

22 November 2022

Director  
Small Business Tax Unit  
PO Box 6100  
Parliament House ACT 2600

Via email: [SkillsBoost@treasury.gov.au](mailto:SkillsBoost@treasury.gov.au)  
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Dear Director

**RE: Treasury Laws Amendment (Measures for consultation) Bill 2022: Skills and Training boost/  
Treasury Laws Amendment (Measures for consultation) Bill 2022: Technology investment boost**

The Victorian Automotive Chamber of Commerce (VACC) welcomes the opportunity to provide comment to the Treasury on the draft *Treasury Laws Amendment (Measures for consultation) Bill 2022: Skills and Training boost and Treasury Laws Amendment (Measures for consultation) Bill 2022: Technology investment boost*.

VACC is Victoria's peak automotive industry association, representing the interests of more than 5,000 members in over 20 retail automotive sectors that employ over 50,000 Victorians.

VACC members range from new and used vehicle dealers (passenger, truck, commercial, motorcycles, recreational and farm machinery), repairers (mechanical, electrical, body and repair specialists, i.e. radiators and engines), vehicle servicing (service stations, vehicle washing, rental, windscreens), parts and component wholesale/retail and distribution and aftermarket manufacture (i.e. specialist vehicle, parts or component modification and/or manufacture), and automotive dismantlers and recyclers.

**Exposure draft legislation**

Automotive businesses are in the midst of revolutionary technological change through the transition to electric and other zero or low-emission vehicles. This transition requires a significant investment in both skills training and digital equipment and infrastructure on the part of automotive businesses, the costs of which may be prohibitive for many small business owners. To this extent, the measures announced in the 2022/23 Federal Budget, of providing a 20 per cent tax deduction for small businesses with an annual turnover of less than \$50 million, to invest in external training of staff and business expenses and depreciating assets that support digital uptake, is welcomed by VACC.

Whilst the measures contained in the draft legislation will assist many small businesses to upskill their staff and increase their digital presence, the actual reach of these policy measures within the small business community will be constrained. There are approximately 800,000 sole proprietor businesses in the economy, representing almost one-third of all Australian businesses, that are currently excluded from obtaining the 20 per cent tax deduction. Sole proprietors are perhaps less able to afford and most likely in need of training and digital equipment to ensure their productivity and sustainability into the future, and VACC strongly encourages the Government to extend the measures contained in the draft legislation to include sole proprietor businesses.

Furthermore, whilst VACC supports the backdating of the Technology Investment Boost and the Skills and Training Boost bills to the 29 March 2022, the timing of both programs remains disjointed, and VACC would prefer that the end dates of both programs were identically aligned to at least 30 June



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2024, or more preferably to 30 June 2025. This would ensure that small businesses are able to purchase equipment and train staff in the usage of that equipment concurrently over the period. This would maximise the potential productivity benefits of both programs.

Overall, VACC supports the introduction of both Bills into the Parliament but would encourage the Government to consider implementing these amendments to improve the effectiveness and positive outcomes associated with the legislation for the small business community.

Yours Sincerely

A handwritten signature in blue ink, appearing to read "Steve Bletsos".

Steve Bletsos  
Senior Research Analyst

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