

# TACC

## 2024-25 Pre-budget submission

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## About TACC

The Tasmanian Automotive Chamber of Commerce (TACC), a division of the Victorian Automotive Chamber of Commerce (VACC) is Tasmania's peak automotive industry association, representing the interests of more than 400 member sites, over twenty retail automotive sectors, that employ over 7,500 Tasmanians.

TACC members range from new and used vehicle dealers (passenger, truck, commercial, motorcycles, recreational and farm machinery), repairers (mechanical, electrical, body and repair specialists), vehicle servicing (service stations, vehicle washing, rental, windscreens), parts and component wholesale/retail and distribution and aftermarket manufacture (i.e., specialist vehicle, parts, or component modification and/or manufacture), and automotive dismantlers and recyclers.



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## Introduction

The Tasmanian Automotive Chamber of Commerce (TACC) thanks the Tasmanian Treasury for the opportunity to provide a submission outlining the pre-budget priorities for the Tasmanian automotive retail industry.

**In light of increasing economic pressures being faced by both government and industry, the following submission details six key funding recommendations related to electricity supply, waste management and skills and training. These recommendations are designed to support industry and assist government meet their stated aims as they relate to sustainability, the environment and meeting the skills needs of the future. TACC looks forward to working closely with the next Tasmanian Government to assist in implementing important reform measures.**



## List of recommendations

### Recommendation 1

The next Tasmanian Government include transitional relief to the existing automotive retail sector to assist with the incentive packages funding of essential electricity supply infrastructure “head works” as the industry transitions to a ZLEV future.

### Recommendation 2

The next Tasmanian Government provides incentive packages for consumer to support the purchase of ZLEV vehicles and home-based charging infrastructure.

### Recommendation 3

That the new Tasmanian Government helps industry build its capacity, capability, resilience, and its responsibilities to manage priority waste and allow businesses to invest in much needed waste trye recycling equipment.

### Recommendation 4

The next Tasmanian Government provides a funding program which supports Tasmanian Group Training Programs beyond 2024.

### Recommendation 5

The next Tasmanian Government continues the funding support for TasTAFE’s “Reimagining of TasTAFE” program and the current “in action agenda” under the AIC agreement.

### Recommendation 6

That the next Tasmanian Government identify and implement an alternative model to incentivise the provision of vocational education and training by registered training providers (RTOs) in thin markets such as motorcycle, panel and paint, engine reconditioning, vehicle parts and outdoor power equipment.





# 1. Energy and electricity supply

## 1.1 Support the Tasmanian retail automotive industry in its transition to ZLEV technology.

TACC has automotive industry representation on the Department of State Growth Renewables, Climate and Future Industries (RECFIT) Electric Vehicle Working Group.

In 2021 the consulting firm Jacobs Group undertook a review of the Tasmanian Climate Change (State Action) Act 2008. This review produced seven recommendations including a recommendation to develop sector-based decarbonisation and a resilience plan.

Tasmania's transport sector was set a date of November 2023 to prepare an emission reduction resilience plan (ERRP). The purpose of the plan is to develop pathways for the transport sector to reduce greenhouse gas emissions that support Tasmania achieving its target of net zero, or lower, from 2030 and to build resilience to the impact of climate change.

TACC reminds the Government that meeting any ambitious target will need to be accompanied by sensible policy measures and due consideration to the existing automotive retail industry.

The automotive retail industry is an essential touchpoint for consumers to purchase, repair, maintain and recycle their Zero and Low Emission Vehicle (ZLEV); however, details of this transition plan are yet to be made available to industry. TACC argues it is essential that industry participants are provided adequate time to properly prepare for the mandated changes, and that automotive retail businesses transitioning from a predominantly Internal Combustion Engine (ICE) market to a ZLEV market, are financially assisted.

TACC makes that point that many automotive related businesses are not prepared for the changes to the market brought on by the transition to a majority ZLEV car parc.

Independent mechanical and other repair workshops, as well as fuel distributors are also at risk of being adversely affected by the ZLEV transition. The importance of upskilling workforces and investing in new technologies is central to a successful transition, however, the financial outlay may be too high for some businesses to absorb – hence the need for government assistance.

As the shift towards the ZLEV market is inevitable, government-led policy settings must carefully consider the existing and transitional state of the still predominant ICE market. Failure from the government to support the current, still dominant ICE market to transition has already begun to impact the long-term exit strategies of many businesses.

Given mainstream ICE automotive retailing outlets will be impacted as a direct result of government-led policy settings, TACC calls for the next Tasmanian Government to include transitional relief, to the existing automotive retail sector to assist with the transition to a ZLEV future.

Further to this, TACC cannot overstate the importance of government regularly engaging with the retail automotive industry regarding ZLEVs and the related implications associated with this transition. To date, the emphasis has been focussed on the views of energy providers, rather than those on the frontline selling, servicing and repairing ZLEVs. Whilst energy providers have a role to play, they are only one part of the picture.

The risk remains that industry participants may be forced to exit their businesses and the industry due to a lack of transparency, or clarity, around the government's ZLEV intentions. TACC makes itself available to the next Tasmanian Government to collaborate on how best to support the transition of both industry and the consumer.



Therefore, TACC recommends:

#### Recommendation 1

The next Tasmanian Government include transitional relief to the existing automotive retail sector to assist with the incentive packages funding of essential electricity supply infrastructure “head works” as the industry transitions to a ZLEV future.

#### Recommendation 2

The next Tasmanian Government provides incentive packages for consumer to support the purchase of ZLEV vehicles and home-based charging infrastructure.

## 2. End of life waste tyres

### 2.1 Funding for an industry supported and government led end of life waste tyre recycling solution

End of Life waste tyres poses a significant hazard to the Tasmanian community and environment when illegally dumped, stockpiled or sent to landfill. They can lead to fires that can cause hazardous smoke and the evacuation of communities, including airborne diseases and environmental contamination.

TACC members who retail new and used vehicle tyres advise TACC that the cost blowout for waste tyre collection and disposal has ballooned to extreme levels since December 2021. This cost burden to industry is unsustainable. It is consumers who ultimately incur the financial cost, and community who will be outraged at the potential threat to our environment.

Industry is committed to meeting their environmental obligations; however, they face extreme difficulty accessing waste tyre collection services by a TSA accredited or approved tyre collector. This lack of access often leaves the retailer with stockpiles of waste tyres, at times above the regulated limits. Consumers, or rogue tyre collector/retailers, make whatever decision they see as suiting their own purposes and often dump tyres in public parklands or roadside.

In 2024 a much larger problem is facing industry and community due to a ban on the unrestricted export of tyres, which became law in 2021. As it stands, Tasmania’s circular economy plan is failing to keep up with demand and needs urgent attention.

Therefore, TACC recommends:

#### Recommendation 3

That the new Tasmanian Government helps industry build its capacity, capability, resilience, and its responsibilities to manage priority waste and allow businesses to invest in much needed waste tyre recycling equipment.

## 3. Skills and training

On the recommendations included in the 2021 Premier's Economic and Social Recovery Advisory Council report, TACC became a signatory to the 2023 Automotive Industry Compact (AIC) agreement between the Tasmanian Automotive Industry and the Tasmanian Liberal Government.

Additionally, TACC has representation on the Department for Education, Children and Young People (DECYP) RTO advisory board and the national Mining and Automotive Skills Alliance (AUSMASA).

The AIC agreement identifies both immediate action improvements for automotive learners and long-term planning goals for training Tasmania's automotive sector.

In the past three years, there has been a significant increase in the number of automotive apprentice enrolments, resulting in the Tasmanian automotive industry currently having 840 apprentices enrolled in CERT II and Cert III qualifications at TasTAFE and a further 150 VET students enrolled in Automotive VET preparation courses in the DECYP RTO public schooling system.

In light of the above, TACC makes the following recommendations as they relate to skills and training in Tasmania.

Therefore, TACC recommends:

#### **Recommendation 4**

The next Tasmanian Government provide a funding program which supports Tasmanian Group Training Programs beyond 2024.

#### **Recommendation 5**

The next Tasmanian Government continues the funding support for TasTAFE's "Reimagining of TasTAFE" program and the current "in action agenda" under the AIC agreement.

### **3.1 Thin training markets**

In recent years, many registered training providers (RTOs) have reduced or withdrawn their automotive training offerings due to falling student demand. Training courses that were once popular, including motorcycle, engine reconditioning, automotive electrical, panel and paint, vehicle parts and outdoor power equipment, are now characterised as thin training markets, with low numbers of student commencements and a withdrawal in the delivery of these courses by many RTOs. Whilst still an emerging market, training in ZLEVs can also be characterised as a thin market, given low student numbers and the limited number of ZLEV training providers in Tasmania.

It is critically important that the delivery of training and the transfer of essential knowledge and skills is continued for the benefit of businesses and the economy, in both traditional as well as emerging areas. Regrettably, the funding priorities and business models of RTOs are not geared towards delivering training to small groups (five or six students). This has the risk of leaving employers without an accessible skills pool – especially in regional areas – and will likely affect the uptake of new skills in ZLEV servicing.

TACC urges the Tasmanian Government to identify and implement an alternative model for the delivery of vocational education. The model needs to incentivise RTOs to deliver training on a per class basis rather than on a per-head basis, in certain programs. This initiative would contribute to and form part of a coordinated skills transition plan for the industry, that would help alleviate further skills pressure in the ensuing years.

#### **Recommendation 6**

That the next Tasmanian Government identify and implement an alternative model to incentivise the provision of vocational education and training by registered training providers (RTOs) in thin markets such as motorcycle, panel and paint, engine reconditioning, vehicle parts and outdoor power equipment.





**TACC**  
*You're in good hands*

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