



MEDIA RELEASE

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VTA welcomes business confidence inspiring budget

The Victorian Transport Association has endorsed measures outlined in the Federal Budget that will give freight and logistics businesses confidence to invest in their futures, hire young new workers and carry back tax losses to help recover from COVID-19.

Treasurer Josh Frydenberg unveiled these and other measures last night to help individuals, families and businesses recover from a once-in-100-year pandemic wreaking havoc on state and national economies.

“Australian businesses – including the hundreds of transport companies that have kept our economy moving during a pandemic – are the backbone of our nation,” said VTA CEO Peter Anderson. “In this Budget, the Government has rightly recognised that after a year of misery businesses need meaningful incentives that will inspire confidence to invest in themselves and future workers.”

In a bid to incentivise investment, businesses with an aggregated turnover of less than \$5 billion can deduct the full cost of eligible capital assets acquired from 6 October 2020 to 30 June 2022, with additional concessions also available for small businesses turning over less than \$10 million. This is expected to make 99% of Australian businesses eligible to write off capital equipment expenditure through June 2020.

“Extending the instant asset write-off program will stimulate spending on new trucks, trailers, technology and other equipment to renew our aging transport fleet which will have enormous benefits for safety and productivity. And for those transport businesses that have been unable to work because of forced closures, the ability to carry-back losses and receive a tax credit could be just what they need to recover as our economy starts to re-open,” Anderson said.

Recognising the need to incentivise employment opportunities for Australians left unemployed by the pandemic, the Government is also introducing a new JobMaker hiring credit that will provide \$4 billion in cash incentives for businesses to hire certain employees aged 16-35. This is additional to \$1.2 billion in JobTrainer wage subsidies to stimulate business investments in apprentices and trainees and set young workers on a career path in trade work that is vital to keep supply chains moving.

“Our industry needs a steady supply of motor vehicle mechanics and other professional trades to service fleets of prime movers and other transport vehicles, so that supply chains are safe, efficient and productive. Like the VTA Driver Delivery program is designed to incentivise the training and hiring of young, new heavy vehicle drivers, JobTrainer will support employment of young people in sectors the transport industry relies on,” Anderson said.

Other initiatives to stimulate business confidence includes tax concessions for businesses turning over less than \$50 million per year and FBT exemptions for retraining and reskilling employees for all employers. The Government has committed \$10 billion in new road and rail projects, road safety and community infrastructure, including \$2 billion for road safety works and \$5.5 million for the establishment of a National Road Safety Data Hub.

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