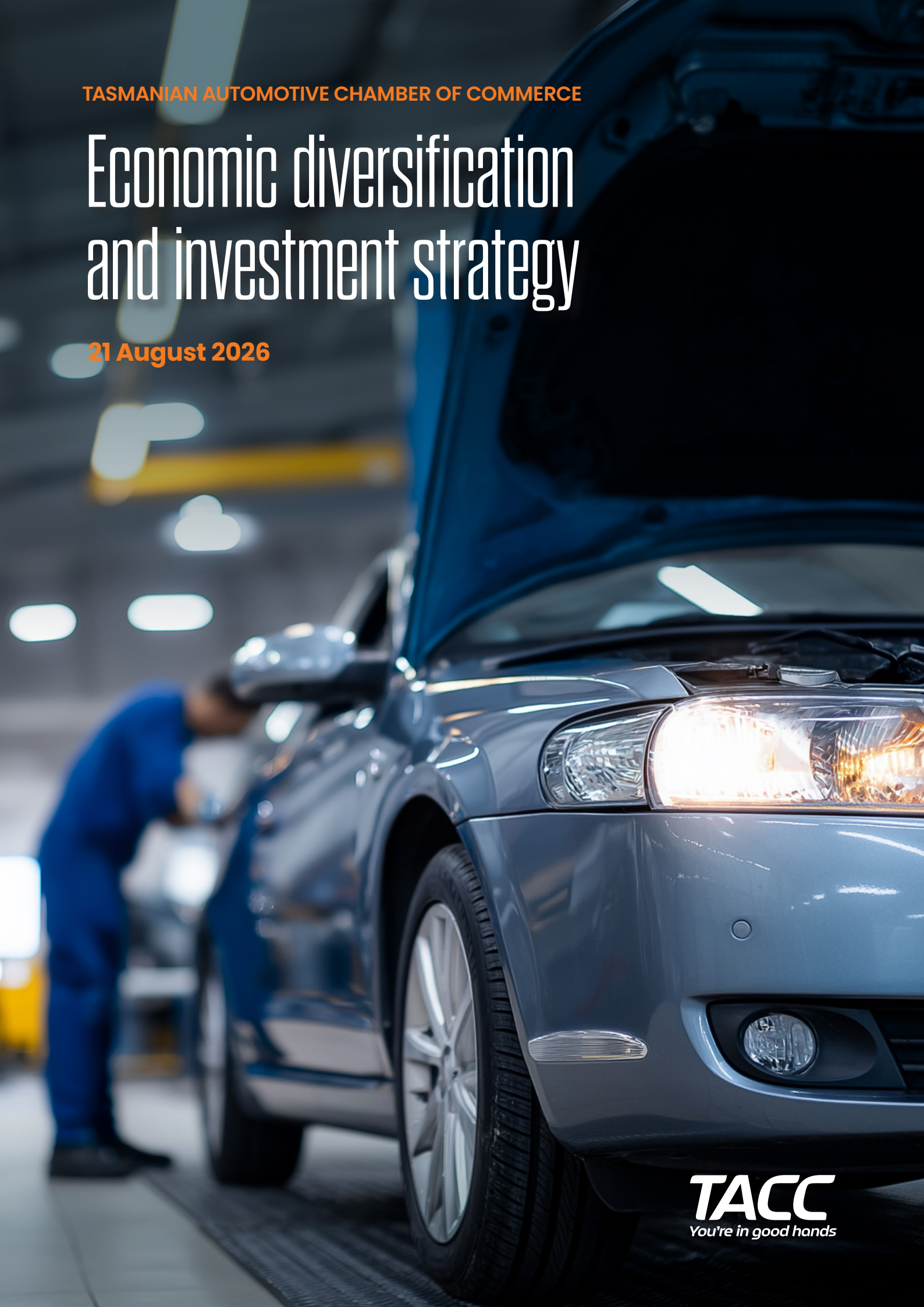


TASMANIAN AUTOMOTIVE CHAMBER OF COMMERCE

Economic diversification and investment strategy

21 August 2026

TACC
You're in good hands

Contact



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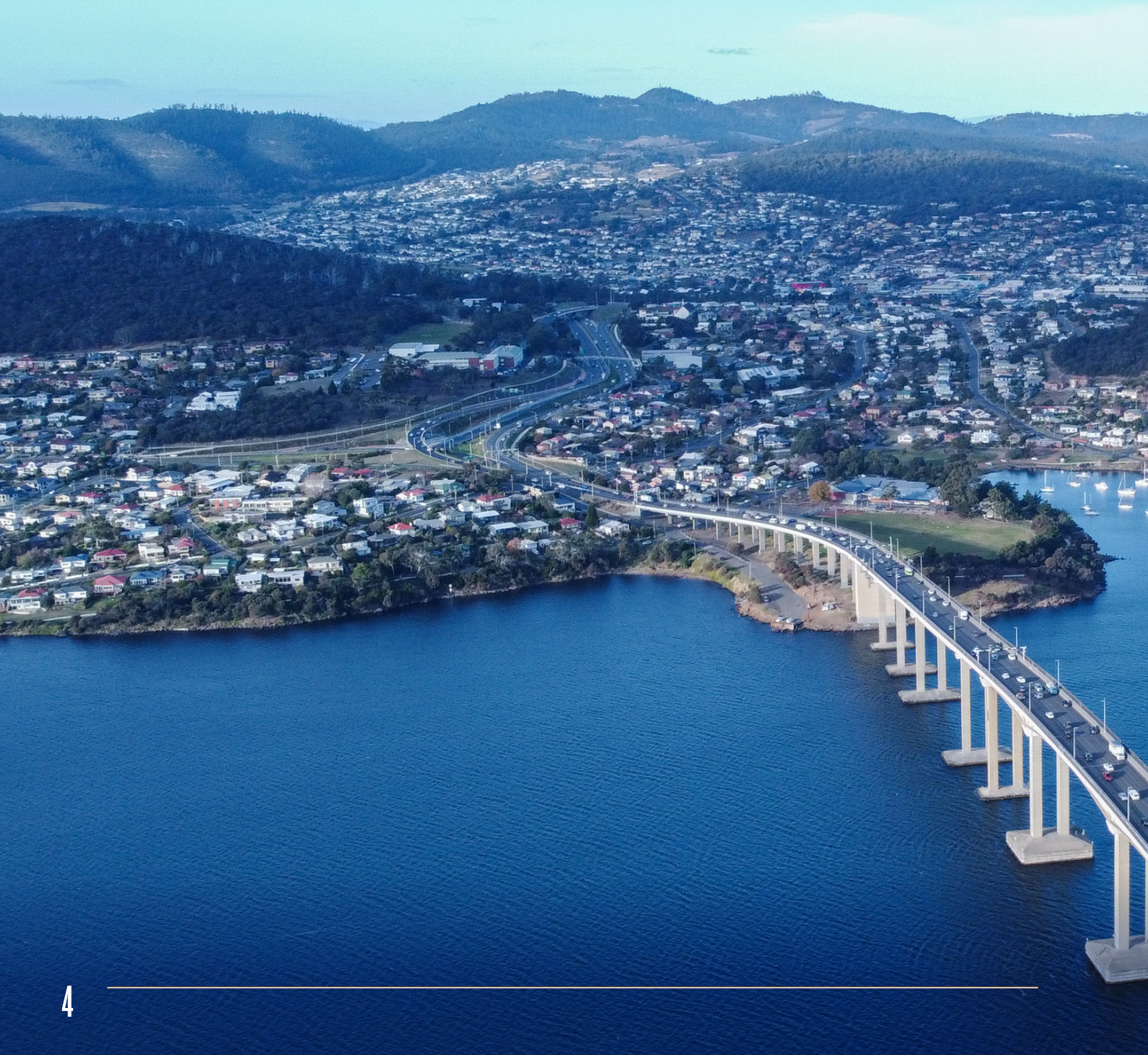


About TACC

The Tasmanian Automotive Chamber of Commerce has served Tasmania's automotive industry since 1928. TACC is the Tasmanian division of the Victorian Automobile Chamber of Commerce and represents more than 400 member sites across more than twenty retail automotive sectors, employing over 7,500 Tasmanians.

Members include new and used vehicle dealers, service and repair workshops, collision repairers, auto electricians, heavy vehicle and agricultural machinery businesses, service stations and fuel distributors, parts and accessory suppliers, and specialist trades. Almost all are small and medium enterprises. Almost all are privately capitalised.

TACC welcomes the opportunity to comment on the consultation draft of the Economic Diversification and Investment Strategy.



Summary

Tasmania's vehicle fleet is changing faster than any other state but is being held back by the lack of capacity to service and sustain this transition.

Zero and low emissions vehicles represented 53.4 per cent of all new light vehicles sold in Tasmania in July 2026. Year to date July 2026 battery electric new vehicle registrations rose from 702 in July 2025 to 2019 at 31 July 2026, an increase of 187 per cent in 12 months.

The electricity grid network requirements to provide fast charging access for these vehicles is not keeping up and the predicted increase of mainland tourism electric vehicle traffic will be the first to feel the inconvenience of inadequate electricity grid management and fast charging infrastructure.

Tasmania has 835 automotive apprentices enrolled in training against an industry need of about 1,200. Regional technician vacancy fill rates run as low as 33 per cent.

Southern Tasmania has no auto electrical, body repair or heavy vehicle training capability, while the north-west has no full automotive training facilities for the mining, forestry, agriculture and heavy transport sectors.

The TasTAFE Alanvale campus is dated and in need of modernisation while the new southern automotive facility at Cambridge is only delivering a limited range of vehicle qualifications.



Recommendations

TACC recommends that the Tasmanian Government:

Recommendation 1

Fund the TasTAFE Automotive Training Infrastructure Plan.

Commit $25 million over ten years to re-equip Alanvale, deliver a north-west automotive training facility and establish a permanent southern training hub, sequenced across budget cycles, so that Tasmania can deliver electric vehicle, heavy vehicle, body repair qualifications within the state. *(Lever. Invest)*

Recommendation 2

Fund completion, not commencement.

Incentivise automotive apprentice completion, adopt the group training model TACC is developing to carry employer liability for school-based apprentices, and advocate to the Australian Government for restoration of the employer incentives whose withdrawal drove commencements from 1,480 to 842. *(Levers: Fund, Advocate)*

Recommendation 3

Build waste tyre processing capacity as a named circular economy opportunity under Priority 2.

Include end-of-life tyres in the Strategy's emerging-domains work, with TACC as industry partner. *(Levers: Partner, Invest)*

Recommendation 4

Extend the streamlined front door to electricity connections, and review the planning permit triggers that apply to automotive uses.

Include indicative connection costs and timeframes in the investment facilitation system, and add automotive service uses and charger installation to the planning permit matters reviewed under Priority 1. *(Lever. Facilitate)*

Recommendation 5

Publish an EV demand and network capacity map.

Fund shared-benefit augmentation only at regional and journey-enablement sites that cannot clear a commercial hurdle, recoverable from later connecting users. *(Levers: Facilitate, Advocate)*

Recommendation 6

Report annually against four automotive indicators.

Add automotive apprentice completions, technicians qualified in high-voltage systems, public fast charging bays and maximum distance between fast charging locations to the Goal 2 and Goal 3 indicator sets, each with a published baseline, a 2030 target and a named reporting agency. *(Lever. Facilitate)*

Priorities

Priority 1: Unlocking private investment

The Strategy proposes a coordinated investment facilitation system and a streamlined front door for major job-creating projects and precincts. It also proposes to review the matters that require a planning permit where consistent with acceptable solutions in the Tasmanian Planning Scheme.

Both proposals should extend to automotive, and to the electricity connections that automotive investment now depends on.

The planning system does not recognise what an automotive business is

Automotive service and retail is treated in the planning system as a low-intensity use, alongside open-air vehicle storage. In practice a modern dealership carries 50 to 100 staff on site, high-voltage electrical infrastructure, workshop plant and a significant customer traffic load. It is an employment-dense industrial use classified as something closer to a car park.

The consequence is not academic. Thirty-nine vehicle brands are sold within an 800 metre radius within the Hobart CBD, an area served by two transformers with a third committed to another project, and with limited fast charging capability across the whole zone. Where planning pressure pushes those businesses to fringe industrial land, it moves an existing electrical load to locations with less network headroom and higher augmentation cost.

TACC is not asking the Strategy to resolve any particular local planning matter. It is asking that automotive service uses, and the permit triggers that apply to charger installation, be included in the Priority 1 review of planning permit matters, and that land use planning barriers under Priority 4 be assessed for their downstream infrastructure cost.

Extend the front door to connections

An investor in workshop expansion, a dealership rebuild or a charging site currently cannot get an early, reliable answer on available network capacity, likely augmentation, connection cost or timeframe. The uncertainty stops more automotive investment in Tasmania than any approval process.

The Strategy's streamlined front door should carry indicative connection costs and timeframes, drawn from published network capacity data. This is a disclosure measure, not a spending measure.

Priority 2: Accelerating growth and innovation

Automotive is usually read as a servicing sector that follows population. There are two areas where it is not.

End-of-life tyres

Tasmania generates a steady, geographically concentrated, fully traceable waste stream through its automotive network and sends most of it interstate or to landfill. Tyre-derived product has established markets in road base, civil fill, rubber crumb and energy recovery. The volume is known, the collection points are already commercial premises, and the industry that generates the waste is willing to be part of the solution.

This is a genuine diversification proposition, and it belongs in the Strategy's emerging-domains work. TACC has been developing this position through its advocacy program. TACC is not seeking to operate a processing facility.

High-voltage and calibration skills

Battery servicing, high-voltage diagnostics and advanced driver assistance system calibration are specialised skills already in short supply nationally. As Tasmania's vehicle fleet shifts rapidly towards zero and low emission vehicles, the state needs stronger pathways to train the next generation of automotive technicians.

Priority 3: Lifting productivity

The Strategy names care, construction, retail and tourism as the service sectors where productivity initiatives will be directed. Automotive retail, repair and service should be added to that list.

Tasmania has the oldest light vehicle fleet in Australia, averaging 13.3 years against a national average of 10.6. That is a capital intensity problem of exactly the kind Priority 3 identifies, and it sits in the sector the list leaves out. An older fleet is a more maintenance-intensive fleet, and the productivity of every business that depends on a vehicle is set by how quickly it can be repaired.

Technology adoption in small workshops

Priority 3 proposes demonstration programs and shared digital tools to support technology adoption in small businesses. Automotive is a direct fit. Diagnostic, calibration and high-voltage safety equipment now sits well beyond the reach of a single small workshop, and shared access arrangements through training providers would put contemporary equipment in front of businesses that cannot capitalise it alone.

Priority 4: Activating our regions

Priority 4 proposes work with industry, councils and communities on regional strengths, workforce needs, infrastructure opportunities and land use planning barriers. Automotive has something specific to contribute on each.

Regional workforce

Regional technician vacancy fill rates run as low as 33 per cent, and around 30 per cent of automotive employer's report receiving no suitable applicant at all. Tasmania averages 8.2 applicants per automotive vacancy against 17.7 nationally. In the north-west, the mining sector's wages are drawing apprentices out of automotive before they complete their training.

When a regional workshop cannot fill a technician role, the cost falls on every business and household in that district through downtime and travel. This is a regional productivity issue, not only an industry one.

Charging that enables travel

Tasmania's public charging network was built to establish geographic coverage. The next problem is different: whether a visitor towing a caravan, a regional household or a commercial operator can plan a journey with confidence.

There are corridors where that is not currently true. Some regional charging locations are single units, frequently occupied or out of service, or physically inaccessible to a towing vehicle.

TACC is working with tourism and industry partners on a route-enablement approach that identifies the specific gaps on Tasmania's main touring corridors, stages the response across several years, and is designed to draw Commonwealth co-funding against a modest state commitment. TACC would welcome the opportunity to bring that work to government as the Strategy's regional action plans are developed.

Priority 5: Growing our workforce capability

This is where the Strategy can make the largest difference to this industry, and where Tasmania is furthest behind.

Tasmania cannot train enough vehicle technicians

Tasmania has the fastest-transitioning light vehicle fleet in the country and limited pathways to qualify the people who will maintain it.

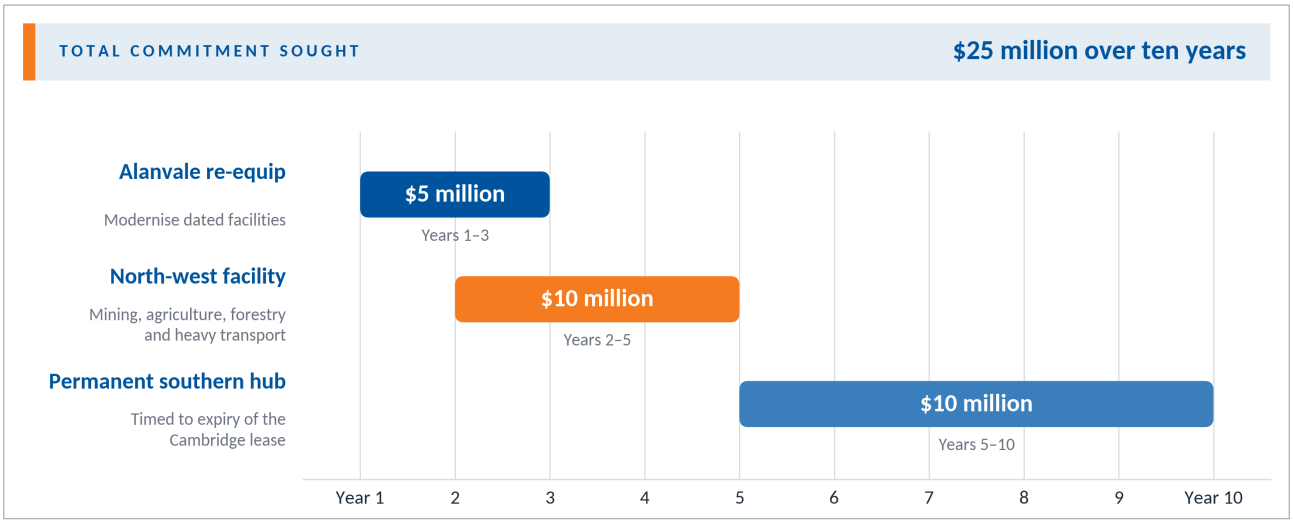
Tasmania's VFACTS new vehicle sales data over the last four years shows a stable new vehicle market of around 19,000 new light vehicles and 850 new heavy commercial vehicles constantly sold each year since 2022. Advancements in technologies have seen transitions from internal combustion engines (ICE) to zero low emission (ZLEV) powered vehicles which now number upward of 21800 new sales. 58.8 per cent of those ZLEV vehicles have been hybrids and 30.5 per cent have been battery electrics.

The TasTAFE southern automotive training facility at Cambridge has limited range of automotive qualifications and southern apprentices are forced to travel north for training. Southern Tasmania has no body repair or heavy vehicle training capability, the north-west has no mining, agriculture or heavy commercial automotive training facilitates and Alanvale has aged facilities.

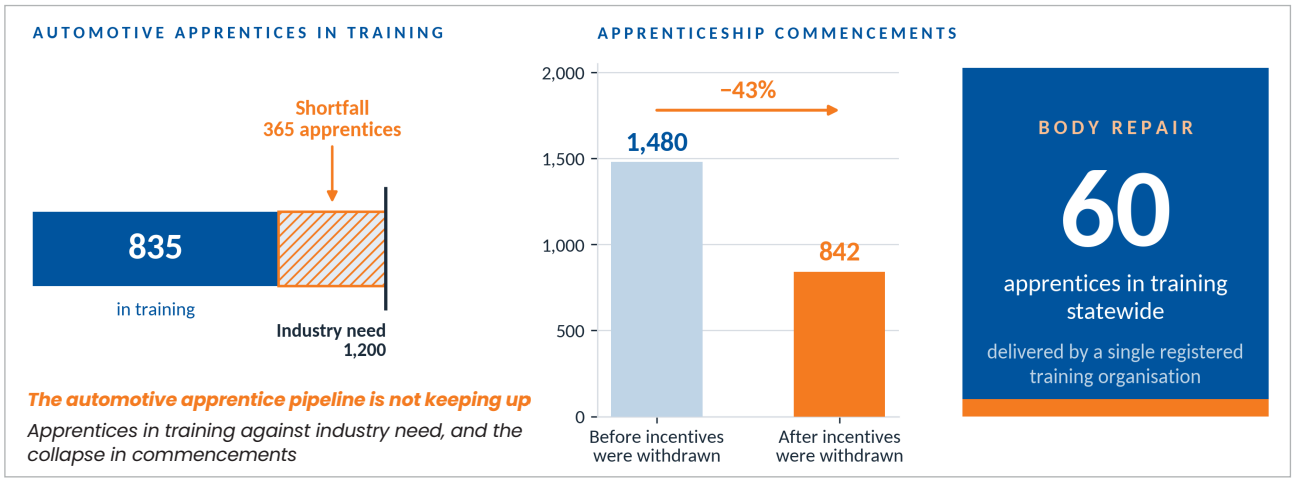
TACC has responded to this by initiating the forward planning work. The TACC Automotive Training Infrastructure Plan sets out three costed, staged projects: an Alanvale upgrade of approximately $5 million in years one to three, a north-west facility of approximately $10 million in years two to five, and a permanent southern hub of approximately $10 million in years five to ten, timed to the expiry of the Cambridge lease.

Recommendation 1: $25 million over ten years, staged across budget cycles

TACC Automotive Training Infrastructure Plan — three costed projects, sequenced to spread the call on the Budget



Source: TACC Automotive Training Infrastructure Plan, as set out in the TACC submission to the Economic Diversification and Investment Strategy, August 2026.



Source: TACC submission, Economic Diversification and Investment Strategy, August 2026. Commencement decline reflects the withdrawal of Commonwealth employer incentives.

This is the ask that matters most in this submission. Everything else in Priority 5 depends on it.

Automotive Apprentices

Tasmania has around 835 automotive apprentices enrolled in training against an industry need of approximately 1,200. Statewide apprenticeship commencements have fallen over 15 per cent while body repair sector has only 60 apprentices in training against an industry need many times that, behind a single registered training organisation.

It is tempting to read this as a marketing problem but the evidence does not support that. Automotive is already the fourth-largest VET-in-Schools qualification in the state and the light vehicle automotive qualification is a top-five apprenticeship option, so awareness is not the binding constraint. Industry attributes the decline to the withdrawal of Commonwealth employer incentives and to small business cost pressure. TACC's own apprentice completion rate is 85 per cent against a national 56 per cent, which says that group training mentoring outcomes work for apprentices once employers can afford to take them on.

The state levers that follow are completion-linked support rather than commencement bonuses, a group training arrangement that carries employer liability for school-based apprentices, and advocacy to the Australian Government on the incentives whose withdrawal caused the fall.

The Automotive Industry Compact and the new Skills Compact

The Automotive Industry Compact between the Tasmanian Government and TACC, signed in 2023, already identifies workforce recruitment, career awareness, access to current equipment and emerging vehicle technology as priorities.
It is under review, and the government has separately committed to release a new Skills Compact between government and industry.

That new Compact is the natural vehicle for the training infrastructure plan and the apprentice measures above. TACC asks that the automotive priorities be carried into it rather than restarted, and that the Compact be given a funded work program rather than a further statement of shared intent.

Artificial intelligence and automation

Priority 5 seeks views on preparing workers and employers for AI and automation. Automotive is one of the clearer cases. Diagnostic systems, calibration, parts identification and service scheduling are all being automated now, which raises the technical floor for entry-level roles and reduces the number of simple tasks an apprentice can learn on. Any state response should treat trade apprenticeships as a specific case, because the traditional entry-level task set is disappearing.

Priority 6: Strengthening infrastructure

Priority 6 proposes targeted approaches to addressing first-mover disadvantages, particularly in digital connectivity, transport and zero-emissions infrastructure. It also proposes an infrastructure pricing and developer contribution approach that fairly apportions the costs of development. Those two proposals answer the automotive industry's clearest infrastructure problem, and they should be read together.

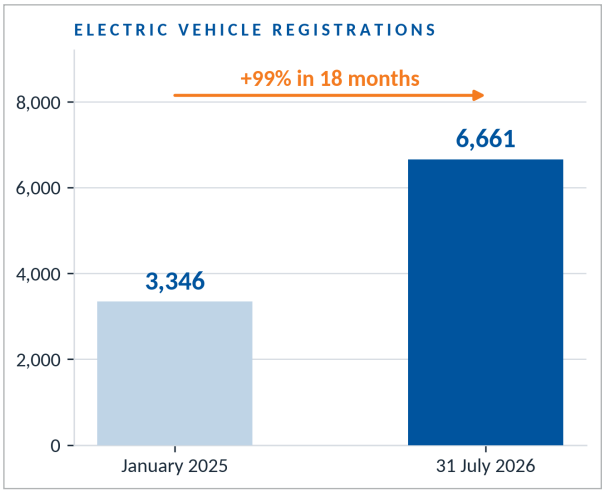
What the fleet data actually shows

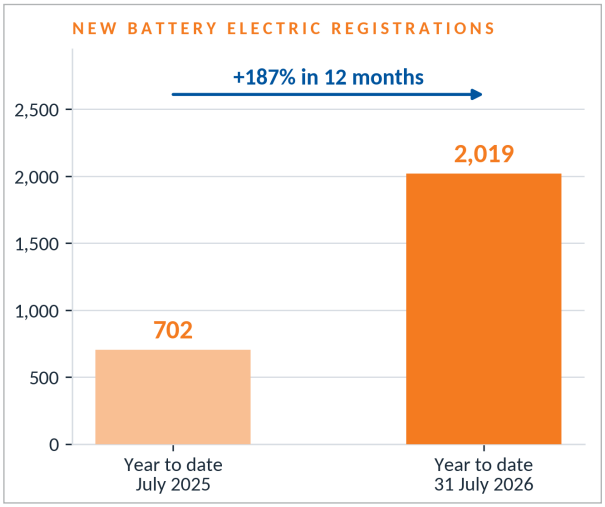
New Electric vehicle registrations in Tasmania rose from 3346 in January 2025 to 6661 on 31 July 2026, an increase of 99 per cent in 18 months. Zero and low emissions vehicles were 48.8 per cent of all new light vehicle sale in Tasmania in June 2026, and 53.4 per cent in July , the highest rate in the country.

More than half the new light vehicles sold in this state are now zero or low emission. Tasmania's charging network and electricity grid are not going to cope.

Tasmania's electric vehicle fleet is doubling

Registered electric vehicles and new battery electric vehicle registrations, Tasmania





Source: Tasmanian vehicle registration data cited in TACC submission, Economic Diversification and Investment Strategy, August 2026.

TasNetworks' Annual Planning Report 2025 includes continued electric vehicle uptake in its medium to long term demand forecast, while also observing that Tasmanian uptake has been relatively slow compared with other states. The registration and sales data since that report highlights that TasNetworks' assumptions are out-of-date and must be addressed immediately.

TasNetworks cannot build ahead of demand under the National Electricity Rules. However, it is possible to model demand and adapt to it. A published electric vehicle demand and network capacity map, covering highway routes, regional centres, freight corridors and industrial precincts, with distribution constraints identified at each, would let investors see the problem before they commit.

Also, there is a significant first-mover problem. A charging operator at a marginal regional site can trigger an augmentation whose benefit accrues to later users and competitors. That is the shared-benefit case the developer contribution work under Priority 6 is designed for, and it should be applied here.

The priority for funding should be regional and journey-enablement locations that cannot clear a commercial hurdle.

Priority 6 proposes broad economic principles for government support to strategic energy users. High-speed charging hubs and commercial fleet depots are an emerging large-load class, and any principles developed should contemplate them.

Measuring success

The consultation draft notes that the government is seeking views on potential key indicators for each goal. TACC's response is that indicators without a baseline, a target, a date and an owner are activity measures, and the Strategy's own fourth principal rules those out.

TACC proposes four automotive indicators, offered as additions to the Goal 2 and Goal 3 indicator sets rather than as a separate list:

- Automotive apprentice completions, with the current statewide figure as baseline and a 2030 target, reported by Skills Tasmania.
- Technicians qualified in high-voltage and electric vehicle systems, by region, with a 2030 target, reported by Skills Tasmania.
- Public fast charging bays in service and total installed capacity, reported by Building Tasmania.
- Maximum distance between operational fast charging locations on Tasmania's main touring corridors, reported by Building Tasmania.

Conclusion

The Strategy's decision-making principles ask whether public support unlocks wider benefit or substitutes for private investment that would happen anyway. TACC has tried to apply that test in this submission.

Private capital in our sector is already doing most of the heavy lifting. Many of the levers available to the government would cost nothing.

There is one place where TACC asks the state to spend, and it is the training system. Tasmania is struggling to produce light automotive technicians, body repairers and heavy and mobile plant mechanics. Those are not market failures that private capital will correct, because no single employer can build a training facility. The plan to fix it is written, costed, staged and endorsed. It needs a decision.

TACC would welcome the opportunity to discuss this submission further.

TACC

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