

10th November, 2009

Submission to the Tow Truck Review
Essential Services Commission Victoria
Level 2, 35 Spring Street
Melbourne. 3000

Email: towtruckreview@esc.vic.gov.au

Submission from Wallan Towing Service

Dear Sir

I wish to comment on two sections of the current review that I feel are relevant to this business under the terms of reference.

5.5 Towing jobs for which an operator is not paid

33-34 Non-commercial tows

This is a huge issue for any towing business dealing with uninsured vehicles. There are legal ways to claim the vehicles under the 'Sale of Uncollected Goods Act', but this method is not designed for accident damaged cars. Often times the vehicle value or 'salvage' after the accident is less than the value of the tow. So to sell the vehicle under the Act, more costs are incurred, so the debt increases for very little to no return and in the majority of cases a loss. Our next step would be to take legal action against the owner for the balance, but that is not viable due to extra costs and the owner is usually unable to be located. The time and costs alone for a privately owned vehicle under the Act are around the \$200 to \$700 depending on the method of proposed sale of the vehicle. This all adds on to the original tow and/or salvage and storage.

There are also the vehicles under finance, but uninsured. The vehicle owner wants no part of the damaged vehicle, he may or not be still paying off the vehicle, but no third party is interested in purchasing the vehicle due to a 'mortgage' on it. Car auction establishments i.e. Pickles will not sell cars with a finance charge over them, unless the finance is paid out. Our storage yard is littered with vehicles, that we decided not to pursue through the Act, due to the high costs involved, and the 'scrap only' value of the vehicles.

There needs to be in place legislation for the recovery of costs of 'abandoned' accident damaged vehicles to allow the tow operator to claim ownership of the vehicle within a reasonable amount of time, to dispose of in any manner he sees fit, after a series of regulated steps but without the high costs involved. Perhaps some type of documentation signed by the owner/agent of the uninsured vehicle within the first 72 hours, putting them on notice of future consequences due to non payment of towing fees and disposal of vehicle. Then two registered letters/invoices delivered to the address on the tow docket, the first within the 30 days, the second at 60 days and 90 days after, if the outstanding matter has not been dealt with, the ownership of the car (unregistered, plates to be handed in) reverts to the tow operator to recover his costs in any way he can. In the case of financed vehicles, the same copies of documentation be forwarded to the finance company, also putting them on notice and giving them the opportunity to recover their costs by claiming the vehicle and settling the tow account, but with the same outcome.

Specific legislation to deal with this issue needs to be dealt with as a priority.

5.6 Boundaries for the accident allocation zone

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

The current boundaries were reviewed and changed in December 2002 after consultation with the industry. One of the issues that I thought had been dealt with was 'corridor rights'. These corridors had created serious problems by allowing trucks within the allocation area to come out and obtain work outside of the boundaries without a job allocation.

As an operator out of the controlled area, whose area bounds the allocation boundary, we are not given the privilege of work handed to us 'on a plate', so it is a matter of finding your own work and signing the job on a 'first come first served' basis outside these boundaries.

We recently discovered that one of these corridor areas still exists that impact on our ability to gain tows. The particular area that I am referring to is 'corridor rights' along the Melbourne/Lancefield Rd, just out of Sunbury giving Shepherds Smash Repairs that right to attend, unallocated. Why should a towing company that has an exclusive area on the allocation system, also be allowed to come outside the allocation area and impact on other tow operators?

All 'corridor rights' licencing should be revoked, the current boundary of the controlled area be the only true boundary to alleviate any confusion at accident scenes, between Police and tow operators.

We can be contacted with regard to the above and any other matters that the commission may require our input on the addresses or phone number listed below.

Cheryl Jacovou
For and on behalf of Jack Jacovou – Accredited Towing Operator
and Wallan Towing Service

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