



**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

Australian Automotive Aftermarket Association (AAAA)

Response to the Interim Report on Building A Skilled and Adaptable Workforce

September 2025



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The Australian Automotive Aftermarket Association (AAAA) welcomes the opportunity to contribute to the 'Building a Skilled and Adaptable Workforce' Interim Report. AAAA supports regulatory frameworks that are fit for purpose and deliver clear benefits. We caution against occupational entry requirements that add cost and complexity without improving outcomes, as these make it harder for our profession to meet today's workforce challenges while continuing to uphold competency and professional respect.

Our industry doesn't need to be told to train – it already does. As new technologies including Electric Vehicles (EV) and Advanced Driver Assistance Systems (ADAS) have entered the market, aftermarket businesses have taken the initiative to upskill, often creating and customised training opportunities. Many of these are delivered through industry-led programs and professional networks within the Association. **This commitment to learning ensures customers continue to receive the highest standards of service, supports compliance with legal obligations such as the Australian Consumer Law, and equips workshops to stay competitive and resilient as technologies and customer expectations evolve.**

Industry-led training is not only tailored to the needs of each business but also shaped by today's customer demand and the sector's deep understanding of the technologies of tomorrow. Our members are leading the way in developing and sponsoring training that equips the workforce for long-term success. By contrast, in states with occupational entry regulations, mandatory training is too often imposed through licensing schemes that are disconnected from business realities and future skill requirements. AAAA firmly opposes mandatory training tied to licensing where it fails to reflect genuine industry needs or deliver meaningful value.

AAAA agrees with the interim report's findings that reform should be prioritised in two areas of particular significance to the automotive aftermarket: (1) Work-Related Training and (2) Occupational Entry Regulations. Targeted action in these areas offers the opportunity to lift productivity across the sector while maintaining the highest standards of safety and consumer protection.



For any questions relating to this submission please contact

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Work-Related Training Rates

AAAA believes the automotive aftermarket's work-related training rates are marginally higher than the national average. Our Future Ready research shows that workshops are actively investing in skills to support the adoption of Electric Vehicles, with 23% planning to have at least one technician complete advanced competency units on hybrid and electric vehicle servicing within the next 12 months. These numbers are encouraging, but barriers remain that prevent more widespread training uptake. Unless these barriers are addressed, participation rates will decline over time.

The interim report identifies a range of reasons for these barriers, but AAAA sees two primary factors that most directly limit further investment in training.

Training During a Labour Shortage: The first barrier is time. The national skills shortage in automotive has become a critical constraint, directly limiting workshops' capacity to release staff for training. Australia's car parc grows every year, creating more demand for servicing and repair, while the workforce is already stretched to capacity. In this environment, every hour is needed on the workshop floor, and training becomes a luxury that many small and medium-sized businesses simply cannot afford.

This challenge is often underestimated in policy discussions. The need to upskill is widely acknowledged, but the practical reality of releasing staff during a labour shortage is less well understood. Members consistently report that they want to send technicians for advanced training — particularly for new technologies such as EVs and ADAS — but cannot spare them without disrupting operations. The problem is compounded by rigid delivery models from many RTOs and TAFEs, which schedule training only during standard business hours. Even a single day of training can mean cancelled bookings, lost revenue, and added strain on staff.

As a result, some workshops are caught in a cycle: high demand and workforce shortages prevent training, yet without training, long-term productivity gains are harder to achieve. AAAA believes that inflexible training delivery is exacerbating this problem and will continue to do so unless urgently addressed.

Return on Investment: The second barrier is the lack of a clear or immediate return on training investment. Australia's car parc does not yet have the volume of hybrid and electric vehicles to match the level of training being delivered. As a result, technicians are developing skills for technologies they may only encounter occasionally, creating a timing mismatch between training investment and workshop demand.

Workshops that identify as "Future Ready" are already actively investing in EV tools, insulated equipment, and advanced training, yet acknowledge that they are "not seeing significant volumes yet" and are still learning what EV servicing involves. By contrast, around 40% of workshops are "ICE-Focused," holding off on EV-related investment until they see customer demand materialise in their local markets.¹

Despite stronger growth in EV and hybrid sales, internal combustion engine (ICE) vehicles will continue to dominate the national car parc for the rest of the decade. Even by 2030, zero and low-emission vehicles are forecast to represent only around 15% of the total parc.²

This unevenness does not suggest that training is irrelevant; rather, it reflects the natural lag that comes with the introduction of new vehicle technologies. Until EVs and hybrids reach the market in greater volumes, some workshops will understandably delay investment until demand becomes clearer.

The challenge for both industry and government is to create pathways that encourage technicians to gain a solid foundation of knowledge and competency now — a base they can continue to build on as EVs and hybrids become a larger share of the car parc.

¹ AAAA Future Readiness Index Report p. 11
² AAAA State of the Industry Report 2024 p. 34

Industry-Led Training Pathways

AAAA believes that the answer lies in more **industry-led pathways** that are flexible, targeted, and provide global trainers to not only teach but also share insights. Programs such as The Automotive Technician (TAT) network demonstrate how the industry can deliver training and knowledge-sharing in ways that are practical and directly relevant to what technicians encounter in the workshop. Peer-to-peer learning, access to live specific technical training, and resources that can be used to bridge the gap between formal qualifications and day-to-day practice.

We see an opportunity for the government to support and expand these kinds of initiatives, ensuring that public investment in training supports models that are already trusted by industry. We believe that this type of training program will be enhanced by the potential introduction of tools, including a national skills passport.

Occupational Entry Regulations (OER)

The interim report rightly identifies occupational entry regulations (OERs) as a significant barrier to workforce flexibility and mobility. AAAA argues that regulation must be risk-proportionate and nationally consistent, and this remains a serious concern for our industry. While regulation is often justified on the grounds of safety and consumer protection, in practice we are increasingly seeing rules that act as barriers to entry without delivering any material benefit – as the interim report illustrates. Beyond offering no tangible benefit, the fees collected through these licensing regimes are not reinvested to strengthen the industry but are instead directed into state governments' consolidated revenue.

Australia is already facing a shortage of nearly 28,000 qualified automotive technicians. This equates to roughly one in five jobs unfilled at any given time; this trend is expected to increase to rise above 30,000 by 2030.³ The consequences are that customers can wait weeks for a vehicle service, workshops are forced to turn away work, and apprentices are left without adequate mentoring because senior staff are stretched too thin. When governments add additional OERs for industries that operate nationally, we not only make it harder to attract and retain workers, but we also actively slow the system at a time when it needs to be more responsive.

Case Study - State Based Regimes

Once state-based licensing regimes are established, there is a risk they will continue to add new requirements without clear merit or regard for broader industry and consumer impacts. This was evident in New South Wales this year with the proposal to introduce a new EV service licence.

The NSW Government sought to justify a new EV Licensing Repair Class on two fronts: protecting technicians from safety risks when working on EVs, and protecting consumers through quality assurance. Neither rationale holds weight. Technician safety is already comprehensively regulated under state workplace health and safety laws. Consumer protection is equally well covered – both through the Australian Consumer Law and through market forces, with poor-quality work quickly punished by reputational harm and public review platforms.

Even the Government ultimately conceded that a mandated EV Licensing Repair Class would not improve safety outcomes for technicians or deliver any additional consumer benefit. Instead, the justification relied on a thin claim that the proposal touched a little on both areas. It was precisely this patchwork reasoning – not a genuine evidence base – that underpinned what was, in effect, a flawed and unnecessary regulatory proposal.

Many workshops in the state had already invested heavily in training staff to work safely on EVs, yet the rule would have legally barred them from continuing until they obtained the government-mandated qualification. Workshops told us that, under these rules, they would have been forced to turn away EV repair work altogether – despite having the in-house expertise and safety processes to complete it competently. The result would have been longer waiting times for consumers, higher costs, and fewer technicians gaining the hands-on EV experience that is critical for the future.

In this case, the proposal was paused following strong industry opposition. However, the risk remains very real in jurisdictions with occupational entry regulations. AAAA maintains that occupational regulation must be proportionate to risk. There is no evidence that states without licensing for general automotive technicians experience worse safety or consumer outcomes than those with licensing in place. What these inconsistencies do create are barriers to labour mobility. A qualified mechanic moving from Brisbane to Sydney, for example, must navigate a licensing system that delays their ability to work. This duplication is costly and unnecessary.

Ensuring Minimum Standards

AAAA agrees with draft recommendation 3.1 'Remove excessive occupational entry regulations that offer limited benefit'.

As an industry association, we are supportive of minimum standards and recognition of the automotive trades; however, we are sceptical about **the introduction of a national licensing program for our sector.**

Industry-Led Accreditation

The automotive industry may not need a new national licensing scheme built from scratch. While licensing may be appropriate for some professions, our sector already operates under a unique legislated framework that delivers the same assurance through industry-led accreditation.

The Motor Vehicle Service and Repair Information Sharing Scheme 2021⁴ established the Australian Automotive Service and Repair Authority (AASRA). As a prerequisite to access OEM repair and security information, technicians must first meet AASRA's accreditation requirements. This includes verifying credentials and, for Vehicle Security Professionals, additional police and background checks before access is granted to high-risk data such as immobiliser codes and key programming. This model:

- is nationally consistent and recognised across the industry.
- is directly linked to Australia's landmark Right to Repair law.
- can be scaled to verify and enforce minimum standards for the profession; and
- is subject to government oversight, with AASRA required by law to report to Treasury.

This accreditation system already performs the core functions that a national licensing scheme would claim to deliver – and it does so in a way that is cost-effective, industry-owned, and trusted by both government and business.

Experience shows that occupational licensing, whether at state or national level, often imposes high compliance costs, creates barriers to entry, and restricts the labour pool without improving safety or consumer outcomes. The Productivity Commission has noted that licensing can hinder productivity and reduce competition. Creating a new national licensing body risks replicating these problems on a larger scale.

By contrast, accreditation is:

Efficient –
leveraging existing systems rather than building a new bureaucracy;

Targeted –
focusing on risk-proportionate requirements, not blanket rules;

Flexible –
able to adapt quickly as new vehicle technologies emerge; and

Accountable –
with industry and government both playing a role in oversight.

The Automatic Mutual Recognition (AMR) scheme already provides licensed workers with the ability to operate across jurisdictions. The Commission itself has highlighted that most states and territories are signed up to AMR, which further reduces any benefit of adding a new national licensing layer. Strengthening AMR by removing exemptions would be a far more effective policy response than creating another licence.

The Way Forward

State-based licensing in automotive has already demonstrated the risks of fragmentation, duplication, and added cost without measurable improvements. Reform must not repeat those mistakes. AAAA's position is clear: OER reform is not about lowering standards but about setting them at the right height.

The Productivity Commission has rightly identified motor vehicle repairer licensing as a key sector for review. What is now needed is recognition that our industry already has a robust, legislated accreditation framework in AASRA. Building on that framework – not creating a new licensing scheme – is the most efficient, nationally consistent, and future-ready solution for our industry.

⁴ The Motor Vehicle Service and Repair Information Sharing Scheme, implemented by the Australian government in 2021 and commenced on July 1, 2022, is a mandatory scheme that requires vehicle manufacturers to provide access to motor vehicle service and repair information at fair market value to Australian independent repairers and Registered Training Organisations (RTOs). The purpose of the scheme is to promote competition in the automotive sector, ensure a level playing field, and allow independent repairers to access the information necessary to service and repair vehicles effectively.

Concluding Remarks

The Interim Report on Building a Skilled and Adaptable Workforce rightly highlights many of the structural issues that AAAA has raised for years. The automotive aftermarket is a sector that has continually adapted to technological change, invested in training, and demonstrated its resilience. Yet our capacity to keep doing so is increasingly constrained by unnecessary regulatory duplication and a training system that does not always reflect the realities of small and medium businesses.

AAAA strongly supports the Commission's draft recommendations to remove excessive occupational entry regulations and to promote more flexible, competency-based training pathways. The NSW proposal for a separate EV service licence illustrates how damaging state licensing regimes can be – imposing costs on businesses and consumers without delivering any tangible benefit.

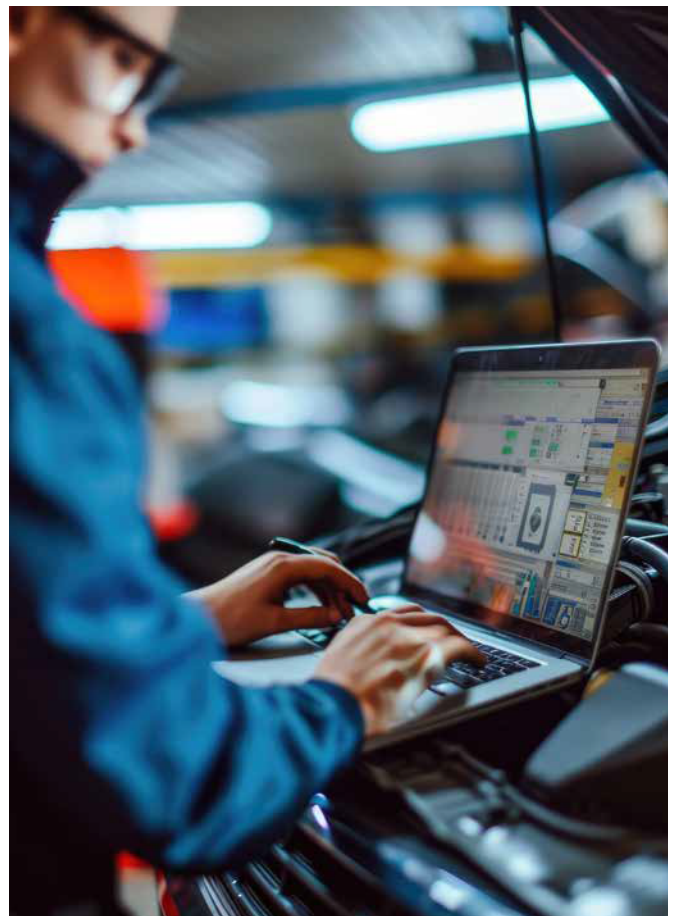
We also share the Commission's concern about training participation rates. Time pressures created by labour shortages and the delayed return on investment in EV and hybrid skills – due to a car parc still dominated by ICE vehicles – remain two major hurdles limiting further investment. Government policy should focus on flexibility in delivery, targeted incentives, and greater recognition of industry-led training that delivers practical, future-ready skills.

AAAA welcomes the opportunity to continue contributing to these reforms to ensure that the voice of our industry is heard and that solutions reflect the needs of the businesses and consumers we serve.

For any questions relating to this submission, please contact the AAAA Senior Government Relations and Policy Advisor, Mr Nick Johnston [REDACTED]

Yours sincerely,

Lesley Yates
Director of Government Relations and Advocacy
Australian Automotive Aftermarket Association



Who we are

The Australian Automotive Aftermarket Association (AAAA) is the peak national industry body representing the Australian supply chain for automotive products, vehicle maintenance, repair, and modification.

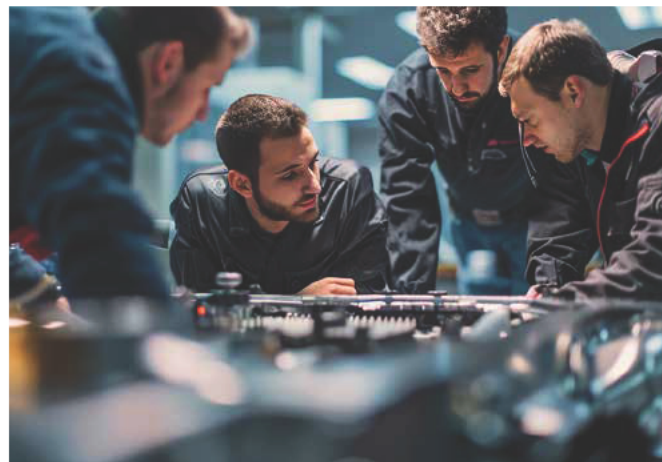
Our industry supports car owners after the purchase of the car, keeping vehicles safe and providing products for modification to make vehicles fit for purpose, including trade and emergency vehicles – in essence, everything that happens to the car after the initial purchase is part of the Australian automotive aftermarket sector.

Our members design and manufacture automotive components; distribute replacement and service parts in real-time; wholesale, import and export automotive parts and accessories, retail tools and equipment; and provide vehicle service, repair, and modification services in every community in Australia.

We support our members with industry and business improvement benefits while also undertaking important advocacy campaigns, providing events and training, and commissioning in-depth and industry-first research to help members make informed decisions.

AAAA and our member companies are proud to passionately defend the reputation and integrity of the independent aftermarket and stand by our products and professionalism.

AAAA is also a nominating organisation on numerous Standards Australia committees covering a wide range of parts and accessories, tools, and equipment; and our member representatives are actively involved in the development of product quality standards.



3,000 Member companies represented by the Association in all categories of the Australian automotive aftermarket



Members include major national and multi-national corporations as well as a large number of independent small and medium size business



AAAA member companies export over **\$1 billion** worth of Australian manufactured product each year



The parts and maintenance sector is a large and critical component of Australia's \$200 billion automotive industry



AAAA member companies employ more than **40,000 people**



Member companies are located in metropolitan, regional and rural Australia



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