FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES

FCAI submission in response to:

Review of the NSW Motor Dealers and Repairers Regulation

30 MAY 2025

FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES
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TABLE OF CONTENTS

1. INTRODUCTION

The Federal Chamber of Automotive Industries (FCAI) welcomes the opportunity to respond to the proposed changes to the NSW Motor Dealer and Repairers Regulation (MDDR) 2014. We understand that the current Regulation is due to be repealed on 1 September 2025 unless it is remade, and that NSW Fair Trading has developed a Regulatory Impact Statement (RIS) for the purposes of public consultation in order to set out the key changes to the current Regulation.

The FCAI is the peak Australian industry organisation representing over 60 global automotive brands who design, manufacture, import, distribute and sell light duty passenger vehicles, light commercial vehicles, and motorcycles in Australia. FCAI members supply new vehicles to the Australian market across more than 380 models supported by over 3,300 dealers. Our members are listed on our website.

Our members lead the introduction of new vehicle technologies and champion the development of necessary industry capabilities for their repair and maintenance. They provide essential training, technical information, repair methods, genuine spare parts and tools to the market, prioritising their authorised network of service providers while also supporting the independent repair industry through the Motor Vehicle Information Scheme (MVIS) legislation. **Worker safety and repair quality are paramount to our members**, who impose strict qualification requirements on technicians within their authorised networks, often relying on a blend of VET qualifications and brand-specific training.

In line with our previous submissions, we value the existing NSW Motor Vehicle Dealers and Repairers Regulation for its alignment with our members' principles and strongly support its continuance beyond September 2025, including the proposed changes.

With Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) making up approximately 2.7 per cent of all new vehicles sold in NSW since 2016 (in accordance with VFACTS), it is appropriate now to **introduce the BEV repair class within the NSW Motor Dealers and Repairers Regulation**. Delaying this introduction will only create more challenges for our members, their franchised technicians, and the independent repair industry.

We believe a two-year transition period is achievable for training-related compliance and urge NSW Fair Trading and the broader NSW Government to consider how to equally support the upskilling of the existing workforce in both franchised and independent repair networks.

2. KEY RECOMMENDATIONS

The perspectives and recommendations we have reached with our membership when considering the proposed changes to the MDRR are summarised below:

- We support the proposed requirement for AURETH101 *Depower and reinitialise battery electric vehicles* qualification to be held by all technicians working on BEVs.
- We recommend removing the requirement for AURETH101 qualification for any work on HEVs, or, as a less preferred option, requiring the AURETH011 qualification for electrical accessory fitting work, radiator repair work, and steering, suspension and wheel alignment work on HEVs.
- We recommend allowing AURSS00064 OR AURSS00063 qualification for access to the BEV repair class, instead of just the AURS00064 qualification as currently proposed.
- We recommend extending the BEV repair class to include Plug-in Hybrid Electric Vehicles (PHEVs) and renaming it EV repair class.
- We do not recommend including hybrid vehicles in the EV repair class at this stage.
- We believe a two-year transition period is a realistic timeframe for achieving training compliance. A three-year transition period would be generous and may need to be considered if insufficient financial support is provided to industry by the NSW Government.
- We have no objection to the other proposed changes presented in the RIS.

The following section provides further context to the above views.

3. FEEDBACK

3.1 Upskilling requirements for existing tradespersons who wish to work on battery electric vehicles

3.1.1 Battery Electric Vehicles (BEVs)

FCAI supports the proposed requirement for AURETH101 *Depower and reinitialise battery electric vehicles* qualification to be held by all technicians working on BEVs.

Without this qualification, existing technicians have no formal awareness or understanding of high-voltage automotive systems and are at risk of electric shock should they not be able to ensure the safe depowering of the vehicles prior to their work.

We consider this qualification to be a minimum requirement to ensure the safety of the technicians as BEVs include 400-to-800-volt DC systems architecture, with the trend continuing further towards 1,000-volt to ensure faster vehicle charging capabilities.

This qualification can be obtained through a one-day course for fees from approx. $600 through over 207 Registered Training Organisations (RTOs) around the country as per the RTO register publicly available on https://training.gov.au/, in addition to TAFE centres.

With an appropriate transition period (see section 2.3), there is no barrier for access to this training.

As highlighted in our previous submission, this requirement in the MDRR will also ensure alignment with current industry practice:

- the MVIS requirement for technicians to hold appropriate training in safely depowering, isolating and re-initialising a high voltage battery in order to be granted access to relevant safety information. As stated in the ACCC's MVIS guidance, "*this training must be provided by an RTO or provided directly or on behalf of a manufacturer of one of these systems*".
- section 3.3. of Australian Standard AS5732:2022 Electric Vehicle operations – Maintenance and repair which states that "*Where service and repair work on PEVs, HEVs, BEVs, PHEVs, or FCEVs that excludes work on or to the HV system or components is carried out, a competent person shall carry out and oversee the work, and be able to identify all HV systems and components. Qualifications for the competent person may include completion of a nationally recognised automotive trade qualification or equivalent OEM units of competency*".

To note, all OEM-franchised technicians have either been required to obtain this AURETH101 qualification or have completed equivalent OEM training. Without the appropriate training required by the OEM, the technicians are not allowed to undertake work on BEVs.

3.1.2 Hybrid and Plug-in Hybrid Electric Vehicles

The RIS proposes to require the AURETH101 qualification for Electrical accessory fitting work, Radiator repair work, and Steering, suspension and wheel alignment work on Hybrid Electric Vehicles (HEVs). We also note that the RIS does not specifically mention Plug-in Hybrid Electric Vehicles (PHEVs).

The AURETH101 qualification is specifically designed for BEVs while the AURETH011 qualification is designed specifically for HEVs and PHEVs.

We appreciate that distinguishing the two qualifications may add a level of complexity to the MDRR, but it cannot be assumed that these two qualifications are equivalent.

Given that HEVs have been operating in Australia for over 20 years, with the Toyota Prius first arriving in 2001, we are confident the repair industry has organically developed the necessary capabilities for this powertrain technology and effectively managed the associated risks. **We recommend removing the requirement for AURETH101 qualification for any work on HEVs, or, as a less preferred option, requiring AURETH011 qualification for electrical accessory fitting work, radiator repair work, and steering, suspension and wheel alignment work on HEVs.**

For PHEVs, the question remains as to whether the MDRR should require the AURETH011 qualification for specific or all repair activities. In all logic, from a safety standpoint, any work on a PHEV should require an initial level of training for the depowering and reinitialisation of the vehicle. Other stakeholders, like AUSMASA or the Canberra Institute of Technology EV Centre of Excellence, may be better placed to comment on the relevance of AURETH101 for PHEVs.

3.2 New repair class: Electric Vehicle Motor Mechanic

3.2.1 Proposed bridging pathway

We acknowledge the revised proposal from NSW Fair Trading from the previous consultation that suggested the BEV bridging pathway could require technicians to hold both the AURSS00064 *Battery Electric Vehicle Inspection and Servicing* skillset and AURSS00063 *Battery Electric Vehicle Diagnose and Repair* skillset. Instead, requiring AURSS00064 qualification only significantly reduces the constraints on the technicians and the broader industry and better align with the current availability of training services.

The AURSS00064 qualification can be obtained through a four to five-day course through over 41 Registered Training Organisations (RTOs) around the country as per the RTO register publicly available on https://training.gov.au/ – in addition to TAFE centres.

Again, with an appropriate transition period, pragmatic consideration of the supply and demand forces at play and consideration for government financial support (see section 2.3), there is no barrier for access to this training.

3.2.2 AURSS00063 Battery Electric Vehicle Diagnose and Repair qualification

Some franchised technicians may have elected to obtain the AURSS00063 *Battery Electric Vehicle Diagnose and Repair* qualification instead of the AURSS00064. In the current proposed approach to the BEV repair class, these technicians would be required to undertake additional training for the AURSS00064 qualification.

Although these two - qualifications address distinct, critical subsystems within a BEV (as shown below), they both demonstrate high level of expertise for comprehensive BEV diagnosis and repair. On that basis, **NSW Fair Trading should consider modifying its proposed approach for the BEV repair class to require AURSS00064 OR AURSS00063 qualification.**

This flexibility in the Regulation will not only remove current constraints for technicians holding the AURSS00063 qualification but also ensure its continued appeal to the workforce. This approach supports a potential future tiered-qualification model within the MDRR, where technicians with AURSS00064 can perform EV inspection and servicing, while those holding both AURSS00064 and AURSS00063 are authorised for all EV repair work. It may also allow RTOs to offer more course options and help speed up the workforce transition.

UoCs in AURSS00064 Battery Electric Vehicle Inspection and Servicing Skill skillset

AURETH101	Depower and reinitialise battery electric vehicles
AURETH102	Inspect and maintain battery electric vehicles
AURETH103	Diagnose and repair high voltage rechargeable energy storage systems in battery electric vehicles
AURETH107	Diagnose and repair system instrumentation and safety interlocks in battery electric vehicles

UoCs in AURSS00063 Battery Electric Vehicle Diagnose and Repair skillset

AURETH101	Depower and reinitialise battery electric vehicles
AURETH104	Diagnose and repair traction motor speed control systems in battery electric vehicles
AURETH105	Diagnose and repair high voltage traction motors in battery electric vehicles
AURETH106	Diagnose and repair auxiliary motors and associated components in battery electric vehicles
AURETH108	Diagnose and repair HVAC and rechargeable energy storage cooling systems in battery electric vehicle
AURETH109	Diagnose and repair DC to DC converters in battery electric vehicles
AURETR125	Test, charge and replace batteries and jump-start vehicles

3.2.3 Scope of the BEV repair class

3.2.3.1 Plug-in Hybrid Electric Vehicles (PHEVs)

The RIS suggests that the new BEV repair class would only apply to "*a motor vehicle which only uses an electric motor for propulsion and is not fitted with a fuel cell or an internal combustion engine*".

We recommend extending this definition to include Plug-in Hybrid Electric Vehicles (PHEVs) for several critical reasons:

- PHEVs, like BEVs, contain and operate with significant high-voltage (HV) battery systems and electric drivetrains. Both BEVs and PHEVs have electric motors, inverters, converters, and high-voltage cabling. Diagnosing and repairing faults in these components requires similar electrical and electronic diagnostic skills.
- The procedures for safely de-energising (depowering), isolating, and working around these HV systems are essentially the same for both BEVs and PHEVs. Technicians must understand the risks of electric shock, arc flash, and thermal runaway, and employ specialised PPE (insulated gloves, face shields), tools, and lockout/tagout procedures.
- The presence of high voltage systems in both BEVs and PHEVs dictates the need for specialised training, regardless of whether there is also an internal combustion engine in the vehicle. From a safety perspective, a damaged PHEV battery or HV cable poses the same risks as a BEV equivalent.
- The AURSS00064 and AURSS00063 qualifications all cover BEVs and PHEVs. Also, for both the MVIS and AS5732 purposes, BEVs and PHEVs attract the same requirements and recommendations.
- While BEV sales are increasing, PHEVs have been on the market for some time and continue to sell, contributing a noticeable percentage of new vehicle sales (0.94% in 2023, 1.85% in 2024 and 3.9% in 2025 at the end of April, in NSW). There is a significant existing and growing fleet of PHEVs requiring servicing and repair. A unified EV repair class that encompasses both BEVs and PHEVs would provide clear assurance to consumers that any technician working on their high-voltage vehicle is appropriately qualified, irrespective of its specific powertrain configuration.

To exclude PHEVs from the BEV repair class would be to overlook a significant safety risk and create an unnecessary division in automotive training and regulation.

Should PHEVs be included in the new repair class, it would be logical to refer to it as EV repair class.

3.2.3.2 Hybrid Electric Vehicles (HEVs)

Within the hybrid vehicle category, Mild Hybrid Electric Vehicles (MHEVs) operate around 48V DC while Full Hybrid Electric Vehicles (FHEVs) typically range from 200V to 300V DC. OEMs have long recognised the inherent safety risks and specialised skill requirements associated with these vehicles. Consequently, they have trained their franchised technicians through brand-specific programs, rather than relying solely on

specific VET qualifications. Logically, hybrid vehicles do fall under the broader umbrella of Electric Vehicles.

However, given that these vehicles have been operating in Australia for over 20 years, we are confident the repair industry has organically developed the necessary capabilities for this powertrain technology and effectively managed the associated risks.

Considerations for hybrid vehicle repair are best addressed through the ongoing updates and improvements to automotive VET qualifications, a process in which we actively participate with AUSMASA. Furthermore, the proposed EV repair class, supporting the uptake of BEVs and PHEVs, will further enhance industry capabilities. Therefore, **we do not recommend including hybrid vehicles in the EV repair class at this stage.**

3.2.4 OEM Training recognition

OEMs consistently introduce new vehicle technologies, and as part of their product planning, they develop specialised training programs. These programs address the unique design, assembly, and repair methods for their specific products. OEMs then deliver this training to their technicians and those at franchised dealerships, either in-house or through partner training providers.

These OEM training programs are typically developed ahead of new or updated VET qualifications. This is because the timeframes for VET qualification development simply have not aligned thus far with the urgent demands of compliance, innovation, and market competition. When VET qualifications are eventually developed or updated to address broader industry needs, they tend to remain more generic than OEM-specific training.

Ultimately, OEM training holds significant value in the market and will likely remain essential for the foreseeable future to address the needs of new vehicle technologies and brand-specific solutions.

However, we acknowledge the challenge for NSW Fair Trading in recognising OEM training as valid evidence of skills within the Motor Dealer and Repairers Regulation (MDRR), as these OEM programs are developed outside the Australian Qualifications Framework.

We see three primary options for our members:

1. *No Impact*: If an OEM already requires its franchised technicians to obtain AURETH101 and AURSS00064, and uses OEM training as a supplement, the proposed BEV repair class and new conditions for EV work will have no impact.
2. *Mapping and Gap-Filling*: If OEM training has been developed and delivered independently of VET qualifications, the OEM can engage an RTO to map the OEM training against the VET scope, identify any gaps, and design an OEM-specific gap-filling program. It is understood that the selected RTO must have the capability to deliver the VET qualifications they are mapping the OEM training against. NSW franchised technicians could then complete this program

to obtain a statement of attainment required for their licencing under the MDRR.

3. *VET mandate*: An OEM may determine that the mapping and / or gap-filling process in Option 2 is too onerous or complex. In this scenario, they might revert to Option 1, requiring their franchised technicians to obtain the AURETH101 and AURSS00064 qualifications for MDRR compliance and regardless of any prior OEM training.

Currently, few OEMs are operating under Option 1. While we cannot definitively predict whether OEMs will pursue Option 2 or 3, we understand that both choices will involve additional costs and process changes for OEMs and/or franchised technicians.

Based on extensive engagement with our members regarding these options, we believe the urgent need to introduce the BEV repair class now outweighs any short-term implementation challenges. Our focus now shifts towards collaboratively designing an appropriate transition period and securing the necessary government support to enable this transition.

3.3 Reflections on transition period and other potential support to industry

Determining the appropriate transition period for the start of the BEV repair class in NSW is a critical decision that requires careful consideration of various interconnected factors. NSW Fair Trading should aim for a period that balances the imperative of safety with the practical realities and capacity of the automotive industry.

The key factors that should be considered are:

- Industry Capacity for EV Training

  Over 200 RTOs offer the AURETH101 training and over 40 offer the AURSS00064 training outside of TAFE centres. NSW Fair Trading may wish to refine these numbers and gain a better appreciation of the NSW training capacity and its geographic distribution across metropolitan, regional and rural areas. In our view, these numbers are growing rapidly and will grow faster with the announcement of the BEV repair class being introduced under the MDRR.

- Number of Technicians Requiring Upskilling

  Although, the whole existing workforce will need to be trained ultimately to service and repair BEVs, the actual training demand for the AURSS00064 qualification will be dependent on the number of BEVs in the market and where the demand for service and repair will actually occur.

  Since 2016, 90,293 BEVs and PHEVs have been sold in NSW, representing 2.7 per cent of new vehicle sales in that period. Of those, 93 per cent have been sold in the past four years and are most likely to be currently getting serviced and repaired through the brands' authorised networks. The demand for BEV service and repair in independent networks is currently minimal. As such, any support would be best focused on ensuring the appropriate licencing of the franchised

technicians who already have the skills and experience but lack the formal recognition within the Australian Qualifications Framework.

- Duration and Cost of Training

  AURETH101 is a one-day course for fees from approx. $600. The constraint on businesses and technicians is small but many technicians will be affected. The constraint associated with the AURSS00064 qualification are more notable as this is a four to five-day course which fee can be $2,000 but they will apply to less technicians. These differences suggest different levels of support and conditions of access could be considered. For instance, financial support for AURSS00064 training may be conditioned on the number of technicians already licenced in the BEV repair class within a given business and the demand for BEV service and repair in this business. Support for AURETH101 training may be made more broadly accessible.

- Growth of the EV Fleet in NSW

  BEV and PHEV sales have significantly increased in the past four years but have been plateauing during 2025. Growth is expected over time but not to the extent of reaching 50 per cent of new light vehicle sales by 2030 as suggested in the 2021 NSW Electric Vehicle Strategy.

Finally, **the transition period for the start of the BEV repair class should not only be a response to supply and demand forces as we understand them today, but it should also be designed as a catalyst to drive behaviours throughout the workforce, especially in the independent repair industry, and participate to building consumer confidence in electric vehicles**.

We believe a two-year transition period is a realistic timeframe for achieving training compliance. In addition, such a timeframe would set a clear goal that would prompt all industry segments into action, including OEMs, franchised and independent technicians, and Registered Training Organisations (RTOs).

A three-year transition period would be generous and may need to be considered if insufficient financial support is provided to industry by the NSW Government.

If extended beyond three years, most industry players will likely delay their individual responses, rendering the transition even more challenging to achieve and prolonging unacceptable safety risks in the workforce and community.

To support the industry through this transition, the NSW Fair Trading and the broader NSW Government may consider:

- reduced fees for Motor Vehicle Tradesperson Certificate in the BEV repair class during the transition period,
- reduced fees for Motor Vehicle Repairer Licence during the transition period,
- implementing arrangements similar to the Queensland Skills Agreement (funded by the Australian and Queensland Governments), which supported access to Fee-Free TAFE and VET places in 2023 and covered qualifications such as AURSS00064.

Importantly, any support should be accessible to all technicians regardless of whether they work within an OEM franchise or independently.

3.4 Other proposed changes

We have no objection to the other proposed changes presented in the RIS.

While acknowledging the proposal to remove existing limitations in the management of the Motor Dealers and Repairers Compensation Fund that prevent claims for motor vehicles exceeding 35 years of age (and motorcycles exceeding 10 years of age), it is important to note that OEMs generally cease to produce genuine spare parts up to ten years after the last vehicle of a given model is manufactured (likely less for motorcycles). For older vehicles, if genuine new parts are no longer available, used genuine parts (or non-genuine aftermarket alternatives) are generally accessible for repairs. We understand this proposed change is not intended to imply an expectation on OEMs or their franchised dealerships regarding the availability of new genuine spare parts for vehicles of that age.

3.5 Beyond this consultation

3.5.1 Towards a nationally consistent licencing framework for repairers and dismantlers

We encourage other states and territories to follow NSW Fair Trading's actions and establish common licencing regimes for the automotive repair and dismantling industries. The FCAI aspiration is that these regimes converge and align over time to support consistent practice across the country.

As such, we stand ready to support NSW Fair Trading in any cross-jurisdiction discussions.

3.5.2 Supporting improvements in the recovery of parts and materials from end-of-life vehicles

Our research, conducted as part of the design for a national product stewardship scheme for End-of-Life Vehicles (ELVs), revealed that Australia's recycling and dismantling industry lags leading global economies.

The industry currently recovers some 70 per cent of the 850,000 individual vehicles that reach their end-of-life each year. This leaves approximately 1.36 million tonnes of waste going to landfill where leading countries achieve recovery rates above 95 per cent. Further details on this matter are available in our summary report.

Of relevance to the licencing of dismantlers that forms part of the current and future MDRR, we found that, to unlock improvements in Australia in the recovery of ELVs, we first need to establish:

- a licensing and accreditation regime of ELV dismantling businesses to enable enforceable minimum standards and practices and monitor the flow of materials towards reuse, recycling or other forms of recovery; and
- traceable evidence of destruction, issued by the licenced and accredited ELV dismantling businesses, linked to the vehicle deregistration process to ensure all ELVs are captured by the scheme.

At the core of this system is the licensing framework of automotive dismantling businesses, which the MDRR already covers.

We believe NSW is in prime position to support improvements in the recovery of parts and materials from end-of-life vehicles, and we look forward to working with all NSW government agencies to assess and realise this opportunity.

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