

Media Release  
6<sup>th</sup> November 2013

## **ASPIA applauds the Federal Government in finalising their Motor Vehicle Fringe Benefits Election Policy**

Following today's announcement from Federal Treasurer, Joe Hockey, the Australian Salary Packaging Industry Association (ASPIA) welcomes the Coalition Government's decision to scrap the Fringe Benefits Tax changes proposed by the previous Labor Government.

ASPIA believes that the decision to not go ahead with the Rudd Government's proposed changes to the Fringe Benefit Tax on company cars will create stability, re-establish a range of industry jobs and have a positive flow on effect on various related industries.

### **In commenting on the decision to reject the Fringe Benefits Tax changes, ASPIA President, Leigh Penberthy said:**

*"It is a great day for the salary packaging and novated leasing industry as well as the automotive sector. Not only will today's decision to axe this policy help us reappoint some of the many workers we had to let go, but it will also ensure that everyday Australians with an average income can afford a car."*

When the previous Labor Government announced its proposed changes to the Motor Vehicle Fringe Benefits Tax concessions on 16 July 2013, ASPIA immediately issued a media release. It was this release that foreshadowed the near catastrophic impact the poorly thought through policy would have, not only on the Salary Packaging and Novated Leasing industry but across the wider automotive sector.

ASPIA also communicated that the people being impacted were not highly paid employees driving expensive motor vehicles. On the contrary, the people who are utilising these products are everyday Australians earning close to \$70,000 per annum and driving \$35,000 cars, including ambulance drivers, nurses, police, teachers, and importantly Australians employed in the Not-for-Profit and Charity sectors.

To exacerbate the matter, new vehicle fleet sales dropped by nearly 30% in the first 4 weeks following the announcement, which had further negative impact on dealerships and across the wider industry resulting in job losses exceeding 350.

ASPIA further called on the then Federal Government to announce an immediate moratorium on the proposed changes to allow the proper industry consultative process to occur as the uncertainty and confusion was having a devastating impact on the automotive industry.

With significant damage already evident to the industry and the Federal Government not willing to come to the table, ASPIA developed a highly successful national campaign, 'Who's Next' to ensure that the electorate was better informed.

### **Mr Penberthy said:**

*"Within a matter of days following the Federal Labor Government policy shift, the Liberal Coalition Party met with representatives of the wider automotive sectors and pledged that, if elected, they would not proceed with this poorly conceived and communicated policy. This is a position we were pleased to see the Liberal Coalition Party repeat on a number of occasions during the Federal Election campaign."*

ASPIA looks forward to working closely together with the current Federal Government on how to further develop and ensure the continued viability of the Salary Packaging and Novated Leasing industry.

## **About ASPIA**

ASPIA was formed to provide a focus for the discussion of the overarching legislative and taxation issues affecting providers within the growing outsourced Salary Packaging industry and their corporate and individual employee clients.

ASPIA will seek to have involvement in Fringe Benefits Tax Steering Committee and seek to open direct lines of communication with appropriate departments within Treasury, to ensure that the industry has a voice across the areas within both Government and the Tax Office to ensure consultation occurs in the future.

The association will also set minimum guidelines in relation to service and inter-provider engagement as well as providing a complaints handling facility for member firms customers.

For more information please visit: [www.aspia.com.au](http://www.aspia.com.au)

## **For further information please contact:**

**Rod North**, Managing Director,  
**Bourse Communications Pty Ltd**  
T: (03) 9510 8309, M: 0408 670 706,  
E: [rod@boursecommunications.com.au](mailto:rod@boursecommunications.com.au)