

## NO EXTENSION FOR INSTANT ASSET WRITE OFF/TEMPORARY FULL EXPENSING

30 June 2023

To: ALL AADA MEMBERS

Over the last few months, the AADA has continued to advocate to Government on the issue of the instant asset write off/temporary full expensing (TFE) scheme which will not continue beyond 30 June 2023.

The AADA and other industry bodies have pushed strongly for considerations for vehicles that were ordered under the current instant asset write off scheme/TFE, but due to the shortages and associated delivery delays, will not be delivered before the scheme is due to expire. The AADA wrote to Treasurer Jim Chalmers and met with his office as well as with Treasury officials on a number of occasions. We also pushed the case with members of the Opposition and the cross bench.

Unfortunately, the Government have given no indication that they will be extending the delivery deadline for the scheme and instead the instant asset write off threshold will drop to \$20,000 and only available for businesses turning over less than \$10 million.

This is a disappointing outcome, for many of those businesses which purchased vehicles in good faith thinking they would be delivered in time for the end of the financial year, but will now miss out due to no fault of their own.

It should be noted that we have been working with the previous and the current government on this for several years since supply chain disruptions commenced in 2020. The industry was successful in having the scheme extended beyond the original period of the 2020-22 financial years, however there is no appetite within Government to continue to extend this measure any further.

The AADA will continue to make representations and highlight the issue on behalf of AADA members.

If you have any questions or need further information, please contact:

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