

REVIEW OF TOW TRUCK FEES AND LICENSING

14 October 2014

The Independent Pricing and Regulatory Tribunal (IPART) is recommending changes to the way the NSW tow truck industry is regulated to reduce costs while maintaining consumer protections.

Releasing a draft report for public comment today, IPART Chairman Dr Peter Boxall said a range of improvements should be made to the current licencing scheme that will reduce the compliance burden on the tow truck industry while protecting consumers.

“The current regulatory regime was introduced in 1998 to address specific problems that existed at that time,” Dr Boxall said.

“Since then, the tow truck industry has improved, so that while we are recommending that licencing of tow truck operators and drivers should continue to meet fit and proper person requirements, there is room to reduce red tape.”

“We are seeking feedback on measures to achieve this, such as increasing licence periods from 3 to 5 years, facilitating electronic record keeping, reducing minimum age requirements and making it easier for operators to dispose of unclaimed vehicles.”

IPART has also recommended that regulated maximum fees should only be set for light vehicle accidents, with fees for heavy vehicle accidents to be set by the market and subject to an approved quote.

“Our review of costs and market evidence suggests that most of the current fees are close to efficient, with the exception of vehicle storage fees which in some circumstances do not allow operators to recover their costs,” Dr Boxall said.

“We are recommending storage arrangements that are less prescriptive and more flexible and fees that benefit both customers and operators. In addition, we are recommending an after-hours surcharge of 25% that applies to all tows outside the hours of 7am to 7pm on business days (instead of a 20% surcharge outside the hours of 8am to 5pm on business days).”

Maximum fees for short accident tows and longer tows in metropolitan areas would be about the same or lower. Fees for vehicles requiring storage for three or more days would be higher as would be longer tows in country areas. For the vast majority of NSW motorists, accident towing fees are included in their vehicle insurance premiums.

A public forum will be held to discuss the draft report on 28 October 2014. Submissions will be accepted until 11 November. The Draft Report, along with further information on IPART’s reviews, is available at IPART’s website <<http://www.ipart.nsw.gov.au>>.

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