

BULLETIN

Industry Divisions



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Update on Super-Luxury Duty

Members are advised that VACC met with the Victorian Treasurers Senior Advisor to discuss industry concern regarding the Super Luxury Duty announced in the Victorian State Budget on 27 May 2019.

VACC can confirm the following points regarding the progress of the Bill announcing the new super -luxury duty.

- The current situation is that the State Taxations Amendment Bill passed through the Legislative Council on 6 June 2019. You can view the minutes of proceedings by [clicking here](#)
- Tim Pallas speech can be viewed by taking this [Hansard link](#). The Bill now just awaits the Governors Assent and then becomes law.

VACC focus on key short-term issues impacting LMCTs as a result of the new super-luxury tax.

In the immediate short term VACC is purely fixated on seeking exemption from the new rate of duty for pre-existing / pre-ordered deals that will not be delivered until after June 30.

The Government understands this issue and are contemplating a proposal put forward by VACC, using members supplied data, to reach a decision. The data from the VACC survey and data from members showing tax threshold increase by various brand models helped greatly.

At a minimum VACC has requested that an exemption on payment of duty post 30 June for cars on pre-existing orders that were executed before the 27 May (day of budget release).

What are the next steps?

After this, any next steps will need to be discussed and ratified by the Victorian Automobile Dealers Association (VADA) and Used Car Traders Division (UCTD). Both VADA and UCTD.

I received confirmation late this evening that Treasurer Pallas will meet with a delegation of new and used car dealers at VACC House. It **will not be on 11 June** as first requested as his diary is quite full. I hope to be in position to advise a date in the immediate short term.

VACC understands the level of anxiety and implications for VADA and UCTD members as a result of this issue and are looking at avenues seeking redress. I want to manage expectation on what can be achieved here. Be assured we are entirely focussed on this issue.

I will continue to update members as I progress.

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