

1 December 2023



**Tasmanian Automotive
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Dear Sarah

**Automotive Industry response to Emissions Reduction & Resilience Plan (ERRP) Draft Consultation
November 2023**

The Tasmanian Automotive Chamber of Commerce (TACC) commends the Tasmanian Climate Change Office (RECFIT) - Department of State Growth, on the ERRP draft consultation process and the further delivery of the resilience plan to support reduction on the transport emissions policy.

It remains TACC's position that emission reduction policy be harmonised across each state and territory to safeguard a smooth and equitable transition. However, in the absence of a national policy it is critical that the Tasmanian Government takes a leadership role, in collaboration with industry and the Federal Government, to ensure the transition to zero and low emission vehicles is planned and committed to, ensuring both industry and consumer are encouraged to support carbon emission reduction targets and aspirations.

TACC, on behalf of the automotive industry considers the draft ERRP provides for a sound overview of 'future opportunities.' **It is TACC's view however, that the draft does not go far enough in providing the specific detail as it relates to what the targets should be, how they will be met, planned, funded, and or delivered.**

With the view of achieving researched targets by 2030, TACC recommends the following key areas be seriously considered by the Tasmanian Government as it works towards reducing transport emissions.

- **Setting Targets**
Notwithstanding the pending federally driven fuel emissions standards policy (FES), there is no target for emissions reductions in the Tasmania plan, despite [evidence from the UTAS Policy Exchange](#) that a target should be set at 37 per cent of all new vehicles registered between now and 2030 be battery electric vehicle (BEV).
- **Realising Vehicle Targets**
Only 0.4% of [vehicles registered in the state](#) at 30 September 2023 are BEV. Under the "mode shift" detailed by the [Climate Council](#) 34 per cent of cars in Australia will need to be battery electric powered. TACC points out that there is no target for electric vehicle uptake.

TACC modelling shows that in new vehicle sales over the next six years up to 2030 will total to 131,000 vehicles. To reach 37 per cent BEV market saturation by 2030, Tasmania will need between 48,000 and 49,000 BEV's registered and sold.

TACC believes that the range mix of cost comparative BEV's, including popular light commercial vehicles, will become more suitable for Tasmanian consumers post 2027. TACC warns that the supply of BEV's to Tasmania will remain a low priority to manufacturers unless governments make it attractive to send cars to where they are likely to sell. Tasmania needs sufficient policy incentives to make it a **car market of choice for vehicle manufacturers**.

Further, TACC reminds the Tasmanian Government that there is more than one path towards reduced tailpipe emissions that would allow the continued use of existing technology in internal combustion engines. These zero low emission vehicles (ZLEV) technologies are available now and should be included in any plan to reduce carbon emissions.

- **Incentivisation**

The draft ERRP, in the “Draft Plan on a Page” has not addressed the important matter of costed commitment to State Government policy on any of the priorities.

TACC [research shows](#) the most likely way to increase electric vehicle uptake is to incentivise the purchase. **Evidence of reductions in incentivising BEV's in Tasmania has seen a 37 per cent fall in new BEV registrations in the three-month period from 1 July 2023**, compared to the previous quarter.

Other states and territories have targets for electric vehicle purchases to be 50 per cent or more by 2030. Subsidies of \$3,000 to interest free loan schemes of \$15,000 are also provided in some states and territories. International experience shows that highly incentivised car markets, designed to encourage motorists to buy reduced or zero polluting cars, do far better than simply waiting for price parity on BEV's.

- **Infrastructure Commitment**

The draft ERRP consultation draft provides commentary on the responsibilities of the Australian Government in relation to charging infrastructure under the national transport decarbonisation strategy. However, it does not elaborate on the impact of the actual challenges facing the aging Tasmania Electricity Grid as 48,000 to 49,000 BEV will come into service over the next six years.

An inspired government led and robust vision, backed with committed funding provisions must be created to provide smart technology renewables solutions to household and business locations that have “**to the kerb or before the meter**” electrical grid challenges.

TACC make the point that the Tasmanian Government that already has access to some of the world's best authorities on smart renewables technologies locally. Further complication, cost and delays to the necessary infrastructure build will dramatically slow the uptake and adoption of BEV and zero low emission vehicle (ZLEV) purchases and supply.

- **Decarbonising the Existing Fleet**

Tasmania operates the oldest fleet in Australia with the average age of 13.3 years. 56 per cent of the Tasmanian Fleet is above 14 years old with 35 per cent being above 20 years old.

The ERRP draft does not consider the impact of the aged fleet on total carbon emissions or does it provide for a plan to reduce these outputs in the older, less fuel-efficient fleet. This should be factored into future government modelling.

- **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.

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.

Tasmania's automotive industry is “all in” with delivering ZLEV technology and continues to invest in transitioning their businesses from an internal combustion engine dominated retail and service arena to a ZLEV dominated arena.

TACC looks forward to supporting the Tasmanian Government in all aspects of decarbonising the Tasmanian transport sector.

Your sincerely

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