



Mr Mark Fitt
Committee Secretary
Senate Economics Reference Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

9 August 2017

Dear Mr Fitt

ADVERSE COMMENTARY WITHIN SUBMISSIONS FROM WESTJUSTICE AND TOLL REDRESS TO THE INQUIRY INTO OPERATIONS OF EXISTING AND PROPOSED TOLL ROADS

ConnectEast welcomes the opportunity to respond to information and claims within the submissions made to the Inquiry into operations of existing and proposed toll roads (**the Inquiry**) by West Justice and Toll Redress.

ConnectEast is empowered by State legislation to pursue drivers who use EastLink and have no arrangement for payment of the outstanding tolls and administration fees. As driving on a toll road without an arrangement for payment is a traffic infringement, the prosecution of that infringement is treated that same as any other traffic infringement, that is as a criminal prosecution.

Currently, the process for motorists who do not have an account or tag with us or another toll road operator is as follows:

1. Trip is made on EastLink. Tolling equipment and technology recognises vehicles not drivers or operators.
2. If no tolling arrangement is made within 96 hours of trip, trip image verification is undertaken to ascertain vehicle and LPN.
3. LPN is then checked with other toll road operators as to whether owner has tolling arrangement with them. If not, a look up is done with VicRoads to source the registered operator details for the date(s) of travel and a Lookup Fee is incurred. The VicRoads data provides the contact details for the operator, which are used for correspondence to the operator. This includes email and mobile data, when available.
4. After a minimum 3 day aggregation period, a toll invoice is issued to the registered operator of the vehicle. The toll invoice includes an administration fee of \$5.53 (as determined in the Concession Deed) as well as the toll(s) and other expenses (Lookup Fee). The administration fee covers our costs and mailout charges. Approximately 3.5% of trips result in toll invoices.
5. If payment is not made or a Nomination Statement is not submitted, an overdue notice is sent. This notice includes an administration fee of \$11.07 (again as determined by the Concession Deed), with the original \$5.53 administration fee withdrawn. Approximately 1.75% of trips convert into overdue notices.
6. ConnectEast performs internal collection action on outstanding overdue notices where a customer has opened an EastLink account subsequent to the invoice being issued.

7. ConnectEast refers a minority of debts to an external debt collection agency if the overall debt owed by a customer is significant. We remain open to expanding external debt collection efforts to minimise the number of infringements issued.
8. During this time, if a customer is experiencing difficulties, they are encouraged to contact ConnectEast to make arrangements for payment. We can provide payment plans and also have a hardship policy.
9. Approximately 40% of these notices achieve payment.
10. While every attempt is made to recover tolls in the first two notices, this is dependent on the data provided by VicRoads regarding the motorist. Since August 2016, VicRoads has provided ConnectEast with supplementary details of registered vehicle operator, other than name and address - date of birth, email, driver licence and contact phone number details, when such data is available. While this data is being improved, it is not necessarily operating at its optimum currently. On a positive note, sending SMS reminders (where mobile phone numbers exist), has had the effect of reducing infringements alleged by 20% in 2017.
11. If payment is still not made, the matter is referred to the Traffic Camera Office (TCO) for enforcement via an infringement notice. Currently approximately 0.5% of trips result in infringements by the TCO.
12. Prosecution of infringement notices is managed by TCO and the Department of Justice (DoJ) and can take anything from 25 days to 7 years for recovery of tolls and fees (average of settled infringements at August 2017 was 289 days). When payment of infringement notices is made, ConnectEast recovers a small percentage of the payment being the toll, Lookup Fee and an enforcement allowance fee. There is no recovery of administration costs of EastLink.
13. On infringements, we refer 3 portions of an invoice:- One trip (not more, if there are more for the date concerned); the Lookup Fee; and the \$10 Enforcement Allowance Fee – fixed.
14. The Toll Invoice Fee (1st or 2nd) is not subject to the enforcement process. The TCO and DoJ process does **NOT** include any administration fees charged by ConnectEast.
15. These 3 components do not contribute to the amount of the infringement. An infringement is fixed (currently) at \$159 by the State.
16. If an infringement is paid, ConnectEast is paid the sum of the 3 components (only). The State retains the balance (of the \$159, or any higher amount as an infringement progresses through to Warrant).

We note that both Toll Redress and West Justice assert that customers incur tens of thousands of dollars in toll infringements. In order to accumulate that level, a vehicle would have to travel on EastLink or other toll roads hundreds of times over hundreds of days **WITHOUT PAYING**, particularly given that we are restricted by the legislation to refer only one trip per day to infringement. As stated above, we would have sent invoices for each of those trips (and any other trips made each day) as well as reminders so the claim that customers were not aware or could not address the matter is, with respect, an over-simplification and avoidance by the customer to pay. In addition, our records indicate that of those customers who were sent infringements, 85% received 5 or less infringements. Accordingly, those customers who have hundreds of infringements would be a relatively small number.

Notwithstanding the above, we acknowledge the significant escalation that transpires as part of the infringement process - from an Infringement issue at \$159 (+\$23 Reminder Fee; + \$106.50 Enforcement Order; + \$61.90 Infringement warrant).

ConnectEast has no visibility of the income earned by the Victorian State Government from Tolling offences on EastLink, but estimates it to be in excess of \$18M per year. However, ConnectEast's share of this is less than 10% and represents payments of tolls for travel on EastLink, of which 99.95% of trips are paid prior to infringement.



We note that West Justice suggests that toll roads should innovate by introducing concession priced products similar to those deployed by essential utility services. However, we note that essential utility services are funded by the Victorian State Government. For example, electricity retailers administer Utility Relief Grants and Winter Concession Programs by applying discounts, however, such discounts are funded by the Department of Human Services, for essential electricity and gas services. Clearly, travelling on EastLink is not an essential service; this is especially given that there are alternative routes which incur no toll. Accordingly, ConnectEast has not adopted a position to not innovate by not introducing essential service discounts and concessions (In Victoria funded wholly by the Department of Human Services), ConnectEast is compelled to adopt a position of charging tolls and fees exactly as set by the EastLink Project Act.

We recognise and share the concern about the large volume of tolling infringements being determined in the courts. In that regard, we note that the Victorian Ombudsman in 2013 issued a report in August 2013 regarding infringements and warrants and included a number of recommendations that addressed these concerns.

In addition, the Sentencing Advisory Council in May 2014 released their report, The Imposition and Enforcement of Court Fines and Infringement Penalties in Victoria, as their response to a government request for advice on aspects of the imposition and enforcement of court fines and infringement penalties.

The report presents comprehensive data on the imposition and enforcement of court fines and infringement penalties. Among 49 recommendations for reform, the report calls for stronger enforcement options for those who can pay but refuse, and a wider range of payment and discharge options for the most vulnerable Victorians. Of particular note is the recognition and recommendation by the Council that a high volume tolling offender scheme be developed which would allow the administrative body to notify the Victoria Police Tolling Unit when an individual or a corporation has accrued a large number of tolling infringement notices (with the triggering number to be agreed upon between the administrative body and the Victoria Police Tolling Unit). After receiving this notice, the enforcement agency could decide whether to exercise its discretion to issue a charge and summons to prosecute further offending, rather than issuing another infringement notice (Recommendation 8). ConnectEast is not opposed to this but notes that the recommendation and other recommendations from the Council have not been adopted.

ConnectEast continuously works with both DoJ, VicRoads and other State bodies to try to improve the infringement process.

If you would like any further information, please contact [REDACTED] in the first instance.

Yours sincerely,

[REDACTED]
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