



MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Harmonisation of CTP Further Damages Small Business Operators

In July 2021 the Motor Accident Insurance Commission (MAIC) announced the 'harmonisation' of some Compulsory Third Party (CTP) premiums would take effect from October 2021. This will result in rental car CTP premiums rising by 24 per cent. The announcement came without consultation or explanation.

This sudden and extraordinary price rise will have an enormous impact on Queensland's car rental sector, an industry already decimated by the drop in tourism resulting from COVID-19.

The Motor Trades Association of Queensland (MTA Queensland) is concerned these price hikes will further damage the hundreds of small business operators in the rental car sector, whose fleets have declined by more than a third from 2019 to 2020.

A small Gold Coast-based car rental business has seen its annual revenue halve since the start of COVID-19. 60 per cent of their bookings are typically sourced from Victoria and a further 15 per cent each from New South Wales and New Zealand, both of which have been subjected to major travel restrictions. Of course, Queensland-based bookings are also being impacted by the ongoing uncertainty.

A May 2021 IBISWorld analysis indicates rental and hire vehicle revenues are expected to decline by 36.7 per cent in the current year. Against this revenue decline, based on current rental fleet numbers, the increased CTP charges will cost the sector in Queensland more than \$6 million annually.

Motor Trades Association of Queensland

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This type of decline will slow the economic recovery as tourists will have limited access to rental vehicles and will need to pay a premium for what is available.

While the State government has offered Business Support Grants, the decision to increase the CTP at a critical time for this sector flies in the face of these efforts to support the State's businesses and will most certainly result in more job losses.

Rod Camm, Group Chief Executive for MTA Queensland said, "It is ironic that on World Tourism Day, we see these concerning changes come into effect this week, so this matter is now urgent. We need to ensure that the government understands the severe consequences this decision will have on Queensland businesses and their staff. We are requesting these changes be paused immediately to enable consultation with industry stakeholders, to analyse the impact on the rental car sector at this precarious time."

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Background:

The Motor Trades Association of Queensland (**MTA Queensland**) is the peak body representing the interests of employers in the retail, repair, and service sectors of Queensland's automotive industry. MTA Queensland has been performing its vital representative role for the automotive industry since 1929. In Queensland there are some 15,500 automotive businesses employing more than 90,000 people, that generate more than \$20 billion annually. The Association represents and promotes issues of relevance to all levels of government. In 2019 MTA Queensland was announced as an ABA100 winner in The Australian Business Awards and a finalist in the Lord Mayor's Business Awards, for Business Innovation.

The **MTA Institute (RTO 31529)** is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket sectors of the automotive industry. The MTA Institute is the largest independent automotive training provider in Queensland, employing experienced trainers who are geographically dispersed from Cairns to the Gold Coast and Toowoomba to Emerald. In the last year, the MTA Institute delivered accredited courses to more than 2,000 students. The MTA Institute is the first trade RTO in Australia to be approved under the ITECA Industry Certification Program and was the winner of the Small Training Provider of the Year at the 2019 Queensland Training Awards.

MTAiQ, Australia's first automotive innovation hub established by MTA Queensland in 2017, is an eco-system that supports innovation and research for the motor trades.

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