

Tasmanian Automotive Chamber of Commerce

# Response to Emissions Reduction and Resilience Plan (ERRP) State of Play: Tasmania's Transport Sector

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## Contents

1. Acknowledgment	2
2. About TACC	2
3. About the TACC response	2
A. Overview – TACC position on Battery Electric powered Vehicles (BEVs)	3
4. What is a ZLEV?	3
B. TACC response points – RECFIT ERRP State of Play – Tasmania’s Transport Sector	3
5. Fuel standards & Government policy	3
6. End of life and recycling	3
7. Skills shortage	3
8. Electric Vehicle ChargeSmart Grants Program	4
9. Electric Vehicle Try and Drive Events	4
10. Stamp duty waiver	4
11. Consumer awareness & incentives	5
12. The model matters – issues surrounding vehicle choice & availability	5
C. Summary	5

## **1. Acknowledgment**

The Tasmanian Automotive Chamber of Commerce (TACC) thanks the Tasmanian Government's Electric Vehicle Working Group for allowing TACC to participate, on behalf of over 400 members that employ more than 7,500 Tasmanians.

TACC acknowledges Chair Sarah Russell from Renewable, Climate and Future Industries Tasmania (ReCFIT) and secretariat Alecia Hawkes from ReCFIT for the key role they play in industry and community dialogue about Tasmania's transition to ZLEVs.

TACC also acknowledges the input from Tasmania's new car franchise dealer network. This group is at the forefront of the state's transition and supplies to market the ZLEVs that Tasmanians use on our road network.

## **2. About TACC**

TACC is Tasmania's peak automotive industry association, representing the interests of more than 400 members in over 20 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.

## **3. About the TACC response**

This TACC response calls for broad industry involvement and is compiled adopting the policy reform measures of the Australian Automobile Dealers Association Tasmania (AADA Tas) and the TACC Used Car Trader Division (UCTD).

Those dealer responses have been collated and benchmarked where possible to address the issues identified in with the Tasmanian Government's Electric Vehicle Plan.

## A. Overview – TACC position on Battery Electric Powered Vehicles

TACC supports the reduction in carbon emissions, including the Tasmanian Government's strategy in leading Australia's transition to a low emissions economy. TACC looks to assist the Tasmanian Government in its pursuit of achieving a net zero greenhouse gas emissions target by 30 June 2030.<sup>1</sup> TACC supports sensible infrastructure implementation and a policy framework that adopts beneficial outcomes for the community, the economy, environment, and industry.<sup>2</sup>

Reflecting on Tasmania's specific challenges, **a technology mix which includes all available technologies is the only sensible way ambitious automotive sector decarbonisation targets can be achieved.** If we do not have a realistic plan, meeting targets will be made more difficult.

Further, the Tasmanian community has supported the purchasing of new ZLEVs since 2019. In the four-year period from 2019 to 2022, approximately 5,000 ZLEVs have been registered in Tasmania. In 2022, ZLEVs represented 1,921 new vehicles or 10 per cent of the total Tasmanian registrations.

### 4. What is a ZLEV?

The most common and available power source for vehicle types that reduce carbon emissions and that are available in Tasmania are:

- Battery Electric Vehicle (BEV)
- Hybrid Vehicle (Hybrid)
- Plug-in Hybrid Electric Vehicle (PHEV)

## B. TACC response points – RECFIT ERRP State of Play – Tasmania's Transport Sector

### 5. Fuel standards & Government policy

TACC believes that **until fuel quality and carbon emission standards are addressed at the federal level**, global manufacturers will continue to limit supply of the latest carbon reduction technologies to Australia in favor of other countries who have already a set policy. Power sources in new cars sold in Australia will be those powering similar vehicles sold in developing countries with similar fuel and emission standards.

**It is therefore imperative carbon emission reduction policy settings are linked to national policy** and are made with consideration for available supply of fit-for-purpose vehicle types.

### 6. End of life and recycling

With the volume of ICE vehicles projected to come off Tasmania's roads, together with introducing a replacement ZLEV fleet, **TACC urges the Tasmanian Government to take leadership in developing a comprehensive EOL vehicle program.** This is an economic and environmental imperative which needs policy to include the safe disposal & recycling of both older ICE vehicle components and EOL batteries and components.

### 7. Skills shortage

The automotive repair industry, including dismantlers, electrical and vehicle collision repairers, is transitioning from low-voltage systems to extremely high voltage systems. A skills shortage relating

<sup>1</sup> Climate Change (State Action) Amendment Bill 2021 (Tas). S 5(1).

<sup>2</sup> TACC response to Tasmanian Government's Climate change (State Action) Amendment Bill 2021, November 2022.

to ZLEV servicing is emerging because of the safety requirements and skill level for service and maintenance of high voltage systems in the automotive service and repair sectors. **TACC urges government to introduce a licensed vehicle repairer scheme** based on completion of the relevant ZLEV skill set and units of competency as an urgent industry workplace safety concern.

## 8. Electric Vehicle ChargeSmart Grants Program

TACC believes **ChargeSmart funding should be made available to Tasmania's Licensed Motor Vehicle Dealers (LMVD)** who spearhead assisting state and federal governments to achieve aspirational sales targets of ZLEVs.

LMVDs across the country did not ask for a transition from ICE vehicles to electric powered vehicles. Governments mandated the change. Investment in dealerships by governments at all levels is required. This will help offset much of the new infrastructure requirements pushed on to franchise dealers and help deliver cleaner energy vehicles to Tasmanian roads.

Just as energy providers are regulated, a level of government regulation must apply to ZLEV infrastructure installers to ensure they do not gouge businesses and community members who cannot afford such investment.

## 9. Electric Vehicle Try and Drive Events

TACC supports the concept of Try and Drive Events and advises that **the Tasmanian franchise dealer network is the logical starting point to host and co-promote such events.**

Events could be held over different times of the year in many parts of urban and regional Tasmania.

Tasmanian LMVDs have more product knowledge of the many makes and models available in the Australian market than any other stakeholder.

**It makes sense for the Tasmanian Government to co-sponsor and co-promote these events with TACC.**

## 10. Stamp duty waiver

TACC supports for the continuation of the stamp duty waiver as prescribed.

In the TACC response to Department of Treasury and Finance – Zero and Low Emissions Vehicle Road User Charge Discussion Paper, TACC stated the Tasmanian Government could reaffirm its commitment to ZLEV uptake if all facets of retailing ZLEVs are considered.

This commitment could be reinforced if the government was to make legislative changes to the way dealer demonstrator and trading stock is treated.

**TACC calls for an exemption for road user charges when applied to LMVD demonstrator and trading stock.** An exemption will encourage Tasmanian dealerships to retail more ZLEVs and increase state revenues. An exemption will also reaffirm the Tasmanian Government's commitment to support electric vehicle uptake, including the opportunity to roll out the Smarter Fleets Program to private industry to increase ZLEV uptake.<sup>3</sup>

Any road-user charge exemption for BEVs and PHEVs should be introduced and applied to any demonstrator or trading stock ZLEV in the same way the 15,000km per exemption from motor vehicle duty is announced in the *Duties Act 2001 (Tas)* Section 204 (4)(a)(ii).<sup>4</sup> Savings to dealers

<sup>3</sup> Tasmanian Climate Change Office, Supporting Electric Vehicle Uptake (2021) 2 [10].

<sup>4</sup> A motor vehicle ceases to be exempted under 4 (a)(ii) within 12 months after it is registered under the Vehicle and Traffic Act 1999 it has, by the odometer, travelled a distance of more than 15 000 kilometers since the day it was registered;

provided by the exemption can offset the many millions of dollars Tasmanian dealers commit to ZLEV infrastructure set up.

The introduction of such an exemption will provide greater incentive for dealers to road-test these vehicles with consumers and assist the transition to ZLEVs.

## 11. Consumer awareness & incentives

**TACC urges the Tasmanian Government to co-fund a series of consumer facing infographics** that applies simple language so consumers can understand the benefits of ZLEV technology. The initial purchase cost of a ZLEV is higher than that of a similar specification ICE powered vehicle and the economics of long-term ownership needs to be understood.

**Incentivising consumers in ZLEV purchases and charging infrastructure hardware will reduce the burden placed on families** who support the government's mandated emissions policies and which place ZLEVs in metropolitan communities that suit short distance travel and regular home charging.

## 12. The model matters – issues surrounding vehicle choice and availability

Tasmanian retail dealers report low BEV and ZLEV volume delivery availability for small to medium size passenger and SUV category vehicles. Further, **with approximately one in four vehicles on Tasmania's roads being light commercial utes the lack of affordable right-hand drive BEV and ZLEV utes presents a significant roadblock to reaching mandated targets.**

There is a lack of affordable right-hand drive BEV or ZLEV mid-sized utes available. The C-Segment pick-up (mid-sized utes) sector is problematic with only one BEV product offering confirmed through to 2027.

Research shows significant electrification of this category, including PHEV and Hybrid variants, will become available towards the end of 2030. The supply to a right-hand drive Australian market will also become more prevalent as manufacturers will feed the supply of European and North American markets as a priority.<sup>5</sup>

## C. Summary

The overarching challenge is to reduce carbon emissions while remaining affordable to consumers and in tune with industry supply chain pains and ability to support.

Tasmanian new car franchise dealers are 'all in' with delivering ZLEV technology and will invest in transitioning their businesses from an internal combustion engine dominated retail and service arena to a ZLEV dominated arena.

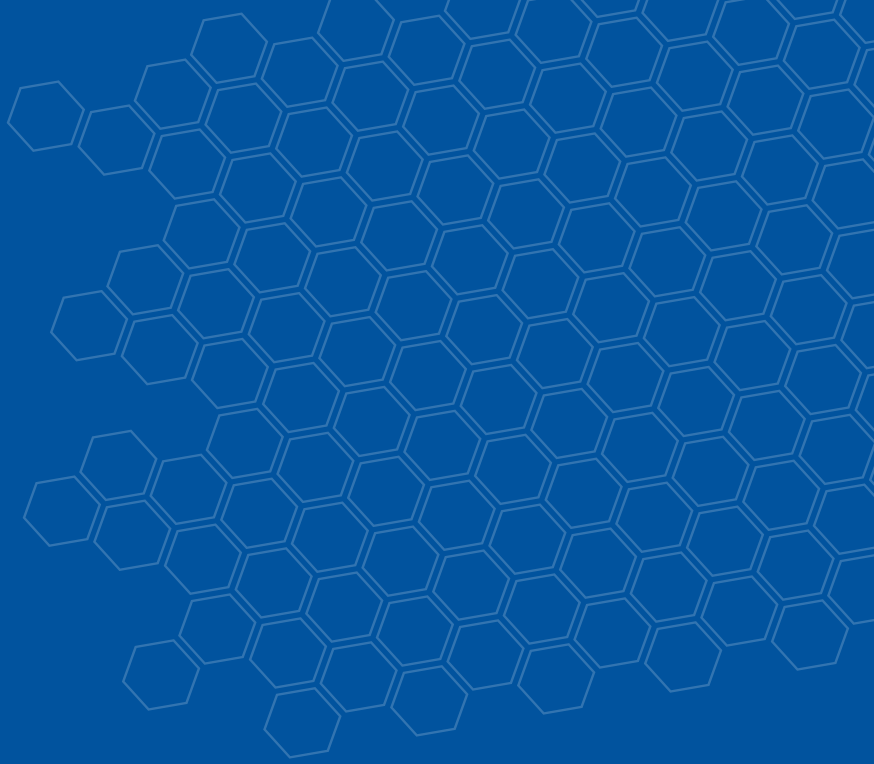
**TACC urges government to work with industry while building legislation for Tasmania's transport sector. If government does not have a realistic plan, meeting decarbonisation targets will be slower than expected.**

Consumers may keep their existing ICE vehicles for longer if their choice becomes limited or over-ambitious standards and targets get in the way of the practicalities associated with transitioning to a ZLEV fleet.

This may lead to unintended consequences, including higher sector emissions than may otherwise have been realised from a position of blended technologies.

<sup>5</sup> TACC reply to the 2024 Tasmanian State Government BEV Fleet Purchase Strategy.





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

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