Review of tow truck fees and regulation

Based on IPART Issues Paper – Review of maximum towing fees (light and heavy vehicles) in NSW
27 May 2014

IPART is currently reviewing the maximum fees for tow truck services after road accidents. We will recommend new fees and arrangements that recover the costs of providing these services.

We are also reviewing other parts of the regulatory framework for the tow truck industry (operator licences, driver certificates and towing authorisation forms). We will investigate changes that reduce ‘red tape’ for operators while still ensuring there is adequate consumer protection.

We are seeking input from consumers to help us assess how the current regulation is working, and whether any parts of it can be relaxed or removed to save costs in the industry or strengthened to better protect customers. We are particularly keen to hear from drivers who have used tow truck services in the past 12 months.

This fact sheet provides a brief overview of why and how the tow truck industry is regulated, explains how consumers can provide input to our review, and indicates what sort of information we are seeking.

1.1 Why and how is the tow truck industry regulated?

The tow truck industry has been regulated in NSW since 1991. Regulation was introduced to address specific problems in the industry, including unacceptable and at times unlawful behaviour by a minority of tow truck operators and drivers. It has been strengthened several times since then to address ongoing problems.
The regulatory framework sets out requirements that tow truck operators and drivers must meet, and prohibits certain business practices and behaviours. In addition, it regulates the fees operators charge for accident-related towing services, and bans operators from charging fees for certain activities. Its broad objectives include:

- protect the rights of customers
- protect the tow truck industry’s reputable majority of tow-truck drivers and operators
- improve road safety and the safety of tow truck drivers by ensuring that tow trucks are operated safely, and that accident scenes are cleared in a safe and efficient manner
- prevent dishonest and at times unlawful behaviour previously displayed by a minority of tow truck operators and drivers
- increase industry efficiency and effectiveness through the achievement of the above objectives.

1.2 How can you have your say?

There are several ways you can provide input to this review:

1. **Make a submission.** We have put out an issues paper that provides more detailed information about our review, including how we plan to approach it, and the main issues we will consider. All stakeholders are invited to make written submissions in response to this paper. Both the paper and information on how to make a submission are available on our website (www.ipart.nsw.gov.au).

2. **Respond to this fact sheet.** If you don’t want to make a formal submission, you can respond to this fact sheet. As noted above, we are keen to hear from consumers who have used tow truck services recently – either at the scene of an accident or elsewhere. The areas where we are seeking your input are listed below. You can send your responses to towtrucks@ipart.nsw.gov.au or by completing the questionnaire online at http://www.ipart.nsw.gov.au/home/Tow_Truck_Consumers_Questionnaire

3. **Come to a workshop.** We will hold a workshop in October to give stakeholders another opportunity to express their views on the regulatory framework for the industry and maximum fees for accident towing services. Details on this workshop will be available on our website later this year.

IPART is seeking submissions to the Issues Paper and responses to the questionnaire before 30 June 2014.
1.3 **What information are we seeking?**

We are seeking your response to the following questions:

1. When and where did you last use tow truck services? What was the reason (eg, accident, breakdown)?
2. Did your insurance cover the costs of the tow?
3. If your vehicle was towed from an accident, did your tow truck driver give you a towing authorisation form that explained your rights (to decide who will tow, where the vehicle will be towed and the right to contact anyone before signing)?
4. Did the towing authorisation form include a quote for towing and storage fees?
5. How much did the tow truck operator charge? Did you think the charges were reasonable? If not, why not?
6. Did your car need to be stored in the tow truck operator’s holding yard before being towed to your requested destination? If so, why? And how long was it stored?
7. Are there any other comments you would like to make?