AUSTRALIAN AUTOMOTIVE AFTERMARKET ASSOCIATION

30 July 2025

Dear Regulation Policy Consultation (DGS) Team,

Australian Automotive Aftermarket Association (AAAA) Response to the Review of the Professional Engineers Registration Act 2019

On behalf of the Victorian members of The Australian Automotive Aftermarket Association (AAAA) welcomes the opportunity to contribute to the review of the Professional Engineers Registration Act 2019.

Since the legislation was first introduced, the AAAA has been engaging with members to determine the effectiveness of the current framing. In addition, other respective states have also implemented professional engineers' legislation of their own, taking learnings from the Victorian model. While AAAA is supportive of the need to ensure that the building and construction industry has registered engineers to ensure accountability and to create an enforcement interface, the wide-reaching scope of the Victorian legislation has created several problems for our members. As such, the AAAA strongly opposes the current framing of the legislation, which sweeps automotive engineering and automotive electronics into scope.

PERA's legislative purpose and regulatory architecture were built around building-industry risk. Which we agree is valid after multiple issues and remedies for consumers that did not meet the expectations of the community. However, the introduction of Automotive engineering made little sense at the time of implementation, and 5 years on, it has been ineffective, confusing for industry and a duplication of protections that already exist in Victoria.

AAAA is recommending the removal of automotive (including automotive systems, design and electronics) from the Mechanical and Electrical area descriptions used for registration in Victoria.

Duplication and regulatory overlap are still an issue

Nearly all engineering work that is done in the automotive aftermarket is embedded in a strong and stringent federal governance system. The product, modification or system does not gain approval simply because the engineer is registered; it is analysed and approved by our public service in a rigorous process.

Australian Design Rules

ADRs are Australia's national vehicle standards for safety, anti-theft and emissions. Since 1 July 2021, they have been administered under the RVSA 2018. These requirements are specialised to specific product classes.

VSB 14

VSB 14 provides the engineering requirements for light-vehicle modifications and individually constructed vehicles, upon which states and territories base their own certification processes.

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PERA's occupation-wide licensing regime may have been a blanket approach with good intentions, but for automotive, product and service risks are already managed through the ADR/VSB 14 testing process. The review should deeply consider whether PERA adds material incremental safety assurance proportionate to its costs for automotive SMEs.

Why PERA is the wrong tool for automotive engineers.

1) Addressing the building Industry's issues is not a one-size-fits-all all approach.
   PERA was built around building-industry risks and accountability (including endorsement to practise in the building industry and an enforcement interface with building regulators). Automotive engineering already sits in a product-safety world, national vehicle standards, modification and certification frameworks, recall powers, and consumer law already create strong, targeted obligations. The decision to extend the building-centred licensing scheme over the top hasn't made vehicles safer; it just makes the engineering slower and more expensive.

2) No demonstrated market failure.
   The case for bringing automotive into PERA for automotive based engineering tasks has still not been made, and is baffling to many in the sector. In construction, there were well-documented failures that justified intervention. In automotive, there is no equivalent pattern of engineering malpractice that existing laws have failed to deter or correct. Where defects arise, there are both recall options and remedies for consumers under national and state consumer laws. From our research and engagement, we have not been able to find a single instance of infraction for our industry since it was implemented, and prior to its implementation, the existing laws that govern our members' products have provided harsher penalties and greater compensation for end users.

3) Cost and ongoing compliance
   Many of AAAA members are small businesses. Requiring them to carry (or contract) registered engineers for everyday product design and validation forces overheads that small firms simply cannot absorb. That means fewer local prototypes, slower iteration, and greater incentive to push engineering work interstate or offshore. This has already been occurring with some members leaving operations in Victoria and others seriously considering a move.

4) A muddled scope creates compliance anxiety.
   The current "Mechanical" and "Electrical" descriptions sweep in so broadly that businesses are left guessing what work is in or out. In addition, there has been little to no ongoing advertisement of the requirements.

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Other States Have Chosen Not to Include Automotive Disciplines

The AAAA wishes to draw attention to the approach taken by other jurisdictions, including the South Australian Government. In 2023, South Australia proposed a Professional Engineers Registration Scheme focused exclusively on the building and construction sectors. During the consultation period, the AAAA sought and received confirmation that there were no plans to expand the scheme to include the automotive industry. In explaining this position, the department acknowledged that the scheme was designed to target a specific issue without imposing an unnecessary regulatory burden on unrelated businesses.

The AAAA strongly supports this rationale, which has also been reflected in the decisions of other states to exclude automotive disciplines from their respective engineering registration frameworks.

State by State

State	**Areas that must be registered**	**Key exemptions / carve-outs**
NSW	Civil, Structural, Mechanical, Electrical, Fire-Safety, but only on Class 2, 3 & 9c buildings	Any engineering outside those building classes is out of scope
QLD	Any "professional engineering service"	Exempt if (i) **under RPEQ direct supervision**, or (ii) **performed solely to a prescriptive standard.** Most routine vehicle modifications proceed under the prescriptive-standard exemption.
SA	**Phase 1 only** – Structural & Fire-Safety on complex NCC buildings	All other disciplines are currently excluded
WA	Civil, Structural, Mechanical, Electrical, Fire-Safety	Electrical and all non-building engineering are excluded
Vic	Building engineers: Structural & Fire-Safety	Exempt if **directly supervised by a registered PE** or **delivered only to a prescriptive standard**

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Impact of Victoria's Legislation

There is no doubt that this scheme has created a competitive handicap for our industry in comparison with other states. NSW, SA, WA, NT and TAS either confine registration to specific

Building classes or leave mechanical/electrical out entirely; Queensland exempts work done to prescriptive vehicle standards. Leaving Victoria as the only state that requires registration and training to undertake work that is compliant with Federal ADRs.

Cost vs Benefit of the scheme

Unfortunately, the material to date describes engagement numbers rather than enforcement, including how many engineers have been registered, rather than outcomes. Consumer Affairs Victoria's 2023-24 annual report, for example, notes that "a further 3,636 professional engineers were registered, bringing the total to 13,293" and simply states that a review "will commence in 2024-25" without presenting any indicators that registration has reduced defects, injuries or consumer losses.

The review discussion paper likewise lists the scheme's objectives but supplies no baseline data against which success might be judged.

By contrast, Queensland's Board of Professional Engineers (BPEQ) publishes an annual data set which includes registrations, CPD-audit results, complaints and disciplinary outcomes.

Until the review produces transparent, comparative evidence (e.g., incident trends, insurance claims or consumer-loss metrics), there is no demonstrated benefit showing that PERA's broad, high-cost model delivers superior public-safety results over the targeted or exemption-based systems operating everywhere else in Australia.

Recommendations

Amendments to the legislation to

1. Only include Civil, Structural, Mechanical, Electrical, Fire-Safety, but only on Class 2, 3 & 9c buildings. This would restrict the scheme to those in the construction industry where there has been a demonstrated market failure.
2. AAAA is supportive of expanding this out to other sectors if there is a demonstration of market failure and a full cost-benefit analysis is completed prior to changes.

If amendments to the current legislation are not considered, the AAAA proposes that:

1. Strengthen the safe harbour for routine work. If a task is performed strictly to documented procedures (e.g., manufacturer specifications, recognised codes of practice, standards-based test methods), it is treated as prescriptive and does not require a registered engineer.

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The Australian Automotive Aftermarket Association is the peak industry association representing automotive parts manufacturers, replacement and service auto parts distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, and providers of vehicle service, repair, and modification services in Australia. Our industry supports car owners after the purchase of the car - keeping their vehicles safe and providing products for modification to make vehicles fit for purpose, including trade and emergency vehicles.

Kind regards,

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