

SUBMISSION FOR ELECTRIC VEHICLE REPAIR IN NSW: REFORM OPTIONS PAPER

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FOREWORD



FOREWORD

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide a submission in response to the regulation options proposed under the Motor Dealers and Repairers Act to further regulate licensed automotive service and repair work in NSW.

The AADA is the peak industry advocacy body exclusively representing franchised new car and truck dealers in Australia. There are more than 3,900 car and truck dealerships across the country, ranging from family-owned small businesses to large publicly owned businesses operating in regional areas and capital cities. The new vehicle retailing sector employs more than 64,000 people, including approximately 7,500 apprentices, contributes more than \$21.5 billion to the national economy, has total turnover of \$91.3 billion and generates more than \$8.2 billion in tax and duty revenue.

In New South Wales there are over 1000 franchised new vehicle dealers. Dealers are significant employers of licensed automotive technicians and allied workshop staff.

The AADA supports safe working practices, appropriate training standards and the provision of a safe automotive working environment, so far as is reasonably practicable. AADA supports training delivered by OEMs and RTOs. The AADA observes that franchised new car dealers actively train staff in safety procedures and technical competence relevant to battery electric vehicles and hybrid EVs.

The AADA observes that dealers are already subject to significant legislative obligations requiring them to provide safe systems of work under occupational health and safety laws. Consumers are also protected by the Australian Consumer Law. Dealer observance of, and compliance with, these foundational laws is a priority for dealership owners, managers, supervisors and staff.

Occupational Licensing of EV Work in NSW

Our comments respond to the circulated paper, EV Repair in NSW Reform Options. Based on our reading of the paper, we understand that regulation of EV work will apply to battery EVs, but not to hybrid electric/internal combustion engine vehicles. The AADA does not support further occupational regulation that would reclassify work performed on hybrid vehicles. The current NSW regulatory arrangements, which have applied since hybrid vehicles entered the market more than 20 years ago, should be maintained.

Introducing different occupational licensing streams within the MDRA licensed motor mechanic classification may disrupt productivity in NSW workshops and affect engagement in the automotive trades. There is ongoing demand for trade workers who are broadly trained in the full range of skills required to repair vehicles. Establishing an EV-only classification with a narrow training focus would create a specialisation that may, over time, reduce the availability of workers with the broader motor mechanic trade skills that remain in demand.

Bridging Training for Licensed Motor Mechanics is Supported

The AADA supports the introduction of the proposed bridging training for the motor mechanic classification, both for those currently working in the industry and those who become qualified in the future. Once a licensed motor mechanic completes the bridging training, they should immediately be recognised as trained and eligible to be licensed to work on EVs. AADA notes and acknowledges that further training for work on hybrid EVs is not included or required.

The AADA does not support additional training or licensing requirements that would require existing MDRA licensed motor mechanics to undertake training beyond the proposed bridging course.

Licensed motor mechanics should be able to decide how they wish to progress their careers: either remaining as licensed motor mechanics or completing bridging training to become licensed and endorsed to work on EVs. The AADA recognises that some motor mechanics will choose to undertake further, more advanced training in EV service, repair and vehicle fault diagnosis.

Support for AURETH101 Training

The AADA recommends that the AURETH101 Depowering and Reinitialising Battery Electric Vehicles training course be adopted as an appropriate minimum training standard for all classifications of staff working on EVs.

The AADA supports referencing AURETH101 as the base level of training required for all staff working on EVs. AURETH101 has been adopted by AASRA as a minimum standard and appears in the Australian Standard for EV workshops. Dealers are training staff at this level as an introduction to EV work and safety. Reference to vehicle manufacturer specifications is also an important element of the training.

Training Subsidies

The AADA is aware that the NSW 2026 Electric Vehicle Strategy includes announced training funding to support regionally based motor mechanics undertaking EV bridging training. However, the funding appears to apply only to country areas. It would be welcome, and consistent with the proposed further regulation of automotive trades requiring bridging training, for training subsidies to apply across the whole NSW industry rather than being limited geographically.

The AADA recommends that, before the MDRA regulations are finalised, consideration be given to extending training subsidies to metropolitan locations. This would assist employers to send staff for training and recognise that the transition to low-emission vehicles is a structural change to the automotive industry, driven by a range of actions including government strategies, policies and fuel efficiency and emissions legislation.

Recognition of Prior Learning (RPL)

If recognition of prior learning is not a viable option for recognising OEM training under the Motor Dealers and Repairers Act, the AADA asks whether NSW Fair Trading will actively work with the AADA to recognise, within the MDRA framework, that OEM training is an important building block in developing employee skills and competence.

Three-Year Implementation Period

The AADA agrees that implementation should be phased in over a three-year period. However, if employees are unable to complete training within that period, the bridging training opportunity should not expire. Employees should be able to have their existing licence extended and be permitted to complete bridging training beyond the three-year term. Licensed people who do not complete bridging training within three years should not be disadvantaged and should be granted exemptions to bridge beyond that timeframe.

OPTION 1



THE AADA DOES NOT SUPPORT OPTION 1

Option 1 would establish a separate EV motor mechanic stream, dividing vehicle repair work into two distinct classifications. In AADA's view, this is undesirable. It would create a licence class for EV work only, meaning people trained only in EV work would not be qualified to work on ICE vehicles. Licensing should not constrain career pathways or divide work into unproductive specialisations. An EV-only classification would reduce the available skills needed to perform the full range of motor mechanic tasks and narrow both qualifications. EV-only trained and licensed mechanics would not be permitted to work on the combustion elements of a hybrid engine or on an ICE vehicle. Creating these divisions within the trade may also be divisive in the workplace.

Several questions arise when new MDRA occupational licensing regulations are proposed:

- What occupational problem is an EV-only mechanic classification intended to solve?
- Has the public been harmed by the absence of an EV-only mechanic licence under the MDRA framework?
- Have any claims of public harm been documented?
- To what extent has public health, safety or economic wellbeing been endangered under the existing MDRA licensing arrangements?

The costs of implementing new regulations are likely to be borne by automotive industry employers that employ, train and retain workshop staff. EV servicing and repair is currently undertaken primarily by franchised dealers, meaning the establishment costs of any new training requirements would first be borne by dealers. A well-informed evaluation of the real cost of the proposed regulation should be developed and considered in a Regulatory Impact Statement.

Customer Satisfaction

The existence of licensing regulations under the MDRA Act does not, of itself, guarantee better outcomes for consumers. Good consumer outcomes are determined by the diligence of employers, managers, supervisors and workers who ensure that EV work is performed safely and to the necessary standard.

The Australian Consumer Law (ACL) applies stringent and well understood minimum consumer standards dealers cannot avoid. The existence or otherwise of new MDRA classifications does not change the overriding requirement that customer satisfaction standards (measured carefully by all OEMs) and consumer laws are always upheld.

A fully developed Regulatory Impact Statement should be completed before new MDRA occupational licensing regulations are introduced.

The Options and Criterion for Evaluation

Addressing the criterion supplied in the discussion paper, AADA does not believe that the case has been made to support the contention that expanding classifications to a new EV Mechanic classification will improve consumer safety. It is probable and most likely that as new automotive technologies appear the work of automotive technicians will change and adaptation of work will occur to take in all types of engines and motors. Encouraging upskilling the existing automotive technician workforce will most likely provide a quicker and more practical outcome. Training as necessary will be provided by employers interested in employing people who can work safely and carry out servicing and repairs to a professional standard.

It is likely that additional mandated specialised EV classifications will add extra operational costs that will be paid for by dealers and consumers without any guarantee of automatically improving the quality and timeliness of service and repair work performed.

Option 1 does not recognise that shortages of motor mechanics are already costing dealers lost productivity and extending consumer wait times. The regulatory proposal does not provide a pathway to reducing shortages of motor mechanics.

The scope of works for EV Motor Mechanic and EV Automotive Electricians may create divisions in the workplace and split the tasks of a licensed motor mechanic into unnecessary specialisations. Broad skills and flexibility are required of motor mechanics working in Dealership workshops.

An unintended consequence may be that automotive businesses will find it difficult to justify and engage a licensed EV Mechanic who is not qualified to carry out general mechanical repairs on ICE vehicles.

Addressing questions 1&2 in the paper, AADA prefers the more flexible bridging arrangements that would allow licensed motor mechanics to train on EV work and become licensed for EVs and ICE vehicles.

An unintended consequence of a stand-alone EV Mechanic classification may be that specialisation of work creates a less flexible and divided workforce of automotive technicians.

OPTION 2



THE AADA PREFERS OPTION 2 OF THE THREE PROVIDED

Option 2 recognises training and licensing based on risk, permits MVTC holders to work on EVs once they have completed training, and allows a 3-year transition period. We presume the 3 years will commence when the regulations commence but also note that an extended period of notice of commencement, and an industry communications plan will be necessary.

In Option 2, hybrid vehicles are included in the scope of work for motor mechanics. This approach recognises that working on hybrids has been a regular part of the motor mechanic's occupation for some time and normalised in dealer workshops. To switch now, and require additional qualification and licensing, would be a step back in time, disruptive to the industry.

The AADA agrees that working on a hybrid is low risk for a licensed motor mechanic. Completion of AURETH101 should apply to low-risk work carried out by automotive technicians.

High risk work (involving high voltage systems and batteries) should require completion of the bridging training course. Unlicensed people or untrained workers should not be engaged in high voltage work on a battery EV or a hybrid.

In answering questions 3, 4,5,6 &7 in the paper the AADA supports:

- Option 2 as the most appropriate and practical of the of the three options presented.
- The low risk /high risk approach of Option 2.
- EV servicing being categorised as low risk.
- Retention of work on Hybrids as unrestricted for a licensed motor mechanic as currently defined.
- Completion of AURETH101 as training for low-risk work.

OPTION 3



THE AADA DOES NOT SUPPORT OPTION 3

The AADA does not prefer option 3 because it prohibits some workshop employees from undertaking work on EVs. The MDRA Regulations 2025 prohibited some regulated classifications from working on EVs. Option 3 would continue to prohibit some classifications even though employees may have been trained and undertaken the AURETH101 training.

The AADA supports that the limited scope of work of these regulated occupations be recognised and that working on an EV is appropriate within the limitations that apply. Therefore, AADA recommends that restrictions on the work of some EV work be lifted and that upon completion of an AURETH101 course these workers be permitted to work on EVs.

Regulated prohibitions applied to some occupations reduces flexibility in the workplace and forces trade qualified workers to undertake work which may otherwise be reasonably done by a non-trade worker. For example, the work of a Wheel Aligner should not be designated as an EV prohibited occupation. Currently, where a wheel alignment is to be performed on an EV then the work must be escalated up to be performed by a licensed motor mechanic. The role of a wheel aligner is over regulated. There is no reasoning supplied, or explanation of, the continuing prohibitions on the work of Electrical Accessory Fitters, Radiator Repairers or Steering, Suspension and Wheel Aligners.

Addressing questions 8 & 9 in the paper, the AADA does not support:

- Continuing with regulated prohibitions on working on EVs for selected occupations: Electrical accessory fitting workers, Radiator repair workers, Steering, suspension and wheel alignment workers.
- Excluding certain MVTC holders from AURETH101 and therefore allowing certain EV work to be performed without training.

CONCLUSION



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The AADA prefers option 2 of the three options provided. It is the most practical option of the three on offer.

Regulation of automotive occupations should be carefully managed with significant input from the employers of people in the occupations regulated. The Motor Dealers & Repairers Act Regulation of occupations is in effect a regulation of how vehicle repair businesses are managed and operated and has the potential to constrain decision making by business owners and operators. There is, as with all regulations of business, potential to constrain reasonable business and operational decisions and for unintended consequences to occur as the market moves and fixed regulations prevent reasonable business management and employment decisions.

Matters of health, safety, training and consumer satisfaction are paramount to the successful operation of franchised Dealer businesses and therefore given the highest priority. This is the case with all dealership work and performance regardless of the occupation or presence of regulation. The risk is that hard and fast occupational regulation rules will prevent work being done most efficiently, most productively and harmoniously.

The AADA trusts that decisions about regulation of automotive occupations in NSW are tested with practical commonsense, evidence, and against a balance of cost to industry and consumers.

The AADA supports good evidence based regulation that will assist with a level playing field for all automotive business operators. We expect that a Regulatory Impact Statement will evaluate the costs and benefits of introducing further occupational regulation.

We would be happy to meet with NSW Fair Trading to discuss our submission and participate in any further consultation.

REFERENCES

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Canberra office

Suite 3, Level 1, 42 Macquarie Street,
Barton ACT 2600

PO Box 4409 Kingston ACT 2604
E info@aada.asn.au

AADA.ASN.AU