

New fume rules could force servos to close

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For Diann Melas, new regulations being foisted on to businesses such as hers, designed to help the environment, may also spell the end of the little Aussie servo.

Ms Melas, operations manager for Budget Petrol station groups - one of the few family-owned and independently run petrol stations left in Sydney - has warned that the cost of complying with regulations for recovering petrol fumes is so high - more than \$500,000 in most cases - that small and independently owned stations may be forced out of business.

The NSW Environment Protection Authority has introduced regulations that require petrol stations to have equipment that captures vapours while petrol is pumped into underground tanks from supply trucks and while it is pumped into cars. NSW is the only state that has introduced the mandatory regulations.

"It came as a shock," Ms Melas said.

"It put a lot of our sites under huge financial pressure because of the huge cost to an already low-margin business. It is going to make it very difficult. You will see a lot of little guys go," she told Fairfax Media.

"In Sydney the real estate prices make it more worthwhile to sell and develop, than to stay and run a small service station."

In Queensland some councils such as Brisbane City Council now require new service stations to be compliant. But NSW has made it retrospective.



Shock cost of new regulations: Diann Melas at her Petersham petrol station. Photo: Dallas Kilponen

Three independent stations in the inner west from Petersham to Stanmore and Mortlake have already been pushed out of business and their service stations turned over to developers.

Colin Long, general manager of

the Motor Traders Association said: "The cost of compliance with these regulations was certainly a factor in them closing."

Mr Long has questioned why the rules have been made retrospective and why servos are being hit with

such an overhead. He said there were 2200 service stations across the state. But only the ones in the coastal areas of Sydney and the Blue Mountains - areas prone to air pollution - have to make the expensive changes.

Mr Long said it was a major

imposition on a business that makes only a couple of cents a litre on petrol and has to rely on convenience items to make a living.

The EPA began phasing in the regulations in 2010 but the deadlines for compliance kept being pushed out. The latest compliance deadline for recovering vapours from underground tanks as they are refilled was January this year.

However, 88 per cent of stations still haven't complied. The second round of compliance which is the recovery of vapours from petrol being pumped to cars has to be com-

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pleted by 2017 but, while it has been predicted by industry operators, the small independents won't be able to afford it. There are 365 stations which must be compliant by 2017.

Opposition spokeswoman on the environment Penny Sharpe said the vapour regulations were introduced to tackle air pollution and there were many exemptions and generous lead-in times given to stations to comply.

"Six years on, the EPA should explain how compliance with the regulations is going to be achieved."

An EPA spokeswoman said stations that pump less than 3.5 million litres a year don't have to comply and all service stations had at least five years to prepare to comply.