

BULLETIN

Industry Divisions



Reference No: super-luxury duty thresholds

Date issued: 1/07/2019

Treasurer Pallas announces exemption from super-luxury duty thresholds for cars ordered before 27 May 2019

After meeting with VACC CEO, Geoff Gwilym and a delegation of VADA Members with Victorian Treasurer Tim Pallas on Tuesday, 25 June 2019, VACC has been informed by the Treasurer's Office that an exemption from the new super- luxury duty rates of duty as announced in the Victorian State Budget on 27 May 2019 has been granted for any vehicle ordered by a consumer on or before the 27 May that will be delivered and registered after 30 June 2019.

It is important to note that Treasurer Pallas has based his decision referring to the [attached submission](#) compiled by VACC. Thank-you to those members who provided stats and auditing of data. It is also very important to mention that Treasurer Pallas has granted this exemption as a decree from his own office. We are grateful to the Treasurer for his pragmatic stance.

The delegation representing VADA members were:

- Sid Centindag (VADA Executive Committee, Gasmack Group)
- Mark Yarwood (VADA Executive Committee, Zagames)
- Jason Rowe (Joint Dealer Principal, Three Point Motors)
- Srecko Lorbek (VACC UCTD Committee, Lorbek Luxury Cars)
- Geoff Gwilym (VACC CEO)

Gentlemen, your presentation and informed comments were appreciated by the Treasurer and made this decision possible. If **VACC** members have an opportunity it would be great to show your appreciation to these VADA members for their efforts.

The broad parameters of the exemption are as follows:

- new registered owner committed to take possession of vehicle before 27 May, but where it was not able to be registered by 30/6 - and is therefore registered in that same person's name post 1/7
- passenger vehicle (new or used) is valued above \$100k
- applicant will need to provide clear evidence of the pre-commitment, and satisfy SRO of genuineness of the sale/transfer, and that it couldn't be registered prior to 30/6
- the duty relief needs to benefit the new registered owner and not represent a windfall gain.
- relief will only be for the incremental duty

Without wanting to wield a heavy stick, I am obliged to reinforce the fact that any request for exemptions will be heavily scrutinised by SRO. Any LMCT deviation from the parameters could lead to the entire exemption granted being withdrawn to all LMCTs without notice. I am not sure as to process for claiming exemption from new thresholds as yet.

Next steps

- VACC has been informed that SRO and Treasury will formulate a more in depth set of guidance material for LMCTs to refer to. The timeline for the delivery of this information is not clear.
- At the Treasurer request VADA members will be asked to provide data to VACC at the end of Q3 and Q4 the impact on LMCTs of the new super-luxury duty.
- VACC will also up the tempo on pushing for duty exemptions for fitment of aftermarket parts and accessories.

A great result, well done to all.

Michael McKenna MBA

Industry Policy

Industry Divisions

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