

NSW Inquiry into Road Tolling Regimes

Response to Further Correspondence

QUESTION ON NOTICE 3

Original question on 14 February:

The CHAIR: What percentage of those [300] cases that are resolved ahead of going to court are resolved by collecting the toll but waiving the admin fees?

ANDREW HEAD: As Michele said, we will provide you with some more detailed data in relation to these matters, because we are getting right down into very small percentages and small numbers of people. But we are happy to provide that on notice.

Response on 30 March:

As outlined in Transurban's response to Question 7 of the previous Questions on Notice for this Inquiry, more than 95 per cent of drivers pay their toll on time, mostly with an automated tag or pass.

For the small number of individuals and businesses who don't pay the toll on time, there are several options, including setting up an account with Linkt or E-Toll. Around 77 per cent of all toll notices that are paid are done this way, which reduces any fees paid from \$10.00 to \$1.10 for the first toll notice and from \$20.00 to \$2.20 for the second toll notice (or, in the case of the M7, to \$1.90 and \$2.90 respectively). Transurban seeks to find an account or other arrangement for 10 days before issuing the first toll notice. If drivers continue to use toll roads without paying, like any business, and to be fair to the overwhelming majority who do pay their tolls, operators can reasonably seek to take appropriate steps to recover uncollected revenue. These steps only occur after multiple attempts are made to contact the vehicle owner by mail, SMS and email.

Further information on the process and options available for customers are on the Linkt website: <https://www.linkt.com.au/help/toll-notices/sydney> If a settlement or payment plan is not reached, legal proceedings may be initiated.

Acknowledging the impact of COVID-19 on the community, only a very small number of cases have been pursued in the past two financial years. To provide further context and transparency and include a period prior to COVID-19, there are around 120 cases from the past five financial years that are ongoing, while a further 300 were resolved.

Around 85 per cent of these 300 cases were resolved ahead of going to court. The assistance we provide depends on each customer's personal circumstances, and we work to resolve the outstanding toll and fee debt through a negotiated outcome.

Follow-up question on 5 May:

In response to the question 'What percentage of cases that are resolved ahead of going to court are resolved by collecting the toll but waiving the admin fees?', the committee notes the percentage of cases that are resolved prior to going to court is provided instead.

The committee therefore requests that Transurban advise of the 85% of cases resolved before going to court, how many (if any) involve the waiver of the admin fees by Transurban?

Final response:

To place into context the number of cases being requested, it is important to reiterate that more than 95 per cent of drivers pay their toll on time, mostly with an automated tag or pass.

Around three-quarters of this remaining 5 per cent set up an account with Linkt or E-Toll, which reduces any fees paid, leaving between 1 and 2 per cent of drivers with debt outstanding.

As outlined in our previous response, Transurban seeks to find an account or other arrangement for 10 days before issuing the first toll notice. If drivers continue to use toll roads without paying, Transurban takes appropriate steps to recover uncollected revenue, which only commence after multiple attempts are made to contact the vehicle owner by mail, SMS and email.

Only if a settlement or payment plan is not reached, legal proceedings may be initiated, and this has occurred in 420 cases in NSW in the past five financial years, with 120 ongoing and around 300 resolved. 255 of these were resolved ahead of going to court. Acknowledging the impact of COVID-19 on the community, only a very small number of cases have been pursued in the past two financial years.

The manner in which cases are resolved depends on each customer's personal circumstances, and we work to resolve the outstanding toll and fee debt through a negotiated outcome, which would almost always involve an overall settlement of both toll charges and administration charges. Most, if not all, resolved cases are likely to involve some waiver of administration fees.

Determining the extent to which administration fees are waived in these instances would require significant resources and it would likely take several months to examine each individual case stemming back up to five years. The negotiated outcome may also form part of legal proceedings and may be confidential.

Against this background, every effort has been made to openly explain Transurban's approach and process for resolving NSW toll-related debts.

QUESTION ON NOTICE 8

Original question on 14 February:

MICHELE HUEY: So there will be a range of different circumstances. I think some of the customers already have toll accounts, whether it is with Linkt, i.e. with Transurban, or with another toll provider. But for whatever reason their account is not active or whatever is the reason, there is an ability for us to exchange the admin fee to put the toll onto a toll account and a processing fee, which still reflects the cost of taking the phone call or doing the processing, whatever it is that is needed, which is by majority \$1.10 compared to the \$10 admin fee, and then there will be other customers that do not have an existing account and we can work with them to set up a product that is more suitable for them in those cases as well.

The CHAIR: Is that \$1.10 per toll notice?

MICHELE HUEY: I believe so, but let me come back to the Committee to confirm.

The CHAIR: If so, and I believe it is as well, in that case presumably it is within Transurban's power to amalgamate that amount? You are only making one phone call to someone who has 10 toll notices outstanding. Presumably there is not 10 times the amount of cost to speak to them about those 10 toll notices as opposed to one, so do you have a policy for amalgamating at that point?

MICHELE HUEY: I think, as we covered earlier with the Committee, we do have a broader practice around helping customers get out of financial trouble, get out of burdens that they would have, which would be beyond the toll spend that we have in our sights, and so we do have ability and we do the practice of helping customers through waiving fees or spending or delaying fees and helping them with payment schedules and the like. But I think I will probably have to come back to you on exactly what we do with per toll notice.

Response on 30 March:

As detailed in Transurban's response to Question 7 of the previous Questions on Notice for this inquiry, for the small number of customers who don't pay the toll on time, there are several options to pay the outstanding amount. This includes linking the relevant trip to an existing toll account or setting up an account with Linkt or E-Toll.

Around 77 per cent of all Linkt toll notices that are paid are done this way. This reduces the fee of \$10 down to \$1.10 for the first toll notice and from \$20 down to \$2.20 for the second toll notice (or, in the case of the M7, to \$1.90 and \$2.90 respectively). Those discounted fees are applied on a per toll notice basis.

For customers experiencing genuine hardship, Transurban's Linkt Assist service can guide them through each step, working in partnership with charities and financial counsellors where needed, or providing targeted care. This includes the extensive customer support that we have rolled out during the pandemic, including providing over \$10 million worth of toll credits to over 40,000 Australians.

Follow-up question on 5 May:

Is it fair to assume from the answer provided that Transurban does not have the contractual/legal right to amalgamate the administration fee across a number of toll notices?

If it does have that right, does it just choose not to amalgamate?

Final response:

It is currently not possible for Transurban to unilaterally amalgamate administration fees across toll notices, without NSW Government consent, for structural, systems and contractual reasons.

Fees cannot be amalgamated without first consolidating toll notices. As Transurban has previously advised the Committee, toll notices in NSW are separately produced, printed and issued by Transport for NSW (TfNSW) on behalf of toll road operators on the basis of one toll notice per trip per toll road.

Only TfNSW has access to the NSW driver licensing and registration system (known as DRIVES) that can produce the information required in order to produce these toll notices, which have individual files created for each day's transactions per motorway.

Therefore, amalgamating toll notices would require TfNSW to amend this procedure.

The Tolling Industry Memorandum of Understanding also outlines that only TfNSW can access the DRIVES database. This measure manages the release of information relating to registered vehicle owners, any change to which has previously required the approval of the NSW Privacy Commissioner.

Transurban does not profit from toll notice administration fees, and reiterates its support for the aggregation of toll notices in NSW and is open to working with Government in achieving this goal, as outlined on page 45 of Transurban's submission to this inquiry.

QUESTION ON NOTICE 9

Original Question on 10 February:

The CHAIR: Could you please provide me on notice as of today, or whenever you are answering the question on notice but as of that date, how much you have currently outstanding in terms of unpaid tolls that are subject to notices and how much of that is unpaid tolls and how much of it is admin fee?

MICHELE HUEY: We will take that on notice and come back to you.

Response on 30 March:

As an ASX listed entity, Transurban is required to publish audited financial information and detailed presentations to security holders regarding its toll road operations on a regular basis, all of which is publicly available.

Reflecting these requirements, it is not appropriate to provide financial information beyond that which has been published.

Follow-up question on 5 May:

Please provide this information to the committee on a confidential basis or otherwise explain exactly how the law or ASX rules prevent Transurban from doing so.

Final response:

As we have previously noted, Transurban's status as an ASX listed entity means we are subject to a range of laws that prescribe mandatory disclosures (such as our financial reporting and continuous disclosure obligations) and also place prohibitions on us making available certain information in certain circumstances. We comply with those obligations.

The information requested is commercially sensitive and confidential. It is necessarily incomplete and open to misinterpretation in terms of its impact on the Transurban group.

If, for any reason, confidentiality in respect of information were to be lost, that could give rise to a false market in Transurban's securities that are traded on the ASX or otherwise give rise to implications under our continuous disclosure obligations.

Consistent with our financial reporting obligations, the disclosures Transurban periodically makes in its financial reports regarding working capital, trade receivables and toll revenue incorporate the relevant information in accordance with applicable accounting standards.