements. In November 2009, Roam also introduced email alerts to customers.

PRINTING

In FY10, Transurban installed new printers in our Australian corporate offices as part of an ongoing effort to reduce our environmental footprint. The new printers use vegetable inks, require employees to login to proceed with printing and provide better data collection to track usage. Printing defaults were also put in place, with all jobs reverting to a standard black-and-white, double-sided format to reduce colour printing volume and paper use. The changes were introduced in October 2009, and by year end we had met our target to reduce colour printing by 15 per cent. This brought the amount to 25 per cent – the industry average.

LISTENING TO COMMUNITY CONCERNS ON M2 UPGRADE

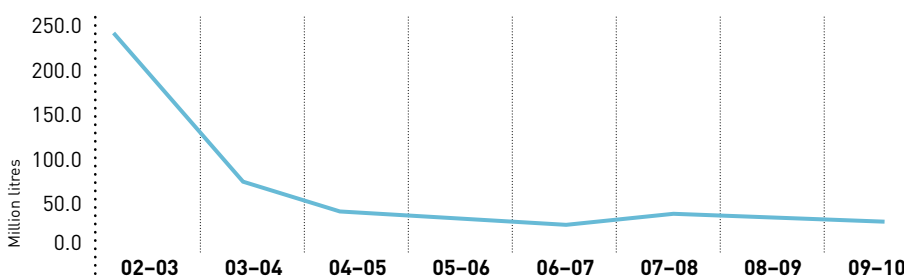
The M2 Upgrade's Environmental Assessment (EA) was exhibited for just over a month between May and June 2010, and submissions were accepted until early July. During the exhibition period, 910 submissions were received. Three were from government agencies, six from local councils and 901 from the community.

Following this process, a Submissions and Preferred Project Report was prepared by Hills M2 and the New South Wales Government to identify and respond to the issues raised during the exhibition.

While a large number of submissions did not include a clear statement of objection or support, the majority addressed concerns over the M2 Upgrade project's expected negative impacts. Overall, the submissions related to project justification, traffic and transport, noise, construction and the environment.

The EA identified a range of environmental outcomes and management measures that would be required to avoid or reduce the environmental impacts.

TRANSURBAN'S POTABLE WATER USE 2002-03 TO 2009-10



6. e-TAG is a registered trade mark of CityLink Melbourne Limited, ACN 070 810 678.

ENVIRONMENT

After considering the issues in the submissions, the M2 Upgrade's draft Statement of Commitments was revised. If the project is approved by the State Government, the revised commitments would guide the subsequent phases of the project's development.

For further information, go to the full report at www.hillsm2upgrade.com.au.

To minimise impacts on the local community and environment, Hills M2 has established several environmental and social performance targets as incentive for our contractors during construction of the M2 Upgrade.

LOOKING AT HEAVY VEHICLE EMISSIONS

Transurban is one of 27 foundation partners to EcoStation, which is looking at ways to reduce the impact of GHG emissions from the heavy vehicle sector in Victoria. EPA Victoria and the Victorian Transport Association formed the joint initiative in September 2009.

Transurban is sharing some of its relevant traffic data with EcoStation, including actual travel data providing average speeds by time of day, which can be converted to GHG emissions.

For more information on Transurban's traffic GHG emissions modelling visit our [2009 Sustainability Report](#).

MINIMISING IMPACTS ON HOT LANES STORM WATER MANAGEMENT

Transurban has implemented increased oversight and independent audits of our contractor's environmental controls in the US. Increased diligence around these protections was particularly important due to record rain and snowfall in the Capital Beltway region.

Our contractor Fluor-Lane has a system of over 32 kilometres/20 miles of erosion and sediment control measures on the Capital Beltway HOT lanes construction site.

However, in May 2010 the Virginia Soil and Water Conservation Board took legal action against the contractor over storm water management and sediment control on the project. The claim – which related to storm water runoff violations – also proposed a settlement, which was accepted by Fluor-Lane the same day.

As part of the settlement, Fluor-Lane was required to undertake daily inspections and abide by certain training, reporting, and record keeping requirements.

In addition, they agreed to weekly audits by an independent auditor to ensure they were identifying any areas of non-compliance and taking timely action to correct them.

While Transurban was not a party to the legal action, it concerned us since we take environmental protection very seriously. We expect all our contractors to be fully compliant, and to play an active role in protecting the environment and the local communities surrounding our projects.

NOISE

The project team is using several new techniques to minimise the unavoidable impact of noisy construction activities on neighbouring communities.

One of the noisiest activities involves demolishing interchange bridges and overpasses. To reduce the noise, Fluor-Lane had crews saw-cut bridge decks into pieces before demolishing with louder hoe rams. This dramatically reduced the length of the noisier demolition activities as well as the overall duration of the work.



Overall, the project is replacing more than 80,000 linear feet of sound walls to improve protection for surrounding communities. This activity has meant that some communities have experienced longer exposure to noise due to the removal of the old sound walls. The project is keeping communities informed of schedules and timing for sound wall removal and replacement, and educating them on factors that may cause delays in construction (such as utility relocations and building retaining walls).

NEW OPERATIONS CENTRE

In FY10 construction started on the 'nerve centre' of the Capital Beltway HOT lanes – its state of the art operations building. The centre is being designed to meet US Green Building Council (USGBC) standards and will have a silver LEED certification. It will do this by using sustainable and innovative construction materials and techniques. The building is expected to conserve water and heat, and reduce energy use by about 30 per cent.

EMPLOYEES

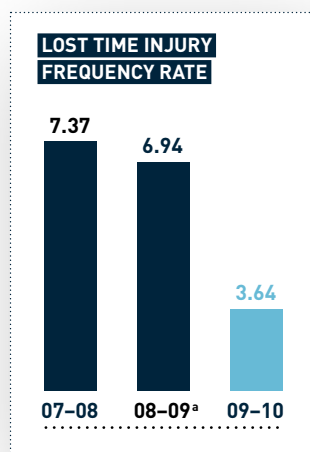
At Transurban we recognise that our employees are crucial to our success. In FY10 we continued to work on programs to engage employees and foster a culture of learning and development. Our annual turnover and absenteeism rate reduced and we worked on a number of programs to further enhance the working experience for our employees.

For full employee data please visit www.transurban.com/sr10/empdata.htm.

OUR FOCUS ON SAFETY CONTINUES

The safety of employees, contractors and visitors is Transurban's highest priority.

In Australia, our workplace Lost Time Injury Frequency Rate (LTIFR) reduced by 48 per cent since we implemented a targeted Occupational Health and Safety (OHS) campaign in early 2009, bringing Transurban well below industry benchmarks. Our LTIFR was 3.64 in FY10. The current industry benchmark stands at 11.63.⁷



a The 2008-09 figure reported in last year's Sustainability Report has been adjusted from 8.1 to 6.94. After our 2009 report was published, one lost time injury case was disputed by the insurer and was subsequently removed from the results. We now only report cases which have been accepted by the insurer.

Our safety campaign is part of an overall program to achieve Australian Standard 4801 (AS4801) accreditation in FY11.

AS4801 provides a framework for a systematic approach to managing safety within the workplace and complements our safety vision and culture.

We reported last year that we would be aiming for AS4801 accreditation in FY10. This process has been delayed due to a pre audit in November 2009, which identified some procedural areas for improvement. Transurban management felt this feedback was invaluable and a good opportunity to further improve our safety mechanisms.

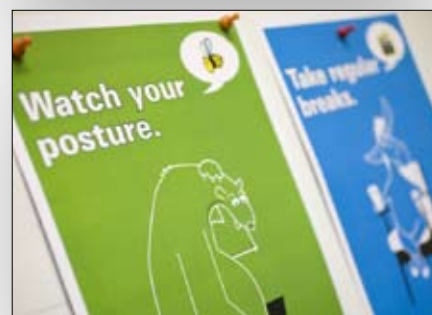
Since construction began in 2008 on the Capital Beltway HOT lanes, there has been only one lost work day accident recorded in 3 million man hours (as at 30 June 2010). The M1-CityLink Upgrade project team has achieved a total of 790,201 man hours without a lost-time injury since construction began in September 2007.

The current Occupational Safety and Health Administration Recordable Incidence Rate on the project remains well below the industry average.

Transurban also runs company-wide internal campaigns to work toward making our workplaces as safe as possible. In FY10 we continued to focus on the importance of reporting hazards and incidents within the workplace in an attempt to reduce lost time injuries. In FY10 we conducted:

- An ergonomic assessment program, which included the completion of individual assessments for 98 per cent of staff (this is now an ongoing program)
- 80 risk assessments to identify tasks or activities that may impact on the health and safety of employees, and
- Mandatory group OHS training in our Australian offices to keep everyone aware of our OHS policies and procedures, and to prepare them for AS4801 accreditation.

Safety remains a top priority at Transurban. We have set ambitious targets for FY11 to further reduce our LTIFR.



OFFERING NEW FLEXIBLE WORK ARRANGEMENTS

In February 2010, our Board approved a new parental leave policy, increasing paid maternity leave to 12 weeks and paid paternity leave to two weeks. The policy also includes a back-to-work bonus for those employees returning from maternity leave.

In FY09 we introduced a formal workplace flexibility framework. In FY10, five per cent of employees were working under a flexible work arrangement, including working from home and changes to start/finish times.

More flexibility options are planned for FY11, including a new policy that enables employees to purchase extra leave. This is in response to an FY10 internal survey which found that Transurban employees want to spend more time with their families or have extra time away to travel.

7. InfoHRM, "National Benchmarking Study", April 2010 – benchmark of Australian publically listed companies.

EMPLOYEES

PROVIDING STRONG LEADERSHIP

In FY10 our Executive team participated in the development of the Transurban Leadership Framework, demonstrating their commitment to providing effective future leadership.

In order to develop the program, the team looked at the strategic direction and values of the organisation and what competencies are required to achieve this strategy.

Transurban will formally implement the Leadership Framework within the business over the coming months through a structured communication plan and a suite of development tools and training programs.

ADVANCING WOMEN IN LEADERSHIP

In FY09 we announced that we were exploring options to advance women in leadership roles. The Women in Leadership steering committee continued to meet in FY10 to look at possible ways to expand advancement opportunities for women in our business.

During the year we started drafting a Diversity Policy. It addresses the ASX Corporate Governance Principles concerning diversity. We aim to be an early adopter of these principles so that we can better foster the advancement of women into leadership positions.

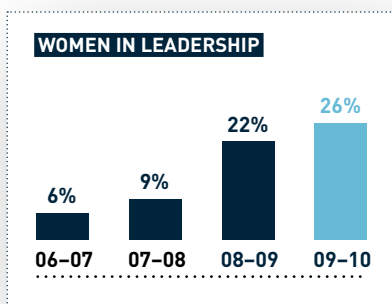
The policy will be going to the Board for approval in October 2010, along with diversity targets and an action plan.

We continue to formalise our plan to offer more opportunities for women in leadership. In FY10 women's representation in management positions – employees within senior executive and senior management roles – increased to 26 per cent from 22 per cent.

We were included on the 2010 ASX200 Blue Ribbon List – compiled by the Federal Government's Equal Opportunity for Women in the Workplace Agency. The list recognises companies with more than two female Executive Key Management Personnel. This census was undertaken

in April 2010 but the results were published outside our reporting period.

While we have seen a steady improvement in this figure over the past four years, we acknowledge that we still have further work to do in this area.



GENDER PAY AUDIT TO WORK TOWARD EQUITY ACROSS TRANSURBAN

Our Human Resources team conducted a pay equity audit in FY10, which looked at gender equity.

The purpose of the audit was to inform measures to improve fairness across Transurban, guide attraction and retention initiatives, and fulfil our legal obligations. It will be used to look at the gender pay gap, which is the difference between the average (mean) salary of females and male employees, expressed as a percentage.

The results of the audit are currently being reviewed. The analysis is focused on factors such as our workforce planning activities, employment status and development/learning offerings.

In FY11 we will continue to develop Transurban's organisational structures and processes in order to support pay equity at Transurban.

For FY10 pay equity data please visit www.transurban.com/sr10/empdata.htm.

NEW FRAMEWORK ACHIEVES REDUCTION IN ABSENTEEISM RATES

We have seen a steady decline in absenteeism (unplanned absences) in FY10 due to the development of an attendance management framework, which was rolled out to all business managers in FY09.

The average number of absent days per employee was 6.09 this year, down from 8.05 in FY09. The greatest decline has been achieved within the CityLink Operations business unit – a decrease from 13.87 days to 8.86 days per employee per year.

REDUCING OUR ANNUAL TURNOVER

In FY10 our voluntary employee turnover rate decreased to 8 per cent – 4 per cent less than in FY09, which brings it significantly closer to the Australian benchmark of 6.42 per cent.⁸

Analysis of the turnover rate found that the majority of resignations were:

- Males (61 per cent)
- Professional/Technical employees (49 per cent), and
- Those aged from 35–45 (51 per cent).

Of these employees, 41 per cent resigned to gain a promotion, seek a career change or found career opportunities too limiting.

The statistics point to a trend in highly skilled employees looking for career advancement, which presents an opportunity for Transurban to explore programs that better cater for up skilling – particularly for the listed demographic.

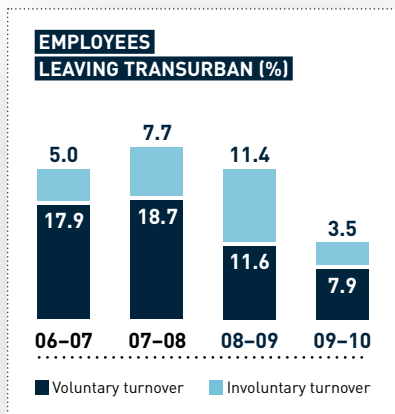
It is anticipated that attracting and retaining quality employees in the engineering and specialist IT roles will continue to be a particular challenge for Transurban in FY11. One initiative currently underway is the introduction of graduate engineer roles to assist in the quest to develop our own experts in engineering.

8. InfoHRM, "National Benchmarking Study", April 2010 – benchmark of publicly listed companies.

EMPLOYEES

Another initiative is an improved learning and development offering, which had been on the agenda for 2010. The program, which has two targeted courses – one dedicated to managers and one for employees – is designed to give employees the tools and know-how to drive their own development and teach managers to create an environment for effective development discussions.

Through the program, which will be formally rolled out in FY11, we hope to offer more opportunities for up skilling.



A NEW WORKPLACE AGREEMENT

Our 2007 Australian Certified Agreement – which covers 37 per cent of Transurban’s workforce – expired on 30 June 2010. Negotiations for a new one, under the *Fair Work Act*, began in March.

Employees voted through the Australian Electoral Commission, with 73 per cent of all voters accepting Transurban’s proposed terms. The Agreement was lodged and subsequently approved by Fair Work Australia.

LISTENING TO OUR EMPLOYEES

Our 2010 Employee Opinion Survey received an 86 per cent response rate. The employee engagement score was 80 per cent – an excellent result that supports the commitment and active contribution that our employees make.

The results also showed that we are outperforming top Australian companies in 16 out of 18 categories in the survey. We performed particularly well in the areas of communication, work/life balance, and organisational change, while learning and development was a key area identified as an opportunity for improvement. As stated previously, a new development program has since been established.

WORKPLACE GIVING REFRESH

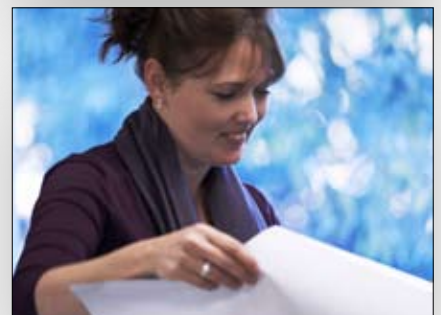
Earlier this year, we started to look at ways to increase employee involvement in TransGiving, our workplace giving program, which enables employees to donate through their regular pay to one or more of our partner charities. Transurban matches these employee contributions dollar for dollar.

Our goal is to have over 30 per cent of all Australian employees participating in the program by the end of 2010 – a 12 per cent increase on the current participation rate.

Through the program, which has been running since 2005, our participating Australian employees have raised more than A\$183,000 for our charity partners, with Transurban matching these donations.

To help ensure that charities we support continue to reflect the interests of our employees, we conducted an internal survey in March 2010 seeking input on the cause areas and specific charities employees wanted to see in TransGiving. The preferred cause areas were:

- Mental illness and depression
- Cancer and major diseases
- Children’s illnesses
- Disadvantaged children
- Animal welfare, and
- The environment.



A TransGiving Working Group, made up of volunteer employees from across the business, was set up to determine a final list of charity partners based on the results of the survey and specific selection criteria agreed upon by the group.

The Working Group recommended retaining our five existing charity partners and adding three new organisations (listed first below) to the mix:

- Lifeline
- Animal Welfare League Australia
- The Thin Green Line
- Redkite
- The Smith Family
- Peter MacCallum Cancer Foundation
- Very Special Kids, and
- WWF – Australia.

In our company's Sustainability Framework, the 'Marketplace' pillar covers our key external stakeholders – customers, suppliers, contractors and joint venture partners, government, industry and investors.

MAKING OUR ROADS SAFE FOR CUSTOMERS

Safety on our roads – and in our offices – is our first priority. On our majority-owned assets we regularly track our safety performance to identify trends and areas for improvement. See collision indexes below.

On the roads we manage, we had no fatalities during the reporting period. However, on 20 September 2010 during the assurance of this report, there was one fatality on CityLink involving a collision between a truck and a car.

In FY10, we undertook a range of safety initiatives on our assets and projects:

ADDRESSING SAFETY ON M1-CITYLINK UPGRADE

In FY10, Transurban and the Victorian Government continued to work together on the M1-CityLink Upgrade, which extends 75 kilometres over the Monash-CityLink-West Gate corridor.

The upgrade is bringing major changes to the way motorists experience travel in the corridor. This includes new interchanges, additional lanes and a freeway management system regulating traffic flow.

The major traffic changes associated with a project of this size have had an impact on our three-year collision index for CityLink, which has increased since February 2010 (see CityLink collision indexes below). Because the three year index consists of about 2.5 years of construction, it is not unexpected to see an increase in minor collisions due to temporary traffic management arrangements, temporary line marking, lane closures and changed conditions. Despite an increase in the number of total collisions, the number of incidents resulting in injuries has continued the downward trend. Once the project is completed and motorists are more familiar with the new road layout we expect the collision index to return to normal levels.

This year we have also undertaken several initiatives designed to educate motorists on the M1-CityLink changes and maintain safety on the road. This included targeted advertising campaigns, "virtual drive" tools to assist with familiarisation, and the introduction of new signs on the Bolte Bridge and West Gate Freeway. For further information see **Educating employees on M1-CityLink Upgrade** on the opposite page.

REDUCING 'DISTRACTED DRIVING'

Transurban-Fluor and motoring body AAA Mid-Atlantic have collaborated on a major safety campaign to reduce distracted driving in the Capital Beltway (I-495) HOT lanes construction zone.

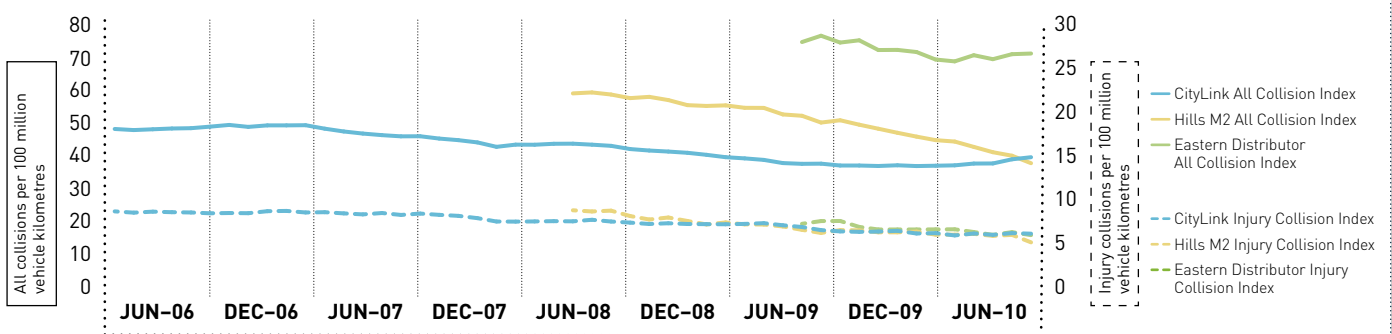


The "Orange Cones. No Phones." campaign was launched in September 2009 after a survey by the campaign partners revealed frequent, widespread use of cell (mobile) phones in the busy construction zone.

The survey of 1,047 Capital Beltway drivers in Virginia found 56 per cent use their cell phone to make calls or read/write text messages. It also revealed these behaviours are frequent, given that one-third of all Beltway drivers admit to using their cell phones while driving "most times."

From the time of its launch, "Orange Cones. No Phones." received significant media attention and interest from government at all levels. The campaign, which included outreach to area schools and employers, reached more than 8.7 million people.

TRANSURBAN'S COLLISION INDEXES – CITYLINK^a, HILLS M2^b AND EASTERN DISTRIBUTOR^b



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

b A two-year rolling average is used. Our aim is to report a three year rolling average in the future when we have a longer history of collision data.

MARKETPLACE

It also won two major national safety awards (see **Transurban in FY10 – Awards and Achievements** section).

In addition to Transurban-Fluor and AAA, the Virginia Department of Transportation, Federal Highway Administration, Virginia State Police, Fairfax County and Fairfax County Police were partners in the campaign.

UPGRADING M2 SYSTEMS

Some of the systems central to Hills M2's operation were improved to make using the road a safer and smoother experience for customers. This included upgrading:

- The Epping Tunnel's control systems, including equipment controlling emergency communications, lighting, exhaust fans, and fire deluge and sprinkler equipment, and
- The road's traffic management system, including a new traffic control system and an extension of CCTV coverage to cover close to 100 per cent of the motorway.

The M2 roadway is also being resurfaced as part of the Upgrade works.

The improved systems will help support planned increases to the M2's capacity.

PARTNERING WITH POLICE

Early in the financial year, our Hills M2 operations contractor Transroute Australia joined local police in an exercise designed to improve safety on the road.

The contractor and Hills Local Area Command collaborated on a major breath testing operation that resulted in 20 drink driving charges, six drug related offences and numerous licence and registration infringements.

Hills M2 is continuing to work closely with police on enforcement activity on the motorway, especially during construction activities.

Continued safety efforts on Hills M2 have led to a continuing downward trend in collisions and resulting injuries over time (see the **Hills M2 collision index** on the opposite page).

KEEPING OUR CONTRACTORS SAFE

At the end of June 2010, project employees – including Fluor-Lane and subcontractors – recorded 3,058,113 work hours with one 'Lost Work Day Case'⁹ on the Capital Beltway HOT lanes.

The current Occupational Safety and Health Administration Recordable Incidence Rate on the project remains well below the industry average.

The total number of hours worked without a lost time injury on the Airport Connector Project in Virginia was 102,962 at 30 June, 2010.

Our M1-CityLink Upgrade project team has achieved a total of 790,201 man hours without a lost-time injury¹⁰ since construction began in July 2007.

PROVIDING BETTER SERVICE

Transurban has three customer tolling brands – CityLink in Victoria, and Roam and Roam Express in New South Wales.

All three tolling brands set customer service targets based on customer feedback and report their results every six months on their websites.

In FY10, all three brands met or exceeded their customer service targets with the exception of CityLink, which just fell short on one measure. They answered 69 per cent of calls within 30 seconds, instead of the targeted 70 per cent. The call centre – which is outsourced by CityLink – experienced staff shortages at the start of 2010, which impacted the result.

For full year scorecard results visit www.transurban.com/sr10/scorecards.htm.

For more details on our tolling brands' promises, targets and results, go to www.citylink.com.au, www.roam.com.au, or www.roamexpress.com.au.

9. The term 'Lost Work Day Case' means a nonfatal, traumatic injury causing any loss of time from work beyond the day or shift in which it occurred – or a job-related nonfatal, nontraumatic illness/disease that causes disability at any time.

10. Lost-time injury' means an injury incident that results in a fatality, permanent disability or time lost from work of one day/shift or more.



Some of our FY10 customer service initiatives included:

EDUCATING EMPLOYEES ON M1-CITYLINK UPGRADE

This year we ran an intensive education campaign to give our customer service staff the knowledge they need to help motorists adjust to the changed conditions in the M1-CityLink Upgrade corridor. The campaign included:

- More than 20 briefings for internal customer service teams and the call centre
- A driving simulation at our head office, customer centre and call centre
- A bus tour allowing employees to see changes to the corridor first-hand, and
- Educational materials, including fact sheets, brochures and DVDs.

Our internal Customer Resolutions team reported a relatively small number of M1-CityLink complaints in FY10. Most months the figures were in the single digits – a small amount considering the changed conditions and high traffic volume in the corridor (about 160,000 vehicles per day).

IMPROVING SIGNS ON BOLTE BRIDGE AND WEST GATE FREEWAY

In May 2010, new signs were installed on CityLink's Bolte Bridge and the adjoining West Gate Freeway to give drivers clearer directions to the city and Melbourne Airport, and help reduce morning-peak congestion on the bridge.

VicRoads and CityLink decided to replace the signs after reviewing the operation of the new interchange between the Bolte Bridge and the West Gate Freeway. The

interchange is part of the M1-CityLink Upgrade project.

IMPROVING CUSTOMER COMMUNICATION ON POCAHONTAS 895

In FY10 Pocahontas 895 worked to improve customer communications to make the unpaid toll collection process more transparent and easier to understand.

All invoices and notification letters were completely redone, and several new letters were developed for first-time offenders. The new invoices and letters lay out the unpaid toll collection process in plain, simple language, and offer multiple ways to contact the Pocahontas 895 office for more information.

In addition, a Customer Charter was developed to highlight our customer-centered approach. This charter can be found in several prominent spots on the Pocahontas 895 website.

SUPPORTING 'GOOD GOVERNMENT' ADVOCACY/LOBBYING

In Australia and the US, Transurban has regular contact with state and federal government on issues affecting our industry or our business.

In FY10, our discussions in Australia covered road upgrade projects in Victoria and New South Wales, urban transport planning in the cities in which we operate, and policy considerations surrounding road pricing in Australia.

We are also involved in several industry groups in Australia with an interest in roads and transport. This includes peak body Infrastructure Partnerships Australia (IPA), which advocates for strong government-private sector partnerships to help meet the country's infrastructure challenges. Transurban CEO Chris Lynch was appointed to the IPA's board in July 2009.

In the US, lobbying at the state level included advocacy and education on legislative issues that could impact our development, construction and operations activities there. Proposals with potential impacts – but which did not proceed – included a prohibition on HOT lanes, new design requirements for road shoulders, new minimum speed

requirements for HOT lanes, and caps on penalties for toll road violators.

At the federal level in the US, Transurban lobbied for increased budget authority for the Transportation Infrastructure Financing and Innovation Act (TIFIA), a credit assistance program supporting Public Private Partnerships (PPPs). We were also focused on education surrounding new proposed regulations to PPPs and tolling.

POLITICAL DONATIONS

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.

Transurban does not make outright political donations. Our contributions result from payment to attend fundraising events.

In Australia, Transurban paid A\$33,808.35 to attend political fundraising events during the year. In the US, we paid a total of US\$20,000.00 for such events in FY10.

ENGAGING WITH OUR INVESTORS

PROPOSALS TO ACQUIRE TRANSURBAN

During FY10, the Transurban Board received three proposals to acquire control of Transurban.

The first proposal to acquire the company through a Scheme of Arrangement was announced in November 2009. It came from two of our largest security holders at the time – the Canada Pension Plan Investment Board (CPPIB) and the Ontario Teachers' Pension Plan (OTPP). In May 2010, we received two further proposals, also presented as Schemes of Arrangement, by CPPIB, OTPP and CP2 Limited – another investor with a substantial holding in Transurban.

All three offers were rejected by the Transurban Board on the grounds that

they did not represent adequate value or certainty for Transurban security holders.

This decision and the rationale behind it were communicated in three separate letters from the Chairman to security holders during the period, and the key events were covered in releases posted on both the ASX and Transurban websites throughout the period.

EXECUTIVE REMUNERATION/AGM

At our 2009 Annual General Meeting, security holders voted to pass our Remuneration Report – but it did draw some criticism, including from the Australian Shareholders Association.

At the time, corporate remuneration was a topical issue in the media, with a number of companies under scrutiny over executive salaries.

Critics of our remuneration report were concerned about matters including long-term incentives paid to senior executives being based on Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), rather than security holder returns.

The Board has reviewed key aspects of the remuneration of senior executives, taking into account feedback received from security holders on the 2009 Remuneration Report.

As a result, several components of remuneration have been changed. This includes ensuring the report is written in "plain English" to explain our remuneration principles and to help security holders understand the new remuneration structure.

BOARD COMPOSITION

In FY10, our Board discussed its composition and acknowledged the need for greater diversity, particularly the representation of women. The Chairman has confirmed that the Board will focus on this as part of the ongoing Board renewal process.

The business has started work on a diversity policy and will present a draft to our Board in FY11. The policy addresses the ASX Corporate Governance Principles concerning diversity.

Early into FY11, Board Chairman David Ryan resigned and a new Chairman – Lindsay Maxsted – was appointed.

COMMUNITIES

As a long-term owner-operator we are committed to understanding and managing our impacts on society, and supporting the communities in which we operate.

Throughout the life of our concessions – often decades in length – we work with communities to understand how our business affects them, enhancing positive aspects and minimising negative impacts as much as possible.

In FY10 we contributed more than A\$454,000 to communities through donations, sponsorships, in-kind support and volunteering. We have contributed more than this through some in-kind activities which are difficult to track. In FY11 we will work to develop systems to capture and report these contributions.

ENHANCING COMMUNITY LIFE

CITYLINK NEIGHBOURHOOD CONNECTIONS – BRINGING COMMUNITIES TOGETHER

In FY10 we launched a new community program in Melbourne – CityLink Neighbourhood Connections.

The program is designed to help the communities of Melbourne, Moonee Valley, Moreland and Hume form connections with each other and with the Moonee Ponds Creek, which winds through their neighbourhoods and runs adjacent to CityLink.

The program also provides opportunities for Transurban staff to work with community members on initiatives to improve the surrounding environment of the creek.

Since its inception, the program has delivered more than 25 community events, including school and community educational days, culture workshops, clean-up days and walking groups. This year, more than 6000 plants were planted through the program's CityLink Planting Days.

The events have drawn in almost 2000 participants, generating A\$47,000 worth of volunteer time and attracting A\$9,005 worth of government grants.

Through the program, more than 55 government and community partnerships have been formed to create a coordinated approach to delivering educational and culturally diverse activities.

CityLink Neighbourhood Connections is managed by Transurban contractor and community and environmental champion Bronwyn Riddell, who recently won a Kookaburra Multicultural Award from Parks Victoria for her work in the local community.

CITYLINK CROSSINGS – COMMUNITY ART TO IMPROVE POPULAR CREEK TRAIL

In late FY09, CityLink and Moonee Valley City Council formed a unique partnership to improve the state of a popular creek trail. Work on the program, called CityLink Crossings, began in FY10.

The inner tunnel walls of the Evans Street underpass at Moonee Ponds were jointly identified as a section of CityLink's infrastructure that required urgent attention, given it was a popular target for vandals. The trail is used by local cyclists and pedestrians on a daily basis and plays an integral part in daily community life.

Melbourne-based studio Everfresh, a well-respected collective within the street-art culture, was selected to spray paint the urban canvas. They began in early 2010.

Everfresh drew inspiration from the creek and its rich indigenous history, depicting a dual theme of land and water.

Their work, highly recognisable in iconic Melbourne locations, was well received by locals and CityLink stakeholders.

In line with the project's objectives, the completed work acknowledges Moonee Ponds' heritage while giving local residents something appealing to view as they use the track.

This is the fifth community art project we have undertaken with Moonee Valley since 2006 to engage with our neighbours and improve the local environment.



LINKTRACK SET TO IMPROVE DEVLINS CREEK SURROUNDINGS

In FY10, we completed stage three of the Beecroft-Cheltenham LinkTrack – a project to improve walking tracks in the reserves around Sydney's Devlins Creek area adjacent to the M2.

Through the project – part of our Devlins Creek Local Connections program, now in its third year – we reached our objective of completing 150 metres of walking track upgrades and constructing an additional 225 metres of new tracks.

New, specially designed interpretative track markers were installed to guide walkers and educate them about the area's history and natural environment.

As part of the project, Hornsby Shire Council bush care officers developed an online resident survey, completed in March 2010, to determine the value of the local reserves to residents. The survey found that 100 per cent of the 92 respondents visit the reserves several times a week.

COMMUNITIES



CAPITAL BELTWAY COMMUNITY GRANT PROGRAM

Along with our project partner, Fluor, we launched a grant program in May 2009. The program offers annual grants of up to US\$5,000 for non-profit organisations along the Capital Beltway HOT lanes corridor – especially those affected by construction.

Through the program we hope to improve the environment, amenity, economic development and wellbeing of communities in the area.

Since the program's inception, we've distributed over US\$57,750 to 19 organisations in the HOT lanes corridor.

Examples of grant recipients include:

- Annandale Christian Community for Action (ACCA Inc.) – childcare program for the organisation, which is a coalition of 26 churches providing developmental childcare and scholarships for children of low-income families.
- George Mason University (GMU) Office of Sustainability and Fairfax County Restoration Project: "Mason Organic Vegetable Garden" – development of

an organic vegetable garden at GMU to provide food for campus dining, local food banks, a Mason farmers market and a community-supported agriculture program. The program is intended to foster sustainable urban agriculture education and pave the way for a sustainable food system at GMU.

- The Court of Camelot, Inc: "Camelot Community Patrol" – Neighbourhood safety patrol established by residents, under the guidance and supervision of the Mason District Crime Prevention Police Officer. Program benefits more than 500 homes and has a view to expand.
- Fairfax County Advocates for Bicycling – Part of the greater Washington, DC area bicyclist advocates group, which is focused on bike and pedestrian issues in the Fairfax County area. Grant provided bike lights for low-income workers whom depend on their bikes to travel to and from work.

Transurban also sponsored the region's 2010 Bike to Work Day, which was organised by local area governments and the Metropolitan Washington Council of Governments. Our support for this event – a major initiative of our Capital Beltway community engagement program – aligns with our corporate sustainability goals and commitment to regional mobility.

More information on the grant program can be found at <http://www.virginiahotlanes.com/grants/>.

GIVING BACK TO THE COMMUNITY FIFTH RUN FOR THE KIDS DRAWS RECORD NUMBERS

In FY10, as part of our commitment to linking communities, we again partnered with major Melbourne metropolitan newspaper The Herald Sun to deliver Run for the Kids – now in its fifth year.

The fun run, held on Sunday 14 March 2010, brought together more than 30,000 people and raised A\$1,050,000 for the Royal Children's Hospital Good Friday Appeal.

A record 363 Transurban employees and their families participated in the event as runners, walkers or volunteers. We contributed more than A\$50,000 in cash and about A\$86,000 as in-kind support.

COMMUNITY ENGAGEMENT DURING CONSTRUCTION

M1-CITYLINK UPGRADE

With construction at its peak in FY10, the Southern Link Upgrade Alliance team was particularly focused on reducing the inconvenience of construction for locals and ensuring their safety.

In one case, it was identified that construction traffic and restrictions to vision would have posed a risk for pedestrians and cyclists on Glenferrie Road (around the Kooyong Tennis Centre and Scotch College). To help protect the safety of locals, the project team, in consultation with Bicycle Victoria, local schools and WorkSafe, introduced a new pedestrian traffic management strategy to the area.

It included the installation of rumble strips (raised lines on the road) to alert drivers about the end terminal of the shared path at Glenferrie Road. Signs were installed to advise pedestrians and cyclists of the works and a 'Caution Vehicles Crossing' sign accompanied flashing amber lights and warning alarms to alert pedestrians and cyclists of approaching vehicles.

Although this treatment is not standard for shared paths, it has been highly effective on roadways, on approaches to bends in a road and at T-intersections.

This innovative approach to traffic management saw the safe and timely arrival of many cyclists and pedestrians to their destination. Tram movement was maintained on schedule and the driving public on Glenferrie Road was managed effectively to minimise delay.

The project team was recognised for their work on Glenferrie Road, receiving The Annual Abigroup Managing Directors Safety Award for 2009.

CAPITAL BELTWAY HOT LANES

Our HOT lanes project team worked closely with the community in FY10 – a year of major construction milestones for the project – through meetings, door knocking and other events designed to keep locals informed about planned construction and project benefits.

Before the additional HOT lanes can be constructed, 58 bridges crossing the Capital Beltway need to be demolished and rebuilt to accommodate the new, wider road. New bridges were constructed at all the major interchanges along the project's corridor, causing challenges and impacts to the traveling public and adjacent communities. Transurban and its partners have worked with stakeholders in these areas to minimise the impacts over the last year through extensive community outreach.

Initiatives have included:

- **159** public meetings and events
- **21,808** targeted direct mail pieces
- **18,676** notices hand delivered via door-to-door outreach
- **13,967** automated phone messages delivered
- **11,789** faxes sent for major construction events, and
- **29,992** emails sent for major construction events (not including weekly updates, which were also used).

On top of communicating upcoming works, the project team has tried to minimise inconvenience by speeding up some of the work in high traffic areas.

In June 2010, demolition of the Capital Beltway bridge over heavily traveled Route 123 in McLean, Virginia, was completed in one weekend, rather than the typical six to eight weeks, minimising noisy construction work and nightly closures for local residents.

HOT LANES SURVEY

Our project team's February 2010 survey of 1,020 Beltway travelers found that 64 per cent have a positive impression of the HOT lanes project, despite highly visible construction impacts.

In addition, a March 2010 *Washington Post* phone poll of more than 1,000 DC metro residents found that 52 per cent believe tolls are a better way to pay for roads than taxes, and 60 per cent were in favor of converting High Occupancy Vehicle (HOV) lanes to HOT lanes.

ENGAGING WITH OUR STAKEHOLDERS

OUR APPROACH

Stakeholder engagement is important to Transurban's reputation and our long-term sustainability.

As a toll road owner and operator with eight assets in two countries, we have a wide range of stakeholders with varying interests. These interests may create opportunities or risks for our business. Our success in understanding and responding to these interests has the potential to influence our ability to do business, our reputation and, ultimately, our long-term sustainability and total security holder return.

Our business management framework reflects the importance of stakeholder engagement – it shows relationships are one of our seven focus areas. By taking a proactive approach to our relationships, we aim to maximise our operational performance and growth opportunities, minimise our risks and enhance our brand value and reputation.

The Transurban values of honesty, integrity, humility and accountability are applied to all of our engagement activities.

TRANSURBAN STAKEHOLDER ENGAGEMENT FRAMEWORK

In FY10 we developed the Transurban Stakeholder Engagement Framework to outline the company's approach to stakeholder engagement based on AccountAbility's leading global principles – the AA1000 Stakeholder Engagement Standard (AA1000SES). While most elements of this framework are already part of everyday business practice at Transurban, it will help create a consistent approach across all of our markets and business activities.

The framework also provides supplementary tools, templates and examples to help our stakeholder relations staff with implementing these stakeholder engagement processes.

The framework has been rolled out across the business. Our aim is for all stakeholder engagement plans to align with the Transurban Stakeholder Engagement Framework by 2012.

STAKEHOLDER ENGAGEMENT STAGES



Transurban Stakeholder Engagement Stages (figure adapted from AA1000SES)

IDENTIFYING STAKEHOLDERS

On an annual basis, Transurban maps its stakeholders. This mapping occurs as part of the formal business planning process and feeds into the respective corporate and asset stakeholder engagement plans. Mapping also occurs as part of any new project planning process.

A list of our stakeholders, their main issues and our response can be found on the opposite page.

PARTICIPATION IN EXTERNAL INITIATIVES

Transurban participates in and supports the following sustainability-related initiatives:

- Carbon Disclosure Project
- Global Reporting Initiative, and
- United Nations Global Compact.

In Australia we are corporate members of the following industry, business, transport and other groups:

- 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/Sydney Chamber of Commerce.

In the US we are members of the following industry, business, transport and other groups:

- American Road and Transportation Builders Association
- International Bridge, Tunnel and Turnpike Association
- Association for Management and Operation of Transportation Infrastructure Assets
- Women's Transportation Seminar
- Intelligent Transportation Society of Virginia
- Dulles Area Transportation Association
- National Council of State Legislatures
- National Governors Association
- Jefferson Davis Association
- Better Business Bureau of Central Virginia
- Fairfax County Chamber of Commerce
- Arlington County Chamber of Commerce
- Alexandria Chamber of Commerce
- Greater Springfield Chamber of Commerce
- Prince William 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.

ENGAGING WITH OUR STAKEHOLDERS

KEY ISSUES AND ENGAGEMENT ACTIVITIES IN FY10

ISSUE	STAKEHOLDER	KEY ENGAGEMENT ACTIVITIES IN FY10
Congestion and traffic management	Customers Government Alliance partners/ contractors	<ul style="list-style-type: none"> → Working with government and alliance partners on upgrade projects to reduce congestion on existing freeways including M1-CityLink, Hills M2 and the Capital Beltway. → Communicating regularly with communities and motorists via on-road Variable Message Signs, direct mail, meetings and websites to help deliver a safe, efficient travel environment during construction.
Road safety and emergency response	Customers Industry Contractors	<ul style="list-style-type: none"> → Educating customers on need to reduce 'distracted driving' while in Capital Beltway HOT lanes construction zone through "Orange Cones. No Phones" campaign; delivered with collaboration of local traffic authorities. → Partnered with Police on road safety initiatives on the Hills M2 and Eastern Distributor. → Continued "Lock Down That Load" road safety campaign in Victoria and campaign development in New South Wales.
Contributing to communities along our corridors	Communities	<ul style="list-style-type: none"> → Co-sponsored Run for Kids event in Melbourne for fifth year in a row, helping to raise over A\$1 million for Royal Children's Hospital Good Friday Appeal. → Launched Capital Beltway Community Grant Program, which provides annual grants of up to US\$5,000 to non profit groups in communities affected by construction. → Working with local communities on projects such as CityLink Neighbourhood Connection (Melbourne) and Devlins Creek Local Connections (Sydney).
Noise, visual and traffic impacts on local residents during construction	Communities Government	<ul style="list-style-type: none"> → Using several techniques to minimise noise impact of construction activities on Capital Beltway HOT lanes. → Replacing more than 80,000 linear feet of sound walls on HOT lanes project to improve protection for surrounding communities. → Started consultation with residents most affected by potential noise in the M2 Upgrade's proposed construction zone; maintaining dedicated website to inform community and other stakeholders of project activity.
Employee engagement	Employees	<ul style="list-style-type: none"> → Conducted annual employee opinion survey, which revealed an employee engagement (commitment and active contribution) score of 80 per cent. → Completed a pay equity audit focusing on gender; results under review in FY11. → Developed an expanded learning and development program for roll out in FY11. → Extended parental leave provisions in Australia. → Reviewed and expanded our workplace giving program in FY10 and early FY11; our Australian employees can now choose to donate to any of eight charities in program, with Transurban matching contributions dollar for dollar.
Workplace safety	Employees	<ul style="list-style-type: none"> → Continued a targeted Occupational Health and Safety campaign started in FY09 to reduce Lost Time Injuries in our Australian offices; at year end, injuries had almost halved since launch. → Started preparations to achieve Australian Standard 4801 safety accreditation for our business; review process taking place in FY11.

ENGAGING WITH OUR STAKEHOLDERS

KEY ISSUES AND ENGAGEMENT ACTIVITIES IN FY10 (CONTINUED)

ISSUE	STAKEHOLDER	KEY ENGAGEMENT ACTIVITIES IN FY10
Environmental impacts from construction	Communities Government Contractors/partners	<ul style="list-style-type: none"> → Started community engagement process for M2 Upgrade, with stakeholders and residents encouraged to provide feedback during Environmental Assessment consultation period. → Joined coalition of government and community stakeholders looking at reforestation and landscaping in Capital Beltway HOT lanes corridor; supported group with two community grants this year. → Increased oversight and independent audits of our contractor's environmental controls on HOT lanes project.
Climate change impacts	Employees Board Executive/management	<ul style="list-style-type: none"> → Developed a formal Climate Change Strategy that articulates our key issues for Board, management and employees. → Commissioned infrastructure risk assessment of climate change on CityLink.
GHG emissions from customer travel	Industry Government	<ul style="list-style-type: none"> → Began exploring ways to reduce impact of GHG emissions from heavy vehicles in our capacity as a foundation partner to EcoStation, a joint government-industry initiative in Victoria.
Reducing energy use and waste in operations	Government Customers Employees Communities	<ul style="list-style-type: none"> → Implemented recommendations of FY09 waste audit of our majority-owned assets in Australia (CityLink, Hills M2, Eastern Distributor); included increasing recycling of roadside waste on Eastern Distributor. → Educating customers on environmental impact of littering on roads. → Worked with EPA in Victoria to have our Waste Discharge Licence revised to allow us to operate Domain Tunnel ventilation systems under a new regime; change will significantly – and safely – reduce annual GHG emissions on CityLink.
Corporate governance	Investors	<ul style="list-style-type: none"> → Responded to investor criticism of Remuneration Report at 2009 AGM; Board reviewed key aspects of executive remuneration and changed several components.

TRANSURBAN'S COMMITMENTS

PROGRESS ON COMMITMENTS FROM FY10

In FY10 we completed 70 per cent of the commitments that we set in FY09 (which includes ongoing commitments). 21 per cent are currently in progress and 9 per cent were not started but are planned for FY11. Those that were not started in FY10 are planned for FY11.

2009–10 COMMITMENT STATUS

COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	STATUS	COMMENTS
Roll out the Supplier Code of Practice (SCoP) to our top 15 Australian suppliers (based on criteria such as dollar spend, risk and business materiality).	Australia	Marketplace	Completed	Since September 2009, the SCoP has been rolled out to all new suppliers, ten of which were our top suppliers. Existing suppliers are also now required to abide by the SCoP, which is published in the Governance section of our website (www.transurban.com).
Conduct an industry based campaign in Victoria and New South Wales to 'Lock Down that Load'.	Australia	Marketplace	Completed	See Stakeholder Engagement section
Develop a strategy and plan to address bicycle safety on Transurban's motorways in New South Wales.	Australia	Marketplace	In progress	In FY10 we highlighted concerns regarding the safety of cyclists on motorways through a submission to the New South Wales Parliament's Joint Standing Committee on Road User Safety (StaySafe) and through direct correspondence with the Minister for Roads at the request of the Board. A strategy to incrementally improve the safety of cyclists is under development.
Conduct desktop emergency management exercises on Pocahontas 895 and the Capital Beltway HOT lanes project.	US	Marketplace	Completed	
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.	US	Marketplace	Completed	
Conduct an awareness campaign on driving distractions during Capital Beltway HOT lanes construction.	US	Marketplace	Completed	See Marketplace section
Review on-road and off-road signage and traffic systems to reduce congestion and improve communication of incidents or adverse road conditions to customers.	Australia	Marketplace	Completed	See Marketplace section
Conduct a program to educate customer service employees on the changes associated with the M1-CityLink Upgrade project.	Australia	Marketplace	Completed	See Marketplace section
Promote the options of using e-statements and e-alerts to our CityLink consumer customer base to reduce paper consumption.	Australia	Marketplace	In progress	This was a commitment from 2009. The promotion of e-statements is still in progress as we improve our website and back-end tolling customer systems.
Encourage Roam customers to move to online statements.	Australia	Marketplace	Completed	See Environment section

TRANSURBAN'S COMMITMENTS

2009–10 COMMITMENT STATUS (CONTINUED)

COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	STATUS	COMMENTS
Enhance the Roam online payment tool for Westlink M7 toll notices to enable customers to pay multiple notices in one transaction.	Australia	Marketplace	Completed	
Encourage Roam Express customers to mount tags correctly and keep their accounts in working order through Variable Message Signs on the road and website banners.	Australia	Marketplace	Completed	
Develop a formal strategy for Transurban's community involvement to complement the Community Relations Framework.	Australia	Communities	Not started	This will be completed in FY11
Measure, monitor and assess our stakeholder engagement performance in line with the AccountAbility AA1000 Stakeholder Engagement Standard.	Australia	Communities	In progress	A Stakeholder Engagement Framework has been developed in line with the AA1000 SES. The framework has been rolled out across the business. Our aim is for all stakeholder engagement plans to align with the Transurban Stakeholder Engagement Framework by 2012.
Conduct an independent stakeholder research and engagement review for Australian stakeholders.	Australia	Communities	Not started	We have postponed this research. In FY10 we focused on developing a Stakeholder Engagement Framework in line with AccountAbility's AA1000 Stakeholder Engagement Standard.
Continue to promote bushcare activities and public access to urban nature reserves in our New South Wales asset corridors.	Australia	Communities	Ongoing	See Communities section
Continue to support programs connecting the diverse communities in which we operate with the local environment.	Global	Communities	Ongoing	See Communities section
Successfully negotiate a new Transurban Workplace Agreement.	Australia	Employees	Completed	See Employees section
Achieve AS/NZS 4801 Certification for our health and safety management system.	Australia	Employees	In progress	A pre-audit was completed in FY10. The full audit is expected to be completed in early FY11.
Relaunch our employee share plan.	Australia	Employees	Completed	
Undertake an equity pay review.	Australia	Employees	Completed	See Employee section
Explore options to advance women in leadership.	Australia	Employees	Ongoing	See Employee section
Develop plans for a workplace giving program for North American employees.	US	Employees	Completed	A workplace giving program was not established because US tax laws differ to Australian laws. Instead a system to notify employees of volunteer opportunities and charitable donation opportunities was developed.
Formally introduce workplace flexibility policies and procedures in our US offices.	US	Employees	Completed	
Complete a formal Climate Change Strategy and conduct a risk assessment on the physical impacts of climate change on CityLink infrastructure.	Global	Environment	Completed	See Environment section

TRANSURBAN'S COMMITMENTS

2009–10 COMMITMENT STATUS (CONTINUED)

COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	STATUS	COMMENTS
Develop action plans in response to the waste audit review conducted in FY09.	Australia	Environment	Completed	See Environment section
Investigate the installation of new in-tunnel air quality monitoring equipment to allow us to capture NO ₂ data and the installation of smart meters in the CityLink tunnels to better understand energy usage.	Australia	Environment	In progress	An operational assessment on the number of monitors required has been completed. A draft business case is being developed to progress this project.
Update the Transurban Environment Strategy to align with the Sustainability Framework and Environment & Sustainability chapter of the Transurban Infrastructure Governance Framework.	Australia	Environment	In progress	Planned for FY11
Participate in a regional reforestation task force and determine what Transurban can do to offset the impact of removing trees surrounding the Capital Beltway HOT lanes project.	US	Environment	Completed	See Stakeholder Engagement section
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.	Australia	Environment	Completed	Work to increase the percentage of green stationery is underway. Through our Sustainable Purchasing Policy, external printing suppliers are now required to meet environmental criteria covered within this policy.
Develop an internal communications program to promote recycling.	Australia	Environment	Not started	Planned for FY11
Reduce paper or packaging waste through a range of initiatives.	Australia	Environment	Completed	See Environment section
Set feasible GHG emissions reduction targets for Australian road assets for which baseline performance data has been established.	Australia	Environment	In progress	GHG emissions targets have been set for CityLink and Transurban offices. We are continuing to work on setting new targets for these and other assets. In the case of Hills M2, we are waiting until after construction of the upgrade because it will involve a new lighting system for the tunnel, which is the largest source of emissions.

TRANSURBAN'S COMMITMENTS

NEW COMMITMENTS FOR FY11

In FY11 we will continue to develop the processes we have in place to improve our performance across all four pillars of sustainability. Our continued focus on these processes enables us to further embed sustainability into our everyday business practices. The systems and processes we have in place include:

- Transurban Sustainability Framework
- Environmental Management System and Infrastructure Governance Framework
- Risk management systems
- OHS systems and procedures
- On-road safety systems
- Sustainable procurement procedures
- Transurban Stakeholder Engagement Framework including community and government relations
- Customer service charters and customer scorecards
- Corporate governance processes, and
- Employee programs.

2010–11 COMMITMENTS

COMMITMENT	LOCATION	SUSTAINABILITY PILLAR
Roll out climate change strategy and develop action plans arising from the strategy.	Global	Environment
Continue to refine and set further GHG emissions reduction targets for Australian road assets for which baseline performance data has been established.	Australia	Environment
Upgrade tunnel air quality monitoring equipment on CityLink to enable a greater range of data to be captured.	Australia – CityLink	Environment
Conduct an assessment of in-tunnel air quality data across our road assets to set internal benchmarking standards and inform any future public or statutory debate.	Australia	Environment
Update the Transurban Environment Strategy to align with the Sustainability Framework and Environment & Sustainability chapter of the Transurban Infrastructure Governance Framework.	Global	Environment
Implement changes to the groundwater recycling facility on CityLink to enable the use of more recycled water to operate the facility.	Australia – CityLink	Environment
Work with the Fairfax County Restoration Committee to identify potential landscaping opportunities along the Capital Beltway HOT lanes corridor.	US	Environment
Develop an internal communications program to improve recycling rates in our offices.	Australia	Environment
Achieve formal accreditation of our OHS systems against the Australian standard (AS 4801).	Australia	Employees
Continue to explore options to advance women in leadership.	Global	Employees
Continue to develop Good Company Group activities around community engagement, sports & recreation, and green office for US employees.	US	Employees
Roll out the Manager's Essentials training program for Transurban managers to develop future leadership capabilities.	Australia	Employees
Adopt a Diversity Policy with set objectives to help our business become an early adopter of the ASX Corporate Governance Principles on diversity.	Australia	Employees
Engage with key stakeholders about the potential impacts of climate change on driver behaviour.	Australia	Marketplace/Environment
Develop an education program for customers about eco-driving and fuel efficiency.	Australia	Marketplace/Environment
Continue to develop new options for our customers to receive e-statements and e-alerts to reduce paper consumption.	Australia	Marketplace

TRANSURBAN'S COMMITMENTS

2010–11 COMMITMENTS (CONTINUED)

COMMITMENT	LOCATION	SUSTAINABILITY PILLAR
Develop an education program for customers about eco-driving and fuel efficiency.	Australia	Marketplace/Environment
Continue to develop new options for our customers to receive e-statements and e-alerts to reduce paper consumption.	Australia	Marketplace
Continue to actively engage with local communities about the potential impacts of construction activities on the Capital Beltway HOT lanes and M2 Upgrade projects.	Global	Marketplace
Develop a "My Commute" website for CityLink that compares travel times and GHG emissions savings for alternative travel routes in Melbourne.	Australia	Marketplace
Develop a company-wide strategy for Transurban's community involvement.	Global	Community
Ensure corporate and asset level annual stakeholder engagement plans align with Transurban's Stakeholder Engagement Framework.	Global	Communities
Perform bi-annual tracking research on the Capital Beltway HOT lanes project to identify emerging community issues and concerns.	US	Community
Implement a corporate membership program to facilitate engagement in the community.	US	Community
Support employees in securing and maintaining leadership roles in community organisations to promote Transurban engagement in communities in which we operate.	US	Community/Employees

