

## FEDERAL BUDGET SHOWS IMPORTANCE OF SUPPORTING AUSTRALIA'S AUTO RETAIL SECTOR

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The Australian Automotive Dealer Association (AADA) says the 2026-27 Federal Budget comes at a time of heightened global economic uncertainty, ongoing cost of living pressures and a rapidly changing automotive market.

With more than 3,900 new car dealerships employing over 64,000 Australians nationwide, the AADA said this year's Federal Budget will play an important role in supporting confidence and investment in Australia's new car market.

While the Budget took a measured and fiscally restrained approach, the AADA commends the continued support of Australian dealers. The AADA is pleased the government has adopted the [recommendations from our 2026-27 Pre-Budget Submission](#) to expand the scope of the DRIVEN program in order to better meet industry needs

The AADA also welcomes the extension of the DRIVEN program by an additional year out to 2029, with AADA CEO James Voortman stating that "this extension recognises the critical role dealers play as the consumer touchpoint in the EV transition and supports dealers while they continue to invest heavily in facilities, workforce capability and infrastructure".

The AADA supports the Government's recently announced changes to the Electric Car Discount, describing the reforms as a sensible adjustment to ensure the policy remains sustainable and accessible to everyday Australians.

Mr Voortman said the changes struck an appropriate balance between supporting EV uptake and maintaining long-term budget sustainability. "As the only demand-side incentive currently available to encourage EV uptake, these changes provide greater certainty for consumers, dealers and the broader automotive sector."

The AADA recognised the Government's ongoing commitment to addressing the long-standing power imbalance between dealers and global vehicle manufacturers, through \$9 million to support the implementation of unfair trading practices (UTP) and consumer guarantee and supplier indemnification reforms.

"The franchised new car retail sector continues to operate in an increasingly complex environment characterised by margin pressure, rising costs and rapid brand expansion, as such, it is critical the regulatory framework evolves to provide fair protections for local businesses and consumers," he said.

This is a challenging period for Australian dealers who are managing the impacts of evolving regulatory settings, including the New Vehicle Efficiency Standard (NVES), requiring substantial private investment at a time when business conditions remain challenging and policy settings continue to evolve. The AADA said broader economic conditions, energy policy and confidence to invest in business would remain critical issues for the sector over the next 12 months.

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