

RiskCover Agency Bulletin

Date released: 14 February

Issue: 2017 / 01

Towing Practices in Western Australia

WA public sector agencies have recently experienced excessive fees from vehicle towing companies with threats of holding vehicles until accounts are paid.

Tow truck operators in Western Australia are regulated under the Road Traffic (Vehicle) Regulations 2014 (the Regulations) which is administered by the Department of Transport. Towing charges however are unregulated.

There are towing operators who operate on or near freeways that “chase crashes” and pay “crash spotter commissions”. It is not unusual for the State Government’s insurer, RiskCover, to receive accounts for metropolitan towing from the same crash, where there is a 500% cost difference between towing operators. As a general guide only, any proposed metropolitan area crashed car towing charge that exceeds \$500 is not considered reasonable by RiskCover.

It is a protracted and costly exercise to secure the release of a held government vehicle, especially when drivers sign incomplete or blank towing authority forms which do not disclose towing fees.

The Department of Transport, Department of Commerce, Western Australia Police and the Insurance Commission of Western Australia are working together to address this issue.

Steps are being taken to propose increases in fines under the Regulations, and to inform motorists of these predatory and overcharging towing practices.

Glove Box Crash Information Cards have been provided to Fleet Managers to assist drivers on the key actions to take in the event of crash. Two key actions for agencies to note are:

- Instruct the towing operator to take the vehicle to the closest Motor Trade Association approved repairer or as instructed by the Fleet Manager.
- Do not sign a towing authority form that is **blank** or **does not include** the total cost and towing location.

Can agencies please instruct staff to be aware of these issues. If there are cars without a Glove Box Crash Information Card, please request one from your Fleet Manager or RiskCover.



Key Points

- Predatory towing practices
- Excessive fees
- Incomplete towing authority form
- What to do - In the event of a crash
- Do not sign a **blank** towing authority form

RiskCover

A division of the Insurance Commission of Western Australia

www.riskcover.wa.gov.au
riskcover@icwa.wa.gov.au

Address

Level 13, Forrest Centre
 221 St Georges Terrace
 Perth WA 6000

Postal Address

GPO K837, Perth WA 6842

Phone: (08) 9264 3333

Freecall: 1800 643 338 (Outside Perth)

Office Hours: Mon-Fri 8:00am – 5:00pm