

For immediate use

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VACC says Budget missed an opportunity to focus on quality skills training, provide better support for automotive apprentices and review payroll tax threshold

Today, State Treasurer, Tim Pallas delivered the Victorian Budget. VACC, the peak automotive industry body in Victoria, welcomed positive announcements for infrastructure, schools, health and communities. Among VACC's more than 5,000 members are Farm and Industrial Machinery Dealers Association (FIMDA) business owners, and VACC was particularly pleased to hear the Victorian Government will provide stamp duty exemptions on mobile plant (under 4.5 tonnes) and plant based special purpose vehicles (over 4.5 tonnes) from 1 July 2015. VACC's FIMDA members anticipate an upsurge in business for those using the specified equipment, such as excavators, bulldozers and tractors.

However, there are aspects of the Andrews Government Budget that VACC is not impressed with.

Treasurer Tim Pallas announced funding for TAFE will increase, which on the surface, appears to be a good thing, however, VACC's questions how these TAFE infrastructure funds will actually help the training delivery process. VACC continues to argue that funds should be allocated for the delivery of quality training and this focus should take precedence over creating more facilities.

The Treasurer also announced a 50 per cent reduction in vehicle registration for apprentices. As the largest employer of auto apprentices, again, on the surface, this would appear to be good news and an initiative that encourages more young tradespeople use their vehicle to find jobs, travel to work and transport tools. However, early indications are that the discount will only be available for building trades apprentices. VACC urges the Government to ensure the incentive is also available to other trades. Automotive apprentices use their vehicle to find jobs, travel to work and transport tools. If the Government is serious about enabling young tradespeople greater mobility, it should widen the net to all trades.

VACC was not surprised, but disappointed nevertheless, to note that the payroll tax threshold was not reviewed. Payroll tax is effectively a tax on jobs and the Government Budget projects a 6.2 per cent increase in payroll tax collections. All businesses are paying more tax when reductions would have been preferable and more beneficial.

In addition, Victoria's payroll tax threshold is out of step with today's business environment. It still lags behind other states, for example, Victoria's \$550,000 threshold has not changed since 2003 whereas, it has been increased in New South Wales to \$750,000 and in Queensland it is \$1.1million. The Victorian Government should have taken today's Budget as an opportunity to reduce payroll tax and enable businesses to grow and employ more staff.

Ends.

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