



WoAG Travel Advice 2018/14

Subject: Hertz Transition, Forward Bookings, Tolls, Fuel and Damage Liability

Issue date: 23 July 2018

Dear Entity Travel Manager,

The purpose of this Advice is to provide entities guidance on the upcoming transition to the new Vehicle Rental Services arrangement and explain some of the key differences under this new arrangement.

As announced on 29 June 2018 (*WoAG Advice 2018/12*), Hertz Australia (Hertz) has been appointed as the sole provider of Vehicle Rental Services to the Australian Government. The new arrangement with Hertz commence from 1 January 2019; however, entities will begin transitioning to these arrangements from next month.

Transition Guidance

Entity Transition Timeline

The transition to Hertz will commence progressively from mid-August and will be completed by 31 December 2018. As the transition occurs entities will be contacted by Hertz Relationship Managers to discuss their transition timeline. Some entities will be contacted from 24 July 2018 and other entities will be contacted later in the transition period.

Forward Bookings

As entities will still require vehicle rental services during transition, Hertz, WoAG Travel and the outgoing vehicle rental providers are currently agreeing to a consistent approach for managing entity vehicle rental requirements during the transition period.

Once entities have agreed to their transition date, WoAG Travel recommends that entities avoid making vehicle rental bookings with the outgoing providers for travel occurring after their transition date. Wherever possible, these bookings should be delayed and lodged immediately once your entity has transitioned to Hertz.

Following transition, no new bookings are to be made with the outgoing providers, unless Hertz is unable to provide the requested vehicle. Please ensure that all Travel Bookers and Travellers are made aware of this requirement and ensure that your entity's Intranet, including any hyperlinks, are updated to remove references to the outgoing providers.

Key Changes

Tolls

The new Vehicle Rental Services arrangement introduces new ways of managing payment for tolls. Under the new arrangement, Hertz will offer entities the following toll payment options:

- (a) **Toll Day Pass** – This allows entities to pay a fixed daily fee, which covers unlimited toll usage for the vehicle rental period; and
- (b) **Actual Toll Charges** – This allows entities to request Hertz to pass on the actual toll charges incurred during the vehicle rental period, plus a toll administration fee.

Hertz will charge entities using the original (or otherwise nominated) form of payment for toll charges regardless of the toll payment option selected by the entity.

Where an Authorised Driver opts for the Toll Day Pass, the fee will be charged for each car rental day of the rental period and invoiced at the conclusion on the rental period.

Where an Authorised Driver selects the Actual Toll Charges option, the charge will be invoiced within 28 days of the conclusion of the rental period. The Actual Toll Charges invoice will include a statement that identifies each individual toll transaction for the rental period.

At the conclusion of the rental period, the Authorised Driver may opt out of the Toll Day Pass and choose the Actual Toll Charges payment method instead.

Fuel

There are also changes to fuel charges from the previous car rental arrangement. At the time of collection of the vehicle from the rental location, Hertz will provide Authorised Drivers with the following options:

- (a) **Fuel Purchase Option** – which provides the Authorised Driver with the ability to include a half or full tank of fuel in the Rental Price; or
- (b) **a Fuel Card.**

Where an Authorised Driver opts for the Fuel Purchase Option, but returns the vehicle with a full tank of fuel, Hertz will remove the fuel charge from the final invoice.

Where the Fuel Purchase Option is taken no refund will be payable for any unused fuel.

Where an Authorised Driver opts for a Fuel Card, the fees in the Deed will apply.

Where an Authorised Driver declines both the Fuel Purchase Option and Fuel Card and returns the vehicle without a full tank of Fuel, the Fuel Card Charge in the Deed will apply.

No refuelling charges will apply to either the Fuel Purchase Option or Fuel Card.

Liability for Damage

Entities should make themselves familiar with clause 2.14 - Liability for Damage and clause 2.15 - Claims for Damage of the Deed as conditions have changed.

More information

A copy of the Deed in relation to Vehicle Rental Services for the Australian Government is available on the WoAG Travel Govdex site. Should you require access to the WoAG Travel Govdex site please contact woagtravel@finance.gov.au to arrange this.