



Accident towing fees review 2025

Submission received via email

Date submitted: 3 March 2025

Submission written by: Allcar Towing Group

To ESC & Transport Victoria,

I'd like to provide additional context on the financial pressures we've faced since 2020, which underscore why a review of towing fees and storage charges is necessary.

As one of the largest accident towing operators in Victoria, Allcar Towing Group plays a vital role in keeping our roads safe and supporting the community in times of need. We operate **seven depots across Victoria**, strategically located to ensure rapid response times and efficient service delivery. Our fleet consists of **over 40 tow trucks**, allowing us to provide comprehensive accident towing and machinery transport services.

In recent years, we have made significant financial investments to improve service levels and modernise our operations. These investments include upgrading our fleet with state-of-the-art towing equipment, enhancing our depots to improve operational efficiency, and implementing advanced dispatch technology to streamline response times. Additionally, we have prioritised staff training and development to maintain the highest industry standards, ensuring that every driver is equipped with the necessary skills to handle accident scenes safely and professionally.

Despite these investments, our industry continues to face significant financial pressures, which make a review of towing fees and storage charges imperative:

- **Wage Increases:** Over the past four years, wages have risen by more than 15%. These increases are necessary to attract and retain skilled staff in a competitive market and ensure that we continue to deliver high-quality service.
- **Rising Payroll Tax:** Payroll tax in Victoria has increased significantly. While the rate remains at 4.85%, the overall tax burden has risen due to wage growth and a higher taxable base.

- **Rent Escalation:** Our rental costs have increased by 4% each year. With no commercial relief and daily storage fees failing to keep pace, this places a strain on our operating budget.
- **Land Tax Doubling:** Since 2020, our land tax obligations have doubled, adding substantial financial pressure to our operations.
- **Diesel Fuel Costs:** Diesel prices have surged by approximately 70% over the past five years, significantly impacting our running costs.
- **Work Cover Premiums:** Premiums have increased by around 30%, reflecting broader cost escalations in maintaining a safe and compliant workplace.
- **Truck Registration Fees:** These have risen by about 17% over the past four years, further adding to our operational expenses.
- **Truck Maintenance Expenses:** Maintenance costs have increased between 15% and 20% during this period. Regular maintenance is essential to ensure that our equipment remains safe, compliant, and reliable.

Given these compounded cost pressures, **the current towing fees and storage charges no longer reflect the true costs of maintaining our service standards.** As a company that has heavily invested in safety, efficiency, and community service, we believe that an adjustment to towing fees and storage charges is necessary to sustain the level of service expected by the public, law enforcement, and insurance providers.

We respectfully request that fees be reviewed to align with the economic realities and increased costs across our operations. We appreciate your understanding and are available to discuss these challenges in further detail.

Thank you for your time and consideration.

Mile Atanasov (Milo)

Director

Allcar Towing Group