



24 November 2020

Hon Cameron Dick MP  
Treasurer and Minister for Investment  
GPO 15009  
City East Qld 4002

Email: [treasurer@ministerial.qld.gov.au](mailto:treasurer@ministerial.qld.gov.au)

Dear Treasurer

### **MTA Queensland Priorities - the 2020-21 Qld Budget**

#### **1. Introduction**

1.1 Motor Trades Association of Queensland (MTA Queensland) submits the following issues and priorities on behalf of the State's automotive value chain for your consideration in finalising the 2020-21 State Budget. Our comments are confined to matters having direct relevance to businesses participating in the automotive sector. Importantly, these include the challenges of providing skilled human resources to meet current and future demand of this sector as it emerges from the COVID-19 pandemic and therefore considerations of the levels of fiscal support for vocational training.

#### **2. Budgetary Context - Economic**

2.1 The State Budget will be brought down in circumstances where the international and national economies are facing head winds from the economic and health emergencies arising from the COVID-19 pandemic. The Queensland Economic Recovery Plan (The Plan) released prior to the 2020 State Election set the recovery measures you would implement in Government. It builds on the staged \$7 billion assistance package to support business, households and communities.

2.2 The automotive value chain looks to this State Budget to take industry and business beyond the pandemic recovery phase and include the priorities set out in The Plan to provide certainty in the economic environment; increase consumer and business confidence; and to stimulate economic growth so that the private sector is encouraged to commit to new investments and increased employment.

#### **3. Priorities**

3.1 Any ranking of priority issues for the automotive value sector would categorise "*Training*" amongst the most significant items.

### **Motor Trades Association Queensland**

**Address** Freeway Office Park, Building 8, 2728 Logan Road, Eight Mile Plains Qld 4113 [Postal PO Box 4530, Eight Mile Plains Qld 4113]

**Telephone** +61 7 3237 8777 | **Toll Free** 1800 177 951 | **Email** [info@mtaq.com.au](mailto:info@mtaq.com.au) | **Website** [www.mtaq.com.au](http://www.mtaq.com.au)

## Training

3.1.1 The national vocational education and training system is now in the early stages of a significant reset. Understandably, reforms have prioritised skills development focused on the Covid-19 recovery plan. MTA Queensland notes the Federal and State Governments 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 (Australian 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.

3.1.2 Qld's economic recovery will not be uniform or consistent and the rate of unemployment is expected to grow post JobKeeper. This will impact both jobseekers and people currently employed will not be immune to the disruption of the labour market.

It is therefore imperative that Qld maximises its skills development opportunities through making funding available to quality training providers that offer agile and flexible models. Matching employers with training providers that best meet their needs will speed up the economic recovery and improve productivity.

MTA Queensland seeks an equitable allocation of funding to both the public provider and quality independent providers. For example, our MTA Institute is responsible for training and skilling almost onethird of the total automotive apprentices of Queensland, which has been the direct result of industry demand for flexibility and workplace delivery.

3.1.3 MTA Queensland urges an equitable funding outcome for quality RTOs to ensure the maximum supply of a skilled and relevant work force is produced through a combination of public and independent providers. We caution against investment in bricks and mortar in the VET sector and strongly suggest that funding be directed to programs that produce high quality industry ready tradespersons. Our training model is delivering the current and future skills base that is needed to service the State's economic growth into the future.

3.1.4. The automotive value chain is in a technological transitional phase, transforming from the internal combustion engine to the uptake of hybrid, plug-in-electric; partial autonomous; and fully autonomous technology options. Skillsets must evolve rapidly with the emerging technologies to service both the sector and consumers. Employers are already identifying an absence of skills to meet the demand. There are inhibiting factors in attracting students to the automotive value chain. As stated in previous submissions to government, there must be increased emphasis on the pathways that identify to high school students the prerequisite competencies of numeracy, literacy, and technology to pursue a traineeship/apprenticeship and a trade career. This would help ameliorate the high drop-out rate at the high-level certifications.

3.1.5 MTA Queensland recognises that the future lies in the Industry's ability to develop skills for its future workforce. Five initiatives are proposed for this purpose:

- Autocamp support and funding for school holiday pilot programs. These are non-accredited courses for male and female school students aged between 14-17 years conducted over three consecutive days and limited to class sizes of twenty. The MTA Institute has held six auto camps to provide students with prerequisite auto trade competencies advice and hands-on experience in a range of different automotive skills, from emerging technology such as Hybrid/Electric Vehicles to the principles and maintenance of automotive assets. Programs have been oversubscribed and feedback indicates they provide relevant experience for students that have an interest in an auto value chain career such as electronics, engineering, manufacturing etc. The Autocamp program warranters consider of broader application and fiscal support.
- Mentoring program funding. These programs invest in matching people to jobs and facilitating the apprentice's/trainee's progression. A recent national program secured significant benefits for individual participants and for Queensland; achieving an overall retention rate of 80 per cent compared to NCVET

data that shows attrition rate in 2 year Automotive apprentices at 40.9%. The outstanding results from the mentoring program warrants consideration of broader application and fiscal support.

- Maintain current investment in automotive apprenticeships and traineeships and ensure that funding is responsive to technological change by recognising global trends through higher level skills investment (i.e. skills sets and non-accredited training). Continuing support of the Free apprenticeships for under 21s and support for the implementation of the Free apprenticeships for under 25s to be initiated as soon as practical.
- Provision of incentives for qualified trades persons to become Vocational Education and Training (VET) trainers/assessors to enable increased access to a skilled and decentralised VET workforce to train the future Queensland workforce i.e. the government, working with industry bodies, support funding for automotive professionals to further their careers by undertaking the TAE 40116 – Certificate in training and Assessment.
- Funding support to existing skills programs that include:
  - Promotion of skills for entrepreneurship/innovation
  - Inclusion programs (i.e. support of women in trades)
  - Engagement with employers on skills utilisation and productivity

3.1.6 The MTA Institute supports businesses in regional and remote areas of Queensland with opportunities to obtain additional qualifications, accreditations and skills. The State Training Budget must recognise the quality training undertaken by RTOs such as the MTA Institute in servicing the needs of the motor trades across Queensland and the critical role RTOs perform in the State's economy.

3.1.7 The Association will continue to work closely with government and its relevant agencies to ensure that the delivery of automotive training complements both demands of the government's economic and industry policies and meets the skilling needs of the automotive value chain.

### **Innovation Programs**

3.1.8 The Association supports the government's policies and programs to diversify the economy, create employment and the head line Advance Queensland Fund/Program to facilitate investing in the state's future by harnessing innovation.

3.1.9 The MTAiQ (Innovation Hub) within the MTA Queensland precinct incorporates a community of entrepreneurial minds that coalesce, collaborate and develop ideas into commercial outcomes for the automotive sector. Established in November 2017 it assists existing and new start-up automotive businesses to develop business models to capitalise on those opportunities linked to new technology. It is geared solely at the automotive industry and has been pivotal in the development of new innovations such as refueller and the ACE electric vehicle cargo van.

3.1.10 The government has a suite of grants programs applicable to small business and for start-ups at various phases of development. The feedback is that the grants programs relative to start-ups are narrow in their application, time restricted and onerous. The MTA Queensland submits as a priority that the government revisit grants programs that apply to start-ups to make access simpler and open to availability.

### **Taxes, Charges, Duties, Compliance**

3.1.11 In view of the significantly challenging economic conditions emerging from the pandemic we urge consideration of:

- Near term relief by substantially discounting business and private vehicle registration fees for twelve months commencing from the beginning of the 2021 calendar year and continuing through to the 2020-21 financial year to maintain the recovery momentum.

- A moratorium on stamp duties levied on general insurance policies, workers compensation, and motor vehicle insurance policies for twelve months commencing from beginning of the 2021 calendar year and continuing through the 2021-22 financial year for business and consumers to maintain the recovery momentum
- The abolition of the premium motor vehicle duties introduced on 1 July 2018 which effectively increased the amount of vehicle registration duty payable on vehicles valued above \$100,000 by \$2 per \$100 of dutiable value (excludes heavy vehicles).
- With the exception of adjustments for inflation, other taxes, fees and duties should not be increased.

3.1.12 To achieve a business environment conducive to future investment and expansion, there must be reform of compliance obligations and imposts. We have seen 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.

#### **4 Conclusion**

4.1 The Association appreciates the Unite and Recover initiatives that included the \$7 billion staged relief package to assist industry, business, households and communities through the pandemic and is supportive of the Queensland Economic Recovery Plan. We now look to this State Budget to give The Plan fiscal and policy reality.

#### **5. The MTA Queensland background**

5.1 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.

5.2 There are some 15,500 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$20 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.

5.3 Australia's first automotive hub, the MTA/Q, has been established in specifically designated accommodation at the corporate office. The hub is an eco-system that supports innovation for the automotive industry.

5.4 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 employing in excess of 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTA Institute last financial year provided accredited courses to in excess of 1,600 apprentices and trainees.

Thank you for your consideration.

Yours sincerely



**Rod Camm Group Chief Executive Officer**