

FINANCIAL REVIEW

Transurban tags mobile phones as next tolling technology with 20pc Bluedot stake

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Transurban believes drivers will gradually switch to mobile phones to pay toll fares.

Electronic tags that stick to car windscreens to pay fares on tollroads may be the next service replaced by mobile phones, says Australia's biggest tollroad operator Transurban after making its first equity investment in a technology start-up, [Bluedot Innovation](#).

"In the longer term, we can see a world where tags may ultimately no longer exist and you'll be using your phone or whatever the technology is at the time," Adam Watson, Transurban's chief financial officer, told The Australian Financial Review.

Transurban is investing US\$4 million in Bluedot, which was founded in Adelaide and is now headquartered in San Francisco, in return for a 20 per cent stake so it can take advantage of the group's location services technology for its mobile tolling app, [LinktGO](#).

The Bluedot technology enables location services on a motorist's mobile phone app to be activated as a car approaches a tollroad, and de-activated as the car leaves, saving the phone's battery.

Transurban's LinktGO app will use Bluedot technology that minimises use of mobile phone batteries.

Transurban, which operates most of Australia's tollroads including Sydney's Hills M2 and Melbourne's CityLink, worked with Bluedot to develop LinktGO, which was released in October for drivers who [only use tollroads occasionally](#) and don't want an electronic tag linked to a permanent account.

Transurban already has some 5 million Australians signed up to use its tollroad payment systems, which include [electronic tags](#), but believes casual tollroad users would favour an app that tells them immediately what toll fare they need to pay rather than a tolling account that automatically charges drivers.

Younger audience

Chris Jackson, Transurban's general manager of customer experience, said the app suited younger drivers' lifestyles.

"It just mirrors what we're seeing for consumers in the rest of their lives, whether it's paying for transport via Uber or even ordering food via Uber Eats," Mr Jackson said.

"They're used to now paying for services on a consumption basis rather than entering into a traditional account relationship or pre-paying for items."

App users do not have to set up a formal account with Transurban. They do however have to pay a 95¢ service fee on top of the toll fee charged for every trip they make (drivers using consecutive tollroads in one trip pay one service fee) which Transurban says reflects technology and administrative costs.

Transurban acknowledges that app would not suit drivers who use tollroads frequently due to the service fee, which is not paid by holders of tag accounts.

The new app, which has been promoted in NSW and Queensland, has been downloaded 20,000 times, and has 18,000 registered users.

Mr Watson said that while current users of the app remained a small proportion of Transurban's overall tag business, it expected the app to become more popular over time.

Transurban will have a board seat at Bluedot and hopes to take advantage of other technology developed by the company. Bluedot claims to have more accurate GPS systems than Google Maps.

The LinktGO app can sense movement and waits until drivers have stopped their cars to send toll fare notifications. If a driver's phone is switched off, the tollroad's electronic monitoring systems will record the driver's license plate and send a payment notice through the app.