

# Service station

## Business start-up guide

### Service station industry overview

Service stations sell automotive fuel or lubricating oils to the public. The service station industry is very competitive because profits are low and the cost to run a service station is high.

Starting or buying a service station business involves many essential steps. Legally, you must ensure that you apply for and receive the correct licences.

This guide explains how to start a service station in Queensland. It will help you understand the challenges and opportunities of entering the service station industry so you can make good business decisions.

### Getting into the service station industry

Before you start a service station in Queensland, you need to understand how the industry works, what things you may need to consider in your planning, and the legal requirements you must meet.

### Finding a competitive edge in Queensland's service station industry

Competition in Queensland's service station industry is mainly based on location and price. To give your business a competitive edge, make sure your station is conveniently located and easily accessible (i.e. on a major arterial road or large intersection). This is the best way to achieve the large volume of fuel sales you will need to make your service station a viable business.

Most customers think petrol quality is the same at all service stations so they buy their fuel based on price. Ensure your prices stay competitive.

Another way to set your service station apart from competitors is to offer your customers extra services

(e.g. a convenience store, ATM machine, pay at pump options). Also consider running other related services, such as a motor repair or fast food business to help attract customers.

### Key success factors for service station operators

To build a successful service station, you need to:

- open your station in a convenient location
- find additional income from related services (e.g. selling food and beverages, mechanical workshop)
- adapt to changing customer demands
- grow a loyal customer base
- hire skilled [staff](#)
- closely monitor your competition.

### Service station industry entry barriers

The major barrier to entering the automotive fuel retail industry is poor profitability compared to the high costs to start and close a business.

Buying a service station franchise requires a lot of money and costs vary depending on the size, revenue and location of the site. Building a new service station or buying an existing one also costs a lot of money.

Leaving the industry is also costly because it is very expensive to clean sites contaminated by fuel and remove storage tanks.

(Source IBISWorld, March 2012)

### Service station industry requirements

You may need to meet licensing and registration regulations depending on your service station business operations.

## Selling fuel

To sell fuel to customers, you may need:

- **Environmentally Relevant Activity Licence** from [your local council](#). Licence fees will vary and it can take the council up to 4 weeks to process your application. This licence is required to carry out an environmentally relevant activity for which the council is responsible for administration. You also need a development permit.
- **Flammable and Combustible Liquids Storage Licence** from [Workplace Health and Safety Queensland](#).

## Storing hazardous substances or dangerous goods

To store hazardous substances or dangerous goods (such as fuel and chemicals), you may need an Off-site Plan from the [Department of Community Safety](#). There are no fees but it will take the Department of Community Safety 2 months to process your application. The Department of Community Safety collects information on what is being stored to determine what type of off-site plan you will need.

## Operating a crane or hoist

To operate a crane or hoist (to lift vehicles or vehicle parts) you may need a:

- **Certificate of Registration of a Registrable Plant** from [Workplace Health and Safety Queensland](#). Certificate costs vary depending on your business operation and the certificate stays in effect for 12 months.
- **Certificate to Work in a Prescribed Occupation - Crane or Hoist Operators Certificate** from [Workplace Health and Safety Queensland](#). The certificate costs \$77 and stays in effect indefinitely, but cannot be transferred. Applicants must be competent in operating the crane or hoist covered by the certificate.

## Safety certificates for second-hand motor vehicles

To examine second-hand motor vehicles in order to issue safety certificates you may need a [Licence as an Approved Examiner](#) from the Department of Transport and Main Roads (TMR). Licence costs vary depending on your business operations and it can take TMR up to 4 weeks to process your application. This licence is issued for life unless revoked through the courts or by the Director-General as an outcome of show cause proceedings.

## Safety and inspection certificates for second-hand vehicles

If your mechanical workshop will be issuing safety certificates or certificates of inspection for second-hand vehicles you may need an [Approval of Premises as an Approved Inspection Station](#) from TMR. Certificate costs vary depending on your business operations and it can take up to 4 weeks to process your application. **Note:** the applicant must employ or be an approved examiner and have suitable premises and equipment. Approval cannot be transferred.

## Modifying and altering vehicles

To modify or alter vehicles you may need a [Certificate of Appointment as an Approved Person](#) from TMR. Certificates are free but it can take up to 4 weeks to process your application. Authorisation is issued for 3 years. Applicants must have an appropriate formal qualification, appropriate equipment to carry out and inspect existing modifications and have successfully completed the *Approved Persons Training Course*.

## Operating as a gas motor fuel installer

To operate as a gas motor fuel installer you may need Gas Work Authorisation (Motor Fuel) from the [Department of Natural Resources and Mines](#). Applicants need to complete a test to obtain this licence, which stays in effect for the term specified. Applicants must also have successfully completed the required TAFE course and hold specific trade qualifications. This licence costs \$100.20

## Selling poisons by retail

To sell poisons by retail to your customers (such as non-prescription medicines) you may need a General Licence to Sell Poisons from [Queensland Health](#). There is an initial cost of \$265 for this licence and will take up to 4 weeks to process your application. Poisons include cough medicines, pain relief tablets and items that may be purchased from a pharmacy without a prescription or intervention by a pharmacist. **Note:** your business must not operate within 25km of the nearest pharmacy.

## Selling tobacco products

To sell tobacco products, you need to be aware of the *Tobacco and Other Smoking Products Act 1998*, which is managed by [Queensland Health](#). It is illegal to supply tobacco products to children up to the age of 18 years and no exceptions will be made for any business that does so. Any business that helps supply tobacco products to the public must display a prohibition sign near each tobacco product point-of-sale and make sure the sign is easily visible to the public.

## Legislation that may apply to your business

- *Building Act 1975*
- *Consumer Credit (Queensland) Act 1994*
- *Dangerous Goods and Safety Management Act 2001*
- *Debts Tax Act 1990*
- *Disposal of Uncollected Goods Act 1967*
- *Duties Act 2001*
- *Environmental Protection Act 1994*
- *Fair Trading Act 1989*
- *Fire and Rescue Authority Act 1990*
- *Food Act 2006*
- *Gas Supply Act 2003*
- *Health Act 1937*
- *Health Regulation 1996*
- *Industrial Relations Act 1999*
- *Integrated Planning Act 1997*
- *Local Government Act 2009*
- *Lotteries Act 1997*
- *Motor Accident Insurance Act 1994*
- *National Measurement Act 1960*
- *Retail Shop Leases Act 1994*
- *Sale of Goods Act 1896*
- *Statistical Returns Act 1896*
- *Tobacco and Other Smoking Products Act 1998*
- *Trading Hours (Allowable Hours) Act 1990*
- *Vocational Education, Training and Employment Act 2000*
- *Water Supply Act 2008*
- *Work Health and Safety Act 2011*

To access copies of legislation, visit [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au).

## Useful industry contacts

### Business Support Unit

For more information on licences, regulations, market research, business planning and other support services phone 13 25 23 or visit [business.qld.gov.au](http://business.qld.gov.au)

### Australian Institute of Petroleum

Phone 02 6247 3044

Visit [www.aip.com.au](http://www.aip.com.au)

### LPG Australia

Phone 02 6198 3473

Visit [ipgaustralia.com.au](http://ipgaustralia.com.au)

### Australian Motor Industry Federation

Phone 07 6273 8222

Visit [www.amif.com.au](http://www.amif.com.au)

### Service Station Association Ltd

Phone 02 9213 4222

Visit [www.ssa.org.au](http://www.ssa.org.au)