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REVIEW OF ACCIDENT TOWING AND STORAGE FEES

DRAFT REPORT

VOLUME 1 – OVERVIEW OF RECOMMENDATIONS
AND FINDINGS

MARCH 2010

An appropriate citation for this paper is:

Essential Services Commission, *Review of Accident Towing and Storage Fees: Draft Report – Volume 1: Overview of Recommendations and Findings*, March 2010

CHAIRPERSON'S INTRODUCTION

Accident towing and storage services are regulated in Victoria. Tow truck operators and drivers that perform accident towing and related services are licensed and the fees that are charged for these services are determined by the Minister of Roads and Ports, based on the advice from the Essential Services Commission.

On 15 September 2009, the Minister asked the Commission to review accident towing and storage fees. This report presents the Commission's draft recommendations regarding the matters that it has been asked to consider by the Minister, namely: the appropriateness of the level of each component within the current regulated fee structure; whether the components should be varied; a potential process for dealing with future fee variations; whether the charges for clearing a road accident scene should be regulated; the treatment of towing jobs for which an operator is not paid; and whether the boundaries for the accident allocation zones are still applicable.

The Commission's key recommendations are:

- All regulated accident towing and storage fees should be increased by 7 per cent from 1 July 2010
- Those fees should be increased automatically and annually on 1 July each year starting 2011 to account for changes in the CPI (Melbourne transportation index) less a productivity adjustment of 0.5 per cent, pending a more detailed review of costs and revenues in four years time
- a regulated salvage charge should be introduced with accident towing operators required to provide documentary evidence of services performed and
- no change should be made to the existing Controlled Area boundary and accident allocation zones until a formal public boundary change process has been developed and introduced.

The Commission's draft report on Victorian accident towing and storage fees is set out in two volumes:

- This volume sets out the Commission's draft findings and recommendations for each of the matters requested by the Minister and
- The second volume provides the detail behind the Commission's recommendations as well as stakeholder responses and background information.

The Commission welcomes submissions on any matter discussed in this draft report. The closing date for submissions is 23 April 2010.

Following receipt of public comments and submissions on the draft report, the Commission will prepare its final report to the Minister for Roads and Ports.



Dr Ron Ben-David
Chairperson

ACRONYMS

AAS	Accident Allocation Scheme
ABS	Australian Bureau of Statistics
Act	<i>Accident Towing Services Act 2007</i>
Commission	Essential Services Commission (Victoria)
CPI	Consumer Price Index
CTP	Compulsory third party
DOT	Department of Transport
ESC Act	<i>Essential Services Commission Act 2001</i>
IMA	Insurance Manufacturers of Australia
IAL	Insurance Australia Limited
LGA	Local Government Area
Minister	Minister for Roads and Ports
PwC	Pricewaterhouse Coopers
RACV	Royal Automobile Club of Victoria
RTA	Road Traffic Authority (New South Wales)
Regulations	<i>Accident Towing Services Regulations 2008</i>
VACC	Victorian Automobile Chamber of Commerce
VCAT	Victorian Civil and Administrative Tribunal
VTTD	Victorian Taxi and Tow Truck Directorate

GLOSSARY

Accident Allocation Scheme	A roster based system for allocating accident towing jobs between tow truck licence holders within designated zones. Under the Accident Allocation Scheme, an accident is allocated to the licensee that has received the least number of allocations in that particular month within that particular zone.
Accident towing	The towing and storage of damaged or disabled motor vehicles from road accident scenes. Accident towing is a regulated service in Victoria.
Allocation	A right provided to a licenced tow truck operator through the Accident Allocation Scheme to provide accident towing services at a particular accident scene within the Controlled Area. Tow truck drivers may only attend an accident scene in the Controlled Area after receiving an allocation through the Accident Allocation Scheme.
Clearway towing	Towing of vehicles illegally parked in designated clearway zones during specified times, under contract with the responsible authority. Clearway towing is not a regulated service in Victoria.
Controlled Area	The area consisting of the Melbourne metropolitan area and the Mornington Peninsula where the Accident Allocation Scheme is in operation.
Consumer Price Index (all goods)	A price index that is used to measure changes in the overall price level in Australia, by using the price of a representative basket of final goods and services.
Consumer Price Index (transport)	A price index that is used to measure changes in the overall price level in the Australian transport sector, by using the price of a representative basket of final goods and services relating to transport.

Debris removal	The removal of any glass or debris caused by a road accident. Under the <i>Accident Towing Services Regulations 2008</i> , tow truck operators are required to perform this function at a road accident scene.
Depot	A premises from which tow trucks are operated in the course of an accident towing service business. In metropolitan Melbourne, each depot is located in a designated zone within the Controlled Area. A single depot may be shared by multiple accident towing service businesses.
Dormant licence	A tow truck licence that is held by a tow truck operator but not assigned to a specific tow truck. A dormant licence still allows the tow truck operator to receive allocations through the Accident Allocation Scheme.
Driver	A person that drives a tow truck to accident scenes and performs an accident tow. Under the <i>Accident Towing Services Act 2007</i> , a driver must obtain an accident tow truck driver accreditation from VicRoads.
Economies of scale	Refers to decreases in per unit cost that result from increases in the scale of production.
Geelong Accident Allocation Area	An area of Geelong and surrounding districts where a self-managed scheme, approved by VicRoads, is in operation. Tow truck drivers may only attend an accident scene in the Geelong Accident Allocation Area after receiving an allocation through the self-managed scheme.
Non-commercial tow	Refers to an accident where an operator is required to provide a tow despite there being little chance of being paid in full
Operator	A person that owns or oversees the operation of a tow truck business. Under the <i>Accident Towing Services Act 2007</i> , an operator must obtain an accident tow truck operator accreditation from VicRoads.
Salvage	Services performed by a tow truck driver to move a damaged vehicle from its original position following a road accident to one from which it may be safely towed. Salvage includes the recovery of vehicles away from

	the immediate road area and may involve the use of additional tow trucks or equipment.
Storage	Occurs in the event the damaged vehicle is transported to the tow truck operator's depot and stored in a secure location to await repair or towing to another location.
Trade towing	General towing and storage services that are not the immediate result of a road accident, include towing jobs between depots. Trade towing is not a regulated service in Victoria.
Typical tow	A towing job that includes 15 kilometres of towing, three days of undercover car storage and a 54 per cent chance of occurring outside of business hours. These assumptions were adopted from the results of a survey of tow truck operators.

SUMMARY OF DRAFT RECOMMENDATIONS

Draft recommendation 1

Accident towing and storage charges should be increased by 7 per cent commencing 1 July 2010 resulting in fees as follows:

Towing fees (inc. GST)

- Base fee (including first 8km) - \$180.25
- Additional per kilometre charge beyond 8km - \$2.85
- After hours¹ surcharge - \$61.60

Storage fees (per day & inc. GST)

- Car – under cover - \$13.80
- Car – in locked yard - \$9.20
- Motorcycle – under cover - \$4.65
- Motorcycle – in locked yard - \$3.00

Draft recommendation 2

A regulated salvage charge should be introduced as follows:

- Base salvage charge – \$39.50 per hour (inc. GST)
- After hours salvage charge – \$51.70 per hour (inc. GST)

Draft recommendation 3

Towing operators should be required to provide a detailed itemised description on the invoice for all of the services performed. All salvage related charges should be separately itemised on the invoice and be capable of being verified.

Towing operators should also be required to take photographs of any accident site prior to undertaking salvage operations.

¹ After hours is defined as 5pm to 8am, Monday to Friday, 5pm Friday to 8am Monday, and midnight to midnight on public holidays.

Draft recommendation 4

An adjustment of all regulated fees should occur on 1 July each year (commencing in 2011) which reflects the most recent March quarter CPI (Melbourne transportation index) minus 0.5 per cent (reflecting a productivity adjustment).

This indexation should be implemented administratively rather than legislated.

Draft recommendation 5

The *Accident Towing Services Act 2007* should be amended to require the Commission to undertake a review of regulated accident towing and storage fees every four years, prior to any decision being made by the Minister to adjust fees. This could also include other issues as requested by the Minister.

In advance of that review, a robust database of costs and revenues (including information about cost allocation) should be collected by VicRoads and maintained to ensure that future fee decisions are based on reliable information.

Draft recommendation 6

Regulated fees should continue to include a provision in the base fee for the costs associated with non-commercial (unpaid) tows.

Draft recommendation 7

No change should be made to the boundary for the Controlled Area until a formal boundary change process is developed by VicRoads that takes into account the following factors:

- evidence of misconduct outside of the Controlled Area including the number of complaints, the number of infringements regarding towing operators and perceptions of stakeholders (e.g. emergency services representatives, VACC)
- population density and other relevant information on projections in growth
- traffic flow information and
- the numbers of accidents

The Commission also recommends that a formal allocation zone change process be developed by VicRoads. Reviews of the allocation zones should occur annually and take account of:

- timeliness – to ensure that a tow truck arrives at an accident scene within 30 minutes and
- fairness – to ensure that there is an even distribution of towing jobs between licences each year.

Boundary and zone change processes should be public and provide an opportunity for relevant stakeholders to make submissions and be consulted on the implications of any proposed change.

Draft recommendation 8

A more detailed review should be undertaken of the need for regulated accident towing and storage fees in the Geelong area.

INTRODUCTION

Background

Accident towing involves the towing of damaged vehicles by a tow truck from an accident scene. Damaged vehicles are then generally towed to the tow truck operator's depot and stored in a secure location to await repair or towing to another location.

Accident towing and storage services are regulated in Victoria under the *Accident Towing Services Act 2007 (Vic)* (the Act). The Act provides that tow truck business operators and tow truck drivers who perform accident towing and related services such as the storage of damaged or disabled vehicles must be licensed by the industry regulator, VicRoads.

Accident towing and storage services are regulated to ensure that services are provided in a safe and timely manner, and to minimise the impact on other vehicles. It also ensures that motorists involved in an accident do not pay excessive fees given the historic difficulties of negotiating a fee with multiple towing operators immediately after an accident.

The fees that licensed accident towing operators are permitted to charge for their services are regulated and set by the Minister for Roads and Ports (the Minister). However, before the Minister can change the fees, he must require the Essential Services Commission (the Commission) to undertake a review of the fees and any other matters identified.

This Review

On 15 September 2009, the Minister asked the Commission to review the current accident towing and storage fees in accordance with the terms of reference, which are set out in Appendix A. In summary, the terms of reference require the Commission to advise the Minister in relation to six key questions:

- Is the current level of each component of the regulated fee structure appropriate?
- Should the components of the regulated fee structure be varied and if so what should be the magnitude of any such variation?
- What process should be followed for future fee variations, and what should be the timing of such reviews?
- Should the charges for clearing a road accident scene be regulated?
- How should towing jobs for which a tow operator is not paid be treated?
- Are the boundaries for accident allocation zones still applicable and if not what should they be?

In undertaking this review, it has been difficult to obtain reliable estimates of the actual costs and revenues associated with accident towing and storage services in Victoria. This is because:

- there is a large number of tow truck operators in Victoria and
- there are currently no requirements for towing businesses to report cost and revenue information and to maintain separate accounting records for their regulated accident towing and storage services from other unregulated services such as trade towing and smash repair.

As a result, the Commission has relied on a number of different sources of information to form a view about the costs and revenues that a typical tow truck operator might be expected to face in providing accident towing and storage services. Specifically, it has had regard to:

- the information presented in the Commission's previous reviews of tow truck fees (undertaken in 2003 and 2005 respectively)
- information obtained directly from a survey (Appendix B) distributed to all accident towing licensees relating to costs and revenue
- verification of survey results and key cost items undertaken by independent consultant PricewaterhouseCoopers
- submissions and other information provided in response to this review through stakeholder meetings including a workshop with tow truck operators, the industry representative (the Victorian Automobile Chamber of Commerce) and Commission staff and
- other relevant benchmarks of costs, revenues and prices including in both the Victorian competitive markets for trade towing and clearway towing as well as prices for accident towing and storage services in other Australian States.

Having had regard to these various information sources, the Commission believes that its draft findings and recommendations provide a robust basis for addressing the pricing matters raised by the Minister.

The Commission's draft findings and recommendations for each of the matters requested by the Minister are set out in the following sections.

OVERVIEW OF DRAFT FINDINGS AND RECOMMENDATIONS

Regulated accident towing and storage fees have not increased since 2003. Improved productivity has not been sufficient to offset increases in the cost of providing these services.

While the Act empowers the Minister to determine the level of fees for services, the Act does not require the Minister to do so at some prescribed frequency or in response to certain events. As such, it is current practice that the regulated fees are varied infrequently.

The Minister last made a determination related to accident towing and storage fees in January 2006², which was to extend the times at which the after-hours surcharge was payable.³ No change was made to the base, storage or additional per kilometre fees. As a result, regulated fees have fallen in real terms since that time.

There are a number of observations about the accident towing industry which tend to suggest diminishing profitability over the past five years, namely:

- on the revenue side:
 - constant nominal prices for regulated accident towing services
 - stable accident allocations (towing jobs) under the accident allocation system and
 - increased competition in the provision of related services (eg. trade towing)
- on the cost side
 - increasing costs for a number of key cost items such as fuel and labour.

The Commission understands that operators have managed some of these cost pressures by earning revenue from other unregulated services such as salvage and secondary towing.

These observations generally support the need for an increase in regulated fees.

² Victorian Government Gazette No. S 23 20 January 2006.

³ The period over which the after hours surcharge (\$57.55) applies was extended 5pm to 8am on Monday to Friday, 5pm Friday to 8am Monday and midnight to midnight on public holidays. This resulted in an approximate 7.5 per cent increase in industry revenue in 2005) - see Essential Services Commission, *Review of Accident Towing and Storage Fees, Final Report*, November 2005, p.46.

All accident towing fees are recommended to increase by 7 per cent

The Commission has been asked to assess whether the level of current accident towing fees is appropriate, whether the components of the regulated fee structure should be varied and if so, the magnitude of any such variation.

Having examined the available information, the Commission proposes that regulated accident towing fees be increased by 7 per cent from current charges. This translates to a \$11.80 increase to the base accident towing fee, a \$0.20 increase to the additional per kilometre charge and a \$4.05 increase in the after hours surcharge. Storage fees should also increase by 7 per cent.

The Commission's approach to assessing the appropriateness of the current fees has involved first, identifying the costs associated with providing towing services and second, identifying a number of assumptions about the proportion of shared costs attributable to accident towing and storage versus other services as well as the number of tow trucks per licence.

The annual cost estimates per tow truck from the survey responses from tow truck businesses are set out in Table 1.

Table 1 Representative towing cost schedule (2009-10)

<i>Cost item</i>	<i>Cost per truck (\$ per year)</i>
Labour	
Drivers	50 374
Dispatch	4 569
Repairers	1 136
Administration	4 901
Other	10 283
Other staff related costs	6 641
Total	77 904
Vehicle	
Purchase price of replacement vehicle	20 115
Financing	4 894
Other associated costs	2 633
Parts	1 852
Repairs and maintenance	3 394
Fuel	10 822
Tyres	1 565
Washing	490
Total	45 765
Licence and regulatory	
Vehicle registration	1 157
Accreditation	223
TAC premiums	391
WorkSafe/OH&S	439
Other	303
Total	2 513
Insurance	
Comprehensive motor vehicle	3 076
Other vehicle	116
Business	1 111
Other	55
Total	4 358
Other	
Rent	3 332
Bad debts	1 461
Other	5 935
Total	10 728
Total operating costs per tow truck (per year)	141 268
Percentage allocated to accident towing	39%
Total operating costs per tow accident tow truck (per year)	55 094

Table 1 indicates that the principal costs for tow truck services are labour (approximately 55 per cent of total costs), followed by vehicle related costs (approximately 32 per cent).⁴ The Commission has estimated that approximately 39 per cent of these costs are incurred providing accident towing and storage services.

As a result, the Commission has estimated that the cost of providing accident towing and storage services is approximately \$55 094 per tow truck per year. This equates to approximately \$275 per tow.⁵

The Commission has compared the estimated costs per tow (\$275) against the estimated revenue earned from current fees for accident towing and storage. The current revenue per tow is approximately \$257.⁶ Based on this revenue estimate the Commission believes that the base charge, storage fees, per kilometre charge, and afterhours surcharge should all be increased by 7 per cent.

Table 2 sets out the proposed and current fees (as well the dollar amount by which fees and charges will increase).

⁴ For example see table 1 – total labour related costs are \$77 904 and vehicle related costs are \$45 765.

⁵ The estimate of \$275 was calculated by dividing \$55 094 (from table 1) by an assumed average of 200 tows each year.

⁶ This has been calculated assuming that an average typical tow is for 15 kilometres (ie. 7 kilometres above the 8 kilometres already included in the base charge), and three days of undercover storage and a provision for after hours.

Table 2 Current and proposed regulated fees and charges^a

<i>Fee or charge</i>	<i>\$ Current</i>	<i>\$ Proposed</i>	<i>\$ Increase</i>
Towing fees			
Base fee (including first 8km travel by tow truck)	168.45	180.25	11.80
Additional per kilometer charge beyond 8km	2.65	2.85	0.20
After hours surcharge			
- 5pm to 8am Monday to Friday			
- 5pm Friday to 8am Monday and			
- Midnight to midnight on public holidays	57.55	61.60	4.05
Salvage			
Standard charge	n/a	39.50	n/a
After hours charge	n/a	51.70	n/a
Storage fees (charge per day)			
Car - under cover	12.90	13.80	0.90
Car - in locked yard	8.60	9.20	0.60
Motorcycle - under cover	4.35	4.65	0.30
Motorcycle - in locked yard	2.80	3.00	0.20

Notes: **a** – all fees and charges include GST
Source: VicRoads & ESC

The recommended base fee of \$180.25 has been determined so as to recover the reasonable costs of towing a vehicle and undertaking basic debris cleaning as mandated by the accident towing regulations.⁷ The base fee also includes an allowance for the recovery of costs associated with non-commercial (bad debts/unpaid) tows.

The Commission also proposes to recommend an increase in the after hours surcharge of 7 per cent or \$4.05. The after hours surcharge recognises the higher labour costs associated with providing towing services outside of ordinary operating hours. It applies to tows occurring between the hours of 5pm and 8am Monday to Friday, 5pm Friday to 8am Monday and midnight to midnight on public holidays.

This proposed 7 percent increase is reasonable when compared to the CPI (Melbourne transportation index), which has increased by 6.7 per cent over the period from December 2005 to December 2009 and other available benchmarks, including trade towing fees, clearway towing fees and the fees charged in other jurisdictions (see Volume II section 4.5 for more detail).

⁷ Clause 37, *Accident Towing Services Regulations 2008*.

Salvage service fees should be regulated

The fees for salvage services (ie. the recovery of a vehicle involved in an accident so it can be safely towed) are currently unregulated. While base accident towing charges (ie. the recommended \$180.25) include the cost incurred to clear glass and debris from an accident scene, in some circumstances the removal of a vehicle may also require salvage and/or another tow truck (eg. where a vehicle is lodged on the side of a road).

In the course of this review, the Commission has been advised that salvage charges have been increasing, and that many towing operators provide little documentation to support the fees charged. Therefore, the Commission recommends that:

- salvage services be charged on the basis of a regulated hourly fee namely \$39.50 during standard hours and \$51.70 after hours.
 - where operators undertake salvage, the hourly fee would be levied as a flat rate in full for the first hour actually required for any salvage operations, and then proportionally to the time taken in excess of an hour. The same hourly rates should be applied where an assistant is required.⁸
 - for an additional tow truck (including the driver) used in salvage operations, the rate applicable for the first tow truck (ie. the base fee) should apply.
- towing operators should be required to provide a detailed itemised description on the invoice for all of the services performed. All salvage related charges should be separately itemised on the invoice and be capable of being verified. Towing operators should also be required to take photographs of any accident site prior to undertaking salvage operations.

Setting an hourly salvage fee will allow towing operators to recover the labour costs associated with providing salvage services and also provide greater certainty about the costs incurred with undertaking salvage services. The hourly fee also recognises the diverse nature and duration of salvage tasks and the need to ensure that towing operators are able to recover the costs associated with the actual time taken to salvage a vehicle.

The Commission also recommends that all salvage related charges should be separately itemised on the invoice and be capable of being verified. It is recommended that VicRoads be responsible for specifying the nature of standard invoicing requirements that should apply and that evidentiary requirements (such as the requirement to photograph the position of the vehicle prior to salvage) be introduced.

⁸ For example, if the salvage operation takes only 30 minutes, \$39.50 would be applied. If it takes one hour and 15 minutes, then \$49.37 (\$39.50 + 15 minutes @ \$39.50 per hour) would apply.

Fees should be adjusted annually and reviewed periodically

To date, accident towing and storage fees have been reviewed and updated infrequently and usually only after the Minister has requested advice from the Commission on existing charges. This has provided uncertainty to the industry about the predictability of fee increases, and more particularly in fees not changing for a number of years even though costs have tended to increase over the intervening period.

While the need for price increases may be partially offset by improvements in the efficiency of providing accident towing services, the absence of a formal adjustment process means that towing operators could be compromised in their ability to recover increased costs. This in turn could have implications for customers in terms of ongoing availability of accident towing services.

The Commission has considered two separate mechanisms that are intended to ensure that the accident towing industry is able to deliver its services efficiently without compromising financial viability:

- an annual mechanism that allows fees for regulated services to be adjusted automatically each year and
- periodic reviews of the appropriateness of the regulated fees having regard to the underlying costs of service provision.

In terms of the annual adjustment, the Commission recommends that all regulated fees be adjusted on 1 July each year by the most recent March quarter CPI (Melbourne transportation index) minus 0.5 per cent to reflect a productivity adjustment. This indexation should be implemented administratively rather than legislatively.

While the annual adjustment to fees provides a method for smoothing prices over time and recognising increased costs, it does not remove the need for periodic examination of the underlying costs of service provision.

The Commission recommends that a review be undertaken periodically, say every four years, to realign regulated accident towing fees with the underlying costs of service provision. Such a review would also provide an opportunity for the Minister to seek advice on broader regulatory matters affecting the industry. In advance of that review, a robust database of costs and revenues (including information about cost allocation) should be collected and maintained by VicRoads to ensure that future fee decisions are based on reliable information.

A boundary and zone change process be developed and introduced

The Commission has been asked to consider whether changes to the Controlled Area boundaries are warranted given growth within the urban fringe of Melbourne.

Currently the Controlled Area encompasses greater Melbourne. The boundary was first established in 1983 when the Accident Allocation Scheme was implemented and subsequently extended in 2002, although it is unclear how and on what basis.

There is currently no formal mechanism to change the boundary of the Controlled Area, or to change the allocation zones within the Controlled Area. The Commission believes there is merit in establishing a formal public process to review both the Controlled Area and accident allocation zones, with clear, transparent and consistently applied criteria when assessing proposed boundary changes. As a result, the Commission recommends no boundary change *until* a boundary change process has been introduced given that it could have a significant impact on the performance of the industry.

Within the time available for this review, the Commission has not been able to satisfy itself that the current boundary for the Controlled Area needs to be changed. The Commission proposes to recommend that:

- a formal boundary change process be developed by VicRoads and the following metrics be used to determine whether a boundary should be changed:
 - evidence of misconduct including the number of complaints (VicRoads), the number of infringements by towing operators and perceptions of stakeholders (eg. emergency services representatives, VACC)
 - population density and other relevant information on projections in growth
 - traffic flow information
 - the numbers of accidents
- A formal process for changing the allocation zones of the Controlled Area be developed by VicRoads and zones be reviewed periodically (say annually) against the criteria of:
 - timeliness – to ensure that a tow truck arrives at an accident scene within 30 minutes and
 - fairness – to ensure that there is an even distribution of towing jobs between licences each year.

Boundary and allocation zone reviews should be public and provide an opportunity for relevant stakeholders to be consulted on the implications.

More broadly, the Commission believes that there may be some merit in considering whether there may be efficient ways of allocating towing jobs, for example, through some form of auction or bidding system, however, this is not the subject of this review.

Further consideration should be given to regulating fees in the Geelong self-management area

Currently, the Geelong area has an accident allocation mechanism similar to that operating in the Controlled Area but it is self managed. The accident towing and storage fees charged by operators are not regulated.

The Commission was not required to investigate the validity of regulating accident towing and storage fees in the Geelong area but believes there is sufficient stakeholder interest to support a more detailed review of this issue.

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*.