

Accident towing fees to remain steady but storage fees might increase following review

How much you pay in storage fees after an accident might increase but towing fees would stay the same under final recommendations from the state's economic regulator of essential services to the Minister for Roads.

A review of accident towing and storage fees by the Essential Services Commission has recommended Minister for Roads, Jaala Pulford set higher storage fees but leave towing fees at current levels.

The recommendation comes after the commission's regular review of regulated fees* which happens every three to five years.

The commission's head of price monitoring and regulation Marcus Crudden says the latest review recommends towing fees should stay steady but storage fees should increase.

'When we compared regulated fees with unregulated ones (namely, trade towing), we found regulated accident towing fees in Melbourne were consistent,' he said.

Mr Crudden says accident storage fees have however been increasing in line with industry costs for the last 10 years.

'Our analysis suggests current storage fees are too low and have recommended an increase of around \$2 per day for motorcycles and \$7 per day for vehicles.

"While this is large in percentage terms (47 per cent) we believe the impact will be low and won't apply to all customers," he said.

Customers are not required to store their vehicle at the operator's storage facility, so the regulated storage fee does not apply to every accident towing case.

The current 2018-19 regulated fees will continue to apply until the minister makes a new fee determination.

The <u>commission's report</u> is now available on its website.

* Accident towing and storage charges are the only regulated towing fees in Victoria. Unregulated trade towing and storage services include clearway, impound and breakdown towing jobs.

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Regulated accident towing and storage fees in the Melbourne controlled

area

Fee or charge description	2018-19 actual (\$ incl. GST)	2018-19 recommended (\$ incl. GST)
Accident towing fees		
Base fee (incl. first 8km travel by tow truck)	221.40	221.40
Additional fee per kilometre beyond 8km	3.50	3.50
After hours surcharge ^(a)	75.60	75.60
Storage fees (charge per day)		
Car – under cover	17.00	25.00
Car – in locked yard	11.50	16.90
Motorcycle – under cover	5.60	8.25
Motorcycle – in locked yard	3.60	5.30