

# TOLL REDRESS SUBMISSION

## Inquiry into the operations of Toll Roads in Queensland

August 2018

#### **Investigating Corporate Misconduct**

Toll Redress was co-Founded by Maddison Johnstone and Michael Fraser in 2017 after two years of investigating systemic issues within Australia's toll road industry.

Thousands of toll road customers have made contact with our office, with a number of people confused, distraught and even suicidal over the debt Transurban alleges they owe. We have assisted a number of Transurban's customers in getting tens of thousands of dollars in administration charges wiped and continue to conduct extensive research into Transurban's conduct and treatment of customers.

Transurban's conduct around customer matters, egregious fees and charges, and threatening and intimidating actions, have been cause for concern. While over the past few years Transurban has introduced a variety of different programs and upped their public relations, we feel there is an underlying issue that has caused and continues to cause thousands of motorists to fall between the cracks and find themselves in extreme debt.

Our intentions in this submission and indeed all of our work lie in solving the problem so that customers are treated fairly and charged ethically. We cover a number of concerning points including customer issues, the third-world call centre, customers taken to court, the the Tolling Customer Ombudsman, their policies and programs, among others. It is important to note that Toll Redress is not funded by external parties and is not seeking clients.

#### **Examination Of Customer Issues**

#### **TRANSURBAN (TCL)**

#### **Compensation For Customers When Transurban Error**

It is interesting to note that Transurban has very strong views about compensation and reasonable costs in relation to any disadvantage that they may incur for any number of reasons.

They aggressively pursue customers who have not paid their tolls for one reason or another, applying administration fees that can represent more than 80% of the total bill. \$100 of tolls can have \$600 in administration fees added. The argument is that they are entitled to recover their reasonable costs.

If there is a suggestion made in the public arena that toll fees should be reduced or capped, they are quick to point out that it would only happen if they were compensated by the state. And they have had the foresight to ensure the arrangements between them and the state already allow for this.

Transurban are ever conscious that time is money and they regularly provide statistics to governments and the media demonstrating that the economic benefit to the community is based on time savings.

Considering Transurban are a strong advocate for compensating themselves when they have incurred costs, one might expect they would go above and beyond to compensate people who have incurred costs due to Transurban error. Unfortunately, this is far from the case.

In the case of Transurban, they are a multi-billion dollar company that make hundreds of millions of dollars in profits per year, yet often the person being affected by Transurban error - there are many - is living week to week and does not even have the resources to prove they were not at fault.

A Queensland motorist told us that Transurban were pursuing him for \$2,000 in unpaid tolls and fees. He told Transurban that he had not used the toll road and did not own the vehicle that had been using the toll road. With impending further action against him and after attempting to inform Transurban many times that it was not his debt, he reluctantly gave in and paid a debt that was not even his.

Many customers have complained to us that they have had to spend hours over days, weeks, months and even years to try and rectify issues directly with Transurban that were no fault of their own.

We are not aware of a single case where Transurban have compensated a customer for loss incurred by them, but we do note that the Tolling Customer Ombudsman indicates that he can recommend compensation<sup>1</sup>. It would be interesting to know if this has ever occured.

"The TCO has no power to make binding monetary compensation awards for consequential loss, economic loss, loss of profit or punitive damages. The TCO may recommend, however, payment of appropriate compensation where it is fair in the circumstances."

#### **Questionable Affidavits**

In the last year, we have sighted a number of highly questionable affidavits that have been signed off by Transurban's Senior Credit Officers and by external law firms acting on behalf of Transurban.

<sup>&</sup>lt;sup>1</sup> http://tollingombudsman.com.au/process/

On one occasion, a customer was sent three affidavits over a period of three consecutive days. Each time the affidavit was issued it had the exact same alleged amount owed, yet the signatures were fresh. The affidavits said they were signed in the presence of the same partner at SLF Lawyers<sup>2</sup> on location at Transurban's Eight Mile Plains office.

Sworn by [Senior Credit Officer] on [Date] at Eight Mile Plains in the presence of: [Senior Credit Officer] Deponent and [Partner] Solicitor.

The documents would have you believe that a senior lawyer travelled a 30 kilometre round trip three days in a row to depose a Transurban employee and sign the exact same affidavit.

A much more likely scenario is that because Transurban sue hundreds of their customers in Queensland each year, that affidavits are batch processed and sent to the partner to be signed. We suspect the law firm's system generated the same affidavit three times in error and then both the credit officer and the lawyer didn't notice as they were working their way through the pile, each from their own office.

If so, this raises the question as to whether it is legal for Transurban and the law firm to sign off on affidavits when both parties are not in the presence of each other as sworn at the time of signing. If Transurban deny that this happens, they would then need to argue that it was a case of incompetence.

On another occasion in the last year, a customer raised a dispute and complaint about the authenticity of the fees Transurban alleged were owed. The dispute was raised in writing with one of the most senior executives in the company. Whilst attempting to resolve the dispute with the company, without notice, their senior credit officer signed off on an affidavit in preparation for court.

One part of the sworn affidavit said:

"I believe that there is no genuine dispute about the existence or amount of the Debt."

Most customers would not be aware that Transurban should not be swearing affidavits that say there is no genuine dispute about the debt, when there is, in fact, a dispute about the debt.

We question what chance a customer has when challenging the authenticity of fees Transurban allege are owed, when Transurban uses their incredible resources and questionable practices to pursue them by any means necessary to collect fees, regardless of whether the customer incurred the debt or not.

We should note that we are not lawyers and are therefore not providing a legal opinion.

<sup>&</sup>lt;sup>2</sup> https://www.slflawyers.com.au

#### **Transurban Suing Their Customers**

Using court records, we learned that between the dates 03 July 2017 until 29 June 2018, Transurban (through Queensland Motorways Management Pty Ltd) had made 688 claims against customers in Queensland Magistrates courts alone for "Breach of Agreement", "Levy Fees Due & Owing", and "Monies Due and Owing". Some of the points that we determined from this data include:

- There were 192 claims made by Transurban from 03 July 2017 until the end of 2017. There were 496 claims made by Transurban from 24 January 2018 until 29 June 2018. This was a 158.3% increase in claims made by the company in the new year.
- The average claim amount was \$6,956.95.
- The highest claim amount was \$50,573.46. The lowest claim amount was \$1,180.94.
- Claims were registered in courts as far south as Coolangatta. Brisbane's Magistrates court recorded the highest number of claims at 412.
- Claims by Transurban were made through 5 law firms, including Hudson Lawyers, Mason Black Lawyers, SLF Lawyers, Oakbridge Lawyers Pty Ltd, and CLH Lawyers.

#### **Third-World Call Centre**

With wage scandals in Australia becoming more prevalent in recent years and the rise of the more socially conscious investor, it is important to address the application of the third-world call centre.

When speaking to listed companies about the use of third-world call centres, they often respond with words to the effect of "the laws and wage conditions are different in those countries and we abide by those laws".

Sadly, many inhumane things occur in third-world countries that are completely legal, but the question we ask is, because it is legal there, does it make it right?

More socially conscious investors are now investing in Environmental, Social, Governance funds. They are known as ESG funds. And the question everybody should be asking Transurban is, are the working conditions the same in their overseas call centres as they are in Australia and do they pay the workers a liveable wage?

One of the workers that we spoke to in Manila described his experience working in the Transurban call centre to us. He told us how he was recruited from the street without any prior experience. He told us that he doesn't make enough money to survive, and can't even afford a computer to further educate himself. After he finishes work in the call centre everyday, he has to cart many heavy bags of salt on his push bike for hours to make up the money he needs to survive.

The worker then described Transurban as an unethical company that charges outrageous unfair fees and causes huge amounts of financial distress to many customers. This has a flow on effect to the call centre workers who receive abuse from frustrated customers. He finished by saying that he lives in a thirdworld country with lots of dangers and problems, yet he considered Transurban as being worse.

To hear the worker's story and hear the pain in his voice was truly heartbreaking.

On 15 June 2017, a Senate inquiry into toll roads was announced. In or around July 2017, Transurban submitted a 52 page submission that was published as submission No. 27. On page 16 of Transurban's submission, it stated: "We are focused on continual improvement of customer assistance, including the recent to add greater internal focus on our customer assistance efforts, and more external engagement to inform and educate the community on how tolling debts are best avoided." They did not name the however a Google search returned a listed her as the result for that job title. and the mobile version of had been in the role for 0 months. The timing of role was interesting considering that her job title and appointment appeared to have happened shortly after the announcement of the Senate inquiry. At the time, a search of Transurban.com, GoVia.com.au and CityLink.com.au under the term returned no results. A Google search under the term returned no news results about her new role as the Further, after the Senate inquiry on 8 August 2017, Transurban released their full year results and a 73 page investor presentation. No mention there either. As a matter of fact, the only place we could find a mention of this specific role was in Transurban's submission and August 2017, we also made calls to Transurban's offshore call centre and their specialist team in Brisbane. The staff had no knowledge of an advocate, and suggested we were perhaps thinking of the Tolling Customer Ombudsman.

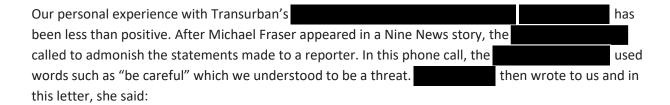
	force behind the establishment of the TCO. ne or another, a spokesperson for Transurban, and
After we publicly called out Transurban for having no ithey created a page for her on their website Transurbathere is still no information about the websites.	
<b>≡ Linkt</b> 9 @ <b>⊙</b>	<b>≡ Linkt</b> 9 @ <b>6</b>
advocate	Q
Popular searches 🗸	Popular searches 🗸
No results found. Please adjust your search and try again.	No results found. Please adjust your search and try again.
Source: https://www.linkt.com.au/brisbane	
At Transurban's 2017 Annual General Meeting, we we  We took the opportunity to as with us and a group of disaffected toll road users to di  declined, citing that for environmental reason s	sk if would come to Queensland to meet scuss problems customers were experiencing.
We question how a customer is expected to benefit from knowledge of and who they cannot discover when using the appears to geared more toward that they have a strong customer focus.	

 $<sup>^4 \,</sup> http://www.tollingombudsman.com.au/TCO\%20 Review\%20-\%20 Sep\%2012\%20 to\%20 Feb\%2013.pdf$ 

<sup>&</sup>lt;sup>5</sup> https://www.sbs.com.au/news/melbourne-tunnel-still-closed

 $<sup>^{6}\</sup> https://www.smh.com.au/national/yes-it-is-a-tough-job-but-someone-has-to-sell-it-20100106-lubz.html$ 

 $<sup>^{7} \ \</sup>text{https://www.transurban.com/our-operations/our-capabilities/our-customers/}$ 



"In light of this, I would encourage you to avoid repeating the public statements made in the Channel Nine News report. Customers may be misled into more debt, and if statements attributable to you are shown to have led to such additional financial exposure, you may be exposed to scrutiny and other potential action from anyone who can show they relied on your advice."

Our understanding of the letter was that it was meant to intimidate and threaten us into stopping our advocacy and stopping assistance to the thousands of customers that have contacted us with serious grievances, using methods that have been successful in wiping thousands of dollars. The comments made to reporters regarding any toll road matter are always based on extensive research and a number of case studies. It was extremely concerning to us that Transurban's would appear to work against customers in this manner, and would engage with external advocates in such a manner.

#### First Time Forgiveness Program and Financial Hardship Policy

When customer issues are raised in the media, Transurban will often talk about their customer initiatives, such as their first time forgiveness program and financial hardship policy.

First Time Forgiveness Program: There is no apparent information available about what it is, who is eligible and how it can be accessed. A Brisbane-based call centre worker told us that "it is more of an internal thing" and that she essentially had approval to wipe up to 10 administration fees if it was the first time a customer had incurred them.

Financial Hardship Policy: This policy excludes commercial customer and registered business entities.

This policy applies to Individual Customers who are experiencing payment difficulties due to Financial Hardship. Specifically, this policy deals with consumer and nonarrangement travel debt categories across all Transurban markets nationally. The policy excludes commercial customers and any registered business entities.

Source: https://www.linkt.com.au/legal/policies/financial-hardship-policy

We found this interesting given that according to Transurban, 95,000 commercial vehicles use Brisbane toll roads every day, yet the hardship policy explicitly excludes them.

From our experience, small businesses using toll roads in Queensland are often experiencing financial hardship and are unable to afford to pay their toll bills. Their hardship is further compounded when Transurban apply a considerable amount of money on top in administration fees.

The small business then struggles to manage and pay down the debt. This can lead to a debt collector being engaged and following that, a wind-up notice in court.

On average, 95,000 commercial vehicles—including 44,000 trucks—use Brisbane's toll roads every day.

Source: Transurban Queensland submission to the Inquiry into the operations of toll roads in Queensland

As a final point on the hardship policy, customers have complained about having to jump through a lot of time consuming hoops to access hardship payments. A number of people complained that Transurban lost their submitted paperwork, not once, but twice, further exacerbating their situation.

#### **Trips, Customers, Calls And Claims**

Often there will be public discussions about the amount of motorists being affected by Transurban's fees, such as administration fees. In response, Transurban and the relevant minister will deliver almost the same message every time.

"Over ninety-five per cent of trips do not incur administration fees.8" or "95% of customers have arrangements in place."

These statements often appease ministers, the media and anyone asking questions. They can sound impressive. However, we think it is important to break down some of the numbers.

Trips: Transurban say:

"Every work day, almost 470,000 trips are taken on Brisbane's toll roads."9

Effectively, at the time of the statement, Transurban were saying, everyday 23,500 trips on Brisbane's toll roads incur administration fees.

 $<sup>^{8} \</sup> https://www.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.au/DocumentStore.ashx?id=e14bac35-a645-41e9-a59d-6f0b221f8177\&subId=513685asharrows.aph.gov.a$ 

 $<sup>^{9}</sup>$  https://www.transurban.com/content/dam/transurban-pdfs/02/news/transurban-submission-inquiry-qld.pdf

Customers: Transurban say:

"Transurban Queensland has 1.6 million customers." 10

## This translates to **80,000** Queensland customers that can incur invoice fees and administration fees.

When you look at the numbers, it actually reveals a disturbing reality about how many Queenslanders are actually being impacted by fees that can be financially crippling.

Calls: Transurban say they have a:

"94% first call resolution." and answer "1.5m calls" annually.

## It is likely that **hundreds**, if not **thousands** of customers need to make more than one call each month to resolve their problem.

Claims: Transurban say:

"It is important to note that TQ does not make a profit from its fees. TQ would prefer no one paid a fee." 12

In the last financial year Transurban filed 688 claims in court against Queensland customers. Often more than 80% of the claim is administration fees, which they are under no obligation to charge.

<sup>10</sup> https://www.transurban.com/content/dam/transurban-pdfs/02/news/transurban-submission-inquiry-qld.pdf

 $<sup>^{11} \ \</sup> https://www.transurban.com/content/dam/transurban-pdfs/02/news/transurban-submission-inquiry-qld.pdf$ 

 $<sup>^{12}\,</sup>https://www.transurban.com/content/dam/transurban-pdfs/02/news/transurban-submission-inquiry-qld.pdf$ 

#### With Transurban Things Are Not Always As They Appear

Demand Notice Aggregation: In a September 2017 interview with Steve Austin on ABC radio, Transurban executive Wes Ballantine said:

"What this required though, is under our legislation, not under the Minister's delegation, Transurban was required to issue a single Demand Notice for a single trip. We didn't like that, we wanted to aggregate trips and reduce the fee burden, and now the government has worked through their Parliamentary process to the bill that is now in front of the committee."

For a long time Transurban has consistently blamed the legislation for having to charge an administration fee for every unpaid toll in Queensland. Although, depending on the day they also unapologetically argue that the administration fees are charged to recover their actual costs. That they don't make a profit. Their comments also assume you are unaware of these four points below.

- 1. The Transport Infrastructure Act 1994 (TIA ) generously uses the word 'may'.
- 2. At that time of the interview, S94 (2) of the TIA said "The amount of any unpaid toll or user administration charge <u>may</u> be recovered by the toll road operator as a debt from the driver, subject to any applicable agreement made by the toll road operator." <sup>13</sup>
- 3. At that time of the interview, S99 (1) of the TIA said "The toll road operator <u>may</u> give a notice under this section only if the toll road operator has not received the deferred toll amount."<sup>14</sup>
- 4. The relevant minister declares the maximum administration fee that Transurban can charge. Not that they should charge it.
  - 5.1 The maximum Administration Charge is \$20.58 (including GST) as modified from time to time by operation of the formula contained in clause 5.2.

<sup>13</sup> https://www.legislation.qld.gov.au/view/pdf/2017-10-01/act-1994-008

<sup>14</sup> https://www.legislation.qld.gov.au/view/pdf/2017-10-01/act-1994-008

Interestingly, in a Department of Transport and Main Roads document that was recently released under a Right to Information request, it paints a slightly different picture.

#### Demand Notice Aggregation

- TQ proposed a process of Demand Notice Aggregation (DNA) where unpaid tolls
  and related image processing fees were to be included on one demand notice, with
  a single administration fee.
- The government went into caretaker mode before legislative amendments providing specifically for DNA could be passed by parliament.
- Given the benefits to customers and after obtaining legal advice, TQ implemented an alternative aggregation process under existing legislation as part of its new tolling system, GLIDe, in December 2017.
- While a form of DNA has been implemented under existing legislation, legislative amendments are required to provide a clear statutory basis for DNA.
- The necessary legislative amendments are planned to be reintroduced in February 2018

You will note that Transurban implemented a change under the existing legislation and that the proposed legislative changes were only to provide a more "clear statutory" basis.

#### What could the motivator have been to implement such a change?

Transurban were facing incredible public pressure to reduce fees. They talked about how they were working with government to reduce the amount of infringements that were being generated by unpaid tolls.

It is important to note that Toll Redress acknowledge that this has had a very positive impact by reducing infringements issued to toll road users.

In that same September 2017 radio interview, Transurban executive Wes Ballantine said:

"What we've done, and what we've talked about here in this studio, is about a year ago we brought in a range of changes which reduced a significant number of late payments moving to enforcement with the State. That's resulted in more than \$10 million a month less enforcement fees going out, so more than \$100 million dollars last year. Those changes were effectively under the Minister's delegation."

On 3 May 2017 in a meeting with investors Transurban executive Wes Ballantine said:

"I said earlier that we came in really with a bit of an enforcement mentality in the business, whereas now it is one of helping customer. And nothing highlights this more than a fee-based arrangement for our customers. Previously, if a customer didn't pay a toll within a certain -- within 3 days, there was effectively an automatic letter of reminder, a second notice of reminder and then we automatically were required to give it to the state for enforcement. Once it goes to the state for enforcement, fees are dramatically higher, the toll is not collected by Transurban Queensland, and traditionally the government has found it difficult to actually collect. No one is really happy about this situation. And through detailed negotiations with the state, and we're grateful of the Minister's office for helping us through this, we have now an arrangement where there's much more discretion and capability at our end to engage with our own customers through all different channels to say, "Hey, you've got a toll outstanding. Let's take care of it now before it goes through to any higher." What this means is that the state is happier. They really don't want this stuff sitting on enforcement registers and the like. The customer is happier because they're avoiding significantly higher fees than just knocking off the toll, and we're happier, because we can actually collect their toll and move on with our business."

"Obviously, if ultimately a customer doesn't do the right thing and is genuinely a toll evader, the infringement enforcement process remains in place, and that's something that we see as a last resort now, not something that automatically we just [feel] to customers in there. That, we believe, is resulting in more than \$10 million of less enforcement penalties the state is sending out per month. And the big thing there, that's not \$10 million less to Transurban; that's \$10 million the state is sending out in enforcement fees per month. And you can imagine the impact and the improvement of the sustainable nature of our business going forward without that angst in the community."

You will note the he said "Once it goes to the state for enforcement, fees are dramatically higher, the toll is not collected by Transurban Queensland". At the time, using the maths below we can calculate how Transurban could potentially have financially benefited by being able to recoup administration fees under this arrangement.

10 million less to the state in enforcement fees each month. \$10,000,000 / \$170 = 58,824 (infringements)  $58,824 \times $23.46$  (admin fee) =  $$1,380,011 \times 12$  (months) = \$16,560,132

Additional note: The recently released Department of Transport and Main Roads document also demonstrates how Transurban publicise how they want to reduce fees for their customers, but in private discussions with ministers they plan to offset the losses by implementing new fees.

• TQ has provided details of a new initiative involving changes to its current fee structure to reduce the number and types of fees being charged. Fees to be removed include the manual top-up fee on any go via account and the retail service fee applied for a pass purchased at a retail network. Proposed reduction in fees will be offset by new fees which TQ is entitled to charge but currently doesn't (including a late payment fee for commercial customers and merchant service fees for credit card payments).

#### **Ability To Withdraw Infringements**

A Transurban employee told us that Transurban had the ability to withdraw infringements when an unpaid toll had escalated to government level. Over time, we had been told a number of different things regarding the withdrawal of infringement notices: originally, we were told that Transurban could withdraw infringement notices. A little while later, customers started informing us that Transurban had told them that they could not withdraw infringement notices. After some customers pressed the issue, they were then told:

"go via is unable to assist if unpaid tolls have escalated through our system on to the Penalty Infringement Notice level, or beyond, where we did not contribute to the PINs being issued."

A Transurban employee told us that the reason why Transurban adjusted their wording regarding withdrawing infringement notices, was likely because they were required to pay compensation to the state when they withdrew infringements. This is also verified under Section 15.9 of the Road Franchise Agreement:

"If the State has commenced an enforcement process for non-payment of a Demand Notice, which the State decides to cease as a result of the occurrence of any Circumstance of Non-enforcement, the Franchisee must pay the State's reasonable costs incurred in pursuing and terminating the enforcement process and such amount is a debt due from the Franchisee to the State."

#### **Privacy**

In Transurban's Privacy Policy, it says Transurban may disclose personal information to 27 different categories. Of particular concern, this includes "mailhouse, printhouse and warehouse organisations" and "marketing, advertising and information service providers including social media services and data supply companies" and "researchers and investigators".

The Privacy Policy lacks transparency and does not specifically name who Transurban is providing customer's personal private details to, and if Transurban receives some kind of rebate or kickback, or if there is another financial benefit or other partnership involved with the parties receiving the personal information of Transurban customers.

The Privacy Policy also does not state how these parties might use the personal information of Transurban customers.

Transurban might also collect customer road usage information, including on roads that are not owned or operated by Transurban. This means that Transurban could have the potential to track the movements of motorists who do not want their privacy breached and/or who do not usually use the toll roads.

"Transurban may collect additional information about you, such as: information about your use of Transurban services and Transurban Roads and other roads of interest to Transurban, including the date and time of travel." <sup>15</sup>

While this appears on an older Transurban website, their current privacy policy is ambiguous. Under 'How we collect your information', Transurban has written:

"We collect your personal information in the following ways:

For example, when you use our roads, we collect information about your road use. We collect information through technological means, including automatic incident detection systems (including traffic management and safety cameras).

vehicle registration detection systems.

electronic toll collection systems (such as a tag attached to an individual's vehicle). tolling cameras and CCTV.

mobile applications and websites, including where you have agreed to disclose information about your location while using one of our websites or Apps."  $^{16}$ 

<sup>15</sup> https://www.roam.com.au/news/updated-privacy-policy

<sup>16</sup> https://www.linkt.com.au/legal/policies/transurban-privacy-policy

Without clarity, this means Transurban could be tracking you if you've ever used a toll road, and can continue to track you even when you exit their toll road. This means they could track you when picking up your children from school, going grocery shopping, visiting your family members, going to work, or otherwise engaging in personal activity.

Further to this, Transurban has recently launched a new app called LinktGO. This service works when customers download their app onto their smartphone and then use Transurban's toll roads. According to Transurban's LinktGO Customer Service Agreement, Transurban will track your location when your smartphone is "in the vicinity of an Eligible Toll Road". <sup>17</sup> There are no parameters around what "vicinity" means, and without clarity, this could mean that Transurban tracks the movements of customers beyond their use of the toll roads.

<sup>&</sup>lt;sup>17</sup> https://www.linkt.com.au/sydney/legal/csa/linktgo-customer-service-agreement

#### **How Transurban Present Customer Satisfaction**



Source: Transurban Queensland submission to the Inquiry into the operations of toll roads in Queensland

#### **What Transurban Customers Are Saying Online**





#### **BRISBANE CITY COUNCIL**

Brisbane City Council (BCC) has three toll roads operated by Transurban. While the State Government makes it available online for the public to view the Road Franchise Agreements between the two parties, we have been unable to locate the BCC agreements with Transurban.

The Transport Infrastructure Act says under Division 5, 105Z, on page 157:

"The local government must—

(a) keep the local government tollway franchise agreement or the amendment of a local government tollway franchise agreement open for inspection, free of charge, by members of the public at its public office;"

### 105Z Tabling of local government tollway franchise agreements

- (1) The mayor of a local government that enters into a local government tollway franchise agreement or an amendment of a local government tollway franchise agreement must, as soon as practicable after the agreement or amendment is entered into, table the agreement or amendment at a meeting of the local government.
- (2) The local government must—
  - (a) keep the local government tollway franchise agreement or the amendment of a local government tollway franchise agreement open for inspection, free of charge, by members of the public at its public office; and
  - (b) make copies available for purchase at a price not more than the cost to the local government of producing the copy and, if a copy is supplied to a purchaser by post, the cost of the postage.

When we wrote to BCC asking how these agreements can be located, in June 2017, Brisbane City Council Acting Chief Legal Counsel Shannon Jarrett said:

"In relation to documents such as those you have requested, I confirm that the Council's long standing practice is to release them through the Right to Information process.

I can advise that the Lord Mayor is aware of your enquiry and supports Council's document release practices."

It was concerning to us that the Acting Chief Legal Counsel said, with the apparent awareness of Lord Mayor Graham Quirk, that these tollway agreements would only be accessible through the RTI process. The RTI process is not free and it is inaccessible by the public who cannot afford to pay. It also appears to be in direct contrast to what the Transport Infrastructure Act says.

We have not done an extensive search for these local government tollway agreements/concession deeds since receiving this email from Brisbane City Council Acting Chief Legal Council, however, a quick search did not return any results.

#### **TOLLING CUSTOMER OMBUDSMAN**

While appearing on the surface to be a legitimate service, the Tolling Customer Ombudsman (TCO) has fractured systems, insufficient data reporting, and fails to meet important service requirements to be considered genuine.

To our knowledge, the TCO service is not, and has never been, a member of the Australia New Zealand Ombudsman Association (ANZOA), which is Australia's peak body of ombudsmen<sup>18</sup>. ANZOA has expressed concerns regarding ombudsman bodies that do not conform to accepted models and that they feel are inappropriately described as an ombudsman office. They established essential criteria in order to protect the "ombudsman" name and protect the trust in which the name should bring to the public.

Their policy statement reads:

"Our view is that a body should not be described as an Ombudsman unless it complies with six essential criteria addressing independence, jurisdiction, powers, accessibility, procedural fairness and accountability." <sup>19</sup>

<sup>&</sup>lt;sup>18</sup> The Scandal, 'The need to establish an official tolling ombudsman service', http://thescandal.com.au/news/transurban/the-need-to-establish-an-official-tolling-ombudsman-service- 31-8-2016

<sup>&</sup>lt;sup>19</sup> Australia New Zealand Ombudsman Association, 'ESSENTIAL CRITERIA FOR DESCRIBING A BODY AS AN OMBUDSMAN', http://www.anzoa.com.au/assets/anzoa-policy-statement\_ombudsman\_essential-criteria.pdf

From what we understand, the TCO is not responsible to an independent board of industry and consumer representatives, which would mean the TCO does not meet Accountability criterion. The TCO also operates as a for-profit organisation which means the service would presumably fail Independence criterion.

If ANZOA, Australia's peak body of Ombudsmen, would not entrust the TCO with the Ombudsman name for failing to meet essential criteria, it must be asked how Australian toll road consumers are expected to trust the TCO when they are disputing toll road operators like Transurban.

When considering the legitimacy of the TCO, it is also important to understand the formation, implementation, and history of the TCO. We feel there are pertinent questions about the agenda behind the TCO service and its independence. According to the TCO's September 2012 - February 2013 Review, the TCO was the idea of a Transurban spokesperson, who was a driving force in its establishment. This spokesperson, is now the employed by the transurban, and had held roles including as the "spin doctor" for former Premier John Cain and was described as the "frontwoman" for CityLink (Transurban's Melbourne toll road). With a Transurban "frontwoman", former "spin-doctor" and now employed by Transurban, our concern is that the TCO's establishment has been more about protecting the public image of the toll road operators and having an element of control in the selection of the Ombudsman himself.

Our concerns around Transurban's control and influence of the TCO are further deepened considering Transurban was the owner of the TCO website.

Transurban was listed as the Domain Registrant of the TCO website (www.TollingOmbudsman.com.au), while the Registrant was a Transurban employee. The TCO website only changed ownership once a 'cease and desist' request was sent to Transurban Limited (who was the owner of the website at the time) as they were using the business name Tolling Customer Ombudsman despite it being registered to our entity, Tolling Customer Ombudsman Pty Ltd (TCOPL).

Transurban Limited never responded to the cease and desist request, but promptly transferred ownership of the website over to the TCO who engaged Gilbert + Tobin lawyers. The TCO then pursued TCOPL through the World Intellectual Property Organisation, but ultimately lost on all accusations. The judgment is published on AUSTLII<sup>22</sup>.

The fact that in its operating history, the TCO never registered "Tolling Customer Ombudsman" and "Tolling Ombudsman" as business names is startling, and should raise many questions over the processes followed by the TCO in all aspects of the service it purports to provide consumers.

 $<sup>^{20} \</sup> Tolling \ Ombudsman, 'TCO \ Review', http://www.tollingombudsman.com.au/TCO\%20 Review\%20-\%20 Sep\%2012\%20 to\%20 Feb\%2013.pdf$ 

 $<sup>^{21}\</sup> https://www.smh.com.au/national/yes-it-is-a-tough-job-but-someone-has-to-sell-it-20100106-lubz.html$ 

<sup>&</sup>lt;sup>22</sup> AUSTLII, http://www.austlii.edu.au/cgi-bin/sinodisp/au/cases/cth/AUDND/2016/26.html?stem=0&

While the current ombudsman service does not meet essential service standards, we protected the name "Tolling Customer Ombudsman" by registering it with ASIC. Our intention was to pass this name onto a legitimate, government-approved, new and overhauled independent ombudsman service.

One of our main concerns of the TCO is that there is a lack of critical discussion and informative data included on the website, in reporting, and in other documentation. The TCO's six-monthly reviews provide minimal detail that is hard to follow and understand. When viewing the reports published by the TCO, the quality of information, formatting and discussion barely exists and is not to the standard of a professional entity or service. When comparing the TCO's reports to legitimate ombudsman service reports from similar industries, the TCO's pales in comparison (see the Public Transport Ombudsman of Victoria's annual report)<sup>24</sup>. This is especially concerning considering the TCO's service covers all of Australia, not just one state.

We consider this to be a key concern because disseminating any and all data is crucial when extrapolating on and eventually solving the overarching cause of toll road consumer problems. For as long as the TCO does not publish semantic and critical data on toll road complaints, it will be difficult to ensure the government and stakeholders are able to identify the root of the problem.

Our office also receives a large number of complaints from toll road consumers regarding the escalation of their matter to the Tolling Offence Unit within Transport and Main Roads, and the Brisbane City Council, and also to the State Penalties Enforcement Registry. The TCO does not have the same powers as other ombudsmen - once an unpaid toll escalates to the state government, the TCO has no powers to intervene or freeze further escalation. This has created a clunky and confusing ombudsman system for customers to follow.

The fractured systems of the TCO point to a service that is under resourced and inefficient. The TCO does not have a dedicated fax machine, and instead uses the one at the Hawthorn Post Office. If a customer wishes to call the TCO, a 1800 number is supplied but operating hours are not referenced on the website. Our understanding is that when calling this 1800 number, it goes to voicemail where you have to leave your contact details. The TCO also does not publish an office address online and when asked for it by customers, does not usually provide it.

<sup>&</sup>lt;sup>23</sup> TCO Review, 1 March 2016 - 31 August 2016,

http://www.tollingombudsman.com au/TCO%20Review%20-%201%20March%20to%2031%20August%202016.pdf

Public Transport Ombudsman Victoria, 'Public Transport Ombudsman Victoria Annual Report 2016', http://www.ptovic.com.au/images/PDFs/2016\_PTO\_Annual\_Report\_Web.pdf

A Brisbane City councillor wrote to Transport and Main Roads Minister Mark Bailey, seeking an independent ombudsman service in place of the existing TCO. On 25 October 2016 in council proceedings, Councillor Amanda Cooper said:

"I myself wrote to Minister Mark Bailey on 9 September, so more than six weeks ago, and sought his support for the appointment of a tolling ombudsman that is independent of the commercial toll operators and independent of government. Unfortunately, I did this because I think this is a genuine issue. We certainly have determined that the existing Tolling Customer Ombudsman who operates is actually paid for by Transurban, which may be perceived to be somewhat of a conflict of interest for them to be operating in this particular space. I suggested in my correspondence to the Minister that this role could be a role very similar to that of the Queensland Ombudsman. Unfortunately, six weeks later, he still has not responded to my letter to him." 25

#### Our Recommendations:

- Appoint a new, overhauled tolling ombudsman service that is entirely independent of the commercial toll road operators.
- Give a new, overhauled tolling ombudsman service standard ombudsman powers, enabling them to pause matters during the course of an investigation and freeze further escalation through government levels.

<sup>&</sup>lt;sup>25</sup> Brisbane City Council, 'Minutes of Proceedings', 25 October 2016, https://www.brisbane.qld.gov.au/sites/default/files/20161102-council-minutes-post-recess-25-october- 2016.doc

#### **Final Word**

Transurban customers have relayed to us a long list of complaints over the years regarding the conduct of the company. The most common complaint we receive is about the egregious fees attached to unpaid tolls. Quite often, customers have told us that they have an e-Tag, an account, or otherwise have made an arrangement to pay, but are still sent out Demand Notices with administration charges. One thing we have encouraged Transurban to release is the data around their e-Tag failure rates, and how often this occurs. Customers being charged significant fees despite believing they are doing everything right is a key problem and as we continue to receive many complaints about this, we do not feel this problem has been solved.

Further, given customers are finding themselves in court over unpaid tolls, and some businesses are being wound up by this billion dollar, multi-national, ASX-listed toll road company, we believe Transurban should be required to release a breakdown of their administration charges to reflect the actual cost of collecting unpaid tolls. Given Transurban considers themselves a utilities provider, like a Telco, our belief is that they should be held to the same standard, and should not be (nor should ever have been) allowed to charge an administration charge for every unpaid toll, or for every three days of travel.

With increased transparency, fairer administration charges, and improved customer service, Queensland motorists might start to increase toll road usage and Transurban's reputation could begin to repair.