



Skills shortages in the Australian automotive industry

MTAA member survey findings 2024

1 March 2024

Contents

Executive summary	iii
1 Background	4
1.1 Purpose	4
1.2 Defining the automotive industry	4
1.3 Skills shortages in the Australian economy	7
2 Survey methodology	10
3 Survey results	11
3.1 Key findings	11
3.2 Occupational findings	11
3.3 Sub-industry findings	13
3.4 Geographical findings	14
3.5 Other trends	16
3.6 Expectations for 2024	18
References	19
Appendix A: Survey questions	20

Executive summary

The Motor Trades Association of Australia (MTAA) has partnered with Deloitte Access Economics to prepare their response to Job and Skills Australia's (JSA) 2024 Skills Priority List stakeholder survey. This report has been produced by Deloitte Access Economics for MTAA for the purpose of supporting this response. The report provides a summary of the findings from a cross industry survey of MTAA members conducted by Deloitte Access Economics, ensuring that the insights provided to JSA are data-driven and evidence-based.

Australia is experiencing a tight labour market with evidence of extensive skills shortages across many occupations. The latest JSA Skills Priority List showed that 36% of occupations across Australia were in shortage in 2023, five percentage points higher than the equivalent figure in 2022.

Skills shortages are a particular issue for the automotive industry. Of the 26 six-digit ANZSCO occupations that are most prominent in the automotive industry, 35% were assessed to be in shortage by JSA in 2023. A range of recent studies indicate that skills shortages are amongst the biggest challenges facing automotive businesses.

The automotive industry in Australia covers a wide range of business activities with diverse skills needs. To reflect this, and meet the JSA's requirements, Deloitte Access Economics conducted a survey of MTAA members to provide on-the-ground insights into how skills shortages are impacting the automotive industry. The survey was completed by over 500 automotive businesses from across Australia, representing over 2% of industry employment.

We find that there are acute skills shortages across the industry. Amongst the businesses responding to the survey, over 2,000 vacancies were advertised in 2023 of which less than 800 were filled, with an average industry fill rate of just 39% - well below JSA's threshold for determining if an occupation is in shortage. Shortages were prevalent across all states and territories, and in general were worse in regional locations compared to metropolitan regions.

Most automotive occupations were found to be in shortage, with fill rates particularly low for technician and trade workers. When comparing the survey findings to the 2023 JSA Skills Priority List (SPL) ratings it is found that:

- **Four occupations currently assessed as not in shortage by JSA were found to have fill rates below 67%:** tow truck drivers, tyre fitters, sales representatives (motor vehicle parts and accessories), and motor vehicle parts interpreters / automotive parts salespersons.
- **Two occupations currently not rated in the SPL owing to their skill level were found to be hard to recruit:** Materials recyclers (automotive dismantlers) and car detailers had low fill rates of 27% and 57% respectively.
- **Three emerging or other occupations relevant to the industry were also found to be in shortage:** The fill rate for the important emerging occupation of electric vehicle technician was 41%. Meanwhile the fill rates for apprentice mechanics and office support workers were 63% and 38% respectively.

The key reason highlighted for not filling vacancies was low numbers of applicants per vacancy. On average, automotive businesses received 8.2 applicants per vacancy, well below the national average of 17.7.

While low numbers of applicants were the diagnosis, many symptoms were identified by employers to be driving these issues. These included a lack of skilled / qualified workers, issues with the industry training pipeline, challenges around visas, remuneration concerns and competition from other industries, with many businesses calling for a greater focus from government on tackling the chronic lack of support for technician and trade professions in Australia.

1 Background

1.1 Purpose

The Motor Trades Association of Australia (MTAA) has partnered with Deloitte Access Economics to prepare their response to Job and Skills Australia's (JSA) 2024 Skills Priority List stakeholder survey. This report will support the MTAA to provide a data-driven and evidence-based response to JSA's stakeholder survey, informing the Current Labour Market Rating component of the Skills Priority List. The report provides a comprehensive analysis of a Deloitte Access Economics survey of MTAA members, focusing on key insights about current labour shortages across the industry nationally and, where data has permitted, by state.

The Skills Priority List is released annually and is used as a point-in-time assessment to understand current skills shortages¹ and future labour demand in industries across Australia. It is based on data from a range of sources including economic data, employer surveys and stakeholder engagement. It is a key resource used to shape domestic education and training policy and informs Australia's Migration Program planning.

1.2 Defining the automotive industry

The automotive industry in Australia covers a wide range of business activities and has diverse skill needs. The industry's activities span across a range of codes under the Australian and New Zealand Standard Industrial Classification (ANZSIC) and the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

Relevant sub-industries

For this report the automotive industry is defined as the seven ANZSIC sub-industries listed in Table 1. This definition was informed by consultation with MTAA, analysis of the ANZSIC industry classifications and a broader review of available literature. The seven sub-industries included in the definition comprise 93% of the industry's business population, as per data from the previous MTAA study.²

¹ JSA defines an occupation as in shortage when employers find it challenging to fill or are unable to fill vacancies or are unable to meet significant specialist skill needs within that occupation. This may be influenced by current remuneration, working conditions and accessibility of job locations (JSA, 2023).

² Motor Trades Association of Australia, 2021.

Table 1 Australian automotive industry: report definition

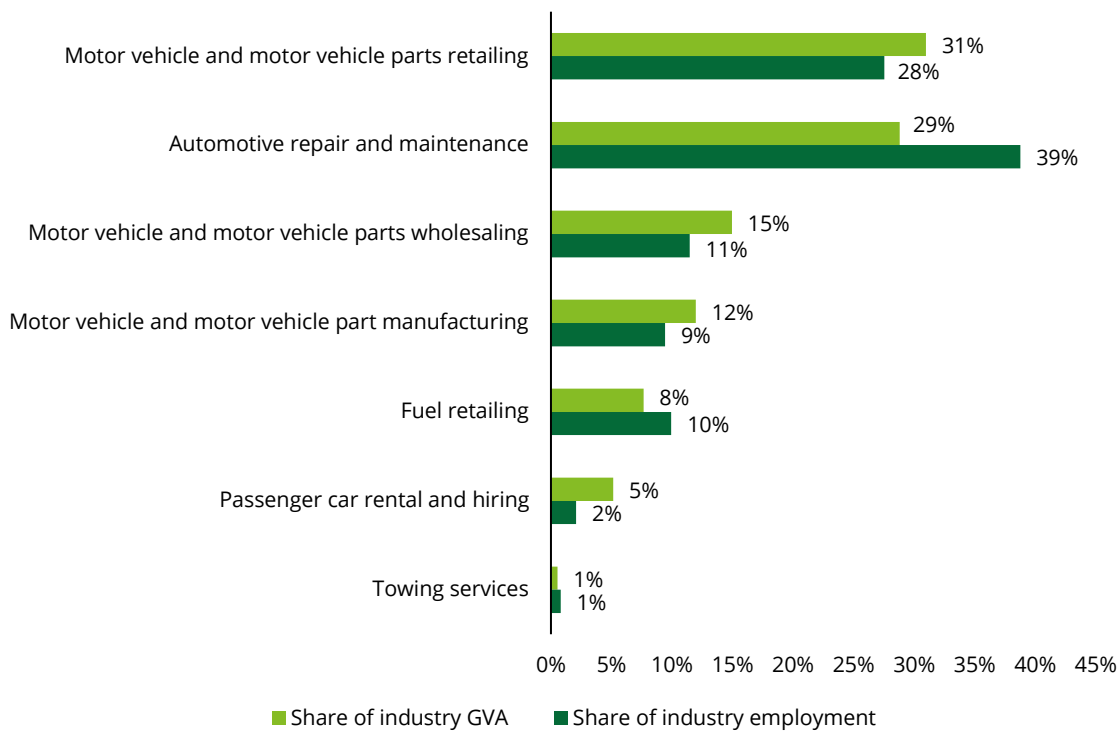
ANZSIC	Sub-industry	Main activities	Key relevant ANZSCO codes (occupation)
391, 392	Motor vehicle and motor vehicle parts retailing	New and used car, motorcycle, truck, trailer and other motor vehicle retail sales. Original equipment and aftermarket retail sales of motor vehicle parts and tyres.	149212 Customer Service Manager* 621311 Motor Vehicle or Caravan Salesperson* 621312 Motor Vehicle Parts Interpreter / Automotive Parts Salesperson* 611313 Sales Representative (Motor Vehicle Parts and Accessories) 811111 Car Detailer
941	Automotive repair and maintenance	Light and heavy vehicle mechanical service and repair; vehicle body, paint and interior repair; engine reconditioning; automotive electrical services; mining machinery service and repair; mobile plant and equipment service and repair.	149212 Customer Service Manager* 321111 Automotive Electrician 321211 Motor Mechanic (General) 321212 Diesel Motor Mechanic 321213 Motorcycle Mechanic 321214 Small Engine Mechanic 324111 Panelbeater 324211 Vehicle Body Builder* 324212 Vehicle Trimmer 324311 Vehicle Painter 899411 Motor Vehicle Parts and Accessories Fitter (General) 899412 Autoglazier 899413 Exhaust and Muffler Repairer 899414 Radiator Repairer 899415 Tyre Fitter
350	Motor vehicle and parts wholesaling	Car, commercial vehicle, trailer and other motor vehicle wholesale sales; motor vehicle dismantling, recycling and parts wholesaling.	621311 Motor Vehicle or Caravan Salesperson* 621312 Motor Vehicle Parts Interpreter / Automotive Parts Salesperson* 621911 Materials Recycler (automotive dismantler)
400	Fuel retailing	Retailing of petrol, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), oils and service station operation.	621611 Service Station Attendant 631111 Checkout Operator
231	Motor vehicle and motor vehicle parts manufacturing	Specialist vehicle manufacturing; bus and truck manufacturing; vehicle body and trailer manufacturing; automotive electrical components and other vehicle parts manufacturing.	324211 Vehicle Body Builder*
461	Towing services	Accident, trade, heavy vehicle and other towing services.	733115 Tow Truck Driver
661	Passenger car rental and hiring	Hiring, leasing or renting of passenger cars without drivers.	149111 Fleet Manager 149413 Transport Company Manager 621912 Rental Salesperson

Source: Deloitte Access Economics *These ANZSCOs are duplicates because these occupations fall into multiple sub-industries.

Based on this definition **the automotive industry contributed \$45.9 billion³, or 2.1% of total industry output, to the Australian economy in 2021-22**. The industry employed **392,000 workers in 2021-22** – approximately 2.9% of total employment in Australia.

The largest two sub-industries are motor vehicle and motor vehicle parts retailing, and automotive repair and maintenance, which together accounted 60% of industry output in 2021-22 and 66% of employment. Other smaller services such as manufacturing, wholesaling, fuel retailing, towing and passenger car rental and hiring, also form part of the industry.

Figure 1: Sub-industry shares of automotive GVA and employment, 2021-22



Source: Deloitte Access Economics

Adjusting for inflation, the automotive industry grew at an average annual rate of 2.6% between 2018-19 and 2021-22, exceeding the economy average of 1.5%. The fastest growing sub-industries over this period have been motor vehicle and motor vehicle parts retailing, and motor vehicle and motor vehicle parts manufacturing. In contrast, fuel retailing and motor vehicle and parts wholesaling have declined in real terms over the same period.

Relevant occupations

Our literature review identified 26 ANZSCO occupations directly relevant to the automotive industry, as outlined in Table 1. Some of these occupations operate across more than one sub-industry.

The five occupations with the greatest number of workers in the automotive industry in Australia in 2023 were:

- Motor mechanic (general), with 79,300 workers.
- Motor vehicle parts interpreter / automotive parts salesperson, with 17,600 workers
- Motor vehicle or caravan salesperson, with 14,500 workers
- Service station attendant, with 13,200 workers, and
- Automotive electrician, with 10,800 workers.⁴

³ Measured in Gross Value Added (GVA) terms

⁴ ABS, Labour Force Survey, Detailed, November 2023, Jobs and Skills Australia (JSA) trend data.

In addition to these 26 core occupations, our survey of MTAA members highlighted two additional occupations that are relevant to automotive businesses, but which have been treated separately for different reasons.

- a) **Apprentice mechanics:** many businesses reported that they employed apprentice mechanics, often due to an inability to find and attract suitably qualified staff in this area. Apprentice mechanics have been treated as a separate occupation to general mechanics in this report to account for the substantively different skill level of this group.
- b) **Office support workers:** several automotive businesses reported on recruitment activities associated with filling office support positions (e.g., receptionists, administration staff). These roles would fall across occupations in the Clerical and Administrative Workers ANZSCO major group and have been grouped together in the results section of this report.

Emerging occupations

Activities related to electric vehicles (EVs) currently fall under ANZSCO codes such as automotive electrician (ANZSCO code 321111) rather than having a distinct occupation group. EV technician is an occupation that is separate from a traditional motor mechanic or technician though. EV technicians require different skills and training, as shown by the occupation's unique national training qualification.

EV activities make up an increasing part of the automotive industry, with the Electrical Vehicle Council estimating that there are currently about 180,000 EVs in Australia, a significant increase from the 83,000 in 2022.^{5,6} Related occupations such as EV technicians are anticipated to become more important over time, with the 2023 Federal Treasury Intergenerational Report forecasting that EVs would increase from less than 1% of Australia's motor vehicle fleet in 2022-23 to 85% in 2062-63.⁷

As cars become more technologically advanced, other occupations will likely emerge that require greater digital literacy skills and technology-based training, such as programming and diagnostics, and advanced driver assistance systems technology.^{8,9}

1.3 Skills shortages in the Australian economy

Australia is experiencing a tight labour market with evidence of extensive skills shortages across many occupations. Despite a slow down in economic activity in late 2023 and early 2024, the Australian labour market remains tight by historic standards. The unemployment rate remains around 4%, and while softening in recent months, the number of vacancies per unemployed person remains more than double the pre-pandemic average.

There are various factors driving the current tightness in the labour market:

- **One-off shocks:** the COVID-19 pandemic presented a significant shock to migration in Australia, with net overseas migration turning negative between December 2020 and September 2021. While inward migration has since rebounded to record highs, by September 2023 Australia's population remained below the level expected from forecasts prior to the pandemic.
- **Cyclical variations:** the strong economic recovery from the pandemic added to labour market tightness with demand for labour increasing rapidly as economic activity returned. These pressures have cooled in recent months as economic conditions have turned, with job vacancies down 14% in the year-to November 2023.
- **Long-term structural issues:** many industries in Australia are dealing with persistent imbalances between skills supply and demand. There are many possible causes for this including; a lack of qualified applicants due to issues attracting people into certain careers, issues around training quality impacting the suitability of applicants for work, or issues with retention due to pay and working conditions in an industry.

⁵ Electric Vehicle Council 2023, *State of Electric Vehicles*.

⁶ Electric Vehicle Council 2023, *Australian Electric Vehicle Industry Recap 2022*.

⁷ Commonwealth of Australia 2023, *Intergenerational Report 2023: Australia's future to 2063*

⁸ NSW Department of Education 2023, *Automotive: Automotive Technology*.

⁹ The Australian Automotive Aftermarket Association (AAAA) 2022, *Protecting the Future of The Automotive Industry – Apprentice Insights*

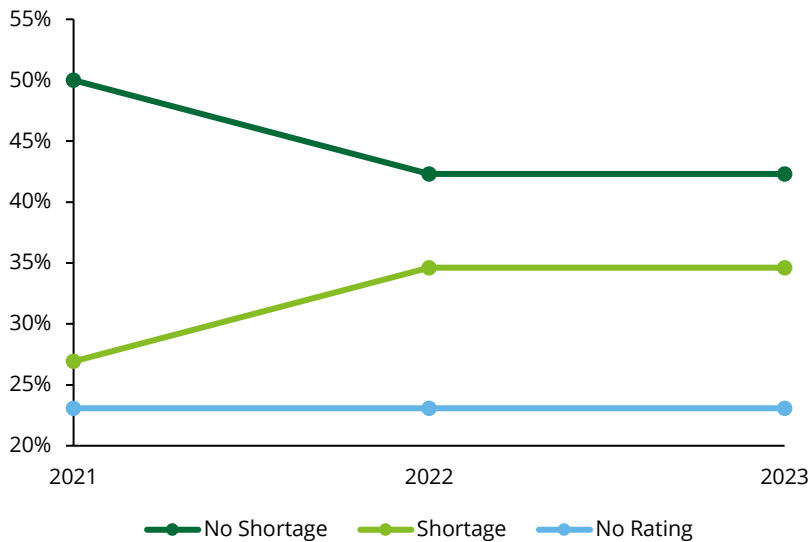
As a result of these factors, skills shortages are widespread in Australia. The latest JSA Skills Priority List showed that 36% of occupations across Australia were in shortage in 2023, five percentage points higher than the equivalent figure in 2022. Shortages were most common for Technicians and Trades Workers, with 50% of occupations in this category in shortage. Shortages have proven persistent in many occupations, which suggests that the labour market has not been able to adjust quickly or effectively enough to clear skills shortages.

Shortages in the automotive industry

Skills shortages are an issue for the automotive industry. Of the 26 six-digit ANZSCO occupations that are most prominent in the automotive industry, 35% were assessed to be in shortage by the JSA in 2023, while 42% were assessed as not in shortage. Meanwhile the remaining 23% were not rated by JSA as they are of skill level 5 and so judged to have limited barriers to entry.

The number of automotive occupations assessed to be in shortage has increased since the Skills Priority List was first published in 2021. Shortages in the automotive industry have also tended to be persistent. Of the nine automotive occupations assessed to be in shortage, seven have been in shortage since the JSA Skills Priority List began being published in 2021.

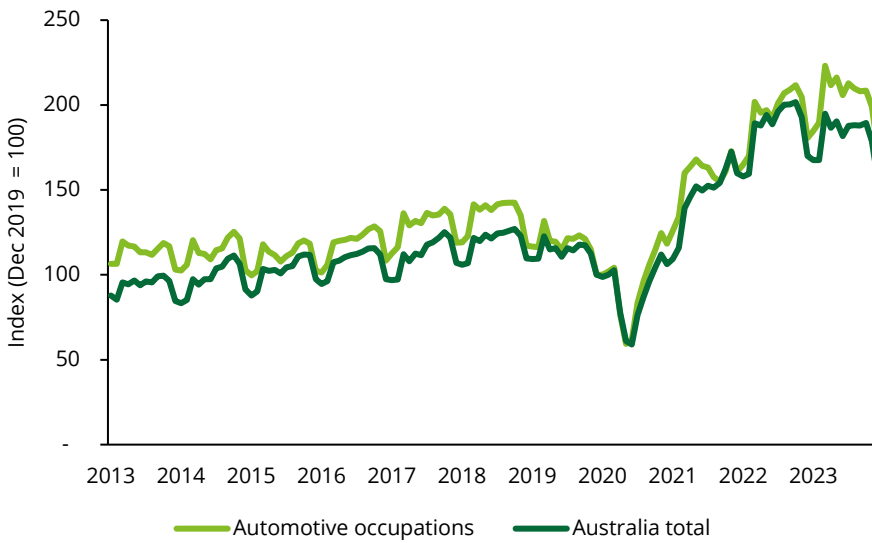
Figure 2: Share of automotive occupations assessed to be in shortage over time



Source: JSA Skills Priority List

Timely economic indicators suggest that labour demand remains elevated in the automotive industry, although it has softened in recent months. ABS data shows that online vacancies in ANZSCO unit groups relevant to the automotive industry remain above historical norms. Furthermore, vacancy levels in automotive occupations have increased by more than the national average since the beginning of the pandemic.

Figure 3: Online vacancies in occupations relevant to the automotive industry, Australia



Source: ABS Internet Vacancies Index

Previous studies into skills shortages in the automotive industry highlight that skills shortages are a key issue for business owners. Research by Capricorn in 2023 found that finding good staff was the single biggest challenge in running an automotive business in Australia and New Zealand.¹⁰ A total of 51% of its members reported this as an issue, up 12% from 2022. Previous research from the MTAA finds that the main issue is a lack of people entering the trade (indicative of a training gap) due to perception issues in the industry, although concerns around the quality of candidates and retention of staff were also raised.¹¹

In response businesses have been employing more apprentices, suggesting that firms are having to accept lower quality workers. Apprentice attrition is very high in the industry though, meaning even this has not solved the problem. An alternative way to tackle skills shortages is through migration, but Capricorn found that only around a third of businesses considered this approach due to the complexity and cost involved.

¹⁰ Capricorn 2023, *State of the Nation, Special Report: The Skills Shortage*

¹¹ MTAA 2021, *MTAA: Directions in Australia's Automotive Industry: An Industry Report 2021*.

2 Survey methodology

Survey design and dissemination

The survey developed by Deloitte Access Economics was designed to align closely with JSA's requirements to inform the Skills Priority List (SPL). This involved reviewing JSA's stakeholder survey template and noting key information being sought. This included information about the organisation (for example, a classification of the primary location of the organisation); a description of skill supply by occupations; the number of vacancies filled by state and occupation; and the use of visas in selected occupations.

Desktop research was then conducted to define the industry, focusing largely on ABS datasets, as outlined in Defining the automotive industry.

Following this research, the survey was designed containing two sections, the first to extract information about the business and the second focussing on occupational skills shortages, with a total of 17 questions (see Appendix A for survey questions and structure).

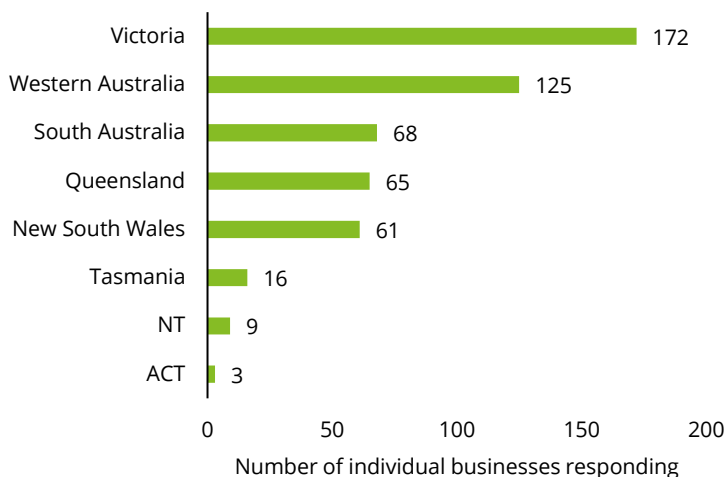
The survey was then coded in the Qualtrics platform and, following internal and external testing, was distributed through MTAA to be completed by individual member businesses from across the automotive industry.

The survey was open for approximately three weeks, from 23 January to 12 February 2024.

Survey responses

We received unique survey responses from 519 businesses which have informed the subsequent analysis in this report. These businesses employ 8,400 people, which accounts for approximately 2.2% of industry employment. The average business surveyed employed 16 people, which is slightly above the industry average. The results included a reasonable spread of businesses from across Australia, although the samples for Tasmania, Northern Territories and Australian Capital Territory were low and therefore the results for these jurisdictions should be treated with caution.

Figure 4: Survey response counts by state / territory



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses)

Most respondents (64%) reported that their answers were informed by personal observations of their own business. In addition to this, 19% based their responses on internal HR records, while 8% used broader industry or economy wide data. A small number of respondents used other sources such as the online platform they use for recruitment (e.g., Seek) or previous business owners.

3 Survey results

3.1 Key findings

Based on the survey findings, there were acute skills shortages in the automotive industry in 2023. Amongst the 519 businesses responding to the survey, 2,026 vacancies were advertised of which just 784 were filled, meaning the average industry fill rate was just 39%.

Most automotive occupations were in shortage, with fill rates particularly low for technician and trade workers. Four occupations currently assessed as not in shortage by Jobs and Skills Australia were found to have fill rates below 67%: tow truck drivers, tyre fitters, sales representatives (motor vehicle parts and accessories), and motor vehicle parts interpreters / automotive parts salespersons. Shortages were prevalent across all states and territories and in general were worse in regional locations compared to metropolitan regions.

The key reason highlighted for not filling vacancies was low numbers of applicants per vacancy. On average, automotive businesses received 8.2 applicants per vacancy, which compares to a national average of 17.7 in Q3 2023.¹² While low numbers of applicants were the diagnosis, many symptoms were identified by employers to be driving these issues. These included a lack of skilled / qualified workers, issues with the industry training pipeline, challenges around visas, remuneration concerns and competition from other industries, with many businesses calling for a greater focus from government on tackling the chronic lack of support for technician and trade professions in Australia.

3.2 Occupational findings

Occupational fill rates

Based on the survey findings, most automotive occupations were in shortage in 2023. According to JSA, an occupation is likely to be in shortage when the fill rate is below 67%.¹³ Fill rates below 67% generally reflect that employers are facing substantial challenges filling job vacancies. Based on our findings the average fill rate in the automotive industry was just 39% in 2023. In addition, only two occupations surveyed had a fill rate above 67% - Customer Service Managers and Motor Vehicle and Caravan Salespersons.

In general, the lowest fill rates were seen in technician and trade worker occupations. For example, amongst the occupations with the lowest fill rates were motorcycle mechanic, panelbeater and vehicle body builder. Meanwhile, sales worker occupations generally had slightly higher fill rates. This trend matches findings in the JSA's most recent SPL ratings.

However, these findings do suggest that more automotive occupations are in shortage than in the most recent JSA SPL ratings. Four occupations assessed to have no shortage in the 2023 JSA SPL are found to have fill rates below 67%. These are:

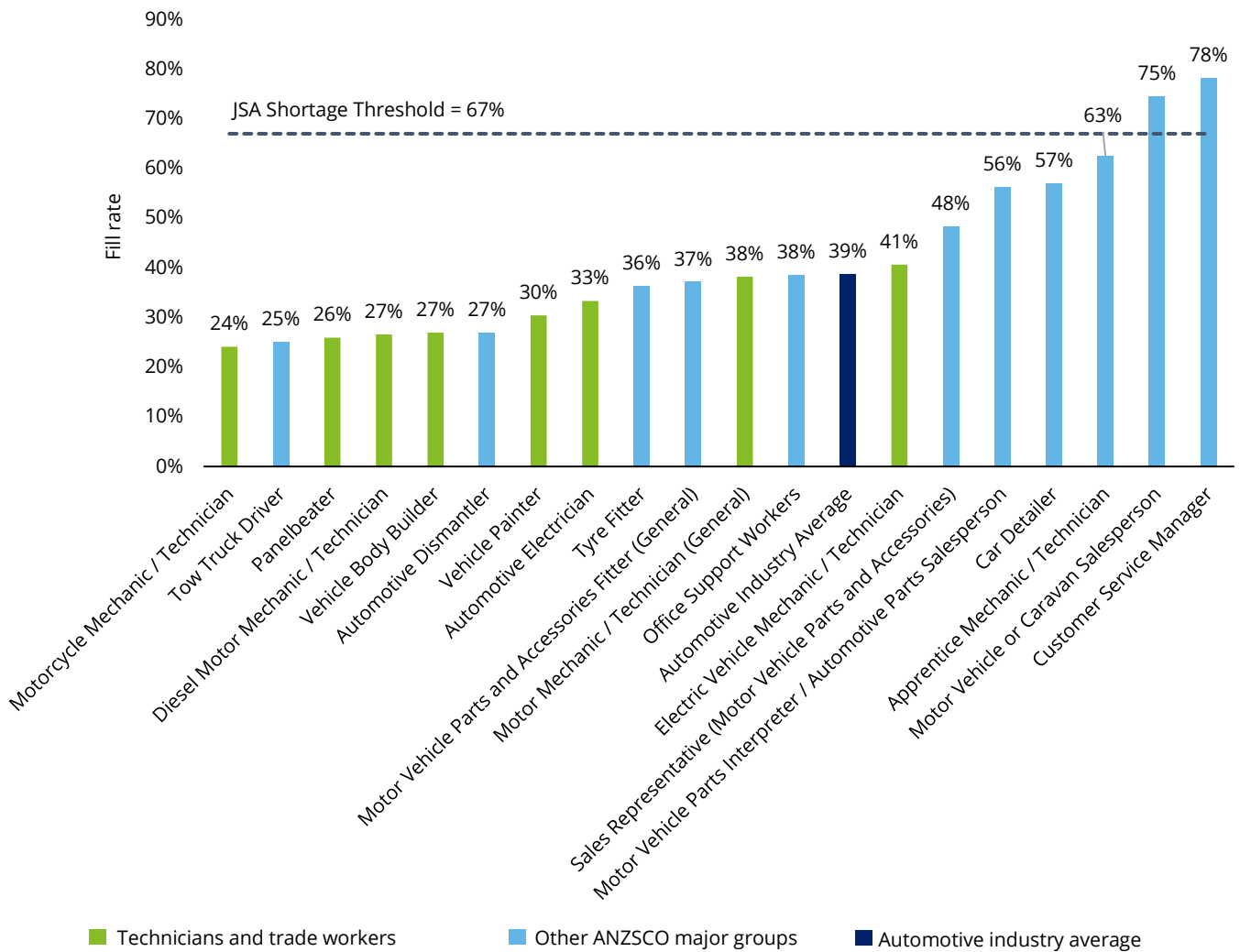
- Tow truck drivers
- Tyre fitters
- Sales representatives (motor vehicle parts and accessories)
- Motor vehicle parts interpreters / automotive parts salespersons

In addition to this, while not rated in the SPL list owing to the skill level of the occupations, the survey found that automotive businesses are having difficulties filling vacancies for materials recyclers (automotive dismantlers) and car detailers and which had fill rates of 27% and 57% respectively. Furthermore, the fill rates for apprentice mechanics (63%), office support workers (38%), and the important emerging occupation of electric vehicle technician (41%) suggest automotive businesses are also having difficulties finding employees in these occupation groups.

¹² Jobs and Skills Australia 2023, *Labour Market Update - December 2023*

¹³ Jobs and Skills Australia 2023. *Skills Priority List Methodology 2023*

Figure 5: Vacancy fill rate by occupation



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses). Questions: How many vacancies did your business advertise for in 2023?; of the vacancies your business advertised for in 2023, how many were filled? Note: occupations that advertised for less than 10 vacancies were excluded from this chart

Factors contributing to unfilled vacancies

In line with the reported vacancy fill rates, most businesses (93%) reported that there were not enough workers for the work available in the automotive industry. When asked about the reasons they were unable to fill vacancies, the most common reason identified was a lack of applicants (selected by 37% of respondents).

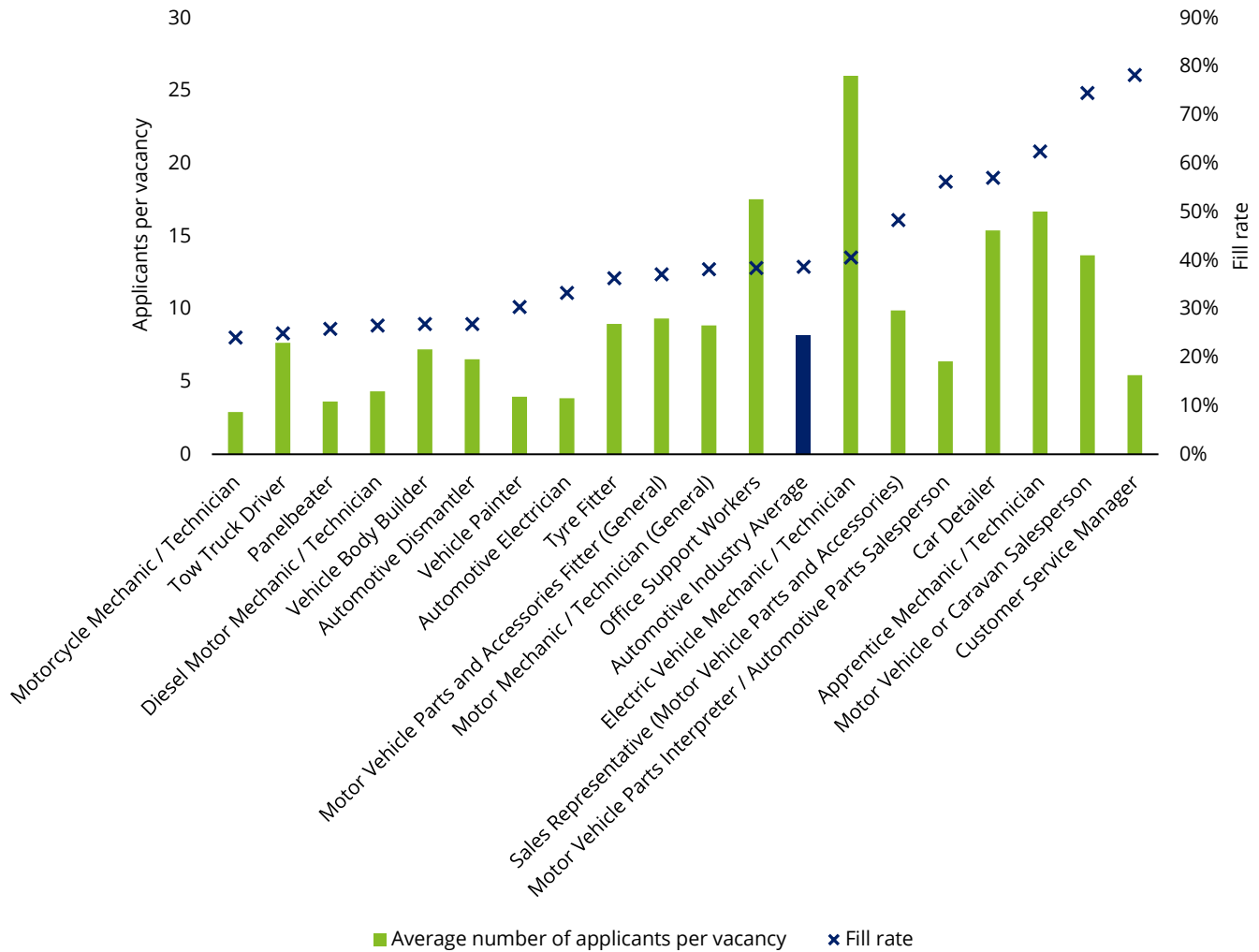
This trend of low numbers of applicants per vacancy can be seen in the data. On average, automotive businesses received 8.2 applicants per vacancy, which compares to a national average of 17.7 in Q3 2023¹⁴. Application numbers were particularly low for motorcycle mechanics, panelbeaters, vehicle painters, automotive electricians, and diesel motor mechanics, all of which saw fewer than 5 applications per vacancy on average.

While in general greater numbers of applicants per vacancy were associated with higher fill rates in an occupation this relationship was not linear. For example, occupations like office support workers and electric vehicle technicians had higher applicant numbers, but still struggled to fill vacancies. Equally, while applicant numbers for customer service managers were low, businesses did not appear to have issues filling these vacancies.

¹⁴ Jobs and Skills Australia 2023, *Labour Market Update - December 2023*

This demonstrates that while low applicant numbers are a critical issue for automotive firms it is not the only issue behind skills shortages in the industry. For example, applicants lacking experience (16%) and applicants lacking qualifications (15%) were also highlighted by businesses as reasons for not filling vacancies.

Figure 6: Applicants per vacancy vs fill rates by occupation



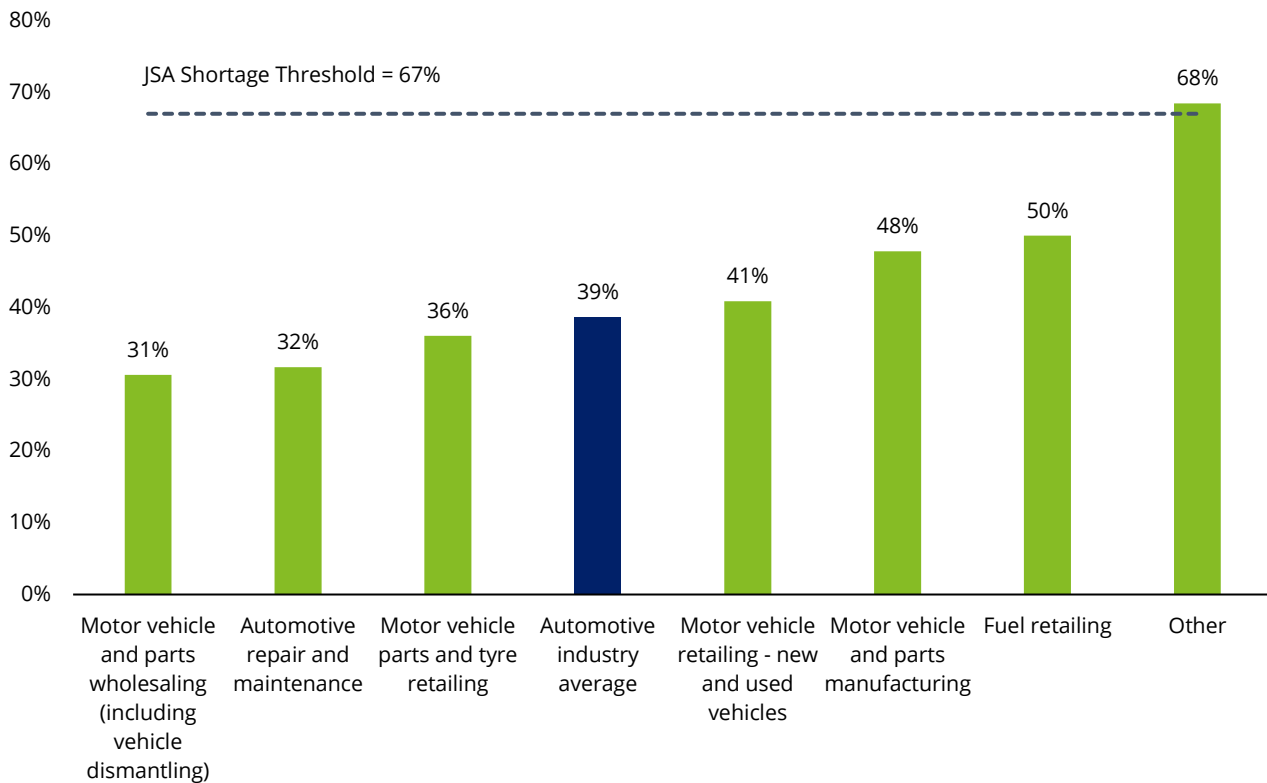
Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses). Questions: How many vacancies did your business advertise for in 2023?; on average, how many applicants applied for each vacancy your business advertised for in 2023?; and of the vacancies your business advertised for in 2023, how many were filled? Note: occupations that advertised for less than 10 vacancies were excluded from this chart

3.3 Sub-industry findings

Looking at the data by sub-industry, vacancies were hardest to fill in motor vehicle and parts wholesaling (including vehicle dismantling) and automotive repair and maintenance, with fill rates of 31% and 32% respectively. Employers surveyed also experienced greater difficulty than the industry average in filling roles for motor vehicle parts and tyre retailing, with a fill rate of 36%. On the other hand, fuel retailing recorded the highest fill rate of all the sub-industries, at 50%, although this is still significantly below the JSA shortage threshold.

The fill rate seen in “other” sub-industries was higher at 68%. This category contains businesses around the fringes of the automotive industry that did not place themselves into any of the key sub-industries identified. These included: five businesses in agricultural and/or heavy goods vehicles (activities unspecified), one mining and transport business, one marine vehicles business, one towing business, one recreational vehicle business, one automotive membership body, and one training organisation.

Figure 7: Sub-industry fill rates



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= x responses), Questions: How many vacancies did your business advertise for in 2023?; on average, how many applicants applied for each vacancy your business advertised for in 2023?; and of the vacancies your business advertised for in 2023, how many were filled?

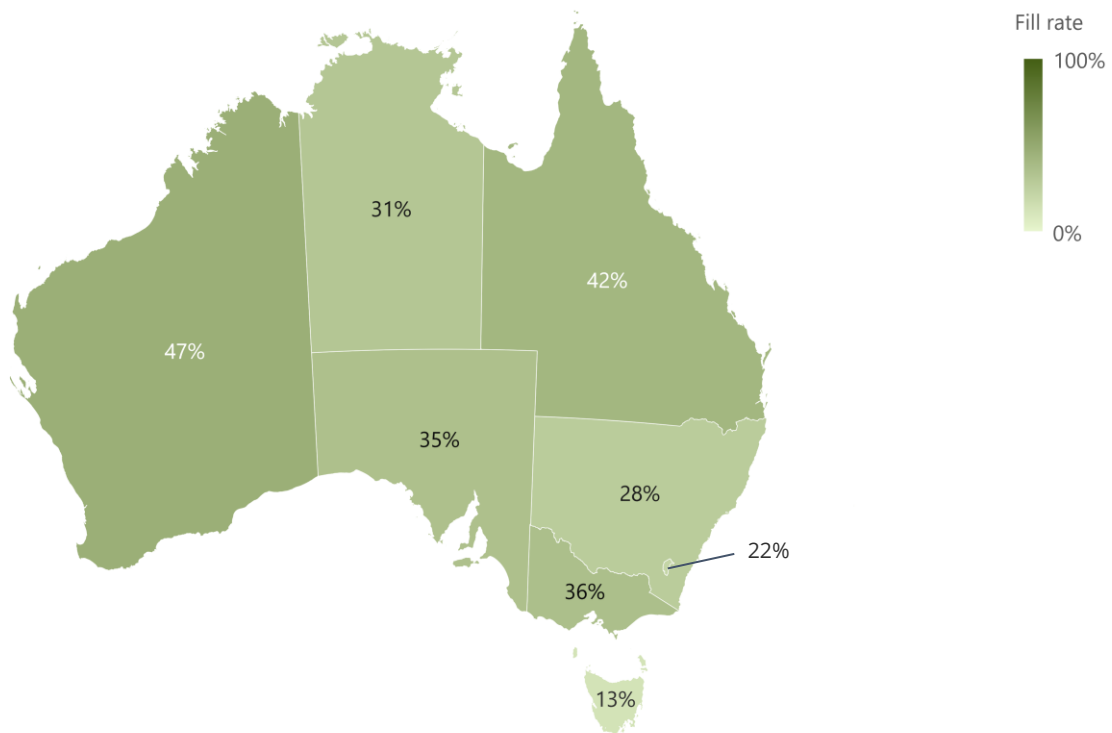
3.4 Geographical findings

Skills shortages by state

Skills shortages in the automotive industry were prevalent across all states and territories in Australia. Every state and territory had an average fill rate of less than 50% across the automotive industry, although the results for ACT, NT and Tasmania should be treated with caution due to low sample sizes in these locations.

While there was some variability between states, this was relatively minor. Compared to the national fill rate of 39%, the fill rates in Western Australia and Queensland were slightly higher, at 47% and 42% respectively. Meanwhile, New South Wales experienced a lower fill rate of 28%. New South Wales experienced particularly low fill rates for panel beaters and vehicle painters, at approximately 10% per occupation, compared to the average of 26% across all jurisdictions. New South Wales also recorded the lowest numbers of applicants per vacancy, at 3.9.

Figure 8: Fill rates by jurisdiction



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses), Questions: How many vacancies did your business advertise for in 2023?; of the vacancies your business advertised for in 2023, how many were filled?

Differences across regional and metropolitan areas

Skills shortages tended to be more acute in regional locations. Across the automotive industry the average fill rate was 33% in regional areas compared to 41% in metropolitan locations. This trend was consistent across most occupations with 16 out of the 20 occupations that recorded at least ten vacancies in the survey seeing lower fill rates in regional Australia. Interestingly, alongside apprentice mechanics, the three occupations that had higher fill rates in regional Australia were the only three occupations in the ANZSCO major group Labourers.¹⁵ This indicates that compared to other occupations, Labourers may be in greater supply in regional Australia.

¹⁵ The survey asked about other Labourer occupations, but less than 10 vacancies were reported for these occupations.

Table 2: Regional and metropolitan fill rates by occupation

ANZSCO major group	Occupation	Regional fill rate (%)	Metro fill rate (%)	Difference (regional – metro)
NA	Apprentice Mechanic / Technician	100%	46%	54%
8	Tyre Fitter	50%	34%	16%
8	Motor Vehicle Parts and Accessories Fitter (General)	46%	32%	14%
8	Car Detailer	57%	57%	1%
3	Vehicle Painter	29%	31%	-2%
6	Materials Recycler (Automotive Dismantler)	25%	28%	-3%
3	Motorcycle Mechanic / Technician	20%	25%	-5%
3	Motor Mechanic / Technician (General)	33%	40%	-6%
3	Diesel Motor Mechanic / Technician	22%	30%	-8%
NA	Automotive Industry Average	33%	41%	-8%
6	Motor Vehicle Parts Interpreter / Automotive Parts Salesperson	50%	59%	-9%
5	Office Support Workers	33%	43%	-10%
6	Sales Representative (Motor Vehicle Parts and Accessories)	41%	55%	-14%
3	Panelbeater	16%	30%	-14%
6	Motor Vehicle or Caravan Salesperson	57%	77%	-20%
3	Vehicle Body Builder	9%	32%	-23%
7	Tow Truck Driver	20%	50%	-30%
3	Automotive Electrician	14%	46%	-32%
3	Electric Vehicle Mechanic / Technician	0%	43%	-43%
1	Customer Service Manager	25%	89%	-64%

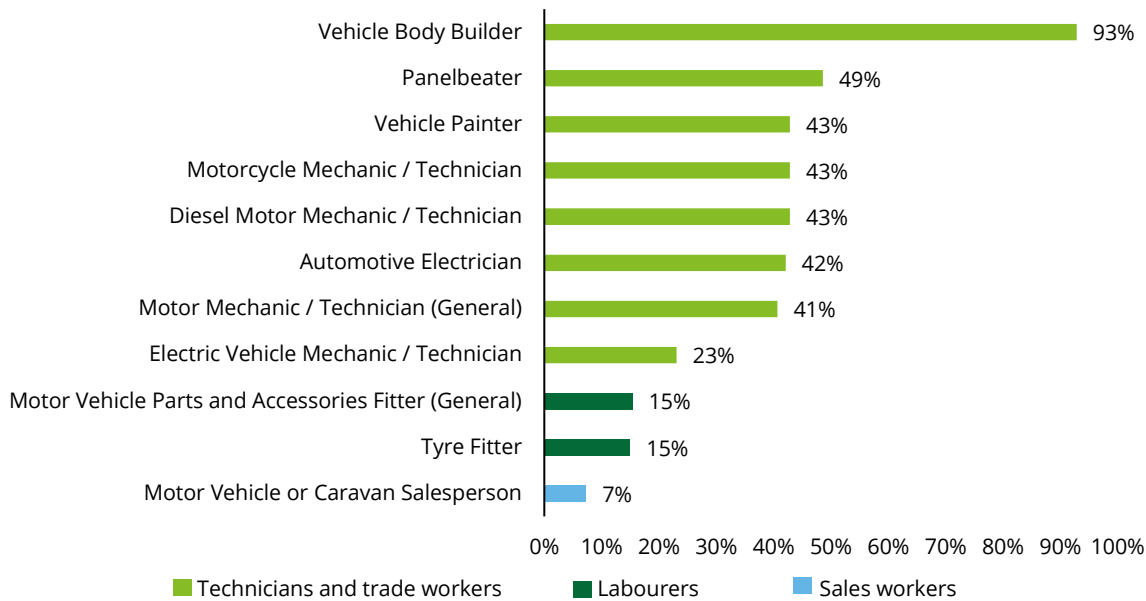
Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses), Questions: How many vacancies did your business advertise for in 2023?; of the vacancies your business advertised for in 2023, how many were filled? Note: occupations that advertised for less than 10 vacancies were excluded from this table

3.5 Other trends

Automotive employers appear to be willing to accept workers with limited experience when advertising for job vacancies. On average, employers sought out workers with just over 2 years of experience. In particular, employers recruiting car detailers and tyre fitters sought less than 1 year of experience on average for these roles. Meanwhile, employers sought out the most experienced workers for vehicle body builder roles, averaging more than 4 years of experience for advertised vacancies.

The use of visa sponsorship to address workforce needs is common, particularly for occupations in the Technicians and Trade Workers ANZSCO major group, perhaps in response to the lower fill rates seen in these occupations. Across the industry, 29% of job vacancies were filled through visa sponsorship. Vehicle body builders recorded the highest share of vacancies filled through visa sponsorship, at 93%. However, the largest number of visa sponsorships were used for motor vehicle mechanics (general) – the largest occupation in the industry. Survey respondents reported that 109 vacancies (41%) in this occupation were filled through employer sponsored visas. This suggests that there are low numbers of skilled local applicants in the technician and trade worker occupations.

Figure 9: Share of vacancies filled through employer sponsored visas by occupation.



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses), Questions: Of the vacancies your business advertised for in 2023, how many were filled?; How many vacancies did your business use an Employer Sponsored Visa to fill the selected occupations in 2023?. Note: occupations that did not use employer sponsored visa have been excluded from this chart, alongside occupations that advertised for less than 10 vacancies.

Industry perspectives on the skills shortage

Five key themes emerged in the open responses about skills shortages in the industry which were all interconnected in some way:

- A lack of skilled and qualified workers
- Issues with the industry training pipeline
- Challenges with visas
- Remuneration concerns
- Competition from mining and other industries

The most common theme was the lack of skilled and qualified workers, an issue that many employers pointed out was a long-standing issue within the industry. This concern was often related to specific roles, particularly mechanics. Employers expressed concerns about a lack of suitable workers due to applicants having limited experience and many senior workers approaching retirement age. Employers in regional and remote areas pointed out that they particularly suffered from a lack of skilled workers or that it was hard to attract workers to their area. Some employers related the issue of a lack of skilled or qualified workers to issues with the training pipeline.

Concerns about the industry's training pipeline were the second most common theme. Concerns were raised about the quality and depth of training programs, with employers noting that graduates of these programs are not adequately skilled in the practical applications of the trade. Employers wanted greater promotion of careers in the industry to students and school leavers by the government. They also wanted more trade courses to be available to high school students given the heavy emphasis on school leavers pursuing tertiary education over trades. Employers also sought more government support for apprenticeships, for example through providing more subsidies for apprentices' wages, or better incentives to take on apprentices. It was noted that low pay can lead to challenges attracting and retaining apprentices, and for promoting the industry in schools.

Many employers expressed interest in using visas to bring in skilled workers from overseas. The key barriers to doing so were the costs being prohibitive, particularly for smaller businesses, and the length and complexity of the sponsorship process. Some employers raised concerns about visa sponsorship being 'risky' as there was no guarantee the employee would stay at the business, despite the investment by the employer.

Remuneration was another key issue raised. Due to a low supply of skilled workers, jobs applicants were demanding wages above what small businesses could feasibly pay and there was a need to offer much higher than award wages to retain quality staff. Small businesses reported that wage pressures presented a challenge between gaining and retaining staff and offering customers reasonable prices for services. Interestingly, while some respondents pointed out that higher wages were unviable, others noted that the pay in the industry was too low and did not match the technical knowledge requirements of workers. A key factor driving remuneration concerns was the wage competition from large mining companies, with employers noting they cannot remain viable if they offered similar wages.

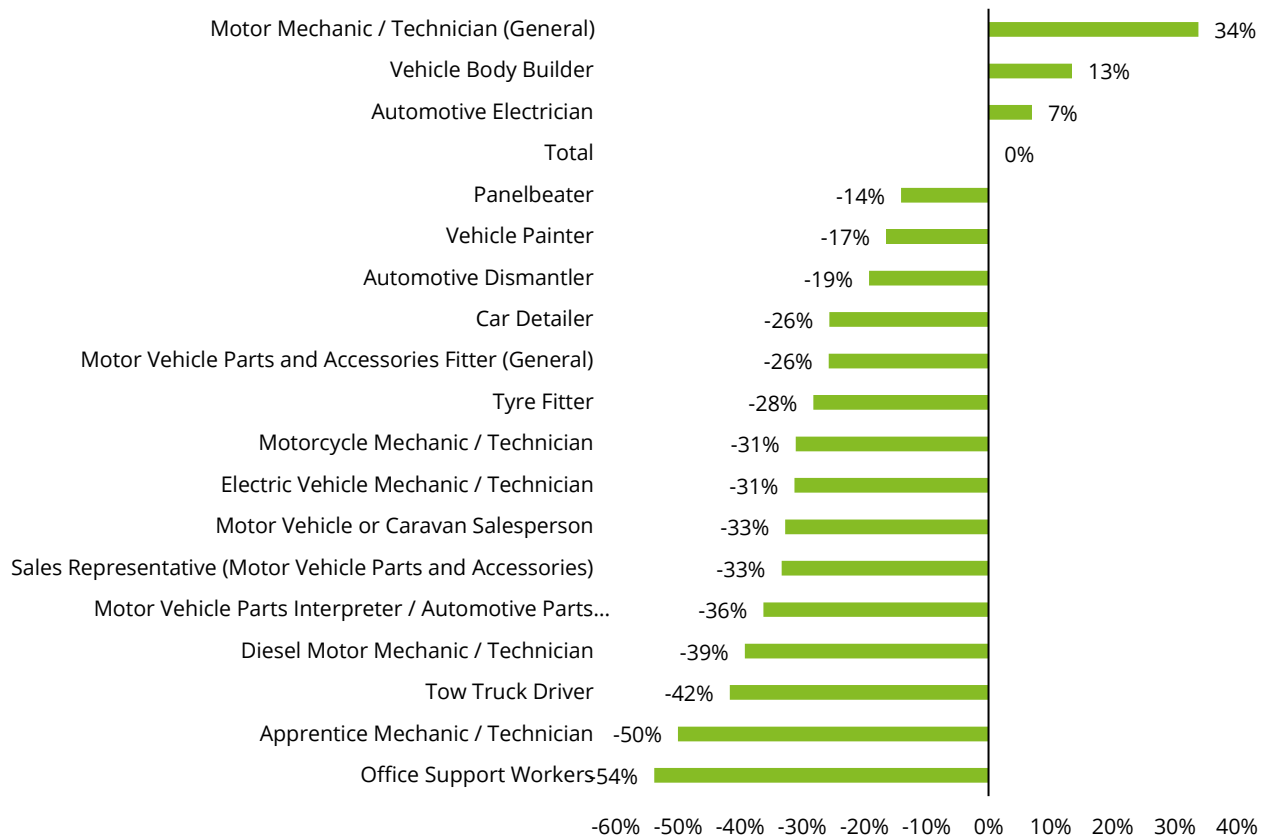
The impact of competition from the mining industry was a broad concern raised. This was in relation to the pay and conditions offered by mining companies. Employers mentioned they were losing prospective workers who moved to work in the mining industry after completing training for higher pay. Other industries posing competition for workers through offering higher remuneration were agriculture and government infrastructure projects.

3.6 Expectations for 2024

On aggregate, automotive employers expect to recruit around the same number of people in 2024 as in 2023 (0% change). This is likely driven by various factors with automotive employers likely needing to recruit to fill existing shortages, but equally some businesses may be expecting demand to weaken in 2024 due to the challenging external economic environment.

While across most occupations employers expect to recruit for fewer vacancies in 2024, a notable exception is Motor Mechanics / Technicians (General) where recruitment is expected to increase by 34%. As the largest occupation in the industry this counteracts the negative growth expected across many other occupations.

Figure 10: Vacancy recruitment change by occupation, from 2023 to 2024



Source: Skills Shortages in the Automotive Industry Survey, Deloitte Access Economics (n= 519 responses), Question: Considering the occupations you recruited for in 2023, how many vacancies is your business likely to recruit for over the next 12 months? Note: occupations that advertised for less than 10 vacancies were excluded from this chart.

References

1. Jobs and Skills Australia (JSA) 2023, *2023 Skills Priority List: Key Findings Report*. Accessed 11 January 2024 from: <https://www.jobsandskills.gov.au/data/skills-shortages-analysis#keyfindings>
2. Motor Trades Association of Australia (MTAA), 2021, *Directions in Australia's Automotive Industry: An Industry Report 2021*.
3. ABS 2023, *Labour Force Survey, Detailed, November 2023*, Jobs and Skills Australia (JSA) trend data, accessed 5 February 2024 from: <https://www.jobsandskills.gov.au/data/labour-market-insights/occupations>
4. Electric Vehicle Council 2023, *State of Electric Vehicles July 2023*, accessed 5 February 2024 from: https://electricvehiclecouncil.com.au/wp-content/uploads/2023/07/State-of-EVs_July-2023_.pdf
5. Electric Vehicle Council 2023, *Australian Electric Vehicle Industry Recap 2022*, accessed 1 February 2024 from: <https://electricvehiclecouncil.com.au/2022-australian-electric-vehicle-industry-recap/#:~:text=EV%20buyers%20nearly%20doubled%20in%202022&text=Australia%20is%20on%20track%20to,to%20be%20on%20our%20roads>.
6. Commonwealth of Australia 2023, *Intergenerational Report 2023: Australia's future to 2063*
7. NSW Department of Education 2023, *Automotive: Automotive Technology*, accessed 5 February 2024 from: <https://education.nsw.gov.au/schooling/students/career-and-study-pathways/skills-at-school/virtual-vet-courses/automotive-technology>.
8. The Australian Automotive Aftermarket Association (AAAA) 2022, *Protecting the Future of The Automotive Industry – Apprentice Insights*, accessed 5 February 2024 from: <https://www.aaa.com.au/news/protecting-the-future-of-the-automotive-industry-apprentice-insights/>.
9. Capricorn 2023, *State of the Nation, Special Report: The Skills Shortage*, accessed 5 February 2024 from: https://sotn.capricorn.coop/?utm_campaign=2023%20State%20of%20the%20Nation&utm_source=Press%20Release&utm_medium=QR
10. Jobs and Skills Australia (JSA) 2023, *Labour Market Update - December 2023*. Accessed 15 February 2024 from: <https://www.jobsandskills.gov.au/publications/labour-market-update-december-2023>
11. Jobs and Skills Australia 2023. *Skills Priority List Methodology 2023*.

Appendix A: Survey questions

Skills shortages in the automotive industry survey

Introduction:

The Motor Trades Association of Australia (MTAA) has engaged Deloitte Access Economics to support their response to Job and Skills Australia's (JSA) 2024 Skills Priority List stakeholder survey.

The Skills Priority List is used to assess current skills shortages and future labour demand in industries across Australia. It is a key resource used to shape domestic education and training policy and informs Australia's Migration Program planning.

Through completing this survey, you will contribute to the evidence base supporting JSA's 2024 Skills Priority List, which will inform government decision making about skill needs in the automotive industry.

This survey is being sent to current MTAA members and should be filled out by individual businesses. Please only provide one response per business. The findings from this survey will be used by Deloitte Access Economics and MTAA for the purpose of completing the JSA Skills Priority List Stakeholder survey for the automotive industry.

Only aggregated responses will be reported, meaning your business will not be identified in any information provided to JSA.

If you have any questions about Deloitte's privacy policy or about the survey, please contact autoskillssurvey@deloitte.com.au.

Section 1: About your business

These questions relate to the business you are reporting on behalf of.

1. What is the name of your business?

OPEN RESPONSE (TEXT)

2. Which state or territory is the primary location of your business? Please select one.

[Field]	[Response]
1	New South Wales
2	Victoria
3	Queensland
4	South Australia
5	Western Australia
6	Tasmania
7	ACT
8	NT

3. What is the postcode of the primary location your business?

OPEN RESPONSE (NUMERIC)

4. How many employees does your business currently employ? Please enter the number value.

OPEN RESPONSE (NUMERIC)

5. Which category best describes your business? Please select one.

[Field]	[Response]
1	Automotive repair and maintenance
2	Motor vehicle and parts wholesaling (including vehicle dismantling)
3	Motor vehicle retailing - new and used vehicles
4	Motor vehicle parts and tyre retailing
5	Fuel retailing
6	Motor vehicle and parts manufacturing
7	Other, please specify
99	Do not know [END OF SURVEY]

6. Did your business advertise any vacancies in 2023 and if not, why?

[Field]	[Response]
1	Yes, my business advertised vacancies in 2023
2	No, my business did not advertise any vacancies in 2023 [END OF SURVEY]

7. What occupations did your business recruit for in 2023? Please select all that apply.

[Field]	[Response]
1	Autoglazier
2	Automotive Dismantler
3	Automotive Electrician
4	Car Detailer
5	Checkout Operator
6	Diesel Motor Mechanic / Technician
7	Electric Vehicle Mechanic / Technician
8	Exhaust and Muffler Repairer
9	Fleet Manager
10	Motor Mechanic / Technician (General)

11	Motor Vehicle or Caravan Salesperson
12	Motor Vehicle Parts and Accessories Fitter (General)
13	Motor Vehicle Parts Interpreter / Automotive Parts Salesperson
14	Motorcycle Mechanic / Technician
15	Panelbeater
16	Radiator Repairer
17	Rental Salesperson
18	Sales Representative (Motor Vehicle Parts and Accessories)
19	Service Station Attendant
20	Small Engine Mechanic / Technician
21	Tow Truck Driver
22	Transport Company Manager
23	Tyre Fitter
24	Vehicle Body Builder
25	Vehicle Painter
26	Vehicle Trimmer
27	Other (please specify)

Section 2: Occupational skills shortages

These questions relate to your business's experience recruiting for the selected occupations in 2023.

8. Please complete the below table with information on the occupations your business recruited for in 2023. Please enter the number value for each occupation.

Occupation	How many vacancies did your business advertise for in 2023?	On average, how many applicants applied for each vacancy your business advertised for in 2023?	Of the vacancies your business advertised for in 2023, how many were filled?
Autoglazier			
Automotive Dismantler			
Automotive Electrician			
Car Detailer			
Checkout Operator			
Diesel Motor Mechanic / Technician			

Electric Vehicle Mechanic / Technician			
Exhaust and Muffler Repairer			
Fleet Manager			
Motor Mechanic / Technician (General)			
Motor Vehicle or Caravan Salesperson			
Motor Vehicle Parts and Accessories Fitter (General)			
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson			
Motorcycle Mechanic / Technician			
Panelbeater			
Radiator Repairer			
Rental Salesperson			
Sales Representative (Motor Vehicle Parts and Accessories)			
Service Station Attendant			
Small Engine Mechanic / Technician			
Tow Truck Driver			
Transport Company Manager			
Tyre Fitter			
Vehicle Body Builder			
Vehicle Painter			
Vehicle Trimmer			
Other (please specify)			

9. If your business did not fill all its vacancies in 2023, what was the primary reason for this? Please select one reason per occupation.

Occupation	Not enough applicants	Applicants lacked experience	Applicants lacked communication skills	Applicants lacked qualifications	Applicants lacked technical skills	Other	Not applicable
Autoglazier							
Automotive Dismantler							
Automotive Electrician							
Car Detailer							
Checkout Operator							
Diesel Motor Mechanic / Technician							
Electric Vehicle Mechanic / Technician							
Exhaust and Muffler Repairer							
Fleet Manager							
Motor Mechanic / Technician (General)							
Motor Vehicle or Caravan Salesperson							
Motor Vehicle Parts and Accessories Fitter (General)							
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson							
Motorcycle Mechanic / Technician							

Panelbeater							
Radiator Repairer							
Rental Salesperson							
Sales Representative (Motor Vehicle Parts and Accessories)							
Service Station Attendant							
Small Engine Mechanic / Technician							
Tow Truck Driver							
Transport Company Manager							
Tyre Fitter							
Vehicle Body Builder							
Vehicle Painter							
Vehicle Trimmer							
Other (please specify)							

10. If you selected 'other' as the primary reason your business did not fill all its vacancies in 2023, please describe the primary reason for each occupation selected.

Occupation	Primary reason your business did not fill all its vacancies for this occupation
Autoglazier	
Automotive Dismantler	
Automotive Electrician	
Car Detailer	
Checkout Operator	
Diesel Motor Mechanic / Technician	

Electric Vehicle Mechanic / Technician	
Exhaust and Muffler Repairer	
Fleet Manager	
Motor Mechanic / Technician (General)	
Motor Vehicle or Caravan Salesperson	
Motor Vehicle Parts and Accessories Fitter (General)	
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson	
Motorcycle Mechanic / Technician	
Panelbeater	
Radiator Repairer	
Rental Salesperson	
Sales Representative (Motor Vehicle Parts and Accessories)	
Service Station Attendant	
Small Engine Mechanic / Technician	
Tow Truck Driver	
Transport Company Manager	
Tyre Fitter	
Vehicle Body Builder	
Vehicle Painter	
Vehicle Trimmer	
Other (please specify)	

11. Based on your business's experience, which of the statements below best describes the available skills supply for the selected occupations in 2023? Please select one reason per occupation.

Occupation	There are not enough workers for the work available	There are enough workers for the work available	There are too many workers for the work available
Autoglazier			
Automotive Dismantler			

Automotive Electrician			
Car Detailer			
Checkout Operator			
Diesel Motor Mechanic / Technician			
Electric Vehicle Mechanic / Technician			
Exhaust and Muffler Repairer			
Fleet Manager			
Motor Mechanic / Technician (General)			
Motor Vehicle or Caravan Salesperson			
Motor Vehicle Parts and Accessories Fitter (General)			
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson			
Motorcycle Mechanic / Technician			
Panelbeater			
Radiator Repairer			
Rental Salesperson			
Sales Representative (Motor Vehicle Parts and Accessories)			
Service Station Attendant			
Small Engine Mechanic / Technician			
Tow Truck Driver			
Transport Company Manager			
Tyre Fitter			
Vehicle Body Builder			
Vehicle Painter			

Vehicle Trimmer			
Other (please specify)			

12. Where did your business advertise your vacancies in 2023? Please select one answer per occupation.

Occupation	Regional areas	Metropolitan areas	Both regional and metropolitan areas
Autoglazier			
Automotive Dismantler			
Automotive Electrician			
Car Detailer			
Checkout Operator			
Diesel Motor Mechanic / Technician			
Electric Vehicle Mechanic / Technician			
Exhaust and Muffler Repairer			
Fleet Manager			
Motor Mechanic / Technician (General)			
Motor Vehicle or Caravan Salesperson			
Motor Vehicle Parts and Accessories Fitter (General)			
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson			
Motorcycle Mechanic / Technician			
Panelbeater			
Radiator Repairer			
Rental Salesperson			
Sales Representative (Motor Vehicle Parts and Accessories)			

Service Station Attendant			
Small Engine Mechanic / Technician			
Tow Truck Driver			
Transport Company Manager			
Tyre Fitter			
Vehicle Body Builder			
Vehicle Painter			
Vehicle Trimmer			
Other (please specify)			

13. On average, how many years of experience does your business seek for applicants for the selected occupations? Please enter the number value.

Occupation	Years of experience
Autoglazier	
Automotive Dismantler	
Automotive Electrician	
Car Detailer	
Checkout Operator	
Diesel Motor Mechanic / Technician	
Electric Vehicle Mechanic / Technician	
Exhaust and Muffler Repairer	
Fleet Manager	
Motor Mechanic / Technician (General)	
Motor Vehicle or Caravan Salesperson	
Motor Vehicle Parts and Accessories Fitter (General)	
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson	
Motorcycle Mechanic / Technician	
Panelbeater	

Radiator Repairer	
Rental Salesperson	
Sales Representative (Motor Vehicle Parts and Accessories)	
Service Station Attendant	
Small Engine Mechanic / Technician	
Tow Truck Driver	
Transport Company Manager	
Tyre Fitter	
Vehicle Body Builder	
Vehicle Painter	
Vehicle Trimmer	
Other (please specify)	

14. How many vacancies did your business use an Employer Sponsored Visa to fill the selected occupations in 2023? Please enter the number value.

Occupation	Number of Employer Sponsored Visas used
Autoglazier	
Automotive Dismantler	
Automotive Electrician	
Car Detailer	
Checkout Operator	
Diesel Motor Mechanic / Technician	
Electric Vehicle Mechanic / Technician	
Exhaust and Muffler Repairer	
Fleet Manager	
Motor Mechanic / Technician (General)	
Motor Vehicle or Caravan Salesperson	
Motor Vehicle Parts and Accessories Fitter (General)	
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson	

Motorcycle Mechanic / Technician	
Panelbeater	
Radiator Repairer	
Rental Salesperson	
Sales Representative (Motor Vehicle Parts and Accessories)	
Service Station Attendant	
Small Engine Mechanic / Technician	
Tow Truck Driver	
Transport Company Manager	
Tyre Fitter	
Vehicle Body Builder	
Vehicle Painter	
Vehicle Trimmer	
Other (please specify)	

15. Considering the occupations you recruited for in 2023, how many vacancies is your business likely to recruit for over the next 12 months? Please enter a number value

Occupation	Number of vacancies your business is likely to recruit for over the next 12 months
Autoglazier	
Automotive Dismantler	
Automotive Electrician	
Car Detailer	
Checkout Operator	
Diesel Motor Mechanic / Technician	
Electric Vehicle Mechanic / Technician	
Exhaust and Muffler Repairer	
Fleet Manager	
Motor Mechanic / Technician (General)	
Motor Vehicle or Caravan Salesperson	

Motor Vehicle Parts and Accessories Fitter (General)	
Motor Vehicle Parts Interpreter / Automotive Parts Salesperson	
Motorcycle Mechanic / Technician	
Panelbeater	
Radiator Repairer	
Rental Salesperson	
Sales Representative (Motor Vehicle Parts and Accessories)	
Service Station Attendant	
Small Engine Mechanic / Technician	
Tow Truck Driver	
Transport Company Manager	
Tyre Fitter	
Vehicle Body Builder	
Vehicle Painter	
Vehicle Trimmer	
Other (please specify)	

16. What sources of information helped you complete the survey? Please select all answers that apply.

[Field]	[Response]
1	Internal HR records
2	Observations of my business
3	Broader industry or economy-wide data
4	Other (please specify)

17. Please enter any further comments or concerns you may have about skills shortages in the automotive industry.

OPEN RESPONSE (TEXT)



General use restriction

This report is prepared solely for the use of Motor Trades Association of Australia (MTAA). This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose of supporting the MTAA to prepare their response to Jobs and Skills Australia's 2024 Skills Priority List stakeholder survey. You should not refer to or use our name or the advice for any other purpose.

Deloitte Access Economics is Australia's pre-eminent economics advisory practice and a member of Deloitte's global economics group. For more information, please visit our website: www.deloitte.com/au/deloitte-access-economics

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation" serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 415,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia

The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 14,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

true