



MTA | **LEADING AUTOMOTIVE INNOVATION**

MEDIA RELEASE

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FOR IMMEDIATE RELEASE

ALP's Proposed Plans Set to Drive Independent Fuel Retailers Out of the Market

The Motor Trades Association of Queensland (MTA Queensland) is deeply disappointed in the recent announcement by the Australian Labor Party, in a move that could force independent fuel retailers to exit the market.

In his recent *State of the State* address, Premier Steven Miles announced that if re-elected in October, he would introduce 12 new state-owned fuel stations across Brisbane and regional areas. These fuel stations, owned by Energy Queensland, would operate on a no-profit, cost-recovery basis.

MTA Queensland is concerned with the lack of industry consultation involved in this decision and urges the government to consider the impact on independent fuel retailers who are already operating in a saturated market.

“While MTA Queensland acknowledges the importance of reducing costs for consumers amidst the current cost-of-living challenges, this is an extremely complex issue, and considerations need to be made to ensure retailers can continue to run their businesses successfully,” said Rod Camm, CEO of MTA Queensland.

“Our service station members have every right to feel outraged at this proposal. The Government is funding the introduction of competitors to the market, without any consultation from the businesses who will be most impacted. Depending on the location of these publicly owned fuel stations, smaller retailers in the area may face challenges competing with the Government's ‘no-profit’ pricing, potentially forcing them out of the market.”

Motor Trades Association of Queensland

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“This is a short-term plan that lacks transparency and economic analysis. Taxpayers will end up covering the operational costs if these service stations run at a loss, like many independent retailers do. This is a bizarre move from the Government and raises several questions about long-term sustainability and fiscal responsibility.”

Additionally, Mr. Miles outlined the Labor Party’s proposal to restrict petrol stations from raising fuel prices more than once per day, while introducing a trial to cap the daily increase to no more than 5 cents per litre. Retailers would also be required to disclose their pricing a day in advance.

Since 2018 fuel retailers have been required to report fuel price changes as part of the Queensland Government fuel price reporting scheme, enabling motorists to compare fuel prices in the local area, find the cheapest price, and save money at the bowser. Service station operators typically benefit from the price discount cycle and play a role in driving prices down. Imposing price caps could jeopardise these businesses and drive a higher average price for consumers.

With this decision set to affect many Queenslanders, MTA Queensland urges that, if re-elected in October, the Government conducts further analysis and consultation prior to proceeding with this proposal.

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For more information:

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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 16,000 automotive businesses employing more than 90,000 people, that generate more than \$7.24 billion to the state economy annually. The automotive industry is estimated to contribute \$37 billion to the Australian economy each year. 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

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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 ecosystem that supports innovation and research for the motor trades.

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