

# RiverCity Motorway

Linking Brisbane Life

## Analyst Briefing

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# Disclaimer

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- A part of Maunsell's business is related to advising infrastructure investors and lenders on the traffic and revenue outlook for toll roads.
- Neither Maunsell nor myself are licensed to provide investment advice.
- I do not own and have not been an owner of RCM stock.
- The information and opinions I express are not endorsements or recommendations to take any action in relation to the stock of RCM.
- I will provide you with factual information about the process we used in preparing the RCM traffic forecasts and the assumptions made in the preparation of those forecasts.
- The future is uncertain and to prepare forecasts Maunsell makes judgements with its clients about what are reasonable assumptions.
- Many of these assumptions are subject to influence by external events over which neither the Client nor Maunsell has no control.
- By providing this information I hope to provide you with a clearer understanding of the processes and assumptions that underpin traffic and revenue forecasts.

# Proven Traffic Forecasting Approach

- Maunsell has developed and implemented a four-stage approach to traffic forecasting for the NSBT:
  - Step 1: Develop morning peak period “trip tables”
  - Step 2: Assign to Brisbane model network to forecast morning peak trips
  - Step 3: Expand morning peak forecasts to produce forecasts of total average weekday traffic, and then “annualised”
  - Step 4: Develop “ramp-up” in road usage

# Step 1: Rigorous Development of Trip Tables

- Morning peak trip tables developed for journeys between each pair of 1,504 individually defined “travel zones”
  - 1,488 travel zones located within metro Brisbane; 16 in surrounding areas catering for trips into or out of the metro area
- Trips tables developed for each of 2005, 2010, 2011, 2016, 2021 and 2026
- Factor in the number “trip generators: (i.e. destinations and origins for journeys such as houses, workplaces, etc) in each travel zone and incorporate NIEIR estimates of economic development, employment, population and land uses

# Step 2: Developing AM Forecasts for the NSBT

- Trips from the trip tables designed in Step 1 “assigned to the Brisbane model network, including the NSBT, based on:
  - Free-flow and stop-start traffic assumptions
  - Travel distances
  - Tolls on new and existing roads
  - Parameters based on perceived benefits of competing routes (incl. time savings, time variability, etc)
- Inputs into this phase of NSBT modelling have included:
  - Detailed computer analysis
  - Complex toll diversion model
  - “Revealed preference” versus “stated preference” surveys and analysis
- Traffic model has been “validated” by comparing output with observed 2005 traffic flows and traffic times

## Step 2: Developing AM Forecasts for the NSBT

- For market research surveys undertaken to develop toll diversion models, the following sample methodology was implemented by Maunsell:
  - Surveys involved face to face interviews
  - Surveys were with residents from 15 separate survey districts
  - Half of sample north of the Brisbane River and half south
  - For each of the northern and southern groups the number of respondents was weighted to reflect the number of households in each sub-zone and number of cross-river trips

## Step 2: Developing AM Forecasts for the NSBT

- Included in the AM peak period forecasting was detailed modelling of the attractiveness for motorists in using the NSBT relative to alternate routes
- Maunsell modelled the “value of time” for drivers in Brisbane
- The NSBT’s capacity limitations on predicted traffic have been reviewed and signed off by Beca
  - Consistent with other high traffic volume roads

## Step 2: Developing AM Forecasts for the NSBT

- Traffic model has incorporated the expected impact of the following road network assumptions:
  - Gateway Bridge upgrading – 2011
  - Airport Link opening – 2012
  - Story Bridge has T3 lanes installed – 2010
  - Local improvements to Ipswich Rd – 2010
  - Hale St Bridge constructed – 2016
  - William Jolly has T3 lanes installed – 2010
  - Northern Link – 2016
  - East-West Link - 2026

# Step 3: Expansion

# Step 4: Ramp Up

Outlined in RCM Analyst Briefing

# Key Traffic Conclusions

- Confidence in traffic numbers is supported by:
  - Experience of the Maunsell team
  - Robust traffic modelling process