



28 July 2017

Mr Mark Fitt
Committee Secretary
Senate Economics References Committee
Po Box 6100
Parliament House
CANBERRA ACT 2600

Transurban Limited
ABN 96 098 143 410

Melbourne (registered address)
Level 23, Tower One, Collins Square
727 Collins Street
Docklands Vic 3008 Australia

Telephone +61 (0)3 8656 8900
Facsimile +61 (0)3 8656 8585

Sydney
Level 9, 1 Chifley Square
Sydney NSW 2000 Australia
Telephone +61 (0)2 9254 4900
Facsimile +61 (0)2 9254 4990

Brisbane
Brisbane Technology Park
7 Brandl Street
Eight Mile Plains Qld 4113
Telephone +61 (0)7 3323 0100
Facsimile +61 (0)7 3422 3209
transurban.com

Dear Mr Fitt

RE: Adverse commentary within submission from Toll Redress to the Inquiry into operations of existing and proposed toll roads

Transurban welcomes the opportunity to respond to information and claims within the aforementioned submission.

Transurban does not consider it appropriate for us, or any entity, to debate the intricacies of individual customers' circumstances or cases in a public forum. Therefore, for the benefit of the Committee's reflections on issues relating to tolling, we provide general information relating to the misleading and incorrect information contained within the Toll Redress submission.

In accordance with Committee processes, we have limited our responses to adverse commentary relating to Transurban. Transurban considers much of the information within section four that pertains to the Tolling Customer Ombudsman to be incorrect and the Committee may wish to seek clarification directly from the Ombudsman on some of these matters.

We would be pleased to provide the Committee with further information on any of the matters outlined overleaf or any other matters. Please don't hesitate to contact Transurban's Government Relations Manager Alison Crosweller on [REDACTED] or by email [REDACTED] should this be required.

Yours sincerely

[REDACTED]
Henry Byrne
Group General Manager Corporate Affairs

Escalation of unpaid Tolls

Transurban has a range of initiatives to help customers avoid unnecessary fees and charges and we have increased our efforts to educate motorists in this area. These initiatives are helping to reduce the number of people whose toll charges escalate into infringements, with much less than one percent of trips proceeding to infringement.

Enforcement and infringement processes are the last recourse available to toll road operators, whether they are public or private operators.

The majority of Transurban customers (ninety-five percent across the three cities in which we operate) make valid arrangements to pay. However if a toll road user makes no arrangement to pay for their travel, as tolling technology recognises vehicles not drivers, operators have no way of knowing who is behind the wheel or if that person is the authorised owner of the vehicle.

When no valid payment arrangement has been made, a toll invoice or notice is sent to the registered owner of that vehicle. In some circumstances, information regarding the registered owner can be out of date, for example, if the registered owner has changed address and not updated these details.

Repeat efforts to contact the registered owner can go unanswered meaning toll notices can accumulate along with the fees for processing and administration.

If contact efforts continue to go unanswered then a toll road operator cannot suspend supply of the service as is the option available to a gas, electricity or water utility. Ultimately, the last and least preferred option available to us is escalating the toll notice to an infringement process. State authorities then determine the penalties that are imposed.

Before that step, numerous attempts are made to contact the registered vehicle owner including utilisation of mobile and email data when available.

For people with genuine payment difficulties, we have a range of initiatives available, including a hardship policy, that enables us to work with customers on options that take into account their circumstances. Some of these options include providing more time to pay and the waiving of fees. We encourage those customers to contact us directly before they accumulate a debt and the related stress.

When a matter is escalated, state authorities retain the majority of infringement recoveries and across Australia, Transurban receives less than 10% of these recoveries. Transurban does not profit and rarely recovers costs through this mechanism. Transurban believes that for an effective end to end enforcement regime, the Infringement process is an important deterrent.

Contrary to the assertions within the Toll Redress submission, in order for tolling debt and infringements to accumulate to the order of tens of thousands of dollars, a vehicle would have to travel hundreds of times on the road without paying and the owner would receive hundreds of notices and reminders over a number of months or even years. Of the very small proportion of customers that did receive an infringement in 2016, over 70 percent received three or less infringements, the proportion of customers who are receiving multiple infringements per year for not paying for travel is very small.

Administration fees

Over ninety-five per cent of trips do not incur administration fees. Administration fees reflect the costs of administering and collecting payments for tolls using the systems and resources that are integral to this process.

In relation to the commentary on page 8 of the Toll Redress submission regarding administration fees charged in 2001, the identification and resolution of this matter demonstrates the effectiveness of the arrangements and oversight by relevant government agencies. As outlined in the Victorian Auditor General's report referenced by Toll Redress, to resolve the identified issue, Transurban and the government agreed an arrangement that included free travel on CityLink on the day of the 2002 Melbourne Cup, an additional two days after travelling on CityLink in which to purchase a day pass and a reduction in the administration fee.

Transurban is continually looking for ways to make it easier for our customers to make arrangements that suit their preferences, including introducing a range of products ensuring customers have choice and convenience when they drive on our roads. For example in Sydney, based on customers' expressed preferences, we are currently trialling a new GPS-based App called LinktGO designed for casual users who do not want to commit to an account and want the convenient choice to pay as they go.

Working with customers to clear unpaid toll debt

Transurban actively encourages customers experiencing payment difficulties to contact us directly sooner rather than later. We understand that everyone's financial circumstances are different and proactively work with customers to help them pay what they owe and resolve any outstanding payment issues they may be experiencing.

Transurban has had a Hardship Policy for more than a decade to help people facing genuine payment difficulties. We are currently engaging with legal and financial counsellors to help inform and educate the community on how tolling debts are best avoided and the importance of seeking assistance before debts become overwhelming.

When a customer has an unpaid toll debt, it is not possible for toll road operators to limit supply of the service to prevent further debt being incurred - unlike an electricity or phone service. Transurban actively works with customers to prevent new debt escalating - including assisting them to establish alternate valid payment arrangements.

Resolution of disputes

The Customer Service Institute of Australia (CSIA) has independently certified Transurban's complaint-handling framework as compliant with Australian and International Standards.

Transurban is dedicated to meeting the needs of our customers. Our customer service team, comprising 800 customer service professionals, responds to more than 11,000 calls and 400 live web chats daily.

Transurban proactively contacts customers (via email) if it is suspected that their tag battery is flat in addition to a number of other proactive programs such as prompting customers to add license plate numbers to their account and validating their contact details. In the event that a customer suspects that tolling charges have been applied incorrectly or that their tag is faulty – we encourage them to contact our dedicated customer service team.

Ninety-seven per cent of customer enquiries are resolved on first contact with complex matters referred to our dedicated specialist resolution team.

If a customer remains dissatisfied following interaction with the Transurban Customer Resolution Team, they are proactively informed of the existence of the Tolling Customer Ombudsman and are advised of their right to make a complaint for independent assessment and resolution.

Transurban supports the provision of a free and independent tolling ombudsman service. Like other sectors such as telecommunications and utilities, Transurban and other industry participants fund the ombudsman service. It would be totally unacceptable to make the complainant pay. The Ombudsman service remains fully independent of the industry participants that offer the service to their customers.

As is the model for most ombudsman services, the Ombudsman encourages the parties involved to mutually resolve the issue, and only when the parties are unable to resolve the matter to their mutual satisfaction does the Ombudsman move to make a formal decision.

Transurban, as a voluntary industry participant, undertakes to be bound by the decision of the Ombudsman; however, the use of the ombudsman service does not negate any other consumer channels available to the customer.

If the matter has already been referred to an infringement process, the customer can dispute the matter with the relevant government authority. If the customer disputes the infringement, a request to investigate will be provided by the state authority and Transurban is required to provide information on the case for assessment. While dispute processes can differ between states, the onus of proof that the tolling charge and associated referrals have followed correct processes – sit with the toll road operator in all cases. At each stage we need to confirm that the infringement has been correctly referred.

Once a matter proceeds to infringement, Transurban's ability to assist the customer to resolve the matter is limited. There are times when Transurban is made aware of new information (such as a customer may have purchased a casual product but used the incorrect license plate number and not contacted us at the toll notice stage) and this can be provided to the relevant state authority for review, however the decision to withdraw or uphold infringement notices sits with the state authority.

Direct statements

Transurban rejects the notion that “deals between toll road operators such as Transurban and state government are enshrined in secrecy”.

The transparency arrangements of both the procurement processes and resulting agreements are set out in Transurban's submission to the inquiry (pages 18 to 22).

Information on contracts for all toll-road PPPs that Transurban and our partners are involved in are also publicly available.

The statement that, “Transurban is a corporation that is known to regularly refer debt incorrectly or unfairly to the State which escalates to SPER” is categorically refuted.

Transurban's process for the escalation of unpaid tolls is as agreed with the state authority responsible for the oversight of toll-road arrangements. Our customer satisfaction levels are consistently high across all of our retail tolling brands, on average 4.1 out of 5 last financial year.