



## MEDIA RELEASE

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FOR IMMEDIATE RELEASE

### Government Tightens Requirements for Luxury Car Tax

More buyers could be slugged thousands of dollars when purchasing their next new vehicle after the Federal Government announced changes to the Luxury Car Tax (LCT) threshold to be introduced in 2025.

The tax is currently imposed on all luxury vehicles purchased over a certain threshold, \$89,332 for fuel-efficient vehicles, or \$76,950 for other vehicles. However, changes to the definition of a 'fuel-efficient vehicle', announced this week in the Mid-Year Economic and Fiscal Outlook (MYEFO) will see a number of vehicles no longer fall into the category.

From 1 July 2025, only vehicles with a maximum fuel consumption of 3.5L per 100km will be included, half of the current maximum consumption of 7L per 100km, meaning fewer makes will be subject to the discount. The change has been made as part of the nation's push to net zero greenhouse gas emissions by 2050.

In response to the announced change, the Motor Trades Association of Queensland (MTA Queensland) is urging the Government to reconsider its stance on the tax.

"For some time now, the automotive industry has been calling for the abolishment of the LCT. Instead, the Government has opted to tighten its requirements for fuel efficient vehicles to meet the tax-three threshold, hitting many previously exempt hybrids," said MTA Queensland CEO Rod Camm.

"The changes proposed will make 'fuel-efficient' vehicles less affordable for the public, deterring consumers from buying models with the best safety and fuel-efficient technology."

\*\*\*ENDS\*\*\*

#### Motor Trades Association of Queensland

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**Background:**

The Motor Trades Association of Queensland (**MTA Queensland**) is the peak body representing the interests of employers in the retail, repair, and service sectors of Queensland's automotive industry. MTA Queensland has been performing its vital representative role for the automotive industry since 1929. In Queensland there are some 16,000 automotive businesses employing more than 90,000 people, that generate more than \$7.24 billion to the state economy annually. The automotive industry is estimated to contribute \$37 billion to the Australian economy each year. The Association represents and promotes issues of relevance to all levels of government. In 2019 MTA Queensland was announced as an ABA100 winner in The Australian Business Awards and a finalist in the Lord Mayor's Business Awards, for Business Innovation.

The **MTA Institute (RTO 31529)** is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket sectors of the automotive industry. The MTA Institute is the largest independent automotive training provider in Queensland, employing experienced trainers who are geographically dispersed from Cairns to the Gold Coast and Toowoomba to Emerald. In the last year, the MTA Institute delivered accredited courses to more than 2,000 students. The MTA Institute is the first trade RTO in Australia to be approved under the ITECA Industry Certification Program and was the winner of the Small Training Provider of the Year at the 2019 Queensland Training Awards.

**MTAiQ**, Australia's first automotive innovation hub established by MTA Queensland in 2017, is an eco-system that supports innovation and research for the motor trades.

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