



**Victorian Automotive
Chamber of Commerce**

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To whom it may concern,

The Victorian Automotive Chamber of Commerce (VACC) is Victoria's peak automotive industry association, representing the interests of more than 5,000 members across 15 retail automotive sectors that employ over 50,000 Victorians.

VACC also employs over 550 auto apprentices through its Group Training Scheme, as well as being a key contributor to national automotive industry industrial relations discourse, and maintains a well-resourced automotive industry policy presence.

VACC welcomes the opportunity to provide a response to the Economic Reform Roundtable consultation, outlining priority reform areas pertaining to our industry.

Building a skilled and adaptable workforce

The Victorian automotive industry is currently managing a significant workforce challenge, with businesses across the state working to address gaps in critical positions.

In a comprehensive analysis by Deloitte Access Economics, commissioned by the VACC, data shows that 37% of advertised roles were successfully filled in 2024, below the 67% threshold Jobs and Skills Australia (JSA) uses to determine occupational shortages.

VACC considers that maintaining momentum in implementing the new VET qualification design is essential for boosting workforce productivity. The new design will:

- **Accelerate Skills Development:** Timely implementation ensures learners acquire relevant, job-ready skills more quickly, leading to a more capable and efficient workforce.
- **Reduce Skill Mismatches:** Staying on track helps align training with real industry needs, ensuring workers are productive from the start.
- **Minimise Disruption:** Consistent progress avoids delays and uncertainty, enabling smooth transitions for educators, employers, and learners.
- **Supports Economic Growth:** A more skilled and adaptable workforce contributes directly to higher productivity and competitiveness across industries.

Training needs to keep current with industry needs and evolve with technology and practises to ensure the workforce stays relevant. However, VACC is concerned that Jobs and Skills Councils still do not have the new design as a priority when reviewing or creating new qualifications.

VACC also considers that additional tax incentives should be given to employers that engage mature aged apprentices, as the cost differential once apprentices are over the age of 21 can be prohibitive.

Establishing an End-of-Life Vehicle Program

The automotive industry has a key role to play in the sustainability of our environment. Each year, over 750,000 vehicles reach the end of their economic life, creating more than one million tonnes of waste. The number of internal combustion engine vehicles that will be removed from Australia's roads is expected to grow exponentially in the coming years.

VACC, and its dismantling and recycling member businesses, have dedicated substantial resources and are currently collaborating with government to identify options for government to introduce an End-of-Life Vehicle (ELV) program to Australia. The level of investment, however, must be increased.

There is an emerging global movement towards Product Stewardship, where manufacturers take a major responsibility for the ultimate disposal of a product. Australia has taken a first step through the Product Stewardship Act, however, while batteries, oils and tyres are covered, complete motor vehicles remain excluded. The importance of better ELV management has only increased and will continue to do so in line with government policy related to the increased uptake of Zero and Low Emission Vehicles (ZLEVs).

This, coupled with increasing community expectations relating to sustainability and the environment, makes this an area for urgent reform. The importance of better ELV management has only increased and will continue to do so in line with government policy related to the increased uptake of zero and low emissions vehicles.

VACC therefore recommends, at a minimum, a nationally coordinated and harmonised standard set of procedures that deals with the the proper disposal of end-of life vehicles, including the disposal of electric vehicle batteries.

Automotive tax reform

Australia's taxation system is central to any meaningful economic reform. The automotive retail sector is a significant contributor to government revenue, administering and collecting a wide range of taxes including the Luxury Car Tax, Passenger Vehicle Tariffs, stamp duties, GST, registration fees, and income tax. Collectively, Australian consumers pay tens of billions of dollars in automotive-related taxes each year.

However, this suite of taxes, applied across different levels of government, and jurisdictions, are increasingly seen as outdated, inefficient, and misaligned with the modern automotive landscape. It also raises concerns around fairness and competition, particularly as the industry undergoes a major transition toward low and zero-emission vehicles.

The lack of harmonisation between states and territories—especially in motor vehicle stamp duties and registration fees—adds complexity, increases compliance burdens, and stifles productivity. VACC considers a review of automotive related taxation as necessary, with a view to reducing red tape, enhancing operational efficiencies, and supporting sustainable growth across the sector.

Genuine acknowledgement of the special circumstances of small businesses

Recent changes to the workplace relations framework moved to a more regulated, centralised, one-size-fits-all system that is anti-productive and detracts from the flexibility required for businesses to prosper. In the context of Workplace Health and Safety, increasing regulatory duplication and complexity has resulted in small business being asked to manage specific workplace issues with regard to multiple pieces of legislation, and increasingly held legally responsible for matters beyond their control and influence.

At a minimum, VACC recommends that the Fair Work Ombudsman's recent Final Report on its Review of the Fair Work Act Small Business Definition form the basis for a further, independent, review be established and tasked with making specific recommendations for legislative change. A key focus of such a review must be on ensuring that the specific accommodations afforded to small businesses in the Fair Work Act 2009 remain fit-for-purpose and of practical benefit to improving productivity and/or reducing the disproportionate regulatory burden on small businesses.

Yours faithfully



Dr Imogen Garcia Reid
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VACC