

VACC seeking an extension to delivery date for Instant Asset Write Off purchases

As many members are acutely aware, the Australian Government's Instant Asset Write Off (IAWO) initiative is coming to its conclusion on 30 June 2023. A key criterion of eligibility for claiming the full expensing of the IAWO is that any eligible asset (or in our case vehicles) must be fully installed or ready for use by the purchaser before 30 June 30, 2023.

The issue

VACC has for some months been advised by members that despite their best endeavors to have an eligible vehicle in the hands of the consumer who is claiming the IAWO, that the reality is that many consumers who have ordered and paid for vehicles will not have that vehicle ready for use by 30 June 2023. This, under the current criteria, may see many purchasers not being able to take advantage of the full expensing under the IAWO. This may also see dealers left holding stock they may not be able to retail for some time.

What action has VACC taken?

VACC and its national body, the Motor Car Trades Association of Australia (MTAA) began a concerted lobbying campaign in October 2021 to have an exemption created for industry by government that would benefit the consumer and the trader in delivery of the asset if that delivery date was after 30 June 2023. That lobbying has included a request that would see an adjustment to the IAWO for traders who could clearly show that they have confirmed orders in place where the IAWO has been factored into a purchase and where the original delivery date for that vehicle was advised by the factory to the trader to be before 30 June 2023 but for reasons previously unknown to the purchaser and dealer will now see those orders will not land in Australia until after 30 June 2023.

What has been the Australian Government's response?

In a positive sign for industry, the Australian government has begun dialogue with VACC and MTAA on this issue. The government has requested that VACC and MTAA provide further evidence where a member and consumer will suffer a disadvantage because of delay in the supply or delivery of a vehicle. Many Farm and Industrial Machinery Dealers, Truck Dealer and New Car Dealers have provided anecdotal advice of such instances.

How can you help?

Simply put, we require firm evidence of such instances where the consumer and trader will be inconvenienced if the vehicle does not arrive by 30 June 2023.

You are encouraged to fill in the [attached](#) table with any examples you may have. If you have multiple deliveries of the same model affected, please advise within the table. Your dealership details will not be revealed. When completed, please email that table to me, Michael McKenna at mmckenna@vacc.com.au by COB Thursday, 14 September 2022.

There may also be an opportunity for members to speak 'in camera' with the Australian Government with relation to your experiences in this regard.

Please feel free to contact me at VACC with any queries.

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