

Pre-Budget Submission 2026-27



Introduction

The Australian Automobile Association (AAA) is the nation's peak motoring body, representing Australia's state-based motoring clubs and their more than 10 million members.

As the representative of Australia's transport network users, the AAA is an apolitical and technology-neutral advocate for federal transport policy that improves safety, equity, and sustainability.

The AAA regularly commissions research and develops in-depth analysis of issues affecting transport systems, including affordability, road safety, and vehicle emissions.

Transport is a key enabler of a productive economy and has a material impact on the lives, livelihoods and amenity of Australian families and communities.



Asks at a glance

In the 2026-27 Federal Budget, the AAA calls on the Australian Government to implement the following actions:

1. Extend existing Commonwealth transport safety investigation powers

Commit \$5 million over two years to support a targeted pilot of no-blame investigations into road crashes. These investigations would aim to identify trends and correlations, not seeking to find blame but instead to build an evidence-base to identify preventative actions, as is currently the case in aviation, maritime and rail.

2. Continue funding for the AAA's Real-World Testing Program

Commit \$22.6 million over the next four years for the continued delivery of the Real-World Testing (RWT) Program, to build on the momentum created during the Program's first four years. The RWT Program empowers consumers through provision of independent information on vehicle fuel consumption, CO2 emissions as well as electric vehicle energy consumption and range. This non-regulatory testing program supports the Government's emissions reduction targets by:

- Maintaining pressure on car makers to narrow the gap between the mandatory laboratory test results reported for compliance and vehicles' real-world performance.
- Giving potential electric vehicle purchasers greater confidence about real-world battery range, alleviating a key barrier to uptake - range anxiety.

3. Fund electric vehicle charging infrastructure improvements via an EV Road User Charge

Develop a national plan to increase availability of electric vehicle charging stations in areas not currently commercially viable, using revenue raised through a road user charge on electric vehicles.

4. Improve competition for vehicle data access to improve consumer outcomes

Ensure that the regulatory frameworks around vehicle generated data protect consumer rights and safeguard fair competition in the automotive aftermarket sector by:

- Extending the Consumer Data Right to include connected vehicle data.
- Expanding the operation of the Motor Vehicle Information Scheme to include telematics data.

1. No-blame investigation for road crashes



AAA ASK

AAA seeks Government commitment to:

Undertake a targeted pilot of no-blame investigations into serious road crashes. This pilot program would allow targeted investigations aimed at building an evidence-base to support preventing similar crashes from occurring again, rather than apportion blame. No-blame investigations are already conducted in aviation, maritime and rail.

Cost: \$5 million over two years.

The starting point to addressing Australia's worsening road trauma is to understand what caused it to rise in the first place.

Road trauma affects every Australian – either directly or indirectly.

In 2025, 1,314 people died on Australian roads – 22 more than in 2024. Instead of achieving a 50% reduction in road crash fatalities over the life of the National Road Safety Strategy 2021-2030, the number of road fatalities has increased by 19.8% over its first five years.

These figures underline the need for the Australian Government to assume a leadership role in road safety by supporting no-blame investigations into the underlying causes of rising road trauma.

Australia's states and territories are responsible for shaping and implementing most Australian road safety interventions (vehicle registration and driver licensing, police forces enforcement, construction and maintenance of road infrastructure). This leaves the Australian Government with the critical role of analysing national road safety outcomes and publishing the learnings thereof.

Commonwealth data analysis can deliver the transparency and accountability needed to drive change at a jurisdictional level, and among road users.

The AAA does not seek to alter the existing responsibilities between the Commonwealth and state governments. Instead, this is a means by which the Commonwealth can ensure that entities that already have legal or commercial obligations to make our roads safer receive more data and insights to achieve their objectives.

The Commonwealth already conducts no-blame investigations of aviation, maritime and rail safety incidents and should extend this to include road crashes. Findings of such investigations could help state and territory authorities save lives by highlighting successful live-saving approaches that could be shared.

Prevention-focused, safe system investigations into road crashes should be designed to identify how future deaths and injuries can be prevented, rather than assigning fault, ensuring road safety interventions are better targeted, evidence-based, and effective.

The AAA calls on the Federal Government to pilot a national investigation capability, to undertake no-blame investigations of road crashes, similar to its existing role in aviation, rail, and maritime. This would also complement the work of the National Office of Road Safety, and state/territory governments in developing the preventative measures needed to reduce crashes, deaths, and serious injuries.

A national, no-blame investigation capability would deliver consistent insights and inform regulatory action, road design, enforcement, and public education.

Given that the Bureau of Transport and Regional Economics (BITRE) estimated in 2022 that the annual economic cost of road trauma was \$27 billion, the social cost of each road fatality \$2.9 million and each hospitalised injury \$241,100,¹ any Commonwealth investment in preventative investigations would deliver a strong return on investment.

¹ Social Cost of road crashes. Australian National University. Available at: <https://www.bitre.gov.au/sites/default/files/documents/social-cost-of-road-crashes.pdf> (Accessed: 09 December 2025).

As a first step, a targeted pilot study focused on a specific area of concern, such as fatal crashes involving heavy vehicles, e-mobility deaths or pedestrian fatalities, could identify best-practice regulation and interventions that could be expanded or wound back. The findings from such a pilot would also underpin public education and community engagement needed to address the behavioural factors contributing to road trauma.

A no-blame investigation pilot would build on the work conducted by the University of Adelaide's Centre for Automotive Safety Research (CASR), funded by the Australian Government under the \$12 million Road Safety Innovation Fund. As part of this project, CASR conducted 100 in-depth, no-blame investigations of heavy vehicle crashes, building an evidence base on how such crashes could have been prevented or their consequences mitigated, rather than apportioning blame. Unlike routine crash reviews, these investigations drew experts from multidisciplinary fields including automotive or mechanical engineering, traffic or civil engineering, human factors, and medical insights, to uncover systemic risk factors in truck crashes. The research found that:

- road-based and vehicle-based interventions offered the strongest opportunities for safety improvements.
- road treatments focused on intersection safety such as roundabouts, traffic lights with fully controlled right turns, grade separation, and improved junction geometry were particularly important, alongside measures like reducing speed limit and centre barriers.
- on the vehicle side, advanced technologies such as Electronic Stability Control (ESC) and Autonomous Emergency Braking (AEB) showed high potential to reduce crash occurrence and severity.

These findings underscore the importance of taking a no-blame, systemic approach to reviewing road crashes with the objective of prevention rather than prosecution.



2. Real-World Testing Program



AAA seeks Government commitment to:

Fund the Real-World Testing (RWT) Program for a further four years. At a cost of \$22.6 million over four years the program would continue to test 60 light vehicles per year, be expanded to include plug-in hybrid electric vehicles, and incorporate the larger NB1 category vehicles captured by the Government's New Efficiency Standard.

An ongoing commitment would allow development of new tools to increase proliferation of results and allow for additional research to support Government policy development.

The Real-World Testing Program is an independent program funded by the Commonwealth and delivered by the AAA to provide consumers with independent, transparent information on the fuel/energy consumption, tailpipe emissions, and electric driving range of new vehicles by testing them in real, on-road Australian conditions.

The AAA has successfully delivered the Real-World Testing (RWT) Program since 2023 and is on track to test nearly 200 vehicles over its first four years. Results for 140 vehicles are currently published at realworld.org.au

The Program was funded by the Government as Australia's first independent testing of vehicle emissions and fuel consumption of cars, utes and vans in on-road driving conditions. In 2025 the Program was expanded to include battery electric vehicles (EVs), so these results could help inform prospective EV purchasers about real-world battery range and to provide confidence about which vehicles will best meet their day-to-day transport needs.

The Program's results demonstrate the challenges consumers face when comparing vehicles. Testing shows there is no rule of thumb when translating a lab result into a real-world outcome – some vehicles match their lab performance on-road but many fall short.

Testing to date has found 76% of the tested internal combustion vehicles consumed more fuel on-road than recorded in official lab tests provided to the Government and reported on windscreen labels. Six models exceeded advertised fuel use by over 30%. These results are already empowering consumers and businesses to save money by establishing which cars perform as advertised and which do not.

Current funding for the RWT Program ends in 2026, just as independent and trusted on-road vehicle data is gaining importance as new regulation comes into force applying pressure on carmakers to deliver increasing environmental and fuel consumption savings or face financial penalties.

The Government has taken a sectoral approach to emissions reduction, including transport. The New Vehicle Efficiency Standard (NVES) is an important initiative in achieving light vehicle emissions reduction and a key determinant of the success of the NVES will be increased uptake of low emission vehicles. The NVES is a widely supported market-based approach to reducing emissions from Australia's new cars. However, its existence could also incentivise carmakers to optimise their vehicles for the laboratory tests used for compliance (to avoid fines or amass credits). This risks the gap between laboratory test results and real-world performance widening over time.

Research by the Centre for International Economics shows that even an 8% gap between lab and real-world performance over the life of new vehicles sold between 2025 and 2029 could cost Australians \$4.2 billion in extra fuel and result in \$1.1 billion in unrealised emissions reductions.

Analysis of Program results has found six instances where test results for a new model can be compared to an older model. In four of these instances, the gap between the real-world test result and official lab had widened for the new model.

Whilst this is a small sample, these results demonstrate that global emissions regulation continues to incentivise the optimisation of lab test performance and the resulting risk of deteriorating consumer information over time.

Continuing the RWT Program is essential to protect consumers from an increasing divergence between mandatory lab results reported by carmakers and real-world outcomes. The Program also complements the Government's new vehicle emissions regulations by:



Building consumer and business confidence in electric vehicles by providing trusted, independent data on how vehicles perform under real Australian driving conditions. Many new car windscreen labels overstate their fuel economy and environmental performance that aren't replicated in the real world which can undermine consumer trust and distort markets.

By providing an independent evaluation of battery range, the program helps build consumer confidence around which electric vehicles will best suit their day-to-day transport needs. Independent, transparent testing also drives healthy competition among vehicle manufacturers, encouraging innovation in battery efficiency, charging performance and emission-reduction technologies that are delivered into the Australian market.



Providing independent, real-world evidence to monitor whether regulatory compliance translates into actual emissions reductions and that credits are being awarded to specific vehicles appropriately.



Informing the development of international vehicle standards for measuring fuel/energy consumption and emissions in real world conditions.

Without an independent, on-road testing program, it is unclear what mechanisms are available to protect consumers and regulators from a widening gap between official lab results for certification and real-world outcomes.



3. Electric Vehicle recharging infrastructure supported by a road user charge



AAA ASK

AAA seeks Government commitment to:

Lead and develop a national plan to increase availability of electric vehicle (EV) charging stations in areas not currently commercially viable, using revenue raised through a road user charge on electric vehicles.

AAA consumer research undertaken in July 2025 (qualitative and quantitative) and October 2025 (qualitative) shows range anxiety and a lack of confidence in Australia's EV re-charging infrastructure is the most significant barrier to EV uptake among potential EV owners.

This barrier is particularly acute among the demographic segment essential for mass-market EV penetration who are looking for tangible, credible infrastructure delivery before committing to EV purchases.

To overcome range-anxiety, and to drive EV adoption into new demographic segments beyond early adopters, the AAA believes a dedicated fund needs to be established. This fund could be used to co-invest in re-charging infrastructure, and support grid augmentation where it is needed to enable charging infrastructure, particularly in areas where it is not commercially viable for this infrastructure to be provided solely by the private sector.

The AAA believes the Commonwealth has a leadership role in strategic planning and supporting the delivery of a national network of charging infrastructure, funded by a distance-based Road User Charge that serves as a critical enabler of future land transport investment.

“AAA polling found 60 per cent of likely EV buyers identified range anxiety as the main reason preventing them from purchasing an electric vehicle.”

If consumers do not feel confident in the resources, systems and infrastructure required to support transition to EVs – things like charging facilities, the time it takes to re-charge and the likelihood of a charging point being available when needed – there is a real risk that this will slow the rate of consumer uptake of EVs and threaten the achievability of the targets in the New Vehicle Efficiency Standard.

Prospective EV purchasers need to see that this critical infrastructure is being planned, and a delivery pathway is in place – funded through a Road User Charge to ensure they are delivered at scale, on time, and in areas of greatest need.

The AAA believes that a well-designed Road User Charge applying to electric vehicles can make a positive contribution to increasing EV penetration. If implemented correctly, it would increase the attractiveness of EVs to regional and remote communities, while giving urban and peri-urban drivers confidence that EVs can reliably meet both everyday and long-distance travel needs.

Importantly, the AAA continues to advocate that a Road User Charge must be designed with three key features – simplicity (no differential charging based on time of day or location), national (same rate and delivery method in every jurisdiction), and a rate that is discounted against the fuel excise rate to ensure it does not disincentivise EV uptake.



The Australian Government must lead a national approach

In the absence of a national approach, state governments have already begun to introduce road user charging frameworks alongside incentives designed to encourage EV uptake.

The Australian Government must now urgently progress work with the states and territories to develop a national model.

Victoria was the first Australian state to adopt a road user charge for EVs and hybrid vehicles, introducing a distance-based charge on 1 July 2021. This was struck down by the High Court of Australia in October 2023 after the court found the charge to be invalid.

New South Wales has a legislated road user charge on its statute books that will apply to eligible EVs from 1 July 2027 or when EVs make up 30 per cent of new vehicle sales in NSW, whichever comes first. Plug-in hybrid EVs will be charged a fixed 80 per cent proportion of the full road user charge to reflect their vehicle type. NSW originally set the rate at 2.5 cents per kilometre for EVs, but the charge rate is indexed to consumer price index (CPI) each financial year.

The AAA believes that the NSW legislated approach is a good starting point for states, territories and the Commonwealth to agree on a national model for EVs to be included in the land transport tax system to fund the much-needed infrastructure required to alleviate range anxiety and support EV uptake. The AAA calls on the Australian Government to develop a national plan to increase availability of EV charging stations in areas not currently commercially viable, using revenue raised through a road user charge on electric vehicles.

This national scheme must be in place before 1 July 2027 to ensure a unified approach across Australia and facilitate an orderly energy transition within the light vehicle market.

A national plan for charging infrastructure

A national plan to increase availability of electric vehicle charging infrastructure should start with a strategic assessment of the network and market conditions; this would determine what infrastructure is required and at what locations.

The national plan should also have regard to electric vehicle charging infrastructure standards. For example, assessing national standards for interoperability to ensure that all electric vehicle chargers are compatible, and investigating the benefits of bi-directional charging, so consumers can fully realise the benefits of their electric vehicle. The plan should also review and consider operational standards related to the maintenance of public charging infrastructure and minimum standards for up-time.



4. Vehicle data



AAA ASK

The AAA seeks government commitment to:

ensuring the regulatory frameworks around vehicle generated data protect consumer rights, safeguard fair competition and promote innovation in the automotive aftermarket sector by:

- Expanding the Consumer Data Right to the automotive industry, so that consumers can choose to which third parties their vehicle generated data is sent.
- Expanding the Motor Vehicle Information Scheme to include telematics data and digital logbooks.

Continued advancements in automotive technology, and the rise of connected vehicles, offer a range of convenience and service benefits for consumers and the potential to improve the safety and efficiency of the entire road network. However, the huge amount of data generated by these vehicles poses complex challenges in maintaining data privacy, access and cybersecurity whilst also providing commercial opportunities for the car brands and recipients of the data.

The rapid growth of technology and the internet of things have led to the emergence of a wide range of “smart devices” across the economy, including in the automotive sector. Modern vehicles are increasingly “connected”, with embedded internet capability, sensors and cameras that continually collect and transmit data. These vehicles can send and receive data from systems outside the vehicle, enabling features such as over-the-air software updates and diagnostics, GPS, and emergency calling if the vehicle is in a crash.

As a result, new vehicles are now collecting increasing amounts of information about the driver, how the vehicle is being driven, and the vehicle’s surroundings. As data collectors, vehicle brands are responsible for informing consumers about what data is collected, why it is collected, how it is stored, and to which third parties it may be provided.

However, the privacy policies of many vehicle brands remain vague and ambiguous, leaving consumers uncertain about what data their vehicle captures, how it is used, or how they can limit or opt out of certain collection practices. Noting that fleets have only limited access to connected vehicle data – e.g. through hardware devices such as dongles – vehicle brands have significant ability to access and control the flow of all connected vehicle data (also referred as telematics data).

This creates a power imbalance, by denying consumers the ability to shop around and preventing small and independent businesses from fairly competing in data-reliant markets such as insurance, maintenance and repair, aftermarket innovation, road-user charging and emissions reporting.

Regulators therefore face the challenge of ensuring that policy settings keep pace with technological change while protecting consumer privacy and enabling fair and safe access to the growing volume of vehicle-generated data.

Consumer Data Right Extension

Global developments show the way forward. The European Data Act, which came into force on 12 September 2025, sets a global benchmark by giving consumers the right to access data produced through their use of connected devices, including vehicles, and by promoting fair use of data across the economy to unlock innovation and competition.

The Data Act aims to enhance fair access to and use of data across all sectors of the European economy, giving consumers the right to access data produced through their use of connected devices, including vehicles. The European Commission identified the following potential benefits from the Data Act:²

- cheaper prices for aftermarket services and reparation of their connected objects.
- new opportunities to use services relying on access to this data.
- better access to data collected or produced by a device.
- new safeguards against unlawful transfers of data.
- reduced costs when moving data to a different cloud provider.

The AAA believes that Australian Government should look to these international developments in data utilisation as it seeks out initiatives that will boost productivity and competition in the Australian economy. The AAA believes unlocking vehicle-generated data so that consumers can share in its benefits, will help revitalise competition and boost productivity.

² [European Commission, Impact Assessment Report Accompanying the document "Proposal for a Regulation of the European Parliament and of the Council on harmonized rules on fair access to and use of data \(Data Act\)" COM \(2022\) 68 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022SC0034>.](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022SC0034)

Motor Vehicle Information Scheme

The Commonwealth Government should consider these international developments when reforming the Motor Vehicle Information Scheme (MVIS) to ensure it remains relevant to technological advancements. Currently, the supply and access to information under the MVIS is limited to a relatively small scope of service and repair information.

The AAA welcomed Government's Review of the MVIS in 2025 as part of the first tranche of National Competition Policy reforms, which is focused on cost-of-living pressures. The AAA acknowledges the operation of motor vehicles is a significant cost-of-living pressure for Australian households, and tracks transport affordability each quarter, through its AAA Transport Affordability Index.³ The AAA is encouraged by the Australian Government's "commitment to realising the nation-wide benefits of greater competition in the market for motor vehicle repairs."⁴

As more vehicles become connected, telematics will replace the traditional onboard diagnostic port as the primary means of accessing repair and maintenance information. Access to telematics data will therefore be essential to ensure the MVIS remains effective now and into the future. The current exclusion of both telematics data and digital logbooks from the scheme allows vehicle brands unfettered control over this information, reinforcing an uneven playing field.

New cars represent a significant investment for consumers, fleets and small businesses. Currently, the inability of independent repairers to access digital logbooks may lead to uncertainty about a vehicle's service history and mean a vehicle owner feels obliged to go back to the vehicle brand for servicing and repair to protect their significant investment. This can lead to not only inconvenience (for example in rural and regional locations where dealerships may be a long distance away) but could also add cost due to the lack of competition in the repair market.

The AAA therefore calls on the Commonwealth Government to expand the MVIS to include telematics data and digital logbooks. Doing so would ensure consumers can make informed choices, support fair competition, and align Australia with international best practice in data access and utilisation, fostering a more transparent, innovative, and competitive vehicle market.



³ 'Transport Affordability'. Australian Automobile Association (Web Page) <<https://www.aaa.asn.au/research-data/transport-affordability/>>

⁴ The Treasury, Review of the Motor Vehicle Service and Repair Information Sharing Scheme (Discussion Paper, June 2025) p 3.

