



4 May 2019

Dr Brett Dale DBA
Group Chief Executive Officer
Motor Trades Association Queensland
Building 8, 2728 Logan Rd
Eight Mile Plains QLD 4113

Dear Dr Dale

Thank you for your correspondence setting out Motor Trades Association Queensland (MTA) and the MTA Institute's policy framework, and the opportunity to outline the Australian Labor Party's (ALP) response ahead of the federal election.

Economy, tax reform, small and medium business

Labor has a comprehensive suite of policies to benefit small and medium-sized businesses and the Australian economy overall. Some are specific to the automotive sector, as Labor recognises there are particular dynamics in that sector that warrant targeted policies.

Labor provides certainty for small business tax settings. Labor supports the corporate tax rate for small businesses reducing to 25 per cent by 2021-22, and we will implement the increase to the instant asset write-off threshold from \$25,000 to \$30,000.

Your Car, Your Choice

Labor will give 23,000 independent repairers a boost by making multinational car manufacturers share their technical information so that vehicles can be serviced by any mechanic.

A Shorten Labor Government will require car manufacturers to share technical information with independent mechanics on commercially fair and reasonable terms, with safeguards that enable environmental, safety and security-related technical information to be shared with the independent sector.

This reform will not only deliver savings to drivers, who will have better choice and easier access to repairs, but also create a level playing field for independent mechanics who will be able to stay in business as a result.

Auto Dealership Code

Labor will deliver clear and fair rules between car dealerships and car manufacturers to better support small business and consumers.

A Shorten Labor Government will drive a better deal for auto dealers by levelling the playing field between overseas car manufacturers and the small businesses that operate car dealerships.

Labor will implement an industry-specific code through regulations under the Competition and Consumer Act to deliver clear rules for manufacturers and dealerships.

The independent code will create a set of rules that both the manufacturers and dealers must observe when establishing expectations around dealer conduct.

Unfair Contract Terms

A Shorten Labor Government will protect small businesses by making unfair contract terms illegal and punishable with significant fines.

Australia's current laws aren't tough enough. While contract terms that unfairly exploit a power imbalance between a big business and a small business can be voided by a court, there's no punishment for the entity exploiting its market power.

This means there is nothing discouraging the big end of town from pushing smaller, dependent firms to sign onto unfair arrangements.

The Australian Competition and Consumer Commission previously stated that making unfair contract terms illegal "... would act as a better deterrent. In the ACCC's view, currently there is minimal incentive for businesses to comply with [current unfair contract term] laws."

Common unfair contract terms include allowing the contract provider to unilaterally vary all terms, broad and unreasonable powers to protect themselves against loss or damage at the expense of the small business, or an unreasonable ability to cancel or end an agreement.

Labor will:

- Make unfair contract terms illegal.
- Introduce penalties for contracts that contain unfair contract terms.
- Expand the definition of small businesses eligible for protection from such contract terms (expanding eligibility for protection from businesses with up to 20 employees to also include businesses with annual turnover of up to \$10 million).

Australian Investment Guarantee

A Shorten Labor Government will boost investment and create new jobs with the Australian Investment Guarantee – targeted tax relief for businesses that invest in Australia and Australians.

Under Labor’s Australian Investment Guarantee, all businesses in Australia will be able to immediately deduct 20 per cent of any new eligible asset worth more than \$20,000, with the balance depreciated in line with normal depreciation schedules from the first year.

Labor’s Australian Investment Guarantee will be permanent – that means businesses can continue to take advantage of the immediate tax deductibility whenever they make a new investment in an eligible asset.

The new Australian Investment Guarantee features the following scope and key design elements:

- Eligible assets will include tangible machinery, plant and equipment for both upgrades and new purchases (for example, farm tractors and food processing machinery).
- Depreciable intangible assets (often referred to as “knowledge assets”) which make up an increasingly larger component of non-mining investment will also be eligible (for example, patents and copyrights).
- Investments in structures and buildings are excluded, consistent with previous accelerated depreciation policies used in Australia.

It will not apply to otherwise eligible expenditure currently claimed under the existing research and development tax concession.

It will not apply to passenger motor vehicles, but it will apply to non-passenger motor vehicles such as lorries, vans, utes and trucks that are used to support trade businesses. It would also apply to battery-powered electric vehicles.

Fairer Tax Administration

A Shorten Labor Government will establish an independent appeals area within the Australian Taxation Office.

Labor is committed to giving all taxpayers – particularly small and family businesses – a fair appeals process when dealing with the ATO.

Genuine concerns have been raised about the ATO’s engagement with small businesses on tax disputes, including a lack of perceived and real structural separation within the ATO of officials who make tax assessments from those who handle disputes and appeals.

While multinationals and millionaires can afford the experts to navigate the tax system, low- and middle-income Australians are often intimidated by the tax system and unsure where to turn to get help.

A Shorten Labor Government will legislate to establish a new position of Second Commissioner – Appeals within the Australian Taxation Office, reporting to the Commissioner of Taxation, to head up a new appeals area within the ATO.

A separate appeals area in the ATO will mean small business disputes are given the care and attention they deserve. This area will have responsibility for managing tax disputes for all taxpayers, through pre-assessment reviews, objections, litigation including identifying test cases and providing oversight on settlements, and facilitating the use of alternative dispute resolution throughout the compliance and dispute resolution process.

Tax reform

Labor has announced a series of targeted tax reforms, closing down loopholes for multinationals and the most well-off, to ensure we can pay for schools and hospitals, pay down government debt, and provide tax relief for small and medium sized businesses.

Labor will close loopholes exploited by multinational companies to shift profits overseas, and loopholes related to the use of tax havens.

From 1 January 2020, we will prospectively halve the Capital Gains Tax discount, and only allow negative gearing on new property. These reforms are carefully calibrated, will increase housing supply, and create jobs. Small Business CGT concessions are not impacted.

Labor will also return dividend imputation to the design introduced under the Hawke-Keating Government, stopping cash refunds for people who pay no tax. Under the Howard Government, excess franking credits became eligible for cash refunds. This loophole now costs the budget \$6 billion a year. Without reform, future governments are faced with either increasing the tax burden on individuals and businesses or making cuts to hospitals and schools to pay to maintain the current arrangements.

Industry and Innovation

Advanced Manufacturing fund

Labor believes a strong and diverse economy is the key to national prosperity that everyone can share. Manufacturing will always have a vital place.

Manufacturing sustains close to a million workers and hundreds of local economies. It supplies business to our farmers, and inputs to our miners. It invests in our universities, trains up engineers and designers, and keeps the country moving forward.

The Australian manufacturing industry is incredibly diverse and includes businesses involved in everything from processing food, to producing pharmaceutical products, to smelting steel.

Over the past decade, our manufacturers have come under intense pressure. The Global Financial Crisis severely reduced global opportunities for Australian manufacturers, while a sustained high Australian dollar during the mining boom made imports cheaper and pushed up the price of Australian goods overseas.

Despite these challenges, manufacturing contributed \$ 100 billion in gross value added to the Australian economy in the 12 months to June 2017; and is the biggest contributor to business expenditure on research and development of any industry sector. It employs more than 800,000 Australians, making it the seventh biggest industry employer in Australia.

The future for the manufacturing industry must be supported by strong government action. The latest research and development figures from the 2015-16 financial year show that investment is down by 19 per cent. Manufacturing employment has fallen by 50,000 jobs in the last 12 months.

There is a future for Australian manufacturing but to achieve this, government needs to assist firms to modernise and move into high-value, high skill production.

The manufacturing industry is moving toward more specialised and disaggregated advanced manufacturing processes with corresponding demands for flexible, customisable production runs.

Labor understands the importance of retaining our advanced manufacturing capabilities. If we cease to be a country that makes things, our economy will be dependent on fluctuating commodity prices and we will not be able to generate the high-skill, high-wage jobs of the future.

Only by extending our technological capabilities and diversifying Australia's economic base will we be able to compete effectively in global markets. It is difficult to compete with mass-market manufacturers in low-wage countries, but by increasing our advanced manufacturing capabilities we can gain competitive advantages in niche markets while remaining a high-wage economy.

A Shorten Labor Government will establish a \$1 billion Advanced Manufacturing Future Fund, modelled on Labor's highly successful Clean Energy Finance Corporation, to support Australian manufacturers who want to grow their businesses and create jobs but who might find it difficult to obtain private sources of finance.

The Advanced Manufacturing Future Fund will help manufacturers innovate, diversify and develop new opportunities. This could mean auto component suppliers retooling or diversifying into other industries, food manufacturers investing in new equipment to package new products for export markets in Asia, or metals fabricators expanding into pre-fabricated housing.

Labor's Australian Investment Guarantee will ensure that Australian industry can make the investments needed to improve productivity and to remain globally competitive. Together with the Advanced Manufacturing Future Fund this will help Australian manufacturers reap the benefits and create new jobs in the era of what has been called Industry 4.0 – the fourth industrial revolution.

Labor will work with business and unions in key sectors – food and fibre, steel, transport and defence – to secure a future for manufacturing and tighten procurement requirements to provide more opportunities for work for local industry in government procurement and major projects.

Only Labor is committed to Australia's manufacturing future. The Liberals sent Australian manufacturing jobs offshore, but we have a plan to bring them back.

Building electric/hydrogen cars in Australia

A Shorten Labor Government will work with Australia's transport sector to cut vehicle emissions, boost adoption of electric vehicles and help Australians save on their petrol bills.

Electric vehicles (EVs) and vehicles running on other low emissions technologies have huge potential to reduce pollution in the transport sector, boost jobs and slash fuel costs for millions of Australian consumers. EVs can deliver annual savings of up to \$2,300 from reduced fuel and maintenance costs for the average driver, with savings rising as EV energy efficiency increases.

The global transition to EVs is well underway, but Australia lags behind other countries in EV take-up due to the Liberal Government's failure to put in place credible climate change and EV policies.

Australia is now last among western countries for electric vehicle uptake, and New Zealand has more electric vehicles than Australia. While EVs now have a global market share of around 2 per cent, the share in Australia is ten times lower, at only 0.2 per cent.

That's why Labor will introduce Australia's first National EV policy – building the local industry, bringing more affordable EVs into the Australian market, generating more local jobs, and helping consumers make the switch.

This strategy includes:

- **National EV target of 50 per cent of new car sales by 2030.**
- **Government EV target of 50 per cent** of new purchases of passenger vehicles by 2025.
- **Growing private EV fleets** by allowing businesses to immediately deduct 20 per cent off any new EV purchased, through Labor's Australian Investment Guarantee.
- **Regulatory reforms and COAG agenda** requiring all federally funded road upgrades to incorporate EV charging infrastructure, working with states and territories to ensure

new and refurbished commercial and residential developments include EV charging capacity, promoting national standards for EV charging infrastructure and ensuring investment in public charging stations meet these standards.

- **EV Innovation and Manufacturing Strategy** to support the establishment of manufacturing, assembly and retrofitting capability in EV vehicles, transportation and supporting infrastructure and services.
- **\$100 million for EV fast charging infrastructure.**

Australia is one of the only countries in the OECD that does not have vehicle emissions standards. According to the Morrison Government's own analysis, Labor's vehicle emissions standards will deliver fuel savings to Australia worth \$27.5 billion by 2040, saving motorists over \$500 per year in fuel costs.

Labor will work with industry to introduce long overdue fuel efficiency standards, based on standards operating in the USA, and consistent with Climate Change Authority advice. These standards will be applied on an average efficiency basis, so no cars will be banned from sale, but the fuel efficiency of new cars on the Australian market will increase over time, saving motorists money and cutting pollution.

Standards will also **only apply to new cars sold and will have absolutely no impact on the cars people already own or the second-hand car market.**

After six years of chaos, uncertainty and rising pollution under the Liberals, Australian motorists are paying more than they should for fuel and don't have access to affordable EVs, while transport pollution keeps rising.

Only a Labor Government will ensure Australia isn't left behind, saving motorists money and cutting our transport pollution.

Skills, Training, Education

A Shorten Labor Government will invest in TAFE and apprenticeships and ensure Australians have the education and skills they need to succeed in our changing economy.

Labor's more than \$1 billion investment in TAFE and Apprentices will:

- Provide 150,000 Additional Apprentice Incentives in areas of skill shortages – reversing the decline that has occurred under the Liberal Government.
- Waive upfront fees for 100,000 Australians to go to TAFE.
- Invest \$200 million to rebuild and upgrade TAFE campuses across the country.
- Support 10,000 young Australians to do a pre-apprentice program to prepare them for an apprenticeship.
- Provide support for 20,000 older workers to retrain through an Advanced Adult Apprenticeship.
- Guarantee at least two out of three dollars of public vocational education funding goes to public TAFE.

- Require at least one in 10 jobs on all major Commonwealth infrastructure and defence projects to be filled by an apprentice or trainee.
- Establish an Apprentice Advocate, to improve the quality of Australia's apprenticeship system and develop a long-term plan for skills and training.
- Undertake a once in a generation National Inquiry into Post-Secondary Education – to ensure our vocational education system is fit for the future.

Labor also understands the importance of promoting a trade, including a trade in the automotive industry, as an excellent post-secondary pathway. Through our \$14 billion investment in public schools, we will provide opportunities for more pathways and programs for trade in schools, and links with automotive industry work placement and skills programs.

Energy and climate

A Shorten Labor Government will drive new investment in renewable energy generation and storage, and transform Australia's energy supply systems – delivering more renewables and cheaper, cleaner power for all Australians.

Our Plan for More Renewable Energy and Cheaper Power includes a ten-year energy investment framework that delivers certainty for industry, lower power prices and more reliability.

Labor's preference is to achieve a bi-partisan agreement on energy policy. But Scott Morrison and the Liberals are too divided and too out of touch to agree among themselves on an energy policy that can lower prices, boost renewables and address climate change.

Labor will continue to pursue a bipartisan market mechanism, such as a National Energy Guarantee, that could deliver on our commitment of 50 per cent renewable energy by 2030 while lowering prices for Australian families and business.

Labor is prepared to work with the Liberals, but we will not wait for them.

1. A Shorten Labor Government will double the original investment in the Clean Energy Finance Corporation.

Labor will provide an additional \$10 billion in capital for the Clean Energy Finance Corporation over five years from 2019-20. This will:

- Support large-scale generation and storage projects, including solar and wind farms and storage.
- Support Labor's Household Battery Program by providing concessional loans for the purchase of solar and battery systems.
- Boost investment in energy efficiency projects, commercial and community renewable energy projects, and industrial transformation.
- Labor created the Clean Energy Finance Corporation and it has been a huge success – leveraging \$19 billion of investments in clean energy projects so far.

- This policy will deliver a modest improvement to the underlying cash balance over the forward estimates.
- A Shorten Labor Government will create an independent Energy Security and Modernisation Fund.
- Labor will provide \$5 billion in capital to future-proof our energy network – building and upgrading Australia’s energy transmission and distribution systems.
- Using the Australian Energy Market Operator’s Integrated Systems Plan as our blueprint, Labor will facilitate investment in:
 - Upgrades to existing interconnectors and building new interconnectors to lower prices and improve system stability.
 - New gas pipelines, upgrades and extensions to unlock new gas supplies and improve transportation to businesses and households.
 - Transmission links to Renewable Energy Zones to access new renewables projects across the country.

The Energy Security and Modernisation Fund will help manage the transition to more renewables in our energy system, ensuring households and businesses have the energy supply they need when they need it, at affordable prices.

2. A Shorten Labor Government will implement a new Energy Productivity Agenda.

Six years of Liberal Government has seen Australia’s relative energy efficiency performance deteriorate, with the International Energy Agency now ranking Australia last out of developed countries in energy efficiency policy and performance. This drives up costs for businesses and households and undermines jobs.

Labor will implement a suite of measures to help Australian businesses improve their energy efficiency and cut their power bills. We will:

- Provide one thousand grants of up to \$20,000 to Australian manufacturers to help them reduce their energy usage – for example, through energy management systems and data gathering and analysis.
- Allow the Australian Renewable Energy Agency to support a broader range of energy efficiency projects, not just projects with renewable energy involvement.
- Develop new training programs for energy managers and consultants, and an accreditation system for energy auditors.
- Improve state and territory energy efficiency initiatives through the Council of Australian Governments.

Labor’s Plan for More Renewable Energy and Cheaper Power will be good for households, good for the economy and good for the environment.

A Shorten Labor Government will deliver a \$1 billion National Hydrogen Plan to create new industries and new jobs and supercharge Australia’s renewable energy industry.

Hydrogen is an emerging industry that has huge potential to deliver significant economic, employment, energy and environmental benefits for Australia.

Hydrogen gas is an energy source that can be produced through the process of electrolysis using renewable energy, meaning it can leverage Australia's world-class renewable energy to make clean hydrogen competitively.

Developing a hydrogen industry will deliver new opportunities for manufacturing, transport and electricity generation; and a new export industry that will help our trading partners cut their pollution.

As the global demand for hydrogen surges to an expected \$215 billion by 2022, Australia is uniquely placed to benefit from the development of this new, job-generating industry.

Analysis by ACIL Allen projects that hydrogen exports alone could be worth \$10 billion in 20 years and create 16,000 new jobs.

Hydrogen can be the next great energy industry for Australia – and Labor has a plan to make it happen.

Labor's six-point plan for hydrogen will:

- Allocate \$1 billion of funding from the Clean Energy Finance Corporation to support clean hydrogen development, from Labor's commitment to double the Clean Energy Finance Corporation's capital by \$10 billion.
- Invest up to \$90 million of unallocated funding from the Australian Renewable Energy Agency to support research, demonstration and pre-commercial deployment of hydrogen technologies.
- Establish a \$10 million Australian Renewable Energy Agency funding round for hydrogen refuelling infrastructure around the nation, from within the Australian Renewable Energy Agency's unallocated funding.
- Invest \$40 million of unallocated funding from the Clean Energy Finance Corporation's Clean Energy Innovation Fund to target hydrogen technologies and businesses that have passed the research and development stage.
- Implement regulatory reforms that will help the industry develop and prosper, including reforms to support the use of existing gas pipelines for hydrogen, reforms to support the shipping of hydrogen, reforms to better support the storage of carbon dioxide from blue and brown hydrogen production, as well as other reforms to support hydrogen use and production.
- Establish the National Hydrogen Innovation Hub in Gladstone with an initial investment of \$3 million. This will kick-start early commercialisation of hydrogen technologies, provide a hub for investment and research agencies, and provide opportunities to leverage LNG infrastructure to support hydrogen exports.

A Shorten Labor Government will make Gladstone the hydrogen capital of Australia.

Hydrogen means more investment in Australia, more exports from Australia, and more jobs for Australia.

Australia has everything to gain from the global transition to more renewable energy. But to secure the new industries and jobs it will deliver, we need a government that has a plan to foster and grow the industries of the future.

That is exactly what Labor's National Hydrogen Plan will deliver.

Workplace relations

Labor in Government would focus on dealing with issues of increasing job insecurity, casualisation and low wages growth.

Labor wants to see a workplace relations system that is fit for purpose. A system that provides for security of employment, that allows people to balance work and leisure and that keeps people safe at work. We have a strong track record of reforming the workplace relations framework to make things fairer, to foster cooperation between employers and workers while supporting inclusive economic growth.

Labor will announce more workplace relations policies prior to the election. Policies will be progressively uploaded on the ALP website, www.alp.org.au/policies

Infrastructure and Transport

Between 2007 and 2013, Labor:

- Built and upgraded 7,500 kilometres of road including completing the duplication of the Hume Highway, accelerating the upgrade of the Pacific Highway to dual carriageway, and improving the safety and flood immunity of hundreds of kilometres of the Bruce Highway.
- Rebuilt a third of the interstate rail freight network – some 4,000 kilometres of track.
- Committed more funding to urban rail infrastructure than all its predecessors since Federation combined.

During this time, per capita investment increased from \$132 to \$225.

When Labor took office, Australia was 20th on a list of OECD nations ranking infrastructure investment as a proportion of GDP. When Labor left office in 2013, Australia was 1st.

With the Abbott-Turnbull-Morrison Liberals, too often grand announcements are made then nothing happens. Indeed, the Liberals have invested over \$5 billion less in transport infrastructure than they promised in Budgets since they were elected. That's a massive underspend, costing jobs and productivity. In 2018, 127 projects around the country were running behind schedule.

Labor's National Land Freight Strategy and National Ports Strategy remain important initiatives that have helped identify and prioritise transport bottlenecks preventing the swift

movement of goods to and from our nation's ports. Labor believes this work should be a starting point and a basis for action in government.

In addition to funding public transport projects, Labor will also fund road projects in our cities and across our regions, boosting productivity and connectivity.

Some of the Queensland road and bridge projects which Federal Labor will invest in, if elected, include:

- **Bruce Highway Extension** – Labor will extend the Bruce Highway from the intersection of Comport St and Draper St to Cairns Airport and invest up to \$40 million to upgrade key intersections along this section of road.
- **Townsville Ring Road** – A Shorten Labor Government will provide \$144 million towards the fifth and final stage of the Townsville Ring Road.
- **Mackay Port Access Road (Ring Road)** – Labor will invest \$280 million to deliver the second stage of the Mackay Ring Road, a vital piece of infrastructure that will support the region's ongoing economic development.
- **Rockhampton Ring Road** – Labor will unlock productivity and jobs growth in Central Queensland by investing \$800 million to build the Rockhampton Ring Road in partnership with the State Labor Government.
- **Rockhampton-Yeppoon Road Duplication** – Labor will boost jobs and local infrastructure in Central Queensland by investing \$64 million in the Rockhampton-Yeppoon Road.
- **Bruce Highway Dual Lane** – Labor will invest \$2.1 million to commence planning to dual lane the Bruce Highway between Gladstone and Rockhampton to boost productivity and improve road safety.
- **Gladstone Port Access Road** – Labor will boost jobs and local infrastructure in Central Queensland by investing \$100 million in the next stage of the Gladstone Port Access Road.
- **Linkfield Road Overpass** – Labor will invest \$100 million to duplicate the Linkfield Road overpass on the Gympie Arterial Road, a notorious stretch for accidents and traffic congestion.
- **Better Rural and Regional Roads in QLD** – Labor will invest \$500 million to deliver a staged upgrade of Queensland's inland road network, meaning up to 3,000 kilometres of better, safer roads and up to 300 wider, stronger bridges.
- **Cavendish Rd Level Crossing** – Labor would invest \$107 million to fix one of Brisbane's worst traffic snarls: the Cavendish Road level crossing at Coorparoo.
- **Stanage Bay Road** – Labor would invest \$21.6 million to upgrade Stanage Bay Road in Central Queensland, to make it safer for local residents, defence force personnel and tourists.
- **Lindum Level Crossing** – Labor will invest \$85 million to fix one of Brisbane's most dangerous traffic black spots, the Lindum level crossing at Wynnum West.
- **Coopers Plains Level Crossing** – Labor will contribute \$73 million to help eliminate one of South East Queensland's worst traffic black spots, the Boundary Road level crossing at Coopers Plains.

- Across regional Australia and Queensland, Labor will support increased funding to upgrade local roads, bridges, roadside rest stops and road safety black spots.

Labor will continue its history of real investment in the **Pacific, Bruce, Princes, Tonkin and Midland Highways** - major freight routes as well as regional passenger routes.

Yours sincerely

Australian Labor Campaign Headquarters

www.alp.org.au