



**AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION**

DEALER BULLETIN

Mid-Year Economic and Fiscal Outlook (MYEFO) 2018-19

17 December 2018

To: ALL AADA MEMBERS

The Government handed down the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) today. The major development from this update is a new policy commitment from the Government to develop an Automotive Industry Code of Conduct to support appropriate commercial dealing and competition in the new car retail supply chain. The AADA has welcomed the commitment and has pledged to work with the Government in implementing the new Code.

Highlights from the 2018-19 MYEFO:

- The Government will provide \$1.4 billion over two years from 2018-19 to provide targeted opportunities to help small business grow. This includes developing an Automotive Industry Code of Conduct to support appropriate commercial dealing and competition in the new car retail supply chain for the benefit of both small businesses and consumers.
- The deficit for the current FY 18-19 is revised down from \$14.5 billion to \$5.2 billion.
- The surplus for FY 19-20 is forecast to be \$4.1 billion, revised up from the previously estimated \$2.2 billion – the first surplus since 2007.
- The cumulative surpluses over the next four years is forecast to total \$30.4 billion.
- Revenue from the Luxury Car Tax for the FY 18-19 has been revised down from \$740 million to \$700 million, reflecting softening demand in the new car market
- Revenue from the Passenger Vehicle Tariff for the FY 18-19 has been revised down from \$530 million to \$450 million, reflecting softening demand in the new car market.
- Confirmation of the previously announced \$9.7 billion over four years from 2018-19 to establish the Office of Future Transport Technologies in the Department of Infrastructure, Regional Development and Cities.
- There are approximately \$9.2 billion allocated to “decisions taken but not yet announced”. This could be considered unusual given that the 2019-20 Budget is due to be handed down on 2 April. However, it does give the Government the flexibility to call an election before the next Budget is brought down.

For further information, please contact:

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