



Annual Report

2021/22

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Annual Report 2021/22



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NICOLAS CROWHURST
INDEPENDENT CHAIR



CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am delighted to provide the second Directors' Report for Tolling Customer Ombudsman Ltd (TCOL).

TCOL is incorporated as a public company, limited by guarantee, and commenced operating the TCO external dispute resolution (EDR) scheme in September 2019.

TCOL is governed by an impartial and independent Board that is comprised of three non-executive directors: myself as Independent Chair, Dr Ainslie Waldron as our Consumer Director and Ms Samantha Shaw as Industry Director. Our biographies are available on the website.

Importantly, TCOL's objects are:

- (a) to maintain an independent Tolling Customer Ombudsman scheme in Australia and appoint an Ombudsman with the power to receive, investigate and facilitate the resolution of complaints directly relating to the applicable terms and conditions for, or customer service relating to, use of a toll road by a customer that have been unresolved by the relevant member;
- (b) to provide information to members to assist them in the development and maintenance of good complaint-handling practices; and
- (c) to set measures for, and monitor, the quality and consistency of the services provided by the Ombudsman.

THE TCOL STRATEGY

While the TCO has outlined the more operational aspects of the developing corporate strategy, the Board wished to make comment about the broader, high-level design principles which we are focused on.

- First and foremost is accessibility. We must be easy to use by both the consumers and small businesses who use our service, as well as by our members. We must keep people at the forefront of everything we do.
- Secondly is instilling and maintaining trust in our organisation. We do this by ensuring our operations are impartial and independent, as well as being fair, transparent and respectful with everyone we interact with.
- Lastly, but by no means least, is a focus on efficiency and effectiveness. As a not for profit organisation, we must be mindful of providing a high quality service in a way which is financially responsible and yet adequately resourced.

The TCOL Strategic Plan is intended to operate for five years (2021-2026). It will engage five core periods:

- Development
- Implementation
- Operations
- Monitoring and improvement
- Enhancement and design

We are currently in Stage Two – Implementation. Having developed our new operating approach and corporate needs, the framework set out in the Strategic Plan will enable TCOL to adapt to, and grow within, a dynamic external environment. To do this, we must properly consider the organisation's needs and the needs of our stakeholders before testing our solutions in a live environment. Based on the observable data post-implementation, we will make changes to ensure we are achieving the desired objectives from each strategic initiative.

THE TCOL BOARD

Each Director is appointed to the Board in accordance with the Constitution for a term of office not exceeding three years. In the normal course of events, each director may expect to remain in office for two terms, although there is provision for a third term in exceptional circumstances.

I am delighted to report that, as my first term as Chair comes to an end on 27 October 2022, the other TCOL directors have asked me to continue on for a second term as the Independent Chair. I very much look forward to doing so.

The Board meets once per quarter (unless there is otherwise a need for any additional meeting) to discuss operations, plus holds an annual strategy day. Due to the small size of the organisation, there is no requirement for Board Committees.

All meetings have been attended by all directors during the reporting period with no apologies received.

STAKEHOLDER ENGAGEMENT

It would be trite to say our stakeholders are vital to the continued operation of the TCO scheme. Without the trust of both consumers, industry and relevant governmental agencies, the TCO scheme, and with it TCOL, could not operate.

It is with some disappointment then, I note the report presented to the NSW Parliament by its Legislative Council in August 2022. While this development has occurred after the reporting period, I think it appropriate to mention here.

The report, Road tolling regimes, appears to have accepted some incorrect allegations about the scheme based on the submissions, including mistakenly reporting:

- Transurban had set up and owned the TCO website (untrue)
- TCOL had not registered a business name, or that doing so was an ASIC requirement (TCOL has had a registered business name since inception in 2019)

- TCOL did not have an office address (TCOL maintains serviced offices in Melbourne, Sydney and Brisbane) and
- Inappropriately favours Transurban in determinations (reasons for determinations are published and no allegations of bias have been substantiated).

The report notes, in part, that “(I)n contrast to other industry-based ombudsman that meet the criteria necessary to be a member of ANZOA, the Tolling Customer Ombudsman is an industry-based and industry-run organisation, with no legislative basis. Membership is on a voluntary basis.” This overlooks:

- many ANZOA members are ombudsmen at organisations which are also industry-based and funded, such as EWOV, EWON and AFCA
- a recent Independent Review of TCOL and the TCO scheme determined TCOL and the TCO scheme met the Consumer Benchmarks for Industry-Based External Dispute Resolution schemes, as issued by the Australian Treasury in February 2014
- the Office of the Australian Information Commissioner (OAIC) reviewed and recognised TCOL and the TCO scheme under its Guidelines for EDR which are substantively the same as the Treasury benchmarks and
- both the Benchmarks and the OAIC Guidelines are substantively the same as the ANZOA criteria for membership (despite the ANZOA membership being individual, rather than organisational).

One clear concern for the Committee is Transurban is the sole member of the TCO scheme. However, as also noted in the report, this is a function of the dominance Transurban has in the Australian toll road sector, rather than criticism of the pre-existing safeguards TCOL has in place to maintain its independence.

The report ultimately makes its Recommendation 10 which recommends the establishment of an independent Tolling Customer Ombudsman, with a legislative basis, which has the following features:

- has the power to resolve disputes against all toll operators
- all private toll road operators are required to fund the new ombudsman to enable the delivery of a full-time, professional service and
- the new ombudsman has the power to enforce the Codes of Practice foreshadowed at Recommendation 9.

In my view, this recommendation is misconceived as the TCO scheme, and TCOL as its operator, already has these features enshrined in its Terms of Reference, with the exception of being a full-time proposition for the Ombudsman.

The part-time nature of the TCO role is a factor of the nature and number of complaints, not a factor of underfunding.

Across Australia, 1,000 complaints per annum is insufficient to support a full time Ombudsman and staff. If this recommendation was pursued, the approximately 500 complaints arising in NSW per annum would equate to 10 complaints per week. It is not an economically viable proposition, particularly where there has been no substantiated criticism of outcomes achieved through the current TCO operations, outside of nebulous perceptions of a lack of independence which arises from decisions of successive state governments which have assigned Transurban as the predominant private toll road operator in Australia, and the sole private operator in NSW.

The TCOL Board will liaise with relevant stakeholders in the coming weeks and months, cognisant of the election in NSW in March 2023. While the incorrect allegations and subsequent recommendations within the report are disappointing, TCOL will continue to offer the quality service that is evident from the performance statistics generated every quarter.

We are confident of a positive outcome which meets the needs of our stakeholders.





PHILLIP DAVIES
TOLLING CUSTOMER OMBUDSMAN



OMBUDSMAN'S REPORT

I am delighted to present the second Annual Report for Tolling Customer Ombudsman Ltd (TCOL). I have been the CEO of TCOL and the Ombudsman (TCO) overseeing the operation of the Tolling Customer Ombudsman Scheme (TCO Scheme) since January 2020.

Over the last 2.5 years, it has been an interesting and challenging time to be undertaking both these roles and overseeing the working of the TCO Scheme. Thankfully, at the time of writing this report, the impact of COVID-19 is reducing and this return to more normal circumstances in Brisbane, Melbourne and Sydney has assisted in the running of both the company and the TCO Scheme. The primary responsibility remains, of course, the Ombudsman role, in which I continue to mediate and determine hundreds of complaints every year.

As the TCO, I remain a full member of the International Ombudsman Association (IOA), which is the pre-eminent global body for ombudsmen organisations. The IOA in 2022 has more than 1,000 professional Ombudsman practitioners as members worldwide, including various members in Australia and New Zealand. Being integrated into the global ombudsman network allows me to be kept abreast of the global trends and practices of ombudsmen around the world. For example, in 2022 the IOA is reviewing its Code of Conduct for its member ombudsmen and is taking into account various global practices and procedures undertaken by its members to be incorporated into the new Code of Conduct.

TCO LTD

TCOL continues to operate in accordance with the Benchmarks for Industry-based Customer Dispute Resolution published by the Australian Treasury in February 2015 and within the context of the key governance principles underpinning the TCO Scheme. These governance principles were verified, and enhanced, by the independent review of the TCO Scheme by Professor Justin Malbon in 2019.

TCOL is a member-based company limited by guarantee registered under the provisions of the Corporations Act. TCOL is governed by an impartial and independent Board that is comprised of three directors: a Chair, a Consumer Director and an Industry Director. The Board of Directors have a broad mix of commercial, consumer and dispute resolution experience. They are company directors of long-standing and are well versed in corporate governance principles and practices. I, as CEO/Ombudsman, am employed by and report to the Board of TCOL.

Importantly, TCOL's objectives continue to be:

- (a) to maintain an independent Tolling Customer Ombudsman scheme in Australia and appoint an Ombudsman with the power to receive, investigate and facilitate the resolution of complaints directly relating to the applicable terms and conditions for, or customer service relating to, use of a toll road by customers that have been unresolved by the relevant member;
- (b) to provide information to members to assist them in the development and maintenance of good complaint-handling practices; and
- (c) to set measures for, and monitor, the quality and consistency of the services provided by the Ombudsman.

TCOL STRATEGIC PLAN

The Board of TCOL together with the TCO have finalised a Strategic Plan which sets out the strategy and direction for the future of TCOL, the TCO and the Scheme.

This Strategic Plan establishes the purpose, mission and strategic goals of TCOL at a national level, understanding that the delivery of its core business will occur primarily in Victoria, New South Wales and Queensland. The Strategic Plan dovetails with the recent work done by the TCOL Board and TCO to strengthen the risk management framework of the company and in respect to its activities. That is, the risk management framework is embedded in the assessment of future strategic opportunities of the company.

More generally, in the Strategic Plan TCOL is seeking to:

- build on its existing strengths and further enhance its position as an organisation and a brand, as well as
- enhance those strengths to ensure the future of TCOL in its business activities in Australia and most particularly the oversight and administration of the TCO Scheme.

The Strategic Plan is intended to operate for five years (2022-2027). An important part of the Strategic Plan continues to be active engagement with stakeholders. Each part of the TCOL network is critical in determining the success or failure of TCOL achieving its long-term objectives and goals. These stakeholders include but are not limited to:

- Consumers
- Vulnerable groups, not for profit charities and their advisers, including those, for example, working in women's refuges, consumer and community legal services and legal aid
- Toll operator(s)
- Department of Transport and Main Roads in Queensland (TMR)
- Department of Transport in Victoria
- Transport for New South Wales (TfNSW)
- Brisbane City Council (BCC)
- State Ombudsman in Victoria, New South Wales and Queensland
- Commonwealth Office of the Australian Information Commissioner (OAIC)
- IOA.

The Strategic Plan of TCOL will be reviewed annually by the TCOL Board.

THE TCO SCHEME

TCOL oversees an independent alternative dispute resolution (ADR) scheme, being the TCO Scheme. Under the TCO Scheme, the TCO has the power to receive, investigate and actively facilitate the resolution of tolling complaints.

The complaints are specifically about the use of a toll road by consumers, subject to the jurisdictional limits of the TCO Scheme. The TCO plays an active role in facilitating a mutually satisfactory resolution of disputes between the toll operator and consumers. The key to reaching such an agreement is that each party is able to clearly set out its position in relation to the dispute, but also that each party to the dispute clearly understands the other party's position. If the parties are not able to reach an agreement on the dispute after a reasonable time for negotiation and giving each party an opportunity to put its position to the other side, the TCO can make a formal determination on the matter.

It is important to note in respect to the TCO Scheme's status, that both the IOA and the OAIC continue to recognise the TCO Scheme as an approved ADR Scheme. In late 2021, the OAIC undertook its five-year review of the Scheme and confirmed its ADR status. The TCO, over the last 12 months, has sought an even closer relationship with the OAIC, entering into various arrangements with the OAIC to ensure that the issues governed by the OAIC are integral elements of the TCO Scheme.

COMPLAINT RESOLUTION

Historically, the TCO Scheme averages 1,000 complaints per year for the toll operator and so would expect approximately 250 complaints per quarter. As a general observation, over the past 12 months the number of complaints in all jurisdictions has been impacted significantly by COVID-19. However, recently there are positive signs that the impacts of COVID-19 are greatly diminishing.

In my view, the priority and focus of the Toll Operator in respect to internal dispute resolution procedures and consumer hardship measures have also had an impact on the diminution of disputes under the TCO Scheme.

Irrespective of location, the nature of the complaints remains essentially the same. The main issues for consumers relate to billing/tolling. This is most often the application of administrative fees or infringement fines, and whether these have been properly incurred.

It is pleasing to note that over the last 12 months (1 July 2021 – 30 June 2022) the longer timeframes in resolving disputes are generally coming down in comparison to earlier years, indicating a quicker time taken for resolution of complaints. In addition, pleasingly in this 12 month period the 31-60 days category of resolution of disputes has significantly been reduced and this is markedly better than the industry standard for internal dispute resolution, being up to 45 days to resolve matters.

Overall, the predominant means of contacting the TCO with a complaint continues to be electronically, either through the online complaint form or via emailing the complaint form after downloading it from the TCO website: www.tollingombudsman.com.au.

I also make myself available to meet in person with consumers and discuss their particular issues in Victoria, New South Wales and especially in Queensland, where I am, subject to COVID-19 restrictions, in Brisbane for two days per month.

I am also available for online meetings with consumers in all jurisdictions, given the difficulties of face to face meetings due to COVID-19 restrictions and I continue to be available for telephone calls from consumers in each jurisdiction when required. Telephone calls, in my experience, are a very efficient way to get direct feedback from consumers.

REPORTING

The TCO has a quarterly reporting regime outlining trend analysis and data every quarter over a rolling 12 month period. Given the quarterly reports have now been instituted for a 3-year period, certain trends can be identified in respect to each of the states. In turn, these trends are discussed with the toll operator to seek to identify refinements to its systems and procedures in the quarterly meeting the TCO has with the toll operator.





SCHEME DATA AND PERFORMANCE OVERVIEW

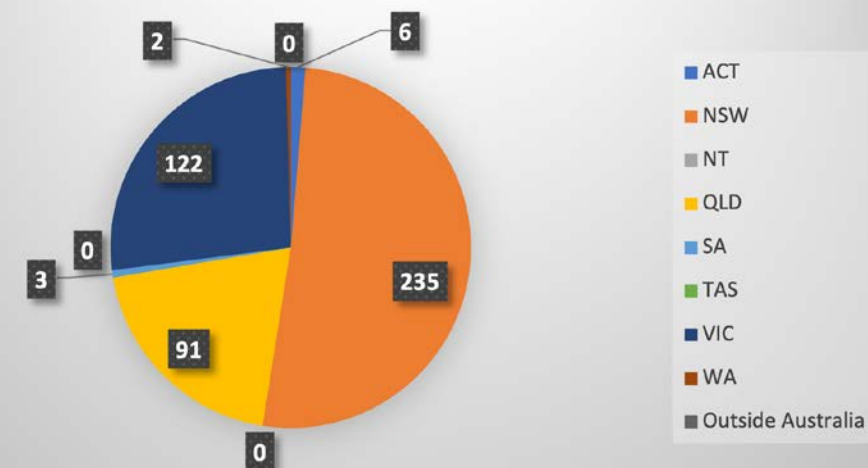
During the period of this report, the COVID-19 pandemic was significant in its impact on the use of toll roads by consumers in Victoria, New South Wales and Queensland, and correspondingly has had a bearing on the number of complaints in each of these states.

The impact of COVID-19 was particularly significant in Queensland and Victoria during this period because of a series of both short and long lockdowns in both states. In Victoria and Queensland during that period the community, in largely the capital city of each state being Melbourne and Brisbane, was still experiencing some “lockdown” measures. Even New South Wales, which had previously not been subject to significant COVID-19 lockdowns, effectively commenced a lockdown in Sydney in late June 2021.

Obviously, the impact of COVID-19 has continued beyond June 2021 in all jurisdictions. The more difficult issue to determine is how long the impact of COVID-19 will be felt in each state and to what extent, although at the time of writing of this report it seems that with significant vaccination rates in each jurisdiction the impact of COVID-19 is easing.

Over the past 12 months (i.e. 1 July 2021 to 30 June 2022 inclusive), 459 complaints were received for that period.

Where were the complaints made from in 2021-22?

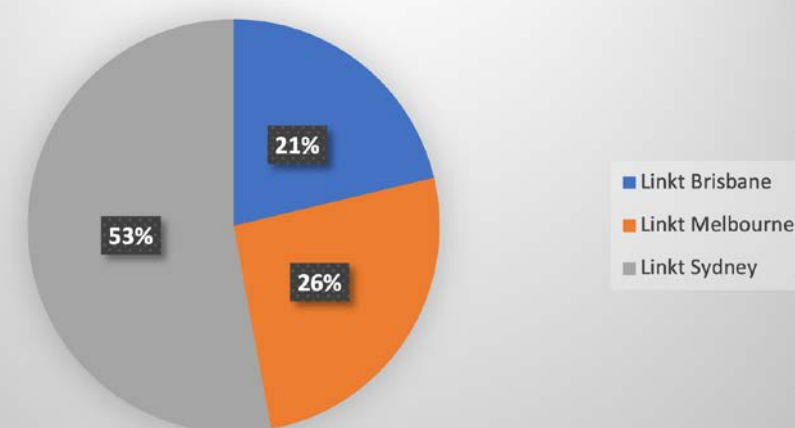


New South Wales consumers continue to represent over half of the TCO workload, with Victoria approximately 26% and Queensland consumers at 21%. It is anticipated, subject to any unusual COVID-19 impact, that in the next year the percentage of Victorian complaints to total complaints will go back to the historical percentage of about 30% of claims.

Generally, and historically, the TCO normally averages 1,000 complaints per year for the Toll Operator in the scheme and so would expect approximately 250 complaints per quarter. To receive 459 complaints in the last 12-month period is a significant reduction on the number expected. However, it should be noted again, in the last 12-month period the number of complaints has been impacted significantly by COVID-19. Nevertheless, the Toll Operator should be commended on the continual improvements being made to their internal complaint resolution services.

Despite the volume of complaints being down for the relevant period, the disputes prevalent under the scheme are (1) Accounts Management, (2) Billing and Tolling and (3) Vehicle Classification complaints.

Which operators received complaints in 2021-22?

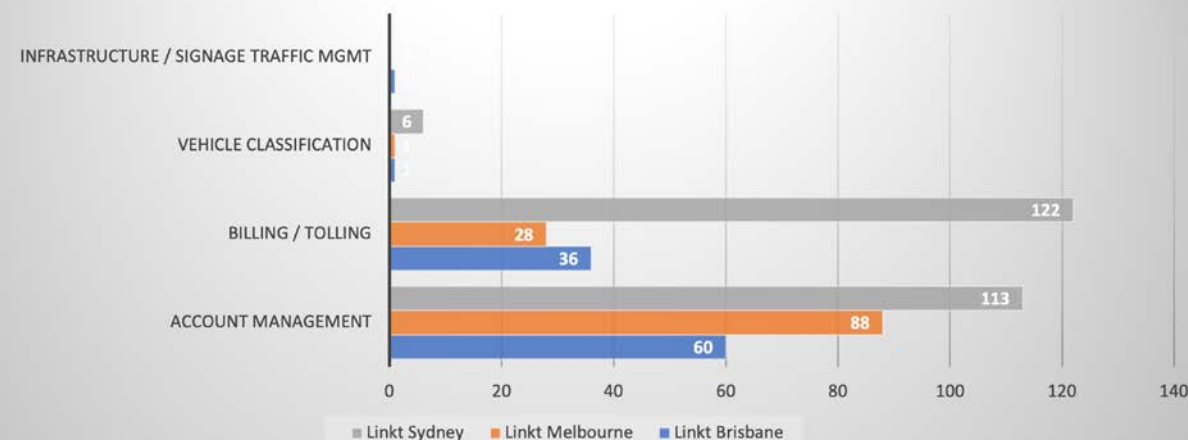


These three complaint types are consistent across the three jurisdictions under the scheme.

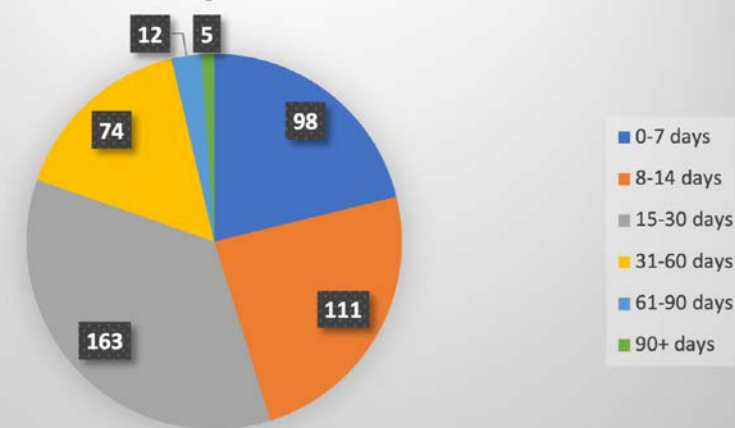
In some complaints, the financial benefit can be proportionally significant. However, the instances of tens of thousands of dollars of debt are generally not able to be resolved through the TCO scheme as these levels of debt arise predominantly through the imposition of fines by state authorities, which are outside of the TCO jurisdiction. Where a resolution is achieved under the scheme, outcomes can range from non-financial actions (explanations, release of information, assistance with referrals, etc.), to an acceptance of an offer to resolve, to updating a credit listing as paid or a removal of a credit listing due to extenuating circumstances, to a financial benefit from waiver of an amount of debt or a payment.

It should be noted that there is an additional category of complaint in 2021-2022 which deals with infrastructure/signage /traffic management. The complaint numbers in this area are relatively low. The Toll Operator has been implementing a program in respect to more effective and improved signage on toll roads during the last 12 month period.

What were the complaints about in 2021-22?



How long did it take to resolve the TCO complaints in 2021-22?



It is pleasing, despite the pandemic environment, in this 12-month period generally, the 31-60 days category for the resolution of disputes under the scheme has significantly been reduced. This is markedly better than the industry standard for internal dispute resolution, being allowed to take up to 45 days. These dispute resolution timelines obviously need to be monitored carefully. Overall though, the vast majority of complaints are resolved in fewer than 30 days.

In the period of this report, even though times to resolve disputes have been reduced generally, there were a few disputes that took longer than usual to settle due to the anxiety of consumers because of COVID-19 and related financial issues. Overall, in the last 12 months the number of days to resolve disputes is reducing, but obviously the hard work needs to continue to ensure this is a continuing trend.

The Ombudsman also made himself available to meet in person with consumers in Victoria, New South Wales and, in particular, Queensland where the Ombudsman, subject to COVID-19 restrictions, is on the ground in Brisbane for two days per month. The Ombudsman was also available for Zoom meetings, given the difficulties of face-to-face meetings due to COVID-19.

The TCO and the TCOL Board recognise that telephone contact is very important for some consumers and understand some consumers, when a dispute arises, would prefer and need to discuss or clarify issues over the telephone with the Ombudsman. As COVID-19 has added to the anxiety of consumers, it has been even more important at this time to discuss matters over the telephone with consumers and be aware that consumers may seek more wide-ranging discussions than simply discussing the dispute in hand.



Toll Roads by State



NSW

Cross City Tunnel
 Eastern Distributor
 Hills M2
 Lane Cove Tunnel
 NorthConnex
 Westlink M7
 WestConnex M4
 M5 West
 M5 East
 WestConnex M8



VIC

CityLink



QLD

Clem7
 Go Between Bridge
 Legacy Way
 Airportlink M7
 Gateway Motorway
 Logan Motorway



Tolling Customer Ombudsman Limited

ABN: 36 619 539 427

Financial Report for the year ended 30 June 2022

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Tolling Customer Ombudsman Limited

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Tolling Customer Ombudsman Limited

Directors Report

For the year ended 30 June 2022

The Directors present their report, together with the financial statements, on behalf of Tolling Customer Ombudsman Limited for the financial year ended 30 June 2022.

Directors

The following persons were Directors of Tolling Customer Ombudsman Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Nicolas Crowhurst	Independent Chair
Ainslie Waldron	Consumer Director
Samantha Shaw	Industry Director

Company Secretary

Phillip Davies was appointed the Secretary of Tolling Customer Ombudsman during March 2020

Principal Activities

The principal activity of the Company during the financial year was to provide an external party to review the outcomes of complaints made to Transurban. The current ongoing ombudsman is Mr Phillip Davies, appointed by the board on the 29th of January 2020, on a 3 year contract.

Significant Changes


There have been no significant changes in the nature of these activities during the year.


Operating Result

The profit of the Company for the financial year was:

	30 June 2022 (\$)	30 June 2021 (\$)	Movement
Profit for the year	79,307	107,811	-26%

Signed in accordance with a resolution of the Directors.


Nicolas Crowhurst
Chair


Phillip Davies
Secretary

Dated this 28th day of September 2022



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Auditors Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Tolling Customer Ombudsman Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tolling Customer Ombudsman Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 28 September 2022

Tolling Customer Ombudsman Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Revenue from operating activities	6	342,000	360,000
Other income	7	3,700	3
		345,700	360,003
Expenses			
Employee benefits expense		217,283	219,173
Accounting and consulting fees		12,694	11,226
Administration and general costs		7,544	8,212
Audit fees		2,700	2,500
IT expenses		5,402	2,446
Travel expenses		7,296	1,505
Finance costs		-	1,158
Other expenses		13,474	5,972
		266,393	252,192
Profit for the year			
Other comprehensive income		-	-
Total comprehensive income for the year		79,307	107,811

The accompanying notes form part of these financial statements

Tolling Customer Ombudsman Limited

Statement of Financial Position

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	121,371	115,511
Trade and other receivables	9	29,700	99,000
Financial assets	10	150,000	-
Total current assets		301,071	214,511
Total assets		301,071	214,511
Liabilities			
Current liabilities			
Trade and other payables	11	18,104	18,804
Employee benefits	12	21,496	14,066
Total current liabilities		39,600	32,870
Non-current liabilities			
Employee benefits	12	846	323
Total non-current liabilities		846	323
Total liabilities		40,446	33,193
Net assets		260,625	181,318
Equity			
Retained earnings		260,625	181,318
Total equity		260,625	181,318

The accompanying notes form part of these financial statements

Tolling Customer Ombudsman Limited

Statement of Changes in Equity

For the year ended 30 June 2022

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2020	73,507	73,507
Result for the year	107,811	107,811
Balance at 30 June 2021	181,318	181,318
Balance at 1 July 2021	181,318	181,318
Result for the year	79,307	79,307
Balance at 30 June 2022	260,625	260,625

The accompanying notes form part of these financial statements

Tolling Customer Ombudsman Limited

Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		415,000	327,000
Payments to suppliers and employees		(259,140)	(257,129)
Interest paid		-	(1,158)
Interest received		-	3
Net cash flows provided by operating activities		155,860	68,716
Cash flows from investing activities			
Purchase of investments		(150,000)	-
Net cash flows from/(used in) investing activities		(150,000)	-
Net increase in cash held		5,860	68,716
Cash and cash equivalents at beginning of financial year		115,511	46,795
Cash and cash equivalents at end of financial year	8	121,371	115,511

Tolling Customer Ombudsman Limited

Notes to the Financial Statements
For the year ended 30 June 2022

Note 1. Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Corporations Act 2001* ('the Act'). The Directors have determined that the Company is not a reporting entity as the users of the financial statements are able to obtain additional information to meet their needs.

Note 2. Statement of Compliance

The financial report has been prepared in accordance with the Act, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements* , AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* , AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures* .

The Company has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Note 3. Basis of Preparation

The special purpose financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

Note 4. Summary of Significant Accounting Policies

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Transurban funding

Funding received from the Transurban Group is received on a monthly basis. The Transurban Group is an Australian owned company and one of the world's largest toll-road operators.

Tolling Customer Ombudsman Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Note 4. Summary of Significant Accounting Policies (*continued*)

Interest Income

Interest income is recognised using the effective interest method.

(c) Goods & Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer Services

No amounts are included in the financial statements for services donated by volunteers.

(e) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company has determined that its financial assets are all classified at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Trade Receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise of trade payables.

Tolling Customer Ombudsman Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Note 4. Summary of Significant Accounting Policies (*continued*)

(f) Cash & Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in income and expenditure.

(h) Adoption of New & Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Note 5. Critical Accounting Estimates & Judgements

The Company makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Receivables (Key Estimate)

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Employee Provisions (Key Assumptions)

Key assumptions on attrition rate of staff and expected pay increases through promotions and inflation

Tolling Customer Ombudsman Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Note 6. Revenue From Operating Activities

	2022 \$	2021 \$
Revenue From Contracts With Customers		
- Transurban funding	342,000	360,000
	342,000	360,000

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 7. Other Revenue

	2022 \$	2021 \$
- Interest income	-	3
- Other Income	3,700	-
	3,700	3

Note 8. Cash & Cash Equivalents

	2022 \$	2021 \$
Cash at bank and on hand	121,371	115,511
	121,371	115,511

Note 9. Trade & Other Receivables

	2022 \$	2021 \$
Current		
Trade receivables	29,700	99,000
	29,700	99,000

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Note 10. Financial Assets

	2021 \$	2020 \$
At Amortised Cost		
Term deposits	150,000	-
	150,000	-

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Tolling Customer Ombudsman Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Note 11. Trade & Other Payables

	2022 \$	2021 \$
Current		
Trade creditors	11,713	12,919
Other creditors and accruals	6,391	5,885
	18,104	18,804

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 12. Employee Benefits

	2022 \$	2021 \$
Current		
Provision for annual leave	21,496	14,066
	21,496	14,066
Non-Current		
Provision for long service leave	846	323
	846	323

Provision for employee benefits represents amounts accrued for annual leave and long service leave. Provisions for employee benefits were recorded for the first time in the current year.

Note 13. Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022 \$	2022 \$
Surplus for the year	79,307	107,811
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	69,300	(33,000)
- (decrease) in payables and other liabilities	(700)	(20,484)
- increase in provisions	7,953	14,389
Cashflow from operations	155,860	68,716

Tolling Customer Ombudsman Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Note 14. Related Party Transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members. The Company considers key management personnel to be the members of the Committee of Management.

Transactions With Key Management Personnel & Related Parties

During the year, the Association purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
No related parties identified		

There has been no other transactions key management or related parties other than those described above.

Note 15. Events After the end of the Reporting Period

The financial report was authorised for issue on 28th September 2022 by the Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 16. Company Details

The registered office of and principal place of business of the Company is:
Tolling Customer Ombudsman Limited
Australian Company Number: 619 539 427
(VIC & NSW) P.O Box 7095, Level 16 607 Bourke Street, Melbourne, VIC, 3000
(QLD) P.O Box 2615, Mansfield QLD, 4122

Tolling Customer Ombudsman Limited


Directors' Declaration

In accordance with a resolution of the Directors of Tolling Customer Ombudsman Limited, the Directors of the Company declare that, in the Directors' opinion:

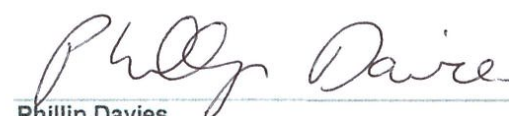
The financial statements and notes, as set out on pages 3 to 12, are in accordance with the Corporations Act 2001 and:

- comply with the Australian Accounting Standards applicable to the Company; and
- give a true and fair view of the financial position of the Company as at 30 June 2022 and its performance for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Nicolas Crowhurst
Chair



Phillip Davies
Secretary

Dated this 28th day of September 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TOLLING CUSTOMER OMBUDSMAN LTD**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Tolling Customer Ombudsman Ltd, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the financial report of Tolling Customer Ombudsman Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the year then ended in accordance with the accounting policies described in notes; and
- (ii) complying with Australian Accounting Standards to the extent described in the notes to the financial statements, and the *Corporations Regulations 2001*;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements related to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the entity's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial statements may not be suitable for another purpose.

Independence

We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

Director's Responsibility for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSD Audit
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Mahesh', with a horizontal line extending to the right.

Mahesh Silva
Partner
Bendigo
Dated: 28 September 2022

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