



Hon Anastacia Palaszczuk MP
Premier and Minister for Trade
Member for Inala
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Dear Premier

MTA Queensland Priorities - Pre-Election Submission – for the 31 October General Election

As the Premier of Queensland and Leader of the Queensland Labor Party you are in the process of enunciating the policies and initiatives your government would implement to take our State forward over the next electoral cycle. The Motor Trades Association of Queensland (MTA Queensland) as an Association of Employers in conjunction with its training entity the MTA Institute (MTAI) submits a framework of policy positions relevant to the growth of the State's automotive sector.

Context

This submission is presented at a time of post pandemic recovery when business is looking for policies and programs to drive business confidence and certainty to invest and employ. Separate to the pandemic crisis, the automotive value chains are experiencing - and will continue to do so for the next decade - arguably the most severe disruptions to their businesses by the uptake of emerging technologies and digitisation of any sector in Australia's economy. In this economic environment, businesses are looking to an in-coming government for policy and programs that provide long-term certainty enabling confidence to invest, expand, maintain and create the enterprises and jobs of the future.

To achieve a business environment conducive to future investment and expansion, there must be reform of compliance obligations and imposts, review of the transportation and mobility policies and programs. The impact of the uptake of automated vehicles and alternatively powered vehicles on State revenue receipts must be considered in this electoral cycle.

Fiscal structural reform should constitute a priority for an incoming government and include the transparent and responsible management of the State's debt projected to be more than \$100 billion by mid-2021.

Based on the forecast economic conditions that Australia's business sector will face, the MTA Queensland submits the following priority issues for consideration.

Motor Trades Association Queensland

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Industry Skills and Training

Reform of the vocational education and training system has resulted in a paradigm shift to prioritising skills development as part of the Covid-19 recovery plan. The MTA Queensland notes the Federal and State Government have approved a significant investment in the provision of increased access to free or low-fee skills training for school leavers and job seekers through the JobTrainer Agreement. Under the Queensland Agreement, \$201 million (Australia's and Queensland Governments each contributing \$100.5m) will be invested in the State's vocation education and training (VET) sector. This outcome is welcomed and provides certainty.

We have concerns about the funding supply chain which substantially favours the public sector. It is our position that a better funding model should apply recognising the role of RTOs in the development and provision of skills. For example, our MTA Institute, is responsible for training and skilling almost one-third of the total automotive apprentices of Queensland and the role and responsibility has evolved because of limited capacity from the public sector. The Association will engage with an incoming government to achieve an equitable funding outcome for RTO's to ensure that maximum supply of a skilled and relevant work force is produced through a combination of public and independent providers. We caution the new government to avoid bricks and mortar investment in the VET sector and strongly suggest that funding be directed to programs that produce high quality industry ready tradespersons.

In addition to the JobTrainer Agreement, the Federal Government's 2020-2021 Budget includes several other skills and employment measures. We look to an incoming government to work cooperatively with the Federal Agencies and Departments to achieve the best outcomes for Queensland's VET system.

Automotive fleet

The MTA Queensland urges the continued uptake of electric vehicles (EVs) by the government for its diverse purposes. It seems the common political policy across the major parties envisages electric vehicles (EVs) occupying at least half of the new car market by 2030.

Government agencies including the Department of Transport have done much 'mobility' preparatory policy work for the introduction of non-fossil fuel vehicles into Australia's automotive market. The MTA Queensland has been a conscientious and consistent supporter of the introduction of alternatively powered vehicles lodging written submissions and participating in department led initiatives whenever such an opportunity arises. It is critical in the election policy process that the impacts of the uptake on government fiscal programs, infrastructure programs, industry restructure and consumer cost and benefits of the uptake of EVs and hydrogen fuel cell vehicles are clearly articulated e.g.:

- state budget e.g. adjustments to registration and insurance fees.
- second-hand dealers e.g. adjusting to an over-supply of second-hand ICEVs and business closures.
- recycling businesses e.g. the disposal of some 20 million ICEVs over the longer term.
- Infrastructure roll out e.g. charging stations and road reform for connected vehicles.
- environmental benefits e.g. the uptake of EVs will significantly reduce carbon emissions; and
- environmental consequences for the disposal of end of life batteries from EVs.

The MTA Queensland considers that it is imperative that Australia's jurisdictions work together to provide a harmonised statutory framework for electric and autonomous vehicles. This view is based on our participation in Commonwealth Government agency consultations pertaining to the transition from ICE vehicles to EVs and responses to various Regulation Impact Statements.

Initiatives on which Governments should work together include:

- fiscal reform to replace petroleum excise duties and state fuel revenue taxation and preparation for EV state registration fees and third-party insurance premiums
- prioritising EVs for fleet replacements
- harmonisation of charges and regulatory requirements
- harmonisation of road rules
- harmonisation of specifications for recharging plugs in the same way that fuel nozzles are standards.

The economic and social challenges and the technological dynamics associated with 'mobility' is an issue that government must be proactive to meet the demands of industry and the public.

The MTA Queensland urges the new government to work with industry on the following:

To protect consumers from backyard dealers who put at risk the safety of motorists and their financial investment. These backyarders are typically associated with high volume transactions that avoid the consumer protections and the added costs that ethical dealers face, taxes etc. We urge investment into the OFT to better regulate the sector and introduce a more appropriate industry supported standards and pathways to a sale's and dealer's license.

Review of the mandated sales volumes for biofuels and the ongoing reporting requirements for small service station owners. The new government must recognise that sellers do not drive demand, but consumers do, and the approach and incentives should be directed to motorist not burden business with reporting and investment.

To develop administration fee support for car dealers that facilitate new vehicle registration transactions on large scales on behalf of Qld Transport.

Small / Medium Business support

Over the duration of the next government, the MTA Queensland urges a comprehensive and broad reform of compliance costs, and all business-related policies to cut red tape and costs to encourage productivity improvements and entrepreneurialism. Regulatory requirements have increased exponentially in line with digitisation, transparency and legislative obligations. MTA Queensland strongly advocate for a national harmonisation of regulation and legislation and urge the new government to recognise that globalisation is here and across Australia we undermine the potential benefits through lack of national harmonisation.

A priority issue that an incoming government must address is the substantial increase in the annual environmental regulated activities (ERAs) fees which commenced 25 September 2020. Businesses which have ERAs as part of their business operations have incurred fee increases over 1,000 per cent. These exorbitant fees are a drag on business and should be reconsidered in the context of the election policies.

For the motor trades, sector compliance costs and regulatory obligations are major imposts. The government should strive to make “red tape reduction” a priority to facilitate productivity and stimulate economic growth. It would be highly desirable for all proposed government regulations to be accompanied by a Business/Consumer Impact Statement. The MTA Queensland urges where appropriate, the harmonisation of regulations for the automotive sector across the States and Territories of the Commonwealth.

Priorities to assist the automotive value chain to transition the disruptions associated with global digital and technological revolution over the longer term include:

- lifting the payroll exemption threshold particularly for medium scale businesses.
- with the exception of adjustments for inflation, taxes and fees; stamp duties should remain unchanged until business conditions normalise. The MTA Queensland specifically requests consideration for a moratorium on the imposition of stamp duties on business and household insurance policies.

The MTA Queensland is supportive of the Advancing Small Business Queensland Strategy. It is our experience the Small Business Digital Grants Program; and Small Business Entrepreneur Grants Program have proven to be helpful to those Association members who have taken advantages of these facilities. Without a State Budget, the status and performance of the grants program and strategy is unclear.

The MTA Queensland supports the new Agency similar to the Australian Governments Small Business and Family Enterprise Ombudsman and with similar charter – but caution it should not compete with industry organisations and chambers of commerce.

Digital Innovation and technologies

During the Coronavirus pandemic and, now in the recovery phase the digital economy has undergone massive transformation to be the preferred means of conducting business. The MTA Queensland supports the strategic direction of Digital1st Advancing our digital future for service delivery and to improve connectivity between government and stakeholders.

Background

The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland’s automotive industry located in the State. Pre Covid-19 there were some 15,500 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$21 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work Act 2009*. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland’s economic structure.

Australia’s first automotive hub, the MTA/Q, has been established in specially prepared space at the corporate office. The hub is an eco-system that supports innovation for the automotive industry.

The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute - a registered training organisation. It is the largest automotive apprentice trainer in Queensland with trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald.

Thank you for your deliberation.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brett Dale". The signature is fluid and cursive, with a small horizontal line at the end.

Dr Brett Dale DBA
Group Chief Executive
MTA Queensland