

ACT 2026-27 PRE-BUDGET SUBMISSION

APRIL 2026



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FOREWORD

The Australian Automotive Dealer Association (AADA) appreciates this opportunity to submit a pre-budget submission of behalf of AADA new vehicle dealers located in the Australian Capital Territory (ACT).

This AADA pre-budget submission addresses priority issues of improvements to vehicle registration processes and ACT Civil and Administrative Tribunal dispute resolution.

Our submission also addresses stamp duties on vehicles, payroll taxes, unlicensed trading, the ACT new ICE vehicle ban proposed for 2035, costs of business operations, and current conditions in the automotive market.

The AADA is the peak industry advocacy body exclusively representing franchised new car and truck dealers in Australia. There are over 3,900 car and truck dealerships, ranging from family-owned small businesses to larger and publicly owned businesses operating in regional areas and capital cities across the country.

The new vehicle retailing sector employs more than 64,000 people including approximately 7,500 apprentices, contributes over \$21.5 billion to the national economy, has a total turnover/sale of \$91.3 billion and generates in excess of \$8.2 billion in tax/duty revenue.

The AADA is a national association with its head office located in Canberra. AADA also convenes the AADA ACT Dealer Group, a collective of dealers consisting of every new car franchise dealer group in the ACT that meets quarterly to advise AADA of both national and ACT policy reform areas that it wishes for AADA to pursue. AADA is the only automotive retail organisation to exclusively represent franchised new car and truck dealers in the ACT. This enables AADA to provide commentary and pursue policy reform that is informed entirely by the very people who retail, service and repair new cars and trucks in the ACT.

The AADA is also a member of the ACT Motor Vehicle Industry Stakeholder Group.

Dealer Contributions to the ACT Economy

In the ACT new car dealers retailed 17,963 new motor vehicle sales in 2025, employs 928 Territorians and had a total economic contribution of \$304 million in 2025.

AADA members are the largest retailers and acquirers of used motor vehicle in the ACT retailing the vast majority of the ACT's 24,494 used motor vehicles in 2025.

AADA Priorities for the 2026/27 ACT Budget

AADA new vehicle dealers in ACT have expressed particular concern about the efficiency of the ACT vehicle registration systems processing registration and transfer of used vehicles. AADA also recommends that processes for lodging of consumer disputes at ACAT be amended. These matters are important to ACT franchised dealers and identified as priority issues.

ECONOMIC CONTRIBUTION OF THE ACT'S NEW CAR AND TRUCK DEALERS



\$304 million

TOTAL ECONOMIC CONTRIBUTION



63

NUMBER OF
DEALERSHIPS

\$112

million

TAX &
DUTY
CONTRIBUTION



928

DEALER
EMPLOYEES

\$188 million

DEALER WAGES



109

APPRENTICES

\$800 thousand

TRAINING
INVESTMENT



7,448

CUSTOMER
FINANCE
CONTRACTS

\$1.3 billion

SALES/
TURNOVER

508 thousand

WORKSHOP
JOBS

IMPROVING VEHICLE REGISTRATION ONLINE PROCESS

AADA proposes reforms to terms of the ACT Extranet Dealer Online system to improve efficiency for consumers and franchised dealers in the registration of used motor vehicles.

Following industry feedback about excessive registration processing times, Access Canberra and the industry undertook a review of the service provided to dealers by Access Canberra. The focus of the review was on improving the dealer experience and addressing delays. The outcomes and process changes implemented so far have led to improvement and measurable efficiency gains for Access Canberra, consumers, and new car dealers.

The next step is modernisation, and an Australian leading reform, for Access Canberra to add further enhancements to the ACT Extranet Dealer Online system that will enable new car dealers (only) to manually register used motor vehicles online.

The ability to manually register a used motor vehicle will provide many efficiency gains for Access Canberra, new car dealers, and consumers alike.

New car dealers currently have the ability to register new motor vehicles for ACT domiciled vehicles and provide a full service in the end-to-end process when delivering a new motor vehicle to an ACT based purchaser. This means that the consumer purchasing a new motor vehicle can use the new car on public roads immediately. However, a service issue is created for dealers, and the consumer experience is diminished when purchasing a used motor vehicle from the very same dealer.

It is the view of ACT franchise dealers that the current the current registration processes for a used car transfer is not fit for purpose or meeting expectations in the digital era of 2026.

As it stands, the current processes are archaic and add a layer of inconvenience for consumers and increased costs of transaction in additional hours and associated resources for new car dealers.

There is also a very real potential for a sales loss for the dealer if the transaction cannot be completed within a suitable and reasonable timeframe. Delays in transfer and delivery diminish the value of the service and some consumers may rescind their purchase agreement if the delay in delivery is more than a few days. Dealers aim to provide a same day or next day delivery of used vehicles. And it should be that easy.

New car dealers have sophisticated business models that can validate a vehicle identity, confirm a vehicle disposers credentials and verify a vehicle's provenance within minutes. Dealers can also complete all required legislated and regulatory safety requirements, as well as attend to known mechanical issues on site.

Access Canberra and the Canberra taxpayer can benefit by a removal of red tape issues in a cumbersome paper centric used vehicle registration system. Improvements to the system could be covered by a cost recovery fee for each used motor vehicle manually registered at an ACT new car dealer franchise.

Using the baseline used car sales figures from ACT franchise dealers in 2025, a premium could be applied by Access Canberra to every transaction under a manual processing criterion to help offset costs incurred by the ACT taxpayer in improving the dealer online system.

The table below provides an illustration/example of costs potentially recovered by Access Canberra applying a moderate premium to each used motor vehicle deal completed as a manual registration by an ACT based franchise dealer. The number of vehicles sold is sourced via the aggregated total of 24,494 used cars sold by ACT dealers in 2025.

PROPOSED FEE	TOTAL DEALER FEES COLLECTED
\$5 per transaction	\$122,470
\$10 per transaction	\$244,940

The premium applied should only be applied under a cost recovery fee. Any dealer fees should then cease in the instance that Access Canberra recovers that cost of introducing such a facility.

There is also a benefit applied for other users of Access Canberra centres via greater consumer engagement if less dealers (and their customers) are required to attend an Access Canberra centre in person if the option for a franchise dealer to manually register a used motor vehicles is introduced. The net benefits will result in reducing customer congestion and queuing in the Access Canberra service centres.

AADA wishes to enter into further dialogue with Access Canberra on this proposal and will continue to seek improvements to delivery efficiencies and reduce delays in used vehicle transactions.

AADA Recommendation:

That the ACT Government allows a budget amendment, that if required could be offset by a dealer contribution, to enhance the online registration processes for the registration of used motor vehicles by a franchised new vehicle dealer by introducing access and an enhanced capability within the ACT Extranet Dealer Online system.

REFORMS TO THE ACT CIVIL AND ADMINISTRATIVE TRIBUNAL ACT

AADA calls for the ACT Government to introduce two separate reform measures to the *ACT Civil and Administrative Tribunal Act 2008* (ACT).

- › The first reform measures should include the appointment of a resource to vet applications tendered to the ACT Civil and Administrative Tribunal (ACAT) listed under the Civil category where an ACT based Licensed Motor Vehicle Dealer is listed as a respondent in any claim where the provisions of the Australian Consumer Law (ACL) are cited. These applications must be dealt with expeditiously.
- › AADA also calls on ACAT to include all vehicle manufacturers as co-respondents in any application where the applicant is citing the provisions Section 54, 55 and 56 of the ACL.

Introducing these reforms will save many cases from being heard that do not meet the criteria as nominated within the ACAT application guidelines or prevent non-attendance by consumers, who traditionally, have been afforded the opportunity to reapply again for a hearing. Non-attendance by applicant consumers is an abuse of valuable ACAT and industry resources.

AADA Recommends:

That the ACT Government introduces reforms to the ACT Civil and Administrative Tribunal Act 2008 (ACT) that will assist consumers and Licensed Motor Vehicle Dealers in the ACT to resolve disputes before the need for a full hearing.

VEHICLE STAMP DUTIES

Following the changes and increases in new and used vehicle stamp duties introduced last year in the ACT 2025/26 budget, AADA submits that no further changes or increases be introduced this year.

Careful consideration should be given to the position of ACT as taxing vehicle transfers at a rate higher than almost all other States and Territories. AADA recommends that vehicle stamp duties are not increased in the budget.

AADA does not support a pre-budget submission we have seen which advocated for increases in the rates of duties in realigned categories A, B, C & D up to proposed levels of as much as 15.4 per cent of vehicle dutiable value in category D.

If introduced as proposed by that submitter such a rate would almost double the current duty in the D classification would lead to ACT becoming far and away the most expensive jurisdiction of stamp duty for new and used ICE vehicles purchased at values approaching and above \$80,000 depending on the emissions output in CO₂ grams per kilometre of the purchased vehicle.

It should be remembered that stamp duty is paid when the vehicle is new or used and on each transfer of vehicle registration as mandated by the Duties Act 1999 (ACT). Therefore, stamp duty is collected on multiple occasions over the life of the vehicle each time it is transferred. Any increases in the rates of duty are not a one-off event but reapplied on each occasion of vehicle transfer.

Submissions to further increase ACT stamp duty rates should be rejected.

AADA Recommends:

- i. That no further increases in ACT motor vehicle stamp duty are introduced in the budget and the impact on consumer costs and dealer sales of the 2025/2026 changes be reviewed, made available to dealers, and reported to the public.**
- ii. That matters of stamp duty collections (taxes on vehicles) should be considered with care not to advance the taxing of vehicles and with attention to discussions about Road User Charges which are on the national agenda.**

ROAD USER CHARGE

With the possibility of introduction of Road User Charges (RUCs) proposed in NSW from 2027, and the issue of a RUC being discussed nationally, the ACT Government should be reviewing their application of stamp duties and any proposals to apply a Territory based RUC. The introduction of future RUC arrangements should not lead to additional taxes or an increase in the overall taxes on the sale, use, and registration of motor vehicles in the ACT. A harmonised national RUC would be preferred.

PAYROLL TAXES

New higher payroll tax rates for grouped employers introduced in the last ACT budget placed ACT dealers at a disadvantage. Any further increase in the rate of payroll taxes and or decrease in the thresholds would be particularly unwelcome in the automotive industry.

Grouping arrangements mean that many ACT dealers will be paying more payroll tax at rates greater than all other jurisdictions. The ACT rates commence at 6.75 per cent at \$1.75 million and rise to 8.75 per cent for payroll payments over \$150 million. All other jurisdictions apply lower percentage rates of payroll tax. The ACT adopts NSW-style grouping rules and bases obligations on wages from all of Australia, not solely the ACT.

AADA Recommendations

- i. **That further increases to ACT payroll tax arrangements are not introduced.**
- ii. **That the ACT government engages in close consultations with employers before amendments to ACT payroll tax collections are considered therefore providing employers with time and opportunity to assess and comment on the impact of proposals on business and employment.**

ACTIVITIES OF UNLICENSED PEOPLE AND THE IMPACT ON VULNERABLE CONSUMERS

Unlicensed vehicle trading activity which occurs in the ACT is usually undertaken by private individuals working from a residential premises using digital platforms to advertise vehicles. This is no more so evident than on digital platforms such as Facebook Marketplace and other platforms.

Consumers buying from unlicensed people are unprotected and at risk of a damaging vehicle purchasing experience and financial losses.

Licensed dealer sales of used cars represent 48 per cent of the national used car market, 52 per cent are private sales, however hiding in among the legitimate private sellers are unlicensed people taking advantage of anonymity available in digital advertising platforms and harming the most vulnerable of consumer.

Odometer tampering in the private market has proven to be deceptive and dangerous for private buyers. Research in Victoria has shown that 91 per cent of odometer fraud is committed by the private market. Dealers are also the victims of odometer fraud. There have been issues nationally where a vehicle acquired by an unlicensed person at one auction house being presented for sale or auction at another auction house with a lesser odometer reading. The NSW Office of Fair Trading is focussed on the problem and is successfully prosecuting offenders. However more should be done to prevent unlicensed persons access to stock for on sale. Consumers should be protected from odometer fraud, be assured of a vehicle's written off status and have tools available to them to verify a vehicle's provenance.

In the States of Victoria and NSW consumers can check vehicle registration status and odometer records online. The ACT should consider providing the same service for prospective buyers and licensed traders of ACT registered vehicles via an online website and mobile application.

AADA Recommendations

- i. **The ACT Government applies the necessary resources to undertake a thorough investigation of the use of digital advertising platforms by unlicensed people to sell used vehicles. Unlicensed people avoiding the ACT licensing arrangements should be prosecuted.**
- ii. **The ACT adapt the 'verify' a registration portal to allow Canberrans to verify a vehicles registration status and odometer reading at the last point of vehicle transfer.**

THE BAN ON THE REGISTRATION OF NEW INTERNAL COMBUSTION ENGINE VEHICLES

The ban on the registration of new Internal Combustion Engine (ICE) vehicles proposed by the ACT Government to commence in 2035 remains an issue for the automotive industry. AADA does not support a ban on ICE vehicles, or a ban any other form of fuelling and anticipates that such a ban, if it were to eventuate, would drive consumers out of the ACT to purchase new and used vehicles over the borders in places where bans have not been proposed. AADA does not believe it to make economic sense for the ACT coffers to be impacted to the potential tune of millions of dollars every year if the net result of this ban sees dealerships to move their business to outside of the ACT in their quest to remain viable in the ACT.

It is AADA's view that a ban on registrations of new ICE vehicles may perversely hold back ACT consumers from replacing their current vehicles with newer and more efficient models because they prefer petrol, diesel, or hybrid technology. It is unclear how the ACT will enforce a ban and prevent consumers from simply purchasing a new ICE vehicle across the border and re-registering as a used car.

Sales of low emission vehicles have increased marginally and so they should, it is great technology. Dealers nationally are currently seeing a temporary sharp sales spike of zero and low emissions vehicles as a result of international factors impacting fuel supply and a cost of fuel crisis. However, regardless of the temporary sales spike being enjoyed by dealers, consumers have yet to fully embrace battery electric vehicles preferring hybrid or plug in hybrid electric vehicles. This trend towards hybrids may continue as the NVES becomes more influential on the supply of vehicles.

AADA Recommendation

That the ACT government reconsiders the decision to ban new sales of ICE vehicles from 2035 with a review of the decision and an opportunity for public submissions to be made to a review.

CONCLUSION

The AADA welcomes this opportunity to submit our 2026-27 Pre-Budget Submission. If there are questions which arise we would appreciate an opportunity to answer questions at a meeting arranged for the purpose. If you require further information or clarification in respect of any matters raised, please do not hesitate to contact me.

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ONLINE ODOMETER CHECKS NSW AND VICTORIA

1. <https://www.service.nsw.gov.au/transaction/check-a-vehicle-registration>
2. <https://www.vicroads.vic.gov.au/registration/buy-sell-or-transfer-a-vehicle/buy-a-vehicle-report/vehicle-search>



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