

INQUIRY INTO ROAD TOLLING REGIMES

Name: Name suppressed

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Partially
Confidential

Legislative Council

Portfolio Committee No. 6 – Transport and Customer Service

Inquiry into Road Tolling Regimes

Owner Driver residing within the state of New South Wales, make the following statement with regards to the Inquiry into Road Tolling Regimes conducted by Portfolio Committee no. 6 – Transport and Customer Service.

At the time of these submissions,

I work as an Owner Driver contracted for my Principle Contractor since approximately 2012.

at or around 2004, when I commenced Owner Driver work. incorporated as a Company

I have always enjoyed driving for work and I wanted to be on the road more often than I was when working as a radio room operator. As well as my love for driving, I missed the interpersonal communication drivers experience with customers, management and other drivers. After working in a radio room for approximately seven (7) years, I was seeking a change in pace that allowed me to spend more time behind the wheel of a vehicle.

I left my job with and commenced driving work for would subcontract drivers to my current Principle Contractor. I was therefore classified as 'outside hire' in the eyes of my current Principle Contractor. Whilst working for I was completing Northern Beaches and Lower Northshore runs on behalf of my current Principle Contractor as outside hire.

At or around the time I commenced work with I recall being approached by a Supervisor from the Principle Contractor at the yard, who was handing out e-tags to drivers who had assigned runs that required toll charges.

The Supervisor approached me, and asked words to the effect of "what is your daily run?". I responded with words to the effect of "my run is in the Northshore and the Northern Beaches." The Supervisor cross referenced the list of drivers she was holding and handed me an e-tag, stating "yes, your run gets one."

In the course of the Northern Beaches and Lower Northshore run I was assigned; I was required to use the M2 and M7 tolls twice daily. If required, I would take other toll roads to access the client designated to me.

For the period prior to my receiving this e-tag, I tried my best to avoid the tolls to go to the north side and come back. It was probably better for the Principle Contractor to give me that tag because instead of taking two (2) hours to get back to the depot, it was taking me one (1) hour to get back. The principle contractor was saving by paying for use of a toll road instead of taking the free alternative roads because they were paying me hourly.

Before, I would only use toll roads in emergencies depending on whether I had the time to use normal roads or needed to save some time. Most of the time, when I tried to save myself money by travelling upon free alternative roads, my travel time would eat into my lunch break and other breaks.

At or around 2012, I stopped working for my current Principle Contractor as outside hire and began contracting with them directly as an Owner Driver.

I knew that operating as an Owner Driver would give me flexibility to decide what tasks I wanted to complete, as well as decide how many hours I wanted to drive.

From commencing work as a Contract Carrier for my Principle Contractor in 2012, I continued using the e-tag provided to me when I worked as outside hire with [redacted]. Until a certain point I was not directed to return the e-tag, nor was I told that I was not allowed to use an e-tag provided by the Principal Contractor in the process of completing work.

At or around September 2019, I recall receiving a letter from Management advising Owner Drivers to return their e-tags, as the Principle Contractor was no longer willing to pay for toll expenses.

To the best of my knowledge, all Owner Drivers operating at my yard received this letter.

I recall the Principle Contractor holding a Toolbox talk, where Owner Drivers were advised by Management, words to the effect of "as small businesses you should be paying for your own tolls, as this is an expense that is part and parcel with running a transport business. It is not our responsibility to pay you as contractors and pay for your toll expenses at the same time."

At or around end of October 2019, my e-tag was confiscated by the Principle Contractor Management.

I consequently had to open an e-tag account in the name of [redacted]. I linked this e-tag account to my credit card as a means of balancing my finances and ensuring that I was able to meet the financial obligation of paying for toll charges.

When my Principal Contractor turned around and said they were taking the company tags off us, it made a big impact on my business as all of a sudden, every three (3) months I was losing \$4,500 revenue and it was making it hard to pay the bills depending on what my recurring bills were.

Most of my insurances came in together so when it came to near the end of the year and another \$4,500 was required for toll payments, it was difficult to make payments for these expenses, which made finances extremely tight.

I recall that approximately two (2) years ago, all the bills came in just before Christmas when my family most needed money to prepare for Christmas presents and festivities. I had to pay myself less for a couple of weeks and catch up with repayments for expenses made at Christmas time because there wasn't enough money to prepare for the festivities, that prior to toll expenses coming out my back pocket, was not an issue.

This had a huge effect on the finances of my business. I was far less profitable as an Owner Driver since December 2019, when e-tags were confiscated. Annexed are copied of my toll statements showing the accumulated cost of toll roads I use when completing work. Annexed as 'RR-01' is a copy of my toll statement from 2 November 2019 to 29 November 2019. Annexed as 'RR-02' are statements from 3 December 2019 to 26 February 2020. Annexure 'RR-03' shows my toll expenses from 2 March 2020 to 29 May 2020. Annexure 'RR-04' shows toll expenses from 1 June 2020 to 31 July 2020, whereas 'RR-05' exhibits toll charges encountered between 2 November 2020 to 6 November 2020.

I would characterise my pay as an Owner Driver before December 2019, as being fair. I was able to operate profitably for the work I completed. My business suffered as a result of not being compensated for toll charges.

Out of frustration, I approached the Supervisor at or around early 2020.

I told the Supervisor, words to the effect of "if you want to take the e-tag away from me you have to either change my run, or reimburse me for the tolls I have to use. It's not fair that I have to bear the

brunt of toll charges when my run is reliant on using toll charged roads. I cannot continue operating as an Owner Driver here under these conditions.”

Whilst I am assigned different runs all over Sydney on my workday mornings, I have consistent work in the afternoon within the Port Botany and Banksmeadow area. By raising my concerns with the former manager, I made it clear that I work runs that are inaccessible without tolls and it should not be my responsibility to pay for the tolls when for years I didn't have to.

I'm one of the rare ones that makes two (2) trips in and out of the depot. Approximately 80% of the Owner Drivers only load up for one (1) run and then do pickups thereon out. When you complete two (2) runs you are committed to get back to the depot at a certain time, so you are under constant time pressure. One of the ways I can minimise the time pressure is by using toll roads and the Principal Contractor knows that.

The former manager replied with words to the effect of “okay, I understand. If you print your quarterly statement and give it to me, I will organise for you to be compensated for tolls.”

At the time my situation was a concession, but I believe that currently my Principal Contractor has been required to compensate for toll expenses now for some legal reason or other.

For a while after that, I was reimbursed quarterly. However, my toll expenses were taking money out of my account monthly, so I was waiting for three months for the quarter, and an extra month for my Principal Contractor to process my reimbursement, for the money to be returned to my account.

This was hard to manage for me as a business person and stressful. For example, there were times when during the quarter I would look at the money I was going to put in my super and there wouldn't be money to put in until I got reimbursed by my Principle Contractor.

My supervisor told me to change my statements to monthly and give them to him that way because even the Management at my Principle Contractor, which is not a small player, would panic at having to reimburse me for \$4, 500 each quarter. The approximately \$1, 000 statements each month were easier for them and me to handle in terms of business expenses and cashflow.

There have been months where I struggled because I did not have cashflow until I was reimbursed. It can be stressful when toll expenses are due out of your account because at the end of the day it is my responsibility to have the money prepared and wait for reimbursement after the fact.

A lot of the other Owner Drivers try to avoid tolls. Where I can, I too try to avoid tolls because from the point where I make a reimbursement claim, it can take 2 or 3 weeks to reimburse me so by that time the next statement comes through again so it's just a never-ending cycle.

I know how difficult it is to operate as a small business owner and try to balance costs. I experienced the devastating impacts toll charges have on Owner Drivers when they come from the individual's back pocket, rather than the Principal Contactor. I don't think it's right for Principal Contractors to make Owner Drivers pay for toll charges, when these roads are required to meet the needs of customers. I am not paying my own tolls now but it can still have an impact on my cashflow and business.

When I was paying for tolls as an Owner Driver, I often don't have time to use free alternative roads and get my job done in the remaining time, so I would use toll roads depending on how much time I had to do things. Where there are smashes and congestion on the road, it makes it hard for me to complete my allocated work for my Principle Contractor and reduce business costs and outlays to continue making a profit. Each day is different and a lot of the time when you are an Owner Driver, you try to save as much money as you can and considering the current toll regime, I think it's too expensive. At the end of the day, it doesn't matter if you're a big business or a small business, paying three (3) times what a car does on the same road is too much and is unsustainable.

I remember when they first opened up the M5 it was just double what a car was now it's triple which is way too expensive. What happened was Transurban were the ones looking after the M2 and some other company was looking after the M5, then Transurban put their prices up to triple and the other company saw that and they started doing the same. It seems to me that Transurban and these other toll companies got greedy. They thought there was money to be made off transport companies because they believed these companies could bear the cost and have a simpler or more efficient operation by just taking the tolls.

They assume that this will be okay because they assume that every truck is owned by a company. This is not the case – I believe the majority of trucks are belong to owner drivers, who cannot afford it. Especially because, as far as an owner driver doing his work is concerned, you are not just paying the toll once. Say you want to get from Bankstown to the North side quickly, you would have to use the M5 then the M7 then the M2. That adds up.

The way our roads are going, especially with that new tunnel where a truck driver doesn't have a choice but has to use the tunnel, I am really concerned about the future for truck drivers, especially owner drivers. I am concerned that it will be mandatory for trucks to use certain toll roads down the track or be required to stay off normal roads completely.