Submission No 76

INFRASTRUCTURE FOR ELECTRIC AND ALTERNATIVE ENERGY SOURCE VEHICLES IN NSW

Organisation: Insurance Council of Australia

Date Received: 2 May 2025

Insurance Council of Australia

2 May 2025

Inquiry into infrastructure for electric and alternative energy source vehicles in NSW
Legislative Assembly Committee on Transport and Infrastructure
NSW Parliament House
6 Macquarie Street, Sydney NSW 2000

Dear Committee Members,

Re: Inquiry into Infrastructure for Electric and Alternative Energy Source Vehicles in NSW – Part D (Workforce Transition)

The Insurance Council of Australia (Insurance Council) welcomes the opportunity to contribute to this inquiry. The Insurance Council has a strong interest in electric vehicles and has provided detailed information on matters relating to Electric Vehicle safety to two recent committee inquiries into Electric and Hybrid Vehicle Batteries and the use of e-scooters, e-bikes and related mobility options. We've also made numerous policy recommendations for facilitating the smooth transition to EVs for government and industry as part of our 2024 EV discussion paper.

Our submission to this inquiry specifically addresses part D of the terms of reference relating to "measures to ensure the transition of workers from affected industries and industry standards."

As key stakeholders committed to a safe and efficient transition to electric vehicles (EVs), the Insurance Council and its members have serious concerns regarding the current proposal by the NSW Department of Fair Trading's to introduce separate EV repair licencing classes under the NSW Motor Dealers and Repairers Regulation 2014.

This proposal, if adopted, will prevent existing qualified repair technicians from performing work on EVs, unless they obtain a specific EV repair licence.

We are concerned that this approach will hinder the transition by unnecessarily restricting the motor repair and servicing workforce's ability to carry out EV repairs. Furthermore, it risks driving up repair costs and, by extension, insurance premiums for EVs without delivering any meaningful improvements in safety or repair quality.

These concerns are more comprehensively in documented in a joint letter submitted by the Insurance Council of Australia to Minister Chanthivong on 17 April 2025, together with the Australian Automotive Aftermarket Association and the Australian Automotive Dealers Association (see **Attachment A**) which we use as the basis of this submission.

In summary, we highlight the following key points:

1. There is no evidence of any safety gap in EV repairs that would justify introducing a new EV repair licence.
2. Imposing a new EV licence before expanding training capacity risks a skill shortage, with demand for certified EV technicians outstripping supply.
3. Many technicians already have EV expertise via manufacturer or overseas training which the proposed scheme fails to recognise.

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4. Extra red tape and cost could deter small independent repairers from EV work, shrinking the repair network and reducing service access for EV owners (especially in regional areas).
5. There is no evidence to suggest that additional licencing improves safety or quality – in fact insurance repair data shows that repair quality in NSW is comparable to other jurisdictions that do not have any occupational licencing requirements for motor repair.
6. In jurisdictions like Norway, where one in four cars are EVs, there is no requirement for repair technicians to hold a specialised EV licence in order to work on EVs. This provides evidence that safety and technical proficiency can be effectively managed through flexible training and certification frameworks without the need for burdensome licencing classes, a point which has been overlooked by the Department.
7. A more effective approach is to invest in broad EV training opportunities, recognise existing skills, and phase in any new requirements – ensuring a smooth workforce transition and upholding safety without stifling the industry with additional regulatory burden.

We urge the Committee to recommend that the New South Wales Government reconsider the proposed EV repair licencing model, and instead prioritise a flexible, skills-based transition plan. For example, we note that the 'Battery Electric Vehicle Inspection and Servicing Skill Set (AURSS00064)' is offered free of charge under the Queensland Government's Fee Free TAFE scheme,[1] and ICA would encourage New South Wales to consider the adoption of a similar initiative.

We would welcome further engagement from the Committee. Please contact Sam Xu, Senior Adviser (e: [redacted] m: [redacted]) should the Committee have further questions.

Regards

[redacted]

Andrew Hall
CEO and Executive Director

Attachment A – Industry concerns regarding NSW proposed introduction of EV repair classes FINAL

[1] Fee-Free TAFE EV skills | TAFE Queensland (tafeqld.edu.au)

Insurance Council of Australia

17 April 2025

The Hon. Anoulack Chanthivong, MP
GPO Box 5341
SYDNEY NSW 2001

By email: alicia.sylvester@minister.nsw.gov.au

Dear Minister,

Re: Proposed electric vehicle licencing repair requirements

We write on behalf of the Insurance Council of Australia (ICA), the Australian Automotive Dealers Association (AADA) and the Australian Automotive Aftermarket Association (AAAA).

We firstly wish to thank you and your office, who met with ICA representatives on 1 April 2025, for the constructive engagement on the issue of electric vehicle (EV) repair licensing.

There is a growing consensus across our industry that while upskilling for EV repair and maintenance is essential, the introduction of separate Light and Heavy EV mechanic licensing classes as proposed by the New South Wales Department of Fair Trading is not the appropriate path forward.

Accordingly, we urge the Government to reconsider the Department's proposed introduction of the repair licensing classes for EVs in light of the following points:

1. There is no evidence of safety risks in EV repairs

To date, there is no clear evidence that safety risks in EV repairs are going unaddressed. Any new licensing requirement should be evidence-based and justified by a demonstrated gap in safety.

Our members, who are collectively responsible for the repair and servicing of thousands of EVs each year, are not aware of any verified incident of injury as a result of working on an EV. While high-voltage systems in EVs do pose hazards, they present a similar risk profile to those of hybrid electric vehicles, which have been in market for nearly a quarter of a century and repaired without the need for an additional licensing regime.

Moreover, as detailed in 3, we consider that existing regulatory frameworks and industry practices are capable of managing existing and potential risks of EV repairs without the need for specialised EV repair licensing.

2. The need for EV repair licences is not supported by international experience

Jurisdictions with far greater EV uptake do not impose dedicated EV mechanic and repairer licenses. Norway, where over 25% of cars are electric[1], have no specialised EV repair licensing requirements placed on technicians as contemplated by NSW.[2] This suggests that effective EV integration and upskilling can be achieved without imposing additional regulatory burdens on repairers.

Unlike the regime proposed by NSW Fair Trading, Norwegian technicians are subject to a flexible framework whereby *"the enterprise [responsible for conducting repair work] must have at least one technical expert who holds a relevant craft certificate or who has undergone specialised training organised by a manufacturer, importer, supplier, or course provider. The individual must also have*

[1] Norwegian Electric Vehicle Association. 2024. Elbilbestand - Norsk elbilforening
[2] Statens vegvesen: The Norwegian Public Roads Administration. 2022. Regulations relation to Work on Vehicles The English language version of the Norwegian workshop regulations

documented at least six months of relevant practical experience. At least one technical expert with the necessary competence must be present during any work carried out at the enterprise."[3]

Given that Norway, a country where one in four cars is an EV, has not found it necessary to implement EV-specific licencing requirements, it further raises the question of whether such measures are necessary.

3. Existing regulatory frameworks are sufficient in managing potential risks

NSW, and Australia more broadly, already has robust mechanisms to ensure safety and quality in vehicle repairs. As identified by the Department of Fair Trading's own consultation paper on the matter:

"employers in NSW are already required under Work, Health, and Safety (WHS) legislation to ensure that a person undertaking work is competent to perform the work, and has been provided with the necessary training, tools and equipment to ensure the job is completed safely. Additionally, motor repairers are also obliged to comply with the Australian Consumer Law (ACL), which provides consumers with guarantees, including that services are provide with due care and skill and that goods are of acceptable quality. In addition to the protections in the ACL, section 113 of the Act allows for the Secretary to issue rectification orders to address incomplete or defective repair work."[4]

In addition to the protections against unsafe or poor vehicle repairs within WHS legislation and the ACL, it should be noted that:

- Australian Design Rule 109/00 serves to ensure that EVs being imported to Australia to comply with technical design requirements to minimise risks posed by high voltage systems.[5]
- The General Insurance Code of Practice requires motor insurers (who oversee the majority of Australia's vehicle repairs) to provide lifetime guarantees on the quality of workmanship for repairs.[6] This provides a strong incentive for insurers to ensure work performed under an insurance claim is of high quality to minimise the risk of rectification, which in turn encourages them to engage only tradespeople who are competent and skilled.

4. Mandatory licensing without adequate capacity will exacerbate repairer shortages

We are deeply concerned that the proposed licensing will outpace the training infrastructure and create artificial bottlenecks. The automotive training ecosystem is not yet prepared to instantly supply the thousands of certified EV mechanics that a mandatory licensing scheme would require.

It is our understanding that education providers face challenges scaling up EV training to meet demand with businesses engaged in the repair and servicing of EVs often having to send their staff interstate or overseas to obtain the relevant training. Imposing a license requirement now, without first expanding training capacity, would likely result in a queue of technicians unable to work on EVs while they wait to be formally accredited for the purposes of meeting the requirements under this proposed regulation. This is an outcome that is likely reduce, rather than increase, EV repair capacity in the short to medium term. We maintain that it would be more practical to invest in expanding courses and instructors before making any training mandatory.

[3] ibid
[4] Proposed changes to repair classes and qualifications | May 2024
[5] Explanatory Statement - Australian Design Rule 109_00 - Electric Power Train Safety Requirements.pdf (infrastructure.gov.au)
[6] Code of Practice (COP) - Insurance Council of Australia

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5. The proposed licensing scheme ignores existing skills and qualifications

Many technicians are already proficient in EV maintenance and repair through alternative pathways – including manufacturer (OEM) training programs, in-house upskilling, and overseas qualifications – even if they have not yet obtained an Australian Qualifications Framework (AQF) certification in EV mechanics. The proposed licensing scheme does not recognise these non-ASQA (Australian Skills Quality Authority) credentials. As a result, highly skilled technicians who have been safely working on hybrid and electric vehicles for years would be forced to retrain from scratch under the new system just to meet the on-paper requirements.

6. It will place a disproportionate burden on repair business and consumers

At present, EVs comprise a very small fraction of vehicle repairs – by some industry estimates, less than 1% of total repairs – and about 90% of those EV-related jobs do not involve touching the high-voltage battery or system but are typically processes like tyre changes, brake service, suspension, body and paint repairs, and 12V electrical work. Yet it appears that the proposed licensing would require individual technicians to hold an EV licence for any work on an EV, no matter how routine.

This blanket approach will disproportionately burden general repairers who only occasionally see an EV in their workshop. The time and cost of extra training, licensing fees, and compliance (not to mention the opportunity cost of taking technicians out of the workshop to attend lengthy courses) will be significant.

Faced with these new hurdles, we anticipate that many independent garages – especially small businesses – may simply decide it's not worth the hassle and opt not to service EVs at all. This outcome would shrink the pool of available repairers for EV owners. With fewer competitors in the market, we predict that repair costs are likely to rise and regional or remote EV owners in particular could have to travel further for service.

Furthermore, given the bottlenecks within the training system, there is a risk that these licensing requirements would inadvertently create a "licensed monopoly" on EV repairs, driving up prices and wait times. Adding needless licensing barriers would only exacerbate this skills shortage when we should be doing everything possible to encourage more mechanics to engage with EV technology, not fewer.

7. There is no evidence that motor repair licensing actually improves safety or quality outcomes

As industry bodies, we believe any proposed regulatory action must be guided by clear evidence and be proportionate to the risks identified.

This viewpoint is reinforced by the NSW Productivity Commission's recent report *Better occupational entry regulations: Policy implications of new research*, which emphasises the importance of *"striking the balance that will keep workers and consumers safe without incurring higher-than-needed costs."*[7] In particular, the report calls on policymakers to regularly review and revise occupational licensing requirements, streamline recognition of interstate and international licenses to enable a more mobile workforce, assess whether regulators have an appropriate risk tolerance, and properly weigh the costs and benefits of occupational licensing.

Accordingly, we fundamentally object to the need for motor repair licensing given that:

[7] Better occupational entry regulations: Policy implications of new research

- There appears to be no discernible differences in safety or customer satisfaction attributable to licensing[8]
- There is no observed disparity in repair quality between jurisdictions that require licensing and those that do not. For instance, members of the Insurance Council of Australia operating nationwide report that the rate of vehicles being returned for rework due to repair quality issues (rectification rates) show no substantial differences in states that have occupational licencing requirements for motor repairs compared to those that do not (**see Appendix 1**). Notably, Victoria, the Northern Territory, South Australia, and Tasmania – which do not require occupational licensing for motor repairs – have lower rectification rates than New South Wales and the Australian Capital Territory, both of which do require such licensing.

On this basis, we encourage a broader review of the *Motor Dealer and Repairers Act 2013*, in line with the Productivity Commission's recommendations, to ensure the repair sector operates as efficiently and effectively as possible.

Industry's proposed solution

In light of the above considerations, our organisations urge the NSW Department of Fair Trading to rethink the EV-specific licensing proposal. We share the Government's goal of ensuring EVs are repaired safely and efficiently as their numbers grow – where we differ is on the method.

Rather than imposing a new and unnecessary licencing class at this time, we advocate for a more flexible and supportive approach that focuses on expanding training capacity and recognition. If any regulatory change proceeds in this area, it should incorporate greater flexibility in recognising alternative qualifications.

This means recognising OEM training programs, international certifications, and other credible EV training that technicians have already completed. We also recommend developing accessible bridging courses (short, targeted modules) for those who need top-up knowledge, instead of requiring everyone to undertake a full-length new qualification. This approach would maintain high safety standards while avoiding the negative consequences of an inflexible licensing scheme. It would also align with the recommendations we've made in earlier submissions, which call for upskilling the workforce through incentives and modernised curricula, rather than burdensome regulation.

Once again, we appreciate the Minister's office for its engagement with our industry on this matter. There is broad and growing industry consensus that the best way to manage EV repair safety is by supporting technician training and acknowledging the competence already in the field, not by creating onerous new licensing barriers.

Our councils and associations stand ready to work with the Government on alternative solutions – such as expanding training opportunities, facilitating voluntary certification schemes, or phasing in requirements alongside proper recognition of prior learning – that will achieve our shared safety objectives without stifling the industry.

We remain committed to assisting the Government in developing a practical approach to EV repair regulation that protects safety while also fostering innovation and competition. We would welcome further dialogue on this issue.

Yours sincerely,

[8] License to Stall - Australian Automotive Aftermarket Association

Insurance Council of Australia

Andrew Hall, CEO and Managing Director
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Stuart Charity, CEO
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AUSTRALIAN AUTOMOTIVE AFTERMARKET ASSOCIATION

James Voortman CEO
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AADA AUSTRALIAN AUTOMOTIVE DEALER ASSOCIATION

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Appendix 1 – Motor insurance vehicle repair quality as measured by rectification rates

Source: Insurance Council of Australia

State / Territory	Rectification as % of total insurance assessments	Occupational licensing required to perform motor vehicle repairs?
NSW/ACT	0.33%	Yes
NT	0.14%	No
QLD	0.69%	No
VIC	0.28%	No
WA	0.57%	Yes
SA	0.28%	No
TAS	0.04%	No