

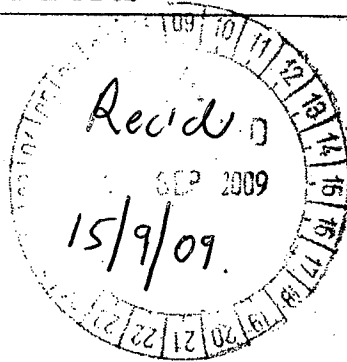


Minister for Roads and Ports

10 SEP 2009

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(File No.: BN000727)

Dr Ron Ben-David
Chairperson
Essential Services Commission
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Our Ref:

C/09/23919

Dear Dr Ben-David

Ron,

ESC REVIEW OF ACCIDENT TOWING AND STORAGE CHARGES

In my capacity as the Minister for Roads and Ports, I am authorised to determine charges for accident towing and other services under section 211 of the *Accident Towing Services Act 2007*. Before making a determination, I am required to refer the matter to the Essential Services Commission for investigation under Division 9 of Part VI of the Transport Act 1983.

The Transport Act 1983 also requires that I first consult with the Minister administering the Essential Services Act 2001 before referring a matter to the Commission. In a letter dated 7 August 2009 (copy attached), the Minister for Finance has indicated his support for the review of the accident towing and storage charges, including the Terms of Reference.

Accordingly, I now request that the Commission undertake the review in accordance with the attached Terms of Reference.

Should your staff have any further enquiries regarding this matter, Mr Don Hogben, VicRoads' Director – Vehicle Management and Safety (Tel: 9854 2901), would be pleased to assist.

Yours sincerely

Tim Pallas MP
Minister for Roads and Ports

Encl.

Review of Accident Towing and Storage Charges

Terms of Reference

That the Essential Services Commission undertake a comprehensive analysis of Victorian towing industry cost structures and towing and storage fees and investigate and report on:

- The appropriateness of the level of each component within the current regulated fee structure;
- Whether the components should be varied and the magnitude of such variations;
- A potential process for dealing with future fee variations including timing of future reviews;
- Whether the charges for clearing a road accident scene should be regulated;
- Towing jobs for which a tow operator is not paid; and
- Whether the boundaries for the accident allocation zones are still applicable given the recent urban fringe growth of Melbourne and where the boundaries should be.

The Commission should have regard to the following factors in undertaking its review:

- i. The impact on Victorian business and the community, including the impact of any proposed variations to consumers;
- ii. The impact on the tow truck industry State-wide, including all stakeholders;
- iii. The benefits of the timely clearance of accident scenes;
- iv. The previous ESC reports on towing; and
- v. Other State and Territory approaches to charging for accident towing services.

The following directions are given under section 186(4) of the Transport Act 1983:

- In conducting the investigation, the Commission may have regard to the objectives in Sections 8 and 8A of the *Essential Services Commission Act 2001*, where relevant;
- Except as otherwise directed by the terms of reference, the Commission is to conduct the investigation in a manner as described in Section 187 of the Transport Act 1983. The Commission is to submit its report to the Minister for Roads and Ports by 22 February 2010.

If Vic Roads can be of assistance to the Commission during this review, please contact Mr Don Hogben, Director - Vehicle Management and Safety (Tel: 9854 2901).