



**Response to**

**REVIEW OF ACCIDENT TOWING  
AND STORAGE FEES**

**Issues Paper**

October 2009

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# **Review of Accident Towing and Storage Fees**

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## **6.1 Level, structure and components of regulated charges**

### ***1. What are stakeholder's views on the current level and structure of the charges?***

Towing industry participants consider the current structure of rates is appropriate for the industry. It should be remembered that this structure has been the result of several refinements over a 25 year period.

In respect of the level of charges, this review is well overdue as it has been almost 5 years since the last review. This has left the industry significantly under compensated for the service that is provided to the motoring public.

### ***2. What factors should the Commission take into account when determining the appropriateness of current accident towing and storage charges and whether they should be varied?***

The key factors for consideration should continue to be those areas of primary expense to the industry which contribute to the high standard of accident towing services. These have been identified in many of the previous rate review exercises and include vehicles, equipment, depots, legislative and regulatory requirements, finance, insurance and staffing costs.

The other key factors arise from the legislative changes that have recently occurred such as the deregulation of trade towing and the anticipated costs associated with industry accreditation programs. Given that trade towing is now open to anyone, there must be a reduced expectation on the potential work available to accident towing businesses from trade towing.

### ***3. What are the key costs facing tow truck operators? What are the key cost pressures (if any) facing the accident towing industry?***

The industry notes that there have been increases across the range of business overheads; however the key costs are clearly the items of greatest expense. These include employee wages and related on-costs, truck purchases and finance, fuel and depot leasing fees. Obviously, relatively small percentage increases in these areas can lead to small business towing operators needing to find significant income improvements to cover the costs.

**4. How should the cost of servicing an accident towing licence or the return on investment in a licence be accounted for, if at all?**

Given that many of the existing industry operators have purchased licenses, we believe servicing costs for that investment and an appropriate return on investment should be accounted for. This could be done simply by averaging a reasonable sample of license sale prices (as recorded by VicRoads) from transfers that have occurred over the passed 12 -24 months. This would provide a general figure on which the cost of financing could be calculated. Add to that a reasonable rate of return on investment and this would give an industry average guide of what a towing business needs to recover as part of chargeable rates.

While some may argue that purchasing a tow truck license is a discretionary spend, many business purchase costs in any industry could be considered in the same light. Generally speaking, most business purchases would be undertaken with the view of covering finance costs and ultimately recovering the debt incurred. It therefore stands to reason that some consideration to license purchase costs should be included in the fee structure.

If we consider other licensed industries in which the government does not set the fees, those businesses would set fees which would contribute to cost recovery of industry entry expenses and therefore, we say that the towing industry should not be treated any differently.

**5. How have operating costs changed since the last increase in accident towing and storage fees? What other factors are driving changes in costs?**

Key cost changes for this industry are:

- wage increases
- workcover rate increases
- land tax
- fuel increases
- increased vehicle purchasing costs
- steadily increasing maintenance costs

**6. What has been the impact of the new legislation (i.e. the Act)?**

It is anticipated that there will be a modest increase in compliance costs given the new legislation includes a provision for industry accreditation. While this may not amount to significant amounts in comparison to other industry costs, it should not be overlooked.

The more significant impact on the industry has been the further opening to anyone the option of providing trade towing services. While this aspect of towing was licensed there always appeared to be industry access restrictions and an awareness of the necessity to comply with regulatory requirements. Further, the legislation heightened industry awareness of the need to have well maintained and well presented vehicles. This aspect of the industry has been lost and therefore the trade towing industry is now seen by many as having little regulation, requiring little skill and investment and thus it has attracted a plethora of providers with limited business acumen. This has given rise to very cheap trade tows being available.

The consequential problem for the accident towing industry is the loss of business which was the key area in which operators could supplement their limited accident towing income. Previous rate reviews have always anticipated that the towing industry would achieve a sizable portion of total income from trade towing. We do not believe this is a reasonable assumption to maintain.

***7. Are there specific examples of cost efficiencies or inefficiencies in the provision of accident towing services?***

The key inefficiencies that remain in this industry arise from legislative imposts.

These include:

- depot requirements
- one tow truck per allocation
- no electronic records

To briefly touch on these matters, depot requirements remain prescriptive and antiquated. Their only reasoning put forward has been for ease of enforcement, which is an area that also appears reluctant to embrace changes that could lessen expense and streamline the industry.

Towing businesses that operate from multiple depots should be able to minimise the administrative burden by centralising the operations to one office. One point for record keeping, handling of accounts and public contact should be implemented.

Most towing operators have tow trucks that can tow two vehicles from an accident. Legislation fails to provide this option for towing operators. The views expressed by uninformed VicRoads enforcement officers appear to be the only basis for this decision. These views are clearly out of step with what actually happens at accidents and particularly how accident victims are transported, the way in which towing distances can be calculated without actually driving them and the knowledge that many vehicles are towed to depots, panel shops or insurance company quoting centres.

***8. Do current charges allow accident towing operators to recover the cost of providing all the services?***

In some instances it is difficult for operators to recover all costs in providing a tow. This is primarily due to there being no published information on what the set towing fees do or do not cover. This gives rise to disputes with insurance companies who may allege that items such as cleaning oil from the tray of a tow truck is included in the fees which is at odds with the general industry view and was not considered when the last rate review was conducted. Given the effort required by a towing operator to recover such costs, these are often lost to the towing operator. Clearly such cost should be recovered without the need to take legal action.

Equally, storage costs are often not paid to towing operators by insurers if the business also operates a body repair business that is going to perform the work. Insurers often put businesses in the position of losing legitimate storage costs because if the towing aspect of the business insists on that payment, the insurer will make every effort to move that and future repair work to other businesses.

**9. Is there evidence of incumbent operators exiting the industry?**

Large numbers of licence transfers, indicating existing licence holders are leaving the industry, have not been noticeable in recent years.

**10. How strong are the links (and cross-subsidies) between the accident towing industry and other industries? What proportion of businesses that provide accident towing services also undertake trade towing? What proportion of businesses are affiliated with crash repair businesses?**

Over recent years the growing trend for accident towing is to distance itself from body repair businesses, even when there are common directors. This has been driven by insurers leveraging reduced towing and storage payments against repair work. By clearly separating the businesses, some towing operators have been able to charge the gazetted rates as the insurers are unable to pressure them through threats of redirection of repair work.

Most accident towing services offer trade towing services. However, as moving vehicles for insurers is a primary source of trade towing, the industry is seeing much of this business lost to trade only towing operators, who can offer cheaper tows due to there being far fewer regulatory requirements.

As a large portion of the accident towing industry has had its foundation with the crash repair industry, it is common to find links with crash repair businesses or businesses with common directors, however this should be considered in conjunction with our previous comments regarding the industry trying to be clearly delineated from crash repair businesses.

**11. How have relationships between accident towing and trade towing/crash repair providers changed over the past few years? What changes are likely to occur in the future, and how will this influence accident towing operating costs?**

In referring to trade towing/crash repair providers we presume this to mean predominately insurers. As discussed in response to question 10, the trend is for a separation of towing businesses away from other businesses that deal with damaged vehicles. We expect this trend to continue as insurers continue to lever one aspect of the industry against the other. Clearly small business operators will continue to seek business structures that will allow them to attempt to make each aspect of their business profitable. Given that insurers constantly lever one aspect of business against another, we would anticipate businesses to be structured with a specific focuses.

**12. Is it appropriate to treat the accident towing industry on a stand-alone basis, such that it should be able to generate sufficient revenue to cover costs without a dependence on revenue from other sources?**

We believe it is appropriate to treat accident towing as a stand alone business. Leaving aside the way in which insurers lever one aspect of business against another, the legislation and the community expect accident towing services to act like any other emergency service.

The community does not expect the fire brigade to use its trucks as water delivery tankers or act as a council watering service to lessen the expense of a fire call out.

Ambulances are not used as hospital delivery vans when they have down time. Yet the community expects and the law requires tow trucks to attend an accident within 30 mins of being called. The vehicles must be of a configuration specified by law and everything done by the operator is to focus on towing and storage.

***13. How should joint or common costs be allocated between accident towing and unregulated towing services?***

Given our earlier comments and legislator's clear efforts to focus operators on providing only accident towing and storage services, we do not believe there should be a sharing of costs. There is no expectation that Parliament House is used as a conference centre when Parliament is not sitting. Insurance company vehicle storage yards do not rent out unused space as car parking! We believe that the focus should be - what service does the government and the community expect? It then follows that costs and a profit need to be provided for.

***14. Can meaningful conclusions be drawn between the price of accident towing licences and the financial viability of the accident towing industry?***

It is our view that there is no link between the price of accident towing licences and industry viability. It is simply not possible to recover the cost of purchasing an accident towing licence from the income generated over a reasonable time. It may be possible to cover interest payments, however, we believe the only time it is likely that the principal investment amount will be recovered is on sale of the license. As strange as it may appear, this is an industry that has many participants that know no other business and thus they invest in what they know with the hope that others will similarly buy their licenses and business when they wish to retire.

***15. The average number of accidents allocated to each towing licence appears to have been relatively stable in recent years. Is this correct? Do stakeholders expect this to continue?***

Accident towing numbers for the greater metropolitan area have remained relatively stable as accidents per head of population appear to be reducing through various accident reduction measures. However, a constantly increasing population may well be the balancing factor in maintaining accident towing volumes.

***16. How much revenue is currently earned per licence or tow truck from accident towing services?***

We believe this information is best derived through consultation with individual operators and note that some operators have already provided such information.

***17. What has been the trend in accident towing revenue and what are the major drivers for changes in revenue from accident towing?***

Quite simply the trend for accident towing revenue has been a flat line, given the rates have not been addressed in several years and the towing allocations per licence have equally remained consistent. The only variable has been the costs to the industry that have squeezed any margin out of the industry.

## **6.2 Process for future fee variations**

### ***18. Do stakeholders agree that a systematic and predictable approach to fee adjustment, benefits the accident towing industry and users of its services?***

Absolutely. It is appalling that every time the industry seeks to have a rate increase the whole process must be revisited. What industry regulators fail to recognise is that while there is positive inflation, towing operators are constantly losing any margin they may have had while bureaucracy considers an appropriate path forward. Our experience is that once a rate review process is started it is often a 12 month process before any increases are available to operators. In contrast, if we consider insurers as the primary payers of accident towing, they are able to adjust premiums in keeping with market movements and cost increases.

### ***19. What is the appropriate process for the future adjustment of regulated fees?***

We believe a basic basket of industry costs should be developed from which cost increases can be easily and regularly checked against. Given the anticipated small margins that will be afforded to the industry, such reviews and adjustments should be addressed on a 6 monthly basis. Clearly that appropriateness of the process should be checked and we would suggest this be done every 4 years, while noting that the 6 monthly review process should continue during any major review.

### ***20. To the extent that regular major reviews of fees are desirable, how often should they occur?***

We believe that major reviews, which are reviews that may change the structure of the rate review model, should only be conducted every 4 years. We say this on the basis that regular cost model checking and rate reviews can be conducted to ensure appropriate income is achieved to cover costs and maintain profit.

### ***21. Are there merits in defining certain events which might trigger a price review?***

If the two tier rate model suggested is adopted, this may minimise the need to define events that may trigger the need for a price review. On that basis it may then only be appropriate to consider significant unforeseen cost variations, should industry bodies raise them with the regulator.

### ***22. What are the benefits of adjusting charges between major reviews in line with a price index?***

Clearly this provides an opportunity for rates to remain realistic. The longer the period between review the greater the margin needs to be, over and above a reasonable rate of return on investment, so as to cover margin losses due to cost increases.

**23. What cost components should explicitly be included in any proposed price index?**

Given we are suggesting regular reviews, to include a significant list of items would only serve to make the process a major burden. Therefore, we would consider the basic industry key items as discussed earlier as the prime cost indicators (wages, depot costs, vehicle costs, fuel, maintenance, insurance, finance)

**24. Should each fee component be adjusted on the same basis?**

Cost increases should rightfully be aligned to the specific aspect of the service being provided

For example rental increases affect storage costs. Fuel cost increases affect the actual travel component of the towing service. Our only caution would be against creating a cost verification model that becomes complex and thus too difficult to quickly and easily check.

**25. Should a formal reporting mechanism relating to accident towing operations be introduced?**

No, this would create another regulatory burden.

We believe that if the cost analysis mechanism is properly constructed the information should be obtainable directly from external sources. The only area we believe that could pose a problem would be obtaining actual wage information. However it may be possible to reach agreement with some businesses so as to obtain indications of wage movements on a percentage basis for the regular reviews, which could be more thoroughly addressed at the 4 year review point.

**26. What data should such provided in such a reporting mechanism?**

The data collected could include such things as:

- Rent % increases from the REIV
- Fuel cost from any number of monitoring agencies
- Vehicle retail costs from manufacturer
- Utility costs from major providers
- Insurance cost by way of sample (i.e. An agreed “typical business and how much to insurer it)
- Finance as per average market rates
- Wages as previously suggested.

**6.3 Whether charges for clearing a road accident should be regulated**

**27. What is involved in the typical road clearing service? How much time, on average, does it take? How much does the cost of clearing a road scene vary between jobs?**

This is almost impossible to answer as the answer ranges from sweeping up some glass from a tail light through to multi vehicle accidents with significant wreckage, spills

of fluids with the potential of dangerous goods being involved. This is also of course delayed while injured persons are being attended to or investigations are being conducted in the unfortunate event of a fatality.

***28. Should a separate regulated fee be set for road clearing? If so, should it be a fixed fee or should it be set on an alternative basis? If so, what?***

Given the potential variants of what may be involved in clearing a road, we would strongly oppose any setting of fees for this. Aside from time, equipment and the outsourcing of some clean up functions create a huge variation which we do not believe can be catered for through a fixed fee mechanism. As it currently stands, if insurers have any concerns about the charges made in relation to what the industry refers to as salvage or clean-up, the insurer will generally seek evidence of the work that was required before making payment.

***29. What are the implications of retaining road clearing as a mandatory regulated service, but not setting a regulated charge?***

To take the counter position the industry would question how a set fee could be proposed to cover the myriad of potential problems that need to be addressed. The industry does not believe there are any adverse implications in maintaining the status quo for this aspect of the functions required. Indeed the only beneficiary of a set fees system would appear to be insurers who seek to make as many aspects of their business as predictable as possible, yet this loses sight of the fact that the accident towing industry's primary function is attempting to clean up unintended events.

***30. Is it feasible to introduce competition in road clearing services?***

Given the current structure of towing, it is not feasible to introduce competition into road clearing services. One could argue that free market competition was what was in place prior to the licensing and allocation system. This is not a position that anyone would want to return to given the system currently operating is working well.

***31. Should the provision of road clearing services be completely unregulated?***

Again, we have seen the way in which this industry operates without regulation as the regulations that exist have, in the most part, been developed to address problems that have occurred. While these issues were often isolated, the magnitude of the issues and the difficulty in resolving problems created the need for legislation.

The absence of regulation would also cause far reaching financial hardship within this industry as the government has recognised that towing licenses have a value which many industry participants have used for collateral in financing a wide range of business interests. If we consider metropolitan licenses are currently valued at over \$300,000 and average country licenses to be worth \$100,000, then it follows there is over \$160,000,000 in licence value in Victoria. Even if less than half of this is used as collateral for loans, imagine the enormous financial hardships that would befall license holders if regulation of this industry was lost.

## **6.4 Non-commercial tows**

### ***32. What is the incidence of non-commercial tows?***

By non-commercial tows we presume this to mean tows which the operators have to undertake from accidents for which they cannot gain payment, the consequential storage costs and the disposal costs.

The answer to this varies on such things as socio economic variations between areas and the likelihood of insurance. However there is also an incidence of non-payment in the event of claims refusal by insurers (e.g. following a drunk driving accident)

Some operators have reported up to a 5% incidence of non payment.

### ***33. What are the average costs associated with a non-commercial tow, including vehicle disposal costs?***

The average cost for such tows are likely to include:

- an after hours towing fee
- some salvage costs
- a lengthy storage period (often up to 3 months) while it is established no payment will be forthcoming. (We note that the legislation in respect of disposal of uncollected vehicles exacerbates this period and Privacy Legislation can further hinder the process
- Second tow fees
- Necessary administration

### ***34. What is the average revenue from disposal of an abandoned vehicle?***

As may be expected, abandoned vehicles are abandoned for a reason – they are not worth anything. In the majority of cases the towing costs far exceed any likely gain from the sale of the scrap. Vehicle scrap prices vary depending on the market variations in metal prices, but recently many operators have suggested less than \$100 per vehicle is being achieved.

Clearly if the vehicle has any reasonable salvage value the owners will generally work with the towing business to sell the vehicle to a recycler and pay the towing operator. Thus such vehicles are not normally considered non-commercial tows.

### ***35. Does the incidence and cost of non-commercial tows differ across zones?***

As previously mentioned socio economic factors do influence the incidence of non-commercial tows in certain areas, however, this is not an exact science as vehicles of low value without insurance are driven (and potentially crashed) in all areas.

### ***36. How should tow truck operators be reimbursed for the cost of non-commercial tows?***

At the outset the industry believes it is not appropriate to simply say that every business has bad debts and that is part of the cost of doing business. If this view is accepted then it follows that the losses experienced by towing operators will be covered through higher charges to those who pay for their towing. In the main, these paying customers

are those with insurance and therefore the burden would ultimately fall to those conscientious citizens who insure their vehicles.

It is important that the roads infrastructure remains clear for all users. The only fair approach we believe is that those road users that cannot demonstrate a current insurance policy that covers accident towing, would have to contribute to a government run system. While this may appear politically unpalatable, it would be equally inappropriate for the government to expect road users who cover the cost of towing to also cover those who take no responsibility for the costs they incur.

Parallels can be drawn with the TAC charges levelled on motorists with the registration of vehicles when it could be argued that the TAC charge should be attached to the drivers license; after all, TAC insures the people not the vehicle.

Obviously those who already pay insurance would not want a further financial burden, but those who take the gamble of not having insurance, may need to contribute to ensure roads can be cleared for the benefit of all road users.

## **6.5 Boundaries for the accident allocation zones**

### ***37. Does the response time to accidents differ outside the Controlled Area compared to that inside the Controlled Area?***

Absolutely. While some response time may be very quick (i.e. an accident happens a block away from a towing service in an unallocated area) others may be very slow due to the remote area the motorist is in. It is our view that response times in unallocated areas are as good as can be expected given distances that have to be travelled (bearing in mind traffic laws are to be observed by towing operators)

### ***38. Are tow truck driver behaviour and standards of service different outside the Controlled Area compared to inside the Controlled Area?***

In some areas competition at accident scenes may occur between drivers for different towing firms, but given the size of the industry any issues arising from such competition is rare. Much of this can also be due to the nature of country communities and the “gentlemen’s agreements” such as “first in first pick” which exist in many country areas.

That aside, truck standards throughout Victoria are generally high and operators are also bound by many of the obligations that apply to the accident allocation area.

### ***39. Should the boundaries of the Controlled Area be amended? For what reason? What amendments should be made?***

No, we do not believe Controlled Area boundaries need to be addressed. At the time the existing boundaries were set, much effort was made in ensuring room for urban growth was provided for and we do not believe the existing boundaries have become unworkable.

The boundaries as they existed prior to the last amendments became unidentifiable in a number of areas as urban sprawl saw suburbs being built with the old boundary passing through the middle. Clearly this became confusing for the public and the industry alike. Further, over time a number of the landmarks used to create the boundary were altered adding to the confusion.

It should be remembered that the annual cost of licenses is substantially higher for operators in the accident allocation system and we would caution any movement of boundaries unless considered necessary to remove confusion.

***40. Should the boundaries of the zones within the Controlled Area be amended? For what reason? What amendments should be made?***

By zones within the Controlled area we presume a reference to those areas designated in relation to particular towing depots.

The overarching premise of the allocation system is that wherever possible an even distribution of towing allocations should be afforded to each license held. That said, operational practicalities cannot be ignored. The primary hurdle for many operators is the service level requirement of a 30 minute response time. This is a strong point of the allocation system, but it does bring into play practical restrictions such as normally achievable travel distances (including normally experienced traffic congestion) physical obstacles such as rivers or impeded access from certain directions and clear allocation boundaries which may leave operators abutting a “glass wall” which precludes them from some tows.

We believe that those zones should be open to regular review thus allowing the authority to ensure the best even spread of available work in consultation with affected license holders. It should be remembered that holding a license entitles the owner to a portion of business (that being to offer towing and storage) and not a right to a territory.

***41. How might future technology affect the relevance of zone boundaries?***

It is difficult to see how technology may affect the relevance of zones until such time as it may be practicable to vary the distance travelled in accordance with traffic movements so as to maximise distances that may be covered within the 30 minute response time.

## **6.6 Other issues**

***42. Who are the stakeholders in the Victorian tow truck industry? What factors should be taken into account when considering the impact of a possible change to regulated charges and an extension of the surcharge period?***

Our view is the stakeholders are the license holders (and VACC representing their interests) and the motoring public. Following that, are those responsible for maintaining road functionality (such as VicRoads and Police).

One might expect insurers to be included, however they are only responsible for covering the debt incurred should their insured use the service. Therefore if the service

meets the need of those mentioned it then follows that insurers need only focus on setting their premiums to a level to cover the anticipated risk.

***43. Does the current level of regulated fees provide the appropriate consumer protection for people who are involved in motor vehicle accidents and require towing and storage services?***

As mentioned earlier the nature of the industry is that of reasonable unpredictability and as such the predictable aspects of the services being provided are being covered through the established fees structure. The variable aspect associated with the industry such as clean up and salvage should remain outside the fee structure.

***44. To what extent are accident victims directly exposed to towing and storage charges?***

The question is a little ambiguous as accident victims who are capable of entering a discussion after an accident are required to be advised of the charges being applied when they are signing the 'Authority to Tow' document. This is a regulatory requirement. In terms of financially exposed, only those accident victims who are uninsured, don't wish to make a claim or fail to claim successfully against the 'at fault' party are exposed to towing and storage charges.

***45. What are the implications for the Commission's methodology and analysis if their exposure is limited?***

Clearly the greater the exposure, the greater the understanding of an industry, so any limitation of this may cause ill founded conclusions or assumptions being reached.

However, the counter position is that this is not a complex industry. Motorists crash cars and these cars have to be moved. There are inherent costs in providing this service on a 24/7 basis together with legislative and regulatory requirements that translate into operational costs. Add to this a fixed number of licences within the allocation system and a relatively consistent level of work and reasonably accurate modelling should be achievable. It is only when cross-subsidization considerations are attempted that the lines become blurred. As previously stated we believe the legislation and the activities of insurers in both trade towing and crash repair industries has focused towing services and therefore the cost of accident towing for the greater Melbourne area is clearer.

***46. What other factors should be taken into account when considering the impact on Victorian business and the community?***

Leaving aside the towing industry as being part of Victorian business, consideration could be given to the impact in Victorian Business and the community should private providers choose to not undertake accident towing services. This industry provides what is possibly one of the only key emergency services that is not provided out of the public purse.

While some may argue the potential expense of clearing a road, the counter position is what is the cost to the community of having major road infrastructure blocked? We only need to look at the problems associated with a relatively minor accident during peak

hour travel to see the time wasted by those stuck in traffic and the extra pollution caused. Clearly the list could go on and on with consequential problems and therefore, in comparison is accident towing, even at double the price, really that expensive?

***47. What is the likely impact of changes to regulated towing and storage charges on the motor vehicle insurance industry?***

We would not expect there to be any issues for insurers other than a minor impact on premiums as addressed in the following question.

***48. What is the likely impact of changes to regulated towing and storage charges on motor vehicle insurance premiums?***

We would anticipate a small increase in premiums may occur. However in consideration of the overall cost of settling a claim for an accident damaged vehicle, it would not be significant. Bearing in mind we are talking about vehicles that require towing, not drivable damaged vehicles, we can therefore assume a significant level of damage. On modern vehicles and dependant on the insurer, vehicles are not written off (economically) until the cost of the accident rectification exceeds 50% – 80% of the value of the vehicle prior to the accident. Towed vehicle repair bills often exceed \$10,000. This does not include prestige vehicles.

On that basis, if the average cost of a tow increases by \$100 this would only represent a one percent increase in cost to insurers. On a \$500 insurance premium this would only represent a \$5 increase and we would argue this is an amount that is unlikely to stop a person insuring their vehicle. In considering this, the Commission and Chairperson may also consider their own insurance experience. It is most likely that while the vehicle they insure has aged and become less valuable, the insurance premium is likely to have substantially increased, even in the absence of any claim being made. Insurers pass on their costs, as towing operators also need to do.

***49. What are industry participants' experiences with regulation and charging for accident towing services in other States and Territories? What are the relative advantages and disadvantages of these schemes?***

VACC has had little exposure to other States towing arrangements; however, we are regularly contacted by our interstate colleagues who are often seeking information from us to assist them on improving their local systems. It appears that Victoria continues to offer an outstanding accident towing solution that other states continue to wish to emulate, but often fail as they are unwilling to be seen to copy!

***50. What quantitative and qualitative information is available on the benefits of timely clearance of accident scenes?***

VACC is unaware of any precise studies on this matter, however, we would expect businesses link City Link would be well aware of the impact on road users in the case of slow road clearance. We presume such information has also been compiled by government when considering the level of penalties that are built into contracts with City Link for maintaining traffic flow levels.

Given Victoria's efforts to build state of the art road infrastructure, together with Port and Channel improvements, it necessarily follows that vehicle movements must continue in an unrestricted manner wherever possible. Therefore the emergency availability aspect of accident towing services in Victoria remains of paramount importance.