

DEALERS WARN CCA MODELLING IGNORES BILLION DOLLAR COST TO AUSTRALIAN BUSINESSES

19 September 2025

The Australian Automotive Dealer Association (AADA) is disappointed by yesterday's announcement that the Climate Change Authority (CCA) modelling has ignored the cost to the 3,200 franchised new car dealers across the country.

The AADA recognises that the 2035 target is a significant step in Australia's climate policy ambitions and our members stand ready to help transition Australian drivers to more fuel-efficient vehicles, however it is naive to conclude that the adoption of electric vehicles will escalate significantly and contribute to our country's emissions reduction over the next 5 years without significant cost.

The AADA is concerned that the new car retail sector is already being asked to make an enormous reduction over the next five years through the New Vehicle Efficiency Standard (NVES). In addition, any further action to try and achieve very ambitious EV targets could be detrimental to dealership businesses and their customers.

Recent independent [research](#) commissioned by the AADA from the Centre for International Economics estimates that the legislated NVES will impose dealership wide costs of between \$1.1 billion and \$2.1 billion over the five years. Spread across Australia's 3,200 franchised new car dealers, that equates to hundreds of thousands of dollars (roughly between \$343,000 and \$656,000 per dealership), a substantial burden on Australian businesses.

"The AADA has briefed the CCA on the impact of the slowing adoption rate of electric vehicles and the costs this will impose on dealers," states James Voortman, CEO of the AADA.

"While the AADA and our members support an ambitious and achievable emissions target, it will be our members and their 70,000 employees who will have to pay for the short-term cost of our targets over the next 5 years."

The AADA remains committed to working constructively with government and regulators to reduce light vehicle emissions while safeguarding the long-term viability of Australian dealers and will be putting forward detailed modelling to show the real-world impact to new car dealers as part of the 2026 NVES review.

New car dealers are the face of the light vehicle transition, dealers are investing in training, infrastructure and consumer education to support low and zero emission vehicles. However, significant policy development such as the NVES requires careful implementation and ongoing assessment to support Australian businesses, maintain consumer choice and ensure regional areas aren't left behind.

Importantly the Government must move at speed to implement their [2025 Budget commitment](#) to ensure that Australian new car dealers are supported with strong franchising protections so that our members have the confidence to invest in new brands that consumers want to buy.

ENDS.

For further information please contact:

Ashleigh Sykes

Communications Manager

Australian Automotive Dealer Association Ltd.

E: media@aada.asn.au

M: +61 468 450 563