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MEDIA RELEASE

Budget commitments will help get automotive industries back on the right track

The Motor Trades Association of Australia (MTAA) welcomes the 2020/21 Budget calling the focus on jobs and business assistance as a balanced and measured foundation for recovery.

MTAA CEO Richard Dudley said the 2020/21 budget reflected the Prime Minister, the Treasurer, Jobs Minister and Government's commitment to engaging with the MTAA and Member Associations, listening to concerns and developing strategies to get Australia back on the right track.

'Throughout the COVID-19 crisis, MTAA and Members have provided information and suggested actions to mitigate the impacts on automotive industries and businesses including protections for automotive apprentices and trainees, and extensive delays in the supply of cars, machinery, components, parts and accessories,' Mr Dudley said.

'The Government responded quickly to our representations to extend the Enhanced Instant Asset Write Off stimulus measure to 31 December 2020. More recently, MTAA and Members provided information on supply and distribution delays that jeopardised the effectiveness of the Instant Asset Write Off measure because delivery would not occur in many cases until 2021. By adjusting the eligibility criteria to allow first use/installation up to 30 June 2021, the Government has mitigated this risk and provided surety for investment decisions that will translate into increased sales' Mr Dudley said.

Mr Dudley said the budget commitments of a further \$1b to create 100,000 new apprentices and traineeships, in addition to \$2.8b already provided to protect existing apprentices, will help in efforts to address long-standing critical skills shortages of more than 25,000 automotive industry positions, now exacerbated by the impacts of COVID-19.

'In particular, MTAA and Members welcome the \$4b JobMaker Hiring Credit initiative, the extra support for Job Seekers and budget commitments and investments in skills reform, including qualification development. MTAA and Members are discussing with Government the significant opportunities for a better Vocational Education and Training environment post-COVID, and look forward to continuing to work with Minister Cash and her Department to realise these opportunities,' Mr Dudley said.

MTAA and Members also welcome the budget commitments to develop domestic recycling capability. Mr Dudley said the MTAA and Members are undertaking significant work to identify recycling opportunities for automotive waste and in particular, a legislated, consistent and coordinated process to recycle more than 600,000 'End-Of-Life' motor vehicles.

MTAA also welcome the increased support commitments for small and family businesses, which make up the majority of Australia's automotive industries. Providing access to up to ten specific small business tax concessions, helping small business to digitise their operations, and an additional \$7m for business and mental health support services are critical steps to helping business have a sustained recovery.

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MTAA National Industry Associations

