

29 August 2019

Tow Truck Industry Regulation 2019  
Better Regulation Division, Department of Customer Service  
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000

Dear Sir / Madam,

## Submission on the proposed Tow Truck Industry Regulation 2019

1. Nationwide Towing & Transport Pty Ltd (**Nationwide**), as one of the key stakeholders and as a highly recognised national industry player in this sector, welcomes the opportunity to make this submission on the proposed Tow Truck Industry Regulation 2019 (**the Regulations**).
2. Nationwide is a wholly owned subsidiary of Nationwide Group Pty Ltd (ACN 619 595 470), which is in turn majority owned by The Royal Automobile Club of Victoria Limited (**RACV**). The RACV, among other things, is a leading provider of integrated roadside assistance and transport services.
3. Nationwide would be pleased to discuss any aspect of our submission.

## Background

4. Nationwide is the largest specialised towing and transport operator in Australia and has worked in the industry for over 50 years. We provide services nationally in Victoria, New South Wales, Queensland and Western Australia.
5. Nationwide specialises in towing and transporting vehicles (including cars, trucks, boats, caravans, buses and motorcycles) and plant and equipment (including elevated work platforms, forklifts, generators, containers, pallets and portable buildings).
6. In NSW, our customers include NRMA and other leading roadside assistance providers. Nationally, our customers include automobile clubs, statutory corporations (e.g. Road Authorities and Enforcement Bodies), state police, local councils, as well as national and multinational corporations (e.g. Coates Hire, OnSite and other leading hire companies).
7. All of Nationwide's towing services in NSW are performed under B2B contract. In other words, trade towing with pre-agreed and transparently negotiated rates and charges, and terms and conditions for transport. We do not undertake any smash / accident towing or other towing for consumers. Nationally, our business operates in the same customer segments. Importantly we do not operate in the ad hoc smash / accident towing industry.



## Exclusion of Trade Towing

8. Nationwide recognises the importance of the Regulations to protect consumers, principally by ensuring certain levels of integrity and professionalism among operators.
9. However, the regulatory scheme also covers much of the trade towing undertaken by Nationwide, even though no consumers are directly involved in the service. For example, Nationwide performs towing for insurance companies where we may transport a vehicle from the assessor to the approved repairer. We also perform recovery towing for NRMA.
10. Our primary submission is that all forms of trade towing, (i.e. towing regulated by arms-length transparent commercial agreements) should be excluded from tow truck regulation in NSW, including the requirement to have an operator's licence and driver's certificate. This would be for much the same reason that multi-deck car carriers and "motor vehicles" (including forklifts and access equipment) (refer paragraph 12(b), (c) and (d) below) are already excluded.
11. In our view, it is unnecessary and inappropriate for trade towing to be regulated. As stated in the RIS, the purpose of the Act is to protect consumers from misconduct by tow truck operators and to discourage any illegal behaviour. Trade towing falls outside the scope and objectives of the tow truck regulatory scheme.
12. In support of our submission, we note the following:
  - (a) There is an important and fundamental distinction between smash/accident towing and trade towing. They are very different segments of the industry. Issues of consumer protection and reduction of unlawful behaviour, to which the towing regulations are directed, do not apply to trade towing. As such, the Regulations should not apply to trade towing. The Regulations propose to exclude multi-deck car carriers because they do not provide towing services to consumers or for the benefit of others. Trade towing is another form of transport logistics that is not provided to consumers. Indeed, our more nimble fleet (better suited to metro / urban operating environments which generally comprises smaller lower tonnage trucks) often compliments the auto-logistics supply chain within which multi-deck carriers operate. For this reason, among others, trade towing should also be excluded from the regulatory scheme.
  - (b) Transport of certain "motor vehicles" are excluded under section 6A, including forklifts, excavators and cherry pickers. This seems to be consistent with the principle that the regulatory scheme is intended to cover and protect towing services provided to the public, whilst transport of other vehicles and equipment be excluded. We would suggest that the Regulations broaden the exclusion under s6A to cover all vehicles transported for trade towing. This should be a non-specific, catch-all style provision: it is difficult to define each and every possible item of plant and equipment that may be transported now and in the future.

For example, the type of plant and equipment that Nationwide transports on a tow truck is much broader than the current list in s6A. Nationwide transports skid-steer loaders, graders, backhoes, agricultural equipment (tractors, harvestors, etc) and elevated work platforms (other than cherry pickers).
  - (c) The current regulations, especially the requirements for licensing of tow trucks and drivers certificates, have on occasions impacted our ability to readily and efficiently perform



transport services. For example, there can be periods of peak demand for a NSW customer (e.g. NRMA) where we may need to quickly re-allocate resources, including from interstate, to be able to perform the work.

In this regard, the regulations can unnecessarily restrict the equipment available and efficiency of logistics in NSW and are, in our view, out-of-balance with the broader needs of business and the community.

- (d) Additionally, the Regulations unnecessarily impose additional cost, inconvenience and administrative burden to businesses involved in trade towing, without achieving or impacting the desired outcome, being protection of consumers, given that consumers are not involved in these transactions.
- (e) Quality and safety for trade towing is demanded by our customers and is governed through our contracts, including with major customers such as government and statutory authorities. Indeed our business has invested heavily in safety and governance systems, processes and equipment to meet our B2B customers' high minimum standards of operation. As such, there is no need for Government regulation of this segment of the industry (i.e. trade towing).

#### **Other**

- 13. Generally speaking, Nationwide supports all changes to the Regulations that reduce red tape and promote operational efficiency and in turn better customer and industry outcomes.
- 14. If our primary submission to deregulate all trade towing was not accepted, then there should be specific and individual consideration of how each requirement in the Regulations may impact trade towing and the extent to which those regulations should apply to trade towing, if at all, including requirements for drivers certificates, licensing of tow trucks, holding yard, etc.

Given the above, and as a key stakeholder we look forward to discussing this submission with you over coming weeks.

Yours sincerely,

Charles Thompson  
**Chief Executive Officer**  
Nationwide Group Pty Ltd