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sustainability report
2008

Our sustainability report

Transurban's third Sustainability Report includes a full online version as well as this printed summary.

Both cover the period from 1 July 2007 to 30 June 2008 and outline our major initiatives in our four pillars of sustainability: Environment, Employees, Customers and Community.

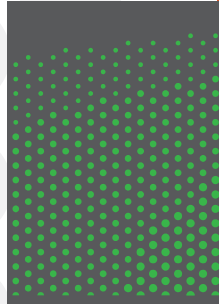
Our full online version of the 2008 Sustainability Report has been Global Reporting Initiative (GRI) checked and meets the content and quality requirements of GRI G3 Application Level A+.

Visit www.transurban.com to view the full report.



All currencies are expressed in Australian dollars unless otherwise stated.

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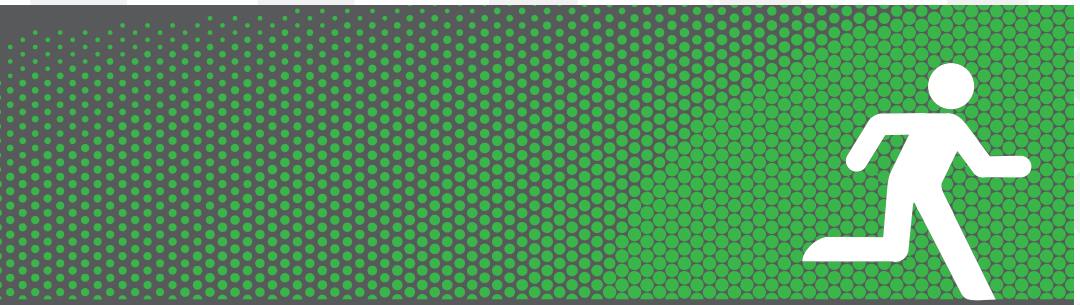
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We welcome your feedback
on this summary report.



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This brochure was printed by Fishprint, a carbon-neutral printer,
on Re-Art Gloss100% recycled paper with waterless offset printing with
non-GM soy ink and using 100% accredited Greenpower.

sustainability report 2008



Our cover reflects the new stencil design applied to the walls of Transurban's tunnels in Melbourne—part of a project which won the Australian Government's National Safer Communities Award in November 2008.

The \$11.7 million CityLink Tunnel Safety Project included an innovative colour scheme, new lighting and life size safety symbols that highlighted emergency exit doorways and directional signage.

Chairman's message

Towards a sustainable future



David Ryan AO
Chairman

At an investor briefing last year, a Transurban security holder asked me to explain our commitment to sustainability. I gave an answer from the heart—I believe in sustainability because I am the father of twins, aged eight and I want them to grow up in a world that is worth living in.

It was an answer that seemed to satisfy the woman who asked it. But I could have gone on to give her an answer from the head as well. Here's what I would have said.

Like any business, Transurban has a responsibility to generate returns for the people who own it. Of course we have wider responsibilities to the communities we serve and to society as a whole. It is through our commitment to sustainability and ethical business practices that we reconcile these different responsibilities.

I will try to explain what I mean by examining three questions: What is sustainability? What does a sustainable company look like? And what is the business case for it at Transurban?

The most commonly accepted definition of sustainability is "development that meets the needs of the present without compromising the ability of future generations to meet their needs".

A sustainable company is one that runs its business in ways that avoid compromising that ability. A company that is committed to understanding its impacts on society and the environment and to enhancing them. A company that is honest and open in its governance, in its relationships with stakeholders and in the way it manages its impacts.

The business case at Transurban lies in the nature of our business. As a toll road operator, Transurban delivers infrastructure and services traditionally provided by the public sector. We charge for something that governments seemingly provide free of charge—or free at the point of use. That is one of the reasons our customers and the communities we serve expect high standards from us.

New road concessions are awarded by governments. And governments are acutely sensitive to what customers and communities say about the companies competing for those concessions. Sustainability makes good business sense because it helps us manage risks in our existing operations and makes us more competitive in winning new concessions.

Another way of thinking about sustainability at Transurban therefore is as a strategy to align our business with the long-term interests of our stakeholders. Without their lasting support, we will not have a business.



David Ryan AO
Chairman

About Transurban

Transurban is an international toll road developer and manager with assets in Australia and the United States. We aim to create innovative and sustainable transport solutions for people and businesses.

- ▶ Transurban is listed on the Australian Securities Exchange (ASX), where it is ranked within the Top 50 companies.
- ▶ At the date of this report, Transurban had interests in seven roads in Australia and the US. They are CityLink in Melbourne, Hills M2, Westlink M7, Eastern Distributor, M4 and M5 in Sydney and Pocahontas 895 in Richmond, Virginia.
- ▶ In December 2007, Transurban reached financial close on a project in Virginia that involves creating High Occupancy Toll (HOT) Lanes on a section of the Capital Beltway (I-495)—the ring road around Washington, DC.
- ▶ Transurban manages three customer tolling brands in Australia—CityLink, Roam and Roam Express.
- ▶ Our head office is in Melbourne, Australia with other offices in Sydney, New York, the Washington DC area, and Richmond, Virginia. In FY08, we opened an office in Atlanta, Georgia, another heavily congested region of the US.
- ▶ We employ more than 700 people and have more than five million account and non-account customers globally.
- ▶ The principal entities within Transurban Group are Transurban Holdings Limited, Transurban Holdings Trust and Transurban International Limited. Transurban Limited is a subsidiary of Transurban Holdings Limited.

CEO's introduction

A focus on safety and climate change



Chris Lynch
CEO

Welcome to Transurban's third Sustainability Report which covers Financial Year 2008.

Our sustainability highlights for the year reflect a renewed focus on the safety of our customers and our employees—our number one priority.

Another important focus for the year was climate change. Our aim in this was to complete the development of a formal policy with Group-wide targets for reductions in our Greenhouse Gas (GHG) emissions. That aim proved to be ambitious as we worked to integrate three new assets in Sydney into our toll road investment portfolio and dealt with the significant demands of our growing business in the US.

The formal climate change policy is therefore still a work in progress. However, we do have externally verified figures on our existing emissions. Together with our operational contractors, we will be able to meet the requirements of Australia's National Greenhouse and Energy Reporting System, known as NGERs. Based on Government announcements, we will not be required to participate in Australia's planned carbon emission trading scheme as our direct GHG emissions are well below the scheme's threshold levels.

In our home market of Australia, governments and communities are starting to consider the impact of new road projects on GHG emissions. We believe these concerns are more likely to change the kind of vehicles people drive—particularly the fuel sources they rely on—rather than stop people driving. People value personal mobility and the reality is our cities rely on the motor car.

However, we believe road operators like us and our construction partners need to consider what contribution we can make to reducing GHG emissions. We have outlined a way forward on this, based on the concept of 'carbon neutral' toll road development, in our submission to Professor Ross Garnaut's climate change review commissioned by the Australian Government.

In the past few years, our focus has been on introducing programs and initiatives to drive the sustainability agenda and awareness within the business. Financial Year 2008 was largely about consolidation and strengthening those programs.

In the early months of Financial Year 2009, we have started work on further embedding sustainability in the day-to-day management of the business with the Group's new Executive Committee, appointed in August, taking a leadership role.

Our basic thinking about sustainability has not changed. We still believe it is right to be a good corporate citizen that treats its customers and employees well, acts to ensure their safety, cares about the environment and has broad community support. We will therefore continue to focus our programs around the 'four pillars' of our sustainability agenda:

- ▶ Customers
- ▶ Communities
- ▶ Environment
- ▶ Employees

Our new CEO

Chris Lynch became CEO of Transurban in April 2008. He joined the Group from one of the world's largest resources and mining companies, BHP Billiton. He held a series of senior appointments there, including five years as Chief Financial Officer.

His last position at BHP Billiton was Executive Director and Group President-Carbon Steel Materials. He had responsibility across BHP Billiton for Health, Safety and Environment.

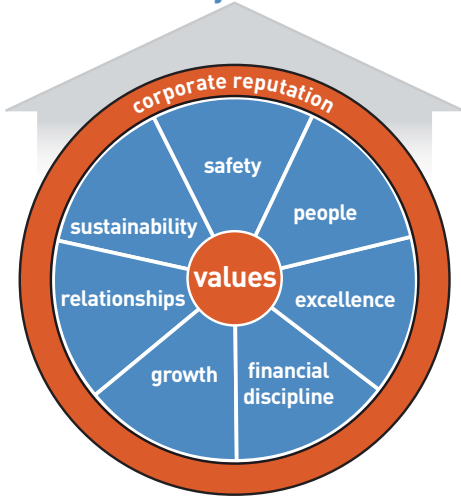
Before joining BHP Billiton, Chris spent most of his career with Alcoa Inc, where he served as Vice President and Chief Information Officer, CFO Europe, Managing Director of KAAL Australia Ltd and in financial leadership roles.

He was a member of the Prime Ministerial Task Group on Emissions Trading, established by the former Australian Prime Minister, Mr John Howard, in December 2006.

CEO's introduction (continued)

A focus on safety and climate change

Total security holder return



Transurban's new business framework

In June 2008, we introduced a new business framework for Transurban, known within the business as 'The Wheel'. It identifies sustainability as one of the key drivers of the Group's corporate reputation and total security holder return.

Members of our Executive Committee now have sustainability as one of their five team accountabilities. They will ensure that specific sustainability targets are included in the performance plans of the managers best placed to achieve them. The in-house Sustainability Team will continue to play an important leadership, advice and reporting role.

These changes are designed to further strengthen our performance on sustainability.

Many people across our business—from the employees who keep our roads safe to the Board members who sit on our Sustainability Committee—contribute to the sustainability agenda at Transurban. Their passion and commitment are excellent.

This year we received external validation for our sustainability performance from the Dow Jones Sustainability Indexes and the Carbon Disclosure Project for the third consecutive year. We look forward to building on these efforts in the coming year.

Chris Lynch
CEO

Financial Year 2008 at a glance

Highlights

- ▶ Completed the **CityLink Tunnel Safety Project**—an \$11.7 million project to enhance safety in the Domain and Burnley tunnels in Melbourne. The project has enhanced the visibility of key safety features in the tunnels, highlighting emergency exits, cross passages between tunnels, emergency telephones and fireboxes.
- ▶ Began developing a **Climate Change Strategy** to help Transurban keep ahead of changing regulations and community views. The aim of the strategy is to better understand and manage the risks and opportunities associated with climate change.
- ▶ Co-sponsored the **Herald Sun-CityLink Run for the Kids** event. More than 27,000 runners and walkers took to Transurban's CityLink in March 2008 to raise money for Melbourne's Royal Children's Hospital. A record number of our employees also took part in the annual event, with 134 either running or walking and another 23 helping as volunteers. This major event raised \$738,941 for the children's hospital—\$200,000 more than last year.
- ▶ Continued to support **integrated transport solutions**, particularly in the US where we are developing two HOT Lane projects which will create more opportunities for carpooling and public transit.
- ▶ Held a **field emergency exercise** on the Hills M2 motorway in Sydney that involved a mock collision between a tanker carrying diesel and a few dozen vehicles, an 80-car traffic jam and an unrelated bushfire nearby. Altogether, about 200 volunteers—many of them Transurban employees and their families and friends—and 100 on-duty emergency officers participated. The exercise was a collaboration with emergency services and the Roads and Traffic Authority in New South Wales.
- ▶ Committed funding to the **Roads to Sustainability program**, a \$75,000 three-year partnership with Sydney Olympic Park. The program pays for about 3,000 students from up to 50 schools in New South Wales to attend hands-on environmental activities at the Park.
- ▶ Introduced **energy saving initiatives** for our corporate offices at 505 Little Collins Street in Melbourne where the majority of our employees are based. These initiatives are expected to reduce energy consumption by 8 per cent over 12 months.
- ▶ Held a waste audit at our head office in 505 Little Collins Street in Melbourne. In response to the audit, a **Waste Management Strategy** was developed which outlines initiatives for reducing, re-using and recycling office and roadside waste from our assets.
- ▶ Collaborated with the Victorian State Government and toll road operator ConnectEast on the '**Share the Road Safely**' campaign to promote safer driving in Melbourne's roads and tunnels.

Achievements

- ▶ Listed in the **Dow Jones Sustainability Indexes (DJSI) World List** of high performing companies in 2006, 2007 and 2008.
- ▶ Included in the **Climate Leaders Index (Australia/New Zealand)** in the Carbon Disclosure Project (CDP) in 2006, 2007 and 2008.
- ▶ **Won Best Early Reporter** category in the Association of Chartered Certified Accountants (ACCA) Australia and New Zealand Awards for Sustainability Reporting 2007.
- ▶ Jointly awarded **Excellence in Virginia Government Public Private Partnership Award** with Virginia Department of Transportation in December 2007.

Sustainability report 2008

Customers

Customer service is a cornerstone of our business. We have more than five million account and non-account customers globally.



Our FY08 highlights

- ▶ Completed the CityLink Tunnel Safety Project—an \$11.7 million project to enhance safety in the Domain and Burnley tunnels in Melbourne. The project has enhanced the visibility of existing key safety features by highlighting emergency exits, cross passages, telephones and fireboxes. In November 2008, it was awarded the National Safer Communities Award, sponsored by the Federal Government agency Emergency Management Australia. We also completed a detailed tunnel safety review on the Eastern Distributor.
- ▶ Held a field emergency exercise on the Hills M2 that involved a mock collision between a tanker carrying diesel and a few dozen vehicles, an 80-car traffic jam and an unrelated bushfire nearby. Altogether, about 200 volunteers—many of them Transurban employees and their families and friends—and 100 on-duty emergency officers participated.
- ▶ Introduced improvements to our CityLink customer service phone line which has increased the caller success rate from 33 per cent to 55 per cent. The Natural Language Speech Recognition system—the voice customers hear when they phone for a CityLink Pass—was reworked so the female voice has clearer diction and scripts.

Our commitments in FY09

- ▶ Introduce interoperable video service for customers to allow casual motorists to travel on all toll roads in Victoria and NSW without tags.
- ▶ Promote the options of using e-statements and e-alerts to our consumer customer base to reduce paper consumption.

Share the Road campaign

Transurban collaborated with the Victorian State Government and EastLink operator ConnectEast on an advertising campaign that encourages motorists to be more courteous and cautious on Melbourne's roads and in its tunnels.

The \$3 million 'Share the Road Safely' campaign, which started in March 2008, included three stages of television, radio, print, online and outdoor advertising. Transurban committed \$750,000 to the campaign.

One series of ads focused specifically on safe driving behaviours in CityLink tunnels.

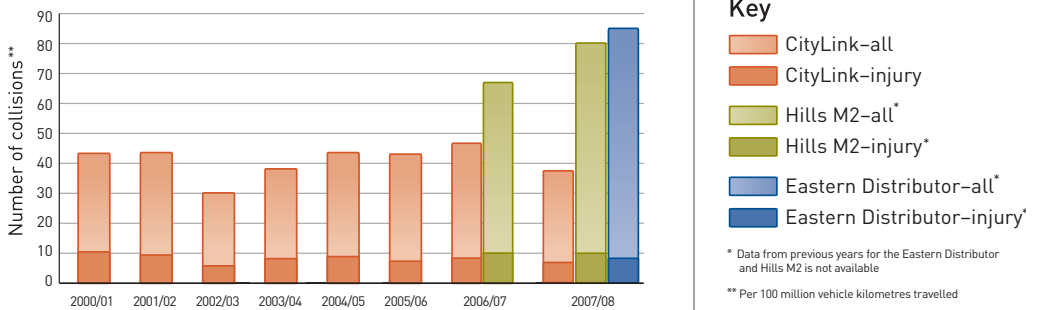
'Share the Road Safely' was evaluated by interviewing more than 500 motorists in a benchmark survey followed by three more rounds post-campaign. The independent survey analysts found:

- ▶ The perceptions of road safety in general remained largely unchanged in the final survey (88 per cent feel 'safe'). However, a slight fall in those feeling unsafe in tunnels and freeways may have indicated that the campaign was beginning to influence driver behaviour.
- ▶ The majority of drivers agreed extra care and tolerance should be taken in tunnels. The belief that 'changing lanes in road tunnels is dangerous' remained high at 79 per cent.
- ▶ The TV ads dominated the campaign in terms of visibility. Almost two in three drivers (59 per cent) who viewed the ads said they would be more considerate on the roads as a result. The overall message of 'drive safely in tunnels' was again the key message received.

Since the campaign, we have introduced signs to 'Avoid Lane Changes' and new lane markings in the two CityLink tunnels to reinforce the campaign safety messages.

Collision Index

We use an internationally recognised index for reporting collision information on our roads. The Collision Index outlines the number of collisions per 100 million vehicle kilometres travelled.



Sustainability report 2008

Communities

Transurban is in business for the long term and we are committed to understanding our impacts on society by engaging with communities.



▲ Public art project

We support a program for at-risk youths in Melbourne to promote their health and well-being, and social connectedness. Through CityLink's partnership with the Napier Street Studios Street Art Project, we help disengaged young people develop their artistic skills and contribute legally to large-scale public art rather than random graffiti.

Our FY08 highlights

- ▶ Contributed around \$600,000 to local communities through partnerships and sponsorships.
- ▶ Conducted in-depth formal stakeholder engagement with 57 organisations in NSW and Victoria including cyclists, governments, local politicians, emergency services, road user groups and transport bodies.
- ▶ In the US, began building relationships with various stakeholders that have an interest in Pocahontas 895 and the Capital Beltway HOT Lanes project.
- ▶ Continued to support integrated transport solutions, particularly in the US where we are developing two HOT Lane projects which will create more opportunities for carpooling and public transit.

Our commitments in FY09

- ▶ Review the methodology for the annual stakeholder engagement process in Australia.
- ▶ Embed our customised software tool TURTle (Transurban Relationship Tracker) as the key process for tracking and managing our stakeholder relationships.
- ▶ Continue to promote bushcare activities and public access to urban nature reserves in our NSW asset corridors.
- ▶ Undertake community consultation on a planned project to upgrade and widen the Hills M2 in collaboration with partners.

Roads to Sustainability ▶

We are funding the Roads to Sustainability program, a \$75,000 three-year partnership with Sydney Olympic Park. The program pays for about 3,000 students from up to 50 schools in New South Wales to attend hands-on environmental activities at the Park.



transurban

SydneyOlympicPark ○



◀ Herald Sun-CityLink Run for the Kids

More than 27,000 runners and walkers took to Transurban's CityLink in March 2008 to raise money for Melbourne's Royal Children's Hospital as part of the Run for the Kids event. A record number of our employees also took part in the annual event, with 134 either running or walking and another 23 helping as volunteers. This major event raised \$738,941 for the hospital—\$200,000 more than last year.

Plant Save on Capital Beltway ▶

Transurban, construction partner Fluor-Lane and the Virginia Department of Transportation have partnered with community group Lands and Waters to relocate native plants from areas along the Capital Beltway. The plants are being moved to local primary schools and private conservation sites in the Northern Virginia region. Since May 2008, teams of volunteers have been working to save thousands of native species along a 23-kilometre/14-mile area.



Sustainability report 2008

Environment

Our FY08 highlights

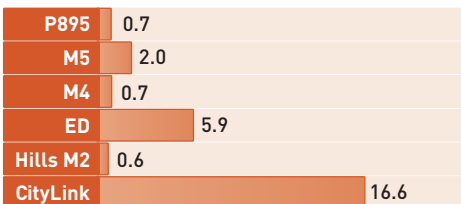
- ▶ Began developing a Climate Change Strategy to keep Transurban ahead of changing regulations and community views. The aim of the strategy is to better understand and manage the risks and opportunities associated with climate change.
- ▶ Developed a draft Sustainable Purchasing Policy to formalise our commitment to buying environmentally preferred products and services.
- ▶ Introduced energy saving initiatives for our corporate offices at 505 Little Collins Street in Melbourne where the majority of our employees are based. These initiatives are expected to reduce energy consumption by 8 per cent over 12 months.
- ▶ Held a waste audit at our head office in 505 Little Collins Street in Melbourne and developed a Waste Management Strategy.
- ▶ Tested the accuracy of our in-house traffic model used to estimate greenhouse gas (GHG) emissions per kilometre along freeflow routes in comparison to alternative routes along arterial roads.

Our commitments in FY09

- ▶ Roll out the Sustainable Purchasing Policy to the business.
- ▶ Set feasible GHG emissions reduction targets for Australian road assets for which baseline performance data had been established.
- ▶ Assess the potential physical impacts on CityLink from changes in climate (for example, increased road maintenance costs from higher temperatures).
- ▶ Conduct waste audits to measure roadside waste from CityLink, Hills M2 and the Eastern Distributor.
- ▶ Develop an internal communications program to reduce office waste and promote recycling.

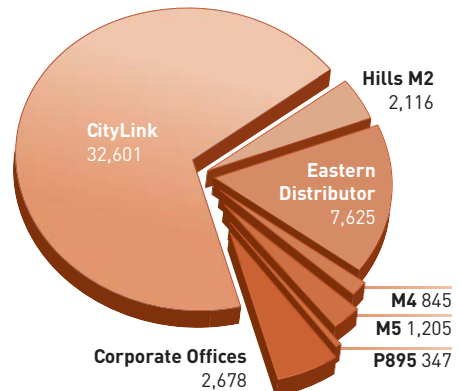
Transurban's potable water use FY08

Million Litres



Transurban's scope 1 and 2 GHG emissions FY08

Tonnes CO₂-e





Southern Link Upgrade

Transurban has set a number of ambitious sustainability targets for its Southern Link Upgrade construction project in Melbourne—including reducing greenhouse gas (GHG) emissions, waste and water from construction works.

Construction on the project in Victoria began in September 2007.

Transurban is responsible for delivering the project, a key part of the \$1.4 billion Monash-CityLink-West Gate upgrade. The project is a partnership with the Victorian Government and will be delivered along with our alliance partners Abigroup and Maunsell AECOM.

The upgrade includes the construction of an additional operating lane in each direction from the eastern Burnley and Domain tunnel portals, to where CityLink joins the Monash Freeway just east of Glenferrie Road.

Carbon neutrality

During construction the project team will track GHG emissions and reduce these where possible. Remaining emissions will be offset once the project is complete.

The project team has developed a comprehensive GHG emissions tracking program to calculate the emissions associated with the project's construction activities. Tracking undertaken since construction began shows that the majority of emissions are generated from the manufacture of construction materials such as concrete, asphalt and steel.

The project team has implemented a number of initiatives to reduce the project's GHG emissions. These include:

- ▶ purchasing construction materials with an increased recycled content such as 100 per cent recycled steel reinforcement and 10 to 30 per cent recycled asphalt pavement
- ▶ purchase of green power for the project office, and
- ▶ sourcing products and construction materials from facilities close to the project site where possible to reduce GHG emissions from transportation.

The team is also reducing waste by recycling demolition materials, re-using existing materials and demolition concrete in pavement construction where suitable, and re-using asphalt as a stabiliser on vehicle access tracks around the construction site.

Sustainability report 2008

Employees

Transurban's business is built on the skills of its workforce. We strive to be an employer of choice by enhancing the workplace experience and developing and rewarding people.

Our FY08 highlights

- ▶ Extended the Good Company Group to our North American offices. The Group aims to improve and maintain sustainable practices in the office and to encourage employee participation in community outreach programs.
- ▶ Raised a total of \$91,963 for our five partner charities, with \$45,981.50 contributed by employees and the remainder a matching contribution by Transurban through our TransGiving program. The program allows employees to voluntarily donate to selected charities through their pre-tax pay. In June 2008, 22 per cent of employees participated in the program.

Our commitments in FY09

- ▶ Continue to review areas for improvement in our Occupational Health & Safety Management Framework.
- ▶ Continue to review and enhance how we report HR statistics.
- ▶ Develop and implement a formal workplace flexibility program.
- ▶ Expand BeWell@TU, our employee health and well-being program, by working with an external partner to offer new initiatives.
- ▶ Review and refine Transurban leadership programs.

Values

Our values drive the way we do business.

In April 2008, new Chief Executive Officer Chris Lynch outlined new company values: honesty, integrity, humility and accountability.

Since the new values were introduced, a working group has been set up to develop a communications plan. In FY09, we expect to roll out the plan and hold a range of activities for employees to flesh out the new values and promote them as the basis of our business activities.



TransurbanValues

Business transformation and cost reduction

In June 2008, Transurban announced a plan to remove \$20 million a year from the Group's ongoing cost structure. This was one of a number of initiatives resulting from a review of the business initiated by Chris Lynch when he took over as Chief Executive Officer in April.

By the time Transurban announced its FY08 full year results in August, cost savings of \$21.4 million had been implemented or identified.

Chris Lynch reported that the savings were:

- ▶ \$13.1 million from reduced employee numbers
- ▶ \$1.4 million from reduced property costs associated with moving out of premium business accommodation in Melbourne and Sydney
- ▶ \$3 million related to reduced corporate costs in areas such as entertainment, travel and use of consultants, and
- ▶ \$3.9 million related to reduced operating costs.

In the group's Security Holder Review, published in September, the Chairman, David Ryan, said more than 60 employees and contractors were leaving the business as a result of the cost reductions. This represented just over 10 per cent of our Australian-based workforce.

"Redundancies are always difficult," Mr Ryan wrote. "However, employees have generally accepted the need to make cost improvements to the business."

Change of this scale invariably affects employee morale. Members of the Executive Committee have taken responsibility for implementing programs to improve morale and employee engagement.

Turnover

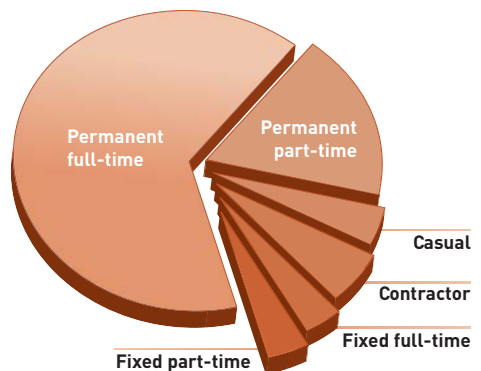
Total employee turnover increased from 22 per cent in FY07 to 26 per cent in FY08. This is against an Australian average of 15.68 per cent for Australian companies in FY08. (Mercer: Human Resource Effectiveness Monitor Survey 2008).

Voluntary turnover was 19 per cent, an increase of 2 per cent on the previous year. This represents 112 employees choosing to leave Transurban.

The result highlights the impact of the operational and structural changes within our business and increased competitiveness in the labour market.

The challenge ahead is to continue supporting our employees and to focus on talent management, succession planning and career paths to improve our retention rates.

Employee profile



Sustainability report 2008

Assurance statement



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Web netbalancemanagement.com

INDEPENDENT ASSURANCE STATEMENT

To the Board and Stakeholders of Transurban Limited:

Transurban Limited (Transurban) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of the Transurban Sustainability Report 2008 (the 'Report'). The Report presents Transurban's sustainability performance over the period 1 July 2007 to 30 June 2008. Transurban was responsible for the preparation of the Report and this statement represents the assurance provider's independent opinion. As an independent assurer of the Report, the responsibility of Net Balance is to the Board and Management of Transurban alone in accordance with the terms of reference agreed. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Assurance Objectives and Process

The objective of the assurance process is to provide stakeholders of Transurban with an independent opinion on the quality of the Report. This is confirmed through verification of the claims made, and a review of the organisation's underlying systems, processes and competencies that support the Report with respect to the principles of materiality, completeness and responsiveness. A complementary objective is to ensure continuous improvement in data management systems and associated reporting processes.

Our Opinion

Based on the scope of the assurance process, the findings of the assurance engagement provide confidence in the information contained within the Report. The level of data accuracy was found to be within acceptable limits. Data trails selected were easily identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.

The following represents the assurance provider's opinion:

- Statements made in the Report appropriately reflect environmental and social performance achieved during the period.
- All errors noted by the assurance provider were satisfactorily addressed by Transurban prior to finalising the report.
- The majority of systems used to collect and retrieve data were robust and had shown significant improvement from those employed last year.
- Gains have been made in relation to reporting on US operations. However, improvements to management of US data can still be made.
- Participation of part-owned companies in the assurance process was cooperative. However, additional training and communications around the importance and benefits of assurance may provide efficiencies in future assurance work.

Overall, the assurance provider is satisfied that the Report is an appropriate representation of Transurban's sustainability performance during the reporting period.

Conclusions and Recommendations

- **Materiality:** Environmental, social and broader economic aspects and issues that are considered material to stakeholders and peers have been addressed and communicated within the Report. The teams responsible for managing sustainability at Transurban were competent and had a good understanding of the sustainability issues material to Transurban business operations.
- **Completeness:** Transurban has effective systems in place to measure, monitor and manage sustainability issues. Net Balance carried out visits to three sites and communicated with personnel from all other sites during the assurance engagement. The information presented is comparable (in terms of year-on-year performance) and is in a format that is easily understandable to a range of stakeholders. Overall, the information presented is a fair representation of Transurban's sustainability performance and is presented in a balanced manner.
- **Responsiveness:** Transurban actively engaged with customers, industry groups, government and the communities in which they operate. Furthermore, Transurban has responded appropriately to the concerns of its stakeholders and has addressed these in the Report.

A key opportunity in improving the Report's responsiveness is to respond to stakeholders' requests to see more comprehensive reporting on Transurban's 'environmentally sustainable transport options and infrastructure design' and 'integration with other transport modes'. While work has begun on this in the US, an opportunity to further improve this level of reporting is presented.

Transurban is well positioned to continue to show leadership in the areas of climate change management and sustainable purchasing. A key challenge will be to build the policy work undertaken in the past year in order to maintain a leadership stance. In particular, implementation of the initiatives set out in the policies should be given a high priority in order to achieve set objectives.

On behalf of the assurance team, 3rd December 2008, Melbourne, Australia

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