

## MEMBER UPDATE: CHANGES FOR DEALERS AS OF 1 JULY 2024

26 June 2024

To: AADA MEMBERS

The start of the new financial year brings a number of changes that Dealers should be aware of, including changes to the national minimum wage, the Australian Apprenticeship Incentive System, Luxury Car Tax rates, and stamp duty and registration.

### **Luxury Car Tax**

Indexed each year, from 1 July 2024 the Luxury Car Tax (LCT) thresholds will increase:

- For fuel efficient vehicles \$91,387
- For other vehicles \$80,567

Further information about the application and calculation of LCT can be found on the [ATO website](#).

### **Instant asset tax write-off for small businesses**

As part of the Federal Budget, the Government committed to extending the instant asset write-off for a further 12 months until 30 June 2025. The eligible amount will be \$20,000 for businesses with an aggregated annual turnover of less than \$10 million – this is an extension at the same level as the 2023-24 Budget measure which has only just passed Parliament, less than a week before it is due to cease.

The requisite legislation to introduce the change for 2024-25, has been introduced to Parliament as Schedule 7 of the Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024 and has been referred to a Senate inquiry, which is due to report on Friday, 2 August 2024.

The AADA will update members as this progresses.

More information can be found on the [ATO website](#).

### **Australian Apprenticeship Incentives System**

From 1 July 2024 the Australian Apprenticeship Incentive System will move to Phase 2.

Guidelines will be updated to reflect the following changes in financial support that new employers and apprentices that take up an apprenticeship from 1 July 2024 are able to claim:

- Priority Occupation Employers – Priority Hiring Incentive of up to \$5000 over 1 year in two instalments of \$2,000 at 6 months and \$3,000 at 12 months.

- Priority Occupation Apprentices – Australian Apprenticeship Training Support Payment of up to \$5000 over 2 years, paid over four instalments, with \$1,750 paid at 6 months and 12 months, and \$750 paid at 18 and 24 months.

A full copy of the updated Guidelines will be published on 1 July 2024.

More information can be found on the [Department of Employment and Workplace Relations website](#).

### **Minimum Award wage rates**

Following the decision of the Fair Work Commission in the Annual Wage Review Case, minimum award rates, including apprentice and trainee rates, will increase by 3.75% from the first full pay period starting on or after 1 July 2024.

Dealers should check relevant awards for compliance with minimum wage rates.

More information can be found on the [Fair Work website](#).

### **Changes to motor vehicle stamp duty rates and thresholds**

- **Victoria**

The threshold for the second-tier stamp duty rate in Victoria has increased from \$76,950 to \$80,567, in line with the Federal LCT indexation increase.

From 1 July 2024, the rate of \$10.40 per \$200 applies to vehicles with a market value over \$80,567.

More information can be found on the [State Revenue Office website](#).

- **ACT**

From 1 July 2024, ACT vehicle registration fees will gradually transition from the current weight-based vehicle registration system to an emissions-based system for most light vehicles.

This means lower registration fees for lower-emissions vehicles, including:

- zero-emission vehicles (ZEVs)
- plug-in hybrid vehicles (PHEVs)
- hybrid electric vehicles (HEVs)
- low-emission petrol and diesel vehicles.

Also, depending on:

- the type of vehicle purchased
- when the vehicle was purchased or acquired
- where the vehicle is garaged.

The vehicle may be eligible for 2 years of free registration, a registration discount and/or a motor vehicle duty exemption.

For questions regarding vehicle registration, Access Canberra can be contacted on 6207 7002 or visit the [Access Canberra website](#).

- **All other states and territories remain unchanged.**

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

**Melissa Dimovski**

Director Policy and Advocacy

Australian Automotive Dealer Association Ltd.

E: [mdimovski@aada.asn.au](mailto:mdimovski@aada.asn.au)

M: +61 436 353 877