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21st June 2018

Ms Jessica Shaw MLA
Mr Sean l'Estrange MLA
Mr Yaz Murbarakai MLA
Mr Stephen Price MLA
Hon, Donald (Terry) Redman MLA

THE ECONOMICS & INDUSTRY STANDING COMMITTEE

REF: INQUIRY INTO WA'S AUTOMOTIVE SMASH REPAIR INDUSTRY

Dear Ministers

I submit the following to inform the Committee as to our experience and knowledge pertaining to business practices associated with the Smash Repair Industry.

In doing so, I respectfully request, that the Committee expand the inquiry to include the towing and recovery industry, it's practices and its personnel.

Thornlie Towing Pty Ltd has been in the business for over twenty-five years. During that time we have seen changes that are both positive for the community and more recently changes that can only be described as predatory and detrimental to the community as a whole.

We are the preferred towing supplier to some of Australia's largest rental car companies and pride ourselves on providing service and fair rates that are second to none.

To our knowledge, Western Australia is the only Australian state that does not have legislated maximum towing rates and charges. This has led recently to unscrupulous individuals purchasing a tow truck and charging unsuspecting people involved in accidents fees sometimes totalling in the thousands of dollars where a fair and reasonable charge would be in the region of maybe four hundred dollars.

People who have had an accident and are not experienced in dealing with towing operators are being tricked into signing partial 'Authorities to Tow' which are then used to hold vehicles to ransom. Being

the second largest purchase most people make most people are not in a position or frame of mind to attempt legal action to recover their vehicles and those lucky enough to be insured find their premiums increasing dramatically each year in part due to these charges.

Within the towing industry unscrupulous operators also use secret commissions both to people who call them for accidents and from companies who they refer customers to or take vehicles to for repair. Many of these fees are then passed on in the way of increased costs for the owner of the vehicle. At repairers where insurance companies have pressured them into set rates for vehicle repairs, regardless of damage, these commissions mean less money is available to repair vehicles to acceptable safety standards. I have personally witnessed repairers use silastic to hold bumpers and different trim sections to vehicles to avoid the small cost of using the correct clips. Having witnessed the standards of repairs dropping year after year is concerning to say the least.

The Road Traffic (Vehicles) Regulations 2014 as it pertains to tow trucks is not policed and is ineffective to control the above-mentioned practices. Towing operators only face a maximum of four penalty units for repeated breaches should they be taken to task.

Additional to this is the public safety concerns where there is no screening of the people driving tow trucks. Many tow trucks transport people following crashes and are first at the crash scenes. Motor vehicles filled with personal property are often transported to towing yards without an owner in attendance. Outlaw Motor Cycle Groups are among those now purchasing tow trucks although rather than purely to extort money we suspect strongly these companies are also being used as a method of hiding cash from illegal activities.

Reputable towing operators are being forced out of the industry due to threats made by these unscrupulous tow truck drivers and a perceived lack of interest in regulating the industry by government.

There is action currently being taken by the Department of Transport, through the Tow Truck Technical Advisory Committee, which we were invited to meet with, to bring the vehicle standards up to current day expectations and implement annual examinations of tow trucks but they are of the opinion, correctly, that they are limited to vehicle standards and the actual regulation of the industry is outside their field of expertise.

The Queensland Government has recently accepted twenty-two recommendations from an independent investigation into their tow truck industry. After carefully assessing these recommendations we do not believe they are ideal in Western Australia and have been accepted more willingly by the larger companies in Queensland with the smaller ones finding the costs of immediate compliance detrimental to their businesses. Similarly, we do not believe either the NSW or Vic regulations are ideal for Western Australia.

I am available to present evidence specific to the above, either directly to the Committee or individually to the relevant Minister.

I can be contacted at any time and look forward to your response.

Yours sincerely

Terry Hughes
Director
Thornlie Towing Pty Ltd